

NEC to make mobile network equipment in India - Nikkei

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REUTERS - Japan's NEC Corp plans to start manufacturing mobile phone network devices in India to meet growing demand in emerging nations, the Nikkei business daily said. NEC will build a new plant in Chennai by the end of fiscal 2011 at a cost of around 1 billion yen (\$13 million), the paper reported. NEC is one of the leading makers of microwave radio link devices, which are used to wirelessly connect mobile phone base stations. To guard its strong position in the market amid the soaring yen, NEC has decided to create a low-cost production base overseas, the Nikkei said. The plant is expected to produce about 30,000 units of Pasolink devices a year, or 10-20 percent of NEC's total annual output, the paper said. However, production at the company's Fukushima plant will be maintained at the current level even after the Indian operations kick off, the business daily reported. Initially, the entire output will be sold in India, the biggest market for the products. Exports will be gradually increased over time to other markets like Africa, the Nikkei said. Demand for devices has been growing in emerging countries as they allow for the quick construction of mobile phone networks, the paper said. (\$1 = 76.710 Japanese Yen) (Reporting by Maneesha Tiwari in Bangalore; Editing by Maju Samuel)