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Isuzu: 'India can be the largest pick-up market'

Isuzu finally drives in with an SUV and a pick-up but is gunning for the pick-up truck market more than challenging others in the SUV space. **Sumantra Barooah** reports.

Hunk and the workhorse. MU-7 (left) and D-Max first of a range of products for India. Isuzu plans to shift from CBU to CKD operations most likely later this year.



After around three years of discussions, Japanese automobile major Isuzu has dropped anchor in India to start a 100 percent owned subsidiary. The company has started off with two models – the MU-7 SUV and the D-Max pick-up truck. Priced at Rs 23.75 lakh (MU-7) and Rs 6.87 lakh (D-Max single-cab)/Rs 8.09 lakh (D-Max double-cab), ex-showroom Hyderabad, these vehicles are expensive. The plan is to make them more competitive by starting local manufacturing latest by the beginning of 2016.

As a build up to that stage, Isuzu will shift from fully imported units to CKD operations "hopefully" during this year. It is in talks with potential partners which include Hindustan Motors (HM). Isuzu is

likely to utilise the idle manufacturing capacity at HM's plant in Tiruvallur, near Chennai. According to an industry source, Isuzu had held talks with HM a few years ago too to assemble its SUV and pick-up truck at the Chennai plant.

For local production, Isuzu will install an optimum annual production capacity of 100,000 units at Sri City, an integrated business city in Andhra Pradesh's Chittoor district. It falls in the planned Chennai-Bangalore corridor. Even though the announced production capacity is 100,000, there could be some further addition as the company plans to sell 80,000 units in the domestic market and export 40,000 units annually from India by March 2016.

Isuzu plans to invest Rs 1,500 crore over five to



Signatories from the Andhra Pradesh government and Isuzu sign the MoU in Hyderabad on March 15.

seven years. It hopes to start with localisation of above 50 percent and reach the ultimate goal of 100 percent localised products over a span of time. This reflects Isuzu's current mid-term strategy of establishing a presence in emerging markets while maintaining

business in advanced markets. The strategy also lists developing eco-friendly products and products meeting specific needs of the emerging market which will also facilitate new market entry. Perhaps that is one of the reasons why Shigeru Wakabayashi,