

Like Suzuki, Kubota aims to make India its global hub



TRACTOR TRAIL

- Kubota bought nearly **10%** stake in Escorts for about 16 billion yen (\$106 million at current rates)
- It increased ownership above **50%** two years later for roughly 140 billion yen (\$887 million)
- Escorts Kubota India recorded **70,327 units of** tractor sales in 2023. In 2022, it was 72,185

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Japanese agri-equipment firm Kubota is taking cues from Suzuki Motor's strategy to establish India as its global production hub, according to a report by Nikkei Asia.

The acquisition of Escorts in 2022, leading to the rebranding as Escorts Kubota, a prominent tractor manufacturer in India, which held the fourth-largest global market share, offered Kubota a crucial foothold in the Indian and international markets, complementing its strengths with Escorts' established presence.

Katsunori Asano, head of manufacturing at Escorts

Kubota, while giving a tour of a factory in Haryana in December, noted that local staff have initiated continuous improvement initiatives, known as 'kaizen', within the company, the report said.

Kubota, a prominent Japanese tractor manufacturer, entered the Indian market in 2008, but its growth remained sluggish, and its market share lingered in the single digits. The company's specialisation in lightweight tractors initially hindered its growth due to inadequate pulling power for Indian applications. In India, where the demand for tractors is substantial, accounting for half of the country's demand at

900,000 units annually, these machines serve various purposes beyond farming, including freight hauling.

The acquisition was facilitated by key figures such as RC Bhargava, chairman of Maruti Suzuki, who endorsed the partnership between Kubota and Escorts. Bhargava, drawing parallels to Maruti Suzuki's success story, emphasised the importance of understanding cultural differences and embracing Escorts within Kubota's management framework, the Nikkei report said. Bhargava, an independent director at Escorts Kubota, foresees the company's success trajectory mirroring that of Maruti Suzuki.