

More FTAs on the horizon to propel economic growth, exports: Govt official

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Free trade agreements (FTAs) signed since 2022 have yielded positive results, and several more FTAs with different regions are nearing finalisation. Additionally, new trade partnerships with Africa and Latin America are being explored, according to a senior official from the government.

The Ministry of Commerce and Industry has outlined a roadmap to reach \$2 trillion in Asian exports, supported by the dynamic foreign trade policy introduced in 2023. This policy focuses on flexibility to address emerging needs and identifies FTAs as a key strategy for export growth. Recent FTAs have already yielded positive results, and more such agreements are in the works. Vimal Anand, Joint Secretary of the Department of Commerce, said during the inaugural session of EEPC India's 12th International Engineering Sourcing Show (IESS) in Chennai.

'CHINA PLUS ONE'

Anand stated that India is benefiting from the "China



TRADE PUSH. (From right) Vimal Anand, Joint Secretary, Department of Commerce; Atul Anand, Principal Secretary, MSME, Department, Government of Tamil Nadu; and Pankaj Chadha, Chairman, EEPC India, at the inauguration of the International Engineering sourcing show in Chennai RAGHUNATHAN SR.

Plus One" strategy adopted by developed economies, which is boosting demand for Indian goods in global markets. Emerging markets such as the Netherlands, Brazil and Saudi Arabia are contributing to significant export gains.

Despite these successes, challenges remain. Geopolitical tensions in the Red Sea and other regions pose risks to trade while sustainability regulations, including the Carbon Border Adjustment Mechanism, are impacting exports, particularly in steel and aluminium.

Speaking to *businessline* on the sidelines of the event,

Anand expressed optimism about meeting the engineering export targets set for FY25, citing strong performance in key sectors despite difficulties in others. EEPC India has set an ambitious export target of \$125 billion for the current fiscal year, exceeding the government's projection of \$118 billion.

"We are moving in the right direction and hope to exceed our target," Anand said, acknowledging that the current growth rate is promising despite the steep target compared to last year's trends.

Sectors such as automobiles and electrical equip-

ment are performing exceptionally well and are expected to drive this year's export growth.

"Electrical equipment, in particular, is performing very well and will likely be a key contributor to the sector's success," Anand added.

However, there are concerns in the steel sector, which has experienced a decline in exports this fiscal year.

ENGINEERING EXPORTS

Pankaj Chadha, Chairman of EEPC India, which is celebrating its 70th anniversary, stated that engineering exports reached \$109.3 billion in 2023-24, with a target of \$125 billion for the current year.

"The government has set an ambitious goal of \$300 billion in engineering exports by 2030. Achieving this will require overcoming challenges such as geopolitical tensions, protectionist policies from major trade partners like the US, and economic disruptions in various regions. We also hope that ongoing conflicts, including the Israel-Hezbollah and Russia-Ukraine wars, will come to a resolution soon," Chadha said.