

Truck tyre imports decline as domestic firms cut prices

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CHENNAI: Import of truck and bus radial (TBR) tyres have declined by almost half as domestic tyre makers reduce prices, according to All India Tyre Dealers Federation.

TBR imports declined following an 8-10 per cent price reduction by the domestic tyre makers, who were reluctant to cut the price despite steep fall in natural rubber prices. Tyre imports stood at 54,175 units in November as against 106,700 units in June, according to a statement from the federation.

“The prices of TBR tyres and non-radial nylon fabric conventional tyres were reduced by 6-7 per cent along with additional discounts of 2-3 per cent (that is, drop in price is in the range of Rs.1,900-Rs.2,300 per pair). This decision led to drop in TBR imports to the extent of almost 48 per cent during November, 2015 from the earlier peak of June 2015,” the statement added.

The tyre dealers and domestic manufacturers have been at loggerheads over the import of TBR tyres into the country. Domestic firms claimed that imports from China were posing a big threat and hence have sought safeguard duties. Dealers opposed the move stating that very high TBR prices maintained by the Indian companies, despite fall in production costs, was the key reason for the surging imports.

Tyre manufacturers said tyre production for passenger car segment was only showing growth, while production in other vehicle categories was declining.

“Massive surge in dumping of cheap tyres from China is meeting a significant domestic demand while domestic capacities are lying unutilised. This does not augur well for Indian manufacturing”, Raghupati Singhania, Chairman Automotive Tyre Manufacturers Association, had said. “Tyre industry is passing through a difficult year as production growth is not only slackening but contraction is being witnessed across key tyre categories,” he added