What does the future hold for Ford in India?

Ammar Master, Senior Manager, Asia Pacific Vehicle Forecasts

India is proving to be an Achilles’ heel for many global automakers. Without following in the exact footsteps of its American compatriot General Motors, Ford has, nevertheless, significantly wound down its business in what is soon to be the world’s third-largest automotive market by forming a fresh joint venture (JV) with utility-vehicle maker Mahindra & Mahindra.

Ford will transfer its personnel, along with its two vehicle manufacturing facilities – Chennai and Sanand – to the new JV, in which Mahindra will hold a controlling 51% stake. (Further details of the JV have already been covered widely in the public domain).

The shift in Ford’s strategy for India at this particular juncture is no doubt part of its global restructuring programme aimed at saving US$11 billion over the next few years, as it prepares for a future dominated by electrified and Autonomous Vehicles.

So, what are Ford’s future plans?

For starters, the Mahindra-Ford JV intends to launch three new SUVs, beginning with a Ford Midsize model that will utilise a Mahindra platform and powertrain. Shown in our data as the C-SUV, we expect the model to be built on Mahindra’s W2 platform and to roll out by mid-2021. We show the second vehicle as the B-SUV and anticipate its arrival by circa 2022.

Electrified vehicles will also come under the purview of the new JV, which leads us to believe that Mahindra’s EV sedan project will be part of the plan.

Forming a JV with Mahindra – which has no big plans whatsoever for India’s Passenger Car market – points to Ford moving away from the Car market. This, in turn, suggests that the Figo and Figo Aspire Sub-Compact Cars are likely to be phased out when they reach the end of their life cycles.

And while it is heartening to know that Ford has not yet completely given up on India, choosing instead to slash its future costs in the hope of soldiering on in the market, its long-term participation in the sub-continent will hinge entirely on its ability to roll out the right products at the right time – something that it has not succeeded in doing during its decades-long presence in India.

If it were to fail in this endeavour, Ford could very well be the next global automaker to be forced to abandon the Indian market.