FINANCIAL EXPRESS. Dt: 09/01/24

Agri exports to hit $100 bn by 2030: Trade secretary

FE BUREAU
New Delhi, January 8

INDIA'S AGRICULTURE EXPORTS are expected to double to $100 billion in 2030 driven by ready-to-eat segment that has a huge potential, commerce secretary Sunil Barthwal said on Monday.

"I am very sure that the $50 billion exports of India today will see a doubling of our exports by 2030 to almost $100 billion," Barthwal said at the inauguration of the 7th edition of IndusFood Show 2024 here. It is the largest food and beverage show in South Asia.

The secretary said that areas like the ready-to-eat food segment have huge potential to grow.

Inaugurating the show, commerce and industry minister Piyush Goyal said that this fiscal, the country's agri exports will be more than last year's level of $ 53 billion, despite restrictions imposed on shipments of in-demand commodities including rice, wheat and sugar. The restrictions were placed as production suffered due to weather conditions in case of sugar. Rice exports were banned to ensure enough availability of the commodity at home and keep inflation under check.

These restrictions would have shaved off $4-5 billion from overall food exports but there has been a good performance recorded in exports of marine products, spices, fruits and vegetables.

Over 1,200 exhibitors and more than 7,500 buyers from across the world are participating at the IndusFood show

Over 1,200 exhibitors and more than 7,500 buyers from across the world are participating at the IndusFood show which has grown five times in size in the current edition. For the first time an international exhibitor pavilion has been set up at IndusFood with over 120 exhibitors from around the world. The aim of the government and private sector is to make it one of the biggest such events in the world.

More than 85 retail chains are here for the show to source their requirement from India, which includes names like Walmart, Spar, X5, Lulu, Mustafa, Carrefour, Grand Hypermarket, Khimji Ramdas, Choithrams, Nesto, Shwapno, Pick n Save, said Mohit Singla, chairman of Trade Promotion Council of India.

Business Line. Dt:- 10/01/24

Poultry sector advocates duty-free imports of maize

Our Bureau
Bengaluru

Concerned over the implications of increasing use of maize in ethanol production, the poultry sector has urged the Centre to allow duty free imports of maize to meet its future requirements.

The All India Poultry Breeder Association (AIPBA), Delhi, has recently written to the Ministry of Fisheries, Animal Husbandry & Dairying to allow duty-free maize imports so as to enable the poultry industry to meet its future requirements.

The current basic import duty on maize stands at 50 per cent. In a memorandum to the Ministry, the AIPBA pointed out that India's 34.60 million tonnes of annual maize production is insufficient to meet the requirements of the poultry industry as well as nation's food security.

"Per estimates of the Indian Institute of Millets Research, the poultry and livestock industry consumes more than 60 per cent of the country's maize production. In this context, the government's ambitious plan to generate half of the ethanol from maize by 2025-26 may have some serious implications for sectors like poultry and livestock. Diverting such a significant chunk of current maize production to ethanol could impact their access to essential feedstock, creating a severe demand-supply gap in the coming years," AIPBA said in the memorandum submitted to the Government.

The AIPBA, in a press release, said over the last decade, growth in maize production has been at 4.5 per cent, while the poultry industry has experienced a growth of 8-9 per cent.

RISING DEMAND

This disparity highlights the anticipated maize shortage for the poultry industry, particularly in the wake of the government's plan to promote maize for ethanol in a big way.

Ethanol's growing thirst for maize has also pushed prices skyward, posing a major challenge for Indian poultry farmers. With maize prices hovering around ₹22-23 per kg across India, poultry farmers are grappling with unsustainable costs. The burden is expected to intensify further by February, which may impact the poultry industry, it argued.

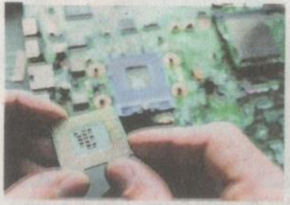
Business Lines. Dt:- 11/01/24

High tariffs of inputs on electronics may slow export: ICEA

Our Bureau
New Delhi

India has the highest tariffs of inputs on electronics manufacturing and the price rise due to high tariffs on inputs perpetuates imports, contrary to policy objectives of building a local ecosystem and increasing domestic value addition, a report has said on Wednesday.

According to a seven-country study on tariffs on components and sub-assemblies for making smartphones, by industry body, India Cellular & Electronics Association (ICEA), competitiveness is critical to building scale, which in turn positively impacts domestic value addition and job creation. The study shows that India's simple average most favoured nation (MFN) tariff for inputs is 8.5 per cent, higher than China's 3.7 per cent, it said adding that in practice, China's tariffs are closer to zero because most mobile production takes place in 'Bonded Zones', where all inputs are at zero tariffs.



Similarly, nearly 80 per cent of Vietnam's imported inputs are from countries with whom it has free trade agreements (FTAs). Hereto, FTA weighted average tariff comparison between India and Vietnam shows that India's simple average is at 6.8 per cent vis-a-vis Vietnam's at 0.7 per cent, ICEA said in the report.

"The highest tariffs for both China and Vietnam are 10 per cent maximum. By contrast, India has many more tariff lines, in addition to higher tariffs. Almost all (97 per cent) of Vietnam's weighted average tariffs are between zero and five per cent, while 60 per cent of China's tariff lines are in that range. A line-by-line comparison of India's non-zero tariffs shows that India has higher MFN tariffs for 85 per cent of these lines compared to China, and 100 per cent of the lines compared to Vietnam," it said.

High tariffs impact India's manufacturing competitiveness and as a result there is an overall loss of competitiveness of six to seven per cent compared to Vietnam and China.

Business Line. Dt:- 11/01/24

Hike in bamboo import duty has turned an incentive for domestic industry: MDPH official

Subramani Ra Mancombu
Chennai

Anshul Agrawal, Director, MDPH

The Centre's decision to hike the import duty on bamboo has become a "big incentive" for the domestic industry to manufacture bamboo sticks and invest more in the sector, says Anshul Agrawal, Director, Mysore Deep Perfumery House (MDPH).

MDPH is one of the top three agarbatti manufacturers in India with its flagship brand Zed Black selling 15,00,000 *agarbatti* and *dhoopbatti* packets daily across India.

The Centre raised the import duty on bamboo from 10 per cent 25 per cent in 2020 even as it declassified the material as a grass. Earlier, it was treated as a forest produce, curbing its use.

IMPORT DEPENDENCE

"This has helped to plant the right species and in a couple of years, we can begin making bamboo sticks catering to the *agarbatti* and other industries. We want to be a company which sources most of its raw materials from India itself," Agrawal said.

As bamboo was classified as a forest produce, the right bamboo species could not be planted in the country then.

In particular, the *agarbatti* industry needs round bamboo sticks that can be easily used in machines making the incense sticks.

As India is MDPH's major market, it does not want to depend on imports and there is nothing to set off against these shipments, he said.

The company uses over 10 tonnes of bamboo a day to manufacture agarbattis, translating to nearly 3,000 tonnes a year. "The bamboo is sourced from the North-East as well as Vietnam, which is the major contributor," he said.

SHIPRA UNIT

MDPH, which has modern machines at its units based near Indore in Madhya Pradesh, will increase the total area of its unit at Shipra in the central Indian state to 3.5 lakh sq ft by March from the current two lakh sq ft.

The Shipra unit is used for making finished goods, with the raw agarbattis being made at the Ram Pipliya Unit. "All the dipping and everything is done there (Shipra). All the packaging branding is done there and then it is shipped across India daily," the MDPH official said.

The company, which currently has 4,000 workers on roll with 80 per cent of them women, will increase its labour force in the Shipra unit by another 400 to the current 800 employed there, he said.

MDPH plans to extend its reach in households instead of being confined to just the *pooja* (prayer) room. "Now, we wish to be a part of every corner of the household as we feel our expertise lies in creating the best fragrances customers like," he said.

Business Line. Dt:- 11/01/24

Indian exporters must gear up to comply as EU customs system goes digital from June

Press Trust of India
New Delhi

Indian exporting firms need to gear themselves up to comply with new norms as the European Union is moving towards a paperless customs process from June 3.

The development assumes significance for domestic exporters as the EU accounts for about 17 per cent of India's total merchandise exports. In 2022-23, India exported goods worth $75 billion to EU, against the country's total exports of $451 billion in that financial year.

The EU has proposed to implement the second phase of its Import Control System (ICS) from June 3 this year. ICSD 1 was applicable to air mail and express deliveries from March 15, 2021, and was then extended to air cargo from March last year. ICS2 will now be extended to cover all type of imports using ships, trains and trucks. The first two phases covered 15 per cent imports into the EU, and the third and final phase will cover balance 85 per cent of the imports by value.

MAJOR PARTNER. The European Union accounts for about 17 per cent of India's total merchandise exports

According to a European Commission release, economic operators carrying goods by sea, inland waterways, road and rail will have to submit a complete Entry Summary Declaration (ENS) dataset to ICS2. The new system will apply to all goods, including physical goods such as manufactured products, raw materials, agricultural products, and even live animals. It will also apply to letters, parcels, and express deliveries.

SIMPLE PROCESS

The new system enables the EU to move towards a paperless and risk-based import compliance. It eliminates the need for paper declarations for most goods, and simplifies the customs clearance process based on risk assessment.

Economic think tank Global Trade Research Initiative said: "Indian exporters, EU-based importers, and carriers will now be required to submit data electronically through the ICS2 system, replacing older paper-based declarations."

It added that the new system is streamlining the customs clearance process by eliminating the need for physical paperwork at borders.

Paper documents may be required only for a small category of specific types of goods or certain trade lanes. Also, while EU customs goes digital, it recognises that international trade might still involve paper documents, such as bills of lading or commercial invoices.

Business Standard. Dt: 11/01/24

Rodtep, PC imports on table at India-US forum

Trade policy meet may also take up issues like GSP, non-tariff barriers

SHREYA NANDI
New Delhi, 10 January

India on Friday will take up with Washington some trade issues, such as restoring the United States' (US's) trade preference programme — Generalised System of Preferences (GSP) — a totalisation pact to protect the interests of cross-border workers, and sorting out non-tariff barriers.

This will be during the annual Trade Policy Forum (TPF) ministerial.

India will push for greater interaction between officials of both sides and this will help India dispel Washington's qualms on the compatibility of the export-boosting scheme Remission of Duties or Taxes on Export Products (Rodtep) with global trade norms, a person aware of the matter told *Business Standard*.

The US has imposed countervailing or anti-subsidy duties on Indian products as retaliation against RoDTEP even as India has made it clear that the scheme refunds only the embedded non-creditable central, state, and local levies paid on inputs to exporters and doesn't offer subsidies.

"Perhaps a dialogue may help the US to look at the perspective that both countries may miss out if we don't speak," the official said.

On the other hand, among the US's priorities will be to have fresh discussion with India on the import-monitoring system for laptops, personal computers, and information-technology (IT) hardware implemented November onwards. The US has once again sought clarification on the rationale behind the decision, another person said.

The TPF will be co-chaired by Commerce and Industry Minister Piyush Goyal and US Trade Representative Katherine Tai, who will be in New Delhi for the ministerial.

The ministerial is particularly crucial, considering that the US is India's largest trade and export partner. Bilateral merchandise trade during April-October stood at $69.36 billion.

The meeting is set to take place at a time when India-US relations have reached new heights, with New Delhi and Washington agreeing on a truce over seven disputes at the World Trade Organization (WTO) and are on the same page with respect to key policy areas. In fact, discussions on settling the WTO cases started during last year's TPF in Washington.

That apart, over the past one year, India and the US, along with 12 other nations, have interacted regularly on finalising the pacts under the Indo-Pacific Economic Framework for Prosperity (IPEF), an initiative to counter China's influence among South and Southeast Asian nations and draw more investment among the 14 countries through cooperation.

India may take up the issue of non-tariff barriers concerning agricultural products, which are one of the focus areas for both nations. Time and again exporters on both sides have faced challenges on market access for such products.

India may flag its concern related to the export of fruit such as grapes and pomegranate.

Ajay Sahai, director-general and chief executive officer, Federation of Indian Export Organisations, said the age-old issue of totalisation/social-security agreement should be discussed since the Indian IT industry had been spending a lot of money there, without getting much benefit out of it.

"The time has come to have an exploratory process for an India-US FTA. Although the current regime (in the US) may not want to sign an FTA, since the US is our largest trading partner, we should start the process and see if we can have a study instituted for starting the FTA and can take it forward when the situation arises," Sahai said.

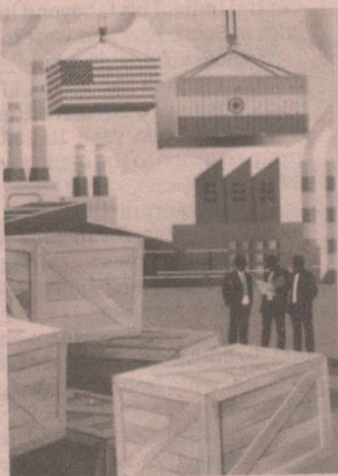


ILLUSTRATION: AJAY MOHANTY

TUG OF WAR

- India to raise the issue of GSP restoration, totalisation agreement
- To push for greater interaction between officials from both sides so that India is able to dispel doubts over Rodtep's compatibility with WTO norms
- Both sides to discuss ways to reduce non-tariff barriers, especially in agriculture
- India to once again explain the rationale behind implementation of import monitoring system for laptops, PCs

FINANCIAL EXPRESS Dt: 11/01/24

Duty cut may boost India's phone exports to $39 bn by 2027: ICEA

JATIN GROVER
New Delhi, January 10

REITERATING THE DEMAND for reduction in tariffs and duties on components and subassemblies imported for making smartphones in India, the India Cellular and Electronics Association (ICEA) on Wednesday said such a reduction in input tariffs could increase the country's smartphone exports by nearly four times to $39 billion (around Rs 3.2 trillion) by FY27, from $11 billion (Rs 90,000 crore) in FY23.

Similarly, the tariff rationalisation could also increase the domestic production of mobile phones to $82 billion (Rs 6.8 trillion) by FY27 from $44 billion (Rs 3.5 trillion) in FY23, thereby creating 3 million jobs.

In the absence of any duty reduction on smartphone components such as printed circuit board assembly (PCBA), charger/adapter, cell, mic and receiver, speaker, etc, the growth in smartphone exports from the country would be limited to $27 billion by FY27. On the other hand, the domestic production would also be limited to $64 billion, and may limit job creation to 2.4 millions comparatively, according to an analysis by ICEA, which represents companies across the mobile and electronics industry.

The smartphone companies are batting for a reduction in duties and tariffs on components as the current higher duty structure increases cost of production, and makes India less competitive compared to economies like China and Vietnam. A higher duty structure also makes it difficult for companies to join global value chains (GVCs) and simultaneously discourage companies from shifting large scale production to India.

Further, higher tariffs also diminishes the benefits of the production linked incentive (PLI) scheme.

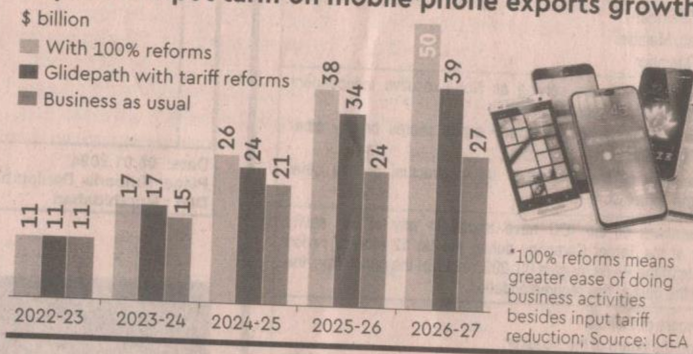
Currently, India's average tariffs on inputs from the most favoured nation (MFN) is 8.5%, compared to China's 3.7%. In comparison with Vietnam on imports of components under free trade agreements (FTAs), India's average tariff is at 6.8%, compared to Vietnam's at 0.7%.

MFN tariffs are what countries promise to impose on imports from other members of the World Trade Organisation (WTO).

"To achieve the target of high export, India needs more than just ambition; it requires a tangible shift of global value chains, bringing major production lines to India and integrating our businesses into the international supply web," said Pankaj Mohindroo, chairman at ICEA.

In its recommendations for the Union Budget of 2024-25, ICEA has urged the government to simplify the input tariff structure first from multiple slabs to three slabs of 0%, 5%, and 10%. The industry association said all the components tariff lines which increase costs of production significantly should be brought down to zero.

Impact of input tariff on mobile phone exports growth



To get started, ICEA wants the government to reduce duties to 15% on components such as charger/adapter, PCBA, which attract 20% import duty at present. For mechanics, mic and receiver, and speaker, the association wants the duty to be reduced to 10% from 15% at present. For other products such as parts of camera modules, parts of connector, parts of PCBA, ICEA wants the duty structure to be zero from 2.5% at present.

"We need three tariff slabs so that the disputes on classification of items between the authorities and companies can be resolved. Currently, owing to confusion on interpretation of display components, Rs 20,000 crore duty differential is there," said Rajesh Sharma, executive director & principal advisor at ICEA.

Therefore, the industry association has also urged the government to reduce tariffs on 'others' category of parts of smartphones/mobile phones to 10% from 15% to reduce instances of misinterpretation, and avoid any litigation or ease of doing business issues.

"To seize the opportunity, India should address tariff competitiveness. This is vital to unlock our potential in global electronics manufacturing and trade and integrating India to GVCs," Mohindroo said.

FINANCIAL EXPRESS Dt. 12/01/24

No plan to lift ban on exports of onions

SANDIP DAS
New Delhi, January 11

DESPITE REPORTS OF a sharp fall in onion prices across key mandis, the government is taking a cautious approach, with no immediate pan to lift the ban on exports of the key vegetable imposed last month.

Official sources told *FE* that during the assessment of onion supply situation in the country recently, there was consensus that revoking onion exports ban may not be feasible at current circumstances.

'We are assessing the onion supply situation and prices closely," an official said.

With the arrivals of kharif harvest, the mandi prices at Lasalgaon, Maharashtra, has fallen to a range of ₹1,500–1,800/quintal on Thursday from around ₹3,700 – 4,000/quintal prior to the imposition of shipment ban announced on December 7 till March 31, 2024.

In other key onion producing districts of Pune, Ahmednagar and Solapur, mandis prices are currently ruling around ₹1,800-1,900/quintal.

A trader said that onion kharif harvest due to high moisture content can't be stored and the arrivals are increasing thus pulling down the prices. Farmers and traders have been demanding a lifting ban on exports so that prices do not plummet.

"The mandi prices have fallen sharply and the current prices are below the cost of production for the farmers," Balasaheb Misal, former director, Manmad (Maharashtra) mandi board and an onion farmer, said

According to the department, the modal retail prices of onion declined 33% to ₹40/kg on Thursday from ₹60/kg on December 8 when ban on export was announced.

Retail onion inflation rose by a steep 86.46% in November as retail prices in several cities touched ₹90/kg last month because of delay in arrival of kharif crops and unseasonal rains impacting the crops in Maharashtra and Karnataka.

The government agencies – farmers' cooperative Nafed and National Cooperative Consumers Federation of India (NCCF) has procured 20,000 tonne of kharif onions so far against a target of 0.2 million tonne (MT) following the government's decision to increase buffer stock target t 0.7 million tonne from 0.5 MT for the current fiscal.

FINANCIAL EXPRESS Dt: 12/01/24.

Maruti to start EV exports this yr

Vibrant GUJARAT 2024 10-12 Jan

PRESS TRUST OF INDIA
Gandhinagar, January 11

MARUTI SUZUKI INDIA plans to start exporting electric vehicles (EVs) from India this year after launching them in the country, a senior company official said on Thursday. The company also expects to export lithium-ion battery cells and modules worth around ₹750 crore this fiscal.

"This year itself we will start exports of EVs to countries like Europe and Japan," Maruti Suzuki India executive director Rahul Bharti said at the Vibrant Gujarat Global Summit.

This year itself we will start exports of EVs to countries like Europe and Japan

RAHUL BHARTI,
EXECUTIVE DIRECTOR, MARUTI SUZUKI INDIA

On the export of battery cells and modules, Bharti said, "We are exporting it to advanced countries like in Europe. We will be touching almost ₹750 crore of lithium-ion advanced chemistry cells, battery packs and module exports this financial year."

Automotive Electronics Power Private (AEPPL) — a joint venture between Japan's TOSHIBA Corporation, Denso Corporation and Suzuki Motor Corporation, has a lithium-ion battery plant at Hansalpur in Gujarat. Maruti Suzuki procures the cells and models from the JV and exports them. On Thursday, the company had announced an investment of ₹38,200 crore to set up a second plant in Gujarat and add a fourth line at the Suzuki Motor Gujarat plant.

The second plant would have an installed production capacity of a million units per annum, while the fourth line would add a capacity of 250,000 units per year, increasing the annual production capacity of Suzuki Motor Gujarat from the current 750,000 to 1 million units.

Suzuki Motor Corporation president Toshihiro Suzuki on Wednesday said the first battery electric vehicle from the Suzuki Group will be rolled out from Suzuki Motor Gujarat by the end of this year.

Business Line · Dt: 15/01/24

Two-wheeler exports show revival signals in December quarter

G Balachandar

Chennai

Two-wheeler exports from India appear to be exhibiting signs of revival with the December 2023 quarter reporting positive growth, supported by a strong increase in shipments of India-built scooters.

Though overall two-wheeler exports for the 9 months of the current fiscal are lower compared with the year-ago period, the October-December 2023 quarter period saw an increase in shipments of two-wheelers when compared with the year-ago period, according to the data provided by the Society of Indian Automobile Manufacturers. Total two-wheeler exports for the December 2023 quarter stood at 8.57 lakh units compared with 8.46 lakh units in the year-ago quarter. Total motorcycle sales were lower at 7.36 lakh units against 7.63 lakh units, and scooter exports grew to 1.2 lakh units compared with about 83,000 units in the December 2022 quarter.

EXPORT SURGE

Also, two-wheeler exports in December 2023 grew to about 2.88 lakh units compared with

2.72 lakh units in December 2022.

Bajaj, TVS Motor and Honda reported an increase in their exports. Bajaj Auto saw its exports grow to about 1.25 lakh units in December 2023 compared with 1.22 lakh units in December 2022. TVS Motor's two-wheeler exports stood at 75,000 plus units against 66,300 units. Honda Motorcycle & Scooter India's two-wheeler shipments witnessed an increase to about 31,000 units against 17,000 units.

"Market conditions in some of the key destinations are improving. But it is a little early to conclude about the rebound in demand," said an auto analyst. Two-wheeler exports were hit mainly by headwinds in African markets, which accounted for the major portion of our two-wheeler exports. Though the demand scenario has been improving, some of the key markets are yet to return to normal levels.

KN Radhakrishnan, Director and CEO, TVS Motor Company, had indicated that the second half of this fiscal would see a revival in two-wheeler exports. The company already has a presence in the African region and has been expanding its presence in new markets like Latin America and ASEAN, where the company was present only in a few countries. For the 9-months of this fiscal, total two-wheeler exports stood at 25.421 lakh units when compared with 29.51 lakh units in the April-December 2022 period. Bajaj Auto accounted for about 44 per cent of the total two-wheeler exports, followed by TVS Motor Company (26 per cent) and Honda Motorcycle (10 per cent).

"While exports of Bajaj have yet to reach their previous peaks yet but export volumes appear to be bottomed out. Average monthly export volume run rate in Q3 FY24 stood at 140,905 units when compared with 133,708 units in H1FY24. The management is expecting export volume run rates in Q4 FY24 to be better than Q3 FY24," according to analysts at Sharekhan.

FINANCIAL EXPRESS. Dt: 15/01/24.

Red Sea crisis dents petroleum exports

ARUNIMA BHARADWAJ
New Delhi, January 14

INDIA'S EXPORT OF petroleum products to Europe has declined substantially so far this month owing to rising tensions in the Red Sea, dropping to just 100 thousand barrels a day (kbd) from 350-400 thousand barrels a day in November and December. Many tankers have instead opted for the longer route via the Cape of Good Hope, which has pushed up shipping costs.

"Even if they export to Europe, Indian refiners prefer circumnavigating Africa," said Viktor Katona, lead crude analyst at Kpler. "In January so far, there have been three cargoes departing from India to Europe, one diesel cargo seemingly will try the Bab el Mandeb strait, whilst two jet fuel cargoes (Doric Courage from Jamnagar and Pacific Julia from Nayara) have opted for the longer route around the Cape of Good Hope."

The escalating threats to cargo vessels in the Red Sea have changed India's export destinations of petroleum products as the country has started supplying more to East Asia and Africa now compared with its supplies to Europe. Further, the alternative route for supplies to Europe has increased shipping cost for Indian product exporters by 60-70%.

India could see a nearly 7% drop in exports in FY24 as higher container shipping rates might prompt exporters to hold back

"To take just one specific example, the route from Jamnagar to Rotterdam takes 24 days via the Suez Canal and 42 days via the Cape of Good Hope," Katona said. "So in general for Indian product exporters the circumnavigation of Africa means shipping costs getting 60-70% higher into Europe."

As per the Delhi-based Research and Information System for Developing Countries (RIS), India could see a nearly 7% drop in exports in FY24, amounting to around $30 billion as higher container shipping rates might prompt exporters to hold back on shipments, reports have suggested.

India exports a variety of goods via the Red Sea, including petroleum products. Export of petroleum products fell by 7.5% in November last year to $7.48 billion compared to $8.08 billion in November 2022, as per the latest government data. The exports were 15% down during the first eight months of the current fiscal at $65.23 billion.

"For standalone refiners such as RIL, MRPL, and CPCL, there could be some margin hit on the crude side, while on the product side, exports to EU could be impacted," Madhavi Arora, lead economist with Emkay Global Financial Services, had earlier said in a note.

Arora noted that freight rates from Asia have spiked 53% in a month and container shipping giants including oil supermajor BP have halted transit via the Red Sea or the Suez Canal.

FINANCIAL EXPRESS. Dt: 15/01/24.

Automobile exports dip 21% in 2023: SIAM

PRESS TRUST OF INDIA
New Delhi, January 14

AUTOMOBILE SHIPMENTS FROM India declined 21% last year as many overseas markets continued to face monetary and geopolitical crises, as per the latest SIAM data.

Overall exports stood at 42,85,809 units last year compared to 52,04,966 units in 2022. Passenger vehicle shipments rose 5% to 6,77,956 units last year from 6,44,842 units in 2022.

However, other segments like commercial vehicles, two-wheelers and three-wheelers saw a decline in exports last year.

Two-wheeler exports slipped 20% to 32,43,673 units last year from 40,53,254 units in 2022. Similarly, commercial vehicle shipments declined to 68,473 units last year from 88,305 units.

Three-wheeler exports declined 30% to 2,91,919 units last year from 4,17,178 units.

Society of Indian Automobile Manufacturers (SIAM) Director General Rajesh Menon said that in 2023, passenger vehicle exports were driven by vehicle launches and pent-up demand in markets like South Africa and the Gulf region.

"The increase can also be attributed to a smoother supply chain as compared to the previous year, wherein there were supply-side disruptions, including that of semiconductors," he added.

Overall exports stood at 42,85,809 units last year compared to 52,04,966 units in 2022