

# Indian Fastener Market: Automotive and Construction Industries

by Shervin Shahidi Hamedani

## 印度扣件市场：汽车及建筑产业

### Indian Economy Overview

India has become one of the most attractive destinations for investment owing to favourable government policies and reforms in the past few months. The approval of foreign direct investment (FDI) in several sectors has allowed investments to pour into the economy. According to the data provided by Department of Industrial Policy and Promotion (DIPP), the cumulative amount of FDI inflows in the country in the period of April 2000-September 2014 was US\$ 345,073 million.

Indian markets grew by 19 percent in the first half of FY15, the globally best performance by any market during this period. The rise was primarily due to strong inflows from foreign institutional investors. India has contributed 10.25 percent of the overall 3.9 percent rise in the global market capitalization (market cap) this year, which makes it the second-highest contributor in the world.

India could become the world's seventh biggest nation in terms of private wealth, with a 150 percent increase in total, from US\$ 2 trillion in 2013 to US\$ 5 trillion in 2018, as per a recent study by the Boston Consulting Group (BCG).

### Industrial Fastener Market

The Asia-Pacific region will record the fastest demand gains from 2011 to 2016, with the average growth rate of 7.4% per year. Although the major contributor of this market is China, rising demand in the smaller Indian market will complement these gains, as sales in India will climb rapidly through 2016. Ongoing growth in the durable products manufacturing and the need for new and improved infrastructure components, will bring significant gains in industrial fastener demand.

Indian fastener market looks incisively at the economic and business factors most likely to influence fastener demand in India in the coming five years. Shipments of industrial fasteners from facilities in India were \$1.5 billion in 2011, accounting for 5 percent of all products output in the Asia-Pacific region. Most of the fastener products made in Indian facilities are lower-end commodity-type items. From 2006 to 2011, shipments of fasteners increased

### 印度经济概况

受惠过去几个月当地政府有利策略和改革，印度已经成为最具投资吸引力的标的之一。外国对各产业的直接投资对当地经济发展挹注许多动能。印度工业政策推广部所提供的数据显示，2000年4月至2014年9月期间国外对印度直接投资挹注达3,450亿7,300万美元。

在2015年的上半个财务年度，印度市场成长了19%，是全球市场同期表现最佳。此增长主要归功于外国投资集团的强势进入。今年度印度在全球资本额整体3.9%的增长中贡献了约10.25%的比例，是全球第2大贡献来源。

波士顿顾问集团(BCG)近期研究报告指出，若谈到私人财富，印度可以说是世界第7大国家。其预计从2013年2兆美元增加150%至2018年的5兆美元。

### 工业扣件市场

亚太地区在2011至2016年间的需求增长表现将最强劲，年平均成长率为7.4%。尽管市场上主要贡献者仍然非中国莫属，印度市场虽规模较小但需求持续上升将可弥补这些增长份额，印度市场销售的快速爬升将持续至2016年。耐用品生产以及对新颖改良过的基础建设零部件需求的持续成长将对工业扣件需求带来显着成长。

存在于印度扣件市场的经济发展因素非常有机会在接下来5年影响印度的扣件需求。2011年运送自印度工厂的工业扣件达15亿美

9.7 percent per year, with local producers benefiting from considerable growth in domestic demand and the development of export markets, particularly those in other countries in the Asia-Pacific region. India continues to offer extraordinary longer term opportunities for fastener businesses, while unquestionably presenting very real shorter term challenges. This article considers the major market sectors for fasteners, with particular emphasis on the development and trends of the critically important automotive and construction sectors.

## Automotive Industry

Demographically and economically, India's automotive industry is well-positioned for growth, servicing both domestic demand and, increasingly, export opportunities. With the increasing growth in demand on back of rising income, expanding middle class and young population base, in addition to a large pool of skilled manpower and growing technology, will propel India to become a major automobile manufacturing hub and the third largest market for automobiles by 2020, according to a report published by Deloitte.

India is already home to a significant and growing number of automotive design and research centres, including Delphi, Valeo and Bosch, as well as Mercedes Benz, Ford, Suzuki, GM, Honda and Cummins. This is significant when compared to other players like Brazil, where fastener producers have little direct input to design, mainly having to conform to specifications generated in Europe and to a lesser extent the USA.



India is currently the seventh-largest automobiles producer in the world with an average annual production of 17.5 million vehicles. This market has grown steadily over the last seven to eight years, with the exception of the previous two years where the effects of the global downturn were felt, primarily in sales of commercial vehicles. However, even during the downturn, the two-wheeler and three wheeler segments, which were until then experiencing low growth or losing volumes, bucked the trend.

To match production with demand, many auto makers have started to invest heavily in various segments in the industry in the last few months. The industry has attracted FDI worth US\$ 11,351.26 million during the period of April 2000 to November 2014, since the Government of India encourages foreign investment in the automobile sector and allows 100 percent FDI under the automatic route. For instance, the automobile sector in Andhra Pradesh has a potential for US\$ 1 billion investment and US\$ 1.50 billion output, according to a recent analysis by Automotive Components Manufacturers' Association of India (ACMA). Besides, the government had lowered excise duties on small cars, motorcycles, scooters and commercial vehicles, sports utility vehicles, mid-segment and large-segment cars to boost manufacturing.

元, 占亚太地区所有产品输出的5%。多数于印度工厂生产的工业扣件都是较低品级的常用项目。2006年至2011年间, 每年的扣件输出增加9.7%, 加上当地制造商受惠国内需求成长和出口市场开发(尤其是其他亚太地区国家), 印度对全球的扣件企业来说虽然存在一些短期挑战, 但却一直充满长期商机。本文将讨论扣件主要市场, 尤其着重于具关键重要性的汽车和建筑领域, 包括发展趋势。

## 汽车产业

根据Deloitte市场报告指出, 从人口统计和经济层面来看, 印度的汽车产业成长前景看好, 不只服务国内需求也逐步关注出口商机。因为薪资水平上升导致需求增加以及中产阶级和年轻族群增加, 另外还有技术人才和技术的导入, 皆刺激印度成为主要汽车生产重镇, 并预计在2020年成为全球第3大汽车市场。

印度目前已是许多著名汽车设计暨研发中心选择的落脚处, 包括Delphi、Valeo和博世以及宾士、福特、铃木、通用、本田和Cummins。比起其他竞争国家(像是巴西)的扣件制造商比较少直接导入设计概念且只能追随欧洲所制定的主要规格以及些许美规规范, 印度在这点上很不一样。

印度目前是全球第7大汽车制造国, 年产量平均1,750万辆。除了前2年因为全球景气下滑因素(主要是商用车销售)影响, 在过去7-8年该市场仍持续维持稳定成长。不过即使在景气下滑期间(低成长或稍稍下滑), 两轮和三轮载具的部分仍然如公鹿般持续往前冲。

为了达到生产需求平衡, 在过去几个月许多车厂已经开始大量增加各领域投资力道。因为印度政府鼓励外国投资汽车产业并允许100%国外直接投资, 在2000年4月至2014年11月期间, 汽车产业已经吸引113.5126亿美元外国直接投资。例如, 根据近期印度汽车零部件制造商协会(ACMA)公布的分析指出, 印度东南部安得拉邦的汽车产业具有10亿美元的投资和15亿美元的输出潜力。此外, 当地政府也已经调降小型车、机车、速可达、商用载具、休旅车、中/大型车的货物税以刺激生产。

India is probably the most competitive country in the world for the automotive industry. It does not cover 100 percent of technology or components required to make a car but it is giving a good 97 percent, highlighted Mr. Vicent Cobee, Corporate Vice-President, Nissan Motor's Datsun. The vision of AMP 2006-2016 sees India, "to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US\$ 145 billion; accounting for more than 10 percent of the GDP and providing additional employment to 25 million people by 2016."

It is notable that the Indian fastener industry has a low level of standardization since most auto manufacturers, given their distinct foreign collaborations, have different design specifications for their assemblies. A fastener producer, then, has to maintain a large inventory to cater to various clients.

## Construction Industry

Construction market is the second largest employer and contributor to economic activity, after the agriculture sector. The construction sector accounts for the second highest inflow of FDI after the services sector and employs more than 35 million people.

50% of the demand for construction activity in India comes from the infrastructure sector, while the rest comes from industrial activities, residential, commercial development, etc. The Indian construction industry is valued at over USD 126 billion.

Indian cities contribute significantly to India's GDP. As per a mid-term appraisal in 2012, the urban share of the GDP was 62% – 63% in 2009-10. This was further projected to increase to 70% – 75% in 2030.

In 2001, about 286 million were living in urban areas across India. It had the second largest urban population in the world. As per the Indian Census, 2011, the urban population had increased to 377 million, thereby registering a growth of around 32%. As per recent estimates, nearly 590 million people will live in Indian cities by 2030.

Between 2005 and 2008, the real estate sector grew by about 30% annually before slowing down significantly owing to 2008 global financial crisis. It grew by about 8% between 2009 and 2011 and 6.5% in 2012-13.

As per industry estimates, the Indian real estate market was estimated to be approximately USD 78.5 billion in 2013 and is expected to grow to approximately USD 140 billion by 2017. According to FICCI-EY Real Estate Report 2013, India's real estate requires about USD 42 billion (excluding housing for economically weaker sections) in investments by 2015. Residential real estate alone will require an investment of USD 29 billion.

India has an estimated urban housing shortage of 18.8 million dwelling units. The housing shortage in rural India is estimated at 47.4 million units, in 2012. The present level of urban infrastructure is inadequate to meet the demands of the existing urban population. There is need for re-generation of urban areas in existing cities and the creation of new, and smart cities to meet the demands

印度或许是全球汽车产业发展最具竞争力的国家。日产旗下拥有的汽车品牌Datsun企业副总Vicent Cobee先生强调:「虽然它没有生产汽车所需要的100%技术和零部件,但已经有整车成型的97%了。」印度政府于2007年推出的汽车发展计划(AMP 2006-2016)就是要将印度打造成全球汽车和汽车零部件设计制造的选择之一,并达到1,450亿美元的输出水准,并预计在2016年以前达到国内生产毛额10%以上的占比并创造2,500万个工作机会。

印度扣件产业的标准化程度不高是众所皆知的,多数汽车制造商因为与不同国外厂商合作,就有不同的设计装配规格。因此,扣件制造商必须保有大量存货还满足不同客户的需求。

## 建筑产业

建筑市场是创造就业机会和促进经济活动的第2大贡献产业,仅次于农用市场。除此,建筑领域是仅次于服务领域第2大的外国直接投资标的,聘用超过3,500万名员工。

印度建筑领域的需求有50%来自基础设施建设,其余来自工业活动,住宅和商业开发等。印度建筑产业价值估计超过1,260亿美元。

印度主要大城是印度国民生产毛额的主要贡献者。根据2012年一份中期评估报告指出,2009-2010年间有62-63%的国民生产毛额来自城市,该数据并预计在2030年达到70-75%。

2001年约有2亿8,600万人居住在印度主要大城。居全球单一国城市居住总人口的第2位。根据印度普查结果显示,2011年时城市总人口已增加至3亿7,700万人,成长率约32%。另外根据最近一份估计报告,到2030年会有将近5亿9,000万人居住于印度主要城市。

2005至2008年间,房地产领域年成长率约30%,之后才因2008年全球经济危机出现明显发展迟缓。在2009-2011年间成长约8%,2012-2013年间则成长6.5%。

根据一份产业报告估计,印度房地产市场在2013年约值785亿美元,并预计在2017年前成长至1,400亿美元。根据FICCI-EY房地产2013年度报告,印度的房地产在2015年的投资需求约420亿美元,如果只看住宅房地产部份将会需要290亿美元。



of increasing population and migration from rural to urban areas. Future cities of India will require smart real estate and urban infrastructure.



The Government of India is in the process of launching a new urban development mission.

This will help develop 500 cities, which includes cities with a population of more than 100,000 and some cities of religious and tourist importance. These cities will be supported and encouraged to harness private capital and expertise through PPPs, to bolster their infrastructure and services in the next 10 years.

To provide quality urban services on a sustainable basis in Indian cities, the need of the hour is that urban local bodies enter into partnership agreements with foreign players, either through joint ventures, private sector partners or through other models.

100% FDI through the automatic route is permitted in townships, housing, built-up infrastructure and construction-development projects (including, but not restricted to housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, cities and regional level infrastructure).

## Conclusion

Industrial fasteners in India cover a wide range of products such as nuts, screws, bolts, studs, rivets, nails, washers, etc., which can be broadly classified into two groups, high tensile strength fasteners, and mild steel fasteners depending on their tensile strength. Manufacture of high tensile fasteners requires superior technology and these are hence mainly manufactured in the organized sector. On the other hand, manufacturing of mild steel fasteners is concentrated in the unorganized sector.

The automobile industry is the largest consumer of fasteners. The other major user-segments are construction, textile machinery, railway locomotives, computer hardware and general engineering. There exists huge export potential for Indian industrial fasteners. However, poor product standardization, relatively higher raw material costs and low labor productivity make Indian fasteners less competitive in the global market.

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印度的城市住宅需求预估还短缺1,880万户。2012年印度偏乡的住宅短缺预估为4,740万户。目前城市基础建设的水平还不够满足现有城市人口的需求。需要在现有城市创造出更多城市区块以及创造新的智慧城市来满足成长人口以及持续从偏乡移入城市人口的需求。印度未来城需要更智慧的房地产和城市基础设施建设来支援。

印度政府目前正在进行一项新的城市开发计划。这可以帮助500个城市，包括拥有10万人口以上的城市以及一些具备宗教和观光重点的城市。这些城市将受到支持鼓励透过「公私合作关系」来留住私有资金和专业，并于接下来10年内发展相关基础建设和服务。

为了在印度主要城市基于永续基础上提供优质的城市服务，印度当地机构组织必须与国外厂商合作，透过合资、私人合伙或其他模式进行。

100%的外国直接投资在乡镇地区、住宅、基础建设和建筑开发计划(包括但不限于住宅、商业住宅、旅馆、度假村、医院、教育设施、娱乐设备、城市级/区域级基础建设)都是被允许的。

## 结论

印度的主要工业扣件品项有螺帽、螺丝、螺栓、螺柱、拉钉、钉、垫片等，主要可广义地根据强度分成两大类：高强度扣件和中强度扣件。高强度扣件的制造需要优异的技术且生产条件要求高。另一方面，中强度扣件的生产要求条件较低。

汽车产业是扣件的最大消费群。另一个主要消费群是建筑、纺织机械、铁道、电脑五金和一般精密加工。对印度工业扣件来说这些领域都存在庞大出口潜力。不过，产品标准化程度不高，相对高的原物料成本以及低劳工生产力都让印度扣件在全球市场较不具竞争力。 □

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