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Peugeot Slows Down India Entry

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Peugeot has slammed brakes on its India entry, delaying its foray into one of the emerging automobile markets in the world. This news comes as a real bummer as the French automaker had showcased a good range of cars at the 2012 Auto Expo. The reason for slowing down the re-entry is to evaluate the complete project to ensure every money is spent rightly. The current Euro crisis has led to drop in sales of PSA Peugeot Citroen and thus Europe's second largest car manufacturer is reviewing its India plans. The company has shut down its office in Mumbai as part of this evaluation and has re-scheduled the re-entry into India project.

Peugeot acquired land in Sanand in Gujarat for its India facility, pumping Rs. 4500 crore in the project which would give them an annual capacity of 1.7 lakh vehicles. The construction of the plant started in November 2011 and is expected to start rolling out cars by 2014. Just today morning we reported about how Fiat and Peugeot could come together to become a force to reckon with. Peugeot has already tried to partner with Dunlop India and Eicher Motors but only in vain. Currently 39% sales come outside of Europe for Peugeot and the India foray is part of Peugeot's plan to get 50% of sales outside of Europe by 2015. The Peugeot 208 hatchback could help the company create volumes but an entry in 2014 could be too little too late.

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