

Tire manufacturers' revenues stay on an upward track

Sales at major Chinese players continue to grow following strong rebound recorded last year

Sales among China's largest tire makers increased by 8.3% year-on-year to around \$37.5 billion in 2024, ERJ's analysis of the latest data supplied by the China Rubber Industry Association (CRIA) shows.

The growth rate represents a slowdown from the near 20% increase recorded last year – a surge linked largely to recovery from the impact of Covid restrictions on prior-year sales.

Gains in this year's China Tire Report included an 11% year-on-year increase in sales at Zhongce Rubber Co. Ltd (ZC Rubber), which maintained its long-standing hold on top position.

With a 21.1% year-on-year increase in revenue, however, Sailun Tyre made up considerable ground on the market leader as it leapfrogged Qingdao Doublestar to take second slot.

Qingdao Doublestar recorded a more modest 4.3% rise, in contrast to last year, when sales tripled on the back of revenue from its acquisition of Korean tire maker Kumho Tire.

Shandong Linglong, Prinix Chengshan and Double Coin took up the next three positions with growth rates of 8.0%, 11.1% and 6.4% respectively.

The trio were each off the pace set last year, though Prinix Chengshan did move up two positions to no. 5 in the rankings, swapping places with Triangle Group – one of the few Chinese tire makers to post a year-on-year decline in 2024 sales.

Rounding up the top 10 were Guizhou Tyre, Qingdao Sentury Tire and Shandong Jinyu Tire: all with solid growth figures but below the double-digit increases recorded last year.

China's tire manufacturing industry is

set for a period of "strong development," with domestic demand providing a key driver for growth, Sentury Tire president Lin Wenlong said at the China Rubber Annual Conference in March – as ERJ has previously reported.

Local expansion

The Chinese government, he noted, had listed "expanding domestic demand" as a top priority for 2025, while new-energy vehicle production was continuing to grow strongly: by as much as 50% year-on-year in the early part of 2025.

Local tire makers mainly supply to mid-range and low-range automotive models, with the proportion of supply to mid-to-high-end new energy vehicles remaining "relatively low," Lin Wenlong pointed out.

In response, the Sentury Tire leader urged Chinese tire makers to focus on "continuous improvement" in AI-based & automated production, R&D, quality and marketing to achieve



Ranking of China tire manufacturers by sales in 2025 (\$m)

Position '23 sales	Position '24 sales	Company	Sales 2022	Sales 2023	Sales '23 vs '22	Sales 2024	Sales '24 vs '23
1	1	Hangzhou Zhongce Rubber Co. Ltd	4,176	4,478	+7.2%	4,969	+11.0%
3	2	Sailun Tyre Co. Ltd	3,119	3,604	+15.6%	4,363	+21.1%
2	3	Qingdao Doublestar Industrial Co. Ltd	959	3,744	+290%	3,904	+4.3%
4	4	Shandong Linglong Rubber Co. Ltd	2,465	2,842	+15.3%	3,069	+8.0%
7	5	Prinx Chengshan (Shandong) Tire Co.	1,185	1,375	+16.0%	1,527	+11.1%
6	6	Double Coin Holdings Ltd	1,396	1,432	+2.6%	1,524	+6.4%
5	7	Triangle Group Co. Ltd	1,327	1,460	+10.0%	1,403	-3.9%
8	8	Guizhou Tyre Co. Ltd	1,073	1,345	+25.4%	1,477	+9.8%
9	9	Qingdao Sentury Tire Co., Ltd	911	1,104	+21.2%	1,183	+7.2%
11	10	Shandong Jinyu Tire Ltd	606	953	+57.3%	1,010	+6.0%
12	11	Shangdong Huasheng Rubber Co. Ltd	736	875	+18.9%	975	+11.4%
10	12	Shandong Haohua Tyre Group Co. Ltd	909	975	+7.3%	965	-1.0%
20	13	Jiangshu Tongyong Tire Ltd	574	706	+23.0%	961	+36.1%
17	14	Aeolus Tyre Co. Ltd	692	793	+14.6%	902	+13.8%
23	15	Dongying Fangxing Rubber Co.,Ltd	562	561	-0.1%	846	+50.8%
15	16	Shandong Wanda Tire Ltd	680	810	+19.1%	846	+4.4%
19	17	Wanli Tyre Co. Ltd	675	768	+13.8%	827	+7.7%
14	18	Shandong Changfeng Tire Co., Ltd	725	822	+13.4%	721	-12.3%
22	19	Shandong Zhongyi Rubber Co. Ltd	350	596	+70.3%	719	+20.6%
16	20	Sichuan Haida Tyre Group Co. Ltd	764	794	+3.9%	656	-17.4%
21	21	Tercelo Tire Group Co. Ltd	598	680	+13.7%	650	-4.4%
Na	22	Shouguang Firemax Tyre. Co. Ltd	ns	558	Na	568	+1.8%
25	23	Chaoyang Longmarch Tyre Co. Ltd	471	512	+8.7%	544	+6.3%
24	24	ShandongYongfeng Tire Co. Ltd	517	548	+6.0%	502	-8.4%
26	25	Xuzhou Armour Rubber Co. Ltd	428	381	-11.0%	382	+0.3%
35	26	Shandong Weifang Yuelong Rubber Group	n/a	226	ns	331	+46.5%
28	27	Shandong Xinghongyuan Tyre Co., Ltd	218	314	+44%	314	0.0%
29	28	Shandong Sanli Tyre Manufactuer Co. Ltd	294	307	+4.4%	299	-2.6%
33	29	Yanchang Petroleum Group Rubber Co. Ltd	216	275	+27.3%	292	+6.2%
30	30	Shandong Mileqi Tire Co., Ltd	288	282	-2.1%	264	-6.4%
34	31	Shandong Fengyuan Tire Manufacturing Co,Ltd	187	228	+18.0%	257	+12.7%
32	32	Shandong Bayi Tyre	249	275	+10.4%	241	-12.4%
TOTAL SALES			29,073	34,623	+19.1%	37,491	+8.3%

1) USD / RMB = 7.1884 (Dated in Dec. 31, 2024) 2) The data are collected approved by CRIA and Shandong rubber association. 3) Shouguang Firemax Tyre Co., Ltd is first recommended. Sales in 2023 is 568276.7 thousand USD. 4) Off previous entrant not in this year's table: Shandong Cocrea Tyre Co. Ltd has gone bankrupt; Shandong Yongsheng Rubber Group; Zodo Tyre Co., Ltd, and Tianjin Wada Tire Group declined to provide 2024 sales data.

more breakthroughs in mid-to-high-end EV models.

In terms of profitability, Lin Wenlong compared the top 10 Chinese brands with the top 10 global brands in 2023. "The average net profit margin of domestic tire companies is ahead of overseas competitors," he said.

Furthermore, for the first three quarters of 2024, Chinese companies posted a double-digit increase in their net profit, while six of the top eight global companies have reported "single-digit" gains.

Similarly, Lin Wenlong said Chinese tire companies maintained double-digit sales increases for the first nine months of 2024, while global tire makers posted a revenue contraction for the same period.

Among the main recent develop-

EU anti-dumping probe

The European Commission has launched an anti-dumping investigation into imports of passenger car and light vehicle (PC/LT) tires from China, following a formal complaint by the 'coalition against unfair tire imports'. The probe was officially initiated on 21 May and will investigate the petition's allegations that Chinese-made tires were being sold in the EU "at unfairly low prices." The investigation will cover the period from 1 Jan 2024 to 31 Dec 2024. The petition claimed that dumping margins of Chinese PC/LT tires were between 41% and 104%.

ments in the Chinese tire manufacturing industry was ZC Rubber's listing on the Shanghai Stock Exchange, which raised gross proceeds of Yuan4.06 billion (€488 million) – or Yuan3.93 billion after issuance costs were deducted.

The gross returns came in below the initial target of Yuan4.85 billion, with the shortfall prompting ZC Rubber to reduce the allocation of IPO funds for two major projects. The group,

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New capacity and related announcements since the start of 2024

Reported	Company	Project	Location	Capex	Details
June	ZC Rubber	2.5m/yr truck tire project	Qingquan, China	Use Yuan325m from IPO proceeds	Also to invest Yuan525m from internal finances
June	ZC Rubber	Expansion & storage	Chunqiu, Jiande	Use Yuan180m from IPO proceeds	Also to invest Yuan420m from internal finances
June	Shandong Yongsheng Rubber Group	Build greenfield tire plant	Morocco		6m units/yr radial passenger car tires
June	Sailun Group	Commercial startup	Demak, Indonesia	\$250m	Due by yearend 2025
June	Sailun Group	Commercial startup	Guanajuato, Mexico	\$240m	Due by yearend 2025
May	Jinyu Tire Group	10m units/yr car tire plant	Tay Ninh, Vietnam		Completed construction
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April	ZC Rubber	Phase II project to double capacity	Qiantang, Hangzhou, China	Yuan1.8bn	'5G green factory' current capacity: 10m/yr car tires
April	Linglong Tire	New JV tire plant to be completed by 2032	Ponta Grossa, Brazil	Yuan8.7bn (€1bn)	12m/yr car tires, 2.4m/yr TBRs, 200k/yr eng. tires, 100k retreads
April	Linglong Tire	New 14.7m/yr tire plant	Brazil	€1bn	Phase 1: 6m/yr passenger car and light truck tires
April	Kumho Tire (Doublestar company)	New tire plant	European location	KRW1trn (€616m)	Scouting locations in Poland, Serbia, Portugal
April	Kumho Tire (Doublestar company)	New capacity for 1.4m/yr new-energy tires	Nanjing, China		Launched phase II project to bring total car tire capacity to 8.2m units/yr
April	Linglong Tire	Started building 7th tire plant in China	Lu'an City, China	Yuan5.1bn (€700m)	12m/yr light vehicle tires, 2m/yr TBRs,
January	Wanli Tire	Starts tire factory-build	Svay Rieng, Cambodia	\$240m (phase 1 - 6m PCR)	10m/yr PCRs, 1.2m/yr TBRs
January	CNRC subsidiary Prometeon Tyre Egypt	Planning expansion projects	Alexandria, Egypt		Expanding 1.1m/yr truck tire unit; add new car tire plant
January	Linglong Tire	Set up tire factory	Kenya		Kenya government media post
January	Zodo Tire	Building tire plant	Sin Bavet, Svay Rieng, Cambodia		6m/yr PCRs, 1.2m/yr TBRs
January	Sailun Group	Adding capacity for 1.65m/yr TBRs	Svay Rieng, Cambodia	€90m	Bringing nameplate capacity to 21m PCRs, 3.3m TBRs
January	Wanli Tire	Increase car tire capacity by 25%	Guangzhou City, China		Increased capacity by 6m units to 30m units/yr
January	Wanli Tire	Launched new project	Guangzhou City, China		To add another 6m units/yr of PCR capacity

Doublestar recovers

In June, Qingdao Doublestar reported a year-on-year reduction in first-half losses: expecting net losses to come in between around Yuan45 million and Yuan60 million, compared to negative Yuan131 million last year. During the period, the group said it continued to optimise its "channel structure and product structure" and overcame factors such as rising shipping costs. Despite "increasingly fierce competition," Doublestar said it achieved revenue growth, especially in overseas markets. First-half revenue from overseas business increased by more than 10%, with sales from high value-added products up 83% year-on-year. Profitability of passenger car tires improved, the group linking first-half losses in part to "insufficient demand" in the truck & bus tire market.

however, said it would cover the funding gap using internal resources.

A planned IPO investment in a 2.5-million-unit radial truck tire project in Qingquan was cut from Yuan850 million to Yuan325 million, while the allocation for an "expansion and storage" project at its Chunqiu plant in Jiande was reduced from Yuan600 million to Yuan180 million.

Other allocations remain unchanged, including Yuan1.7 billion earmarked for the Chaoyang "green 5G digital" radial tire factory, which has a total investment cost of Yuan3.2 billion.

ZC Rubber also plans to invest Yuan850 million in its Tianjin project for high-end green engineering tires, and Yuan600 million in Thailand to



add capacity for 7 million units of high-performance semi-steel radial passenger car tires. (See also panel)

China's second largest tire maker Sailun Group announced in June that it expects to begin commercial production at its new tire plants in Indonesia and Mexico by the yearend – first tires having rolled off production lines at the respective greenfield plants in Demak

city, Central Java, and Guanajuato.

The \$250-million Indonesia tire factory will have capacity to produce 3.6 million units of tires and 37ktpa of off-highway products, while the \$240-million Mexican JV facility will have capacity to produce 6 million units of passenger car tire per year.

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Shanghai Stock Exchange listing

ERJ reported in February that Shanghai Stock Exchange had approved the listing of Zhongce Rubber Group (ZC Rubber), with the IPO prospectus aiming to raise Yuan4.85bn (€630m) to fund five major tire projects: Yuan1.7bn for its 'Chaoyang high-performance radial tire green 5G digital factory project'; Yuan850m in a 2.5m unit/yr truck tire production line project in Qingquan, currently undergoing a Yuan2bn expansion; Yuan600m for the 'renovation and expansion' of its Jiande's Chunqiu plant to add a 2.5m units/yr all-steel truck tire production line; Yuan850m in a Zhongce Rubber (Tianjin) project to produce 'high-end green engineering tires'; Yuan600m to add production capacity for 7m radial passenger car tires in Thailand.



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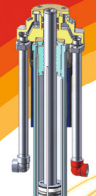
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5G green factory

ZC Rubber is planning to invest Yuan1.8 billion (€215 million) in an expansion project, which will see the group significantly increase production capacity at one of its most advanced factories. Phase II of the 'Zhongce 5G green factory' in Qiantang district, Hangzhou, will 'more than double' the plant's manufacturing capacity. The initial phase of the factory was completed in December 2023, with a capacity to produce 10 million units of high-performance passenger car tires. The factory is one of ZC Rubber's most advanced facilities, nicknamed as 'Future Factory V2.0'.



Speaking during a recent earnings call, Sailun leaders said the new plants would enhance the group's ability to manage potential trade barriers, including tariffs imposed by the US. The group currently exports most of its tires to the US from plants in Vietnam and Cambodia.

Under existing US tariff rules, its passenger car and light truck tires are

subject to a 25% duty under the 'auto parts provision', while other products face a 10% tariff, which was suspended for a 90-day period.

"At present, the group's production and operation are normal, and production and delivery are normal, but there is still a certain degree of uncertainty in the tariff policy," executives said.

Elsewhere, Shandong Linglong Tire has submitted an application to the Hong Kong Stock Exchange for an H-share listing, according to a 30 June filing with the Shanghai Stock Exchange (SSE).

In its SSE documents, Linglong outlined plans to use the proceeds to fund production expansion, research and development, marketing initiatives, and general working capital. The total amount to be raised was not disclosed.

A significant portion of the funds will go towards building and upgrading the tire maker's global manufacturing bases to strengthen its international presence, modernise factories, and meet rising market demand.

Part of the investment will go toward the first phase of a new production base in Brazil, with planned capacity for six million passenger car and light truck tires.

In April, Linglong unveiled 'investment intentions' for the €1-billion greenfield tire plant in Brazil with an overall capacity to produce 14.7 million tires a year. (See also panel)

Linglong also aims to modernise existing factories through smart manufacturing upgrades, while another portion of the funds is earmarked for enhancing independent R&D and innovation capabilities.

Linglong's €1bn project in Brazil

Shandong Linglong Tire has unveiled 'investment intentions' for a major greenfield tire plant: partnering with Paraguay-based tire distributor/importer Sunset SA Comercial Industrial Y De Servicios for the project. Located in Ponta Grossa, Parana state, the Yuan8.7-billion (€1 billion) project – tentatively named Linglong Tire (Brazil) Co. – will be 70%-owned by Linglong and 30%-owned by Sunset. The proposed facility will have a capacity to produce 14.7 million high-performance radial tires. This will include 12 million passenger car tires, 2.4 million truck & bus tires, 200,000 engineering tires, and 100,000 retreads. To be completed in three phases, construction is set to start in the third quarter of 2025 with full completion scheduled for 2032.