

PRESS RELEASE

Cooperation, Coordination and Communication with all stakeholders the need for hour to improve product quality, drive innovation and make the industry globally competitive: Shri Nitin Gadkari, Hon'ble Minister of Road Transport & Highways and MSME urged while releasing the ambitious Vision Plan 2030 of Construction Equipment Industry

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New Delhi, 23 December 2020: "Government of India's ambitious Rs 111 Lakh Crore National Infrastructure Pipeline, which has already been announced and actioned upon, augurs very well for enabling sectors such as the Indian Construction Equipment(CE) industry", stated Shri Nitin Gadkari, Minister of Road Transport & Highways and MSME, Government of India, while unveiling the Indian Construction Equipment Industry Vision Plan 2030 "Building the Nation" through an online platform today.

While congratulating ICEMA for their efforts on creating an action-oriented vision plan for taking the size of CE industry to 3X from the current levels in the next 10 years, Mr. Gadkari stated that the Government is continuously working towards providing world-class infrastructure across the country and urged the Indian Construction Equipment (CE) industry to proactively capture this never-before presented opportunity on the domestic demand front. Mr. Gadkari stressed on the need to work on productivity, cost efficiency and raise production levels within the industry to serve the growing needs of the Infrastructure sector.

Mr. Gadkari emphasized that Product Quality has to be accorded the highest importance. Quality along with cost competitiveness will enable the industry to successfully play in the large global export market for construction equipment. He insisted on the need for driving innovation in the industry such as, actively evaluating alternate fuels and shared several anecdotes on how the Ministry along with NHAI has driven innovation in highways construction. Stressing on enhancing Cooperation, Coordination and Communication among all stakeholders, Mr. Gadkari urged the industry to actively consider partnerships with leading academic and technical institutions such as the IITs and set up research centers to learn from, adapt and accelerate adoption of international best practices and technology.

Mr. Gadkari re-stressed the need to carefully evaluate localization opportunities for both imported equipment as well as components to drive the Atmanirbhar agenda, that the Government has been actively pushing. He further added the need to be innovative on all dimensions of business, especially - evaluate new business models and innovative financing structures which will make the cost of capital lower for the industry. Mr. Gadkari pledged his firm commitment to supporting the interests of the Indian Construction Equipment industry and commended ICEMA and its members on taking the novel initiative of spelling out the Indian CE industry's Vision Plan 2030.

Mr Sandeep Singh, President, ICEMA & Managing Director, Tata Hitachi Construction Equipment Machinery India Pvt Ltd outlined the Vision Plan recommendations that include sustained demand creation ,ensuring a stable operating ecosystem and building a strong foundation for both technology & skilling as the three pillars for growth and development of the industry .He said "with the right kind of Industry - Government partnership we can become the fastest growing and second largest CE Industry in the world".

ICEMA members also took up the issue of sharp increase in steel prices which has adversely impacted the cost competitiveness of OEMs as well as the vendors that are largely MSMEs. This increase in raw material costs is leading to escalation of project costs, therefore there is an urgent need to address this situation. The Hon'ble Minister said he was fully aware of this development and was quite supportive to this request and mentioned that he has brought this issue to the attention of the Hon'ble PM.

ICEMA also requested for inclusion of the CE Industry in the Production Linked Incentive (PLI) scheme which will provide a big boost to the Industry and all its stakeholders. This, together with many other recommendations in the Vision plan will propel India to being the 2nd largest CE market in the world and also the fastest growing in the next ten years.

Mr. Arvind K Garg Immediate Past President, ICEMA & Executive Vice President & Head, Construction & Mining Machinery, Larsen and Toubro Ltd. presented key highlights of the report and Mr. Dimitrov Krishnan, Vice President, ICEMA & Managing Director, Volvo CE India Pvt Ltd. thanked all the members for their inputs and collaboration for putting together this important document for the CE Industry.

ICEMA envisages the Indian construction equipment industry to achieve this vision through an action-oriented 8-point agenda that has been drawn up in consultation with BCG, as part of the Vision Plan 2030. ICEMA will work towards implementing this agenda along with active participation of other key CE industry stakeholders including the Government.