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DESTINATION INDIA

HYOSUNG MAY MOVE PRODUCTION TO INDIA

India partner Garware rolls out performance bike GT650 N

SWARAJ BAGGONKAR
Mumbai, 13 October

Hynosung, one of South Korea's biggest two-wheeler brands, is looking to make India its production hub, making use of the country's low-cost production abilities.

S&T Motors, which owns Seoul-based Hyosung, is planning for greater dependence on its Indian partner Garware Motors for setting up the facilities in the country so as to cater to the markets of America, Europe and Asia Pacific Region.

As for Garware Motors, it today launched the GT650 N, a performance bike in India at ₹4.39 lakh (ex-showroom, Delhi). This is the third bike from the company, after the GT650 R and ST7 it launched in April this year.

The players note that the cost of manufacturing in Korea is considerably higher than that of India. The 1978-founded S&T was contemplating China as a production base too, but better prospects of growth of India's domestic two-wheeler market and its cost-effective manufacturing processes moved into its favour, said Diya Garware, managing director of Pune-based Garware Motors.

The 1957-incorporated Hyosung does not currently have a full manufacturing facility outside South Korea, even as it exports products to over 60 countries. Garware Motors, which has been in the business since 1960, is building a facility to assemble motorcycles and scooters at western Maharashtra's Wai in Satara district. (It has a manufactur-



Hyder Ali Khan (left), Chief Operating Officer, Garware Motors and Diya Garware, Managing Director, Garware Motors at the launch of the Hyosung GT 650N sports bike in Mumbai on Thursday.

PHOTO:KAMLESH PEDNEKAR

ing facility in Pune.)

As for Hyosung, its research and development wing may still remain in Korea. The brand makes higher-capacity engine-performance motorcycles in the 250cc to 650cc range, besides electric vehicles, scooters and terrain vehicles.

Both Garware Motors and S&T Motors, headquartered in Changwon in east-central Korea, are talking on forming a joint venture company which will oversee Hyosung's India operations. "Hyosung is very aggressive with its plans in India," pointed out Garware. "There are plans of having equity participation by both companies on a separate level."

As for the three performance bikes of Garware, they are currently being assembled in India at a temporary facility in the state. The motorcycles are brought to India in a knocked down format (in var-

ious parts) and later put together in the country.

The company, with 4,000 employees, hopes to follow this launch with some off-road bikes next year. This will be followed by the 250cc class to be launched around June-July next year. Eventually the entire range of Hyosung branded two-wheelers will be introduced in India.

"The 250cc class of bikes is what will bring us the volumes in India," said Garware. "We hope to sell 5,000-6,000 units of them per year upon launch by mid of next year. We will price the bike competitively but ours will be having a V-twin engine unlike the Honda CBR250."

Garware Motors sold 325 units of the two bikes during the six months period ended September from a dealer base of 14 dealers. It hopes to achieve total sales of 1,200 units by the end of this year.