

Escorts Ltd partners Kubota to make co-branded tractors in India



Escorts Ltd, a leading engineering conglomerate today announced it has partnered Japanese tractor and heavy equipment manufacturer, Kubota Corporation for technology collaboration and joint manufacturing of high-end, value-oriented utility tractor range.

The JV will establish a common brownfield manufacturing with initial capacity of 50,000 units, and these tractors will be sold by both players respectively through their separate channel network in domestic market.

As part of the collaboration, Kubota will export Escorts tractors through Kubota's global distribution network in specific markets as mutually agreed. While the partners will continue to develop their distribution channel in India independently, both the companies will share their technology platforms for mutual growth along with some greenfield opportunities in future. The partners will also jointly develop new products to cater to the domestic and overseas market.

Flexible manufacturing

Under the joint venture the partners have agreed for combined invest around Rs 300 crore, for establishing a brown-field manufacturing in Faridabad, Haryana. Kubota will also undertake contract manufacturing for customers. The planned facility will come with a initial flexible capacity for producing 50,000 tractors a year, starting FY2021.



The companies will also collaborate for sales focus in line with their Vision 2022 for markets of USA, Africa, Europe and Turkey, China and the ASEAN region. The companies say the tractor exports from India is projected to grow at CARG of six to eight percent. The cobranded products will be mainly in the under 120HP tractor applications. Kubota will open its global channel for Escorts products, which will enable the partners gain significant global share.

Nikhil Nanda, chairman and MD, Escorts Limited, said, "Escorts is evolving to a global organisation through strategic technology collaborations and quality alliances. Our global JV with Kubota brings proven Japanese process excellence and quality benchmarks for a technology-led collaborative growth in domestic and export markets. With our inherent strengths, technology, distribution and frugal engineering, we will access global opportunity markets and together will take a journey to global leadership."

Masatoshi Kimata, president and representative director, Kubota Corporation, said, "We are excited to announce our partnership with Escorts group. Escorts has a strong technology legacy and diversified portfolio in agriculture equipment solutions market and Kubota has a proven global technology and together we will cater to India and other growing economies which require high-end technology and new age tractors for growing demands of highly mechanised farming. Kubota and Escorts, together, with their leadership in respective geographies will consolidate strengths and technology and innovation excellence to emerge as a global leader."