

President's Message

Dear Members,

Welcome to the fourth edition of the ICEMA Newsletter. There have been several positive developments over the past quarter and I would like to thank you all for your active participation. As you know, the proposal of Sector Skill Council by the Govt. of India for our industry through NSDC was approved.

We are in the process of forming an organization for this 'Sector Skills Council'. Many ICEMA members have contributed towards developing this important body for skill development and with support of the members the council will spearhead skill development initiatives for the industry.

Also, there is good progress in the Technical Centre for our industry. The Governing Council members and the Technical Committee team has held several meetings with the Department of Heavy Industries on this front.

Over the past few months the association has been actively involved in pursuing policy matters as well as in building international alliances. ICEMA had a strong presence at CONEXPO CON/AGG 2014 and met the leaders of Association of Equipment Manufacturers (AEM) and International Association Council (IAC). ICEMA also made a presentation in the Emerging Market Session on India held during CONEXPO 2014.

ICEMA has been interacting with the Government on a regular basis and recommending deletion of select road construction equipment from duty exempted list notified under Notification No.12/2012-Cus dated 17th March 2012. The Government, in its interim budget, has withdrawn the exemption of CVD on similar imported machinery to encourage domestic production of six specified road construction machinery. With regard to Item No.21 of the duty exempted list, only tunnel excavation and lining equipment are now completely exempted from all duties, whereas for the other equipment like drilling jumbos, loaders, excavators and shotcrete machine, the importer need not pay the basic duty, but has to pay CVD and SAD. Excise duty on construction equipment has been reduced from 12% to 10%.

I would like to acknowledge and appreciate the work done by the Industry – Government Interface Panel and Budget & Taxation Panel. ICEMA would continue to closely work with the new Government on key policy issues.

The industry does hope that a stable Government will take charge at the center which will help turn things around quickly. We will be submitting a memorandum again to the Govt. post elections before the new budget is rolled out.

I hope you enjoy reading this latest issue of the newsletter.

Regards,

Amit Gossain

President, ICEMA

INDUSTRY NEWS

As you may have read in recent reports, the India annual infrastructure sector output growth slowed to 2.5 percent in March 2014 from 7 per cent in March 2013 due to various reasons like political uncertainty, land acquisition, environmental clearances etc however, many projects have fared considerably well even in such uncertain times. The Cabinet Committee on Investment (CCI) chaired by the Prime Minister has certainly speeded up implementation of few large infrastructure projects but we expect lot more momentum in the coming months once clarity emerges on the political front, which hopefully should not be too far away.

Few of the on-going and upcoming big ticket projects:

- National Highways Authority of India (NHAI) intends to award orders for 5,000 km of road through the engineering, procurement and construction (EPC) route
- The ambitious Delhi-Mumbai Industrial Corridor (DMIC) is one of key infrastructure projects in the country. The project will be venture provide more than three million jobs and triple industrial capacity in the area covered
- Industrial Corridors - The comprehensive integrated master plan for development of the Chennai—Bangalore Industrial Corridor will be ready by March 2015. The other two — Bangalore-Mumbai, Amritsar-Kolkata are under various stages of implementation.
- The Airports Authority of India's on-going airport modernisation programme for Kolkata and Chennai airports, at Rs 2,325 crore and Rs 2,015 crore, respectively, will be re-started only after a new government takes office
- Dedicated Freight Corridor projects - 1,100 km, worth over Rs 7,000 crore, are expected to be awarded in 2014.

NSDC approves creation of Sector Skill Council for Construction Equipment Industry

Keeping in view the dearth of skilled manpower to operate and maintain construction equipment, ICEMA had submitted a proposal to the National Skill Development Corporation for setting up a Sector Skill Council.

The proposal was approved in April 2014 and the council has been named ***Earthmoving & Infrastructure Building Equipment Sector Skill Council***.

This newly formed body will be responsible for streamlining and standardizing training, assessment and certification of operators and mechanics of construction equipment.

CONEXPO 2014

CONEXPO CON/AGG, a leading international exhibition on construction equipment and technology, was organized from 4th -8th March, 2014 in Las Vegas, Nevada, USA. ICEMA invited a delegation of Indian construction equipment industry to CONEXPO 2014. The delegation participated in various meetings and deliberations.



Meeting with Association of Equipment Manufacturers (AEM)

During CONEXPO 2014, the Indian delegation met the President and other senior representatives of Association of Equipment Manufacturers' (AEM) to discuss the possible areas of collaboration.

Meeting Highlights:

ICEMA and AEM to conduct a survey on Indian construction equipment industry, business trends and issues of concern

AEM would collaborate with ICEMA to look at key issues of Indian ECE industry and suggest an action plan

A senior representative of AEM would attend one of the ICEMA meetings and brief on their international collaboration and how best they would cooperate with ICEMA on specific area of interests



Indian Delegation met the representatives of Association of Equipment Manufacturers (AEM)

(L-R)

Ms. Shivali Beakta, ICEMA Secretariat; Mr. Amit Gossain, President, ICEMA; Mr. S.G. Roy, ICEMA Secretariat; Mr. Arnold Huerta, Director-Global Business Development, AEM; Mr. Glenville da Silva, Past President, ICEMA; Mr. Anand Sundaresan, Vice President, ICEMA and Mr. V.G. Sakthikumar, COO , Schwing Stetter

Emerging Market Session on India at CONEXPO 2014

Mr. Amit Gossain, President, ICEMA made a presentation in the Emerging Market Session on India, which was organized concurrently with CONEXPO CON/AGG 2014. In his presentation, Mr. Gossain talked about the enormous growth potential of the Indian economy, highlighted the issues and challenges faced by the infrastructure and construction equipment sector as well as ways of mitigating those challenges.

Key points from the presentation:

- India's road network spanning across 4.69 million kms, is the third largest road network in the world. Rural roads share around 95% of the total roads in India
- India is mineral rich country. The rank of major mineral in India : Coal & Lignite 3rd, Iron ore & bauxite 4th , Manganese ore 5th and Bauxite 7th
- Delhi Mumbai Industrial Corridor is one of major projects in India which would include development of 11 region and a large number of Industrial area
- India is the second largest railway network in the world with total route network of 64,000 km



Mr. Amit Gossain, President, ICEMA, presenting at the Emerging Market Session on India at CONEXPO CON/AGG 2014

International Association's Council (IAC) meeting

ICEMA office bearers also attended the International Association Council (IAC) meeting which was organized on the sidelines of CONEXPO 2014. The IAC meeting was also attended by representatives from construction equipment associations of Japan, China, Korea and USA.

Key Points: Discussion on demand forecast survey of construction equipment conducted by the member associations including ICEMA

Members reviewed the survey report and discussed the next steps

INTERIM BUDGET 2014

Some of the key policy issues, represented by ICEMA in its Pre-Budget Memorandum to the Government of India, which have been accepted in the Interim Budget 2014 are-

- The Government in its Interim Budget has imposed CVD and SAD on the imports of construction equipment mentioned in the list of duty exempted items (list 16), notification no. 12/2012 (custom) dated 17/03/2012,
- Only tunnel excavation and lining equipment (item no 21, list 16) have been exempted from paying import duty
- Reduction in excise duty on capital goods from 12% to 10%

Other meetings & forthcoming events

- Met Mr. Rajesh Bhushan, Joint Secretary (RC) -cum- Director General, NRRDA, Ministry of Rural Development to propose jointly organizing an event on opportunities in rural infrastructure
- Met Mr. Ambuj Sharma, Additional Secretary, Department of Heavy Industry to review status of proposed testing facility for construction equipment industry
- Met Mr. Alok Katiyar, Managing Director, Chhattisgarh Infrastructure Development Corporation and Mr. Sunil Mishra, Managing Director, Chhattisgarh State Industrial Development Corporation to evaluate status of infrastructure development and understand opportunities for construction equipment industry in Chhattisgarh
- ICEMA had an interactive session with Mr. Vinnie Mehta, Executive Director, Automotive Component Manufacturers Association (ACMA) in February 2014 to look into the possibility of further expanding world class supplier base for our industry
- **Forthcoming Events**
 - Annual General Meeting & Conference on Rural Infrastructure: July 2014
 - India Infrastructure meet at bCIndia 2014: December 2014
 - International Mining and Machinery Exhibition: December 2014

You may send you suggestions/ queries to-
Ms. Paromita Chatterjee, ICEMA Secretariat
paromita.chatterjee@cii.in / 011-24682229

