

Ceat looks for partner for Bangladesh factory

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While tyre major Ceat has started scouting for local partners for its proposed manufacturing plant in Bangladesh, the flagship company of Harsh Goenka-controlled RPG Group has planned its next step: look beyond SAARC countries for further expansion.

Reuters had earlier reported Nano cars made by Tata Motors would be rolled out in Bangladesh this month.

"We are the market leader in Sri Lanka, where we have a plant. Now we have expressed our intent for a manufacturing unit in Bangladesh," according to Ceat executive director Arnab Banerjee. "We discussed several overseas projects before deciding to set up a plant in Bangladesh. For further expansion, we will look beyond SAARC countries."

However, Banerjee refused to share details, as the company is still working on possible destinations "First, we want to get going on the Bangladesh project. We are looking at a similar-size market outside India. We have shortlisted some markets also," he said. "But, it is still premature to say which country will be the next."

The official, though, said it would depend on the nature of the market. "It should be large enough so that we can be positioned as one of the market leaders in three to four years," he noted. "So it will depend on market competitiveness, duty structure and many such factors."

Ceat, as India's fourth largest tyre-maker, manufactures over 10 million tyres every year at its plants — in Mumbai, Nashik (Maharashtra) and Halol (Gujarat). Apart from its India units, Mumbai-headquartered Ceat has its manufacturing facility in Sri Lanka, where the company operates through its joint venture, Ceat Kelani International Tyres.

Ceat Kelani International Tyres, a JV between Ceat India and Sri Lanka-based Kelani Tyres, is a market leader in the neighbouring country.

The 1958-founded company plans to follow the Lankan model for its Bangladesh operation too and initiated talks with local players there for its upcoming manufacturing unit.

"The decision to enter the Bangladesh market is already there. We may go for a joint venture there. We have started talking to people. And if there is a JV, we will prefer a majority stake and the management control should be with Ceat," Banerjee said. "It always helps to have a local partner. They know the market better."

Earlier, the company had said, it would invest up to ₹250 crore to set up its first manufacturing plant in Bangladesh within the next 30 months. The plant with daily-production capacity of 65 tonne will roll out only cross-ply tyres for various segments like trucks and light commercial segments. However, the company's investment will come down if the tyre maker goes for a JV.

The company is working to finalise the land for the Bangladesh plant.