



## Capital Goods Industry - Overview

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Capital goods sector is of strategic importance for the development of the Indian economy as it is not only required for self-reliance and national security but also for development of other sectors of the economy. The capital goods industry contributes 12% to the total manufacturing activity (which is about 15% of the GDP). India produces a wide range of capital goods, including machine tools, electrical machinery, textile machinery, machine tools, earthmoving and construction equipment including mining equipment, road construction equipment, material handling equipment, oil & gas exploration equipment, sugar machinery, food processing and packaging machinery, railway equipment, metallurgical equipment, cement machinery, rubber machinery, process plants machinery & equipment, paper & pulp machinery, printing machinery, dairy machinery, industrial refrigeration, industrial furnaces etc.

The capital goods sector has been growing at almost 14% per annum during the XIth five year plan and is valued at US\$ 53 billion in 2010-11<sup>3</sup>. The growth trend of the sector and sub segments over the last five years has been depicted in the industry structure section.

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<sup>3</sup> Department of Heavy Industries report on Capital Goods & Engineering Sector