

Indian exports on a growth trajectory

India achieved its export target of USD 400 billion for FY 2021-22 by exporting a record USD 418 billion worth of merchandise products to the world during the year. The sectors that witnessed significant growth in exports during the year include petroleum products, engineering, gems and jewellery, chemicals and pharmaceuticals.

India also entered into an Economic Cooperation and Trade Agreement with Australia on April 2nd, 2022. The key Indian sectors that will benefit from the Free Trade Agreement (FTA) in terms of growth in exports include pharmaceuticals, textiles, engineering goods, leather, and gems and jewellery.

Australia imposed a tariff of about five per cent on India's exports of many textile and apparel products to the country in 2021. Indian textile exports that have growth potential in Australia include bed & bath linen, toilet & kitchen linen, curtains, pillow covers, quilts & comforters, cotton bags, Readymade Garments, Carpets & Floorings etc. The reduction in tariffs under the FTA will provide Indian exporters a level-playing field with Australia's other trading partners such as China, Bangladesh, Vietnam, Cambodia and Indonesia.

Similarly, India's exports of iron and steel products, scientific and medical instruments, transport equipment, non-electrical and electrical machinery, gems and jewellery, leather products etc. face a tariff disadvantage in Australia. Elimination / lowering of tariffs will help India compete with its international peers in the Australian market.

At a time when the government of India has set an ambitious merchandise export target of USD 1 trillion by 2030, the government's push for enhancing production through the various Production-Linked Incentive schemes and speedy implementation of FTAs can help Indian exporters achieve economies of scale and strategically position their offerings in the international markets.

Notifications

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India overshoots export target in 2021-22

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1812990>

Signing of ECTA between India and Australia

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1812730>

Index of Eight Core Industries in February 2022 increases by 5.8 per cent

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1811985>

Export Policy for MSMEs

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1811827>

Cabinet approves USD 808 million for “Raising and Accelerating MSME Performance”

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