

'Fluid power products gaining traction in India'

The automation market in India is estimated to be 1/10th of China's. If India has to become one of the leading economies in the world based on manufacturing, it will have to attain higher technological standards and higher level of automation in manufacturing. The question is how can India achieve higher automation in industries when the education system has insufficient focus on imparting hands-on automation knowledge? Heads of leading companies connected with the fluid power industry — M Seethapathy Rao, chairman and managing director, Hycom Engineering (India) Pvt Ltd, Martin Voglsanger, country unit head & managing director, Bosch Rexroth (India) Ltd, K Joshi, managing director, Festo Controls Pvt Ltd, Andreas Grunchow, member of the board, Deutsche Messe AG and Sudhir Patil, managing director, Hannover Milano Fairs India Pvt Ltd — met to answer this question and draw a roadmap for the future. The discussion was moderated by G V Gururaj, senior general manager - marketing, Dynamic Technologies Ltd.

G V Gururaj: Could you give us a brief description of the fluid power industry, its market potential and growth rate in India?

M Seethapathy Rao: The fluid power industry covers all aspects of pneumatics and hydraulics and it is increasingly getting into areas of automation. It is a branch of mechanical engineering plus a bit of electrical and electronics put in. It is one of the fastest growing segments of Indian industry. We reckon that the current size of the market is about Rs 5,000 crore in India and roughly around \$5 billion in the world. The growth rate of this industry in India is typically about twice that of growth of economy at large. Reasons are three-fold. As the economy grows, this industry grows in consonance with that. Then there is a lot of automation and conversion into more sophisticated manufacturing methods so that increases the rate. There, one of the interesting things happening in this industry is that India is becoming an attractive destination for manufacturing and outsourcing of some of the products. So these three aspects together are creating a situation where this industry growth is twice the GDP growth in India. **Gururaj: What do you feel about the current trend in the industry and what are the issues it faces?** Rao: We are at a bit of crossroads. We are growing very rapidly in traditional products and applications of this industry. The industry is be-



(From left) Sudhir Patil, managing director, Hannover Milano Fairs India Pvt Ltd, Andreas Grunchow, member of the board, Deutsche Messe AG, G V Gururaj, senior general manager - marketing, Dynamic Technologies Ltd, Seethapathy Rao, chairman and managing director, Hycom Engineering (India) Pvt Ltd, K Radhakrishna, general manager - R&D and QA, Hycom Engineering (India) Pvt Ltd and Martin Voglsanger, country unit head & managing director, Bosch Rexroth (India) Ltd. —Sangeetha Sekhara, DVA

coming more sophisticated and the Indian industry is getting integrated with the world markets. That's going to be the major change as we see in the next few years. Our rate of growth will continue to be very good.

Martin Voglsanger: I think we can bring it down to a simple example: the automotive market in India is growing at a faster pace than the economy. A lot of foreign automotive producers are setting up plants. There is a very big demand to manufacture the sub parts of the car. At the moment only 15% approximately of the machine tools needed for the industries are produced in India and balance are imported. The future trend is that this number of the Indian machine tool manufacturers will increase dramatically. Why will it increase? Because of the cost advantage of raw materials in India for machine tools, reasonable engineering and labour costs and saving of import duties. The main drive and

components for these machine tools are fluid power products. This is just one example, where we see production of more cars in the country based on the end user demand, more machines are needed for this, and that these machines are

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produced increasingly locally.

Gururaj: I agree with you on the growth in the machine tool industry and I think the other market segments like infrastructure, civil engineering, steel and energy sector, etc are also growing.

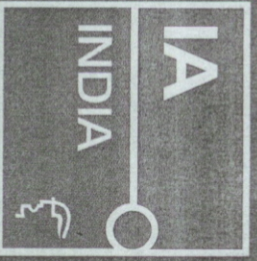
Voglsanger: Yes, when we see major growth drivers in India for fluid power and automation,

I would say it is power, automotive, infrastructure and steel. When we look at infrastructure, it is all over India, we have new modernised airports coming up, we have river projects connecting all over India, and in infrastructure the main part is building new roads and highways and all these infrastructure projects require machines. You need earth moving equipment and the main part, which drives these machines, is hydraulics. New industries like renewable wind energy are coming up, but the main source of our power will be thermal and hydro. In thermal power, only for transportation of the coal and getting it out, a huge market potential is in mining and material handling. Again here, to get the products from the mines and transport them these machines using hydraulics.

R Joshi: In daily life, the moment you open your eyes, any object you find around you and this is really very interesting, any object be it wa-

ter bottle or drinking glass, the newspapers, it is made using fluid power. Printing is done with fluid power. For example, pen manufacturing, leather processing in tannery, gluing and stitching of shoes, fabrics manufacturing and sewing is done using fluid power. When you go to a shop to buy a shirt, you notice every shirt is folded in a very uniform way and packed in plastic. In which human being can be so consistent in folding a shirt exactly the same way? It is done using fluid power. Now comes the point why its importance is increasing. You can say India has high potential for fluid power because we are growing. The biggest challenge is manpower and this is where we need to go back to the basic education system. Fluid power needs to be part of the educational system, not as an elective subject. Everyone has heard of mechatronics; it is partly mechanical, partly fluid power, electronics and/or a combination of all these technologies. Mechatronics will play an important role in technology upgradation in industrial automation. Fluid power industries are doing their bit under the banner of Fluid Power Society of India. Some fluid power industries have got together and you will see in the MDA exhibition from December 10 to 13, 2009 where they will be educating the user industries on specific technologies. And I think this should repeat, this should multiply several times on several occasions. This time, Fluid Power Society of India has taken MDA as an occasion, to set up an automation money tree; we are not trying to make money there, we are trying to educate industries. **Gururaj:** What is the importance of the MDA exhibition that you are now conducting? For the past two years you have done it in Bangalore, now for the third year you are in Mumbai. What is the importance of this exhibition? Andreas Grunchow: Our company started in 1947 with the Hannover Messe, which is one of our best known brands. We call it the mother of all fairs. Now Hannover Messe is just an umbrella brand with many topics. One example is the MDA. In other regions we call it PTC. Our principle is that we are going to export these emerging regions around the world, trying to establish continental exhibitions like we are trying to establish for India. Having established PTC as the continental exhibition in the China region, we are starting to have these shows in Russia as well from next year, then Dubai as well.

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