

Tyre manufacturers ask for an equal playing field

Despite many challenges, the local tyre manufactures have been operating successfully, some for over 85 years, contributing close to R20bn to the South African economy annually and providing direct jobs to at least 6,500 people nationally.



© SkyLine – za.fotolia.com

It is further a key contributor to the provincial economies including the Eastern Cape, KwaZulu-Natal and the North West Province through its production of tyres for highway use, agriculture, mining and industries. Therefore the sustainability of this manufacturing industry is vital for the real growth of the South African economy, as approximately 32,000 indirect jobs benefit from the operations.

In response to current challenges, the South African Tyre Manufacturers Conference (SATMC) is advocating for the maintenance of industry standards geared towards protecting human health and safety, conserving the business environment and fair trade based on reliable measurements to counteract the unbalanced market.

Competitive market

"The South African tyre market is fiercely competitive with many suppliers and a shrinking pool of customers due to the economy being basically in recession," says Dr Etienne Human, CEO of SATMC. "South Africa is seen as a springboard to sub-Saharan Africa and is therefore a popular market for exporters, especially from the Far East, wanting to expand.

"In order to be efficient an average of only 14% of all tyre volumes on offer by the five local tyre manufacturers in South Africa are imported from their international companies. This allows for longer production runs of the large volume items in the local tyre factories leading to improved quality and lower costs," says Human.

"Over 85 years South Africa has developed an established tyre manufacturing base that has shown its resilience and potential to compete in the global market. Similar to what is happening in the USA, South Africa is also dealing with Chinese tyre dumping and wanting to restore even playing fields. The SATMC does not want to create barriers to entry for reputable

competing manufacturers, but are rather aiming to promote a healthy competitive market based on sound standards and practices," says Human.

Bigger demand

By creating an equal playing field, the SATMC aims to create a bigger demand for tyres designed and manufactured for local conditions, which will stimulate South Africa's economic growth, will prevent job losses and will help to create more service provider opportunities to the factories.

"Locally manufactured tyres are specifically designed for the South African road and climate conditions, which make them safer and more durable. Very few items are as tough as a tyre dealing with what it has to endure on our roads," says Human.

A big concern is also the huge number of passenger casings imported into South Africa every month. Although these tyres are by law required to be retreaded only, the majority of these tyre casing never see a retreading factory and are believed to be sold as second-hand tyres, many without proper inspections, to the unsuspecting public. ITAC Import-Export Control, a division of the Department of Trade and Industry, is to control the import permits issued only to operating retreaders."

For more, visit: <https://www.bizcommunity.com>