



Indian Diesel Engine Manufactures
Association (IDEMA)

July 22, 2011, Bangalore

By

R. Sundaresh ,Vice Chairman

About IDEMA



- Diesel Engine manufacture started in India in 1947, IDEMA started in 1967
- IDEMA represents - **stationary and non-road use Internal Combustion Engine (ICE) Industry**
- IDEMA works proactively with government to develop legislation on emission, safety, fuel efficiency, and such.

Mission

To be the acknowledged voice of the Internal Combustion Engine industry in India, and thereby, be called upon by regulatory agencies and user industry for open and fair dialogue. And, be the credible source of information, affecting ICE industry.

Members

32 ICE manufacturers, and 4 major importers

IDEMA's Dialogue Partners



Government Agencies

- Central Pollution Control Board (CPCB, www.cpcb.nic.in) under **Ministry of Environment and Forests**
- Automotive Research Association of India (ARAI, www.araiindia.com) under **Ministry of Heavy Industries and Public Enterprises**
- Bureau of Indian Standards (BIS, <http://bis.org.in>) under **Ministry of Consumer Affairs**
- Bureau of Energy Efficiency (BEE, <http://www.bee-india.nic.in>) under **Ministry of Power**
- **Ministry of Surface Transport** (<http://morth.nic.in>)

User Industry Associations

- Society of Indian Automobile Manufacturers (SIAM)
- Indian Earthmoving & Construction Industry Association Ltd (IECIAL, www.iecial.com)
- Diesel Generating Set Manufacturers Association
- Tractor Manufacturers Association (TMA)
- Indian Generator Manufacturers Association
- Genset Manufacturers Association

Indian Diesel Engine Manufacturers' Association Diversity – Vehicles and Applications



Market Information

(IDEMA Members, year ending March 31, 2010)



	Units	Value (INR Cr.)
Domestic Sales	554,000	10,200 +
Exports Sales	20,000	750
Imports Sales	16,000	60
Total	590,000	11,000 +
Direct Employees	12,000	

Strengths



- Wide Range is manufactured : 4 to 11,000 hp range
- Large Supplier base in country
- Variety of uses : Agri Machinery, Generating Sets, Construction Machinery, Marine, Defense, etc.
- Several Fuel options : High Speed Diesel, Heavy Fuels, Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG) and Bio-diesel blends up to B100
- Research in country for cost effective technology
- Today's diesel engines emit lesser CO₂ as compared to petrol engines.
- Service Network that reaches remote corners of the country
- Large wide spread employment generation

Changes in Industry



- In addition to manufacturing and process sectors, demand from infrastructure and reality sectors is growing
- Average power output of gensets is increasing year by year
- Occasionally, 'super silent gensets' and Gensets running on alternate fuels are required
- Gensets running on alternate fuels offer opportunity to users to get Carbon Credits

Technological Changes



- In 2003-2006, Indian Emission Regulation exceeded the global standard
- Next level of emission regulation is being mandated by Ministry of Environment and Forests.
- Indian Regulation for 19 to 37 kW engines, will be more stringent than global standard.
- To meet the regulation, fuel with sulphur content of 50 ppm against currently available 350 ppm is required

Industry meets global standards



- IDEMA members meet global standards. Over 20,000 gensets / engines for gensets exported in FY10
- Exports are growing

Industry Perspective



IDEMA Members are ready to meet or exceed the changing needs. Be it, customer expectation (noise), emission (regulation), or use of alternate fuels

Industry Perspective



And, industry is profitable to keep investing in R&D, plant and machinery, and expanding and upgrading the service network

ISSUES

Engines to be in FPS Scheme

- Inclusion of Compression Ignition Diesel engines designed for variety of applications as per ITC HS 84 08.20, 84.08.10 and 84.08.90 in the list of focus products that could avail benefits under the FPS scheme.

The Foreign Trade Policy, under Para 3.15, refers to the Focus Product Scheme (FPS). The objective of this scheme is to incentivize products having high export intensity / employment potential, so as to offset infrastructure inefficiencies and other associated costs. Appendix 37F of the Handbook of Procedures presently contains a list of products that would be considered under the FPS scheme. This scheme provides for a 2% duty benefit on the FOB value of the incremental export sales generated. However there is no mechanism mentioned in the FTP to apply for inclusion of a product as a 'Focus Product' and therefore request you to consider our case

ISSUES

- Fuel Map to be made available for future Emission standards
- Sulphur content becomes critical from EURO Stage 3B
- Abolition of Entry tax/Octroi
- Supply Chain capacity



Questions
please !