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# 'We created luxe scooter segment'

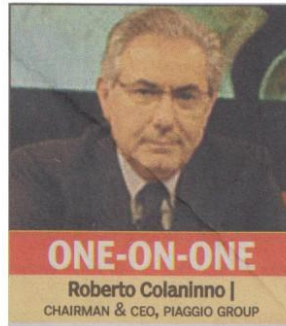
Sharmila Ganesan-Ram | TNN

Vespa, with two relatively successful attempts in the Indian scooter market in the past, seems determined to meld into India once again. It recently whirred its way back in a shiny, youthful form named LX125. Unlike Vespa's previous mass-market-pleasing avatars, this Rs 66,661-worth model is clearly meant for the upper segment. So far, around 5,000 of these scooters have been sold, surpassing the projections of the Piaggio Group.

Roberto Colaninno, chairman and CEO of Piaggio Group, who lives in Mantua in Italy and rides a bicycle, took time off to explain the importance of India's growing two-wheeler market (almost 7 million two-wheelers were sold here last year) and says the country can expect more from the Piaggio stable. Excerpts

## How important is India, in the global expansion strategy of the Piaggio Group?

When we took control of The Piaggio Group in 2003, our In-



dian subsidiary Piaggio Vehicles was key to realizing the potential our Group could develop in Asia. Our first initiative was to expand the production capacity of the three-and four-wheeler factory in Baramati and we have raised commercial vehicle production from 20 vehicles a day in 1999 to a current daily capacity of 1,000 vehicles. From 2003 through December 2011, Piaggio Group investments in India totalled around 10 billion rupees, of which 25% was for the new scooter plant. In April this year, we also inaugurated the new Vespa plant. So in India, we continue to invest and grow.

The Asian market repre-

sents 40% of Piaggio Group's sales and the strategic plan is to raise it to 50% by 2014. Given the market's growth rate and relatively young middle class with good spending power, operating in Asia is not just a matter of growth but also survival for a European group such as ours.

## How do you compare the Indian two-wheeler market with that of China?

With an increase of 10.8% with respect to last year, almost 7 million vehicles were sold in India, making it number one in the world. The scooter segment is also growing in India at a double-digit rate. Besides, India's deep connection to the western world, high education levels, knowledge of English and the spread of instruments such as the internet, Facebook and Twitter, make the Indian consumer very discerning.

China, with about 6.3 million vehicles sold, is number two in the world market, but for a Group like ours, focused on scooter production with a high content of style and technology, today's Chinese law makes that market

difficult. Two-wheelers with thermal engines are not allowed to circulate in Chinese cities even if they have low environmental impact. This, for example, excludes products such as Vespa.

## Do you see the Indian scooter market growing?

Absolutely. The fastest growing segment in the Indian two-wheeler market is scooters. With Vespa's entry into the Indian market, we have created a new segment of luxury vehicles in the scooter sector. This will make India one of the global markets where consumers want only the best.

## Are you planning to tap the upper-end motorcycle segment in India?

We have already started by opening the first flagship Aprilia store in Pune. Here, we sell vehicles like the Aprilia RSV4, a 1,000cc V4 that is the road version of the Aprilia motorcycle (the current leader of the Superbike World Championship). Besides Aprilia, we will be bringing the prestigious Moto Guzzi motorcycle brand, established in 1921, to India as well.