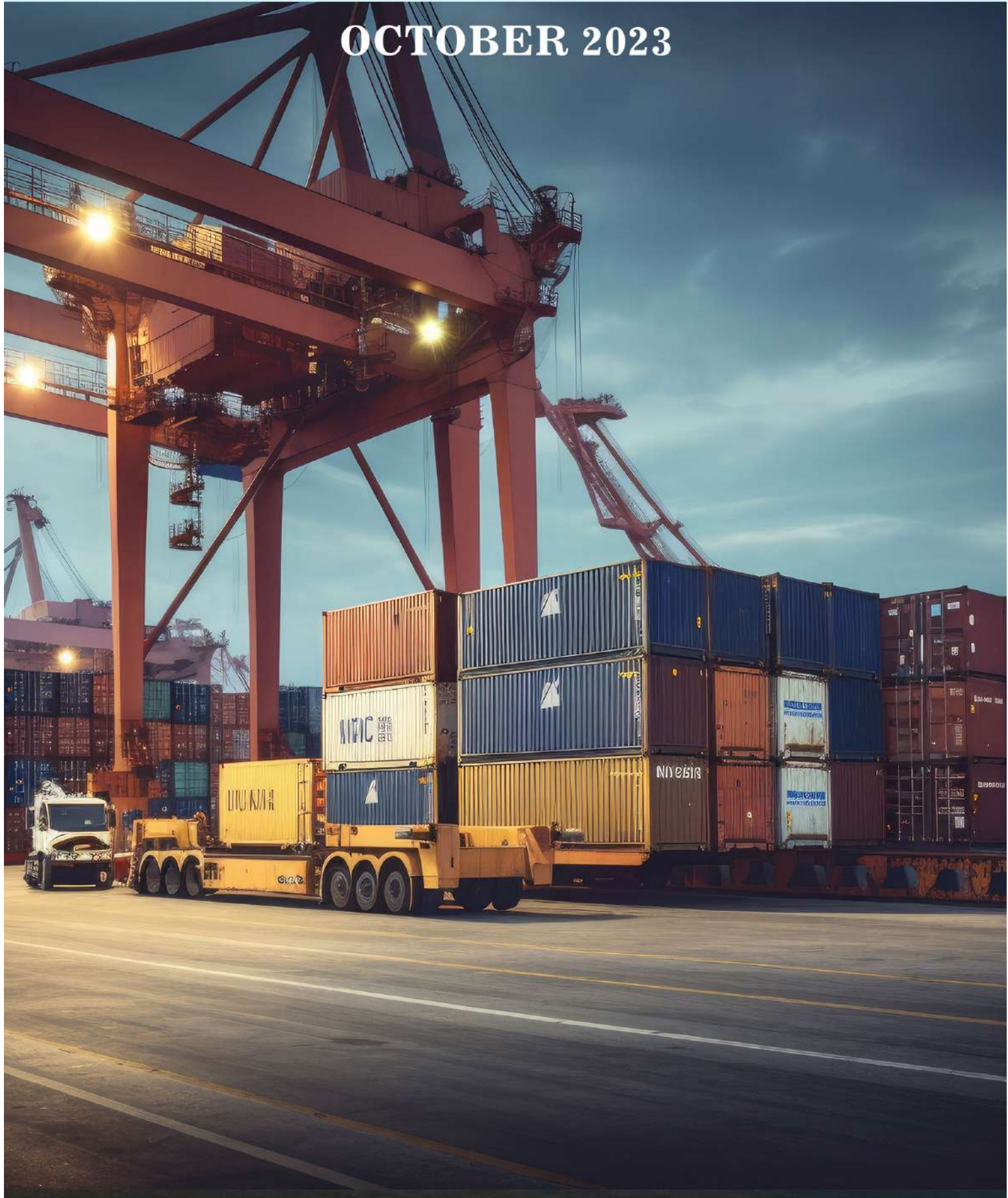


# Engineering Export-Import Monitor

OCTOBER 2023



*Engineering The Future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

## ENGINEERING TRADE ANALYSIS - OCTOBER 2023

### In October 2023, engineering exports grew year-on-year for the third consecutive month

India's engineering exports recorded year-on-year growth for the third straight month to October 2023 as it soared up to USD 8094.20 million from USD 7550.69 million in October 2022, registering 7.20 percent growth year-on-year. However, a favourable base effect was largely attributed to this growth. Product groups namely 'Products of Iron and Steel', 'Copper and products', 'Electric machinery' etc. recorded higher shipment while exports of 'Iron and Steel' and 'Aluminium and its products' declined.

### HIGHLIGHTS

- ❖ Indian engineering exports achieved year-on-year growth for the third straight month to October 2023 after eight months of continuous decline.
- ❖ Engineering exports from India soared up to USD 8094.20 million in October 2023 from USD 7550.69 million in October 2022, registering 7.2 percent growth year-on-year. Lower base of the previous fiscal was attributed to this growth.
- ❖ Cumulative engineering exports for April-October 2023-24 were down by 1.61% as it declined to USD 61,633.19 million from USD 62,639.34 million during April-October 2022-23.
- ❖ The share of engineering exports in India's total merchandise exports was recorded at 24.11% in October 2023 while cumulative share was higher at 25.17% during April-October 2023-24.
- ❖ In October 2023, 26 out of 34 engineering panels saw positive year-on-year growth, while 8 panels, including major raw materials like Iron and Steel, Non-Ferrous sectors, and Machinery, experienced negative export growth.
- ❖ On a cumulative basis, 21 out of 34 engineering panels recorded positive growth during April-October 2023-24
- ❖ Region-wise, positive year-on-year growth in October 2023 was observed in North America, SSA, WANA, NE Asia, CIS, South Asia, Other European countries and Latin America, while EU countries and ASEAN reported declines.
- ❖ Among top exporting destinations in October 2023, USA, Saudi Arabia, UAE, Germany, Turkey, UK, etc. experienced positive growth, while Italy, Singapore and Indonesia saw negative export growth.

Trade Flow	Export figures (in US\$ billion)				Growth	
	Oct-2022	Oct-2023	Apr- Oct 2022-23	Apr- Oct 2023-24	Oct 2023 over Oct 2022	Apr-Oct (23-24) over Apr-Oct (22-23)
Engineering exports	7.55	8.09	62.64	61.63	7.20%	-1.61%
Overall exports	31.60	33.57	263.33	244.89	6.21%	-7.00%
Share of engineering	23.89%	24.11%	23.79%	25.17%	---	---
Service exports	25.30	28.70	181.37	192.65	13.44%	6.22%

**Source:** Derived from DGCI&S and Government of India's Quick Estimates

### COMPARING ENGINEERING EXPORTS WITH EXPORTS EXCLUDING STEEL SEGMENT

(Values in USD Million)

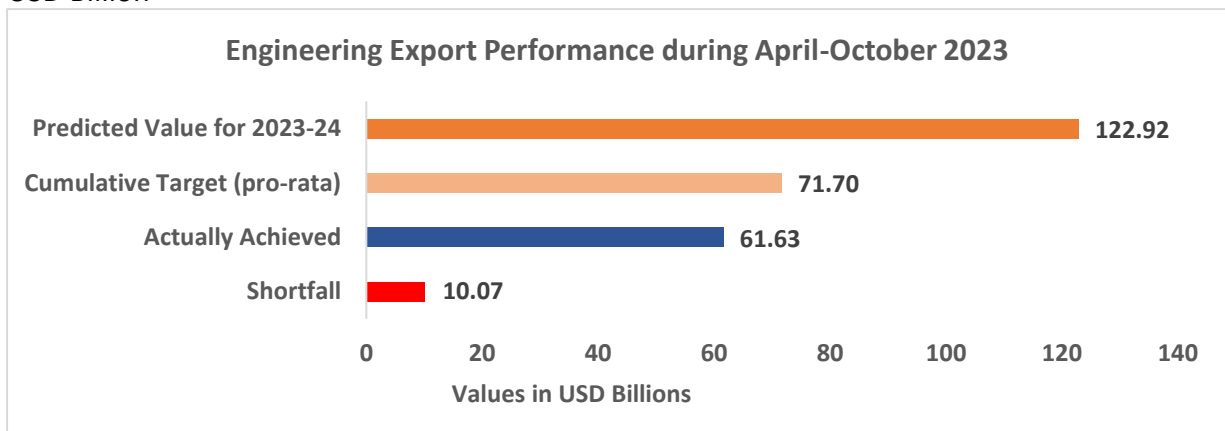
Trade Flow	Exports in Oct 2022	Exports in Oct 2023	Growth (%)	Exports in Apr- Oct 2022-23	Exports in Apr- Oct 2023-24	Growth (%)
Overall engineering exports	7550.69	8094.20	7.20	62639.34	61633.15	-1.61
Engineering exports excluding Iron and Steel	6816.23	7455.65	9.38	54059.83	54763.41	1.30

**Source:** DGCI&S, Govt. of India

Excluding iron and steel, engineering exports grew by 9.38% in Oct 2023 and by 1.30% on a cumulative basis against a cumulative decline of 1.61% for overall engineering exports.

### EXPORT TARGET

USD Billion



## ENGINEERING EXPORTS: MONTHLY TREND

The monthly engineering figures for 2023-24 vis-à-vis 2022-23 are shown below as per the latest DGCI&S estimates:

**Table 1: Engineering Exports: Monthly Trend in 2023-24**

US\$ million

Month	2022-23	2023-24	Growth (%)
April	9676.81	8973.28	-7.27
May	9713.43	9312.03	-4.13
June	9580.73	8532.22	-10.94
<b>April-June</b>	<b>28970.97</b>	<b>26817.53</b>	<b>-7.43</b>
July	9367.90	8744.88	-6.65
August	8405.08	9063.59	7.83
September	8344.70	8912.99	6.81
<b>July-September</b>	<b>26117.68</b>	<b>26721.46</b>	<b>2.31</b>
October	7550.69	8094.20	7.20
<b>April-October</b>	<b>62639.34</b>	<b>61633.19</b>	<b>-1.61</b>

Source: DGCI&S, Govt. of India

## TOP 25 ENGINEERING EXPORT DESTINATIONS IN APRIL-OCTOBER 2023-24

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during October 2023 over October 2022 as well as in cumulative terms during April-October 2023-24 vis-à-vis April-October 2022-23. The data clearly shows that top 25 countries contribute more than 76% of total engineering exports.

**Table2: Engineering exports country wise**

US\$ million

Countries	October 2022	October 2023	Growth (%)	April-October 2022-23	April-October 2023-24	Growth (%)
U S A	1361.0	1391.5	2.2%	11374.5	10138.9	-10.9%
UAE	338.7	348.6	2.9%	2814.6	3044.0	8.2%
SAUDI ARABIA	249.4	397.7	59.5%	1586.4	2605.8	64.3%
GERMANY	285.5	342.7	20.0%	2221.2	2435.6	9.6%
ITALY	253.4	193.6	-23.6%	2326.1	2169.5	-6.7%



Countries	October 2022	October 2023	Growth (%)	April-October 2022-23	April-October 2023-24	Growth (%)
U K	188.7	302.5	60.3%	1857.3	2130.4	14.7%
SINGAPORE	302.0	184.0	-39.1%	2133.4	1890.3	-11.4%
MEXICO	216.1	247.1	14.4%	2106.3	1830.6	-13.1%
INDONESIA	150.3	122.9	-18.2%	1452.5	1700.5	17.1%
TURKEY	184.2	228.9	24.3%	1505.5	1682.2	11.7%
KOREA RP	165.7	170.0	2.6%	1346.6	1570.9	16.7%
CHINA	227.7	213.2	-6.4%	1485.2	1442.1	-2.9%
SOUTH AFRICA	164.5	190.1	15.6%	1373.4	1342.8	-2.2%
NEPAL	133.4	162.7	22.0%	1425.7	1338.0	-6.2%
BANGLADESH	168.2	166.9	-0.8%	1669.9	1303.1	-22.0%
FRANCE	123.4	171.5	38.9%	1149.7	1261.1	9.7%
BRAZIL	132.1	172.5	30.6%	1092.8	1176.8	7.7%
NETHERLAND	288.7	137.4	-52.4%	1745.8	1175.7	-32.7%
MALAYSIA	82.6	176.5	113.6%	813.8	1088.4	33.7%
THAILAND	162.7	166.1	2.1%	1322.1	1080.2	-18.3%
JAPAN	113.1	141.7	25.3%	947.5	1030.1	8.7%
BELGIUM	128.8	101.8	-20.9%	1164.4	918.4	-21.1%
SPAIN	73.1	95.2	30.2%	790.1	882.8	11.7%
AUSTRALIA	102.1	119.2	16.7%	773.8	826.1	6.8%
RUSSIA	59.2	109.8	85.6%	314.0	788.9	151.2%
Total engineering exports to top 25 countries	5654.5	6054.2	7.1%	46792.6	46853.2	0.1%
Total engineering exports	7550.7	8094.2	7.2%	62639.3	61633.2	-1.6%
Share % of Top 25 destinations	74.9%	74.8%		74.7%	76.0%	

Source: DGCI&S

## REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-October 2023-24 as opposed to April-October 2022-23

**Table 3: Region wise engineering exports in April-October 2023-24 vis-à-vis April-October 2022-23**

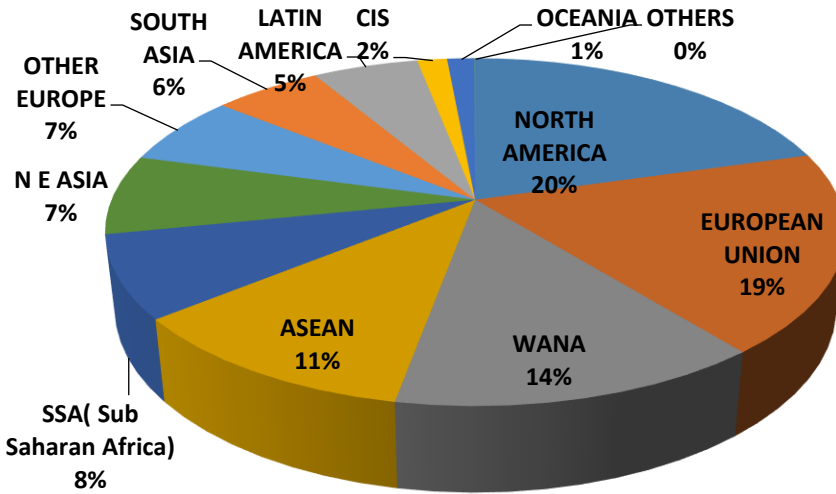
US\$ million

Regions	October 2022	October 2023	Growth (%)	April-October 2022-23	April-October 2023-24	Growth (%)
NORTH AMERICA	1661.5	1737.1	4.5%	14365.4	12652.4	-11.9%
EUROPEAN UNION	1419.6	1376.2	-3.1%	11997.2	11488.4	-4.2%
WANA	954.5	1102.0	15.5%	7164.7	8458.5	18.1%
ASEAN	915.7	824.9	-9.9%	7493.1	6930.7	-7.5%
SSA( Sub Saharan Africa)	623.0	696.1	11.7%	4952.7	4734.6	-4.4%
N E ASIA	568.1	583.6	2.7%	4303.0	4572.4	6.3%
OTHER EUROPE	398.5	553.0	38.7%	3603.9	4049.0	12.4%
SOUTH ASIA	403.5	483.5	19.8%	4011.8	3483.5	-13.2%
LATIN AMERICA	417.2	471.7	13.1%	3450.3	3398.9	-1.5%
CIS	76.0	135.0	77.5%	430.2	961.8	123.5%
OCEANIA	111.9	127.5	14.0%	850.4	886.5	4.3%
OTHERS	1.2	3.5	193.9%	16.7	16.6	-0.8%
Grand Total	7550.7	8094.2	7.2%	62639.3	61633.2	-1.6%

Source: DGCI&S

Note: Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

**Fig 1: Region-wise shares of India's engineering exports during April-October 2023-24**



### PANEL-WISE ANALYSIS

In this section we look at the Engineering Panel wise exports for the month of October 2023 vis-à-vis October 2022 as well as the cumulative exports for **April-October 2023-24 vis-à-vis April-October 2022-23**. These are indicated in the tables below.

**Table 4: Panel-wise Export Analysis for April-October 2023-24**

Product panels	Oct-22	Oct-23	Growt h	April-Oct 2022-23	April-Oct 2023-24	Growt h
<b>Ferrous</b>						
Iron and Steel	734.5	638.5	-13%	8579.5	6869.7	-20%
Products of Iron and Steel	673.8	788.2	17%	5692.4	5674.0	0%
<b>Sub Total</b>	<b>1408.2</b>	<b>1426.8</b>	<b>1%</b>	<b>14271.9</b>	<b>12543.8</b>	<b>-12%</b>
<b>Non-ferrous</b>						
Copper and products	121.9	202.0	66%	954.5	1389.1	46%
Aluminium and products	757.4	546.1	-28%	5515.4	4164.4	-24%
Zinc and products	96.4	59.9	-38%	802.5	450.1	-44%
Nickel and products	10.1	13.7	37%	124.0	102.2	-18%
Lead and products	23.3	72.9	213%	230.9	381.1	65%
Tin and products	0.5	0.8	51%	7.0	8.7	25%
Other Non-Ferrous Metals	61.8	64.5	5%	459.3	432.4	-6%
<b>Sub Total</b>	<b>1071.4</b>	<b>960.0</b>	<b>-10%</b>	<b>8093.6</b>	<b>6928.0</b>	<b>-14%</b>
<b>Industrial Machinery</b>						
Industrial Machinery like Boilers, parts, etc.	40.6	45.0	11%	389.5	411.3	6%

Product panels	Oct-22	Oct-23	Growt h	April- Oct 2022-23	April- Oct 2023-24	Growt h
IC Engines and Parts	269.4	306.1	14%	2105.6	2159.6	3%
Pumps of all types	101.2	99.5	-2%	750.7	804.2	7%
Air condition and Refrigerators	110.0	127.5	16%	923.8	959.1	4%
Industrial Machinery for dairy, food processing, textiles etc.	654.2	665.9	2%	5019.4	4644.8	-7%
Machine Tools	50.5	64.3	27%	400.1	429.4	7%
Machinery for Injecting moulding, valves and ATMs	177.1	200.1	13%	1288.7	1431.9	11%
<b>Sub Total</b>	<b>1402.9</b>	<b>1508.5</b>	<b>8%</b>	<b>10877.8</b>	<b>10840.2</b>	<b>0%</b>
<b>Electrical Machinery</b>						
<b>Electrical Machinery</b>	<b>759.8</b>	<b>1005.5</b>	<b>32%</b>	<b>6152.5</b>	<b>7225.7</b>	<b>17%</b>
<b>Automobile and auto component</b>						
Motor Vehicle/cars	639.6	661.6	3%	4915.1	4932.6	0%
Two and Three Wheelers	200.3	223.4	12%	1717.0	1537.3	-10%
Auto Components/Part	545.5	641.3	18%	4183.8	4409.8	5%
Auto Tyres and Tubes	219.2	239.1	9%	1818.9	1605.8	-12%
<b>Sub Total</b>	<b>1604.7</b>	<b>1765.5</b>	<b>10%</b>	<b>12634.9</b>	<b>12485.5</b>	<b>-1%</b>
<b>Aircrafts and related products</b>						
Aircrafts and Spacecraft parts and products	<b>90.0</b>	<b>143.0</b>	59%	<b>826.0</b>	<b>894.4</b>	8%
<b>Ships Boats and Floating products and parts</b>						
Ships Boats and Floating products and parts	<b>210.4</b>	<b>73.0</b>	-65%	<b>2190.3</b>	<b>2238.6</b>	2%
<b>Miscellaneous engineering products</b>						
Medical and Scientific instruments	164.8	196.7	19%	1213.0	1395.6	15%
Railway Transport	10.1	37.7	275%	213.4	186.6	-13%
Hand Tools & Cutting Tools	69.0	76.7	11%	566.1	540.8	-4%
Bicycle & Parts	30.0	29.1	-3%	233.5	212.1	-9%
Cranes Lifts & Winches	62.8	95.4	52%	447.6	573.0	28%
Office Equipment	24.2	31.2	29%	164.7	197.2	20%
Other Construction Machinery	178.6	236.0	32%	1333.8	1680.2	26%
Prime Mica & Mica Products	2.0	2.4	15%	17.1	23.1	35%



Product panels	Oct-22	Oct-23	Growt h	April- Oct 2022-23	April- Oct 2023-24	Growt h
Project Goods	0.22	0.06	-71%	1.40	2.02	44%
Other Rubber Product Except Footwear	143.9	141.6	-2%	1015.1	962.8	-5%
Other Misc. Items	317.5	365.1	15%	2386.5	2703.4	13%
<b>Total engineering exports</b>	<b>7550.7</b>	<b>8094. 2</b>	7.20%	<b>62639.3</b>	<b>61633.2</b>	-1.61%

## ENGINEERING EXPORTS – STATE-WISE ANALYSIS

### State wise engineering export performance

The table below indicates the exports from top Indian states. It is evident from the table that almost 91.1 % of India's exports is contributed by the listed 12 states. Within this almost 50.53 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

**Table 5: Top state wise engineering export performance – April-Oct 2023-24**

US\$ Million

Top States	Apr'22 - Oct'22 (\$Mn)	Apr'23 - Oct'23 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Maharashtra	12688.8	13062.7	2.9%	21%	<b>91.1 % share covered by top 12 states</b>
Tamil Nadu	10113.1	9817.4	-2.9%	16%	
Gujarat	7795.9	8261.6	6.0%	13%	
Karnataka	3332.1	3893.5	16.8%	6%	
Odisha	4969.2	3891.7	-21.7%	6%	
Haryana	3639.1	3821.3	5.0%	6%	
Andhra Pradesh	3443.4	3012.5	-12.5%	5%	
Delhi	1835.0	2667.9	45.4%	4%	
Uttar Pradesh	2870.3	2429.3	-15.4%	4%	
West Bengal	2208.3	1871.1	-15.3%	3%	
Rajasthan	2040.3	1825.7	-10.5%	3%	
Punjab	1594.6	1584.8	-0.6%	3%	

Source: NIRYAT portal

- *Top 12 states constitute over 91.03% of India's engineering Exports. Karnataka has moved to 4<sup>th</sup> position, compared to previous months.*

- Major negative growth witnessed in states like Tamil Nadu, Odisha, Andhra Pradesh, Uttar Pradesh, West Bengal, Rajasthan, Punjab, Madhya Pradesh, etc during April-October 2023-24 compared to same period last fiscal.
- Arunachal Pradesh had the most positive growth deviation (though at a very low base) in the current month, the growth rose to 15.27% this month from an average growth rate of 9.84% per month. Chhattisgarh had the most negative growth deviation in the current month, the growth decreased to 8.58% this month from an average growth rate of 32.76% per month. (source: Niryat portal)
- Maharashtra being the highest state in terms of Engineering Goods exports is leading by 339.46 million from Tamil Nadu (Second Highest State) in Oct'23.

### India's Region wise engineering exports

In terms of region, western region which includes industrial states like Maharashtra and Gujarat is the front runner in terms of exports with 37 percent share. Tamil Nadu from the Southern Region has improved its export performance and it ranked second after Maharashtra, while Gujarat and Karnataka ranked third and fourth during April-Oct 2023-24 and Odisha came down to fifth position compared to previous the previous month.

**Table 6: Region wise exports from India**

Value in US\$ million

Region	Oct 2022 (\$Mn)	Oct 2023 (\$Mn)	Growth %	Total Exports April-Oct 2022-23 (\$Mn)	Total Exports April-Oct 2023-24 (\$Mn)	Growth%
EASTERN REGION	897.8	775.4	-13.6%	8835.8	6893.1	-22.0%
NORTHERN REGION	1685.0	1816.7	7.8%	12496.5	13003.8	4.1%
SOUTHERN REGION	2409.8	2358.0	-2.2%	18383.2	18345.0	-0.2%
WESTERN REGION	2980.2	3143.6	5.5%	22423.5	23385.8	4.3%
<b>Total</b>	<b>7972.8</b>	<b>8093.7</b>	<b>1.5%</b>	<b>62138.9</b>	<b>61627.7</b>	<b>-0.8%</b>

Source: NIRYAT portal

**Note: The total engineering exports given in the above table is taken from NIRYAT as per the latest available data of October 2023 and may not tally with the total engineering exports as given by DGCI&S**

**\*\*Latest data available till October 2023**

### 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 export 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 fiscal 2021-22, engineering export growth and manufacturing growth moved in the same direction in seven out of twelve months while in fiscal 2022-23, as many as 10 out of 12 months saw engineering exports and manufacturing output moved in the same direction.**

The first six months of fiscal 2023-24 saw engineering exports growth and revised manufacturing output growth moved in the same direction. During April, May and July 2023, engineering exports witnessed slower decline and manufacturing output managed higher growth over the previous month while in June 2023, engineering exports conceded higher decline and manufacturing output growth slowed down. In August 2023, engineering exports came back to growth path and manufacturing output recorded higher growth while in September 2023, both of them conceded slower growth.

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 7: Engineering exports growth vis-à-vis manufacturing growth from April 2022**

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2022	21.37	5.6
May 2022	12.64	20.7
Jun 2022	3.09	12.9
July 2022	-1.85	3.1
August 2022	-13.00	-0.5
September 2022	-11.39	2.0
October 2022	-19.68	-5.8
November 2022	0.09	6.7
December 2022	-11.60	3.6
January 2023	-9.76	4.0
February 2023	-9.73	5.9
March 2023	-7.49	1.2
April 2023	-7.27	5.5
May 2023	-4.13	6.3

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
June 2023	-10.94	3.5
July 2023	-6.65	5.0
August 2023	7.83	9.3
September 2023	6.81	4.5
October 2023	7.20	N A

(Source: Department of Commerce and CSO)

## IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during October 2023 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 October 2023, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2023-24 as well as 2022-23 as mere one-month figure does not reflect any trend. The following table clearly depicts the short-term trend:

**Table 8: USD-INR monthly average exchange rate in 2023-24 vis-à-vis 2022-23**

(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	2022-23	2023-24				
April	76.17	82.02	7.68	Depreciation	-0.33	Appreciation
May	77.32	82.34	6.49	Depreciation	0.39	Depreciation
June	78.04	82.23	5.37	Depreciation	-0.13	Appreciation
July	79.60	82.15	3.20	Depreciation	-0.10	Appreciation
August	79.56	82.79	4.06	Depreciation	0.78	Depreciation
September	80.23	83.04	3.50	Depreciation	0.30	Depreciation
October	82.34	83.24	1.09	Depreciation	0.24	Depreciation

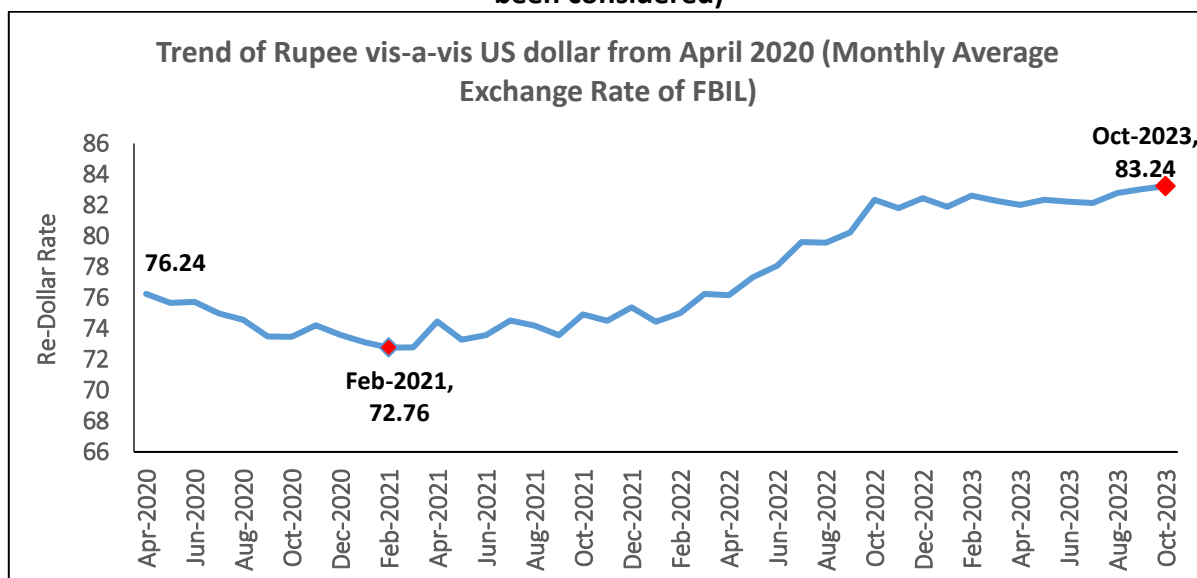
**Depreciation of Rupee vis-à-vis the US Dollar continued on a year-on-year basis while on a month-on-month basis, rupee weakened for the third straight month to October 2023** According to market experts, dollar demand from importers, hedging, speculative positioning by private banks and block-deal related equity outflows weighed on Rupee. The Indian rupee hit its record low at 83.29 during October 2023.

**Table 9: USD-INR monthly average exchange rate in 2022-23 vis-à-vis 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	2021-22	2022-23				
April	74.47	76.16	2.27	Depreciation	4.63	Depreciation
May	73.27	77.32	5.53	Depreciation	1.52	Depreciation
June	73.56	78.07	6.14	Depreciation	0.98	Depreciation
July	74.53	79.60	6.80	Depreciation	1.95	Depreciation
August	74.18	79.56	7.25	Depreciation	-0.05	Appreciation
September	73.56	80.23	9.07	Depreciation	0.84	Depreciation
October	74.92	82.34	9.90	Depreciation	2.63	Depreciation
November	74.50	81.81	9.82	Depreciation	-0.64	Appreciation
December	75.37	82.46	9.41	Depreciation	0.79	Depreciation
January	74.44	81.90	10.02	Depreciation	-0.68	Appreciation
February	75.00	82.61	10.15	Depreciation	0.87	Depreciation
March	76.24	82.29	7.94	Depreciation	-0.39	Appreciation

**Fig 2: Trend of Rupee vis-a-vis US dollar from April 2020 (Monthly Average Rate of FBIL has been considered)**



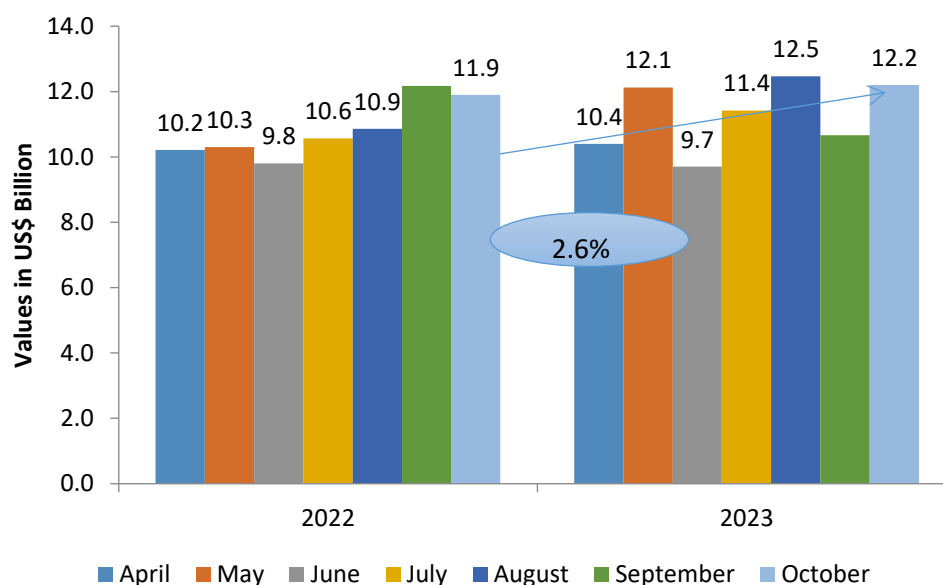
## ANALYSIS OF INDIA'S ENGINEERING IMPORTS

India's Engineering imports during October 2023 were valued at US\$ 12215.4 million compared to US\$ 11911.6 million in October 2022 recording a positive growth of 2.6 percent

in dollar terms. Baring Transport equipment, all sectors witnessed a rise in import during October 2023 compared to October 2022.

The share of engineering imports in India's total merchandise imports in October 2023 was estimated at 18.8 percent, lower than that of October 2022 which was estimated at 20.6%. The figure below depicts engineering imports for **October 2023 compared to October 2022**.

**Fig 3: Monthly Engineering Imports for October 2023 vis-a-vis October 2022**



Source: EEPC India analysis

### TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two-way yearly trade for the engineering sector for the 2023-24 depicted in the table below:

**Table 10: Monthly Trend in Engineering Trade Balance for the current FY 2023-24**  
(US\$ Billions)

Trade Flow	Apr	May	June	July	Aug	Sep	Oct
Engineering Export	9.0	9.3	8.5	8.7	9.1	8.9	8.1
Engineering Import	10.4	12.1	9.7	11.4	12.5	10.7	12.2
Trade Balance	-1.4	-2.8	-1.2	-2.7	-3.4	-1.8	-4.1

Source: DGCI&S, EEPC India Analysis

### CONCLUSION

After a slump in the first half of this year, India's engineering exports continued to record positive year-on-year growth for the third straight month in October 2023. This is despite the cumulative export growth being negative. The biggest contributor to this decline has been



the metal sector specifically iron and steel which conceded a 20% decline, aluminium and its products which conceded around 25% decline and zinc which conceded more than 40% decline in October 2023 compared to the same period last year. The slump in the demand in developed countries especially the European Union has caused issues for Indian metal exporters. The situation has been further worsened by the various market access barriers that countries in EU and North America are imposing on Indian exporters.

The global trade trends have also not been very positive in the years following the pandemic. In their “Global Trade Outlook and Statistics”, WTO downgraded their forecast for world merchandise trade volume growth to 0.8 percent which is almost half of the previous forecast of 1.7 percent which was published in April 2023. The factors which have mainly contributed to this recession include rising global inflation and high interest rates particularly in Europe and the United States which are also the major markets for India’s engineering sector. The trade slowdown has also affected a large number of economies and wide range of products including iron and steel, office and telecom equipment, etc.

In these difficult times, the industry urges for more support from the government to help them stay competitive in the global market. Raw material prices have been a major pain pint for the downstream engineering industries. The price analysis in annexure 3 clearly indicates how Indian metal prices have gone up compared to the international prices. Concerted support in these areas is extremely important for the steady growth of engineering exports from India.

