

Engineering exports rise 11.8% in Q1 to \$28.96 b; newer markets open up

June slowdown due to dip in shipments to China and levy of export duty on steel: EEPC

OUR BUREAU

New Delhi, July 25

Engineering goods exports from India increased 11.8 per cent in April-June 2022-23 (year-on-year) to \$28.96 billion, despite a sharp decline in shipments to China, as countries like the US, Germany and Mexico sourced more, according to industry data.

Growth in exports of engineering products, however, slowed 4.2 per cent in June at \$9.69 billion, with shipments to China falling

55 per cent to \$232.78 million, and performance of certain steel products, including stainless steel, hit by the 15 per cent export duty announced on May 22, the Engineering Export Promotion Council India pointed out in a statement.

“According to the industry, the move to impose the export duty on certain steel items is hurting at a time when there are ample opportunities for Indian exporters as global supply is affected by the Ukraine war and the shutdown in certain Chinese cities,” said EEPC Chairman Mahesh Desai.

The share of the engineering segment in the total goods exports was 23.86 per cent in June,

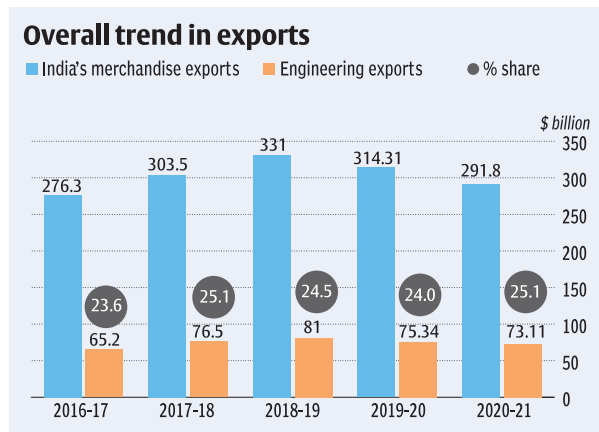
but slightly higher at 24.35 per cent for the April-June period, the statement added.

US No 1 importer

The US continued to be the top importer of India’s engineering goods, both in June and during the quarter. Engineering exports to the US jumped 28.59 per cent in June to \$1.67 billion. Exports during the quarter increased 48.09 per cent to \$5.31 billion.

The top five export destinations for India’s engineering goods during June were the US, Germany, Mexico, the UK and Bangladesh. As many as 27 out of 34 engineering panels posted an export growth during June. Major decline was seen in iron and steel, copper and its products, lead and products, and industrial machinery for boilers, the statement highlighted.

“Overall the global economic situation is still not stable and while newer opportunities are emerging amidst the crisis, the industry needs to be prepared in all aspects including pricing, quality and exportability of its production to grab those opportunities,” Desai said. Engineering exports posted a 46 per cent growth in 2021-22 to \$112 billion. The industry is chasing an export target of \$127 billion for 2022-23.



Source: DGCI&S