

Dunlop Tyres to boost OE-quality tyres on SA roads with multibillion-rand plant upgrade

Issued by [Sumitomo Dunlop](#)

3 Oct 2023

With one-in-five vehicles on South African roads fitted with locally produced Dunlop tyres, the tyre manufacturer is forging ahead with a multi-billion-rand investment project backed by its Japan-based parent company, Sumitomo Rubber Industries (SRI). This is set to boost local tyre production capacity as more Original Equipment Manufacturers (OEMs) look to domestic tyre producers to meet their vehicle specifications.



The R1.7bn investment drive was announced during the 50th anniversary of Dunlop's Ladysmith manufacturing plant. The production facility first opened its doors in October 1973 and has since been at the forefront of tyre production in South Africa. Sumitomo Rubber South Africa (SRSA), the South African operation of SRI, manufactures Dunlop tyres and distributes the Sumitomo and Falken tyre brands.

Speaking during a visit to the plant on Monday, 2 October 2023, Minister of Trade Industry and Competition, Ebrahim Patel, said, "I welcome today's announcement of a new investment of R1.7bn. This investment will provide a boost to local production, strengthen the factory's output, and support local jobs. Furthermore, the new investment will aid in the modernisation and improvement of the plant. It also marks a significant step toward achieving President Ramaphosa's R2tn target for new investments over the next five years."

He added, "South Africa has an 88-year history of tyre manufacturing, and this plant is Africa's largest tyre producer. The investment announced today serves as a clear signal of the confidence that international investors have in South Africa and reflects the progress we have made with the SA Automotive Master Plan."

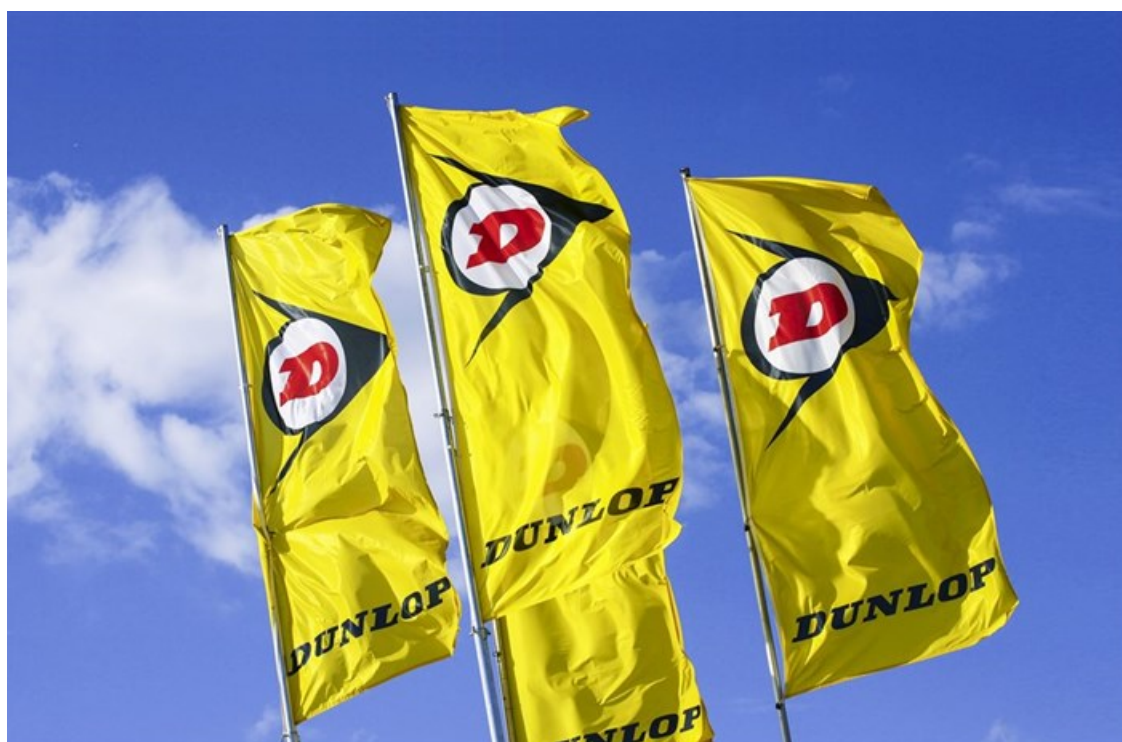
His Excellency, Ushio Shigeru, Ambassador of Japan to the Republic of South Africa, expressed his support for the future of the country's automotive industry and applauded the government for its initiatives in expanding the electric vehicle production and market.

"The Embassy of Japan has been a great supporter of Japanese company activities here in South Africa. It is a pleasure to see Sumitomo Rubber's further successes in its local operations, which has brought skills development and local youth empowerment," he said.

SRSA CEO, Lubin Ozoux, said the milestone anniversary for Dunlop comes at a critical time. "With the backing of our parent company, we are investing significantly into our passenger car radial production facility to make a larger impact in the automotive industry. The plant will be able to run a wider set of products, producing more tyres that meet and exceed OE specifications, and that are safety-tested for all South Africans. At the same time, it gives us the opportunity to continue our investment in our local community and municipality, creating a vibrant environment for us all to thrive."

Dunlop holds approximately 20% of the local OE market and has agreements in place with Toyota, Nissan, Isuzu, Hino, Tata, Scania and UD Trucks, effectively resulting in one-in-five vehicles on South Africa roads being factory fitted with tyres produced from the Dunlop Ladysmith plant.

The investment includes new plant equipment and machinery, such as a new mixer, new tread line, and new sidewall line, which will increase passenger car tyre production capabilities, efficiencies and product offering to further support the OE market. This comes off the back of SRSA's multi-billion-rand investment in 2018 in a state-of-the-art 180,000m² Truck and Bus Radial (TBR) factory at the plant, facilitating local manufacture of truck and bus tyres.



Sustainability

With a demand for global environmental impact reduction from the automotive industry, Dunlop's new high-spec, technology-driven equipment and optimised production processes will reduce the plant's environmental impact, aligned to Sumitomo Rubber Industries' global sustainability goal of zero carbon emissions by 2050.

"The new equipment will improve current process capability and decrease our overall plant waste by over 60% once the investment is complete. Power consumption will be significantly reduced, and the equipment will also have the capability to produce very low rolling resistance tyres that will help meet future emissions requirements for OE manufacturers who choose to use our products. Our new mixer, with improved technology, will result in an energy saving of approximately

300KWH,” said Ozoux.



Local employment and economic investment

Sumitomo Rubber South Africa, through Dunlop Tyres, is proud to play its role in economic growth and job creation, buoyed by the commitment by local and national government to smooth the path for investment growth and opportunities.

SRSA holds strong market share in Africa with a branded presence in 23 African countries, supplying car, van and SUV tyre markets to Nigeria, Ivory Coast, Kenya and neighbouring countries Zambia and Zimbabwe.

The latest investment plans further entrench Dunlop as an employer of choice in the region, committing investment into the local automotive manufacturing sector. Dunlop hired 1257 people into the company between 2014 to 2023, made up of permanent staff members, expats, temporary employees, fixed term employees, graduates, in-service trainees, apprenticeships, and learnerships, with 90% of employees residing in the uThukela District Municipality, within which the Alfred Duma Local Municipality is located.

“Dunlop plays a vital role in the Ladysmith economy as we are one of the largest employers in the town. In addition, our spend in the local economy has a multiplier effect on job creation and sustaining local businesses. We have endeavoured to source locally, and a local Ladysmith supplier has been developed as SRSA’s main mould management vendor,” said Ozoux.

“The time is always right for investment and development, and we thank the relevant stakeholders and partners for lending their support to a conducive manufacturing industry. We are excited to see what the next 50 years hold for Dunlop, for the community and the greater OE manufacturing industry nationally,” he concluded.

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Sumitomo Dunlop



Sumitomo Rubber South Africa, known as Sumitomo Dunlop, is a leading tyre manufacturing organisation in South Africa. Sumitomo Dunlop manufactures the Dunlop, Sumitomo and Falken tyre brands for Africa.

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