

# EBRD Funds Kaluga Tire Factory

By [The Moscow Times](#)

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The European Bank for Reconstruction and Development is giving an eight-year, 90 million euro (\$120 million) loan to tire-maker Continental to build a factory in Kaluga and is encouraging the firm to boost recycling.

The German-based manufacturer will use the ruble-equivalent-issued loan "to meet demand for quality tires in one of the world's fastest-growing auto markets," the bank said Tuesday in a statement.

The Russian tire market grossed 4 billion euros last year, with 54 million units sold, the EBRD said.

However, every year the domestic market generates 1.1 million old tires, for which there is no further use, and only 10 percent are recycled, the bank said, adding that the European recycling rate is 84 percent.

"This huge gap highlights the urgency of strengthening Russia's draft law on industrial and

consumer waste to ensure it gives tire producers the responsibility for waste management rather than relying on financial incentives to solve this growing problem," the bank said.

Continental is the third foreign tire-maker, following Michelin and Nokian, to benefit from EBRD funding for localizing production in Russia, the statement said.

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