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Thermax sets up Indonesia unit, to enter Asean market

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THERMAX IS EXPANDING its international operations to make up for missing out on growth in the Indian market. This expansion is expected to make up for some of the drop in the Indian business. As part of plans for localisation of manufacturing in international markets, Thermax has opened its new manufacturing facility in Indonesia with an investment of \$25 million.

This plant will tap the Indonesian as well as the ASEAN markets for its products business, Thermax Group chairperson Meher Pudumjee said.

The manufacturing base in Indonesia will benefit from the FTA agreement among ASEAN members and help them to get into markets in Malaysia, Thailand, Laos, Cambodia, Myanmar and the Philippines, she said. Thermax has created an investment hub in Singapore through which it would be investing in these markets.

The core sector in India has been sluggish over the last three to four years, Pudumjee said. There are few orders and a lot of competition, so margins will be under pressure here, she said.

The internationalisation strategy has been in place for the last five years.

In 2013, the share of international business was 26%. It has now gone up to 36% and will go up to 40% in three years, Pudumjee said. Thermax chose Indonesia as it was the single largest market in the region and there was growth, Pudumjee said.