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RUBBER-INDIA

MALAYSIAN COMPANY TO HELP EXPORT RUBBER FROM INDIA

By: Mahesh Prasad

NEW DELHI, Jan 25 (Bernama) -- Malaysian company, Mardec International Sdn Bhd, has come out with an offer to procure and sell excess rubber stocks available in India during the current financial year (April 2001-March 2002).

Mardec International has entered into a joint venture for the purpose with the Southern Indian State Kerala-based R.K. Latex.

The joint venture, set up following the visit to Malaysia by Indian Prime Minister, A.B. Vajpayee, would be known as Merdec R.K. Latex Pte. Ltd.

During his visit to Malaysia, Vajpayee had a meeting with the Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad for collaboration in rubber production and other fields related to rubber.

The surplus stock will be exported on a regular basis through RI International, one of the leading companies in the world dealing in natural rubber.

The stock was likely to be procured from the Rubber Board, Kerala State Rubber Marketing Federation and other firms, said E. Ranjit Kuruvilla, managing director of R.K. Latex.

Ranjit said R.I. International would be doing business with Rubber Board and other related agencies on a long-term basis to ensure that the farmers would get a higher price for their produce.

He said the Indian Government would provide a subsidy at the rate of Rs.7 per kg, if the firm undertook to export 20,000 tonnes (100 INR=RM8.02).

Apart from this, there would be a Kerala state government subsidy of Rs.3.5 per kg. The subsidies were essential during the initial period of exports as the firm had to give discount in the international market.

After five years, these subsidies might not be required and the firm would continue to export on a regular basis, even if there was a deficit in the market, the report said.

It was decided to export two containers of rubber every month that would be increased to 20 later. The basis of this transaction would not be profit but to help the rubber farmers of Kerala, who were facing difficulties due to low realisation of prices of rubber.

He hoped that the prices would go up with this transaction and the entire surplus in the country would be sold outside the country. -- BERNAMA

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