Automotive Green Tires - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-06-01 | 130 pages | Mordor Intelligence

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Report description:

Automotive Green Tires Market Analysis

The Automotive Green Tires Market size is valued at USD 133.73 billion in 2025 and is forecast to climb to USD 225.55 billion by 2030, advancing at an 11.02% CAGR. Electrification of global vehicle fleets, Euro 7 tire particulate limits, and corporate Scope-3 decarbonization targets have turned environmental performance into a core design metric. Scaling of rice-husk-ash silica in ASEAN, rapid smart-sensor deployment, and government funding for bio-based polymers are lowering lifecycle costs and widening addressable demand. Consolidation is accelerating as large manufacturers acquire circular-economy capabilities and secure bio-rubber feedstocks. Supply-chain exposure to Southeast-Asian latex and pending global test-method harmonization for tire particulates remains the principal execution risk.

Global Automotive Green Tires Market Trends and Insights

Surging Electric-Vehicle (EV) Production

Global EV assembly lines require tires that handle instant torque, low noise, and minimal rolling resistance. New FMVSS 305a rules, effective December 2025, align tire safety with battery-electric drivetrains . General Motors plans 1 million EV units of annual North American capacity by 2025, magnifying demand for specialized compounds. Environmental standards for 2027-2032, EPA multi-pollutant standards target a 50% GHG cut in light-duty vehicles, reinforcing the shift. These regulations embed EV-centric performance in every new passenger and commercial platform. As automakers race to extend driving range,

tires optimized for battery efficiency become a procurement priority

Stricter global CO? & Tire-Labelling Regulations Reshape Product Development

Euro 7 introduces the world's first mandatory tire-wear particulate caps beginning July 2028 . The Ecodesign for Sustainable Products Regulation will add digital product passports for tires by April 2025, capturing the end-to-end lifecycle. China's 2024 carbon footprint standard obliges tire producers to quantify emissions across manufacturing stages. The U.S. Tire Manufacturers Association has identified five potential 6PPD alternatives to meet California's Safer Consumer Products rule. Compliance now confers a tangible branding advantage, rewarding firms that embed environmental metrics into core design rather than bolt-on labeling.

High Upfront Cost Premium Challenges Market Penetration

EPA hazardous-air-pollutant rules add USD 13.3 million in annual compliance expense to U.S. tire plants . China's 2024-2025 Energy Conservation action plan tightens industrial emissions, raising local production costs. DOE's USD 88 million Vehicle Technologies grants acknowledge that greener mobility still needs subsidies to close cost gaps. Premium pricing strains fleet budgets that prioritize payback horizons shorter than tire life. Credit access in emerging economies further slows uptake.

Other drivers and restraints analyzed in the detailed report include:

Booming Replacement-Tire Demand Creates Aftermarket Opportunities / Smart-Tire Sensor integration Transforms Lifecycle Economics / Load-Bearing Limits in Heavy Commercial Fleets Constrain Adoption /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Commercial vehicles added a 12.48% CAGR growth lane, even though passenger cars retained the largest share with 63.31% in 2024. Smart-sensor packages and lower rolling resistance allow operators to cut fuel bills, offsetting the price premium. EPA CAFE increments and fleet electrification mandates amplify this calculus. In contrast, consumer uptake depends on brand messaging and dealership influence. As commercial trials validate durability, the sustainable tire market continues diversifying, encouraging volume scaling that benefits all categories. Over time, passenger-vehicle adoption will gain from cost curves established in freight.

Commercial platforms also expose tires to higher torque from electric drivetrains, accelerating compound innovation. Fleet managers use telematics to analyze wear, reinforcing demand for data-ready, low-carbon models. California and the EU policies link commercial-fleet emissions to procurement credits, further tipping decisions toward sustainable technologies. Passenger market growth remains steady but faces income-elastic buying behavior, slowing conversion outside subsidized jurisdictions.

Aftermarket programs are growing at a 9.82% CAGR, slowly eroding the OEM's 68.45% hold. Automakers embed tire carbon data in supplier scorecards to hit Scope-3 targets. GM's carbon-neutral pledge by 2040 exemplifies the direction. Large volume contracts give tire firms forecast clarity, supporting long R&D paybacks. Meanwhile, aftermarket channels rely on consumer awareness and installer recommendations, factors less reliable for rapid penetration.

OEM growth shifts bargaining power, requiring manufacturers to align with vehicle development cycles and digital passport requirements. Suppliers that meet automaker thresholds gain repeat volume and brand exposure on every new model. Aftermarket demand remains sizeable, especially for replacement in aging vehicle parks, but growth moderates as OEM fitments lock in sustainable options at first sale.

The Automotive Green Tires Market is Segmented by Vehicle Type (Passenger Vehicles and Commercial Vehicles), End-User Type (OEM and Aftermarket), Material Type (Natural Rubber-Rich Tires, Synthetic Rubber-Rich Tires, Silica-Based Composite Tires, Bio-Based Polymer Tires, and More), and Distribution Channel (Offline and Online) Geography. The Market Forecasts are Provided in Terms of Value (USD) and Volume (Units).

Geography Analysis

Asia-Pacific held 49.42% of the sustainable tire market share in 2024 and is projected to grow at a 9.64% CAGR through 2030. China's 14th Five-Year Plan seeks a 20% rise in resource productivity and identifies tire-rubber recycling as a priority. India enforces wet-grip, rolling-resistance, and noise limits that align domestic production with export expectations. Japan funds cellulose-nanofiber pilot lines that can cut lifecycle emissions in tire compounds. These coordinated policies build localized supply chains, buffer import risks, and keep Asia-Pacific at the center of sustainable tire innovation.

Europe anchors growth by writing environmental criteria directly into law, giving manufacturers predictable demand for low-impact compounds. Euro 7 particulate caps and the Ecodesign digital passport will soon require verifiable data on tire wear and carbon footprints. Investments in recovered carbon black and pyrolysis clusters help companies close material loops and secure compliance credits. Firms that meet these benchmarks gain export leverage because many emerging markets adopt EU norms.

North America blends federal research grants with state recycling incentives, steering the sustainable tire market toward circular models. DOE funding for bio-butadiene and California's Tire Incentive Program illustrate the mix of upstream innovation and downstream demand pulls. Fleet operators value data-rich tires that simplify compliance with tighter heavy-duty greenhouse-gas standards, lifting uptake on long-haul routes. South America, the Middle East, and Africa expand more slowly yet adopt EU labeling to safeguard export access. Multinational OEM procurement guidelines diffuse sustainable technologies into these price-sensitive regions, gradually lifting the sustainable tire market size beyond its traditional strongholds.

List of Companies Covered in this Report:

Michelin Group / Bridgestone Corporation / Continental AG / Goodyear Tire & Rubber Company / Pirelli & C. SpA / Yokohama Rubber Co. Ltd. / Apollo Tyres Ltd. / Hankook Tire & Technology / Sumitomo Rubber Industries Ltd. / Nokian Tyres plc / Toyo Tire Corporation / Kumho Tire Co. Inc. / Giti Tire / Linglong Tire / CEAT Ltd. /

Additional Benefits:

The market estimate (ME) sheet in Excel format /
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