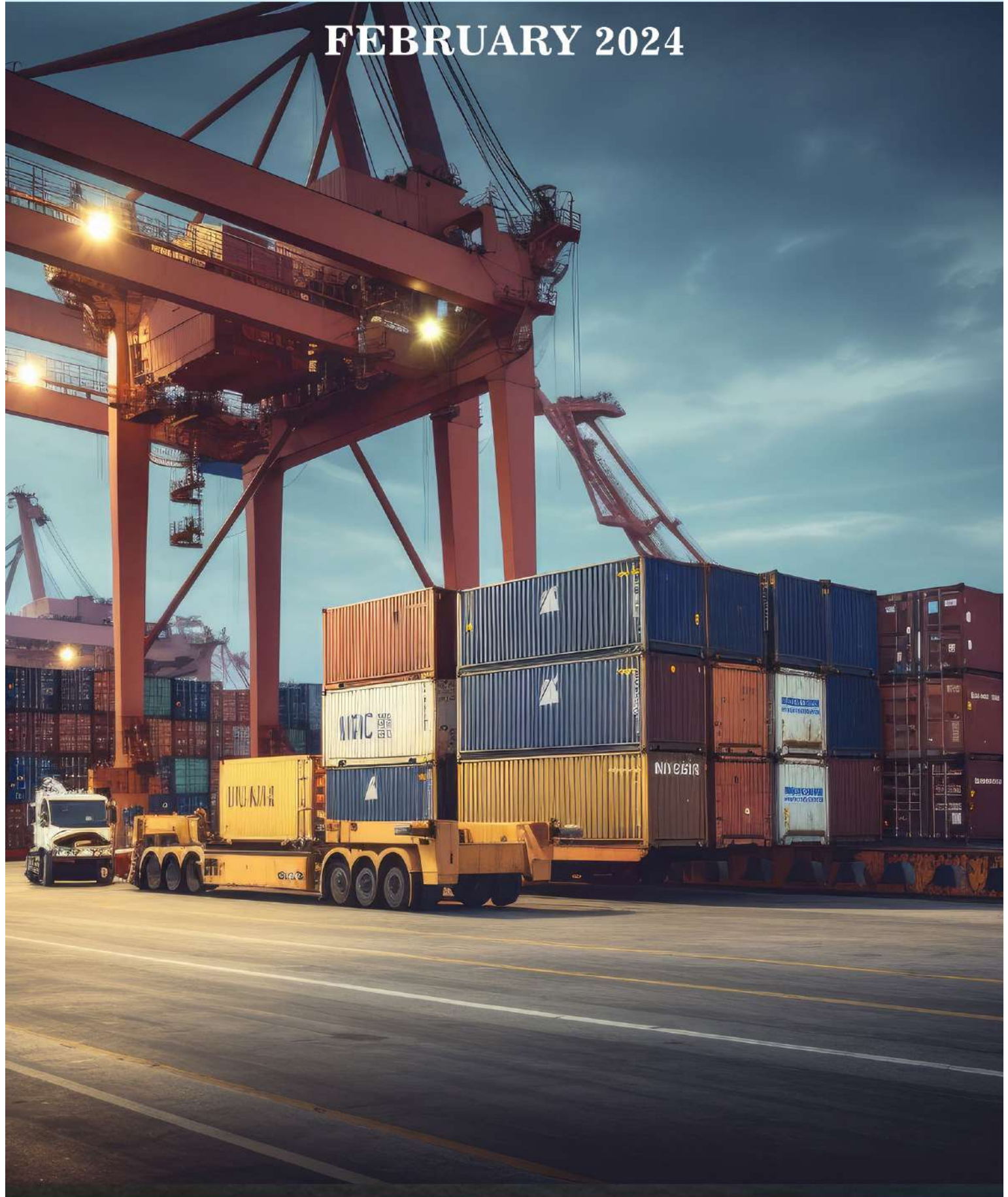


Engineering Export-Import Monitor

FEBRUARY 2024



Engineering The Future

EEPCINDIA
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Engineering Trade Analysis – February 2024

February 2024 engineering exports hit peak growth for fiscal 2023-24

Indian engineering exports rose for the third straight month, with February 2024 showing the highest monthly growth of fiscal 2023-24. This month also saw second highest exports after December 2023. Growth in February 2024 was attributed to substantial rise in shipment of Iron & Steel and products, Aluminium and its products, Electrical machinery and Industrial machinery. All export regions except South Asia and ASEAN saw increased shipments.

HIGHLIGHTS

- ❖ India's engineering exports achieved year-on-year growth for the third straight month to February 2024 and the rate of growth at 15.9 percent was the highest in fiscal 2023-24. During February 2024, engineering exports was recorded at USD 9,941.37 million as against USD 8,577.49 million in February 2023. This was the second highest export in fiscal 2023-24 after December 2023.
- ❖ Cumulative engineering exports started narrowing down and now witnessed growth as it was recorded at USD 98,038.18 million during April-February 2023-24 as against USD 96,846.36 million during April-February 2022-23, securing 1.23 percent growth.
- ❖ The share of engineering exports in India's total merchandise exports increased to 24.01 percent in February 2024 from 23.75 percent in January 2024. On a cumulative basis, the share was 24.82 percent during April-February 2023-24.
- ❖ In February 2024, 28 out of 34 engineering panels witnessed positive year-on-year growth, while 6 remaining engineering panels experienced decline. Exports of Zinc and products, Nickel and products, Motor Vehicle/Cars, Railway Transport and parts, Ships and Boats, Office Equipment dropped
- ❖ On a cumulative basis, 20 out of 34 engineering panels recorded positive growth and remaining 14 engineering panels including Iron and Steel, some non-ferrous sectors including Aluminium, Zinc, Nickel, etc, sectors from Industrial Machinery and Automobiles recorded negative growth during April-February 2023-24
- ❖ Region-wise, positive year-on-year growth in February 2024 was observed in almost all the regions like N E Asia, WANA, Latin America, EU, CIS, Oceania, North America, and SSA. Only ASEAN and South Asia reported declines.
- ❖ Among top exporting destinations, USA, Saudi Arabia, Italy, Germany, South Korea, Mexico, Malaysia, UK and China experienced positive growth in February 2024 while UAE, Singapore and Netherland saw negative export growth.

Trade Flow	Export figures (in US\$ billion)				Growth	
	Feb-2023	Feb-2024	Apr-Feb 2022-23	Apr-Feb 2023-24	Feb 2024 over Feb 2023	Apr-Feb (23-24) over Apr-Feb (22-23)
Engineering exports	8.58	9.94	96.85	98.04	15.90%	1.23%
Overall exports	37.01	41.40	409.11	394.99	11.86%	-3.45%
Share of engineering	23.17%	24.01%	23.67%	24.82%	---	---
Service exports	27.40	32.15	294.89	314.82	17.34%	6.76%

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 Feb 2023	Exports in Feb 2024	Growth (%)	Exports in Apr-Feb 2022-23	Exports in Apr-Feb 2023-24	Growth (%)
Overall engineering exports	8577.49	9941.37	15.90	96846.36	98038.15	1.23
Engineering exports excluding Iron and Steel	7584.62	8785.79	15.84	84825.32	87336.07	2.96

Source: DGCI&S, Govt. of India

Excluding Iron and Steel, engineering exports recorded a slightly higher y-o-y growth during February 2024. On a cumulative basis, engineering exports excluding iron and Steel recorded lower year-on-year growth during April-February 2023-24 as cumulative exports of Iron and Steel is still conceding year-on-year decline.

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	8949.36	-7.52
May	9713.43	9300.75	-4.25
June	9580.73	8515.72	-11.12
April-June	28970.97	26765.84	-7.61
July	9367.90	8720.36	-6.91
August	8405.08	9048.65	7.66
September	8344.70	8886.72	6.50
July-September	26117.68	26655.73	2.06
October	7550.69	8078.59	6.99
November	8104.24	7822.32	-3.48
December	9112.29	10007.55	9.82
October-December	24767.22	25908.46	4.61
January	8413.00	8766.79	4.21
February	8577.49	9941.37	15.90
April-February	96846.36	98038.18	1.23

Source: DGCIS, Govt. of India

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

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during February 2024 over February 2023 as well as in cumulative terms during April-February 2023-24 vis-à-vis April-February 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	February 2023	February 2024	Growth (%)	April-February 2022-23	April-February 2023-24	Growth (%)
U S A	1363.27	1569.48	15%	17100.76	15952.41	-7%
UAE	534.88	499.15	-7%	4520.07	5226.61	16%
SAUDI ARABIA	267.12	591.49	121%	2641.01	4627.91	75%
GERMANY	355.68	366.24	3%	3577.47	3739.57	5%
ITALY	303.70	478.40	58%	3481.51	3519.79	1%
U K	236.91	246.21	4%	2853.95	3269.18	15%
SINGAPORE	582.99	403.23	-31%	3368.02	3048.23	-9%
MEXICO	263.99	311.31	18%	3123.98	2948.98	-6%
KOREA RP	166.68	330.44	98%	1983.09	2535.71	28%
TURKEY	229.93	229.35	0%	2480.37	2503.51	1%
CHINA	205.84	235.39	14%	2400.34	2384.99	-1%
INDONESIA	260.58	136.64	-48%	2315.93	2215.94	-4%
BANGLADESH	154.00	162.24	5%	2340.38	1968.73	-16%
SOUTH AFRICA	193.64	146.91	-24%	2269.30	1940.19	-15%
NEPAL	177.73	149.09	-16%	2101.56	1902.99	-9%
MALAYSIA	222.85	271.73	22%	1710.38	1900.77	11%
BRAZIL	156.44	202.95	30%	1738.05	1885.39	8%
FRANCE	174.19	129.43	-26%	1949.49	1810.34	-7%
JAPAN	119.56	211.71	77%	1515.90	1759.71	16%
NETHERLAND	169.05	164.23	-3%	2386.33	1722.98	-28%
THAILAND	139.46	152.19	9%	1956.82	1701.09	-13%
BELGIUM	114.40	171.71	50%	1648.54	1544.80	-6%
SPAIN	139.12	201.49	45%	1224.62	1441.17	18%
AUSTRALIA	93.00	112.65	21%	1237.82	1305.01	5%

Countries	February 2023	February 2024	Growth (%)	April-February 2022-23	April-February 2023-24	Growth (%)
RUSSIA	98.01	120.11	23%	616.68	1224.72	99%
Total engineering exports to top 25 countries	6723.01	7593.77	13%	72542.36	74080.68	2%
Total engineering exports	8577.49	9941.37	16%	96846.36	98038.15	1%
Share % of Top 25 destinations	78%	76%		75%	76%	

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

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

US\$ million

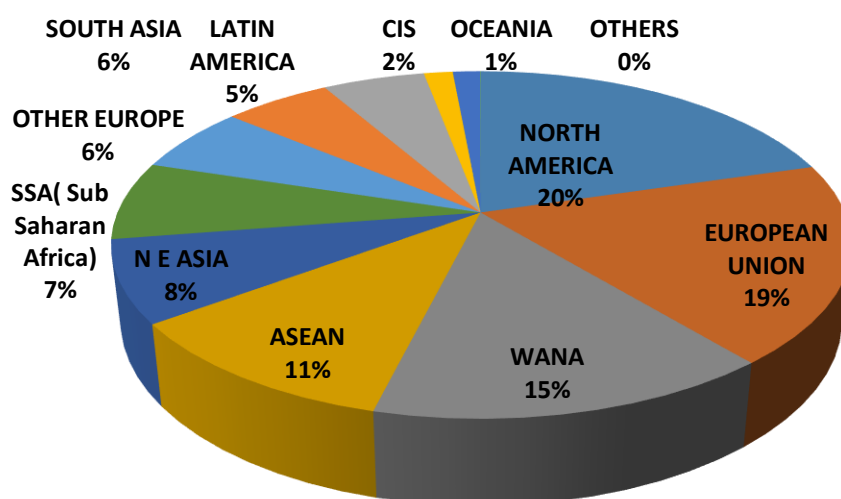
Regions	February 2023	February 2024	Growth (%)	April-February 2022-23	April-February 2023-24	Growth (%)
NORTH AMERICA	1715.2	1992.5	16%	21504.2	19987.1	-7%
EU	1594.4	2008.7	26%	18242.1	18226.2	0%
WANA	1203.0	1586.7	32%	11706.3	14624.9	25%
ASEAN	1373.3	1174.8	-14%	11967.3	10757.8	-10%
N E ASIA	557.9	863.3	55%	6696.8	7508.7	12%
SSA(Sub Saharan Africa)	597.0	617.1	3%	7752.9	7181.0	-7%
OTHER EUROPE	493.0	502.2	2%	5698.5	6092.8	7%
SOUTH ASIA	434.7	426.0	-2%	5865.9	5508.5	-6%
LATIN AMERICA	387.6	503.9	30%	5207.9	5245.7	1%
CIS	119.0	143.2	20%	832.4	1483.9	78%
OCEANIA	100.6	120.4	20%	1350.1	1398.2	4%

Regions	February 2023	February 2024	Growth (%)	April-February 2022-23	April-February 2023-24	Growth (%)
OTHERS	1.7	2.9	71%	21.9	23.3	6%
Grand Total	8577.5	9941.4	16%	96846.4	98038.2	1%

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-February 2023-24



PANEL-WISE ANALYSIS

In this section we look at the Engineering Panel wise exports for the month of February 2024 vis-à-vis February 2023 as well as the cumulative exports for **April-February 2023-24 vis-à-vis April-February 2022-23**. These are indicated in the tables below.

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

Product panels	Feb -23	Feb-24	Growth	April-Feb 2022-23	April-Feb 2023-24	Growth
Ferrous						
Iron and Steel	992.9	1155.6	16%	12021.0	10702.1	-11%
Products of Iron and Steel	776.8	867.8	12%	8842.4	8898.0	1%
Sub Total	1769.7	2023.4	14%	20863.5	19600.1	-6%
Non-ferrous						
Copper and products	160.9	225.1	40%	1593.2	2283.1	43%

Product panels	Feb -23	Feb-24	Growth	April-Feb 2022-23	April-Feb 2023-24	Growth
Aluminium and products	629.3	1175.0	87%	8157.5	7103.5	-13%
Zinc and products	99.3	42.5	-57%	1209.8	680.5	-44%
Nickel and products	13.4	10.3	-23%	182.6	147.1	-19%
Lead and products	51.1	78.1	53%	407.7	679.4	67%
Tin and products	0.9	1.5	65%	10.9	14.2	31%
Other Non-Ferrous Metals	56.5	68.3	21%	697.7	677.7	-3%
Sub Total	1011.4	1600.8	58%	12259.4	11585.5	-5%
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	40.9	74.1	81%	579.7	652.6	13%
IC Engines and Parts	284.6	305.4	7%	3293.3	3298.0	0%
Pumps of all types	107.9	114.0	6%	1200.4	1230.1	2%
Air condition and Refrigerators	130.9	149.8	14%	1451.9	1537.9	6%
Industrial Machinery for dairy, food processing, textiles etc.	595.7	658.8	11%	7752.8	7251.8	-6%
Machine Tools	60.8	71.7	18%	632.4	708.3	12%
Machinery for Injecting moulding, valves and ATMs	206.2	228.0	11%	2122.4	2268.8	7%
Sub Total	1427.0	1601.7	12%	17033.0	16947.7	-1%
Electrical Machinery						
Electrical Machinery	840.4	983.5	17%	9900.4	11172.9	13%
Automobile and auto component						
Motor Vehicle/cars	644.5	600.6	-7%	7861.8	7512.9	-4%
Two and Three Wheelers	194.3	264.0	36%	2545.1	2469.9	-3%
Auto Components/Part	588.1	676.0	15%	6600.5	6964.4	6%
Auto Tyres and Tubes	214.0	270.9	27%	2728.7	2605.8	-5%
Sub Total	1640.9	1811.5	10%	19736.0	19553.0	-1%
Aircrafts and related products						
Aircrafts and Spacecraft parts and products	105.3	380.4	261%	1303.5	2345.1	80%
Ships Boats and Floating products and parts						
Ships Boats and Floating products and parts	721.1	338.8	-53%	3673.1	3583.8	-2%
Miscellaneous engineering products						
Medical and Scientific instruments	170.4	186.9	10%	1984.6	2181.8	10%
Railway Transport	33.7	18.1	-46%	348.7	291.0	-17%
Hand Tools & Cutting Tools	73.1	79.5	9%	869.4	837.5	-4%

Product panels	Feb -23	Feb-24	Growth	April- Feb 2022-23	April- Feb 2023-24	Growth
Bicycle & Parts	31.0	31.8	3%	359.7	327.9	-9%
Cranes Lifts & Winches	65.3	90.9	39%	720.8	948.3	32%
Office Equipment	26.4	18.8	-29%	261.6	281.4	8%
Other Construction Machinery	199.3	254.6	28%	2172.2	2702.7	24%
Prime Mica & Mica Products	1.9	2.6	37%	25.2	33.8	34%
Project Goods	0.0	0.2	328%	1.9	2.5	34%
Other Rubber Product Except Footwear	133.5	140.8	6%	1560.7	1515.2	-3%
Other Misc. Items	327.1	376.9	15%	3772.8	4128.1	9%
Total engineering exports	8577.5	9941.4	15.90%	96846.4	98038.2	1.23%

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 90.3 % of India's exports is contributed by the listed 12 states. Within this almost 50.3 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

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

US\$ Million

Top States	Apr'22 – Feb' 23 (\$Mn)	Apr'23 - Feb'24 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Maharashtra	20334.2	20834.9	2.5%	21.3%	90.3 % share covered by top 12 states
Tamil Nadu	15758.9	15237.0	-3.3%	15.5%	
Gujarat	12111.9	13188.6	8.9%	13.5%	
Odisha	7118.6	6555.8	-7.9%	6.7%	
Haryana	5631.7	6063.4	7.7%	6.2%	
Karnataka	5088.9	6063.1	19.1%	6.2%	
Andhra Pradesh	5357.5	4287.7	-20.0%	4.4%	
Delhi	3118.8	4198.3	34.6%	4.3%	
Uttar Pradesh	4282.8	3726.9	-13.0%	3.8%	
Rajasthan	3073.1	2987.7	-2.8%	3.0%	
West Bengal	3181.4	2836.8	-10.8%	2.9%	
Telangana	1664.1	2505.9	50.6%	2.6%	

Source: NIRYAT portal

- Top 12 states constitute over 90.3 % of India’s engineering Exports. Odisha once again moved to 4th position and Karnataka has now moved down further to 6th position, while Haryana has moved up to 5th position compared to previous months.
- Major negative growth witnessed in states like Tamil Nadu, Odisha, Andhra Pradesh, Uttar Pradesh, Rajasthan, West Bengal, Madhya Pradesh, etc during April-February 2023-24 compared to same period last fiscal.
- Assam had the most negative growth deviation in the current month, the growth decreased to 5.65% this month from an average growth rate of 29.87% per month.
- Maharashtra being the highest state in terms of Engineering Goods exports is leading by 472.2 million from Tamil Nadu (Second Highest State) during Feb'24.

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 Odisha ranked third and fourth during April-Feb 2023-24 and Haryana came up to fifth position while Karnataka came down to sixth position compared to previous the previous months.

Table 6: Region wise exports from India

Value in US\$ million

Region	Feb 2023 (\$Mn)	Feb 2024 (\$Mn)	Growth %	Apr'22 – Feb' 23 (\$Mn)	Apr'23 - Feb'24 (\$Mn)	Growth %
EASTERN REGION	968.3	1593.0	65%	12569.9	11140.4	-11%
NORTHERN REGION	1670.8	1808.2	8%	19367.5	20416.1	5%
SOUTHERN REGION	2436.6	2881.3	18%	28579.8	29128.0	2%
WESTERN REGION	3509.6	3483.4	-1%	35547.6	37345.1	5%
Total	8585.4	9765.8	14%	96064.8	98029.7	2%

Source: NIRYAT portal

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

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.

Nine out of the first ten months of fiscal 2023-24 saw engineering exports growth and revised manufacturing output growth moved in the same direction barring April 2024. During April, decline in engineering export was slightly higher over Mar 2024 while manufacturing output growth recorded a sharp rise. During 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. During August, October and December 2023, both engineering exports and manufacturing output recorded higher growth (engineering exports came back to growth path in August and December 2023 from decline in previous month) while in September 2023, November 2023 and January 2024, 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	-7.52	5.5
May 2023	-4.25	6.3
June 2023	-11.12	3.5
July 2023	-6.91	5.3

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
August 2023	7.66	10.0
September 2023	6.50	5.1
October 2023	6.99	10.6
November 2023	-3.48	1.2
December 2023	9.82	4.5
January 2024	4.21	3.2
February 2024	15.9	N A

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during February 2024 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 February 2024, 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)

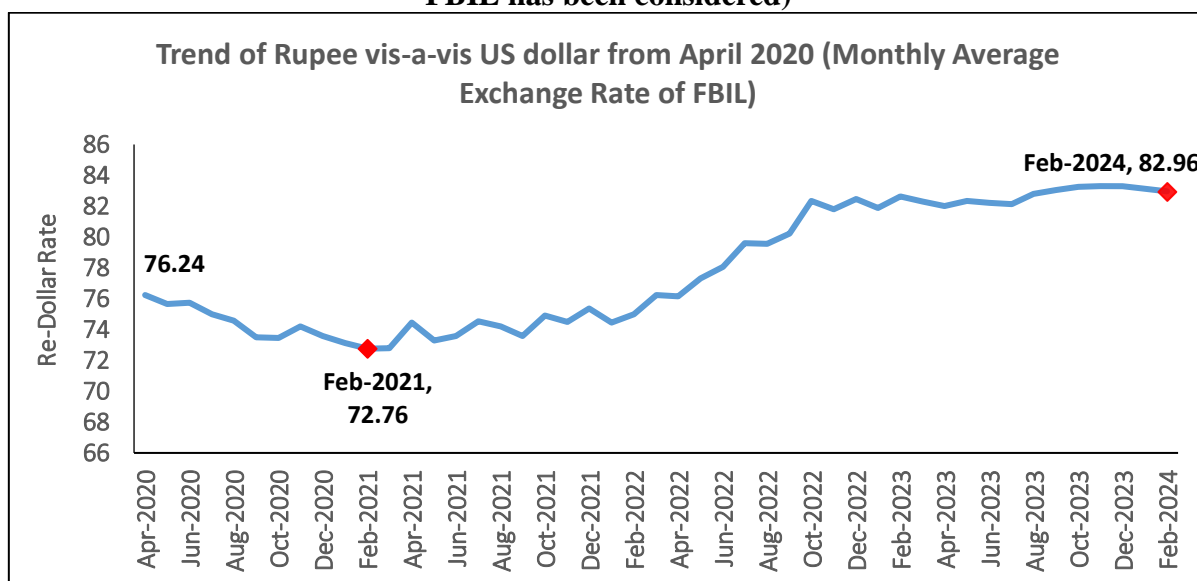
Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2022-23	2023-24				
April	76.17	82.02	7.68	Depreciation	-0.33	Appreciation
May	77.32	82.34	6.49	Depreciation	0.39	Depreciation
June	78.04	82.23	5.37	Depreciation	-0.13	Appreciation
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
January	81.90	83.12	1.49	Depreciation	-0.19	Appreciation
February	82.61	82.96	0.42	Depreciation	-0.19	Appreciation

Rupee depreciation vis-à-vis the US Dollar continued on a year-on-year basis but on a month-on-month basis it appreciated for the third straight month to February 2024. We have already analyzed the reasons behind prolonged and continuous depreciation of rupee in our previous monthly issues. Now, the marginal rise of rupee over the greenback in the last three months was attributed to timely intervention of RBI in currency market and inflow of foreign currency in domestic market, especially in equities.

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 February 2024 were valued at US\$ 11883.7million compared to US\$ 11322.3 million in February 2023 recording a positive growth of 5 percent in dollar terms. Machine Tools recorded the highest growth in imports followed by Professional instrument, Optical goods, etc., and Iron & Steel. Barring, Transport equipment all the other sectors witnessed a rise in import during February 2024 compared to February 2023.

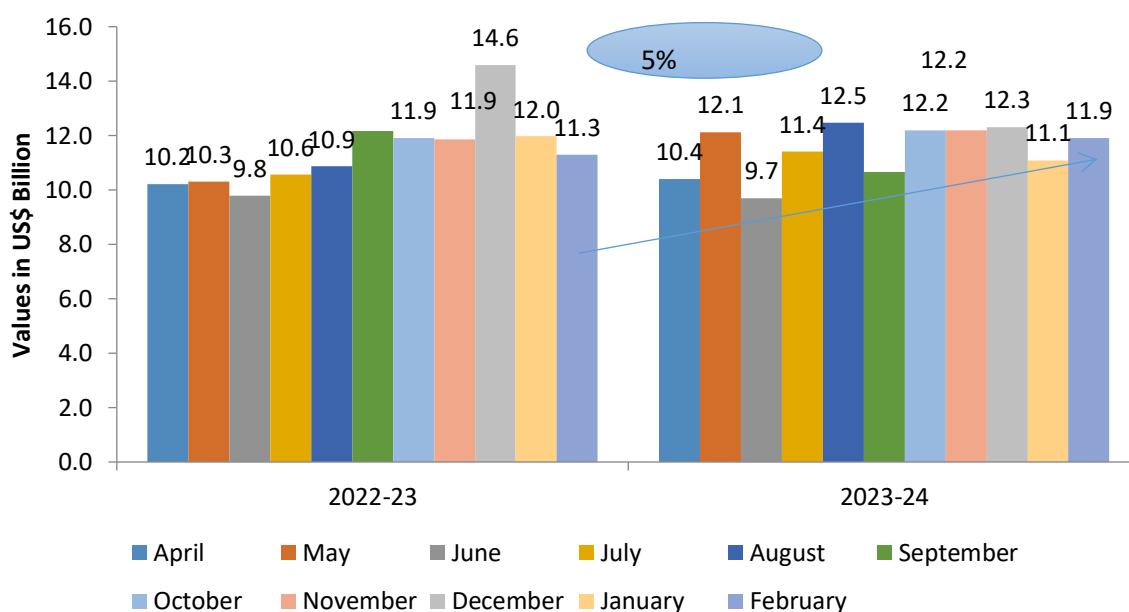
The share of engineering imports in India's total merchandise imports in February 2024 was estimated at 19.8 percent, lower than that of February 2023 which was estimated at 21.1%. The table & the figure below depicts engineering imports for **February 2024 compared to February 2023**.

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

Values in US\$ MN	February '23	February'24	Growth %	April-February '23	April-February '24	Growth %
India's Engineering Imports	11322.3	11883.7	5.0	126031.2	129621.1	2.8

Source: Quick Estimates, MoC

Fig 3: Monthly Engineering Imports for February 2024 vis-a-vis February 2023



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	Jan	Feb	April-Feb
Engineering Export	9.0	9.3	8.5	8.7	9.1	8.9	8.1	7.9	10.04	8.8	9.9	98.0
Engineering Import	10.4	12.1	9.7	11.4	12.5	10.7	12.2	12.2	12.3	11.1	11.9	129.6
Trade Balance	-1.4	-2.8	-1.2	-2.7	-3.4	-1.8	-4.1	-4.3	-2.26	-2.3	-2.0	-31.6

Source: DGCIS&S, EEPC India Analysis

Conclusion

In the last few months, engineering exports from India has been on a steady growth path. In February 2024, India’s engineering exports reached USD 9.94 billion recording the highest y-o-y growth (15.9 percent) in the Fiscal 2023-24. The remarkable performance of the sector in the last three months made it possible for the cumulative exports to also a record a growth – During April-February 2023-24, India’s cumulative engineering exports stood at USD 98.03 billion which is 1.23 percent high from the same period last year. Y-o-y growth was witnessed in almost all product panels including metals and machineries however there was a decline in

exports of motor vehicles and cars. Indian engineering exports also witnessed growth in almost all major exporting destinations including Germany, Saudi Arabia, UAE, South Korea, UK, etc. The FTA with UAE and the negotiations with GCC have been quite effective as West Asia and North Africa's share in India's engineering export basket increased from 12 percent last year to 15 percent this year. This performance has been possible despite the difficult global trade situation. As per studies, 2023 witnessed the slowest trade growth in the last 50 years outside global recession years. The continuing geopolitical tensions and lack of demand across the globe marred any recovery efforts that were made in the post-pandemic era. There is a ray of hope amidst such difficult times – as per recent World Bank predictions, global trade is expected to grow by 2.3 percent in 2024 indicating a partial recovery of demand mainly in the advanced economy. As India's current performance stabilizes, we are hopeful that with positive turn of the tide in global trade, our exporting community will be able to lift up their export performance.
