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# INDIAN CONSTRUCTION EQUIPMENT INDUSTRY

## Charting New Horizons

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## INDIAN CE INDUSTRY

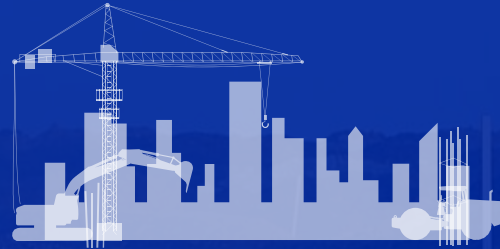
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## ACKNOWLEDGEMENT

# FOREWORD

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# Message



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INVEST INDIA  
NATIONAL INVESTMENT PROMOTION  
& FACILITATION AGENCY

**Mr. V . Vivekanand** (*President, ICEMA*)

*“ As a key enabler of infrastructure development, the Indian CE industry has tremendous growth potential as India heads towards the target GDP of USD 5 trillion powered by a world-class infrastructure. The industry, with a turnover of USD 8.5 billion, is currently the world’s third largest and recorded its highest ever sales crossing 1 lakh mark in 2022-23. It aspires to become the world’s second largest market with a three times growth to become USD 25 billion industry, in line with the Indian CE Industry Vision Plan 2030.*

*The industry is gearing itself to achieve this target with a globally acknowledged product line, a strong presence of more than 50 OEMs from across the globe, and the government’s enhanced focus on infrastructure development, which is the CE industry’s major end-use sector.*

*However, the primary challenges that the industry faces are bottlenecks in investment planning due to limited long-term visibility on the project pipeline; low global competitiveness, and dependence on imports of some critical components.*

*The key growth imperatives for the industry are a long-term project implementation timeline, a PLI scheme to enable the industry attract investment, enhance capacity and competitiveness, and governance of emission norms for off-highway equipment to bring India at par with its global counterparts. With these in place, the industry is confident of emerging as a strong global player in the coming decade.*





# Message



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**Mr. Rajeshwar Burla** (Group Head Corporate Ratings, ICRA Limited)

“The Government of India (GoI) has provided a strong impetus on infrastructure development to help India achieve its vision of a USD 5 trillion economy by 2027-28. As a key enabler for infrastructure development, the Indian CE industry is, therefore, poised for significant growth over the medium term. India has already solidified its position as the third largest CE market in the world (after China and the US) with its excellent performance in FY2023 and with collaborative efforts by all stakeholders, it could become another ‘champion’ sector for our country.

To meet the booming domestic demand, there is an increasing need for modernised and mechanised methods of construction, to ensure timely delivery of projects. The CE industry, therefore, needs to reduce dependence on imports and at the same time build capacities. With a less than 2% share in the global CE trade, exports also offer a significant growth potential. As the developed markets face demand slowdown, global CE OEMs are eager to invest in India. Additionally, changing geo-political dynamics, with the global OEMs looking to diversify their supply chains outside China, present an opportunity for increasing the manufacturing of CE and developing a robust CE component ecosystem in India.

However, elevating domestic CE as a ‘champion’ sector would require efforts on multiple fronts. Today, the industry faces multiple challenges – seasonality as well as cyclicity in demand, import dependence for some critical components, cost disadvantage in terms of key production inputs and gaps in technology adoption and skill development – to name a few. A longer-term pipeline visibility along with a strong monitoring mechanism could aid industry participants plan their investments and scale up operations in India. Moreover, concessions from the GoI like production-linked incentives (PLIs) along with improved governance on emission norms for off-highway could help in further accelerating the growth prospects of the Indian CE industry.





# Message



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**Nivruti Rai** *(Managing Director & CEO, Invest India)*

*“India’s construction equipment industry has emerged as a key player on the global stage, driven by a robust infrastructure development agenda, technological advancements, and a burgeoning economy. This report not only delves into the current landscape of the industry but also provides invaluable insights into the trends, challenges, and opportunities that lie ahead.*

*As we navigate the complexities of a rapidly evolving world, the construction equipment sector stands as a testament to India’s resilience and determination. The industry has played a pivotal role in shaping our infrastructure, contributing significantly to the development of roads, bridges, airports, and urban spaces. It has not only fueled economic growth but also created employment opportunities and stimulated allied sectors.*

*In recent years, we have witnessed a paradigm shift in the industry, marked by innovative technologies, sustainability initiatives, and a focus on efficiency. The report highlights the strides taken by Indian companies in adopting cutting-edge solutions, aligning with global standards, and embracing sustainable practices. This transformation not only enhances the competitiveness of our domestic players but also positions India as a formidable player in the international construction equipment market.*





# Message



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**Nivruti Rai** *(Managing Director & CEO, Invest India)*

*“ Invest India remains steadfast in its commitment to facilitating investments in the construction equipment sector, acting as a bridge between global investors and the vast opportunities that India presents. As the national investment promotion and facilitation agency of the Indian Government, we take immense pride in showcasing the dynamism and potential of the construction equipment sector in our vibrant nation. We are actively engaged in creating an ecosystem conducive to business growth, offering a plethora of services that streamline the investment process and ensure a seamless experience for our valued partners.*

*As we embark on this exciting journey of exploration and innovation within the construction equipment industry, I extend my gratitude to all stakeholders who have contributed to the creation of this insightful report. I am confident that the findings presented here will serve as a valuable resource for investors, policymakers, and industry leaders alike, guiding them towards informed decisions and collaborative efforts for the betterment of the sector.*

*Together, let us continue to build a resilient and thriving construction equipment industry that not only meets the needs of today but also paves the way for a sustainable and prosperous future for India.*

*”*

