

## **Demand**

Since the mid-50s, India has followed a policy of mixed economy with a predominance of Government-owned public sector companies which received heavy budgetary funding. However, the economic and industrial policy changes implemented 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 will be in the neighborhood of Rs. 57 billion, with an indigenous component of Rs. 37 billion. This alone represents an increase of 265 per cent over present market level. However, with public sector companies being directed to generate their own resources and not to depend upon the budgetary support, this demand projection is merely academic in the absence of known sources of funding. Thus, the market has now become fluid, as no one is ready to hazard a guess as to which projects may be commissioned with or without domestic or foreign joint ventures.

## **Market Analysis**

Although the industry is comprised of some 70 organised and scores of unorganised facilities, the bulk of production comes from a select few. The 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.