

MONTHLY

# ENGINEERING

EXPORT & IMPORT MONITOR

MARCH 2022

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## ANALYSIS OF INDIAN ENGINEERING EXPORTS AND IMPORTS FOR MARCH 2022

**Engineering exports overachieved the FY 2021-22 target of USD 107.3 billion set by the Government of India and reached an all-time high of USD 112.1 billion**

Trade Flow	Export figures (in \$ billion)				% Growth	
	Mar 2021	Mar 2022	Apr- Mar 20-21	Apr- Mar 21-22	Mar 2022 Over Mar 2021	Apr- Mar 21-22 Over Apr- Mar 20-21
Engineering exports	9.29	11.13	76.72	112.10	19.7%	46.12%
Overall exports	35.26	42.24	291.8	419.7	19.76%	43.81%
Share of engineering (%)	26.4%	26.4%	26.3%	26.7%	-	-

Source: DGCI&S and EEPC Analysis

### HIGHLIGHTS

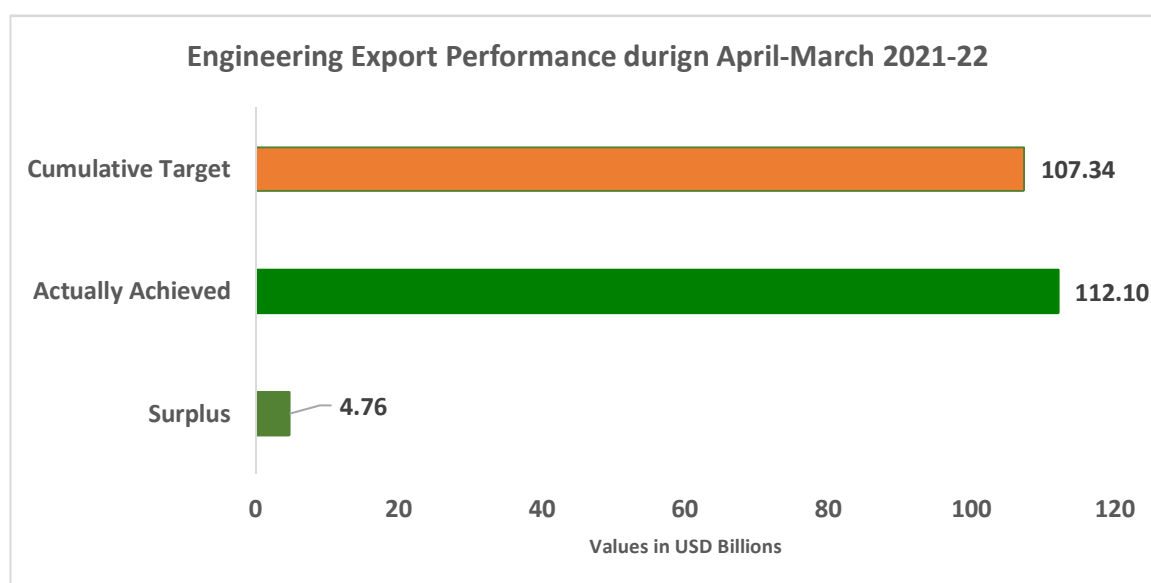
- ✚ India's engineering exports recorded 19.7% percent YoY growth in March 2022 by climbing up to USD 11.13 billion from USD 9.29 billion in March 2021.
- ✚ Exports during April- March 2021-22 stood at USD 112.10 billion, registering 46.12% growth over the same period last year.
- ✚ In April – March 2021-22, share of engineering in total merchandise export was 26.7%
- ✚ 32 out of 34 engineering product panels witnessed positive growth during 2021-22 compared to 2020-21.
- ✚ Negative Y-o-Y growth during March 2022 was witnessed in “Copper and its products, “Nuclear reactors and boilers”, “Prime mica and its products”, “Ships, boats and floating structures” and “Tin and its products”. While negative growth in cumulative terms for the fiscal 2021-22 was witnessed in “Ships, boats and floating structures” and “Aircrafts, spacecraft and parts”
- ✚ Export to WANA registered the highest growth in March 2022 viz-a-viz March 2021.
- ✚ India's engineering imports recorded a positive growth of 6.5% during March 2022 by increasing to US\$ 10.7 billion
- ✚ Negative import growth was witnessed by engineering product categories including machine tools, transport equipment and Professional instrument, Optical goods, etc.

## EXPORT TARGET

India's engineering exports overachieved the engineering export target of USD 107.34 billion for FY 2021-22 set by the Government of India

Engineering exports reached USD 112.10 billion in 2021-22 and crossed the stipulated target by USD 4.76 billion.

Fig1: Engineering Export Target V/S Achieved for April-March 2021-22 (USD Billion)



## ENGINEERING EXPORTS: MONTHLY TREND

The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCI&S estimates:

Table 1: Engineering Exports: Monthly trend in 2021-22  
(US\$ million)

Month	2020-21	2021-22	Growth (%)
April	2366.25	7970.67	236.85
May	5645.80	8480.56	50.21
June	6077.85	9177.61	51.00
<b>April-June</b>	<b>14089.90</b>	<b>25628.83</b>	<b>81.90</b>
July	6697.14	9548.20	42.57
August	6065.65	9621.69	58.63
September	6896.27	9317.25	35.11
<b>July-September</b>	<b>19659.06</b>	<b>28487.14</b>	<b>44.91</b>
October	6229.91	9454.49	51.76
November	5896.67	8095.21	37.28
December	7072.63	10426.47	47.42
<b>October-December</b>	<b>19199.21</b>	<b>27976.18</b>	<b>45.72</b>
January	7413.15	9313.27	25.63

Month	2020-21	2021-22	Growth (%)
February	7059.91	9565.27	35.49
March	9298.36	11131.66	19.72
January-March	<b>23771.42</b>	<b>30010.19</b>	<b>26.24</b>
April-March	<b>76719.60</b>	<b>112102.34</b>	<b>46.12</b>

Source: DGCIS, Govt. of India.

## TOP 25 ENGINEERING EXPORT DESTINATIONS IN MARCH 2022

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during March 2022 over March 2021 as well as in cumulative terms during 2021-22 vis-à-vis 2020-21. The data clearly shows that top 25 countries contribute almost 75% of total engineering exports.

**Table-2: Engineering exports country wise**  
US\$ million

Countries	March 2021	March 2022	Growth (%)	April-March 2021	April-March 2022	Growth (%)
U S A	1260.2	2027.3	60.9	11339.0	17329.6	52.8
UAE	309.2	553.3	78.9	3200.2	5577.9	74.3
CHINA	569.9	316.5	-44.5	4884.0	5456.2	11.7
ITALY	395.9	412.6	4.2	2044.6	4127.1	101.9
GERMANY	295.9	391.4	32.3	2835.0	3855.4	36.0
NEPAL	325.3	284.4	-12.6	2447.6	3445.7	40.8
TURKEY	198.5	350.4	76.6	1255.7	3363.2	167.8
KOREA RP	182.2	293.0	60.9	1948.9	3079.5	58.0
U K	355.1	313.0	-11.8	2053.8	3037.5	47.9
BANGLADESH	253.6	308.8	21.8	2088.7	2929.3	40.2
MEXICO	175.6	249.6	42.1	1935.6	2746.5	41.9
SINGAPORE	279.0	200.0	-28.3	2758.3	2635.9	-4.4
VIETNAM	204.0	217.8	6.8	1817.4	2580.7	42.0
SOUTH AFRICA	133.5	233.5	74.9	1591.1	2483.1	56.1
THAILAND	250.8	252.3	0.6	1780.4	2478.6	39.2
BELGIUM	243.2	220.9	-9.2	1138.4	2374.3	108.6
INDONESIA	567.0	190.6	-66.4	1840.8	2118.0	15.1
NETHERLAND	121.9	248.0	103.4	1045.8	1988.3	90.1
SAUDI ARABIA	109.3	234.7	114.7	1740.3	1910.2	9.8
FRANCE	131.9	261.7	98.4	1350.0	1863.0	38.0
BRAZIL	150.7	171.4	13.8	1133.2	1775.6	56.7
JAPAN	99.8	132.8	33.1	1021.8	1741.8	70.5
SRI LANKA	115.3	95.9	-16.8	994.9	1634.6	64.3
SPAIN	136.2	184.2	35.3	911.4	1596.3	75.1

Countries	March 2021	March 2022	Growth (%)	April-March 2021	April-March 2022	Growth (%)
MALAYSIA	176.8	196.8	11.4	2380.3	1544.4	-35.1
Total engineering exports to top 25 countries	7040.7	8340.9	18.5	57537.1	83672.8	45.4
Total engineering exports	9298.4	11131.7	19.7	76719.6	112102.3	46.1
Share (%)	75.7	74.9		75.0	74.6	

Source: DGCI&S

## REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-March 2021-22 as opposed to April-March 2020-21.

**Table 3: Region wise engineering exports in April-March 2021**

US\$ million

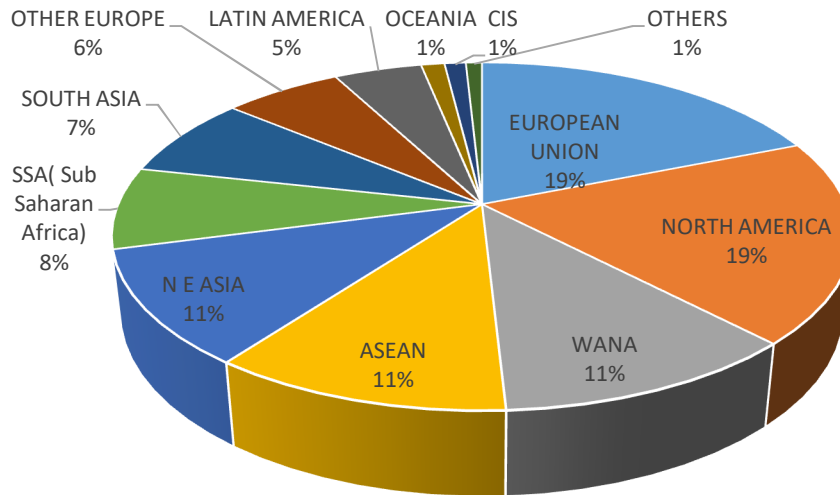
Regions	March 2021	March 2022	Growth (%)	April-March 2020-21	April-March 2021-22	Growth (%)
EUROPEAN UNION	1664.8	2244.3	34.8	12565.5	21188.6	68.6
NORTH AMERICA	1525.6	2398.7	57.2	14126.4	21188.1	50.0
WANA	824.9	1559.2	89.0	8533.2	12707.3	48.9
ASEAN	1561.8	1165.1	-25.4	11422.5	12394.3	8.5
N E ASIA	1016.0	857.3	-15.6	8965.0	11965.8	33.5
SSA( Sub Saharan Africa)	740.9	825.7	11.5	6227.8	8540.4	37.1
SOUTH ASIA	759.7	737.3	-2.9	6014.1	8487.4	41.1
OTHER EUROPE	585.4	691.3	18.1	3578.7	6927.7	93.6
LATIN AMERICA	426.0	502.1	17.9	3208.9	5143.4	60.3
OCEANIA	98.1	118.9	21.2	960.8	1369.8	42.6
CIS	93.2	30.1	-67.7	927.0	1245.2	34.3
OTHERS	1.9	1.6	-17.0	189.7	944.3	397.7
Grand Total	9298.4	11131.7	19.7	76719.6	112102.3	46.1

Source: DGCI&S

Note: \*Figures have been rounded off.

Source: DGCI&S; \*\*Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

**Fig 2: Region-wise shares of India's engineering exports during April-March 2021-22**



## PRODUCT PANEL WISE ENGINEERING EXPORTS

We begin by looking at the Engineering Panel wise exports for the month of March 2022 vis-à-vis March 2021 as well as the cumulative exports for the **fiscal 2021-22 vis-à-vis 2020-21**. These are indicated in the tables below

**Table 4a. Trend in exports of iron and steel and its products**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Iron and Steel	1713.35	1944.36	13.5%	12123.89	22895.39	88.8%
Products of Iron and Steel	719.07	958.93	33.4%	6557.31	8793.82	34.1%
<b>Sub Total</b>	<b>2432.42</b>	<b>2903.29</b>	<b>19.4%</b>	<b>18681.2</b>	<b>31689.21</b>	<b>69.6%</b>

Source: DGCI&S

**Table 4b. Trend in exports of Non-Ferrous Metals and Products**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Copper and products	285.01	223.36	-21.6%	1444.12	2429.25	68.2%
Aluminium and products	645.26	1103.36	71.0%	5797.39	10526.48	81.5%
Zinc and products	66.69	168.49	152.6%	742.63	1005.99	35.4%
Nickel and products	5.33	28.49	434.2%	56.34	127.59	126.4%
Lead and products	28.12	74.87	166.3%	348.47	544.12	56.1%
Tin and products	2.12	1.45	-31.4%	9.94	19.23	93.5%
Other Non-Ferrous Metals	73.56	74.49	1.3%	575.39	802.55	39.4%
<b>Sub Total</b>	<b>1106.09</b>	<b>1674.51</b>	<b>51.4%</b>	<b>8974.28</b>	<b>15455.21</b>	<b>72.2%</b>

Source: DGCI&S

**Table 4c. Trend in exports of Industrial Machinery**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Industrial Machinery like Boilers, parts, etc	678.41	806.75	18.9%	5524.00	8011.09	45.0%
IC Engines and Parts	291.84	328.20	12.5%	2493.57	3362.82	34.8%
Pumps of all types	102.59	111.28	8.5%	883.51	1225.90	38.7%
Air condition and Refrigerators	124.10	172.45	39.0%	1069.63	1467.09	37.1%
Industrial Machinery for dairy, food processing , textiles etc	678.41	806.75	18.9%	5524.00	8011.09	45.02%
Machine Tools	53.48	65.04	21.6%	437.03	680.54	55.7%
Machinery for Injecting moulding, valves and ATMs	165.06	191.50	16.0%	1598.36	1930.31	20.7%
<b>Sub Total</b>	<b>2093.89</b>	<b>2481.97</b>	<b>18.5%</b>	<b>17530.1</b>	<b>24688.84</b>	<b>40.8%</b>

Source: DGCI&amp;S

**Table 4d. Trend in exports of Electrical Machinery and Equipment**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Electrical Machinery	841.30	1207.88	43.6%	8125.69	10370.58	27.6%

Source: DGCI&amp;S

**Table 4e. Trend in exports of Auto and auto parts**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Motor Vehicle/cars	534.29	757.14	41.7%	5105.69	7582.06	48.5%
Two and Three Wheelers	268.00	276.51	3.2%	2057.47	2986.21	45.1%
Auto Components/Part	616.68	656.04	6.4%	4958.23	6879.07	38.7%
Auto Tyres and Tubes	222.2	294.1	32.3%	1968.2	2924.3	48.6%
<b>Sub Total</b>	<b>1641.1</b>	<b>1983.7</b>	<b>20.9</b>	<b>14089.5</b>	<b>20371.6</b>	<b>44.6</b>

Source: DGCI&amp;S

**Table 4f. Trend in exports of aircraft, spacecraft and parts and ships, boats and floating structures**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Aircrafts and Spacecraft parts and products	105.78	117.32	10.9%	1165.53	1157.77	-0.7%
Ships Boats and Floating products and parts	647.44	320.30	-50.5%	4488.15	3587.33	-20.1%

Source: DGCI&S

**Table 4g. Trend in exports of other engineering products**

US\$ Million

Product panels	March 2021	March 2022	Growth	April'20 - March '21	April'21- March '22	Growth
Medical and Scientific instruments	143.08	175.78	22.9%	1381.45	1731.67	25.4%
Railway Transport	37.94	44.59	17.5%	172.91	416.54	140.9%
Hand Tools & Cutting Tools	80.36	88.42	10.0%	715.36	986.64	37.9%
Bicycle & Parts	40.30	44.11	9.5%	349.66	460.74	31.8%
Cranes Lifts & Winches	60.15	63.71	5.9%	478.93	651.93	36.1%
Office Equipments	19.71	20.25	2.8%	151.10	209.74	31.8%
Other Construction Machinery	172.15	199.10	15.7%	1251.36	2114.62	36.1%
Prime Mica & Mica Products	2.42	1.78	-26.3%	24.11	31.92	38.8%
Project Goods	317.36	398.94	25.7%	2830.20	3893.05	69.0%
Other Rubber Product Except Footwear	143.08	175.78	22.9%	1381.45	1731.67	25.4%
Other Misc. Items	37.94	44.59	17.5%	172.91	416.54	140.9%

## ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal 2021-22 vis-à-vis 2020-21. We have taken the major panels and computed the top importers to get an idea of the current trade pattern. (Tables 5)

**Table 5: Export of Different Panels**

US\$ Million

Product panels	Top 5 nations	2020-21	2021-22	Growth (%)
Iron and Steel	ITALY	938.2	2140.0	128%
	UAE	765.3	1653.7	116%
	BELGIUM	543.5	1518.3	179%
	VIETNAM	1030.4	1470.8	43%
	CHINA	2512.6	1409.2	-44%



Product panels	Top 5 nations	2020-21	2021-22	Growth (%)
Products of Iron and Steel	U S A	1478.48	2658.17	80%
	GERMANY	316.78	458.70	45%
	U K	271.32	420.76	55%
	UAE	315.59	413.75	31%
	NETHERLAND	168.42	299.71	78%
Industrial Machinery	U S A	2011.9	3303.3	64%
	THAILAND	787.4	1061.5	35%
	GERMANY	642.1	889.6	39%
	CHINA	592.7	830.9	40%
	BANGLADESH	503.3	617.2	23%
Automobiles ( Motor Vehicles/Cars and Two and Three Wheelers)	SOUTH AFRICA	559.2	1189.9	113%
	MEXICO	954.2	1136.0	19%
	NIGERIA	468.1	616.8	32%
	SAUDI ARAB	511.4	577.5	13%
	NEPAL	369.1	537.5	46%
Non-Ferrous metals	CHINA	1212.5	2458.2	103%
	KOREA RP	1291.9	1916.8	48%
	U S A	813.6	1460.8	80%
	TURKEY	82.8	755.4	812%
	ITALY	88.39	501.14	467%
Electrical Machinery and Components	U S A	2560.3	3083.4	20%
	GERMANY	634.0	665.6	5%
	FRANCE	273.7	552.3	102%
	POLAND	202.5	537.5	165%
	U K	381.9	531.9	39%
Aircrafts and Space crafts	U S A	395.8	395.8	0%
	FRANCE	189.9	213.8	13%
	U K	94.0	107.9	15%
	SINGAPORE	116.4	79.2	-32%
	GERMANY	48.2	67.5	40%
Ships, Boats and Floating Structures and parts	UAE	396.5	1053.4	166%
	SINGAPORE	1263.3	672.2	-47%
	SRI LANKA	269.9	485.6	80%
	MALAYSIA	264.9	360.9	36%
	OMAN	70.4	271.5	286%
Auto Components( including Auto Parts and Auto Tyres)	U S A	1459.6	2211.8	52%
	GERMANY	407.6	554.0	36%

Product panels	Top 5 nations	2020-21	2021-22	Growth (%)
	BANGLADESH	371.2	517.8	39%
	BRAZIL	262.9	469.2	78%
	TURKEY	312.6	378.2	21%

Source: DGCI&S

- ✚ Italy, UAE and Belgium were the top three importers of Indian Iron and Steel during 2021-22 whereas USA, Germany and UK were the top three importers of India's 'Products of Iron & Steel' during the same period as compared to 2020-21.
- ✚ USA was the largest importer of Indian 'Industrial machinery' during 2021-22 in India's global import of the product group. Thailand and Germany were the two immediate followers of USA.
- ✚ South Africa, Mexico and Nigeria were top three importers of India's Automobiles during 2021-22 in India's global exports respectively over the same period last fiscal.
- ✚ China, South Korea and USA were the top three importers of India's Non-ferrous metals and products' during 2021-22 whereas USA, Germany and France were the three top importers of Indian Electrical Machinery & Components during the same period.
- ✚ USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during 2021-22 in India's total global exports of the product followed by Singapore and Germany.
- ✚ UAE, Singapore and Sri Lanka became the largest importer of ships, boats and floating structures followed by Malaysia and Oman. While for the auto components' product group, USA remained the top importer in 2021-22 followed by Germany, Bangladesh, Brazil and Turkey.

## **CORRELATION BETWEEN MANUFACTURING PRODUCTION AND ENGINEERING EXPORTS**

Engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. As exports generally come from what is produced within a country, some correlation between manufacturing production growth and engineering export growth should exist. We briefly looked at the trend in manufacturing growth as also engineering export growth to see if they move in tandem. It may be mentioned that manufacturing has 77.63% weightage in India's industrial production.

**Engineering exports growth and manufacturing output growth moved in the same direction in as many as nine out of twelve months in each of the fiscal years 2019-20 and 2020-21.**

**During the ongoing fiscal**, engineering export growth and manufacturing growth moved in the same direction in 6 out of 11 months till February 2022.

The link between these two may not be established on a monthly basis, but a positive correlation may be seen if medium to long term trend is considered.

**Table 6: Engineering exports growth vis-à-vis manufacturing growth from April 2020**

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2020	-63.05	-66.6
May 2020	-22.17	-37.8
June 2020	-5.18	-17.0
July 2020	10.56	-11.4
August 2020	-7.01	-7.6
September 2020	4.09	-0.4
October 2020	-5.01	4.5
November 2020	-8.37	-1.6
December 2020	-0.93	2.7
January 2021	16.66	-0.9
February 2021	-4.94	-3.4
March 2021	67.75	28.3
April 2021	237.82	196.0
May 2021	50.65	32.1
June 2021	51.44	13.2
July 2021	42.99	10.5
August 2021	59.09	11.1
September 2021	35.50	4.3
October 2021	52.20	3.3
November 2021	37.68	0.8
December 2021	47.84	0.2
January 2022	25.97	1.1
February 2022	33.31	0.8
March 2022	19.72	N A

(Source: Department of Commerce and CSO)

## **IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS**

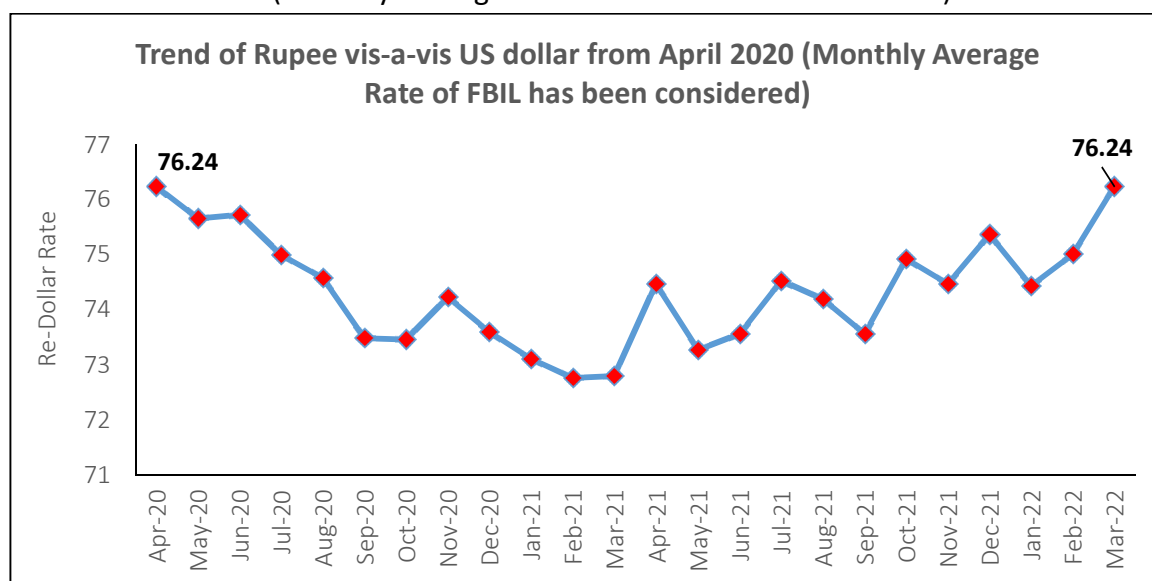
How did the exchange rate fare during March 2022 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of March 2022, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2021-22 as well as 2020-21 as mere one month figure does not reflect any trend. However, the following table clearly depicts the short-term trend:

**Table 7: USD-INR monthly average exchange rate in 2021-22**  
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2020-21	2021-22				
April	76.24	74.47	-2.32	Appreciation	2.31	Depreciation
May	75.66	73.27	-3.16	Appreciation	-1.61	Appreciation
June	75.73	73.56	-2.87	Appreciation	0.40	Depreciation
July	74.99	74.63	-0.48	Appreciation	1.45	Depreciation
August	74.67	74.19	-0.64	Appreciation	-0.59	Appreciation
September	73.48	73.56	0.11	Depreciation	-0.85	Appreciation
October	73.46	74.92	1.99	Depreciation	1.85	Depreciation
November	74.22	74.47	0.34	Depreciation	-0.60	Appreciation
December	73.59	75.37	2.42	Depreciation	1.21	Depreciation
January	73.11	74.44	1.82	Depreciation	-1.23	Appreciation
February	72.76	75.00	3.08	Depreciation	0.75	Depreciation
March	72.79	76.24	4.74	Depreciation	1.65	Depreciation

Source: FBIL, EEPC Research

**Fig 3: Trend of Rupee vis-a-vis US dollar from April 2020**  
(Monthly Average Rate of FBIL has been considered)



Source: FBIL

**Rupee in March 2022 continued to depreciate vis-à-vis the US Dollar both on a on a month-on-month as well as year-on-year basis:** War between Russia and Ukraine created a panic in the financial markets worldwide and also resulted in sudden rise in crude prices. Rupee started depreciating from February 2022 as a combined effect.

## **ANALYSIS OF INDIA'S ENGINEERING IMPORTS**

India's Engineering imports during March 2022 were valued at US\$ 10650.72 million compared to US\$ 9998.60 million in March 2021 registering a positive growth of 6.5 percent in dollar terms.

Engineering panels like iron & steel, non-ferrous metals, machinery, electrical & non-electrical and medicinal & pharmaceutical products witnessed an increase in import during March 2022 compared to March 2021. While machine tools, transport equipment, professional instrument, optical goods registered negative growth during the same.

The share of engineering imports in India's total merchandise imports has dropped during March 2022 in comparison to March 2021 which has been estimated at 17.5%.

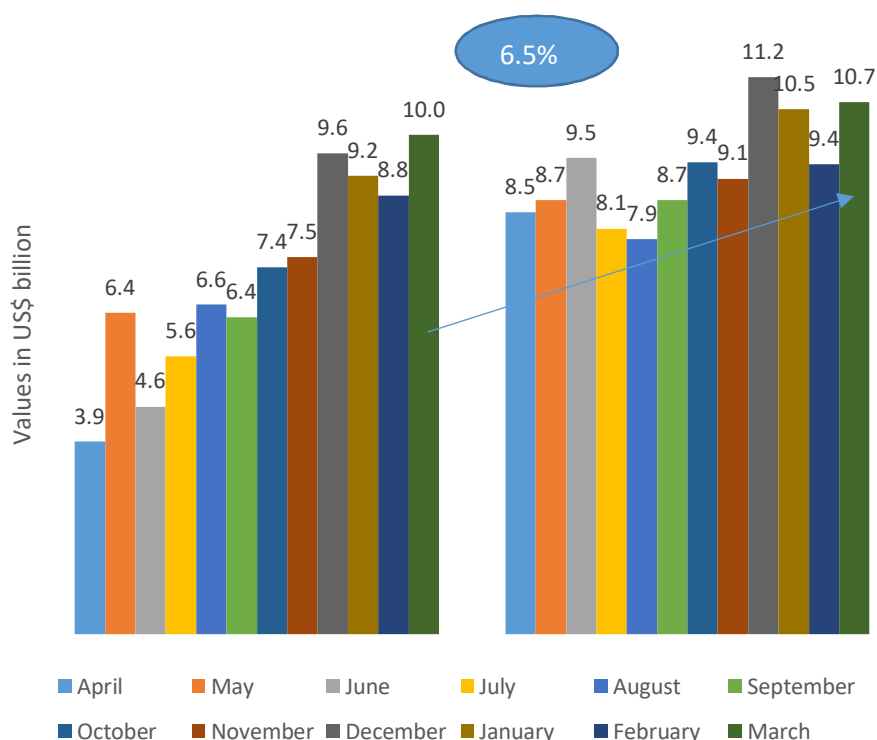
The monthly engineering import figures for fiscal April- March 2022 vis-a-vis April- March 2021 is depicted below as per the latest availability of figure:

**Table 8: Monthly engineering Imports**  
US\$ Million

<b>Months</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Growth (%)</b>
April	3858.97	8454.25	119.1
May	6433.42	8697.51	35.2
June	4558.01	9533.91	109.2
July	5571.34	8119.31	45.73
August	6599.67	7908.45	19.8
September	6350.82	8697.24	36.9
October	7353.21	9444.26	28.4
November	7549.27	9121.54	20.8
December	9633.12	11150.29	15.7
January	9180.59	10514.78	14.5
February	8789.56	9408.10	7.0
March	9998.60	10650.72	6.5

The figure below depicts engineering imports **for April-March 2021 compared to April-March 2020**

**Fig 4: Monthly Engineering Imports for April-March 2021 vis-a-vis April-March 2020**



Source: EEPC India analysis

### TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two way yearly trade for the engineering sector for this current fiscal 2020-21 (April-March) depicted in the table below:

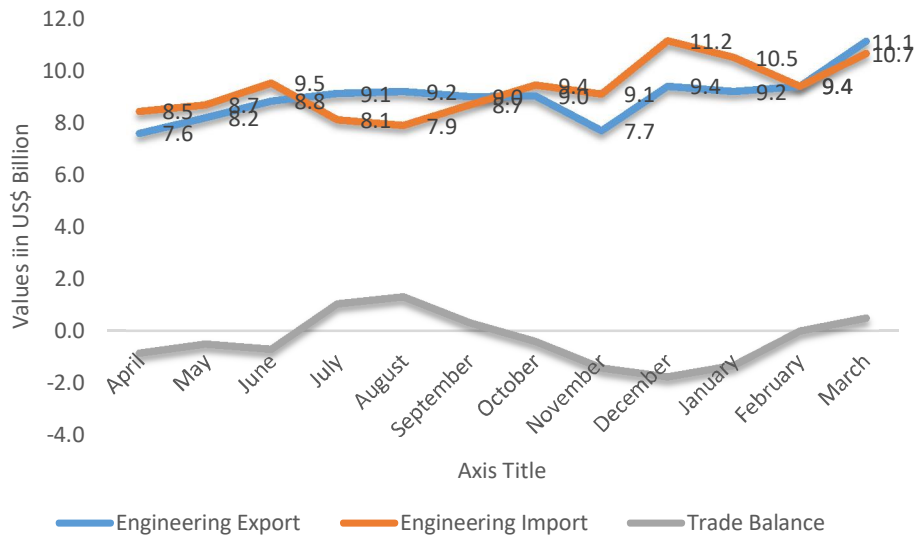
**Table 9: Monthly Trend in Engineering Trade Balance for the current FY (US\$ Billions)**

Trade Flow	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Engineering Export	7.61	8.21	8.84	9.15	9.21	9.01	9.04	7.71	9.41	9.2	9.41	11.13
Engineering Import	8.45	8.70	9.53	8.12	7.91	8.70	9.44	9.12	11.15	10.51	9.41	10.65
Trade Balance	-0.85	-0.49	-0.70	1.03	1.30	0.31	-0.40	-1.42	-1.74	-1.29	0.00	0.48

Source: DGCIS, EEPC India Analysis

Figure 5 below depicts the yearly trend in engineering trade for this current fiscal 2020-21 (April-February)

**Fig 5: Trend in Yearly Engineering Trade**



**CONCLUSION**

It was a remarkable year for both of India’s merchandise as well as engineering exports. Surpassing the target of USD 400 billion, India’s merchandise exports in 2021-22 reached its all-time of USD 417.81 billion, registering an increase of 43.18 percent over 2020-21. Engineering exports also outshined the target of USD 107.34 billion on its way to achieve USD 112.1 billion of exports. Merchandise exports for the first time crossed USD 40 billion in Mar 2022 on a monthly basis while engineering exports crossed USD 11 billion in Mar 2022 for the first time in a month.

Despite of the remarkable success of engineering exports, there are some constraints on both global as well as domestic front that may act as a deterrent in maintaining the current trend of exports. Russia-Ukraine conflict is the most sensitive issue at present to disturb the global economy while sudden rise in COVID cases in China is also a major concern on global supply chain. Inflation pressure in the US and real estate instability in China would have a dampening impact on trade growth. However, Sanction of several developed regions on Russia due to its onslaught on Ukraine may also bring opportunities for Indian exporters to replace Russia in the global market. Back home, rising steel prices and some financial issues are also apprehended to act as bottleneck to exports in the months ahead.

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