



TYRE INDUSTRY FEDERATION



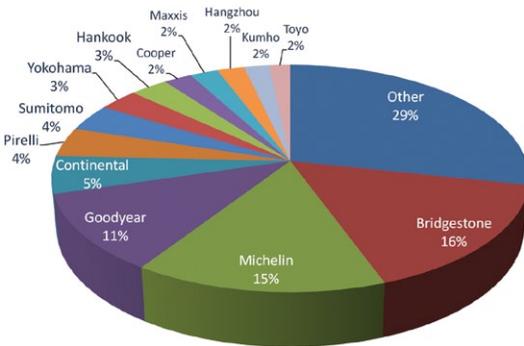
FACTBOOK

**A guide to the
UK tyre industry
from manufacture
to end of life
reprocessing.**



THE TYRE MARKET IS TRULY GLOBAL

Global Tyre Market: Manufacturers by sales value

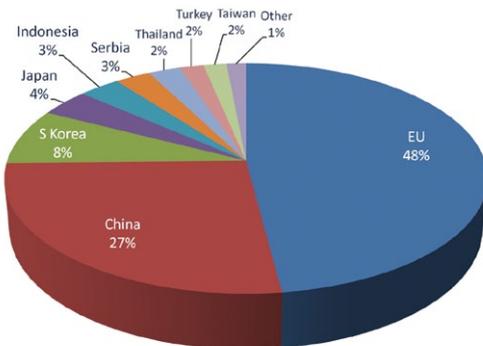


There are over 160 tyre manufacturers worldwide.

Tyre manufacturers spend over £1000 million a year on research and development.

Source: ERJ 2010 data

UK Sourcing: Country of manufacture by quantity



Over 300 brands of tyres are on sale in the UK sourced from over 45 countries around the world.

Source: HMRC 2010 data



UK MARKET SIZE AND SEGMENTATION

Approximate size of UK market in 2010

Type	MILLIONS OF TYRES		
	Original Equipment	Replacement	Total
Car	10	32	42
Van	1	3	4
Truck	0.5	1	1.5

Source: TIF 2010 data

The UK also has a sizeable market for second hand part worn tyres. These are recovered from end of life vehicles or from amongst tyres discarded when replaced. Several million of these are sold every year.

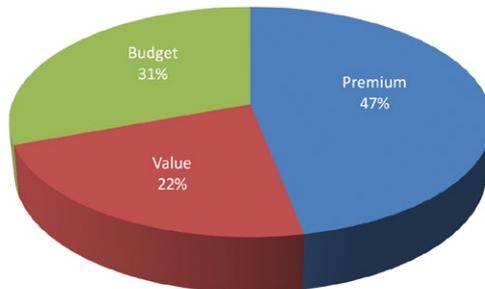
Source: BIS UTWG 2010 data

From an environmental perspective the re-use of part worn tyres is laudable. Unfortunately, surveys undertaken by Trading Standards and others show that over 90% of part worn tyres offered for sale are illegal. Many are also downright dangerous.

Source: TIF 2010 data

Typical market segmentation for replacement car tyres

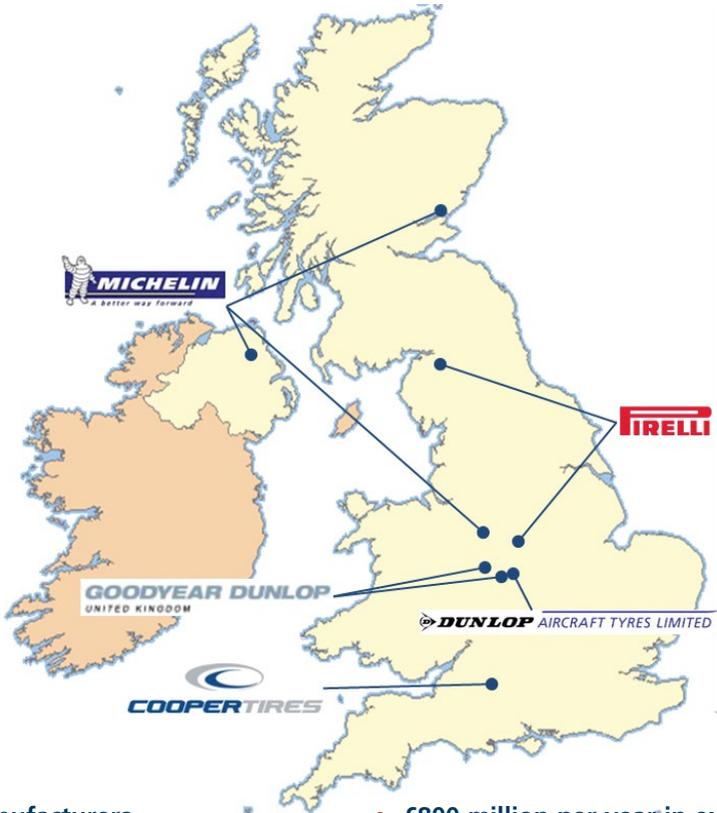
All new tyres do not offer the same performance. There is also a wide variation in price. Analysts divide the market into 3 categories: Premium (offering the highest performance), Value and Budget (offering the lowest price).



Source: Gfk 2010 data



UK TYRE MANUFACTURING INDUSTRY



- 4 manufacturers
- 8 manufacturing sites
- Approximately 15 million tyres per year: motorbike, car, van, truck and aircraft
- 5000 direct employees +5000 indirect

- £800 million per year in exports
- £80 million per year contribution to the exchequer
- World class quality & flexibility
- Home to the tyre manufacturing plant with the world's lowest accident rate



THE SUPPLY CHAIN

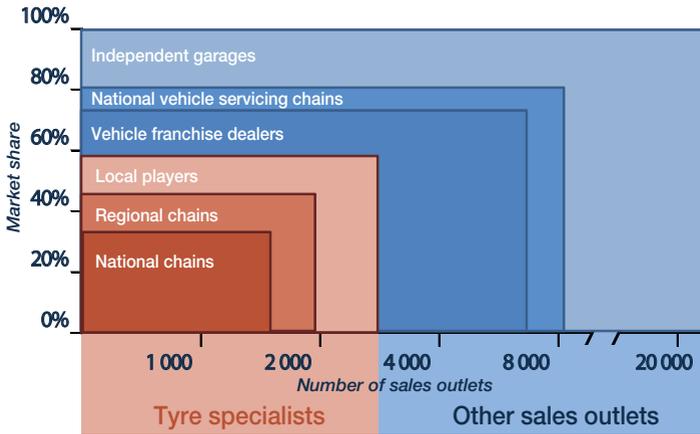
- Wholesalers trade all over the world to procure product for the UK market
- Although manufacturers supply some major retailers directly it is the wholesalers and distributors that ensure that the product is available at every retail outlet
- Delivery is usually on a next-day basis but in urban areas same-day delivery is increasingly common

Simplified product supply chain





THE TYRE RETAIL SECTOR



Source: TIF 2010 estimate

There are approximately 3,000 specialist tyre outlets in the UK. In addition, about 20,000 garages and other outlets also sell new tyres as part of a wider service offering. The tyre specialist sector employs about 16,000 people. Total retail sales of replacement tyres amount to about £3.2 billion per year.

Market concentration in the tyre specialist sector

30 companies control 65% of specialist tyre outlets.
85% of tyre specialists operate from a single outlet.

Source: T&A/TIF 2010 estimate

Internet sales

Although a growth area, the penetration of internet traders remains small (3%).
Once ordered, the tyres must still be fitted at a retail outlet or by a mobile fitting unit.



THE RETREAD SECTOR

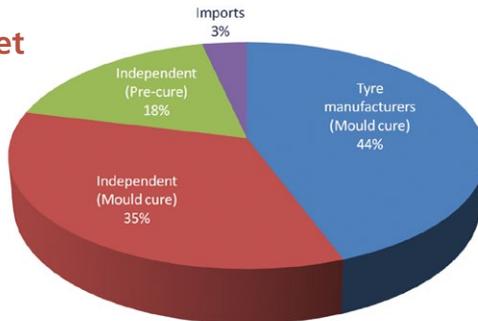
- Retreading is an environmentally-friendly process giving a second life to suitable tyres.
- In recent years retreading has not been economic for car tyres since new tyres from low cost countries have been cheaper than retreads. Rising raw material prices are challenging this perspective.
- For trucks, retreading is a well-established part of tyre management, reducing both cost and environmental impact.

There are two methods of retreading tyres. The pre-cure process involves bonding a new rubber tread onto the prepared tyre casing. In the mould-cure process, uncured rubber is applied to the casing and vulcanised in a mould to give the new tread.

For truck tyres 8 retreads are sold for every 10 new tyres.

82% of truck retreads are made using the mould-cure process.

UK truck tyre retread market



Source: TIF 2010 data



USED TYRE RECOVERY

- The tyre industry operates a voluntary agreement to collect, reuse and recycle all used tyre arisings covered by European legislation.
- Approximately 500,000 tonnes of used tyres arise every year from tyre sales outlets and vehicle dismantlers. About 95% are recovered.
- 80% of used tyre arising are collected and processed by operators subscribing to the Industry's Responsible Recycler Scheme.
- After many years work with the enforcement agencies, only a few percent of the total slip through the net into illegal disposal.

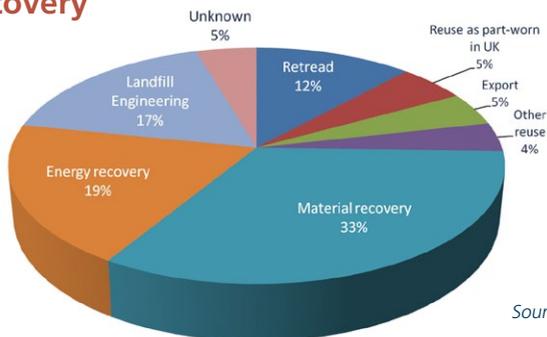
Clampdown on illegal exports

The Industry is working closely with the Environment Agency to stamp out the illegal export of tyre shred or bales and other schemes that bring the recovery industry into disrepute.

Future trends

As raw material prices continue to rise there is growing interest in increasing material recovery for incorporation into new tyres or for other applications.

Used tyre recovery outcomes



Source: BIS UTWG 2010 data



TYRES AND ROAD SAFETY

Facts to make you think

- The contact patch of each tyre that keeps your car on the road in cornering and braking is only the size of the palm of your hand.

- 37% of cars run on dangerously under-inflated tyres. Correct inflation would save 1 million tonnes of CO₂ emissions and £440 million in fuel costs per year.

Source: Industry surveys

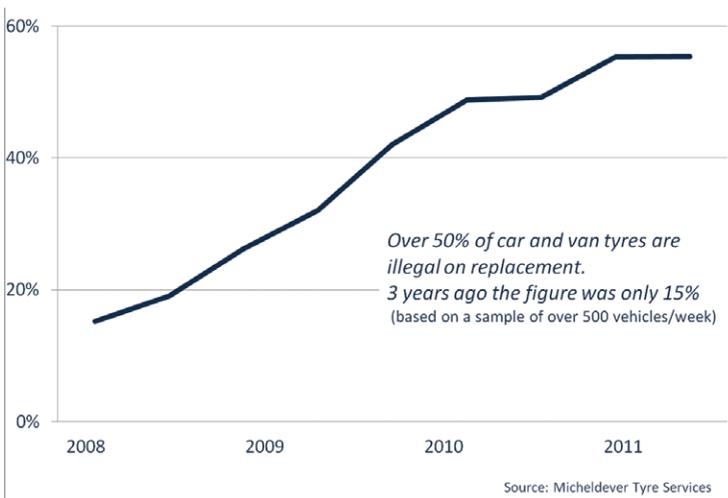
- 25% of MOT failures are due to tyre related faults.

Source: DfT data

- 1,210 road casualties were caused in 2010 by illegal, defective or under-inflated tyres

Source: DfT data

Percentage of tyres illegal on replacement





LIFECYCLE CO₂ EMISSIONS

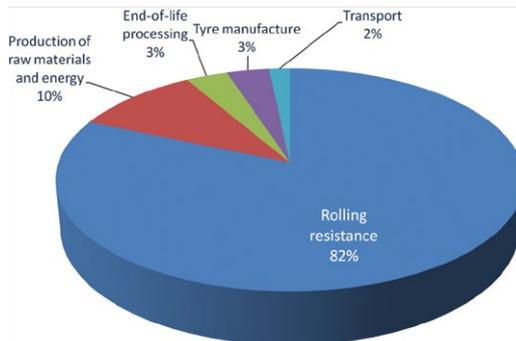
- **82% of CO₂ emissions from tyres result from usage. Only 13% of the total comes from the manufacturing phase.**
- **CO₂ emissions from UK road transport total 105 million tonnes per year.** *Source: DECC 2010 data*
- **20% of CO₂ emissions from conventional vehicles are due to tyre rolling resistance.** *Source: DECC 2010 data*
- **8 million tonnes of CO₂ could be saved every year if low rolling resistance tyres were adopted across the whole UK vehicle fleet.**
- **This would have the same impact as replacing 3.5 million cars with zero emission vehicles.** *Source: TIF 2010 data*

Sustained progress at UK tyre factories

Over the last 10 years, UK tyre factories have reduced by 32% their CO₂ emissions per tonne of tyres produced.

UK use of retreaded truck tyres saves 140,000 tonnes of CO₂ per year in manufacturing emissions compared to new tyres. *Source: Centre for Remanufacturing and Reuse, industry estimates*

CO₂ from each stage of a tyre's life



Source: ETRMA data



TYRE INDUSTRY FEDERATION



The Tyre Industry Federation
provides a common platform for the
British Tyre Manufacturers' Association,
the Imported Tyre Manufacturers' Association,
the National Tyre Distributors' Association,
the Retread Manufacturers' Association
and the Tyre Recovery Association

