

# Amid poor world demand, India has opportunities in EMs

It must push exports of 18 items to developing nations, says report

SHREYA NANDI

New Delhi, 22 December

Amid a slowdown in demand for Indian goods in developed countries, India can focus on 18 products, such as insecticides, construction material, chemicals, and iron and steel, to boost its exports to developing countries where the country meets only 2.5 per cent of the demand at present.

If India manages to increase this share to 5 per cent, it will boost exports by \$34 billion, according to

## UNTAPPED MARKET

**2.5%** share of EM demand met by India | **\$34bn** jump in export value if the share increases to 5%

**9th** India's place among exporters to emerging markets

**55%** share of EMs in Indian exports in 2021; it was 58% in 2016 | **181** developing countries, according to the UN Statistical Division

a report by MVIRDC World Trade Centre, Mumbai.

India's merchandise exports grew just 0.59 per cent in November at \$31.99 billion, as tepid external



Source: Report by MVIRDC World Trade Centre, Mumbai

demand, geopolitical tension, and recessionary trends in developed economies weighed on outbound shipments. Exports have slowed since July after sustained growth

over more than a year. In October, India's merchandise exports witnessed a contraction for the first time in two years, as domestic factors, such as festival season, and external factors affected demand.

"Developing countries can be a potential destination for India's exports amid a recessionary outlook in advanced countries. There are 181 developing countries, according to the classification of the UN Statistical Division. The share of developing countries in India's merchandise exports has fallen from 58 per cent in 2016 to 55 per cent in 2021," the report said.

According to UNCTAD data, these developing countries together import \$9.2 trillion worth of goods annually and India hardly meets 2.5 per cent of this import demand.

The report pointed out that India is the ninth-largest exporter to developing countries, after China, the US, Japan, South Korea, Taiwan, Germany, Malaysia, and Australia.

"Developing countries import \$2,163 billion worth of these 18 products annually, of which India meets \$74 billion or 3 per cent of total import demand. If India manages to increase this share to 5 per cent, it will boost our merchandise exports by \$34 billion or at least 8 per cent of the country's merchandise exports," it said.

WTC Mumbai has identified 18 product categories where India's share in imports of developing countries is showing an upward trend since 2016. In 10 of these 18 products, India meets less than 5 per cent of the demand there.

