

Yokohama exec expects higher tire demand

FULLERTON, Calif.—Commercial tire demand in the U.S. should rise slightly in 2012 as the industry achieves more supply-demand equilibrium to keep pace with a recovering economy, according to a Yokohama Tire Corp. executive.

Yokohama's assessment of the market parallels that of the Rubber Manufacturers Association, which has forecast aftermarket truck tire shipments this year will rise about 2 percent from 2011 to 16.3 million units. Yokohama is a member of the RMA.

Shipments in 2011 fell about 5 percent, the RMA said, as fleets opted to upgrade their rolling stock. That trend however, led to a jump in original equipment truck tire shipments last year of more than 5 percent to 5.2 million units.

For 2014 and beyond, Yokohama expects replacement market demand for truck tires to pick up again significantly, according to Rick Phillips, Yokohama director of commercial sales. He said freight and GDP growth, which are linked, isn't great but enough to challenge capacity. "There's a good bit of money on the sidelines, but still a lot of uncertainty so spending is very cautious," Phillips said.

The executive noted the housing segment is showing signs of improvement, and the recovery on the East Coast from Hurricane Sandy should help the trucking industry recover lost revenue attributed to the storm of as much as \$140 million a day.

Phillips' forecast contrasts with his assessment of the industry the past two years, which he characterized as "challenging" and "surprising."