

Kobelco to invest Rs 100 cr more in Sri City

Our Bureau

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Kobelco, the Japanese construction equipment major, which has just begun work on its Rs 50-crore manufacturing unit in the Sri City industrial estate, intends to invest another Rs 100 crore in the second phase of its investment programme, set to begin in 2012.

Kobelco Construction Equipment India Pvt Ltd expects to produce its first 'excavator' machine in January next year from the upcoming facility at Sri City, some 60 km north of Chennai.

Mr Tadahiro Akihara, Director, Kobelco, is confident that the company will sell

1,200 units in the first year of operation, a level of sales that should fetch revenues of \$300 million (Rs 1,374 crore)

By the time the second phase is ready to commence operations, Kobelco India aims to have achieved 70 per cent local content.

Engines, hydraulic pumps and on-board control systems will continue to be brought in from Japan, Mr Akihara said.

A 65-member delegation from Japan visited the Sri City industrial estate on Thursday.

The team has been in Chennai for the last three days, looking for investment opportunities. The visit was organised by the Japanese

Ministry of Economy, Trade and Investment (METI) and Japan External Trade Organisation (JETRO).

The team conducted a study, through Mitsubishi Research Institute, of investment opportunities in infrastructure in Tamil Nadu and Karnataka.

"In order to enhance the feasibility of these (Governments') action plans, we will make a proposal to the Japanese Government, the Government of Tamil Nadu, the Government of Karnataka and the industry," said Dr Lim Poh-Soon, of the Mitsubishi Research Institute, at a recent seminar in Chennai.