

Time to ride on SUVs; they're growing, sedans aren't: Kia India MD

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South Korean carmaker Kia, which has been on a successful run since its entry into India in 2019 with only sports utility vehicles (SUVs) and multi-purpose vehicles (MPVs), is still not considering launching sedan cars in the near future.

The company is showcasing many MPVs, purpose-built vehicles (PBVs) such as police patrolling vans and ambulances, during the ongoing Auto Expo 2023, and also hinting for a future of SUVs and such vehicles to be manufactured from its stable.

In an interview with *businessline*, Tae Jin Park, MD & CEO, Kia India, said the company will launch sedan cars only when it sees some growth in the future in that

segment. The demand for SUVs is growing at such a pace that the company is reaching its full capacity of around 3.50 lakh units currently, he said, adding that the Anantpur plant in Andhra Pradesh is expected to reach 4.20-4.30 lakh units capacity per annum. The company has sold 3,36,619 units in the domestic and export markets in 2022. Excerpts:

Kia is showcasing some PBVs, recreational vehicle (RV) KA4 and has also unveiled EV9 concept SUV. Will you focus only on such categories of vehicles in India or look for segments like sedans, too?

We are targeting to be a leading RV brand in India. That is our strategy and that means for the future also, we will bring RV ecosystem. We will continue like that

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MD & CEO, Kia India

only in the Indian market.

Talking about sedans, for the long time in the automotive world, sedans were dominating the markets. But, now is the time to move with SUVs because the lifestyles of people are different; SUVs are growing, but sedans are not, and it is happening in India, too. In the next few years, the SUVs market may grow very fast



sia-Ukraine war and China-Taiwan issues.

There could be some supply issues due to fresh Covid curbs in China. Also, the new regulations from the Indian government like RDE (real time emission or phase-2 of BS6 norms) norms, new safety regulations... continue. But, compared to other countries, the Indian automotive industry relatively will have a brighter market. Even though the growth rate is going down, the rate is higher than in other countries. The growth rate may stick to single digit, but will be better than 2022.

The Suzuki President has said India still has a big potential for small cars. What are your views on small cars and will Kia plan some smaller vehicles than the Sonet?

Small car market may con-

tinue in India but the problem is, it is not growing as fast as other segments at the moment. There is still some kind of demand but when compared with total volume of passenger vehicles market, it is a different story. That market will be growing faster than the small car market.

You have showcased EV9 concept, which is another premium vehicle in the segment after EV6, but do you think that will help in growing the market share in EV space, especially with Hyundai launching ₹16 lakh cheaper Ioniq5 (₹44.95 lakh) than EV6 (₹60.95 lakh)?

The premium EV market is growing slowly because even though they have the best advanced technology, the high price is a limitation. It depends on each

OEM as to which area they are targeting.

We are starting from premium models like we did with EV6 and planning EV9, but we will locally produce mass market EVs by 2025. We have already sold 500 units of EV6 even on that price range and this year, we are aiming to at least double that volume. And, when we launch our mass market 'Made in India' EV, we will also look carefully on the price range and it will be customer friendly.

What's your production capacity and what are expansion plans?

We started with around 3 lakh (per annum) capacity and now we have 3.50 lakh units capacity at our plant. In the next one or two years, we will reach up to 4.20-4.30 lakh units per annum. In the short-term basis, we have enough capacity and when needed, can expand.