

Industrial Scan

Unit of Vizag Industrial Scan

An Industrial Fortnightly

VOLUME 21 ISSUE 4, PAGES: 12 ■ June 16-30 2018 www.viscan.in ANNUAL SUBSCRIPTION Rs.999/- Price per copy Rs.5/-

Sri City gets Flextronics unit

VIS News Service

The Andhra Pradesh government recently signed a Memorandum of Understanding (MoU) with Flextronics Technologies (India) Pvt, a subsidiary of Flex Ltd, a global American "sketch to scale" solutions provider.

The MoU was signed to set up a manufacturing facility at Sri City near Tirupati in Chittoor for producing a range of mobile phone components. The unit is expected to start production from August 15.

Mr. Francois Barbier, President Global Operations and Components at Flex said that they have presence in thirty countries. Flex is the third largest electronics manufacturing company in the world.

Referring to AP, he said

that the ecosystem in the state was suitable to reach a more number of customers and hence the company decided to establish the manufacturing facility here. "We are here as we trust the state government," he said.

On the occasion, Minister for IT and Electronics Mr. N Lokesh said that the state had aimed to capture a lion's share of 50 per cent of electronics production in the country. He said that the electronics manufacturing business in India stood at around US \$480 bn. Chief Minister Mr. N Chandrababu Naidu wanted 50 per cent of this should be in AP, said the IT Minister. Lokesh explained that within 14 months of his tenure, he

Contd. on Page 2

'Our Top leadership wants indigenization to succeed'

VIS News Service

Stressing on the need of making India a self-reliant nation in defence manufacturing and putting an end to India's over dependence on foreign military equipment, Vice Admiral Karambir Singh, PVSM, AVSM, Flag Officer Commanding in Chief, Eastern Naval Command, Indian Navy minced no words in stating indigenization is the way forward.

'Self reliance in defence production is essential and provides great flexibility to a country' stated the Vice Admiral.

Informing that the Indian Navy has been at the forefront of indigenization he said that there has been a relentless pursuit of make in India and



Vice Admiral Karambir Singh

the Navy is strongly for it. 'Our top leadership sincerely wants indigenization to succeed' asserted the Vice Admiral.

Vice Admiral Karambir Singh was speaking at a seminar recently organized

by CII and SIDM in partnership with Andhra Pradesh Economic Development Board on opportunities in Defence and Aerospace.

'Today's Navy is a builder's navy said Vice

Admiral Karambir Singh informing that 32 ships and submarines are currently being built in Indian shipyards. In terms of shipbuilding capabilities for the defence industry it was

Contd. on Page 11

Cochin SEZ tops exports for May

Sees a whopping 720 % surge

VIS News Service

Exports from the special economic zones (SEZs) of the country registered a growth of 38 per cent in May 2018. The monthly exports data released by Export Promotion Council for SEZ and Export Oriented Units (EPCES) shows merchandise exports from SEZs touched a value of Rs 29,236 crore in the month of May this year as against Rs 21,220 crore in the same month last year.

According to the EPCES report, the major sectors contributing to the

outstanding growth numbers in the month were biotech, chemicals, pharmaceuticals, computer, electronics, non-conventional energy, plastic, rubber, and trading and services.

Among the high-growth sectors of SEZs, chemicals and pharmaceuticals exports stood at Rs 16,848 crore in May 2018, an increase of 55 per cent from last year. Electronics exports from the SEZs surged by 218 per cent to Rs 6 crore and biotech sector exports rose by 36 per cent

Contd. on Page 5

CEMS to set up 18 labs in Vizag

VIS News Service

The Centre of Excellence in Maritime & Shipbuilding (CEMS), a well-funded start-up in skill development for maritime and shipbuilding sector, has announced setting up of 24 labs i.e. 6 in Mumbai and 18 in Vizag

campus.

The labs being set up include Product Design & Validation, Advance

Robotics, Virtual Reality, Advance Machine & Robotics, Electrical and several others.

Will help build competency in maritime & shipbuilding

The announcement was made in the first seminar on Competencies,

Manufacturing, Hull Design, Automation, Welding Technology,

Employability, Methodology and Skills

Contd. on Page 2

Naidu inaugurates medical hub project in Vizag

VIS News Service

Andhra Pradesh Chief Minister Mr. N Chandrababu Naidu said that the government was bringing more reforms in the medical and health sector to minimise the health expenditure of the people. Utilising Information Technology and advanced medical infrastructure, quality medical services would be ensured to the last end villages in the state. "To control the contagious diseases in the state the government is bringing Australian technology," Mr. Naidu said. The government is working to



make Andhra Pradesh the world's best medical hub. The government would promote innovations, incubations, entrepre-

neurship and start ups in the medical sector on a large scale, Mr. Naidu said.

The Chief Minister inaugurated the first of its

kind AP Health Fest-2018 in Visakhapatnam last fortnight. Speaking on the occasion, he revealed several reforms which

would be brought into the medical sector in the state. In order to identify and observe the world's best medical practices and to implement those practices in the state, the AP Health Fest is being organised.

The Chief Minister inaugurated AMRIT (AP Medical Tourism Hub) as part of the ongoing Andhra Pradesh Health Festival at Rushikonda.

On the occasion, he spoke about the various initiatives taken by his government in the health care sector. The AP health care system would be strengthened with financial assistance from the World Bank. The ANM Centres,

which were below the level of the Primary Health Centres (PHCs), would be strengthened with two doctors and two ANMs at each centre.

On the five new initiatives launched by the government, he said that the e-Sub Centres would enable patients in remote areas to consult doctors at the e-Sub Centre hubs in Visakhapatnam and other cities. The ANM at the centre would register the name of the patient, his/her problem on the Tab and send it electronically to the hub. The doctor would analyse the condition of the

Contd. on Page 2

‘Our Top leadership wants indigenization to succeed’

Contd. from Page 1

stated that India had reached 90% in terms of the float component. However was substantially short in higher end technologies.

Role of MSME's

He laid strong emphasis on the role MSMEs need to play in making India a self reliant nation in the sector of defence production and manufacturing.

‘Ship building ancillary units have a major role to

play’ said the Vice Admiral.

Speaking on the opportunities for MSMEs he however underscored the importance of quality control in the equipment supplied by the SMEs.

‘Quality control in defence production is paramount’ said the Vice Admiral.

He also warned of protectionist policies from any stakeholders stating that ‘Industry can only flourish if it’s allowed to make clear choices’.

‘I believe seeking

“Quality control is paramount. There are no runners up during a war”

tactical protectionism by any stake holder will be self- defeatist’.

Local MSMEs

Talking on the opportunities local MSMEs could participate in, he said that the Eastern Naval Command had a huge requirement to indigenously

replace large number of imported equipment already in service.

‘We have vintage ships and aircraft which need to be modernized by fitment of indigenous equipment’. Potential in this area is large.

Refits were another

area where the VA identified huge opportunities for the local SMEs.

Availability of trained talent

In order to attract trained talent to join the armed forces he called for close coordination between the defence industry and academia so that a thriving R&D culture can be built. ‘We must nurture a research and development eco system’ said the Vice Admiral.

Giving the welcome

address Mr **RVS Rudraraju**, Chairman, CII Andhra Pradesh and Director, RHI Clasil Pvt Ltd informed that the Government of Andhra Pradesh has identified Aerospace and Defence Manufacturing as thrust sector for industrial development. He further stated that the Sector has tremendous potential to generate upstream and downstream investment opportunities and foster innovation & growth said the CII AP Chairman.

Industry talks on Defence Opportunities

MSME's for Hull maintenance



ENC itself has plethora of opportunities for the MSMEs. There is a need for the maintenance of the hull (of the ship) as it floats in a higher corrosive environment.

People with expertise in the different grades of steel, aluminum, titanium and various other alloys of different grade are required. Similarly on the engineering side there are requirements for Diesel engines, Gas turbine, different kinds of pumps, Gear boxes, Propellers etc. As a lot of these equipment were imported in the past their product support from OEMs has faded away over the years hence creating an imminent need for re-engineer/reverse engineer. This is a segment domestic industry can truly participate in.

There is need for industry participation in utilizing automation and robotics. Technologies like these could be used for hull repairs, hull survey, underwater repairs, use of 3d printers. AI could play a big role in aiding the operator at sea.

Rear Admiral Amit Bose, VSM
Admiral Superintendent

‘We are looking to increase our vendor base’

We are looking to increase our vendor base here. InCAT i.e. Indian Navy catalogue lists all the items that are required in ships & submarines.



There are 358 items reserved for MSMEs and all procurement is done through e-procurement.

Rs. 1750 crs is what ENC gets for capital expenditure. Out of this, about Rs. 750-800 crs is allocated to the material organization. Of this there is an estimated opportunity of Rs 500 crores for MSMEs to participate in.

Commodore PK Mohan, VSM
Material organization, ENC

For MSMEs that want to build for defence they need to develop a commercial product wherein they are not just solely relying defence forces. It takes a lot of time for things to materialize with the defence establishment and thus one needs to be financially sustainable.

We at Geomardy have a commercially viable product wherein we build for the oil and gas industry too.



Mr. J. Srinivasa Raju
Geomardy

Opportunities from the defence sector are far less for MSMEs. And when there are opportunities they are sub contracted. In fact even for small tenders we sometimes end up competing with large players like L&T and Tata's. So where do MSMEs stand a chance.



Mr. Ajay Kumar
Sree Sreenidhi Engineering

Out of the 358 items that have been identified for MSMEs none require major technology innovation. The items they leave for us are rubber mats, dust bins etc. There is no real technology participation.



P Srinivas Rao
Sree Sreenidhi Engineering

Order flow from the defence sector towards MSMEs is abysmal. There needs to be consistency in policy.



Mr. Hiren Vasa
Dassault Systems

Under the make in India initiative we see this as a promising sector. Rs 6000 crores has been allocated in this year's budget for Air cushion vehicles.



Mr R Meher Chaitanya Verma, Hoverdock

Defence establishment needs to develop the specifications in consultation with the industry. We face a lot of problems with specifications for the defence forces.

Balakrishna
Entrepreneur