

HM eyeing Bangladesh taxicab market with Ambassador, Wheel Unplugged, December 23

One of the oldest Indian automobile companies Hindustan Motors is reportedly planning to enter Bangladesh market and plans to join hands with local group for assembly unit near Dhaka. According to a report in **Business Standard**, while there has been a sharp decline in the sales of Hindustan Motors' iconic Ambassador car in recent years, the oldest face of the Indian automobile industry may get a new lease on life in Bangladesh's taxicab market.

The report stated that the CK Birla group automobile company has entered into an “in-principle understanding” with Bangladeshi business conglomerate Intraco Group. The latter is to assemble Ambassadors at a factory being built at Savar, near the Bangladeshi capital of Dhaka. The plant is to come up in two years. The report quoted Manoj Jha, managing director, Hindustan Motors as saying “Initially, we will be exporting the Ambassador to Bangladesh as a complete built unit (CBU), which has already started on a trial basis. When the volume attains a certain number, we will



also export this as completely knocked down (CKD). We have entered into an in-principle understanding with Intraco, which will do the assembling and marketing. The taxicab market of Bangladesh is huge and we are sure this will augment our volumes.’’

It was mentioned that in 2010-11, HM sold 10,097 vehicles, compared to 11,003 in 2009-10. Sales of the Ambassador dropped to about 6,600 last year, compared to a little over 8,000 in the previous year. It has since further declined, with sales so far being only half of the previous year. Once widely popular for both personal and institutional use, the Ambassador lost its popularity, despite India becoming a **hot** spot for global car makers. The car's diesel engines (1.5 litre and 2.0 litre) are yet to attain BS-IV emission norms, made mandatory in 13 major cities from April 2010.

The report stated that according to a company spokesperson, work is on in collaboration with an European company to develop a Euro IV-compliant diesel engine and HM is expected to attain this by the end of 2012. Meanwhile, it is working on a new-look Ambassador, with changes in both exterior and interior **design**, to attract the younger generation. The vehicle, which the company believes will **help** it stay relevant in the present market, is likely to be unveiled next year.

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