



सत्यमेव जयते

GOVERNMENT OF GUJARAT


Engineering Sector Profile



ibrant
GUJARAT 10-13 Jan
2017

Connecting India to the World | **8th Global Summit**

Engineering India Scenario



Engineering Industry



Engineering

Heavy Engineering

- Textile machinery industry
- Cement machinery industry
- Sugar machinery industry
- Rubber machinery industry
- Material handling equipment industry
- Oil field equipment industry
- Metallurgical industry
- Mining machinery industry
- Dairy machinery industry
- Machine tool industry

Light Engineering

- Rolling Bearing Industry
- Medical and surgical instruments
- Process control instruments
- Industrial fasteners
- Ferrous castings
- Steel forgings
- Seamless steel pipes and tubes
- Electrical resistance welded (ERW) steel pipes and tubes
- Submerged-arc welded (SAW) pipes
- Bicycle industry

Scale of Industry

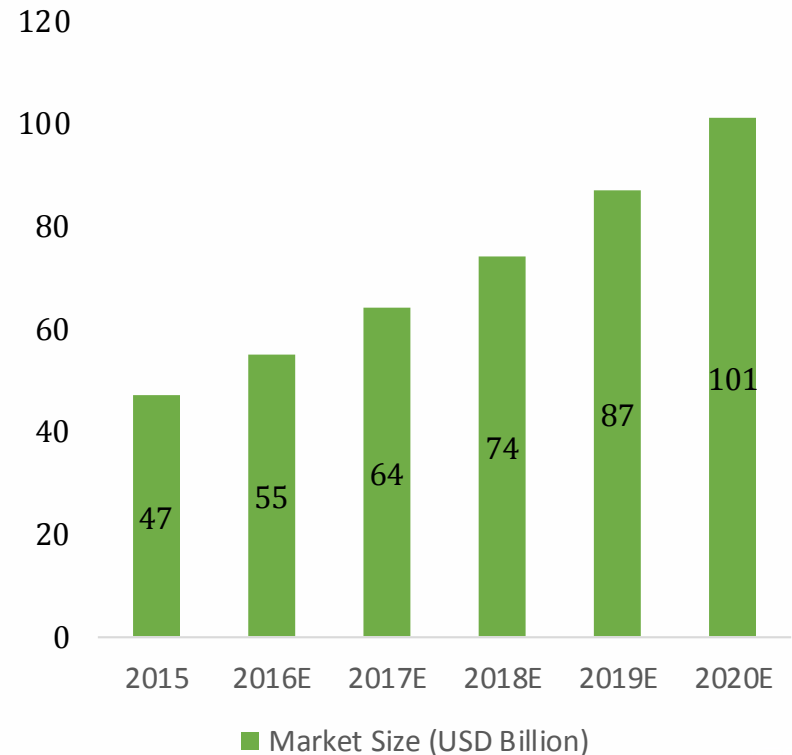
The image features a teal background with the text 'Scale of Industry' in white. Below the text, there are several overlapping, wavy bands of color: yellow, orange, and purple. The bands are layered, with the purple band being the most prominent and extending across the bottom of the frame. The overall design is modern and abstract.

Engineering Industry India Ahead



- Electrical equipment market size forecasted to reach USD100 billion by FY22 from USD21 billion in FY15
- Engineering research & design (ER & D) revenues projected to reach USD45 billion in FY20 from USD19.3 billion in FY15E.
- Construction equipment market projected to reach USD 22.7 billion by FY20 from USD 2.9 billion in FY15

Market Size – Heavy Engineering (USD Billion)

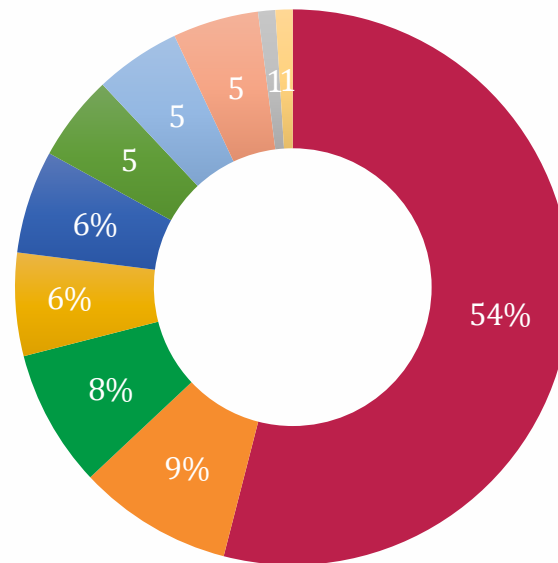


India's engineering industry accounts for 27 per cent of the total factories in the industrial sector and represents 63 per cent of overall foreign collaborations

Indian Heavy Engineering Industry Increasing Revenues



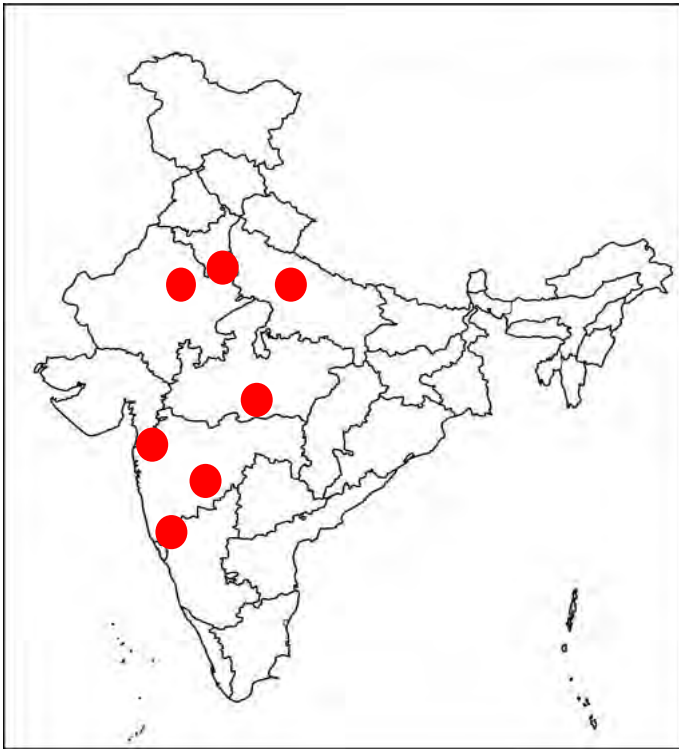
Sector-wise Break-Up by Revenues (FY15)



- Heavy Electrical
- Process Plant
- Earth Moving and Mining
- Textile Machinery
- Printing
- Machine Tools
- Food Processing
- Dies, Moulds and Press Tools
- Metallurgical
- Plastic

Best Suited regions in India for Investment

7 National Investment & Manufacturing Zones under DELHI - MUMBAI INDUSTRIAL CORRIDOR



1. Ahemdabad - Dholera Investment region, Gujarat (Size 900 Sq. Km)
2. Shendra - Bidkin Industrial Park City, Maharashtra (Size 84 sq. Km)
3. Manesar - Bawal Investment Region, Haryana (Size 380 sq. Km)
4. Khushkhera - Bhiwandi - Neemrana Investment Region, Rajasthan (150 sq. Km)
5. Pithampur - Dhar - Mhow Investment Region, Madhya Pradesh (370 sq. Km)
6. Dadri - Noida - Ghaziabad Investment Region, Uttar Pradesh (250 sq. Km)
7. Dighi Port Industrial Area, Maharashtra (230 sq. Km)

Advantages

- Incentives equivalent to SEZs
- Tax exemptions on expenditures incurred acquiring approvals
- Training costs to be treated as R&D costs
- Preference for Government purchases

Foreign Direct Investment

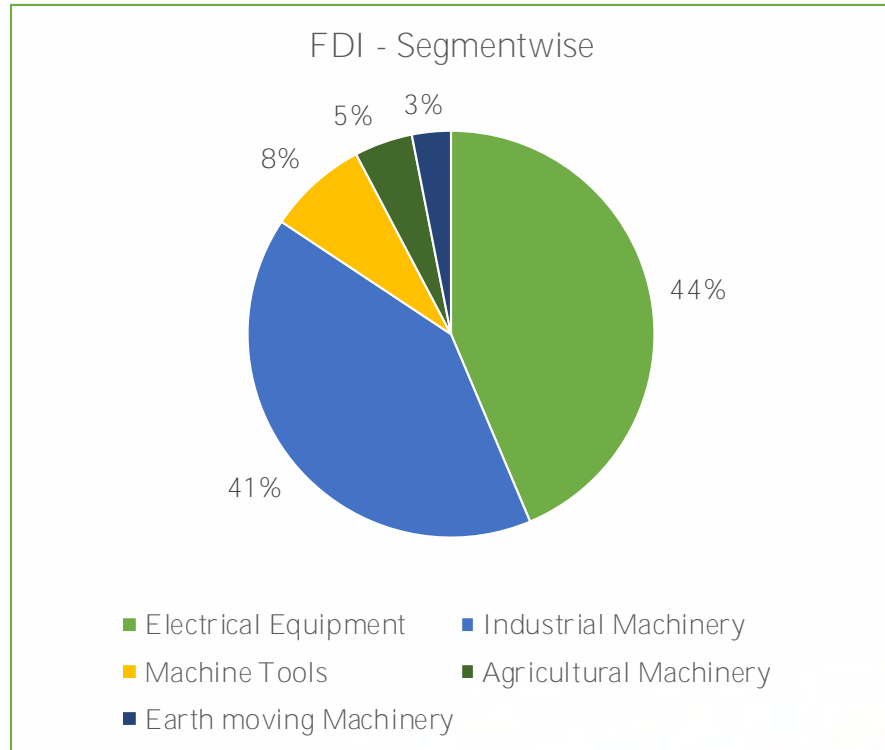
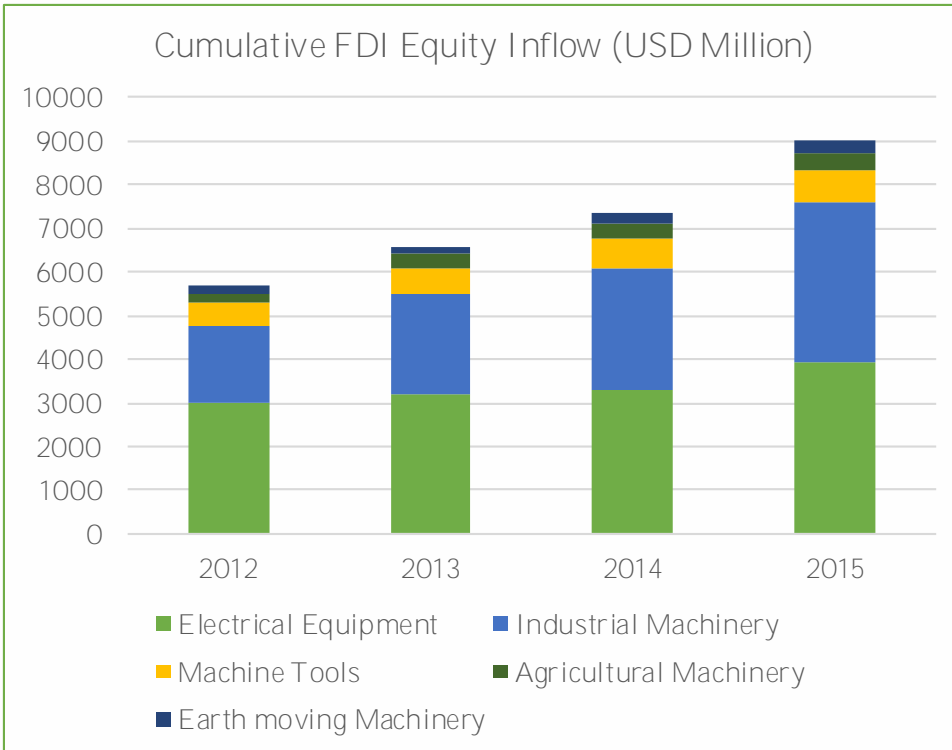
The image features a teal background at the top. Below it, there are several overlapping, wavy, semi-transparent shapes in shades of orange, yellow, and red. A prominent, thick, purple wavy shape curves across the bottom half of the image, starting from the left and extending towards the right. The text 'Foreign Direct Investment' is written in a white, bold, sans-serif font, positioned in the upper left quadrant of the teal area.

Rise in Foreign investment into the sector



FDI CAGR of 17% over the past 3 years in Industrial Equipment & Machinery

Most of FDI attracted by Electrical Equipment and Machine Tools



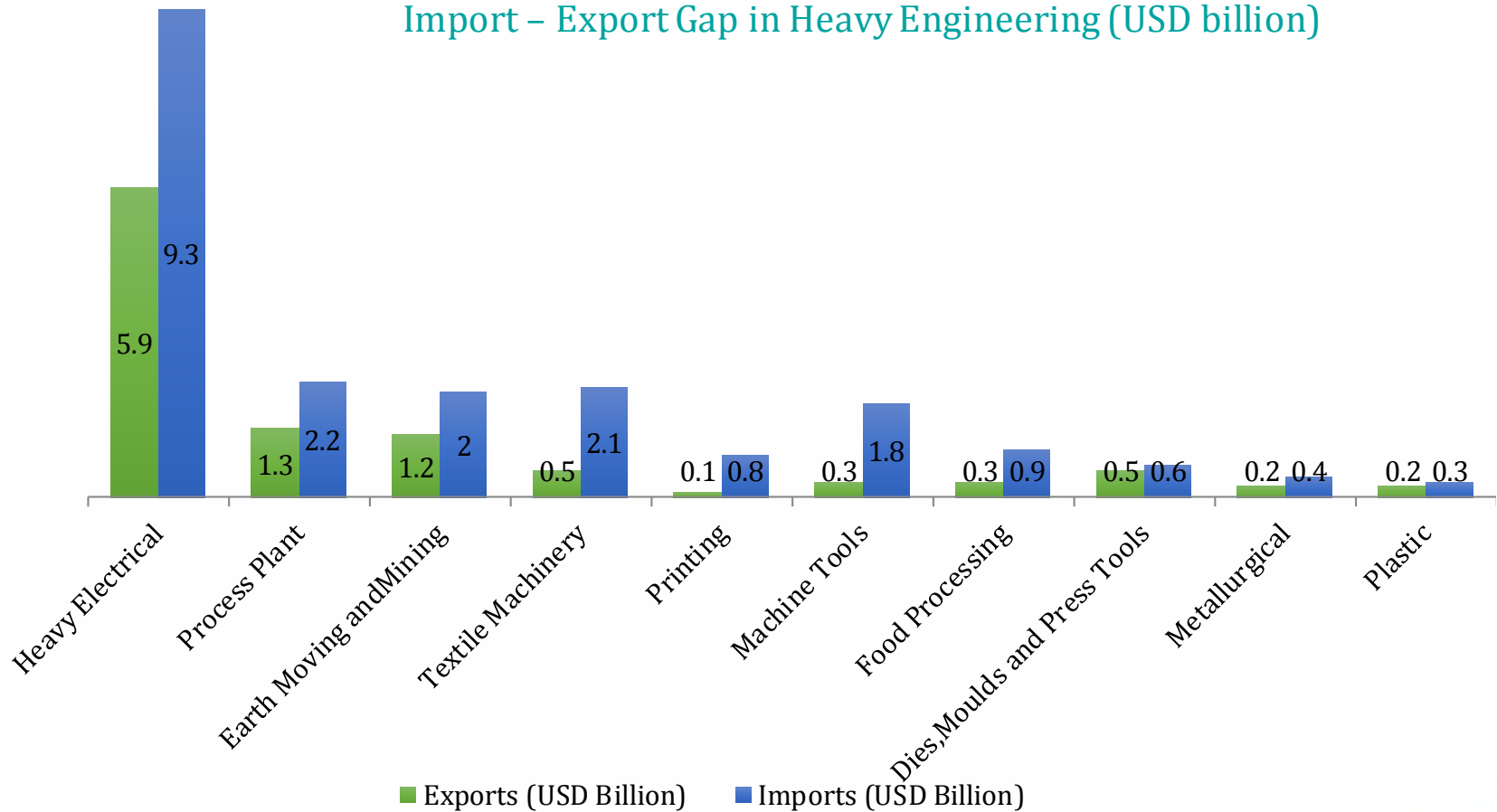
Source: DIPP

Opportunities

The image features a teal background at the top and a white foreground at the bottom. A wavy, multi-colored band separates the two, consisting of overlapping layers of yellow, orange, and purple. The word "Opportunities" is written in white, serif font on the teal background.

Import Export Gaps to be filled Opportunities

Import – Export Gap in Heavy Engineering (USD billion)



Huge Export – Import Gaps are evident of vast opportunities that the sector possesses

Engineering Gujarat Scenario

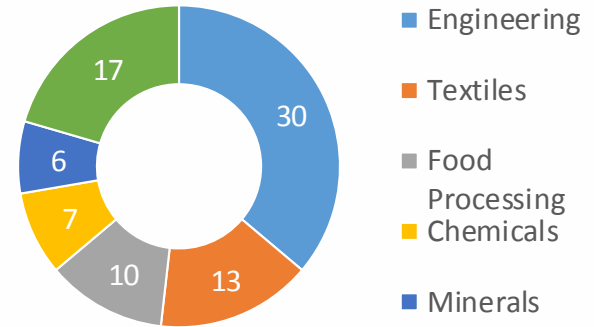
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Engineering SME Clusters

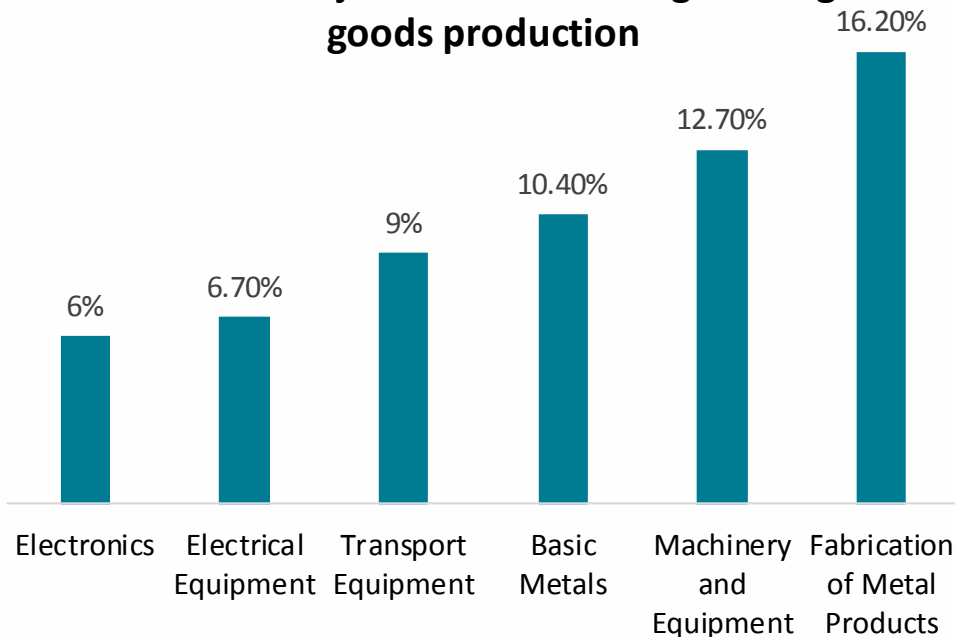


- Engineering sector of Gujarat contributes around **18%** to **state's total industrial production** and around **9%** to the **national engineering output**.
- Engineering sector in Gujarat comprises more than **300 units** in **large sector** and **75,00 units** in small and medium (SMEs) enterprises.

Industrial Clusters



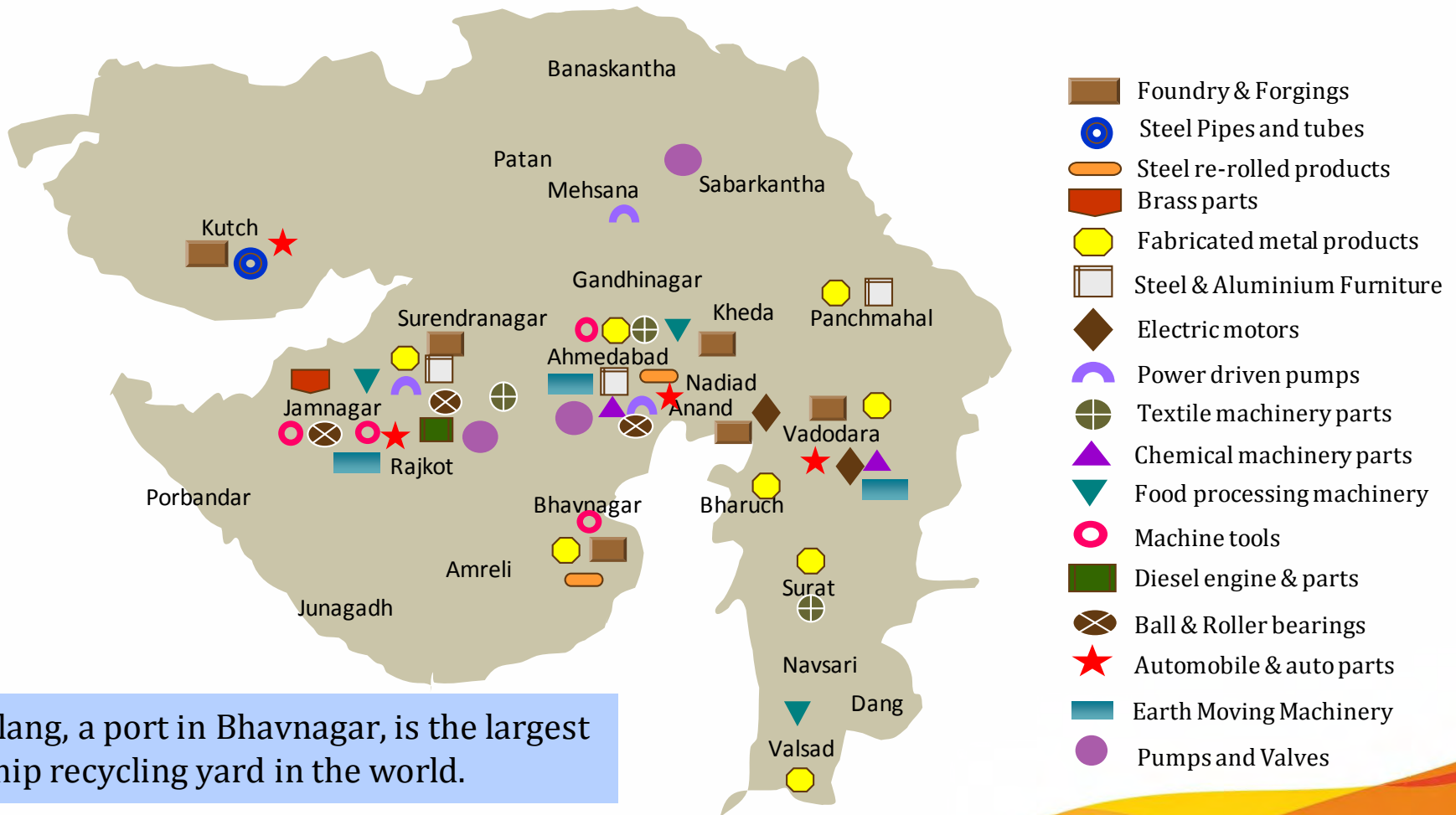
Share of Gujarat in national engineering goods production



- The small-scale industry is a significant contributor to the production of brass parts, foundry, forging and machine tools, oil engines and electric motors, submersible pumps and industrial valves and bearings.
- Gujarat houses **83 product clusters**; out of which **30 are engineering product clusters**.
- The **brass parts cluster at Jamnagar** has over 5,000 small units and meets almost **70% of the entire requirement for brass parts in India**.

Engineering SME Clusters

The Engineering SME cluster of Gujarat is mainly concentrated at Ahmedabad, Anand, Rajkot, Vadodara, Surendranagar, Jamnagar, Mehsana, Panchmahal and Kutch



Alang, a port in Bhavnagar, is the largest ship recycling yard in the world.

Heavy Engineering : Gujarat Scenario

Heavy engineering

Heavy electrical

Heavy engineering and machine tools

Automotive

- Boilers
- Turbines and generator sets
- Transformers
- Switchgear and control gear

INDUCTOTHERM

transformers & rectifiers (india) ltd
AN ISO 9001:2000 COMPANY

THERMAX

- Textile machinery
- Ceramic machinery
- Sugar machinery
- Rubber machinery
- Material handling equipment
- Oil field equipment
- Metallurgical machinery
- Dairy machinery
- Earth moving and construction machinery
- Agricultural machinery

SOMANY

ESSAR



- Passenger and utility vehicles
- Auto components and auto ancillaries

TATA
MOTORS



ATUL

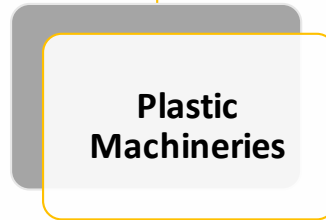
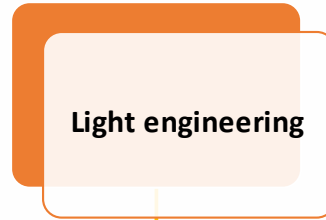
MARUTI SUZUKI

Way of Life!

Rexroth
Bosch Group



Light Engineering : Gujarat Scenario



- Roller bearings
- Welding equipment and consumables
- Casting and forging
- Pipes and tubes
- Fasteners



- Injection moulding
- Extrusion
- Blow moulding
- Reprocessing
- Extrusion coating



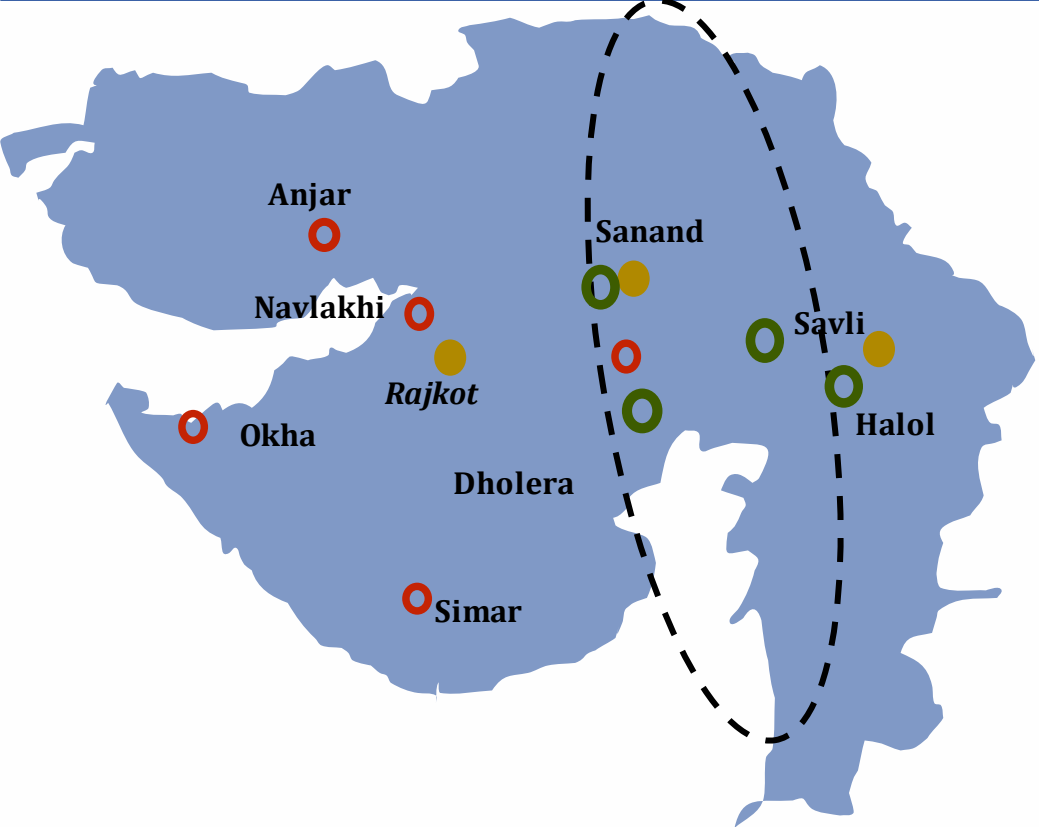
- Medical and surgical instruments
- Process control instruments
- Domestic appliances
- Electronics



Auto and Auto Ancillary Clusters



By 2020, Gujarat aims to achieve 10% of Engineering output from Auto and auto components from current level of 3.7%



| Particular | Symbol |
|--|--------|
| Existing Auto Clusters | ● |
| Emerging auto clusters in SIRs by 2015 | ○ |
| Emerging auto clusters in SIRs by 2020 | ○ |
| DMIC influence area | ⌋ |

The upcoming Special Investment Regions (SIR) will act as global investment destinations, supported by modern infrastructure, premium civic amenities, centers of excellence and proactive policy framework.

Make in India

An initiative by Government of India to encourage multi-national & domestic companies to manufacture their products in India and promote growth of Manufacturing, Infrastructure & Services sectors



Make in India - Incentives



- 5% interest reimbursement & 10% capital subsidy for production of equipment/machines/devices for controlling pollution, reducing energy consumption and water conservation
- A grant of 25% to SMEs for expenditure incurred on audit subject to a maximum of INR 1,00,000
- A 10% one-time capital subsidy for units practicing zero water discharge
- A rebate on water cess for setting up wastewater recycling facilities
- An incentive of INR 2,00,000 for all buildings which obtain a green rating under the IGBC/LEED or GRIHA systems
- Incentives to units set-up in SEZ, NIMZ and EOUs
- Exports incentives like duty drawback, duty exemption/remission schemes, focus products & market schemes etc.
- Areas based incentives like unit set-up in north east region, Jammu & Kashmir, Himachal Pradesh, Uttarakhand
- SMEs will be given access to the patent pool and/or part of reimbursement of technology acquisition costs up to a maximum of Rs. 20 lakh for the purpose of acquiring appropriate technologies up to a maximum of 5 years
- Reimbursement of 50% of technology transfer fee or Rs. 20 lakh (whichever lower)
- Financial support for acquiring of technology/patent – subsidy of 50% or Rs. 20 lakh (whichever lower)
- Subsidy of up to 10% of capital expenditure incurred on new plant and machinery or Rs. 50 lakh

Ease of Doing Business

The image features a teal background at the top, a white background at the bottom, and a series of overlapping, wavy bands in shades of orange, yellow, and purple that separate the two background colors. The text 'Ease of Doing Business' is positioned in the teal area on the left side.

Ease of Doing Business - Initiatives



- **Online application process** for Industrial License & IEM made on 24×7 basis through eBiz portal
- Services of all Central Govt. Departments & Ministries integrated with **eBiz – a single window IT platform for services.**
- **Validity of Industrial license extended** to 3 years
- **New de-licensing & deregulation measures** to reduce complexity, increasing speed & transparency
- States to introduce **self-certification and third party certification** under Boilers Act.
- Major components of Defence products list excluded from industrial licensing*
- Process of obtaining **environmental clearances made online**
- **No distinction between partial and full commencement** of production for all product
- **Colour-coded maps for locations requiring NOC** from the Airports Authority of India hosted online

Gujarat Ranked 1 in Ease of Doing Business 2015



Gujarat achieved the top spot amongst all states in DIPP & World Bank's EODB Index

1st

- Complying with environment procedures

2nd

- Allotment of Land & Construction Permits
- Complying with labor regulations
- Obtaining infrastructure related utilities
- Carrying out inspections

3rd

- Enforcing contracts

National Manufacturing Policy

The image features a teal background at the top, transitioning to a white background at the bottom. A decorative graphic consists of several overlapping, wavy bands of color: a thick purple band at the bottom, followed by a band of orange and red, and a yellow band at the top. The text "National Manufacturing Policy" is centered in the teal area.

National Manufacturing Policy



- The National Manufacturing Policy is a significant policy formulated by the government to facilitate the growth of the manufacturing sector in India.
- Under the policy, the government has planned to set up National Investment and Manufacturing Zones (NIMZ) to bolster the growth of manufacturing activities in India. These zones are expected to be 5,000 hectares in size with at least 30 per cent area earmarked for processing.
- With an aim of accentuating growth in the manufacturing sector, the government would provide 15 per cent exemption on tax to manufacturing companies that invest more than USD18.4 million in plant and machinery over FY15
- The government has eliminated tariff protection on capital goods and has also reduced custom duties on various engineering equipment
- The government has approved a number of SEZs across India for bolstering growth in the sector
- National Manufacturing Policy has been launched by the government with an aim of enhancing the sector's share in GDP to 25 per cent within a decade and creating 100 million jobs by 2022.

Skill India

An initiative by Government of India to train over 40 crore people in India in different skills by 2022

The background features a teal upper section and a white lower section. A decorative graphic of overlapping, wavy bands in shades of orange, yellow, and purple flows across the middle, separating the teal and white areas.

Ease of Doing Business - Initiatives



National Skill Development Mission

- The Mission has been developed to create convergence across sectors and States in terms of skill training activities
- Coordinated efforts from NSDC, NSDA and DGT as a part of National Skill Development Mission

National Policy for Skill Development and Entrepreneurship 2015

- The objective is to meet the challenge of skilling at scale with speed and standard
- An umbrella framework to align all skilling activities across the country to common standards and link the skilling with demand centres

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

- The objective is to enable and mobilize a large number of Indian youth to take up outcome based skill training and become employable and earn their livelihood

Skill Loan Scheme

- The objective is to provide a loan facility to individuals who intend to take up skill development courses as per the Skilling Loan Eligibility Criteria

Infrastructure

The image features a teal background at the top and a white background at the bottom. A wavy, multi-colored band separates the two, consisting of overlapping layers of yellow, orange, and purple. The word "Infrastructure" is written in white, serif font on the teal background.

Infrastructure Development



- Impetus on developing Industrial Corridors
- A new '**National Industrial Corridor Development Authority**' is being created to coordinate, integrate, monitor and supervise development of all Industrial Corridors
- North-eastern part of India planned to be linked with other Industrial corridors in cooperation with Government in Japan
- Approval accorded to 21 Industrial projects under Modified Industrial Infrastructure Up-gradation Scheme
- Approval accorded to 17 National Investment and Manufacturing zones
- New Industrial Clusters for promoting advance practices in manufacturing

FOR ADDITIONAL INFORMATION CONNECT US @

Industries and Mines Department

<http://www.imd-gujarat.gov.in/>

Industries Commissionerate

<http://www.ic.gujarat.gov.in>

iNDEXTb -Industrial Extension Bureau

<http://www.indextb.com>

Gujarat Industrial Development Corporation

<http://www.gidc.gov.in>

Gujarat Infrastructure Development Board

<http://www.gidb.org>



Thank You

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