

Michelin plans to stop importing tyres, turn self-sufficient by 2015

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BERLIN: Global tyre major Michelin on Thursday said it is looking to stop importing truck and bus tyres into India by 2015 as it expects to become 'self sufficient' in meeting demand in the country from its production facility being set up in Chennai. Michelin is also looking to make the country their research and development hub in the next ten years.

"Importing truck tyres to India is a challenge. By 2015, we hope to be relatively self-sufficient and meet the demand from local manufacturing," Pete Selleck, vice-president, truck and bus Division, Michelin, told reporters on the sidelines of 11th Challenge Bibendum.

He said ceasing imports would bring down supply cost for the firm significantly but declined to comment if it would bring down the

Wheel of fortune

- Ceasing of imports would bring down supply cost for the firm significantly
- The company aims to meet local demand from its production facility being set up in Chennai
- Operations would start by next year, with initial annual capacity of 3 lakh truck and bus tyres

product cost for consumers.

Two years ago, Michelin had announced a manufacturing unit in Chennai with an investment of Rs 4,000 crore over seven years to cater to domestic demand. The plant expected to start operations by next year and will have initial production capacity of three lakh truck and bus tyres annually.

Asked about expansion plans, Selleck said, "Capaci-

ty expansion will depend on how well radial tyre market in India grows... But on full capacity, a plant like that can produce two million tyres annually and be commercially viable." He said the Chennai plant would cater to the demand in the Indian market and not exports.

On the product development side, asked if India had the potential to become a global R&D hub for the company, Selleck replied, "Yes. It is very likely... May be in the next ten years. India and China are the two big potential markets for having an R&D base."

Michelin has hired six field engineers for Chennai plant, who are based at the company's R&D centre in Bangkok. Michelin had also announced appointment of about 250 employees for the plant in Chennai, many of whom are undergoing training at the firm's existing global units.