





The Bearing Titans:

Spearheading Dubai's Rise on the Global Bearing Stage!



KG International, a renowned global manufacturer and distributor of automotive and industrial aftermarket products, has made a significant impact in the industry. Established in 1968 and subsequently relocating to Dubai in 1988, the company chose the city as its headquarters, transforming it into a prominent global hub for engineering parts. Though starting as distributors of global brands, KG has become one of the most popular brands in the world catering to 66+ countries with a range of 18000+ items and a 30,000+ sqm distribution hub in Dubai.

In 2022, KG welcomed Karan Gupta as its new Managing Director, who brings a unique approach to serving the industry. We delved into the story behind KG Group, where a commitment to transparency, client-centricity, and continuous excellence has propelled the company towards its goal of becoming a global bearing powerhouse.

According to you what are the key challenges and trends in the bearing industry, and how do you plan to address them?

There are three major challenges bearing companies are facing today:

1. Industry Fragmentation,
2. Market and supply chain volatility,
3. Counterfeiting

The fragmentation within the industry presents considerable challenges in market and account management. This significantly influences the long-term pricing of products and diminishes trust and information quality, stemming from the challenge of crafting targeted messaging. Consequently, meeting the progressively intricate demands of end customers becomes more arduous. At KG, we are actively revamping our global channel strategy and establishing direct footholds in regions characterized by specific market gaps.





Karan Gupta;
Managing Director of KG International

Globally, we are confronted with an exceptionally demanding period marked by macroeconomic challenges that are placing substantial pressure on supply chains and cash flow, thereby imposing significant strain on worldwide operations. Illustrative disruptions include global inflation, the ongoing energy crisis in Europe, lack of currency across Asia and Africa, rampant political instability throughout these regions, currency devaluations, as well as workforce complications in Japan and China, among other challenges.

Finally, combating counterfeiting is escalating due to the global landscape becoming more interconnected, coupled with market fragmentation that involves a growing number of individuals in the counterfeit goods trade. Moreover, production sophistication techniques are making counterfeit detection more difficult. To address this concern within our brand, we are actively working on a comprehensive repackaging initiative. This project involves the integration of GTIN barcodes and anti-counterfeiting QR codes, aimed at effectively mitigating this issue.

Can you provide insights on your product offerings and plans to expand the company's product portfolio to meet evolving customer needs?

KG proudly offers a range of products to cater to all types of market needs

including Bearings, Filters, Gearboxes, Linear Motion products, Truck spare parts and many more. However, we take a different approach to the

— Guarding Every Gallon



— Engineered for Excellence

“supermarket model” and stay laser-focused on promoting a few brands that align with our core beliefs to clearly articulate value to the end customer.

In the truck segment, we have launched 2 new products this year – KG Truck Solutions and KG Filters. Both offerings stand out with competitive differentiation aiming to improve the economic outlook for truck fleet owners. Through these solutions, we focus to provide competitive pricing and robust availability:

KG Truck Solutions: High-quality (P6) bearings with 100% quality checks and test certificate included
KG Filters: Premium media, strong design and packaging with quick ability to customize.

Furthermore, our collaboration with partners has led to the development of new products that address pivotal challenges faced by our customers. For instance, in collaboration with HIFI Filters, we've

engineered the **KG Filtration System** to purify fuel and oil. Given the rising costs and declining quality of these resources, our system serves to cleanse fuel/oil before use, extend its life and protect the engines - our clients' most valuable asset.

Our industry continues to move down the digital transformation value chain. How do you plan to transform, adapt, and thrive in tomorrow's digital world?

KG has gone through significant digital transformations over the last two years. This includes the implementation of a Warehouse Management System to enhance logistics efficiency, the integration of Salesforce for best-in-class customer relationship management, and the migration of our core ERP software to the cloud-based SAP platform. This transition has yielded swifter processing times and facilitated more agile reporting. As we move forward, our focus will be on the development of an E-Commerce framework designed to facilitate both B2B and B2C business models.

What are the biggest challenges you are facing in today's volatile macro-economic climate?

- Strained cash flow due to shortage of currency, high inflation, and rampant currency devaluations
- Supply chain disruption due to European energy crisis and Russia-Ukraine War
- Increased credit risk around the world due to economic activity and political instability
- Inability to transact in USD due to shortages in many countries
- Workforce issues and rising cost – specially in Manufacturing

How do you ensure consistent product quality and customer satisfaction?

KG has one of the most sophisticated quality control protocols, a process that entails multiple thorough checks. These assessments occur at distinct stages: during production (sample checking), post-production (100% checking), and upon arrival at our Dubai distribution hub (sample checking). With dedicated teams situated in India, China, and Dubai, we



— Advanced Filtration Solutions

employ a state-of-the-art mechanism to facilitate these evaluations. This rigorous approach contributes to KG's impressive track record of sustaining a claim rate of less than 5 claims per annum – a benchmark that stands as an industry exemplar. Our substantial investment in maintaining this standard highlights our commitment to excellence.

How do you plan to enhance the company's market presence and competitiveness?

Our forthcoming strategy encompasses 3 key focal points:

- Direct engagement in high-potential markets via acquisitions or organic market entry
- Enhancement of our product spectrum to create more customized solutions and enhance our outreach to end customers
- Deployment of channel diversification strategies to directly target End Users and OEMs, including the utilization of e-commerce platform