

Demand

Since the mid-50s, India had followed a policy of mixed economy, but with predominance of the Government-owned, public sector companies in the entire gamut of infrastructural development, these public sector companies received heavy budgetary funding. However, the economic and industrial policy changes effected in July '91 are a radical departure from this policy. The new policy envisages:

- (i) public sector will find its own resources for its entire range of operations and,
- (ii) public sector companies may enter into collaboration not only with domestic private sector companies but also with foreign companies.

The GOI's VIII Five-Year Plan projected that by 1996-97 the demand for coal mining equipment alone will be in the neighborhood of Rs. 57 billion, with indigenous component at Rs. 37 billion. This by itself represented an increase of 265 per cent over the present level of market. However, with the public sector companies being directed to generate their own resources and not to depend upon the budgetary support, this demand projection merely is academic in the absence of known sources of funding. Thus, the market has now become fluid with no one ready to hazard a guess as to which particular projects may be commissioned with or without joint ventures from within or from outside.

Market Analysis

Though the industry comprises some 70 organised and scores of unorganised facilities, the bulk of the production comes from a select few. Same is true of the product range, with longwall mining equipment, load headers, hydraulic rock breakers and shovels/excavators accounting for a major share of the production.