

With new products, durables expect robust growth

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CONSUMER durables firms such as Samsung, LG and Bajaj Electricals are expecting robust growth of up to 30 per cent this year compared to a slump in demand in 2011 on the back of good performance in air-conditioners and refrigerators.

"We are looking at a growth of 25-30 in the current year," said Mahesh Krishnan, VP (home appliances), Samsung India.

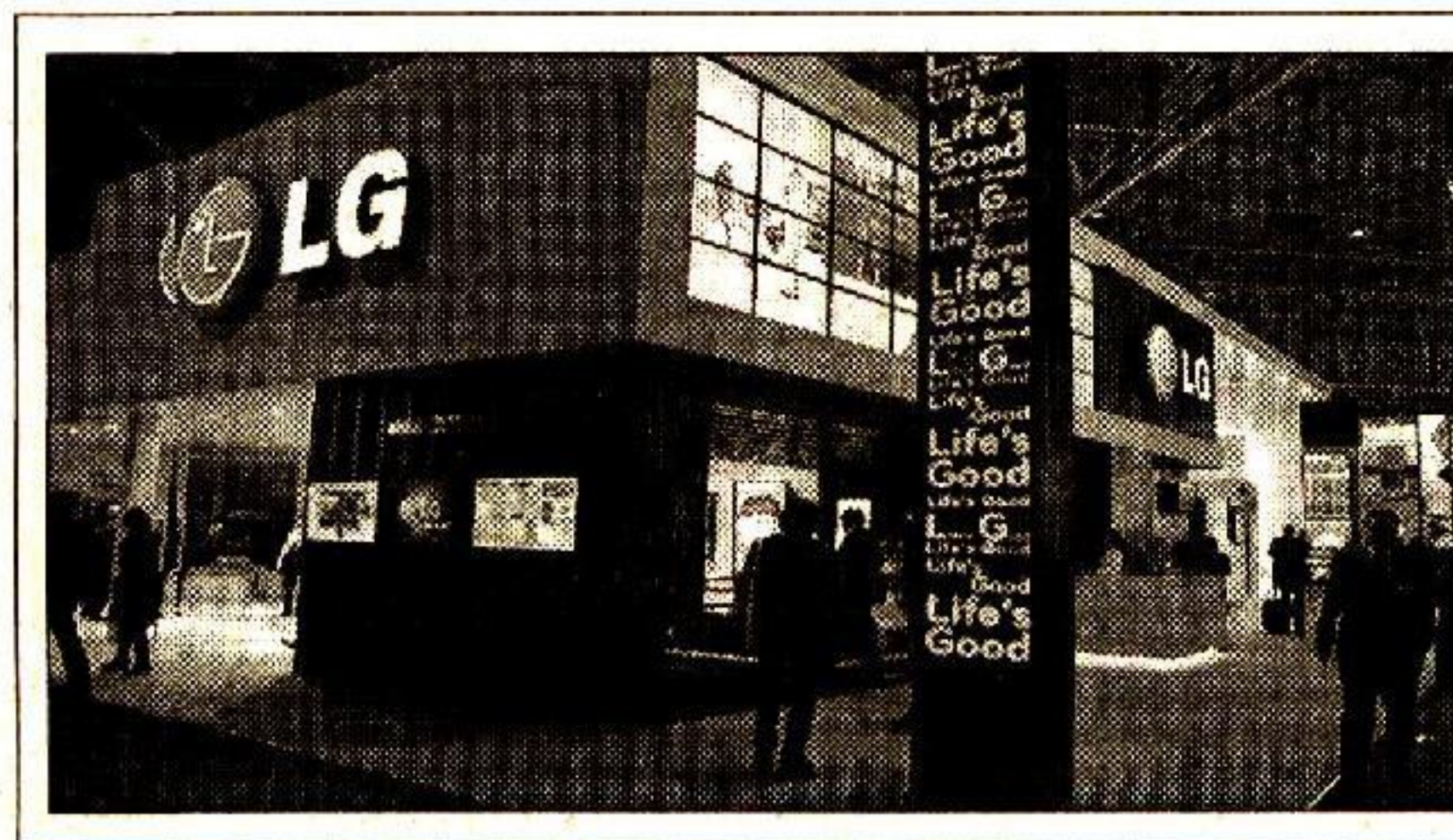
The company that closed 2011 with sales of over Rs 20,000 crore with all round contributions from all the segments, is expecting air-conditioner and refrigerator segments to grow by 8-10 per cent this year, he added.

Similarly, rival LG Electronics India is also confident of posting a good growth this year after the

durables industry witnessing challenges last year due to inflation, dollar appreciation and constant hike in input prices. "In spite of that, LG has grown 15 in its core business of home entertainment and home appliances. We are expecting a growth of around 25 per cent in 2012 over last year," said LK Gupta, vice-president (marketing), LG Electronics India.

Bajaj Electricals, CMD, Shekhar Bajaj said the company saw a growth of about 14 per cent in 2011-12 against a usual 25-30 per cent jump that it has been witnessing for the last 9-10 years. "This financial year, the business is expected to be better and we are hopeful of over 20 per cent growth. We are targetting a total revenue of Rs 3,800 crore in FY'13," Bajaj added.

The company had clocked a revenue of Rs



3,150 crore in 2011-12 compared to Rs 2,765 crore in the previous financial year. The appliances business grew 380 per cent last financial year.

However, another home appliances major Whirlpool said the slowdown in demand that has plagued the industry in the last financial year continues and it does not expect the market to grow at a very high rate in 2012-13. "The past 18

months have been one of the toughest periods for the industry. Against this background, we are looking for a 10-15 per cent growth in 2012-13. In the financial year ending March 2011, our turnover was about Rs 3,200 crore and net profit was Rs 166 crore," said Shantanu Dasgupta, VP (corporate affairs and strategy), Whirlpool India.

In order to meet their growth targets, Samsung,

Heat is on

■ Samsung has launched 39 split AC models, & a frost-free refrigerator range

■ LG has introduced 62 new AC models and 33 new models in refrigerator

■ Whirlpool has launched 160 models across six different categories

LG and Whirlpool have started launching new products. Samsung India has introduced 39 split AC models for this year, while a new frost free range with digital inverter compressor has been launched in the refrigerator segment.

After missing last year's AC sales target due to delayed summer, LG India is optimistic to have promising demand for both AC and refrigerators in 2012. "We

have strengthened our product portfolio by launching 62 new AC models and 33 new models in refrigerator," Gupta said, adding, the company has already seen good growth in the first quarter of this year and is looking to a "good summer".

Whirlpool has recently launched 160 models across six different categories to expand its market presence.

Asked if the recent two per cent hike in excise duty in the Budget will impact the demand, manufacturers expressed mixed views. "No, consumer durables demand will not be hit due to 2-3 per cent minor hike in the prices of durables post-Budget. We are optimistic that there will be good growth in business as the penetration of durables is very low, this means there is a huge scope," LG India's Gupta said.