

Ford to tie up with India's Mahindra, eyes access to huge market

NEW DELHI, India: Ford Motor and India's Mahindra Group have announced they will work together in a fresh partnership as the US giant looks to boost its presence in one of the world's fastest growing auto markets.



Photo by chuttersnap on Unsplash

The two, who parted ways from a tie-up in 2005, will co-operate for three years on a number of areas including electric vehicles and sourcing.

"Ford is committed to India," said Jim Farley, Ford executive vice president and president of global markets in a statement.

"This alliance will allow us to work together to take advantage of the changes coming in the auto industry."

Most foreign automakers have struggled in the budget-sensitive Indian market and Ford has a less than three percent market share.



Ford unveils new Kuga

20 Sep 2017



The electric car market is expected to explode as governments around the world, including India and the world's biggest market China saying they intend to shift completely away from fossil fuelled cars within the next few decades.

Mahindra is the only Indian automaker that makes electric cars, and at a fraction of the cost of global brands such as Tesla and an agreement would give Ford access to the cheap technology. Mahindra on the other hand will be given access to new designs and markets.

Abdul Majeed, a partner at consultancy PwC, said more automakers would in future seek strategic tie-ups as the industry sees a major shift towards greener transport and greater use of information technology.

"Alliances are critical"

"Alliances are critical to survive going forward. No one can resolve these (issues) on their own," Majeed told AFP.

"There's a fundamental shift happening in the sector and you're getting competition from new emerging companies so you have to align to survive."

Japan's Toyota Motor and Suzuki announced plans to work together earlier this year to exchange expertise, while General Motors and Ford are also in various experiments with US ride-sharing giant Uber Technologies.

The announcement marks a U-turn for Ford under new chief executive Jim Hackett after his predecessor Mark Fields had put the firm's India business on review.

Source: AFP

For more, visit: <https://www.bizcommunity.com>