

CHINA+1, AN OPPORTUNITY FOR INDIAN FIRMS: WHEELS INDIA MD

Relevant for: Science & Technology | Topic: Indigenization of technology and developing new technology

Srivats Ram

Simmering U.S.-China trade tensions, pandemic-induced supply chain disruptions and China's zero-COVID policy that hit container availability, freight rates and lead times have all converged to spur the 'China+1' strategy for many global companies, said Srivats Ram, managing director, Wheels India.

'China+1' denotes the strategy of having an alternative supplier. "Not only companies in the U.S. but also Europe, which had been sourcing from China, have been forced to look at other locations," he said.

He was speaking to *The Hindu* on global opportunities now open to Indian firms. This presented a 'great' opportunity for the Indian manufacturers in core sectors such as auto and auto components, engineering-related products and chemicals where 'a new world of opportunities' has opened up. Indian firms, which had previously looked primarily at the domestic market for their business, will now have to see exports as a separate business opportunity and invest in exclusive capacity.

"What is encouraging is that manufacturing has been constrained more by supply-related issues than demand-related ones," he pointed out. "If India can quickly scale up capabilities and capacities, I do believe that there will be big opportunities to gain from China + 1 to actually make it an India+1 model in the future."

"Even if growth rates aren't as high as those seen in China in the 1990s and 2000s, there still is a great opportunity for Indian firms in terms of scaling; India could still replicate the China success story," he added.

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