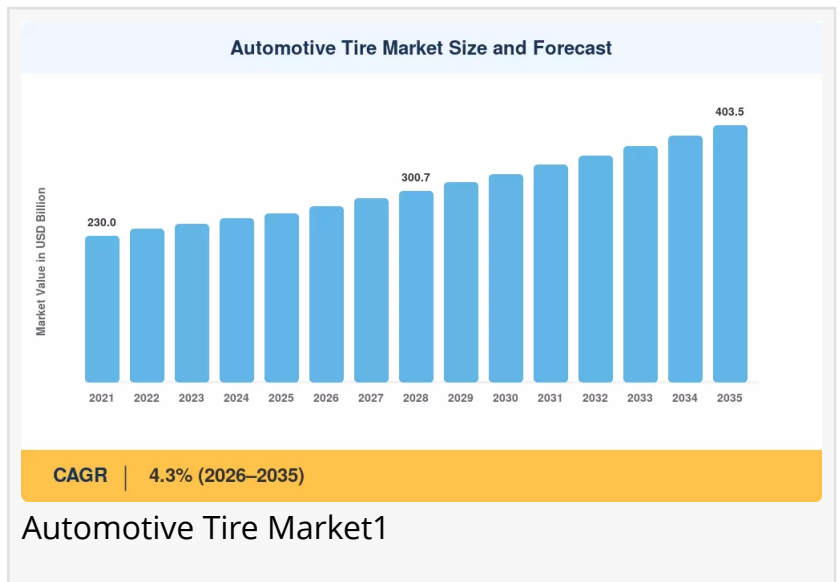


Automotive Tire Market to Reach USD 403.5 Billion by 2035 at 4.3% CAGR

The global Automotive Tire Market was valued at USD 265.0 billion in 2025 and is projected to grow from USD 276.4 billion in 2026.

NEW YORK, NY, UNITED STATES, July 22, 2026 /EINPresswire.com/ -- The global [Automotive Tire Market](#) was valued at USD 265.0 billion in 2025 and is projected to grow from USD 276.4 billion in 2026 to USD 403.5 billion by 2035, registering a CAGR of 4.3% during the forecast period (2026–2035).



Market Overview

Automotive tires represent the critical interface between a vehicle and the road, engineered to provide traction, support vehicle weight, absorb road shocks, and contribute to overall handling, safety, and fuel efficiency. These complex rubber-based products are manufactured from a sophisticated combination of natural rubber, synthetic rubber, carbon black, silica, steel cord, textile materials, and chemical additives, each precisely formulated to achieve specific performance characteristics. The market encompasses a diverse range of tire types including radial and bias constructions, all-season, summer, and winter variants, serving applications across passenger cars, light and heavy commercial vehicles, two-wheelers, and off-highway

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vehicles through both OEM and replacement sales channels.

Two forces are reshaping spending patterns across the Automotive Tire Market: the rapid expansion of the global vehicle parc—expected to exceed 1.8 billion units by 2030—and tightening fuel-economy regulations that push OEMs toward lower rolling-resistance compounds. The EU's revised tire-labeling regulation (EU 2020/740) and the U.S. NHTSA CAFE

standards for 2027 model-year vehicles both incentivize premium tire adoption, anchoring demand growth well above the GDP trajectory.

The Automotive Tire Market is technologically shifting from bias-ply constructions to radial layouts in almost all vehicle classes. Meanwhile, connected-tire sensor integration, which uses embedded RFID and TPMS 2.0 chips to transmit tread-depth, temperature and load information in real time, has garnered more than USD 1.2 billion joint R&D funding from the top five manufacturers since 2022. The EV push is amplifying this change, with the EV-specific tire, designed for higher torque loads and lower cabin noise, becoming a fast-growing specialty within replacement channels.

Industry trends indicate a decisive shift toward sustainability, premiumization, and connected tire technologies. Leading manufacturers target 40–50% recycled and bio-sourced material content by 2030, requiring scaling of devulcanization, bio-isoprene synthesis, and pyrolysis oil carbon-black production. The automotive industry's sustained shift toward larger-diameter wheels, accelerated by SUV and crossover dominance, has led to larger-diameter tires carrying higher Average Selling Prices (ASPs). Connected-tire sensor integration creates a pathway to subscription-based fleet analytics services, with early-mover fleets in Europe reporting 12–18% reductions in unplanned downtime.

Technological developments are rapidly expanding the market's capabilities and service models. EV-optimized tires engineered for regenerative-braking wear patterns and low aerodynamic drag are co-developed through OEM homologation cycles of 18–24 months, securing premium pricing and long-term contracts. AI-driven predictive tire management systems ingest TPMS sensor data to predict failures 20,000–30,000 km in advance, reducing fleet maintenance costs by up to 20%. Autonomous vehicles operating 18+ hours daily will subject tires to substantially higher annual mileage, with prototypes for ultra-durable compounds rated for 120,000+ km service life.

Policy and regulatory influence on the market is substantial and growing. The EU tire-labeling framework (EU 2020/740) now includes wet-grip, noise, and ice-grip ratings, steering consumers toward premium products. NHTSA's updated CAFE targets for MY 2027 vehicles set rolling-resistance benchmarks influencing OEM tire specifications. The European Commission's proposed End-of-Life Tyre Regulation and the Global Platform for Sustainable Natural Rubber (GPSNR) standard are converging to impose full traceability on tire-material supply chains by 2030. Mandatory winter-tire laws in Germany, Austria, Sweden, Finland, and several other nations create a dual-set ownership pattern that effectively doubles per-vehicle tire consumption.

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Market Segmentation

By Vehicle Type

The market is segmented by vehicle type into Passenger Cars, Light Commercial Vehicles, Medium & Heavy Commercial Vehicles, Two-Wheelers, and Off-Highway Vehicles. Passenger cars hold the largest share at 58%, driven by the largest global vehicle parc and high replacement frequency. Light commercial vehicles represent the fastest-growing segment at a CAGR of 4.7%, propelled by last-mile delivery expansion and fleet-renewal cycles. Medium and heavy commercial vehicles account for USD 48.5 billion in 2025, driven by freight-volume growth and regulatory retreading standards. Two-wheelers represent 9% share, serving as the dominant mode of transport in South and Southeast Asia. Off-highway vehicles grow at 3.8% CAGR, driven by mining, construction, and agricultural mechanization.

By Tire Construction

Tire construction segmentation includes Radial and Bias tires. Radial tires command over 88% of the global market revenue, sustained by superior fuel efficiency and OEM standardization across passenger and commercial vehicles. Bias-ply tires retain a niche CAGR of 2.1% in agriculture and off-highway segments where puncture resistance outweighs fuel economy.

By Sales Channel

Sales channel segmentation covers Replacement and OEM. The replacement channel generates approximately USD 165 billion, reflecting the 3–5 year replacement cycle that keeps aftermarket volumes structurally high. OEM sales are forecast to grow at 4.8% CAGR as rising global vehicle production lifts factory-fit demand.

By Season Type

Season type segmentation includes All-Season, Summer, and Winter tires. All-season tires dominate the market at 52% share, driven by consumer convenience and temperate-climate prevalence. Summer tires account for USD 62.3 billion in 2025, serving performance-oriented drivers and Southern European demand. Winter tires are the fastest-growing seasonal category at a CAGR of 4.6%, spurred by expanding legislative mandates across Scandinavia, Central Europe, and Canadian provinces.

By Region

Regional segmentation includes North America, Europe, Asia Pacific, South America, and the Middle East and Africa. Asia-Pacific holds the largest revenue share of over 42%, while also having the highest CAGR through 2035 at 5.1%. Europe contributes approximately 27% of the worldwide value, with North America next with approximately 22%.

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Regional Analysis

Asia-Pacific

The Asia-Pacific region holds the largest revenue share of over 42% in the Automotive Tire Market, owing to the large production of vehicles in China and India, and also has the highest CAGR through 2035 at 5.1%. China accounts for 48% of regional share, with tire output exceeding 820 million units in 2024, serving both domestic OEM lines and a substantial export market reaching Africa, the Middle East, and Latin America. India is the fastest-growing major market at a CAGR of 5.8%, with the government's Production-Linked Incentive scheme directing USD 500 million toward domestic tire-manufacturing capacity while the Bharatmala highway network doubles addressable road kilometers. Japan contributes USD 18.2 billion in 2025, serving as the headquarters of Bridgestone, Sumitomo, and Yokohama. South Korea grows at 4.5% CAGR, driven by Hankook and Nexen's global expansion programs. Southeast Asia accounts for 12% of regional share, serving as a natural-rubber sourcing hub with growing domestic consumption.

Europe

Europe contributes approximately 27% of the worldwide value, with strict safety regulations and a mature replacement cycle. Germany leads regional demand at 24% of European share, driven by premium OEM partnerships with BMW, Mercedes, and VW. France accounts for USD 10.8 billion in 2025, serving as Michelin's headquarters and green-tire R&D leadership. The United Kingdom grows at 3.9% CAGR, with post-Brexit tariff recalibration driving local sourcing. Italy represents 11% of regional share, with Pirelli's ultra-high-performance specialization. The Nordics grow at 4.1% CAGR, with mandatory winter-tire legislation fueling seasonal demand. The EU's upcoming tire-abrasion and microplastics regulation (expected 2027) will raise technical barriers and favor established Automotive Tire Market brands with advanced compound portfolios.

North America

North America accounts for approximately 22% of the global value, supported by SUV/pickup truck dominance, a large aftermarket, and connected fleet services. The United States accounts for 78% of regional share, benefiting from the highest per-capita vehicle ownership rate among major economies—approximately 900 vehicles per 1,000 adults. Average tire size continues to grow alongside the shift from sedans to crossovers and full-size pickups, supporting ASP appreciation. Canada contributes USD 7.5 billion in 2025, with all-season and winter-tire dual demand. Mexico grows at a 4.9% CAGR, attracting new greenfield tire plants from Asian manufacturers seeking USMCA-compliant production bases.

South America

South America accounts for 5% of the global market share, with Brazil dominating at 62% of regional share. Brazil's Automotive Tire Market is underpinned by a vehicle parc exceeding 47 million units and a well-established local manufacturing base from Bridgestone and Continental. Argentina grows at 3.7% CAGR, driven by agricultural-vehicle tire demand. Colombia contributes USD 1.1 billion in 2025, driven by urbanization and fleet renewal. Currency volatility and import duties on Asian tires periodically shift competitive dynamics between domestic and imported brands.

Middle East & Africa

The Middle East & Africa region accounts for 4% of the global market, with Saudi Arabia leading at 28% of regional share, driven by Vision 2030 infrastructure and high SUV penetration. The UAE grows at 4.4% CAGR, serving as a re-export hub for African and South Asian markets. South Africa contributes USD 2.3 billion in 2025, serving as the only significant sub-Saharan manufacturing base. The region is bifurcated: Gulf states demand premium and performance fitments for luxury SUVs, while sub-Saharan Africa absorbs a high volume of budget-tier imports.

Competitive Landscape / Key Players

The Automotive Tire Market is relatively concentrated with an estimated top-five revenue share of 52–56%. Key companies operating in this market include Bridgestone (~12–15% share), Michelin (~11–14%), Goodyear (~7–9%), Continental (~6–8%), Sumitomo Rubber (Dunlop/Falken) (~5–7%), Hankook (~4–6%), Pirelli (~4–5%), Yokohama (~3–5%), Toyo Tires (~2–3%), and Maxxis (~2–3%).

Strategic developments in the market include significant product innovations and capacity expansions. In January 2025, Michelin announced a 45% recycled and bio-sourced material content target for all passenger tires by 2030, backed by a EUR 200 million investment in its Cataroux R&D center. In October 2024, Continental launched the UltraContact NXT with up to 65% renewable and recycled materials—the highest proportion in a mass-production tire to date. In April 2024, Hankook Tire broke ground on a USD 1.6 billion manufacturing complex in Clarksville, Tennessee—its first U.S. plant—with initial capacity of 11 million units per year.

Competitive differentiation increasingly hinges on sustainability credentials, EV-optimized tire platforms, connected-tire data services, and premium brand positioning. Bridgestone and Michelin lead in sustainability and connected-tire R&D. Michelin pioneers tire-as-a-service models. Continental integrates tire expertise with broader automotive systems. Pirelli dominates the ultra-high-performance specialization through its exclusive Formula 1 supply agreement.

Latest Industry News & Developments

Recent industry developments highlight the ongoing transformation of the automotive tire market toward sustainability, electrification, and digitalization. In January 2025, Michelin announced a 45% recycled and bio-sourced material content target for all passenger tires by 2030, backed by a EUR 200 million investment in its Cataroux R&D center. This commitment reflects the industry's pivot toward circular economy models and regulatory compliance under the EU Corporate Sustainability Reporting Directive.

In October 2024, Continental launched the UltraContact NXT with up to 65% renewable and recycled materials—the highest proportion in a mass-production tire to date. This product launch demonstrates the technical feasibility of high sustainable material content without

compromising performance, setting a benchmark for the industry.

In July 2024, Goodyear completed the integration of Cooper Tire & Rubber Company's distribution network, consolidating 1,200+ retail outlets across North America under a unified brand strategy. In April 2024, Hankook Tire broke ground on a USD 1.6 billion manufacturing complex in Clarksville, Tennessee—its first U.S. plant—with initial capacity of 11 million units per year. In November 2023, the Indian Ministry of Commerce approved anti-dumping duties of 12–24% on Chinese-origin truck-and-bus radial tires, protecting domestic Automotive Tire Market investment.

Market Challenges & Opportunities

Key restraints facing the automotive tire market include raw-material price volatility, with natural rubber accounting for approximately 25–30% of tire production cost exhibiting price swings of over 40% between 2021 and 2023. Carbon black and synthetic-rubber feedstocks tied to crude-oil pricing add a second layer of cost unpredictability. Counterfeit and sub-standard tire imports, with the World Customs Organization estimating counterfeit tires account for up to 8% of units sold across sub-Saharan Africa and parts of South Asia, undercut branded pricing and erode consumer trust. Extended tire lifespan from advanced compounds has extended average tire life by 15–20% over the past decade, lengthening replacement intervals. Trade tariffs and protectionist policies, and shared mobility reducing per-capita vehicle ownership, further moderate growth.

Emerging opportunities in the market are substantial and diverse. EV-optimized tire platform expansion presents a significant opportunity, with BEV adoption accelerating and OEMs and tire makers co-developing platform-specific tire lines engineered for regenerative-braking wear patterns and low aerodynamic drag. The addressable opportunity could exceed USD 25 billion annually by 2032. Connected-tire data monetization offers a pathway to subscription-based fleet analytics services, with early-mover fleets in Europe reporting 12–18% reductions in unplanned downtime. Sustainable and recycled-material tires are driving investment in bio-based synthetics, reclaimed rubber, and rice-husk-ash silica, with the EU CSRD requiring Scope 3 disclosure from major tire distributors by 2026.

Future potential lies in emerging-market infrastructure buildout, with India's Bharatmala Pariyojana highway program (USD 100+ billion investment) and Africa's Trans-African Highway network expansion creating paved-road capacity directly translating into new tire demand. Tire-as-a-service and subscription models, such as Michelin's EFFITIRES program and Bridgestone's Tirematics platform, demonstrate usage-based tire leasing can improve fleet economics while locking in multi-year OEM relationships. Autonomous-vehicle tire requirements, with self-driving vehicles operating 18+ hours daily requiring ultra-durable compounds rated for 120,000+ km service life and sensor arrays communicating directly with autonomous driving computers, could reshape the replacement calculus.

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Final Market Summary

The automotive tire market is positioned for steady growth through 2035, driven by the rising global vehicle parc, EV-specific tire demand, replacement-cycle economics, and tightening fuel-economy regulations. The projected valuation of USD 403.5 billion reflects sustained demand across all vehicle types and sales channels, with the market transitioning from bias-ply constructions to radial layouts and increasingly toward sustainable, connected, and EV-optimized solutions.

The medium-term growth outlook remains positive, with the market registering a CAGR of 4.3% during the forecast period. Asia-Pacific will continue to lead market expansion through China's vehicle production dominance and India's infrastructure development, while Europe and North America maintain significant positions through premiumization and regulatory drivers. The ongoing development of sustainable materials, connected-tire technologies, and EV-specific platforms will continue to expand market possibilities and applications.

Long-term industry potential extends beyond the current forecast horizon. The electrification supercycle will fundamentally alter tire design priorities toward noise reduction, higher load ratings, and optimized rolling resistance. AI-driven predictive tire management will transform tires from commodity consumables into data-enabled services, reducing fleet maintenance costs by up to 20%. Sustainability and circular-economy mandates will impose full traceability on tire-material supply chains by 2030, favoring manufacturers investing in devulcanization technologies and bio-based materials. Autonomous-vehicle duty cycles will drive demand for ultra-durable compounds and sensor-equipped tires communicating directly with driving computers.

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