

# Overview of Indian Economy and Indo German Trade

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# Indian Economy

Indian Economy

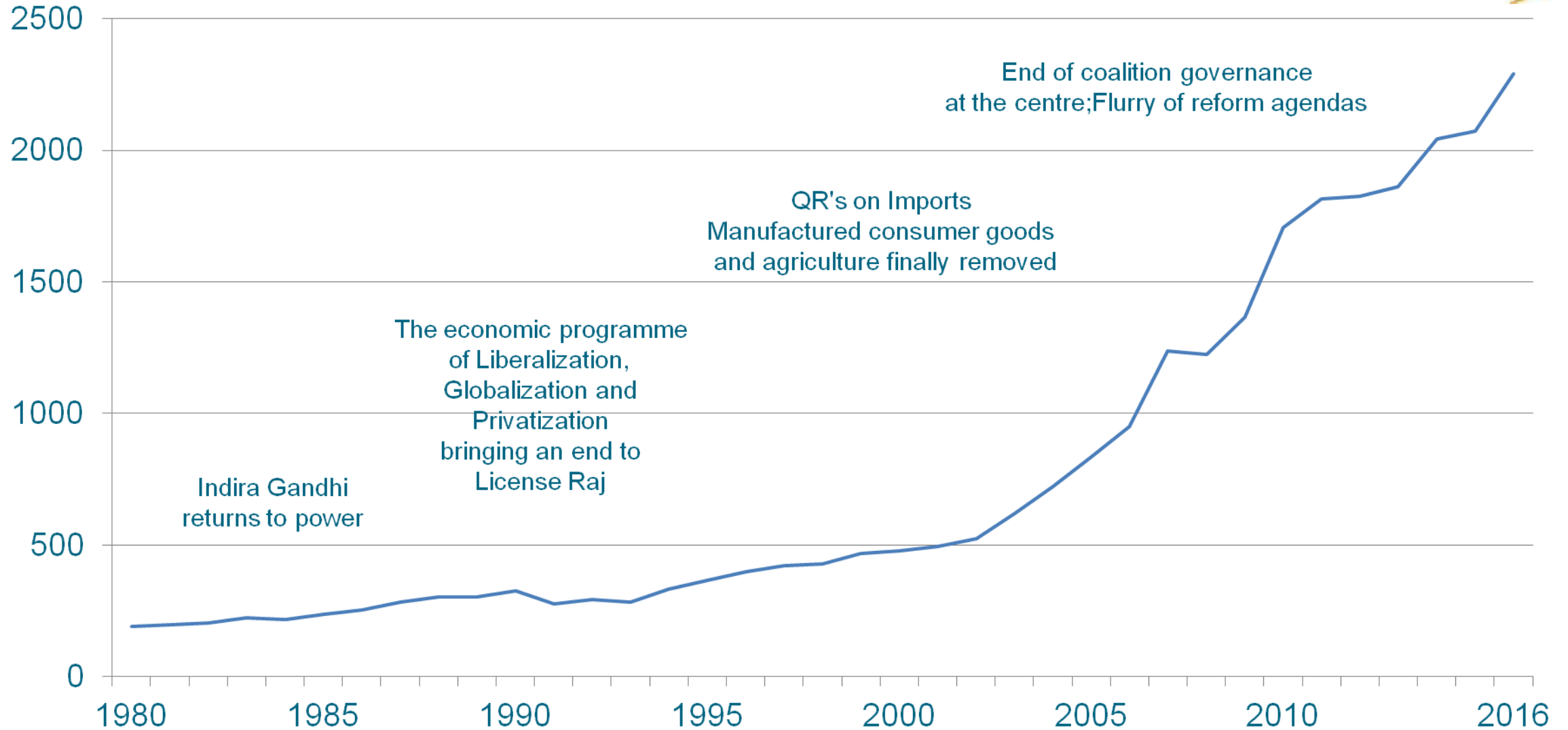
# INDIA - Snapshot



## Key Economic indicators

- Currency: Rupee
- Exchange Rate (April 2017)
  - 1 Euro = INR 69.38
  - US\$ 1 = INR 64.61
- GDP (approx.): € 1.962 trillion (FY 2016)
- GDP growth: 7.6% (FY 2016)
- GDP Forecast: 7.6% (FY 2018)
- GDP splits:
  - Services – 57 %
  - Agriculture – 17 %
  - Industry – 26 %
- Per capita income (approx.): € 1244 p.a.
- Industrial Growth: 5.9%
- Industrial GDP splits:
  - Manufacturing – 57.07 %
  - Mining & quarrying – 9.51 %
  - Electricity, gas, water supply & other – 7.29%
  - Construction – 26.12 %
- Foreign Direct Investments (FDI): € 33.38 billion (FY 2016 )

# The Second Wave of Reforms



# Future of Indian Economy

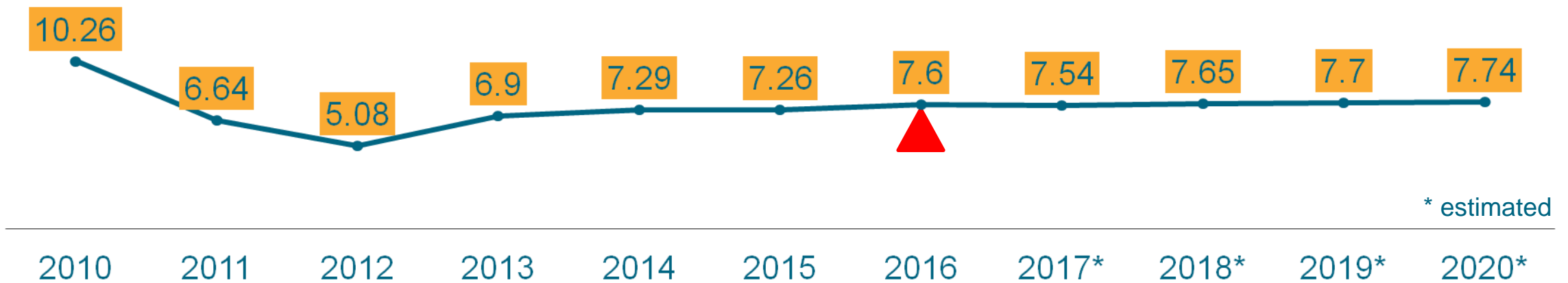


India's economy is expected to grow in the coming years

With the government coming out with favourable policies and investments, the outlook reflects stronger sentiment.

Positive sentiments reflected through steps taken by government to develop Industrial Corridor, Infrastructure - Roads & Ports, urbanization, building smart cities and restoring investors confidence to enhance foreign direct investment (FDI)

### GDP growth (% change)

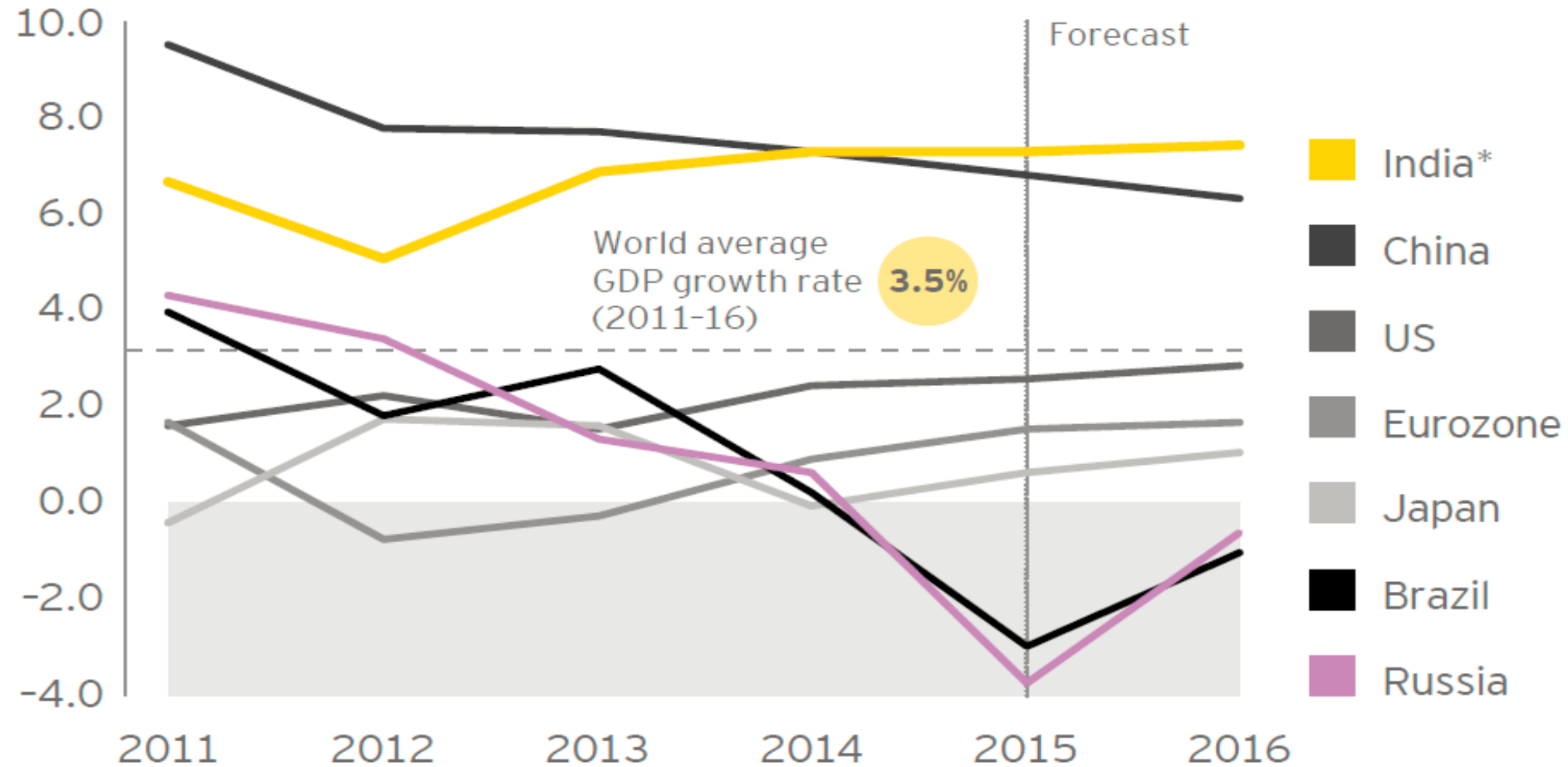


\* estimated

# GDP of Different Countries



## GDP growth (%)



# Answering Important Questions – Why Manufacturing?

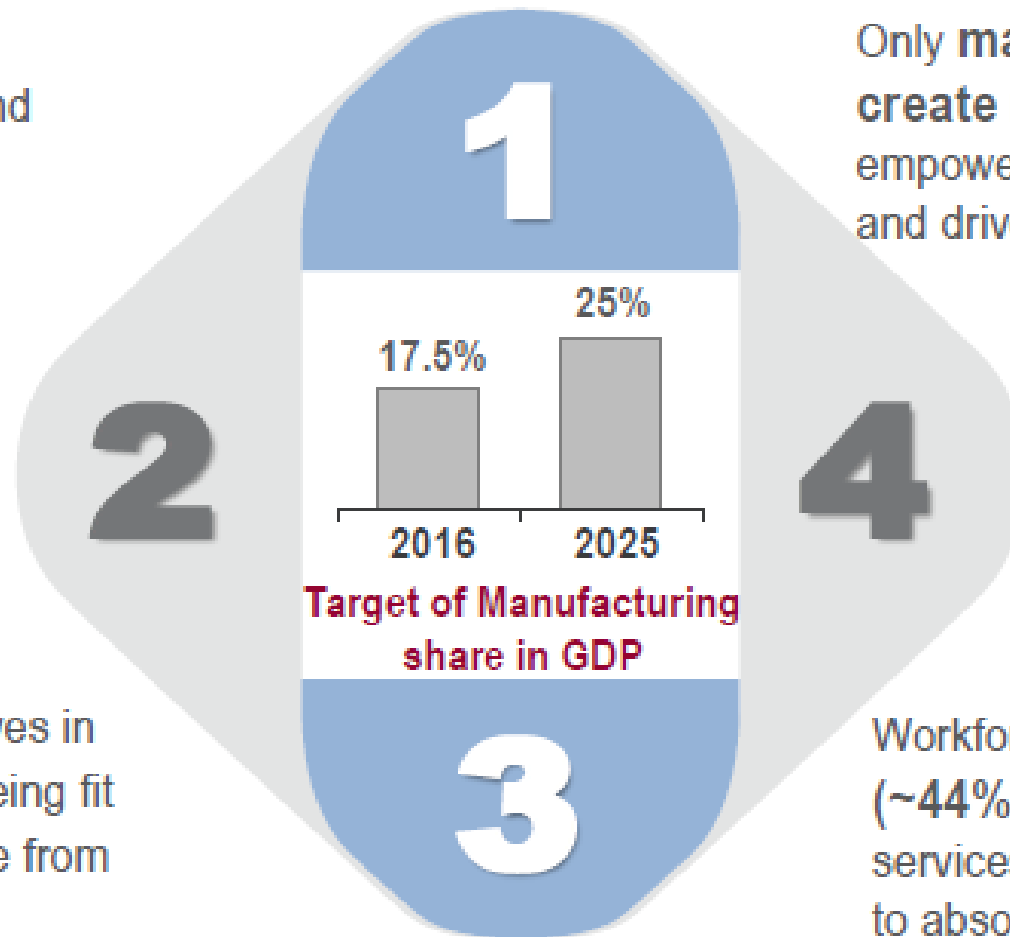


Indian government to create 100 mio new jobs by rigorously promoting manufacturing with a target to increase share of manufacturing from 14% in 2014 to 25% in 2022 in Indian GDP

India has the **2nd largest population** in the world and would have the **youngest population** by 2020

Currently India has more than **12 mio people entering workforce each year** and would require new jobs

~**68% of Indian youth** lives in **rural India** and majority being fit for **low skill work**, migrate from rural to urban centres



Only **manufacturing sector** can **create required jobs** to empower young Indian population and drive GDP growth in future

India progressed by being a **service led economy** from an **agrarian economy in past**

Workforce in **agriculture (~44%) to reduce** in future and services to have limited capacity to absorb new jobs



# Indirect Taxes to be subsumed in GST

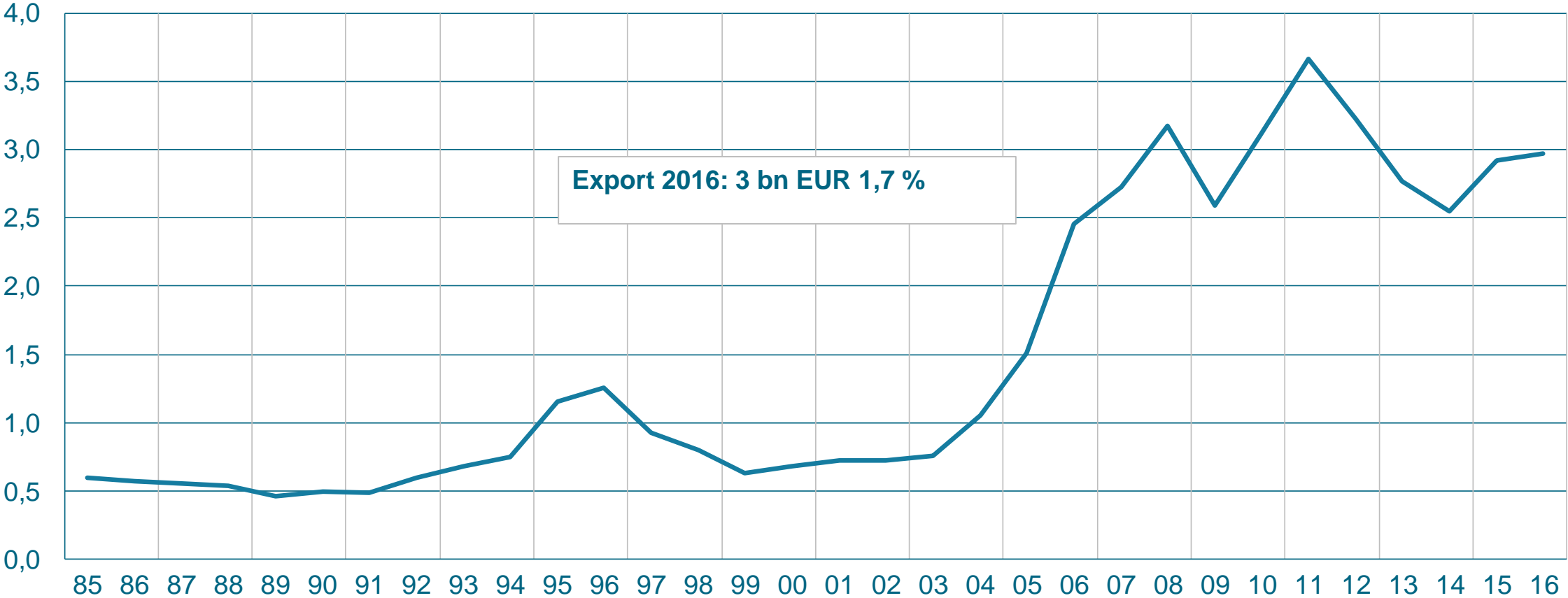


# Indo German Trade in Engineering Sector

# Development of German Mechanical Engineering Exports to India, 1985 - 2016



In bn. EUR

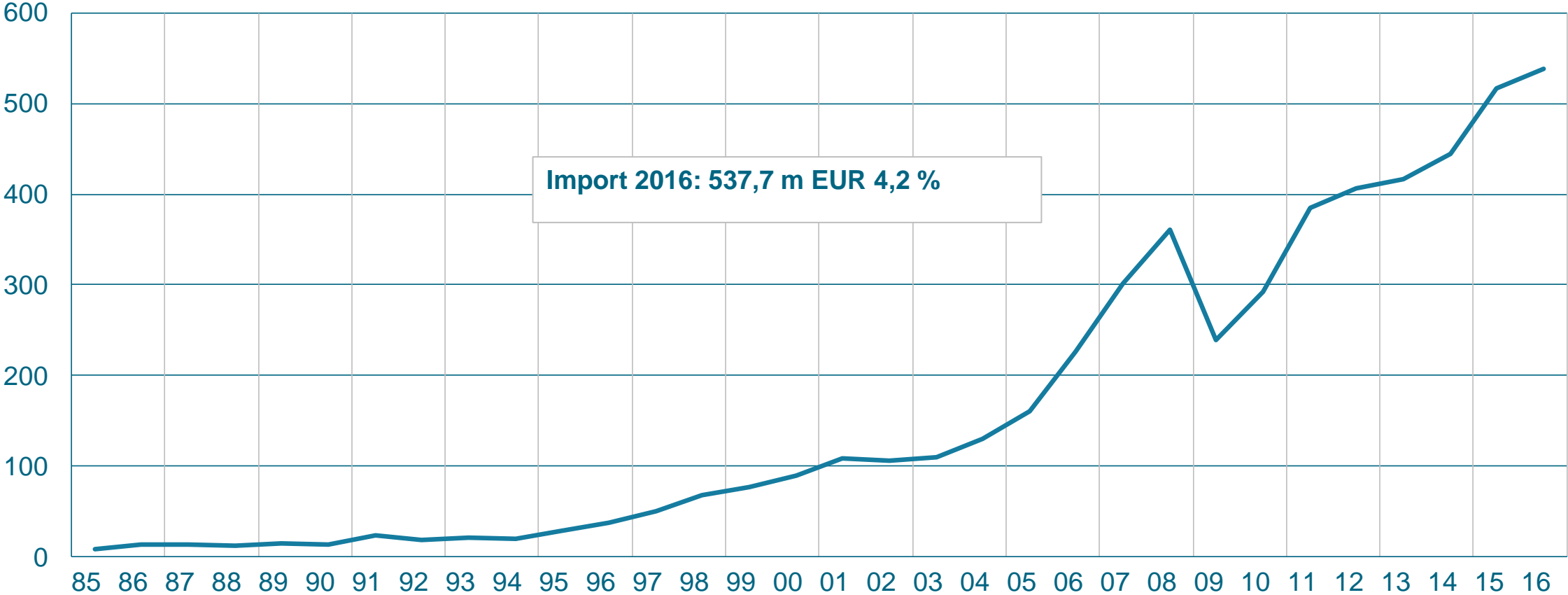


Quelle: Federal Stat. Office Germany, VDMA

# Development of German Mechanical Engineering Imports from India, 1985 - 2016



In Mio. EUR



Quelle: Federal Stat. Office Germany, VDMA

# Bilateral Trade in 2016



The total trade between India and Germany	Euro 17.42 billion
Indian imports from Germany	Euro 9.80 billion
The exports from India to Germany	Euro 7.62 billion
Total import of machinery from Germany	Euro 2.97 billion
Among the machinery sectors, major demand of German equipment was for	Top Five sector for 2016: Power Transmission. Engineering (10.8%), Textile Machinery (without dryers) (8%) Machine Tools (6.1%) Plastics and Rubber Machinery (6%) Valves and Fittings (5.%)

# Machinery Exports from EU to India 2016



Sectors	Value (Euro)	Y-o-y %
Total Machinery Export	6.73 billion	2.4
Top sectors		
Power Transmission Engineering	592.397 million	12.3
Textile Machinery (without dryers)	458.253 million	10.6
Food Processing and Packaging Machinery	403.421 million	1.0
Machine Tools	391.871 million	1.4
Construction Equipment and Building Material Machines	354.969 million	11.8
Materials Handling Technology	337.588 million	-1.1
Valves and Fittings	336.062 million	-19.4
Power Systems	327.270 million	29.5
Plastics and Rubber Machinery	303.735 million	15.1
Air-handling Technology	277.598 million	-31.5

# Machinery Exports from Germany to India 2016



Sectors	Value	Y-o-y %
Total Machinery Export	2.973 Euro billion	1.7
Top sectors		
Power Transmission Engineering	323.528 million	18.3
Textile Machinery (without dryers)	238.442 million	17.6
Machine Tools	181.249 million	6.3
Plastics and Rubber Machinery	178.598 million	29.9
Valves and Fittings	149.768 million	-6.8
Materials Handling Technology	149.261 million	-7.4
Construction Equipment and Building Material Machines	146.858 million	22.4
Food Processing and Packaging Machinery	136.033 million	9.7
Air-handling Technology	132.948 million	-52.6
Compressors, Compressed Air and Vacuum Technology	122.121 million	12.6

A vertical photograph on the left side of the slide shows a single water droplet falling into a pool of water, creating concentric ripples. The entire scene is bathed in a vibrant blue light, with the background being a solid, lighter blue. The droplet is captured in mid-fall, just above the first ripple.

# About Us

About Us



# German Engineering Federation (VDMA) - wherever you are, we are there for you



- » **Largest Industrial Association in Europe**
- » **125 year old history**
- » **More than 3200 members which stands for:**
  - 1,018,000 Employees
  - € 220 billion production
  - 77% export rate (appx.)
- » **39 specialized sectors**
- » **Offices/Subsidiaries in:**
  - India
  - China
  - Brazil
  - CIS
  - Japan
  - Belgium (Brussels)

## VDMA India Contacts



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# Getting the.... ..right in India



A



Almighty

B



Bollywood

C



Cricket

**125** JAHRE VDMA  
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**Thank You**  
Thank You

For your Attention!