

To expand market, engineering goods exporters want FTAs with LatAm, Africa

Amiti Sen
New Delhi

Exporters of engineering goods have called for forging new free trade agreements (FTAs) with countries in Latin America and Africa, schemes to support MSMEs in research and innovation, launch of a domestic shipping line and help in global branding of Indian products to help reach the export target of \$300 billion by 2030.

In a meeting called by Commerce and Industry Minister Piyush Goyal this week, top officials from EEPC India discussed various recommendations of the strategy paper drafted by the body to boost India's engineering exports, ac-

ording to a statement issued by EEPC India on Thursday.

LEVEL THE PLAYING FIELD

"It is quite crucial for India to explore new markets, especially in Latin American and African countries. Many of our competitors have already established FTAs with these countries and as a result, are having a competitive edge over us. FTAs with these countries can level the playing field, ensure fair market access and expand our exports," EEPC India Chairman Arun Kumar Garodia said.

Engineering goods, among India's top export items, are facing a rough time at the moment, with shipments to key markets such as the US and China

continuing to decline. Engineering exports declined by 5.71 per cent to \$ 18.28 billion in April-May 2023-24, per government figures. However, exports to countries with which India recently signed FTAs, such as the UAE and Australia, increased during the period.

To gain more out of its existing markets, EEPC suggested strengthening its presence in Europe as a priority by implementing the proposed FTA with the EU under negotiations.

The strategy paper also highlighted the financial constraints faced by most MSMEs in the sector. "It has recommended implementing an aggressive "SME Assistance Programme" to support research and innovation in

the MSME sector," the release said.

The paper proposed setting up a domestic shipping line to reduce trade costs, decrease dependence on foreign shipping lines and save foreign exchange.

EEPC also stressed the need for dedicated branding and marketing efforts for success in specific product categories and markets.

Highlighting the importance of the engineering sector, Garodia pointed out that the industry accounted for 25 per cent of the country's total exports and was the largest foreign exchange earner. MSMEs account for 35-40 per cent of total engineering exports and therefore are crucial job providers.