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Kobelco facility
in Sri City

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KOBELCO SETTING UP CONSTRUCTION MACHINERY FIRM IN SRI CITY



Tadatoshi Akijihara, Country Head, Kobelco Construction Equipment Machinery India Pvt. Ltd.; Kazuo Karada, Director, and Kotani Shigeto, President & CEO, both Kobelco Construction Machinery, Japan; Vikram Sharma, MD & CEO, Kobelco Construction (India) & Ravindra Sannareddy, Managing Director, Sri City (P) Ltd. on the occasion of the ground-breaking ceremony in Sri City SEZ

SRI City, South India's largest private sector multi-product SEZ and Domestic Tariff Zone (DTZ), on last Monday saw the groundbreaking ceremony of Kobelco Construction Equipment India Private Limited (KCEI), a group company of Kobelco Construction Machinery Company Limited, which is valued at the Rs 11,900 crore Kobe Group, Japan.

The ceremony was presided by Kotani Shigeto, President & CEO, Kobelco Construction Machinery Company (Japan), who was accompa-

nied by a 20-member high-level delegation from the Kobe Group, Japan, and Japanese Consul General Kazuo Minagawa. Located in Sri City's Domestic Tariff Zone, this is Kobe Group's first manufacturing facility in India, which will manufacture earth moving machinery. It will be a state-of-the-art facility producing 20-tonne-class KOBELCO-brand machines renowned for their quality and high performance.

Speaking on the occasion, Kotani Shigeto said, "This will be our first major manufacturing plant in India.

The delegation from Kobe Group companies is happy to be here to be a part of this landmark occasion and assess further opportunities for development."

On completion of the Indian plant, KCEI plans to set up manufacturing facilities at six locations in Japan, China, Thailand and India, besides joint ventures in the US and Italy, he said.

Vikram Sharma, Managing Director & CEO, Kobelco Construction Equipment Machinery India Pvt. Ltd., said, "We expect to start produc-

tion in this plant in January 2011 with an initial production capacity of 1,200 units per year. KCEI will produce 20-tonne class machines, for which demand is the highest. Flexible plant equipment will enable KCEI to also make large machines to meet future demand trends and marketing situations."

Ravindra Sannareddy, Chairman and Managing Director, Sri City, said, "We are happy to host a large delegation of various affiliates of Kobe Group, Japan, which is among the top-league conglomerates in Japan. This is a momentous occasion for us, as KCEI is the first Japanese company to have signed up with Sri City and the first manufacturing Japanese facility in Andhra Pradesh."

"With the establishment of a major industry like earth moving machinery, I hope it will encourage more automotive and engineering companies to set up operations in Sri City," he added.

Currently, Sri City has signed up with 22 top-league companies from India and across the globe. Estimated

KCEI plant to go on stream in January 2011 with an initial production capacity of 1,200 units per year

investments from the current units at Sri City are Rs 1,200 crore. The total estimated investments by the units are expected to be Rs 8,000 crore as per the Demand Assessment Study done by Trammell Crowe Meghraj for Sri City.

—Express Estates