

# Engineering Exports Monitor

May 2017



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

# Analysis of Indian engineering exports for May 2017

16 June, 2017

## **India's Merchandise Trade scenario**

### **May 2017**

- ❖ India's merchandise export registered 8.3% growth in May 2017.
- ❖ This impressive export growth was attributed to significant growth in shipments of Engineering Goods, Gems & Jewellery, Petroleum Products, RMG of all Textiles, Organic & Inorganic Chemicals, Rice, Marine Products and Electronic Goods.
- ❖ Merchandise imports recorded a much higher 33.09 percent growth during May 2017 at US\$ 37.8 billion as against US\$ 28.4 billion during the same month last fiscal.
- ❖ Such a rise in merchandise import was driven by substantial surge in the imports of Petroleum, Crude & products, Gold, Electronic goods, Pearls, precious & Semi-precious stones and Machinery, electrical & non-electrical.
- ❖ As import growth far exceeded the export growth, merchandise trade deficit during May 2017 zoomed by 173.47 percent to US\$ 13.8 billion from US\$ 6.3 billion during May 2016.

## **India's Engineering Exports scenario**

### **May 2017**

- ❖ Engineering exports established an upward trend by achieving year-on-year growth for the 8<sup>th</sup> consecutive month to May 2017. However, growth decelerated in comparison to April 2017.
- ❖ Overseas shipment of India's engineering products stood at US\$ 6 billion in May 2017 as against US\$ 5.6 billion during the same month last year registering 7.5 percent growth.
- ❖ The share of engineering exports in India's total merchandise exports increased to 25.2 percent in May 2017 from 23.8 percent in April 2017.
- ❖ Out of 33 engineering panels, 25 panels recorded positive growth in exports in May 2017.
- ❖ Panel that witnessed triple-digit year-on-year growth in exports during May 2017 was Zinc and products; Lead and products, and Tin and products.
- ❖ Exports to North America, MEWA and N E Asia recorded noticeable growth in May 2017 over May 2016.

## **1. Trend in overall merchandise trade**

India's overall exports have been exhibiting positive growth for the last eight months. In continuation with growth indicated by exports since September 2016, exports during May 2017 have shown growth of 8.32 per cent in dollar terms valued at US\$ 24014.62 million as compared to US\$ 22170.62 million during May, 2016. In Rupee terms, during May 2017 exports were valued at Rs.

154713.69 crore as compared to Rs. 148336.31 crore during May, 2016, registering a positive growth of 4.30 per cent.

Cumulative value of exports for the period April-May 2017-18 was US \$48649.71 million (Rs 313627.48 crore) as against US \$42739.47 million (Rs 285056.42 crore) registering a positive growth of 13.83 per cent in Dollar terms and 10.02 per cent in Rupee terms over the same period last year.

Imports during May 2017 were valued at US\$ 37856.34 million (Rs. 243888.74 crore) which was 33.09 per cent higher in Dollar terms and 28.16 per cent higher in Rupee terms over the level of imports valued at US\$ 28443.52 million (Rs. 190306.19 crore) in May, 2016. Cumulative value of imports for the period April-May 2017-18 was US\$ 75740.62 million (Rs. 488269.26 crore) as against US\$ 53857.24 million (Rs. 359229.90 crore) registering a positive growth of 40.63 per cent in Dollar terms and 35.92 per cent in Rupee terms over the same period last year.

Oil imports during May, 2017 were valued at US\$ 7692.71 million which was 29.54 percent higher than oil imports valued at US\$ 5938.59 million in May 2016. Oil imports during April-May, 2017-18 were valued at US\$ 15051.98 million which was 29.82 per cent higher than the oil imports of US\$ 11594.51 million in the corresponding period last year.

Non-oil imports during May, 2017 were estimated at US\$ 30163.63 million which was 34.03 per cent higher than non-oil imports of US\$ 22504.93 million in May, 2016. Non-oil imports during April-May 2017-18 were valued at US\$ 60688.64 million which was 43.60 per cent higher than the level of such imports valued at US\$ 42262.73 million in April-May, 2016-17.

## 2. Engineering exports

India's engineering exports continued to witness handsome growth for the 10<sup>th</sup> consecutive month to May 2017 in line with the broader merchandise export and outperformed the overall merchandise export once again in the month concerned.

Overseas shipment of engineering products from India stood at US\$ 6 billion in the second month of fiscal 2017-18 as against US\$ 5.62 billion during the same month last year. The share of engineering exports in India's total merchandise exports increased to 25.2 per cent in May 2017 from 23.8 per cent in April 2017.

The monthly engineering figures for fiscal 2017-18 vis-à-vis 2016-17 is depicted below as per the latest availability of figure:

**Table1: Engineering Exports**

(US\$ Million)

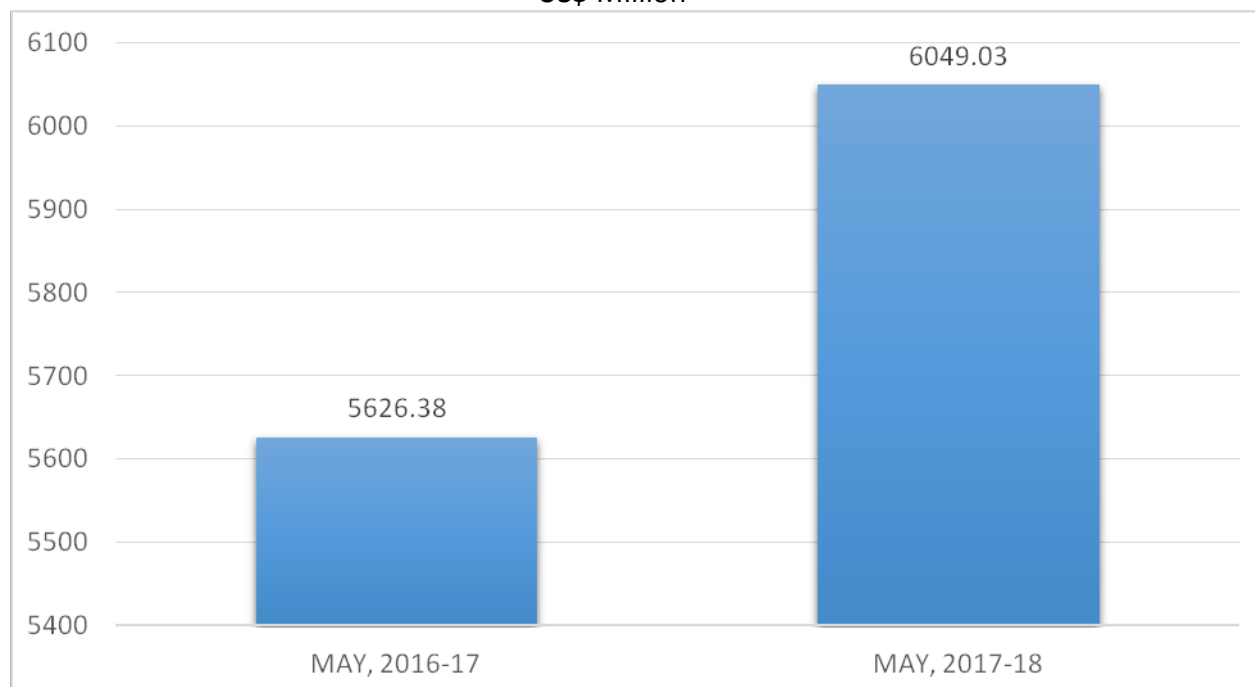
Months	2016-17	2017-18	Growth (%)
April	4742.79	5927.35	24.98%
May	5626.38	6049.03	7.51%

*(Source: Department of Commerce, Government of India)*



Figure 1 below depicts the monthly trend in engineering exports for 2016-17 and 2017-18

**Figure1: Trend in Monthly Engineering Exports**  
US\$ Million



(Source: EEPC India analysis)

Engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. Now, as production and exports are directly correlated, some correlation between manufacturing production growth and engineering export growth is very likely to exist. Hence, a broad analysis of industrial production, especially of manufacturing sector is effective in the context of engineering export analysis as manufacturing has over 75% weightage in India's industrial production.

The continuous downfall in Indian engineering exports has been arrested in May 2016 after 8 months and growth continued in June 2016. During May and June 2016, both engineering exports and manufacturing bounced back to year-on-year growth while in July 2016, both of them slipped to negative growth. In the month of August and September 2016 also both moved in the same direction. In August, engineering exports came back to growth path and accelerated further in September. Manufacturing output, on the other hand saw a lower decline in August and then witnesses growth in September. In October, engineering exports recorded a sudden jump in growth but manufacturing just saw the reverse, a decline in production from feeble growth in September 2016. In November 2016 however, both moved in the same direction showing accelerated year-on-year growth over the previous month while in December 2016 and in January 2017, they moved in opposite direction. In January 2017, engineering exports growth decelerated over the month while manufacturing came back to growth path after a decline in December 2016. In February 2017, manufacturing output declined while engineering exports registered solid growth and in

March 2017, engineering exports growth decelerated slightly but manufacturing bounced back to growth path. In April 2017, both engineering exports and manufacturing both recorded positive growth.

The growth rates in Engineering Exports and the Growth rate of Manufacturing in the country during the current fiscal in shown in Table 2 below:

**Table 2: Engineering Exports Growth vis-à-vis Manufacturing Growth (2016-17)**

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
March 2017	47.79	1.3
April - March 2016-17	11.33	4.9
April 2017	24.02	2.6
May 2017	7.5	NA

*(Source: Department of Commerce and CSO)*

**An analysis of the engineering export and manufacturing growth data for fiscal 2015-16 also established some correlation between the two.** India's engineering exports conceded bigger decline during May 2015 in comparison to the previous month while manufacturing growth also decelerated. The pace of decline in export growth slowed down in June and manufacturing growth also strengthened. Exports registered marginal growth during July 2015 but growth of manufacturing production decelerated. Export growth and manufacturing growth moved in opposite direction in August and September 2015 but the last three months of 2015 saw both of them moving in the same direction. Decline in engineering exports decelerated in October and manufacturing growth reached its several years' high. November 2015 just saw the reverse when engineering exports declined to its highest pace of the last fiscal and manufacturing production declined for the first time in 2015-16. Then in December 2015, fall in exports moderated slightly while the pace of decline in manufacturing also slowed down to nearly half the rate of the previous month. January 2016 however saw a slower rate of decline in engineering exports coupled with a bigger fall in manufacturing growth. The month of February reflected the link between these two when decline in engineering export slowed down significantly and manufacturing bounced back to growth. In the last month of fiscal 2015-16, decline in engineering was largely the same over the month but manufacturing growth again went back to negative.

We also present the month-wise India's engineering export performance in 2017-18.

**Table 3: Revised Engineering Exports (2016-17)**

Quarter	Month	2016-17	2017-18	Growth (%)
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<b>Q1</b>	April	4742.79	5927.35	24.98%
	May	5626.38	6049.03	7.51%
	June	NA	NA	NA

Source: DGCI&S

## 1. Impact of Exchange Rate

How has the exchange rate been in May 2017 vis-à-vis May 2016? We look at the average exchange rate for May 2017 vis-à-vis May 2016. The table below provides the same:

**Table 4: Average Exchange Rate**

<b>May</b>	<b>Average Exchange Rate 1 USD to INR</b>
2016	66.90
2017	64.42

*(Source: Calculated from RBI archive)*

**The official exchange rate of rupee strengthened by 3.71 percent vis-à-vis the US Dollar during April 2017 over the same month last year.**

We begin by looking at the Engineering Panel wise exports for the month of May 2017 vis-à-vis May 2016. The data is given in Table 5 below:

**Table 5: Trends in Engineering panel Exports for May 2017 and April- May 2017-18**  
US\$ Million

<b>Sl no.</b>	<b>Panel</b>	<b>May_16</b>	<b>May_17</b>	<b>Growth %</b>	<b>Apr-May 2016-17</b>	<b>Apr-May 2017-18</b>	<b>Growth %</b>
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
<b>A</b>	Iron and Steel	504.48	797.49	58.1%	853.84	1703.47	99.5%
<b>B</b>	Products of Iron and Steel	445.23	510.09	14.6%	885.32	1035.71	17.0%
<b>Sub Total</b>		<b>949.71</b>	<b>1307.58</b>	<b>37.7%</b>	<b>1739.16</b>	<b>2739.18</b>	<b>57.5%</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
<b>A</b>	Copper and products	164.8	241.83	46.7%	308.96	450.57	45.8%
<b>B</b>	Aluminium and products	184.8	296.14	60.2%	330.85	657.3	98.7%
<b>C</b>	Zinc and products	12.72	54.36	327.4%	29.52	111.09	276.3%

<b>D</b>	Nickel and products	9.62	2.53	-73.7%	18.82	5.55	-70.5%
<b>E</b>	Lead and products	7.12	15.4	116.3%	18.06	41.98	132.4%
<b>F</b>	Tin and products	0.24	1.85	670.8%	0.84	2.92	247.6%
<b>G</b>	Other Non-Ferrous Metals	35.53	37.61	5.9%	71.03	76.96	8.3%
<b>Sub Total</b>		<b>414.83</b>	<b>649.72</b>	<b>56.6%</b>	<b>778.08</b>	<b>1346.37</b>	<b>73.0%</b>

### 3. Industrial Machinery

<b>A</b>	Industrial Machinery like Boilers, parts, etc	37.61	38.62	2.7%	116.8	82.23	-29.6%
<b>B</b>	IC Engines and Parts	302.47	208.96	-30.9%	441.35	418.76	-5.1%
<b>C</b>	Pumps of all types	50.69	63.72	25.7%	111.26	138.01	24.0%
<b>D</b>	Air condition and Refrigerators	79.65	80.31	0.8%	167.1	167.1	0.0%
<b>E</b>	Industrial Machinery for dairy, food processing , textiles etc	355.69	369.94	4.0%	703.82	765.42	8.8%
<b>F</b>	Machine Tools	33.7	34.71	3.0%	85.87	79.76	-7.1%
<b>G</b>	Machinery for Injecting moulding, valves and ATMs	90.16	111.37	23.5%	200.19	225.86	12.8%
<b>Sub Total</b>		<b>949.97</b>	<b>907.63</b>	<b>-4.46%</b>	<b>1826.39</b>	<b>1877.14</b>	<b>2.8%</b>
<b>4</b>	Electrical Machinery	<b>346.58</b>	<b>413.47</b>	<b>19.3%</b>	<b>662.88</b>	<b>877.84</b>	<b>32.4%</b>

<b>A</b>	Motor Vehicle/cars	555.55	609.94	9.8%	1077.94	1202	11.5%
<b>B</b>	Two and Three Wheelers	150.41	163.28	8.6%	269.84	321.94	19.3%
<b>C</b>	Auto Components/Part	341.6	370.9	8.6%	671.09	736.1	9.7%
<b>Sub Total</b>		<b>1047.56</b>	<b>1144.12</b>	<b>9.2%</b>	<b>2018.87</b>	<b>2260.04</b>	<b>11.9%</b>
<b>6</b>	Aircrafts and Spacecraft parts and products	293.95	143.98	-51.0%	548.57	310.99	-43.3%



<b>7</b>	Ships Boats and Floating products and parts	1076.86	934.08	-13.3%	1736.46	1339.19	-22.9%
<b>A</b>	Medical and Scientific instruments	101.56	117.67	15.9%	207.42	233.47	12.6%
<b>B</b>	Railway Transport	21.4	27.69	29.4%	27.89	42.39	52.0%
<b>C</b>	Hand Tools & Cutting Tools	68.33	53.68	-21.4%	120.29	110.71	-8.0%
<b>D</b>	Electrodes Accumulators	3.55	3.5	-1.4%	7.56	6.56	-13.2%
<b>E</b>	Accumulator and Batteries	17.59	18.88	7.3%	32.37	38.44	18.8%
<b>F</b>	Bicycle & Parts	22.93	24.24	5.7%	48.2	49.98	3.7%
<b>G</b>	Cranes Lifts & Winches	40.38	24.16	-40.2%	84.51	51.32	-39.3%
<b>H</b>	Office Equipments	9.54	9.61	0.7%	16.31	17.36	6.4%
<b>I</b>	Other Construction Machinery	102.34	91	-11.1%	194.54	186.7	-4.0%
<b>J</b>	Prime Mica & Mica Products	1.49	1.92	28.9%	3.17	3.9	23.0%
<b>K</b>	OTHER MISC. ITEMS	157.81	176.1	11.6%	316.5	484.8	53.2%
<b>Sub Total</b>		<b>546.92</b>	<b>548.45</b>	<b>0.28%</b>	<b>1058.76</b>	<b>1225.63</b>	<b>15.76%</b>
<b>Grand Total</b>		<b>5626.38</b>	<b>6049.03</b>	<b>7.51%</b>	<b>10369.17</b>	<b>11976.38</b>	<b>15.50%</b>

*(Source: Department of Commerce, Government of India)*

Some factors that need to be noted are:

- ❖ Panel-wise analysis for in May 2017 engineering export data showed that the overall scenario improved as compared to that of May 2016. Out of 33 engineering panels, 25 panels recorded growth in exports over the same month last year while the remaining 8 panels conceded decline during the month of May 2017.

- ❖ Iron and Steel exports jumped by more than 58 percent during May 2017 with an overseas shipment of US\$ 797.5 million from US\$ 504.5 million in the same month last year. Cumulative figure showed 99.5 percent growth of exports during April - May 2017 to US\$ 1703.5 million from US\$ 853.8 million during the same period last fiscal. Products of Iron and Steel increased in export by 14.6 percent during May 2017 over the same month last year while its cumulative exports increased by 17 percent to US\$ 1035.7 million during April - May 2017 from US\$ 885.3 million during the same period last in 2016-17.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 'Copper and its products' and 'Aluminium and its products' recorded substantial growth in exports during May 2017. 'Tin and its products' recorded highest growth of 670.8 percent during May 2017. Barring 'Nickel and its products' all the non-ferrous metals recorded positive monthly as well as cumulative growth during April - May 2017.
- ❖ Industrial machinery recorded decline in exports on a monthly basis in May 2017 but positive growth on a cumulative basis during April - May 2017. Exports of Pumps of all types recorded highest growth in May 2017 and during April - May 2017. Highest exporting segment of industrial panel, 'Industrial Machinery for dairy, food processing, textiles etc.' recorded positive growth in exports both on monthly and cumulative basis. Exports of another major segment 'IC Engines and Parts' declined moderately on a cumulative basis but recorded noticeable decline during May 2017.
- ❖ Electrical Machinery and equipments panel achieved significant growth in May 2017 at 19.3 percent. On a cumulative basis, the growth was higher at 32.4 percent during April - May 2017 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 51 percent decline in growth during May 2017 and conceded 43.3 percent decline cumulatively during the eleventh month of the current fiscal over the same period last year.
- ❖ Among other panels, Railway Transport grew by 52 percent during April - May 2017. Medical & scientific equipments, Office Equipments, Accumulator and Batteries, Prime mica & mica products also registered positive growth during April - May 2017 over the same period last year.

## 2. Top 25 destinations for Indian Engineering Exports

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during May 2017 over May 2016 in Absolute Value. Country wise cumulative figures for April-May 2017-2018 have also been taken into concern to see the trend of India's engineering exports in the current fiscal.

**Table 6: Engineering Exports Country wise (2017-18)**

<b>COUNTRY</b>	<b>MAY, 2016</b>	<b>MAY, 2017</b>	<b>Growth</b>	<b>APRIL, 2016 - MAY, 2016</b>	<b>APRIL, 2017- MAY, 2017</b>	<b>Growth</b>
U S A	495.0	902.0	82.2%	1007.9	1554.8	54.3%
UAE	677.6	961.5	41.9%	1009.4	1245.6	23.4%
MEXICO	169.3	230.9	36.3%	361.8	479.7	32.6%
ITALY	130.3	248.9	91.0%	253.9	465.6	83.4%
GERMANY	169.2	207.4	22.5%	340.2	449.1	32.0%
U K	190.6	205.5	7.9%	372.4	437.6	17.5%
CHINA	96.2	189.1	96.6%	187.3	394.8	110.8%
BANGLADESH	165.8	179.4	8.2%	307.0	342.8	11.7%
<b>NEPAL</b>	<b>195.1</b>	<b>165.5</b>	<b>-15.2%</b>	<b>366.2</b>	<b>324.0</b>	<b>-11.5%</b>
KOREA RP	85.0	149.9	76.3%	164.6	321.6	95.3%
EGYPT A RP	52.7	44.1	-16.2%	95.1	297.7	213.0%
FRANCE	98.4	121.4	23.3%	190.6	263.1	38.1%
TURKEY	110.8	100.4	-9.4%	218.5	259.6	18.9%
<b>INDONESIA</b>	<b>240.6</b>	<b>107.4</b>	<b>-55.4%</b>	<b>301.7</b>	<b>248.2</b>	<b>-17.7%</b>
SOUTH AFRICA	75.4	117.7	56.0%	137.0	239.8	75.0%
BELGIUM	62.5	96.9	54.9%	120.8	213.5	76.7%
<b>SINGAPORE</b>	<b>454.3</b>	<b>97.4</b>	<b>-78.6%</b>	<b>677.3</b>	<b>210.3</b>	<b>-68.9%</b>
MALAYSIA	95.1	98.3	3.4%	407.6	209.2	-48.7%
SPAIN	64.9	98.7	52.2%	120.3	207.2	72.3%
SAUDI ARAB	92.0	71.2	-22.6%	194.0	195.7	0.9%
<b>SRI LANKA</b>	<b>212.3</b>	<b>94.3</b>	<b>-55.6%</b>	<b>352.3</b>	<b>190.6</b>	<b>-45.9%</b>
THAILAND	57.7	95.0	64.8%	114.5	171.4	49.7%
ISRAEL	19.6	23.3	18.8%	39.6	169.8	329.2%
JAPAN	52.4	91.4	74.4%	109.6	150.2	37.1%
NETHERLAND	75.9	64.8	-14.7%	140.3	147.5	5.2%

*Note: Red font indicates negative growth*

*(Source: Department of Commerce, Government of India)*

The country wise engineering export figures for January 2017 show the following facts:

- ❖ In May 2017, 17 out of the top 25 countries recorded year-on-year growth in engineering exports from India while the rest 8 conceded decline over the same month last year.
- ❖ UAE ranked to be the top exporting destination for India's engineering products in May 2017. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-May 2017-18 over the same period last fiscal.
- ❖ Like in case of Egypt, engineering exports to Turkey, Saudi Arab, and Netherlands recorded negative growth in May but positive growth in terms of cumulative exports.

- ❖ All European nations falling under the top 25 engineering export destinations like UK, Germany, Italy, Belgium, France and Spain, recorded positive growth both during Apr-May 2017-18 over Apr-May 2016-17 as well as on a monthly basis during May 2017 over May 2016.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations only Thailand recorded the positive growth in engineering exports from India in Apr-May 2017-18.
- ❖ Out of 216 exports destinations of Indian engineering goods, top 25 nations accounted for 76.7 percent of India's total engineering exports during Apr-May 2017-18.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth of 21.1 percent in April - May 2017 over the same period in the previous year.

### 3. Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-May 2017-18 as opposed to April-May 2016-17. We also look at the trend in May 2017 vis-à-vis May 2016. The Table below gives this picture:

**Table 7: Region Wise Exports Trend**

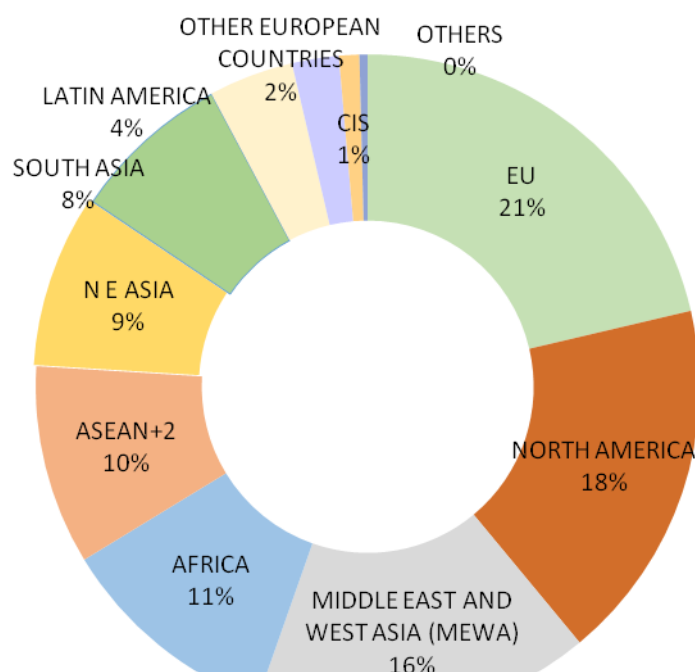
US\$ Million

Region	MAY 2016	MAY 2017	Growth (%)	APRIL- MAY 2016-17	APRIL - MAY 2017-18	Growth (%)
EU	1082.4	1215.3	12.3	1977.6	2554.5	29.2
NORTH AMERICA	702.9	1170.2	66.5	1443.6	2113.8	46.4
MIDDLE EAST AND WEST ASIA (MEWA)	936.1	1222.4	30.6	1536.7	1966.2	28.0
AFRICA	458.8	479.9	4.6	873.9	1304.5	49.3
ASEAN+2	1047.7	561.8	-46.4	1844.0	1161.5	-37.0
N E ASIA	273.4	479.9	75.5	541.0	1010.3	86.7
SOUTH ASIA	622.6	472.4	-24.1	1117.6	930.1	-16.8
LATIN AMERICA	234.3	256.8	9.6	429.4	496.3	15.6
OTHER EUROPEAN COUNTRIES	114.8	107.9	-6.0	227.5	273.2	20.1
CIS	132.7	55.4	-58.2	185.1	118.4	-36.0
OTHERS	20.7	26.8	29.5	192.8	47.5	-75.4
<b>Grand Total</b>	<b>5626.4</b>	<b>6049.0</b>	<b>7.5</b>	<b>10369.2</b>	<b>11976.3</b>	<b>15.5</b>

*(Source: Department of Commerce, Government of India)*

Note: \*Figures have been rounded off. Source: DGCI&S; \*\*Myanmar has been included in ASEAN+2 and not in South Asia, since ASEAN is a formal economic grouping.

**Figure 2: India's region wise exports during Apr-May 2017-18**



*(Source: EEPC India analysis)*

- ❖ EU ranks as the region with highest shipment of engineering products from India during May 2017 with a share of more than 21% of total engineering exports.
- ❖ India's exports to ASEAN+2 and CIS registered sharp decline cumulative terms.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – May 2017-18 over the same period in the previous year.
- ❖ Engineering exports to Africa and North America also recorded noteworthy positive growth in cumulative terms.

#### 4. Engineering panel – country wise analysis

We now analyse the performance of some of the important products during May 2017. We have taken the major panels and computed high growth and sharp declines to get an idea of the current trade pattern.

**Table 8: Export of Iron & Steel**  
US\$ Million

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
SOUTH AFRICA	1.94	1.86	-4.38	3.51	24.36	593.44%
CHINA	7.06	15.62	121.28	11.9	58.9	395.07%
SPAIN	12.87	39.41	206.13	19.86	79.11	298.26%
INDONESIA	16.54	33	99.55	25.89	89.93	247.36%
ITALY	28.88	115.62	300.41	59.01	192.21	225.73%
BELGIUM	23.36	61.21	161.98	48.98	133.97	173.49%
UAE	26.83	46.34	72.69	42.95	107.85	151.13%
KOREA RP	13.8	31.98	131.68	26.91	66.14	145.77%
MALAYSIA	22.73	28.55	25.6	25.76	49.53	92.28%
U S A	23.18	45.62	96.83	38.1	87.23	128.94%
<b>Sharp cumulative decline</b>						
VIETNAM	19.14	5.01	-73.81	22.87	20.77	-9.22%
BANGLADESH	56.03	31.3	-44.15	72.36	47.3	-34.63%

*(Source: Department of Commerce, Government of India)*

- ❖ South Africa recorded highest growth in imports of Indian Iron and Steel during April - May 2017-18. China saw second highest growth.
- ❖ Vietnam, which recorded highest growth in April - May 2016-17, saw a negative growth in April - May 2017-18.
- ❖ Exports to Vietnam and Bangladesh declined sizeably during April - May 2017-18 over the same period last year.

**Table 9: Export of Products of Iron & Steel**

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
IRAQ	0.13	0.18	36.63%	0.34	6.49	1781.11%
IRAN	0.96	7.60	687.93%	2.11	21.90	938.84%
COTE D' IVOIRE	0.61	0.45	-26.03%	1.10	5.91	439.68%
COLOMBIA	0.61	2.93	383.16%	1.36	6.10	349.16%
THAILAND	4.77	19.76	313.81%	9.00	25.56	184.10%
SRI LANKA	4.88	7.58	55.52%	9.35	22.72	142.95%
EGYPT	4.49	5.60	24.89%	6.80	13.31	95.69%
U S A	83.74	134.21	60.27%	164.48	253.67	54.23%
<b>Sharp cumulative decline</b>						
PERU	2.36	0.82	-65.16%	6.54	1.36	-79.18%
TURKEY	4.29	2.02	-52.94%	8.33	4.37	-47.61%
KUWAIT	11.34	7.15	-36.95%	22.89	13.91	-39.23%
SAUDI ARAB	34.69	14.49	-58.22%	65.81	47.82	-27.33%

(Source: Department of Commerce, Government of India)

- ❖ In case of products of iron & steel, exports to Iran, Iraq and Cote D' Ivoire witnessed notable growth during April - May 2017-18.
- ❖ Top exporting destination like UAE did not see significant growth in exports from India.
- ❖ Turkey, Kuwait and Peru recorded substantial decline in imports of Indian products of Iron & Steel during April - May 2017-18.

**Table 10: Export of Industrial Machinery**  
US\$ Million

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
SENEGAL	0.93	2.86	208.64%	2.12	6.96	227.88%
SWITZERLAND	2.86	8.66	203.19%	5.39	12.92	139.86%
FRANCE	14.33	17.83	24.45%	29.96	48.23	60.96%



<b>IRAN</b>	10.53	12.47	18.44%	18.24	26.71	46.45%
<b>CHINA</b>	27.47	37.82	37.67%	53.96	74.65	38.34%
<b>KUWAIT</b>	11.51	15.36	33.50%	25.19	33.78	34.10%
<b>Sharp cumulative decline</b>						
<b>RUSSIA</b>	99.35	8.57	-91.37%	102.63	15.09	-85.30%
<b>ETHIOPIA</b>	19.42	4.27	-78.03%	25.38	9.02	-64.47%
<b>MALAYSIA</b>	30.07	12.14	-59.62%	53.63	25.21	-52.99%
<b>PHILIPPINES</b>	6.68	8.17	22.15%	24.39	15.99	-34.42%

*(Source: Department of Commerce, Government of India)*

- ❖ Senegal recorded highest growth in imports of India's Industrial Machinery during April - May 2017-18. Switzerland also achieved triple digit growth during the time period.
- ❖ Export to Russia, Ethiopia and Malaysia recorded sharp decline in imports during April - May 2017-18.

**Table 11: Export of Automobiles**

US\$ Million

<b>COUNTRY</b>	<b>May 2016</b>	<b>May 2017</b>	<b>Growth (%)</b>	<b>April- May 2016-17</b>	<b>April- May 2017-18</b>	<b>Growth %</b>
<b>High cumulative growth</b>						
<b>INDONESIA</b>	3.63	17.79	390.14%	5.42	39.12	622.19%
<b>FRANCE</b>	9.25	29.92	223.41%	19.31	53.98	179.50%
<b>SOUTH AFRICA</b>	39.32	74.54	89.59%	65.25	133.48	104.55%
<b>BANGLADESH</b>	22.26	48.16	116.37%	44.27	87.66	98.00%
<b>MEXICO</b>	115.48	169.55	46.82%	250.42	340.84	36.11%
<b>ITALY</b>	30.04	28.93	-3.69%	55.60	70.20	26.26%
<b>Sharp cumulative decline</b>						
<b>GREECE</b>	3.82	0.65	-82.87%	9.22	1.76	-80.92%
<b>SAUDI ARAB</b>	11.83	3.35	-71.70%	23.29	4.04	-82.67%
<b>DENMARK</b>	2.46	0.38	-84.41%	6.67	0.77	-88.47%

<b>SENEGAL</b>	0.23	0.52	122.08%	11.13	1.19	-89.30%
<b>VIETNAM</b>	24.64	0.51	-97.95%	31.70	2.22	-93.00%

(Source: Department of Commerce, Government of India)

(Note: Automobiles sector includes Motor vehicles and Two & Three Wheelers)

- ❖ Indonesia, France and South Africa saw over 100 percent growths in imports of Indian automobile during April - May 2017-18.
- ❖ Indonesia became the largest importer of Indian automobiles during April-May 2017-18 and recorded around 622.2% growth in year-on-year imports.
- ❖ Export of automobile from India to Denmark decreased significantly during April-May 2017-18;

**Table 12: Export of Non-Ferrous metals**

US\$ Million

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
<b>KOREA RP</b>	51.66	92.35	78.7%	96.00	202.23	110.7%
<b>CHINA</b>	34.38	104.16	203.0%	65.33	197.40	202.1%
<b>U S A</b>	37.88	57.76	52.5%	76.29	125.42	64.4%
<b>UAE</b>	53.82	74.06	37.6%	99.06	111.46	12.5%
<b>MALAYSIA</b>	24.38	30.98	27.1%	26.99	83.22	208.3%
<b>ITALY</b>	4.38	30.22	590.0%	6.72	63.06	837.8%
<b>TAIWAN</b>	8.68	12.37	42.5%	14.63	48.09	228.7%
<b>TURKEY</b>	3.40	5.49	61.4%	4.92	39.50	703.6%
<b>Sharp cumulative decline</b>						
<b>SINGAPORE</b>	42.76	33.46	-21.7%	68.71	35.50	-48.3%
<b>SAUDI ARAB</b>	8.57	7.90	-7.8%	19.46	19.13	-1.7%
<b>FRANCE</b>	3.23	2.92	-9.7%	6.95	6.61	-4.9%
<b>AUSTRALIA</b>	4.80	2.30	-52.0%	6.94	5.71	-17.8%
<b>SOUTH AFRICA</b>	4.23	3.58	-15.4%	6.67	5.69	-14.7%
<b>KUWAIT</b>	1.90	1.74	-8.1%	3.87	3.30	-14.9%

<b>EGYPT</b>	1.59	0.96	-39.9%	3.11	2.91	-6.3%
<b>VIETNAM</b>	1.01	1.53	51.6%	4.67	2.33	-50.1%

- ❖ Exports of India's non-ferrous metal to Italy and Spain recorded sizeable growth among all exporting nations during April -May 2017-18.
- ❖ Singapore witnessed significant lower imports of non-ferrous metals from India during April – May 2017-18.

**Table 13: Export of Electrical Machinery and Components**  
US\$ Million

<b>COUNTRY</b>	<b>May, 2016</b>	<b>May, 2017</b>	<b>Growth (%)</b>	<b>April- May 2016-17</b>	<b>April- May 2017-18</b>	<b>Growth %</b>
<b>High cumulative growth</b>						
<b>GERMANY</b>	17.66	30.90	74.93%	37.32	104.16	179.08%
<b>VIETNAM</b>	4.50	14.84	229.94%	8.99	19.15	112.95%
<b>JAPAN</b>	4.32	16.82	289.26%	9.51	20.06	110.82%
<b>FRANCE</b>	14.08	23.42	66.31%	27.62	53.49	93.71%
<b>U S A</b>	44.15	83.15	88.33%	85.83	150.75	75.63%
<b>MALAYSIA</b>	3.30	7.66	132.38%	8.98	15.62	73.94%
<b>U K</b>	24.78	17.40	-29.79%	39.85	63.64	59.71%
<b>TURKEY</b>	15.31	9.07	-40.73%	19.15	26.88	40.35%
<b>Sharp cumulative decline</b>						
<b>CONGO P REP</b>	0.01	0.16	2362.49%	4.41	0.31	-92.97%
<b>ALGERIA</b>	8.84	1.34	-84.83%	15.68	1.85	-88.19%
<b>PHILIPPINES</b>	9.38	2.07	-77.95%	18.16	4.18	-76.98%
<b>CANADA</b>	5.22	1.27	-75.76%	6.67	1.99	-70.12%
<b>SAUDI ARAB</b>	6.23	3.70	-40.63%	11.47	8.23	-28.22%

*(Source: Department of Commerce and CSO)*

- ❖ Germany recorded highest growth in imports of India's 'Electric Machinery and Component' during April - May 2017-18 followed by Vietnam and Japan.

- ❖ The largest importer of India's electrical machinery and components USA recorded 75.6 percent growth in imports during this time period. Another largest importer UK also achieved good growth in imports during April-May 2017-18.
- ❖ Among the losers, Congo P. Rep recorded highest decline in imports at 92.97 percent. Algeria was the immediate follower with 88.19 percent fall in imports during April-May 2017-18.

**Table 14: Export of Aircrafts & Spacecrafts**  
US\$ Million

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
SWITZERLAND	1.11	4.55	308.67%	2.89	6.59	128.02%
GERMANY	8.33	27.02	224.20%	17.81	38.52	116.29%
POLAND	2.53	2.20	-13.36%	2.65	4.83	82.53%
U K	17.58	11.41	-35.11%	29.42	39.05	32.74%
<b>Sharp cumulative decline</b>						
U S A	51.73	38.84	-24.91%	101.70	80.93	-20.42%
FRANCE	23.94	13.90	-41.96%	48.16	37.44	-22.27%

(Source: Department of Commerce and CSO)

- ❖ Exports of India's 'Aircraft & Spacecrafts' to Switzerland saw the highest growth during April-May 2017-18 followed by Germany which also recorded import growth in triple digit during April - May 2017-18.
- ❖ Exports to USA and France conceded maximum declines during the April-May 2017-18.

**Table 15: Export of Ships, Boats and Floating Structures and parts**  
US\$ Million

COUNTRY	May, 2016	May, 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
U S A	-	216.57	---	0.00	216.73	9036641.09%
U A E	444.10	678.48	52.78%	559.33	714.59	27.76%
<b>Sharp cumulative decline</b>						

COUNTRY	May, 2016	May, 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>SRI LANKA</b>	126.10	23.16	-81.63%	126.10	23.17	-81.63%
<b>INDONESIA</b>	165.31	6.60	-96.01%	170.57	15.24	-91.06%
<b>SINGAPORE</b>	337.31	0.14	-99.96%	466.63	21.95	-95.30%
<b>MALAYSIA</b>	-	6.21		254.38	6.21	-97.56%

(Source: Department of Commerce and CSO)

- ❖ USA registered abnormally high growth in imports of Indian engineering products that comes under the panel 'Ships, Boats and Floating Structures and Parts' during April - may 2017-18.
- ❖ Exports to Sri Lanka recorded noticeable decline during the same time period.

**Table 16: Export of Auto Components**  
US\$ Million

COUNTRY	May 2016	May 2017	Growth (%)	April- May 2016-17	April- May 2017-18	Growth %
<b>High cumulative growth</b>						
<b>CANADA</b>	3.43	5.58	62.48%	6.67	13.96	109.42%
<b>SOUTH AFRICA</b>	3.95	7.20	82.41%	9.12	16.03	75.73%
<b>BRAZIL</b>	10.60	18.44	73.92%	20.19	34.78	72.22%
<b>FRANCE</b>	5.35	8.97	67.66%	10.67	17.80	66.87%
<b>BANGLADESH</b>	12.47	19.44	55.95%	22.58	32.35	43.24%
<b>RUSSIA</b>	4.62	5.00	8.21%	8.25	10.24	24.08%
<b>Sharp cumulative decline</b>						
<b>SPAIN</b>	5.98	4.92	-17.74%	12.06	10.16	-15.73%
<b>EGYPT A</b>	12.07	4.80	-60.28%	19.27	8.73	-54.70%
<b>NEPAL</b>	26.55	10.41	-60.79%	44.17	17.58	-60.20%

(Source: Department of Commerce and CSO)

- ❖ Canada recorded highest growth in imports of Indian 'Auto Components/Parts' during April - May 2017-18 followed by South Africa among major importers.
- ❖ Egypt remained one of the top loser among all major importers during April-May 2017-18.

## 5. Conclusion

India's exports rose by 8.32 percent to USD 24 billion in May, even as the trade deficit shot up to nearly 30-month high of USD 13.84 billion, mainly due to increase in gold imports. Strong performance by petroleum, engineering, textiles and gems and jewellery sectors propelled the country's exports growth during the month.

In line with the trend of India's overall Search Results merchandise exports, engineering exports too continued to witness handsome growth for the 8th consecutive month to May 2017. The share of engineering exports in India's total merchandise exports increased to 25.2 per cent in May 2017 from 23.8 per cent in April 2017.

25 out of 33 engineering panels, have registered growth in in exports in May 2017. Ferrous and non-ferrous products recorded notable growth in the said period. Export of all types of pumps recorded highest growth.

In May 2017, India's exports to North-East Asia especially to UAE grew drastically. As a region, Middle East and West Asia was the largest export destination of Indian engineering export followed EU, North America, ASEAN and others.

Country wise India's top five export destinations were UAE, USA, Italy, Mexico and Germany and in case of all five courtiers engineering exports grew positively.

Undoubtedly engineering exporters achieved an outstanding performance in last few months despite facing tremendous challenges both internally and externally: rising domestic steel prices, non-availability of certain types of steel, like stainless steel hampering exports of stainless steel cutlery, among others, an appreciating Rupee coupled with the growing protectionism in both developed and developing countries.

