

Tyremakers push for tariffs to stop dumping to save industry

● Warning on road safety standards

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Industrial Reporter

The local industry body of tyre manufacturers says criticism of its quest for extra tariffs on tyres imported from China is unfair as these are critical in keeping the local industry alive.

"Tyres imported unfairly into SA at unsustainable, rock-bottom rates limit the competitiveness of domestic manufacturers," said newly appointed chair for the SA Tyre Manufacturers' Conference (SATMC) Lubin Ozoux.

"They are also a road safety concern, with substandard and counterfeit tyres making their way into the SA market.

"These often do not meet the required safety standards, are made with inferior materials and are prone to failure, placing millions of lives at risk on our roads."

SATMC is the industry body and trade association for key local tyre manufacturers Bridgestone, Continental, Goodyear and Sumitomo.

Ozoux said data gathered by the SATMC showed evidence of tyre dumping in SA for years, specifically from China.

The SATMC has applied to the International Trade Adminis-

tration Commission (Itac) in 2021 for relief against Chinese tyre dumping.

Itac is the organisation responsible for customs tariff investigations, trade remedies and import and export control.

The ITAC preliminary investigation found evidence of such dumping, and imposed a provisional antidumping duty of 38.33% on car, passenger, truck and bus tyres dumped on the local market from China in September 2022.

This duty has been applicable from September 2022 until March 8 2023.

Ozoux said the proliferation of "unfairly traded" tyres from China was a major concern for SATMC as it had knock-on effects in decreasing local job creation and slowing down economic growth in the industry.

"If SA is used for dumping activities from parts of the world, we will soon see remaining factories shutting down," he warned.

Dumping limited the competitiveness of domestic manufacturers, who employed more than 6,000 people directly and created 19,000 indirect jobs, said Ozoux.

More than 70% of tyres sold by local manufacturers are pro-



Could be risky: Local tyre manufacturers warn that many substandard imported tyres are made of inferior materials and are prone to failure, posing a risk to lives. /123RF

duced in SA, according to SATMC. Tyres to the value of R5.7bn were imported into SA from August 2020 to July 2021, with 47% of that (almost R3bn) coming from China. The hike in

tariffs met with widespread criticism from local tyre importers, who say that the additional tariffs will have a devastating effect on the cost of transport, food and goods, pushing up inflation.

Their umbrella grouping, the Tyre Importers Association of SA (Tiasa) has warned that these import duty hikes will be extremely difficult for financially constrained consumers. "We

believe that these provisional payments will address the problem of unfairly traded tyres from China, which have, over a long period of time, placed strain on the local market," said Continental Tyres SA MD Matthew Livigni.

Bridgestone SA MD Jacques Rikhotso said the onset tariffs would result in a reduction of lower-quality products on SA roads, improving road safety.

Ozoux said that there had been positive effects since the imposition of the provisional duties. These included a diversification in the mix of imports from other parts of the world including Vietnam and Thailand.

However, the full effect and efficacy of the move will only be quantified once Itac concludes its investigations and presents its findings.

He said that SATMC was also lobbying for the regulation of the second-hand tyre market.

The SATMC estimates that 60% of all second-hand tyres are illegal and pose a serious safety risk for road commuters.

"It is amazing that we are importing these second-hand tyres that are ending up on the roads; it is almost like buying somebody else's waste and bringing it to SA as if our problems are not big enough," said Ozoux.

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