

# Hitachi Automotive opens new plant in Chennai, targets carmakers and exports

AUTO COMPONENTS

by Kiran Bajad Apr 16, 2015

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Hitachi will initially make valve timing control systems and ignition coils at the Chennai plant and later expand its product range.

Hitachi Automotive Systems (India) today inaugurated a new components and systems plant in Chennai. The company has invested around Rs 313 crore to set up the plant, spread across 15,000 square metres, in the integrated industrial park of One Hub Chennai. Construction work on this unit had commenced in July 2013 and was completed within 14 months.

The new plant, which will have 230 employees, is slated to commence production of valve timing control systems (VTCs) and ignition coils in October 2015. Subsequently, the component portfolio will be expanded to include a varied range of products.

A VTC (below left) is a high-performance product that improves fuel economy and engine output performance and reduces exhaust gas emissions. VTCs are engineered to continuously vary the open/close timing of an engine intake and exhaust valves in response to engine rotation speed, temperature, load and other operating conditions.

Similarly, an ignition coil (above right) is an induction coil for producing the high voltage used by a spark plug to generate a spark discharge. As such, it is an indispensable component for engine management.

The all-new facility will focus on catering to the passenger car segment in India and the company is also looking to export its products to key markets including Brazil, ASEAN and Europe.

According to Kunihiro Ohnuma, chairman and CEO, Hitachi Automotive Systems, "In India, we will continue to utilise our global network to expand business and want to accelerate local production for local consumption in order to meet customer needs faster and more effectively."

"The automotive component systems business in India will be strengthened in many areas including car information devices and the repair and aftermarket part business," he added.

To ensure top-notch product quality, global standard production lines will be used to manufacture VTCs and ignition coils. As a product strategy, Hitachi Automotive Systems will supply low-carbon technology products that leverage its strengths in electronic control technology and global R&D.

As regards customer strategy, Hitachi Automotive Systems will focus on new product expansion through cross-selling and global footprint cooperation to acquire new clientele and strengthen its supply chain for supporting global engine platforms. In fiscal 2013, the company's automotive segment revenue accounted for 8 percent of Hitachi's total consolidated revenue of 9.6 trillion yen (Rs 499,200 crore).

"Globally we supply these products to most OEMs including Nissan, Ford, Hyundai and Honda. In India, we have two existing customers and two new customers to begin with," said Bradley Maggart, senior vice-president and GM (International sales division and India business).