

Speech by the President of India

SPEECH BY THE PRESIDENT OF INDIA, SHRI PRANAB MUKHERJEE AT DIAMOND JUBILEE CELEBRATIONS OF ENGINEERING EXPORT PROMOTION COUNCIL OF INDIA [EEPC INDIA] 3rd September, 2015

I am delighted to be here today on the occasion of the Diamond Jubilee celebrations of EEPC India, a premier trade and investment promotion organization of our country. Set up in 1955 by the Ministry of Commerce and Industry, EEPC India has been successfully shouldering its responsibility of nurturing Indian engineering exports for the last 60 years.

2. The organization started its journey as the Engineering Export Promotion Council with only 40 exporters at a time when India's engineering exports were all of 10 million US dollars. It has today become the largest organization of its kind with over 13,000 members out of whom 60% are SMEs. Engineering exports from India have, in the meantime, crossed US\$70 billion in the last fiscal which is a testimony to the service that EEPC has been rendering to the nation.

3. The challenges before EEPC are immense. Engineering is the leading segment of Indian industry and overseas shipments from this sector account for over twenty-two percent of India's total merchandise exports. The engineering sector accounts for 25 percent of India's total factories in the organized sector and contributes around 35 percent of total output in the country, being the highest foreign exchange earner. The importance of engineering in India's merchandise exports has risen over time. While India's total merchandise exports expanded by 2.71 times during the last decade ending 2014-15, engineering exports saw an increase of 3.65 times during the corresponding time period. The share of engineering exports to total merchandise exports rose from 18.14% in fiscal 2004-05 to 22.71% in 2014-15. North America and Europe accounted for over 31% of India's engineering exports while Africa and the ASEAN region each accounted for approximately 12% of India's overseas shipments of engineering goods. In terms of products, iron & steel products had the highest share in engineering exports at 23%, followed by 'Auto and Auto Components' and 'Industrial Machinery' with a share of 18.2% and 16.2% respectively during the last fiscal.

4. A key driver behind the rise in our engineering exports has been the shifting of global manufacturing bases to countries such as India that offer relatively low-cost human resource coupled with high quality engineering aptitude. The nature of Indian engineering exports has been changing over time as India is fast moving from exporting low-value goods to developing countries to exporting high-value goods to developed countries. Fresh opportunities such as outsourcing of engineering goods and services, better and improved product design, product differentiation, and maintenance and designing of manufacturing systems are providing new growth avenues in this sector.

5. The prospects for the Indian engineering sector appear bright. In the aftermath of the global recession, our economy has started showing signs of revival. GDP growth improved from 5.1 percent in 2012-13 to 6.9 percent in 2013-14 and then to 7.3 percent in the last fiscal. Industrial production, led by the manufacturing sector, also exhibited an upturn in FY 2014-15. In the wake of recent developments in the global financial markets, India with its moderating inflation rates, lower current account and fiscal deficits, strong foreign currency reserves, stable tax policies and an expected growth rate of 8- 8.5 % in the current fiscal appears as one of the few bright spots in the global economy.

6. In order to, however, consistently achieve high growth rates over the next two decades, India would require unprecedented investments in infrastructure, human and social capital. Infrastructure development for India is, thus, both an imperative and a key concern. The growth prospects for the engineering sector in the light of stepping up of investments in infrastructure and physical capital are, accordingly, immense.

7. The manufacturing sector contributes 18 percent to India's GDP. This sector, it is estimated, has the potential of creating 90 million domestic jobs by 2025 and of contributing 25% to India's GDP. The 'Make in India' initiative of the Government aims to transform India into a global manufacturing hub. The objective of this policy is to attract investments from across the globe and get multi-nationals to produce their products in India by using India's talented and low cost human resource base. Success of this initiative will facilitate further development and strengthening of the Indian engineering sector as a consequence.

8. EEPC has till now worked closely with various Ministries and Departments, on the one hand, and with national and international trade and investment promotion bodies, on the other, to draw comprehensive and inclusive strategies for promoting India's engineering exports. The thrust now will have to be on product quality, market and product diversification. It is a matter of satisfaction, therefore, that EEPC has taken many initiatives to promote new and emerging sectors such as Defense, Medical Devices and Renewable Energy and is stressing on Skill Development to ensure that the engineering sector is geared up for the future.

9. I am happy to note that EEPC India organizes a large number of promotional activities such as buyer-seller meets (BSM) – both in India and abroad, overseas trade fairs/exhibitions, and India pavilion/information booths in selected overseas exhibitions to demonstrate the capabilities of the Indian engineering industry. The 'India Engineering Exhibition' (INDEE) which is EEPC India's own brand is one of the largest engineering expositions in the world. To encourage building global partnerships with India, EEPC India also organizes the India Engineering Sourcing Show (IESS), the largest display of engineering products and services every year. I am confident EEPC India will continue to enlarge the sphere of its activities in coordination with all stakeholders and build up a formidable brand value for the Indian engineering industry in the years to come.

10. EEPC's achievements have been many, but there is a long path which still remains to be traversed. I am sure EEPC will rise to the occasion and continue to partner the nation in its march towards economic and social development. I once again thank all of you for inviting me to be a part of this memorable occasion. I wish you the very best in your future endeavors.

Jai Hind!!
