



INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

**Private Industrial Parks promote
indigenous manufacturing:
A promise for India to become
an Export Powerhouse**

by
INDOSPACE



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PREFACE

Dear Friends,

The current issue of Resource Paper focusses on the Role of Private Industrial Parks in accelerating the economic growth; high lights how the plug and play method has helped industries with a quick turnaround time. The case study and testimonial presented in the resource paper, I am sure will go a long way in inviting many MNCs to establish their facility in India.

One such Private Industrial Park is the INDOSPACE Development Management Pvt. Ltd., founded in 2007, considered a pioneer in industrial park and warehouse developer, providing logistics parks in India - in Delhi, Mumbai, Pune, Ahmedabad, Bangalore, Chennai, Coimbatore, Rajpura, Anantpur and SriCity. IndoSpace is considered to be a partner of choice for over one hundred MNCs and industry leaders.

Mr. Rajesh Jaggi, Vice Chairman Real Estate, Everstone Group, with over 17 years of real estate leadership experience is responsible for all real estate investments and operations of IndoSpace Development Management. He also manages Everstone Capital Advisors' real estate business which includes strategic planning, acquisitions, finance, sales and marketing, legal, and project and facility management services.

The Everstone Group is a successful builder of diversified businesses across India and Southeast Asia. Founded in 2006, the Singapore headquartered firm has seven offices - Singapore, India (Mumbai, Delhi, Bengaluru), Mauritius, London and New York.

Hope our readers would find the resource paper informative.

30-12-2022

Suguna Ramamoorthy
Secretary General IJCCI



Mr. Rajesh Jaggi
Vice Chairman
Real Estate, Everstone Group

Private Industrial Parks promote indigenous manufacturing: A promise for India to become an Export Powerhouse

In the 75th year of its independence, the Indian economy has emerged among the strongest in the world. With a GDP of \$3.1 trillion, the Indian growth story is one of the most promising ones that the world has witnessed. According to a recent Morgan Stanley report, India is expected to become the world's third largest economy and join the ranks of countries such as Japan and Germany by 2027. While this growth comes on the back of several factors, there are certain sectors that are key to this growth story which will pave the path to a \$5 trillion economy along with helping the country achieve \$1 trillion manufacturing GDP in the next five years.

Government Initiatives boosting growth

With an aim to further boost the economy, the government of India has actioned several schemes that affect core sectors. Production Linked Incentives have been introduced by the government across more than 14 different sectors including electronics, auto, white goods, renewables, IT hardware and more. Private industrial parks have helped these sectors flourish by offering them plug and play options which allow for companies to speed up commencement of operations and go to market faster. These

hubs are the backbone that support the sectors which help India scale up and compete on a global level. As manufacturing picks up pace, it in turn helps India become an export hub and fuels the engine of the country's growth. Government incentives under the PLI scheme have facilitated the "make in India" initiative. One of the early success stories of this has been a rapid scale up in number of mobile phones manufactured in India.

Further strategic initiatives such as the PM 'Gati Shakti', the Prime Minister's multi-trillion-dollar infrastructure project is expected to ease logistics across the country. The project and its many facets are designed to ease logistic pain points such as

- (1) Roadways - New & better highways
- (2) Railways - Dedicated freight corridors
- (3) Waterways - Port development & redevelopment
- (4) Warehousing - Multi-modal logistic parks and more.

One of the primary overarching objectives of the initiative is focused on making export & import operations easier & cost effective. One of the early outcomes of this is India's finished goods exports crossing USD 400bn in FY 22, for the first time.

India: a global manufacturing hub

Countries including USA, Germany, Japan, South Korea, UK and more have set up manufacturing bases across India all thanks to a very inviting and conducive business environment. To compliment this, several state governments have introduced reforms and policies which have proven extremely attractive to global manufacturers in recent years. Private Industrial parks have and will continue to play a very important role in this development. Pollyanna De Lima, the economics associate director at S&P Global Market Intelligence mentioned in October 2022 that despite considerable headwinds in the global landscape, the Indian manufacturing sector has remained in good stead.

The Indo-Japan relationship

In these terms, the association between India and Japan is remarkable and has become stronger over the past few years. Japan is India's 12th largest trading partner. The fact that Japan and India have committed to build high-speed railway in India is further evidence of a strong relationship between the two countries. With an improving investment climate, manufacturing sectors like Electric Vehicles and Electronics too, have received a shot in the arm. The Japanese automobile manufacturer Suzuki, which already builds combustion engine cars in India, has promised to set up a global research and development unit and sees the nation become a hub for electric vehicles by 2025 and start producing EV's in its factory.

Earlier this year, Japan announced an investment plan of ~5 trillion yen (~42bn USD) in India over the next 5 years to further strengthen the relationship between the two nations. This was further followed by the Japanese International Cooperation Agency's (JICA) plan to invest 15bn USD in private sector projects in India.

Despite a gloomy economic outlook across the world, India is universally expected to be a bright spot and an investment destination over the coming years. The Indian government's initiative to position India as the manufacturing hub of the world, with the "Make in India for the World" messaging further encompassing the investment opportunities across sectors.

Private industrial parks: a growth story

In any evolved economy, industrial parks play a major role in economic growth. Private industrial parks act as enablers and multipliers of investments by helping grow and retain businesses. By enabling high quality infrastructure without locking up capital in ownership of non-critical assets, private industrial parks also facilitate for growth focused allocation of financial capital - in operations such as R&D, testing, new

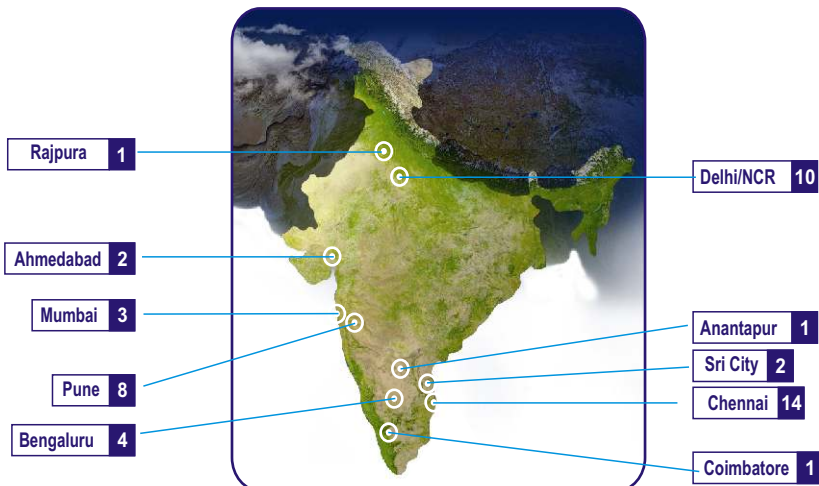
product development, brand building, sales and more. Private Industrial parks also act as plug and play infrastructure solutions to significantly reduce the time to market - offering multiple services in a single basket. All of this is further complemented with local and domain expertise to create specialised offerings.

Private Industrial parks have also been able to adopt ESG & sustainability concepts faster through de-carbonisation initiatives during construction along with resource conservation initiatives in day-to-day operations. In an environment of growing awareness about climate change, the availability of sustainable industrial parks further enhances the net positive role that private industrial parks can play in India's growth story.

The Indospace Advantage

IndoSpace is India's largest investor, developer and manager of Grade A Industrial and logistics parks and offers Built-to-Suit (BTS) facilities for manufacturing and warehousing with a plug- n-play infrastructure across the country. With over 51mn sqft of industrial assets, in different stages of development, across 46 parks in 10 cities.

Presence of INDOSPACE Industrial Parks in India



Indospace is the partner of choice for many multi-national companies looking to setup and expand their network across India, trusted partners for Japanese Industry leading corporates such as Toyota, Nissan, Nippon Express, Yaskawa, Mayekawa and more.

A case study : Plug & Play facility for JABIL by IndoSpace.

JABIL is a leading American manufacturing solutions provider, offering design, manufacturing, supply chain, and product management services for industries. As part of its Western India expansion, Jabil wanted space to set up a light manufacturing and assembly facility for its plastic and metal parts manufacturing division.

Design, Technical, & Execution Expertise

After finalising the location, the IndoSpace team sought knowledge about the scope of the project and its technical and commercial requirements with Jabil and offered 4,00,000 sq.ft space in the Industrial Park and assured that Jabil could start their operations within 4 months. By continually coordinating with the client's vendors, acquiring timely approvals from the client on production and layout changes, and requisite consents from Maharashtra State Electricity Distribution Company Ltd. (MSEDCL), the IndoSpace ensured to deliver the unit on time.

Customisation & Sustainability

Jabil wanted minimum entry of heat from external sources in its facility. This was to reduce the heat load on the Heating, Ventilation and Air Conditioning (HVAC) system, ensuring a sustainable system was built-in. Based on the brief, the following custom solutions were provided :

- Foundations, supporting columns, and girder constructed to install 2 EOT cranes
- Temperature-controlled facility with an HVAC system, chiller and other associated equipment
- Installation of Air Handling Unit (AHU) and fire alarm detection system
- Roof insulation (glass wool insulation) for reducing heat loss

- Ventilation systems, airtight windows and doors and wall cladding for efficient cooling
- Energy-efficient LED lighting to provide a well-lit shop floor area and cut down electricity costs
- Mezzanine office for optimum utilisation of the ground floor for production.



End result:

IndoSpace successfully delivered Jabil’s custom built-to-suit manufacturing facility in 4 months through the unparalleled on-ground expertise and practical execution capabilities.





INDOSPACE

a **GLP**  joint venture

A few Testimonials



We thank IndoSpace for supporting us in delivering smiles to our customers throughout these tough times.

We have been part of this family for more than 5 years now and what we have enjoyed most is the extra efforts that IndoSpace has taken in organising exciting engagement events every year.

Sandip Patil - Plant Head - Amazon



My overall feeling is of delight. When I visited the factory for the first time, after operations resumed, I was pleasantly surprised to see the amazing arrangements

made. I must also congratulate IndoSpace for keeping the park running and maintaining it too during this period.

Nitin Gupta - Managing Director - Dream Plast



Your team has made fantastic arrangements for temp scan, disinfecting vehicles and hand sanitisation at the entrance. It gives us much confidence for all tenants working around. Hats off to your facility management team.

Rahul Bokil - Head Logistics & Supply Chain - SKF



Highly professional team approach and committed to meet end users' requirements.

Nagaraja Rao - Director - Real Estate - Schneider Electric



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