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**INTERVIEW-India's Tata bets on global market for growth.**

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BOMBAY, Dec 9 (Reuters) - India's largest truck and bus maker Tata, riding a dramatic return to profits and fuelled by new global ambitions, expects to see explosive growth starting in 2006, a senior executive said on Tuesday.

Ravi Kant, executive director of the commercial vehicle unit of Tata Motors, said robust domestic demand and Tata's new-found appetite for overseas acquisitions and joint ventures would help position it as a global brand.

Tata Motors plans to increase revenue five-fold from its overseas operations to reach at least a quarter of its total sales by fiscal 2006/2007, supported by the acquisition of a truck manufacturing plant in South Korea and an assembly partnership in China, Kant told Reuters in an interview.

"We are looking at opportunities in China in a big way," he said. A large Tata team is in China scouting for the right partner, he added.

Last month Tata, traditionally an inward-looking vehicle maker that has been content for many decades with modest exports to nearly 70 countries, marked a major shift in ambition and strategy when it announced last month a deal to buy South Korea's Daewoo Commercial Vehicle Co Ltd.

At one stroke the move will put Tata within reach of a higher horsepower range in trucks and give it access to Daewoo's brand and research and design assets - all on the doorstep of huge and growing markets in North Asia.

**FIGHTING THE BOOM AND BUST CYCLE**

"This is a mindset change not only in Tata Motors but the entire Indian automobile industry," said Kant.

Elsewhere, Tata will focus on a dozen core markets and build what he described as "emotional" links with local partners by shipping completely knocked-down and semi-knocked-down truck and bus chassis and using local expertise to build bodies.

Under Kant, Tata is looking to break out of the usual three-year boom and bust cycle in truck demand.

That vulnerability drove Tata to a net loss of 5.0 billion rupees (\$110 million) for the year to end-March 2001, one of the country's biggest ever.

The red ink was not helped by lukewarm sales of its Indica hatchback, India's first home-grown car launched in 1999.

Two years later, Tata made a dramatic turnaround to profitability for the year to March 2003, helped by a more popular version of the Indica and by booming truck sales. A huge central government project to build state-of-the-art highways across the country also fed demand.

The rebound has lifted shares of Tata Motors by 159 percent since January 2003, outpacing a 51.9 percent gain by the benchmark 30-share Bombay index.

**FERRYING MORE AND MORE OF A BILLION INDIANS**





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"We are seeing an explosive growth in movement of people after the connectivity of roads," said Kant. "In six months' time we should be able to introduce a whole range of Tata buses."

India's \$14 billion National Highway Development Project to widen two-lane roads to four or six lanes, has already been a tonic for the economy, which is expected to grow at a scorching seven percent in 2003/2004. The roads are soaking up over three million tonnes of cement and some 300,000 tonnes of steel a year.

Tata Motors, set up in 1945, is also gearing up to meet demand for more powerful trucks as roads become better.

"We are looking at the higher segment because the power to weight ratio is going up," Kant said adding that the company will also be launching a world-class truck, designed by Italy's Stile Bertone, in about three years time.

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