



TREADMARKS

By Rajiv Budhraja



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TOWARDS GREATER SECURITY AND SUSTAINABILITY



Just concluded 2021 will stand out as a defining year for the tyre industry in India as it embarked upon an ambitious initiative – charting a path to greater raw material security by attaining self-reliance in natural rubber (NR) availability.

The journey to become self-reliant is not new for the Indian tyre industry. The industry was amongst the first ones to become self-sufficient much before the slogan of being AtmaNirbhar was coined. For years, India has been producing practically all the tyres it requires, making it one of the few countries that are self-dependent in tyre manufacturing. Much before a vehicle is rolled out, the tyre industry is ready with the fitments, having worked out specifications and standards to the minutest details.

While India has developed globally competitive tyre manufacturing capabilities, realising the vision of being AtmaNirbhar necessitates achieving self-sufficiency of the entire value chain in view of strong backward and forward linkages.

In this context, the ATMA NR project, launched during the year, attains all the more importance. Natural rubber is a key raw material for the Indian tyre industry. Unlike the global scenario where the ratio is skewed in favour of synthetic rubber, Indian industry stands out for its unique preference for NR.

However, NR demand has been outstripping domestic supply and the gap is widening. Going forward, the situation may become more challenging for the NR Consuming interests. Imports may not be sustainable considering the strategic importance of NR as raw material and also in view of large outflows of foreign exchange that the government has been trying to discourage.

As one of its kind initiatives that could hold a template for several other raw material intensive sectors, the NR Project is designed to implement the scheme for developing a substantial 200,000 hectares of rubber plantations in the North Eastern states financially supported by major tyre companies, represented by ATMA with technical support and coordination by the Rubber Board.

This collaborative project in PPP mode involving tyre majors, Rubber Board and financing institutions is a landmark initiative where the consuming industry would

be contributing directly to the development of plantation.

The project took off early in the year with a visit to the North East (Tripura, Meghalaya and Assam) by top leadership from ATMA member companies along with Dr KN Raghavan, Executive Director of Rubber Board in February 2021 to get a first-hand understanding of ground level situation and connect with state leadership and policy makers.

Minister for Commerce & Industry (CIM), Government of India, Piyush Goyal has been the prime motivating force, mentoring the project

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at every step right from the inception. A meeting convened by the Minister in the month of June 2021 discussed threadbare the launch of the project and the road ahead. The CIM proposed a meeting with the chief ministers of North-Eastern states to take them on board, seek their full support and fast track the project. The CIM even offered to speak to the CMs to inform them about the wider benefits of the NR Project for their respective states.

Since availability of planting material locally in North-Eastern states was a challenge, plans were made to transport the saplings from Kerala to the North East by rail. Few thousand saplings were initially sent as a pilot which reached Guwahati in good condition.

It was an emotional moment for all the stakeholders in natural rubber sector when the first full consignment was sent by a special train 'Bharathappuzha - Brahmaputra Rubber Express', to Azara, Guwahati, from Thiruvalla railway station on 10th July 2021. It carried 133,000 rubber saplings packed in specially designed cartons. These saplings were distributed in the NE states for planting in the identified areas.

Eventually, Biplab Kumar Deb, Chief Minister of Tripura, formally launched the NR Project under Chief Minister's Rubber Mission on 14th August 21 at Pathaliaghat in Sepahijala district of Tripura and the project is shaping up well ever since.

India has emerged as a front runner as the world pursues alternatives to China in the field of manufacturing. Given the spirit of entrepreneurship backed by the policy reforms, the country is poised to play its due role in the global supply chains.

At the same time, the need for raw material security cannot be overemphasised as India looks to become the manufacturing hub of the world. It goes to the credit of the government that it has shown keen interest in enabling policies to encourage domestic manufacturing, including tyre and allied sectors.

The fact that the ATMA NR Project could see the light of the day under the shadow of ongoing pandemic says a lot about the commitment of all the stakeholders to fight against odds. That surely augurs well for raw material security and sustainability as we welcome the New Year. ■



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