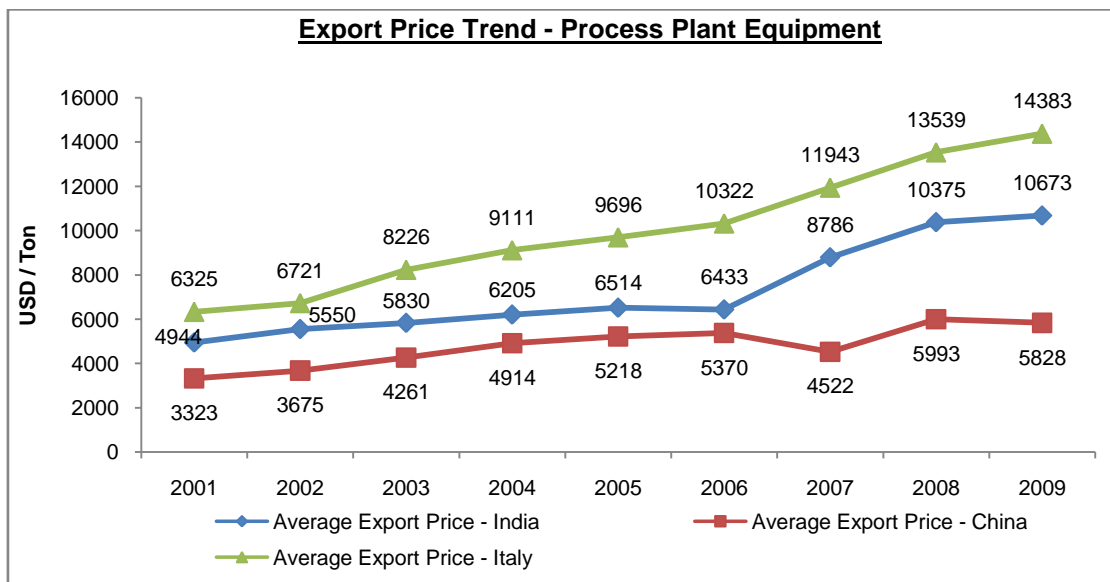


Capital Goods: Export Price Comparison

Export pricing is the most important factor for promoting exports and facing international trade competition. It is important for the exporter to keep the prices low keeping in mind all export benefits and expenses. Increases in the EPI are either due to strong foreign demand or higher internal costs within the exporter's country. Generally, only increases caused by strong foreign demand are beneficial.

Process Plant Equipment

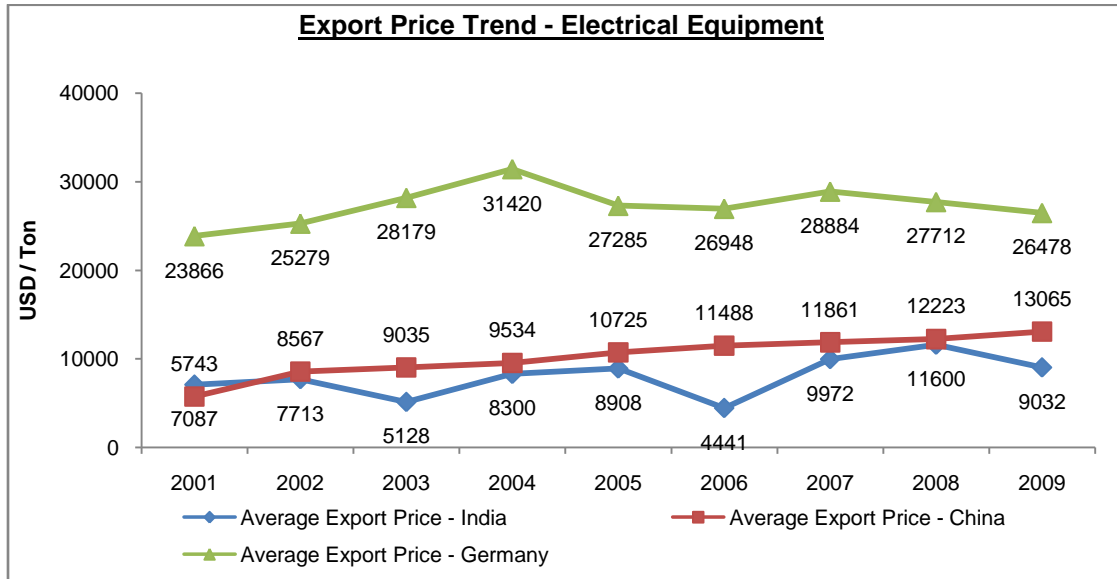
The Chinese process plant equipment industry has had an absolute cost advantage for the period 2001 - 2009. Italian industry exhibits higher costs than both Chinese and Indian industry, as illustrated in the chart below.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments)

Electrical Equipment

India has consistently been the cheapest supplier of electrical equipment to importers across the world. German industry's high export price has been owing to its technologically superior products. However, the Chinese industry has been keeping pace with their Indian counterparts in terms of export price.



Source: ITC, D&B Calculations (Export Price for the sector has been arrived at by averaging the export price of individual product segments)