

## Industry

9 August 2010 | 5 pages

# India Auto and Consumer Daily

 Equity 
**9 August 2010**

- **Mahindra board approves SsangYong Motor bid** — Mahindra & Mahindra's board has approved bidding to acquire beleaguered South Korea's SsangYong Motor ahead of the August 10 deadline for submission of bids. SsangYong Motor (SM), which is into mainly manufacturing of sports utility vehicles (SUV) and recreational vehicles (RV), had extended the deadline for submission of bids to August 10 from July 20. The other Indian entity interested to acquire SM – the P K Ruia group – also said it would be taking a final decision in the next two days. China's SAIC Motor Corp owns 10% in SsangYong and ~70% is held by creditors, led by state-owned Korea Development Bank. *(Economic Times)*
- **Toyota's small car Etios to be launched by December or January** — Toyota Motors will launch its small car 'Etios' in India by the year end or in January 2011. The company is looking at sales volume of 70,000 units in the first year. The mgmt has said that company is setting up a separate small car manufacturing plant in Bangalore, its second in India, with an annual capacity of 70,000. The present production strength of its Bangalore plant is 80,000 annually and the second plant will be in operation by mid-December. *(Economic Times)*
- **Future Group increasing food business** — Future Group is betting big on private labels in food. So after noodles, breakfast cereals and soup, it's the turn of rice, snacks, spices and edible oil. The company's own food and grocery brands contribute ~Rs7.5bn, or a quarter of the group's overall foods business of over Rs30bn. The group is focusing on staples, snacks and spices under a new food brand called Ektaa which will be available in Big Bazaar and Food Bazaar shortly. Last week, the group launched five variants of rice under Ektaa. *(Business Standard)*
- **Beverages firms increase fruit juice prices** — The country's leading beverage firms, Pepsico, Parle Agro and Dabur, have hiked the prices of some of their fruit juices by up to 20% to offset rising input costs. While Pepsico has increased the rates for its Tropicana juice 200-ml packs by up to Rs3, Parle Agro has hiked the price of 'Frooti' tetrapacks by Rs2, while Dabur has upped the price of a variant of its 'Real' juice by Rs5. The beverage companies have been reeling under pressure from high prices of sugar, a key raw material for juices. Although the sugar price has now come down to Rs30 per kg from Rs50 per kg in January, the companies said it is still high. *(Economic Times)*

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## Company News

### GM India to source BS-IV engines for Tavera from Sonalika

General Motors is expected to source engines from the Sonalika Group for its multi-purpose vehicle Tavera in India, to meet new emission norms. GM India had to stop selling Tavera in 13 cities, including Delhi, Kolkata, Mumbai, Chennai and Bangalore, as it could not upgrade engines to comply with BS IV emission norms which came into effect from April. The company had announced to temporarily withdraw the vehicle and said it would be upgraded later. The vehicle has been maintaining sales of about 1,500-1,600 units a month, indicating that dispatches in other locations have increased. The Delhi-headquartered Sonalika Group produces BS IV engines for Rhino in collaboration with the UK-based MG Rover at its Hoshiarpur facility in Punjab. *(Economic Times)*

## Views / Insights

### Interview : Soma Ghosh, Marketing Director — Nivea India

Ms Soma Ghosh believes that a big challenge for Nivea has been that everyone associates Nivea with the blue tin and as a rather traditional skincare product. She wants the consumer to know that her company is contemporary and modern with specialized skincare solutions. She informed about the company's plan to introduce premium product concepts and distribute these in select outlets in cities like Delhi and Mumbai. The focus as of now will be very much on the top 30-35 cities and Nivea will stick to its mass premium image and consolidate its business there. The focus is not on tier-II and III markets for the time being but, in the long run, the company will tap these segments. Nivea cream, for example, is distributed in smaller towns and cities too, but the company does not distribute it directly in these markets. Ms Ghosh said that there are no immediate plans for local manufacturing. *(Economic Times)*

## Appendix A-1

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