

Hitachi Automotive Systems to start production from Chennai unit in October [Mint, New Delhi]

April 16--CHENNAI -- Japanese auto parts maker Hitachi Automotive Systems Ltd will start production at its new facility in Tamil Nadu in six months.

The company is investing Rs.313 crore in setting up the unit which will bring it closer to customers located in the automobile industry hub near Chennai, said Kunihiko Ohnuma, chairman and chief executive officer. The facility is coming up on 25 acres at OneHub Industrial Park.

Two products--valve timing control systems and ignition coils--that are manufactured in Japan will be built in the new Chennai unit, said Bradley J Maggart, senior vice president, sales and GM, international sales, and corporate officer, India.

"Yes, we are looking at suppliers who will manufacture these components for us in India as there is a requirement for 90 % localization of components," he added. The new manufacturing unit will also export products to Europe, South-East Asia and Brazil.

Talking about the challenges faced by multinational companies investing in Tamil Nadu, Hitachi Ltd's Asia-Pacific CEO Ichiro Lino said the issues were similar to those in other states--insufficient availability of power and water and logistics support. Chennai's port is an advantage because it helps manufacturers ship their products overseas, he added.

In the last two years, Tamil Nadu's economy has grown at the slowest rate among India's 17 large state. The state's growth rate fell by two-thirds to 4.14 % in 2012-13 from 13.2 % in 2010-11, according to the Central Statistical Organisation.

The Tamil Nadu government is organizing a global investor meet on 23-24 May to attract investment worth Rs.1 trillion.

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