

Industry

6 July 2010 | 6 pages

India Auto and Consumer Daily

 Equity

6 July 2010

- **Ford starts exports of Figo to South Africa** — Ford flagged-off 1,200 of its Figo compact cars for export to South Africa, further enforcing India's story as a hub for auto manufacturing. The Figos, produced at Ford's plant in Chennai, will be sold by Ford Motor subsidiary and the company plans to export over 5,000 cars by this year-end. Ford India will export the 1.4L petrol and diesel Figo variants to Ford Motor Company of Southern Africa *(Economic Times)*
- **Eicher JV June sales jump; ups vehicle prices** — VE Commercial Vehicles, the JV between India's Eicher Motors and Sweden's Volvo, said it has raised vehicle prices marginally from July to offset rising input costs and inflation. Eicher sold 2,966 trucks and buses in June, up 43% from the year-ago period, it said earlier in the day. Exports during the month were slightly lower at 220 units. The price increases were between 1.5% and 2% depending on the vehicle models. Cost of steel, rubber and other raw materials have been on the rise, prompting automakers and part manufacturers to up prices. *(Economic Times)*
- **For next small car, Nissan gets inputs from Alto buyers** — Nissan, which is gearing up for the commercial launch of the Micra next Wednesday, is simultaneously preparing the groundwork for its next small car being planned jointly with Ashok Leyland. Even though the project is still in the concept stage, sources said small teams from Nissan have been talking to owners of the Maruti Alto to find out what draws them to the car. The Alto is the largest selling small car in the B-segment with monthly numbers of around 25,000 units. *(Business Line)*
- **Retailers lure customers with stimulus plans** — Sam's Club is introducing a program which facilitates loans for shoppers of up to \$25,000. Target will give its credit card holders 5% discounts. Staples and Office Depot are giving away office products for a very low or at no cost. *(Economic Times)*
- **Tatas to use rural aces to sell pick-up** — As part of its efforts to push the Ace pickup in rural markets, Tata Motors is using the distribution channels of group companies, Rallis and Tata Chemicals. These two companies have a strong presence across agrarian regions. Tata Motors has already opened 600 small outlets for the Ace in rural and semi-urban markets. It has also tied up with 117 public sector, gramin and co-operative banks to help small entrepreneurs buy the vehicle. *(Business Line)*

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Company News

TACO to exit JVs, raise funds for Tata Motors

Tata Auto Comp Systems (TACO), which has set a revenue target of Rs 100bn by 2015, is planning to exit joint ventures that no longer match its requirements. Meanwhile, the company has said it will enter into newer auto component businesses in due course and will be open to asset acquisitions. The company said it reviewed the performance of its JVs and found that there were a few not matching its requirements and decided to terminate them. The main reason for the exits has been to raise funds for the cash-strapped Tata Motors, which has gone through a tough time post the acquisition of Jaguar Land Rover. *(Financial Express)*

Porsche may assemble Cayenne in India

Porsche plans to start assembly operations in India for Cayenne sports utility vehicle that will more than halve the import duty on its top-selling vehicle. The carmaker may use parent Volkswagen's facility in the country to assemble the vehicle as low volumes do not justify a separate plant. If it is done, it will be the carmaker's first such operation outside Germany. Currently, all Porsche cars are made at its plants in Zuffenhausen and Leipzig and exported to other countries. By importing completely knocked down (CKD) kits and assembling them here, Porsche can drastically reduce the import duty on the vehicle to 40% from 113% applicable to completely built units (CBUs). The company mgmt India, however, has denied such plans. *(Economic Times)*

Hyundai likely to reinstate 35 workers

After dismissing 87 workers from its Sriperumbudur plant in Tamil Nadu on disciplinary grounds last month, Hyundai Motor India is going to review 35 cases for a possible recall in the next two weeks. Following the three-day long strike, the company had set up a committee with representation from workers, Hyundai officials and government representatives to take stock of the situation and the panel will take a call finally. *(Financial Express)*

Toyota Kirloskar to prune debt component for sedan project

Toyota Kirloskar has decided to further reduce its debt component to about Rs 3bn for its new car project with the sedan version expected to hit the road ahead of the hatchback. The mgmt said that out of the Rs 3bn debt, about Rs 500mn has already been raised at an interest rate of 4.3% on a fully-hedged basis and the company was well insulated from any foreign exchange risks. The total project cost is about Rs 32bn. Earlier, the car maker was planning to raise ~ Rs 9bn through the debt route but the debt component was subsequently pared down. The recruitment for the new car project has already begun with ~600 new employees already recruited. *(Business Line)*

Mother Dairy milk to cost more in Delhi

The biggest milk supplier in Delhi and NCR, Mother Dairy has hiked prices by up to Rs 2/litre. The increase comes on the heels of another supplier Amul raising the price by the same amount on Friday. Following the hike, one litre of full-cream milk of both the brands will now cost Rs 32 / litre in Delhi instead of Rs 30 earlier. Toned milk in poly packs will cost Rs 24 / litre instead of Rs 23, while toned vended milk will cost Rs 23 / litre instead of Rs 22. Prices of double-toned and skimmed milk remain unchanged. *(Economic Times)*

Views/Insights

Interview: Ed Whitcare, Chief Executive Officer- General Motors

Mr. Whitcare believes that to remain a global leader, GM has to maintain its commitment to expanding presence and success in critical markets such as India and China. He said that GM was doing well in China driven by an outstanding product line that grows stronger with each new introduction. In India, he plans to repeat that business model. He also feels that GM's ability to pay back the government loans ahead of schedule and its Q1 results are a sign that their plan is working. *(Economic Times)*

Appendix A-1

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