

# Africa, LatAm prop up India's exports

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**EVEN AS ORDER** flow from key markets like the US and the EU slowed in recent months, Indian exporters have found big support from markets in Africa and Latin America, especially Brazil. Official data showed exports to Africa jumped 45.9% in August from a year ago to \$4.48 billion. Between April and August, exports to Africa grew 41.6% to \$22.17 billion.

Similarly, exports to Latin America surged 53.8% in August to \$1.78 billion and 38% to \$8.24 billion in the first five months of FY23, thanks primarily to Brazil that made up over a half of the despatches. Exports to Brazil climbed a massive 127% in August to \$1.12 billion; until August, the exports stood at \$4.66 billion, up 71% from a year before.

In contrast, India's overall merchandise exports grew just 10.6% in August to \$36.9 billion, and 19.5% in the first five months of this fiscal to \$196.4 billion, according to the latest DGCIS data. The surge in exports to African and Latin American markets has partly made up for the shortfall in demand from larger markets and prevented outbound shipments from slipping into contraction in recent months.

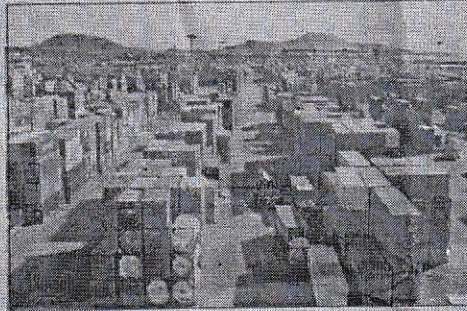
India seems to have taken advantage of Covid-hit China's stunted ability to supply goods to these markets. It also suggests efforts towards geographical diversification of exports are starting to bear some results, exporters told *FE*.

Some exporters said despite the latest slowdown in advanced markets, demand for low-value products — which typically have limited value addition — has surged this fiscal, and this is where India is consolidating its position.

The data showed growth in exports to most African regions was fairly broad-based. Until August this fiscal, the growth in shipments to the Southern African Customs Union was to the tune of 56.9% and 49.9% to other south African countries. Exports to countries in West Africa, East Africa and North Africa jumped 42.3%, 56.4% and 15.7%, respectively. Only Central Africa was an exception (5% contraction until August) but it is the tiniest market in that continent.

Meanwhile, exports to India's large markets, having grown at a decent pace in the first quarter, have shown signs of a slowdown, more so as base effect turned unfavourable. Exports to the top market US grew just 4.7% in August, against 18.3% in the first five months of FY23. Similarly, despatches to the EU rose 8% in August, slower than 30% until August. Supplies to China and Bangladesh shrank 46.7% and 22.7%, respectively, in August; the despatches to China contracted 35.6% until August but to Bangladesh, they rose by a meagre 8.7%.

While exports to the UAE jumped 38% in Au-



gust and 27.3% in the first five months of this fiscal, they were aided by base effect. Supplies had contracted sharply during FY21, thanks to the pandemic. Of course, with the signing of a free trade agreement, which came into effect from May, India's exports to the UAE are expected to climb at a steady pace.