

Ceat coming to Bangladesh

OUR CORRESPONDENT, *New Delhi*

India's leading tyre maker Ceat announced yesterday that it plans to set up a tyre manufacturing plant in Bangladesh.

Ceat Deputy Managing Director Anant Goenka said in Mumbai that the company will invest about Rs 250 crore to set up the new facility which is likely to employ 550 people in the first phase.

"The company has already done the necessary

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groundwork and aims to have tyres rolling out of its Bangladesh plant by the end of the year 2013," he said.

If the plan of Ceat, an RP Goenka Group company and fourth biggest tyre maker of India, materialises, it would be one of the biggest manufacturing investments by an Indian company in Bangladesh and the first by an Indian tyre manufacturer.

The plant will make cross-ply tyres for trucks, light and small commercial vehicles and two-wheelers for the local market, which is currently around Rs 1,000 crore, said Goenka who expects this market to grow to around Rs 1,200 crore by 2015.

He said exports from the Bangladeshi plant to neighbouring Nepal and Myanmar are a possibility.

The firm aims to capture 40 percent of the projected demand of cross-ply tyres in the region by 2015.

Bangladesh imports at least 1.5 million tyres annually. Of this, around 60 percent come from India and the rest from China, Indonesia, Japan and Thailand.

Goenka said nearly 80 percent of the raw material for the Bangladesh plant will be imported from India and Southeast Asia.

Although Bangladesh does not have enough raw materials such as carbon, rubber, chemical and yarn for making tyres, it still might be a good strategy to have a manufacturing unit in Bangladesh as the country has a growing market for cross-ply tyres, Indian tyre industry sources said.