

# Indian Metal Cutting & Forming All Set For Growth



Metal forming machinery industry plays a prominent role in India's manufacturing sector. Although metal forming machinery constitutes just around 20 per cent of total metalworking demand in India there is tremendous scope for growth in coming years. The long-term prospects look good with demand picking up in consumer durables, electronics and automobile industries. Metal forming machinery provides for these industries. Other sectors propelling demand for metal forming machinery include aerospace, power, construction, railways, heavy transportation, office furniture, instrumentation industry, steel industry, forging, structural engineering, medical, etc. The machine tool market in India has the potential to grow by USD 1.9 billion during 2020-2024, and the market's growth momentum will accelerate at a CAGR of 12.78 per cent.

During the discussion on future of India's metal cutting and forming industry, Anjum Parwez, Managing Director, Bangalore Metro Rail Corporation Ltd reminded the importance of the metal cutting and forming industry in the growth and development of the Indian manufacturing sector. "Today, more than 45-47 per cent of our machines, which are used in metal cutting and forming are imported. So, this one industry I realised that there is tremendous scope for growth. A lot of support has been given by the state and central government to enhance the growth of the metal cutting industry," he said.

Kamal Bali, President and Managing Director, Volvo Group, India said, "We are at

the cusp of major socio-economic transformation, especially in the supply chains today. The global manufacturing output is about \$15 trillion, today. Around 30 per cent of the total manufacturing output is taken care of by one country and the USA takes about 17 per cent. But India is only three per cent. But the good news is, this is completely getting rebalanced over the next 3-4 years."

They say, measuring any brand's success is always a tricky affair. It is especially so in the contemporary digitised economy where people increasingly believe in interacting with a brand. Meanwhile, the Indian metal cutting and forming industry today has a variety of options when it comes to choosing its metal cutting and forming partners. However, with a gamut of Indian and international players competing in the market, how can the industry know which is the best brand for it?

During the discussion, Venu

Nuguri, Managing Director & CEO, India and South Asia region; Member of Executive Team, Hitachi Energy cited an example of Hitachi, a 100-year-old company and how this company has built a strong brand over the years. "We had a purpose and actions towards achieving that purpose plays an important role in creating and sustaining a brand," he said.

Ramesh Ramadurai, Managing Director, 3M India Limited believed that since the branding is so much less expensive today than what it used to be a decade ago, based on the different platforms that you have now to interact and converse with the stakeholders, cost should not be the barrier to build a brand."

From machine tools to cutting tools, from saw blades to laser machines, from plasma cutters to water jet cutters, from accessories and metrology equipment to lubricants and everything in between, the industry is a very complex



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Managing Director, Bangalore Metro Rail Corporation Ltd

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**VENU NUGURI**  
Managing Director & CEO, India and South Asia Region; Member of Executive Team, Hitachi Energy

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**RAMESH RAMADURAI**  
Managing Director, 3M India Limited

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and comprehensive segment. For quite some time now, this segment is dominated by imports. However, lately, we have seen a change of scenario. Domestic players

have been consistent in supplying indigenous developed quality solutions.

Incidentally, in India, the metal cutting and forming

industry has been a crucial part of the machine working and fabrications sector that forms an important industrial segment after the automotive industry.

## "Geopolitical situation in Eurasia augurs well for India becoming an alternate source of capital goods"



**Ravi Raghavan**  
President, IMTMA

Production-wise it is almost at par with the best results it ever had in 2018-19, i.e., around Rs 9,600 crores.

Order Booking, an indicator of growing consumption, looks satisfactory for FY 2022-23, and the performance is expected to improve further in the coming years.

The geopolitical situation in Eurasia is impacting manufacturing, too. On a brighter note, the situation is generating a significant increase in enquiries for Indian capital goods, including from Russian companies, which augurs well for India becoming an alternate source of capital goods.

**With Make in India taking the front seat, how can the metal cutting and forming industry innovate and strive to be a key contributor to the movement? How is IMTMA working to become an effective part of the industry? What strategies do you plan to employ?**

>>The machine tool industry and IMTMA are working closely to localise imports. IMTMA member companies are building customised solutions to serve the emerging sectors. The Association has also conducted desktop research to decipher business opportunities in champion and



The machine tool industry is enhancing its presence in the auto sector, including electric vehicles. It is also reaching out to the champion and emerging sectors by developing sector-specific products, offering innovative solutions, and enhancing domestic market share

emerging sectors. The decision to make changes in public procurement of capital goods disallowing global tenders of up to Rs 200 crores in government procurements, is also augmenting local supply.

Industries are also undertaking technology development projects, self-funded as well as government-funded, through the Scheme on Enhancement of Competitiveness in Indian Capital Goods

government are working cohesively towards developing new products and technologies to make India globally competitive.

The machine tool industry is enhancing its presence in the auto sector, including electric vehicles. It is also reaching out to the champion and emerging sectors by developing sector-specific products, offering innovative solutions, and enhancing domestic market share. With significant PLI and infrastructure investments, and Atmanirbhar Bharat and Make in India initiatives, the industry is likely to gain some momentum. The industry would also like to increase its share in public procurement due to the thrust towards domestic manufacturing.

**With industries reviving from the side effects of COVID-19, what measures can the metal cutting and forming industry take to recover to pre-covid levels and better?**

>>Industry and

## The Metal Cutting and Forming Series Continues...



Metal forming machine tools play a significant role in the manufacturing of high precision components and machines needed in industrial sectors such as auto, aerospace, defence, railways, electronics, agriculture, furniture, and everything in between. The Indian metal forming industry is evolving to meet the full potential and demand for advanced technology machines and has been impressively increasing its market share in recent years. The domestic market share of metal forming constitutes around 45-50 per cent and the remaining is imported from countries like Japan, Germany and China. Mostly forging machines, bending and folding machines, shearing machines, punching machines and presses are imported.

That said, the Economic Times Metal Cutting and Forming Series 2022, is an initiative designed to discuss and deliberate on the landscape and recent developments in the metal cutting & forming industry. This ongoing series will continue to explore the breadth and depth of the role that metal cutting and forming in the manufacturing industry on a quarterly basis. It will continue to take a closer look at how Atmanirbhar Bharat and Make in India will help to reduce the import of machines in India.

**Indian Metal Forming Industry - An Overview**  
In generic terms, metal forming is the metalworking process of fashioning metal parts and objects through mechanical deformation. The workpiece is reshaped without adding or removing materials and its mass remains unchanged based on the working process. Metal forming machinery is broadly classified as presses, press brakes and bending machines, punching machines, shearing machines, and special purpose machines.

**Meeting the Challenges**  
According to IMTMA, there is a limited presence of large size companies in the metal forming industry in India as most players are SMEs with a fair amount of competition among themselves. Also, they need to contend with factors such

as the rise in prices of raw materials and deliveries besides addressing working capital constraints. As SMEs adopt technologies such as automation and robotics, domestic market share is likely to increase.

**Opportunities**  
The identification of champion sectors such as aerospace and defence, automotive and auto components, pharmaceuticals and medical devices, biotechnology, capital goods, textiles and apparel, electronics system design and manufacturing, railways, construction, new and renewable energy, etc. with incentives through PLI schemes and setting up of sectoral parks will augment manufacturing industries. The government's push for the adoption of electric vehicles has also positively impacted market demand for the metal forming machine tool industry, especially for making battery packs, motors, electronic enclosures, and so on.

India has initiated several reforms toward the ease of doing business to make the country a preferred destination for setting up industrial units. Examples include the reduction of corporate tax rates from 30 per cent to 22 per cent for existing companies and a corporate tax rate of 15 per cent till March 2024 for newly incorporated manufacturing companies. Furthermore, the union government's thrust for increased infrastructure spending, localisation of imports, promotion of startups for innovation and technology development, and creation of a large pool of workforce with skill-sets, are seen as growth drivers.

Overall, the Indian metal forming industry offers several opportunities for investment due to the ongoing demand-supply gap in the market. Indian industries need to develop high-end, large and high precision metal forming machines which it is currently importing.

As this happens, India's share in global metal forming can perhaps increase by several notches.

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## "2022 brings great promises as India paces growth targets and incentivises core industries"



**Deepak Miglani**  
General Manager-Industrial Lubricants, ExxonMobil Lubricants Pvt. Ltd.

by 2027 - exhibiting a CAGR of 4.2 per cent. In India, the metal cutting industry is slated to witness significant and consistent growth as the economy recovers. The metal cutting industry has been a crucial part of the general engineering and automotive sector, among other key sectors - and this cross-sectoral demand for advanced cutting tools keeps the industry well poised to capitalise on opportunities in a growing economy.

**With Make in India taking the front seat, how can the metal cutting and forming industry be a key contributor to the movement?**

>>The Indian machine tools sector is at the cusp of massive opportunity driven by manufacturing-focused government policies. The Make in India program and push for Aatmanirbharta are bringing great promise. These policies require the sector to diversify its use and utility so that we can reduce imports and make our domestic systems more efficient. Continuous innovation and diversity in output are necessary for the sector to continue contributing to India's robust growth narrative.

**With industries reviving from the side effects of COVID-19, what measures can the**



Today, there is a greater focus on profitability and productivity through micro-efficiency. For this, choosing superior lubrication will aid the sector in reducing unnecessary breakdowns, optimising overhead costs and ushering in greater profitability.

**metal cutting and forming industry take to recover to pre-covid levels and better? Additionally, what is your expectation for the sector for the coming year?**

>>COVID-19 has negatively impacted industries across the globe, and the metal cutting industry is no exception. Today, there is a greater focus on profitability and productivity through micro-efficiency. For this, choosing superior lubrication will aid the sector in reducing unnecessary

Lubricants, we have been pioneering growth and innovation for more than a century. For the metal cutting industry, the Mobilcut™ Series - a high-performance, versatile, ranging from mineral to semi-synthetic, water-soluble metalworking fluid - ensures unhindered machine performance while neutralising equipment damage and operational injuries. Additionally, we extend expertise through various technical services under the Mobil Serv™ umbrella. We also extend daily monitoring service through the Mobil™ Solcare program. These services are enabled through a well-integrated digital application. At Mobil, our strategy to blend superior product choices with innovative service offerings guides our contribution to the metal cutting industry.

**How is your organisation working on becoming an effective part of the industry? What strategies do you plan to employ?**

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