

# Thyssenkrupp in Talks with Tata Steel, Others for Consolidating European Unit

German manufacturer inaugurates multi-purpose facility for elevators in Chakan industrial area

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**Pune:** German engineering giant Thyssenkrupp on Friday said they are in talks with other European companies including Tata Steel for consolidation of its steel making facility in Europe.

Speaking to reporters on the sidelines of a function to inaugurate a new elevator facility in Pune, Oliver Burkhard, a member of the executive board at thyssenkrupp AG, said, "We expect consolidation in the European steel industry for steelmakers to stay afloat. We don't know when and with whom we will close the deal but we are in talks with other European steel companies and the status of a merger with Tata Steel UK is where it was." Burkhard clarified that Tata Steel is just one of the companies that they are in talks with.

A report by Reuters published on Thursday, said analysts raised misgivings over how the ma-



nagement is focusing only on a possible partnership with Tata Steel's UK operations and hasn't prepare an alternative, such as spinning off its operations.

Fear of restructuring and job cuts are already worrying worker unions. Tata Steel managed to gain the confidence of its workers in UK who have come on board with its merger proposal in order to save 8000 jobs. However the obstacles facing the Indian steel company is its massive pen-

sion obligation to British pensioners of 15 billion pounds.

The German steel to submarine manufacturer on Friday inaugurated their multi-purpose facility for elevators in the Chakan industrial area in Pune as it prepares to ride on the wave of urbanisation in the country.

Built at an investment of Rs 360 crore and employing around 200 people, the industrial facility is designed for an initial capacity of manufacturing 6,000 elevator

units, extendable to 10,000 in the next two years. The facility is called a multi-purpose one as it will also have a distribution centre and training facilities apart from the manufacturing of elevators.

Thyssenkrupp currently has a market share of around 7% in the Indian market for elevators which stands at 55,000 units and is valued at Rs 9000 crore. With PM Modi's thrust on the development of smart cities, India is the second largest market for elevators after China and is growing at the fastest clip. The opening of the facility is also a major step in the direction of achieving 95% localisation in manufacturing.

Though the Chakan plant will majorly focus on the Indian market, Thyssenkrupp will be exporting small volumes to Nepal and Bangladesh also.

"India continues to be an important market for us also because all our business verticals are present in the country which is quite unique," Burkhard told media.