Engineering Export-Import Monitor

NOVEMBER 2024

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ENGINEERING TRADE ANALYSIS FOR NOVEMBER 2024

India's engineering exports continued its growth run with 13.75% year-on-year increase in November 2024

Trade Flow	Export figures (in US$ billion)				Growth (%)	
	Nov-2023	Nov-2024	Apr - Nov 2023-24	Apr – Nov 2024-25	Nov-2024 over Nov-2023	Apr-Nov 2024-25 over Apr-Nov 2023-24
Engineering exports	7.82	8.90	69.32	75.47	13.75%	8.87%
Overall merchandise exports	33.75	32.11	278.26	284.31	-4.83%	2.17%
Share of engineering (%)	23.18%	27.71%	24.91%	26.87%	---	---
Service Exports	28.11	35.67	220.08	251.94	26.89%	14.48%

Source: *Compiled from data by DGCI&S and Quick Estimates published by the Government of India.*

Indian engineering exports continued its growth run for the seventh straight month to Novemober 2024 and this time the growth was also impressive at 13.75 perecnt year-on-year. This growth, like previous month driven by exceptionally high growth in exports of Aircraft, spacecraft and parts; and Ships, boats and floating structures, in this month also. Other than these two product groups, exports of Iron and steel turned positive for the second straight month in fiscal 2024-25 and helped engineering exports to achieve higher growth. Electric machinery and automobile also supported this high growth of overall engineering exports by showing noticeable increase in exports during Nov 2024. Export growth was evident in major global regions inlcuidng North America, EU, ASEAN and N E Asia. Cumulative exports during Apr-Nov 2024-25 recorded 8.87 percent growth over the same period last fiscal. Share of engineering in overall merchandise exports was at an impressive 27.71 percent in November 2024 and at 26.87 percent on a cumulative basis.

HIGHLIGHTS

- Indian engineering exports continued its growth run for the seventh straight month to November 2024 but this time the growth moderated to 13.75 percent year-on-year from an unprecedented growth of 38.39 perecnt year-on-year witnessed during October 2024.
- In November 2024, engineering exports was recorded at USD 8,897.64 million as against USD 7,822.25 million during the same month last fiscal.
- Cumulative engineering exports during April-November 2024-25 was recorded at USD 75,472.31 million as against USD 69,321.93 million during the same period of the last fiscal, registering an increase of 8.87 percent.
- According to the Quick Estimates of Department of Commerce, Government of India, share of engineering in India's total merchandise exports was recorded at 27.71 percent in November 2024 as against 28.72 percent in October 2024, 28.41 percent in September 2024, 27.20 percent in August 2024 and 26.60 percent in July 2024. Cumulative share stood at 26.87 percent during April-November 2024-25 which was quite higher than that of April-November 2023-24 at 24.91 percent.
- In November 2024, 24 out of 34 engineering panels witnessed positive year-on-year growth. While 10 engineering panels including Copper, Zinc, Nickel and Lead from Non-Ferrous Sector, Industrial Machinery for diary, Machine Tools, Cranes, Lifts and Winches, Office Equipments and Other Construction Machinery witness decline in exports during November 2024 vis-à-vis November 2023.
- On a cumulative basis, 27 out of 34 engineering panels recorded positive growth and remaining 7 engineering panels including Iron and Steel, some non-ferrous sectors including Copper, Aluminium and Zinc products, Office Equipment and Mica Products recorded negative growth during April-November 2024-25
- Region wise, North America and European Union remained India's topmost destinations for engineering exports with share of around 20% and 17% respectively, in India's total engineering exports. Highest growth was registered by, Sub-Saharan Africa (29.4%), ASEAN (25.7%) and Other Europe (23.6%) in November 2024
- In cumulative terms, all regions experienced growth barring Oceania (-10.5%)
- Among the top export destinations, rise in cumulative terms was noticed in USA, UAE, Singapore, Saudi Arabia, Germany, etc.

Overall Engineering Exports vs Engineering Exports Excluding Steel Segment
(Values in USD Million)

Trade Flow	Export in Nov 2023	Exports in Nov 2024	Growth (%)	Exports in Apr-Nov 2023-24	Exports in Apr-Nov 2024-25	Growth (%)
Overall engineering exports	7822.25	8897.64	13.75	69321.93	75472.31	8.87
Engineering exports excluding Iron and Steel	7166.14	8133.59	13.50	61796.10	69274.83	12.10

Source: DGCI&S, Govt. of India

Observation: Excluding the export of iron and steel, engineering exports recorded a marginaly lower year-on-year growth in November 2024 as growth in exports of Iron and Steel was higher at 16.45 percent than that of overall engineering at 13.50 percent in the month. On a cumulative basis however, overall engineering exports recorded lower growth than that of excluding Iron and Steel as exports of the latter still declined by 17.65 percent during April-November 2024-25.

ENGINEERING EXPORTS: MONTHLY TREND

The monthly engineering figures for 2024-25 vis-à-vis 2023-24 are shown below as per the latest DGCI&S estimates:

Table 1: Engineering Exports: Monthly Trend in 2024-25
Values in US$ million

Month	2023-24	2024-25	Growth (%)
April	8949.36	8366.65	-6.51
May	9300.62	9818.00	5.56
June	8515.72	9193.63	7.96
April-June	**26765.71**	**27378.28**	**2.29**
July	8720.30	8959.50	2.74
August	9048.65	9332.19	3.13
September	8886.54	9725.08	9.44
July-September	**26655.49**	**28016.78**	**5.11**
October	8078.48	11179.62	38.39
November	7822.25	8897.64	13.75
April-November	**69321.93**	**75472.31**	**8.87**

Source: DGCIS, Govt. of India

TOP 25 ENGINEERING EXPORT DESTINATIONS IN NOVEMBER 2024

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during November 2024 over November 2023 as well as in cumulative terms during April-November 2024-25 vis-à-vis April-November 2023-24. The data clearly shows that top 25 countries contribute 75.8% of total engineering exports.

Table 2: Engineering exports country wise

US$ million

Countries	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
U S A	1312.8	1417.8	8.0%	11434.7	12122.6	6.0%
UAE	384.3	776.3	102.0%	3428.0	5316.6	55.1%
SAUDI ARABIA	484.7	559.1	15.3%	3090.5	3549.5	14.9%
SINGAPORE	198.0	342.7	73.1%	2087.9	3496.9	67.5%
GERMANY	263.8	312.2	18.4%	2695.7	2764.0	2.5%
U K	238.1	257.9	8.3%	2355.7	2447.1	3.9%
MEXICO	300.5	209.0	-30.4%	2131.1	2350.3	10.3%
TURKEY	172.8	238.2	37.8%	1855.1	2141.8	15.5%
ITALY	191.9	219.3	14.3%	2347.6	2036.8	-13.2%
KOREA RP	234.2	206.8	-11.7%	1804.2	1761.4	-2.4%
CHINA P RP	201.9	187.7	-7.0%	1643.7	1747.5	6.3%
SOUTH AFRICA	143.0	233.4	63.2%	1485.1	1620.4	9.1%
JAPAN	149.0	177.8	19.3%	1179.1	1537.3	30.4%
BRAZIL	156.5	164.0	4.8%	1333.4	1481.2	11.1%
NEPAL	119.0	162.3	36.3%	1457.1	1456.6	0.0%
FRANCE	146.8	124.6	-15.1%	1391.9	1414.5	1.6%
INDONESIA	119.9	147.8	23.3%	1820.4	1413.3	-22.4%
BANGLADESH	175.2	178.6	1.9%	1478.3	1374.2	-7.0%
THAILAND	135.9	143.1	5.3%	1216.1	1312.7	7.9%
NETHERLAND	109.7	150.4	37.1%	1285.3	1243.4	-3.3%
MALAYSIA	143.1	126.3	-11.8%	1231.0	977.6	-20.6%
BELGIUM	86.5	119.8	38.6%	1004.6	957.2	-4.7%
VIETNAM	85.6	103.4	20.8%	769.8	951.6	23.6%

Countries	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
SPAIN	73.5	83.5	13.6%	956.3	887.1	-7.2%
RUSSIA	113.0	86.9	-23.1%	886.0	844.2	-4.7%
Total engineering exports to top 25 countries	5739.8	6728.8	17.2%	52368.2	57205.9	9.2%
Total engineering exports	7822.2	8897.6	13.7%	69321.9	75472.3	8.9%
Share % of Top 25 destinations	73.4%	75.6%		75.5%	75.8%	

Source: DGCI&S

REGION WISE INDIA'S ENGINEERING EXPORTS

The following table depicts region wise India's engineering exports for April-November 2024 as compared to April-November 2023.

Table 3: Region wise engineering exports in April-November 2024-25 vis-à-vis April-November 2023-24

US$ million

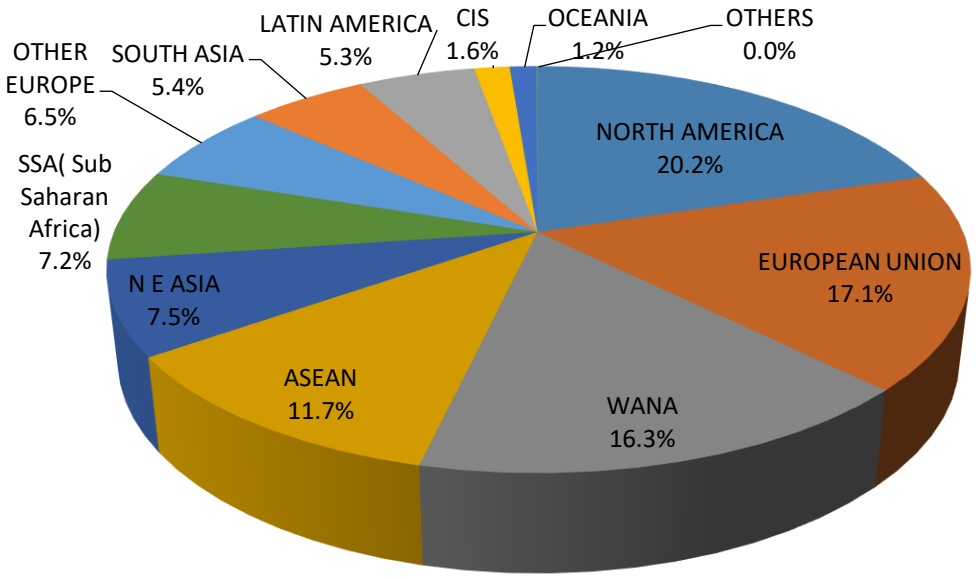
Regions	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
NORTH AMERICA	1698.1	1712.0	0.8%	14329.7	15268.0	6.5%
EUROPEAN UNION	1221.0	1456.9	19.3%	12675.4	12925.8	2.0%
WANA	1386.2	1690.6	22.0%	9825.4	12314.9	25.3%
ASEAN	742.3	932.8	25.7%	7669.8	8800.3	14.7%
N E ASIA	641.8	634.6	-1.1%	5212.9	5651.7	8.4%
SSA(Sub Saharan Africa)	590.2	763.8	29.4%	5323.6	5450.6	2.4%
OTHER EUROPE	433.3	535.7	23.6%	4445.0	4874.4	9.7%
SOUTH ASIA	423.8	481.4	13.6%	3907.2	4082.4	4.5%

Regions	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
LATIN AMERICA	421.3	455.3	8.1%	3820.0	3962.9	3.7%
CIS	133.6	131.5	-1.5%	1079.4	1203.2	11.5%
OCEANIA	129.4	97.2	-24.9%	1015.6	909.2	-10.5%
OTHERS	1.3	5.9	358.0%	17.8	28.9	61.9%
Grand Total	7822.2	8897.6	13.7%	69321.9	75472.3	8.9%

Source: DGCI&S

Note: Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

Figure 1: Region-wise shares of India's engineering exports during April-November 2024-25



PANEL WISE INDIA'S ENGINEERING EXPORTS

In this section we look at the Engineering Panel wise exports for the month of November 2024 vis-à-vis November 2023 as well as the cumulative exports for **April-November 2024-25 vis-à-vis April-November 2023-24**. These are indicated in the tables below.

Table 4: Panel-wise Export Analysis for April-November 2024-25 vis-à-vis April-November 2023-24

Product panels	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
Ferrous						
Iron and Steel	656.1	764.1	16%	7525.8	6197.5	-18%
Products of Iron and Steel	712.2	749.0	5%	6385.4	6461.6	1%
Sub Total	**1368.3**	**1513.0**	11%	**13911.3**	**12659.1**	-9%
Non-ferrous						
Copper and products	213.1	171.7	-19%	1602.1	1478.8	-8%
Aluminium and products	543.0	556.4	2%	4707.4	4439.5	-6%
Zinc and products	52.3	50.8	-3%	502.5	476.9	-5%
Nickel and products	14.0	11.4	-19%	114.7	118.9	4%
Lead and products	79.3	75.0	-5%	460.4	571.0	24%
Tin and products	1.5	2.0	33%	10.2	14.9	45%
Other Non-Ferrous Metals	56.2	61.7	10%	488.6	565.0	16%
Sub Total	**959.5**	**929.0**	-3%	**7885.9**	**7664.9**	-3%
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	52.6	69.9	33%	467.4	555.6	19%
IC Engines and Parts	239.4	248.6	4%	2397.2	2458.0	3%
Pumps of all types	101.3	114.4	13%	905.4	1018.3	12%
Air condition and Refrigerators	133.4	139.4	5%	1092.3	1234.3	13%
Industrial Machinery for dairy, food processing, textiles etc.	614.5	565.6	-8%	5255.1	5362.2	2%
Machine Tools	61.5	58.3	-5%	490.9	522.9	7%
Machinery for Injecting moulding, valves and ATMs	188.8	193.2	2%	1622.1	1799.1	11%
Sub Total	**1391.6**	**1389.5**	0%	**12230.3**	**12950.4**	6%
Electrical Machinery						
Electrical Machinery	**885.4**	**1123.2**	**27%**	**8091.5**	**9349.0**	**16%**
Automobile and auto component						
Motor Vehicle/cars	667.0	726.4	9%	5597.2	5879.7	5%
Two and Three Wheelers	201.2	260.3	29%	1738.4	2090.6	20%

Product panels	November 2023	November 2024	Growth (%)	April-November 2023-24	April-November 2024-25	Growth (%)
Auto Components/Part	576.4	576.8	0%	4988.3	5384.9	8%
Auto Tyres and Tubes	221.9	237.0	7%	1827.7	2005.6	10%
Sub Total	**1666.4**	**1800.5**	8%	**14151.6**	**15360.8**	8.5%
Aircrafts and related products						
Aircrafts and Spacecraft parts and products	**255.4**	**781.0**	206%	**1063.5**	**3873.2**	264%
Ships Boats and Floating products and parts						
Ships Boats and Floating products and parts	**108.8**	**208.7**	92%	**2347.3**	**3224.4**	37%
Miscellaneous engineering products						
Medical and Scientific instruments	193.2	218.9	13%	1580.5	1808.6	14%
Railway Transport	27.8	36.2	30%	214.3	234.1	9%
Hand Tools & Cutting Tools	68.1	79.2	16%	608.8	679.1	12%
Bicycle & Parts	24.4	29.4	21%	236.5	253.4	7%
Cranes Lifts & Winches	92.0	70.5	-23%	664.8	729.2	10%
Office Equipment	24.4	21.7	-11%	221.5	193.5	-13%
Other Construction Machinery	296.9	204.6	-31%	1977.0	1986.7	0%
Prime Mica & Mica Products	2.2	2.9	33%	25.3	20.4	-19%
Project Goods	0.1	0.1	-13%	2.1	1.6	0.1
Other Rubber Product Except Footwear	130.8	131.7	1%	1093.5	1165.3	130.8
Other Misc. Items	327.0	357.4	9%	3016.1	3318.4	10%
Total engineering exports	**7822.2**	**8897.6**	13.7%	**69321.9**	**75472.3**	8.87%

Reasons for Decline (As per April-November 2024-25):

- **Iron and Steel :- Insights:**

a) During April-November 2024-25, India's exports of Iron and Steel deteriorated by 18% vis-à-vis same period last fiscal, while Products of Iron and Steel witnessed growth for

the second consecutive month to the extent of 1% during the same period, after continuous decline for many months.

b) Indian exports of HRC continued to remain low because of competition from other sources in regions like Southeast Asia and the Middle East. The increase in export offers failed to incite buying interest amongst overseas and domestic buyers. Indian primary steel producers raised their list prices by INR 1,000/t for hot-rolled coils (HRC) in November. Some mills offered price support of around INR 1,250/t towards end-November considering the lacklustre market scenario.

c) The gap between CRC and HRC stood at around INR 7,100/t in November as compared with INR 7,500/t in October. Concerned about the lacklustre market sentiments, some mills offered price support of around INR 1,000-1,500/t in their list prices towards end-November.

d) Overall Outlook: India ending 2024 as a net steel importer with 10 mnt of imports and 8 mnt of exports, after a 9 year gap. China's dumping steel across the world at highly predatory price levels. The dumping is an off-shoot of several factors. Volumes from China increased just ahead of the expiry of some of the Bureau of Indian Standards (BIS) licences given to mills/exporters. At that juncture, the Indian government had imposed a series of safeguard measures to stem the imports flow in efforts to protect the Indian steel mills. MSMEs were already struggling with high domestic steel prices, which remained at a premium compared to imported steel. This price disparity increased production costs and squeezed profit margins for small and medium-sized enterprises.

e) Additionally, the Karnataka (Mineral Rights and Mineral Bearing Land) Tax Bill, 2024 introduced new taxes on mineral-bearing land and mineral rights, significantly increasing production costs for iron ore. This bill raised the cost of iron ore production for private companies, reducing the competitiveness of Indian steelmakers and impacting their export capabilities.

- ***Non- Ferrous Sector (Copper, Zinc, Nickel and Lead)***

a) As per the London metal Exchange most of the non-ferrous metals traded on the exchange lost value this November barring aluminium
b) Tin showed the biggest decline in value at 7.6 percent, followed by nickel, which lost 6.3 percent in value in November. Copper joined the list of beleaguered metals by dropping 4.9 percent of its value last month. Zinc (-3.3 percent) and lead (-2.3 percent) also declined in price.
c) In case of copper there has been an increase in domestic demand especially the EV sector: The Ministry of Mines projects that the demand for copper in India, particularly from the EV sector, will increase by 1.7 million tonnes by 2027. The per capita copper consumption in India is also expected to rise from the current level of 0.6 kg to 1 kg in the coming years.
d) Closure of Vedanta's Sterlite copper plant has also impacted the domestic supply of copper

ENGINEERING EXPORTS – STATE-WISE ANALYSIS

State wise engineering export performance

The table below indicates the exports from top Indian states. It is evident from the table that almost 94.6 % of India's exports is contributed by the listed 12 states. Within this almost 56.9 percent of exports is done by Maharashtra, Tamil Nadu and Gujarat together.

Table 5:Top state wise engineering export performance – April-November 2024-25

US$ Million

Top States	April-November 2023-24	April-November 2024-25	Growth%	%Share in India's Eng Export	Remark
Maharashtra	14636.1	14616.5	-0.1%	22.3%	**94.6 % share covered by top 12 states**
Tamil Nadu	11085.3	11634.9	5.0%	17.8%	
Gujarat	9356.3	11014.7	17.7%	16.8%	
Telangana	1244.1	4866.9	291.2%	7.4%	
Karnataka	4347.5	4625.7	6.4%	7.1%	
Odisha	4384.1	3903.3	-11.0%	6.0%	
Andhra Pradesh	3300.7	3215.6	-2.6%	4.9%	
Uttar Pradesh	2732.7	2838.9	3.9%	4.3%	
West Bengal	2085.9	2251.4	7.9%	3.4%	
Madhya Pradesh	1187.7	1260.1	6.1%	1.9%	
Rajasthan	2097.3	917.9	-56.2%	1.4%	
Daman & Diu And Dadra & Nagar Haveli	962.0	821.8	-14.6%	1.3%	

Source: NIRYAT portal

- *Top 12 states constitute over 94.6 % of India's engineering Exports. Karnataka deteriorated in its performance dropping down to 5th position, Telengana moved up the order to 4th position, Odisha maintaining its 6th position, while Daman and Diu moved up to 12th position and Haryana moved further down to 13th position during the fiscal April-November 2024-25 compared to the same period last fiscal.*
- *Major negative growth witnessed in states like Maharashtra, Odisha, Andhra Pradesh, Rajasthan and Daman and Diu during April-Nov 2024-25 compared to the same period last fiscal.*
- *Maharashtra being the highest state in terms of Engineering Goods exports is leading by US$ 2981.6 million from Tamil Nadu(Second Highest State) for the period of April-Nov 2024-25*

India's Region wise engineering exports

In terms of region, western region which includes industrial states like Maharashtra and Gujarat is the front runner in terms of exports with 39.1 percent share. Tamil Nadu from the Southern Region has retained its export performance and it ranked second after Maharashtra, while Gujarat and Telengana ranked third and fourth during April-November 2024-25.

Table 6: Region wise exports from India

Value in US$ million

Region	April-Nov 2023-24	April-Nov 2024-25	Growth%
EASTERN REGION	7704.9	7287.1	-5.4%
NORTHERN REGION	14689.0	5250.1	-64.3%
SOUTHERN REGION	20739.1	25010.6	20.6%
WESTERN REGION	26342.3	27986.2	6.2%

Source: NIRYAT portal

Note: The total engineering exports given in the above table is taken from NIRYAT as per the latest available data and may not tally with the total engineering exports as given by DGCI&S.

CORRELATION BETWEEN MANUFACTURING PRODUCTION AND ENGINEERING EXPORTS

Engineering forms a considerable part of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. As exports generally come from what is produced within a country, some correlation between manufacturing production growth and engineering export growth should exist. We briefly look at the trend in manufacturing growth as also engineering export growth to see if they move in tandem. It may be mentioned that manufacturing has 77.63% weightage in India's industrial production.

Engineering export growth and manufacturing output growth moved in the same direction in as many as nine out of twelve months in each of the fiscal years 2019-20 and 2020-21. During fiscal 2021-22, engineering export growth and manufacturing growth moved in the same direction in seven out of twelve months while in each of fiscal 2022-23 and 2023-24, as many as 10 out of 12 months saw engineering exports and manufacturing output moved in the same direction.

The first two month of fiscal 2024-25 also saw manufacturing output growth and engineering exports growth moving in the same direction. April 2024 saw engineering exports declined from a growth in Mar 2024 and manufacturing output growth decelerated. The month of May 2024 witnessed just the opposite. Engineering exports bounced back to growth path and manufacturing output growth accelerated. Then June, July and August 2024 however saw both moved in the opposite direction. June and August 2024 saw higher engineering export growth but lower manufacturing growth in comparison to the previous month while July 2024 just witnessed the reverse. September and October 2024 again saw both moving in the same direction by securing acceleration in growth.

The link between these two may not be established on a monthly basis, but a positive correlation may be seen if medium to long term trend is considered.

Table 7: Engineering exports growth vis-à-vis manufacturing growth from April 2022

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2023	-7.52	5.5
May 2023	-4.25	6.3
June 2023	-11.12	3.5
July 2023	-6.91	5.3
August 2023	7.66	10.0
September 2023	6.50	5.1
October 2023	6.99	10.6
November 2023	-3.48	1.3
December 2023	9.82	4.6
January 2024	4.20	3.6
February 2024	15.90	4.9
March 2024	10.66	5.9
April 2024	-6.51	4.2
May 2024	5.56	5.1
June 2024	7.96	3.5
July 2024	2.74	4.7
August 2024	3.13	1.1
September 2024	9.44	3.9
October	38.39	4.1

(Source: Department of Commerce and CSO)

IMPACT OF EXCHANGE RATE ON INDIA'S EXPORTS

How did the exchange rate fare during November 2024 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of November 2024, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2023-24 and 2024-25 till October 2024 as per the latest data published, as mere one-month figure does not reflect any trend. The following two tables clearly depicts the short-term trend:

Table 8: USD-INR monthly average exchange rate in 2024-25 vis-à-vis 2023-24
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2023-24	2024-25				
April	82.02	83.41	1.69	Depreciation	0.49	Depreciation
May	82.34	83.39	1.28	Depreciation	-0.02	Appreciation

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2023-24	2024-25				
June	82.23	83.47	1.51	Depreciation	0.10	Depreciation
July	82.15	83.59	1.75	Depreciation	0.14	Depreciation
August	82.79	83.89	1.33	Depreciation	0.36	Depreciation
September	83.05	83.81	0.92	Depreciation	-0.10	Appreciation
October	83.24	84.02	0.94	Depreciation	0.25	Depreciation
November	83.30	84.36	1.27	Depreciation	0.40	Depreciation

Rupee continued to weaken vis-à-vis the US Dollar in the new fiscal 2024-25 on a year-on-year basis and also on a month-on-month basis in November 2024. Rupee depreciated to historic low of 84.51 in November 2024. The depreciation was led by several factors like sudden strength in Dollar Index following Trump's victory in US Presidential election, escalating geo-political tension between Russia and Ukraine, risk-aversion trend in Indian equities and subsequent FPI selling, strong dollar demand from local importers and increase in REER for Indian Rupee indicating overvaluation of INR.

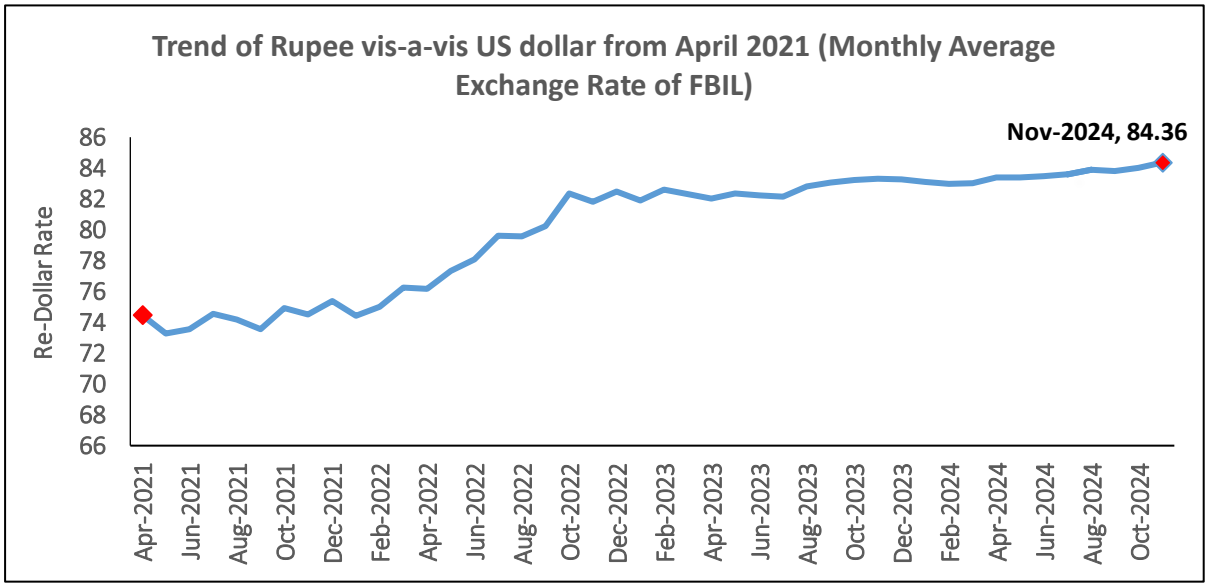
However, Indian Rupee was the best performer among all emerging currencies with 0.6% depreciation till Nov in 2024. Ongoing global economic downturn has negatively impacted the currencies of all export-driven emerging economies.

Table 9: USD-INR monthly average exchange rate in 2023-24 vis-à-vis 2022-23
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2022-23	2023-24				
April	76.17	82.02	7.68	Depreciation	-0.33	Appreciation
May	77.32	82.34	6.49	Depreciation	0.39	Depreciation
June	78.04	82.23	5.37	Depreciation	-0.13	Appreciation
July	79.60	82.15	3.20	Depreciation	-0.10	Appreciation
August	79.56	82.79	4.06	Depreciation	0.78	Depreciation
September	80.23	83.04	3.50	Depreciation	0.30	Depreciation
October	82.34	83.24	1.09	Depreciation	0.24	Depreciation
November	81.81	83.30	1.82	Depreciation	0.07	Depreciation

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
Month	2022-23	2023-24				
December	82.46	83.28	0.99	Depreciation	-0.02	Appreciation
January	81.90	83.12	1.49	Depreciation	-0.19	Appreciation
February	82.61	82.96	0.42	Depreciation	-0.19	Appreciation
March	82.29	83.00	0.86	Depreciation	0.05	Depreciation

Fig 2: Trend of Rupee vis-a-vis US dollar from April 2020 (Monthly Average Rate of FBIL has been considered)



ANALYSIS OF INDIA'S ENGINEERING IMPORTS

India's Engineering imports during November 2024 were valued at US$ 12972.1million compared to US$ 12767.4 million in November 2023 registering a positive growth of 1.6 percent in dollar terms. All the engineering panels barring Iron & Steel and Transport equipment witnessed an increase in import during November 2024 compared to November 2023.

The share of engineering imports in India's total merchandise imports in November 2024 was estimated at 18.5 percent, lower than that of November 2023 which was estimated at 23.2 %. The figure below depicts engineering imports **for November 2024 compared to November 2023.**

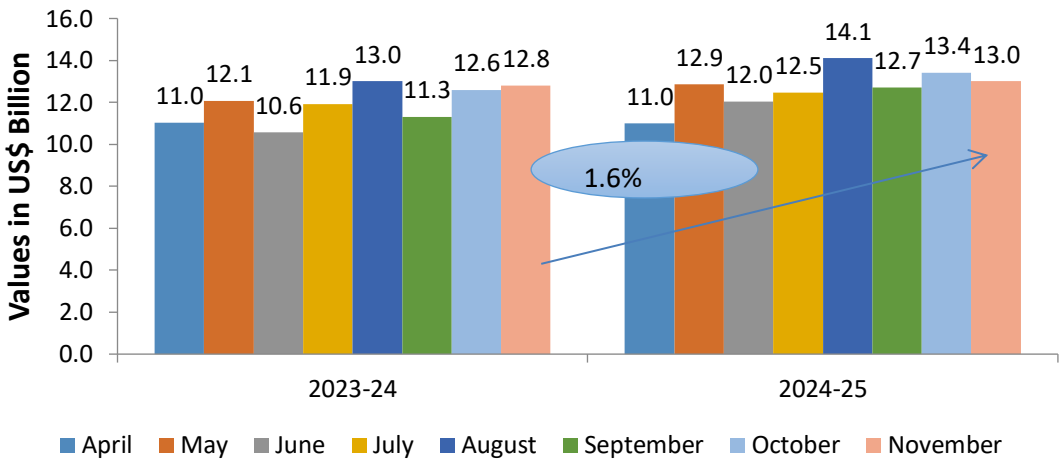
Table 10: India's engineering imports in April-November 2024-25 vis-à-vis

April-November 2023-24

Values in US$ MN	November '23	November '24	Growth %	April-November '23	April-November '24	Growth %
India's Engineering Imports	12767.4	12972.1	1.60	95356.6	101522.9	6.47%

Source: Quick Estimates, MoC

Fig 3: Monthly Engineering Imports for April-November 2024-25 vis-a-vis April-November2023-24



Source: EEPC India analysis

TREND IN ENGINEERING TRADE BALANCE

We now present the trend in two-way yearly trade for the engineering sector for the 2024-25 depicted in the table below:

Table 11: Monthly Trend in Engineering Trade Balance for the current FY 2024-25
(US$ Billions)

Trade Flow	Apr	May	June	July	August	September	November	November
Engineering Export	8.7	10.0	9.4	9.0	9.4	9.8	11.2	8.9
Engineering Import	11.0	12.9	12.0	12.5	14.1	12.7	13.4	13.0
Trade Balance	-2.3	-2.9	-2.6	-3.5	-4.7	-2.9	-2.2	-4.1

Source: DGCI&S, EEPC India Analysis

CONCLUSION

India's engineering exports continued its stellar performance for the seventh straigt month recording a y-o-y growth of around 14% on monthly basis and around 9% in cumulative basis. Barring few non-ferrous metals (copper, lead and zinc) and a few industrial machinery sector, all other sectors experienced growth in November 2024. This is a very positive outcome for the exporters who have faced several challenges including logistics issues, protectionist stances by the importing countries, gwopolitical tensions, etc.

The global trade has also recorded positive growth of 3.3% which was mostly driven by services. Global merchandise trade grew by 2% which is slower than that of the services trade. The World Trade Organization (WTO) forecasts moderate growth in global trade, with a projected 2.7% increase in merchandise trade volume in 2024 and 3.0% in 2025.

The recent UNCTAD Trade Update published in December 2024 mentions that 2025 remains uncertain due to anticipations regrading USA's policy shift ncluding broader tariffs that could disrupt global value chains and impact key trading partners. India is considered among the countries which are most likely to face high trade barriers.

Therefore, the engineering exports have been on the rise, we must practice caution. USA is one of the most important, markets for the Indian engineering industry. We would also need support from the government to continue this growth trend.

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ANNEXURE-I

ENGINEERING PRODUCT PANELS – COUNTRY-WISE ANALYSIS

We now analyze the performance of some of the important products for the fiscal April-November 2024-25 vis-à-vis April- November 2023-24. We have taken the major panels and computed the top importers to get an idea of the current trade pattern.

Engineering Product Panel - Country matrix

Value in USD million

Product panels	Top 5 nations	Apr-Nov 2023-24	Apr-Nov 2024-25	Growth
Iron and Steel	Italy	1054.5	758.1	-28%
	Nepal	577.6	489.6	-15%
	UAE	425.6	449.0	5%
	Belgium	373.2	369.8	-1%
	USA	322.1	365.0	13%
Products of Iron and Steel	USA	1804.0	1939.0	7%
	UAE	369.4	498.9	35%
	Saudi Arab	318.0	407.6	28%
	Germany	293.0	302.1	3%
	UK	238.6	233.1	-2%
Industrial Machinery	USA	2409.5	2700.6	12%
	UAE	524.5	622.5	19%
	Germany	670.2	589.9	-12%
	China	465.3	559.7	20%
	Thailand	526.8	494.2	-6%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	Saudi Arab	1100.2	1065.8	-3%
	South Africa	845.0	955.9	13%
	Mexico	772.6	894.6	16%
	Japan	119.1	513.4	331%
	UAE	355.3	471.2	33%
Non-Ferrous metals	USA	971.3	940.0	-3%
	Korea RP	807.0	647.4	-20%
	Turkey	133.2	508.7	282%
	Saudi Arab	764.5	479.0	-37%
	China	336.1	412.5	23%
Electrical Machinery and Components	USA	1573.2	1796.9	14%
	Singapore	657.1	1111.2	69%
	UK	650.0	648.3	0%
	Germany	470.9	635.0	35%
	Korea RP	296.4	490.9	66%
	UAE	15.6	1247.0	7869%

Aircrafts and Space crafts	Saudi Arab	1.6	571.2	36370%
	France	124.6	321.0	158%
	Turkey	62.2	294.1	373%
	Czech Republic	3.4	264.1	7659%
Ships, Boats and Floating Structures and parts	Singapore	638.2	1632.8	156%
	UAE	506.5	660.9	30%
	Indonesia	556.2	289.5	-48%
	USA	52.7	251.2	377%
	Sri Lanka	271.5	134.0	-51%
Auto Components (including Auto Parts and Auto Tyre)	USA	1532.0	1531.1	0%
	Brazil	326.8	411.7	26%
	Germany	371.5	398.9	7%
	Turkey	363.7	338.1	-7%
	Mexico	295.1	324.3	10%

Source: DGCI&S

- In April-November 2024, Italy, Nepal and UAE ranked as the top importers of Indian Iron and Steel, while the USA, UAE and Saudi Arabia lead in import of 'Products of Iron & Steel.'
- The USA stood out as the primary importer of Indian 'Industrial machinery,' making up 21% of India's global exports in this category, followed by UAE and Germany with 5% and 5% shares, respectively.
- Saudi Arabia, South Africa, Mexico and Japan were top importers of India's Automobiles during April-November 2024 in India’s global exports respectively over April- November 2023.
- USA, South Korea and Turkey were the top three importers of India's Non-ferrous metals and products' during April-November 2024 whereas USA, Singapore, UK and Germany were the top importers of Indian Electrical Machinery & Components during the same period.
- UAE, Saudi Arabia and France were the top three importers of India's Aircrafts and Spacecraft during April-November 2024 in India's total global exports of the product followed by Turkey and Czech Republic.
- Singapore, UAE and Indonesia became the largest importer of ships, boats and floating structures followed by USA and Sri Lanka. While for the auto components’ product group, USA remained the top importer in April-November 2024 followed by Brazil, Germany, Turkey and Mexico.

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