

● 'GROWTH MAY RETURN BY OCT'

No firm export target for FY24, govt eyes a range

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INDIA'S MERCHANDISE EXPORTS will move into growth territory from September-October after nine months of year-on-year contraction and due persistence of global uncertainties the department of commerce will set targets for this year in a range instead of a single number, a senior official said Tuesday.

The growth recovery in goods exports will be driven to some extent by the wearing-off of base effect of last year when high crude and commodity prices resulted in above 25% year-on-year growth in April-June quarter and then decelerated from July onwards.

"Last year's exports were \$450 billion so the lower end of this year's target could be \$451 billion. Even if 10% growth is assumed then the upper band of the range would come to \$ 495 billion," a trade expert said.

The official said for setting the target range detailed study of trends and other parameters is in progress for 200 countries and 31 commodity groups.

"Targets this year will depend on four parameters, our overall target of reaching \$ 1 trillion in goods exports by 2030. Import to GDP ratio of importing countries, export to GDP ratio of India which will tell the potential, and the trend growth

of the past years," the official said.

For a monitoring purpose of exports every month, the official said a fixed number would be required and that could be a mid-value or an average may be accepted.

The ministry has though fixed an internal target which has been to export promotion councils and Indian missions abroad.

"But we will take some more time before we will come up with our exports targets because based on the current trends, it can not be right on our part to fix those targets as of now, so we are waiting and watching," the official added.

The apex body of exporters Federation of Indian Export Organisations (FIEO) had said in May the exports this year will be \$ 500 billion. In the first quarter of this financial year, the merchandise exports touched \$102.4 billion as against \$120.8 billion last year, a contraction of 15%.

June saw the maximum year-on-year contraction since the peak Covid lockdown month of May of 2020 as petroleum exports slumped and demand in the key overseas markets remained weak, data released on Friday showed.

The contraction in exports was 22% in June when shipment of goods stood at \$32.97 billion. June is also the seventh straight month that has seen contraction in exports.