

Engineering Export-Import Monitor

MARCH 2024



Engineering The Future

EEPCINDIA
ENGINEERING THE FUTURE

ENGINEERING TRADE ANALYSIS FOR 2023-24

Indian Engineering Exports Defy Global Challenges, Growing from US\$ 107 Bn to US\$ 109.3 Bn

Trade Flow	Export figures (in US\$ billion)				Growth	
	Mar-2023	Mar-2024	Apr-Mar 2022-23	Apr-Mar 2023-24	Mar-2024 over Mar-2023	Apr-Mar 2023-24 over Apr-Mar 2022-23
Engineering exports	10.19	11.28	107.04	109.32	10.66%	2.13%
Overall merchandise exports	41.96	41.68	451.07	437.06	-0.67%	-3.11%
Share of engineering (%)	24.30%	27.07%	23.73%	25.01%	---	---
Service Exports	30.44	28.54	325.33	339.62	-6.24%	4.39%

Source: Compiled from data by DGCI&S and Quick Estimates published by the Government of India

HIGHLIGHTS

- ✚ In FY' 2023-24, India's engineering exports grew by 2.13% recording the highest monthly exports at USD 11.28 billion
- ✚ This is contrary to the merchandise export trend – in FY 2023-24' India's merchandise exports declined by 3.11%
- ✚ The monthly engineering export trend became positive since December 2023 and exhibited a healthy double-digit growth in both February and March – in March the y-o-y growth was 10.7%
- ✚ The recovery in annual engineering exports was mainly due to surge in exports to WANA (27%), N E Asia (11.6%), CIS (65%) and Oceania (2.6%)

- ✚ *Therefore, the FTAs with UAE and Australia can be deemed effective*
- ✚ *In fact, March 2024 recorded positive Y-o-Y growth for almost all regions including North America, EU, WANA, ASEAN, NE ASIA, CIS and South Asia*
- ✚ *The revival in exports to Europe despite the logistics issues including the Red Sea Crisis is a positive observation from the present data*
- ✚ *The decline in cumulative engineering exports to our neighbouring countries was mainly due to forex shortages and liquidity crunch*
- ✚ *Decline in exports was also noticed in Latin America and Oceania regions in March 2024*
- ✚ *The decline in Latin America can be attributed to high transportation cost and high tariff structure faced by India due to lack of any comprehensive trade agreement*
- ✚ *Overall although Indian engineering exports failed to achieve the government set target of USD 122.8 billion in FY 2023-24, it performed well given the weak global trade trends, dwindling demand, forex crisis and geopolitical conflicts*

✚ According to the Quick Estimates of Department of Commerce, Government of India, share of engineering exports in India's total merchandise exports during fiscal 2023-24 increased to 25.01 percent from 23.73 percent in 2022-23.

✚ In March 2024, 27 out of 34 engineering panels witnessed positive year-on-year growth, while 7 remaining engineering panels experienced decline. Exports of Iron and Steel, Non-Ferrous products including Copper, Aluminium and Zinc and Nickel products, Motor Vehicle/Cars, and Office Equipment dropped.

✚ On a cumulative basis, 21 out of 34 engineering panels recorded positive growth and remaining 13 engineering panels including Iron and Steel, some non-ferrous sectors including Aluminium, Zinc, Nickel, and products, Other Industrial Machinery and Automobiles, Railway Transport products, Hand Tools/ Cutting Tools and Bicycle and parts recorded negative growth during April-March 2023-24

✚ Region wise, North America and European Union remained India's topmost destinations for engineering exports with share of 20% and 19% respectively, in India's total engineering exports. CIS registered the highest growth of 67.5% during April-March 2023-24 vis-à-vis the same period last year followed by WANA (growth of 27%), North-East Asia (growth of 11.6%), Other Europe (growth of 3.9%), and Oceania (growth of 2.6%).

✚ Among top exporting destinations, UAE, Saudi Arabia, Germany, UK, Korea Rep, China and Malaysia experienced positive growth in April-March 2023-24 while USA, Italy, Singapore, Mexico, Turkey, Indonesia, Bangladesh and South Africa saw negative export growth.

Overall Engineering Exports vs Engineering Exports Excluding Steel Segment
(Values in USD Million)

Trade Flow	Export in March 2023	Exports in March 2024	Growth (%)	Exports in Apr-Mar 2022-23	Exports in Apr-Mar 2023-24	Growth (%)
Overall engineering exports	10194.64	11281.4	10.66	107041.01	109318.95	2.13
Engineering exports excluding Iron and Steel	8818.20	10124.08	14.81	93643.52	97459.60	4.08

Source: DGCI&S, Govt. of India

Observation: Excluding the export of iron and steel, engineering exports recorded a higher year-on-year growth both in March 2024 and in entire fiscal 2023-24 as shown in the table. Lower exports of Iron and Steel therefore limited the growth of engineering exports to some extent during 2023-24.

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

Month	2022-23	2023-24	Growth (%)
December	9112.29	10007.55	9.82
October-December	24767.22	25908.46	4.61
January	8413.00	8766.20	4.20
February	8577.49	9941.35	15.90
March	10194.64	11281.40	10.66
January-March	27185.13	29988.95	10.31
April-March	107041.01	109318.98	2.13

Source: DGCIS, Govt. of India

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

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during March 2024 over March 2023 as well as in cumulative terms during April-March 2023-24 vis-à-vis April-March 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	March 2023	March 2024	Growth (%)	April-March 2022-23	April-March 2023-24	Growth (%)
U S A	1582.0	1672.9	5.7%	18682.7	17625.2	-5.7%
UAE	444.1	677.0	52.4%	4964.2	5903.6	18.9%
Saudi Arabia	441.7	604.2	36.8%	3082.8	5232.1	69.7%
Germany	368.7	393.9	6.8%	3946.2	4133.5	4.7%
Italy	451.0	364.9	-19.1%	3932.5	3884.7	-1.2%
U K	270.9	323.3	19.3%	3124.8	3592.4	15.0%
Singapore	303.5	350.9	15.6%	3671.6	3399.2	-7.4%
Mexico	351.7	300.9	-14.4%	3475.7	3249.9	-6.5%
Turkey	372.3	249.7	-32.9%	2852.7	2753.2	-3.5%
Korea RP	206.6	204.8	-0.9%	2189.7	2740.5	25.2%

Countries	March 2023	March 2024	Growth (%)	April-March 2022-23	April-March 2023-24	Growth (%)
China	231.6	266.2	15.0%	2631.9	2651.2	0.7%
Indonesia	271.5	120.4	-55.7%	2587.5	2336.3	-9.7%
Malaysia	139.9	417.3	198.4%	1850.3	2318.1	25.3%
Bangladesh	200.2	225.4	12.6%	2540.6	2194.1	-13.6%
South Africa	214.9	252.6	17.6%	2484.2	2192.8	-11.7%
Brazil	193.1	191.9	-0.6%	1931.2	2077.3	7.6%
Nepal	204.1	159.3	-22.0%	2305.7	2062.3	-10.6%
France	248.0	144.3	-41.8%	2197.5	1954.6	-11.1%
Japan	152.7	165.6	8.4%	1668.6	1925.3	15.4%
Netherland	207.3	168.8	-18.6%	2593.7	1891.7	-27.1%
Thailand	156.2	139.7	-10.6%	2113.0	1840.8	-12.9%
Belgium	186.9	180.2	-3.6%	1835.4	1725.0	-6.0%
Spain	166.1	154.9	-6.8%	1390.7	1596.0	14.8%
Australia	139.1	119.2	-14.3%	1377.0	1424.2	3.4%
Russia	116.9	132.2	13.0%	733.6	1356.3	84.9%
Total engineering exports to top 25 countries	7621.28	7980.52	4.7%	80163.64	82060.57	2.4%
Total engineering exports	10194.6	11281.4	10.7%	107041.0	109318.9	2.1%
Share % of Top 25 destinations	74.8%	70.7%		74.9%	75.1%	

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

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

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

US\$ million

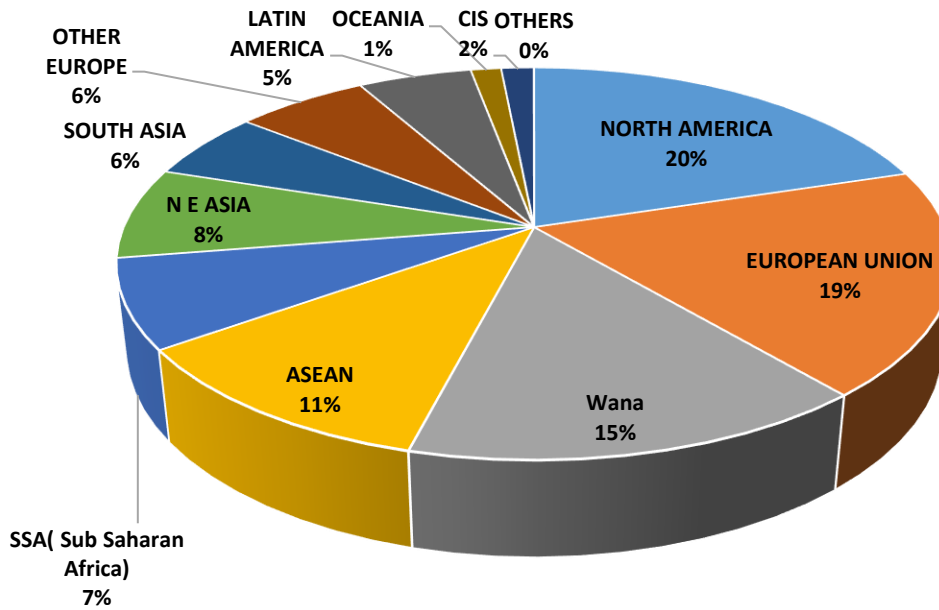
Regions	March 2023	March 2024	Growth (%)	April-March 2022-23	April-March 2023-24	Growth (%)
North America	2028.0	2086.9	2.9%	23532.2	22073.9	-6.2%
EU	2062.6	2119.7	2.8%	20304.7	20345.9	0.2%
WANA	1409.2	2030.0	44.1%	13115.6	16654.9	27.0%
ASEAN	1124.8	1382.5	22.9%	13092.1	12140.3	-7.3%
N E Asia	695.9	744.8	7.0%	7392.8	8253.4	11.6%
SSA(Sub Saharan Africa)	767.8	830.2	8.1%	8520.7	8011.2	-6.0%
Other Europe	755.2	611.1	-19.1%	6453.7	6703.8	3.9%
South Asia	515.0	673.5	30.8%	6380.9	6182.0	-3.1%
Latin America	535.1	501.4	-6.3%	5743.0	5747.2	0.1%
CIS	148.6	160.1	7.8%	980.9	1643.5	67.5%
Oceania	148.9	139.5	-6.3%	1499.0	1537.8	2.6%
Others	3.5	1.8	-50.4%	25.5	25.1	-1.5%
Grand Total	10194.6	11281.4	10.7%	107041.0	109318.9	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 2: Region-wise shares of India's engineering exports during April-March 2023-

24



PANEL-WISE ANALYSIS

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

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

Product panels	Mar - 23	Mar-24	Growth	April-March 2022-23	April-March 2023-24	Growth
Ferrous						
Iron and Steel	1376.4	1157.3	-16%	13397.5	11859.4	-11%
Products of Iron and Steel	926.1	994.8	7%	9768.6	9892.9	1%
Sub Total	2302.6	2152.2	-7%	23166.0	21752.2	-6%
Non-ferrous						
Copper and products	255.3	243.2	-5%	1848.5	2526.2	37%
Aluminium and products	719.5	577.5	-20%	8877.1	7681.0	-13%
Zinc and products	114.9	46.8	-59%	1324.8	727.4	-45%
Nickel and products	21.4	20.4	-5%	204.1	167.5	-18%
Lead and products	74.1	101.1	37%	481.7	780.5	62%
Tin and products	0.5	1.9	247%	11.4	16.1	41%

Product panels	Mar - 23	Mar-24	Growth	April-March 2022-23	April-March 2023-24	Growth
Other Non-Ferrous Metals	64.1	70.4	10%	761.7	748.1	-2%
Sub Total	1249.9	1061.3	-15%	13509.3	12646.8	-6%
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	46.8	84.4	80%	626.5	741.5	18%
IC Engines and Parts	334.5	334.8	0%	3627.9	3633.3	0%
Pumps of all types	119.1	139.6	17%	1319.6	1369.7	4%
Air condition and Refrigerators	184.2	186.1	1%	1636.0	1724.0	5%
Industrial Machinery for dairy, food processing, textiles etc.	764.6	815.7	7%	8517.4	8062.8	-5%
Machine Tools	61.6	79.4	29%	694.0	787.8	14%
Machinery for Injecting moulding, valves and ATMs	247.2	260.1	5%	2369.6	2530.5	7%
Sub Total	1757.9	1899.9	8%	18790.9	18849.7	0%
Electrical Machinery						
Electrical Machinery	1061.8	1201.7	13%	10962.2	12370.7	13%
Automobile and auto component						
Motor Vehicle/cars	856.6	741.8	-13%	8718.4	8254.7	-5%
Two and Three Wheelers	242.8	302.6	25%	2787.9	2772.5	-1%
Auto Components/Part	674.9	743.4	10%	7275.3	7707.2	6%
Auto Tyres and Tubes	238.8	284.1	19%	2967.5	2889.9	-3%
Sub Total	2013.1	2071.9	3%	21749.1	21624.2	-1%
Aircrafts and related products						
Aircrafts and Spacecraft parts and products	126.9	892.7	603%	1430.4	3241.2	127%
Ships Boats and Floating products and parts						
Ships Boats and Floating products and parts	362.1	475.8	31%	4035.2	4059.6	1%
Miscellaneous engineering products						
Medical and Scientific instruments	225.0	245.2	9%	2209.6	2426.8	10%
Railway Transport	22.4	24.7	10%	371.1	315.7	-15%
Hand Tools & Cutting Tools	83.0	90.9	10%	952.4	928.4	-3%

Product panels	Mar - 23	Mar-24	Growth	April-March 2022-23	April-March 2023-24	Growth
Bicycle & Parts	36.3	36.8	1%	396.0	364.6	-8%
Cranes Lifts & Winches	92.0	114.6	25%	812.8	1062.9	31%
Office Equipment	35.9	31.6	-12%	297.6	312.9	5%
Other Construction Machinery	235.3	331.4	41%	2407.5	3032.7	26%
Prime Mica & Mica Products	2.3	3.3	45%	27.4	37.0	35%
Project Goods	0.1	0.2	96%	2.0	2.8	38%
Other Rubber Product Except Footwear	151.9	165.4	9%	1712.6	1680.6	-2%
Other Misc. Items	436.1	481.8	10%	4208.9	4610.1	10%
Total engineering exports	10194.6	11281.4	10.66%	107041.0	109318.9	2.13%

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 90.4 % of India's exports is contributed by the listed 12 states. Within this almost 50 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

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

US\$ Million

Top States	Apr'22 – March' 23 (\$Mn)	Apr'23 - March'24 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Maharashtra	22602.7	22992.9	1.7%	21.0%	90.4 % share covered by top 12 states
Tamil Nadu	17315.0	16844.6	-2.7%	15.4%	
Gujarat	13519.8	14753.3	9.1%	13.5%	
Odisha	7809.6	7125.2	-8.8%	6.5%	
Haryana	6212.9	6753.8	8.7%	6.2%	
Karnataka	5731.1	6709.1	17.1%	6.1%	
Andhra Pradesh	5715.8	4885.6	-14.5%	4.5%	
Delhi	3480.1	4599.7	32.2%	4.2%	

Top States	Apr'22 – March' 23 (\$Mn)	Apr'23 - March'24 (\$Mn)	Growth%	%Share in India's Eng Export	Remark
Uttar Pradesh	4648.6	4117.9	-11.4%	3.8%	
Rajasthan	3412.1	3405.3	-0.2%	3.1%	
West Bengal	3494.7	3134.8	-10.3%	2.9%	
Telangana	1827.9	3458.0	89.2%	3.2%	

Source: NIRYAT portal

- Top 12 states constitute over 90.4 % of India's engineering Exports. Odisha retained its 4th position during the fiscal 2023-24 and Karnataka has moved down to 6th position, while Haryana has moved up to 5th position compared to the same period last fiscal.
- Major negative growth witnessed in states like Tamil Nadu, Odisha, Andhra Pradesh, Uttar Pradesh, Rajasthan, West Bengal, Madhya Pradesh, etc during April-March 2023-24 compared to same period last fiscal.
- Telegana had the most positive growth deviation in the current month as well as the current fiscal, while Meghalaya had the most negative growth deviation in the current month.
- Maharashtra being the highest state in terms of Engineering Goods exports is leading by US\$ 6148 million from Tamil Nadu (Second Highest State) during April-March 2023-24.

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 34.5 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-March 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	March 2023 (\$Mn)	March 2024 (\$Mn)	Growth %	Apr'22 – March' 23 (\$Mn)	Apr'23 - March'24 (\$Mn)	Growth %
EASTERN REGION	1300.7	1096.3	-16%	13870.6	12236.7	-12%
NORTHERN REGION	2088.0	2234.9	7%	21455.5	22651.0	6%

Region	March 2023 (\$Mn)	March 2024 (\$Mn)	Growth %	Apr'22 – March' 23 (\$Mn)	Apr'23 - March'24 (\$Mn)	Growth %
SOUTHERN REGION	2792.6	3884.2	39%	31372.3	33012.2	5%
WESTERN REGION	4005.3	4070.3	2%	39552.9	41415.4	5%
Total	10186.5	11285.6	11%	106251.3	109315.3	3%

Source: NIRYAT portal

Note: The total engineering exports given in the above table is taken from NIRYAT as per the latest available data 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.

Ten out of the first ten months of fiscal 2023-24 saw engineering exports growth and 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, December in 2023 and February 2024, 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 or decline.

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
August 2023	7.66	10.0
September 2023	6.50	5.1
October 2023	6.99	10.6
November 2023	-3.48	1.3
December 2023	9.82	4.5
January 2024	4.20	3.6
February 2024	15.90	5.0

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
March 2024	10.66	N A

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during March 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 March 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
March	82.29	83.00	0.86	Depreciation	0.05	Depreciation

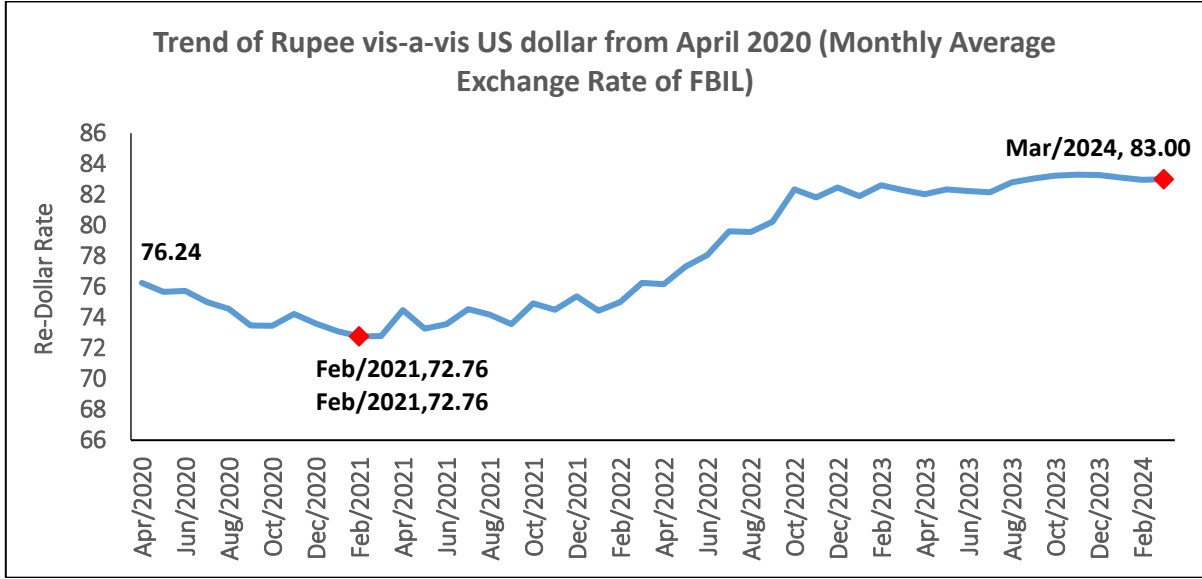
Rupee depreciation vis-à-vis the US Dollar continued on a year-on-year basis and this time in March 2024, Rupee depreciated on a month-on-month basis too after

appreciation in previous three months. Outflow of funds from India capital market due to global economic and geo political uncertainty pushed Rupee lower.

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 3: 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 March 2024 were valued at US\$ 12234.0 million compared to US\$ 12486.2 million in March 2023 recording a negative growth of 2 percent in dollar terms. Machine Tools recorded the highest growth in imports followed by Non-ferrous metals. Transport equipment and Iron and Steel and Medicinal & Pharmaceutical products witnessed a decline in import during March 2024 compared to March 2023.

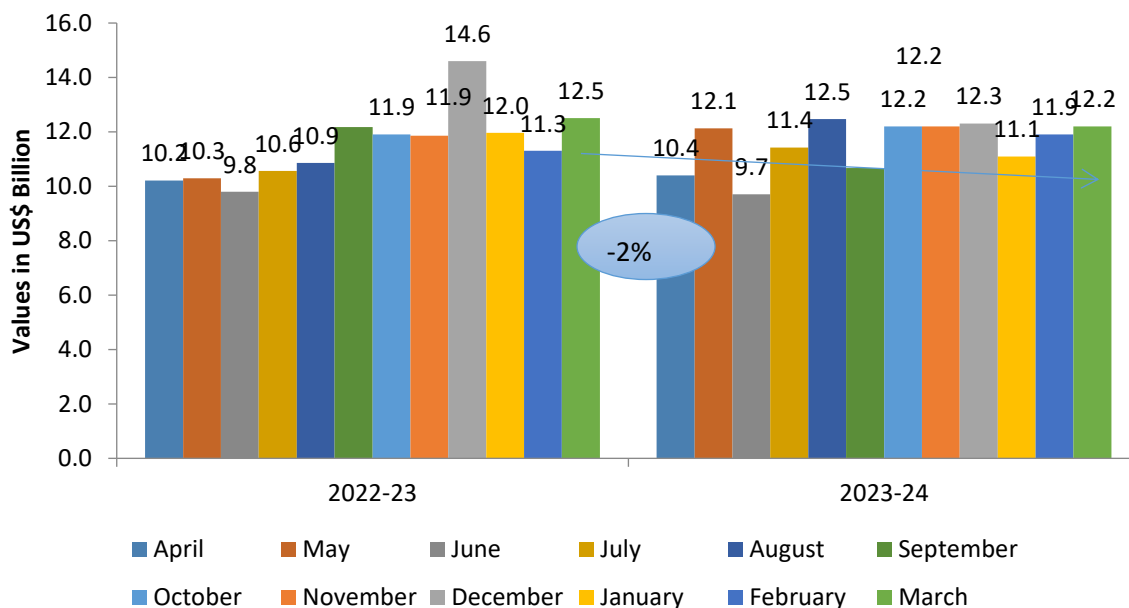
The share of engineering imports in India's total merchandise imports in March 2024 was estimated at 21.4 percent, higher than that of March 2023 which was estimated at 20.5%. The table & the figure below depicts engineering imports for **March 2024 compared to March 2023**.

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

Values in US\$ MN	March '23	March'24	Growth %	April-March '23	April-March '24	Growth %
India's Engineering Imports	12486.2	12234.0	-2.0	138517.4	141851.4	2.4

Source: Quick Estimates, MoC

Fig 4: Monthly Engineering Imports for March 2024 vis-a-vis March 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	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April-Mar
Engineering Export	9.0	9.3	8.5	8.7	9.1	8.9	8.1	7.9	10.04	8.8	9.9	11.3	109.3
Engineering Import	10.4	12.1	9.7	11.4	12.5	10.7	12.2	12.2	12.3	11.1	11.9	12.2	141.9
Trade Balance	-1.4	-2.8	-1.2	-2.7	-3.4	-1.8	-4.1	-4.3	-2.26	-2.3	-2.0	-0.9	-32.6

Source: DGCI&S, EEPC India Analysis

Conclusion

The Indian engineering exports revived in the last few months of FY 2023-24 contributing towards the significant cumulative positive growth for the entire fiscal. Revival of exports was noted in many key regions including North America, EU and

North East Asia. Our new FTAs with UAE and Australia has also been effective in boosting our exports to WANA and Oceania regions. It is important to mention here that the global trade is also showing signs of revival. This performance was made even though the Indian exporters faced a number of issues including decline in demand in key geographies, forex crisis in many markets, geopolitical conflicts across the world and logistical issues. In 2023, global merchandise exports declined by 5% - compared to that India's performance has been good.

The UNCTAD update further mentions that the outlook for 2024 remains positive despite certain uncertainties such as the geopolitical conflicts and logistical issues. The protectionist environmental policies of EU and slow economic revival in China will continue to create uncertainties for the exporters. To create further opportunities it is essential that we increase our value added exports. Also, new FTAs with important partners especially those in Latin America would be key for trade diversification. Overall although worries are there, the exporting community in India and across the world remains hopeful of 2024.

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