

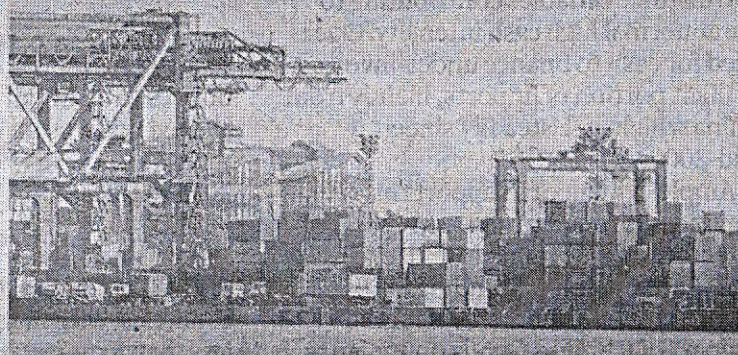
Engineering goods exports to China, EU decline sharply in October

Our Bureau
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India's engineering goods exports to China fell 64 per cent y-o-y in October 2022 while shipments to the EU declined 23 per cent as the overall export of engineering products from the country declined for the fourth consecutive month.

However, exporters are optimistic that with the government's recent decision to do away with export duty on a number of steel products, exports would become more competitive. Exports of engineering goods declined in 19 of the 25 key destinations in October 2022 as shipments contracted 21.3 per cent to \$7.4 billion, according to the EEPC.

High inflation in developed countries, falling demand in China, the slowdown in the EU and fear of a slowdown in the US and Russia-Ukraine



EXPORTERS OPTIMISTIC. Recent withdrawal of 15% export duty on steel products to help the engineering sector, says EEPC

war were among the major reasons that led to a significant slackening of demand, EEPC stated.

Exports to the EU were down to \$1.26 billion in October 2022 as compared to \$1.64 billion in October 2021 while engineering exports to China during the month were at \$227.8 million compared to \$633.8 million in the same month a year ago. To North America, exports dropped by 10.7 per cent in October to

\$1.66 billion as compared to \$1.85 billion in October 2021.

CHALLENGING TIMES

"The recent trends in India's foreign trade point to challenging times ahead at least for the near term. Merchandise exports from India fell sharply for the first time in nearly two years in October 2022. We expect India to be impacted much less by the global slowdown as compared to advanced major econom-

ies," said EEPC India Chairman, Arun Kumar Garodia.

"Imposition of 15 per cent export duty on selected steel items since May 2022 caused iron and steel exports to decline by 40 per cent during April-October 2022 and by over 60 per cent during September and October 2022. This particularly impacted the stainless steel segment," Garodia said.

Cumulative engineering exports in April-October 2022-23 declined by 2.2 per cent to \$62.50 billion. The share of engineering in total merchandise exports was recorded at 24.86 per cent in October 2022 while the share was 23.75 per cent on a cumulative basis during the first seven months of 2022-23, per government figures.

During October, only 8 out of 34 engineering panels witnessed growth in exports. Barring zinc and nickel, all other non-ferrous metals recorded a decline in exports.