
Toyota to invest INR 1400 crore for small car plant

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It is reported that Toyota Motors will launch a small car in the Indian market and will invest INR 1400 crore for a new factory that will come up in Bangalore by 2010.

Mr KK Swamy deputy MD for Toyota's Indian subsidiary Toyota Kirloskar Motors said that it is developing a new strategic small car that would be sold not only in India but also in the overseas markets and the plant will have a capacity of hundred thousand units. He added that "The small car will be broadly meeting the needs of customers in India."

Mr Swamy said that it would also be expanding its current distribution network of 78 dealers. Toyota has so far invested INR 2500 crore in its Indian JV, which includes INR 1600 crore for its existing passenger vehicle plant under Toyota Kirloskar Motors. The rest of the investment has been made in Toyota Kirloskar Auto Parts that makes transmissions purely for exports.

Toyota sold 54,000 units in India in 2007 at a growth of 12% YoY. In 2008 it hopes to sell 63,000 units. It currently manufactures models like the MUV Innova, and luxury sedan Corolla apart from importing the Camry and Prado models in India.

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