

Key mkts lead export fall in engg goods

MADE IN INDIA

Engineering exports to key nations in FY23

Country	Value (in \$ bn)	Growth (%)
US	18.68	6.8
UAE	4.96	-11.1
Germany	3.94	2.1
Italy	3.93	-5.5
Singapore	3.67	39.1
Mexico	3.47	22.0
UK	3.12	2.6
Saudi	3.08	60.6
Turkey	2.85	-19.0
China	2.63	-52.4

Source: EEPC India

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A contraction in shipments of engineering goods to key markets like the United Arab Emirates (UAE), Italy, Turkey, and China led to an overall decrement in engineering exports by 4.6 per cent in FY23.

The decline was a direct result of depressed global demand, especially in the metals sector.

As a consequence, the share of engineering goods in India's merchandise exports during FY23 declined to 23.92 per cent as against 26.58 per cent in FY22.

"Despite lower exports in 2022-23, engineering exports surpassed the predicted value of \$105.82 billion set by the government of India for 2022-23. Geopolitical crisis in (the) CIS (Commonwealth of Independent States) region led by Russia-Ukraine war, economic slowdown in North-East Asia especially China, crisis in South-East Asia and slowdown in Europe are the major factors responsible for lower shipment of engineering goods from India," according to an engineering trade analy-

sis done by the Engineering Exports Promotion Council (EEPC) India.

While engineering exports contracted to \$107.04 billion, overall exports grew 6 per cent year-on-year at \$447.46 billion.

Exports of engineering goods to the UAE and China — the second- and third-largest markets for such products — witnessed an 11.1 per cent and 52.4 per cent contraction, respectively.

Exports to Turkey contracted 19 per cent and there was a 5.5 per cent decline in the case of Italy, according to the data compiled by the EEPC. The countries where growth was seen are the US (6.8 per cent), Germany (2.1 per cent), and Singapore (39.1 per cent). On a cumulative basis, 22 out of 34 engineering panels recorded growth during April-March FY23 over the same period in the previous fiscal year. The ones that saw growth include products of iron and steel, zinc, and nickel, and those from non-ferrous segments. These include panels from industrial machinery, motor vehicles, cars, auto parts, aircraft and ship and boats, among others.