Japan to make in India 75% of Chennai metro coaches

New Delhi: In a first, the government has brought Japanese funding agency JICA, on board to ensure that three-fourths of metro rail coaches to be supplied by Japanese companies are manufactured in India. The Japanese firms can either set up their own plants here to produce the coaches or collaborate with Indian firms.

This agreement has been signed with JICA for funding of the second phase of Chennai Metro project. The Japan International Cooperation Agency (JICA) will extend ₹20,006 crore for the 52-km project. This special agreement is being seen as a positive signal for proposing similar arrangement for future Metro and other rail projects to push the ‘Make in India’ initiative.

JICA’s special official development assistance (ODA) for rail and metro rail project specifies that at least 35% of the total value of the contracts financed under the scheme will be accounted for goods from Japan and services provided by Japanese companies. In the case of metro rail projects, it meant procurement of rail coaches.

TOD has learned that after several rounds of meeting between the urban affairs secretary and Japanese ambassador, both sides agreed to push the manufacturing of rolling stock in India for the Chennai Metro project. It was decided that the Japanese would encourage Japanese rolling stock manufacturers to promote assembly in India.