



2018 predictions for process manufacturers in India

Manufacturing is one of the high growth sectors in India. Ranked sixth among the world's 10 largest manufacturing countries, India is steadily moving towards achieving its ambitious goal of making the manufacturing output 25 percent of the Gross Domestic Product (GDP) by 2025. India's manufacturing sector is also likely to touch US\$ 1 trillion and create up to 90 million domestic jobs by same year. Getting there doesn't look difficult either, with the Indian manufacturing firms continuously improving and upgrading themselves. They are finding new ways to manufacture top quality products, working on having shorter product life cycles, and adopting different technological trends that have erupted on the scene in recent times.

Things have not been any different for process manufacturers, the branch of manufacturing that is associated with formulas and manufacturing recipes. Process manufacturers, including the pharmaceutical, food & beverages, paint & coating, specialty chemicals and cosmetics & personal care, also made most of the positive business conditions in the Indian manufacturing sector in the year 2017. They are now geared up to get into 2018 and see what the New Year ushers them in. While the Indian process manufacturers look up to the New Year with a pinch of excitement and curiosity to know what's going to happen, this white paper has general and industry-wise predictions (from Indian perspective) for them:

Global manufacturing industry predictions (as per the IDC report):

- ☞ By the end of 2018, most of the manufacturers will be using advanced technologies such as analytics, Internet of Things (IoT), Artificial Intelligence (AI), and social collaboration tools to extend the integrated planning process across the entire enterprise, in real time.
- ☞ Scaled customization will be the latest trend that might attract most of the manufacturers in 2018, as they will be able to produce exactly what the customer want, when they want, & how much they want due to the much-needed digital flexibility for modern manufacturing.
- ☞ Majority of supply chain interactions will happen across cloud-based commerce networks, dramatically improving resiliency and reducing the impact of supply disruptions by up to one-third.
- ☞ In 2018, the use of industry clouds, business analytics, big data analysis, business intelligence block-chain, and cognitive will dramatically enhance the understanding of supplier capacities for one-third of manufacturers, enabling the iterative rebalancing of critical supply based on capabilities rather than units and quantity.
- ☞ Almost half of manufacturers will be collaborating directly with customers and consumers regarding new and improved product designs through cloud-based crowdsourcing, virtual reality, and product virtualization, realizing up to a 25% improvement in product success rates.



Predictions for process manufacturers in India:

Food & beverages:



■ **Prediction 1 - Going natural:** Just like we saw in the passing year, consumers will continue to be demanding in 2018 too. With their enhanced awareness levels, the consumers will continue to compel the industry to put greater focus on making products of top quality with nutritional benefits. To meet the consumer demand, more food & beverage manufacturers will be using terms like “natural” and “functional” to launch their new products in 2018. The consumption of such products that can deliver nutritional and functional benefits is slated for a growth of 10 percent, in terms of volume, in the coming year.

■ **Prediction 2 - Process automation:** Many food processing plants are expected to adopt process automation in 2018 to help increase their operational efficiencies and customer order fulfillment. By doing so, the companies will basically transform their business processes in such manner that they require less human intervention and less human time to deliver. This will not just increase the throughput, but also the quality.

■ **Prediction 3 - Alternatives' consumption will rise:** The year 2018 will also mark an increase in dairy alternatives due to a growth in consumption of products with ingredients such as soy, almond, coconut, oat, and hemp milk, acting as substitutes for regular milk products. The consumption of these dairy alternatives is projected to grow at 10 percent in 2018.

■ **Prediction 4 - Food safety testing services will soar:** Food safety concerns have been on the rise for quite sometime. There are more outbreaks of food-borne illnesses, which call for greater need of food testing. The increasing global food trade, subsequent enforcement of stringent food safety regulations and the development of advanced technologies for rapid testing have resulted in the rise of food safety testing services market, which is expected to grow at a rate of 8.0 percent in 2018.

Predictions for process manufacturers in India:

Pharmaceuticals:



▣ **Prediction 1 - Focus on specialty drugs & rare diseases:** The focus of Indian pharma manufacturers will be on specialty drugs in 2018. As a matter of fact, it is going to be the hot topic for them for next 2-3 years, with the industry reports suggesting specialty drugs will account for \$240 billion in pharmacy revenue by 2021. Also orphan drug development for rare diseases will be on the rise, with new strategies being developed to promote quick access and reimbursement.

▣ **Prediction 2 - More M&A:** In the coming year, drug patents worth whopping amounts will expire. Manufacturers will feel the need to replace that revenue loss, which will call for some smart strategies. Some of them can be mergers & acquisitions, introduction of new products, expansion and rebranding.

▣ **Prediction 3 - Technological breakthroughs:** Technology will continue to drive growth in this sector. Technologies such as molecular engineering, gene editing, and genomic technology will lead to exciting advances and help make progress towards eliminating complex diseases such as cystic fibrosis.

▣ **Prediction 4 - Increase in generics:** As patents expire, there will be more generics than ever before. Lenient guidelines will mean more generics will get approved and prices will come down accordingly, forcing traditional pharmaceutical companies to focus on innovation.

Predictions for process manufacturers in India:

Paint & coatings:



▣ **Prediction 1 - Rise in industrial coatings:** Infrastructural impetus and the boom in the industrial sector is likely to drive GDP growth in 2018. This means that the industrial projects will continue to go on in full swing, resulting in increased consumption of industrial coatings.

▣ **Prediction 2 - Rise in decorative & automotive coatings:** There's a sharp rise in the propensity to spend amongst the growing middle class. This is likely to give a major thrust to the housing demand as well as automotive sales, which will eventually drive decorative & automotive coatings segment. Another key growth factor for the segment is emerging mega cities and very large villages.

▣ **Prediction 3 - Focus on greener products:** Environmentally aware consumer will continue to push the paint & coatings manufacturers to go for greener and safer products in 2018 as well.

▣ **Prediction 4 - Lower VOC paints:** Issues related to climate change and environment concern will continue to affect the companies in 2018 too. This means we can expect stricter regulations pertaining to VOCs (Volatile Organic Compounds) in the coming year

Predictions for process manufacturers in India:

Specialty chemicals:



▣ **Prediction 1 - Accelerated demand:** Thanks to a rapidly growing middle class in the emerging countries like India, the demand centers are shifting from global centers like the USA or China. The market demands will be high in 2018 and Indian manufacturers will need to respond to them. This will be a year of opportunity for them.

▣ **Prediction 2 - Safe products:** Regulatory requirements will get stringent as the key raw materials continue to become scarce. The chemical companies will feel the need to bring down the impact of industrial waste and emissions on the environment. Some of them are already doing so by integrating eco-friendly systems in their manufacturing process.

▣ **Prediction 3 - Digitalization:** Digitalization will drive innovation in this sector in 2018. Recent advancements in digital technology offer unparalleled support in accessing, processing, and analyzing huge amounts of data. Cloud, the Internet of Things, and block-chain too are likely to act as game-changers in the chemical industry in this coming year.

▣ **Prediction 4 - value over volume:** In 2018, the chemical companies will no longer depend on volume to drive growth. The need of the hour is to fetch increased value from other parts of their operations to improve overall performance. This can be through revamping their customer offerings, providing differentiated service levels, achieving pricing excellence and implementing practices that improve sales-force efficiency and results.

Predictions for process manufacturers in India:

Cosmetics & personal care:



■ **Prediction 1 - Focus on 'going green':** Consumers will continue to get more and more conscious of the effects of their purchases on the environment and choose products with a knowledge of raw materials and source origins like never before. The manufacturers will look to avoid including any material in manufacturing that is derived from the animals or causes any threat to the environment. This will call for adopting greener strategies in manufacturing.

■ **Prediction 2 - Innovation & technology:** As an extension to the previous point, the companies will look to make good use of technology to create innovative products that have least impact on the environment, and at the same time, contain ingredients derived from natural resources.

■ **Prediction 3 - Men care:** Grooming has become increasingly popular among the male population of late, and the smart companies have identified this potential. Use of skincare and haircare products have entered the daily life of a growing share of the market, and the trend will continue to work in 2018 as the companies will look to introduce more products to cater to the needs of urban Indian men.

• **Prediction 4 - Products for the HD beauty generation:** Social media has removed the ceiling between the celebs and the common people. Today, the social media users are exposed to what cosmetics their favorite celebs are using or what the top makeup artists, experts and professionals are using. This has had a massive impact on the demand of buyers, as they demand the same 'High Definition' solutions to get the same results that are shown by the professionals. Beauty brands are responding to their demand by providing what they want. 2018 will be no different, as the companies will look to bring the 'in-demand' products to the market.

Just like past few years, the year 2018 too will be the year of transformational changes in the different process manufacturing industries. The business landscape will change at a brisk pace and the companies will be expected to adopt to the changing times and technological advancements quickly. Whatever the predictions may be, irrespective of the industry type, Enterprise Resource Planning (ERP) software will hold the key for the process manufacturers. It will continue to play an integral role in helping the companies meet their varied and complex business needs. Who better than BatchMaster to understand those needs of the process manufacturers? Log on to www.batchmaster.co.in to know more.

Who We Are:

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