

Business India

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The government is on a war-footing trying to address it



'Tyre industry deserves better appreciation'



Anshuman Singhania, MD, JK Tyre & Industries, has recently been elected chairman, Automotive Tyre Manufacturers' Association (ATMA), the national industry body for the automotive tyre sector in India. A graduate from Oxford Brookes University and an alumnus of London Business School, he started his career in the shop floor as an apprentice. And, as a tech-savvy person, he has played a key role in implementing the latest technologies in the manufacturing process at JK Tyre. Singhania in his new role, shares his views with **SM Boothem** on the tyre industry, new technologies, the impact of Covid, various challenges and action plans

Based on your extensive experience in the industry and specifically in JK Tyre, how do you see the use of technology changing the landscape in the future?

As the industry is evolving with newer technologies such as Industry 4.0, use of AI and digitisation, the landscape in the automotive industry is changing as well. The major thrust is towards making the automotive industry far safer and environment-friendly. Similarly, the tyre industry is continuously enhancing capabilities, on the one hand to meet the emerging and stringent requirements posed by the automotive industry and, on the other

hand, making all-out efforts towards environment protection, durability and safety. A few of the critical and key areas in technology growth are towards low rolling resistance, lower noise and excellent ride and handling. Technology development is also directed towards meeting the challenges of EV Mobility, where low noise, least rolling resistance, as well as excellent torque resistance become critical. Additionally, use of sensor technology for safer and fuel-efficient driving, is another area, where continuous development is going on.

Hence, the technology will continuously change the landscape in

the future. I am glad the Indian tyre industry is keeping pace and is globally competitive. The industry is spending almost 1.5 per cent of its turnover on R&D activities to ensure cutting edge technology is available to their consumers.

Tyre sector seems to have had much less impact from the pandemic in 2020-21; do you see any growth opportunities there?

Yes, good replacement demand, following infra push and curbs introduced by the government on indiscriminate import of tyres, has helped the industry ride through the downturn successfully. Currently, things are looking up for the auto sector in India after two years of a downward spiral. Different surveys point to 14-18 per cent growth for the auto sector in 2021-22. We, however, need to watch out for Covid-19 wave two and the disruption it might bring. Tyre industry's growth is closely linked to the auto sector's performance and the economic graph. Since the economy is also projected to grow at upwards of 10 per cent by



different agencies, we expect growth in tyre demand to be in sync with the economic and auto sector's growth.

Can you share your thoughts on tyre exports and any impact faced due to the pandemic?

Tyre industry exports about 20 per cent of its production. Notwithstanding the disruption in international trade and supply chain following the Covid pandemic, Indian tyre industry has improved its export performance during the April-December 2020 period. The latest data released by the Government shows that the Indian Tyre industry has managed exports of ₹9,685 crore in the first nine months of 2020-21, as against exports of ₹9,650 crore in the corresponding period of 2019-20.

What do you think is the biggest challenges for the industry, going forward, and what should be the plan to address such challenges?

Raw material security continues to be a challenge with the tyre industry in India. For instance, the domestic production of natural rubber (NR), the key raw material, is short of its requirement.

The Rubber Board has certainly made sincere efforts to increase the production and productivity of NR in the country; however, a significant production-consumption gap of over 40 per cent continues to exist. A project for supporting development of new rubber plantations in the North-East and improving quality of processed forms of rubber has been finalised under the guidance and active mentoring of Piyush Goyal, Union minister for commerce & industry. The project is designed to implement the scheme for developing 200,000 hectares (ha) of rubber plantations in the North Eastern states. Apart from natural rubber, the demand supply mismatch in key inputs like nylon fabric, carbon black and synthetic rubbers is also a cause of concern.

How do you view the new vehicle scrappage policy? Will the tyre industry stand to benefit from the same?

The new vehicle scrappage policy is a welcome move, since it is aimed at phasing out unfit and polluting vehicles from the roads. No doubt, the new policy has the potential to kick-start

the revival of the Indian auto sector and the entire automotive value chain, including tyres.

Such a policy, with in-built incentives, will boost the demand for new and environment-friendly vehicles. Indeed, it could lead to recovery in medium & heavy commercial vehicles, which have remained under stress for long and, in the process, also give a fillip to the truck & bus tyre segment as well.

As the new chairman of ATMA, what do you see as the outlook and priorities for the organisation?

Tyre industry deserves much better appreciation for its manufacturing prowess especially as significant investment of around ₹50,000 crore has been made by the tyre companies in creating world class capacities and research & development activities in recent years. Besides helping the industry get an enabling policy framework in terms of taxation and raw material availability, the priority for ATMA would be to present the industry as a shining example of Indian manufacturing. ♦

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