



# 2022 BECKONS OPPORTUNITIES

India is expected to become the third-largest construction market by 2025, according to market research reports. India will require investments worth Rs 50 trillion (US \$777.73 billion) across infrastructure by 2022 for a sustainable development in the country. There is a huge opportunity in the highway network development in the country as only 24 per cent of the NH network is 4-lane in the country. A host of investments has been planned by the government in the transportation infrastructure and other sectors such as water, power, urban and industrial infrastructure. The economy is going through a difficult patch due to the impact of the pandemic. However, the forward-looking development plans by the government and the progressive vision of the industry stakeholders together can lead the country to further growth in the coming years. On this note, industry stalwarts share their views on the infrastructure outlook of the country.

## INVEST INDIA

"The government has laid emphasis on the creation of world-class infrastructure in a planned and sustained manner. India is already implementing the National Infrastructure Pipeline with an outlay



**VATSAL KHULLAR**  
Senior Investment  
Specialist, Invest India

of Rs 111 lakh crore (US\$1.4 trillion). Under the Pipeline, the central and state governments have committed to spend approximately 80%, while the remaining 20% is expected to come through private participation. Over the last two years, we have witnessed that despite the pandemic affecting multiple sectors, the infrastructure and construction industries have continued to grow. For example, despite the challenges put forth by the pandemic, India has been constructing 37 km of roads per day.

In November 2021, the Central Government has approved the release of additional Rs 47,541 crores (US\$6.3 billion) to states to further encourage capital investment and prevail over any market challenges. Further, the government has rolled out the National Monetization Pipeline to recycle operational revenue-generating public assets and generate



resources for financing greenfield investments in infrastructure creation. FY22 has already witnessed the roll-out of the NHAI and the PGCIL InvITs. The Pipeline has identified assets worth US\$81 billion to be monetized from FY22 to FY25. Further, the Central Government is encouraging states to also identify similar assets under their domain, which can be monetized.

Through a combination of such steps being taken by the central and state governments, the existing trend in infrastructure investment and asset creation is likely to accelerate during FY 23."

### **DALMIA CEMENT (BHARAT)**

"We foresee implementing our business philosophy Clean & Green is Profitable and Sustainable in a bigger way. We expect cleaner and greener manufacturing practices being deployed in the cement and construction sectors in 2022 that will reduce input material derived from natural resources and mitigate dependence on fossil fuels. These include renewable energies, carbon capture & utilization systems, mineralization of wastes into



**MAHENDRA SINGHI**  
MD and CEO  
Dalmia Cement (Bharat)

usable raw materials and carbon lock-in from flue gases. Other emerging innovations include 3D concrete printing or modular precast construction

and AI-enabled tools or robots. EPC models and a PPP (public-private partnership) model, such as SMART city projects, will also lead to faster utilization of next-generation tools and integrated new workforce typology. We are fully committed to our target of becoming a carbon-negative cement company by 2040."

### **DAIMLER INDIA COMMERCIAL VEHICLES**

"India offers huge potential for growth as the economy revives and the CV market matures. With people moving out of major cities due to the pandemic, there is greater opportunity for expansion in tier 2 and tier 3 cities, especially for the Intermediate and Light Commercial Vehicle (I&LCV) segment. Meanwhile, construction activities, de-regulation of the mining sector, and proactive investment by the private sector is reviving demand for the tipper segment. The push towards increasing national highway corridors will also help improve inter-state connectivity, thereby creating fresh demand in urban transportation. We expect that 2022 will see heightened demand for heavy trucks from the infrastructure sector, mining, and long-haul segments



**SATYAKAM ARYA**  
Managing Director  
& CEO, Daimler India  
Commercial Vehicles

like cement and steel. E-commerce will continue to be a sunrise segment for small and intermediate commercial vehicle sales. Additional demand will also come from the need for CVs in vaccine distribution, fuel container, and cold chain segments. Overall, DICV is very bullish for the next five years. This will be an exciting period for the Indian CV industry."

### **HITACHI ENERGY**

"2021 had been a year on tenterhooks, ricocheting from hope to gloom to a flat wait-and-see state. India, in a Whack-a-Mole mode, was setting records administering vaccines to its vast population and just as fast new Covid variants – Kappa, Delta, Omicron – were appearing to strain existing relief measures.



**N VENU**  
MD & CEO, India & South  
Asia, Hitachi Energy

Normalcy only emerged in pockets and a significant population continued to operate remotely,



hopeful the vital power infrastructure would support in the new normal. Fact is, nothing can function without power. Not even national aspirations and targets.

2022 beckons opportunities in the right direction. The two years of Covid-19-led unprecedented disruption has ushered in a faster adoption and adaptation to digital power technologies in traditional sectors such as transmission works and rail. It has also brought in fresh fervour toward sunrise sectors such as electric vehicles (EVs), datacenters and renewables -from the government through productivity-linked incentive schemes and from corporates via investment in green businesses."

### INTERARCH BUILDING PRODUCTS

"The government is totally behind improving infrastructure in India and has allocated huge funds for infrastructure. The results have already started showing across sectors. 2022 will be the year that this will be all visible, and Pre-engineered building (PEB) industry, as well as other construction companies, will benefit enormously. Retail and Warehousing sectors are also going in for huge expansion due to a shortage of high-grade warehousing space.



**ARVIND NANDA**  
Managing Director  
Interarch Building  
Products

India is currently going through a boom similar to what we saw between 2003-2010. Hopefully, the full benefit of steps taken by the government in making it feasible for FDI to come in, PLI schemes for various sectors and the funds provided to upgrade India's current ramshackle infrastructure, will greatly benefit the PEB industry. At Interarch, we are fully prepared for this challenge. We have increased our capacity by 35% in 2021 and will be adding another 20% in 2022. Our preparations for 2023 onwards have already begun and we will double our 2021 capacity by 2023-24."

### JCB INDIA

"The construction equipment market is dependent on the infrastructure activity that takes place in the country. Encouragingly, there has been a significant focus on the development of infrastructure by way of announcements of projects and budgetary allocations in the recent past. We are encouraged by the Gati Shakti programme and the National Infrastructure Pipeline which is critical for our industry. While COVID has had an unprecedented effect on all industries across the segment, even during the second wave, construction activities



**DEEPAK SHETTY**  
CEO and MD  
JCB India

continued unabated, especially in rural India. Thus, all indicators are pointing towards a strong recovery, where construction equipment will play a critical role in the development of infrastructure across the country.

Over the past few years, roads and highways has been the leading growth driver within the infrastructure sector for our industry. We feel that there are significant opportunities for other segments also to gather pace; these being Railways, Power, Irrigation, and Mining. Moreover, with the focus on Health Infrastructure, we feel that hospitals, dispensaries and healthcare facilities will need to be built across the country to be prepared for the future."

### JINDAL ALUMINIUM

"India's efforts of shifting towards sustainable development have been phenomenal. Emphasis and importance that sustainability has received have also seen Aluminium playing a crucial role in



**NAVEEN MEHTA**  
President - Operations  
Jindal Aluminium

green construction. We see this continuing in 2022, with the construction sector showing a positive recovery after the covid slump. The Building and Construction segment has become stronger on the back of home buying, new project launches, infrastructure development through the emergence of smart cities, and many other factors. With the pre-pandemic momentum making a comeback, the use of aluminium in the construction business is promising. By embracing sustainable components for green construction, the industry can condense the environmental impact using aluminium. Buyers have started to be wary of the type of consumer they want to be. Everyone wants to support sustainable living, making this place better for future generations. We expect to see this optimism growing in 2022 when quality-conscious customers further drive-up demand and sales in the green construction."

### KONE ELEVATOR INDIA

"The post-pandemic world is going to reshape how people perceive the real estate industry.



**AMIT GOSSAIN**  
Managing Director  
KONE Elevator India

Affordable housing, mid- and high-rise buildings are taking the centre stage in cities. It is great to note that there is, as well, a substantial infrastructure development in the Tier 2 and Tier 3 cities. Builders and developers have started to gravitate towards making smart use of open spaces, harnessing preventive maintenance and touchless technology to ensure safety and well-being of building occupants.

In the construction and as well as elevator & escalator industry, digitalization is paving the path for e-commerce, and more home buying with requirements of swift, timely and quality delivery, thus increasing the need for more warehouse spaces and data centres. Considering the revival potential of the real estate and construction industry, the progressive policies introduced by the government and the evolution of newer technologies for potential home buyers, there lies a huge scope of economic development in our country."

#### PANASONIC LIFE SOLUTIONS INDIA

The year 2021 was majorly affected due to the high intensity of the second wave. It has been a tough year on all businesses, though we are seeing an upswing in the manufacturing and services sectors. During Covid, our complete focus was on employee well-being, business recovery, and increased engagement. We have set ourselves an ambitious goal of achieving carbon neutrality by 2030. We also worked towards creating products and technologies that can provide more comfort, safety and energy savings to our customers.



**DINESH AGGARWAL**  
Joint Managing Director  
Panasonic Life Solutions  
India

In 2021, we have shown consistent resilience and in 2022 while we will continue to provide products aligned with the market demand, our focus will remain to contribute towards the sustainability and clean energy goals of India."

#### SPML INFRA

"The infrastructure sector in India is the backbone of the growing economy. The sector is estimated to grow at a CAGR of approx. 7% during the 5 years

period (2021-2026). National Infrastructure Pipeline (NIP), the five-year-long infrastructure projects planning with a strategic investment of Rs 102 lakh crore will enter its third year in FY22. The PM Gati Shakti National Master Plan has been initiated this year to boost efficiency of infrastructure projects as it aims to create synergies between implementing agencies, cut costs and reduce turnaround time.



**SUBHASH SETHI**  
Chairman, SPML Infra

The infrastructure sector specially roads & highways and water sector witnessed good progress in 2021. Govt. of India has done a commendable job this year under the flagship scheme, Jal Jeevan Mission (JJM) by connecting 25.09 million new households in the country with clean drinking water supply, thus covering 45.42% households out of 192.13 million total rural households since the beginning of JJM. With a huge budget of Rs 3.60 lakh crore for JJM-Rural and another Rs 2.87 lakh crore outlay for JJM-Urban along with other groundwater, irrigation, and hydrology projects; Govt. of India is aiming to bring a change in the water sector in India. With so much work needs to be completed by 2024 under JJM and other infrastructure development projects in India, the outlook of this sector is quite positive and we at SPML Infra is very hopeful that there will be not much disruptions from Covid pandemic in India and the economic progress will pick up speed as we go along the new year 2022 and beyond."

#### VEDANTA ALUMINIUM

"India's construction sector is expected to be the third largest in the world after China and US, with an overall value of US\$1.4 trillion by 2025. According to Invest India, by 2025, the construction market output in India is expected to grow at 7.1% each year, fuelled by the central government's plan to build Smart Cities, rejuvenate AMRUT cities, and more. Almost 25% of the aluminium produced worldwide is used in the



**RAHUL SHARMA**  
CEO, Aluminium  
Business, Vedanta

construction industry, a feat that stands testimony to the metal's fastest growth compared to all other commercial metals. In fact, aluminium-intensive buildings are also front runners in the global race for green buildings.

To cater to this growth, the domestic aluminium industry will have to ramp up production and invest in R&D capabilities for product innovation, tailored to each use case. The construction industry stands to gain significant support from leading domestic producers like Vedanta Aluminium, from sourcing high-quality aluminium products to co-creating new products and specialized alloys for the construction industry."

#### HIRANANDANI GROUP

"While the year 2021 was all about resilience, the new year 2022 will script new age trends, growth, and dynamics in the real estate sector. Accelerated vaccination drive, softening on home loan interest rates, buoyant capital market, liquidity infusion, highest FDI, and market consolidation were the key highlights of 2021.

Developers are geared to leverage the optimistic sentiment of the discerning home buyers and conducive market dynamics. The year 2022 will witness a string of new project launches in the



**DR. NIRANJAN  
HIRANANDANI**  
Vice Chairman-National,  
NAREDCO and MD  
Hiranandani Group

residential and commercial market. An uptick of both buyer's & investor's confidence will augment home-ownership value and will further fast-track home up-gradation mode. The new normal life will evolve with a 'bigger the better' mindset and working near home will be the new fulcrum for the home-buying decisions. The new year will be dynamic as it will set off new innovations in design, planning and amenities deliverables, befitting the preferences of modern home buyers. The prop & fin-tech will mark its strong presence in the construction and real estate industry to make 'evolutionary' trends property sector for 2022."

#### THE WADHWA GROUP

"Real estate industry has played a dominant role towards the country's economic prosperity. In the coming months, the expectation of the buyers and developers ought to rise as the sector has witnessed lots of new government policies. These policies will help the industry to be more organized and will provide a boost to both the



**NAVIN MAKHIYA**  
Managing Director  
The Wadhwa Group

residential as well as commercial real estate segments.

We have witnessed a very robust demand in the past few quarters on the back of improved consumer sentiments. We anticipate the government to announce incentives that will propel the growth of the sector such as introducing tax breaks which will increase public spending, less transaction cost, etc. Developers should focus to complete the existing projects. Sales will happen as the buyer gets to see development and the project reaches a close to completion stage and therefore the demand for good developers and ready-to-move-in inventory will continue. Trusted and reputed developers have witnessed relatively better sales in mid-income & affordable housing segments and will continue to dominate in 2022 as well."

#### RUNWAL GROUP

"Real estate market bounced back strongly in 2021. The lockdown last year made people realize the need of owning a home, leading to a surge in demand. The incentives announced by the government and lower interest rates and various offers by developers gave further impetus to the industry. Developers with quality products, strong delivery track record and sound financial health have seen a significant upswing in business.



**RAJAT RASTOGI**  
Executive Director  
Runwal Group

We expect demand to remain robust, especially in the affordable housing segment and in ready to move in or soon to be ready projects. Prices will firm up owing to the rising input costs as at some point developers will have to stop absorbing further increase in input costs. Keeping aside the threat posed by the new variant, real estate sector should see a great 2022.

As a group, we have seen significant increase in revenues consistently and we expect the same trend to continue in 2022. We have a positive outlook and new launches, and deliveries, and further expansions are in the pipeline for the year."

