

A cool opportunity for India to be an AC manufacturing hub

The air-conditioning sector is primed for growth, and experts believe India can take advantage of this situation

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Daikin air-conditioners has expanded rapidly over the past decade in India, defeating even more established competitors with local production, robust distribution, local R&D, and the Daikin Training Academy for skill development. By the end of 2020, it plans to expand its sales and distribution networks to more than 10,000 locations across the sub-continent.

In India, AC penetration is still hovering at 6-7 per cent, as compared to 95 per cent in developed countries. So, there is huge potential for growth. Moreover, many Japanese companies are waiting at the doorstep, to move their manufacturing base to India, subject to economic and administrative remedies offered by the Indian government.

Kanwal Jeet Jawa, CEO & MD, Daikin India, and member of the board, DIL, Japan, and newly-elected president of the Refrigeration and Air-conditioning Manufacturers Association (RAMA), said, "My charter is to take advantage of India's manufacturing potential, that is ready for explosive growth, and create a level playing policy and operational framework for the HVAC industry."

"India has created a track record for being a sustainable manufacturing destination. Daikin has been manufacturing in India since 2009, and today we are exporting India-made products to South America, East Africa, Sri Lanka, Bangladesh and Nepal. Considering China produces more than 100 million ACs per year, the Indian



Kanwal Jeet Jawa

market with a capacity for 6.5 million units can bear great potential if a comprehensive plan can be implemented to support local manufacturing," he said.

"Today, the AC industry is at the cusp of transformation, which can immediately make India the most preferred manufacturing destination, second only to China, and stamp our dominance for a long time," Jawa added.

"Products made in India are reliable and cost-competitive, and can be made available in developing countries with similar weather patterns.

We expect India to play a major role as a manufacturing destination and fill the gap that China will create," he added.

"As more and more consumers feel confident and safely start stepping out, there will be a rise in consumer spends across products and services."