

Engineering Export-Import Monitor

DECEMBER 2023



Engineering The Future

EEPCINDIA
ENGINEERING THE FUTURE

Engineering Trade Analysis - December 2023

Engineering exports in December 2023 crossed USD 10 billion for the first time in fiscal 2023-24 with a growth of 10.19 percent year-on-year

After a decline in November 2023, engineering exports from India came back to growth path once again with a record high shipment of USD 10.04 billion in December 2023 registering a growth of 10.19% over December 2022. This growth was attributed to rise in shipment of Iron & Steel for the second month in December 2023 after August. Higher exports of Aircrafts and Spacecrafts, Ships, Boats and Floating Structures, and Copper and products among others. Cumulative decline narrowed down to 0.44% year-on-year.

HIGHLIGHTS

- ❖ After a year-on-year decline in November 2023, engineering exports from India came back to growth path once again with a record high monthly shipment in 2023-24 at USD 10.04 billion in December 2023. For the first time in fiscal 2023-24, Indian engineering exports crossed USD 10 billion.
- ❖ Engineering exports from India in December 2023 was recorded at USD 10.04 billion as against USD 9.11 billion in December 2022, registering a growth of 10.19 percent.
- ❖ Decline in cumulative engineering exports narrowed down to 0.44 percent with the growth achieved in December 2023. It was recorded at USD 79.51 billion during April-December 2023-24 as against USD 79.86 billion during the same period last fiscal.
- ❖ The share of engineering exports in India's total merchandise exports went up to 23.93 percent in December 2023 from 23.17% in November 2023. On a cumulative basis, the share was recorded at 25.07 percent during April-December 2023-24.
- ❖ In December 2023, 18 out of 34 engineering panels witnessed positive year-on-year growth, while 16 remaining engineering panels experienced negative year-on-year export growth, with declines in various sectors including Products of Iron and Steel, Non-Ferrous sectors including Aluminum and products, Zinc and products, Machinery like Pumps of all types, Industrial Boilers, Motor Vehicle/Cars, Bicycle and parts, Railway and Transport equipment, Hand Tools/Cutting Tools and more.
- ❖ On a cumulative basis, 15 out of 34 engineering panels recorded negative growth during April-December 2023-24.
- ❖ Region-wise, positive year-on-year growth in December 2023 was observed in EU, WANA, ASEAN, CIS, Oceania and NE Asia while the rest of the defined regions reported declines on a year-on-year basis.

Trade Flow	Export figures (in US\$ billion)				Growth	
	Dec-2022	Dec-2023	Apr- Dec 2022-23	Apr- Dec 2023-24	Dec 2023 over Dec 2022	Apr-Dec (23-24) over Apr-Dec (22-23)
Engineering exports	9.11	10.04	79.86	79.51	10.19%	-0.44%
Overall exports	38.08	38.45	336.30	317.12	0.96%	-5.70%
Share of engineering	23.93%	26.11%	23.75%	25.07%	---	---
Service exports	31.19	27.88	239.5	247.92	-10.61%	3.52%

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

COMPARING ENGINEERING EXPORTS WITH EXPORTS EXCLUDING STEEL SEGMENT

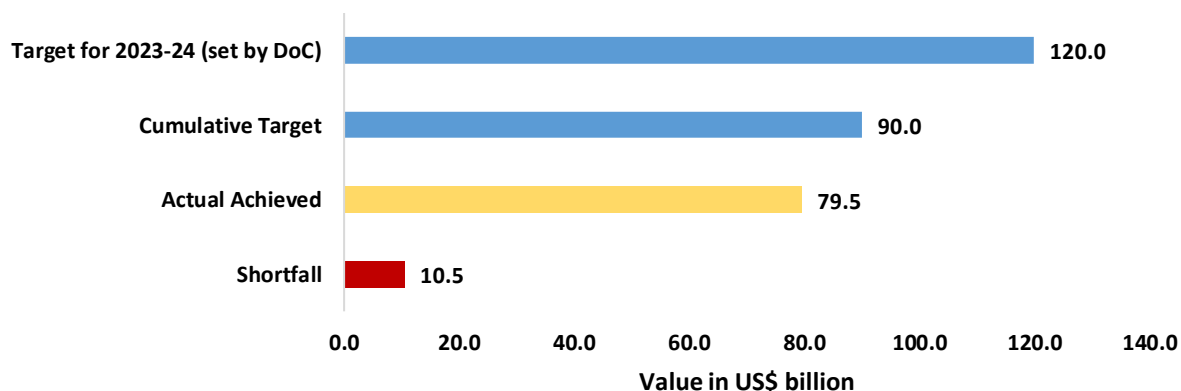
(Values in USD Million)

Trade Flow	Exports in Dec 2022	Exports in Dec 2023	Growth (%)	Exports in Apr- Dec 2022-23	Exports in Apr- Dec 2023-24	Growth (%)
Overall engineering exports	9112.29	10041.14	10.19	79855.87	79508.34	-0.44
Engineering exports excluding Iron and Steel	8315.56	9056.20	8.91	69771.39	70997.54	1.76

Source: DGCI&S, Govt. of India

Excluding Iron and Steel, engineering exports recorded a lower 8.91% y-o-y growth during December 2023 as exports of Iron and Steel grew year-on-year in December 2023. On a cumulative basis, engineering exports excluding iron and Steel recorded year-on-year growth during April-December 2023-24 as cumulative exports of Iron and Steel is still conceding year-on-year decline.

EXPORT TARGET - 2023-24 (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 DGCIS&S estimates:

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

US\$ million

Month	2022-23	2023-24	Growth (%)
April	9676.81	8968.41	-7.32
May	9713.43	9308.27	-4.17
June	9580.73	8528.04	-10.99
April-June	28970.97	26804.72	-7.48
July	9367.90	8744.88	-6.65
August	8405.08	9063.32	7.83
September	8344.70	8912.96	6.81
July-September	26117.68	26721.16	2.31
October	7550.69	8089.05	7.13
November	8104.24	7852.28	-3.11
December	9112.29	10041.14	10.19
October-December	24767.22	25982.47	4.91
April-December	79855.87	79508.34	-0.44

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN APRIL-DECEMBER 2023-24

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

Table 2: Engineering exports country wise

US\$ million

Countries	December 2022	December 2023	Growth (%)	April-December 2022-23	April-December 2023-24	Growth (%)
USA	1588.8	1576.2	-1%	14439.8	13033.7	-10%
UAE	455.9	909.0	99%	3608.8	4337.8	20%
Saudi Arabia	259.1	490.0	89%	2102.2	3580.5	70%
Germany	347.9	345.4	-1%	2893.0	3044.4	5%

Countries	December 2022	December 2023	Growth (%)	April-December 2022-23	April-December 2023-24	Growth (%)
Italy	259.6	337.9	30%	2846.0	2699.4	-5%
U K	243.0	296.4	22%	2353.5	2665.7	13%
Singapore	228.8	377.1	65%	2523.1	2465.5	-2%
Mexico	298.5	280.5	-6%	2628.5	2411.7	-8%
Turkey	341.3	233.3	-32%	2063.0	2088.4	1%
Korea RP	159.6	200.2	25%	1643.5	2005.6	22%
Indonesia	193.0	127.8	-34%	1856.1	1948.1	5%
China	233.5	261.6	12%	1982.3	1905.6	-4%
South Africa	273.2	168.3	-38%	1828.7	1655.2	-9%
Bangladesh	166.5	173.3	4%	2016.4	1651.6	-18%
Nepal	170.9	155.7	-9%	1749.0	1612.9	-8%
France	208.3	143.5	-31%	1538.4	1563.0	2%
Brazil	188.4	185.1	-2%	1434.6	1518.5	6%
Malaysia	226.5	238.5	5%	1215.4	1470.1	21%
Netherland	166.2	148.4	-11%	2041.1	1435.4	-30%
Thailand	189.5	179.5	-5%	1660.2	1395.6	-16%
Japan	145.3	202.3	39%	1265.0	1381.4	9%
Belgium	95.4	182.2	91%	1371.0	1187.3	-13%
Australia	124.1	148.8	20%	1041.5	1093.3	5%
Spain	107.1	128.9	20%	982.9	1085.9	10%
Russia	71.5	134.5	88%	450.3	1036.7	130%
Total engineering exports to top 25 countries	6741.9	7624.4	13%	59534.4	60273.1	1%
Total engineering exports	9112.3	10041.1	10%	79855.9	79508.3	0%
Share % of Top 25 destinations	74.0%	75.9%		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-December 2023-24 as opposed to April-December 2022-23.

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

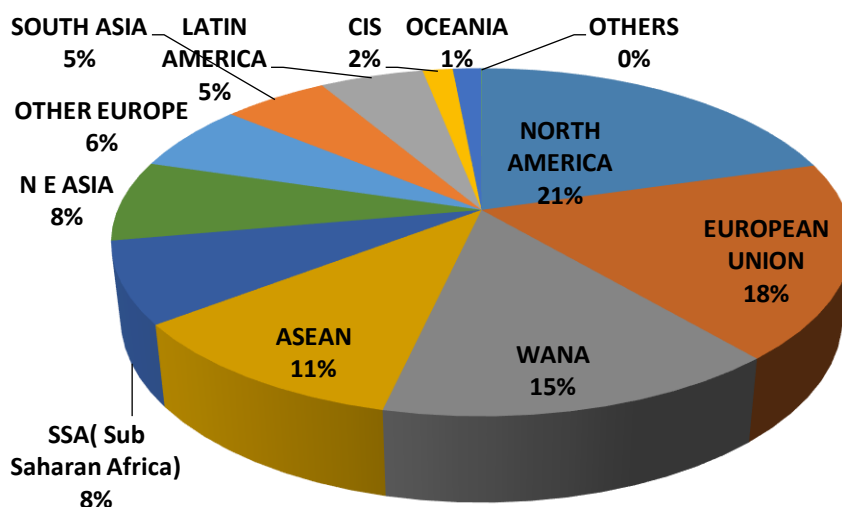
US\$ million

Regions	December 2022	December 2023	Growth (%)	April-December 2022-23	April-December 2023-24	Growth (%)
NORTH AMERICA	1993.2	1965.0	-1%	18168.5	16318.4	-10%
EUROPEAN UNION	1547.0	1761.8	14%	14978.3	14485.1	-3%
WANA	1132.2	1942.8	72%	9323.5	11788.1	26%
ASEAN	1098.6	1110.5	1%	9524.9	8781.5	-8%
SSA(Sub Saharan Africa)	834.4	678.0	-19%	6436.8	6009.0	-7%
N E ASIA	611.5	749.3	23%	5546.2	5963.9	8%
OTHER EUROPE	616.5	554.2	-10%	4728.2	5026.0	6%
SOUTH ASIA	504.4	463.6	-8%	4943.7	4371.0	-12%
LATIN AMERICA	534.8	501.5	-6%	4426.2	4321.7	-2%
CIS	102.9	156.9	52%	622.6	1252.5	101%
OCEANIA	135.4	155.8	15%	1138.1	1171.8	3%
OTHERS	1.3	1.7	32%	18.9	19.5	3%
Grand Total	9112.3	10041.1	10%	79855.9	79508.3	-0.4%

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-December 2023-24



PANEL-WISE ANALYSIS

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

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

Product panels	Dec-22	Dec-23	Growth	April-Dec 2022-23	April-Dec 2023-24	Growth
Ferrous						
Iron and Steel	796.7	984.9	24%	10084.5	8510.8	-16%
Products of Iron and Steel	927.9	885.9	-5%	7337.3	7272.4	-1%
Sub Total	1724.6	1870.8	8%	17421.8	15783.2	-9%
Non-ferrous						
Copper and products	182.4	268.6	47%	1263.6	1870.7	48%
Aluminium and products	681.8	647.0	-5%	6867.2	5354.4	-22%
Zinc and products	111.5	73.6	-34%	1011.5	576.0	-43%
Nickel and products	11.6	11.7	1%	155.3	128.6	-17%
Lead and products	47.3	80.2	69%	303.6	540.6	78%
Tin and products	1.0	1.1	7%	8.5	11.3	33%
Other Non-Ferrous Metals	64.6	64.0	-1%	582.2	552.7	-5%
Sub Total	1100.2	1146.1	4%	10191.9	9034.4	-11%
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	70.8	64.3	-9%	493.5	528.5	7%

Product panels	Dec-22	Dec-23	Growth	April-Dec 2022-23	April-Dec 2023-24	Growth
IC Engines and Parts	331.3	316.8	-4%	2737.7	2715.1	-1%
Pumps of all types	133.5	111.9	-16%	990.9	1017.4	3%
Air condition and Refrigerators	148.7	157.1	6%	1198.2	1249.8	4%
Industrial Machinery for dairy, food processing, textiles etc.	805.0	738.6	-8%	6496.0	5998.1	-8%
Machine Tools	56.8	85.6	51%	512.6	576.6	12%
Machinery for Injecting moulding, valves and ATMs	230.0	218.2	-5%	1722.1	1839.6	7%
Sub Total	1776.0	1692.5	-5%	14150.9	13925.1	-2%
Electrical Machinery						
Electrical Machinery	977.2	1070.6	10%	8083.1	9184.2	14%
Automobile and auto component						
Motor Vehicle/cars	869.8	738.0	-15%	6488.9	6336.1	-2%
Two and Three Wheelers	225.2	254.8	13%	2164.2	1993.4	-8%
Auto Components/Part	653.5	684.6	5%	5446.1	5673.3	4%
Auto Tyres and Tubes	245.1	263.8	8%	2301.5	2091.5	-9%
Sub Total	1993.6	1941.2	-3%	16400.8	16094.3	-2%
Aircrafts and related products						
Aircrafts and Spacecraft parts and products	109.7	516.3	371%	1066.4	1665.4	56%
Ships Boats and Floating products and parts						
Ships Boats and Floating products and parts	203.4	508.4	150%	2559.3	2855.8	12%
Miscellaneous engineering products						
Medical and Scientific instruments	191.6	231.8	21%	1634.9	1823.2	12%
Railway Transport	28.9	28.8	-0.3%	292.2	243.1	-17%
Hand Tools & Cutting Tools	83.6	75.3	-10%	723.1	684.1	-5%
Bicycle & Parts	35.0	31.2	-11%	300.1	267.7	-11%
Cranes Lifts & Winches	82.2	114.0	39%	591.3	779.1	32%
Office Equipment	24.1	27.9	16%	218.1	249.4	14%
Other Construction Machinery	239.5	236.7	-1%	1777.3	2213.7	25%
Prime Mica & Mica Products	2.3	3.5	53%	20.8	28.8	39%
Project Goods	387.4	400.6	3%	3121.9	3435.4	10%
Other Rubber Product Except Footwear	0.2	0.1	-58%	1.8	2.2	21%
Other Misc. Items	153.0	145.7	-5%	1300.4	1239.3	-5%
Total engineering exports	9112.3	10041.1	10.19%	79855.9	79508.3	-0.44%

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 90.6 % of India’s exports is contributed by the listed 12 states. Within this almost 50.6 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

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

US\$ Million

Top States	Apr'22 – Dec' 22 (\$Mn)	Apr'23 - Dec'23 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Maharashtra	16414.2	16907.0	3.0%	21.3%	90.6 % share covered by top 12 states
Tamil Nadu	13152.2	12586.9	-4.3%	15.8%	
Gujarat	10059.5	10703.9	6.4%	13.5%	
Karnataka	4229.3	4958.1	17.2%	6%	
Odisha	6019.9	4910.7	-18.4%	6%	
Haryana	4669.0	4909.5	5.2%	6%	
Andhra Pradesh	4189.3	3671.9	-12.4%	5%	
Delhi	2438.8	3457.9	41.8%	4%	
Uttar Pradesh	3588.8	3102.2	-13.6%	4%	
Rajasthan	2588.3	2414.2	-6.7%	3%	
West Bengal	2671.3	2349.3	-12.1%	3%	
Punjab	2031.6	2031.5	0.0%	3%	

Source: NIRYAT portal

- *Top 12 states constitute over 90.6 % of India’s engineering Exports. Karnataka once again moved to 4th position and Odisha has moved to 5th 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-December 2023-24 compared to same period last fiscal.*
- *Goa had the most positive growth deviation in the current month, the growth rose to 31.26% this month from an average growth rate of 29.57% 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 31.14% per month.*
- *Maharashtra being the highest state in terms of Engineering Goods exports is leading by 769.320 million from Tamil Nadu(Second Highest State) during Dec'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 34.7 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-Dec 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	Dec 2022 (\$Mn)	Dec 2023 (\$Mn)	Growth %	Total Exports April-Dec 2022-23 (\$Mn)	Total Exports April-Dec 2023-24 (\$Mn)	Growth %
EASTERN REGION	934.82	946.33	1.2%	10653.34	8651.19	-18.8%
NORTHERN REGION	1846.91	2024.29	9.6%	15972.24	16713.31	4.6%
SOUTHERN REGION	2710.71	3045.31	12.3%	23520.91	23784.45	1.1%
WESTERN REGION	3558.47	4008.3	12.6%	28986.8	30350.62	4.7%
Total	9050.9	10024.2	10.8%	79133.3	79499.6	0.5%

Source: NIRYAT portal

Note: The total engineering exports given in the above table is taken from NIRYAT as per the latest available data of December 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 eight 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 and then in November, engineering export declined while manufacturing output growth slowed down.

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	-7.32	5.5
May 2023	-4.17	6.3
June 2023	-10.99	3.5
July 2023	-6.65	5.3
August 2023	7.83	9.3
September 2023	6.81	4.9
October 2023	7.13	10.2
November 2023	-3.11	1.2
December 2023	10.19	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
December	82.46	83.28	0.99	Depreciation	-0.02	Appreciation

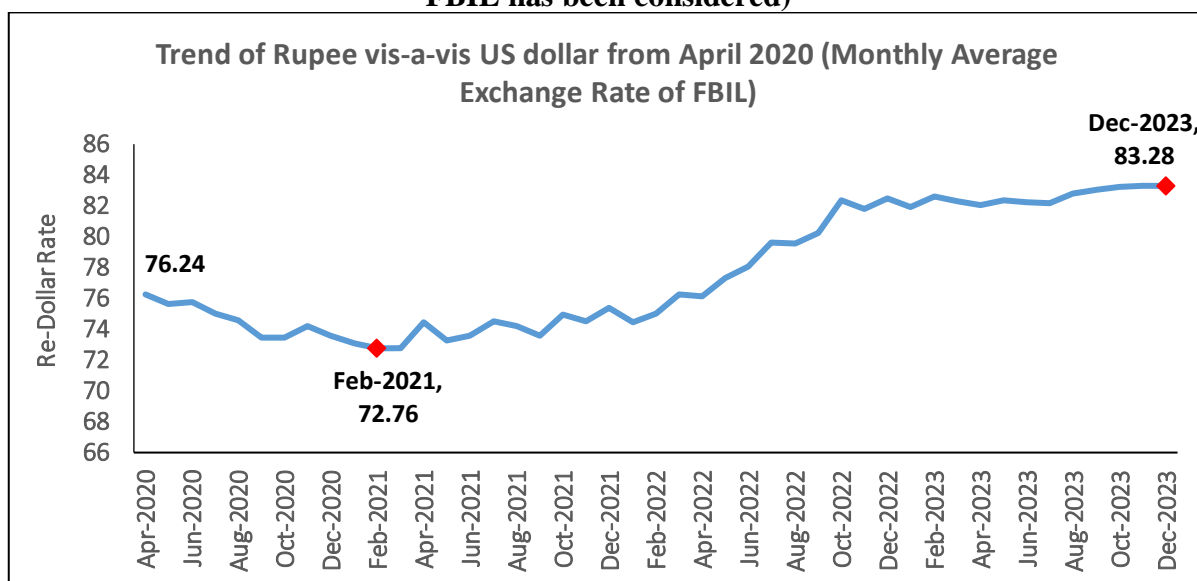
Rupee continued to depreciate vis-à-vis the US Dollar on a year-on-year basis but registered marginal month-on-month appreciation in December 2023 after five months. The rate of depreciation on a year-on-year was also below 1% for the first time in 2023-24. Rapid rise in benchmark interest rate by the US Fed is the major reason for many currencies losing ground this year throughout the 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
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

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2021-22	2022-23				
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 December 2023 were valued at US\$ 12301.3 million compared to US\$ 14575.2 million in December 2022 recording a negative growth of 15.6 percent in dollar terms. Transport equipment recorded the highest decline in imports followed by Iron & Steel and all other sectors witnessed a rise in import during December 2023 compared to December 2022.

The share of engineering imports in India's total merchandise imports in December 2023 was estimated at 21.1 percent, lower than that of December 2022 which was estimated at 23.8%.

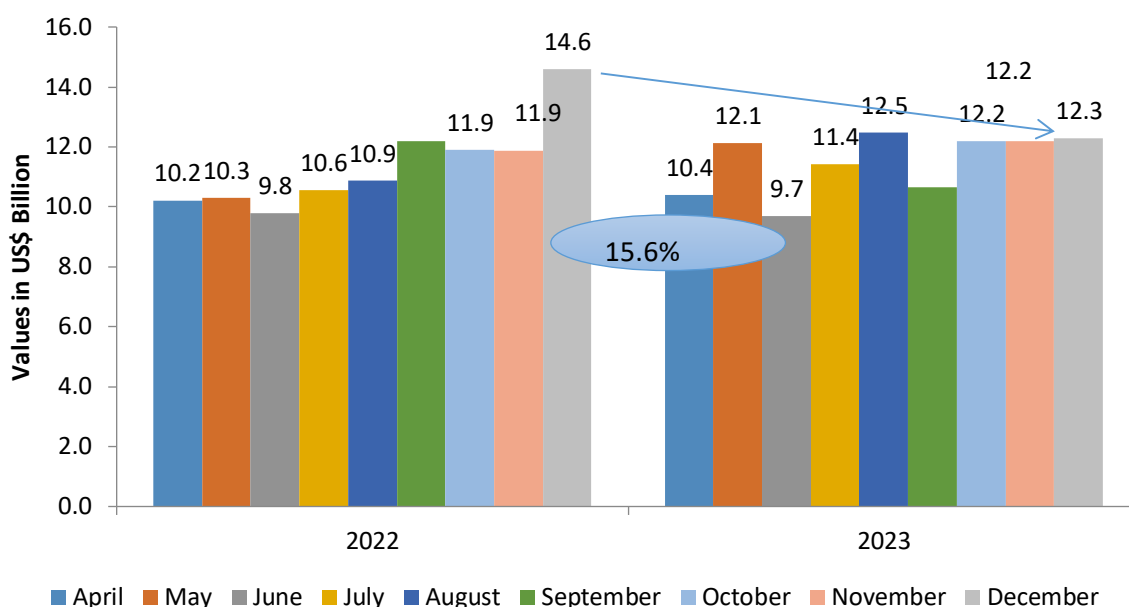
The table & the figure below depicts engineering imports for December 2023 compared to December 2022.

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

Values in US\$ MN	December '22	December'23	Growth %	April-December '22	April-December '23	Growth %
India's Engineering Imports	14575.2	12301.3	-15.6%	102742.5	106644.1	3.8%

Source: Quick Estimates, MoC

Fig 3: Monthly Engineering Imports for December 2023 vis-a-vis December 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	Dec	April-Dec
Engineering Export	9.0	9.3	8.5	8.7	9.1	8.9	8.1	7.9	10.04	79.5
Engineering Import	10.4	12.1	9.7	11.4	12.5	10.7	12.2	12.2	12.3	103.5
Trade Balance	-1.4	-2.8	-1.2	-2.7	-3.4	-1.8	-4.1	-4.3	-2.26	-24.0

CONCLUSION

After a dip in November 2023, India's engineering exports made a strong comeback with a 10.19% increase in December 2023 compared to the previous year. This is good news considering the tough global and local conditions.

On the global front, things aren't looking great. The latest UNCTAD Global Trade Update reveals a \$2 trillion drop in global trade in goods in 2023, with developing countries contributing significantly to this decline. The report also warns about an uncertain outlook for 2024, with a generally negative mood among global exporters.

Exporters are facing challenges from the supply side too, dealing with high prices of key metals and logistical problems. The ongoing shipping crisis, especially in the Red Sea region, is causing a lot of issues. About 80% of India's goods trade with Europe, worth almost \$14 billion per month, usually goes through the Red Sea. This crisis is not only causing delays but is also increasing the cost of exports.

There is also a shortage of containers, and shipping lines, facing capacity issues, are not only raising prices but also adding extra charges during busy times. Many member exporters have reported lower profit margins, leading to holding back on orders until things improve. The exporting community is worried that exports might decrease in the coming months because of these challenges.

