

PRESS NOTE:112

**SPEECH OF HON'BLE DEPUTY CHIEF MINISTER OF
TAMIL NADU Dr. M.K. STALIN**

Facility Inauguration Ceremony of Rieter-Nittoku India Ltd. Chennai

06.10.2010

- **Hon'ble Minister for Labour Thiru. Anbarasan**
- **Thiru Nojima Masahiro Nittoku President**
- **Thiru Akira Sakurai CEO & MD Renault Nissan Automotive India (P) Ltd.**
- **His Excellency Thiru Welti Ambassador of Switzerland to India.**
- **Thiru Kazuo Minagawa Consul General of Japan.**
- **Thiru Wolfgang Drees
CEO-Rieter Automotive Systems**
- **Thiru Rajiv Ranjan Principal Secretary Industries Department
Government of Tamilnadu**
- **Thiru Ralph Ruthner CEO Rieter-Nittoku India Ltd**
- **Distinguished invitees**

Ladies and Gentlemen

Vanakkam and a very Good Morning to all of you.

It gives me immense pleasure to participate in this function and to inaugurate this state of the art facility of Rieter-Nittoku Automotive Sound Proof Products India Ltd.

I have no doubt that Rieter–Nittoku will be successful and carve out a niche for itself in the expanding Indian automotive industry.

As mentioned by Thiru Ralph Ruthner in his welcome speech I have just returned from an investment promotion tour to China and Korea.

The responses received during these visits were nothing short of extraordinary. Several companies in these countries have evinced keen interest in investing in India particularly in Tamilnadu.

With the economic slowdown continuing to haunt the developed nations the robust growth of the Indian economy has led to increased flow of foreign investments into the country. The Government of Tamil Nadu under the able leadership of our beloved Chief Minister Dr.Kalaingar is committed to capitalise on this opportunity and attract a major share of investment flows to Tamilnadu.

Today Tamil Nadu has emerged as the destination of choice for investors. Several independent studies have rated the investment climate in the state highly. It is therefore no surprise that Tamil Nadu has become a major recipient of foreign investments. Tamil Nadu remains as one of top three destinations in attracting FDI in India. The economy of Tamilnadu is relatively more diversified. We are quite strong in industries like textiles leather IT and electronic hardware.

In automotive industry also we are the leader. Tamilnadu's annual output in automotive sector is estimated to be about 3.5 billion US Dollars which is 25 percent of the country's output. Tamilnadu's auto components sector constitutes 35 per cent of India's production.

I am extremely happy to hear all the nice words about the State and our Government from Thiru Ralph Ruthner. It is no wonder that Tamil Nadu is very

often rated as the best choice by global companies. In Tamil Nadu the opportunities are immense.

Today Tamil Nadu has emerged as the largest automobile manufacturing and exporting State in India. Chennai will have an installed capacity to produce 12 lakhs 80 thousand cars and about 3 lakhs 50 thousand commercial vehicles every year. Chennai has also become a major center for the production of large earth moving vehicles.

Over the next quarter century emerging markets will replace the mature markets of America Europe and Japan as the primary driver of sales growth and will account for 69% of industry sales and 87% of vehicle registrations. Over the next 25 years more motor vehicles will be sold than in the entire history of the industry.

The size of the Indian vehicle market is forecast to cross 20 million assuming a consistent GDP growth rate of 6% from the one million plus vehicles sold in 2004. This amounts to a compounded annual growth rate of over 12%. Within the next quarter century India is projected to reach an ownership rate of close to 150 from the current level of 8.

We are determined to ensure that in this growing market we not only retain our position but substantially increase our share. Towards this we have brought out a very innovative policy called “Ultra Mega Policy for Integrated Automobile Projects” offering a very attractive package of support to projects investing more than Rs. 4000 crore. We will also bring out a sector specific policy for automobiles soon.

All this means that companies like Rieter-Nittoku will not only do well but will multiply thrive and prosper. I am sure Ralph is already planning expansion and diversification. Let me assure that in all such efforts you can count on our Government to support you.

Finally let me once again thank Thiru Ralph Ruthner for inviting me to be a part of this function and for asking me to inaugurate this state-of-the-art facility. I wish Rieter-Nittoku every success. I am looking forward to my encounter with the Rieter-Nittoku’s Enthiran the robot.

Nandri.
Vanakkam.

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