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IICCI discussion points

The Italy in India Business Conclave

1st November 2022



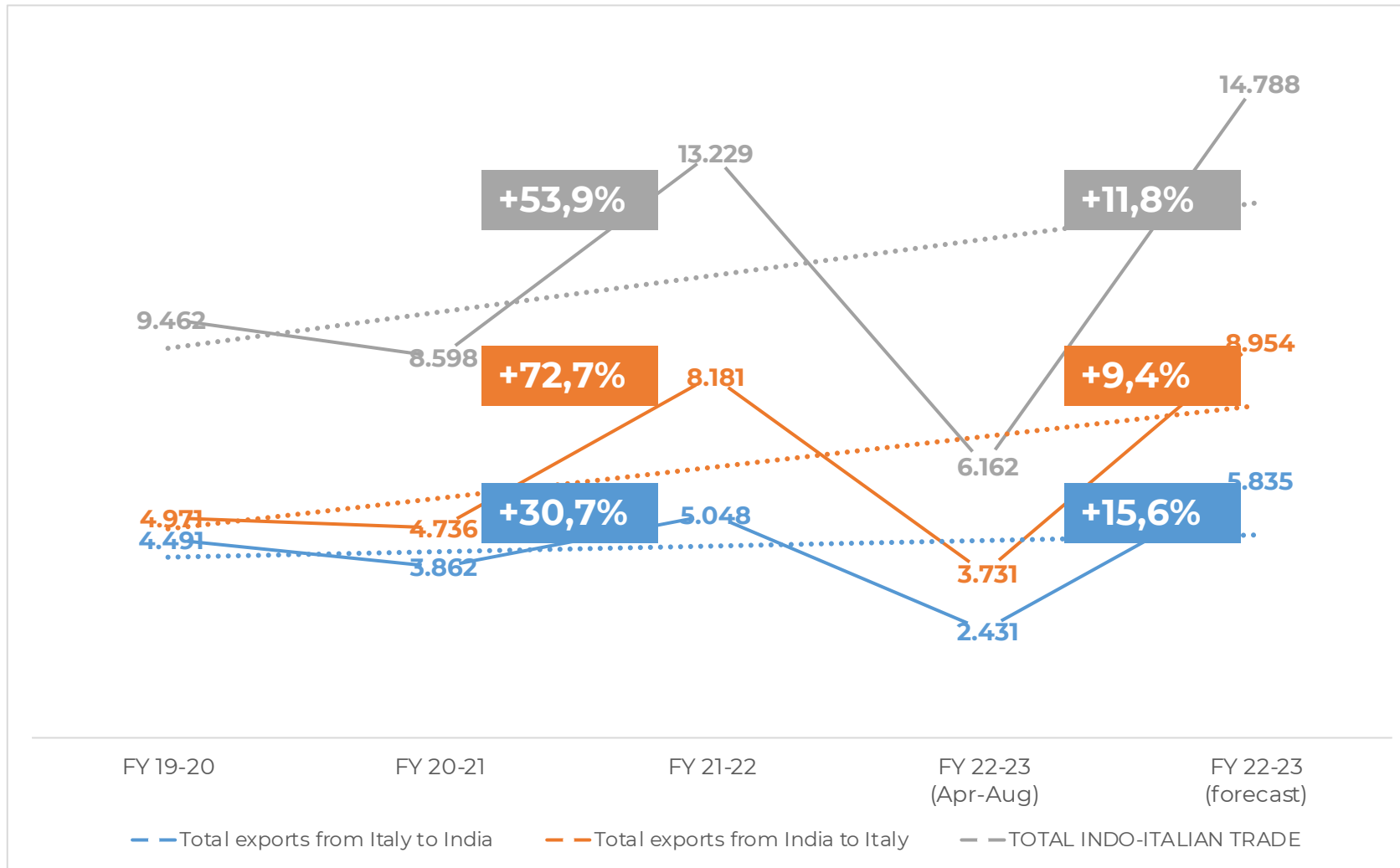
SCOPE and METHODOLOGICAL NOTE

- ❖ The present slides intend to provide an as detailed as possible picture of the current state of affairs of Italian exports and investments into India.
- ❖ The information presented is statistical in nature, it is based on official data and their interpretation by the IICCI – Indo-Italian Chamber of Commerce and Industry.
- ❖ The main source of data for this analysis are the Indian Ministry of Commerce for trade statistics between Italy and India, the Reserve Bank of India for the Foreign Direct Investments and direct data collection and updation undertaken by the IICCI, with specific reference to the presence of Italian companies in India.
- ❖ The trade data is based on the Indian financial year (Apr to Mar), which explains some differences in the figures resulting from other sources based on the calendar year (Jan to Dec).
- ❖ The Indian system is based on the Harmonised System (HS) code, which focuses on the kind of products/commodities rather than their applications: the IICCI – Indo-Italian Chamber of Commerce and Industry has re-worked such data keeping in mind the sectors and applications of relevance for this presentation.
- ❖ The trade statistics in this presentation cover exclusively Italian exports of goods: all the consulting, technical and other services (engineering, project planning, development, implementation) sourced by Indian companies to Italian suppliers have not been considered in the analysis.





INDO-ITALIAN TRADE – FY 2019 to FY 2023 (forecast)



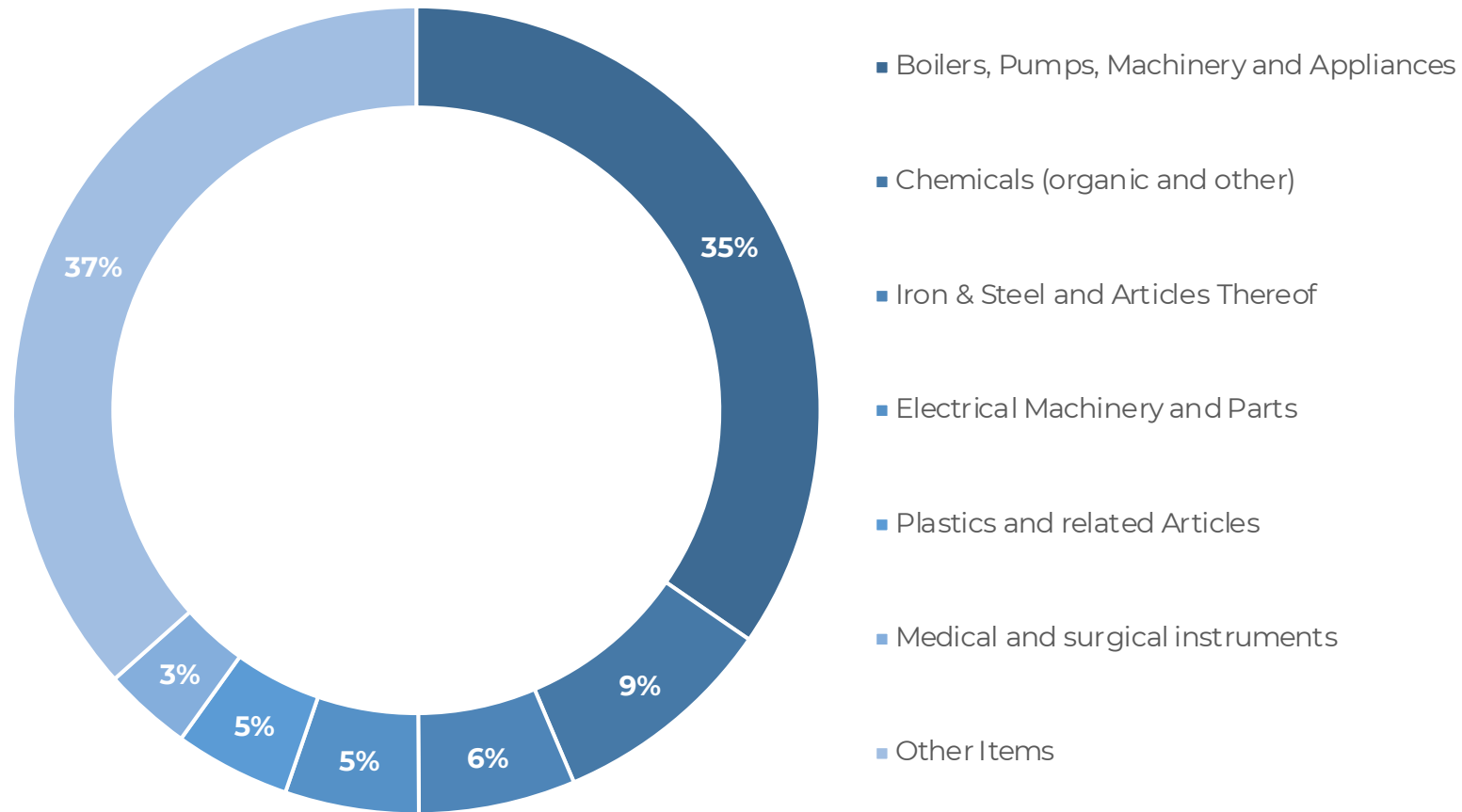
Source: Indian Ministry of Commerce. Values in US\$ millions

MAIN TRENDS

- Bilateral trade in steady increase: besides a contraction in FY 20-21, the **average yearly growth rate of trade** between FY 19-20 and 21-22 is **+20%**
- Balance of trade traditionally in favor of India: +480 mio US\$ in FY 19-20, +874 mio US\$ in FY 20-21, +3,132 mio US\$ in FY 21-22 and +3,119 mio US\$ in FY 22-23 (forecast), for a total surplus of **~7.6 billion US\$** in favour of India
- **Turning point in FY 21-22**: +54% of total bilateral trade, +73% of Indian exports to Italy and +30,7% of Italian exports to India. Driving factors:
 - shuffling of Italian companies' global supply chains
 - Hike in prices of commodities, semi-finished and finished materials
- Trend expected to be maintained in FY 22-23, with +12% increase in total bilateral trade, (+1,600 mio US\$), +9% of Indian exports to Italy (+773 mio US\$) and +16% of Italian exports to India (+786 mio US\$)



ITALIAN EXPORTS to INDIA – FY 19 to FY 22



Source: Indian Ministry of Commerce.

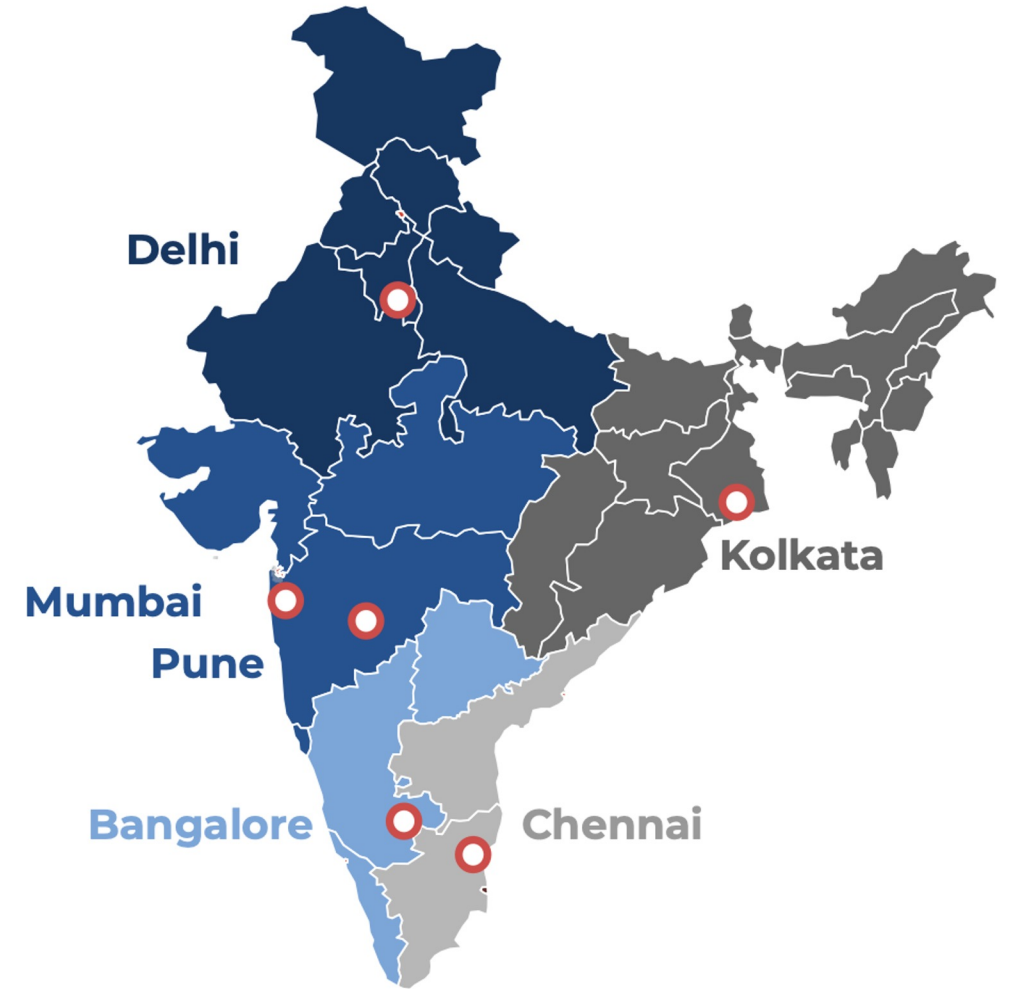
KEY POINTS

- The same global pattern of Italy's exports is present in India: the **manufacturing sector** (boilers, pumps, mechanical and electrical machinery with related components) represents the major item: their combined value is **40% of Italy's exports to India**, for a total value in the period of **~5.6 billion US\$**
- Organic and other chemicals rank 2nd in Italy's exports to India: **9% of total exports** in the period worth **~1.5 billion US\$**
- With exports worth **+1 billion US\$** in the period, Iron & Steel and related articles rank 3rd in Italy's exports to India, **6%** of the total: the main applications of the items are in the heavy industry, infra & construction, power and energy, automotive, machinery and manufacturing in general
- Medical and surgical instruments, consumer goods (furniture, textile & apparel, food&wine) count for the remained **37%** of Italy's exports in the period



Italian Companies in India - Regions and Main Cities

Delhi NCR & North (Delhi)	= 168 companies
Maharashtra & West (Mumbai & Pune)	= 285 companies
West Bengal & North-East (Kolkata)	= 20 companies
Karnataka & South (Bangalore)	= 83 companies
Tamil Nadu & South East (Chennai)	= 70 companies



Italian Investments in India = 600+

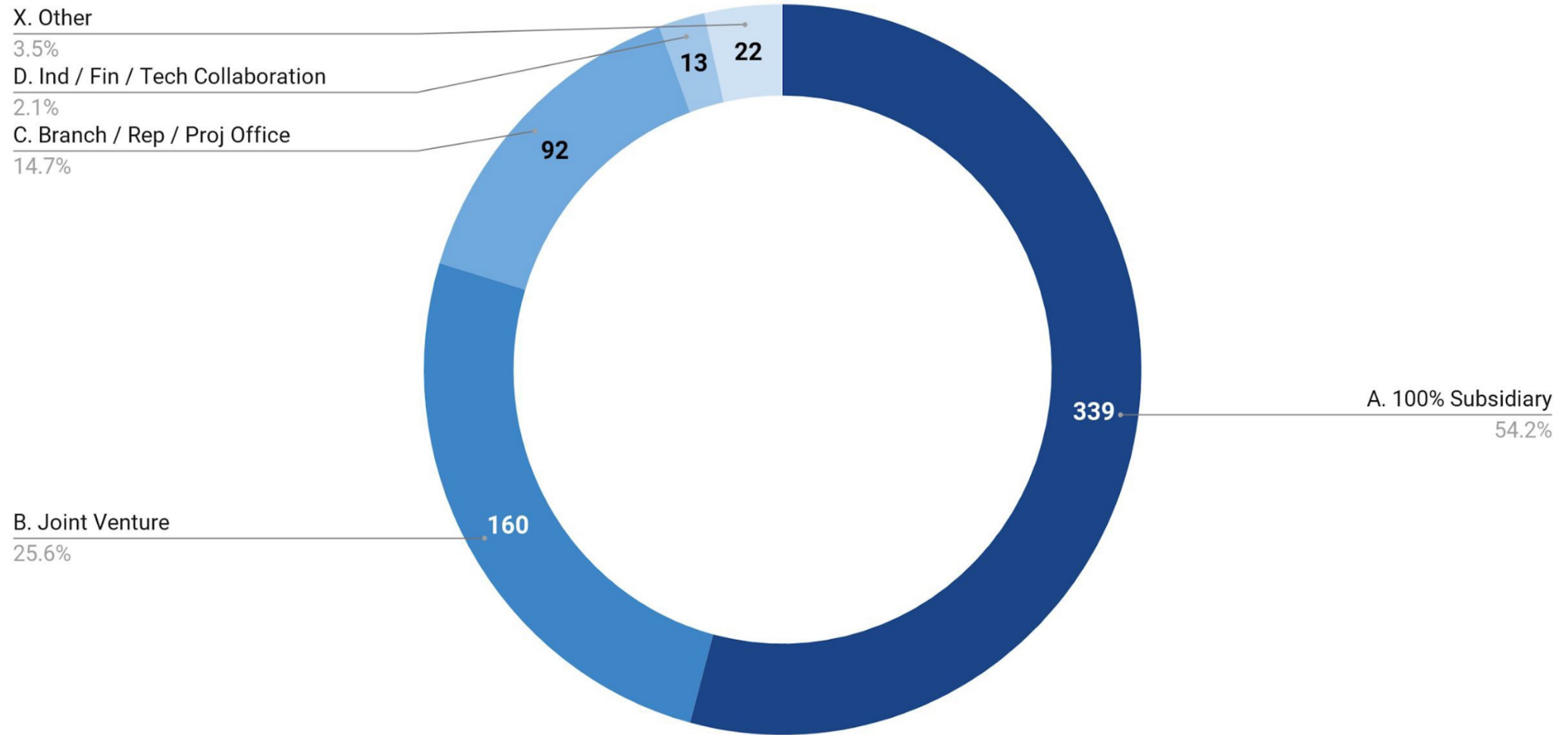
Investment Stock in India from Italy since 2014 = 6,3 billion Eur

Employment generated by Italian companies in India: ~50k

Italian Brands present in the Indian market: +2000

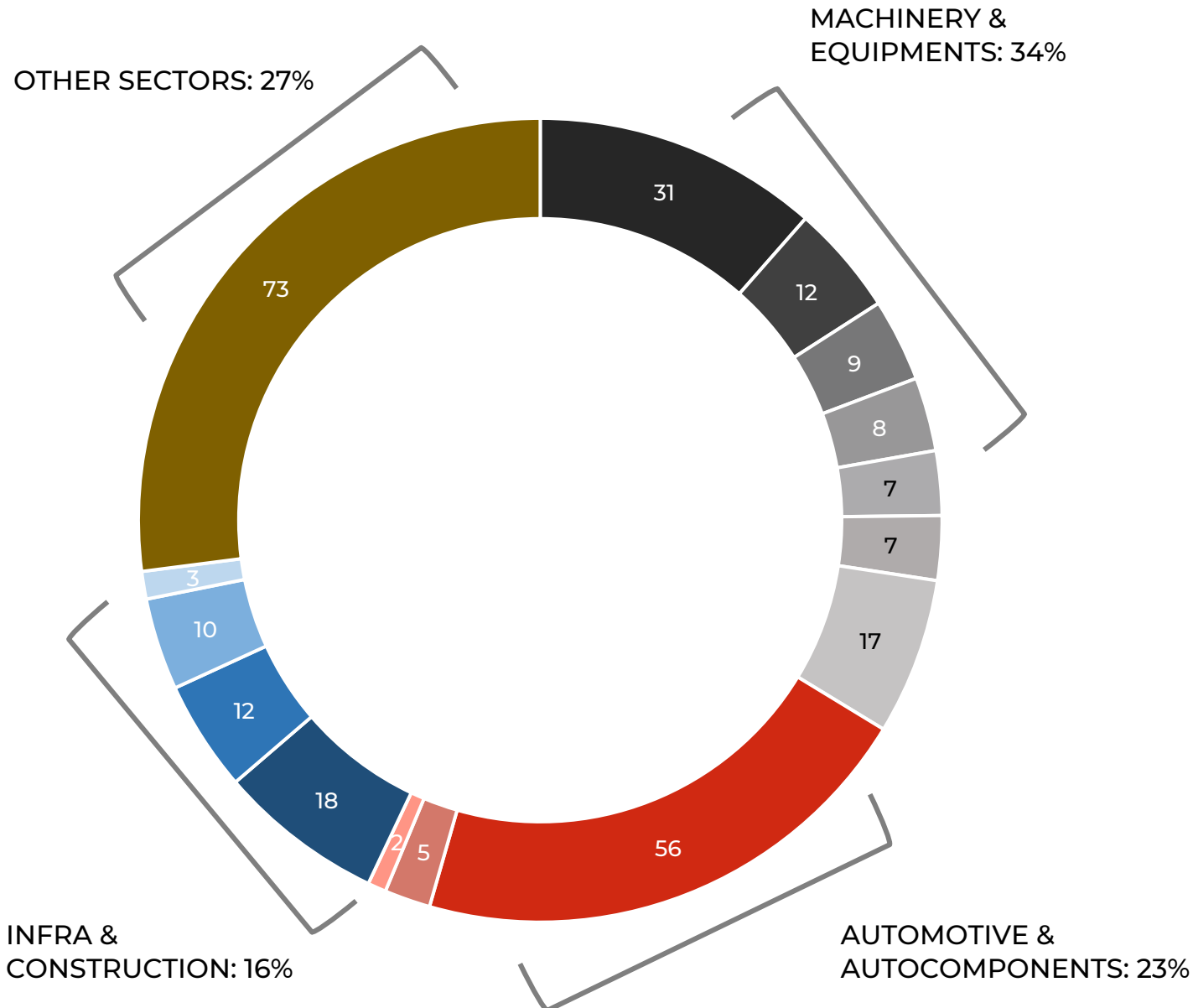


Italian Companies in India - Classification





Italian Companies with Productive Plants in India - Sectors



270 Indo-Italian Companies with Manufacturing Units in India

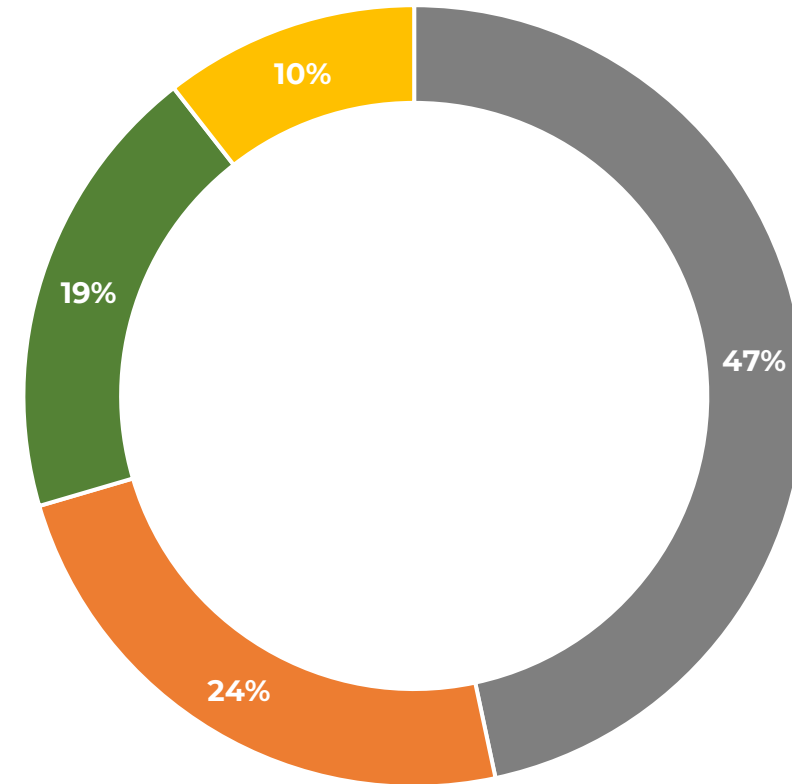
- Machine Tools
- Food processing
- Plastic
- Agricultural
- Textile
- Metal
- Other Machinery
- Components
- Tractors
- Vehicles
- Building Materials & Equipments
- Engineering, Architectural & Industrial Design Services
- Infra & Building Machinery
- Other Construction
- Other sectors



ITALIAN EXPORTS in FOCUS SECTORS – FY 19 to FY 22

Machinery & Manufacturing Technologies	3,235
Power & Energy Technologies	1,650
Infrastructures & Construction	1,317
Agri & Food Technologies	732
TOTAL	6,935

Source: Indian Ministry of Commerce. Values in US\$ millions



- Machinery & Manufacturing Technologies
- Power & Energy Technologies
- Infrastructures & Construction
- Agri & Food Technologies

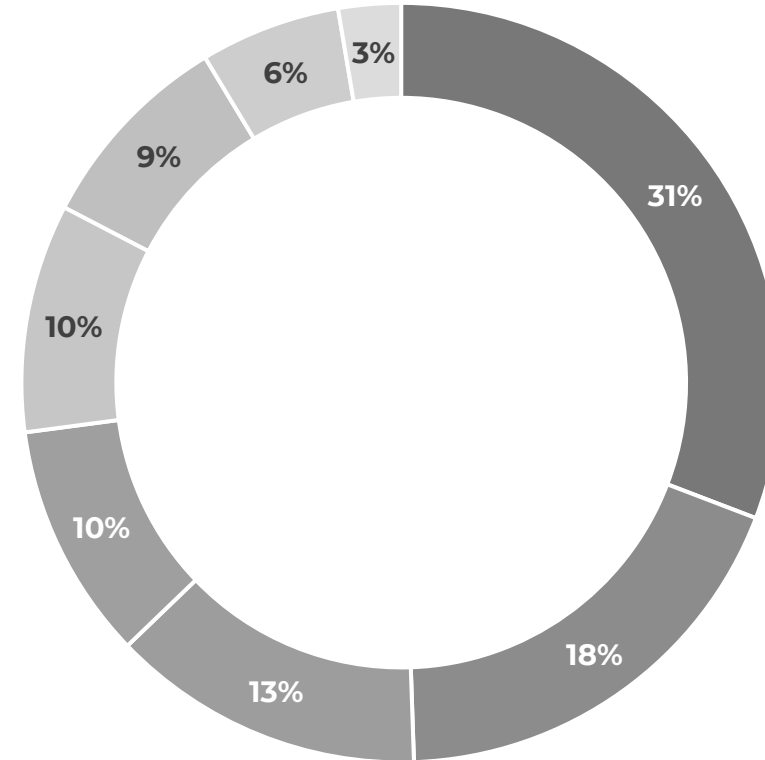


ITALIAN EXPORTS in FOCUS SECTORS – FY 19 to FY 22

Machinery & Manufacturing Technology

Other machinery	997
Machine Tools	604
Automotive and auto-components	432
Plastic & Rubber Machinery	327
Iron & Steel and articles thereof	315
Textile Machinery	282
Paper & Printing Machinery	193
Leather Machinery	86
TOTAL	3,236

Source: Indian Ministry of Commerce. Values in US\$ millions



- Other machinery
- Machine Tools
- Automotive and autocomponents
- Plastic & Rubber Machinery
- Iron & Steel and articles thereof
- Textile Machinery
- Paper & Printing Machinery
- Leather Machinery

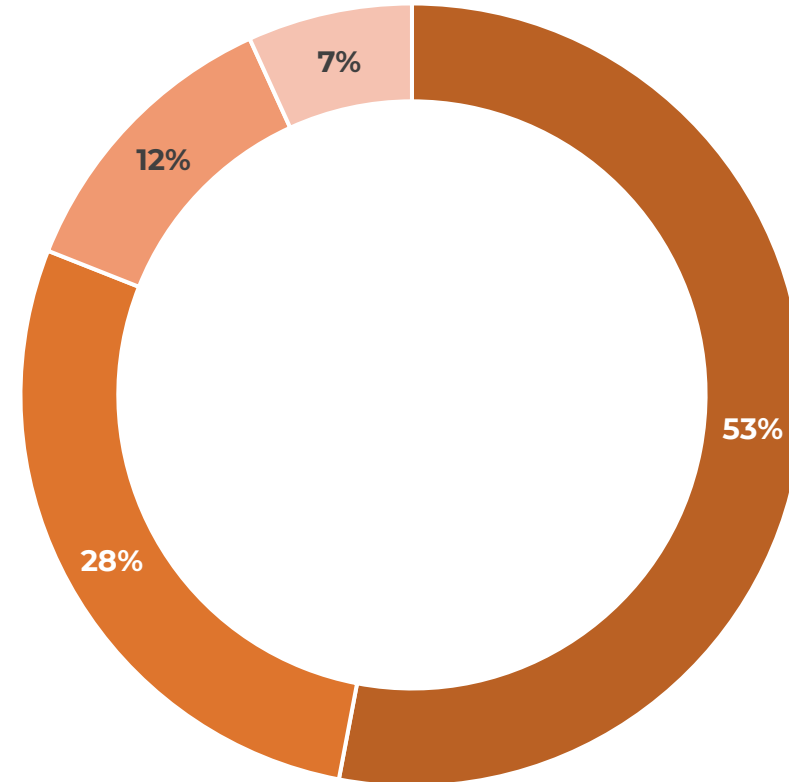


ITALIAN EXPORTS in FOCUS SECTORS – FY 19 to FY 22

Power & Energy Technologies

Boilers, Furnaces, Pumps, Valves	874
Turbines, Engines & Motors	462
Transformers, Conductors & Semiconductors	201
Electric Motors	112
TOTAL	1,650

Source: Indian Ministry of Commerce. Values in US\$ millions



- Boilers, Furnaces, Pumps, Valves
- Turbines, Engines & Motors
- Transformers, Conductors & Semiconductors
- Electric Motors

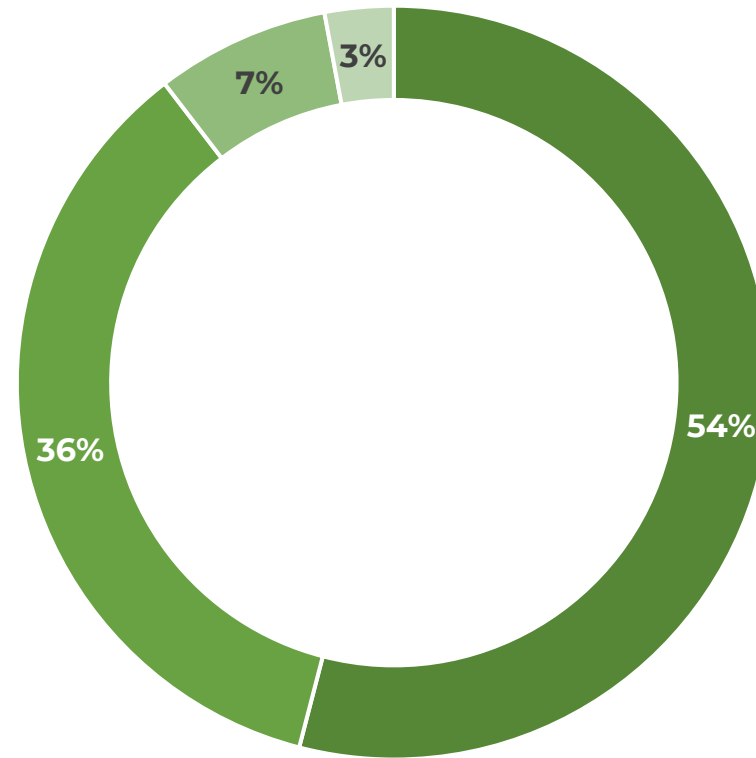


ITALIAN EXPORTS in FOCUS SECTORS – FY 19 to FY 22

Infrastructures & Construction

Building Materials	712
Construction Machinery	468
Iron & Steel	98
Railways	39
TOTAL	1,278

Source: Indian Ministry of Commerce. Values in US\$ millions



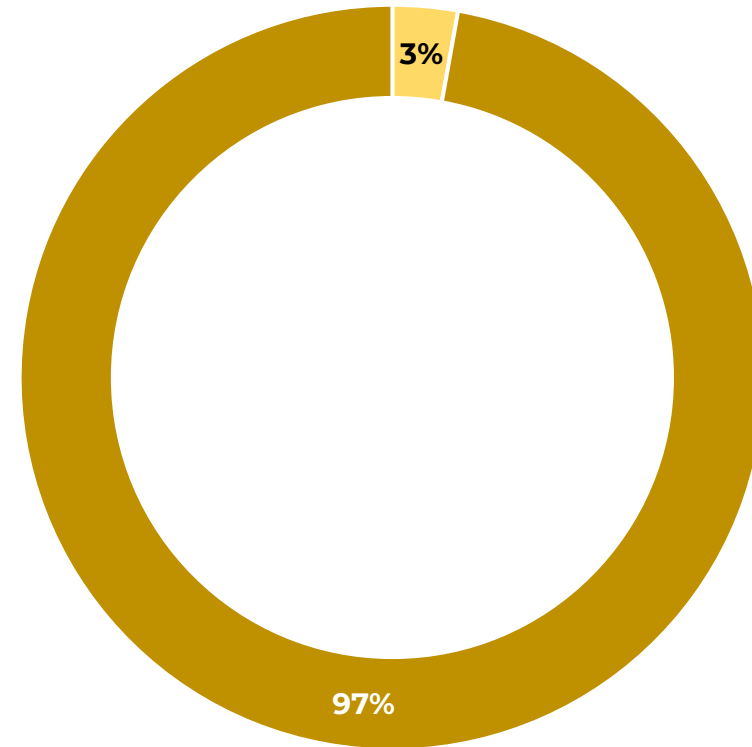
- Building Materials
- Construction Machinery
- Iron & Steel and articles thereof
- Railways



ITALIAN EXPORTS in FOCUS SECTORS – FY 19 to FY 22

Agri & Food Technologies

Food Processing & Food Packaging Machinery	698
Agricultural Machinery	34
TOTAL	732



■ Agricultural Machinery

■ Food Processing & Food Packaging Machinery

Source: Indian Ministry of Commerce. Values in US\$ millions



IICCI PLATINUM MEMBERS & PARTNERS

This presentation, and all the projects, events, initiatives and activities organised by the IICCI – Indo-Italian Chamber of Commerce and Industry, would not be possible without the support of our members and of the Indo-Italian business community. Amongst them, our Platinum Members & Partners, deserve a special mention.





THANK YOU

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