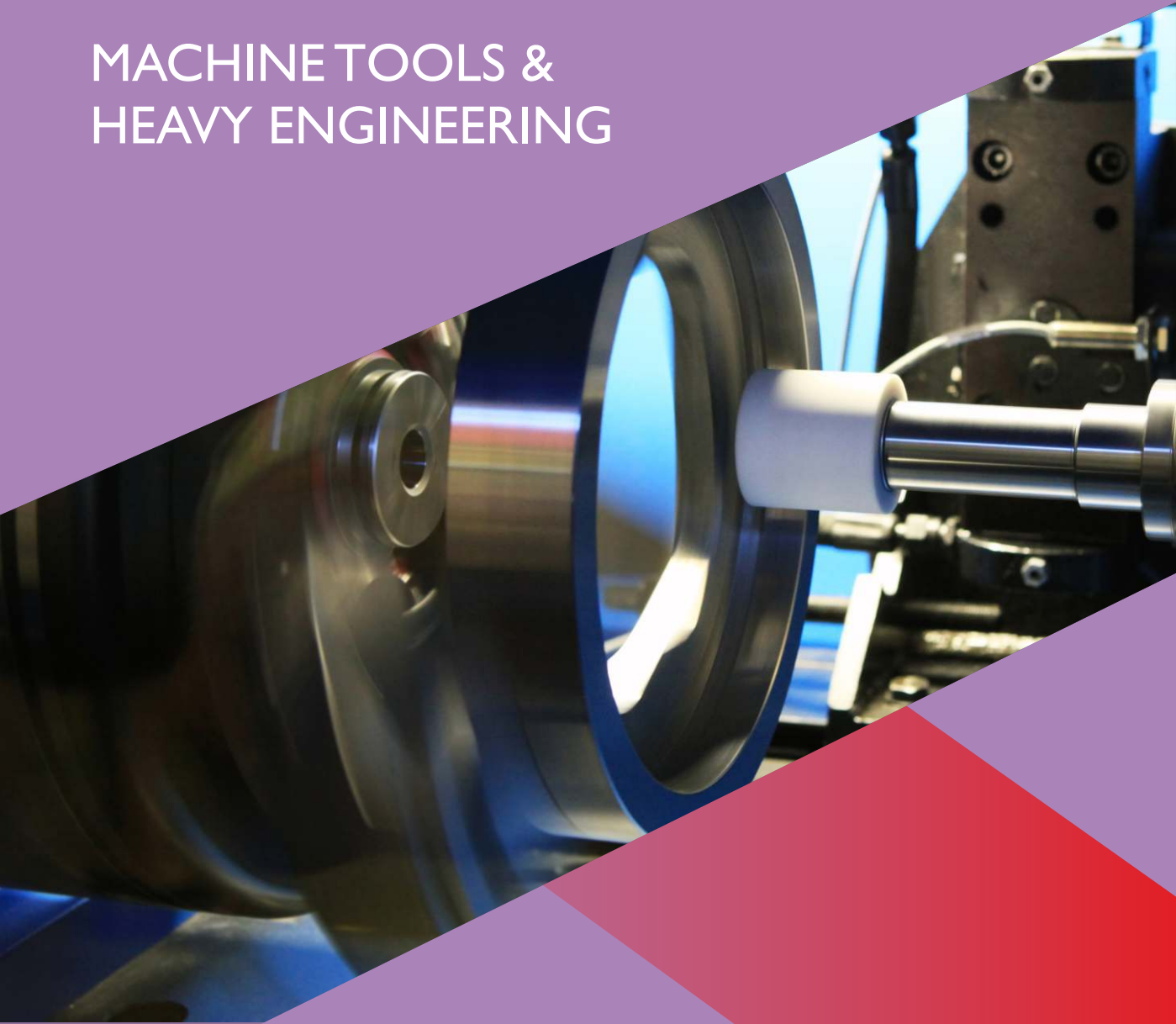


# MACHINETOOLS & HEAVY ENGINEERING



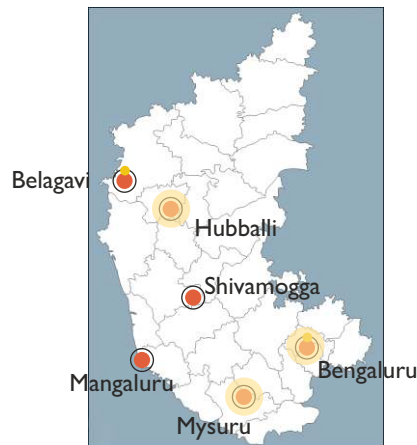


## HIGHLIGHTS

- Karnataka is one of the leading capital goods manufacturing states in India.
- Undisputed leader in machine tools.
- Home to one of the five identified foundry clusters in the country.
- Karnataka specializes in manufacturing high value machinery.
  - ✓ Special Purpose Machinery (SPM) growing at 38% CAGR, much higher than national average of 10%.
  - ✓ General Purpose Machinery (GPM) growing at 8.4% CAGR, on par with national average in the subsector.
  - ✓ SPM is the largest contributor (49%) to total heavy engineering output in Karnataka, in contrast to the scenario at national level (35%) 6%.
- The state has a congenial ecosystem for heavy engineering manufacturing including PSUs, MNCs and MSMEs.
- Exports of engineering products have increased from US\$ 1,605 million in 2010-11 to US\$ 2,634.43 million in 2015-16, The engineering segment is the fastest growing sector of the state, which grew at a CAGR of 21% between 2010-11 and 2015-16.
- The state is exporting engineering products to Germany, China, South Korea, Brazil, USA, Malaysia, Thailand, South Africa and Singapore. A majority of the exporters in state are based in Bengaluru, Hubli, Mysore, Belgaum, Mangaluru, and Shimoga.

**Bangalore area alone produces about 60% of the machine tools of India in terms of value which is estimated at USD 332 million**

Karnataka's output of Special Purpose Machinery is 2nd highest in the country with 16% share



Heavy Engineering industries are mainly concentrated near the clusters of end users



# WHY MACHINE TOOLS & HEAVY ENGINEERING, KARNATAKA?

- Only state among the top five capital goods producing states to produce more special purpose machinery than general purpose machinery (in terms of value), clearly showcasing state's capability in manufacturing high value products.
- India's first Integrated Machine Tool Industry Park was set up near Bangalore in an area of 300 acres by India Machine Tools Manufacturing Association.
- Advanced Machine Tool Testing Facility (AMTTF), a state-of-art equipment facility at the Central Manufacturing Technology Institute (CMTI), was jointly established in Bangalore by machine tool industry and DIPP, Govt.
- Machine Tools is identified as a focus manufacturing sector in Industrial Policy 2014 – 15 which provides additional package of incentives Ultra Mega (INR 500 – 1000 crore) and Super Mega (> 1000 crore) projects in Machine Tools sector.
- The state has highly skilled workforce across the value chain of manufacturing owing to 1400+ ITIs, 200+ engineering colleges and 400+ R&D institutes.
- The upcoming Chennai Bangalore Industrial Corridor and Bangalore Mumbai Industrial corridor shall create a conducive environment for the manufacturing industries in the state by improving connectivity & logistics

**Source:** Economic Survey 2015-16

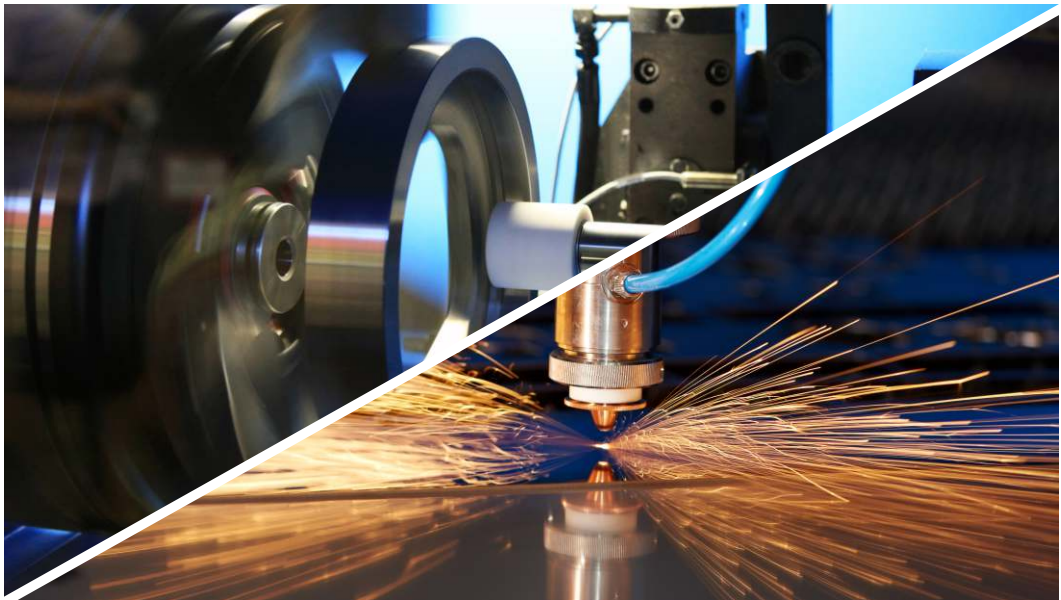
## INVESTMENT OPPORTUNITIES

- Upcoming Integrated Machine Tool Park (IMTP) at Vasanthanarasapura, Tumakuru District in 540 acres.
- The Japan International Tech Park (JITP) is proposed to be developed right opposite to IMTP with following common facilities:
  - ✓ Common Engineering Facility Centre
  - ✓ Test & Certification Centre
  - ✓ Offices of Government organizations, regulatory agencies, and Banks
  - ✓ Technical centre for training, seminars/conferences
  - ✓ Fire station, fuel station, police outpost, post office/courier service
  - ✓ Commercial establishments



## GOVERNMENT INITIATIVES

- Government of Karnataka has identified Machine Tools as one of the focus sectors in the Industrial Policy 2014 – 2019.
- Proposed to set up a machine tools focused technology incubation centre in the State in association with the industry on PPP mode.
- Offers special tailor made courses in consultation with the user industry to support creation of skilled employable workforce for the machine tools industry.
- Upgradation of existing tool rooms and creation of new tool rooms in PPP mode are being explored.
- Establishment of R&D and testing facilities to be encouraged at Bengaluru, Mysuru, Hubballi, Dharwad and Belagavi.
- Financial support for commercial lending through regional banks and technical Support for Technology Upgradation through Karnataka Council for Technological Upgradation (KCTU).
- Marketing support for participation in local & international trade events.
- Planned to strengthen National Agriculture Research System with appropriate participation of commercial agricultural machinery manufacturers.
- A 300-acre SEZ has been created in Belgaum to develop a precision engineering and manufacturing supply chain ecosystem, which would be a great driver for manufacturing industries.





# MACHINE TOOLS & HEAVY ENGINEERING COMPANIES MAKING IN KARNATAKA

