

## Nippon Paints debuts with Chennai launch

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Chennai, July 27: Japanese paint major Nippon Paint (NP) has launched its Indian operations in Chennai. Initially, the operations will be restricted to marketing products manufactured outside India. The company plans to begin manufacturing facilities at Chennai and Gurgaon, Haryana, by the first quarter of 2008. These would together entail an investment of Rs. 160 crore and would each have a production capacity of 20,000 tonnes a year, which is likely to go up to 40,000 tonnes later.

Satoshi Yamamoto, General Manager International, told reporters that India would be the

16th country to have NP manufacturing facilities. The company would be investing Rs. 80 crore in its south Indian operations over the next two years. This would include Hyderabad where it will be launched next.

WM Yip, Managing Director, Nippon Paint India Pvt. Ltd., said the company would set up a chain of exclusive retail outlets across the country. Fifty such outlets are proposed in south India by end of 2006, of which 10 will be in Chennai.

NP will initially tap the decorative paints market, which according to Ramakanth Akula, Vice President Decorative, is worth Rs. 4,725 crore, constituting 75 percent of the organised

segment. This segment accounts for 70 percent of the Rs. 9,000 crore industry standing at 1.05 million tonnes in volume.

Akula said the decorative paints market grew at 16 percent in 2005 with exterior emulsions growing faster than the industry rate and enamels growing slower. He said Nippon's first product launch is in Chennai because south India is a big market with the highest growth rate in exterior emulsions.

NP will introduce 2,000 colours in exterior and interior emulsions besides enamel, wood finishes and special coatings including aerosol spray paints which would be the first for any company in India.