

# Kobelco unit to come up in Sri City

## Ground-breaking ceremony held in SEZ.

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JAPAN-based Kobelco Construction Machinery Co Limited is setting up its manufacturing unit in Sri City. The ground-breaking ceremony for the manufacturing unit was held at the Multi-Product Special Economic Zone and Domestic Tariff Zone today. Kobelco Construction is part of Rs 11,900-crore Kobe Steel Group of Japan.

Addressing a media conference, company president and CEO Kotani Shigeto said: "This is our first major manufacturing plant in India. We are satisfied with the infrastructure in Sri City and expect to do a good business."

Kobelco Construction signed a Memorandum of Understanding with Sri City three months ago for setting up of the unit in the SEZ. The construction of the unit will be completed by October. It will start production in January 2011.

"In the first phase, we are investing Rs 50 crore. We will manufacture 20-tonne class hydraulic excavators at the unit. Later on we plan to manufacture 14-tonne class and 35-tonne class earthmoving equipment,"



Kobelco Construction Machinery Co Limited president and CEO Kotani Shigeto (second from left) at a media conference in Sri City on Monday.

Shigeto said.

The plant which employs 95 people, will initially produce 600 units. It plans to achieve the four-digit output in the second phase. "Considering the boom in construction industry in the country, we expect a great demand for our equipment, which is world class," he said.

At present, the company has its marketing office in Noida with a strong dealer and after sales service

network across the country.

Sri City managing director Ravindra Sannareddy said Kobelco was the biggest investor in the SEZ so far. As there are several construction companies in Nellore, Chittoor and Kadapa districts, Kobelco's products will have good demand locally, he said.

A 20-member delegation of the company from Japan and Sri City officials were also present.

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