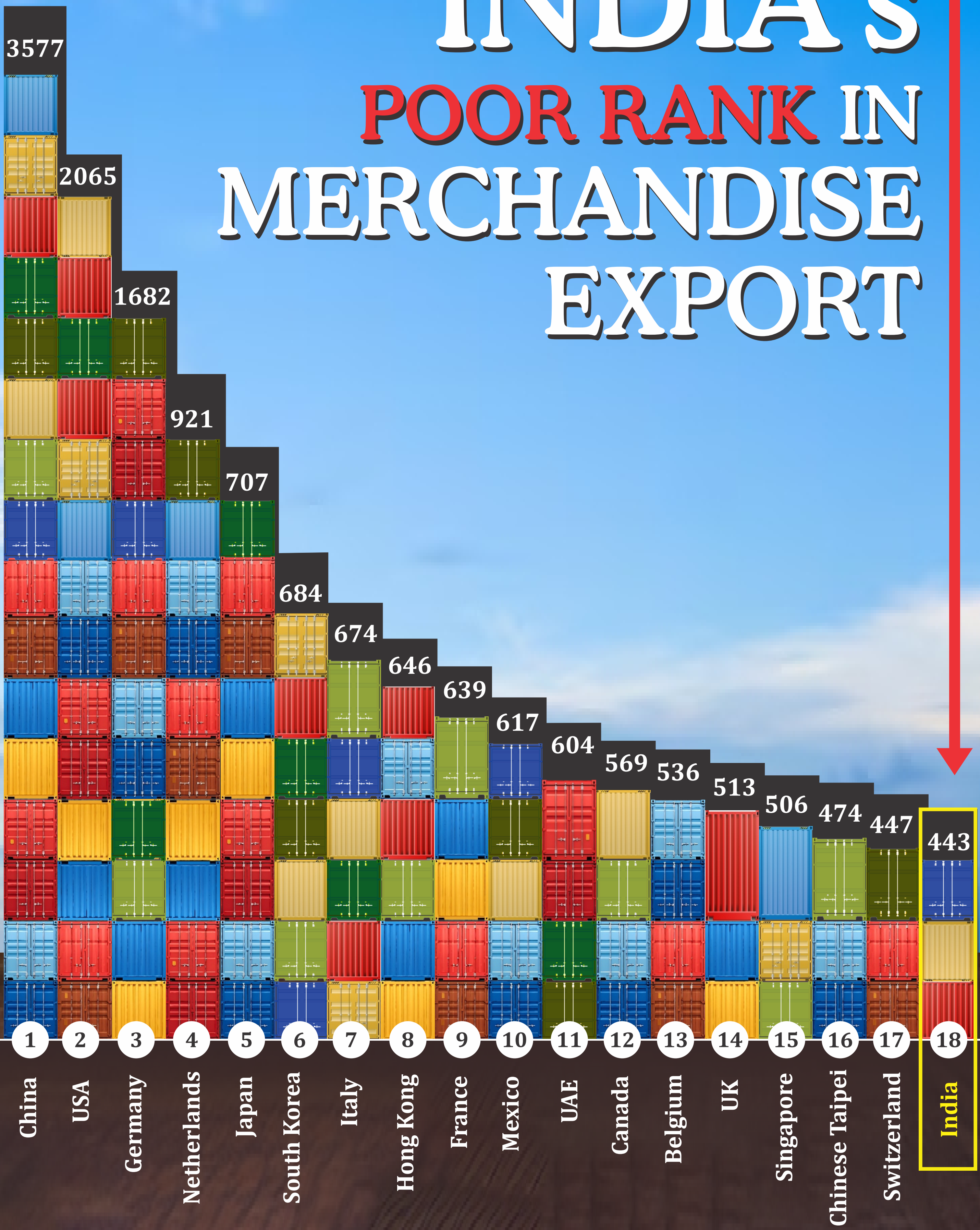
INDIA's POOR RANK IN MERCHANDISE EXPORT



Source: WTOSTAT (Accessed on 24th December 2025) **Year:** 2024 **Unit ($ bn)**

"Make in India" was launched in the year 2014 to build India as a global major in manufacturing and merchandise export. Ironically, between 2015 and 2024, India's global rank in merchandise export slipped from **13th** to **18th.**

There are several reasons why India, the **5th** largest economy, slipped to a poor **18th** in merchandise export.

Global leaders in merchandise exports are leaders in chemicals, too. Chemical sector is the mother of manufacturing sector. Remember, chemicals are used in nearly **96%** of the manufactured goods.

To increase India's merchandise exports, the priority focus should be on expanding the domestic chemical industry. This has not happened.

It took **3** to **4** years to set up a chemical factory in India in 2015. It takes the same time even today. There is no improvement.

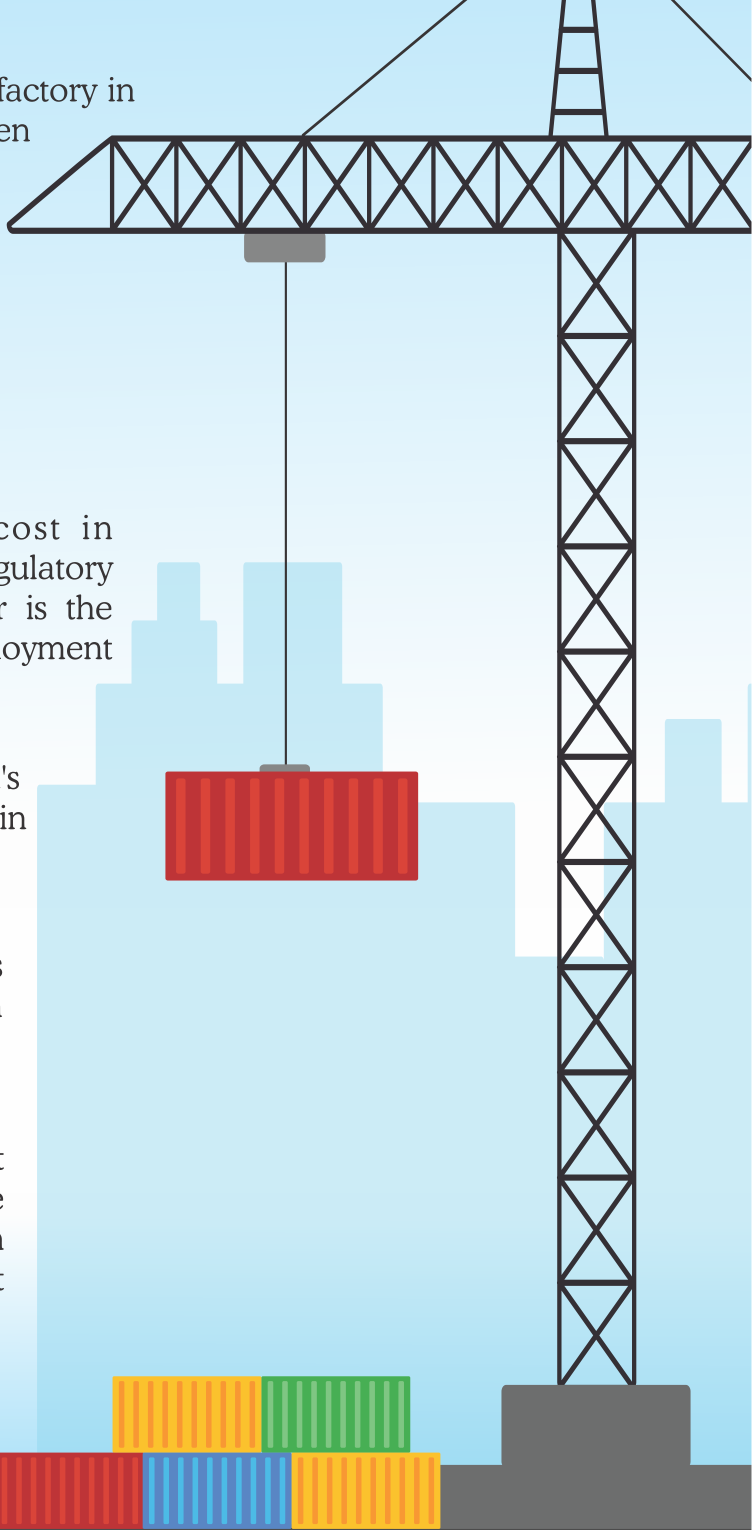
Sluggish policy reforms, bureaucratic red tape, over regulations, arbitrary and whimsical environmental laws form a formidable force against industrialization in India.

India's advantage in low labour cost in manufacturing sector is offset by high regulatory and logistic costs. Manufacturing sector is the backbone of economic growth and employment creation. This sector shows signs of distress

Share of manufacturing sector in India's GDP has fallen from **16%** in 2015 to **13%** in 2024.

Share of manufacturing in India's merchandise export has declined from **68%** in 2015 to **66%** in 2024.

While the merchandise export increased at CAGR of **5%** between 2015 and 2024, the merchandise import increased at a much higher CAGR of **6%** taking the trade deficit burden from **$126 bn** to **$275 bn.**



What needs to be done now

The time lag between obtaining Consent to Establish (CTE) and the Consent to operate (CTO) the factories should be significantly reduced.

Research in the Govt funded R&D institutions must have a strong economic focus and support industrial development - similar to China and USA.

This requires a complete overhaul of archaic environmental laws.

All executive orders that are arbitrary and inconsistent with statutory laws / rules must be reviewed and repealed.

Issued in the interest of Indian manufacturing sector by ASMECHEM Chambers of Commerce and Industry of India, an association of small & medium enterprises engaged in chemical production.

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