

Tyre dealers' body blames Apollo, others for price spike, call for govt intervention

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New Delhi, June 13: Using the occasion of Apollo Tyres' buy out of US-based Cooper's Tire for Rs 14,500 crore, the biggest deal in the Indian automotive industry in recent times, the apex body of tyre dealers-AITDF-wants immediate government intervention to check the soaring prices of domestic tyres. In fact, AITDF has blamed Apollo tyres, among other private tyre makers, for stifling the growth of domestic transport industry by undertaking price revisions at a time when the prices of raw materials have tumbled down.

In a letter written to the ministries of corporate affairs, finance, and commerce

and industries, AITDF said: "With unfair imposition of various tariff and non-tariff barriers on import of tyres, particularly truck and bus tyres, the domestic tyre makers, led by Apollo Tyres, have been jacking up prices. In fact, Apollo has been able to create financial muscle to expand its operations and size out of the country at the expense of domestic captive market and hapless road transport industry," AITDF said.

"We want to set the record straight. Prices of natural rubber, nylon tyre cord, synthetic rubber chemicals, steel cord have decreased by almost 25%-30% yet tyre companies like Apollo continue to increase the prices. Government needs to inter-

vene," SP Singh, convenor of AITDF said.

AITDF has written to the ministries after facing disappointment from the fair trade regulator and Compat where its complaints against Apol-

lo, MRF, JK Tyre, Birla and Ceat were turned down. The Competition Commission of India (CCI) had not found merit in the allegations of cartelisation levelled by AITDF against the five tyre

makers in its October 2012 order. Thereafter AITDF challenged the CCI order itself before the Compat which upon hearing the matter dismissed it on "technical grounds".

Singh of AITDF has alleged that Apollo and other domestic tyre manufacturers have been increasing the prices of tyres between 17% - 25% thereby behaving like a cartel despite natural rubber price decreasing to a three-year low of Rs 157 per kilogram from the peak rates of Rs 240/kg. AITDF is now looking at approaching the apex court challenging the grounds on which its plea before the competition appellate tribunal (Compat) was turned down in April.

