BUSINESS INDIA MARCH-APRIL 2018

CONFERENCES

Charting out a road map

Automotive Tyre Manufacturers' Association's (ATMA) annual convention 2018 concluded recently with a call for closer collaboration between the tyre industry and its stakeholders – especially the automotive OEMs – for unfolding the potential of tyre industry's rich value chain. The convention brought together automotive and tyre industry leaders, top policy makers, government officials, thought leaders and consultants. The deliberations helped chalk out the agenda for the future while discussing the current realities of the tyre industry.

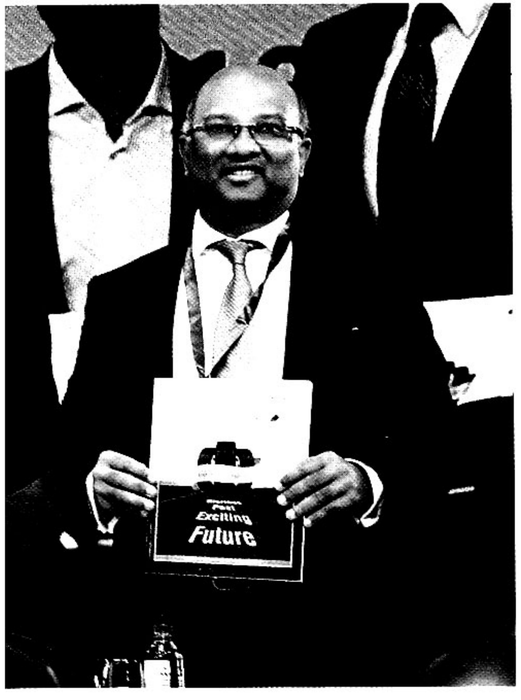
"The year 2017-18 has been great for the tyre industry," said Satish Sharma, chairman, ATMA, at the convention. "The government has supported us by imposing anti-dumpting duty (ADD) on truck and bus radial tyres from China, and by increasing the customs duty on tyres to 15 per cent (from 10 per cent) in the Union budget to help the industry's growth. The industry is supplying to all major OEMs, and we continue to invest in research and development (R&D) to improve the products range with international standards".

From an agriculture-led economy, India has transformed itself into the fastest growing services economy in the world. The services sector is growing at an annual rate of 10 per cent – the fastest in the world, strongly led by the demand from the automotive industry. And, the tyre industry is a major contributor to the country's economic development, as it touches every Indian life, with more than 3,000 different kinds and sizes of tyres produced.

The tyres from Indian companies are being exported to more than 100 countries in the world. The turnover has doubled in five years from ₹25,000 crore in 2009-10 to ₹53,000 crore in 2015-16, while the investment has jumped from ₹12,000 crore in 2010-11 to touch ₹36,000 crore in 2015-16. The eleven major tyre companies have produced more than 90 per cent of tyres in India.

"All stakeholders (producers and consumers of rubber) need to work together along with the government, to arrive at a policy that is conducive to the growth of the Indian rubber sector and meets the needs of both rubber growers and consumers," said Suresh Prabhu, Union minister for commerce & industry. "Tyre Industry is the engine of mobility and is truly the soul of the auto sector".

That the tyre industry is globally competitive and geared to take on the world came out clearly in the high-



profile panel discussion on the tyre industry in which Neeraj Kanwar, vice-chairman & managing director, Apollo Tyres; Raghupati Singhania, CMD, JK Tyre & Industries; and Arun Mammen, vice-chairman & managing director, MRF took part. In one voice, industry leaders showed their commitment for continuing manufacturing excellence and make a mark globally. The other panel discussion led by Rakesh Batra from Ernst & Young discussed the future of mobility and the respective roles of tyre and auto sectors.

A mature segment While terming Indian tyre industry as a mature and established industrial segment, Amitabh Kant, CEO NITI Aayog, exhorted the industry to take disruptions in automotive sector in its stride and continue to remain focussed on manufacturing excellence. Tyre industry and the government have been working in sync with each other and in the coming days and the industry looks forward to much closer co-operation, remarked Anant Goenka, MD, CEAT & vice-chairman, ATMA, in his theme address on *Tyre industry: government partnership.*

The ATMA Convention released a series of reports and studies. A tyre industry research report, titled *Turning the wheels of progress,* was released by Suresh Prabhu, which underlined the industry's competitiveness, export achievements and the policy enablers, which could accelerate the industry's growth. Fleet management companies have been playing a key role in improving competitiveness of transportation sector and the ATMA has launched 'fleet management awards' to recognise the excellence in the sector. Five fleet management awards were conferred in fields such as drivers' training & HR practices; safety initiatives; adoption of technology/telematics; adoption of efficiency measures and corporate social responsibility; and was presented by Kant. ATMA is also closely working with OEMs on the tyre safety and safe driving through its number of initiatives.

In its recent report on tyre industry, ICRA, the rating agency, reveals that the industry is set to grow by 8-10 per cent during 2017-18 on the back of improving demand, rising exports and low imports. Automobile production is expected to rise strongly by 14 per cent – up from 5.2 per cent in 2017 and 3.2 per cent in 2016.