

'India is a critical market'

GGB, formerly known as Glacier Garlock Bearings, is keeping its options open on setting up operations in India. Mathais Senghaas, marketing manager, GGB and sales manager – Asia, spoke to **Taarun Dalaya**.

How does your company stand out in its segment?

GGB was formerly known as Glacier Garlock Bearings. We are the world's largest manufacturer of metal-polymer plain bearings — self-lubricated, marginally lubricated and fully lubricated.

In fact our products are available as cylindrical bushes, flanged bushes, thrust and flanged washers and strips. We are not just suppliers but full solution providers to our customers. GGB is world-renowned for its 'DU' and 'DP4' trademark bearing materials, among others.

The DU trademark is so popular that whenever customers specify their requirement they automatically refer to it even though it may not be a product pertaining to our company. On the other hand, every second car in the world is using DP4 in the shock absorbers. This material is lead-free and hence environmentally-friendly. DP4 was specifically developed for shock absorbers.

Such is our business philosophy that even if a customer wishes to buy one bearing from us, we supply it to him.

Where are your facilities located?

We have seven factories in all — one each in Germany, South America, and Slovakia and two each in North America and France.



What are your impressions on Slovakia as a manufacturing base? Do you think Indian auto component companies would find it beneficial to set up operations there?

We cater to customers like Kia Motors for its operations in Slovakia as well as several other companies in Eastern Europe. Our operations are in a place called Sucany. Wages compared to West European standards are not as high, though they will soon catch up; we find the workforce very disciplined, very skilled and 'mechanical-minded'.

We have studied Slovakia very carefully and have found it to be an excellent base for manufacturing. Indian auto component makers could explore the opportunities it provides.

Why have you not begun manufacturing in India?

We have actually been supplying to India for over 25 years. We prefer to take a step-by-step approach. We eventually felt the need to be nearer our customers such as MICO and Arvin Meritor and hence opened a sales office to serve them better. We eventually plan to start manufacturing operations in Asia but have not yet decided where.

What is your perspective of India as a manufacturing base vis-à-vis China?

India is a big and important market. Companies here are technically driven. I find Indian engineers more open to innovations. In terms of costs, I have assessed that operating from the Shanghai

area is the same as that in India.

But generally India does have a cost disadvantage over China. For instance, the landed cost for my company's products into China is 20 per cent whereas it is 35 per cent in India. Our input costs though are more or less the same everywhere. However in India we surmount the cost disadvantage by supplying high-end products.

So what kind of destination in Asia would attract investment from your company?

The factors are naturally several. However, the destination of our choice should have a highly-skilled workforce with strong engineering capabilities, ease of communication in English would be a plus, a good infrastructure and definitely a quality mindset.

Has GGB ever faced the problem of its products being counterfeited?

Yes it has. In fact we discovered this in India where a company told us that it was procuring our DU metal-polymer bearings. We were certain that we had not supplied to that company and when we asked them to show it to us it was evident that it was not ours. On questioning the source, we found that the company had bought it from a distributor. Subsequent investigations revealed that the counterfeit had come in from China. **AP**