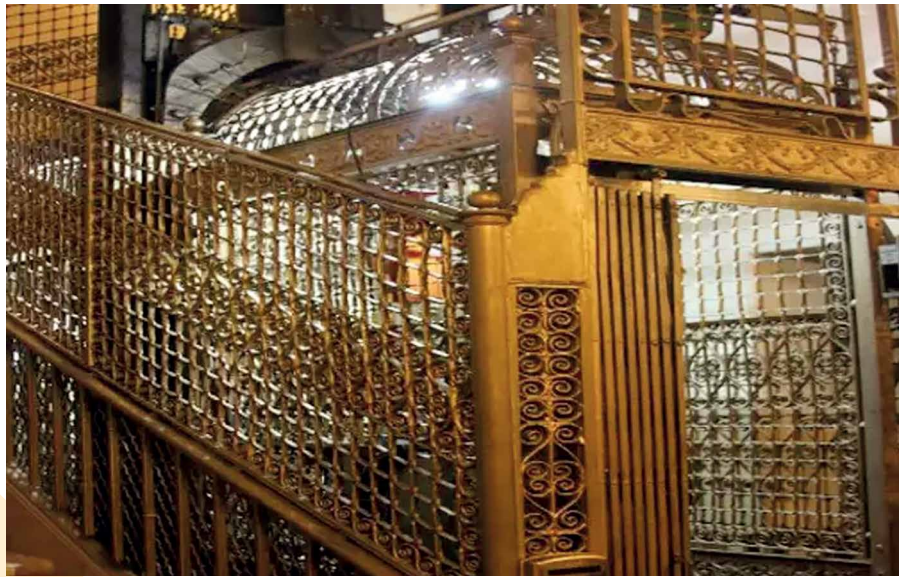
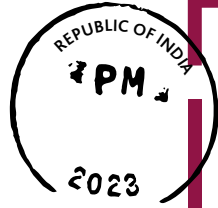


LETTER FROM INDIA



The Indian Lift Market TAK Mathews

India's first lift as per verifiable records was installed in 1892 at the Raj Bhavan, Calcutta.

A newspaper report from a few years back states that this lift has been modernised only twice – once in 1969 and a second time in 2010, perhaps an indication of the **sturdiness and robustness of lift design and construction of yesteryears.**

For most of the last century, lifts were still considered a luxury and the market growth was reflective of this trend. The growth remained pedestrian and was monopolised by Otis.

THE MARKET

At the turn of the century, the situation changed. Even if not at the growth rate witnessed in China, the Indian lift market has been steadily growing.

Despite various roadblocks like the 1997 Asian Financial Crisis, 2008 Lehman Brothers collapse and recent pandemic, the market has always bounced back immediately on to the growth path.



While a 2.5 m/s lift was considered high speed and as such a rarity in the last century, 4.0 m/s and 6.0 m/s lifts are now common.

As per the Madras Consultancy Group (MCG), the market is expected to cross the hundred thousand market by 2024.

NOTE: Over the last decade numerous unorganised micro installation and maintenance companies have mushroomed around the country. It is almost impossible to estimate the annual sales of this segment. Therefore, it is this author's opinion that the MCG estimate is understated.

With the market potential it is not surprising that the global OEM majors Otis, Kone, Mitsubishi, Schindler, TK Elevator (erstwhile Thyssenkrupp), Fujitec, Hitachi and Toshiba, in order of their entry, have set up their Indian companies. Hyundai too has its operation through an Indian partner.

Some of the domestically grown companies too have grown their businesses. Johnson Lifts (established in 1963) is one of the market leaders selling more lifts annually than the multinational OEMs. Eros (established in 1947) is the oldest registered lift company in India that is still in operation.

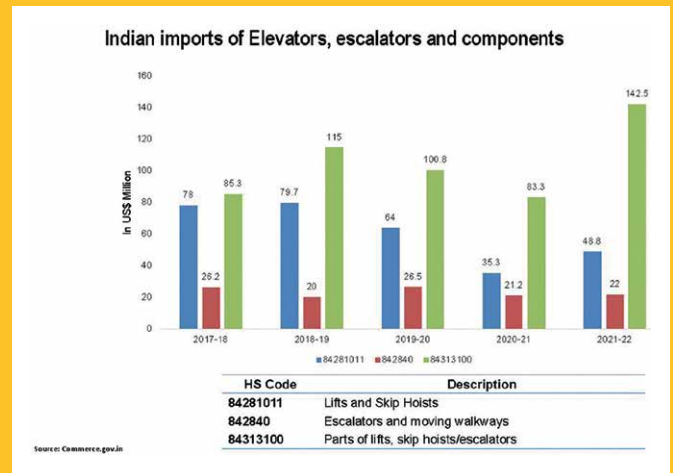
SOURCING

India has substantially large manufacturing capabilities. Barring rare earth minerals and guide rails, India manages over 80% of its supply requirements domestically. Amongst the OEMs, Kone and Johnson Lifts have the largest manufacturing setups while Otis has the oldest setup. Fujitec, Mitsubishi, Schindler and TK Elevator have also invested heavily in domestic manufacturing.

Global component suppliers like Arkel, Fermator, Montanari and Wittur have large manufacturing facilities in India.

Imports are either limited to high-end lifts and equipment or cheap substitutions. Chinese players, over the last 2 decades, have made aggressive inroads into the Indian market and played a significant role in driving down prices and in some areas driving down quality.

With the large domestic market and available manufacturing capability, India has the potential to be a market hub for lifts and escalators. The International Sourcing Exposition for Lifts and Escalators (ISEE 2022 – Dec 1st to 3rd, 2022) is a step towards exploring this potential.



THE MARKET DRIVERS

As per MCG, "Apart from the large metropolitan cities, Tier I and Tier II cities are witnessing a space crunch, especially within the core city areas. Companies are shifting focus towards the Tier III cities as well". The infrastructure development (airports, metros) across the country will also spur growth.

Further MCG research indicates that residential development has already crossed the pre-pandemic levels while commercial development is creeping back to the pre-pandemic levels.

The 1.3 billion population and crowded cities will continue to drive the vertical growth of the cities.

INDIAN STANDARDS

The genesis for the Indian standards for lifts is the Bombay Lift Act of 1939. With the establishment of the Indian Standards Institution (ISI) that came into being in 1947 and rechristened as the Bureau of Indian Standards (BIS) in 1986, the Lift and Escalator Standard came under the purview of Bureau of Indian Standards.

The ET25 committee set up by BIS consisting of a diverse group of domain experts oversees the standards development process. The ET25 committee in turn has set up the P4 committee of industry experts to carry out the actual drafting work of the standard as well as review comments and opinions.

The current standard, Indian Standard (IS) 14665 which is prescriptive in nature has evolved with time and been very progressive. India was one of the first countries to adopt a standard for MRLs as well as a standard for coated steel belts.

India's National Building Code (current version NBC 2016) is in line with the prevailing IS and provides detailed recommendations and guidelines from an architects' and developers' perspective.

Through the pandemic, the P4 panel worked on adopting various ISO standards including ISO 8100 Part 1 & 2. ISO 8100 Part 1 & 2 has been drafted as IS 17900 Part 1 & 2 and soon will replace IS 14665.

Lift and Escalator regulation in India is a state subject and therefore IS and NBC requirements tend to be recommendatory in nature. Only 13 of the 30 states have a regulation to date. The states that have a regulation normally tend to adopt the IS & NBC provisions.

QUALITY CONCERNS & REMEDIES

With the rapid growth, India is also witnessing an increase in incidents involving lifts and escalators.

The primary trigger for this is ineffective enforcement where regulation exists and the total absence of enforcement where there is no regulation. The ineffective or absent regulation allows the mushrooming of lift companies without the required knowledge, experience and infrastructure. The newly formed Elevator & Escalator Component Manufacturers' Association of India (EECMAI) has started lobbying various government bodies to bring lifts and escalators under the central government.

The second trigger is the lowering of entry barriers in terms of technical competency and experience. With the rapid growth of the industry and focus on short term profitability, the robust and effective training approach of yesteryears has been done away with. The training now is mainly quick capsules of classroom and training tower sessions. The issue is compounded multifold when these trainees in time become entrepreneurs running their lift and escalator companies. EECMAI is also trying to address this issue.

The third cause is user awareness. The Elevator & Escalator Safety Trust (EEST) has been trying to address this matter since 2008. However, with the limited support from the overall industry and others to support this initiative, the progress has been very slow.

OPPORTUNITY INDIA

With the growing domestic market and alignment with ISO standards, India is a great opportunity for multinational and domestic companies looking to grow and expand their business.

BIOGRAPHY

TAK Mathews, with over 3 decades experience in the construction and vertical transportation industry, TAK Mathews is the principal consultant at TAK Consulting.

TAK is a representative on the committee constituted by the Bureau of Indian Standards for rewriting the Lift & Escalators Codes. He is the Convener of the Panel for writing codes for Lifts and Escalators for the National Building Code of India.

He is a member of various associations like the International Association of Lift Consultants (IAEC), Council for Tall Buildings and Urban Habitat (CTBUH) and Consulting Engineers' Association of India (CEAI).

