

Engineering exports decline almost 20% since April 2020

India's engineering goods exports has declined 19.68% during the first five months of the current financial year (April-August 2020-21) amidst the disruption in global supply chain on account of the COVID crisis. The decline, however, is not as severe as the fall in overall merchandise exports, which fell 26.65% during this period. Engineering goods account for more than 25% of India's goods exports. Engineering goods include ferrous and non-ferrous metals, industrial machinery, automobiles & auto-components, medical and scientific instruments, among others. In the month of August, India's engineering exports declined 7% compared to 12% decline in overall merchandise exports. USA and Europe, which are the major destinations of India's engineering products, have been badly affected by the COVID pandemic.

In 2019-20, the country's engineering exports declined 5.7% because of various domestic and global factors. India's engineering exports stood at USD 76.3 billion in 2019-20 as against USD 81 billion during fiscal 2018-19. One of the factors is the increasing trade protectionist measures in principal markets such as Europe. The US-China trade war and its adverse impact on world economy and trade has also dragged down India's engineering exports during 2019-20. Apart from this, rise in raw material prices in India is cited as another reason for fall in engineering exports.

Decline in engineering exports in 2019-20 follows strong growth in shipment in the previous two years. Engineering sector contributes approximately 36% of the total manufacturing export.

In order to revive engineering exports, India's trade associations should help local producers reach out to global buyers through virtual exhibitions and digital B2B platforms.

Notifications

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