Sona Koyo Steering Systems Limited: Spearheading Competitiveness in India's Automotive Components Industry

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Thecasesolutions.com
Seoul, South Korea: Hyundai Motors Headquarters


Chennai, India
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Hyundai's Exports
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Introduction

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- *Brief description of the case*
- *Indian automotive industry stats*
- *Questions/Answers*

Brief description of case

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- 1998: Hyundai started greenfield investment in Chennai, India, where it would produce small cheap cars for India.
  - This proved successful but there was excess capacity, so Hyundai started exporting vehicles.
- By 2004, Hyundai was largest exporter, shipping 70K cars/year overseas.
  - 2010- Hyundai was exporting roughly 250K out of the 650K vehicles produced in India.
- 2004-2011 Automobile exports from India jumped from 50,000 to 450,000.
- Increased attraction from other motor vehicle comany's like Nissan, Toyota, GM, Ford, BMW, Suzuki, Renault, Mitsubishi, Daimler, Caparo, Mini, and Datsun

Current Auto Stats

- Automobile Production growth of 12.9%
- Automotive industry produced 17.5 million vehicles in 2013-14'.
- The industry accounts for 22 % of the country's manufacturing GDP
- India expected to be he fourth largest automotive market by volume, by 2015

Question

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Question 1

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What are the attractions of India as a base for producing automobiles both for domestic sale and for export to other nations?

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Question 2

Both Hyundai and Nissan made their investments in the southern Indian city of Chennai. What is the advantage to be had by investing in the same region as rivals?

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for
sale