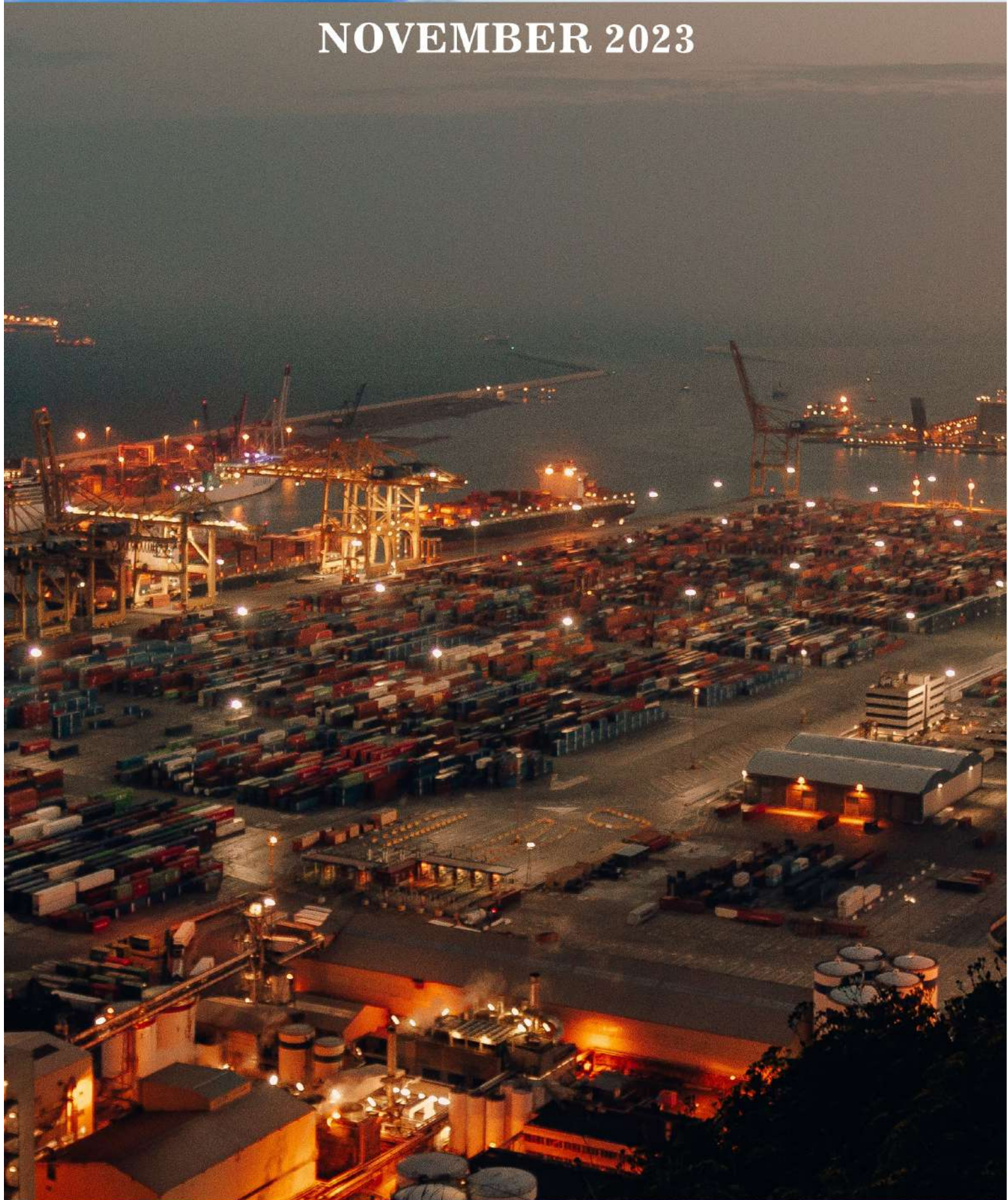


# Engineering Export-Import Monitor

NOVEMBER 2023



*Engineering The Future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

## ENGINEERING TRADE ANALYSIS -NOVEMBER 2023

### After three months of upturn, engineering export declined again in November 2023

After achieving year-on-year growth for three straight months from August to October 2023, engineering exports in November 2023 declined once again due to lower shipment of all major engineering segments like Iron & Steel, Industrial machinery, Electrical machinery and Automobile. Engineering exports in November 2023 was recorded at USD 7852.61 million as against USD 8104.24 million in November 2022, registering 3.10% decline. Cumulative decline was witnessed at 1.81% year-on-year.

### HIGHLIGHTS

- ❖ After achieving year-on-year growth for three months in a row from August to October 2023, engineering exports from India declined once again in November 2023.
- ❖ Engineering exports from India declined by 3.10% to USD 7852.61 million in November 2023 from USD 8104.24 million in November 2022.
- ❖ Cumulative engineering exports also conceded 1.81% decline as it dropped to USD 69,464.79 million during April-November 2023-24 from USD 70,743.58 million during April-November 2022-23.
- ❖ The share of engineering exports in India's total merchandise exports was recorded at 23.17% in November 2023 as against 24.11% in October 2023, while cumulative share was higher at 24.92% during April-November 2023-24.
- ❖ In November 2023, 10 out of 34 engineering panels saw positive year-on-year growth, while 24 panels, including major raw materials like Iron and Steel, Non-Ferrous sectors, and Machinery, experienced negative export growth.
- ❖ On a cumulative basis, 16 out of 34 engineering panels recorded negative growth during April-November 2023-24.
- ❖ Region-wise, positive year-on-year growth in November 2023 was observed in CIS, WANA and NE Asia while the rest of the defined regions reported declines on a year-on-year basis.
- ❖ Among top exporting destinations, exports to Saudi Arabia, Russia, South Korea, Mexico, Singapore, UAE and Brazil experienced year-on-year growth in November 2023, while shipments to USA, UK, Germany, Italy, China saw negative export growth.

Trade Flow	Export figures (in US\$ billion)				Growth	
	Nov-2022	Nov-2023	Apr- Nov 2022-23	Apr- Nov 2023-24	Nov 2023 over Nov 2022	Apr-Nov (23-24) over Apr-Nov (22-23)
Engineering exports	8.10	7.85	70.74	69.46	-3.10%	-1.81%
Overall exports	34.89	33.90	298.21	278.80	-2.84%	-6.51%
Share of engineering	23.23%	23.17%	23.72%	24.92%	---	---
Service exports	26.93	28.69	208.3	220.66	6.54%	5.93%

**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 Nov 2022	Exports in Nov 2023	Growth (%)	Exports in Apr- Nov 2022-23	Exports in Apr- Nov 2023-24	Growth (%)
Overall engineering exports	8104.24	7852.61	-3.10	70743.58	69464.79	-1.81
Engineering exports excluding Iron and Steel	7396.00	7196.47	-2.70	61455.83	61938.90	0.79

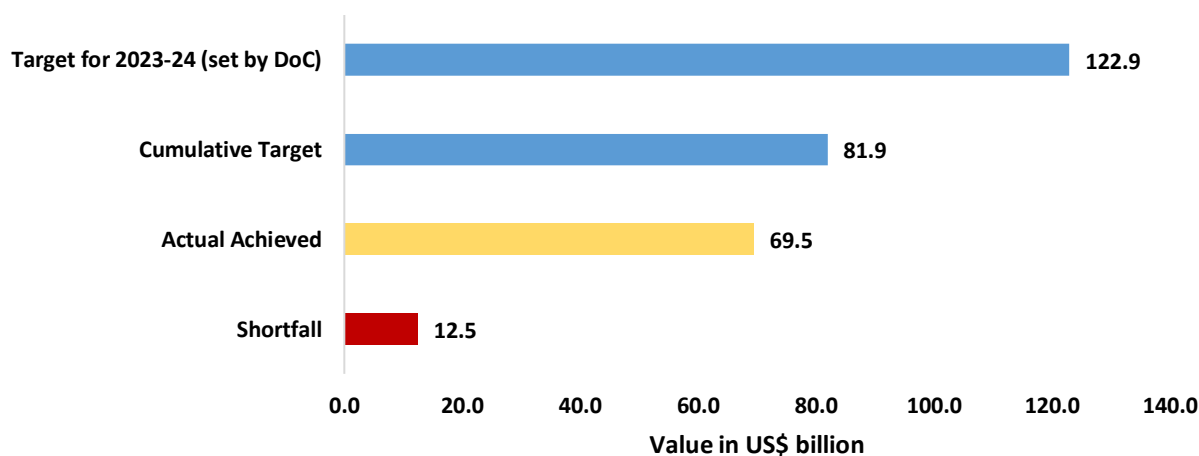
**Source:** DGCI&S, Govt. of India

Excluding iron and steel, engineering exports recorded marginal 0.79% y-o-y growth during April-November 2023-24. However, it declined y-o-y during November 2023.

### EXPORT TARGET - 2023-24

USD Billion

#### Engineering Export Performance during April-November 2023



## 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	8968.46	-7.32
May	9713.43	9308.61	-4.17
June	9580.73	8528.37	-10.98
<b>April-June</b>	<b>28970.97</b>	<b>26805.43</b>	<b>-7.47</b>
July	9367.90	8744.88	-6.65
August	8405.08	9063.50	7.83
September	8344.70	8912.96	6.81
<b>July-September</b>	<b>26117.68</b>	<b>26721.34</b>	<b>2.31</b>
October	7550.69	8085.41	7.08
November	8104.24	7852.61	-3.10
<b>April-November</b>	<b>70743.58</b>	<b>69464.79</b>	<b>-1.81</b>

Source: DGCI&S, Govt. of India

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

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

**Table2: Engineering exports country wise**

US\$ million

Countries	November 2022	November 2023	Growth (%)	April-November 2022-23	April-November 2023-24	Growth (%)
U S A	1476.53	1319.10	-11%	12851.02	11457.81	-11%
UAE	338.29	384.90	14%	3152.88	3428.74	9%
SAUDI ARABIA	256.62	484.72	89%	1843.05	3090.49	68%
GERMANY	323.86	263.73	-19%	2545.09	2699.11	6%

Countries	November 2022	November 2023	Growth (%)	April- November 2022-23	April- November 2023-24	Growth (%)
U K	253.21	238.55	-6%	2110.50	2368.99	12%
ITALY	260.23	191.97	-26%	2586.36	2361.44	-9%
MEXICO	223.77	300.34	34%	2330.06	2130.89	-9%
SINGAPORE	160.96	197.90	23%	2294.31	2088.23	-9%
TURKEY	216.14	172.85	-20%	1721.62	1855.07	8%
INDONESIA	210.58	119.88	-43%	1663.10	1820.38	9%
KOREA RP	137.40	234.56	71%	1483.95	1805.46	22%
CHINA	263.57	201.96	-23%	1748.79	1644.04	-6%
SOUTH AFRICA	182.07	144.10	-21%	1555.49	1486.88	-4%
BANGLADESH	179.94	175.23	-3%	1849.85	1478.28	-20%
NEPAL	152.39	119.05	-22%	1578.12	1457.14	-8%
FRANCE	180.43	158.28	-12%	1330.10	1419.41	7%
BRAZIL	153.41	156.93	2%	1246.23	1333.74	7%
NETHERLAND	129.19	111.31	-14%	1874.97	1287.01	-31%
MALAYSIA	175.09	143.09	-18%	988.90	1231.53	25%
THAILAND	148.56	135.90	-9%	1470.66	1216.13	-17%
JAPAN	172.17	149.06	-13%	1119.69	1179.15	5%
BELGIUM	111.27	86.50	-22%	1275.66	1004.89	-21%
SPAIN	85.78	74.28	-13%	875.84	957.03	9%
AUSTRALIA	143.62	118.47	-18%	917.39	944.52	3%
RUSSIA	64.88	113.49	75%	378.89	902.25	138%
Total engineering exports to top 25 countries	<b>5999.94</b>	<b>5796.14</b>	<b>-3%</b>	<b>52792.51</b>	<b>52648.63</b>	<b>-0.3%</b>
Total engineering exports	<b>8104.24</b>	<b>7852.61</b>	<b>-3%</b>	<b>70743.58</b>	<b>69464.79</b>	<b>-2%</b>
Share % of Top 25 destinations	74.0%	73.8%		74.6%	75.8%	

Source: DGCI&S

## REGION WISE INDIA'S ENGINEERING EXPORTS

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

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

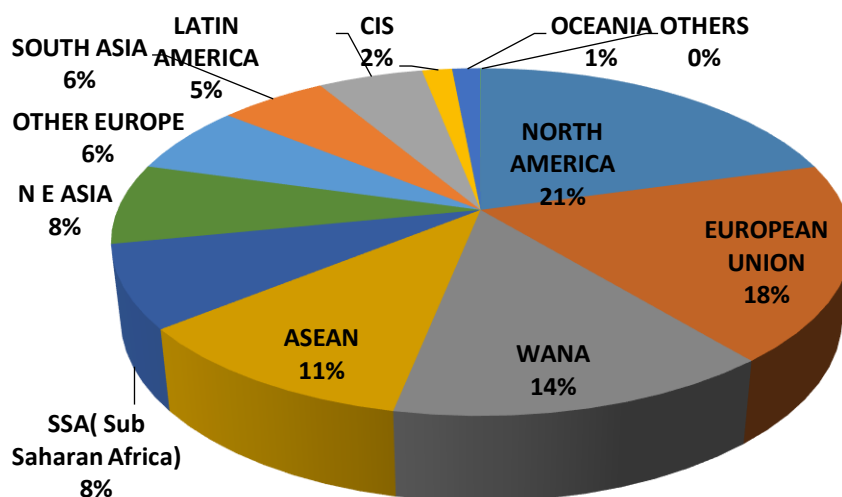
US\$ million

Regions	November 2022	November 2023	Growth (%)	April-November 2022-23	April-November 2023-24	Growth (%)
NORTH AMERICA	1809.89	1704.30	-6%	16175.30	14353.42	-11%
EUROPEAN UNION	1434.18	1235.08	-14%	13431.34	12723.26	-5%
WANA	1026.59	1387.63	35%	8191.24	9845.89	20%
ASEAN	933.15	742.26	-20%	8426.29	7670.79	-9%
SSA( Sub Saharan Africa)	649.59	596.20	-8%	5602.32	5330.98	-5%
N E ASIA	631.73	642.21	2%	4934.69	5214.59	6%
OTHER EUROPE	507.85	434.55	-14%	4111.71	4471.47	9%
SOUTH ASIA	427.56	423.81	-1%	4439.36	3907.33	-12%
LATIN AMERICA	440.98	421.87	-4%	3891.30	3820.80	-2%
CIS	89.45	134.04	50%	519.68	1092.49	110%
OCEANIA	152.31	129.39	-15%	1002.70	1015.94	1%
OTHERS	0.97	1.29	33%	17.65	17.84	1%
<b>Grand Total</b>	<b>8104.24</b>	<b>7852.61</b>	<b>-3%</b>	<b>70743.58</b>	<b>69464.79</b>	<b>-2%</b>

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-November 2023-24**



## PANEL-WISE ANALYSIS

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

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

Product panels	Nov-22	Nov-23	Growth	April-Nov 2022-23	April-Nov 2023-24	Growth
<b>Ferrous</b>						
Iron and Steel	708.2	656.1	-7%	9287.7	7525.9	-19%
Products of Iron and Steel	717.1	712.5	-1%	6409.5	6386.6	0%
<b>Sub Total</b>	<b>1425.3</b>	<b>1368.6</b>	<b>-4%</b>	<b>15697.2</b>	<b>13912.5</b>	<b>-11%</b>
<b>Non-ferrous</b>						
Copper and products	126.7	213.1	68%	1081.2	1602.1	48%
Aluminium and products	670.0	543.0	-19%	6185.4	4707.4	-24%
Zinc and products	97.5	52.3	-46%	900.0	502.5	-44%
Nickel and products	19.6	14.7	-25%	143.6	116.9	-19%
Lead and products	25.3	79.3	214%	256.2	460.4	80%
Tin and products	0.5	1.5	178%	7.5	10.2	36%
Other Non-Ferrous Metals	58.3	55.8	-4%	517.6	488.2	-6%
<b>Sub Total</b>	<b>998.0</b>	<b>959.7</b>	<b>-4%</b>	<b>9091.6</b>	<b>7887.8</b>	<b>-13%</b>
<b>Industrial Machinery</b>						
Industrial Machinery like Boilers, parts, etc.	33.2	52.3	58%	422.6	463.8	10%
IC Engines and Parts	300.9	244.5	-19%	2406.5	2403.6	0%
Pumps of all types	106.7	101.3	-5%	857.4	905.5	6%

Product panels	Nov-22	Nov-23	Growth	April-Nov 2022-23	April-Nov 2023-24	Growth
Air condition and Refrigerators	125.7	133.3	6%	1049.5	1092.6	4%
Industrial Machinery for dairy, food processing, textiles etc.	671.6	614.2	-9%	5691.0	5258.8	-8%
Machine Tools	55.6	61.1	10%	455.8	490.5	8%
Machinery for Injecting moulding, valves and ATMs	203.4	191.5	-6%	1492.1	1624.4	9%
<b>Sub Total</b>	<b>1497.0</b>	<b>1398.3</b>	<b>-7%</b>	<b>12374.9</b>	<b>12239.4</b>	<b>-1%</b>
<b>Electrical Machinery</b>						
<b>Electrical Machinery</b>	<b>953.5</b>	<b>890.2</b>	<b>-7%</b>	<b>7105.9</b>	<b>8114.1</b>	<b>14%</b>
<b>Automobile and auto component</b>						
Motor Vehicle/cars	704.1	667.9	-5%	5619.1	5598.2	0%
Two and Three Wheelers	222.1	201.4	-9%	1939.1	1738.6	-10%
Auto Components/Part	608.7	576.7	-5%	4792.6	4988.6	4%
Auto Tyres and Tubes	237.5	221.9	-7%	2056.5	1827.7	-11%
<b>Sub Total</b>	<b>1772.4</b>	<b>1667.8</b>	<b>-6%</b>	<b>14407.2</b>	<b>14153.2</b>	<b>-2%</b>
<b>Aircrafts and related products</b>						
Aircrafts and Spacecraft parts and products	<b>130.8</b>	<b>264.6</b>	<b>102%</b>	<b>956.7</b>	<b>1143.1</b>	<b>19%</b>
<b>Ships Boats and Floating products and parts</b>						
Ships Boats and Floating products and parts	<b>165.5</b>	<b>108.9</b>	<b>-34%</b>	<b>2355.9</b>	<b>2344.2</b>	<b>0%</b>
<b>Miscellaneous engineering products</b>						
Medical and Scientific instruments	230.3	196.2	-15%	1443.3	1591.8	10%
Railway Transport	50.0	27.8	-44%	263.4	214.4	-19%
Hand Tools & Cutting Tools	73.3	68.1	-7%	639.5	608.9	-5%
Bicycle & Parts	31.6	24.4	-23%	265.1	236.5	-11%
Cranes Lifts & Winches	61.5	92.4	50%	509.1	665.5	31%
Office Equipment	29.3	24.4	-17%	194.0	221.5	14%
Other Construction Machinery	204.0	297.0	46%	1537.8	1977.2	29%
Prime Mica & Mica Products	1.4	2.2	60%	18.5	25.3	37%
Project Goods	0.2	0.1	-61%	1.6	2.1	28%
Other Rubber Product Except Footwear	132.2	130.8	-1%	1147.4	1093.6	-5%
Other Misc. Items	347.9	331.1	-5%	2734.5	3033.6	11%
<b>Total engineering exports</b>	<b>8104.2</b>	<b>7852.6</b>	<b>-3.10%</b>	<b>70743.6</b>	<b>69464.8</b>	<b>-1.81%</b>



## 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 % of India’s exports is contributed by the listed 12 states. Within this almost 50.5 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

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

US\$ Million

Top States	Apr'22 - Nov'22 (\$Mn)	Apr'23 - Nov'23 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Maharashtra	14427.9	14636.1	1.4%	21.1%	<b>91 % share covered by top 12 states</b>
Tamil Nadu	11574.9	11085.3	-4.2%	16.0%	
Gujarat	8791.9	9356.3	6.4%	13.5%	
Odisha	5507.3	4384.1	-20.4%	6%	
Karnataka	3746.4	4347.5	16.0%	6%	
Haryana	4113.4	4305.7	4.7%	6%	
Andhra Pradesh	3767.6	3300.7	-12.4%	5%	
Delhi	2119.7	3038.9	43.4%	4%	
Uttar Pradesh	3214.5	2732.7	-15.0%	4%	
Rajasthan	2279.1	2097.3	-8.0%	3%	
West Bengal	2425.9	2085.9	-14.0%	3%	
Punjab	1807.2	1784.2	-1.3%	3%	

Source: NIRYAT portal

- *Top 12 states constitute over 91% of India’s engineering Exports. Odisha 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, Rajasthan, West Bengal, Punjab, Madhya Pradesh, etc during April-November 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 25.83% this month from an average growth rate of 11.99% per month. Meghalaya had the most negative growth deviation in the current month, the growth decreased to 0.00% this month from an average growth rate of 36.32% per month. (source: Niryat portal)*
- *Maharashtra being the highest state in terms of Engineering Goods exports is leading by 305.520 million from Tamil Nadu (Second Highest State) in Nov'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 34.5 percent share. Tamil Nadu from the Southern Region has improved its export performance and it ranked second after Maharashtra, while Gujarat and Odisha ranked third and fourth during April-Nov 2023-24 and Karnataka came down to fifth position compared to previous the previous month.

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

Value in US\$ million

Region	Nov 2022 (\$Mn)	Nov 2023 (\$Mn)	Growth %	Total Exports April-Nov 2022-23 (\$Mn)	Total Exports April-Nov 2023-24 (\$Mn)	Growth%
EASTERN REGION	882.76	811.74	-8.0%	9718.5	7704.9	-20.7%
NORTHERN REGION	1628.86	1685.24	3.5%	14125.3	14689.0	4.0%
SOUTHERN REGION	2427.03	2394.14	-1.4%	20810.2	20739.1	-0.3%
WESTERN REGION	3004.86	2956.54	-1.6%	25428.4	26342.3	3.6%
<b>Total</b>	<b>7943.5</b>	<b>7847.7</b>	<b>-1.2%</b>	<b>70082.4</b>	<b>69475.3</b>	<b>-0.9%</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 November 2023 and may not tally with the total engineering exports as given by DGCIS**

## 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 seven 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. In October 2023, both engineering exports growth and manufacturing growth accelerated.

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
June 2023	-10.94	3.5
July 2023	-6.65	5.3
August 2023	7.83	9.3
September 2023	6.81	4.9
October 2023	7.20	10.4
November 2023	-3.10	N A

(Source: Department of Commerce and CSO)

## IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during November 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 November 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
November	81.81	83.30	1.82	Depreciation	0.07	Depreciation

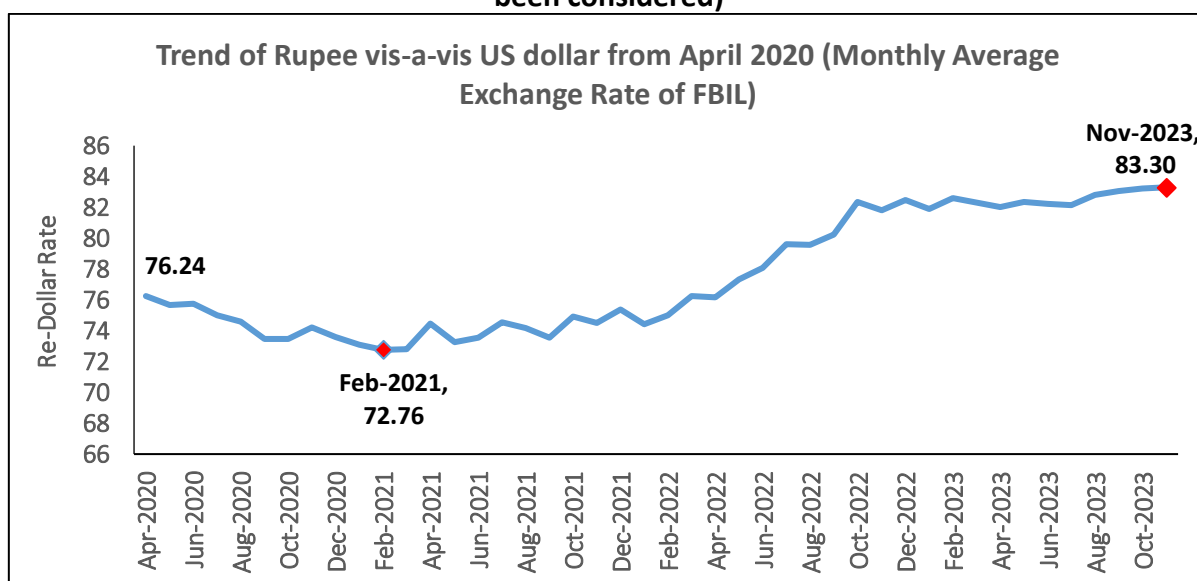
**Depreciation of Rupee vis-à-vis the US Dollar continued both on a year-on-year basis and a month-on-month basis during November 2023.** Rapid rise in benchmark interest rate by the US Fed is the major reason for many currencies losing ground this year. Moreover, according to market experts, dollar 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 83.30 during November 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

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month- on-Month Change (%)	Direction
Month	2021-22	2022-23				
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 November 2023 were valued at US\$ 12180.1 million compared to US\$ 11861.7 million in November 2022 recording a positive growth of 2.7

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

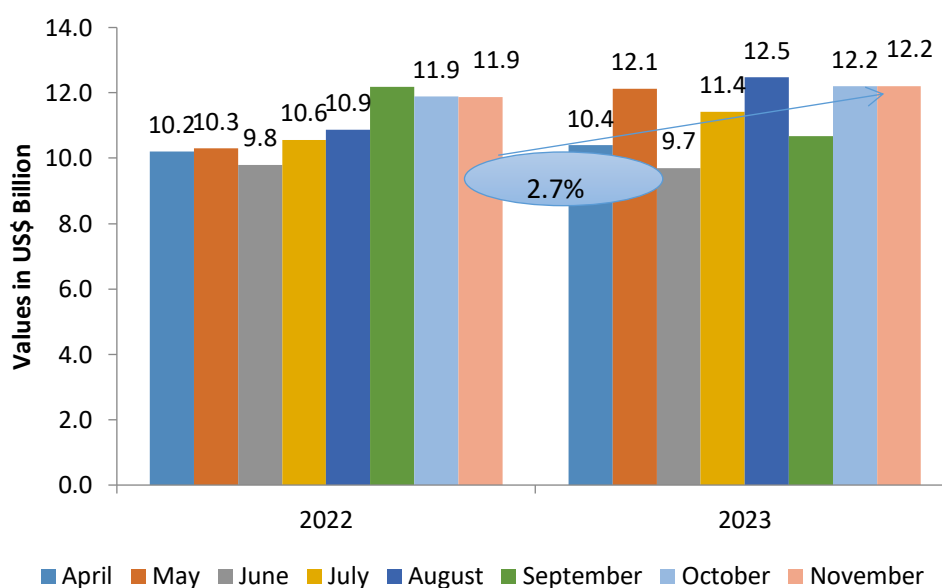
The share of engineering imports in India's total merchandise imports in November 2023 was estimated at 22.4 percent, higher than that of November 2022 which was estimated at 20.8%. The table & the figure below depicts engineering imports for **November 2023 compared to November 2022**.

**Table 10: India's engineering imports in April-November 2023-24 vis-à-vis April-November 2022-23**

Values in US\$ MN	November '22	November'23	Growth %	April-November '22	April-November '23	Growth %
<b>India's Engineering Imports</b>	11861.7	12180.14	2.7%	88167.27	92616.8	5.0%

Source: Quick Estimates, MoC

**Fig 3: Monthly Engineering Imports for November 2023 vis-a-vis November 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 11: Monthly Trend in Engineering Trade Balance for the current FY 2023-24 (US\$ Billions)**

Trade Flow	Apr	May	June	July	Aug	Sep	Oct	Nov
Engineering Export	9.0	9.3	8.5	8.7	9.1	8.9	8.1	7.9
Engineering Import	10.4	12.1	9.7	11.4	12.5	10.7	12.2	12.2
Trade Balance	-1.4	-2.8	-1.2	-2.7	-3.4	-1.8	-4.1	-4.3

Source: DGCI&S, EEPC India Analysis

## CONCLUSION

After recording increase in the last few months, engineering exports experienced a decline of 3.1% in November 2023. The cumulative exports (April – November 2023) also declined by approximately 2%. Decline was witnessed in major engineering panels including iron and steel, aluminium, electrical machinery, automobiles and industrial machinery. In terms of destinations, exports to USA continued to decline. Decline was also noticed in major EU economies including Germany and Italy. Also, since signing of the FTA with Australia, engineering exports to the country declined for the first time. Decline was also noted in ASEAN, Latin America and South Asia.

The engineering export decline can be explained by global trade trends to a significant extent. As per OECD, falling energy trade contributed to reduction in trade volume in both North America and Europe. In the first 9 months of 2023, merchandise imports in EU declined by 4% and that to USA declined by 4% on a y-o-y basis. Import decline was also noticed in Brazil, South Africa and Russia. Overall factors like high interest rates and weakening industrial output, volatility in commodity prices and increase in trade restrictive measures are affecting global trade and in turn India's engineering exports.

Given the above situation, we seek guidance and support from the government to face these difficult times. Factors such as raw material prices and high cost of logistics are becoming additional burden for Indian exporters in the face of this global trade depression. We urge the government to look into these matters and continue supporting us to keep us competitive in the global market.

