



Pressing for exports

Print equipment manufacturer MGE has opened a factory in India in order to capture a greater share of the market

MG Electric (Colchester) Ltd (MGE) is a small, family-owned company with a large footprint. Based in the South East of England, the company distributes its goods both in the UK and around the world, and recently set up a plant in India to manufacture a range of print products.

Founded in 1946 as a motor manufacturer, the company slowly adapted its product offerings to suit the needs of the time and now manufactures four different product ranges: medical equipment, converting equipment, lubrication pumps and equipment for print presses.

“We have had a presence in India for a few years, selling our line of print products,” says Simon Martin, Technical Director of MGE. “However, it was clear that if we wanted to participate on a larger scale in the Indian market we needed to set up a local presence. Our local customers wanted to see that we had a commitment to the market, and a factory there allows us to demonstrate this.”

Why India

MGE has participated in several print exhibitions in India, where it has met valuable contacts and clients. Five years ago at a major print exhibition, a printing press manufacturer introduced Simon to a local distributor, Satish Chandna. Three years later the introduction paid off, and Satish became MGE’s Indian representative.

After a successful working relationship, the two decided to open a factory to supply the many local press manufacturers. Business in India is conducted largely in English and the legal system is based on the British system, factors which made Simon feel comfortable expanding the company’s investment in the region. In addition, MGE reached out to clients and potential clients and found an enthusiastic response to its opening a permanent presence in the country.

“We were lucky that we found a good partner with whom we wanted to work closely,” says Simon. “Also, the local economy is doing well, which made it easier to consider this big step. Between Satish and myself, our knowledge of the Indian market is very good, and it seemed like a natural choice to open a factory here.”

MGE

Fast facts

Company: MG Electric (Colchester) Ltd \ MGE

Country: UK

Industry: Mechanical and process engineering

Website: www.mgeworldwide.com
and www.mgeindia.com

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Opening day

In the winter of 2008, MGE made its first moves toward opening its factory. Despite most of the set up work being fairly straight forward, there was still the odd bureaucratic hurdle to get over and it was here that UK Trade & Investment, which MGE has known and worked with for many years were able to assist. UK Trade & Investment used its high-level government contacts to help the company secure an import license. It also gave the company a report on India's tax rules and regulatory framework.

In May 2009, MGE opened its India factory on the outskirts of New Delhi. It currently employs four people and has plans to expand to 10 in the coming months.

"Without UK Trade & Investment, getting a hold of the information I needed would have taken longer and cost more," says Simon. "They were able to chase the right people and speed up our move. They have great contacts in the appropriate areas in government, and I plan to stay in close touch with UK Trade & Investment so we can take advantage of their services in the future."

Future plans

MGE has already made its first sales from its new factory and is concentrating on establishing a solid brand in India. In the future, it will look at using the factory to supply other countries in the region.

MGE also plans to explore contract manufacturing for foreign companies that want to manufacture and distribute their goods in India.

"The Indian market is still growing and we are optimistic about our future," says Simon. "For companies considering investing in India, finding a trustworthy business partner is crucial. Then you have to make sure you really understand the local market. Business in India is not a lot different to what we are used to back in the UK, but it is a lot more personal and a good relationship with your clients is absolutely key."

Helping you to do business abroad

Doing business in another country can be a challenge, so it's good to know that UK Trade & Investment is there to help you succeed.

Through a range of unique services, including participation at selected trade fairs, overseas missions and providing bespoke market intelligence, UK Trade & Investment can help you crack foreign markets and quickly get to grips with regulations and business practices overseas.

Through our Passport to Export programme we offer new and inexperienced exporters:

- free capability assessments
- support in visiting potential markets
- mentoring from a local export professional
- free action plans
- customised and subsidised training
- ongoing support once you're up and running

The UK and India

India is the second largest export market in the developing world after China.

India's economy is one of the fastest growing in the world, with a rapidly expanding consumer class. The UK has strong ties with India, and UK companies are well positioned to take advantage of this growing export and investment market.

Liberalisation of the economy continues with trade barriers largely removed and the privatisation programmes are gradually reducing the still-significant role of the public sector in the production and consumption of goods.

UK Trade & Investment is the government organisation that helps UK-based companies succeed in the global economy.

We also help overseas companies bring their high quality investment to the UK's dynamic economy – acknowledged as Europe's best place from which to succeed in global business.

UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world. We provide companies with the tools they require to be competitive on the world stage.

For further information please visit www.uktradeinvest.gov.uk or telephone +44 (0)20 7215 8000

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