

# Nippon Paint to invest Rs 160 cr

**To set up units at Gurgaon, Chennai and boost marketing**

OUR REGIONAL BUREAU  
Chennai, 27 July

**N**ippon Paint, the \$3 billion Japanese paint manufacturer, will invest Rs 160 crore in the country in two years.

The company will set up manufacturing units in Chennai and Gurgaon and boost marketing activities.

It plans to launch products in the decorative paint segment.

Starting from Chennai, the company would expand into other cities in one year.

The launch of its operations in south comes on the back of highest growth recorded by the region, especially in the emulsion segment.

The company proposes to invest Rs 80 crore in south in two years. A major portion of the investment would go in the Chennai unit.

The unit is expected to have a capacity of 20,000 tonne a year, which can be increased to 40,000 tonne a year. Nippon, at present, is in land allotment discussions with the Tamil Nadu gov-

ernment. "India would be 16th country to locate the manufacturing facility of Nippon Paint," said W M Yip, managing director, Nippon Paint India.

In the initial phase, the company will import the products from its units in China, Japan and Malaysia. Domestic manufacturing is expected to commence from the first quarter of 2008. In Gurgaon, the company has already acquired land, but work will start once it finalises its plans in Chennai.

Nippon Paint India will

launch products in the emerging sectors such as interior and exterior emulsions and wood finish segments as these segments were reported to have grown higher than the industry rate.

Ramakanth Akula, vice president (decoratives), said the product prices would be higher by 5-10 per cent in the initial period as it would be importing the products.

However, he feels that the customer would be willing to pay the extra amount as it would be offering products functionally different from

the existing products.

Initially it plans to garner at least 3-4 per cent market share in its segment.

On retail initiatives, Nippon Paint is looking to set up 50 exclusive retail outlets in south India by the end of this year.

Of the total, 10 outlets would come up in Chennai. Exclusive outlets are planned to provide paint shopping experience with a host of value added services.

The size of the decorative paint segment is estimated at about Rs 4,725 crore in the country and last year decorative sector grew by over 16 per cent.