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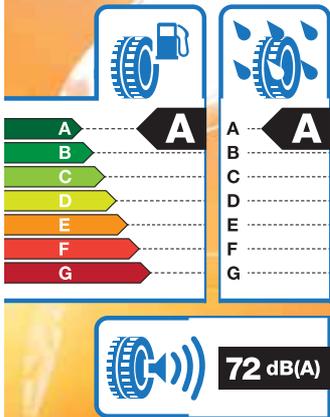
**Ashutosh
Chincholikar**
Founder & CEO
Smart Controls India Ltd.

Guido Veit
Business Unit Director
Plastics, Mixing & Rubber Plants
Zeppelin Systems GmbH

Gaurang Joshipura
Managing Director
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INDIAN RUBBER JOURNAL
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GROWING TOGETHER

Severe patent infringement in the market – HF TireTech Group defends their patents

HF is well known as an innovator and developer of advanced technologies for the tire manufacturing process.

Since their founding, HF has introduced numerous innovative machine concepts through heavy investment in research & development and through the passion and know-how of its employees.

HF always applies for a patent or registered design for all new developments in all relevant industrial countries, where tires are manufactured or machines and facilities for tire manufacturing are produced. For important new developments, for example in the field of tire building drums, HF has already obtained the respective patents.

Currently there is a severe situation in the market where HF technologies, including the associated procedures and devices, are not only being copied but where those copies are even being registered for patent approval. HF is determined to fight against these infringements with all available resources provided by patent law. Especially in the case of infringement of intellectual property rights of existing patents, HF will take legal actions for injunctive relieve as well as compensation without any exception.



TireTech Group



German innovations are not easy to copy.

Many great engineering innovations from Germany have already revolutionized our lives and changed the world. They are often copied but never achieve the same level of quality and precision. The HF TireTech Group, true to this tradition of German ingenuity have developed the answer to new market demands of the tire industry with the ONE Tire building machine. We look forward to presenting the benefits of our latest unique and innovative design – The ONE. hf-tiretechgroup.com/hf-one



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With India's general elections due in April, the country's political scene is heating up. The controversial multibillion Euro to buy Rafael Jet Fighters from France signed by the ruling party has added to the flurry of charges and counter charges between the ruling BJP party and the opposition.

Nudged by the Government, the pliant recently appointed Governor of India's Central Bank-the Reserve Bank of India-has announced a rate cut to counter stalled economic growth. The Indian economy is expected to grow by 7.2% for the Financial Year ending March 2019, up from 6.7% last year. The Indian Rupee has appreciated against the US Dollar and has out-performed the currencies of most other emerging economies in Asia. A tide of global capital has been flooding into India from strategic investors and financial sponsors. For the first time in two decades, the country has attracted more foreign investments (nearly \$ 38 billion) compared to China's \$ 32 billion.

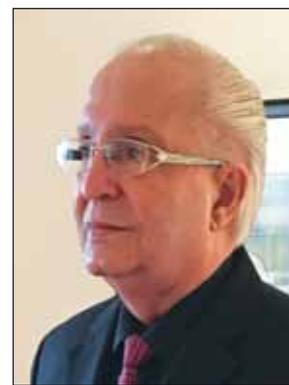
One of the factors that has caused foreign direct investment in China to fall is the nation's trade war with the US. This trade war, along with the slowdown in major European economies (Germany, France and Italy) may lead to a 5% contraction in China's GDP.

After investing over \$ 7 billion in additional capacities (mainly radial) Indian tire exports are set to grow by over 30%- three times higher than global tire industry growth.

Although global rubber demand is expected to grow by 3.2% to nearly 30 million tonnes this year, consumption will grow by only 2.5%, largely due to the slowdown in China. India's NR planters have been slow in tapping, due to lack of motivation since prices started falling from 2013. This will add to the losses due to intense competition from emerging low-wage nations (such as Vietnam, Cambodia, Ivory Coast). India is expected to import a record 600,000 tonnes of NR this year, accounting for nearly 50% of consumption.

Zeppelin Systems of Germany is the subject of our Cover Story in this issue. This inheritor of the legacy of Count Zeppelin has had spectacular success in the last few years with close interaction with tire companies across the world. The company has consolidated its global position. As you will see in the Cover Story, is poised for further, sustained growth.

Heartiest Congratulations to Arvind Poddar (Chairman and Managing Director of BKT) on receiving the K M Philip Gold Medal Award for his outstanding achievements in making



BKT a truly global major, with sales of nearly \$1 billion. This comes on the heels of his being inducted into the TIA Hall of Fame early last year and is well-deserved recognition of his achievements in making BKT a force to reckon with globally.

Our congratulations also go out to Singapore/Malaysia's Sandana Das, Founder and CEO of R1 International Group of Companies. This living-legend in the arena of Natural Rubber is a source of inspiration to the younger generation. One hopes that Sandana Das will follow up with another book and continue his efforts for the benefit of the younger generation in all sectors of the rubber industry.

We have again been impressed by the interesting and informative presentations in this issue by Rajiv Budhreja, Director General of ATMA and also by world renowned rubber scientist, Dr. Prachaya Jumpasut, and are confident they will be of value to our readers.

We wish our readers a great start to a successful and productive Chinese New Year.

Aida Malik

M Noorani



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- Design concepts and FEED studies
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- 3D plant design and laser scanning
- MIRA – the automation concept

- Online dosing and weighing
- Liquid dosing system
- Chemical weighing system
- Conveying and silo technology
- Anti-Tack system
- Dust and oil recycling
- Scrap tire and rubber recycling plant

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 **ZEPPELIN**
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Guido Veit

Business Unit Director Plastics, Mixing & Rubber Plants Zeppelin Systems GmbH

in an interview with M Noorani

Please let us know about the progress of your company in 2018 compared to the previous year?

We, Zeppelin Systems GmbH, can look back on a very successful year. In the rubber field, we were successful with several greenfield installations, especially in Asia. When we look at India, last year's order entry was more than double than expected, driven by large new mixing lines installations in the country. Globally, turnover and order entry in rubber business closed 50% above plan.

What are your major objectives for this year and your medium-term plans objective up to 2025?

Our guideline is the GPS strategy of the Zeppelin Group: Growth, Performance, Sustainability. We will gain additional growth by winning new customers and innovation of new technologies. Enlarging the scope and offering turnkey solutions for complete mixing lines and establishing a unique and outstanding service business, we operate with a clearly defined market portfolio strategy to develop our global organisation.

Do you plan more subsidiaries in other countries this year?

Right now, no concrete plans are in place within short term. So far, we have a very good coverage with more than 20 locations worldwide in all of the major regions. We do not have an urgent need to plan more subsidiaries, but we stay flexible in case of new opportunities or need in new market regions. We will continue to follow our customers in their markets.

Are more products/solutions being offered this year?

Since years, we have been continuously developing our portfolio which is one of the explanations of our extraordinary order book situation. We continuously investigate in digitalisation, process innovations like Liquid Dosing System (LDS) or cloud solutions with Siemens MindSphere and even rubber recycling. New system concepts, like the PreMix Technology Solution which we will introduce at the Tire Show this March in Hanover, show up new concepts in material handling, offering a valuable solution to ease

chemical feed into the mixer and reduce complexity while enabling modern formulations with new chemicals without high investments in equipment in existing plants.

Your recently developed Liquid Dosing System has helped the industry to introduce up to 36 liquids into the process with unsurpassed flow rates and accuracy. Have there been further developments in this regard?



With the help of our Liquid Dosing Test plant installation at our HQ in Friedrichshafen, Germany, we optimised the six-way injection valve into the mixer. While making some minor improvements in the hardware we showed that the Liquid Dosing System (LDS) can help to significantly reduce costs by transforming waxes and “dry liquids” into liquids and handle them with higher precision on lower material costs. What we are offering now is a Liquid Dosing In-house training in June 2019. For this event, we will have a theoretical and a practical part of the LDS. More information is available by directly contacting us or also at our Booth 9000 at the Tire Expo.

What can the industry expect from Zeppelin in the next few years?

We recognise the desire of the market to demand full-solution providers, providing complete mixing plants or mixing lines. As we have been supplying complete plants for several branches of the industry very successfully for some time, Zeppelin could do this also for the tire industry, if required. In addition to the numerous greenfield installations we have built for many years, we also recognise the need for brownfield projects, i.e. the revamping of existing plants according to the requirements of modern tires and recipes. By doing 3D scans, we capture a precise picture of the plant and can produce a digital twin, so that we are able to do feasibility studies and show possibilities of how complete mixing lines can be retrofitted or equipped e.g. with Liquid Dosing or chemical PreMixes Solutions in order to be able to meet up-to-date demands for rubber compounds.

Zeppelin has been providing blending silos for the plastics industry for some time. What is your answer to customers asking if there is a similar solution for the blending of carbon black?

We regret that carbon black cannot be blended in blending silos that we use frequently in the plastic industry. However, Zeppelin has developed other processes by which carbon black can be blended. But these are customised solutions. We need to go into the details with respect to all circumstances. Customers can contact us, so that we can offer a suitable solution for the customer’s special conditions and requirements.

What about the success of your Bolt-Tec silos?

Zeppelin has developed the new principle of Bolt-Tec silos, which have proven to be very successful for storing carbon black and silica in the tire industry for many years already. As silo segments are transported in containers and then bolted to each other on site, the freight costs are quite low. So, the good news is that these silos can be delivered to every corner of the world in any size. This is a major benefit for many customers who are looking for cost-effective material storage solutions despite long transport



Bolt-Tec silos can be delivered to every corner of the world in any size

distances.

Mr. Veit, can you tell us more about the recycling of rubber, especially the recycling of tires in co-operation with your partners Pyrolyx?

The recycling of the existing large amounts of scrap tires is a challenge that hasn’t been solved yet. So, the recycling capacities required for this need to be built urgently. We have recognised this need, and, as recycled Carbon Black (rCB) has become more widely accepted, in the meantime, we have committed ourselves to contribute to global recycling capacities available. Currently, we are building a plant in the US for Pyrolyx, in Terre Haute (Indianapolis). Building works are in the final phase and on schedule, so this plant will soon produce nearly 13,000 tons of rCB per year for the market. We are a leading supplier of rubber mixing plants and, at the same time, will also take on the challenges of various

applications of scrap tire and rubber recycling all over the world.

Zeppelin Systems India Pvt. Ltd. is highly regarded in India for providing seamless access to German Technology. Do you plan to add to the unique selling points provided by Zeppelin India?

Zeppelin India has become a well-established business in India for decades, now. It offers excellent services and solutions for the Indian market from its headquarters in Vadodara and we are very proud of their success.

With our joint venture partner Smart Controls, we develop digital solutions for the mixing process; this is a further step for our growth in India. The Smart Controls headquarters are located in Bengaluru and they have already grown considerably and established additional offices. Here, we develop software and cloud-based solutions for the whole Zeppelin Group.

Smart Controls India Pvt. Ltd, your joint venture partner is a respected integrated solution provider from a single source. Is this joint venture executing further orders from Germany and across the world?

Apart from working with Zeppelin for some of their prestigious projects in Europe and Asia, Smart Controls released SmartMix Digital, the new version of Cloud-based Mixing Room Solution. This year, we present the latest version of a cloud base for the tire-making process. We are now gold solutions’ provider for the new Siemens digital Platform MindSphere. Smart Controls already had a vast experience in giving customised solutions for Tire Genealogy and plant wide MIS. Now, the same is extended to a plant wide MES solution on Siemens Simatic IT platform for tire industries. This makes Smart Controls one of the very few companies in the world offering world-class automation solutions for level 1 to level 4 Automation Triangle.

ZEPPELIN SYSTEMS GMBH: GLOBAL LEADER OF SOLUTIONS FOR RUBBER AND TIRE MANUFACTURER



As a company which can trace its roots to the German firm founded by the legendary Count Ferdinand Graf von Zeppelin in 1908, Zeppelin Systems GmbH is a resolutely modern, globally oriented innovator. Building on this impressive heritage, the company is a consistently reliable leader in its field of engineering, manufacturing and supplying plants for handling, storage, conveying, mixing, metering and weighing of bulk materials and liquids.

Headquartered in Friedrichshafen, Zeppelin has brought cutting-edge German technology to India and across the world and has what is arguably the most complete range of technology for anyone needing turnkey mixing systems in the tire and rubber product industries. Its wide range of superior offerings has helped the company see strong growth, in India and worldwide.

The Zeppelin Systems GmbH Plant Engineering



Rochus Hofmann, Managing Director of Zeppelin Systems GmbH

Group, is part of Germany's Zeppelin GmbH. It comprises three different units: polyolefins, working with companies in petrochemicals turning them into polymers; the food business, where it works with material handling; and the tire and rubber business, according to Rochus Hofmann, Managing Director of Zeppelin Systems GmbH.

Guido Veit, Business Unit Director Plastics, Mixing & Rubber Plants of Zeppelin Systems GmbH, said in the run-up to the Tire Technology Exhibition & Conference that Zeppelin is the market leader in tire and rubber applications, with more than a 50% global



Guido Veit, Business Unit Director Plastics, Mixing & Rubber Plants of Zeppelin Systems GmbH

market share and closer to 80% in India. It supplies material handling equipment and mixer feeding equipment to both manufacturers of tire and non-tire rubber goods. "All the raw ingredients have to be handled and stored and proportioned, just in time and just in



Guido Veit (3rd from left) at Tire Technology Expo 2018

sequence with an rising complexity in rubber formulations," he said.

"In India, we facilitate the whole mixing room," said Gaurang Joshipura, Managing Director of Zeppelin Systems India Pvt. Ltd. "We do all the layout of the mixing room. We work with the architects and we help to design a totally integrated

in the buildings without any clashes with such things as utilities and duct work," Veit said.

In recent years, its Indian operation has done a good amount of work with foreign tire manufacturers that have constructed a number of new manufacturing facilities. But Zeppelin also has done a lot of work with expansions at existing factories, according to Hofmann. On the non-tire rubber product side of the business, he said Zeppelin has built complete mixing facilities for numerous customers.

The mixing technology is similar to those for tire plants, but the feeding equipment is quite different and needs tailored for each customer.

Since about 2007, Veit said business in the tire and rubber sector has been strong for Zeppelin's Plant Engineering Group. The firm has 20 offices globally and can serve those



V3A 8580 Liquid Dosing System

mixing room to handle all the raw ingredients until we have the rubber compound. Zeppelin is specialised in turnkey plants. "

Zeppelin not only specifies the equipment and ensures it meets the needs of the customer's final throughput goals, but it also helps to integrate the whole process. This includes using standard engineering tools as well as extensive use of 3D modelling. "Through 3D modelling, we're able to interface with the architect and the building contractors and make sure all the equipment fits perfectly



Ashutosh Chincholikar (2nd from right) and colleagues showing SmartMix 4.0

global customers with a consistent product around the world. The business has a central design centre in Germany that ensures product consistency. "That being said, we have a widespread supply chain, so we can supply locally and not shipping everything from around the world," he said. "It gives us the best of both worlds. We maintain the technology but we use the supply chain to get the best value for the customer."

Zeppelin designs all the equipment, but the components—which can number in the tens of



thousands of parts for the mixing systems—are supplied from a mix of in-house manufactured goods and those procured from suppliers. For a system being supplied in India, Joshipura said the firm is bringing in parts from China, Brazil, Europe and some locally. “It can be quite complex,” he said. “But with the size of our company and the way we are put together in a matrix allows us to be able to really do a very complex supply chain that gives value.”

Zeppelin also looks to lead the way with new technology, Hofmann said. In its dense phase conveying systems for carbon black and silicas, the firm has gone to a wear-resistant pipe material, where all pipes are being done in stainless steel. It also has a new air control system that uses intelligent technology, so every booster valve that injects air into the conveying lines and allows the product to flow smoothly are all on a loop that is controlled by back pressure in the system. “They work perfectly in conjunction with how that particular product is conveying in that particular time,” he said. “So there is no mechanical adjustment anymore. It’s a totally intelligent system that’s 100% mechanical.”

Zeppelin also boasts of a new liquid dosing system which, Veit said, virtually eliminates any kind of cross contamination of product loss in the system. “It guarantees basically that everything you weigh will 100% be injected into the mixer.” In good practice, a fully automatic chemical weighing system is for the handling of chemicals, cure packs and similar materials. These developments have helped lead to seven consecutive years of record sales worldwide, according to Veit. “We’re one of the few in material handling companies that develops products specifically for the tire and rubber business,” he said. “It’s not a conveying system that can be used for X, Y or Z. All of our products are developed specifically for the tire and rubber business, or the market they are intended for.”

Zeppelin Systems India Pvt. Ltd.

— **Bringing in German Technology to Indian Doorstep**
Zeppelin Systems India Pvt. Ltd. is a wholly owned subsidiary of Zeppelin Systems GmbH, Germany and has been active in India since 1989. The company now also has a Joint Venture in the country

Zeppelin also leads the way with new technology, Hofmann said



Gaurang Joshipura , Managing Director, Zeppelin Systems India Pvt. Ltd

for Process Automation solutions, with Smart Controls India Ltd.

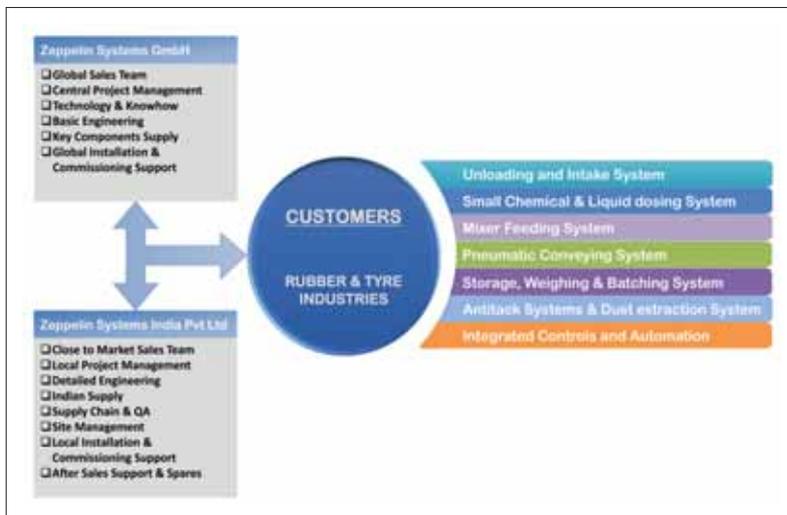
Gaurang Joshipura, Managing Director of Zeppelin Systems India states that “the expansion of the foot print of Zeppelin Systems’

plant installations in India during the last one-and-a-half decades has broadened the experience spectrum of the company in the country, in Sales, Engineering, Project & Site Management and after-sales services. This has made Zeppelin’s offerings even more effective for the complete value chain. And we continue to offer high energy efficient plants with environmentally-safe handling practices”

Zeppelin Systems India keeps pace with the latest developments from its state-of-the-art R&D centre in Germany. Thus, new international technological developments are implemented rapidly in India. The employees of Zeppelin Systems India receive training in Germany.

Design and Engineering tools are common and seamless between Germany and India. The engineers at both the locations work collaboratively on the same platform and same data base. The designs benefit from the vast global experience of the company’s German engineers. While benefitting from this advantage, the company’s clients in India still have local Engineers for immediate communication, thus combining both German experience and the ease of local contacts.

It is evident while studying Zeppelin Systems India that the on-shore off-shore model for Indian projects has matured very well in all phases, from sales to handing over to after sales. The internal interaction within the Zeppelin Group has become more



structured. Further, the scope spectrum of the supplied plants has increased continuously, including the latest developments. Apart from the Technology, Supplies and Services, the company facilitates complete mixing room solution, through its FEED engineering.

With all these steps and developments, Zeppelin Systems demonstrates their full commitment and great interest to the Indian Tire Manufacturing industry. Keeping in view the promising mid and long-term market prospects, the company has already drawn expansion plans to keep the pace with market developments.

Zeppelin turns digital with Smart Controls

2017 has been a year of great successes and events for Smart Controls, post the Joint Venture with Zeppelin Systems GmbH, says Founder and CEO Ashutosh Chincholikar.



Ashutosh Chincholikar,
Founder and CEO
Smart Controls

Apart from working with Zeppelin for some of their prestigious projects in Europe and Asia, Smart Controls released SmartMix Digital, the new version of Cloud-based Mixing Room Solution. SmartMix Digital in its true sense justifies the statement, "One Corporate, One Software". Now, the Rubber Compounding companies can use one set of recipes for entire fleet of mixers across locations and compare the performances of the batches without any geographical boundaries. Moreover, tire industries need not worry about porting their Mixing Data on the cloud because

SmartMix Digital is hosted by SIEMENS MindSphere. This extends the capability of SmartMix Digital even further as the standard MindSphere applications could be used to create user-friendly informative dashboards of the Mixing Process.

The Next step in SmartMix Digital is expected to hit the market in late 2019, when the Mixing will turn truly intelligent, where the software shall take automatic decisions about the Mixing steps, thus making it more efficient.

Smart Controls already had vast experience in providing customised solutions for Tire Genealogy and plant wide MIS. Now the same is extended to a plant wide MES solution on Siemens Simatic IT platform for Tire industries.

The bond between Siemens and Smart Controls has gone many steps forward. In addition to being an Automation Solution Partner of Siemens since 2002, Smart Controls is now also a Gold Partner of Siemens Industry Software for Simatic IT MES product family and MindSphere offerings.

This makes Smart Controls one of the few companies in the world offering world-class automation solutions for level 1 to level 4 Automation Triangle.

Apart from this, Smart Controls now has offices in Bengaluru and Delhi NCR region. The business is highly focused with Ujjal Chowdhury (having vast experience in the field of Automation) leading the Automation BU and Vaidehi Gupta (having rich experience in Information Technology) leading the Digital Manufacturing BU, as Global Heads. Both BU's are supporting not just Zeppelin Systems GmbH, but also Z Labs, the sixth strategic BU of Zeppelin based out of Berlin.



Zeppelin
Systems
demonstrates
their full
commitment
and great
interest to
Indian tire
manufacturing



Ashutosh Chincholikar (centre) with Rochus Hofman, Managing Director, Zeppelin Systems GmbH with the Smart Controls systems team

To keep the momentum of growth achieved in last years with highly motivated teams.



Ashutosh Chincholikar, Founder & CEO, Smart Controls

To support Zeppelin Systems GmbH in bringing strong performance spectrum flavour of Digitalisation to the Control Technology and Automation Solutions, offered decisive advantages compared to standard system as part of turnkey solutions for the Tire industries in addition to Plastics, Food and Polyolefin.



Ujjal Chowdhury, Global Head, Automation, Smart Controls

To develop Smart Products, Connected Factories, Connected Customers, Digital Workplace for Manufacturing Industries, Worldwide.



Vaidehi Gupta, Global Head, Digital Manufacturing, Smart Controls

The latest Zeppelin PreMix Technology based on the Zeppelin CMQ Mixer provides many valuable benefits in processing, handling and cleaning, resulting in significant cost savings in production process

PreMix of Rubber Compound Chemicals – reducing the complexity in the mixing room

Zeppelin Systems GmbH presents a new Zeppelin PreMix Technology for a revolutionary concept of additive feeding in the mixing room, reducing complexity in chemical handling for a more consistent and reliable inline feeding process.

The latest Zeppelin PreMix Technology based on the Zeppelin CMQ Mixer provides many valuable benefits in processing, handling and cleaning, resulting in significant cost savings in production process. With the Zeppelin CMQ Mixer, small amounts of chemicals can be mixed into a chemical masterbatch (premix) before they are added into the mixing process for rubber production. The result is a stabilised premix which is no longer dusty and does not need any plastic bags. The premix has perfect consistency for being fed inline into a rubber mixing process.

In a typical mixing room, more than 100 different possible raw materials need to be handled to prepare over 400 different rubber compounds. These large amounts of materials and recipes lead to an enormous complexity to be handled in the mixing room, requiring the highest level of flexibility. At the same time, high precision, track and trace and reproducibility are key factors for reliable production systems. But all the chemicals entering the aspiration system are missing in the



Guido Veit explaining Pyrolyx



Guido Veit center discussing Zeppelin MIRA

product, so accurate dosing is quite a difficult task. These current challenges in the mixing room require new solutions for the dosing of chemicals and liquids. The Zeppelin PreMix Technology has been developed especially for this.

The new technology is characterised by the following features:

- **Activation by de-agglomeration:** With PreMix,

the chemicals can be activated by de-agglomeration so that smaller amounts of chemicals are needed for the same effect. The chemicals can be stabilised by coating, agglomeration or bonding.

● **Precise dosing:** By preparing a premix of small components in a Zeppelin CMO Mixer, you make sure that the precise amounts of chemicals are fed into the rubber mixer. Even “dry liquids” on a carrier material can be handled easily and accurately in a bulk mixer.

● **Less dust in the mixture:** Also, fine powders are immobilised and the mixture is less dusty. This avoids the risk of particles disappearing unnoticed into the aspiration system. It also reduces the need for overdosing, leading to material savings of up to 3%.

● **Faster and more homogenous incorporation:** Premixed chemicals incorporate faster and more homogeneously in the mixing process.

● **EVA bags are obsolete:** The major advantage of the PreMix Technology is that a complex bag/sachet filling machine is no longer necessary. So, these small bags will not be needed at all. Without the bags, you do not have any impurities from plastic residues in your rubber formulation. This improves the overall quality of your tire production considerably.

● **Less investment:** The PreMix system, using the Zeppelin CMO Mixer in a full-automated inline system, requires less costs and efforts than a conventional small chemical weighing system.

● **No built-ups and caking:** The new Zeppelin CMO Mixer features a newly developed wing-profile tool, which guarantees a high dispersion and low temperature rise during processing. The result is no built-ups and caking.

● **Sophisticated process solution:** The Zeppelin PreMix Technology can be integrated into an automated handling system in the mixing room for tire manufacturing. Zeppelin offers a complete and sophisticated process solution and our innovations offer you a competitive edge in your international markets. We create solutions for our tire-

manufacturing customers from one source, so, Zeppelin will be glad to be your general partner.

● **R&D Centre Germany:** In our in-house testing centre, we are able to run specific tests with customers' individual formulations and chemicals and develop a suitable process to activate, stabilise and homogenise your chemicals for your successful process.

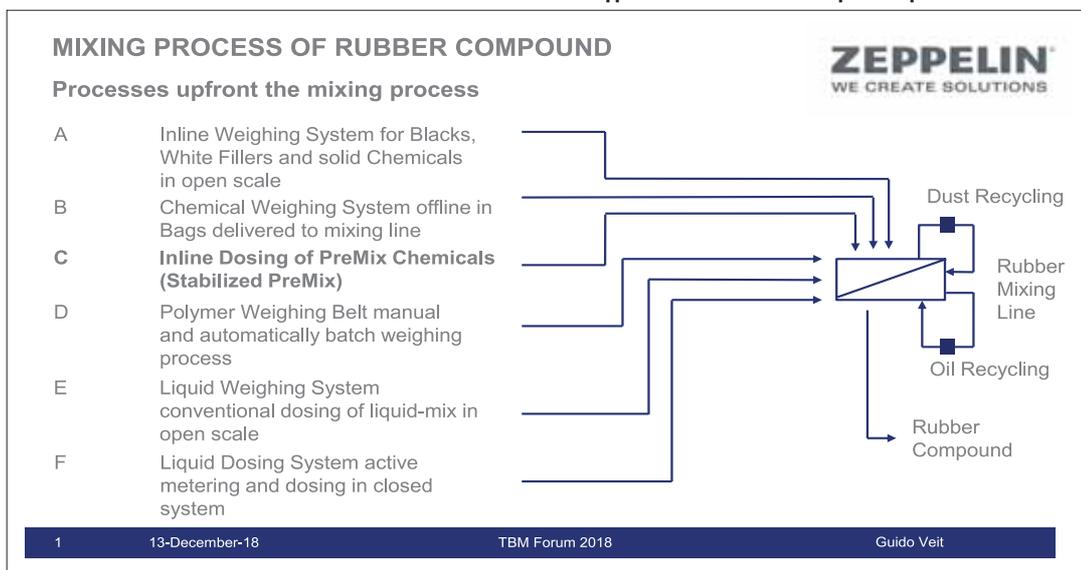
With the Zeppelin PreMix Technology, one can reduce complexity in the mixing room, reducing costs, while improving the precision of your process. Contact us for trials with your products in our Technology Centre. Zeppelin will show the benefits of the new technology at the Tire Technology Expo on March 5-7, 2019 at Stand 9000. It looks forward to welcoming visitors.

The growth seen by Zeppelin since they were last featured in the IRJ amply demonstrates that this company has established a solid platform for its continued success.



Zeppelin CMO Mixer with flat polished panel head

The growth seen by Zeppelin amply demonstrates that it has established a solid platform for its continued success



ATG tire plant in Tirunelveli is now a key global hub for Yokohama

● Look up Gangaikondan on Wikipedia and you learn that it is one of the industrial hubs of Tirunelveli in Tamil Nadu. It is here that Alliance Tire Group (ATG) has a sprawling factory in the SIPCOT Special Economic Zone.

A leading name in the global off-highway tire market, ATG is a subsidiary of The Yokohama Rubber Co, Japan. The Tirunelveli plant, earlier owned by private equity firm KKR and the Mumbai-based Mahansaria family (before Yokohama's acquisition in 2016), is one of the largest off-highway tire manufacturing units in the world.

"The Tirunelveli factory, a key hub for ATG, will see its production capacity go up from 80,000 tonnes a year to 87,500 tonnes by 2019. About 2,000 people are working at this unit," says Anil Gupta, Chief Operating Officer.

Beyond Tirunelveli, ATG has factories in Gujarat and Israel. The combined installed capacity across these three plants is about 1,50,000 tonnes annually. The \$ 100 million



expansion now underway will increase this by over 50% to 2,30,000 tonnes by 2020.

While a majority of off-highway tire production happens in the Indian plants, Israel focuses on production of high-performance tires. Additionally, there are R&D centres in India, Israel and North America.

ATG has in its portfolio the Alliance, Galaxy and Primex brands. The company's tires are used in agriculture, construction, forestry, and material handling.

The Tirunelveli factory is not only a key part of its growth plans but also marks a success story for the Tamil Nadu government. This is because it managed to divert one of the largest

manufacturing investments into this industrially-backward southern district and created jobs in the process.

While investors made a beeline to establish factories in Sriperumbudur and Oragadam near Chennai (a list that includes big brands like Renault Nissan, Daimler India Commercial Vehicles and Royal Enfield), Alliance Tire agreed to set up its plant in Tirunelveli district a decade ago.

Its proximity to the Tuticorin port has helped the unit become a key export hub for the group. R Srinivasa Raghavan, AVP-Manufacturing at the Tirunelveli unit, has little reasons to complain about the journey thus far.

"Unlike other tire factories, the

Tires on a roll: Exports witness a 10% rise

● Passenger vehicle exports may continue to slide but tire exports are burning rubber in top global markets including the US, Germany, France, Netherlands and Philippines.

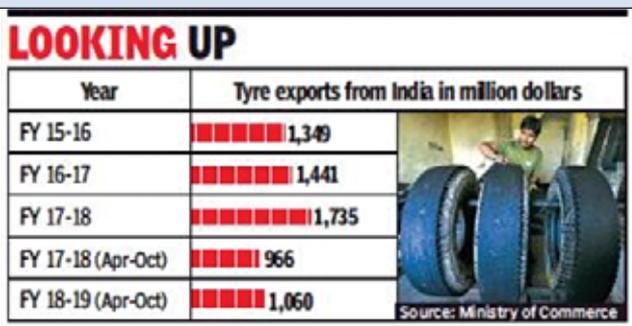
Automotive Tyre Manufacturers Association (ATMA) quoting union commerce ministry data said that tire exports between April-September 2018 was Rs 6,314 crore, up 10% year-on-year compared to same period last year. For the year ended March 2018, exports were Rs 11,180 crore.

"We are witnessing a 31% growth YTD in exports and it will get better by the close of the year. Our growth is around three times that of the industry," said Satish Sharma, president, Asia Pacific, Middle East and Africa region, Apollo Tyres.

Part of the reason for the export boom is the Indian market's alignment with global demand in terms of radial tire production. "Indian production has become radial-focussed which is also what the rest of the world needs," added Sharma.

The rupee depreciation also helped though it pinched on the raw material import front, he added. The export boom has also given Indian tire companies

greater exposure in the car segment whereas 65% of the domestic revenue comes from truck tires due to higher price and wear and tear. Tire makers have have invested nearly \$7 bn in creation of additional capacities. "An investment of nearly Rs 51,000 crore (\$7 billion) has just been completed or is currently lined up in both greenfield and brownfield expansion," said an ATMA official. "Currently about 2% of the revenue is being invested on RD by the Indian tire industry," said Anant Goenka, chairman, ATMA.

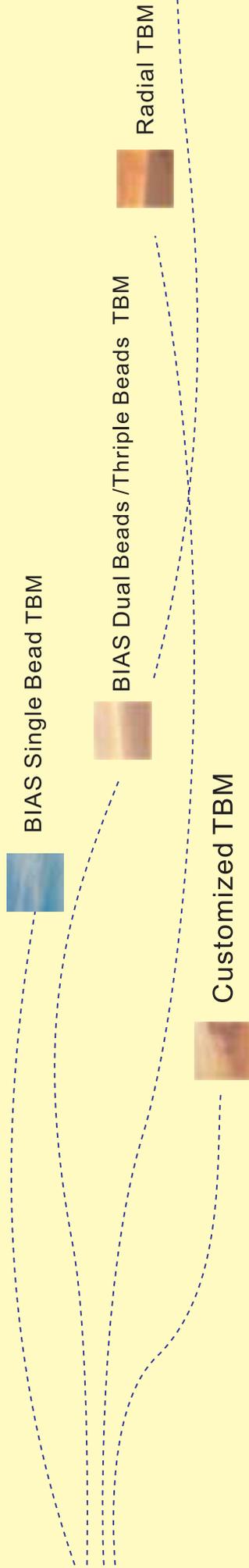




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scope of automation is very limited here. Though we make nearly 800 varieties of tires, there is no dearth of innovation," he says.

The management's efforts to improve productivity with lean manufacturing has paid dividends, thanks to the 'My Machine Concept'. This programme has motivated workers to come out with various innovative automation ideas that have been implemented to save on time and energy.

During January-September 2018, the company managed to get 804 innovative ideas from its employees, of which nearly 70% have been implemented. Going forward, the Tirunelveli unit will play a key role in fuelling ATG's vision of becoming a global market leader in the agriculture, forestry, construction and material-handling tyre segments.

Beyond the plant, the company is pulling out all the stops to support the larger ecosystem. It has put in place an innovative way of growing trees quickly thanks to a technology breakthrough made by a Japanese professor. The district collector has now asked for this to be replicated in other places.

In its latest annual report, Yokohama Rubber Co has spoken of the importance of the ATG acquisition in the overall global strategy for tires. "Alliance Tire Group brings to our organisation its historical momentum of high profitability and steady growth," states President, Masataka Yamaishi.

He then cites the example of a new line of cost-competitive passenger car tires launched in May 2017 in Europe under the Alliance name. "Alliance Tire Group enjoys excellent name recognition in Europe, and our new brand gives us a vehicle for coping with low-cost competitors in Europe without compromising the Yokohama brand," says Yamaishi.

Doublestar inaugurates 'Industry 4.0' tire plant in Qingdao

●Qingdao Doublestar Tire Co. Ltd. plans to bring a highly-automated "smart" car tire plant — dubbed the

Mahansaria family, Trelleborg to set up 2-wheeler tire plant

●The Mahansaria family announced on January 30 that it has signed a pact with Swedish engineering company Trelleborg to set up a tire manufacturing facility for two-wheelers in the country. The joint venture will be 76% owned by the Mahansaria Family and the rest 24% by Trelleborg, a release said.

The proposed facility will come up in western India and deliveries are expected to begin from 2020. The company, however, did not disclose any details about the location or the investment.

For Mahansaria family, this venture is a part of its strategy to enter the fast-growing two-wheeler tire market in the country, according to the release. "Through this joint venture, we look forward to providing technologically advanced products of global standards to the ever-evolving Indian two-wheeler tire market," Yogesh Mahansaria was quoted as saying.

Currently, Trelleborg is focused on the European market for the manufacturing of tires for two-wheelers, the release said, adding the JV will pave the way for Trelleborg to grow its business globally by gaining access to additional production capacity. "The JV is in line with the government's 'Make in India' initiative as it will help bring foreign technology and capital to India for manufacturing locally and serving Indian as well as global markets," said Mahansaria.

The Mahansaria family has more than 30 years of experience in the tire industry. During this period, they have helped to build two industry leading businesses - Balkrishna Industries together with the Arvind Poddar family and Alliance Tyre Group for off highway tires.

"Industry 4.0" high-performance green tire plant — on stream shortly, the company announced end December. It did not disclose further details — including a specific start-up date — but said that it had completed trial production and optimization phases on the \$131 million project. Construction started in 2016 on the 6 million unit/year-rated facility, located at Doublestar's manufacturing complex site in Qingdao.

It is expected to generate \$22 million in earnings annually on \$315 million

in sales when in full operation, according to Doublestar, which last year acquired a controlling stake in South Korea's Kumho Tire Co. Inc.

Doublestar has a second smart factory in the works as well. Last March it disclosed plans to relocate its Doublestar **Dongfeng Tire** subsidiary in Shiyan, China, and upgrade it to a "smart" factory in a \$220 million, 18-month project.

The new plant, with planned annual capacity of 1.5 million truck/bus and 5 million passenger tires, is being built on a 3.23 million-sq.-ft. site in the Zhangwan District Industrial Park in Shiyan, Hubei Province.

India determines 'injury' from Chinese FKM imports

●The Indian Ministry of Commerce has determined that the domestic industry has suffered "material injury and material retardation" from the import of fluoroelastomers



(FKM) from China.

In a Dec 27 ruling, the directorate general of trade remedies (DGTR) – the ministry's investigation arm – said it had established that dumping was taking place. It recommended anti-dumping duties ranging from \$0.078/kg to \$7.31/kg (Euro 0.068/kg to Euro6.43/kg) on FKM originating from China. According to the DGTR, the prices of Chinese suppliers have been lower than non-Chinese suppliers, by on average Rs908/kg (Euro11.4/kg) in period of investigation (POI) only. The market share of Chinese suppliers has also risen from 32% in 2014-15 to 43% in POI, while the share of non-Chinese supplies fell from 68% to 44%.

"These shifts from non-Chinese sources to Chinese sources [are] clearly driven out of significant price difference between Chinese and non-Chinese suppliers," said the Indian authority. The document also cited a recent determination by the US to Ltd.

Apollo Tyres 3rd quarter revenue up 16%

● Apollo Tyres Ltd's consolidated revenue for the 3rd Quarter (October to December) grew 16%, at **Rs. 4655 crores**. The Sales for the nine months (April to December) of FY19 was up 22.5% at **Rs 13097 crores**. The company witnessed double digit growths both in the Indian, as well as, in the European Operations in the 3rd quarter and for the nine months of FY19.

Quarter 3 Consolidated Performance Highlights

Q3 FY2018-19 (October - December) vs Quarter 3 FY2017-18

- Sales was up 16% to close at Rs. 4655 crores, as against 4016 crores
- EBITDA was marginally up at Rs. 560 crores, in comparison to Rs 543 crores
- Net profit closed at Rs. 198 crores, as compared to Rs 245 crores

Commenting on the company's performance in the 3rd quarter, **Onkar S Kanwar, Chairman, Apollo Tyres Ltd** said, "While our volumes have increased across segments and geographies, the margins were impacted due to the lag effect of the increase in raw material prices, especially crude-based ones, in the previous quarters. Comparatively, this quarter looks better, as the raw material prices have eased to some extent. In the current quarter, we are already witnessing an uptick in demand, and are hopeful of reporting a healthy growth."



**Onkar Kanwar, Chairman
Apollo Tyres Ltd**

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Bridgestone to invest \$100 million to upgrade Mexican plant

● Bridgestone de Mexico SA de CV is planning to upgrade manufacturing capabilities at its car and light truck tire plant in Cuernavaca with a \$100 million (•87 million) investment over the coming two years. The investment will allow the implementation of innovative processes and new technologies, while also strengthening the plant's capacity to produce high value-added tires such as run-flat tires, Bridgestone said, in addition to the reduced rolling-resistance Ecopia models.

The 38-year-old plant in Mexico's Morelos state has an installed capacity of approximately 25,000 tires per day, serving original equipment customers and the Mexican aftermarket as well as exports, Bridgestone said. The Cuernavaca plant is one of two plants Bridgestone operates in Mexico. The other, in Monterrey, opened in 2007 and produces car and light truck tires, predominantly for export.

Bridgestone said it believes that this investment project will continue to strengthen and grow its business in Mexico. It did not comment on any possible effect on employment, which stands at 1,150 hourly workers. Bridgestone invested \$90 million in the plant in 2008-09 to expand capacity for ultra-high-performance tires.

Lower oil prices benefit Indian tire makers

● Indian tire manufacturers with strong replacement sales are set to gain from the lower raw material costs, as higher utilisation, especially at plants making bus and truck tires, helps balance the likely slowing demand from auto manufacturers.

Falling oil prices has a direct bearing on profits made by tire makers since the crude oil derivative used in the manufacturing of tires accounts for 30% of the total raw material costs.

According to the financial services group Nomura, every \$10 fall in crude oil prices potentially adds 110 basis points to the margins at tire companies. Since India tire makers have maintained pricing discipline over the past few years, they have been able to raise prices when raw material

Tire makers in India cut prices

● Prompted by falling crude oil and natural rubber prices, Indian tire manufacturers lowered prices in January by 2% to 5%, in an attempt to liquidate the inventory pile up due to slow sales of new vehicles.

Inventories tend to be high in December, according to SP Singh of the All India Tyre Dealers' Federation, because it is a low wholesale month for passenger vehicle and two-wheeler sales, and due to the reduced wear and tear on tires during the cold weather.

Products like synthetic rubber and carbon black have become cheaper since crude prices have fallen, while the rupee has not weakened significantly recently.

costs rose.

Operating margins in the replacement market are higher than for OE sales, with replacement demand accounting for 60 to 65% of the Indian tire industry's total sales. Slowing growth in the country's auto market may increase competition in the replacement tire market, but since the utilisation levels of tire makers are around 75% to 95%, these levels should balance out any margin compression due to competition.

Over the next three years, Indian tire manufacturers are investing about Rs 25,000 crore on greenfield and brownfield capacity. This growth is not expected to create excess capacity in the system, as new capacity addition implies net 8% volume growth in the next three years – in line with the volume growth over the last decade.

One of the main beneficiaries of capacity expansion will be Apollo Tyres, which derives about three-fifths of its revenue in the medium and heavy commercial vehicle segment, and has a 27% share in the truck and bus radial tire market.

MRF's truck tires earn Highest Customer Satisfaction Award in India

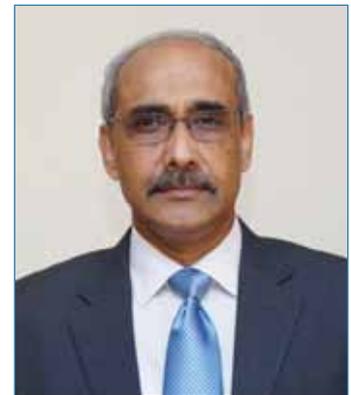
● Tyre major MRF Ltd has been awarded the top rank in terms of customer satisfaction in the JD Power 2018 India Tractor Tyre Satisfaction Index Study. The JD Power 2018 is the inaugural edition of the tire satisfaction index

MRF performed well in the four tire performance-related factors - durability, traction, ride quality and appearance. The Chennai-based company said this recognition underlines its position in the market

as the most preferred farm tire brand among tractor owners. It offers a range of tires to OEMs under the farm portfolio.

According to the study, satisfaction with tires was higher when customers personally choose the brand installed on the tractors.

Koshy Varghese, executive vice-



Koshy Varghese, Executive vice-president (marketing) MRF Tyre Ltd

president (marketing) of MRF Tyres, received the award from JD Power's Practice Lead, for agriculture and construction equipment, Yukti Arora, at an event recently.

Pirelli's P Zero World store launched in Dubai

● Having already opened stores in Los Angeles, Munich and Monte-Carlo, Pirelli has opened its flagship store, P Zero World, with much fanfare: a key location which links the Middle East with the rest of the world.

The store was opened with a parade of over 60 supercars belonging to fans and local collectors. The following day more than 200 cars took to the track at Yas Marina in Abu Dhabi for the P Zero Experience: Pirelli's own "track day".

The P Zero World concept has been



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referred to as a 'boutique for tires', where customers can find the Italian tire makers' exclusive products alongside services dedicated to the exotic worlds of luxury and sports cars. The P Zero World boutiques are the only places where the entire range of Pirelli tires is available, including the P Zero Trofeo R – the road-homologated tire with the highest performance levels of the entire range – or the Pirelli Collezione tire for collectors' cars, which are designed to combine classic looks with modern performance.

The range of Pirelli tires available at the P Zero World includes motorbike tires and Velo tires, as well as Pirelli Design accessories. Exclusive services available to customers of the new P Zero World include car valeting and courtesy cars.

P Zero World underlines Pirelli's strategy that is focused on an area, which shows consistent growth and in which the company has gained a leadership position: premium and prestige products. Pirelli supplies more than half the world's prestige cars with OE. So, more than one out of every two supercars has Pirelli tires as original equipment while the Italian tire maker also has 20% of the premium market.

Serbia factory planned for Shandong Linglong

● The Chinese tire manufacturer, Shandong Linglong is to build a factory in February in Zrenjanin, in Serbia's autonomous province of Vojvodina. Serbian President Aleksandar Vucic made the announcement of the planned plant, saying that Serbia had fought hard for this investment to be made.

The construction of the factory will be carried out in three stages, with the final one to be completed in March 2025. Linglong selected Serbia as a location due to lower costs of the investment, construction, workforce and energy, as compared to other countries in Europe. Linglong plans to produce 10 million high-performance radial passenger car tires, 2 million cargo vehicle tires and 10,000 tires for off-road vehicles at the new manufacturing facility.

Xingda opens European office in Luxembourg

● Senior Executives of Xingda Steel Tire Cord attended the opening of the European Office in Luxembourg on December 18, 2018. A lot of world-renowned rubber and tire manufacturers also attended the event and congratulated Xingda.

Xingda Steel Tyre Cord is a global leader in the rubber-steel cord, with the world's largest steel cord production and manufacturing base. It produces steel cord, bead wire, hose wire and special steel wire, etc. The products apply to automobile tires, high-pressure hose, construction machinery, elevators and conveyor belts.

Xingda Europe will take Luxembourg as the centre and cover the whole



LIU XIANG – GENERAL MANAGER XINGDA

market of Europe. It will provide efficient technical services to the regional rubber and tire manufacturers. Xingda Europe aims to help European customers create greater value and strengthen the relationship with European stakeholders, industry organisations, government, PR agencies and institutions, etc.

Xingda General Manager Liu Xiang, said, "The establishment of Xingda Europe will certainly enhance the presence of Xingda in the whole European market, advance the implementation of the company's internationalisation strategy, and continue its leading role in the development of the rubber steel tire cord industry all over the world."

Chinese tire firm setting up plant in UAE

● Groundbreaking recently took place for the first tire manufacturing plant in the UAE—the million Roadbot Tyre Project KIZAD. Roadbot is a Chinese tire manufacturer and the new plant is a further indication of the growing

Chinese presence in the region.

The tire facility is built at the China-UAE Industrial Capacity Cooperation Demonstration Zone within the Khalifa Industrial Zone Abu Dhabi (KIZAD), the Emirate's industrial hub and part of Abu Dhabi Ports. Roadbot is one of about 20 Chinese companies that have signed agreements to invest \$1 billion in the demonstration zone.

The ceremony was attended by senior industry figures from the UAE and China, including Dr Sultan Al Jaber, the UAE Minister of State and chairman of Abu Dhabi Ports and Zhang Yingzi, the chairwoman of the Chinese company.

The Roadbot factory is being built in KIZAD's China-UAE Industrial Capacity Cooperation Demonstration Zone and was developed by Roadbot at a total investment of AED2.2 billion (\$599 million), will be fully operational by October 2020. The 2.2 square



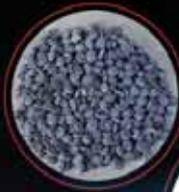
Zhang Yingzi

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kilometer KIZAD Demonstration Zone is being developed by Jiangsu Provincial Overseas Cooperation and Investment Company (JOCIC). Roadbot is the first Chinese company to establish operations there since JOCIC and Abu Dhabi Ports signed a 50-year agreement in 2017. The project was launched during the 2018 visit of Chinese Premier Xi Jinping to the UAE. The facility is to have an initial annual production capacity of 3 million car tires and 1 million truck and bus tires, with production increasing to a total of 11 million by 2022.

Al Jaber said the tire factory would be an important contribution to the UAE's manufacturing base as part of the UAE leadership's longstanding strategy of diversifying the economy. He added that the groundbreaking reinforces the UAE's role as a key partner in China's Belt and Road initiative. Yingzi added: "The Roadbot Abu Dhabi...is an important part of the Belt and Road Initiative and a crystallization of multiculturalism, based on the principle of achieving shared growth through discussion and collaboration."

The appeal of second-hand tires in Nigeria

● Second-hand tires enjoy great popularity in Nigeria. Also known as "Belgium tires" or "Tokunbo tires", these are tires that have been used in other countries and are imported into Nigeria to be sold to motorists. In view

Sumitomo Rubber names new CEO in management reshuffle

● Sumitomo Rubber Industries has launched a management reshuffle which will see the appointment of a new chief executive director in March.

The company's board of directors have elected and appointed a company director Satoru Yamamoto as the next CEO.

Also, as part of the restructuring, current CEO Ikuji Ikeda, will assume the position of chairman of the board of directors after the shareholders' meeting on 26th March.



Satoru Yamamoto (CEO)

of the dangers associated with the use of second-hand tires and holding them partly responsible for the high rate of fatalities on Nigerian roads, the country's government banned the import of these products in 2016.

However, despite the ban, their affordability during a time of strained economic conditions has made second-hand tires enormously popular in Nigeria. In fact, the government's decision to ban these tires was roundly criticised by most Nigerians, who pointed out that most tiremakers who were based in the country have now relocated to other countries due to the challenging business environment. As a result, the average Nigerian who cannot afford expensive, brand-new imported tires has little option but to settle for the alternative available.

Despite the efforts by the Nigerian Customs Service to prevent their influx into the country, second-hand tires have become one of the most profitable business ventures in the country. The government, however, consistently maintains that such tires have been banned.

While authorities have constantly maintained that such tires are usually expired or retreaded, dealers and customers of these second-hand tires insist that this is not true of all of them and that if they are well handled and managed, they will serve their purpose. Findings have revealed that Nigerian consumers appear to be unaware that tires have expiration dates, despite the claims of enlightenment campaigns by the relevant authorities.

Some tire dealers in the country suggest that instead of banning second-hand tires, the government should put proper studies in place and implement them, as well as bringing back indigenous tire manufacturers to Nigeria.

The price difference between new and used tires is significant: second-hand tires are priced at N7,000 (\$19.30), while new tires sell at around N26,000 to N40,000 (\$110), or even more, depending on the quality. Tire dealers also prefer to start business on a small scale with second-hand tires, which require less capital investment.

Prinx Chengshan eyes Thailand for new \$25 million tire plant

● Prinx Chengshan has entered into an agreement to acquire land plots in Thailand at \$ 25 million (Baht 814 million) for a new plant, the company announced end December. The transaction involves seven land plots in Tambon Nong Suea Chang, Amphur Nong Yai, and Tambon Klong-Kew, Amphur Ban-Bung, Chonburi province.

The total area was listed at up to 480,000 sqm, though the final figure is still pending local government confirmation. Land will be purchased by affiliate Prinx Thailand from WHA Eastern, Thailand's industrial real estate developer and supplier of supporting infrastructure services such as power, water and utilities.

Prinx Chengshan had previously mulled Malaysia as its overseas site, but has been informed by its controlling shareholder Chengshan Group that the project was discontinued due to slow progress. It believes that the Thai site offers low costs for raw materials and transportation and avoids international trade barriers. Other

benefits include local preferential policies on areas such as taxes and human resources.



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Phillips Carbon Black to double speciality black's share to 15% of output capacity

● Phillips Carbon Black Ltd (PCBL) expects the share of value-added and speciality carbon black to almost double to 15% of its total production



**Sanjiv Goenka, Chairman
Phillips Carbon Black Ltd.**

capacity in the next two years. Value-added and speciality carbon currently account for around 7-8% of its capacity.

PCBL's total installed capacity currently stands at 5.15 lakh tonne a year. The capacity utilisation is almost 100%.

"The focus for us moving forward is on value-added and speciality blacks. As we go ahead, nearly 15% of our capacity will come from value-added and speciality carbon black. This will help shore up our margins," Sanjiv Goenka, Chairman, PCBL, said.

For the quarter ended December 31,

2018, the company's revenue grew by nearly 54% to ₹ 950 crore (₹ 619 crore). Net profit increased by 92% to ₹ 108 crore. The improvement in profits was mainly on account of shift in product mix to more value-added premium grades, customer centric initiatives and an improvement across all functions, Goenka said.

Capacity expansion

PCBL's 56,000-tonnes additional capacity at Mundra in Gujarat has been commissioned, while the other expansion of 32,000-tonne capacity at Palej in Gujarat is expected to be completed by Q3 of FY20.

The company is also expecting to freeze the location of its proposed ₹ 600-crore green field project in South India by March this year. PCBL has been in talks with the State governments of Tamil Nadu, Andhra Pradesh and Telangana for setting up the plant which will have a capacity of 1,50,000 tonnes per annum.

Birla Carbon awarded third EcoVadis for Sustainable Practices

● Birla Carbon has been awarded a **Gold** level rating for sustainable practices, for the third consecutive year by EcoVadis. With a score of 71%, Birla Carbon occupies the top 2% of the companies assessed from its industry sector. The rating was provided after reviewing Birla Carbon's sustainability practices, based on Birla Carbon's sixth sustainability report, Share the Strength : Working Together for a Sustainable Future.

Joe Gaynor, Chief Legal,

Sustainability and Risk Officer, Birla Carbon shared,

"With this third consecutive Gold rating, Birla Carbon continues to rank in the top of our industry and it is consistent with our drive to be the most respected, sustainable and dynamic global carbon black manufacturer. At Birla Carbon, sustainability is a group effort and involves each and every employee. We will continue to 'Share the Strength' through continuous innovation in the way we manufacture our products, support our communities and engage with our customers."

Iranian Tire Cord Company buys PARS Tire Co.

● Iran's TireCord Co. has acquired Pars Tire Co., for \$ 20 million.

Pars Tire, which has been seeking investors in the past two years, has a nameplate capacity of 40,000 tonnes of bias truck and bus tires per year. However, demand for these products is declining in both domestic and international markets.

"During the past nine months they have picked up, thanks to a ban on Chinese imports," a source close to the deal said. Pars has also benefited recently from a sharp decline in the value of Iranian currency, which has made local products more competitive.

Pars Tire's manufacturing plant is based in Saveh, 100km outside Tehran, and produces the Pirouzi brand. TireCord, which started operation in the western Kermanshah Province in 2011, is headed by Iranian entrepreneur Mitra Farzadnia, who is

Bekaert completes turnaround measures

● Bekaert SA has completed a series of cost-saving measures, amounting to Euro70 million, in 2018. The moves are aimed to "turn around" the profitability of weaker performing businesses and to cease certain operations. Among the key measures was the closure of the rubber-reinforcement products operation in Figline, Italy, which it acquired from Pirelli in late 2014. According to Bekaert, the competitive position of the site had been under pressure in recent years, with "significantly higher cost structure" compared with other Bekaert plants in EMEA.

Other measures, Bekaert said in its latest statement, included restructuring initiatives at Bekaert Bradford, UK; Bekaert Ipoh Malaysia; and Bridon-Bekaert Ropes Group Brazil.

The one-off costs have been partly offset by the sale of land and buildings related to the earlier plant closings in Shah Alam, Malaysia and Huizhou, China. The total net amount of these measures will be around Euro70 million for the full year 2018.





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Kuraray to establish Butadiene derivatives JV in Thailand

● Kuraray Co. Ltd, PTT Global Chemical PCL and Sumitomo Corp. are to invest in a project for the manufacture of butadiene derivatives – including thermoplastic elastomers (TPEs) – in Thailand.

The project will be operated by a joint venture called Kuraray GC Advanced Materials Co. Ltd, which will have a 53.3% stake in the JV via an intermediate holding company. Bangkok-based PTT Global Chemical will have a 33.4% stake in the venture. Sumitomo Corp. of Tokyo will own the remaining 13.3%, again through an intermediate holding company.

Headquartered in Bangkok, Kuraray GC Advanced Materials was established in June 2018 and has a registered capital of Bhat5.6 billion (around Euro 152 million).

The JV will establish capacities of 16,000 tonnes/year (t/yr) for TPEs based on hydrogenated styrenic block copolymers, and 13,000 t/yr for polyamide 9T at Map Ta Phut, Rayong province. Kuraray will by itself construct a 5,000 t/yr plant for the production of 5KTA 3-methyl-1,5-pentanediol (MPD) adjacent to the JV plant. Construction to be completed by around the end of 2021. Kuraray will invest Yen40 billion (around Euro 320 million) in the three production projects overall.



also lead investor in a planned greenfield tire plant in the same province. Zagros Tire Co. is part of the four greenfield tire plants projects being pursued by Iran's Industrial Development and Renovation Organisation (IDRO) since 2016. The 55,000-tonne project will see a \$300million investment from the private sector with extra financing of Euro130-million provided by Iran's Industries and Mines Bank.

Reportedly, Farzadnia's acquisition of Pars Tire is a bid to prepare for the Zagros tire project, which has stalled due to the reimposition of international sanctions on the Islamic Republic.

Michelin – Chandra Asri JV inaugurates Indonesian SSBR plant

● PT Synthetic Rubber Indonesia (PTSRI), officially inaugurated its plant for the production of butadiene rubber (BR) and solution styrene butadiene rubber (SSBR). The opening of plant in Cilegon was attended by the country's minister of industry Airlangga Hartarto and other senior government officials.

Established in June, 2013, PTSRI is a JV between Michelin (55%) and PT Chandra Asri Petrochemical Tbk (45%).

Chandra Asri, Indonesia's largest

petrochemical company, will supply feedstock including butadiene for the SR plant, which is based on Michelin technology. Michelin's third synthetic rubber plant – after units in France and the US – is targeted to reach a production capacity of 120 kilotonnes per annum (ktpa) for BR and SSBR. The facility is said to be the first plant of its kind in Indonesia to produce BR with neodymium catalyst and SSBR.

PTSRI's partners have invested \$435 million in the collaboration, which has received tax-break incentives from the Indonesian government.

"The government appreciates the steps taken by Michelin and Chandra Asri in developing manufacturing industries that provide highly-competitive products through the use of technology," said Airlangga. "We know that the presence of SRI will contribute directly to driving Indonesia's economic growth in a sustainable manner," the ministry of industry added.

Michelin's collaboration with Chandra Asri is a strategic step in supporting the realisation of a sustainable business, according to Florent Menegaux, general

Michelin Chandra Asri SSBR Plant



RODOLFO COMERIO

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● Contrary to the trends of the Italian machinery export recorded by Amaplast, the Italian trade association for rubber & plastics machinery, **RODOLFO COMERIO** registered a 3% increase in the export of its products both for the rubber and for plastics field at the end of 2018 .

Even if 2018 started a bit slowly for the Italian company leader in the design and manufacturing of calendering lines, the end of the year has seen a significant surge.

The expectations for 2019 are very optimistic, especially for the launch of brand-new innovative products. In fact, **RODOLFO COMERIO** calendering lines manufactured in 2019 will be provided with significant developments thanks to new technologies and automatic systems that will be applied above all to calendering lines for the tire sector, from car, bus and truck tires to giant ones for heavy vehicles. 2018 has been an important year dedicated to the study and implementation of specific production requirements expressed by tire manufacturers worldwide.



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managing partner of the French tire and rubber products group. "Michelin needs more regular supply of synthetic rubber to ensure growth of its "green" tires globally," said Menegaux. "Thus, we are partnering with the largest Indonesian petrochemical company, Chandra Asri, as concrete evidence of our interest to invest in Indonesia." "This collaboration can further enhance Chandra Asri's competitiveness nationally and internationally. For the initial phase, we are confident to fulfil all Michelin's needs for synthetic rubber," said Erwin Ciputra, president director of Chandra Asri. Indonesia aims to further develop SR production in the country to support domestic manufacture of tires, conveyor belts, rubber components, footwear, and insulated electric cable. While domestic demand for SR in Indonesia is currently running at 230 kilotonnes per annum (ktpa), production capacity is just 75ktpa, government figures show.

Agus Pangestu, president director of parent group PT Barito Pacific, noted that with completion of a 37ktpa expansion in June subsidiary Chandra Asri Petrochemical Tbk (TPIA) now operates a butadiene plant with a new capacity of 137ktpa. The expansion increases the value of mixed C4, a raw material for butadiene plant previously in surplus after the cracker expansion back in 2015, said Pangestu.

Italy reports slowdown in machinery sales

● Italian plastics & rubber machinery exports have declined 0.6% year-on-year in the first nine months of the year 2018, according to Amaplast, the Italian trade association for rubber & plastics machinery. The export figures are in stark contrast to the 11.4% growth in imports seen during this same period, in response to the Italian government's investment incentives put in place to deliver a boost to the local market. The strong growth in imports, however, is significantly lower compared to the +26% achieved in the first quarter and the +23% in the second quarter, Amaplast said on December 19.

Machinery exports remained weak,

Lord Corp. is now a \$1 Bn Company

● The US-based company Lord Corporation has recently achieved \$1 billion in sales. Headquartered in North Carolina, the company has 16 major business centres across the world, with a presence in 26 countries and with over 3,000 employees. Lord is active in industries such as aerospace, automotive, oil & gas and industrial. Its Thermal Management product line is integral to electrical vehicles.

The company's President and CEO, Ed Auslander, said "Becoming a \$1 billion company is a significant milestone for Lord. We appreciate the collaborative relationships we have with our customers and partners – relationships that have enabled us to achieve new heights."

Auslander highlighted 2018 as a momentous year for the company, during which it won its biggest contract in company history, with Boeing; registered growth across the world, including an \$80 million investment to expand its Saegertown, Pennsylvania facility and the opening of a \$12 million manufacturing facility in Pont de l'Isère, France.



Ed Auslander

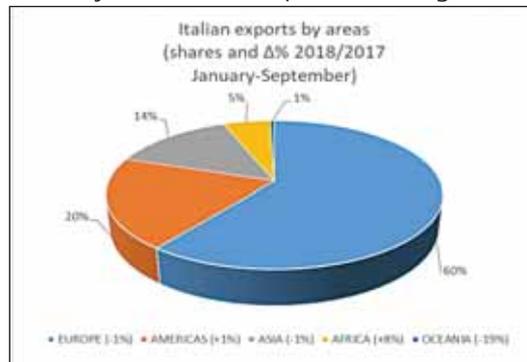
with sales volumes dipping into negative territory toward the end of the nine-month period while exhibiting only minor recoveries along the way. Regarding performance by machinery type, Amaplast said the trend was "still quite positive" for injection moulding machines, extrusion lines, and blow moulding machines. However, demand has tapered for auxiliary equipment and moulds.

In terms of export regions, the figures show a "major shift" in Asia with the Far East – led by Indian and South Korea – registering growth of 9.7%. In the Middle East, sales fell by 37.1%, with demand cooling particularly in Saudi Arabia, Iran, the UAE, and Israel.

Lacklustre exports in Europe led to a small 1.2% overall decline in sales, with the CIS states reporting a 12% drop in demand, due mainly to "stalled sales" in Russia. "The flat trend in sales abroad comes as no great surprise given an overall economic context that is losing vigour, both in Italy and in Europe generally," stated Amaplast president Alessandro Grassi. German companies have also faced an abrupt drop in exports, which, although "still in the

double digits this past March and June", had fallen to +4.5% in September.

Amaplast's latest mid-year member survey showed that slightly less than half of participants expect "a stable turnover" at the end of the second half-year, while one third expect continuing growth. As regards order books, only one-fifth of the respondents were optimistic about growth. In light of the data, the Italian trade association said it expected the full year production and foreign trade results to remain roughly in line with 2017. This, it added, "must be considered a positive result" given that



2017 saw a peak in trade over the past five years.

As for the outlook for 2019, Amaplast remained "cautious" amid uncertainties, political and otherwise, both within the country and Europe.



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Nouryon opens new India HQ and Research Centre to support growth

● Nouryon (formerly AkzoNobel Specialty Chemicals) has opened a new headquarters office and research centre to support its operations in India. Located in Mumbai, the new location brings together research and sales as well as business support functions, and enables the company to better meet customer needs across the region.

Nouryon is significantly expanding its operations in India. Key projects include an expansion and upgrade of Nouryon's organic peroxides facility in Mahad, which is close to completion, as well as a new monochloroacetic acid plant in Gujarat. The latter is a joint project with chemicals manufacturing company Atul, a part of Lalbhai Group, and is scheduled to start production later this year.

"India is an increasingly important market for us and these investments clearly demonstrate our commitment to grow with our customers in the region," said Charlie Shaver, CEO of Nouryon. "The chemical industry is regarded as a backbone of India's agricultural and industrial development, and we see good opportunities for sustainable growth."

The company started operations in India in 1991 and currently serves customers in markets ranging from agriculture to pharmaceuticals, and plastics, rubbers and composites as well as from personal



Charlie Shaver (CEO) Nouryon



Johan Landfors, Managing Director

care to paints and coatings, and oil and gas.

Nouryon is a global specialty chemicals leader. Markets worldwide rely on its essential chemistry in the manufacture of everyday products such as paper, plastics, building materials, food, pharmaceuticals, and personal care items. Building on its nearly 400-year history, the dedication of 10,000 employees, and shared commitment to business growth, strong financial performance, safety, sustainability, and innovation, it has established a world-class business and built strong partnerships with customers. It operates in over 80 countries around the world and with a portfolio of industry-leading brands includes Eka, Dissolvine, Trigonox, and Berol.

Amaplast, however, played down the tense political undercurrents saying the industry is now "rather used to the volatility in the global economy" and that the current slowdown in demand "had not caught anyone by surprise".

The trade organisation also noted that Italian machinery manufacturers should ready themselves for the challenges presented by the EU's ambitions to transition to a more circular economy. "While it might be taken as a threat at first sight, the turn toward the circular economy is actually an excellent opportunity for growth for manufacturers of plastics and rubber processing machinery, equipment and moulds," the organisation said.

Evonik acquires US-based 3D printing startup

● One of the leading global specialty chemicals majors, Evonik Corporation, announced in January

that it has acquired Structured Polymers Inc., a Texas-based technology startup for 3D printing materials. A corresponding agreement and plan of merger was executed and the transaction has been closed recently.

The acquisition will provide the Germany-headquartered company access to a new patented technology that will enable Evonik to expand its portfolio of specialty polymer powders in the additive manufacturing market.

Dr. Ralph Marquardt, the head of Strategy and Growth Businesses for Evonik Resource Efficiency GmbH, explained that with the company's decades of expertise in polymer chemistry, the acquisition will enable the growth of its portfolio of customised, ready-to-use polymer materials for the rapidly growing 3D printing market- thereby letting Evonik play an instrumental role in shaping development of that market.

Established in 2012 in Austin, Texas, Structured Polymers aims to innovate and commercialise new polymer powders for additive manufacturing processes, including multi-jet fusion and select laser sintering. The company is to be entirely integrated into Evonik's North American organization, while its company headquarters will remain in Austin.

Zeon's Czech subsidiary to start operations soon

● Zeon Corp., which has established a local subsidiary in the Czech Republic, is set to start operations in January. Tokyo Zairyo Czech, based in Prague, will purchase and sell moulding materials, mainly polymers and elastomers, according to the company. The unit will principally supply to local Japanese auto parts manufacturers and resin processors.

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Arvind Poddar, Chairman and Managing Director of Balkrishna Industries Ltd (BKT)

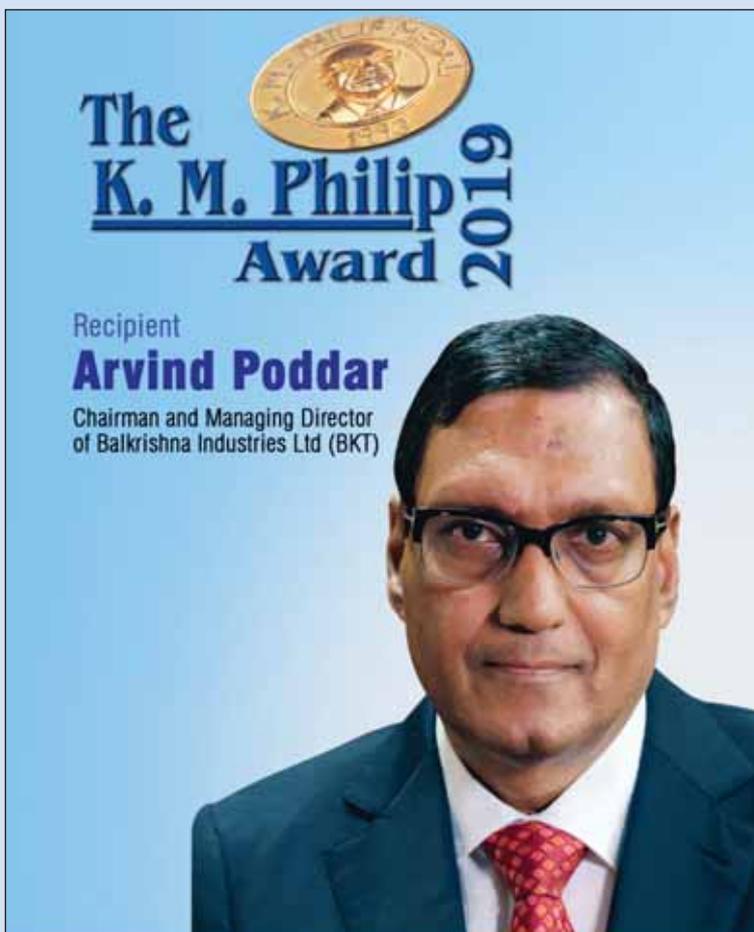
Arvind Poddar was inducted in the Tyre Industry Hall of Fame by the Tire Industry Association and is the highest honour any individual in the entire tire industry can achieve.

This January, Arvind Poddar received the K.M. Philip Award in Bombay. He has guided and led BKT, founded by his illustrious father Mahabir Prasad Poddar to make it a global OTR tire major with a turnover of nearly \$ 1 billion. BKT will grow even faster with its forthcoming investment in a tire plant in USA.

BKT manufactures and exports nearly 95% of its output of agricultural Agricultural, Industrial and Mining Tires of which it has an impressive 6% global market share. It is a pioneer in the development of Agrimax Force tires incorporating the most advanced IF Technology only to a few companies. It is also developing the OTR All Steel Radial Tires.

Arvind Poddar realised early that the foundation of the company had to be built on the pillars of R&D, technology and best-in-class quality. This has led into the development of a product range of more than 2700 SKU's and counting. His belief in offering the best quality products is testimony with adherence to the strictest quality benchmarks and securing international certifications such as ISO 9001-2015 and ISO 14001-2004 for all BKT's plants and is a testimony to his leadership,

His strong commitment to environmental responsibility has led his company to generate wind energy which



provides almost half of the energy requirements of BKT's plants in North India. He has also collaborated with an American company, Kultevat, for the development and supply of new

varieties of natural rubber. It became the first Indian company to become REACH compliant to EU Regulations.

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Another record-breaking year ahead for Tire Technology Expo!

After setting new records in 2018, Tire Technology Expo is gearing up for another blockbuster when it returns to the Deutsche Messe in Hannover, Germany on March 5, 6, 7, 2019.

The exhibition is now entering its 19th year – and its fourth in Hannover – and remains the largest gathering in Europe of tire design, development and manufacturing experts, bringing together influential figures from across the industry.

The world's leading tire manufacturing machinery suppliers will be present along with many chemical and material suppliers. In total, over 300 exhibitors, more than 600 delegates, and at least 5,300 attendees are expected at this year's show, which will feature some 25,000m² of exhibits.

Building on the success of previous years, the 2019 show will be held across three halls, each filled with the latest in tire expertise and innovation. Leading exhibitors include VMI Group, Harburg Freudenberger Maschinenbau GmbH, Mesnac Co Ltd, KraussMaffei Berstorff GmbH, Cimcorp Oy, Troester GmbH & Co KG, Zeppelin Systems GmbH, Comerio Ercole SpA, Versalis SpA, Trinseo Europe GmbH, Arlanxeo and Zeon Europe GmbH.

The exhibition

Visitors can look forward to a host of new product launches, including the latest mixing room solutions from HF Mixing Group; a new open mill for rubber mixing rooms and calender feeding from Rodolfo Comerio; a new single-valve manifold that allows for the integration of multiple safety zones from Emerson Automation Solution; a new tread enhancement additive (TEA) from Kraton; and a new, fully-automated handling solution for tire manufacturing and distribution from Cassioli.

To enable tire manufacturing plants to effectively use floor space and reduce cycle time, MicroPoise will introduce its in-line Modular Tire Measurement System, MTMS FX at Tire

Technology Expo. It combines tire uniformity, dynamic balance measurement and geometry inspection into a single process.

Electric and pneumatic automation specialist Festo will showcase its latest flexible pneumatic automation platform, the Festo Motion Terminal VTEM, at Tire Technology Expo. The platform makes it easy to switch between different pneumatic functions using apps, without needing to change the hardware. For example, the selectable pressure level app ensures that the green tire is loaded into curing presses gently, reducing loading time and energy consumption.

CyXplus will debut a new tire inspection machine that has been designed specifically for radial two-wheeler tires. The mTx+100 is equipped with a high-resolution sensor for superior image quality, and comes with the CyXpert 5 ADR reference software.

Conference and short courses

The Tire Technology 2019 Conference is set to be the biggest yet, with over 160 speakers already announced. It will investigate a wide array of issues currently facing the industry, as well as exploring the trends set to dominate the tire business in the future.

Highlights include the Robert William Thomson Lecture, which will see VDI's Rudi Hein present 'Tires with emergency running characteristics – review, development, series production, outlook'. Pierre Fraise, vice president technical operations - passenger car and light truck tires, Michelin, will present 'Achieving resource savings and driving safety – the future challenge', and Prof Burkhard Wies, VP of R&D PLT replacement worldwide, Continental, will focus on the 'Physics of tire performance over a lifetime: how to ensure best balance between safety and economy'.

Dr Katsuhiko Tsunoda, senior chief scientist, Bridgestone Corporation, will explore the potential offered by an innovative tough rubber

compound for environmentally-friendly tires. For those interested in tire labelling, Ricardo Anadón, senior product manager, Ildiada Automotive Technology SA, will summarise the forthcoming regulatory advances regarding the new proposal for a European regulation on the labelling of tires with respect to fuel



Cassoli_Robot-Pallettizer

efficiency and other essential parameters, published in May 2018.

Tire Technology Expo's renowned programme of short courses has also been enhanced for 2019, with new courses and expanded speaker line-ups that will cover the most pertinent topics for those working in the industry.

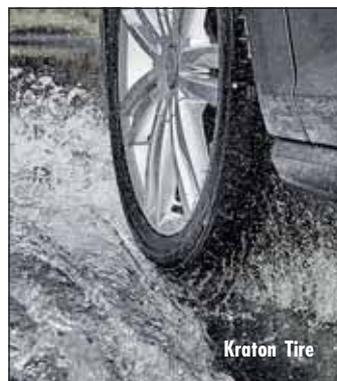
Awards

Finally, at the end of Day 2 (6 March) of Tire Technology Expo 2019, attendees will be treated to a truly spectacular gala dinner in the beautiful Kuppelsaal at the Hannover Congress Centrum, during which the prestigious Tire Technology International Awards for Innovation and Excellence will be presented in recognition of industry achievements over the past year.

The awards are decided by a 30-strong panel of experts from the tire industry and academia. Materials innovation is again at the heart of this year's shortlist as the tire industry addresses the often conflicting challenges of better tire performance and reduced environmental footprint. As such, there are several nominations for new materials initiatives by tire makers and expert suppliers in the Tire Manufacturing Innovation of the Year, Tire Technology of the Year and Environmental Achievement of the Year categories.



Discussions



Awards

In this year's Tire Technology of the Year category, cutting-edge virtual development tools also feature extensively, as industry design and testing processes become increasingly digitised.

As always, the Tire Manufacturer of the Year award will be fiercely

contested, with five global tire makers currently in the running – discover which of Continental, Hankook, Bridgestone, SRI and Michelin has the biggest smile on the night!

Entry is free of charge: visit www.tiretechnology-expo.com to register for your free visitor badge.

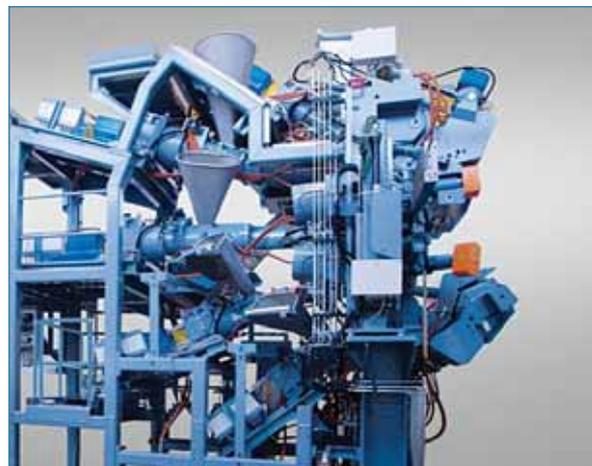
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DIARY OF WORLD EVENTS

MARCH 2019

►Tire Technology Expo 2019

05-07 March
Deutsche Messe, Hannover, Germany
Contact: Colin Scott, UKIP Media & Events,
Tel : +44-1306-743744
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Fax: +44-1306877411
Web: www.tiretechnology-expo.com

►International Rubber Study Group - IRSG - World Rubber Week & World Rubber Summit

18 - 19 March, Singapore
Contact: Christina Ho
Tel.: +65-6837-2411 (Extn.: 201)
Email: christina@rubberstudy.com
Web: www.rubberstudy.com

►Tyrexpo Asia 2019

19 - 21 March at Singapore Expo Convention and Exhibition Centre, Hall 1 & 2, Singapore
Contact: Darren Tay - Project Manager Tel: +65 64032100
Email: darren.tay@singex.com
Web: www.tyrexposeries.com

APRIL 2019

►16th China International Tire & Wheel (Qingdao) Fair

9- 10 April
Qingdao International Convention Center (QICC)
Contact: Lily Zhao
Jinnoc Exhibition Co., Ltd.
Tel.: +86 532-55557078
Cell: +86 151 65294841
Email: lily.zhao@jinnoc.com
Web: www.rubbere.com

JUNE 2019

► Malaysia Commercial Vehicle Expo (MCVE)

20-22 June, Kuala Lumpur
Organised by Asian Trucker Exhibition Sdn Bhd
Contact : Stefan Pertz
Tel: +60 16 521 9540
email : info@asiantrucker.com
web: www.asiantrucker.com

►Rubber & Tyre Vietnam 2019

26 - 28 June, Saigon Exhibition Center, HO Chi Minh City, Vietnam.
Contact: Ellie Duong, Marketing Executive
VEAS Co. Ltd.
Tel.: +84-28 38488561/62/63
Email: ellie.duong@veas.com
Web: www.veas.vn

SEPTEMBER 2019

RubberTech China 2019

18-20 September, 2019
Shanghai new International Expo Centre,China
Contact: CURC - Ella Liu / Willow Sun
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Fax: +86-10-58650288
Email: expo@chrubber.com
Web: http://en.rubbertech-expo.com

► Tyrexpo India 2019

26 - 28 September, Chennai Trade Centre, Chennai, India
Contact: Rahul Bhatia
Tel.: +91 8527765556
Email: rahul.bhatia@singex.com
Web: www.tyrexpoindia.com

OCTOBER 2019

► Arab Rubber Expo 2019

09-10 October 2019
Sharjah Expo Centre UAE
Contact: Peram Prasada Rao - TechnoBiz
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Email: peram@technobiz-asia.com
Web:www.rubbertechology-expo.com

► K - 2019

16-23 October: Duesseldorf, Germany
Contact: Desislava Angelova/Sabrina Giewald
Tel: +49-211-4560 240 /
Fax:+49-211-4560 8548
Email: AngelovaD@messe-duesseldorf.de
GiewaldS@messe-duesseldorf.de

MARCH 2020

► Global Rubber, Latex & Tyre Expo 2020

11-13 March 2020, Bangkok International Trade & Exhibition Centre, Bangkok, Thailand
Contact: Peram Prasada Rao - TechnoBiz
Tel: +66 2 933 0077
Fax: +66 2 955 9971
Email: peram@technobiz-asia.com
Web: www.rubbertechology-expo.com

APRIL 2020

Tyrexpo Africa 2020

April 2020 at Gallagher Convention Centre, Hall 2 Johannesburg, South Africa
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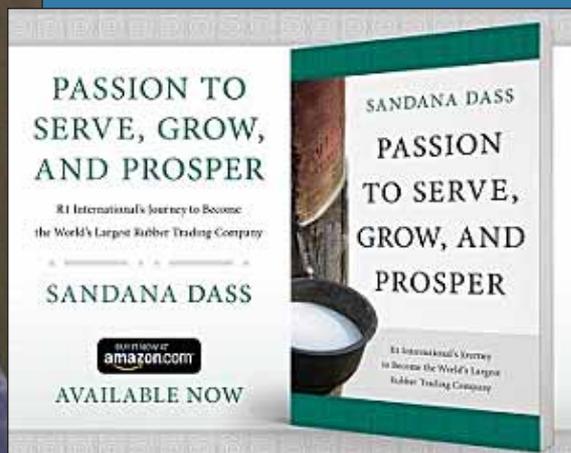
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Sandana Dass

Sandana Dass joined the Rubber Industry in 1973 as a “Rubber Scholar” with the Malayan Rubber Fund Board (MRFB) in Kuala Lumpur and trained in MRFB offices in London, Milan, Vienna and Hamburg.

He served as a Director of Marketing & Operations & Investments for MARDEC Group as well as Managing Director of MARDEC International Sdn Bhd from 1974 – 2001. He was a Non-Executive Director of MARDEC Berhad from 2004 – 2012.

Since 2001, Sandana Dass conceptualised, formed and has been managing the R1 International Group as its Group Managing Director/Chief Executive Officer from its Headquarters in Singapore. He oversees R1 International Group of Companies as Chairman in Malaysia, Japan, Thailand, Vietnam, China, India, Cambodia and USA with an annual turnover which had reached about US\$3 billion.

IRSG : The rubber industry has its challenging and volatile oscillations. Do share what gives you the drive or passion to continue to be a “Rubber Scholar” since the past 45 years?

Sandana Dass: I have been in the rubber industry for 45 years. I can say the passion that first pulled me in has not diminished in any way. In fact, now I am even more excited about the industry ahead and what I can achieve with the plan and responsibility I have. I think I can possibly accomplish more in the next three to five years than during my previous 10 years.

What drives my passion?

What keeps me excited & going?

The simple answer is the same thing which first attracted me to the rubber industry.

“To do Good, to do well”

The rubber industry is essential to the very development and prosperity of mankind. The world literally moves on rubber! Imagine a world without rubber and its products, namely tires, gloves, condoms etc. This world would not be the same as what we experience and live in today. Hence, I feel honoured to be part of this important industry.

At a deeper level, for me when I think of rubber, I see the vision of the man behind the tree — the millions of smallholders who eke out a living from tapping the many rubber trees daily for its produce. This is also a group of people living with little means and who are often neglected and even exploited. I find it motivating to serve a higher purpose, a cause — contributing in some way in what you do for the betterment of the lives of these rubber smallholders, in general, and the various stakeholders in the industry.

IRSG: What was the challenge in writing the book “Passion to serve, grow and prosper”?

Sandana Dass: I must confess that I decided to write this book in haste. Sometime in 2017, I had a sudden thought that I could leave R1 anytime. In such a case, what do I leave behind? It occurred to me that it would be good to leave behind the story of the early history of the company, how it progressed and what had made it become the biggest pure rubber trading company in the world. In

a way, a blueprint of its growth and success and to emphasise the need to cherish and preserve its culture which has been painstakingly built over many years.

The challenge in writing the book was two folds;

1. To determine the readership and how they could benefit from it
2. To find the right way and tone to get the message across easily

It was obvious that the book would be useful to all in the R1 Group, namely existing members and newcomers, the new shareholders, peers in the industry as well as general readership of commodity and business books. As I faced a number of important responsibilities during that time, I could only write the book during the weekends and during flights. I pushed to complete it in less than five months. Now I feel that I could have done a much better job with the inclusion of more lessons, information and finer details. I guess all authors do feel the same way.

IRSG : As the author of the book “Passion to serve, grow and prosper”; what is the key factor you like to share with the new generation on pursuing a career in the Rubber Industry?

Sandana Dass: I believe to enjoy your work, to maximise your personal growth and potential, to have a fulfilling and satisfying life, you must have passion in what you do. Passion arises from a deep desire to achieve something in your life which can contribute and make a difference to the company, industry and society in some way.

So a career in the rubber industry must mean something much more than a job or making money. To be frank, this is not a glamorous industry. If you join, you need to stay the course, persevere and only then can you enjoy delayed gratification. It is not an exaggeration to say it can be a career which can keep you excited and energetic your whole life. Every day is a totally new day. There will be plenty of challenges, opportunities, lessons to learn from failures and occasions to celebrate success. There are sacrifices to be made but rewards are plenty too. Being in the rubber industry, like in other commodities, will give you a world perspective as you will be exposed to geo politics, macroeconomics, environmental concerns and the global community. There are no boring days and no boring people. It is no surprise that most who join the industry with passion hardly leave even when they are supposed to fade into retirement.

IRSG: How has your stay in R1 International single handedly driven and given birth to the biggest pure rubber trading company in the world?

Sandana Dass: I was fortunate to have the opportunity to give birth to R1 and help develop it to be the biggest pure rubber trading company in the world. Certainly I did not do this single-handedly. The R1 success story would not have been possible without the solid and widespread support of so many involved. In particular, the great R1 team and family members, who share the same passion, made many sacrifices and contributed to make what R1 is today, the members of R1 Board and Shareholders who guided and motivated us, our various worldwide rubber suppliers and consumers who helped build our business and growth,

our banks, services providers and agencies like International Enterprise Singapore, who have been really supportive right from our beginning. These are the people and organisations behind R1's success.

IRSG: What was the key factor to ensure a sustainable composition of the culture of an organisation such as “R1 International” that created motivated individualistic traders to work together as a virtual global family?

Sandana Dass: Our culture is the secret glue that binds together all the components in our company that sustain our growth and success.

The R1 culture is the whole eco-system within the entire group encompassing the Company Vision (our aspiration), the Company Mission (what we need to do towards our Vision), our Values, our Strategies, our Processes and Systems with the R1 Global family of talented, empowered and motivated people aligned and working together towards our goal. Good people shine and thrive under such an eco-system.

Culture defines who we are, what we represent, why it is important for us and how we go about living it to achieve our goals. I have elaborated more on this in my book.

IRSG : Which charity/charities will benefit from the contributions of Royalties from “Passion to serve, grow and prosper”?

Sandana Dass: I do not want to be presumptuous. It really depends on the amount of contribution of Royalties from the sale of the book. All proceeds will go to charity and we need to determine the charities at a certain time in the future.

IRSG : What is the benefit that R1 International sees in being an IRSG industry member?

Sandana Dass: IRSG is the only intergovernmental organisation which provides a forum for all stakeholders in the industry (producers, consumers, traders, agencies overseeing rubber interest) from both the natural and synthetic rubber sectors to meet and discuss potential issues related to and affecting the industry.

IRSG also remains the only authoritative source for rubber statistics related to production, consumption and trade. IRSG also undertakes studies on issues affecting or relevant to the industry for its members. In short, there is no other credible agency like IRSG for rubber. I have participated actively in IRSG Group meetings, forums and committees for over nearly 40 years. It would be rather unfortunate to realise the value of an organisation only after its demise. It would be too late then. Hence, the need to preserve and build what we have in IRSG to continue to promote.

Editor's Note: I have had the pleasure of knowing Sandana Dass since the mid-eighties. What Sandana does not know about NR is definitely not worth knowing. I am sure that he will contribute even more to the rubber industry. Perhaps at least one more book, my friend?

World rubber demand to exceed

30m tonnes in 2019

● Global demand for natural rubber (NR) and synthetic rubber (SR) is set to increase in 2019, according to the International Rubber Study Group (IRSG).

The latest IRSG data studied the world rubber industry outlook based on IMF (International Monetary Fund) and other scenarios. According to the IRSG data, global rubber consumption increased by around 3.2% year-on-year to 29.30 million tonnes in 2018.

Under the IMF scenario, total rubber consumption is forecast to increase further, by 2.5% to 30.03 million tonnes in 2019.

World NR demand rose 4.9% to 13.87 million tonnes in 2018 and is set to increase further by 2.6%, to 14.23 million tonnes in 2019.

Global SR demand increased by 1.7% to 15.43 million tonnes in 2018. The figure is expected to rise by 2.4% to 15.80 million tonnes in 2019.

Malaysia's NR Sector could benefit from weaker Ringgit in '19

● Analysts who have studied Malaysia's natural rubber (NR) industry expect the country's rubber glove manufacturers to increase supply by 15%, despite annual global demand growing by 8 to 10%.

The top four glove manufacturers in Malaysia will have boosted capacity by 15% this year- mainly their nitrile capacity. Analysts expect this year to see an estimated addition of about 20 billion pieces of gloves, as compared to 10.7 billion pieces in 2018.

The Ringgit is expected to be weaker in 2019, which bodes well for Malaysia's rubber sector and rubber glove sector in maintaining its cost competitiveness against its regional rivals. Estimates range for this year between US\$-RM 4.10-4.30, with the industry giant Top Glove expected to take the most advantage of a weaker Ringgit against a stronger US dollar, given its high exposure to natural rubber

latex gloves.

Effective January 2019, Malaysia's statutory minimum wage has increased from RM1,000 (\$243.6) to RM1,100 (\$268.1) The increase in costs will be passed to customers. Analysts expect the volatility of NR this year to parallel the velocity of prices in Asia of its main feedstock-ethylene. Projections have been made for NR prices at RM4/kg- RM5/ kg in 2019, as compared to the 2018 average of RM4.29/kg, assuming there are no supply disruptions. Lower-than-expected NR prices will primarily benefit glove players, Top Glove and Supermax Corp Bhd, with a product mix towards natural rubber.

Hong Leong Investment Bank Research is bullish about Top Glove due to its balanced product mix – nitrile rubber versus natural rubber: 47%:53%, as compared to other more nitrile-heavy players such as Kossan Rubber Industries Bhd (77%) and Hartalega Holdings Bhd (over 95%). NR gross margins are between 20% and 21%, while nitrile gross margins are about 18%.

Old rubber plantations wiping out profits of Harrison's Malayalam

● Restrictions on felling old rubber trees and absence of replanting seems to have made a dent on profitability of Harrison's Malayalam, the largest rubber producer in South India. Last year, the plantation company had posted a marginal profit of ₹ 1.33 crore due to a rise in tea production.

Though the Kerala government has allowed seniorage on rubber trees in October 2018, necessary orders are still awaited. The huge backlog of area due for replanting has led to a drop in production, productivity and job opportunities, said Venkitaraman Anand, the newly-appointed Whole Time Director and Chief Executive - SBU (A), HML.

Replanting is an important process to rejuvenate plantations. However, in the case of rubber – being a tree and timber crop – the trees have economic value and restrictions were imposed on felling. Though replanting has been encouraged both by the government and commodity boards

for all other crops, it was not allowed in rubber. Around 1,000 hectares with 2.5 lakh trees out of HML's total 6,000 hectares are lying without providing any yield, he said.

Coupled with these, low prices of both rubber and timber have resulted in a huge backlog in areas for replanting especially in ancillary occupations like loading, cutting, timber transport as well as plywood industry which depends on regular supply of trees.

The returns from timber extracted for one hectare accruing to the grower is estimated to be around ₹ 4 lakh whereas replantation cost per hectare is estimated to be ₹ 6 lakh, he said.

Santhosh Kumar, the company's Executive Director pointed out that repeated hurdles have forced many growers to shift to alternate cultivation. Rubber cultivation, which is already under intense competition from emerging geographies and policies favouring imports from low cost SE Asian nations would affect the local industry. It is expected that imports this year would touch a record six lakh tonnes (lt) whereas production would be around six lt. Other rubber cultivating areas like Tripura, Assam, Odisha, Konkan region and Meghalaya have marked a significant increase in the production.

The total area under rubber in Kerala is to be around 13 lakh acres of which 93% are small holdings.

Rubber Board worried by productivity decline

● Declining rubber productivity seems to be a cause of worry not only for stakeholders but for the Rubber Board as well. It is now contemplating a productivity enhancement campaign in growing areas across South India.

Christened Campaign 2019, the Board is in the process of organising a large scale mass-contact programme to increase productivity in rubber holdings with a long-term view to ensuring sustained natural rubber supply and eliminate the necessity for imports.

Creating awareness

Starting February 18, the campaign will focus on creating awareness among growers in critical agro-

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Crisis faced by India's NR industry forces losses for Harrisons Malayalam

●Harrisons Malayalam (HML), India's largest producer of rubber, says it will be in the red this fiscal year as a result of the shortfall in NR production. The shortage has arisen because growers are not tapping the standing crop due to falling NR prices from 2013.

India is the world's second-largest NR consumer after China and is a net importer of the commodity, despite being a major producer, accounting for over 5% of global output.

The average price of benchmark RSS-4 grade came down to Rs 129.8/kg (\$1.8/kg) in 2017-18 from Rs 208.05/kg (\$2.9/kg) in 2011-12. In mid-January, the RSS-4 grade in Kottayam, Kerala closed at Rs 125/kg (\$1.75/kg), while the similar grade at the Bangkok market was Rs 110.5/kg (\$1.54/kg).

The CEO of HML, Venkitraman Anand, explained that intense competition from emerging low-wage nations, along with policies favoring imports from Southeast Asian nations is severely impacting India's rubber plantation industry. He said that state policies and delays in implementing decisions are additional factors adding to the problems of plantation companies. Trees are not being



**Venkitraman Anand CEO
Harrisons Malayalam**

replanted due to low returns, which will further impact future yields.

HML, which is part of RPG Enterprises, has lost Rs 100 crore (\$14 million) in the last five years, with nearly a sixth of its NR trees lying un-tapped. According to Venkitraman Anand, almost 1,000 hectares (ha) of the total 6,500 ha of rubber – which needs to be immediately replanted – has been left untouched due to the high seniorage (fees) charged by the forest department and other sanctions. He further noted that while timber from an acre of land fetches Rs 400,000 (\$5,614), the cost of replanting is Rs 600,000 (\$8,421). The average output from a hectare of rubber

plantation is estimated to be 1,300 to 1,400 kg. Anand pointed out that while replanting for all other crops is encouraged by the Indian government and the relevant boards for other crops, NR replanting has been hit by misinformation. NR yield in Kerala is expected to fall by 40 to 50% in the months ahead, due to the loss of foliage in the trees.

Based on HML estimates, NR import in FY19 is likely to hit a record 600,000 tonnes, accounting for 50% of India's consumption of the commodity.

practices and scaling up their adoption level through a holistic approach. Good Agricultural Practices (GAP) will be popularised among growers, say Board officials.

The present analysis by the Rubber Research Institute of India indicates that adoption of technological innovations with cost saving and income enhancing measures could make rubber cultivation moderately profitable even during the prevailing low-price scenario.

Having invested a lot in developing plantations, it is unwise for farmers to leave rubber untapped because of low prices, the officials felt.

The need for imports

Of late, that there has been a widening gap between production and consumption, which is being met by imports.

This has led to a fall in prices coupled, with the lower rates prevailing in the international markets.

This has forced the majority of growers to leave their holdings untapped, thereby affecting domestic

production.

According to growers, rubber plantations are now witnessing re-foliation after wintering (seasonal leaf fall). This is a period where the moisture level in the soil is low.

Normally, during this period, growers give tapping a rest, sometimes for up to two months. The

tapping normally resumes with pre-monsoon showers in the first half of April. The Board has proposed to conduct group meetings in all rubber growing areas in Kerala, Tamil Nadu and Karnataka, with the participation of Rubber Producers' Societies (RPSs) up to March 15. Thereafter,

Sector dynamics

	2017-18 (tonnes)	2018-19 (tonnes) up to Nov 2018
Production	6,94,000	4,07,000
Consumption	11,12,210	8,18,040
Export	5,072	642
Import	4,69,760	4,06,374
Average domestic price of RSS-4 (₹/kg)	129.80	126.05 (up to Dec 2018)
Average International price of RSS-3 (₹/kg)	116.78	106.22 (up to Dec 2018)

Total production in Nov 2017: 64,000 tonnes

Total production in Nov 2018: 63,000 tonnes

Source: Rubber Board



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the package of GAPs will be implemented in holdings having demonstration potential.

Output-consumption gap

The production-consumption gap in natural rubber is widening in India.

During the ongoing fiscal year, domestic production will be able to meet just about half of industry's demand.

The industry has been communicating with the Rubber Board on the need to increase production and productivity.

India's Rubber Board concerned about falling productivity

● Declining rubber output in India is causing great concern not just for the stakeholders, but also for the country's Rubber Board, which is now considering a productivity enhancement campaign in growing areas across South India.

"Campaign 2019" is to be a large-scale mass-contact program to increase productivity in rubber holdings with a long-term view to ensuring sustained NR supply and eliminating the need for imports. Starting February 18, the campaign will focus on creating awareness amongst growers in critical agro-practices and scaling up their adoption level through a holistic approach. The Board aims to have Good Agricultural Practices (GAP) popularized amongst growers.

Based on analysis carried out by the Rubber Research Institute of India, the adoption of technological innovations with cost saving and income enhancing measures could make rubber cultivation in India moderately profitable, even under the current low-price conditions. Officials feel that after having invested a great deal in developing plantations, it is unwise for farmers to leave rubber untapped because of prevailing low prices.

The widening gap between the production and consumption of NR in India has been met by imports, which has further caused prices to fall. Due to low prices, growers are not motivated to tap their holdings, further causing domestic production to shrink.

According to Rajiv Budhreja,

India's NR imports to rise in 2019

● For the financial year 2018-19, India's NR demand of 1.2 million tonnes will be met partly by a record 600,000 tonnes of imports, and this figure is expected to increase even further. Cheaper imports and shrinking domestic rubber production have both spurred a rise in imports of the commodity. In 2009, NR imports were at 90,00 tonnes, rising to 450,000 tonnes in 2017-18. Meanwhile, India's NR output fell from 900,000 tonnes in 2012-13 to the current levels.

In Kerala, the country's main rubber-growing state, cultivation is spread across 1.3 million acres, of which 93% is held by small growers with less than five acres. Growers in the state, whose output accounts for about 90% of India's NR production, have been plagued by issues such as falling prices, the high price and unavailability of labour, lack of mechanisation, long crop gestation periods, and lack of policy support. These have affected NR production and led to the fall in output.

Santosh Kumar, executive director of Harrison Malayalam Limited, India's largest NR plantation company, stated that over 4 million growers, workers and their dependents in Kerala are in distress due to the crash in domestic NR prices.



Santosh Kumar Executive
Director of Harrison Malayalam

Director General, ATMA (Automotive Tyre Manufacturing Association), the country's production-consumption gap is widening. During the ongoing fiscal year, domestic production is expected to meet just about half of industry's demand.

During the first couple of months of the year, rubber plantations are witnessing re-foliation after wintering (seasonal leaf fall). At this point the moisture level in the soil is low and growers generally give tapping a rest, sometimes for up to two months. The tapping normally resumes with pre-monsoon showers in the first half of April.

India's Rubber Board has proposed conducting group meetings in all the rubber growing areas of Kerala, Tamil Nadu and Karnataka states, with the participation of the Rubber Producers' Societies (RPSSs) up to March 15. Thereafter, the package of GAPs will be implemented in holdings which have demonstrated potential.

The country's tyre industry has been communicating with the Rubber Board regarding the necessity of

boosting output and productivity. An ATMA Study Mission visited Agartala, the capital of the north-eastern state of Tripura, in order to have discussions with the Tripura Government on increasing NR productivity and production in the North East.

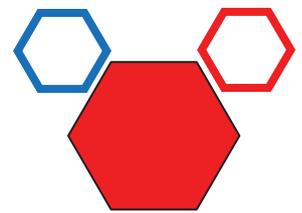
Overcapacity of crumb rubber in Indonesia

● In January, Gapkindo (The Indonesian Rubber Producers Association) has urged the country's government to review its plan to open the crumb rubber industry to foreign investors. They say the industry is suffering from overcapacity due to an acute raw materials shortage.

The Indonesian government felt that increasing the number of crumb rubber factories would automatically increase competition for NR latex-boosting the earnings of smallholders who own over 85% of the country's rubber plantations. However, Gapkindo says that even now, while Indonesia has a total installed

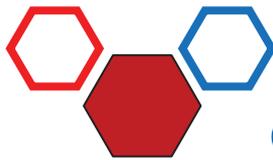


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Vietnam exports 1.58 mn tonnes NR in 2018

●The Vietnam Rubber Group (VRG) announced that in 2018, the country's rubber industry had total revenue of VND 22,686 billion, reaching 103% of the plan. According to the VRG's report, although NR prices fell significantly compared to 2017, the country exported an estimated 1.58 million tonnes of NR last year, earning \$2.1 billion in 2018- a 14.5% rise in volume and down 6.1 times in value as compared to 2017.

The VRG released this data at a recent conference during which the Group outlined its tasks for 2019. The event was attended by Permanent Deputy Prime Minister Truong Hoa Binh.

For this year, Vietnam Rubber Industry Group plans to produce exploited rubber of 320,250 tonnes or more, while the planned consumption volume is 395,000 tonnes.

Speaking at the ceremony, Vietnam's Permanent Deputy Prime Minister, Truong Hoa Binh, congratulated the country's rubber industry in general and the VRG in particular for its achievements over the past year.

capacity of 5.6 million tonnes per year, the total supply of rubber materials from domestic plantations is only about 3.5 million tonnes- so the country's crumb rubber manufacturers have to operate below their capacity. Of even greater concern is the fact that over 60% of Indonesia's total installed capacity is controlled by foreign companies- mainly Chinese companies and their local affiliates.

Indonesia is the world's second-largest producer, after Thailand, and exports more than 80% of its output. Crumb rubber producers generally use international prices as their reference for local rubber procurement. NR prices in Indonesia have generally been about half the prices prevailing in Thailand and Malaysia (the world's second largest NR producer). Hence, the call from growers for the Indonesian government to liberalise the crumb rubber industry and consider the relationship between smallholders and rubber processing companies, as well as the root causes of why the country's farmers are being paid less than their counterparts in other major producing countries.

Older rubber trees and poor quality of latex are also issues facing Indonesian growers, as well as the absence of government

programmes to replant smallholder plantations with high-yield seeds, as has been done for smallholder palm plantations.

The country's NR plantation industry suggests that instead of attracting more foreign investors, it would perhaps be more productive for the government to stimulate investments in downstream rubber plants to produce building materials, parts or components of automobiles and electronic goods, as well as adhesives and sealants. Till now, the largest industrial users of NR as a raw material have been tire manufacturers.

Sri Trang targets 30 billion rubber gloves

●Thailand's Sri Trang Agro-Industry Pcl, the world's largest NR-producing company, is hoping to increase rubber glove output by about 74% to 30 billion gloves annually in the next two years. This will increase the profit share of rubber gloves to about half the company's net income, according to Sri Trang's vice president, Vitthaphol Sincharoenkul, which should help balance out any NR export losses, when NR prices fall.

Over the past two years, there has been a 50% or so fall in NR prices, even as the world's top growers, Thailand, Indonesia and Vietnam have seen output surge following replanting earlier in the decade.

This is coupled with uncertain global demand from tire makers, including China, the world's largest automobile market.

Vitthaphol Sincharoenkul said that if both natural rubber and gloves contribute the same level of profit, this will offset the risk of price volatility. When NR prices are low, gloves will be more profitable, but when NR prices are high, rubber exports in the form of sheets, blocks and liquid will be more profitable than processing the commodity to make gloves. Currently, gloves account for about 40% of Sri Trang's profits and 15% of sales. The glove market continues to grow, even with a large number of players. High single or double-digit growth in demand is seen for each year ahead.

Sri Trang estimated that NR prices will remain low this year unless there is a radical cut in supply or a surge in demand. The company's revenue growth for 2019 is expected to be 5% to 7% if prices remain at current levels.

Olam Singapore's selling off rubber business

●Olam International, the Singapore-based commodity trader, says it plans to divest its rubber, sugar, wood products and fertiliser businesses. The measures are in line with the company's 2019 to 2024 business plan, which is aimed at streamlining its portfolio, and will take place over the next six years.

It is hoped that the sale of these businesses will provide Olam with around \$1.6 billion, which will be used for new investments. As per the six year-plan, the company will invest \$3.5 billion into 12 core business segments, including cocoa, spices and edible oil.

Olam's CEO and co-founder, Sunny Verghese, cited the lack of long-term structural sustainability as the reason the company was withdrawing from the four businesses. He further explained that in order to grow the rubber business, Olam would have to acquire more land, which might involve planting rubber in deforested areas.

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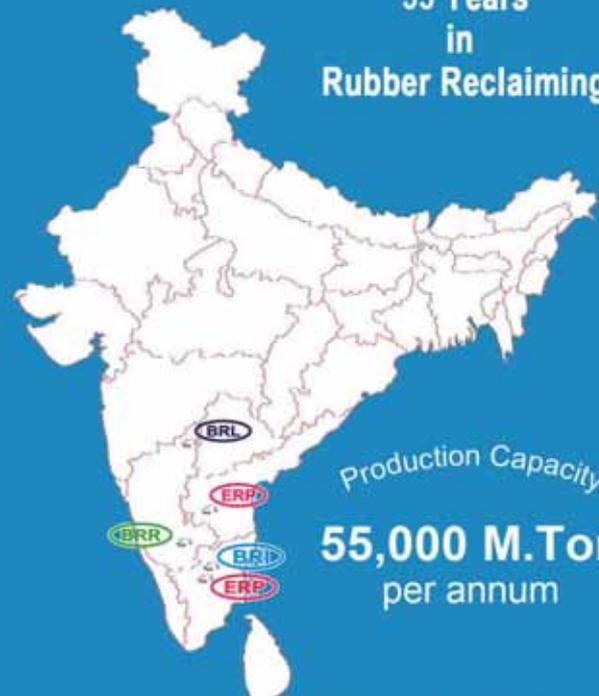
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Indian : Production, Domestic Sales & Exports data for the month of January 2019 and Growth

Category	(Number of Vehicles)								
	Production			Domestic Sales			Exports		
	January		January	January		January	January		January
Segment/Subsegment	2018	2019	% Change	2018	2019	% Change	2018	2019	% Change
I Passenger Vehicles (PVs)									
Passenger Cars	236,071	233,856	-0.94	184,264	179,389	-2.65	43,399	37,701	-13.13
Utility Vehicles(UVs)	100,282	110,198	9.89	85,840	82,772	-3.57	12,937	8,943	-30.87
Vans	16,538	19,888	20.26	15,363	17,964	16.93	290	241	-16.90
Total Passenger Vehicles (PVs)	352,891	363,942	3.13	285,467	280,125	-1.87	56,626	46,885	-17.20
II Commercial Vehicles (CVs)									
M&HCVs									
Passenger Carriers	3,129	4,551	45.45	3,013	3,476	15.37	1,118	577	-48.39
Goods Carriers	32,306	32,445	0.43	31,191	30,980	-0.68	3,388	3,104	-8.38
Total M&HCVs	35,435	36,996	4.41	34,204	34,456	0.74	4,506	3,681	-18.31
LCVs									
Passenger Carriers	5,089	4,247	-16.55	3,844	3,485	-9.34	415	218	-47.47
Goods Carriers	51,724	55,526	7.35	47,646	49,650	4.21	4,321	3,256	-24.65
Total LCVs	56,813	59,773	5.21	51,490	53,135	3.19	4,736	3,474	-26.65
Total Commercial Vehicles	92,248	96,769	4.90	85,694	87,591	2.21	9,242	7,155	-22.58
III Three Wheelers									
Passenger Carrier	89,001	84,414	-5.15	52,392	42,543	-18.80	33,809	43,232	27.87
Goods Carrier	10,949	11,904	8.72	10,151	11,500	13.29	289	829	186.85
Total Three Wheelers	99,950	96,318	-3.63	62,543	54,043	-13.59	34,098	44,061	29.22
IV Two wheelers									
Scooter/Scooterette	589,648	557,697	-5.42	553,695	497,169	-10.21	23,794	19,628	-17.51
Motor cycles/Step- Through	1,261,132	1,219,368	-3.31	1,054,757	1,027,810	-2.55	214,108	226,986	6.01
Mopeds	79,504	71,197	-10.45	76,309	72,593	-4.87	2,516	132	-94.75
Total Two wheelers	1,930,284	1,848,262	-4.25	1,684,761	1,597,572	-5.18	240,418	246,746	2.63
Quadracycle	99	301	204.04	0	0	-	77	72	-6.49
Grand Total of All Categories	2,475,472	2,405,592	-2.82	2,118,465	2,019,331	-4.68	340,461	344,919	1.31

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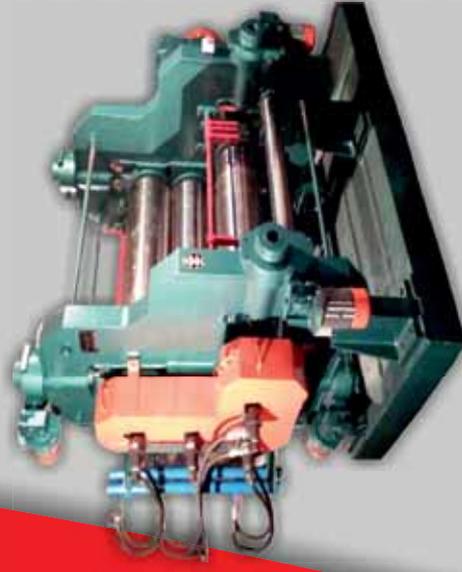
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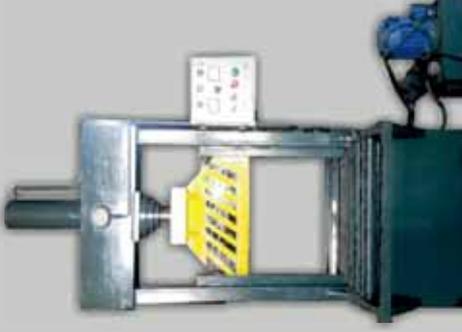
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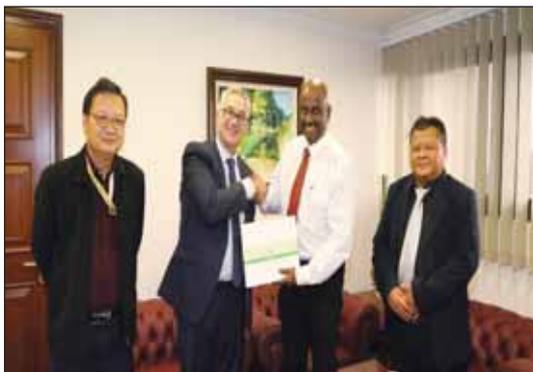
IRSG at the ANRPC Conference and Meeting

IRSG attended the 11th ANRPC Annual Rubber Conference that was held on October 8 in Chang Rai, Thailand. The IRSG Secretary-General had also read a statement on behalf of the organisation to the Open session of the 41st ANRPC Assembly and participated in the Public-Private Meeting.



Salvatore Pinizzotto at the 11th ANRPC Annual Rubber Conference

IRSG Secretary-General visits the Malaysian Rubber Board



From left, Ang Chai Seng, Salvatore Pinizzotto, Sankara N. Nair and Dr Suarni Sumormo

Salvatore Pinizzotto, IRSG Secretary-General, visited the Malaysian Rubber Board (MRB) and met Sankara N. Nair, the newly-appointed MRB Chairman. Sankara Nair was accompanied by Dr Suarni Sumormo, Deputy Director General, Policy & Operations and Mr Ang Chai Seng, Director of Economics and Rubber Exchange. Among the matters discussed was the membership of natural rubber (NR) producers in IRSG and Malaysia's role in the global rubber industry.

IRSG at the seminar organised by the Vietnam Rubber Association

On December 7, 2018, IRSG presented a paper at the seminar "Action

Plans for Sustainable Rubber Development and Price Forecast for 2019". The seminar was held in Ho Chi Minh City and was organised by the Vietnam Rubber Association (VRA).

IRSG visits the Ministry of Trade, Government of Indonesia

On September 26, 2018, the IRSG Secretary-General met Dr W. Kurnia, Director of APEC and International Organisation, Directorate General of International Trade Negotiations, Ministry of Trade Republic of Indonesia in Jakarta.

The outlook for the NR market and Indonesia's strategic role in the development of a sustainable value chain for NR was the main point of discussion at the meeting.

ETRMA/IRSG EVENT: Sustainable & Critical: NR and its future



From left, Fazilet Cinaralp (ETRMA), Hervé Deguine, Salvatore Pinizzotto and David Shaw (Tire Industry Research)

During the Raw Materials Week 2018, held in Brussels from November 12-20, IRSG, in partnership with the European Tyre and Rubber Manufacturers' Association, organised a side event



Salvatore Pinizzotto (centre) speaking at the Vietnam Rubber Association Seminar

on "Sustainable and Critical: Natural Rubber and its Future".

Forty European and international stakeholders participated in the meeting to discuss the forthcoming challenges and needs of the NR value chain. Malwina Nowakoska, EC DG Grow, Resource Efficiency and Raw Materials Unit, delivered the keynote speech on "How can responsible and sustainable sourcing of natural rubber support the implementation of the UN Sustainable Development Goals."

The event was moderated by David Shaw, Chief Executive, Tire Industry Research. IRSG thanked Fazilet Cinaralp, ETRMA Secretary-General, and all the ETRMA Secretariat for the initiative and the excellent work that was done in promoting and facilitating the organisation of this important event.

IRSG attended the São Paulo Lectures Series organised by APABOR

The IRSG Secretary-General gave a presentation at the "11 Ciclo de Palestras Sobre A Heveicultura Paulista" that was held in São José do Rio Preto on November 23, 2018. The event was organised by APABOR



Salvatore Pinizzotto at the Sao Paulo Lectures Series

(Associação Paulista de Produtores e Beneficiadores de Borracha).

Pinizzotto gave a presentation on “Sustainability of the World Productive Chain”. The trip to Brazil was a great opportunity for IRSG to connect with NR producers, traders and end-users in South America.

He also visited ABIARD (Brazilian Association of Rubber Goods Manufacturers) in São Paulo where he had a meeting with Reynaldo Lopes Megna (Executive President) and Fernando Genova (Director Vice-President).

IRSG participated at the 6th ICIS US Butadiene and Derivatives Conference

Dr Lekshmi Nair, Head of Economics and Statistics, presented

a paper on ‘Synthetic Rubber vs Natural Rubber- How Balanced is the Market?’ in the ICIS US Butadiene and Derivatives Conference held at New York on December 5, 2018.

IRSG Blog

The IRSG Blog is a collection of views about the people, communities, companies and organisations that are at the forefront of the rubber economy.

Rubber is a strategic industrial raw material and plays a very important role in society and in our everyday life. Technological developments and innovations have always been a key factor to sustain the rubber industry growth and sustainability.

Check out our latest blog post - Interview with Jason Schenker, author of the book “The Promise of Block-chain”

Visit <https://blog.rubberstudy.com/> to read more blog posts.

Sustainable Natural Rubber Initiative

The Sustainable Natural Rubber Initiative (SNR-i) was developed under the framework of the IRSG as a voluntary and collaborative

industry initiative. The purpose of the initiative is to promote the sustainability of the NR value chain as well as the growth and use of sustainable NR. The initiative is currently under implementation of its pilot phase.

Any organisation along the NR value chain can submit self-declaration of compliancy against the SNR-i Criteria and Indicators.

The initiative is currently under its pilot phase of implementation. So far, SNR-i has seen 57 companies/organisations completing the self-declaration process. The self-declared registrants as leading



industry players account for around 50% of the global processed and consumed volume.

For further information about this initiative, please visit www.snr-i.org website.

IRSG Publications

The latest edition of Rubber Statistical Bulletin (RSB) is now available.

For more information please visit www.rubberstudy.com.

World Rubber Summit 2019

The International Rubber Study Group (IRSG) and Singapore Exhibition, together with Enterprise Singapore as Strategic Partner, will organise the World Rubber Summit (WRS) 2019, to be held on **18-19 March 2019** in Singapore.

“From Evolution to Revolution: New Paths for the Rubber Economy” will be the theme of the WRS 2019. Rubber is omnipresent in our everyday life, moving our lives and our world and it is a very important source of living for many people around the globe.

Register now at <https://wrs2019.rubberstudy.com/register>

Visit www.wrs2019.rubberstudy.com for more information about the event.



FEATURED SPEAKERS



FATIMA HAGHAMED ARSHAD
Senior Research Fellow
Institute of Agricultural and Food Policy Analysis,
Universiti Putra Malaysia



JOSEPH-OLIVIER BILEY
Chief Executive Officer
WeFly Agri



VINCENT GITZ
Director of the CGIAR
Research Program on Forests,
Trees and Agroforestry
Center for International
Forestry Research (CIFOR)



MAIPRAE LOYEN
Chief Executive Officer
MTI Solution Co., Ltd



ROBERT MEYER
Chief Executive Officer
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DAVID SHAW
Chief Executive
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The Rubber Economist Quarterly Report



Dr. Prachaya Jumpsut, Managing Director, The Rubber Economist

Highlights

Global rubber consumption is estimated to have increased by 2.9% in 2018 but may slow down to an average of 2.3% a year during 2018-2020.

- Most consuming regions may show slow growth over the next two years, but Latin America and the EU is likely to perform the worst.

- Since 2013, consumption of natural rubber (NR) has been more rapid than synthetic rubber (SR) every year except one, but there was no exception for 2018.

- As a result, SR share is estimated to have fallen to a record low of 53.1% this year, but may remain at a similar level for the next two years.

- Malaysia, India and Vietnam may have shown a decline in NR production this year, but a relative sharp increase in Thailand and Cote d'Ivoire help to increase world output.

- Since 2012, growth rate of SR output has been averaging about 1% and the slow growth trend may continue over the next two years.

- NR surplus is now expected for this year, helping the global stock to break the record set last year.

- For SR, there may be a deficit for the second consecutive year in 2018, but a surplus is expected to return.

- Hence, the stock to consumption ratio for NR is expected to continue to rise and for SR to turn around from a decline to a rise by 2019.

- NR price, which appeared to strengthen earlier this year, has now fallen steadily to the lowest level since early 2016.

- NR price has performed the worst of most of the major internationally traded commodities since reaching its peak in early 2011.

- SR prices have also started to decline but the relative price of NR/SR is reversing very slowly.

- *Analysis:* Would a large amount of hanging NR stocks outweigh any possibility of a shift from SR to NR because of higher prices of the former over the latter?

- *Revisited:* Is there a saturation of the NR latex industry?

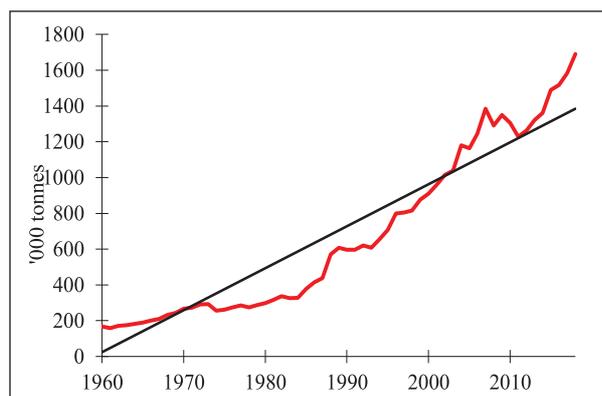
- *A brief report:* Asphalt rubber.

Box 1: Saturation of the natural rubber latex industry – revisited

The trend of the world NR latex consumption during 1960-2018 is shown in Figure 35. As can be seen, consumption increased relatively slowly during 1960-84. Then, the awareness of AIDS resulted in increased usage of various latex products including surgical and medical gloves and condoms, leading to a sharp increase in NR consumption. However, in 2011, after seeing consumption decline in three of the previous four years from the peak reached in 2007 by 11%, a question of whether the latex industry had reached its saturation point was analysed in one of our **Boxes**. In this **Box**, we are revising this question again seven years on, as well as updating our readers with the latest trends in the NR latex sector. Even though most

of the discussion is about NR, there will be a few important points referring.

Figure 35: World NR latex consumption, 1960-2018

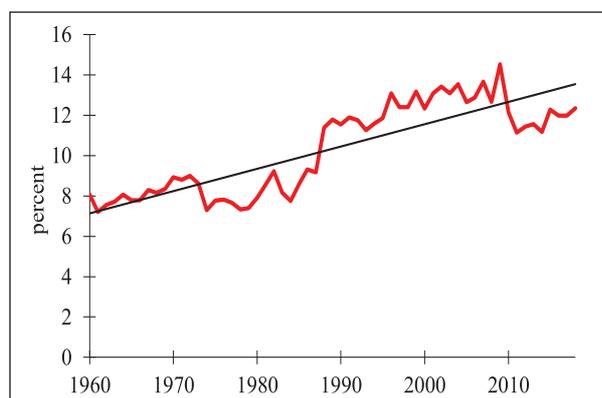


Looking at the graph above, it does not look like the saturation level has been reached. The consumption level recovered sharply after 2011, when we posted this question, to surpass the peak in 2007 and is estimated to have reached a record level of 1.69 million tonnes by the end of 2018.

However, if one examines the proportion of latex to total NR consumption, it can be seen that saturation may have already arrived (Figure 36).

After reaching 14.5% of total NR consumption in 2009, the share of latex fell to 11.1% in 2011 and has since been hovering around 11-12%. There have been increases in SR lattices to replace NR latex because of the latex allergy problem.

Figure 36: Share of latex to total world NR consumption, 1960-2018



The shift in the centre of gravity of the rubber industry from the West towards the East has been mentioned in our report quite often. However, one may not realise that the shift for NR is stronger than for total NR and SR combined, i.e. the share of Asia/Pacific for the former has now risen to 74% as compared to 65% for the latter (Figures 37 and

38). The degree of concentration and dominance is even more significant if one looks at NR latex alone, as shown in Figure 39 as the region's share rose to 88%.

Figure 37: Regional distribution of world total rubber consumption, 2018

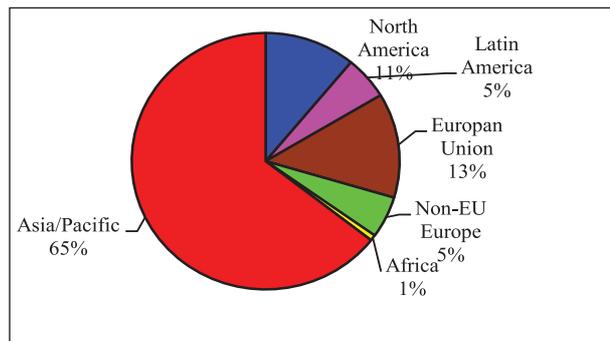


Figure 38: Regional distribution of world natural rubber consumption, 2018

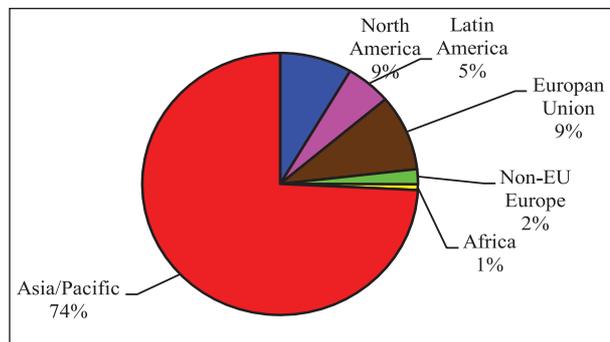
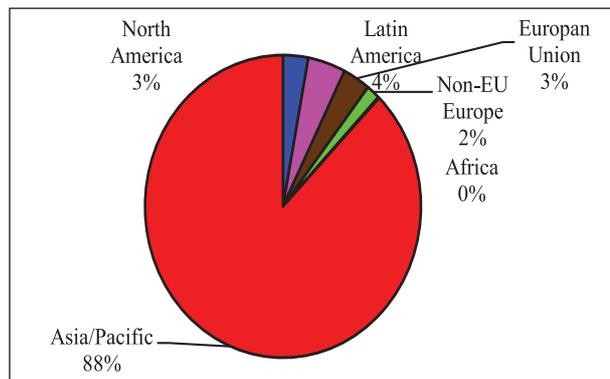


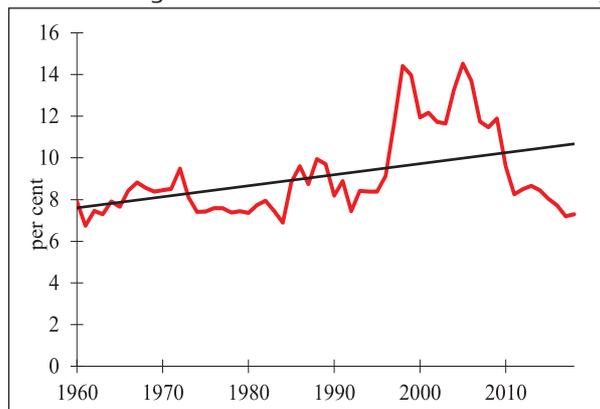
Figure 39: Regional distribution of world natural rubber Latex consumption, 2018



2018

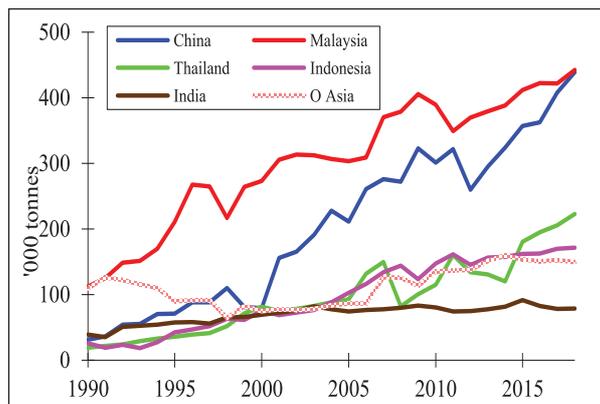
Another angle, which shows the shift of the latex sector from North America and Europe to Asia, where NR is mostly produced, is to look at the share of latex imports to total NR imports. There has been a steady decline of latex imports since 2005. This means more consumption is taking place in the producing countries themselves rather than exports to the West

(Figure 40). More and more market and processing facilities for latex products are located close to where latex material is produced, i.e. Asia. In normal circumstances a special container, steel drum or vessel is required in order to safely and effectively transport the product and such apparatus entails much higher costs compared to those incurred when moving sheet or block rubber from one country



to another.
Figure 40: Share of NR latex to total NR imports, 1960-2018

China may be the world's largest total rubber and NR consumer, but Malaysia is the largest NR latex consuming country (Figure 41). However, the sharp increase in China in recent years has pushed her latex consumption to about the same



level or may have just exceeded that of Malaysia in 2018.

Figure 41: NR latex consumption in Asia, 1990-2018

However, unlike Malaysia, where the share of latex to total NR consumption is estimated to be 85.5% in 2018, the share for China is only 7.7% – even less than the world average (Figure 42). Notice that even for Malaysia, the share has been stable over the last 10 years or so. Malaysia, which is the world's largest glove producer, along with India, has the highest proportion of NR latex consumption.

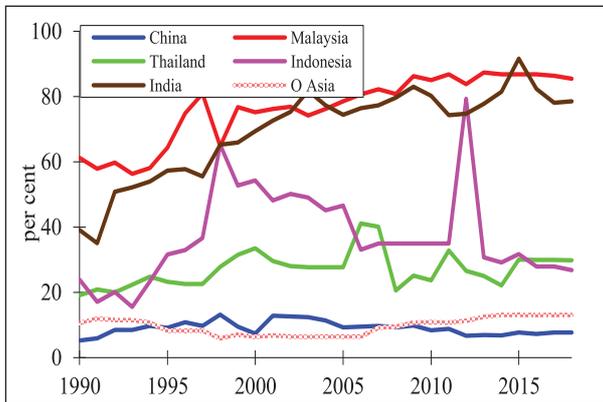


Figure 42: Share of latex to total NR consumption, 1990-2018

It is interesting to note that the comparative advantage and SR substitution has tended to shift the use of NR latex to the manufacture of specialty products –of latex rubber goods complements (and, to an extent, replaces) its position as a traditional raw material supplier. Higher cost regions have moved on to produce specialised glove products made from synthetic materials. So smaller or niche glove markers are now more common in the West as large producers making NR latex gloves have moved to lower-cost producing countries in Asia.

Due to the steady rise in Malaysian labour costs, however, glove, thread and other latex goods manufacturing is increasingly moving to other Asian countries, notably Thailand, Indonesia and Vietnam.

As expected, most of the latex is produced in Thailand (Figure 43). However, the proportion of latex to total NR production in Thailand has been stable, around 21% in recent years (Figure 44). Notice that the amount of latex

has been the world's largest latex importer, but may

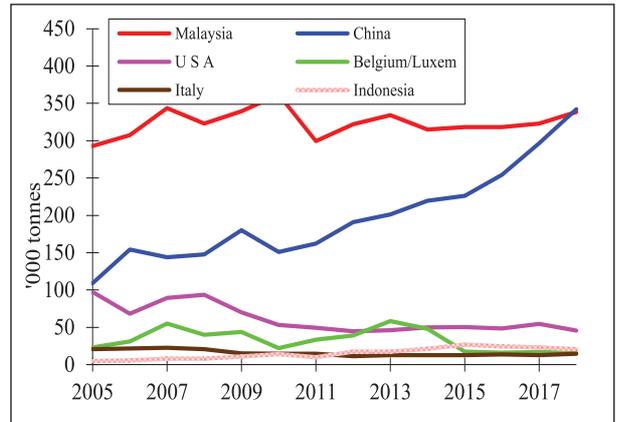
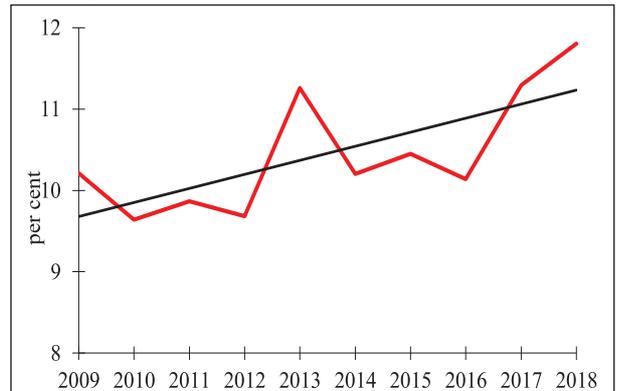
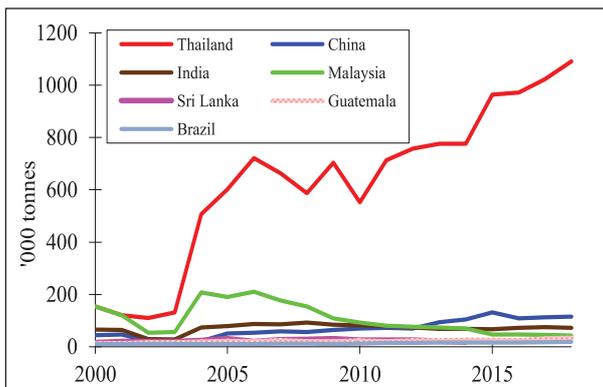


Figure 43: NR latex production, 2000-2018

Figure 44: Share of latex to total NR production, 1990-2018

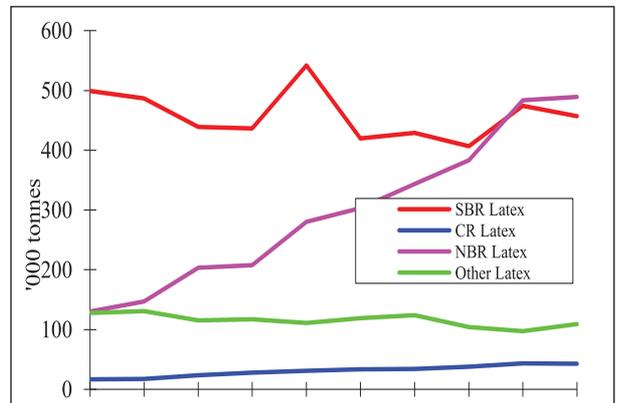
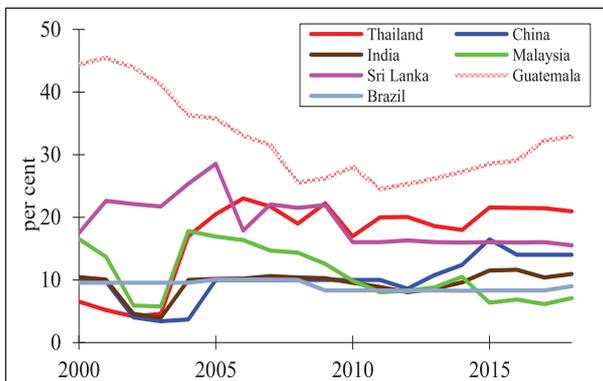
Figure 45: Imports of NR latex, 2005-2018

be surpassed by China this year (Figure 45). This was discussed earlier regarding substitution of SR lattices over NR latex in recent years. As can be seen in Figure 47, the increase is mainly due to the demand for NBR latex.



output in Malaysia is a lot smaller than her consumption as most of the latex comes from imports. Malaysia

which is used a lot for industrial gloves and in the



textile industry, now takes 45% of total SR latex imports and has become the largest type of SR import, surpassing SBR latex. Notice the sharp rise in NBR latex recently (Figure 78).

Figure 46: Share of SR latex to total SR imports, 2009-2018

Figure 47: Imports of SR lattices by types, 2009-2018

In summary, NR latex consumption may have reached its saturation point and the degree of concentration and dominance of Asia in total rubber, NR and NR latex has continued. However, SR lattices and in particular NBR, have continued to penetrate into the rubber lattices industry.

Box 2: Asphalt rubbers

Asphalt (bitumen) rubber has a strong potential of becoming a major outlet for used as well as fresh (virgin) rubber, particularly NR. Asphalt has long been used in road pavements. To increase the capability of the asphalt concrete in sustaining temperature changes, virgin rubber or ground tire rubber and synthetic polymers are employed in the asphalt formation.

Used tires can be broken down into granulated or crumbled rubber particles. The granulate has a variety of uses including sport surfaces, porous hosepipe, rubber boots, carpet backing or underlay and road building. The

properties of recycled rubber are not as good as virgin rubber because it has already been vulcanised. Using recycled rubber limits the properties of the finished products. Using smaller granules improves the effectiveness of recycle rubber. However, there are significant production costs involved in grinding down scrap tires to form the basic granules used in the production of asphalt rubber. For road building, these costs are offset by various benefits it offers including long-term performance and durability in use which would lower maintenance costs.

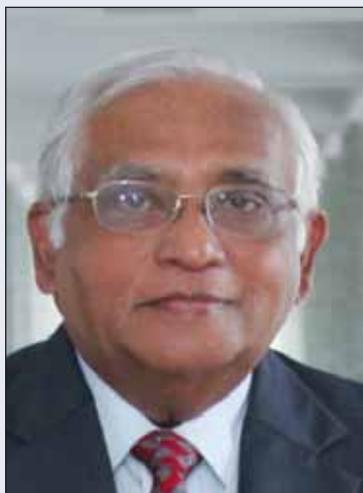
Asphalt rubber for the road surface is a positive move from an environmental aspect. Major large-scale uses of end-of-life tires include rubberised-asphalt roads, which consume an average of some 1,000 scrap tires per lane mile. This would indeed be a great achievement in the environmentally friendly demand for rubber.

Road rubberisation using fresh rubber is of increasing interest in NR-producing countries. These countries have a lot of unsurfaced or surface with bitumen roads, which are susceptible to extreme climatic conditions and have a very short service life. Using NR-modified bitumen will cut down the cost of maintenance as well as help reduce the oversupply of the NR industry. It would also boost the environmental friendliness of NR significantly.

Appointment of Dr Ranjit K Matthan as New President of IRMRA

The Government of India appointed Dr Ranjit K Matthan, Director of Polymer Consultancy Services (P) Ltd as new President of Indian Rubber Manufacturers Research Association (IRMRA) commencing January 2019. He succeeds Rajendra V Gandhi's whose tenure ended in December 2018. Under his leadership, IRMRA achieved several milestones including initiating new branches in its landmark Diamond Jubilee Year 2018. His contribution promoting IRMRA services in support of the MSME sector, especially the non tire industry was very significant. Dr Rajkumar, Director, IRMRA said Rajendra Gandhi was always 'helpful, humble, approachable' and available whenever we were in need'.

Ranjit K Matthan is a well-known Rubber Technology International expert. He has been associated with IRMRA in different capacities for more than 35 years as a member of the Governing Council and IRMRA's Research Advisory Committee. Dr. Matthan played a key role in preparation of proposals to establish the Centre of Excellence for Tyre



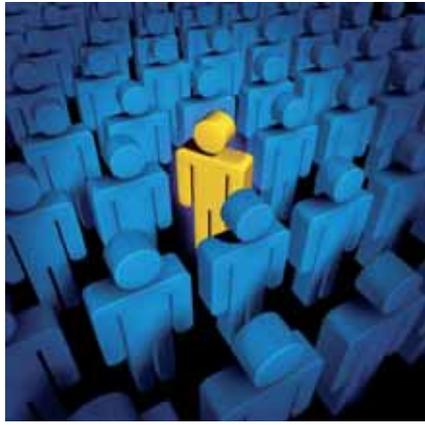
Research, Testing and Certification during the 11th five-year plan, which was sanctioned by

DIPP, Ministry of Commerce and Industry, Govt of India.

Dr Matthan did his PhD in Rubber Science from National College of Rubber Technology London. He is a Fellow of the Royal Chartered Institute of Materials, Minerals and Mines, U.K. He is recipient of several awards including the KM Phillip Award (2005-6) and the prestigious Hancock Medal of the Institute of Materials, U.K. (2014). He is an Advisor to several International Rubber companies involved in the sustainable rubber value chain.



As the incoming President of IRMRA, he will extend and grow the legacy of his illustrious predecessors, including Padma Shri K M Philip, Onkar Kanwar (Apollo Tyres), Dr Raghupati Singhania (J.K.Tyres) and Rajendra Gandhi (GRPL).



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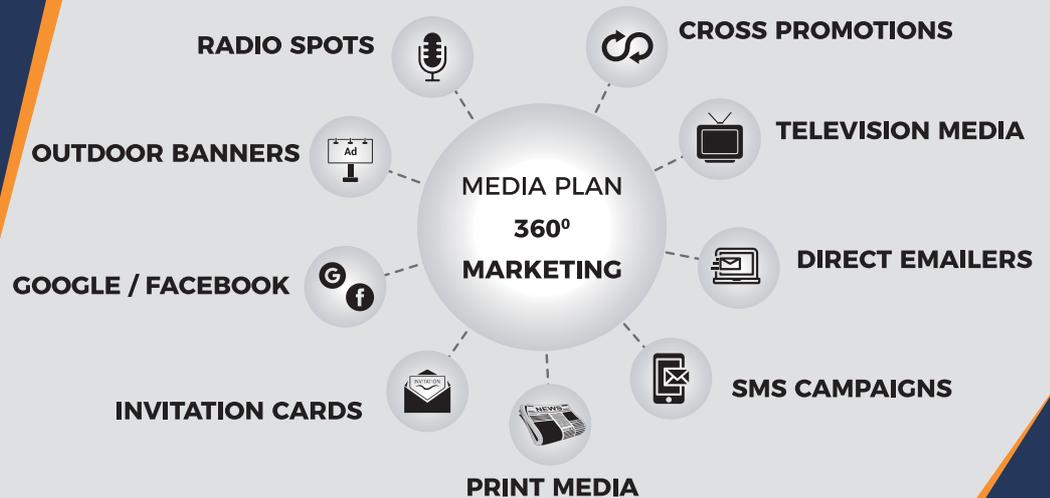
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The India Rubber Expo 2019 (17-19 January)

The IRJ was again present at this show in Bombay, India's commercial capital. Our stall had a steady stream of visitors, who showed a keen interest in various copies of the IRJ at our stand.

The 10th Edition was spread out over 25,000 sq. mts. The three-day event brought together 400+ exhibitors and 25,000 visitors along with world leaders in fields related to rubber to share their experience, knowledge, expertise and views.



IRJ Stand



R-L: Guido Robbe, Head of Sales; Colin Clarke, Technical Director; Stefan Knau, Director Marketing and Sales; of Schill+Seilacher at IRJ stand



Zeppelin Systems GmbH



Techno WaxChem



Versalis ENI of Italy



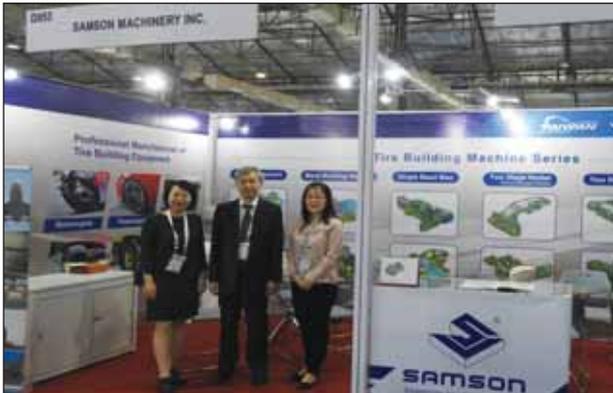
LANXESS AG



LANXESS AG together with Rhein Chemie



ARLANXEO Deutschland GmbH



R-L: Rebecca Peng, Lin Kun-Te, President; Marian Hung, Sales of Samson Machinery of Taiwan



Chem-Trend India



L-R: Sukesh Shetty, Marketing Manager; D N Suvarna, Managing Director ; Vinod Rai, Associate Director; Abid Mohib, Head- Design & Engineering of Bainite Machines Pvt. Ltd at their stand



L- R : Melanie Jahn, Christoph Holzbach, Monica Holzbach of HF Mixing Group at IRJ stand



Elegant Stand of Indian Synthetic Rubber (ISRPL)



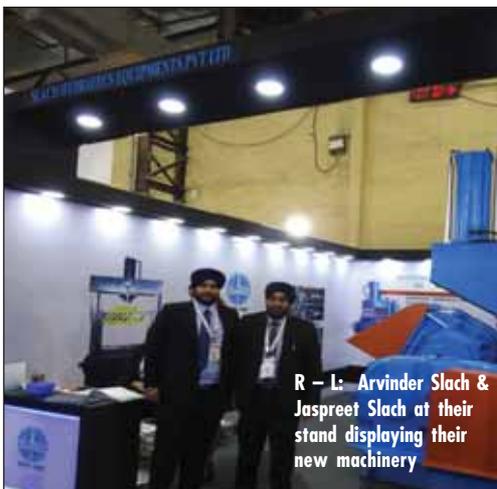
Another view of Indian Synthetic Rubber (ISRPL) stand



ExxonMobil



Reliance Industries



R – L: Arvinder Slach & Jaspreet Slach at their stand displaying their new machinery



Speciality Silica's well displayed stand



L 2nd : SM Muraliraj, Sr. Manager – Marketing & Sales; L 3rd Ramesh G., Assistant Manager Marketing & Sales; of Balaji Rubber Group



Dalian Baofeng Machine Manufacturing of China



MESNAC



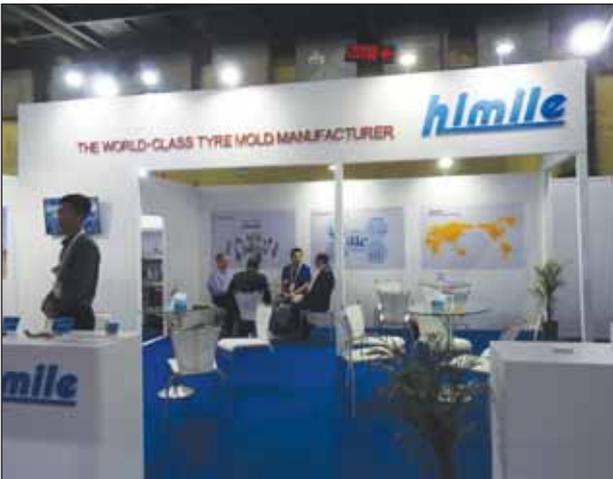
TungYu



Safe-Run



Indian Rubber Manufacturer Research Association (IRMRA)



Himile of China



Landuni Group



Rubber Board, India



Himadri Speciality Chemical



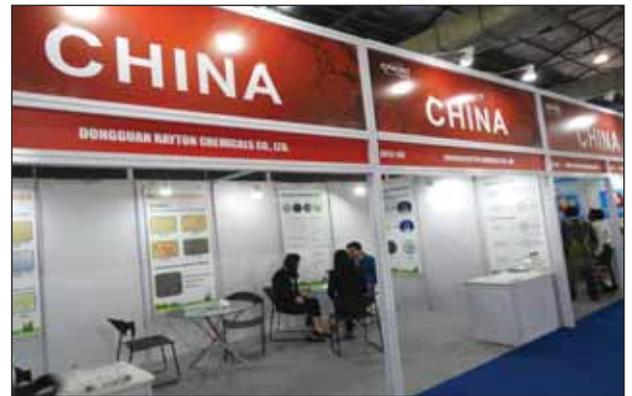
Lord India



Tire Technology Expo 2019



Zeon



China



AGC



Burad Chemicals



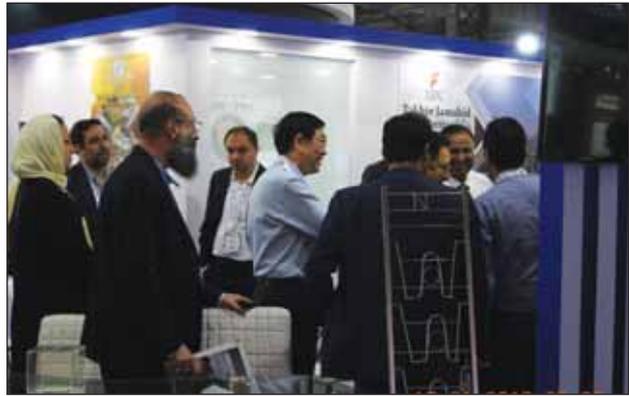
Mahindra Intertrade



Rodolfo Comerio SRL of Italy



AMCL Machinery



Petrochemical Company - Takhte Jamshid of Iran - TJPC



L-R: Yasmin Shekari, Farida Bharucha, General Manager; Beena Salian of IRJ at their stand



Carbon Black SA



The IRJ stand



Dr. Gupta Verlag's Rubber Fibres Plastics International magazine being displayed at the IRJ stand



Oriental Carbon & Chemicals stand



The IRJ Team

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Automotive Tyre Manufacturers' Association



Rajiv Budhraj
Director General, ATMA

Editorial

Inside This Issue

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Commercial Drivers Training on Tyre Safety



ATMA launches school connect for Road Safety

The fervour of New Year celebration has been muted at the beginning of 2019. China which has been the driver of growth for world economy for several years is showing signs of slowdown. World economy is likely to grow at a slower pace in 2019.

While India continues to don the mantle of being the fastest growing economy, the growth rate has slackened. In fact the Indian economy is still smarting after the jolts that shook it to the core. Shoot up in crude oil prices after remaining benign for a long period led to severe depreciation of Indian currency in the recent months. The International Monetary Fund, or IMF, has said that India's CAD is expected to widen to 2.6% of GDP in 2018-19.

Liquidity crunch in Non Banking Finance Companies (NBFCs) triggered by the crisis at IL&FS has taken a heavy toll on Auto numbers.

According to a letter written by Society of Indian Automobile Manufacturers (SIAM) to the Ministry of Finance, 70% of two-wheeler sales and 60% of commercial vehicles sales are financed by NBFCs.

India Inc is set to report a decline in both revenue as well as profit growth numbers in the Dec quarter, says a survey by ratings agency Crisil. Especially Auto sector companies are expected to post lower growth in view of rise in ownership cost and weak finance options which hit sales during the quarter.

Fall in crude oil prices has no doubt brought cheer but markets are in a wait and watch mode and much will depend upon the outcome of elections which are due in April-May this year.

However not all is lost. In a report titled: 'Global Economic Prospects: Darkening Skies', the World Bank has stated that while most world economies are staring at dark times, India will continue to remain the fastest growing major economy in the world in 2018-19. India's GDP will grow at 7.3% during the ongoing financial year. In comparison, China is expected to register a much lower growth rate of 6.3% in 2018-19.

On that positive note, here is wishing again a Happy 2019.

Rajiv Budhraj
Director General

ATMA Member Companies





Industry Trends - Tyre

Tyre Production - India

Apr- Sep'18 & YoY Comparison

All Figs in Lakh Nos

FY18 FY19

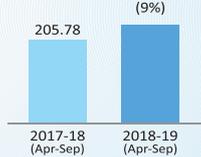
Truck & Bus tyre production continued to witness double digit growth in H1 to meet the growing demand.



Beginning the year with a negative growth, **Motorcycle** tyre production has chartered in the positive territory.



Passenger Car tyre production remained steadily higher than previous year levels in the first half.



Overall tyre production in India maintained a comfortable lead over previous year's curve in the first half.



Tyre Exports - India

Apr - Sept'18 & YoY Comparison

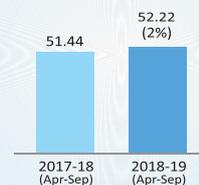
Truck & Bus tyre exports from India in Apr-Sept'18 period remained unchanged from the previous year's level.



Passenger car tyre export stood lower by 13% in Sept'18 taking the overall segment exports down by 5% in H1 of FY19.



In number terms, **overall** tyre export went up by 2% during the first half



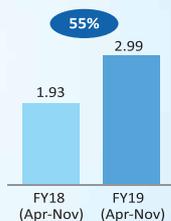
Note: Figs in brackets indicate % change YoY



Vehicle Production - India

Apr-Nov FY19 & YoY Comparison

M&HCV production fell sharply in Nov'18 is view of laxity in demand due to liquidity crunch.



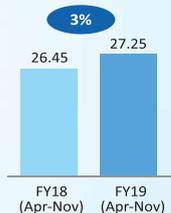
All Figs in Lakhs

■ FY 18 ■ FY 19

LCV production has been mirroring the growth trend in M&HCVs.

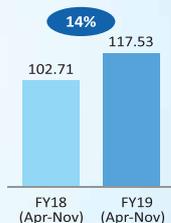


Passenger Vehicle production witnessed a contraction of 21% in Nov'18 as increase in fuel prices increased the cost of ownership, impacting demand.

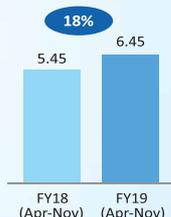


+ Including P. CAR, MUV/SUV/VANS.

Motorcycle production which has been witnessing a steady growth in comparison to year-ago period nosedived in Nov'18.



Tractor production continues to witness double digit growth despite a sequential drop.



Production in **Scooters (2//3 wheelers)** which has been on a steady upward trend turned downwards in Nov'18.



Note: Figs in brackets indicate % change YoY

Unit(s): 1 Lakh = 100,000; 10 Lakhs = 1 Million; 100 Lakhs/10 Million = 1 Crore.



Natural Rubber - INDIA

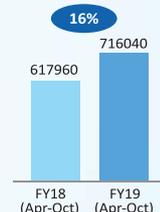
Apr- Oct (FY19) & YoY Comparison

All Figs in MT
 ■ FY 18 ■ FY 19

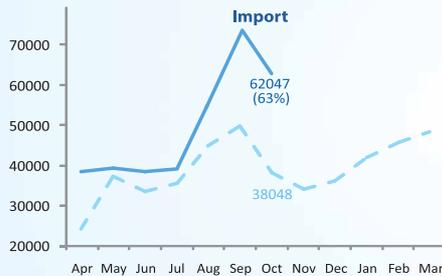
Having been hit badly in view of natural calamity in Kerala, the **NR Production** bounced back in the months of Sept-Oct YoY.



NR Consumption has maintained a steady upward trend with consumption of more than one lakh tonnes per month in 6 out of 7 months. Overall consumption witnessed double digit growth during Apr-Oct period.



NR Imports have stood higher than previous year to meet the demand. Sequentially imports came down in Oct'18 as domestic availability increased.



NR Stock at the end of Oct'18 stood lower at 255000 tonnes.



Average **NR price** stood marginally lower in Oct YoY.



Note: Figs in brackets indicate % change YoY





Global NR Overview (ANRPC* Countries)

Jan - Oct'18 & YoY Comparison

All Figs in '000 Tonnes

2017 2018

The pace of **NR Production** growth in ANRPC countries has slackened lately with a static or negative growth during Aug-Oct period. Overall production growth in Jan-Oct period is 5%.



NR Consumption has remained consistently higher in comparison to previous year with a growth of 5% during Jan-Oct period.



NR consumption went up by a robust 14% in **India** during Jan-Oct'18. In the same period, the consumption went up by 4% on a much higher base in **China**.

NR Consumption YoY (INDIA vs. CHINA)



Figs in brackets '(')' indicates % change (YoY).

*ANRPC - Association of Natural Rubber Producing Countries

(Member countries : Cambodia, China, India, Indonesia, Malaysia, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand & Vietnam)



CountryFocus



Germany's Automotive Industry

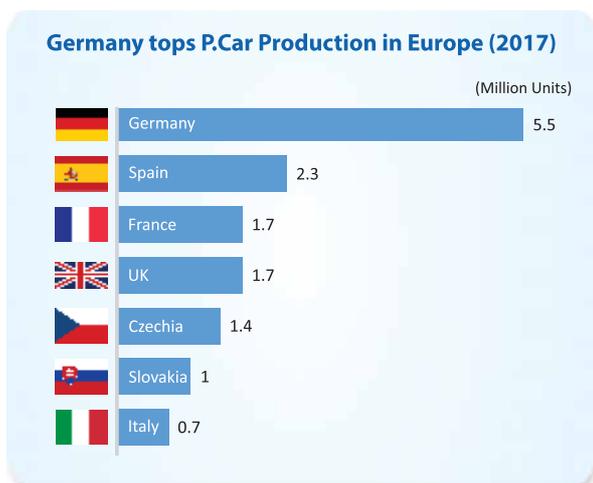
Germany is Europe's number one automotive market in terms of vehicle production and sales, accounting ~ 30% of all passenger vehicles manufactured in Europe and ~ 20% of all new registrations in the region.

Germany, with ~ 40 OEM plants located within the country itself, also has the largest concentration of OEM plants in Europe.

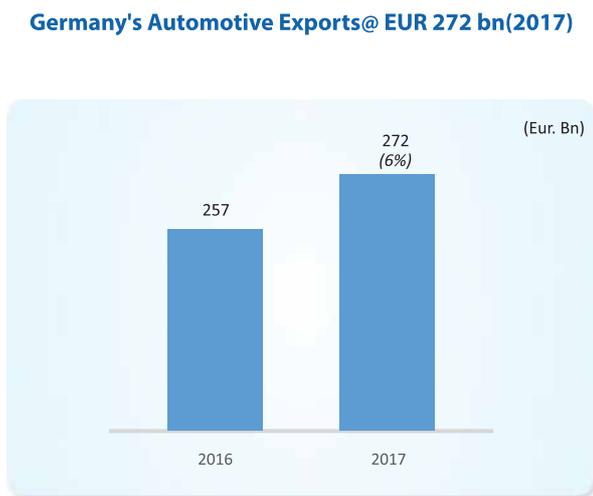




Production & Registrations



Automotive Exports



- Germany's Automotive Exports @ **EUR 272 bn in 2017** (6% increase YoY)
- Automotive Exports drive Germany's Automotive Industry, accounting for **64% of the total turnover of the country's automotive sector**.
- Automotive Exports, with a **16% share in Germany's total exports**, accounts for the largest share in the country's total exports (in revenue terms)



R&D Spend

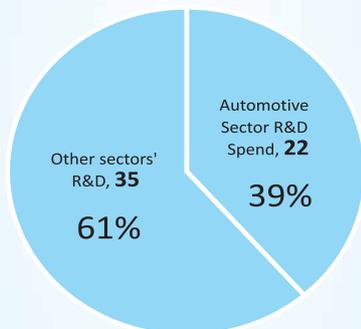
German Automotive Sector's R&D Spend totals Eur 22 bn in 2017

Automobile R&D Spend
@ Eur 22 bn

Automobile R&D
Personnel
@ 114,000 no.

~ 40% of Total Manufacturing R&D Spend in Germany accounted for by the Automotive Sector

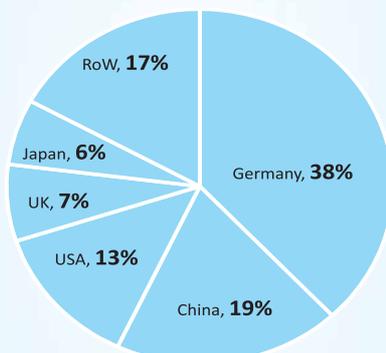
(US \$ Bn)



- Germany's automotive R&D investment remains strong as **manufacturers seek to maintain competitiveness** in a fast evolving automotive landscape (esp. on the technology front).
- More than **1/3rd of Germany's manufacturing sector R&D** spend is accounted for by the Automotive sector alone.
- With 114,000 research & development professionals onboard, **Germany's Automotive sector employs more than a quarter of the total R&D workforce** in Germany's private economy.

Premium Car Market Hub

Premium Car Production by Country (2017) - Percentage Share



- Germany accounts for ~40% of the global premium car market.
- Globally, the premium car market is expected to grow at a much faster rate than the passenger car segment in the next few decades.
- Almost all German car OEMs are focusing on the premium car segment.



J.D Power 2018 India Sales Satisfaction Index (Luxury) Study



Luxury car buyers in India are deeply involved in the pre-purchase shopping process, according to the J.D. Power 2018 India Sales Satisfaction Index (Luxury) Study. The proactiveness of these buyers to be better informed requires dealership staff to be more prepared in interacting with these customers.

Mercedes-Benz ranks highest in sales satisfaction, with a score of 903. BMW ranks second with 900, while Audi ranks third with 888.

The 2018 India Sales Satisfaction Index (Luxury) Study is based on responses from 250 new-vehicle owners who purchased their vehicle from September 2017 through August 2018.

The study examines six factors that contribute to overall customer satisfaction with their new-vehicle purchase experience in the luxury market. In order of impact on overall sales satisfaction, those factors are dealership facility (22%); delivery process (21%); dealer sales consultant (20%); paperwork completion (17%); working out the deal (15%); and dealership website (4%).





Event



ISRPL Drivers Training on Tyre Safety

14 December 2018
Panipat Refinery, Panipat

Having undertaken several campaigns aimed at sensitizing Passenger Vehicle (PV) owners on tyre safety, ATMA has sharpened focus on Tyre Care & Road Safety awareness amongst Commercial Vehicle (CV) drivers.

Commencing the drive in right earnest, Automotive Tyre Manufacturers Association (ATMA) has joined hands with **Indian Synthetic Rubber P Ltd (ISRPL)**, a joint venture of Indian Oil Corporation & TSRC-Taiwan for increasing tyre safety awareness amongst a large number of transporters and supply chain drivers associated with ISRPL.

A day-long session was held at **Panipat Refinery campus** of Indian Oil attended by drivers, logistics in-charge, fleet owners and top management of ISRPL. The session was held by ATMA in association with its technical partner Indian Tyre Technical Advisory Committee (ITTAC).





Event



Specially designed training modules were prepared in vernacular languages for ease of training to CV drivers. Booklets on tyre care in vernacular languages were also distributed on the occasion.



Showing commitment to the cause, top management of ISRPL including Mr Joe Cheng (Chief Operating Officer), Mr Bishwajeet Bose (GM Marketing) , Mr Bibhuti Chowdhury (Head-Materials) and Mr Lalit Sharma (Dy GM -Materials) participated in the Tyre safety session as a morale booster for the drivers.





Event



ATMA launches school connect for Road & Tyre Safety awareness

Heralding the New Year on the theme of Safer India, Automotive Tyre Manufacturers Association (ATMA) launched a major exercise by engaging school students on Road & Tyre Safety. The day-long event was held at TDI International School at Kundli Sonapat (Haryana) and witnessed participation of around 250 students.

The event provided a platform to young participants to unleash their potential by participating in a coloring competition on road safety. A jury checked the posters and winners in three age groups were awarded amid applause.

While the children were engaged in a coloring competition on the theme of Road safety, assembled parents were briefed about Tyre safety through distribution of Tyre Safety booklets.

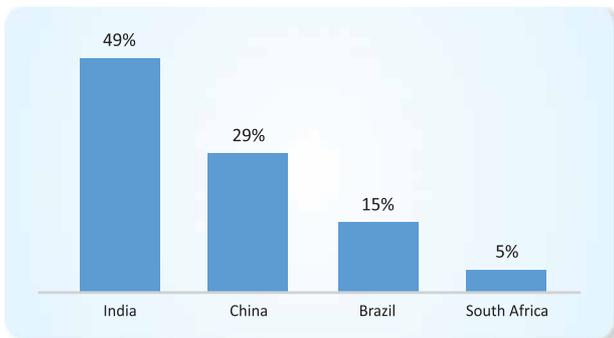
“Children can be instrumental in spreading awareness on road safety in the society. Children travelling with families can insist on road safety in a way that no regulation can match. United Nations is also of the view that children in India can help in improving road safety by spreading awareness on the same”, said Mr Rajiv Budhreja, Director General ATMA.





India Stats

Share of workforce employed in Agriculture: Select Countries



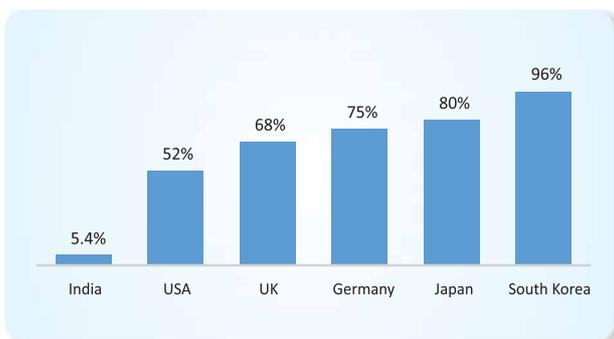
Of India's total workforce of about 52 crore, agriculture employed nearly 49% while contributing only 15% of the GVA. Comprehensive modernization of agriculture and allied sectors are needed urgently. In contrast, only about 29% of China's workforce was employed in agriculture. Industry and services accounted for 13.7% and 37.5% of employment while making up for 23% and 62% of GVA, respectively.

(%) Share of Manufacturing in India's GDP



Manufacturing as a percentage of the gross domestic product has remained at about 16 per cent. Improvements are evident in recent quarters, where manufacturing growth at 6.9 per cent, 8.1 per cent and 9.1 per cent in Q2, Q3 and Q4 2017-18 (year-on-year as compared to 2016-17) outpaced GDP growth.

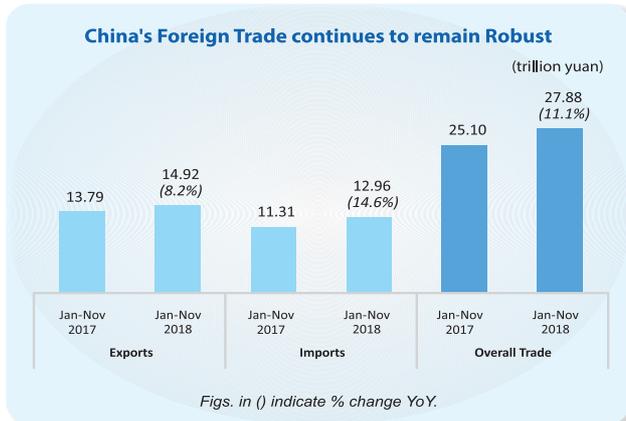
Workforce that has undergone formal Skill Training



The National Skill Development Policy estimates that only 5.4 per cent of the workforce in India has undergone formal skill training as compared to 68 per cent in the UK, 75 per cent in Germany and 96 per cent in South Korea. The India Skill Report 2018 states that only 47 per cent of those coming out of higher educational institutions are employable. Given that 83 per cent of the workforce is engaged in the unorganized sector with limited training facilities, upgrading of skills, both in manufacturing and services sectors remains a challenge.

Across the Great Wall

China's foreign trade up 11.1% in first 11 months



China's goods trade rose 11.1 percent year on year to 27.88 trillion yuan (about \$4 trillion) in the first 11 months of 2018.

Exports rose 8.2 percent year on year to 14.92 trillion yuan in the January-November period while **imports grew 14.6 percent to 12.96 trillion yuan**, resulting in a **trade surplus of 1.96 trillion yuan**, which narrowed by 21.1 percent.

In the first 11 months, exports and imports of products under the general trade category surged 13.9 percent year on year to 16.13 trillion yuan, accounting for 57.9 percent of the total foreign trade, 1.4 percentage points higher than the same period last year.

China's trade with the European Union rose 8.7 percent to 4.1 trillion yuan, accounting for 14.7 percent of China's total trade volume. Trade with the United States increased 7.2 percent to 3.83 trillion yuan, or 13.7 percent of the total.

Trade with the ASEAN countries reached 3.55 trillion yuan, up 12.9 percent, accounting for 12.7 percent of the total. Trade with Japan rose 6.1 percent to 1.98 trillion yuan, or 7.1 percent of the total. Trade with countries along the Belt and Road registered faster-than-average growth, with the trade volume standing at 7.62 trillion yuan, up 14.4 percent year on year.

Chinese private enterprises played a bigger role in trade by contributing 39.6 percent to total trade, up 1.2 percentage points compared with the same period last year.

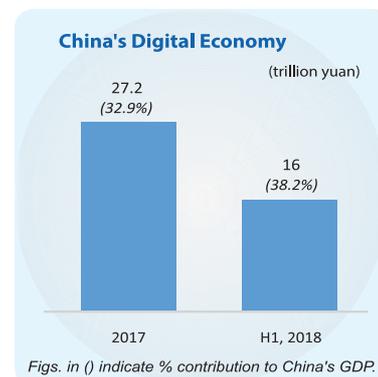


China's digital economy hits \$2.3 trillion in H1

China's digital economy reached 16 trillion yuan (\$2.3 trillion) in the first six months of 2018, accounting for 38.2 percent of the country's overall GDP growth, according to the China Academy of Information and Communications Technology. **Despite booming growth, China's digital economy suffers from unbalanced and inadequate development.** Data shows that **in 2017 the province with the biggest digital economy was 64 times the size of the most underdeveloped province.** The service sector has undergone the biggest digital transformation in China, but that the **industrial and agricultural sectors have been less affected by the inevitable trend.**

Development of the digital economy is listed as an important task for building a modern economic system in China and achieving high-quality development. In 2017, the country's digital economy hit 27.2 trillion yuan, 32.9 percent of the country's total GDP growth.

The academy's research showed that the **United States is far ahead of other G20 countries in digital economy development, with the second tier comprised of China, Japan, Germany, the United Kingdom, France and South Korea, followed by third-tier countries including India, Brazil, Canada, Italy, Mexico, Russia, Australia, Indonesia, and South Africa.**





Globe Watch

Smart Highways Focus On Illuminating Roads with Sustainable Designs

An innovative project tested in the Netherlands called **"Smart Highway"** is an interactive system of roadways being developed to push the limits of existing infrastructure.

This project combines **interactive and sustainable roadway designs to improve public safety** and give drivers additional information as they travel along roads at night or in dark environments.

In many cases, **Smart Highways refers to the Internet of Things or other connected devices**. However, this innovative initiative is based on providing drivers with valuable feedback without requiring additional electronics or onboard systems that can be costly and reduce the performance of vehicles.

One piece of the Smart Highway movement includes an innovation called Glowing Lines and this innovative approach to highways safety is being applied to a broader range of projects to improve public safety and advance the future of smart cities.

The **glowing markers are used on existing roadways by applying a special paint to roadway surfaces**. This paint is unlike traditional roadway paints that are used on highways and city roadways because this paint contains a photo-illuminating powder that "charges up" during the day. Each glowing strip can be up to 1600 feet long and glows up to 10 hours when it gets dark.

This **roadway marking system is being implemented in several miles of roadway tests across the Netherlands** to find ways to standardize the application process and improve the consistency of light emitted from the glowing strips.

The **technology will need to continue testing before it can be implemented on a broad scale**.



The world's first 3D-printed bicycle tyre

BigRep, a Berlin maker of super-sized 3D printers, has introduced what it's calling a **"world-first 3D-printed airless bicycle tyre"**.

The tyre looks a bit like some airless automotive prototypes where **you can see right through to the other side**. As per BigRep, the idea is to be able to **customize the tyres according to one's needs**.

So it gives the user an option to print a tyre with a different internal pattern or tread to accommodate mountain riding versus road riding, or to handle different weather conditions.

Test bicyclist Marco Mattia Cristofori, who also designed the tyres, took them for a spin around Berlin and reported a "very smooth ride."

The **main goal of the design is to inspire and explore the endless possibilities of large scale 3D printing**.

The prototype tyres are designed to test BigRep's new Pro Flex filament. **The filament's flexible nature is what makes it work for the bike tyres**. As per BigRep, Pro Flex can be used for rapid prototyping for a variety of objects, including skateboard wheels, ski tips and automotive gear knobs.

This isn't BigRep's first foray into things that roll. The company recently created a 3D-printed custom wheel rim for a car, and a group of engineers used a BigRep machine to print out a functional bicycle frame.

Small changes to the infill percentage or pattern can lead to different results in terms of weight and performance. **The rigidity and the internal pattern can be controlled and customized to suit different weather conditions or terrain**. Users may check the weather and then print out a couple of bike tyres designed to handle monsoon rains or any other weather condition.





Stat-O-Sphere

Almost **80%** of all Indians rely on the informal sector to make a living -- a large chunk of them are still dependent on farming, the contribution of which to the economy has shrunk from **50%** at the time of independence to **15-16%** now.

Riding on increased smartphone penetration and dirt-cheap 4G data access, India accounted for nearly **58 billion** of the world's **175 billion** app downloads in 2017. Only China, the world's largest internet market, is ahead with approximately **65 billion** downloads. Brazil and Russia were the other growth drivers.

Developing nations are now driving the world's gradual shift towards renewable energy, and India has become one of the leaders in renewable energy. India ranks **2nd** after Chile in the 2018 Climatescope report by energy researcher BloombergNEF. India's second position represents a climb of three spots from the **5th** position it held in 2017. In comparison, China ranked **7th**, down from the top position in 2017.

Following the lead of Chinese smart phone makers like Xiaomi and Oppo, which have dominated mobile sales in India for some time, the content behind the touchscreen glass in India is increasingly now from China, too. That's according to a report from Factor Daily, which found that **44** of the top **100 Android apps** in India were developed by Chinese companies, up from just **18** one year prior.

India, which is the world's largest consumer of sugar, is set to produce a record yield of sugarcane in the current financial year. As per Indian Sugar Mills Association, India is set to produce **35.5 million** tonnes of sugar between October 2018 and September 2019, a **10%** jump from the previous year, thereby unseating Brazil as the world's largest producer of sugar.

India is home to **30%** of the total organic producers in the world, but accounts for just **2.6%** (**1.5 million hectares**) of the total organic cultivation area of **57.8 million** hectares, according to the World of Organic Agriculture 2018 report.



Stat-O-Sphere

India's new unified Goods and Services Tax, which subsumed a web of central and state levies to make life easier for businesses, is one of the most complex and has the second highest rate in the world. There are only **5** countries in the world including India which have four or more tax rates of GST, according to the World Bank's bi-annual India Development Update. Most countries have either a one or two rates. Other countries with four or more rates are Italy, Luxemborg, Pakistan and Ghana. Not only that, Indian GST's top slab of **28%** is the second highest of the 115 countries that World Bank compared.

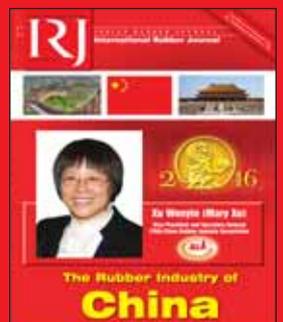
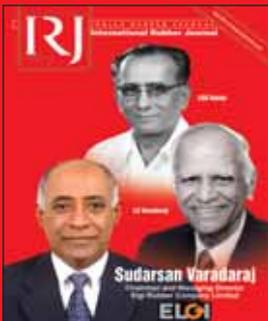
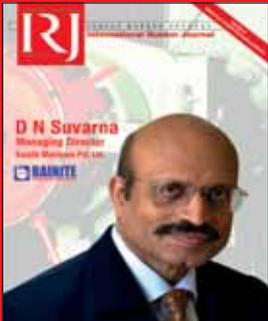
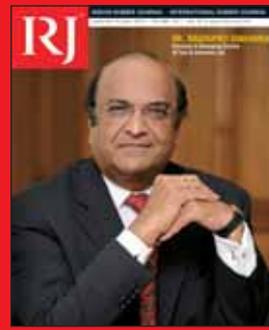
The Indian government has launched one of the world's largest publicly funded health insurance scheme, set to cover some **500 million** poor people. The Ayushman Bharat programme, dubbed "Modicare" after Prime Minister Narendra Modi promised health cover worth 500,000 rupees (**\$6,900**) to every poor family to treat serious ailments.

Tesla's vehicle output has improved significantly throughout the first nine months of 2018. The electric car maker produced a total of **80,142** vehicles in the Sept quarter alone, nearly beating its annual production total for 2016 and more than tripling its output compared to last year's Sept quarter.

India has the **3rd** largest number of family-run businesses in the world after the US and China, according to a report by Credit Suisse. The country has **111** family-owned business with a combined market capitalisation of **\$839 billion**.

Around **48%** of the India's bank accounts have seen no transactions in the last one year, the World Bank reports in its Global Findex database. India has the world's highest share of inactive accounts, about twice the average of **25%** for developing economies.

Fueled largely by the release of Tesla's "mass market" Model 3, electric vehicle sales in the United States jumped **81%** in 2018 compared to the previous year. Plug-in electric vehicle sales amounted to **361,307** in the U.S. last year, up from **199,826** in 2017. While that is by far the biggest jump in EV sales ever recorded in this still nascent market, it still isn't enough to put electric cars anywhere near mass adoption. Electric vehicles accounted for just **2.1%** of the **17.2 million** light vehicles sold in the U.S. over the past twelve months.



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Kia Motors India expects trial production of first model to begin this month

● Kia Motors India expects trial production of its first model — SUV SP Concept — to begin at its Andhra Pradesh-based plant this month as it gears to launch the vehicle by mid 2019, a company official said.

The company is in the final stages of commissioning the manufacturing facility with an annual installed production capacity of over 3 lakh vehicles.

It is also in the process of establishing a pan-India sales network for its upcoming models.

“We are confident that the plant will be fully operational soon with an annual installed production capacity of over 3 lakh vehicles. We expect the trial production of SP2i cars, our first offering for the Indian market to start by end of January,” Kia Motors India Head of Marketing and Sales Manohar Bhat said.

The company plans to start selling the SUV, which was first showcased at the Auto Expo last year, from the middle of this year. The model is currently being tested for Indian conditions.

The company has plans to launch one model every six months and is investing over USD 1 billion to set up the plant at Anantapur in Andhra Pradesh, which will be Kia Motors’ 15th facility across the globe.

Maruti cuts 2018 sales target to 80%

● Maruti Suzuki, struggling with flat sales in the past five months, has cut its sales target for the year to 8% from the earlier double digit growth, but expects demand to revive in the fourth quarter.

“We have done an analysis of the past numbers and the conclusion is that in the last two pre-election years, sales always fell. In the election years, sales always go up substantially.” RC Bhargava chairman of Maruti Suzuki India Ltd. (MSIL), said.

While passenger vehicle sales for the country’s largest car maker declined by 1% to 1,508,111 units in pre-election year 2008-09, the drop was sharper by 6% to 2,503,741 units

in 2013-14, the next pre-election year. However, sales rose by a quarter to 1,883,755 units and by 4% to 2,601,111 units during the election years 2009-10 and 2014-15, respectively.

Bhargava said sales growth this year has also been affected due to the absence of a new model in the volume segment. With a new vehicle lined up for launch at the start of 2019, Maruti expects to capitalise on the potential demand and grow wholesale volume by 5% in the fourth quarter, and close the year at 8%, as against its initial target of double digit growth.

Indian govt sees up to \$10Bn in auto sector investment by 2023

● In a report released by the Ministry of Heavy Industries & Public Enterprises, the Indian government said it expects the country’s automotive sector to attract between \$8 billion and \$10 billion in local and foreign investment by 2023. Between April 2000 and December 2016, the auto sector attracted \$16.5 billion in foreign direct investment (FDI)

However, the contentious issue of steel import rules may prevent the 2023 target from being met. In August 2018, the Indian Steel Ministry announced import rules for high-grade steel products, requiring foreign steelmakers to get Indian certification for high-grade steel products being used by Indian manufacturers by February 17, 2018. Indian automakers have already registered their protests, saying they will not comply as they need more time to do so.

The auto industry imports specific high-grade steel from Japan and South Korea, which is used for vital auto components. There is concern that the import norms will affect the shipments of the auto component industry, which poses a significant risk of production stoppage for the whole Indian automobile industry. Additionally, if the Indian government is adamant about imposing the new tax, auto manufacturers would simply stop importing steel and import the entire component itself, which would run counter to the government’s “Make In India” initiative.

At a recent meeting between Indian

government officials and representatives of the automakers, the latter complained that the new steel import rules were an unrealistic protectionist measure intended to encourage domestic steelmakers, which could slow down auto manufacturing. Indian steelmakers do not manufacture special-grade steel, which is why auto manufacturers in the country need to import the material to meet their needs. Indian automakers are seeking a year’s extension to comply with the new rules.

EU to cut new car emissions by 37.5% by 2030

● The European Union forged ahead with plans to slash carbon dioxide emissions from new cars and vans by 2030 despite industry concerns the targets are for now “totally unrealistic.”

EU member countries and the European Parliament struck the ambitious deal recently. Brussels said it would help the bloc meet its commitments under the Paris climate accord.

The targets will require new cars sold in 2030 to emit 37.5% less carbon dioxide on average compared to 2021 levels. Emissions from new vans will have to be 31% lower.

“With these ambitious targets, Europe is once again showing how to turn the #Paris-Agreement and #COP24 into action,” tweeted Miguel Arias Canete, the European Commissioner for Climate Action and Energy.

The auto emissions deal is a compromise between the demands of states like Germany which wanted a more modest cut of 30% and the European Parliament which had wanted a reduction of 40%.

Siding with Germany, the bloc’s biggest auto producer, were several eastern EU countries. France, Luxembourg, the Netherlands and Ireland backed the parliament’s more ambitious goal.

The European Automobile Manufacturers’ Association (ACEA) expressed “serious concerns about the highly challenging CO2 targets” that the industry will have to meet

Michelin Chief Senard and Thierry Bollore appointed joint successors to Ghosn at Renault

● Michelin tire chief, Jean-Dominique Senard, the CEO of Groupe Michelin and the first non-Michelin family member to hold this position, has been appointed Chairman of the troubled Renault SA. Thierry Bollore, currently deputy CEO of the French automaker, who has been in charge of overseeing day-to-day operations, has been appointed in place of Carlos Ghosn, as the new CEO.

The once-celebrated Ghosn is still in custody in Japan on charges of financial misconduct. He has been charged with understating his income at Nissan by millions of dollars and transferring personal trading losses to the company. If convicted, he could face decades in jail. Ghosn has denied any wrongdoing. He handed in his resignation to the Board of Renault ahead of a Board Meeting to appoint his successor. Ghosn was ousted as chairman by Nissan and Mitsubishi days after his arrest.

As chairman, Senard will apparently be responsible for rebuilding the strained relationship with partner Nissan Motor Co. and co-operating with Japanese authorities, while Bollore will handle daily operations.

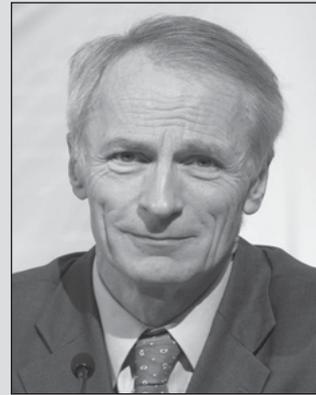
While it has been reported that Renault's CEO who heads the three-way venture, headquartered in Amsterdam, manages the partnership, it is now expected that the chairman, Senard would take the lead in handling alliance matters. The soft-spoken Senard enjoys a cordial relationship with the French government, which was not always the case with Ghosn. French President Emmanuel Macron recently referred to Michelin as a "model company", praising it for its frequent dialogue with unions. The government assigned Senard to write a report on how French companies can contribute to

general welfare.

Meanwhile, Nissan said in a statement that they welcomed the change in management at Renault. "Over the past 20 years, each company has respected the other's identity and autonomy, and by combining our strengths we have created synergies and achieved profitable growth," the statement said.

The French government owns 15% of Renault, with extra voting rights and two seats on the board. The country's Finance Minister Bruno Le Maire said the government favored dual leadership for the companies in which it holds a stake, with the chairman overseeing long-term strategic planning. The new management team will first be tasked with strengthening the alliance between Renault and the Japanese auto major.

Nissan and Renault have had an alliance for 20 years, with Japan's Mitsubishi Motors Corp. joining in 2016. All three companies have stated that they believe the alliance is essential to remain competitive at a time of costly changes affecting the global auto industry. The role of Bollore, who had been seen as Ghosn's heir apparent, will be somewhat less prominent. Some at the French auto company are concerned that as a former protege of Ghosn, Bollore might be met with distrust in Japan.



Jean-Dominique Senard

in 12 years.

The target "might sound plausible, but is totally unrealistic based on where we stand today," ACEA said.

ACEA said the goals flowed from "political motives" that failed to account for hurdles to consumers buying more electric and other alternatively powered vehicles.

These include the relatively high cost and a so far thin network of recharging and refuelling stations, it said in a statement. But it said the association's members will continue to invest in producing cleaner vehicles.

ACEA called on the 28 EU countries and the European Commission, the EU executive arm, to make "the much-needed investments in infrastructure." The EU has already promised to broaden the network of recharging stations.

ACEA warned that targets "will have a seismic impact on jobs" in an industry that employs some 13.3 million Europeans.

US auto industry posts fourth-biggest year on record thanks to December gains

● US auto sales increased 2.2% in December, capping a year that saw overall volume rise 0.6% even as auto makers endeavored to counter slumping car demand with higher light-truck deliveries.

December, with sales of 1.639 million, turned in the second-best month of the year on a volume basis. The final sales tally for 2018 was 17.33 million cars and light trucks, making it the fourth-biggest year on record. The robust December seasonally adjusted, annualized rate of 17.72 million easily topped December 2017's SAAR of 17.44 million and November's 17.55 million sales pace.

"New vehicle sales were surprisingly strong in 2018 despite late cycle headwinds

from higher interest rates and more nearly-new competition in the used market," said Jonathan Smoke, chief economist for Cox Automotive. "The key positive factor was stimulated demand from tax reform, which strengthened retail demand as the year progressed and also enabled strong gains in fleet sales." Generous discounts and steady economic growth fueled new-vehicle sales throughout the year. U.S. consumers also appeared to shrug off slumping stock prices in December. U.S. sales



had risen 0.4% through November, with higher fleet shipments offsetting a slight dip in retail demand during the year, analysts say.

Overall, U.S. light-truck sales rose 6.9% last month and 7.7% in 2018, while car deliveries slid 8.2% in December and 13% for the year, marking the fifth straight annual decline in car volume. "US sales in 2018 proved more resilient than initially expected, with an accelerated transition to utility vehicles on new models becoming available and on pullback in passenger car production and passenger car incentives," Stephanie Brinley, principal automotive analyst with IHS Markit, said in a statement.

For 2019, most early forecasts see total industry sales coming in at 16.8 million to 17 million units, with some estimates as low as 16.7 million. That would mark the first total below 17 million since 2014.

US auto industry worried about Trump's actions

●As the trade war between the US and China remains unresolved as on late January, the US auto industry is now jittery about the possibility of new tariffs on nearly \$200 billion worth of automotive imports. Additional tariffs could lead to an auto price hike and severely impact the industry and the economy as a whole.

A report commissioned by President Donald Trump in 2018 required the Commerce Department to investigate whether automotive imports pose a threat to national security. Their findings will be available in February and if the report finds cause for concern, which is the expected result, Trump will seemingly have reason to impose taxes within 90 days of the report being released, which will give him leverage to negotiate better trade deals with China, the EU and Japan.

The auto market is already being impacted by the tariffs that Trump has already imposed on Chinese imports, which include cars and car parts. He wants auto manufacturers to make more cars in the country, but it is financially not viable for most automakers to manufacture low-margin economy cars in a relatively higher-cost country.

Humara Bajaj becomes 'The World's Favourite Indian'

●After more than four decades of 'Humara Bajaj' tagline of Bajaj Auto, the company released its new identity as 'The World's Favourite Indian' as it achieved dramatic transition from a domestic scooter maker to a global motorcycle powerhouse in 17 years.



At right is Rajiv Bajaj, MD, Bajaj Auto, along with Amitabh Kant, CEO, NITI-Aayog, during the launch of Bajaj Auto's new brand identity, in New Delhi, on 21st January

The launch of the Pulsar from its Chakan plant in 2001 marked the beginning of this interesting global ride, the company said. It added that building on its 'Humara Bajaj' roots of providing reliable mobility solutions, Bajaj Auto has invested a lot in technology and innovation to design motorcycles that are loved not just in India but 70 countries around the world.

"Our international performance is validation of our strategy of focus and differentiation. Our unwavering commitment towards building the best motorcycles in the world through design, technology, quality and customer satisfaction has made us a truly global brand," Rajiv Bajaj, Managing Director, Bajaj Auto, said.

He said since the launch of Pulsar 17 years back, the company has become the third-largest motorcycle manufacturer in the world, ahead of several Japanese and European brands that have been around for much longer.

"In any market around the world, when people think of motorcycles, they should think of Bajaj. That will help us achieve our vision of being a Global Motorcycle Specialist," Bajaj said.

In the pipeline

Asked about future products including electric vehicles, he said Electric Qute (quadracycle) and electric three-wheelers are very much on the company's agenda.

But that said, Bajaj Auto needs to think not only about India, but also for many other markets in the world.

The auto taxes being considered would probably not apply to imports from Mexico and Canada, as long as Congress ratifies the new trade deal the three countries signed in 2018 to replace the old NAFTA agreement. According to 2017 figures, this would leave around \$103 billion worth of new-car imports from the rest of the world, and about \$77 billion worth of parts.

Based on studies by the Center for Automotive Research, a 25% tariff on auto imports from all countries except Canada and Mexico would increase the average cost of a car by \$2,450. While there would be more auto production in the U.S., higher prices would lead to total auto sales falling by about 1.2 million units per year- which would potentially lead to the loss

of 197,000 jobs.

India's Ashok Leyland is now among global top 10 in trucks and top 5 in bus segment

●Managing Director and Chief Executive of Ashok Leyland Limited (ALL) Vinod Dasari, who will bid adieu to the company on March 31 after serving for 14 years, says that the Hinduja Flagship has achieved its mission in global truck and bus businesses. He spoke about the commercial vehicle (CV) industry, emission norms and the results of transformation at the company.

"We are no longer a small player. Our spare parts penetration is twice that of our competition, while defence portfolio is 10 times better

than our competition.”

Is there any unfinished task you have?

The only unfinished job is the transition. I have been working with Chairman Dheeraj Hinduja, who has been spending a lot of time in India, to identify a successor. The search is still on.

Have you achieved your goals set out during your tenure?

About seven years ago, we set out a vision that we will be among the Global top 10 in M&HCV trucks and global top 5 in M&HCV buses. Last week, we achieved this mission. When 2018 numbers came, we were among the global top 10 in trucks and top 5 in buses. So, we are no longer a small player. Our spare parts penetration is twice that of our competition, while defence portfolio is 10 times better than our competition. This quarter, we will have more than 50% market share in the bus segment.

Tesla breaks ground on Shanghai Gigafactory

●On January 7, Tesla broke ground on its Shanghai Gigafactory, where it plans to begin making its Model 3 electric vehicles by year-end, a first step in localising production in the world’s largest auto market.

At a ceremony at the plant site on the outskirts of Shanghai, Chief Executive Elon Musk joined the city’s mayor and other local government officials to formally begin construction of a factory that Tesla has said will cost around \$2 billion.

“We think with the resources here we can build the Shanghai Gigafactory in record time, and we’re looking forward to hopefully having some initial production of the Model 3 towards the end of this year and achieving volume production next year,” Musk said at the event.

The so-called Gigafactory will be the first wholly-foreign-owned car plant in China, a reflection of China’s broader shift to open up its car market, even amid a trade war with the United States, which has seen a rise in tariffs on cars imported from the US.

Producing cars locally is likely to help Tesla minimise the impact of the trade war, which has forced the EV maker to adjust prices of its US-made cars in China. Keeping prices in

Tata motors’ global sales down by 12% in Jan

●Fall in sales of Jaguar Land Rover in China and slowing demand for commercial vehicles in the domestic market have pulled down Tata Motors’ global sales by 12% for January to a little over lakh units.

While global passenger vehicles (PVs) sales were down by 15% over January 2018 to 59,686 units, sales declined for the Mumbai-based auto major during the third straight month.

These numbers reflect the whole sale supply of Tata and Jaguar Land Rover (JLR) PVs and Tata and Tata Daewoo CVs to dealerships.

On the domestic front, sales of Tata PVs were down by 11% to 17,826 units amidst and industry-wide slowdown due to muted consumer sentiment. Commercial vehicles sales were at 37,089 units, a drop of 6% JLR, which accounts for almost three-quarters of the company’s consolidated PV sales unit-wise, reported a 16% decline in wholesale during January over last year to 41,676 vehicles. The British luxury carmaker has been facing headwinds in one of its most important markets, China, where January sales were down by 67% to 2,712 units. JLR also reports its monthly retail sales numbers. The company showed an 11% slowdown in its global retail sales during January to 43,733 units.

The UK’s largest automaker is also facing uncertainty in its home market due to Brexit. JLR had earlier conveyed a week of production stand-down from April 8-12 this year due to potential disruption from Brexit.

check will also help Tesla fend off competition from a swarm of domestic EV startups such as Nio, Byton (whose own factory is set for completion in May) and XPeng Motors.

“Affordable cars must be made on same continent as customers,” Musk wrote on Twitter ahead of the event.

China raised the import tariff on US cars to 40% in July, but returned it to 15% from the start of this year as part of a trade war cease-fire. The lower rate will last until the end of March pending trade talks.

Trade war aside, the carmaker is building the plant in an auto market that likely contracted last year for the first time in decades. However, sales of so-called new-energy vehicles (NEVs) — a category which includes Tesla’s battery-powered cars — continue to be strong in a country where the government aims to shift away entirely from combustion engine vehicles.

Daimler re-starting car assembly in Egypt

●After closing its assembly operation in the country in 2015, the German luxury car make Daimler says it is planning to build a Mercedes-Benz passenger car plant in Egypt, along with local business partner, who will set up the plant.

Markus Schaefer, Mercedes-Benz Cars’ production and supply chain head, said Egypt was an attractive and competitive location for production and supporting logistics

and that with the planned local assembly, the automaker will be able to increase its share of the market.

The Egyptian president, Abdel Fattah El-Sisi, welcomed the decision of Mercedes-Benz to resume manufacturing and assembly of cars in Egypt, saying that the move reflects the improvement of the investment environment and the performance of business in the country, in light of the implementation of the comprehensive economic reform programme. He spoke of the openness of Egypt to cooperate with the German company within the framework of its policies to develop the automotive industry in its various categories.

Piaggio plans 21 model salute for India to lead the show

●Piaggio Vehicles, an Italian automaker from the group that makes Vespa and Piaggio scooters, plans to revamp its transporter and freighter portfolio with an unprecedented 21 new models complying with strict emission standards that India would adopt next year.

CNG and LPG vehicles will not only help the company fight aggressively in the domestic market but also open new opportunities beyond India.

The company is the leader in India’s three-wheeler cargo space. With the new range of vehicles, it is planning to reinforce its presence in the people-moving three wheelers as well.

India pips China in FDI inflows for the first time in 20 years

●From Walmart to Schneider Electric and Unilever on the one side and TPG Capital or KKR on the other, a tide of global capital is flooding into India from strategic investors to financial sponsors and consequently changing the pecking order of mega M&A sweepstakes in the prized market of Asia.

For the first time in two decades, India has been getting more foreign investment than its neighbour China. In 2018, India saw more than \$38 billion of inbound deals compared with China's \$32 billion, buoyed by stable fundamentals, a bankruptcy code and fresh opportunities in sunrise sectors.

India's foreign direct investment (FDI) was the highest ever with 235 deals amounting to \$37.76 billion this calendar year, according to data from Dealogic, a global M&A and capital markets data provider, beating China, which has historically been the favourite for emerging market bets. China's trade standoff with the US is seen as a major reason for the slowdown.

BIG TECH WAR

"India has had a busy M&A calendar in 2018 and we will continue to see good traction in inbound M&As," said Kalpana Morparia, chief executive for South and Southeast Asia at JP Morgan Chase & Co. "Given India's demographics, the ecommerce story, the way India has leapfrogged the several stages of technological evolution, we expect a lot of activity in the technology and financial services space going forward."

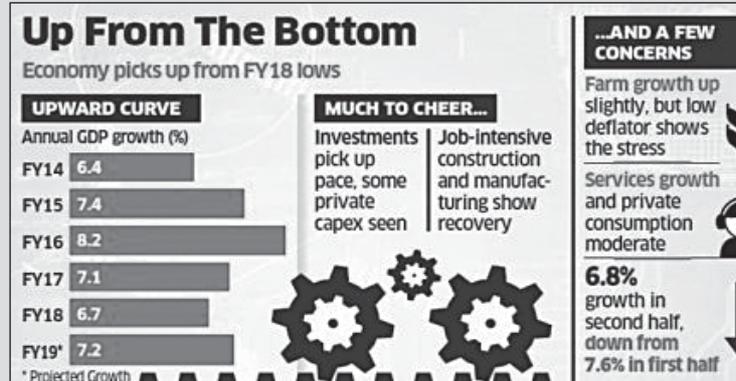
Global investors typically focus on India despite short-term uncertainty over the political climate, be it state or federal elections, said Sonjoy Chatterjee, chairman, Goldman Sachs in India.

"The macro overlay is that conditions are stable when you look at the big barometers, whether it be inflation, fiscal deficit or growth," he said. "Also, the current account deficit has moved around due to oil and the currency but seems to be settling back."

Bankers from both these Wall Street bellwethers were involved in the biggest transaction of the year —

Leaving bumps behind, GDP in fast lane ahead of elections

●India's economy is forecast to grow at its fastest pace in three years in FY19, recovering from the disruption caused by demonetisation and the rollout of the goods and services tax (GST), marking the end of the government's five-year term on a positive note ahead of the general



elections. India will thus retain its ranking as the world's fastest-growing economy, the government said.

Gross domestic product (GDP) is forecast to grow 7.2%, up from 6.7% last year, according to the first, full-fiscal-year estimate released by the Central Statistics Office (CSO). Gross value added (GVA) growth is seen at 7% against 6.5% last year, according to the data released on January 8.

"Very healthy advance GDP growth numbers for 2018-19... India remains fastest-growing major economy globally," said department of economic affairs secretary Subhash Chandra Garg, flagging the strong recovery in investments.

The growth forecast is slightly lower than 7.4% estimated by the Reserve Bank of India (RBI). The International Monetary Fund (IMF) has forecast 7.3% growth in the current fiscal and 7.4% in the year after.

"The growth number seems realistic and may not need to be revised as it fairly reflects the present situation," said DK Joshi, chief economist at ratings agency Crisil.

Walmart's \$16 billion buyout of Flipkart. This may be a dominant theme in the foreseeable future as the technology-driven consumer retail and financial services spaces are expected to see substantial M&A activity going ahead.

However, that will also depend on how the latest changes in the FDI policy on ecommerce play out.

Inbound interest will remain strong as India continues to be a critical growth market with its billion plus demographic advantage for investors from the US as well as China. Most expect the competition among Alibaba, Tencent and the FAANG (Facebook, Apple, Amazon, Netflix, Google) tech giants from Silicon Valley to intensify.

DISTRESSED ASSETS

Apart from ecommerce, another reason for inbound FDI was asset divestment, stemming from the new

bankruptcy framework. Some of the crown jewels of Indian manufacturing, especially in steel, have been put on the block. As a result, foreign investors with deep pockets are deploying funds.

Billionaires' wealth grew by Rs 2,200 cr/ daily in 2018

●India's 119 billionaires saw their wealth growing, on an average, by 12,200 crore a day in 2018, while 13.6 crore Indians — who make up the poorest 10% of the country — have continued to languish in debt since 2004, a new report has revealed.

This widening economic disparity between the rich and the poor in the country was highlighted in an annual report — 'Public Good or Private Wealth' — which has been made public by Oxfam, an international charity organisation, on January 21.

According to Amitabh Behar, CEO of Oxfam India, it is morally outrageous that a few wealthy individuals are amassing a growing share of India's wealth while the poor are struggling to eat their next meal or pay for their child's medicines.

"If this obscene inequality between the top 1% and the rest of India continues, it will lead to a complete collapse of the social and democratic structure of this country," he cautioned.

Just as is the global trend, wealth inequality is on the rise in India, the Oxfam report said. The Gini wealth coefficient in India has gone up from 81.2% in 2008 to 85.4% in 2018, which shows inequality has risen (the coefficient is a statistical measure of distribution developed by the Italian statistician Corrado Gini in 1912, which is often used as a gauge of economic inequality, measuring income distribution or, less commonly, wealth distribution among a population).

Rising inequality threatens the social fabric of the nation. Inequitable growth provides fuel for social unrest and rising crime. Oxfam releases its annual report every year on the eve of the annual meeting of the World Economic Forum at Davos in Switzerland. It claims that its calculations are based on the most up to date, comprehensive data sources that are available.

Figures on the share of wealth owned by the poorest half of humanity come from the Credit Suisse Wealth Data book and relate to the June 2017–June 2018 period.

Figures on the very richest in society are based on more detailed data from the Annual Forbes 'Billionaires List' and relate to the March 2017–March 2018 period.

Rising billionaires

The report stated that the number of billionaires has gone up to 119, with 18 more joining the list. There are 15 billionaires from the consumer goods industry and 15 billionaires from the pharmaceuticals industry—a rarity among developing countries. However, in terms of gender equality among Indian billionaires, the picture is dismal. "There are only nine women



billionaires in the list, constituting just 7.5% of the Indian billionaires. Thus 'Billionaires Boys Club' is not a myth," the report said.

It also said that the billionaires' wealth crossed the \$400 billion (Rs.28,00,000 crore) mark for the first time. It rose from \$325.5 billion (Rs.22,72,500 crore) in 2017 to \$440.1 billion (Rs.30,80,700 crore) in 2018. This is the single-largest annual increase since the 2008 Global Financial Crisis.

India to become bigger than China eventually: Raghuram Rajan

●India will eventually surpass China in economic size and will be in a better position to create the infrastructure being promised by the Chinese side in South Asian countries, former RBI Governor Raghuram Rajan said recently.

Addressing a session on Strategic Outlook for South Asia, Rajan said Indian economy would continue to grow while growth rate is slowing down in China.

"Historically, India had a bigger role in the region but China has now grown much bigger than India and has presented itself as a counter balance to India in the region," Rajan said at the WEF Annual Meeting 2019.

"India will become bigger than China eventually as China would slow down and India would continue to grow. So India will be in a better position to create the infrastructure

in the region which China is promising today. But this competition is good for the region and it will benefit for sure," he said. The comments assume significance with China working on a lot of infrastructure projects across the region, including in Nepal and in Pakistan.

In 2017, India became the sixth largest economy with a GDP of USD 2.59 trillion while China was the second largest with a GDP of USD 12.23 trillion, as per World Bank data.

At the same session, Nepal Prime Minister K P Sharma Oli cited collaboration with China as well as India as reasons for his country's economic growth.

Afghanistan CEO Abdullah Abdullah also pitched for greater collaboration among the countries in the region.

Rajan said there is an opportunity to create regional companies, and cited as an example that someone can just study how people in South Asia borrow and that would be a great insight for banks.

Besides Free Trade Agreement (FTA), there is a lot of scope for work to be done. Apart from business, social sector can be another way and we can have more sharing of students across the region, he added.

While noting that people movement and especially youth going to another country can have a strong impact, Mr Rajan said that India is the largest country in the region and it must play the role it needs to play.

There are many places where India has funded the process, but a lot more can be done, including on trade side, so that tariffs can come down, he noted. He also asked industries to work towards convincing their governments for taking the necessary steps.

Rajan said he is hopeful of results, if not today, then may be at Davos meetings later.

RATES OF INDIAN RUPEE

Currency	18.02.2019	18.12.18	01.10.18
1 US \$	71.3589	71.2520	73.3671
1 Euro	80.8268	80.9010	84.9430
1 Pound	92.2802	89.9910	95.3210

Trade war may snip 5% off China GD

● According to a Rabobank economist, his research firm's study has found that in case of further escalations, the Chinese economy would take a beating of five% points, which will be shaved off up to 2030. "That is quite severe given the fact that the Chinese economy is already slowing down," he said.

The economist, who had accurately predicted slump in India's gross domestic product (GDP) growth in quarters after demonetisation, however, does not see the recent dismal fourth quarter and annual economic data on China as an aftermath of tariff war.

"I don't think the weak December numbers are directly related to the trade war because the Chinese economy was already cooling down before as well. They are facing problems of inefficient state enterprises, debts, etc. The government is imposing all kinds of stimulus measures but their effect is also waning. You stimulate to put another subway in place but what is the added value of another subway if you already have 30 in place," he added.

Recent Chinese economic numbers put out by various agencies show their growth is slowing even as trade balance figures slip into the negative zone.

The world's second-largest economy saw its GDP growth slow by 20 basis points to 6.6% in 2018 from 6.8% in 2017. For the fourth quarter, it fell to 6.4% sequentially.

With China's confidence running low, there are reports that Beijing will cut its official GDP growth outlook for 2019 to 6% from the earlier 6.5%. This is in line with Moody's forecast. World Bank has projected China's economic growth in 2019 at 6.2%.

But it's the trade balance numbers that have alarmed many. For the first time, China's nominal exports have shown negative growth in December. It declined by 4.4% last month from a growth of 5.4% in November. Imports shrunk by 7.6% in the same month from a 3% rise in the previous month.

China's purchasing manager's index (PMI) December has also shown a contraction, reporting a figure of 49.4 compared to 50.2 in November.



Fed hikes interest rates by 25 basis pts to 2.5%

● The Federal Reserve raised borrowing costs for the fourth time this year, looking through a stock-market selloff and defying pressure to hold off from President Donald Trump, while dialing back projections for interest rates and economic growth in 2019.

By trimming the number of rate hikes they foresee in 2019, to two from three, policy makers signaled they may soon pause their monetary tightening campaign. Officials had a median projection of one move in 2020.

Chairman Jerome Powell, and his colleagues said "economic activity has been rising at a strong rate" in a statement that was issued on December 19 following a two-day meeting in Washington. While officials said risks to their outlook "are roughly balance," they flagged threats from a softening world economy.

The Federal Open Market Committee "will continue to monitor global economic and financial developments and assess their implications for the economic outlook," the statement said.

The unanimous 10-0 decision lifted the target range for the federal funds rate to 2.25% to 2.5%.

The quarter-point hike came after Trump assailed the Fed on Twitter for two straight days, urging it to hold rates steady in the most public assault on its political independence in decades. Investors are also fretting over the economy with the S&P 500 Index falling significantly in recent weeks.

US adds 312,000 jobs in Dec

● Exceeding expectations, nonfarm payrolls in the US increased to 312,000. Employers in the world's largest economy hired the most workers in 10 months and wages grew at a robust pace in December, with average hourly earnings rising 3.2%.

The unemployment rate fell from 3.7% to 3.9%.

This employment report was an indicator that the US economy still has considerable forward momentum, despite recent surveys revealing a sharp fall in consumer confidence and manufacturing activity.

The positive data coming from the US contrasts with gloomy news coming from China, where manufacturing activity shrank in December for the first time in 19 months, and reports of weak manufacturing across Europe.

US sanctions limit India's oil imports from Iran

● There was a 41% fall in Indian oil imports from Iran in December to just over 300,000 barrels per day. Approximately it's around the level of Iranian oil India is restricted to buy under the US waiver, allowing it to continue importing oil from Iran. In November 2018, India's oil imports from Iran fell 41% from the previous month to a one-year-low, due to the US sanctions on Iranian oil. India had cut back significantly its allocations for November amid uncertainties over who might be getting a US waiver to continue importing oil from Iran.

India was given a waiver, alongside seven other Iranian oil importers, including China – the single largest – importer. The waivers allow those eight countries to continue Iranian oil imports at reduced volumes until May 2019. India’s allowed imports from Iran are about 300,000 barrels per day.

From fourth spot in October 2018, Iran dropped to sixth place on India’s largest oil suppliers list, with fellow OPEC members Saudi Arabia, Iraq, and the UAE picking up the lost market share. Iran was India’s sixth largest oil supplier in December 2018 as well, as compared to the same month in 2017, when it was the third biggest oil supplier to India. In December 2018, Iran’s market share in India’s oil imports fell to 6.2% from 11.7% in December 2017.

China GDP growth falls to 6.4% in Q4

Figures released recently by China’s National Bureau of Statistics revealed that for 2018, the world’s second biggest economy grew at 6.6% – its slowest growth since the global financial crisis. For the final quarter of last year, China grew 6.4% from a year earlier, down from 6.5% in the previous quarter. The figures were in line with forecasts, but the relatively slow rate of growth has sparked apprehensions about the potential domino effect on the global economy.

The Chinese government is expected to increase support for the economy this year in order to boost growth, but some financial analysts do not expect a significant increase till the summer. The trade war with the US is adding to China’s woes and there is pressure to resolve the situation.

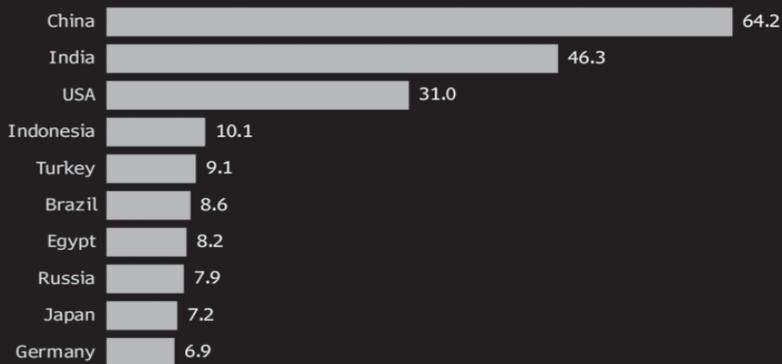
India may surpass US in GDP ranking by 2030

Seven of the world’s top 10 economies are likely to be current emerging markets by 2030 .

The prediction for a shake-up of the world’s gross domestic product rankings comes in new long-term forecasts by Standard Chartered Plc, which includes a projection for China to become the largest economy by 2020, using purchasing power parity exchange rates and nominal GDP.

Rising Stars?

Top 10 countries by nominal GDP using PPP exchange rates by the year 2030



Note: Estimates are in trillions of international dollars, using purchasing power parity measures
Source: Standard Chartered

Bloomberg

India is likely to be larger than the US in the same time period while Indonesia will break into the top 5 economies.

“Our long-term growth forecasts are underpinned by one key principle: countries’ share of world GDP should eventually converge with their share of the world’s population, driven by the convergence of per-capita GDP between advanced and emerging economies,” Standard Chartered economists led by David Mann wrote in a note.

They project trend growth for India to accelerate to 7.8% by the 2020s while that of China will moderate to 5% by 2030 reflecting a natural slowdown given the economy’s size.

Asia’s share of global GDP, which rose to 28% last year from 20% in 2010, will likely reach 35% by 2030 – matching that of the Euro area and US combined.

Here are some other findings from Standard Chartered’s economists:

- Waning reform momentum in emerging markets weighs on productivity growth
- The end of the quantitative easing era may mean more pressure on economies to reform and revive productivity trends
- The middle-class is at a tipping point, with a majority of the world’s population entering that income

group by 2020

Middle-class growth driven by urbanisation and education should help counter the effects of the rapid population ageing trend in many economies, including China.

7-Eleven eyes a future in India

7-Eleven, the world’s largest convenience store chain, is in advanced talks with India’s Future Group to enter one of the fastest-growing retail markets. If the plan goes ahead, the Kishore Biyani-owned

Tieup in Store

FUTURE RETAIL

1,444 stores in 409 cities

85% of the business from large format

Rest 15% from small format

1,050 Easy Day, Heritage and other stores

SEVEN & I GROUP

Group sales \$99 b

Retail business revenue \$53 b

66,200 Global stores

21,800 Stores in Japan



retail company will open and operate small format 7-Eleven stores in India as a master franchisee, said two people aware of the development.

A deal may be announced as early as March, they said. "While the stores will have products across categories, foods will have a greater focus," one of the persons said.

Seven & i Group, which owns 7-Eleven among other retail formats, posted an annual revenue of \$100 billion through nearly 66,000 stores globally.

The Japanese-owned, US-headquartered 7-Eleven generates nearly a third of its sales in the Asian country. The Future Group's latest move will be pitched against round-the-clock convenience store chain Twenty Four Seven, promoted by Modi Enterprises and In & Out, which is run by state-owned Bharat Petroleum Corp Ltd.

Italy's growth falls, slips into recession

●Italy's economy contracted for the second consecutive quarter at the end of last year, data showed on January 31, throwing the country into recession in a setback for the new anti-establishment government. Gross domestic product fell a quarterly 0.2% between October and December, following a 0.1% decline in the third quarter, and was up 0.1% on an annual basis, national statistics bureau ISTAT report. The fourth quarter decline was steeper than expected. The average forecast in a Reuters survey of analysts had pointed to a 0.1% fall quarter-on-quarter, up 0.3% year-on-year. The government, which took office in June last year, points out the euro zone's third-largest economy has been weakening since early 2017 and has recently been hit by a slowdown in Italy's main trading partners, such as China and Germany.

Industrial growth remains subdued at 2.4% in December 2018

Industrial output growth remained subdued at 2.4% in December 2018 on account of contraction in the mining segment and poor show by

America based Kellogg's seeks a big bite of desi Haldiram's

●American breakfast cereal giant Kellogg's — also the world's second-largest snack foods company — is eyeing a stake in India's leading snack maker Haldiram's, as it seeks to diversify its local portfolio nearly 25 years after entering the market. Both sides are in talks under an exclusivity agreement that would lapse this month end, said people close to the groups.

Haldiram's operates out of three hubs of Delhi, Nagpur and Kolkata, after the Agarwal family split the business geographically among themselves in the 1990s. They are all descendants of Gangabhisan 'Bhujawala' Agarwal, who began his entrepreneurial journey with a sole shop in Bikaner, Rajasthan, in 1937.

The ongoing talks involve two of the three branches of the company — Delhi-based Haldiram Ethnic Foods and its affiliates, and Nagpur-based Haldiram's Food International and affiliates that cater to the western and southern markets.

Snacky Bits

Size of Indian snacks market: ₹22,000 cr

Kellogg's Global Buys

2001: Keebler Company

2012: Pringles from P&G

2015: Egyptian biscuit co Bisco Misr

2016: Brazilian Parati Group

2017: Rxbar for \$600 m

2018: Stake in TAF in Ghana and Nigeria

HALDIRAM'S

India's largest snack and convenience foods co

Founders Agarwal family divided business into 3 hubs among 3 brothers — Delhi (North), Nagpur (west & south), Kolkata (East)

KELLOGG INDIA

Sales: ₹834.7 cr; PAT: ₹64.52 cr (Fig for FY17)

EBITDA growth of 30% CAGR over past 5 years

India contributes 10% to APAC revenue

the manufacturing sector.

Factory output as measured in terms of the Index of Industrial Production (IIP) had grown by 7.3% in December 2017, according to the data released by the Central Statistics Office (CSO). The industrial growth for November 2018 was revised downwards to 0.3% from the provisional estimate of 0.5% released last month.

During April-December 2018-19, industrial

output grew at 4.6% against 3.7% in the same period of the previous fiscal. The manufacturing sector, which constitutes 77.63% of the index, recorded a low growth of 2.7% in December as against 8.7% expansion in the year-ago month.

US DOLLAR RATES

	18.02.2019	18.12.18	01.10.18
1 INR	0.01400	0.01404	0.01454
1 Euro	0.01237	0.11238	0.01185
1 UK £	0.01084	0.11238	0.17048
1 Yen	1.54950	0.00887	1.56217

NATURAL RUBBER (INDIA)

(Rs. /Quintal, Ex-Kottayam)

Grade	February 2019	December 2018	October 2018	September 2018
RSS 4	12350	12400	10462	13250
RSS 5	11700	11900	10362	13050
ISNR 20	11657	11400	9765	12900
Latex (60% drc)	8773	8875	7059	8980

(Source: Rubber Board)

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(BASIC SELLING PRICE w.e.f. 01-04-2018)

Basic price excluding excise duty/cess, sales tax and any other charges.

Product	Price (Rs. /Kg)
Accelerators	
Pilcure MBT	320.00
Pilcure MBTS	330.00
Pilcure F	360.00
Pilcure CBS	400.00
Pilcure MOR	440.00
Pilcure ZDC	210.00
Pilcure ZMBT	325.00
Pilcure ZDBC	280.00
Pilcure ZBzDC	420.00
Pilcure TBzTD	500.00
Pilcure TMT	195.00

Antioxidants/Antidegradants

Pilflex 13	370.00
Pilnox TDQ	270.00

Prevulcanisation Inhibitor

Pilgard PVI	500.00
Pilnox SP	240.00

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1) All prices are basic prices, exclusive of GST and any other levies as applicable

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(Price of Rubber Chemicals as on 15-03-2017)

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ACCELERATOR CBS	360.00
ACCELERATOR MBT	250.00
ACCELERATOR MBTS	285.00
ACCELERATOR ZDBC	297.00
ACCELERATOR ZMBT	305.00
ANTIOXIDANT SP	219.00
ANTIOXIDANT TDQ	225.00
ALUMINIUM SILICATE	13.00
BITUMIN	41.00
BONDING AGENTS	ON REQUEST
CALCIUM SILICATE	13.50
CHINA CLAY	6.50
CALCIUM CARBONATE PRECIPITATED	15.00
CALCIUM CARBONATE ACTIVATED	17.00
CRUMB RUBBER-TRC 40	23.00
CARBON BLACK-ORDINARY	40.00
CARBON BLACK-(HAF/GPF/FEF/SRF/ISAF)	ON REQUEST
D.O.P./D.B.P.	ON REQUEST
EBONITE DUST-(BROWN)	55.00 95.00
EBONITE DUST-(BLACK)	32.00
FACTICE - BROWN	99.00
FACTICE - WHITE	90.00
GRAPHITE POWDER	50.00
LIGHT MAGNESIUM CARBONATE	ON REQUEST
LIGHT MAGNESIUM OXIDE	ON REQUEST
PINE TAR - Synthetic	68.00
PARAFFIN WAX	ON REQUEST
PROCESS OIL	ON REQUEST
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PETROLEUM RESIN	86.00
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WHITING POWDER(P&W)	6.50
WOOD ROSIN	108.00/115.00
ZINC HYDROXIDE	20.00
ZINC STEARATE	65.00
ZINC OXIDE-(RUBBER GRADE)	125.00
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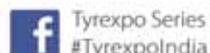
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