

BHARAT FORGE NOW PLANS TO TAP GLOBAL CAR MARKET

Bharat Forge now plans to tap global car market Buoyed by a sharp surge in exports, Bharat Forge, the country's largest exporter of automotive components, is now working on plans to tap the international passenger car segment for the first time. The company, which reported a 145% rise in exports to Rs 271.4 crore during '02-03, said its decision to supply components to global passenger car majors will help grow its volumes manifold. "We are well entrenched as a component supplier to the three big three — General Motors, Ford and Daimler Chrysler — for their truck business. Hence it makes sense for us to augment volumes by tapping the passenger car segment as well," Bharat Forge chairman and managing director, Baba N Kalyani said. For the international passenger car segment, Bharat Forge is set to make its debut by supplying to Toyota's world car. We expect the requisite approvals to come during the current year and from the next fiscal we will be ready to start supplying to the major passenger car makers internationally," Mr Kalyani said. While Bharat Forge is a leading supplier of steel forgings, crankshafts, front axle assembly and components to Indian car-makers, including industry leader Maruti Udyog, its presence in the international markets has been restricted to the commercial vehicle segment. However, in the coming years the company expects overseas revenues to be the major driver for growth. Besides, the company top brass is working to establish itself in the global engine component market, especially in North America, Europe and Asia, where it currently enjoys a marketshare of less than 10%. The opportunities today for the auto component sector, Mr Kalyani said, is unparalleled and it is in a position to grow consistently at 35-40%. "I would say exports of auto components from India are set to grow at a faster pace than the software industry," he added. Mr Kalyani said 15 global majors have set up international purchasing offices with a target to procure \$1.3bn from India. "Right now too much demand is chasing too small a supply base and Indian companies need to beef up the scalability and technological edge to tap this growing demand," Mr Kalyani said.