Lead Story - Post Excon 2015

EXCON 2015: Takeoff platform

The constant whirr of helicopter rotors slicing the late November air above the towering cranes and the human beehive that is the Bangalore International Exhibition Centre grounds – venue for the 8th International Construction Equipment and Construction Technology Trade Fair (Excon 2015) organised by the Indian Construction Equipment Manufacturers’ Association and the Confederation of Indian Industry – is symbolic of the frenetic pace and urgency beginning to gather in India’s infrastructure space.

### POSITIVE INDICATORS

- India’s $2.8 billion construction equipment industry to grow to $5 billion by 2019-20 according to Indian Construction Equipment Manufacturers’ Association.
- The after-sales spares market of the said equipment is about $800 million, and is a major source of income and employment for SSI manufacturers and service providers.
- Earthmoving equipment, backhoe loader continues to top the list and is expected to grow 6 per cent to reach 22,000 units during the end of FY16.
- Projects like Industrial and Freight Corridors, Smart Cities, Swachh Bharat Abhiyaan and Make in India, Metros and real estate projects to drive the equipment industry.
HOPE STREET

The day before the opening of the event rain had come down heavily converting the borders beyond the vermilion carpets in the outdoor exhibition area into fields of red slush. However with the sun holding firmly for the duration of the trade show, hope dominated the horizon below.

If gold is a colour representing the return of cheer in the economy - the JCB stand with its golden yellow products occupying the largest floor space at the venue - 4500 sq metres – could easily lay claim to being the perfect representative of the newfound optimism. Exhibitor oomph, if you like. Assuredly Excon 2015 as a prospective platform for business largely hinges on hope, much of which is not out of place. India’s construction equipment sector was seen breathing after nearly three uneventful years, its players keen to return to business in full swing. So much so that at Excon 2015, most CE sector players were willing to bet on a revival.

Obviously there was comfort to be derived in the form of assurances from the powers that be. At a two-day conference on “Rebooting Infrastructure” held on the sidelines, Atul Chaturvedi, Joint Secretary, Commerce and Industry, Government of India, indicated that the government was “committed to provide quality infrastructure to attract foreign and domestic investments in diverse sectors of the economy.” He cited development initiatives such as the Delhi-Mumbai Industrial Corridor, ‘Make in India’, the opening up of rail infrastructure to the private sector with provision for 100 percent FDI as an opportunity to generate huge orders for the construction equipment industry.

According to the Indian Construction Equipment Manufacturers’ Association, India’s $2.8 billion construction equipment industry is expected to grow to $5 billion by 2019-20. But viewed beyond statistics, at a practical level, there are already clear indications of construction projects receiving a much needed push – especially in the highways and mining sector – and replication across various other segments where projects are stranded.

Vipin Sondhi, Managing Director and Chief Executive Officer, JCB India and Chairman, Excon 2015 is led to predict, “2015 has witnessed some stability, After three years of degrowth the construction equipment sector has stabilised. The recovery will set in during 2016-17 and then gather momentum. An ecosystem is being created by the government for rapid economic growth. We at JCB would like to be part of the development being planned.”
TECH THRUST

It is not difficult to see that Sondhi’s aggro owes largely to recent governmental proactiveness. JCB offers 43 different types of products in 7 segments, and has sold 2 lakh machines this year. His firm, the country’s largest construction equipment manufacturer, has chosen Exxon 2015 to showcase as many as 25 India-made products and its latest technology innovations. On display were newer versions of existing products which included the new “ecoXcellence” range of Backhoe Loaders, the new JCB 220LC Xtra Tracked Excavator, the 455 ZX Wheeled Loader and a new Master Loader. Visitors were also able to experience the JCB Livelink, an advanced telematics system which provides real-time information on service, operation, and security of machines which allows users to have a better control on their equipment usage.

It’s also a tribute to modern day technological smartness and innovation that concrete and mortar pump giant Putzmeister could pull off a unique coup. It used its famous ‘Meet the Elephant’ marketing platform at Exxon 2015 to show off its achievements without actually physically showing off even one of its machines. This would come courtesy of a 3 D holographic show, which into the second evening of the expo was being dubbed as an ‘outstanding success’. With 1200 people on the stand on a particular day, instead of having a 3 D holographic show every half an hour, Putzmeister’s minds resorted to repeating the show every 15 minutes which always turned out to be full house. Veritably for its huge army of business associates and visitors the November evenings could well have been an extended Oktoberfest with beer and good cheer flowing. An ecstatic Wilfried Theisson, Managing Director, Putzmeister would say on the penultimate day, “This is the first time we have done it and is different. The new formula has worked very well.”

While most of the multinationals were present at Exxon 2015 the trade show was also a big occasion for the local construction equipment industry - this includes component manufacturers – to stand up and be counted as contributors to the India growth story.

The event beside seeing product launches from show veterans like JCB, BKT, Volvo Trucks, Sany, Schwings Stetter, Catepillar, Wirtgen, LeeBoy etc also saw first time trade platform users like Bengaluru’s Harsha Engineering, which presented its Terra Hydraulic Power Wheelbarrow for movement of materials, and the New Delhi based Techno Machines, which introduced its new range of sand washing plants, entering the fray with many others.

SAMOTER-VERONAFIERE OUTLOOK

Despite the vertical collapse in the global market for excavators, concrete plant, drilling, crushing and asphalt plants machinery, cranes and site vehicles in the recent past growth in terms of macro-areas was only seen in India (63,000 units) and North America (148,000 units). The good news for the global Construction Equipment sector will come with the New Year and continue through 2017 with a slow re-alignment of growth in the construction field. Among emerging countries, India takes first place, followed by Latin America. Forecasts for India, one of the most dynamic markets for residential construction and civil engineering alike – suggest it should close 2015 at +5.6 per cent of investments, climbing further to +6.9 per cent in 2016 and +7.4 per cent in 2017.
Launch Pad

- **BharatBenz**: Debuted the 3143, India’s first indigenous mining truck
- **Caterpillar**: 4 new construction and mining commercial vehicles, skid steer loader Cat 216B3; Cat 424B Back Hoe Loader and Cat 820 Breaker
- **Eicher Motors**: 2 new vehicles – the Pro 8031XM 8x4 tipper and the Pro 6025T 6x4 box body
- **Harsha Engineering**: Terra Hydraulic Powered Wheel Barrow
- **JCB**: 25 ‘Made in India’ machines which included “ecoXcellence” range of Backhoe Loaders, Tracked Excavator, Wheeled Loader, Master Loader, and advanced telematic system called Livelink
- **L&T Construction Equipment**: ‘Made in India’ machines which include L&T 1190 Soil Compactor, L&T 990HF Tandem Compactor, L&T491 Mini Compactor and L&T 9026SX Wheel Loader
- **Leeboy India**: Two backhoe loaders: LeeBoy 523 Crawler Excavator, LeeBoy RA 400 Pothole Patcher, ‘Insta-2’, LeeBoy’s Tracking and monitoring technology
- **Liebherr**: 85 EC-B 5i Flat-Top Crane
- **Palfinger**: Truck mounted aerial platform and specialist boom crane
- **Proman Infrastructure**: New range of Jaw Crusher and Vertical Shaft Mixer
- **Propel Industries**: Eco Wash 200 t/hr plant, and 200 t/hr, Propel Pro Wash hydro cyclone washing plant and new two-deck AV55 1845 2D dual Pro Screen
- **Putzmeister**: 30 cu.m and 60 cu.m batching plants
- **Sany India**: Excavators, cranes, motor graders, batching plant and transit mixers
- **Scania India**: Premium mining tippers P 410 (8x4) coal body and P 410 (8x4) SSAB rock body
- **Schwing Stetter**: 3 and 5-tonne wheel loader, motorgrader, batching plants and self-loading mixers.
- **Tata Hitachi**: ‘Super’ mini marvel hydraulic excavators
- **Tata Motors**: 4 new construction and mining commercial vehicles from Construck range
- **thyssenkrupp Industries**: Cone Crusher, Jaw Crusher and Vertical Shaft Impactors
- **Volvo Trucks**: 2 new large capacity 5-axle dump trucks for mining applications
- **Wirtgen**: Klemmahn Mobiscrreen MS 953 EVO track screen plant
ECO-OPPORTUNITY

A significant revelation from the products displayed at the event has been the growing consciousness on the part of construction equipment companies towards manufacture of environment friendly machinery. Excon 2015 provided a forum for industry majors to showcase their green accomplishments and best practices. And as India moves forward towards speedier implementation of large infrastructure projects in various domains there is realisation that a regime of stricter adherence to environment norms with emphasis on fuel and cost efficiency will have to be established. For example, the 2015 edition of Excon saw increased participation from companies like L&T Hydraulics and Evonik which manufacture hydraulic products tailor made for Indian environmental conditions.

“The construction equipment industry and transportation sector should be innovative and sensitive to the environment. It must use vehicle engines which run on bio-diesel or ethanol,” Union Road Transport and Highways Minister Nitin Gadkari underlined in his speech to the conference.

Veritably, Excon 2015 has been a technology demonstrator for companies, providing them with understanding of the needs of the market and the impetus for the manufacture of next-gen green equipment under the ‘Make in India’ mode. “It is only natural that products being supplied here will deliver global quality and performance. Application of technologies which will take care of environmental concerns is a given,” says Deepak Garg, CEO, Sany Heavy Industry India Pvt Ltd.

THE GOOFUPS

For sure the exhibition venue has had its fair share of criticism. Evident from the pre-event rain ravaged exteriors – uneven muddy fields which had to be urgently sand dried and then covered with red carpet to make the approaches to the various stalls more welcoming. With many of the exhibitors dispersed in various hangers there were also complaints from some participants of poor stall positioning leading to low visibility and interaction with prospective customers. That, inevitably drawing comparisons with a rival trade show. But such glitches are par for the course.

KEY TAKEAWAYS

Despite the pre-event rain which left the organisers in somewhat of a soup, and a few other niggles, Excon 2015 could be on the whole dubbed a success. The number of exhibitors at the event grew 10.5 per cent to 808 this year. While figures of the final turnout of visitors have not so far been received, it is certain that it would have touched 32,000 specialised visitors, including representatives of foreign equipment firms, PSUs, various government ministries like Defence, Railways, Highways and Shipping, contractors and real estate developers, expected to attend the trade show.

While many of the exhibitors claimed that huge interest and enquiries were generated for their products – some even managing to secure orders at the venue itself – it is early days to assess the outcome in terms of business actually accrued. The general consensus has been that the event was remarkable for its large turnout of technically informed visitors with serious business on their mind.

“Excon 2015 has created a ground for interest in equipment to be used in India’s project push. And based on the feedback we have received here we are bullish about the market opportunities ahead,” said Anders Grundström, Managing Director, Scania India and Senior Vice President, Scania Group.

It is easy to see then that Excon 2015 has provided a splendid launch vehicle for the construction equipment industry to takeoff in the New Year. The growing urgency in India’s infrastructure space must now spur them into action.