



INDIA'S RUBBER INDUSTRY

TO GAIN MOMENTUM ON POLICY SUPPORT



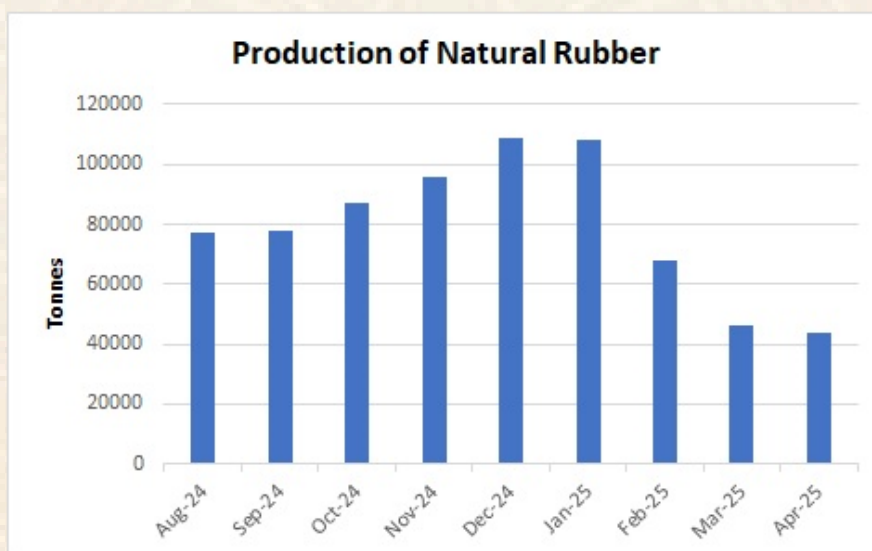
SEPTEMBER- 2025

Indian rubber sector is a vital part of the national economy, serving as a key raw material supplier for numerous industries, most notably the automotive sector. The industry manufactures a vast array of products, including automotive parts, tyres, footwear, and industrial goods, supporting sectors like the auto and healthcare industries and contributing to rural employment. Cultivation is primarily concentrated in traditional states like Kerala and Tamil Nadu, but is expanding in the non-traditional Northeast region, driven by favorable growth policies and industry structure. Through a strong export market for raw materials and finished products, the Indian rubber industry generates substantial export revenue, boosting the nation's foreign exchange reserves. There is a growing trend towards the development of eco-friendly rubber products, influenced by consumer awareness and government policies promoting sustainable practices. The sector is experiencing robust growth, driven by domestic and international demand, particularly from the automotive industry, and is a major employer with a wide range of products from tires to industrial goods. Despite consistent growth, the sector faces challenges such as a domestic consumption deficit, leading to import reliance, and raw material price volatility.

PRODUCTION OF NATURAL RUBBER

India ranks sixth globally in natural rubber (NR) production, with the majority of its plantations concentrated in the southern states of India like Kerala and Tamil Nadu. India's natural rubber production during April 2025 has increased by 10.0 percent, year-over-year, to 44,000 tonnes from 40,000 tonnes produced in April 2024. Coming to synthetic rubber (SR), production in April 2025 was 48,895 tonnes, decreased marginally by 0.5 percent from 49,184 tonnes produced in April 2024.

India's natural rubber production has grown 8.6% from 7,89,000 tonne in FY21-22 to 8,57,000 tonne in FY23-24. For the financial year 2024-25 (FY25), the country's natural rubber production reached 8,75,000 tonnes (provisional). The growth in production is attributed to several factors such as measures taken by the Rubber Board to increase tapped area, supply of rain guarding materials, continuation of Rubber Production Incentive Scheme (RPIS) scheme, encouraging self-tapping, and other essential agronomic practices to prevent leaf diseases, etc.

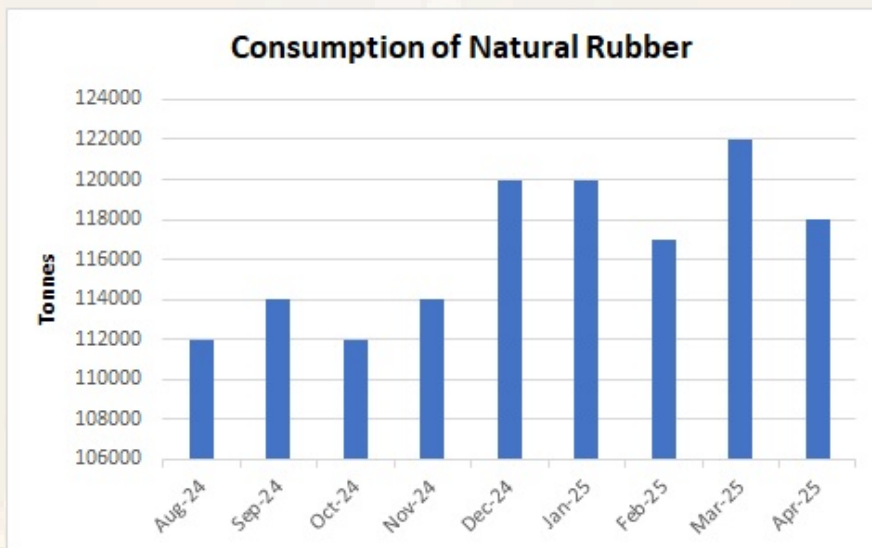


CONSUMPTION OF NATURAL RUBBER

India is the world's second-biggest consumer of natural rubber, with domestic consumption significantly driven by the automotive industry, particularly tire manufacturing. Due to high domestic demand, about 40% of India's natural rubber consumption relies on imports. Growth in the consumption of natural rubber in India has consistently outpaced production growth, creating a significant demand gap met by imports. As the financial year 2025-26 starts, the manufacturing industry consumed 1,18,000 tonnes of natural rubber during April 2025 as compared to 1,22,000 tonnes during March 2025, down by 3.3 percent.

This represents a 4.5 percent dip in the auto-tyre sector and 1.3 percent decline in the general rubber goods sector. Whereas, synthetic rubber consumption decreased to 70,000 tonnes in April 2025 from 73,500 tonnes in March 2025.

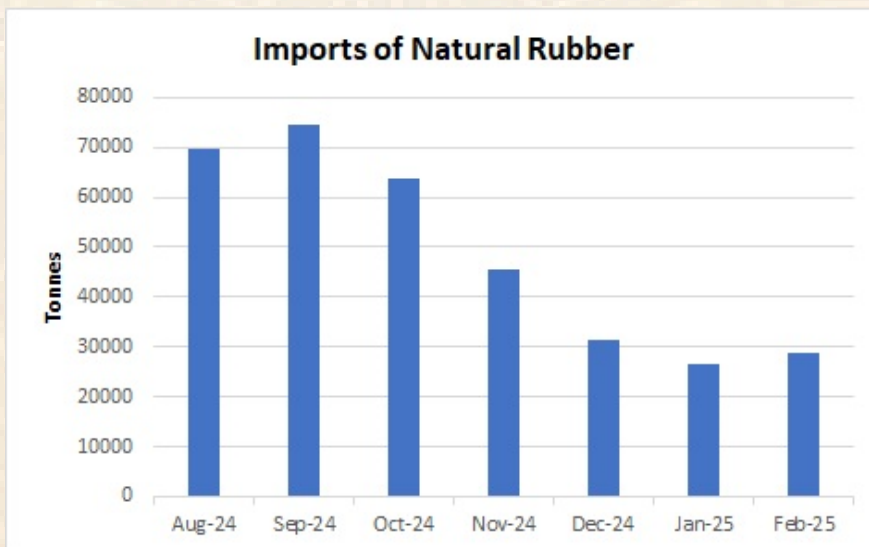
In FY 2023-24, India's consumption of natural rubber significantly increased by 4.9%, reaching a record 14,16,000 tonnes from 13,50,000 tonnes in the previous fiscal year. This rise highlights a strong growth trend in the domestic natural rubber sector, though it also contributes to a demand-supply gap, necessitating imports to meet the surge in demand. In FY25, India's natural rubber consumption reached 14,86,000 tonnes (provisional), a 5% increase from the previous year, primarily driven by the strong demand from the auto-tyre sector.



IMPORTS OF NATURAL RUBBER

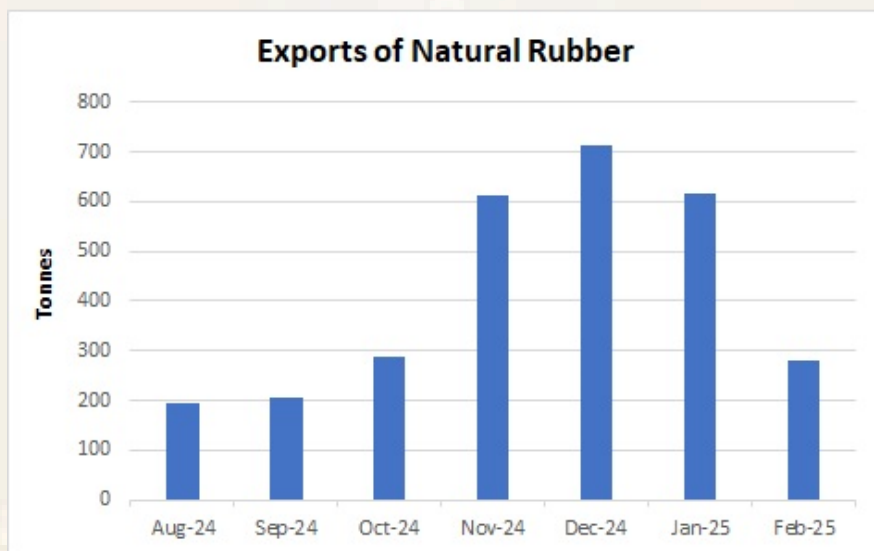
The significant disparity between India's production and consumption is met through imports. India has historically depended on natural rubber imports due to insufficient domestic production. India faces high import duties on natural rubber, creating a significant cost challenge for the industry and making domestic production more competitive. To reduce import dependence, efforts are underway to expand rubber cultivation into non-traditional areas, particularly the North East.

During April 2025, natural rubber imports increased to 42,247 tonnes, up from 40,166 tonnes in April 2024. In financial year 2023-24, India imported 4,92,682 tonnes of natural rubber. This volume was a slight decrease from the 5,28,677 tonnes imported in the previous financial year. Indonesia was the largest supplier of natural rubber to India during this period. For FY25, India's natural rubber imports reached 5,50,918 tonnes (provisional). This figure highlights India's significant reliance on imports to meet domestic demand.



EXPORTS OF NATURAL RUBBER

India's natural rubber exports were 266 tonnes during April 2025, as compared to 237 tonnes in April 2024. The export volume of natural rubber from India increased to 4,199 tonnes in FY24 from 3,700 tonnes in FY23, a growth of about 13.5%. Exports of rubber during the year FY24 is valued at Rs 55.1 crore (\$6.34 million). Of the total rubber exported in FY24 from India, 9.3% was Ribbed Smoked Sheet (RSS), 19.2% latex concentrates and 70.0% Technically Specified Rubber (TSR), with Sri Lanka being the biggest importer. India's natural rubber exports for FY25 reached 4,819 tonnes (provisional), driven by strong domestic demand and efforts to boost self-reliance.

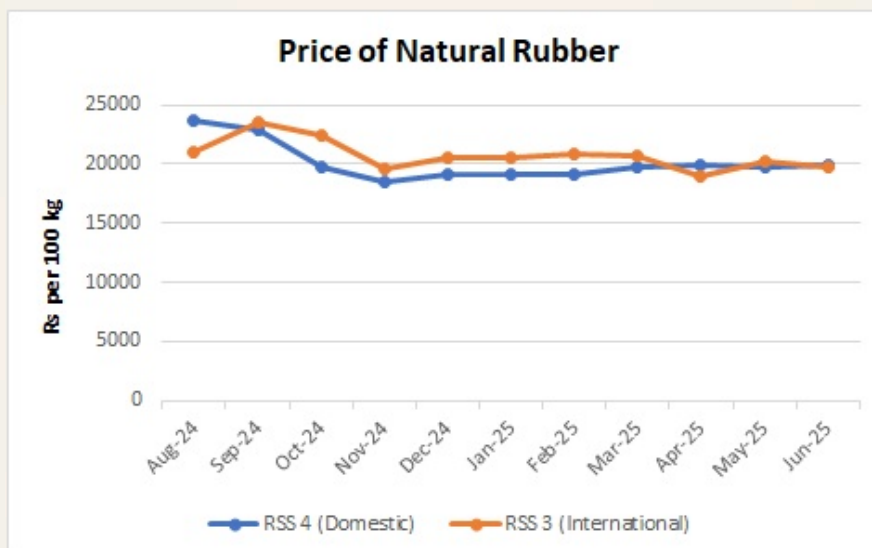


PRICE OF NATURAL RUBBER

Ribbed Smoked Sheets (RSS) grades 4 and 5 are indeed used for the manufacture of products like automobile tires, re-treading materials, and other general rubber items due to their general purpose nature. While higher grades like RSS 1, 2, and 3 are for products requiring higher quality, RSS 4 and 5 are a suitable and cost-effective option for many common rubber goods.

Domestic price for RSS grade 4 natural rubber decreased by 0.86% in June 2025, reaching Rs 19,894 per 100 kg, down from Rs 20,067 per 100 kg in June 2024. This decline was influenced by oversupply in key production regions like Thailand, Vietnam, and Malaysia, along with high inventories and market uncertainties related to trade tariffs. Despite this dip, a potential price rebound is expected in the coming months as global demand, particularly from the automotive and biofuel sectors, is expected to outpace supply growth. However, month on month basis, domestic price for RSS grade 4 natural rubber rose by 0.81% to 19894 per 100 kg in June 2025 as compared to 19733 per 100 kg in May 2025.

About international price of RSS-3, the price increased 1.64% in June 2025 at Rs 19706 per 100 kg from Rs 19388 per 100 kg in same month a year ago. However, month on month basis, the international price of natural rubber decreased by 2.58% to 19706 per 100 kg in June 2025 as compared to 20228 per 100 kg in May 2025. Concerns about weakening demand, particularly from China and the global automotive sector, have reportedly weighed on international rubber prices.



LATEST DEVELOPMENTS

UPASI signs MoU with Rubber Board: The United Planters Association of Southern India (UPASI) and the Rubber Board of India have signed a Memorandum of Understanding (MoU) in Coonoor to foster greater interaction between the rubber industry and the Rubber Research Institute of India, focusing on aligning research initiatives with industry needs. The collaboration aims to enhance research on high-yielding, climate-resilient rubber clones, increase yield per tree, promote mechanization to boost productivity, and address labor shortages in the natural rubber sector.

Rubber Board launches Initiatives 'iSNR' and 'INR Konnect': The Rubber Board of India has introduced iSNR (Indian Sustainable Natural Rubber) and INR Konnect initiatives to enhance the global stature of Indian rubber and boost domestic production. iSNR is designed to facilitate compliance with the European Union Deforestation Regulation (EUDR) for the Indian rubber ecosystem. The iSNR platform will issue a traceability certificate which will verify the origin of rubber products and confirm its compliance with the EUDR. By simplifying the compliance process, iSNR will facilitate easier access into the European Union markets for stakeholders in the rubber supply chain. Besides, INR Konnect is a web-based platform, that has been designed to connect growers of untapped rubber holdings with interested adopters to maximise plantation productivity. The platform will also offer a comprehensive database of certified tappers.

Tyre Makers, Rubber Board boost rubber farming in Northeast: A joint initiative of tyre manufacturers and the Rubber Board of India has been rolled out across the Northeast region and West Bengal to improve the quality of rubber farmers' produce by imparting training and building infrastructure over the next five years. The programme is a part of the ongoing Rs 1,100-crore project Indian Natural Rubber Operations for Assisted Development (INROAD) and is named 'iSPEED', which will entail an additional amount of Rs 145 crore. INROAD entails the development of 2 lakh hectares of rubber plantation in the Northeastern states and West Bengal, financially supported by Apollo Tyres, CEAT, JK Tyre and MRF, and it is being implemented by the Rubber Board of India in association with the Automotive Tyre Manufacturers' Association (ATMA). The project, iSPEED, is a five-year commitment to directly benefit over two lakh smallholder rubber farmers and nursery owners across the Northeast and West Bengal by imparting structured skill training, deploying modern infrastructure and improving quality standards at source.

Rubber Board signs MoU for KERA project: The Rubber Board has signed a Memorandum of Understanding (MoU) with the Department of Agricultural Development and Farmers' Welfare for the 'KERA' (Kerala Climate Resilient Agri-Value Chain Modernization) project, to be implemented with World Bank assistance from 2025 to 2029. Under the scheme, farmers engaged in rubber and cardamom cultivation will get financial assistance of Rs 75,000 per hectare for rubber cultivation and Rs 100,000 for cardamom for a maximum of two hectares each. Rubber farmers in six districts namely Kottayam, Ernakulam, Pathanamthitta, Kannur, Malappuram and Thiruvananthapuram and cardamom farmers in Idukki district will benefit from the scheme.

The KERA project aims to promote climate-resilient agricultural practices and modernize value chains, helping farmers adapt to changing environmental conditions while enhancing productivity and sustainability.

1.25 lakh hectares of rubber plantation done under project INROAD: Over 1.25 lakh hectares of rubber plantation have been completed in Northeast and West Bengal as part of a project by four leading tyre manufacturers of the country. As part of the project INROAD, the ATMA had planned to develop two lakh hectares of rubber plantation in Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and West Bengal at a cost of Rs 1,100 crore in five years. In the first four years of the project, an area of 1.25 lakh hectares has been covered under new natural rubber plantations across 94 districts in North East and parts of West Bengal. This represents one of the highest natural rubber plantations ever achieved in the country in a span of four years. During the last four years of the project, a record 5.3 crore planting material has been distributed. The project has reached out to resource deprived populations in the designated states since farmers with land holding of less than one acre are being engaged in the project. Once completed, the project is poised to lift the economic and social status of 2.5 lakh beneficiaries of the project. The share of Northeast in India's area under natural rubber plantation before the launch of the INROAD project was 23 per cent. Once the objective of developing plantations in additional two lakh hectares under the INROAD is achieved, it is estimated that the share of NE states will increase to 38 per cent. Similarly, the share of Northeast in India's natural rubber production will go up to 32 per cent from 16 per cent.

Meghalaya unveils first Rubber Latex Unit: In a pivotal move, Meghalaya Chief Minister Conrad K Sangma has inaugurated the state's maiden rubber latex manufacturing unit at Koksi Nengsat in East Garo Hills. This initiative underlined the government's commitment to boosting farmer welfare and entrepreneurship. This unit, the second of its kind in the Northeast, is spearheaded by Sr Rose of the Mendipathar Multipurpose Cooperative Society and backed by an Rs 18.8 crore investment from the state through the Meghalaya Basin Management Agency. The inauguration promises prosperity for around 3,000 rubber farmers in the Garo Hills.

Rubber Research Institute of India launches mobile app for natural rubber: Rubber Research Institute of India has developed a mobile app -- 'CRISP' (Comprehensive Rubber Information System Platform) in collaboration with Digital University of Kerala. The information on rubber cultivation is made available in the app, integrating Good Agricultural Practices (GAPs), WebGIS technology and Information & Communication Technology (ICT). Information on location-specific clones of rubber, fertiliser recommendations, control methods of disease and pests, rubber tapping and processing, as well as information on Rubber Producers' Societies (RPS), Group Processing Centres (GPC), Rubber Board offices and nurseries, are also included. The app also provides information on areas prone to landslides and floods apart from farming practices to be adopted and avoided in those areas. It has been updated by including domestic and international prices of natural rubber. Prices of various grades of sheet rubber, latex, cup lump, block rubber, etc. are provided.

OUTLOOK

Indian rubber sector is poised for significant growth in the coming years, driven by increasing domestic consumption from booming automotive, construction, and healthcare industries, government initiatives like the FAME scheme, and expanding natural rubber cultivation in the Northeast and other regions. Indian rubber market is projected to experience a Compound Annual Growth Rate (CAGR) of approximately 3.9% between 2025 and 2033, growing from a 2024 market size of roughly \$3.85 million to an estimated \$5.53 million by 2033. The Rubber Board and the ATMA are implementing projects like INROAD to boost cultivation in Northeast India, while also focusing on improving productivity and quality for growers. The push for domestic self-reliance, alongside increased demand from sectors like the automotive industry, creates a promising outlook for the Indian natural rubber market despite existing consumption-production gaps. India is also advancing its rubber industry through innovative initiatives like the iSNR, INR Konnect, and mRube platforms, aligned with the National Rubber Policy 2019. These efforts aim to increase domestic production, enhance sustainability, and ensure global competitiveness while tackling challenges like compliance with EUDR and expanding market access.



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