

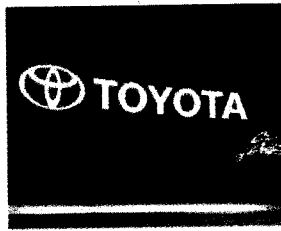
Toyota expands India's market strategy with 15 new models and rural focus

Reuters

Toyota plans to launch 15 new and refreshed models in India by the end of the decade while deepening its rural network, sources said, as record profits in the country make the market increasingly important.

Battered by stiff local competition in China, several global automakers have set their sights on India as a market worthy of heavy investment, especially given surging economic growth.

Underscoring Toyota's revved-up ambitions, the Japanese automaker is now aiming to lift its share of the country's passenger car market before the end of the decade to 10 per cent from 8 per cent currently, one of the sources said. Success would see it become less reliant on alliance partner Suzuki,



which provides Toyota with vehicles that are then rebadged under the Toyota brand.

The 15 models will include Toyota's own cars, vehicles supplied by Suzuki, as well as upgrades of existing models, according to three people briefed on the matter.

NEW SUVs

There are likely to be at least two new SUVs from Toyota's own brand, which will be designed to take on leading SUV-makers like Mahindra & Mahindra and Hyundai Motor, as well as an affordable

pick-up truck to widen its appeal in rural India, one of the sources said.

Toyota is also setting up lean-format sales outlets, with just one or two cars on display instead of the whole range, and smaller, two-bay workshops in rural areas to make deeper inroads there, the source added.

"Toyota has a two-pronged strategy for India - lure customers from competitors with mid-market and premium SUVs and continue adding buyers in small towns and rural markets," a second source said. According to them, the strategy is still being finalised.

The Japanese carmaker's local unit, Toyota Kirloskar Motor, logged a record profit of \$640 million last fiscal year, thanks to its alliance with Suzuki, which boosted sales and increased factory utilisation.