Outlook of Global Heavy Engineering Sector by Keshav Dussal

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The Engineering market is one of the largest emerging markets in the global Engineering industrial sector. The sector accounts for 12% of the GDP and provides direct employment to more than 5 million people. It produces machinery and capital goods for various industries as well as components and parts. It is out of order into heavy engineering and light engineering. Wide variety of production processes like casting, forging, welding, pressing, stamping etc. are used in the sector. It is also one of the leading sectors of exports.

In the recent past, many engineering MNCs have set up business in India taking advantage of the huge pool of skilled labor in the country. It is assorted with different number of segments which are categorized into two types respectively, Heavy engineering and light engineering. The competence requirements are high but it is highly disjointed at lower level and is conquered with small players. In developing countries manufactures a wide range of products, with heavy engineering goods by using mass production system. Most of the leading players are always try to engage in the production of high value products by using high technology in Heavy Engineering industrial sector. High investment capital is one of the major entry barriers in this particular set of business area. As a result unorganized small firms have a tiny market existence.

On the other hand the light engineering industry market is occupied with low end technology. Barriers are less as compared to heavy engineering in case of capital as well as technology. This segment is cover by small and unorganized players with less value products. If we look towards the global development in various countries, the engineering sector in world has been growing on the reverse of expansion in the user industries and several new projects being undertaken in various core industries such as railways, power, infrastructure, etc. Capacity creation in sectors such as infrastructure, oil & gas, power, mining, automobiles, auto components, steel, refinery, consumer durables, etc, is driving growth of the engineering industry.

The heavy engineering sector shows two types segment one is capital goods or machinery segment and second one is equipment segment. The capital goods market cover up by power generation, transmission and distribution equipments such as generators and motors, transformers and switchgears. Non capital goods or machinery includes machines or equipments used in various sectors such as material handling equipments boilers. The industry has also managed to successfully develop advanced manufacturing technology over the years. India is one of the major exporters of heavy and light engineering goods, producing a wide range of items. The bulk of capital goods required for power projects, fertilizer, cement, steel and petrochemical plants and mining equipment are made in India.

Almost all players are always expect demand in this sector to remain healthy primarily on the account of all country government constantly trust on infrastructure development. The continuous enlargement of the mechanized sector and encouraging regulatory policies would make available further boost up to the sectorâ€™s growth. Every year every government allot near about 60% to 70% amount to infrastructure sector. This result shows the every year fresh and bulky investment for this particular sector.

Now days the developing countries are showing a positive results in case of engineering sector. The major contribution have made in the world development which reflects future overall outlook and growth of engineering industry sector.

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