

Hindustan Motors to manufacture Isuzu SUV under contract in TN, The Times of India, June 29

CHENNAI: Hindustan Motors has signed an agreement with Isuzu Motors India, the local subsidiary of the Japanese auto major, to contract manufacture Isuzu SUVs and pickup trucks in India. The components for producing these vehicles will be imported by Isuzu from Thailand and the vehicles will be assembled in HM's factory at Thiruvallur, near Chennai.

HM has long had a relationship with Isuzu. In the late 1980s, the two companies had a collaboration to make the Isuzu 1.8 and 2 litre engines in India. The Indian company has been in search of contract manufacturing opportunities for its Chennai plant where it used to assemble the Mitsubishi Lancer. For Isuzu, the arrangement is a good option till its own production facility comes up in Andhra Pradesh.

Said Takashi Kikuchi, president, Isuzu Motors India: "We are very confident about the growth prospects of the SUV and LCV market in India, notwithstanding the current slowdown. We are happy with the positive feedback of the market to our MU7 SUV and D-MAX pickup truck, which we launched in Coimbatore and Hyderabad in March this year by importing these as CBUs from Thailand. We would now like to expand our sales operations in other parts of India, starting with the southern region. The collaboration with Hindustan Motors will support us by carrying out assembly of our products at Thiruvallur which is about 70 km from Sri City, Andhra Pradesh, where our own local manufacturing facility is planned to come up. We can thereby advance the scope of our sales operations and increase the scale of supply volumes without waiting for our local manufacturing facility to be ready."

Said Uttam Bose, MD & CEO, Hindustan Motors Ltd., flagship of the C K Birla Group, stated, "The operations will enable HM to optimally utilize its spare capacity at Thiruvallur and make eminent business sense at a time when the Indian economy and the automobile industry, in particular, are passing through testing times."

Isuzu has decided to debut in India with the MU7 sports utility vehicle and the DMAX pickup truck. It started its operations in India in 2012-13 and has set up two dealerships — Hyderabad and Coimbatore — with a dealership soon opening in Chennai. The dealer network expansion will continue with 9-10 dealerships expected to come up by end of the year.

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