

Tyre prices may inflate on higher rubber costs

NEW DELHI: Tyre makers on Tuesday said the steep rise in cost of natural rubber may force them to hike tyre prices by over 20% to maintain profitability. "Natural rubber accounts for 60% of the total raw material cost and to circumvent input cost rise, we need a 20-25% increase in selling price to remain healthy," Automotive Tyre Manufacturers Association (ATMA) chairman and managing director of Apollo Tyres Neeraj Kanwar said. The price of natural rubber has increased 153% in last 15 months to Rs 160/kg. Three industry associations including All Indian Rubber Industries Association (AIRIA), Indian

Cycle Rickshaw Tyres Manufacturers Association (ICRTMA) besides ATMA urged the government to reduce or scrap import duty on natural rubber. The industry bodies also sought an immediate ban on future trading in natural rubber and export of natural rubber to encourage the production and export of value-added rubber products in India. Earlier, in March, ATMA had written to Prime Minister Manmohan Singh seeking government intervention to address the issue of rising rubber prices and its impact on the tyre industry. ATMA and the Indian Cycle & Rickshaw Tyres Manufacturers' Association (ICRTMA) said tyre manufacturers have already increased products prices and more will follow unless steps are taken to soften rubber prices. —Our Bureau & Agencies