

# Pioneer Bulk Deal in Cote D'Ivoire Under EXIM BC-NEIA

By Tata Motors | Category: Implemented Innovations

Due to competition from China and Europe, and lack of finance solutions, the company was facing challenges creating a foothold in Africa. Governments were reluctant to procure from OEMs who they felt were interested only in sales. To counter these problems, the team designed an innovative transport solution. The product was customised with 24 changes. A hassle-free finance solution was provided for 12 years, through a Buyers Credit Scheme of EXIM Bank. The company is partnering with the customer in training and smooth operation of the buses to ensure high uptime.



## The Context

In Africa, there is a predominance of European brands - whether new or second hand. Hence, product expectations are set in line with global standards. Under the initiative Abidjan 2020, Cote D'Ivoire Government has undertaken a project to improve its public facilities, infrastructure and the beautification of its Financial Capital, Abidjan by 2020.

The Public Transport and related infrastructure are two very important areas in their overall plans for the city. "Societe de Transporte des Abidjanis" (SOTRA) is the transport organisation in Abidjan providing the public transport. They are under Ministry of Transport in Cote D'Ivoire.



## Overcoming Challenges

### Challenge #1

Bringing government officials to India, to jointly configure the most suited product offering

### Challenge #2

Improper upkeep and the resulting high downtime for the buses



## The Innovation

Generally, local Governments, like in many other African countries lack the ability to maintain their buses, and hence benefit from optimum up time. This is largely on account of their limited know-how of the product, lack of skilled mechanics and spare parts availability. To address this, the team innovated a complete end to end transport solution, which is a first in International Business for Tata Motors. In this deal, the company took care of the training of the mechanics, including hand holding in maintenance for 2 years, and spare parts supplies staggered over 2 years, as and when required, all included in the deal profitability. By supplying 500 buses, 62 fleet maintenance support vehicles to SOTRA: Tata Motors, partnered with the customer in making their public transport project successful. An additional challenge faced was the lack of long term finance for the customer. They looked for longer tenure and cheaper funding.

After careful evaluation with many banks and elimination of traditional modes of finance, the company was able to innovate a first of its kind tie up between EXIM Bank of India and Government of Cote D'Ivoire for Buyers Credit for 12 years. The finance deal was structured in close co-ordination with EXIM Bank and the Government of Cote D'Ivoire, to make it easily executable. To implement this pioneering finance structure, stringent procedures were followed meticulously, as well as several levels of approvals in EXIM Bank were sought. With the first 12 months' positive experience, the customer is in discussion with the company for another lot of 500 buses, and an assembly plant in Abidjan.

