

Amazon exports from India crossed \$8 billion in 2023

Highest-growing categories include toys, beauty products, furniture, and luggage

ARYAMAN GUPTA

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E-commerce giant Amazon has said it surpassed \$8 billion in cumulative exports from India in 2023 and is set to achieve its ambitious target of \$20 billion in exports by 2025. The Seattle-headquartered company had achieved \$5 billion worth of exports in 2022.

"We are really encouraged by the growth we have seen. We had crossed \$5 billion in exports in mid-2022 and we achieved \$8 billion by the end of 2023. We believe we are just getting started. The momentum is there," Bhupen Wakankar, Director, Global Trade at Amazon India, told *Business Standard*.

Amazon, which began exporting from India seven years ago, would have to more than double its exports by 2025 to meet its \$20 billion target.

This comes shortly after American retail major Walmart said that it surpassed \$30 billion in cumulative sourcing from India in over two decades. It is now targeting \$10 billion in annual sourcing by 2027.

Talking about the competition, Wakankar said on Wednesday: "We are customer-obsessed and not competition-obsessed. More players coming in will benefit the seller ecosystem. We are all in this together."

Amazon's highest-growing export categories include toys, home and kitchen products, beauty products, furniture and luggage. Other products like leather goods and ayurveda products are also gaining traction, Wakankar said.

The US remains Amazon's biggest market for Indian exports, besides markets like the UK, Canada, Japan, Germany, among others.

The company's flagship sale events in 2023 proved fruitful for exports from the country. "Our sellers out of India participated in three large sale events: Prime Day in July, Prime Fall Day in October, and the Black Friday sale in November. Depending on the categories, we had anywhere between 40-70 per cent growth. Some categories witnessed 100 per cent year on year growth," said Wakankar.

Amazon has, over the last year, announced several partnerships with the central and state governments to give a fillip to exports. In November last year, it signed



a memorandum of understanding (MoU) with the Directorate General of Foreign Trade (DGFT), the Ministry of Commerce and Industry to co-create capacity-building sessions, training and workshops for MSMEs across 75 districts identified by the DGFT.

At the fourth edition of its flagship Smbhav Summit last August, the company signed an MoU with India Post for an integrated cross-border logistics solution to boost Indian exports. It was also among the first e-commerce companies to leverage the Railways' Dedicated Freight Corridor (DFC) for faster delivery of products.

"In cross-border logistics, from India, we now have a full container and a partial container ocean offering. We have an air offering with multiple carriers now. So, we continue to build that side as well," Wakankar said, adding the company is focusing on improving its technology stack.

"Market intelligence is an area that we continue to invest in a very big way, especially when it comes to areas like machine learning, and generative AI," he said.

Firm reports 40% rise in sales of premium smartphone devices

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E-commerce major Amazon's sales of premium smartphone devices in 2023 jumped 40 per cent year-on-year (Y-o-Y) — one of its highest growth rates in India. Buyers were mostly from Tier-II cities, said a senior executive of Amazon.

"While per unit growth has been flat, we have grown in value more than in previous years. This is driven entirely by premium devices — above ₹30,000," Ranjit Babu, director, wireless and TV, Amazon India, told *Business Standard*.

According to Babu, premium smartphone sales are primarily being fuelled by better financing options such as no-cost and low-cost equated monthly instalments (EMIs). "As much as 40 per cent of devices sold on Amazon last year were purchased through EMIs, especially during the fourth quarter (of CY 2023) amid festival season sales," he said.

The company witnessed its highest ever average selling price during last year's festival season, Babu added. India's domestic smartphone market grew by a nominal 1 per cent in calendar year 2023 due to consumer demand remaining stressed, according to the data from International Data Corporation (IDC).

Notably, sales of high-end devices are not limited to Tier-I cities. Consumers in Tier-II cities and beyond are driving most of the sales for premium smartphones. "Tier-II cities account for more than 70 per cent of our sales. Since our growth is being fuelled by the premium category, it means that premium devices are no longer limited to the top 10 cities in India," Babu said. Factors such as ease of availability, the speed of delivery, wider selections, and easier financing options are enabling growth in these markets. The rapidly increasing demand for 5G devices too is a factor. "Over 70 per cent of what we sold last year, by units, was 5G. This year we expect pricing to continue to go down on 5G. In fact, 5G is going to be the biggest driver of adoption below ₹30,000," Babu said.

According to the IDC data, 79 million 5G smartphones were shipped in 2023, with launches in the mass budget segment. The average sale price of 5G phones dropped to \$374, a decline of 5 per cent Y-o-Y in 2023. Within the 5G smartphone shipments, the share of the budget segment (\$100-200) increased to 35 per cent from 22 per cent a year ago.