



Indian Fluid Power Market 2020-2021

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Glimpses of India



Area	3.29 million sq. kms.
Population	1.39 billion
GDP	\$3.05 trillion
Growth in GDP 2019	4.2%
Growth in GDP 2020	-10.3%
Growth in GDP 2021 (projected)	8.0-11.5%



Indian Fluid Power Market

- The total size of the Indian fluid power market is estimated to be around \$1.5-1.7 billion.
- The fluid power industry has three large segments
 - Mobile hydraulics,
 - Industrial hydraulics, and,
 - Pneumatics
- Historically, the mobile hydraulic segment has been the largest, accounting for about 50-60 percent of total fluid power sales, while industrial hydraulic and pneumatic segments are nearly of the same size.
- There is a large unorganised/informal sector of small/medium manufacturing units, that span all 3 segments of the fluid power industry and which accounts for nearly 30% of the total market.

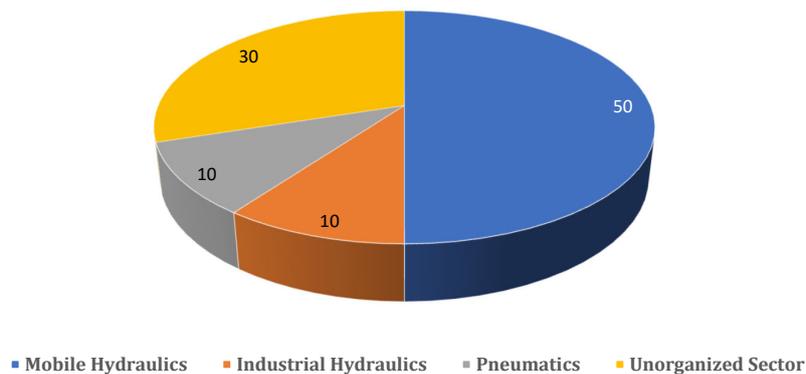


Indian Fluid Power Market

- The key sectors where hydraulics is used are construction machinery, agricultural machinery, automotive (steering circuit), trucks – (Tipper applications, garbage compactors, etc), mining and material handling, oil & gas machinery, machine tools, steel plants, aerospace, etc.
- The key sectors where pneumatics is used are trucks, automotive, food processing, medical equipment, packaging machinery, material handling, semiconductor industries, etc.
- The pneumatic industry in India is estimated to be about \$0.25- 0.30 billion in size.

Segmentation of Fluid Power Market in India

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Global Impact

- While the Indian Fluid Power market is still small compared to the global market, there is a lot of focus on being self-reliant and technology absorption and to make products to suit Indian customers and the working environment. Against this background, it is heartening to note that Indian Industry has shown innovative spirit and has carved a place for itself in niche areas to achieve breakthrough in exports. Made in India gear pumps and cylinders are competing with the best-known brands in developed countries.
- In the mobile segment, due to the quality of workmanship and economic reasons, large OEMs like JCB, Dynapac, Husqvarna, Manitou, CNH, Ammann, etc. have commenced export of machines to SE Asia, Middle East and South Africa, which was hitherto catered from Europe. This has benefitted domestic suppliers and fluid power suppliers in a big way.



Future Scenario: Indian Fluid Power Market

- While most of the sectors were impacted due to the pandemic in the first half of FY 20-21, there has been a robust pick up in demand during the second half of the year. Most of the companies have been able to close the year at almost pre-Covid levels.
- The Government of India has announced an ambitious plan to revamp its infrastructure and plans to spend \$1370 billion (₹100 Lakh crores) over the next 5 years
- Mobile Hydraulics market is expected to gain significantly from this allocation.
- Fluid Power industry is expected to grow at 7-8% for calendar year 2021 at conservative estimates.
- A growth rate of 8 - 10% per annum in the next few years is quite likely.



Future Scenario: Indian Fluid Power Market

- The nature of growth may have the following characteristics:
 - A large volume increase in mobile hydraulics (>15%) mainly in the construction and mining equipment sector;
 - Indigenization of imported fluid power components;
 - There is an increasing trend towards compact, energy efficient hydraulic components & also the use of digitization and IOT;
 - Defence is another segment where Hydraulics has gained a good foothold in the last three years. Ashok Leyland, BF, Tata Power, L&T, etc., have developed reliable technology. This is translating into good hydraulic business for component suppliers.
 - More sophistication in pneumatics / electronics / mechatronics in manufacturing.



Thank You