

Goodyear rides robust Indonesian auto sales

With the Association of Indonesian Automotive Manufacturers (Gaikindo) projecting auto sales in Indonesia will hit 875,000 units this year, and manufacturers Toyota (TM , quote), Honda (HMC , quote), Nissan (NSANY , quote), Suzuki (SZKMF , quote) and Daihatsu (DHTMY , quote) posting robust sales , tire maker Goodyear Indonesia is coming along for the ride. The company, which is 85% owned by Ohio-based Goodyear Tire & Rubber Company, is reporting that its net income rose to \$4.7 million during the first half of 2012, up from \$3.2 million during the same period last year. As a result of the lower cost of rubber and decreased expenses, the company posted \$1.91 million in net profits in the first quarter , a jump of 45% year-over-year. Goodyear Indonesia President/Director Marco H. Vlasman said that he expected a boost in sales in 2012 because domestic demand within Indonesia (IDX , quote) remains strong. He added that stable prices of raw materials have also been important to Goodyear Indonesia's success. "If you asked me the question three months ago I would have said that rubber would be higher than where it is now," Vlasman told the Jakarta Post . "I also think that it will stay at where it is now." The rosy predictions come despite new Indonesian car loan regulations that have been in effect since June that require car buyers to make down payments of 25% to 30%. "Everything has an impact on our sales," said Vlasman, referring to the new law. "However, I won't say it will have an immediate impact on Goodyear because our export base is large." 52% of Goodyear Indonesia's sales are derived from exports. With demand also strong throughout Southeast Asia, Australia, the Middle East, Europe, Canada and the U.S., its success looks set to continue. Last year, Goodyear Indonesia produced 2.94 million tires and has the capacity to manufacture 12,000 tires per day.