



TYRE INDUSTRY FEDERATION



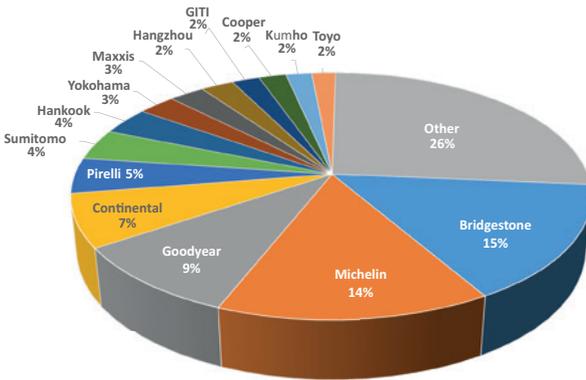
FACTBOOK

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



THE TYRE MARKET IS TRULY GLOBAL

Global Tyre Market: Manufacturers by sales value

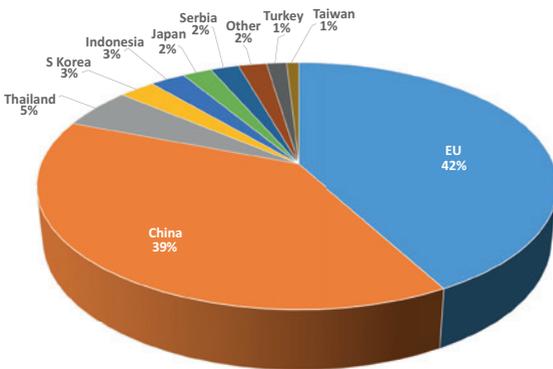


There are over 160 tyre manufacturers worldwide.

Tyre manufacturers spend over £2600 million a year on research and development.

Source: ERJ 2014 data

UK Sourcing: Country of manufacture by quantity



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

Source: HMRC 2014 data



UK MARKET CHARACTERISTICS

Approximate size of UK market in 2014

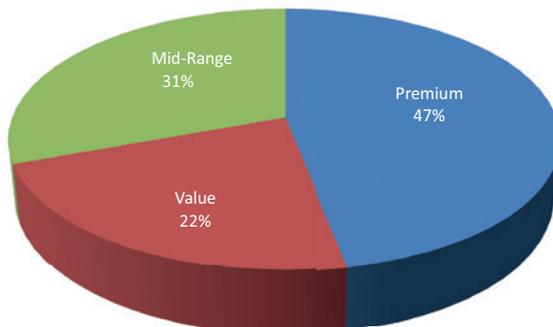
Type	MILLIONS OF TYRES		
	Original Equipment	Replacement	Total
Car	11.8	30.0	41.8
Van	1.6	2.8	4.4
Truck	0.3	2.0	2.3

Source: TIF 2014 estimate

In addition, about 5 million part-worn tyres are sold by retailers in the UK every year. These are principally recovered from end of life vehicles or are salvaged from tyres discarded following replacement. Part-worn tyres from other countries are also imported for sale in the UK. Regulations set the minimum standard for a part-worn tyre that can be legally sold in the UK. Surveys by Trading Standards Officers across the country have shown that most part-worn tyres offered for sale do not meet these regulations. Over half of those examined showed dangerous defects.

Typical market segmentation for replacement car tyres

There is a wide variety of price and performance in tyres offered in the UK market. Market analysts commonly classify tyres into 3 categories: Premium, Mid-range and Value



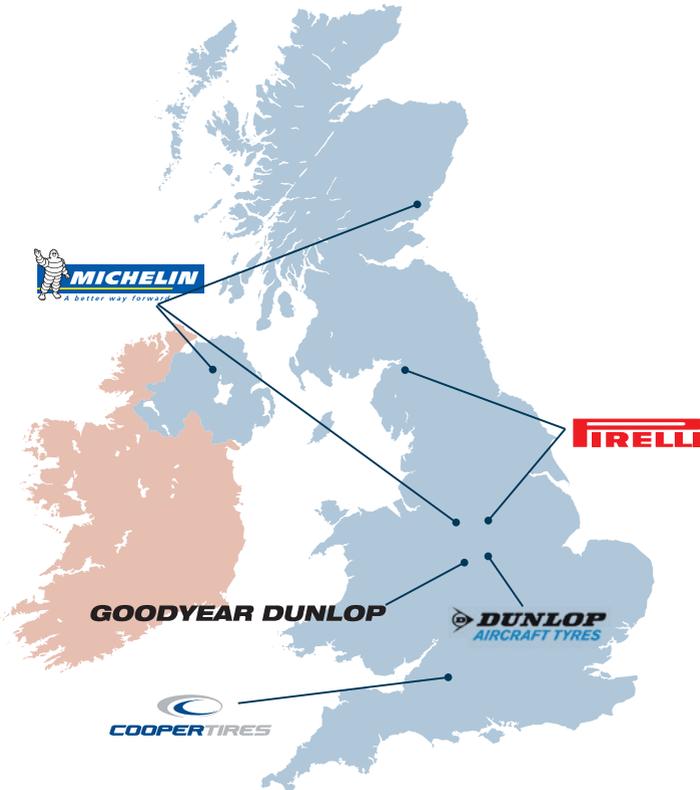
Source:



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UK TYRE MANUFACTURING INDUSTRY



- 4 manufacturers
- 8 manufacturing sites
- Approximately 15 million tyres per year: motorbike, car, van, truck and aircraft
- 5000 direct employees +5000 indirect
- £800 million per year in exports
- £80 million per year contribution to the exchequer
- World class quality & flexibility
- Home to the tyre manufacturing plant with the world's lowest accident rate



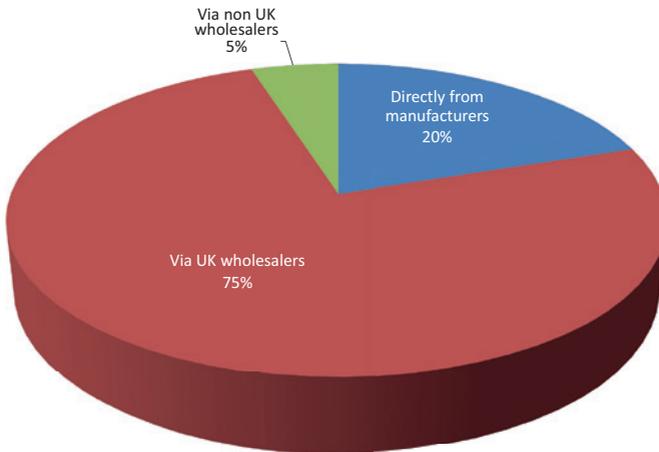
THE SUPPLY CHAIN

- Wholesalers trade all over the world to procure product for the UK market

- Although manufacturers supply some major retailers directly it is the wholesalers and distributors that ensure that the product is available at every retail outlet

- Delivery is usually on a next-day basis but in urban areas same-day delivery is increasingly common

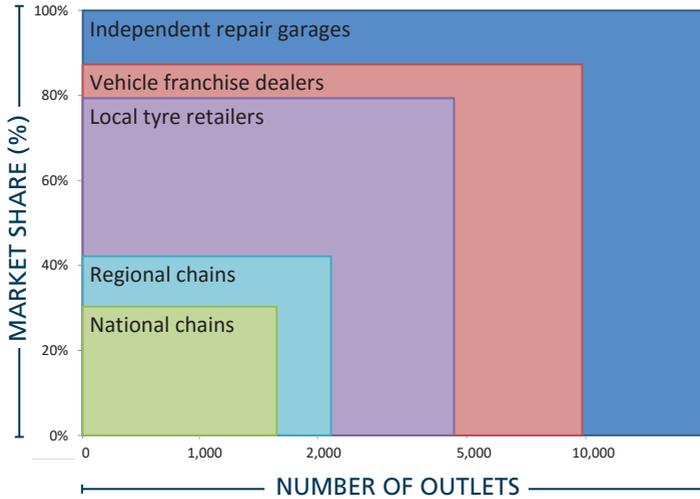
Retailer Supply Sourcing



Source:



THE TYRE RETAIL SECTOR



Source:
TIF 2014
estimate

There are approximately 4,600 specialist tyre outlets in the UK. In addition, about 16,000 garages and other outlets also sell new tyres as part of a wider service offering. The tyre specialist sector employs about 22,000 people. Total retail sales of replacement tyres amount to about £3.2 billion per year.



Internet sales

Although a growth area, the penetration of internet traders remains small (10%). Once ordered, the tyres must still be fitted at a retail outlet or by a mobile fitting unit.



THE RETREAD SECTOR

- Retreading is an environmentally-friendly process giving a second life to suitable tyres.

- In recent years retreading has not been economic for car tyres since new tyres from low cost countries have been cheaper than retreads. A similar trend is currently threatening truck tyre retreading.

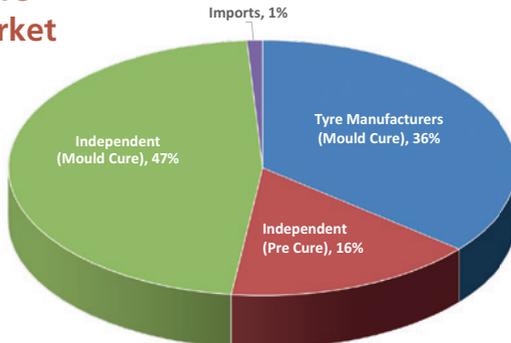
- For trucks, retreading is a well-established part of tyre management, reducing both cost and environmental impact.

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

For truck tyres 6 retreads are sold for every 10 new tyres.

83% of truck retreads are made using the mould-cure process.

UK truck tyre retread market



Source: TIF 2014 data



USED TYRE RECOVERY

- The tyre industry operates a voluntary agreement to collect, reuse and recycle all used tyre arisings covered by European legislation.
- Approximately 420,000 tonnes of used tyres arise every year from tyre sales outlets and vehicle dismantlers. About 90% are recovered.
- 82% of used tyre arisings are collected and processed by operators subscribing to the Industry's Responsible Recycler Scheme.
- In line with UK waste policy the industry is pursuing the Proximity Principle favouring solutions that increase the quantity of used tyres that are completely reprocessed in the UK.

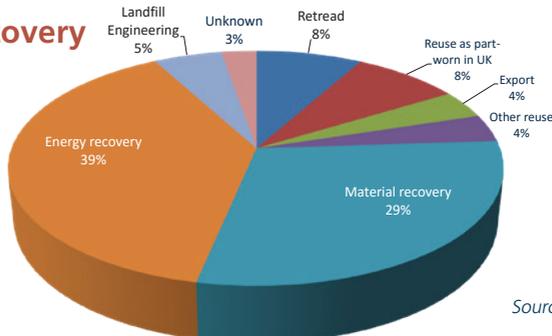
Clampdown on illegal waste sites

The industry is working closely with the Environment Agencies to close down illegal waste sites that are storing or processing used tyres. These sites often operate under falsely-declared exemptions and do not comply with Waste Regulations.

Future Trends

A number of technologies are approaching industrial application that target improved recovery of secondary raw materials from end of life tyres. Equally, rubberised asphalt, widely used in the US and other European countries, offers both improved performance and a valuable contribution to the circular economy. It is also aligned with the Proximity Principle.

Used tyre recovery outcomes



Source: BIS UTWG 2014 data



TYRES AND ROAD SAFETY

Tyres and Road Safety

Tyres that grip in all conditions are vital to accident avoidance. The performance of electronic safety-enhanced control systems is only as good as the grip of your tyres.

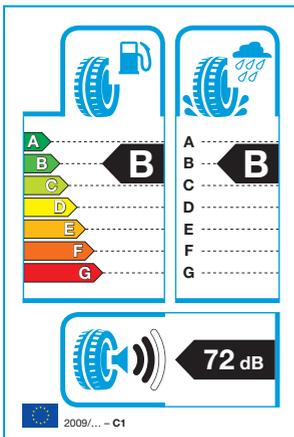
Below 7°C winter tyres give greatly improved grip in the wet and on snow. 99% of the UK land mass has an average winter temperature of 6°C or below. Winter tyres are increasingly the choice of professionals who recognise the value of reliable mobility including the emergency services, supermarket home deliveries, etc.

Tyre labelling

Now you can choose. A tyre with an "A" rating on wet grip will give 30% shorter braking distance than a tyre with an "F" rating.

That's 18m shorter when braking from 50mph.

Regulations require this information to be available on the internet, in brochures and to be provided by retailers.





LIFECYCLE CO₂ EMISSIONS

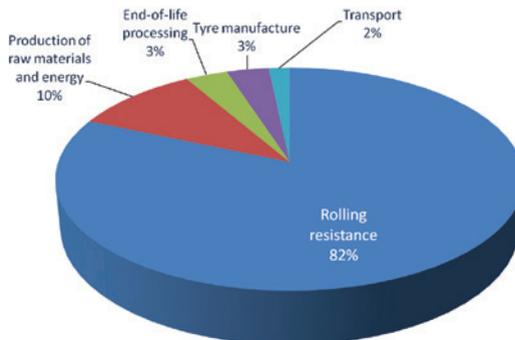
- **82% of CO₂ emissions from tyres result from usage.**
Only 13% of the total comes from the manufacturing phase.
- **CO₂ emissions from UK road transport total 107 million tonnes per year.** *Source: DfT 2013 data*
- **20% of CO₂ emissions from conventional vehicles are due to tyre rolling resistance.** *Source: TIF*
- **8 million tonnes of CO₂ could be saved every year if low rolling resistance tyres were adopted across the whole UK vehicle fleet.**
- **This would have the same impact as replacing 3.5 million cars with zero emission vehicles.** *Source: TIF*

Sustained progress at UK tyre factories

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

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

CO₂ from each stage of a tyre's life



Source: ETRMA data



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

