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Motors for Munchao

Tata Motors in Singur: Public Purpose and Private Property (B)



Global Automobile Industry - Overview

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- Industry Size is 800 Billion USD
- Demand for cars and other vehicles will rise from 80 million to 100 million.
- China is predicted to be the largest Market
- Out of 1000 people, 18 of them own Car in India, 58 in China and More than 500 in Europe
- Global growth will be more than 4% by 2020

(Automotiveworld.com, 2014; PwC, 2014)

Tata Motors Ltd - About us

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- Subsidiary of Tata Group.
- Part of the Indian Multinational automobile manufacturing company.
- Fourth Largest Truck & Bus manufacturer in the World
- Bought Daewoo in 2004, Collab with Thonbin Automotive in 2006. Went on to buy jaguar and Land rover from ford in 2008 for \$ 2.3b .
- Profit in FY13 was 2.29 Billion USD
- Lost market share in passenger and commercial vehicles segments
- first indian light commercial vehicle, Tata ace, first indian cab, Tata indica, first indian SUV: Tata safari and Tata nano, the cheapest car in India.

(Tata Annual Report, 2014)



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Competition

Competition – Road projects and car market share in 2020

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The Indian government plans to develop a total of 66,117 km of roads under different programmes such as NHDP from 2016 so more vehicles would be on the road. (Ibaf.org, 2014)

By 2015, India is expected to exceed every major European market making India the 4th largest automotive market by volume in the world and expect to show increase in 2020. (PWC, 2011)

Honda and Toyota would pose a challenge in 2020 as they have global experience, financial resources and advanced technology to compete with TATA Motors. Toyota already showing growth of 80% in 2013 (The Economic Times, 2013)

TATA 's competition goal for 2020

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Aims to be 2nd largest car maker in India by 2020 after major restructuring after Maruti. (The Economic Times, 2013)

To compete, TATA Motors is also focussing on offering the "right products, such as e-cars, reduce lifecycle of products and cost of ownership (Thakkar, 2013; The Economic Times, 2013)

Maruti and Mahindra are planning to release an energy efficient version of its own car such as Eeco and Maximmo (Track, 2013)

Tata would continue to aggressively penetrate overseas market in 2020. It also plans to enter more markets in Asia, entire MENA, East Europe. (The Economic Times, 2013)

Demand and Competition in 2050

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- India's market to **overtake the US auto sales by ~2035** and believed to follow trend till 2050 resulting in new market entrants posing a challenge for TATA Motors (PWC, 2011)
- **CO₂ emissions in India expected to rise** significantly by 2050 due to increasing urbanisation which would result in tighter controls thus increasing competition from other carmakers to supply environmentally friendly cars. (ITDP, 2014)
- Improved infrastructure would mean better employment for the poor and increased use of transport. As traffic would increase users may switch to alternative transport methods such as Zip Car or StarBus because of **changing demands**. (ITDP, 2014) so Tata would need to bring new initiative of competition.

AUTOMOTIVE COMPANIES IN INDIA

Major Indian Companies



ASHOK LEYLAND



Major Multi-National Companies



RENAULT



Audi

HONDA
The Power of Dreams



NISSAN