

Iron and steel lead revival in engineering exports; India to showcase southern mfg to global supply chains : EEPC India

Revival in India's engineering exports is being led by iron and steel with major pull factor arising from Nepal, Belgium, Spain and China marking renewal of demand for basic metals, a development which augurs well for the export sector, according to an EEPC India analysis of the November, 2016 data.

Iron and steel which had witnessed tough times for the last several months is now seeing reversal of fortunes at least in some of the key markets in Europe and India's neighbourhood. Nepal gave an impressive growth of 285.5 per cent to USD 39 million in November, 2016 from about USD 10 million in the same month a year ago. Likewise, shipments to Belgium went up by 211 per cent to USD 52 million from USD 17 million for the month under review.

"The interesting part is that demand for iron and steel has started rising in China which shows the slowdown in the Chinese economy must be bottoming out. Iron and steel exports from India to China went up by 86 per cent to USD 41 million for November this fiscal from USD 22 million in the comparable month of 2015," said Chairman of the EEPC India Mr T S Bhasin.

Mr Bhasin said the EEPC India would be giving a major thrust on revival of the engineering exports through a slew of measures including organising its annual flagship India Engineering Sourcing Show (IESS), 2017 in Chennai in March; seeking to leverage the strength of the manufacturing base in the south Indian region for high tech exports.

"Tamil Nadu and Karnataka have emerged as the major manufacture exporting centres in industries like steel, automobiles, industrial machinery etc and we would like to show the global players how India can be treated as a cost effective and dependable partner for integration of their international supply chain," Mr Bhasin said, adding the Union Commerce Ministry and the Tamil Nadu Government are extending their full support in making the IESS a big success.

Indian engineering exports have started the recovery process after remaining subdued for the last one and a half years or so. Overseas shipment of Indian engineering products witnessed year-on-year growth for the fourth consecutive month to November 2016. The double digit growth achieved in the last two months helped Indian engineering exports to grow even on a cumulative basis for the first seven months of the current fiscal, though by a small size of 0.58 per cent. Substantial rise in the exports of metals like iron & steel, copper and aluminium were attributed to the growth of overall engineering exports during November 2016.

"We expect the upsurge in Indian engineering exports is likely to continue in the rest of the fiscal year as hardening of crude oil prices in the international market is not expected to see any reversal of trend at least in the near term. Other commodity prices have also been rising," the EEPC