

Manuscript ID : 00000-61932

Indian Journal of Economics and Development

Volume 7, Issue 11, November 2019, Pages 1-9, Page Count - 9



Source ID : 00000147

Performance of machinery and transport equipment in India: an analysis

Arvinder Kaur ⁽¹⁾

⁽¹⁾ Research Associate, Consumer Voice, Doctorate in Economics, Punjab School of Economics, Guru Nanak Dev University, Punjab, India.

Abstract

Objectives: To examine the internal and external performance of machinery and transport equipment (capital goods) in India.

Methods/Statistical analysis: The study has used secondary data for the production, exports and imports of machinery and transport equipment for the period 2000 to 2018. The compound annual growth rate (CAGR) of production and the growth rate of the industrial production index were used to examine the internal performance (domestic performance) of the goods. External performance (performance in world) of machinery and transport equipment has been examined by using export share in total exports, export-import ratio, CAGR of exports, export shares in world and revealed comparative advantage (RCA).

Findings: Though the production of all the products grew at positive CAGR except three products 'Food Machinery Non-Domestic, Telecommunication, sound recording and 'Ships and boats'. But still this sector showed a poor trade performance in 2018. India had trade deficit in 38 product categories out of 45 under SITC code. The production sector is unable to produce according to local requirements. As a consequence, demand for imported goods has increased and thus the trade deficit has also increased. The export share of these goods in the total composition of exports has increased since 1990. However, the share is very low compared to the developed countries in the world. The market share of India's total machinery and transport equipment goods in the world is very low and less than 1%. India has not been able to show a comparative advantage in the export of these goods.

Application/Improvements: India's performance in machinery and transport equipment is not as impressive as that of other advanced countries around the world. Government initiatives are needed to strengthen this sector. Research and development activities in the production sector should be carried out in order to improve the quality of these goods. Only skilled workers should be used. Infrastructure facilities should be improved.

Author Keywords

Machinery, Transport equipment, Capital goods, Exports, CAGR, RCA

ISSN Print: 2320-9828

Source Type: Journals

Publication Language: English

Abbreviated Journal Title: IJED

Publisher Name: Indian Society for Education and Environment

Major Subject: Social Sciences and Humanities

Subject area: Industrial Relations

ISSN Online: 2320-9836

Document Type: Journal Article

DOI:

Access Type: Open Access

Resource Licence: CC BY-NC

Subject Area classification: Business, Management and Accounting

Source: SCOPEDATABASE