

INDIA

Major Alliance activity in new growth markets recently has been in India with the inauguration of the first dedicated Renault-Nissan Alliance plant in Chennai.

The first vehicle to be produced at the plant is the new Nissan Micra, which is also the first vehicle derived from the new V-platform. The model will be sold in India as well as being exported to over 100 countries in Europe, the Middle East and Africa.

From 2011, the plant will start production of the Renault Koleos and Fluence, both for the Indian market. Renault is planning to bring out several new cars over the next one and a half to two years and will offer a complete range within four years. These vehicles will be manufactured at Chennai. The range will cover the key market segments and comprise both Renault models and cars built with the joint platforms of the Renault-Nissan Alliance, including a crossover.

Chennai is also home to the first Renault Nissan Alliance joint venture Technical Centre, a key milestone in the history of the Alliance.

Chennai was chosen as the location for the first Alliance car plant following negotiations with the Tamil Nadu state government on infrastructure improvements including a new port at Ennore. This new port is north of Chennai and 70km and 2.5 hours by road from the factory.



The factory is located in the Oragadam Expansion Scheme and represents an investment of about €800 million over seven years from February 2008 to 2015. The plant will have the capacity to produce 400,000 vehicles a year at full ramp up.

From start to finish the project took 21 months from ground breaking in June 2008. Localization of parts has been a high priority - 85 per cent of suppliers are in India with 50 per cent of these in the state of Tamil Nadu. A supplier site is located next door to the plant at its southern end.

The plant currently employs 1,500 people with an average age of 25. This will grow to 3,000 by 2012. Core training of supervisors was carried out in Japan and at the NMUK plant in Sunderland. This involved sending 250 people to the two locations for 11 weeks of training.

The plant has full stamping, body, paint, plastic, trim and chassis shops with two test tracks, one short for every car as it leaves the production line and a longer 1.5km track which includes different road surfaces.

The engine and chassis plant is sited next to the assembly facility on its south-east boundary. This currently assembles XH gasoline and K9K diesel engines.

The target for the Chennai workforce is to be best-in-class compared to other Indian manufacturers within three years – a year faster than Nissan managed in China.

To reach these global standards, Chennai is being guided by the Alliance Integrated Manufacturing System (AIMS) and the Alliance Production Way which combines Renault-Nissan best practices and benchmarking while also helps to keep costs to a minimum.

The stamping shop at the northern end of the plant uses the first Alliance specification presses and blanking line and is compatible with both Renault and Nissan die specifications.

The line can handle four platforms and eight body styles in random production order. Both sub-assembly and parts supply to the line are totally flexible. Efficiency is improved by having bumper and plastic moldings produced on site while the assembly line boasts a highly efficient logistics layout with a 100 per cent kit supply system to the lineside which saves operators having to pick parts from more than one place reducing the need to walk to collect parts. This is a development of what Nissan does at its Oppama, Japan and Sunderland, UK facilities.

The structure of the Alliance technical center - Renault Nissan Technical and Business Center India PL (RNTBCIPL), based at Mahindra World City, a new business park development about an hour from the centre of Chennai - has separate Renault and Nissan operations but joint purchasing, human resources, finance, information systems and administration.

The Renault team supports powertrain development, vehicle engineering, information systems as well as styling and special project support for Renault's Mumbai-based design studio.

The Nissan team handles information systems, research, manufacturing engineering, vehicle and powertrain development and parts. Synergies are expanding across the functions of the two companies. The centre also provides remote engineering for corporate projects through simulations on such things as crash protection and also research on electronics and embedded software.

Partnership with Bajaj Auto

In November 2009, the Renault-Nissan Alliance confirmed that it was developing a new and innovative four-wheel vehicle in partnership with Bajaj Auto Ltd. The Alliance intends to launch this competitive, fuel-efficient four-wheeler in the Indian market in 2012. On July 8, 2010, the Renault-Nissan Alliance confirmed its plans with Bajaj through the signing of an MOU.

Bajaj is India's second largest maker of two-wheelers and also produces the famous three-wheel autorickshaws that dominate transport across India.

The design, engineering, manufacturing and supply-base expertise to create this all-new product will be executed by Bajaj with the support of the Alliance. The marketing and distribution will be led by the Alliance, with the support of Bajaj.

The project reinforces a key strategic direction taken by the Alliance: accessible mobility for all. In pure volume terms, this represents a vast new consumer segment for the industry. The Bajaj project will help the Alliance to compete effectively and efficiently in the Indian market and also other emerging markets where there is a growing demand for affordable personal transportation.