

# Kobelco to set up manufacturing plant

Staff Reporter

**TIRUPATI:** Kobelco Construction Machinery Ltd., a group company of Kobe Steel Ltd, announced its ambitious plan to unveil a plant in India to manufacture hydraulic excavators, thus setting in motion the process of a full-scale entry into the rapidly-growing construction equipment market.

The new plant, which incidentally is the group's first manufacturing facility in the country, is coming up in Sri City Domestic Tariff Zone, located in the Satyavedu SEZ in Chittoor district.

The total investment will be to the tune of 900 million yen, including land, buildings and equipment. The plant is

expected to be ready by Jan 2011.

Kobelco's president and CEO Kotani Shigeto, made the announcement while taking part in the ground-breaking ceremony here on Friday. "India's excavator market was approximately 8,500 units for the year ending December 2008. The demand had grown 2.6 fold in the four years ending 2007, although it is roughly one-seventh the size of the Chinese market," he observed.

Sri City MD Ravindra Sannareddy explained the various features of the DTZ and the advantages of setting base here.

Tadahito Akhahara, the company's country head (India) was also present:



**TOWARDS PROGRESS:** Kobelco president and CEO Kotani Shigeto and Sri City SEZ MD Ravindra Sannareddy at the ground-breaking ceremony of the company's manufacturing facility at Satyavedu in Chittoor district on Monday.