

Presentation on  
Indian Fluid Power Industry  
March 13, 2008,  
Las Vegas, Nevada, U.S.A.

by

Mr. Mukesh Malhotra

Vice Chairman, CII Fluid Power Division &  
President, Gates India Pvt. Ltd



# Fluid Power Industry - India

- India Market Size – USD 550-600m (<2% of World market)
  - Hydraulics – USD 430 m
  - Pneumatic – USD 75 m
  - Electro Hydraulic – USD 60 m
- Growth trends – Growing @ 20% YoY
- Caters to Mobile (60%) and Industrial/Stationary (40%)



# Fluid Power Industry - Endmarket

- Mobile segment growth rate
  - Backhoe @ 58% (24000 No)
  - Excavator @ 40% (7000 No)
  - Wheeled Loaders @ 20% (1800 No)
  - Tipper Trucks @ 20% (54000 No)
  - Transit Mixer @ 27% (7000 No)
- Industrial/Stationary growth from
  - Ferrous (10%)
  - Non Ferrous (10%)
  - Railways (10%)
  - Marine (30%+)
  - Process Industry (15%)



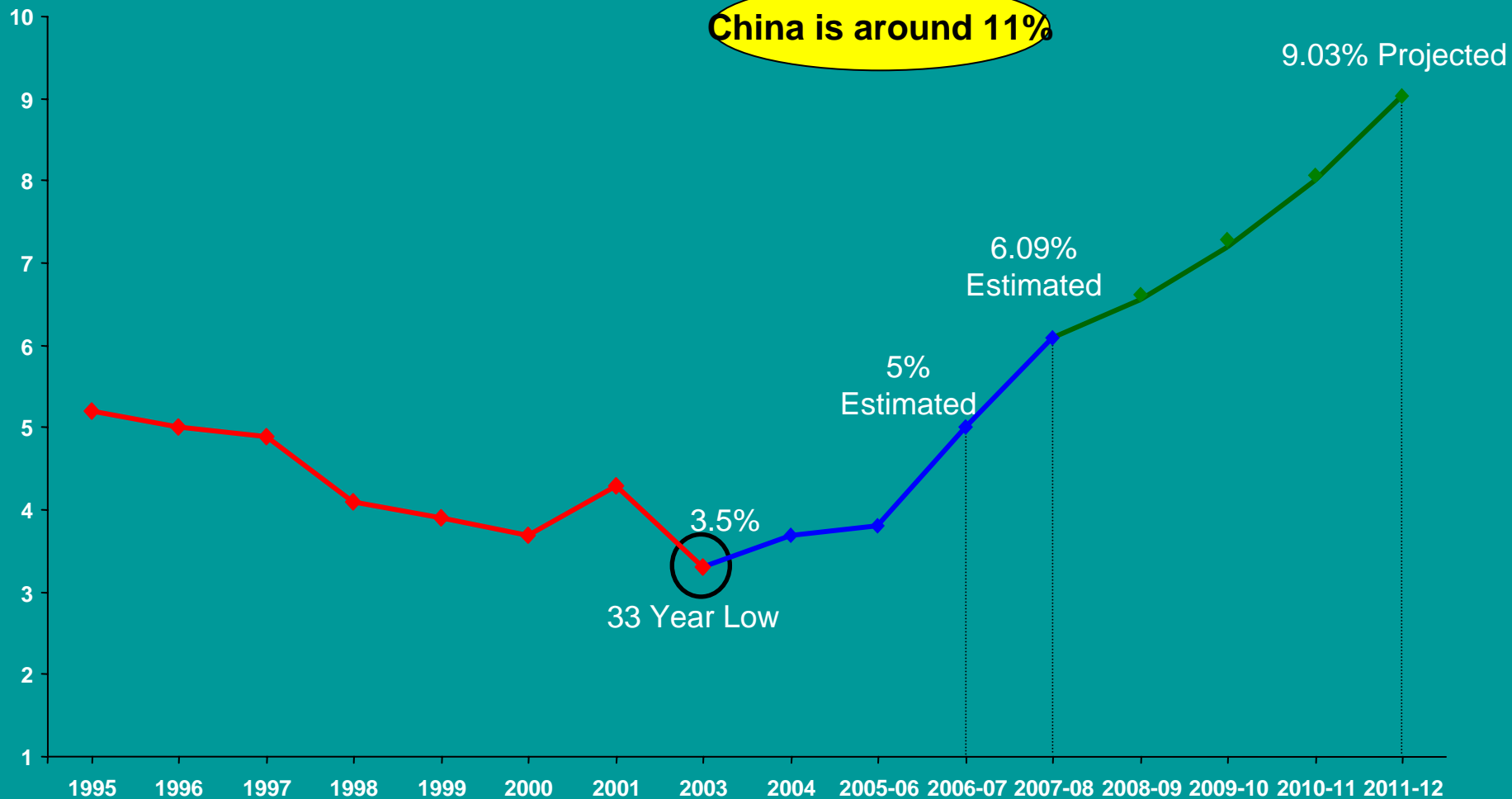
# Existing Players

- MNC's like Gates, Parker, Eaton, Rexroth, Yuken, Festo have Indian Operation
- Local companies like Wipro Fluid Power, Usha Telehoist, Dantal, Hydac have good market share



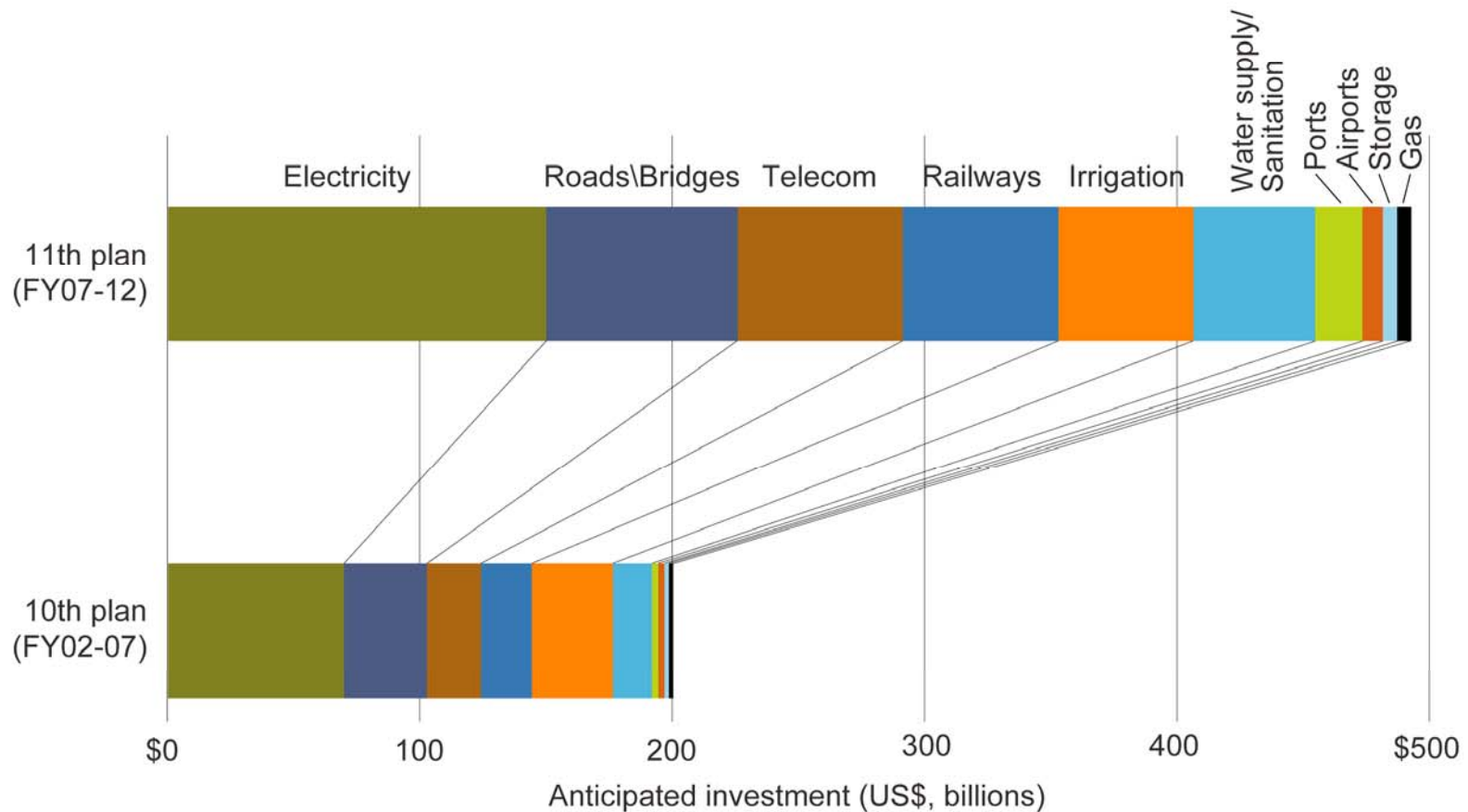
# India: Infrastructure Investment (% of GDP)

(% of GDP)



# India : Infrastructure Spending

Overall infrastructure investment expected to increase from \$201 billion in the 10th plan, to \$492 billion in the 11th



Source: Planning Commission

Source: Planning Commission

# Fluid Power Industry – Segment Growth

- Future Growth in Mobile from
  - Mini Excavators
  - Dumpers
  - Skid Steer Loaders
  - Dredgers
  - Heavy Duty Trucks, SDL & LDL for Mining



# Technology

- Customer side:
  - International players have entered the country and hence needs world class product
  - Local needs are low cost high value products forcing international players to look at customizing the product for local market
- Supply side:
  - Major International players already present directly
  - JVs are being explored
  - Local R&D needed to meet customise solutions
- Impediments:
  - Qualified Manpower for undertaking R&D
  - Price Pressures to meet target of OEMs



# Bottlenecks to Growth

- Appreciating Rupee
- Poor Infrastructure causing transit delays
- Slow down in growth rate in last quarter due to inflation and increase in interest rate



**THANK YOU**

