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Tyre makers mull 7 per cent hike in prices

SWARAJ BAGGONKAR
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Tyre makers in the country are mulling a hike in prices as rising input costs dent operating margin of the companies, including Ceat, JK Tyres, MRF, among others. Companies are planning a hike of six-seven per cent as early as first week of next month.

Domestic companies increased prices a month ago. The decision comes at a time when vehicle manufacturers such as Mahindra & Mahindra, Hyundai Motor, Daimler are also considering a price hike in the range

of 1-3 per cent.

KJ Rao, chief financial officer, Ceat Tyres, said, "The price hike in the last month was not sufficient to cushion the impact of rising raw material prices. Prices of all input products have increased significantly in the last two months. Natural rubber, which was at Rs 90 a kilogram five months ago, peaked to Rs 138 a kg recently and stood at Rs 129 a kg on Saturday. Soaring input costs will have a tremendous impact on operating margins of all the companies for at least the first two quarters of the financial year."