

Quote By Anurag Singh, Managing Director, Primus Partners

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Apollo Tyres explores sustainable materials to cut costs, reduce impact



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Article Content:

As India's tyre manufacturers face the persistent challenge of rising raw material costs, Apollo Tyres is exploring sustainable alternatives to natural rubber to mitigate rising costs and reduce environmental impact.

The company is collaborating with research institutions to develop innovative and bio-based materials that can be used in tyre production.

Additionally, Apollo Tyres has partnered with Tyromer to incorporate recycled rubber from end-of-life tyres into its production process. This strategic move aligns with the company's broader sustainability goals.

"We are committed to a greener future," said Gaurav Kumar, chief financial officer (CFO), Apollo Tyres. He added, "By 2030, we aim to source 40 per cent of our materials from renewable or recycled sources."

The persistent volatility in natural rubber prices, coupled with India's rubber shortage, has put pressure on manufacturers.

Natural rubber prices are fluctuating dramatically and the industry is grappling with a domestic shortfall of around 550,000 tonnes.

Anurag Singh, managing director (MD) of Primus Partners, said, "Almost all tyre manufacturers have increased their R&D activity to improve rolling resistance and move to greener chemistries, among others. This will result in better products for the customer."

While Apollo and other tyre manufacturers are taking steps to mitigate rising costs, the industry as a whole faces significant challenges.

“Natural rubber prices have fluctuated dramatically, with a 13 per cent decrease followed by a 55 per cent increase,” said Shashi Singh, president of the All India Rubber Industries Association.

He added, “This volatility, combined with India’s reliance on imported rubber, has led to significant cost pressures and supply chain disruptions.”

While sustainable materials are central to Apollo’s long-term strategy, the company also benefits from market dynamics in developed regions like Europe and the US, where synthetic rubber reduces reliance on natural rubber.

Additionally, these markets offer greater flexibility in passing on cost increases, further cushioning Apollo from the impact of raw material price volatility.

The broader tyre industry remains under pressure, with high tariffs on imported rubber exacerbating cost challenges.

According to Singh, manufacturers are struggling to absorb dramatic price swings, leading to supply chain disruptions and squeezed margins.