



Indian Machine Tool
Manufacturers' Association

MAKE IN INDIA



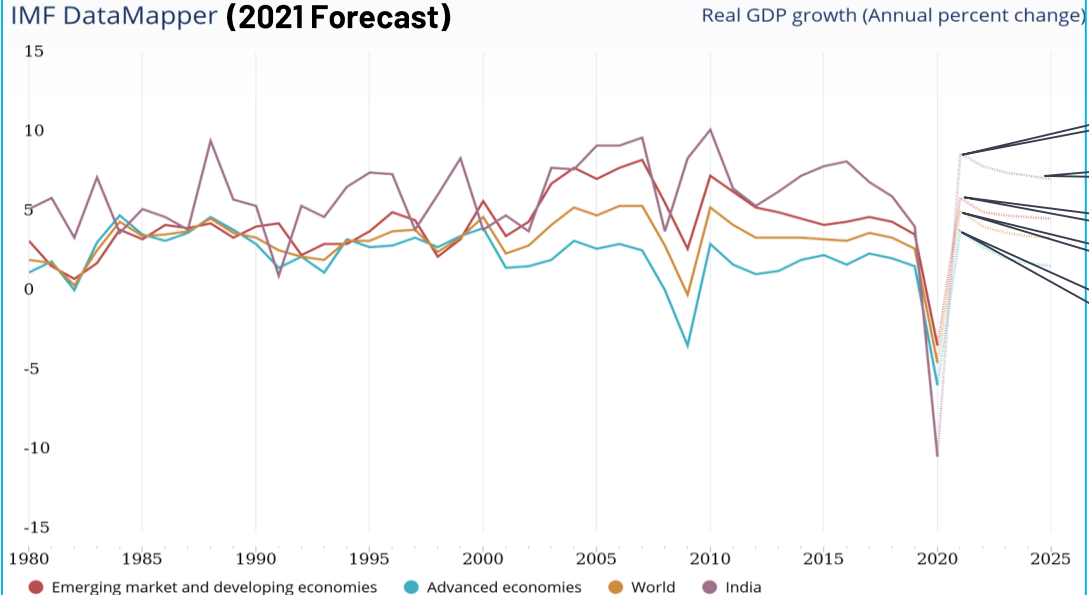
WITH ITALY
INVESTMENT OPPORTUNITIES IN
INDIAN MACHINE TOOL SECTOR



Global GDP & India Outlook



IMF DataMapper (2021 Forecast)



India 11.5%

**India's GDP projected
7.2% @ 2025**

**Emerging Markets
6.3%**

World 5.5%

**Advanced
Economies 4.3%**

Source: IMF (As on Jan 2021)



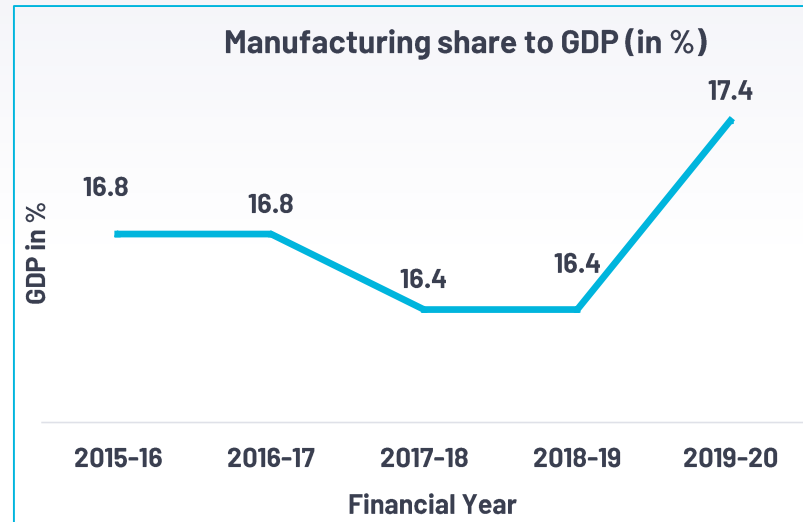
Indian Economy & Manufacturing



55.2% from Services Sector

30.2% from Industry Sector

14.6 % from Agriculture Sector



► **Manufacturing Share in Industry Sector: 17.4%**



Indian Economy and Manufacturing Outlook

India's Vision to become a **\$5 trillion economy by 2025-26**

▶ Targets for the manufacturing sector:

- ▶ Increase manufacturing contribution to India's GDP from **17% to 25% by 2025-26**
- ▶ Give thrust to **"Make-in-India"**
- ▶ Provides machine tool industry an excellent market opportunity to develop, grow and expand

Potential market opportunities

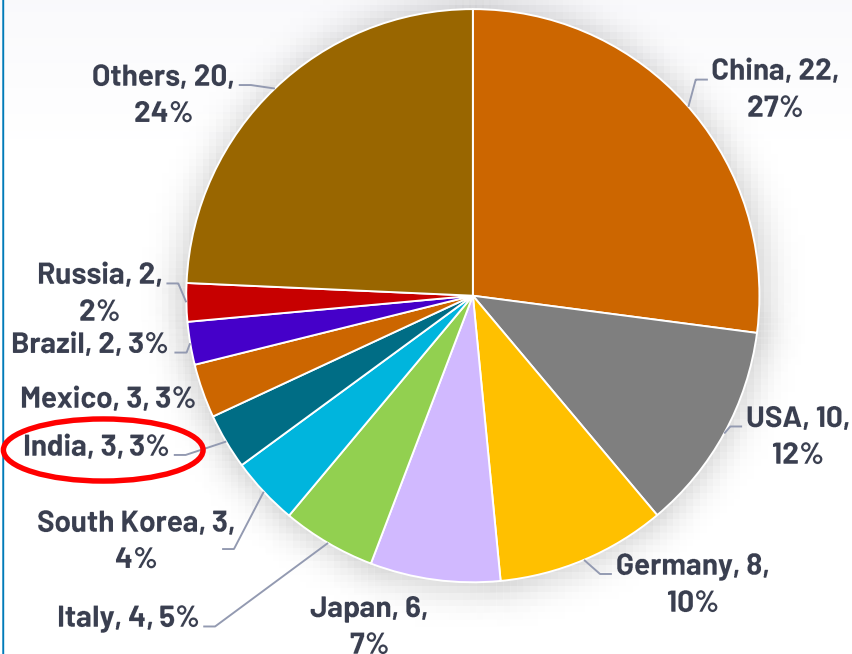
- ▶ Manufacture of **energy, infrastructure equipment**
- ▶ **Defence production** in private sector
- ▶ **Aerospace** particularly in supply of components to global aircraft majors
- ▶ **Medical and instrumentation** sectors
- ▶ **Railways, Auto & General Engineering**

Above sectors typically use large, heavy duty machine tools where Italy is a leader

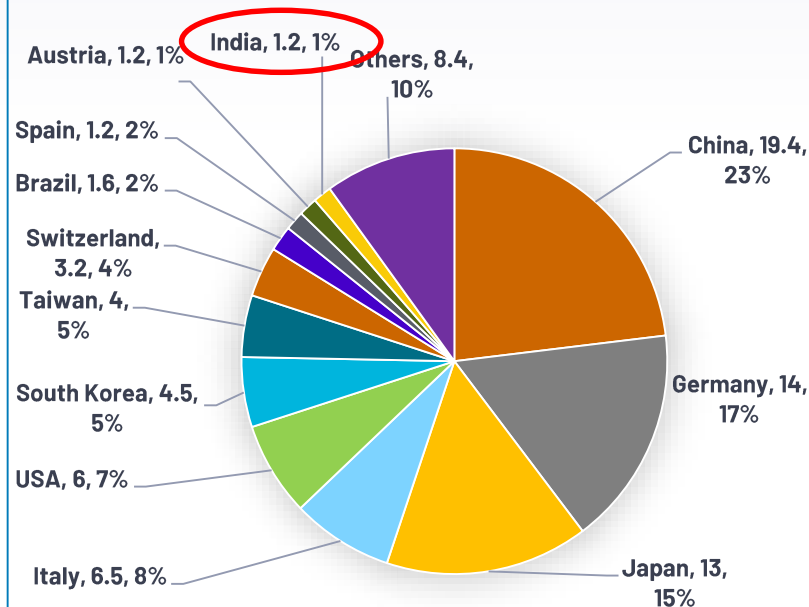
Global Machine Tool Industry

(By Country, Value (in US\$ Bn.) & Share (in %) in CY2019)

Global Consumption



Global Production



Source: Gardner Global Machine Tool Survey Report 2020



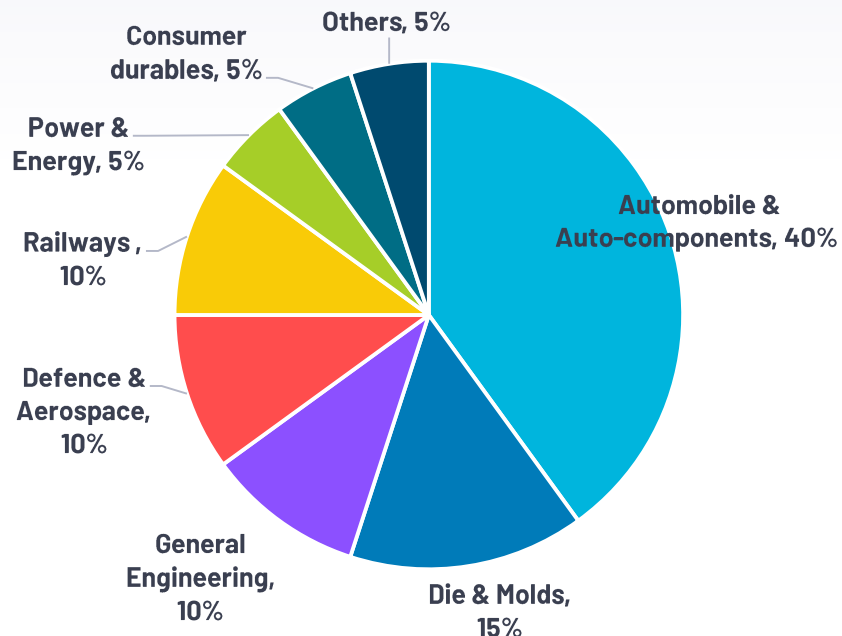
Indian Machine Tool Industry

- ▶ **Consumption: Approx. USD 2.2 Billion**
- ▶ **Domestic Production: Approx. USD 0.86 billion**
- ▶ **Global ranking in 2019***
 - ▶ **7th in consumption**
 - ▶ **12th in production**

With USD 1 Trillion Manufacturing  Machine Tool Consumption: >5 billion USD

*As per the Gardner Research Survey in CY2019

Market segmentation sector wise estimates

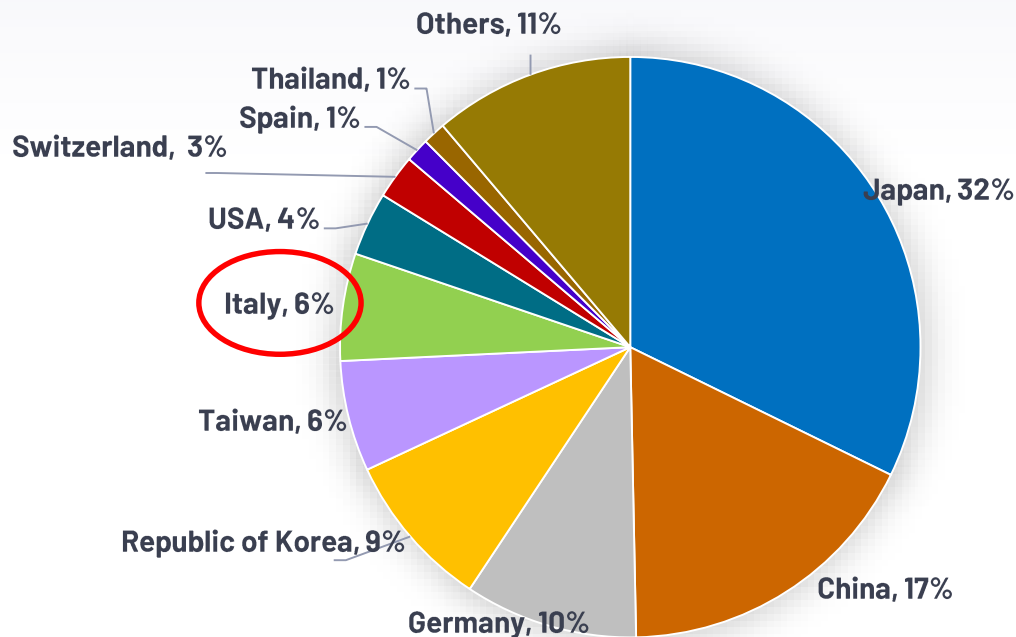


IMTMA Analysis

Top Countries Supplying Machine Tools to India

Machine Tool imports to India

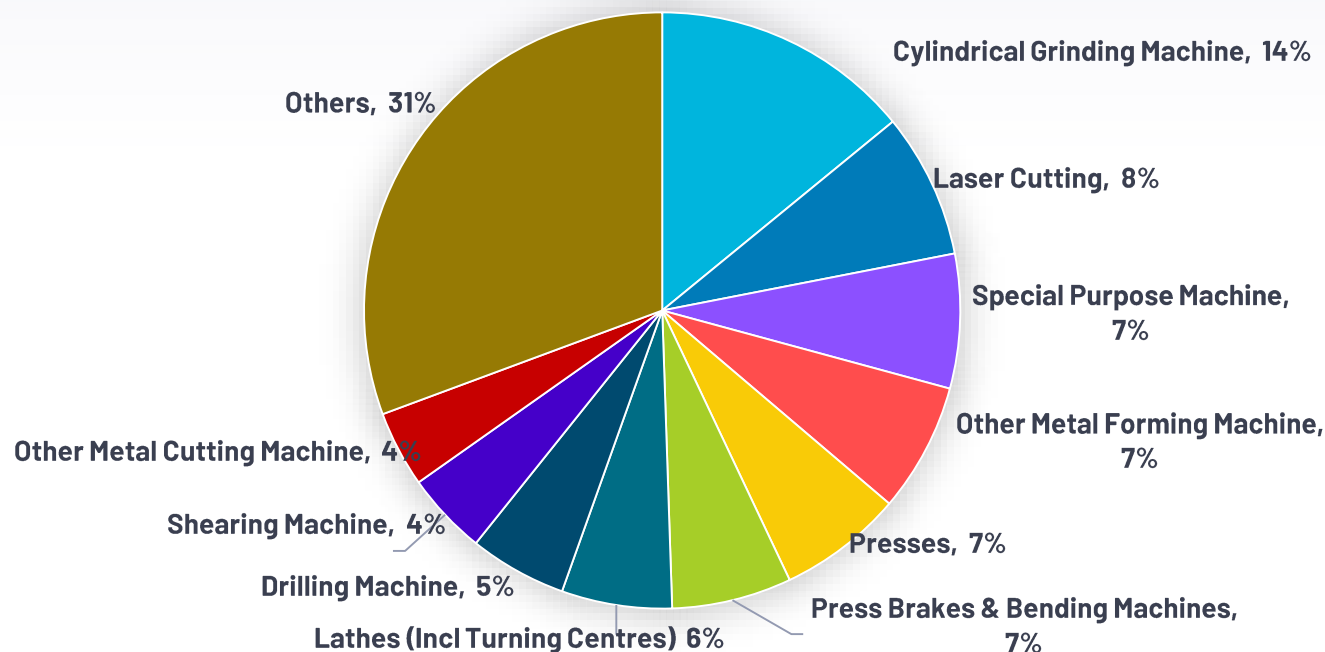
*Top 10 countries in FY2019-20
Total Import value: US\$ 1.4 Bn*



Source: DGCIS

Machine Tools Imported from Italy

Top 10 machine tool segments imported from Italy



(FY2019-20)
(Total Value is US\$ 86 Mn)

Source: DGCIS

Familiarity of Italian Machines in India

- ▶ **Known for heavy duty, large size**
- ▶ **Wide applications in Energy, Defence, Infrastructure production**
- ▶ **Reputation for quality, reliability and precision**
- ▶ **Both metal cutting and metal forming machines from Italy are used by Indian industries**



Market Expectations

Indian Customers Look for

- ▶ Competitive **pricing**
- ▶ Excellent **after-sales-service**
- ▶ Quick **delivery**
- ▶ **High-end Technologies** such as 5/6 Axes, Multi-function MC, Automation, IoT & Industry 4.0

Current Situation

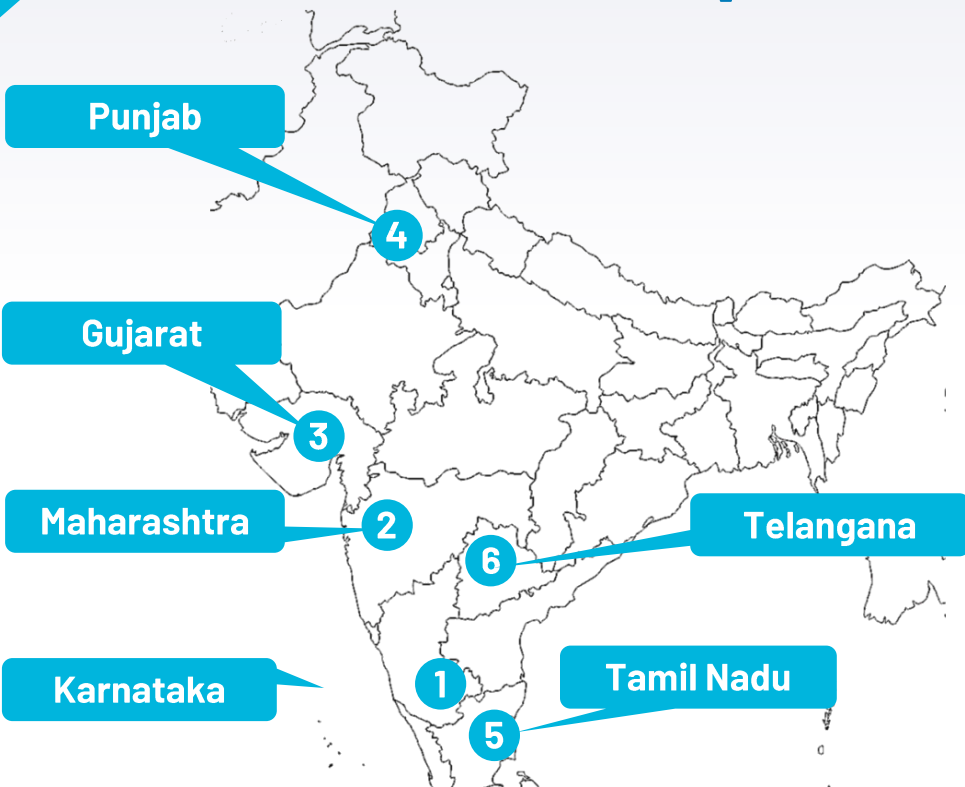
- ▶ Increase in prices of **imported machine tools** due to FE movements
- ▶ **Adverse effect on Rupee**
- ▶ Foreign suppliers to adopt strategies to reduce the effect on the price of the machine tool

Suggested Solution

- ▶ **Invest in India**
Consider manufacturing machines in India
- ▶ **Focus on Partnerships:**
Italian machine tool builders have successfully executed projects jointly with Indian companies in the past



Machine Tools Map of India



Bangalore alone produces around 50-55% of machine tools of India

1. Karnataka	Bangalore
2. Maharashtra	<ul style="list-style-type: none">▶ Mumbai▶ Pune
3. Gujarat	<ul style="list-style-type: none">▶ Ahmedabad▶ Rajkot▶ Baroda▶ Jamnagar
4. Punjab	<ul style="list-style-type: none">▶ Batala▶ Ludhiana▶ Jalandhar
5. Tamil Nadu	<ul style="list-style-type: none">▶ Chennai▶ Coimbatore
6. Telangana	Hyderabad

Special Investment Opportunities- For Global Machine tool companies

- Provides a great ecosystem and opportunity for investment in machine tools manufacturing

Tumakuru Machine Tool Park

India's first machine tool park developed to international standards

530 (214)
Acres (Hectares)

158
Plots

Ready to build
Infrastructure for
investors



Why Tumakuru Machine Tool Park (TMTP) ?

- State-of-the-art Infrastructure with all modern amenities with a cluster of machine tool industries
- Japanese Industrial township spread over 519 acres in proximity
- Proximity to rapidly growing Indian Machine Tool Market
- More than 115 acres already allotted to investors

BFW
BHARAT FRITZ WERNER

YUKEN

AMS

COASTALCHROME
THE CHALLENGERS

PRAGATI
Power to the people

- Availability of highly skilled man-power

Multiple Financial Incentives

Creating favorable economics for investors

Turnover linked subsidies	Capital Expenditure	Pre-setup charges
Investment promotion subsidy of upto 2.25% of annual turnover for 6-10 years with a ceiling of 40-60% Value of Fixed Assets	\$1-1.5 Mn subsidy to anchor industries ²	100% reimbursement of land conversion fee
	50% subsidy on ETP/STP up to \$0.4 Mn	100% reimbursement of stamp duty
	Grant of up to 25%¹ of cost of technology with a ceiling of \$1.3 Mn	0.1% concessional registration charges
Lowest corporate tax rate of 15% for new mfg. companies commencing production before 2023		
Govt. of India	Govt. of Karnataka	

Karnataka offers 10-20% higher incentives than other states

15-20%

of investment size provided as subsidies

Advantages of Investment in TMTP

- ▶ Located close to Bangalore (50 miles)
- ▶ Attractive land price at
(approx. \$ 350,000/hectare)
- ▶ 60-75 minutes drive from Bangalore
(Along Bangalore Mumbai Highway)
- ▶ Close access to customers
- ▶ Reduction in cost due to value addition in India/lesser effect of ER variation



Actual Pictures of TMTP



6 key Offerings From Govt. of Karnataka

For Machine Tool Manufacturers



Strong existing machine tool ecosystem – Home to India's **1st Machine Tool Park (TMTP)**



Largest workforce at the intersection of advanced mfg. building blocks (AI, IoT) and skilled mfg. craftsmanship



Global R&D & Innovation Hub – Home to 400+ MNC R&D centers at the forefront of innovation



Robust connectivity to global and domestic markets with access to International Airports and Sea ports



Offers 10-20% higher subsidies vs. other Indian states for machine tools manufacturing



Policy driven industrial ecosystem, strengthened by **political stability** – ensuring hassle free investment and incentive continuity



IMTMA Recommendations

- ▶ Suggest Italian machine tool builders to invest in India
- ▶ Tumakuru Machine Tool Park ideal place to set up manufacturing units
- ▶ Closer to the customer base
- ▶ Competitive price advantage
- ▶ Market expansion opportunities for Italian machine tools manufacturers

**IMTMA will be happy to guide foreign companies
in setting up manufacturing units in TMTP**



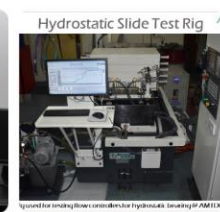
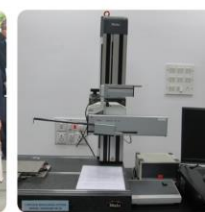
IMTMA

- ▶ Constituted in **1946**
- ▶ **Single point of contact** of the machine tool industry in the country
- ▶ Represents over **90%** of organised machine tool and allied equipment manufacturers in India.
- ▶ Membership of over **460 companies** from both, public and private enterprises



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Manufacturers' Association

Association Activities



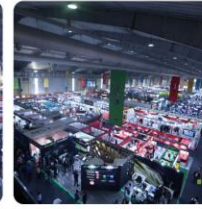
Training



Mega Events



Trade Fairs



BIEC



IMTMA Welcomes You To



17 - 23 June 2021, Bengaluru

- ▶ IMTEX Held since 1969 (50 Years history)
- ▶ Separate show for Metal Cutting & Metal Forming
- ▶ Metal Cutting show held every odd year and Metal Forming every even year
- ▶ Tooltech held concurrent with IMTEX & IMTEX FORMING

Next Edition of



20 - 25 January 2022, Bengaluru



THANKS!

Any queries?

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