

The Inner Story of Growth of Engineering Sector In India

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Abstract

It was not very long ago when Indian products, much like the caricature of an Indian in the westerner's psyche were objects of ridicule in the international market. Cheap in quality, poor in finish and often defective, Indian companies were afraid even to think about exports. Till late eighties there were several instances where final consignments exported from the country were rejected due to poor quality. Even with extremely low prices, our products could not find a place in the international market , India's export performance was constrained by factors like marketing inefficiency, Improper design and packing, infrastructural bottlenecks, absence of effective pre-shipment Inspection, poor handling facilities etc.

After globalization and liberalization the "Made In India" became a respectable tag. There has been a constant growth in exports from the country and engineering goods export is responsible for 28.54% (2007-08) of the total. According to recent report "engineering exports grew by 80% i.e 60 billion \$ this fiscal from 33.35 billion \$ in the same period last fiscal ("The Hindu" dated 5th March 2011). But negative balance of payment is posing worrisome condition. The paper deals with the growth trends of engineering goods, imports scenario, trade deficit and ways and means to address the embedded issues.

Keywords

Engineering goods export, Overall trade balance, Textile sector trade balance.

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