

INDIAN ENGINEERING

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CONSTRUCTION SECTOR IN INDIA

Construction sector plays a pivotal role in the economic growth of a nation, especially in an emerging one like India. The market size of Indian construction industry is around Rs 248,000 crore (\$37.6 billion) and it currently employs a workforce of nearly 32 million, the second largest sector after agriculture.

Linkage with the development of other sectors:

The construction sector generates substantial employment and provides growth impetus to several sub-sectors of manufacturing like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles, etc. whose combined value is Rs 192,000 crore (\$29 billion) annually. The construction equipment market is valued at Rs 105,000 crore (\$16 billion). It is roughly estimated that 40–45 per cent of steel; 85 per cent of paint; 65–70 per cent of glass and significant portions of the output from automotive, mining and excavation equipment industries are used in the construction industry.

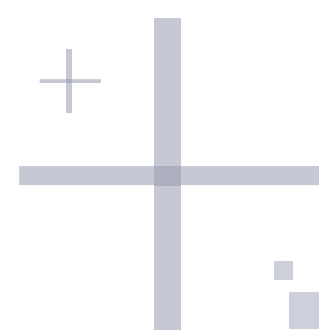
Growth of construction industry and its share in total output:

The construction sector in India is the second largest contributor to the GDP. The contribution of this sector to GDP was averaged at around 7.5 per cent between 2009-10 and 2013-14, but with the shift of National Income Accounting to gross value added (GVA) based measures, its share increased to an average of 8.6 per cent during the last four fiscals ended 2014-15.



Construction Equipment – Positive Outlook

- During 2015, construction industry grew by 2-3 per cent and hit volumes of 48,000 units. By 2018, the industry is expected to hit volumes of 74,000 units.
- The construction industry is an important sector with its contribution of 10 per cent to India's GDP.
- In India, the sector accounts for second highest inflow of FDI after the services sector and employs more than 35 million people.
- Around 100 Smart Cities and 500 AMRUT Cities will invite investment of Rs 2 trillion in the next five years.
- Apart from the Smart Cities project, the Government's 'Housing for All by 2022' is also a major game changer for the industry.
- The construction sector is climbing up the growth ladder, with 100 per cent FDI and an expected investment of \$650 billion in the coming 20 years.
- The major export destination for India's construction sector include US, UAE, Saudi Arabia and UK.



Reasons to Invest in Indian Construction Industry

- In the 12th Plan, it is estimated that Indian infrastructure industry requires an investment of \$1 trillion during 2012-17 in order to take economic growth to double digit on a sustained basis. Around 40 per cent of these investments are projected to come from private players. Now, 45 per cent of this infrastructure investment will be channelled into construction activity and 20 per cent set to modernise the construction industry.
- The Indian government has undertaken a number of measures to ease access to funding for the sector.
- The construction industry in India has seen sustained demand from the industrial and real estate sector.
- An estimated \$650 billion will be required for urban infrastructure over the next 20 years.
- 100 per cent FDI through the automatic route is permitted in townships, housing, built-up infrastructure and development of construction projects.

Construction is the second most attractive sector of India after services for foreign direct investors with 10 per cent share in cumulative FDI during the last 15 fiscal years ended March 2015.

The Way Forward

Forecasts for the market size of construction industry for the 12th Plan period indicate that the aggregate output of the industry during the period 2012–13 to 2016–17 is likely to be Rs 52.31 lakh crore (\$793 billion) increasing from Rs 7.67 lakh crore (\$116 billion) in 2012–13 to Rs 13.59 lakh crore (\$206 billion) in 2016–17. As the growth of construction industry is very much linked to the growth of infrastructure and building industry, emphasis of the govt. on

both in the 12th Plan is expected to drive the growth of the construction in the days ahead.

The 'Make in India' initiative by the Prime Minister Narendra Modi aims to increase production and export from the Indian manufacturing sector by inviting more foreign investors to produce from India. Construction is selected as one of the 25 sectors included in the initiative and therefore, the growth of this sector is inevitable in the years to come.



MEET THE INDIAN INDUSTRY

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BULL MACHINES PVT LTD	PMV A167	
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KIRAN GLOBAL CHEMS LIMITED	PMV B164	
M B EXPORTS	PMV A163	
MARUTI HYDRAULICS PVT. LTD.	PMV B162	
NEWTON SOFTWARES PVT LTD	PMV B166	
RHISHIKESH ENGINEERS PVT LTD	PMV B162A	
SAGAR ASIA	PMV B160	
SEWAK FORGING PVT.LTD	PMV C162	
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TIMELAB	PMV A165	
ARIHANT INDUSTRIAL CORPORATION LTD	MAKTOUM E121	SHEIKH MAKTOUM
MEWAR HITECH ENGINEERING LTD.	MAKTOUM E123	
PRAYAG EXIM PVT. LTD.	MAKTOUM E125	
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GARG INDUSTRIES	SAEED H65	
MEHTA MANUFACTURERS	SAEED I 76	
SUZU STEEL (INDIA)	SAEED H61	

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KOSOL HIRAMRUT ENERGIES PVT. LTD.	ZABEEL U180	
GOEL ALLOY & STEEL (P) LTD.	C102	
KANHA PLASTICS PVT.LTD	ZABEEL U186	
SINICON CONTROLS (P) LTD	D103	
WELCAST PRODUCTS PVT. LTD.,	D105	AL MULTAQUA
ANCO MOTORS	C124	
ANSONS ELECTRO MECHANICAL WORKS	C126	
ASSOCIATED AUTOTEX ANCILLARIES (P) LIMITED	B130	
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AEROLEX CABLES PVT LTD	INDIAN PAVILION	
BHARAT IMPEX	INDIAN PAVILION	
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