

# The Smithers Report

*A News Digest of Activities in the Tire Industry*

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ISSN 2165-4379  
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March 15, 2022 - Vol. 35, No. 11b

## WHAT'S NEW IN TIRES

### Continental and Pyrum Innovations enter agreement for supply of rCB

Continental has signed a development agreement with Pyrum Innovations, a Germany-headquartered specialist in the pyrolysis of end-of-life tires. The collaboration will help expand the recycling of end-of-life tires through pyrolysis and the recovery of high-quality carbon black (rCB) for the company's tire production.

Continental's subsidiary, Reifen-Entsorgungsgesellschaft (REG), will begin supplying end-of-life tires to Pyrum as early as this month. In the long term, the partners aim is to establish a circular economy concept for the recycling of end-of-life tires.

Since Pyrum's IPO in 2021, Continental has held a minority stake in the company.

Continental's goal is to recover valuable materials and high-performance raw materials on an industrial scale in the future for tire production and other uses.

Continental's goal is to successively use 100% sustainably produced materials in its tire products by 2050 at the latest.

*(Continental – Hanover, Germany)*

### Hankook fleet study analyzes effect of driving habits on fuel economy and tire wear

Hankook Tire has pilot tested a new driving optimization tool intended to provide data analysis for fleet operators based on driving habits. The solution was tested with EHWA Air and Travel Agency, a South Korean travel company, from July 2020 to September 2021, and involved drivers of four regional buses that travel more than 7,000kms per month.

The solution developed by Hankook is aimed at improving fuel efficiency and extending tire life. The company collected and analyzed various data with a driving recorder, GPS and tire sensor attached to vehicles. Hankook monitored data and carried out analysis of each bus driver's driving habits, such as speed, rapid acceleration and deceleration, braking and idling. Based on the result, the tire manufacturer delivered an improvement guide to EHWA Air and Travel Agency for driver training, tire maintenance and vehicle management.

The data collected by the tire maker revealed that there is more tire wear and fuel usage from increased braking time and when the engine is left running idly. The biggest difference revealed in the test data was up to a 20% drop in fuel usage when avoiding frequent braking and engine idling.

In addition, it was observed that tire pressure commonly decreased in the winter season. Due to low temperatures, air pressure inside a tire which normally is around 120 psi dropped to as low as 96 psi. Based on this finding, Hankook says it is evident that tire pressure inspection is critical in winter and checking tire pressure every two months can reduce fuel consumption.

Hankook noted that its optimization solution is beneficial in economic and environmental aspects. Changing driving habits such as sudden braking and idling can lower operating costs as well as the amount of carbon dioxide generated, it said.

*(Hankook Tire – Seoul, Korea)*

## WHAT'S NEW IN TIRES

### Hercules Tires and wheel maker TIS team up on new UTV/ATV tire

Hercules Tires, a subsidiary of American Tire Distributors (ATD), has launched the TIS UT1, a co-branded premium Utility Terrain Vehicle (UTV) and All-Terrain Vehicle (ATV) tire with TIS Wheels. The new tire is designed for consumers who drive off-road, whether for work or recreation, in a variety of terrains, such as sand, silt, loose rocks, gravel, dirt, and soil.

With an aggressive all-terrain tread pattern, the tire is built for the today's most popular UTV and ATV vehicles. A balanced void ratio and biting edges on the tread blocks, add to the traction of the eight-ply rated tire, while the unique dual shoulder design allows consumers to cost effectively customize the look of their vehicle, offering two styles in one tire, the company said.

The TIS UT1 has a new proprietary dual compound, which enables use on rugged terrain. The compound strengthens the sidewall to help eliminate punctures and other damage while supporting tire longevity, Hercules said.

TIS Wheels is applying its off-road wheel expertise to the UTV/ATV market with two new wheel styles available in seven finishes at launch. The 558 is a mesh style wheel available in satin black, anthracite gray, bronze and gloss black with milled accents. The 559 is an aggressive concave 8-spoke design available in bronze, anthracite gray and satin black.

*(Hercules Tires – Huntersville, NC)*

## FINANCE

### Pirelli to increase prices for car and light truck tires in the US

Pirelli has announced another increase in prices on its tires for cars and light trucks sold in the United States. Taking effect April 11, 2022, the increases will be up to 10%, varying by line and tire size.

The increases are due to changing market conditions, the company said.

Members of the Pirelli sales team will contact customers to provide more detailed information about the changes.

*(Pirelli - Rome, GA)*

## RELATED MATTERS

### Toyo Tires to participate in two Nürburgring events

Toyo Tires has announced it will participate in the Nürburgring 24 Hours race from May 26-29, 2022, and Nürburgring Endurance Series on March 26, 2022 in Germany with a Toyota GR Supra GT4 and drivers from Ring Racing.

This year Toyo Tires has signed a partnership agreement with Ring Racing, a car tuner that has been building racing cars near the Nürburgring for over 10 years. Toyo developed tires for the team's Toyota Supra GT4 car.

The Nürburgring 24 Hour event is the centerpiece of Toyo's racing activities in Europe. The tire maker says it is one of the most demanding endurance races in the world. Consisting of two courses, the F1 Grand Prix circuit, and the Nordschleife, the Nürburgring is notorious for its challenges. With over 300m elevation changes and more than 70 corners in every 25km lap, the Eifel circuit presents unique conditions. Due to the mountain micro climate, drivers in the 24H race can also expect sudden weather changes to complicate their race strategy.

In preparation for the Nürburgring 24 Hours, the Ring Racing team will drive in the Nürburgring Endurance Series.

As part of its mid-term business plan, Toyo Tires says it will use its R&D center to differentiate its products and enhance its branding for the European market.

*(Toyo Tires - Hyogo, Japan)*

## RELATED MATTERS

### Continental among top performers in CPD international sustainability rating

Continental was awarded the highest grade by the Carbon Disclosure Project (CDP) for the fourth time in a row, representing the company's success in implementing measures and strategies to reduce emissions throughout the supply chain, it said.

The achievement makes Continental among the 8% of companies that have been awarded 2021 leadership status by the international non-profit organization CDP for supplier commitment to climate change. More than 13,000 companies and organizations worldwide were considered for the rating. The assessment is based on data provided by the companies on corporate governance and Scope 3 emissions as well as on supply chain management. The CDP pays particular attention to strategies and measures that help to make environmental risks and emissions measurable along value chains in order to minimize them.

Continental's approach of working closely with its suppliers to achieve comprehensive improvements by involving as many stages of the supply chain as possible was recognized by the group.

*(Continental – Hanover, Germany)*

### Malaysia's rubber exports reach new highs in 2021, rubber council reports

Malaysia's rubber and rubber products exports reached a record high value of RM71 billion (about \$16.9 billion) in 2021, according to the Malaysian Rubber Council (MRC).

The country's exports increased by 46.3% from RM48.5 billion in 2020, as the COVID-19 pandemic accelerated rubber glove usage. In 2021, latex goods contributed 91.8% to the total rubber products exports with rubber gloves remaining the leader of the pack.

The council said that rubber gloves contributed 88.9% to the total rubber products export at RM54.8 billion, an increase of 55.4% over the same period in 2020 at RM35.3 billion.

This is followed by Industrial Rubber Goods (IRG) with an increase of 40.7% amounting to RM1.3 billion compared to RM900 million in 2020.

Export of tires also contributed to the record-setting year, showing an increase of 30.7% at RM1.7 billion, compared to RM1.3 billion in 2020. Footwear and general rubber goods recorded an increase of 19.6% and 13% respectively.

The US, Europe and Japan were the biggest importers of rubber products from Malaysia, together accounting for about 50%, the MRC said. In 2021, US imports of Malaysian rubber products increased by 76.5% to RM22.8 billion (\$5.4 billion), while imports by Germany grew 57.9% to RM3.79 billion (\$900 million). Japan's imports of Malaysian rubber goods rose by 40.5% to RM3.2 billion (\$760 million), imports by the Netherlands were up 57% at RM1.76 billion (\$410 million) and Italy's imports of Malaysian rubber goods rose 42.2% to RM1.2 billion (\$280 million) as compared to 2020.

*(Malaysian Rubber Council - Kuala Lumpur, Malaysia)*

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