

'UP's merchandise export grew faster than nat'l avg'

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Lucknow: The annual average growth rate of merchandise export from Uttar Pradesh in the past four years was 6%, which is much above the national average of 2.4%, says the latest report of Exim Bank, to be launched by Union finance minister Nirmala Sitharaman on Saturday. The report ranks UP fifth among all states by value of [exports](#) during 2020-21.

The report attributes the achievement to a conducive policy environment for manufacturing and exports. The state's exports amounted to USD 16.4 billion in the financial year, it says.

However, despite registering an annual average growth of 6% from 2016-17 to 2020-21, Covid-19 played a spoiler for the state in the past financial year where merchandise exports fell by 3.5% compared to the previous financial year where it had exported goods to the tune of USD 17 million.

On Saturday, Sitharaman will also launch 'Ubharte Sitaare Fund' for export-oriented small and mid-sized companies jointly sponsored by Exim Bank and SIDBI and a report on the Sports Good manufacturing in UP.

"During 2020-21, merchandise exports from UP registered a year of decline of 3.5%, after several consecutive years of growth. The decline was largely on account of the Covid-19 associated disruptions to international trade," the report says, adding however, that the decline during the year was relatively muted as compared to the decline in merchandise exports from India as a whole.

The report also highlights UP's massive untapped potential for merchandise exports, pegging it at nearly USD 12.2 billion.

"UP has the potential to achieve exports of USD 30 billion in the short to medium term. While sectors in which the state is traditionally strong shall continue to be important from the exports perspective, there is a need to diversify the exports basket. In the short to medium term, the focus of the exports strategy should be on sectors where the state possesses comparative advantage," the report recommends.

It adds that the state will have to provide incentives for encouraging capacity building in sectors where there is a rising global demand but in which the state's exports are currently not competitive.

During 2020-21, UP accounted for nearly 90% of the country's exports of saddlery and 12% of harness. In categories such as silk carpet, processed meat, buffalo meat, sheep and goat meat, telecom instruments and finished leather, UP accounted for more than half of the merchandise exports. Sports goods is also an important export item for UP, with the state accounting for nearly a third of the overall exports from India.