2 November 2016



Manufacturing ndustry Update

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Manufacturing Industry in India

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.

India's ranking among the world's 10 largest manufacturing countries has improved by three places to sixth position in 2015#.

The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross

Cumulative FDI inflows to the electronics sector (US\$ billion)



Source: Department of Industrial Policy and Promotion; TechSci Research, Notes: FDI – Foreign Direct Investment; * - All figures are from April 2000. September 2015

Domestic Product (GDP) by 2025, from 16 per cent currently. India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's

GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Source: IBEF

Manufacturing Industry—Road ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.42 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the govern-

ment aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Source: IBEF

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Special points of interest:

- Manufacturing IBEF Report
- Top companies in Manufacturing Industry
- Why Advanced Manufacturing Will Boost Productivity
- Crisil Opinion National Manufacturing Policy's targets look unachievable: CRISIL Research

Industry Trends—Whitepapers

Title	Source	Abstract	Link
Why Advanced Manufacturing Will Boost Productivity	Boston Con- sulting Group	For the past few decades, the scramble for competitive advantage in manufacturing has largely revolved around finding new and abundant sources of low-cost labor. But with wages rising rapidly in China and other emerging markets, manufacturers worldwide are under intensifying pressure to gain advantage the old-fashioned way—by improving their productivity.	<u>Click here</u>
The Shifting Economics of Global Manufacturing	Boston Con- sulting Group	For the better part of three decades, a rough, bifurcated conception of the world has driven corporate manufacturing investment and sourcing decisions. Latin America, Eastern Europe, and most of Asia have been viewed as low-cost regions. The U.S., Western Europe, and Japan have been viewed as having high costs.	<u>Click here</u>
Taming manufacturing complexity with advanced analytics	McKinsey	Manufacturers with complex operations often struggle to optimize production. Large chemical makers are a prime example. They face complexity in spades—such as volatile costs and prices, the need to manage multiple plants, and the reality that many products can be made from diverse (and often nonlinear) combinations of inputs.	<u>Click here</u>
Steering IT into the digital manufacturing era	McKinsey	Many companies are embedding sensors in product components and equipment to streamline manufacturing processes, improve yields, and create new business opportunities.1 The digitization of manufacturing, sometimes referred to as Industry 4.0., has begun in earnest, and Mattias Ulbrich, CIO of Audi, has witnessed the shift firsthand.	<u>Click here</u>
Global manu-facturing competi-tiveness index	Deloitte	The 2016 Global manufacturing competitiveness index reveals country rankings and competitiveness drivers through a survey of more than 500 of the world's leading manufacturing CEOs and senior executives.	Click here
2016 industrial manufacturing trends	Strategy &	Given today's leading-edge capabilities, it's reasonable to envision —and prepare for — a data-driven factory of the future where all internal and external activities are connected through the same information platform. Customers, designers, and operators will share information on everything from initial concepts, to installation, to performance feedback throughout the life cycle.	Click here

Crisil Opinion

National Manufacturing Policy's targets look unachievable: CRISIL Research April 2012

CRISIL Research, India's largest independent and integrated research house, believes that the two primary objectives of the National Manufacturing Policy (NMP) announced in November 2011 – raising the share of manufacturing to 25 per cent of GDP and generating 100 million additional jobs in the manufacturing sector by 2021-22 - would be difficult to achieve. According to our estimates, by 2021-22, the manufacturing sector's share in GDP would grow to 17 per cent and this sector can, at best, generate an additional employment of 69 million.

Top companies in Manufacturing Industry (Figures Rs. Million)

Company	Listed/Unlisted	Total Assets	Total Liabilities	Total Operating Revenue	Fiscal Year
Indian Oil Corporation Ltd.	Listed	1,434,140.40	619,203.80	4,239,834.60	2016
Reliance Industries Ltd.	Listed	4,346,560.10	1,830,290.20	3,043,370.00	2016
Tata Motors Ltd.	Listed	1,108,338.70	671,542.80	2,810,784.40	2016
Bharat Petroleum Corporation Ltd.	Listed	617,542.00	307,236.30	2,209,939.60	2016
Hindustan Petroleum Corporation Ltd.	Listed	572,603.80	314,229.50	2,147,199.40	2016
Rajesh Exports Ltd.	Listed	194,845.00	159,834.20	1,652,204.50	2016
Oil And Natural Gas Corporation Ltd.	Listed	2,451,801.90	776,467.30	1,499,498.80	2016
Tata Steel Ltd.	Listed	873,692.10	906,380.90	1,255,440.80	2015

Source: EMIS

Manufacturing Report—India Brand Equity Foundation

 Industry players are upgrading their transmission capacities to the next higher voltage Upgrading technology system of 765 kilovolts (KV) and are gearing up to supply transformers and related equipment of this class · Indian manufacturers are becoming more competitive with respect to their product Increasing R&D designs, manufacturing and testing facilities · Investments in Research & Development (R&D) in the electrical machinery industry are expenditure among the largest in India's corporate sector · Increasing competition in the industry and changing consumer demands have led to new Diversifying product portfolio versions of products being launched in the market Players are entering into strategic alliances and tie-ups with technology suppliers to upgrade capabilities The Government of India is encouraging the adoption of supercritical technology for thermal power plants due to its efficiency and reduced emissions During the 12th Five Year Plan, 60 per cent of the total additional power is expected to be generated using supercritical technology

To get the entire report <u>click here</u>

Manufacturing —News & Deals

News

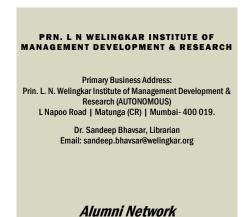
- We need to design in India, too
- Manufacturing growth hits nearly 2year high
- <u>Ultimate aim is to strengthen Indian manu-facturing: Goyal</u>

Deals

- Cisco to kick off manufacturing in India
- <u>Italy-based Bonfiglioli to expand manufacturing capacity in India</u>

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Manufacturing Info-graphics—Click to view the larger image

