



MANUFACTURING & INDUSTRIALS

Today, technology is fostering creativity, and digital transformation is a pivotal element for success in the increasingly competitive manufacturing industry. There's a notable shift towards more automated and process-driven manufacturing, expected to bolster efficiency and productivity across the sector.

India's ambition to become a global manufacturing hub is evident, with projections indicating the capacity to export goods worth US\$ 1 trillion by 2030. With 17% of the nation's GDP and over 27.3 million workers employed, the manufacturing sector plays a pivotal role in driving economic growth and employment generation.

To further enhance the sector's contribution to the economy, the Indian government has implemented various initiatives and policies. Notably, the National Manufacturing Policy aims to increase the manufacturing sector's share of GDP to 25% by 2025, while schemes like the Production-Linked Incentive (PLI) scheme strive to elevate the core manufacturing sector to global standards.

Additionally, the government is offering substantial incentives to stimulate local manufacturing across various sectors, including chemicals, shipping containers, and vaccine inputs. The 'Make in India' program, launched by Prime Minister Narendra Modi, seeks to position India as a global manufacturing powerhouse and create millions of new jobs by 2022.

In terms of market size, India's manufacturing exports have reached record highs, with significant growth anticipated in the coming years. By 2030, India's middle class is expected to wield considerable purchasing power, further driving consumption and demand for manufactured goods.

Investments in the manufacturing sector have been substantial, with significant foreign direct investment (FDI) inflows recorded in recent years. Key sectors like automobiles, chemicals, pharmaceuticals, and food processing have attracted substantial FDI, indicating investor confidence in India's manufacturing potential.



MANUFACTURING & INDUSTRIALS

Government initiatives such as tax incentives, infrastructure development, and sector-specific schemes aim to create an enabling environment for manufacturing growth. Notable measures include tax concessions for startups, lower income tax rates for co-operative societies, and investment incentives for specific industries.

Looking ahead, India's manufacturing sector is poised for significant expansion, driven by technological innovation, favorable government policies, and increasing investor interest. With a strategic focus on Industry 4.0, the sector is set to play a pivotal role in India's journey towards becoming a global economic powerhouse.

The manufacturing sector in India is undergoing a transformative journey, evolving into a key driver of the country's economic growth. This evolution is particularly noteworthy in sectors such as automotive, engineering, chemicals, pharmaceuticals, and consumer durables, which have played pivotal roles in shaping India's industrial landscape.

Before the onset of the pandemic, the manufacturing industry contributed a substantial 16-17% to India's GDP, showcasing its significant economic importance. This sector is poised for remarkable growth and is projected to be one of the fastest-growing segments in the coming years, bolstering India's economic prowess on the global stage.

Traditionally, the machine tool industry served as the backbone of Indian manufacturing, providing essential support for various production processes. However, the advent of technology has revolutionized manufacturing practices, ushering in an era of innovation driven by digital transformation. This technological shift has become imperative for gaining a competitive edge in an increasingly cutthroat market environment.



MANUFACTURING & INDUSTRIALS

Today, technology serves as a catalyst for creativity, empowering manufacturers to explore new avenues for growth and efficiency. Digital transformation has emerged as a critical enabler, enabling companies to streamline operations, optimize processes, and enhance overall productivity. The gradual transition toward automated and process-driven manufacturing signifies a paradigm shift aimed at maximizing operational efficiency and output.

India's aspirations to emerge as a global manufacturing hub are well-founded, with ambitious targets set for export growth. The goal of exporting goods worth US\$ 1 trillion by 2030 underscores the nation's commitment to expanding its footprint in the global market. Additionally, with 17% of the GDP and a vast workforce of over 27.3 million, the manufacturing sector remains a cornerstone of India's economic landscape, driving growth and employment generation.

To propel the manufacturing sector forward, the Indian government has introduced a slew of initiatives and policies aimed at fostering a conducive business environment. The National Manufacturing Policy, for instance, aims to elevate the sector's contribution to GDP to 25% by 2025, signaling a strong intent to bolster industrial growth. Furthermore, schemes like the Production-Linked Incentive (PLI) scheme are instrumental in incentivizing domestic production and enhancing competitiveness on a global scale.

In addition to policy interventions, substantial incentives are being offered to spur local manufacturing across diverse sectors, ranging from chemicals to pharmaceuticals. Prime Minister Narendra Modi's flagship 'Make in India' program embodies the government's vision to position India as a manufacturing powerhouse and drive job creation on a massive scale.

In terms of market dynamics, India's manufacturing exports have witnessed a significant uptick, setting new records in recent years. The burgeoning middle class, projected to command a substantial share of global consumption by 2030, presents a lucrative opportunity for manufacturers to tap into burgeoning consumer demand.



MANUFACTURING & INDUSTRIALS

Investments in the manufacturing sector have been robust, with substantial foreign direct investment (FDI) inflows contributing to sectoral growth. Sectors such as automobiles, chemicals, pharmaceuticals, and food processing have emerged as key beneficiaries of FDI, signaling investor confidence in India's manufacturing potential.

Government initiatives, including tax incentives, infrastructure development, and sector-specific schemes, are pivotal in creating an enabling environment for manufacturing growth. Measures such as tax concessions for startups and lower income tax rates for co-operative societies incentivize entrepreneurship and investment in the manufacturing sector.

Looking ahead, India's manufacturing sector is poised for unprecedented expansion, buoyed by technological innovation, supportive government policies, and growing investor interest. With a strategic focus on Industry 4.0 and sustainable development, the sector is well-positioned to drive India's economic growth trajectory and emerge as a global manufacturing powerhouse in the years to come.

MergerCap Advisory plays a significant role in the manufacturing and industrial segments, leveraging its expertise to facilitate strategic mergers and acquisitions (M&A) within these industries. With a deep understanding of the manufacturing landscape and industrial dynamics, MergerCap Advisory offers tailored advisory services to companies seeking to enhance their market position, drive growth, and achieve their strategic objectives through M&A activities.

In the manufacturing sector, where competition is fierce and innovation is key to success, MergerCap Advisory provides invaluable support to companies looking to navigate complex transactions. Whether it's identifying potential acquisition targets, conducting due diligence, negotiating deals, or structuring transactions, MergerCap Advisory offers strategic guidance and support at every stage of the M&A process.