

Pan-India Location Analysis

Top established and emerging
destinations for manufacturing sectors



Qutub Minar, New Delhi



Certain sectors in India have emerged as **hotbeds for FDI** in the last few years. The manufacturing activity in these sectors is located not only across established traditional manufacturing hubs but is also spreading to some new and upcoming industrial areas, which are joining the list of manufacturing hotspots for the sector.

INDIA: THE EMERGING MANUFACTURING POWERHOUSE

 **Manufacturing Seedbed:** India is among the top 10 countries with the highest industrial output

 **Continuous Pro-Investor Reforms:** India has jumped 79 ranks in The World Bank’s “Ease of Doing Business” rankings during the period 2015-2020
(2015: Rank 142, 2020: Rank 63)

TOP SECTORS BY FDI INFLOW

FY 2015-19

Sector	FDI USD \$ bn (% of total)	FDI Limits
Computer Hardware & Software	24.4 (12.06%)	100% under Automatic Route
Telecommunications	18.7 (9.22%)	49% under Automatic Route; Government route beyond 49%
Construction (Infrastructure)	12.2 (6.04%)	100% under Automatic Route for construction development and industrial parks
Automobile	11.6 (5.72%)	100% under Automatic Route
Chemicals (other than Fertilizers)	6.9 (3.42%)	100% under Automatic Route (except certain hazardous chemicals)
Power	5.4 (2.68%)	100% FDI under Automatic Route for generation from all sources (except atomic energy), transmission and distribution of electric energy and Power Trading 49% under Automatic Route in Power Exchanges
Hotel & Tourism	5.2 (2.59%)	100% under Automatic Route for tourism construction projects, including the development of hotels, resorts, and recreational facilities
Non-conventional Energy	4.8 (2.38%)	100% under Automatic Route for renewable energy generation and distribution projects
Electrical Equipment	4.7 (2.33%)	100% under Automatic Route for electrical machinery
Drugs & Pharmaceuticals	4.4 (2.17%)	100% under Automatic Route – Greenfield 74% under Automatic Route – Brownfield; Government Route beyond 74%

Excludes Services, Trading and Information and Broadcasting
Automatic Route: Under the Automatic Route, the foreign investor or the Indian company does not require any prior approval from the Reserve Bank or Government of India
Government Route: In this route, there is no investment without the prior approval of the Government of India.

OTHER NOTEWORTHY SECTORS



Electronics sector, a major driver of the Digital India Mission, is a thrust area of the Government, as India looks to substitute imports by domestic production and strengthen it's share of global ESDM manufacturing. This is reflected in the growing FDI flows in the sector.

100% FDI under Automatic Route except Defence electronics (49% under Automatic Route; Government route beyond 49%)



Engineering and Capital Goods

Engineering exports comprise 36% of India's manufacturing-led exports and 25% of India's merchandise exports. The capital goods sector constitutes 12% of overall manufacturing in India.

100% FDI under Automatic Route for Capital Goods



PAN INDIA MANUFACTURING ZONES SNAPSHOT

India Map with all 44 industrial zones identified in the survey



CHEMICALS & PETROCHEMICALS



Market Size (FY18): USD \$ 165 bn

Expected to be \$304 bn by 2025 (CAGR: 9%)

Total Production (FY18): 47.882 MMT

(Alkali chemicals: 69%)

Policy Support:

PCPIRs: 4 all over India

Plastic Parks: 10 all over India

Central Institute of Plastics Engineering & Technology (CIPET):
36 all over India; 5 more upcoming

Region, State	PCPIR?**	Major Occupiers	Port / Dry Port Connectivity	Remarks
Dahej, Gujarat	Yes. Most successful PCPIR project	ONGC Petro additions Limited (OPaL)	Gujarat Maritime Board Old Port* Marine Shipbuilding Park* Captive Jetties Reliance Liquid Fuel Jetty* Birla Copper Bulk Cargo Jetty* Private Ports Adani Port* GCPTCL Liquid Chemical Terminal*LNG Petronet's LNG port*	Strategic Position: Within DMIC influence zone, as its situated within 50 kms of the DFC Well established hub: RIL, OPaL, ONGC, GACL, Petronet LNG, BASF, ABG, Adani, Welspun, Godrej & Boyce, GAIL, GSPC, Pidilite, Grasim, NOCIL, China Steel among others Deep Sea Discharge Facilities available
Patalgang, -Rasayani (Maharashtra)	No	Patalganga Manufacturing Division (PMD) of Reliance Industries Ltd. (RIL)	Mumbai Port (major port)* NPT (major port)*	Established Hub for sectors including chemicals, petrochemicals, pharmaceuticals and textiles, among others. Presence of players such as Cipla, Petronas, Castrol, Bombay Dyeing, Alkyl Amines, Balaji Formalin etc.
Cuddalore, Tamil Nadu	Yes (PCPIR identified), but established chemicals cluster outside PCPIR	Chennai Petroleum Corporation Ltd. (CPCL) refineries at Chennai and Nagapattinam	Chennai Port (major port) Ennore Port (major port) Kattupalli Port Cuddalore Port*	Presence of players such as Tanfac Industries, Asian Paints, Bayer MaterialScience, Chemplast in Cuddalore, and players such as Saint Gobain, Asahi in Sriperumbudur near Chennai.
Vizag-Kakinada, Andhra Pradesh	Yes	Hindustan Petroleum Corporation Ltd. (HPCL) led consortium with Total, Oil India, Saudi Aramco and Gas Authority of India Ltd. (GAIL); existing Visakha Refinery (undergoing expansion)	Vishakhapatnam Port (major port)* Gangavaram Port* Kakinada Port* Krishnapatnam Port; GMR is developing a greenfield captive port at Kakinada	AP PCPIR covers 6 existing SEZs Deep Sea Discharge Facilities available Situated off Krishna-Godavri basin , a rich reservoir oil and gas reserves.
Paradip, Odisha	Yes	Indian Oil Corporation Ltd. (IOCL)	Paradip Port (major port)* Dhamra Port	Exclusive Plastics Park at Paradip Gopalpur industrial area & SEZ in vicinity.



SECTOR SNAPSHOT



9.9% Share of exports
(excl. pharma) 2018-19



7.99% Share of
manufacturing GVA 2017-18



3rd Largest consumer of
polymers in world



3rd Largest producer of
chemicals in Asia by volume;
6th in world

**PCPIR or Petroleum, Chemicals and Petrochemicals Investment Regions is a specifically delineated investment region with an area of minimum 250 sq. km. planned for the establishment of manufacturing facilities for domestic

and export led production, along with associated services and infrastructure. Each PCPIR would have a refinery/petrochemical feedstock company as an anchor tenant.



Established



Emerging

*within 100 kms

AUTOMOBILE & AUTOMOBILE COMPONENTS

Market Size (FY19):



26.27 mn vehicles sold; 30.92 mn produced
Automobile Mission Plan 2016-26: USD \$ 300 bn
industry by 2026 (world's 3rd largest by volume)

Policy Support: To make India an EV Hub

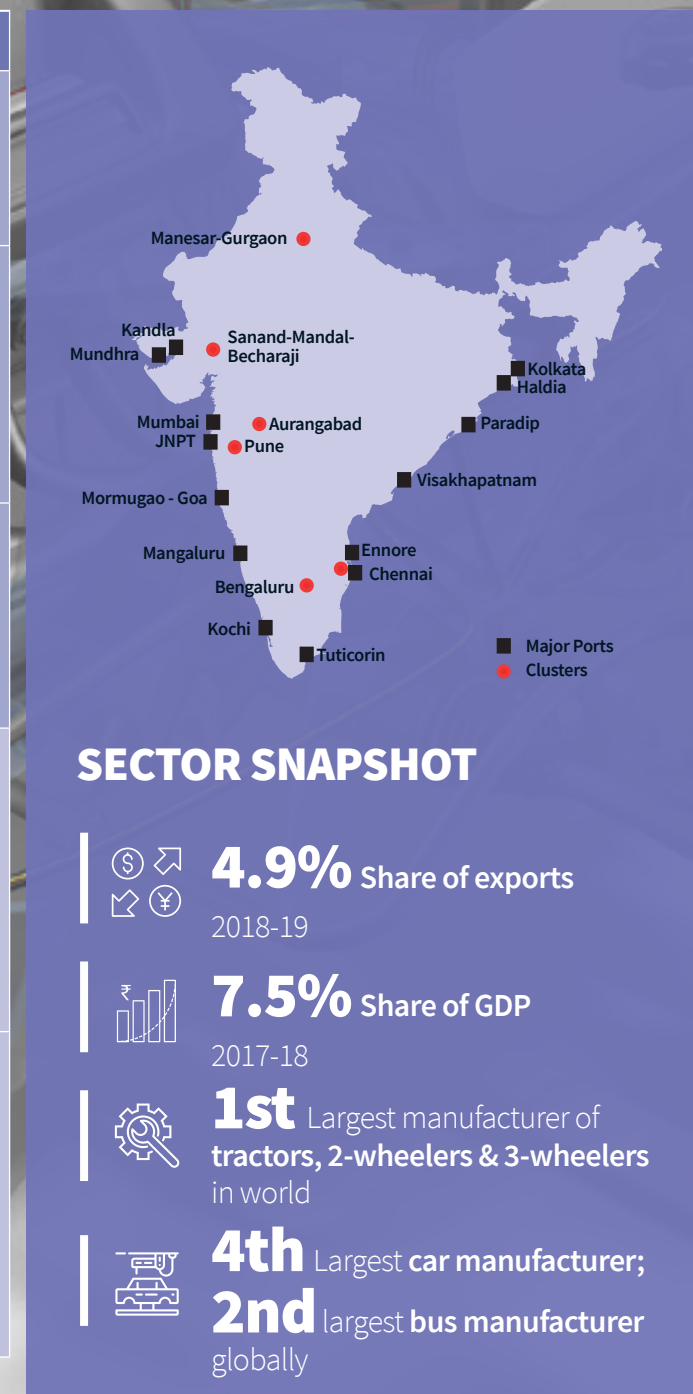
FAME (Faster Adoption and Manufacture of
(Hybrid and) Electric Vehicles) Scheme
National Electric Mobility Mission Plan 2020

Region, State	Major Occupiers	Port / Dry Port Connectivity	Highway Connectivity	Remarks
Pune-Aurangabad, Maharashtra	Fiat, GM, Volkswagen, Mercedes-Benz, Tata Motors, Bajaj Auto, JLR, Mahindra & Mahindra, Skoda Auto, Goodyear Tyres, Balkrishna Tyres, Duro Valves, Force Motors, JCB, Sany, John Deere, Continental, Minda, Carraro	Mumbai Port (major port); JNPT (major port) ICD Dighi*	NH48 (Delhi-Chennai) NH65 (Pune-Machlipatnam) Proposed Samruddhi Corridor	Maharashtra accounts for ~35% of India's output of automobiles by value.
Chennai-Sriperumbudur-Oragadam, Tamil Nadu and SriCity, Andhra Pradesh	Hyundai Motor, Schwing Stetter, Daimler Commercial Vehicles, Renault-Nissan, Yamaha Motors, Bharat Benz, Eicher, Ashok Leyland, BMW, Royal Enfield, Isuzu, Komatsu, Ford, TAFE, CEAT Tyres	Chennai Port (major port)* Ennore Port (major port)* Kattupalli Port* Krishnapatnam Port	NH48 (Delhi-Chennai) NH32 (Chennai-Nagapattinam) NH16 (Kolkata-Chennai)	Part of Chennai and surrounding areas, which are popularly nicknamed "Detroit of India" , due to the large presence of auto industry.
Manesar-Faridabad-Gurugram, Haryana	Maruti Suzuki, Honda Motorcycle and Scooter, Suzuki Powertrain, Suzuki Motorcycle, Hero Motors, Mitsubishi Electric Automotive, Harley Davidson, Yamaha Motors, JCB, Escorts Tractors, Minda	ICD Gurugram (Garhi-Harsaru)* ICD Faridabad (ACTL)* ICD Rewari* ICD Patli* ICD Ballabhgarh*	NH48 (Delhi-Chennai) KMP Expressway	Home to the first and largest plant of India's largest automobile manufacturer – Maruti Suzuki.
Sanand-Mandal-Becharaji, Gujarat	Tata Motors, Ford Motors, Suzuki Motors, Honda Motorcycle and Scooter	Kandla Port (major port) Mundra Port Hazira Port ICD Sanand (Thar Dry Port)* ICD Khodiyar*	Connected through SH to NH8-A (Mandvi-Ahmedabad in Gujarat)	~102 sq. kms. of MBSIR (Mandal Becharaji Special Investment Region) being developed as an industrial hub, including a Japanese zone.
Bengaluru-Bidadi, Karnataka and Hosur, Tamil Nadu	Toyota Kirloskar, Mahindra Reva Electric, TVS Motors, Ashok Leyland, Continental	Chennai Port (major port) Ennore Port (major port) New Mangalore port (major port) ICD Whitefield* ICD Hosur*	NH48 (Delhi-Chennai) NH44 (Srinagar-Kanyakumari) NH948 (Coimbatore-Bengaluru) NH648 (Dobbaspeth, Karnataka to Hosur, Tamil Nadu)	Karnataka is the first state in India to roll out an Electric Vehicle and Energy Storage policy. It is also the R&D hub of India with 400+ R&D institutes.

Pithampur, near Indore, Madhya Pradesh is an auto cluster with the presence of players such as VE (Volvo-Eicher) Commercial Vehicles, Man Trucks, Mahindra 2-wheelers, Force Motors, Bridgestone Tyres, Caparo India, Liugong, Pinnacle Auto, JBM etc.

KIA Motors established its first factory in India at **Anantapur – Gudipalli, Andhra Pradesh** in 2019. KIA Motor's supplier base is also establishing its base in the vicinity.

Haridwar – Pantnagar, Uttarakhand is home to world's largest integrated 2-wheeler plant by Hero Motocorp. Tata Motors, Ashok Leyland, Bajaj and Mahindra are other notable players.



Established Emerging *within 100 kms

DRUGS & PHARMACEUTICALS



Market Size (FY18): USD \$ 36.7 bn

Expected to be \$55 bn by 2020
20% share of global supply volume of generic medicines

Policy Support:

Cluster Development Programme:
6 pharma parks in the pipeline

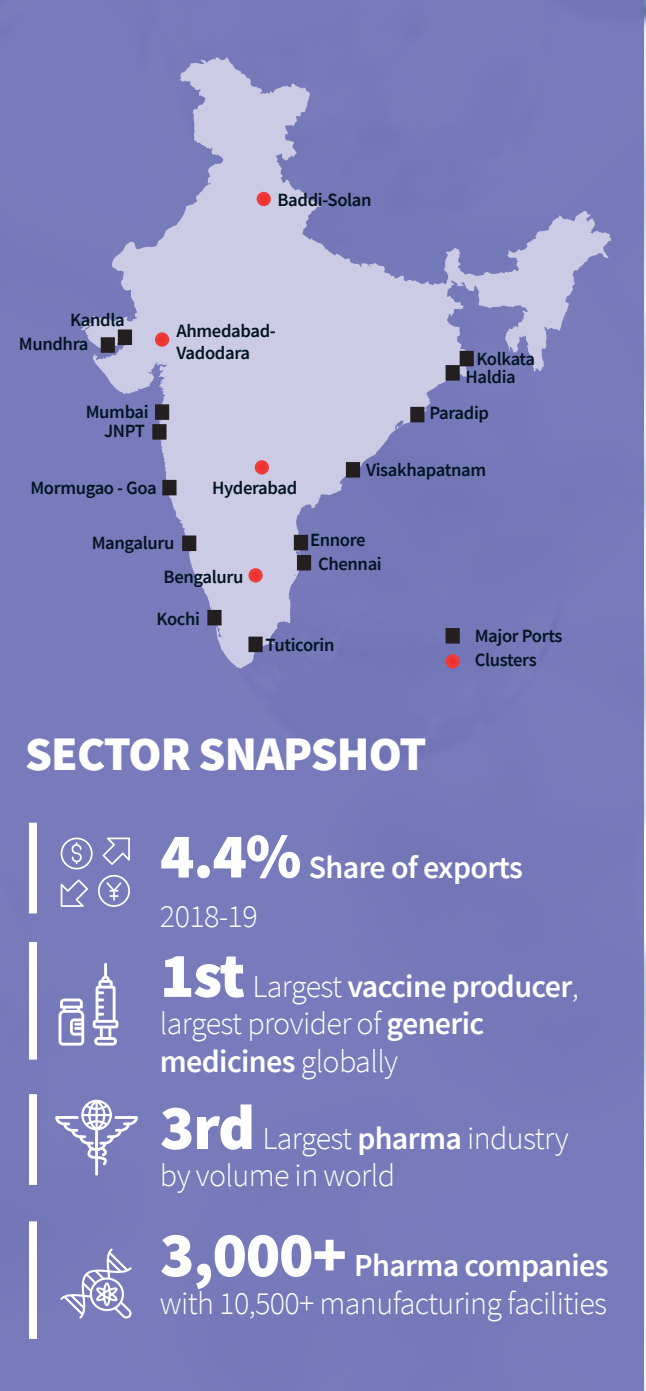
Region, State	Major Occupiers	Port / Dry Port Connectivity	Highway Connectivity	Airport Connectivity	Remarks
Hyderabad-Medak, Telangana	Novartis, GSK, Alembic, Biological E, Du Pont, Aurobindo Pharma, Ashland, Insud Pharma (Chemo), Mylan, TCI, Laurus Labs, Adama, Dr. Reddy's Laboratories, USP, Bharat Biotech, Piramal	Vishakhapatnam Port (major port); Gangavaram Port; Kakinada Port; Krishnapatnam Port ICD Sanathnagar* CFS Kukatpally*	NH44 (Srinagar-Kanyakumari) NH765 (Hyderabad to Thokapalle, Andhra Pradesh) NH65 (Pune-Machlipatnam) NH163 (Hyderabad to Bhopalpatnam, Chattisgarh) NH161AA (Bhongir-Sangareddy in Telangana)	Hyderabad International Airport	Hyderabad contributes 40% of the total Indian bulk drug production and 50% of the bulk drug exports. Genome Valley in Hyderabad is the first and systematically planned and developed cluster dedicated to life sciences in India. Pharma City being planned.
Bengaluru, Karnataka	AstraZeneca, GSK, Biocon, Cipla, Mylan, Himalaya Drug Company, Kemwell, Novozymes, Merck	Chennai Port (major port) Ennore Port (major port) New Mangalore Port (major port) ICD Whitefield*	NH48 (Delhi-Bengaluru-Chennai) NH44 (Srinagar-Kanyakumari) NH948 (Coimbatore-Bengaluru) NH648 (Dobbaspeth, Karnataka to Hosur, Tamil Nadu)	Bengaluru International Airport	R&D Hub of India with 400+ R&D institutes, and 35 Clinical Research Organisations and 12 Adverse Drug Reaction Reporting Centres. Karnataka contributes ~12% of India's pharmaceutical exports and ~10% of India's pharmaceutical revenues.
Ahmedabad-Halol-Vadodara, Gujarat	Zydus Cadila, Sun Pharma, Torrent Pharma, Glenmark, Alembic, Dishman Group, Claris Lifesciences, Intas Biopharmaceuticals	Kandla Port (major port) Mundra Port Hazira Port ICD Sanand (Thar Dry Port)* ICD Khodiyar*	NH48 (Delhi-Ahmedabad-Chennai) NH228 (Ahmedabad-Dandi in Gujarat) NH947(Sarkhej-Okha in Gujarat) Ahmedabad-Vadodara Expressway	Vadodara and Surat domestic Airports, Ahmedabad International Airport	40% of machinery for India's pharma sector is manufactured in Gujarat. Gujarat has 550+ WHO compliant manufacturing units of ~1,200 units in India. Gujarat is the world's largest producer of contraceptive pills .
Baddi, Solan district, Himachal Pradesh	Ranbaxy, Dr. Reddys Labs, Abbott, Pfizer, Glenmark, Morepen Labs, Unichem Labs, Torrent Pharma, Alliance World India, Cipla, Zydus Cadila, Alembic, Wokhardt	ICD Baddi*	NH105 (Pinjore, Haryana to Swarghat, Himachal Pradesh)	Shimla Airport, Chandigarh International Airport	Himachal Pradesh meets more than 1/3rd demand of demand for pharmaceuticals in Asia. Proposed bulk drug pharma park in Kripalpur in Solan.
Goa (Union Territory)	Pfizer, Abbott, Glenmark, Unichem Labs, Zydus Cadila	Marmagao Port (major port)* New Mangalore Port (major port) at ~350 kms	NH66 (Panvel, Maharashtra to Cape Comorin, Tamil Nadu)	Goa International Airport	Goa contributes ~10% of India's pharmaceutical output. The Goa pharmaceuticals industry is growing at a rate of 15% annually.
Haridwar, Pantnagar, Dehradun, Uttarakhand	Jubilant Life sciences, India Glycols Ltd, Coral Laboratories, Sharon Biomedicine Ltd	ICD Pantnagar ICD Kashipur MMLP Pantnagar	NH 58, NH 109, NH 72	Pantnagar Airport Jolly Grant Dehradun Airport	More than 300 Pharmaceutical units. Pharma exports from the State were worth USD 100+ Mn during 2017- 18 majorly to USA, Russia and Australia. Proposed Medical device park in Haridwar

Indore, Madhya Pradesh with players such as Cipla, Lupin, Piramal Group, Glenmark, Mylan etc. is also a notable cluster.

Maharashtra has multiple scattered clusters such as Pune, Nashik, Tarapur, Aurangabad etc. with players such as Wockhardt, Lupin, Cipla, Merck, J&J,

GSK, Glenmark, Ranbaxy etc. and contributes ~20% to India's pharma output.

Vizag, Andhra Pradesh is an emerging cluster with an established pharma city (Mylan, Laurus Labs, Biocon, Aurobindo Pharma etc.), and a proposed second pharma city.



ELECTRONICS & CONSUMER APPLIANCES

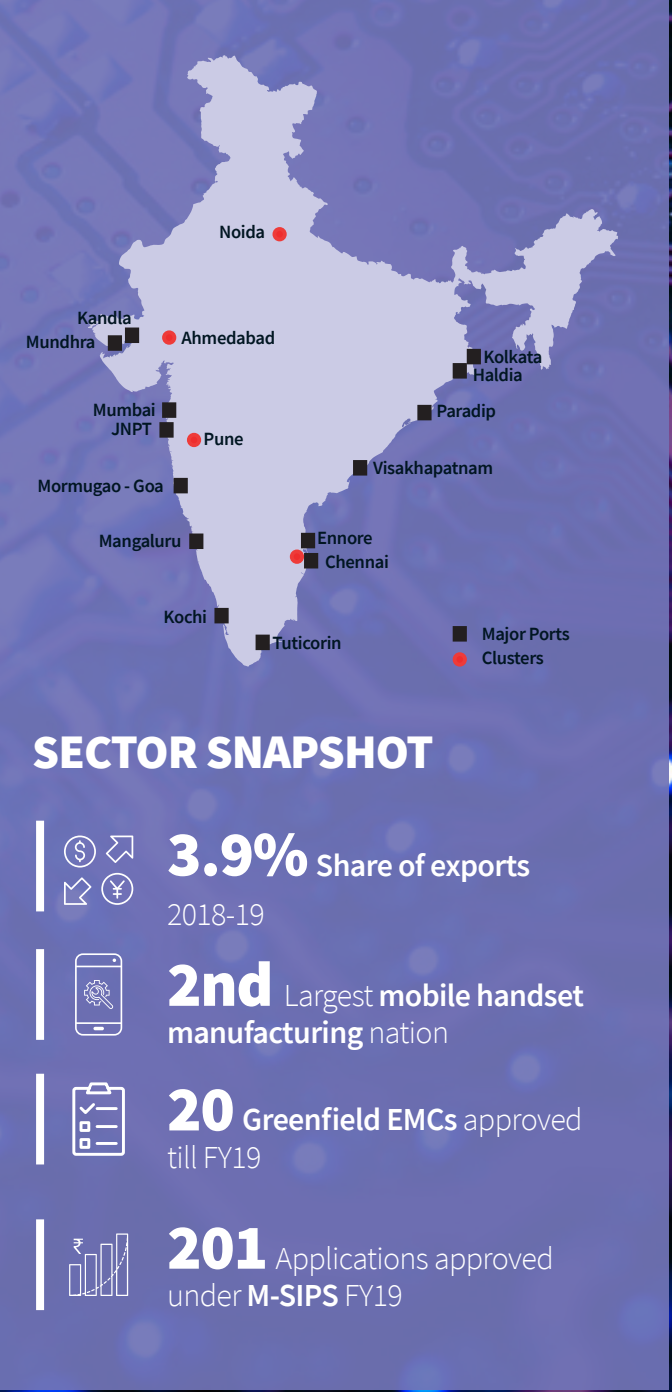
Market Size (FY18): \$65 bn (production)

Expected to be \$400 bn by 2025 (CAGR: 32%)
Consumer Electronics & Appliance Industry in India: 5th largest by 2020

Policy Support:

Electronic Manufacturing Clusters Scheme
National Policy of Electronics 2019, to support the achievement of \$400bn turnover by 2025
Phased Manufacturing Program

Region, State	Major Occupiers	Port / Dry Port Connectivity	Highway Connectivity	Airport Connectivity	Remarks
NOIDA-Greater NOIDA-Yamuna Expressway, Uttar Pradesh	Vivo, Haier, Oppo, Samsung, LG, Xiaomi, Lava International, Karbonn Mobiles, GTN, Labanyo Electronics, Million Club Manufacturing, Intex Technologies, Dixon Technologies (Padget), Bingo Mobiles Tech, Holitech Technology	ICD Dadri* ICD Loni* ICD Khurja* ICD Modinagar*	NOIDA-Greater NOIDA Expressway FNG Expressway NH44 (Srinagar-Kanyakumari) Multiple NH in vicinity to Delhi	Delhi International Airport, Upcoming Jewar International Airport	<p>Biggest mobile phone and accessory manufacturing hub of India – 2/3rds of India’s mobile phones manufacturing in NOIDA-Greater NOIDA.</p> <p>Samsung factory in NOIDA: is world’s largest mobile manufacturing facility.</p> <p>Significant investments by Chinese, Korean and Japanese investors.</p>
Chennai-Sriperumbudur, Tamil Nadu and Sri City-Tirupati, Andhra Pradesh	Foxconn (including Sony), Flextronics, Nokia, Xiaomi, Samsung, Bluestar, Lenovo, Motorola, Dell, Lava, Karbonn Mobiles, Dixon technologies, Celkon, TCL electronics	Chennai Port (major port)* Ennore Port (major port)* Kattupalli Port* Krishnapatnam Port	NH48 (Delhi-Chennai) NH32 (Chennai-Nagapattinam) NH16 (Kolkata-Chennai) NH71 (Madanapalle-Naidupeta in Andhra Pradesh) in vicinity of Sri City	Tirupati Airport (granted international upgrade), Chennai International Airport	<p>Sri Venkateswara Mobile and Electronics Manufacturing Hub and EMC-II are dedicated industrial areas for electronics in Tirupati.</p> <p>Significant hub for manufacturing of consumer appliances.</p>
Pune (Chakan, Ranjangaon)-Aurangabad, Maharashtra	LG, Jabil, Philips, Whirlpool, Bosch, Videocon, Bharat Electronics, Corning, Haier, Honeywell	Mumbai Port (major port); JNPT (major port) ICD Dighi*	NH48 (Delhi-Chennai) NH65 (Pune-Machlipatnam) Proposed Samruddhi Corridor	Mumbai International Airport Pune International Airport	Noteworthy hub for manufacturing of consumer electronics with several international brands of Refrigerators, Air conditioners, Washing machines being manufactured.
Ahmedabad-Sanand, Gujarat	Bluestar, Hitachi, Voltbek (JV of Voltas and Arcelik), Bosch	Kandla Port (major port) Mundra Port Hazira Port ICD Sanand (Thar Dry Port)* ICD Khodiyar*	NH48 (Delhi-Chennai) NH228 (Ahmedabad-Dandi in Gujarat) NH947 (Sarkhej-Okha in Gujarat)	Ahmedabad International Airport	<p>Ahmedabad and Gandhinagar have been notified as EMCs.</p> <p>Prantij (60 kms from Ahmedabad) to have 2 semiconductor wafer fabrication manufacturing facilities by Hindustan.</p> <p>Semiconductor Manufacturing Corporation, along with ST Microelectronics and Silterra.</p>



2 Electronic Manufacturing Clusters have been approved at E-City and Maheshwaram at Hyderabad, Telangana

Established Emerging *within 100 kms