

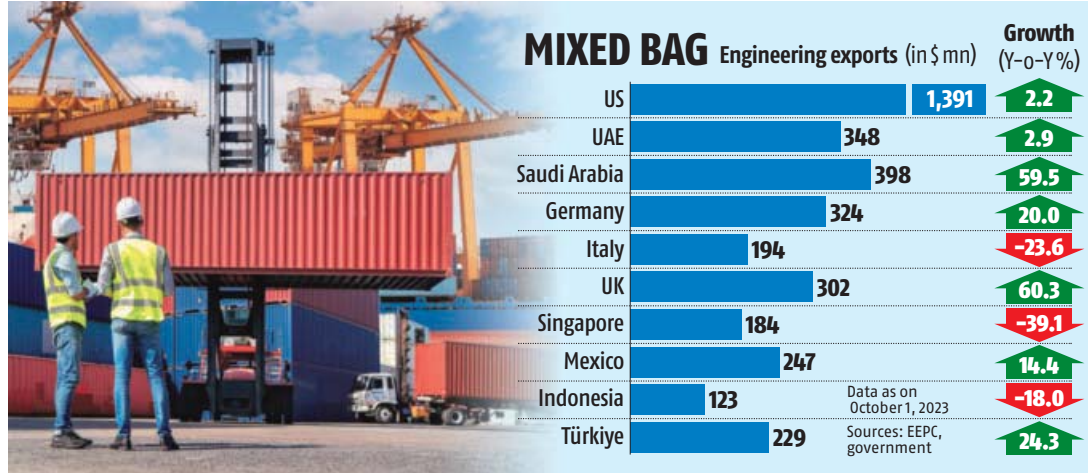
Engineering exports to US, Saudi, UAE surge

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India's exports of engineering products to the US, Saudi Arabia, and the United Arab Emirates (UAE) grew during October but shipments to several nations in the European Union (EU), China, and Southeast Asia fell, according to government data.

After a slump during the first half of this year, India's engineering exports recorded positive year-on-year growth for the third straight month in October at 7.2 per cent, even as the cumulative growth in exports of such products during the first seven months of the current financial year (2023-24) saw a 1.6 per cent contraction. "The slump in demand in developed countries, especially the EU, has caused issues for Indian metal exporters. The situation has been further worsened by the various market access barriers that countries in the EU and North America are



imposing on Indian exporters," Engineering Export Promotion Council (EEPC) of India Chairman Arun Kumar Garodia said.

Engineering products include a wide variety of items ranging from

iron and steel products, electrical and industrial machinery, to automobile and airport-related products. The share of such products hovers around a quarter of India's overall outbound shipments.

The value of engineering exports to the US in October was \$1.39 billion, up 2.2 per cent year-on-year, while shipments to the UAE rose 2.9 per cent to \$348.6 million.

Engineering exports to the UK

saw a 60.3 per cent jump at \$302.5 million in October. It is, however, important to note that a lower base of the previous financial year can also be partly attributed to this growth.

Among European and Southeast Asian countries, the top countries that witnessed contraction in October include Italy (minus 23.6 per cent), Singapore (minus 39.1 per cent), Indonesia (minus 18.2 per cent), the Netherlands (minus 52.4 per cent), and Belgium (minus 20.9 per cent). Exports to China fell by 6 per cent.

Exports of these products have been affected by tepid external demand due to recessionary trends in developed economies. The factors that mainly contributed to the recession include rising global inflation and high interest rates, particularly in Europe and the US, which are also major markets for India's engineering sector, EEPC India said in a report on Monday.