

Economic development assignment

[Sociology](#)



These laws encourage companies to pay attention to the quality of their products. Economic: The tire market knows no seasonality compared to the automotive market. This market is expanding, it depends on the mobility of consumers: their needs, their paths which are increasingly long. Indeed, there is an average increase of 2 to 3% per year due to odometer distances. “ The global fleet expected to increase by more than 500 million vehicles by 2030 The distances traveled by car should grow by 65% over 2005 and 85% for freight. The automotive industry has a high added value due to vehicles more upscale, the desire for comfort and safety of consumers. However, a low purchasing power leads to a decline in demand “ automobile” which will play on the tire industry as there will be an impact indirectly. Moreover the cost of raw materials continues to rise like the rubber for example. This is due to the dependence on oil. The economic development of emerging countries changes the distribution of sales worldwide. For example, China and Japan account for over 18% of the global tire market.

Finally, there is a depreciation Of the dollar against the euro. Indeed, changes in currency markets affect the tire industry, and therefore the falling dollar causes extra production costs for Michelin pays its suppliers in euros. Societal: Consumer attitudes are changing. With the development of high-end, consumers prefer more comfort and safety. They also want a simple product usage and therefore look more creativity and innovation in the field. Technological: The sector is increasingly demanding technology. Today, the demands in terms of safety, quality and environment have become priorities for Michelin.

In addition, there are many new competitors in the market for navigation instruments since the products tend to be scan Environmental: The environment has become very important today and environmental issues are increasingly important in the manufacturing process but also in the treatment of used products. Thus, to educate consumers, Michelin seeks to reduce the soil resistance tires, lengthen their lifespan and enhance recyclability. Legal: There is a large legal requirement for road safety, though legal factors do not have a great importance in the tire industry.