



Indian Construction Equipment Manufacturers' Association

SHAPING INDIA'S TOMORROW

ANNUAL SESSION 2024

**CE Industry – Transforming India's Tomorrow
From Vision to Reality – Viksit Bharat @2047**

AUGUST 1, 2024

NEW DELHI

RETROSPECT

CHIEF GUESTS



SHRI NITIN GADKARI
Hon'ble Minister for Road Transport
& Highways (MoRTH)
Government of India



SHRI H D KUMARASWAMY
Hon'ble Minister for Heavy
Industries (MHI) & Steel
Government of India

GUEST OF HONOUR



DR. ARVIND VIRMANI
Member, NITI Aayog

Indian Construction Equipment Manufacturers' Association SHAPING INDIA'S TOMORROW **ANNUAL SESSION 2024**

CE Industry – Transforming India's Tomorrow
From Vision to Reality – Viksit Bharat @2047

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THROUGH THE LENS



BACKGROUND

ICEMA Annual Session 2024, held on 1st August 2024 in New Delhi, was structured around the theme 'CE Industry – Transforming India's Tomorrow: From Vision to Reality – Viksit Bharat @2047'. The theme, thus, announced the thrust of the Indian CE industry on aligning with the Viksit Bharat @2047 mission of the Government.

The event witnessed participation by CEOs, policymakers, senior officials from manufacturers, suppliers, financiers, traders, service providers and other stakeholders in the Indian CE industry. The distinguished speakers and panelists at the well-crafted sessions included representatives from Government and policy think tanks, along with senior leaders from the Indian CE industry.

SESSION 1

GLOBAL AND DOMESTIC ECONOMIC TRENDS: CHARTING THE FUTURE OF INDIA'S JOURNEY TOWARDS 2047

The deliberations on the growth outlook of the Indian economy and the strategies that India would need to pursue to realise vision of a Viksit Bharat by the year 2047 delved into the measures that different segments of the Indian economy, including the manufacturing sector, should adopt to support the Viksit Bharat@2047 vision of the Government.



[L To R]
Dr. Sachchidanand Shukla, Group Chief Economist, Larsen & Toubro Ltd.
Mr. Deepak Shetty, President Designate, ICEMA; CEO & Managing Director, JCB India Ltd
Dr. Arvind Virmani, Hon'ble Member, Niti Aayog
Mr. V. Vivekanand, President, ICEMA; Managing Director, Caterpillar India Pvt. Ltd.
Mr. Jaswinder Bakshi, Vice President, ICEMA; Senior Vice President & Head - CE, CV & Equipment Finance
Tata Capital Financial Services Ltd.

KEY TAKEAWAYS

- ◆ To become a developed nation by 2047, India needs to increase per capita income from US\$ 2400 to US\$ 18000 in the next 25 years. This is possible through increase in real wages, which in turn can be achieved through focused measures for education and skilling. India has vast reserves of unproductive labor that can be trained so that India becomes the global hub for labor-intensive high-tech manufacturing.
- ◆ FDI has traditionally driven the improvement and growth in manufacturing supply chains in labor-intensive countries. Multinational Corporations from developed countries, i.e., USA, UK, Japan, EU and ROK are the source of two-thirds of the world's FDIs. In order to derisk, India needs to sign foreign trade agreements (FTAs) with these countries to access FDIs, technology and lucrative markets, while offering them cost-effective skilled labor, to accelerate mutually advantageous production at the global level.
- ◆ Pragmatic estimates based on historic data trends on purchasing power parity (PPP) show that India will become a middle income country by 2029-30, and a high income one by 2047. Social sector indicators such as per capita GDP, life expectancy, literacy, are expected to improve concomitantly.
- ◆ The infrastructure sector is growing at an impressive rate, but three-fourths of the infrastructure needed for the future – greener, more efficient infrastructure – is yet to be built. This spells tremendous scope for the CE industry to contribute to the Government's vision of Viksit Bharat@2047.

SESSION 2

STRONG, RESILIENT & INNOVATIVE SUPPLY CHAIN ECOSYSTEM: AN IMPERATIVE FOR ACHIEVING CE INDUSTRY VISION@2047

Overseas manufacturing partners of the Indian Construction Equipment industry showcased their readiness and innovative product offerings to support the realisation of CE Industry Vision@2047.



Mr. Kazuya Yoshida
Plant Head – Rinkai Factory,
Kubota Corporation, Japan



Mr. Yash Wadhwa
Assistant Vice President, Industrial Engine Business
Yanmar Engine Manufacturing India Pvt. Ltd.

KEY TAKEAWAYS

- Engines from Kubota are used across a wide spectrum of applications in the CE industry, including excavators, forklifts, loaders, material handlers, road rollers, road pavers, belt loaders and concrete saws, amongst others.
- Kubota Corporation has plans to offer an engine lineup that contributes to carbon neutrality through hybrid solutions, pure engine solutions, and fuel solutions.
- Yanmar Holdings exports 70% of its output to the world's major CE OEMs. Yanmar produces engines and parts in its Chennai factory using 100% Japanese technology and exports to countries across the globe, thus living up to the spirit of Make in India.
- The company has a global service network, with 100 touch-points in India. The company provides training for operators as well as trainers.
- Yanmar is also focusing on localisation of products and providing service by understanding the requirements of the local markets.

SESSION 3

SUSTAINED DEMAND CREATION FOR CONSTRUCTION EQUIPMENT INDUSTRY THROUGH ENHANCING DOMESTIC DEMAND AND EXPORTS

The infrastructure sector, including the Railways, is the most important end-user for the Construction Equipment (CE) industry, driving significant demand for high-tech equipment. The CE industry is committed to supporting the modernisation and expansion of India's infrastructure as it partners the Government in transforming India into Viksit Bharat. The role of reduced logistics cost is critical to enhancing global competitiveness of the Indian industry. This gives added significance to the role of Railways and Highways sectors in providing logistics support to the industry, as well as to bridging trade finance gaps and supporting small manufacturers.

KEY TAKEAWAYS

- Enhancing access of the CE industry's products to the export markets requires reduction in logistics costs and a suitable export environment in which cost and quality competitive products are supported by a favorable tax and duty regime.
- The Government's heavy investment in Railways has the two-fold objective of facilitating a future-ready infrastructure and reducing logistics cost of freight for greater cost competitiveness of Indian goods in export markets.
- Indian Railways plays a pivotal role in providing logistics support to industry, and is the most economical and an environment-friendly mode of transport.
- To ease congestion of routes, three economic corridors – Energy, Minerals and Cement corridor; High Traffic Density Routes; and Rail Sagar or Port Connectivity Corridors – have been proposed over the next ten years as part of PM Gati Shakti Program. In addition, multi-tracking of routes, Gati Shakti terminals, High Speed Rail, several Metro Rail projects in another 17 cities, as well as a number of prestigious projects are underway. These projects will generate enormous requirement for sophisticated construction equipment.

- The Roads and highways sector has equally ambitious plans for expansion and consolidation of its network, which will involve additional demand for state-of-the-art as well as customised construction machinery. MOCI is enhancing old schemes and introducing new ones to open markets, signing FTAs, to meet national aspirations and expand into neighboring regions and other continents.
- India Exim Bank has introduced new mechanisms to enhance financing availability for end customers, particularly for sourcing equipment and machinery in markets like Africa. It is driving innovation and value addition in component manufacturing and supply, with initiatives like the Ubharte Sitare program to support vendors and ease the burden on OEMs. The Bank emphasises the importance of value addition, machine learning, and IoT in these efforts. Additionally, Exim Bank is addressing trade finance gaps by leveraging its experience in over 100 countries. Through its scheme, it supports around 500 supply transactions worth \$1.2 billion across 34 countries, partnering with 80 banks, benefiting 120 Indian companies across 14 states.



[L To R]

Mr. V. G. Sakthikumar, Treasurer, ICEMA;
Chairman & Managing Director, Schwing Stetter India Pvt. Ltd.

Shri Anil Kumar Khandelwal, Member Infrastructure, Railway Board

Dr. Surendra Ahirwar, Joint Secretary – Logistics Division, DPIIT, Ministry of Commerce & Industry

Shri Vimal Anand, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry

Mr. Tarun Sharma, Deputy Managing Director, Export-Import Bank of India

Mr. Anand Sundaresan, Board Member,
Ammann India Pvt. Ltd.

CEO SESSION

INSIGHTS OF INDIAN CE INDUSTRY VISION 2047

The Indian CE industry has embarked on a path of developing its own Vision 2047 roadmap to align its strategies and growth objectives with the Government's Viksit Bharat 2047 Vision Plan. Discussions between CEOs of member OEMs and with the audience centred on how the Indian CE industry should develop its strategies to empower itself to contribute effectively to India's journey towards Viksit Bharat@2047.

The topics discussed included the targets of Viksit Bharat @2047 vision in terms of investments, incomes, sectoral share in GDP and contribution of exports; along with focus areas for achievement of this vision. The session also generated discussions on topics such as Dumping of equipment, FTAs, Sustainability and competitiveness of the Indian CE industry's products, skilling and quality in the MSME sector, significance of AI/ML in the industry and importance of cultural acclimatisation for successful overseas collaboration.



[L To R]

Mr. P Easwaran, Partner, Deloitte

Mr Ramesh Palagiri, Managing Director & CEO, WIRTGEN INDIA Pvt. Ltd.

Mr. Dimitrov Krishnan, Managing Director, Volvo CE India Pvt. Ltd.

Mr. Deepak Shetty, President Designate, ICEMA, CEO & Managing Director, JCB India Ltd.

Mr. V. Vivekanand, President, ICEMA, Managing Director, Caterpillar India Pvt. Ltd.

Mr. Sandeep Singh, Managing Director, Tata Hitachi Construction Machinery Co. Pvt. Ltd.

Mr. Jaideep Shekhar, Managing Director, Terex India Pvt. Ltd.

Mr Shalabh Chaturvedi, Managing Director - India & SAARC, CASE Construction Equipment India Pvt. Ltd.

Mr Moses Eddy, Director, Kobelco Construction Equipment (I) Private Limited

KEY TAKEAWAYS

- Key imperatives for Indian CE industry:
 - Significant investment is required by OEMs to achieve economies of scale and cost efficiency
 - The gap between customer preferences and current offerings needs to be addressed through innovation
 - Ecosystem investments will reduce import dependence for components and raw materials
 - Indian CE industry needs to move into manufacturing of more sophisticated and heavy-duty equipment
 - Leveraging synergy with upcoming sectors such as semiconductors and electronics to reduce costs
- The Indian CE industry is gearing up to put in place the required capacities to meet the growing demand for construction equipment. A policy framework to boost infrastructure initiatives at the level of the states would enable sustained demand for construction equipment well into the future.
- Definitive policy action and incentives are needed from the Government, whether in the form of targeted production linked incentives (PLI) or in other forms, to enhance the industry's ability to partner in the economic growth of the nation.
- The CE industry needs a policy framework to shift the formal-to-informal employment ratio in the industry in order to facilitate improvement in the quality of the industry's workforce.

PLENARY SESSION 1

INTERACTION WITH SHRI H D KUMARASWAMY, Hon'ble Minister of Heavy Industries And Steel

A robust policy and regulatory ecosystem are critical for propelling the growth of the CE Industry, which in turn is essential to facilitate the infrastructure and economic growth of the country. The Ministry of Heavy Industries, being the nodal ministry for the CE industry, has been actively supporting the creation of a conducive policy environment for the industry to nurture its growth. Shri H D Kumaraswamy, Minister of Heavy Industries expressed his commitment to supporting the CE industry with growth-oriented policies in view of the contribution of the industry to the manufacturing sector as well as to infrastructure creation in the country.

KEY TAKEAWAYS

- There is need for the Government to incentivise use of steel from within India by the industry, rather than from Europe and the US.
- The CE industry needs a testing center dedicated to the industry, since currently the industry is sharing ARAI facilities with the automotive sector. The CE industry has collaborated with ARAI to create a report on the matter, which has recently been submitted to the government.
- The CE industry also needs the Government to make skilling of machine operators and technicians mandatory.



[L To R]

Mr. V G Sakthikumar, Treasurer, ICEMA; Chairman & Managing Director, Schwing Stetter (I) Pvt Ltd

Mr. Deepak Shetty, President Designate, ICEMA and CEO & Managing Director, JCB India Ltd.

Shri H. D. Kumaraswamy, Hon'ble Minister of Heavy Industries & Steel, Government of India

Mr. V Vivekanand, President, ICEMA and Managing Director, Caterpillar India Pvt. Ltd.

Ms Seema Gupta, Director General, ICEMA

SHRI H D KUMARASWAMY

Hon'ble Minister for Heavy Industries (MHI) & Steel

"As the nodal ministry for the Construction Equipment industry, I will ensure the support of MHI for the Construction Equipment industry through growth oriented policies. I invite the industry leaders and ICEMA to discuss their issues and requirements with the ministry to find effective solutions.



PLENARY SESSION 2

INTERACTION WITH SHRI NITIN GADKARI, Hon'ble Minister of Road Transport & Highways

As the Road and Highways sector continues to be one of the highest end-users of the Indian Construction Equipment (CE) industry's products, support from the Ministry of Road Transport and Highways (MoRTH) is a critical driver in the growth of the industry. Shri Nitin Gadkari, Minister of Road Transport and Highways, expressed his conviction that the Indian CE industry has the potential to become the world's largest and reiterated his ministry's support to the industry. He laid special emphasis on sustainability and discussed the role of alternate fuels, alternate materials and circular economy in the CE industry of the future.



Shri Nitin Gadkari, Hon'ble Minister for Road Transport & Highways, Government of India with ICEMA Governing Council Members

KEY TAKEAWAYS

- Alternate fuels are especially relevant for the Construction Equipment industry, since construction equipment uses 4000 crore liters of fossil fuels annually.
- The fuel of the future for the Indian economy is Hydrogen. There is enormous thrust by the government for research on manufacture of green hydrogen domestically. As the scale of use increases across the country, the initial high costs of alternate fuel are bound to decline.

SHRI NITIN GADKARI

Hon'ble Minister for Road Transport & Highways (MoRTH)

"The Government is committed to supporting the growth of the Construction Equipment industry. I assure you that the slowdown in awarding of contracts due to the Election Code of Conduct in the initial part of FY25 will be recouped within the next three months.



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Indian Construction Equipment Manufacturers' Association

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SEE YOU AT ICEMA ANNUAL SESSION 2025 THURSDAY, 7TH AUGUST 2025

