



Exim Bank Study Highlights Growing Global Opportunities for Indian Construction Companies

The global construction market is estimated at over US\$ 4 trillion and is growing fast. The growth in countries like China, Brazil and India is higher than that in developed countries. A just released Exim Bank study on 'Indian Construction Industry : Opportunities Abroad', points to the growing global opportunities for the Indian construction companies. Given the expertise and experience, the Indian construction industry should be in a position to garner a significant share of the world market. Indian construction companies have established for themselves, a good reputation in a wide range of construction projects abroad. In the year 2005-06, export of construction services from India was valued at over US\$ 900 million and the industry has achieved a net surplus of over US\$ 60 million.

Creation of infrastructure is one of the major focus areas of lending by World Bank, Asian Development Bank, African Development Bank and European Bank for Reconstruction and Development. This provides large business opportunities for Indian construction companies, both in India and abroad. The significant fact is that Indian companies have achieved remarkable success in securing contracts funded by multilateral funded agencies, particularly in India.

Exim Bank has been extending support to Indian companies in their endeavour to undertake projects abroad as well as deemed export contracts in India. The recent Lines of Credit extended by Exim Bank, with the support of Government of India, provide the necessary funding support for project exports, including construction projects in Africa and Latin America.

Exim Bank study has also identified the challenges faced by the Indian construction companies and suggests strategies for strengthening capabilities. The recommendations include greater level of bilateral cooperation with focus on construction projects, seeking membership of more multilateral funding agencies like Inter-American Development Bank, making effective use of international negotiation platforms such as WTO, removal of restrictions on temporary movement of personnel and promotion of South-South cooperation in the construction services sector.

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