

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3503

ANSWERED ON:16.08.2010

PRICE OF TYRES

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Yaskhi Shri Madhu Goud

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether All India Tyre Dealers Federation has sent representation to the Government to check the rise in the prices of tyres and demanded a probe on the cartel made by the five tyre manufacturing companies;
- (b) if so, whether the Union Government has taken any action on the representation of the All India Tyre Dealers Federation; and
- (c) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): Yes, Madam.

(b)&(c): Tyre is a de-licensed and de-reserved item. Tyre prices are determined by market forces. Tyre industry is raw-material intensive. Natural Rubber is the key raw material of tyre industry and accounts for 42% of the production cost of tyres. The present rise in tyre prices is mainly on account of steep and significant increase in prices of raw materials particularly of natural Rubber.