

Maruti Suzuki Restarts Riot-Hit Car Plant

The Associated Press

NEW DELHI (AP) — A factory owned by India's largest carmaker, Maruti Suzuki, reopened Tuesday, more than a month after a riot by workers killed a company manager and injured dozens.

Around 500 police and security personnel stood guard as workers lined up to enter Maruti's plant in Manesar, a southwestern suburb of New Delhi.

The plant will produce 150 cars a day — less than 10 percent of its capacity, S. Y. Siddique, a senior Maruti official, told reporters.

The July 18 riot was sparked by a labor dispute that ended with workers attacking managers and setting part of the plant on fire. The company fired 500 workers accused of spearheading the violence.

Analysts say the shutdown was costing the company 1 billion rupees (\$18 million) a day and eroding its market share.

Maruti Suzuki, a subsidiary of Japan's Suzuki Motor Corp., has two car assembly plants in India.

Officials say production will be gradually stepped up at the plant, which has an annual capacity of 550,000 cars.

The conflict between the workers and management stems from the wide gap in the salaries of contract workers, who reportedly earn 6,000 rupees (\$107) a month, and permanent workers, who take home three times as much.

Last week, top company officials announced that it would scrap the practice of hiring contract workers and that the workers currently on temporary contracts would be made permanent. It would begin the process of hiring new workers on a permanent basis on Sept. 2.

The violence at the factory — along with slowing economic growth, lagging reforms and a power failure last month that cut electricity to half the country — have damaged India's efforts to attract major foreign investment.

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