

Indian engineering players becoming key world players

India's reputation as a supplier of good quality products is giving a big boost to efforts by its engineering companies to break into the international market. The good responses Indian companies received at this month's Hannover Industrial Fair, the world's largest show for machinery, show that Indian engineering firms are consolidating their position as key players in the subcontracting business.

A contingent of 148 Indian exhibitors showcased a wide array of products and manufacturing-related services at the Hannover fair that ended last week.

Pitti Laboratories Ltd of [Hyderabad](#) was displaying laminations for producing motors and alternators, power generators and equipment. The company's export director, Akshay S. Pitti, was in an upbeat mood and said he was 'very optimistic' about his company's business.

With an annual turnover of \$70 million - 40 percent of the company's turnover comes from exports - Pitti Laminators supplies to customers in many developed countries.

Indeed, Pitti was unperturbed either by the weak US dollar or by the prospect of a recession. 'We are not worried by the weak dollar or, for that matter, by the recession talk. Our cost-reduction innovative ideas have helped us assert our position internationally,' he told IANS.

Anil Kharwadkar, director of Involute Technologies Pvt Ltd of Pune, said there was a growing trend among Western companies to give more and more subcontracting business to India.

'India is obviously a key player because it shows flexibility in accepting small quantities unlike China which produces low-cost bulk volumes whose quality is not always up to the standards expected by buyers in the West.'

Involute, a \$17 million turnover company, received 'good enquiries with potential to convert them into business', as Kharwadkar put it.

India's global engineering exports are continuing to grow, according to the Engineering Export Promotion Council (EEPC).

Bhaskar Sarkar, the EEPC's additional executive director and secretary, said India's engineering exports for the seven-month period from April to October in the fiscal year 2007-08 had amounted to \$4.3 billion, up from \$3.2 billion in the earlier year. The total value of exports for the entire 2007-08 period touched nearly \$6 billion.

'We see good demand for castings, forgings, including auto components, sheet-metal components, textile machinery and parts from India,' Sarkar told IANS.

'Paradoxically, the weakness of the US dollar has, in fact, increased our export value by some 21 percent although there has been a decline of two percent in quantity terms. This is because the weak dollar has forced Indian exporters to increase their prices which, in turn, have led to a decline in quantity,' he explained.

However, Sarkar also pointed to other problems which are worrying Indian companies - the rising prices of steel attributed to increased demand for steel in China and the rising oil prices.

'I believe that there is a cartelisation (companies reaching an informal understanding among themselves to fix prices) effect right now. The EEPC tries to import steel on block-booking basis. We are also buying pig iron for steel production on the same lines. The EEPC has for the first time entered the energy sector; so far the EEPC was mainly involved in subcontracting business,' he said.

The fact that even the organiser of the Hannover fair, Deutsche Messe AG, has expressed a willingness to launch trade shows in India underscores India's growing importance in the industrialised world.

Deutsche Messe AG is already organising four shows in India - the MDA (Motion, Drive and Automation), Industrial Automation, CeMAT (logistics material handling) and Energy India. These fairs will be held in [Bangalore](#) during Dec 10-13.

'India is a low cost country but it does not produce low quality products,' Alexander Kuehnel, the director (foreign events) of Deutsche Messe, told IANS at the Hannover exhibition ground.

Manik Mehta (© IANS / India eNews)