

Tire industry is huge consumption of natural rubber raw materials

Slowdown of the domestic auto industry has a great impact on the development of the tire industry. Come down substantially due to the natural rubber and synthetic rubber prices, tire companies currently effective adequate, but the market outlook is expected to be more pessimistic. Due to the the tire enterprises large capacity, from data on tire production remains growth. Rubber tire tire production in China was 78.97 million in July, the radial tire production was 37,175,000, an increase of 5.5% and 12.5% respectively. Both output growth is not difficult to find, the tire industry output growth presents a more significant downward trend, which tire tire production increased by only 1% in April. 1-7 months of this year, the average monthly growth of the tire casing is only 7.18%, far lower than the 15.3% in the first three years of monthly average growth level. At present, China's tire 46% for export, tire export conditions have a tremendous impact on raw material consumption of natural rubber. 2012 the first five months, exports to maintain growth momentum. According to customs data, 1-May, China's tire export volume reached 166 million, a year-on-year growth of 8.5%. Exports to the United States, Russia, the Middle East is more smooth, the rapid growth of exports. Export to Europe, Japan continued to show a declining trend, which the EU exports account for 17% of total exports, while the highest proportion of more than 20%. Specifically, according to the system Tire Branch of China Rubber Industry Association member companies of the 42 export tire statistics, the first half of exports tire deliveries () year-on-year growth of 3.3%, export growth, 22, 20 decline ; the radial tire export deliveries (Article) growth of 2%, 22 export growth in the export radial tire 36 tire companies, the remaining 14 the decline in exports. Large enterprises and foreign-funded enterprises this year's tire exports to encounter some resistance, but small and medium-sized enterprises of tire due to funding constraints, operational difficulties, and increase efforts to cut prices, export volume increased. But this simply rely on low-cost export unsustainable and, on the whole, China's tire export situation this year is less than last year.

Traffic, road traffic is an important indicator of consumer tires. 1-6 months of 2012, according to the National Bureau of Statistics data, highway passenger volume to 17.47 billion passengers, an increase of 8.7% year-on-year growth rate is higher than the level of the same period last year. Highway 14.982 billion tons of cargo, an increase of 14% year-on-year, to maintain a rapid growth rate. This is the a few tire consumption indicators better performance indicators. The third quarter, will enter the transport industry peak season, may have a greater demand for tire replacement, tire consumption will play a boost to, but a huge inventory of tires may cut boost effect. Natural rubber – tires – the car the whole industry chain by the negative impact of macroeconomic weakness, unsatisfactory performance. The terminal automotive industry in the third quarter is difficult to appear significantly warmer, production and sales will remain weak growth. The tire industry overall profitability acceptable corporate concentration is not high, the increasingly fierce competition in the industry, the second half of the product may face a substantial price reduction, profit margins will be affected, some SMEs may thus be eliminated, which will further increased factors

of instability in natural rubber prices. Natural rubber demand environment remains difficult noticeable improvement in its price in three, the fourth quarter will continue to remain weak oscillation, the process continues to hit new lows. Source: Business reported net