

Apollo Tyres sets up unit in Thailand to tap Asean markets

Kolkata, April 21: After Europe and West Asia, Apollo Tyres is expanding its market reach in Asean (Association for South East Asian Nations). The Rs 12,000-crore group will open its outfit in Bangkok on May 2 to spearhead sales in the free trade region. The trade block includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The company is already exporting tyres from India to Indonesia, Thailand and Philippines. However, due to their voluminous nature, exports are not considered a viable option for tyre sector to gain market share overseas. So Apollo is nurturing a plan to set up manufacturing base in the region. We have hired a team of 20 under the Bangkok-based subsidiary. We may follow it up with a manufacturing base in the region after two years (depending on viability), Satish Sharma, Chief, India operations, told Business Line. While the subsidiary will primarily explore market opportunities in the auto-hub in Thailand, Apollo is also bullish on demand for cross ply (BIAS) truck tyres, especially off-the-road tyres (OTR), used in Indonesia's booming coal mining industry. A senior technical person has been hired to understand the cross-ply market potential in Indonesia, Sharma said. Foray in Australia The company is making steady progress in establishing its distribution footprint in the Australian market. We have already appointed a CEO and a couple of professionals to develop the Australian business, directly under the Indian operations, the official said. The job is not easy but, Apollo is confident that its European connections will be of major help in gaining confidence of Australian buyers. Having acquired the Netherlands-based Vredestein in 2009, the company has launched its home grown brands in the European market. As a follow-up initiative, Apollo had set up its global research and development centre in Europe. Fresh launches in India As a result of this, Apollo's fresh launches, even in the Indian market, are now developed and tested abroad. We will launch three passenger vehicle tyres in standard (Amazer 4G), high performance (Apollo Alnac 4G) and ultra-high performance (Aspire 4G) categories for the Indian market, next week. And, two of the products targeting sedans and luxury cars are already selling in the European markets, Sharma said. The Hindu BusinessLine