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

PIB

Cabinet clears natural gas marketing reforms
https://pib.gov.in/PressReleseDetail.aspx?PRID=1662325

Minister raises hope on EU-India FTA
https://pib.gov.in/PressReleseDetail.aspx?PRID=1662444

India, Japan sign pact on cyber security
https://pib.gov.in/PressReleseDetail.aspx?PRID=1662334

Minister launches first ever brand and logo for Indian cotton
https://pib.gov.in/PressReleseDetail.aspx?PRID=1662480