

MCCIA conducted a survey on nearly 10000 industries in the Pune district. Main findings from the survey are given below. Details may be viewed in the Directory/ Study Report which is available for reference/ sale in MCCIA library.

- ✓ There are about 12500 formal sector manufacturing driven, industrial units in Pune. This estimate does not include the units that provide allied services (such as dealers, traders, logistics, warehousing) to these units or units in other sectors (such as construction). Of these, 9500 have a turnover of at least Rs. 5 lakhs per annum and have formed the focus of our study. We managed to contact around 8500 units through a geographical, primary survey.
- ✓ There are distinct hubs of industrial activities within the district; most of the manufacturing industries are concentrated in and around the Pimpri, Chinchwad and Bhosari MIDC. There are several smaller industrial hubs that have formed around this MIDC area; these are at Tathavade, Chikhali, Moshi, Khadki, Dighi, Nigdi etc.
- ✓ The other big belts where the industry is concentrated are the Pune-Chakan route (Moshi, Chimbli, Kuruli, Khed, Mahalunge), the Pune-Mumbai belt (from PCMC, Khadki, Dehu, Pirangut and Urawade, Urse, Ambi, Talegaon, Kanhe, Takwe upto Lonavala), the Pune-Nagar belt (Kharadi, Wagholi, Koregaon Bhima, Sanaswadi right up to the MIDC at Ranjangaon).
- ✓ In fact, there almost exists a golden industrial triangle between PCMC, Talegaon and Ranjangaon within which industrial development seems to be taking place at a feverish pace.

The following table is indicative of where the main industrial activity in the district is concentrated.

Broad Areas	Percentage of units
PCMC	38.4%
Pune- Talegaon- Lonavala	8%
Pune-Alandi Markal- Moshi- Chakan	13.5%
Pune- Nagar Road- Ranjangaon	8%
Pune- Katraj- Khed Shivapur- Satara	4.5%
Hadapsar- Phursungi- Saswad	4%
Pirangut- Urawade	3%
Jejuri	0.8%
Baramati	1.9%
Kurkumbh	0.5%
Junnar	0.5%
City industrial estates and areas	12.2%

- ✓ The survey indicates that around 66% of the industrial units are within the PMR limits; it is interesting when one juxtaposes this figure against the 1995 figure

when around 82% of the industrial activity was concentrated in the PMR region itself. This implies that of the concentration of the industry has moved from being inside the PMR to newer growth areas as well; this is obvious from the current growth that we are today witnessing at centers such as Chakan, Ranjangaon and Pirangut, which are all non-PMR areas.

- ✓ There is a broad spectrum of industrial activities in Pune spanning automobiles, engineering goods, machinery, boilers, heat exchangers, machinery components, auto components, machine tools and accessories, hardware, fabrication, jigs and fixtures, electrical and electronic components, white goods, food processing etc.
- ✓ Our data and the excise level data suggest that Pune Mfg. Inc. creates a turnover of nearly Rs. 52000 crores. Around 3500 units have a turnover of more than Rs. 1.5 crores; 120 companies have a turnover of more than Rs. 100 crores. The top 12 companies, with more than Rs. 1000 crores turnover, contribute to more than 50% of the total industrial turnover.
- ✓ Investments are pouring in; around Rs. 4500 crores worth of investment has come in for the last 2 years each. Big ticket announcements include those by Tata Fiat JV (Rs. 4000 crores), Volkswagen (Rs. 2450 crores), General Motors (Rs. 1300 crores), JCB (Rs. 600 crores), Daimler Chrysler (Rs. 250 crores), Ferrero Rocher (Rs. 150 crores), Bilcare (Rs. 40 crores) etc.
- ✓ At least 40% of the industry reveals expansion plans; of these, around 60% are for expanding in Pune itself. Pune Mfg. Inc. ranks Pune at 3.01 on a scale of 1-4, leading us to believe that Pune's mfg. turnover could easily touch Rs. 60000 crores by 2010.
- ✓ Pune Mfg. Inc. reveals formal employment to be around 5,00,000; however, this data-based figure could be on the lower side owing to the presence of contract labor that is not captured in the data at all. Nearly as much or more employment may be generated by the industry through contracts
- ✓ Pune Mfg. inc. exports nearly Rs. 10000 crores worth of output as per the data. The products are reasonably spread across various categories such as auto-components, boilers, heat exchangers, machine tools, electronic components, plastics parts, rubber components, processed food products etc.
- ✓ As per our survey results, we find that more than 2700 units in Pune district have obtained some form of quality certification; this could be ISO (applicable series), TS or HACCP (for the food industries).
- ✓ It is interesting to note that even though quality certification is more prevalent in the medium and large scale units, it is not exclusive to them; increasing percentage of micro and small scale units are also obtaining quality certifications. Whereas 100% of the large scale units have obtained some form of quality

certification, even in the micro and SSI category, we find evidence of 10% and 34% of the units being certified.

- ✓ Apart from the increasing trend towards getting ISO/ other parallel and relevant quality certifications, it is heartening to note the number of other awards, citations that many of the Pune industries have received either for their innovative practices, best sales/ marketing strategies, advertisement campaigns and so on.
- ✓ Amongst the micro units, there are nearly 25 companies that boast of being rewarded with MCCIA's G. S. Parkhe Award for innovations in production, best vendors/ suppliers awards from their clients. Similarly, there are around 76 SSI units which boast of some special award or the other.
- ✓ Nearly 14% of the industry already incurs planned R&D expenses for enhancing their products. Typically, the R&D expenses seem to account for around 1-2% of the total turnover of the company.
- ✓ Our talks with the industry reveal informally that most of these expenses are for internal product development; thus, there does not seem to be a formal attempt at innovating so as to be able to get a patent and then transfer the Intellectual Property Right to another company
- ✓ The survey reveals that IPR awareness of Pune industries is still at a very preliminary stage. Whether it be patents, designs or trademarks, the number of registrations by Pune Mfg. Inc. seem to be low. MCCIA will shortly be undertaking separate surveys to get meaningful insights into just the IPR issues specifically.
- ✓ When asked the reasons for giving Pune a high preference as an investment destination, most of the units quote the presence of a strong local customer base, availability of labor at comparable rates, proximity to Mumbai and yet lower land and operations rates, enhanced connectivity to Mumbai and smooth availability of raw materials as big plus points.
- ✓ Amongst the main problem areas are infrastructure. Nearly 58% of the respondents quote lack of good infrastructure as the biggest growth stopper in Pune. Of these, 48% quote power issue as the biggest problem area. The other problems are labor and talent shortage, octroi, Government interference, MIDC issues, non-availability of land for expansion, finance issues etc.

More clearly needs to be done to make life easier for the manufacturing units. MCCIA has recommended in its report that infrastructure strengthening need to be looked at as an opportunity and not a threat. Similarly, industry relevant institutions need to be created for giving assistance and hand holding, especially for the SMEs. The octroi issue has been pending for a long time; we have recommended that quick action be taken on the same. Similarly, sensitization of Government staff at all levels is a must.

