

Engineering Exports Monitor

June 2017



Engineering the future

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Analysis of Indian engineering exports for June 2017

17 July, 2017

India's Merchandise Trade scenario

- ❖ India's merchandise export achieved year-on-year growth for the tenth straight month to June 2017 when it grew by 4.39 percent in Dollar terms to USD 23.56 billion from USD 22.57 billion during the same month last year. However, value of exports during June 2017 conceded 0.04 percent decline year-on-year in Rupee terms due to appreciation of Indian Rupee vis-à-vis the US Dollar.
- ❖ Rise in year-on-year exports was driven by impressive growth in exports of Engineering Goods, Petroleum Products, Organic & Inorganic Chemicals, Rice and Marine Products.
- ❖ Cumulative exports during April-June 2017-18 was USD 72.21 billion as against USD 65.31 billion during the same period last year registering 10.57 percent growth.
- ❖ Merchandise Imports recorded a much higher 19.01 percent growth during June 2017 as it rose to USD 36.52 billion from USD 30.69 billion during June 2016.
- ❖ Substantial growth in imports of commodity groups like Petroleum, Crude & products; Electronic goods; Pearls, precious & Semi-precious stones; Machinery, electrical & non-electrical; and Gold led this high growth of imports during the month concerned.
- ❖ Cumulative value of imports during April-June 2017-18 surged 32.78 percent year-on-year to USD 112.26 billion from US\$ 84.55 billion in the same period last year.
- ❖ Trade deficit during June 2017 widened by 59.68 percent to USD 12.96 billion from USD 8.12 billion in June 2016. On a cumulative basis, trade deficit zoomed by an even higher 108.22 percent as it went up to USD 40.05 billion in Apr-Jun 2017-18 from USD 19.23 billion during the same period last year.

India's Engineering Exports scenario

- ❖ India's engineering exports achieved year-on-year growth for the 11th consecutive month to June 2017 and outperformed the overall merchandise export growth.
- ❖ Overseas shipment of India's engineering products stood at USD 5.71 billion during June 2017 as against USD 5.07 billion during the same month last year, registering 12.8 percent growth.
- ❖ Cumulative engineering export during April - June 2017 also recorded 14.51 percent growth over the same period last year by securing exports of USD 17.68 billion as against USD 15.44 billion during April-June 2016.
- ❖ The share of engineering exports in India's total merchandise exports declined to 24.3 percent in Jun 2017 from 25.2 percent in May 2017 but it was higher than the share of 23.8 percent in April 2017.
- ❖ Out of 33 engineering panels, 26 panels recorded growth in exports over the same month last year while the remaining 7 panels conceded decline during the month of June 2017.
- ❖ During June 2017, 19 out of the top 25 countries recorded year-on-year growth in engineering exports from India while the rest 6 conceded decline over the same month last year.

1. Trend in overall merchandise trade

India's merchandise exports continued its growth run for the tenth straight month to June 2017. During the said month, merchandise exports grew by 4.39 percent in Dollar terms to USD 23.56 billion from USD 22.57 billion in June 2016. However, value of exports during June 2017 conceded 0.04 percent decline year-on-year in Rupee terms. It seems that appreciation of Indian Rupee vis-à-vis the US Dollar took its toll on export revenues.

Rise in year-on-year exports during June 2017 was driven by impressive growth in exports of Engineering Goods, Petroleum Products, Organic & Inorganic Chemicals, Rice and Marine Products. Non-petroleum and Non Gems & Jewellery exports were valued at USD 17.48 billion in June 2017 as against USD 16.49 billion in June 2016, registering an increase of 6.02 percent. Cumulative value of Non-petroleum and Non Gems and Jewellery exports during April -June 2017-18 rose by 9.75 percent to USD 52.71 billion from USD 48.03 billion for the corresponding period in 2016-17.

Cumulative value of merchandise exports during April-June 2017-18 was USD 72.21 billion as against USD 65.31 billion during the same period last year registering 10.57 percent growth.

Growth of merchandise exports, however far exceeded that of merchandise imports with 19.01 percent growth during June 2017. Merchandise Imports rose to USD 36.52 billion in June 2017 from USD 30.69 billion during June 2016. Cumulative value of merchandise imports during April-June 2017-18 surged 32.78 percent year-on-year to USD 112.26 billion from US\$ 84.55 billion in the same period last year.

Oil imports during June, 2017 were valued at USD 8.13 billion that was 12.04 percent higher than oil imports in June 2016 estimated at USD 7.25 billion. Oil imports during April-June, 2017-18 were valued at USD 23.18 billion which was 22.98 per cent higher than the oil imports of USD 18.85 billion in the same period last fiscal. Global Brent prices (\$/bbl) decreased by 3.28 % year-on-year in June 2017 as per the World Bank commodity price data.

Non-oil imports during June 2017 were estimated at USD 28.40 billion which was 21.17 per cent higher than non-oil imports of USD 23.44 billion in June 2016. On a cumulative basis, non-oil imports was at USD 89.09 billion during April-June 2017-18 as against USD 65.70 billion during April-June 2016-17, registering 35.60 percent growth.

Trade deficit during June 2017 widened by 59.68 percent to USD 12.96 billion from USD 8.12 billion in June 2016. On a cumulative basis, trade deficit zoomed by an even higher 108.22 percent as it went up to USD 40.05 billion in Apr-Jun 2017-18 from USD 19.23 billion during the same period last year.

2. Engineering exports

India's engineering exports achieved year-on-year growth for the 11th consecutive month to June 2017 in line with the broader merchandise export and outperformed the overall merchandise export once again during the reporting month.

Overseas shipment of India's engineering products stood at USD 5.71 billion during June 2017 as against USD 5.07 billion during the same month last year, registering 12.8 percent growth.

Cumulative engineering export during April - June 2017 also recorded 14.51 percent growth over the same period last year by securing exports of USD 17.68 billion as against USD 15.44 billion during April-June 2016. The share of engineering exports in India's total merchandise exports decreased to 24.3 percent in Jun 2017 from 25.2 percent in May 2017 but it was higher than the share of 23.8 percent 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:

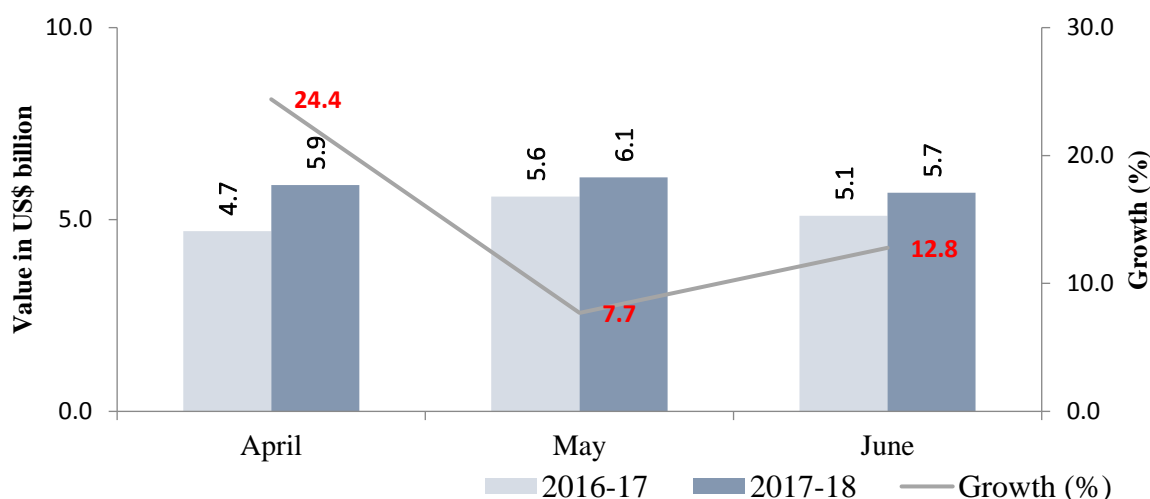
Table1: Engineering Exports
(US\$ Million)

Months	2016-17	2017-18	Growth (%)
April	4742.79	5902.02	24.44%
May	5627.57	6059.50	7.68%
June	5066.10	5714.59	12.80%
April - June	15436.62	17676.11	14.51%

(Source: Department of Commerce, Government of India)

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

Figure1: Monthly Engineering Exports in 2017-18 vis-a-vis 2016-17
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.

During the first two months of fiscal 2017-18, both engineering exports and manufacturing growth moved in the same direction. In April 2017, both engineering export growth and manufacturing growth accelerated while in May 2017, both of them continued to witness growth but growth decelerated in both cases. Manufacturing Index in the Index of Industrial Production (IIP) stood at 125.1 in May 2017 as against 117.6 in the previous month when measured with new base year 2011-12.

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

Table 2: Engineering Exports Growth vis-à-vis Manufacturing Growth (2017-18)

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
April - March 2016-17	11.33	4.9
April 2017	24.44	2.3
May 2017	7.68	1.2
June 2017	12.80	N A
Apr - Jun 2017-18	14.51	N A

(Source: Department of Commerce and CSO)

An analysis of the engineering export and manufacturing growth data for fiscal 2016-17 also established some correlation between the two. 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.

We also present the month wise corresponding revised engineering exports for 2016-17 as opposed to 2015-16.

Table 3: Revised Engineering Exports for 2016-17 (Figures in US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5676.6	4742.95*	-16.45%
May	5354.44	5627.57*	5.10%
June	4936.26	5066.10*	2.63%
Quarter 1	15967.3	15436.62*	-3.32%
July	5559.65	4767.16	-14.25%
August	4653.93	4877.52	4.80%
September	4699.73	5009.42	6.59%
Quarter 2	14913.31	14654.10	-1.74%
October	4475.58	5077	13.44%
November	4321.78	4828.08	11.72%
December	4690.16	5633.93	20.12%
Quarter 3	13487.52	15539.01	15.21%
January	4709.05	5303.61	12.63%
February	4349.97	6706.35	54.17%
March	5170.29	7641.3	47.79%
Quarter 4	14229.31	19651.26	38.10%
April-March	58597.44	65280.99*	11.41%

(*) Marked figures are revised figure

Source: DGCI&S

1. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

June	Average Exchange Rate 1 USD to INR
2016	67.30
2017	64.44

(Source: Calculated from RBI archive)

During June 2017, the official exchange rate of rupee strengthened by 4.24 percent vis-à-vis the US Dollar on a year-on-year basis, i.e., over June 2016. The appreciation in June 2017 was higher than the year-on-year appreciation achieved in May 2017 at 3.71 percent vis-à-vis the US Dollar.

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

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

Sl no.	Panel	June_16	June_17	Growth %	Apr-June 2016-17	Apr-June 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	588.05	725.64	23.4	1441.89	2429.18	68.5
B	Products of Iron and Steel	490.48	509.86	4.0	1376	1543.23	12.2
Sub Total		1078.5	1235.5	14.6	2817.9	3972.4	41.0
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	189.42	285.49	50.7	498.38	735.55	47.6
B	Aluminium and products	229.88	336.52	46.4	560.75	992.23	76.9
C	Zinc and products	12.73	61.62	384.1	42.25	172.71	308.8
D	Nickel and products	11.38	2.54	-77.7	30.2	8.16	-73.0
E	Lead and products	9.3	15.01	61.4	27.36	56.99	108.3
F	Tin and products	0.72	0.58	-19.4	1.56	3.5	124.4
G	Other Non-Ferrous Metals	36.99	41.9	13.3	108.02	119.1	10.3
Sub Total		490.4	743.7	51.6	1268.5	2088.2	64.6
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	44.69	47.68	6.7	161.49	131.35	-18.7
B	IC Engines and Parts	181.94	261.14	43.5	623.29	681.08	9.3

Sl no.	Panel	June_16	June_17	Growth %	Apr-June 2016-17	Apr-June 2017-18	Growth %
C	Pumps of all types	57.63	82.6	43.3	168.94	220.79	30.7
D	Air condition and Refrigerators	85.81	92.73	8.1	252.91	261.93	3.6
E	Industrial Machinery for dairy, food processing , textiles etc	382.38	416.57	8.9	1086.8	1179.62	8.5
F	Machine Tools	41.59	50	20.2	127.46	130.03	2.0
G	Machinery for Injecting moulding, valves and ATMs	101.36	119.74	18.1	301.55	347.16	15.1
Sub Total		895.4	1070.5	19.6	2722.4	2952.0	8.4
4	Electrical Machinery	372.44	430.93	15.7	1035.32	1304.83	26.0
A	Motor Vehicle/cars	525.95	636.5	21.0	1603.89	1838.61	14.6
B	Two and Three Wheelers	131.5	149.92	14.0	401.34	471.8	17.6
C	Auto Components/Part	346.9	401.22	15.7	1017.99	1136.26	11.6
Sub Total		1004.4	1187.6	18.2	3023.2	3446.7	14.0
6	Aircrafts and Spacecraft parts and products	425.73	163.18	-61.7	974.3	462.39	-52.5
7	Ships Boats and Floating products and parts	272.82	267.66	-1.9	2009.28	1604.1	-20.2
A	Medical and Scientific instruments	110.78	133.49	20.5	318.46	367.79	15.5
B	Railway Transport	18.53	40.71	119.7	46.42	83.34	79.5
C	Hand Tools & Cutting Tools	53.23	58.03	9.0	173.71	168.18	-3.2

Sl no.	Panel	June_16	June_17	Growth %	Apr-June 2016-17	Apr-June 2017-18	Growth %
D	Electrodes Accumulators	3.8	4.42	16.3	11.37	10.97	-3.5
E	Accumulator and Batteries	20.2	18.71	-7.4	52.57	57.15	8.7
F	Bicycle & Parts	24.87	28.26	13.6	73.07	78.32	7.2
G	Cranes Lifts & Winches	38.02	26.32	-30.8	122.53	77.12	-37.1
H	Office Equipments	8.69	7.6	-12.5	25.01	24.96	-0.2
I	Other Construction Machinery	77.13	103.96	34.8	271.67	291.54	7.3
J	Prime Mica & Mica Products	1.73	2.06	19.1	4.9	5.95	21.4
K	OTHER MISC. ITEMS	169.43	192	13.3	485.94	680.19	40.0
Sub Total		526.4	615.6	16.9	1585.7	1845.5	16.4
Grand Total		5066.10	5714.59	12.80	15436.62	17676.11	14.51

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Panel-wise analysis for in June 2017 engineering export data showed that the overall scenario improved as compared to that of June 2016. Out of 33 engineering panels, 26 panels recorded growth in exports over the same month last year while the remaining 7 panels conceded decline during the month of June 2017.
- ❖ Iron and Steel exports jumped by more than 23 percent during June 2017 with an overseas shipment of US\$ 725.64 million from US\$ 588.05 million in the same month last year. Cumulative figure showed 68 percent growth of exports during April – June 2017 to US\$ 2429.18 million from US\$ 1441.9 million during the same period last fiscal. Products of Iron and Steel increased in export by 4 percent during June 2017 over the same month last year while its cumulative exports increased by 12.2 percent to US\$ 1543.23 million during April - June 2017 from US\$ 1376 million during the same period last in 2016-17.

- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 'Zinc and products', 'Lead and products', Copper and products' recorded substantial growth in exports during June 2017. 'Zinc and its products' recorded highest growth of 384 percent during June 2017. Barring 'Nickel and its products' and 'Tin and its products' all the non-ferrous metals recorded positive monthly during June 2017 vis-à-vis June 2016.
- ❖ Industrial machinery recorded growth in exports both monthly and cumulatively to the extent of 19.6 percent and 8.4 percent respectively during June 2017 and April- June 2017. Exports of IC Engines recorded highest growth in June 2017. Highest exporting segment of industrial panel, 'Pumps and Valves.' recorded positive growth in exports both on monthly and cumulative basis. Exports of another major segment 'Nuclear Reactors' declined moderately on a cumulative basis to the extent of 18.7 percent but recorded a positive growth of 6.7 percent during June 2017.
- ❖ Electrical Machinery and equipments panel achieved significant growth in June 2017 at 15.7 percent. On a cumulative basis, the growth was higher at 26 percent during April - June 2017 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 62 percent decline in growth during June 2017 and conceded 52.5 percent decline cumulatively during April - June 2017 over the same period last year.
- ❖ Among other panels, Railway Transport grew by 79.5 percent during April - June 2017. Medical & scientific equipments, Bicycle and Parts, Other Construction and Machinery, Accumulator and Batteries, Prime mica & mica products also registered positive growth during April - June 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 June 2017 over June 2016 in Absolute Value. Country wise cumulative figures for April-June 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)

COUNTRY	JUNE, 2016	JUNE, 2017	Growth	APRIL, 2016 - JUNE, 2016	APRIL, 2017- JUNE, 2017	Growth
U S A	547.11	744.97	36.16	1555.24	2298.75	47.81
UAE	450.25	319.27	-29.09	1459.60	1564.69	7.20
MEXICO	189.63	219.68	15.84	551.43	699.31	26.82
U K	193.73	242.52	25.18	566.18	693.67	22.52
GERMANY	168.02	209.15	24.48	508.23	658.66	29.60
ITALY	134.55	168.09	24.93	388.46	633.07	62.97

COUNTRY	JUNE, 2016	JUNE, 2017	Growth	APRIL, 2016 - JUNE, 2016	APRIL, 2017- JUNE, 2017	Growth
CHINA P	94.52	233.70	147.25	281.87	629.02	123.16
BANGLADESH	156.93	174.19	11.00	463.88	516.91	11.43
NEPAL	190.20	158.46	-16.69	556.36	484.31	-12.95
KOREA RP	98.27	161.06	63.91	262.90	482.39	83.48
SINGAPORE	199.43	211.35	5.98	876.74	422.70	-51.79
TURKEY	212.22	162.04	-23.65	430.68	421.47	-2.14
SOUTH AFRICA	78.70	136.90	73.95	215.73	376.67	74.60
FRANCE	104.47	112.20	7.40	295.02	370.44	25.56
INDONESIA	124.12	104.72	-15.63	425.85	353.04	-17.10
EGYPT	45.08	46.20	2.48	140.17	343.86	145.32
BELGIUM	97.44	101.99	4.67	218.24	315.46	44.55
MALAYSIA	60.28	96.43	59.98	467.95	305.65	-34.68
SRI LANKA	86.61	112.91	30.37	438.92	303.48	-30.86
SPAIN	69.99	90.10	28.73	190.27	297.23	56.21
SAUDI ARAB	99.00	97.92	-1.09	293.02	293.26	0.08
THAILAND	59.88	98.79	64.98	174.46	269.92	54.72
JAPAN	62.02	80.57	29.91	171.59	230.11	34.11
BRAZIL	42.53	84.01	97.53	140.59	224.15	59.44
NETHERLAND	68.38	61.71	-9.76	208.66	210.13	0.71

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ In June 2017, 19 out of the top 25 countries recorded year-on-year growth in engineering exports from India while the rest 6 conceded decline over the same month last year.
- ❖ USA ranked to be the top exporting destination for India's engineering products in June 2017. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-June 2017-18 over the same period last fiscal.
- ❖ Like in case of UAE, Saudi Arabia and Netherland, engineering exports recorded negative growth in June 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-June 2017-18 over Apr-June 2016-17 as well as on a monthly basis during June 2017 over June 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-June 2017-18.
- ❖ Out of 219 exports destinations of Indian engineering goods, top 25 nations accounted for 75.8 percent of India's total engineering exports during Apr-June 2017-18.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth both monthly to the extent of 16.4 percent in June 2017 and cumulatively to the extent of 18.76 percent during April- June 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-June 2017-18 as opposed to April-June 2016-17. We also look at the trend in June 2017 vis-à-vis June 2016. The Table below gives this picture:

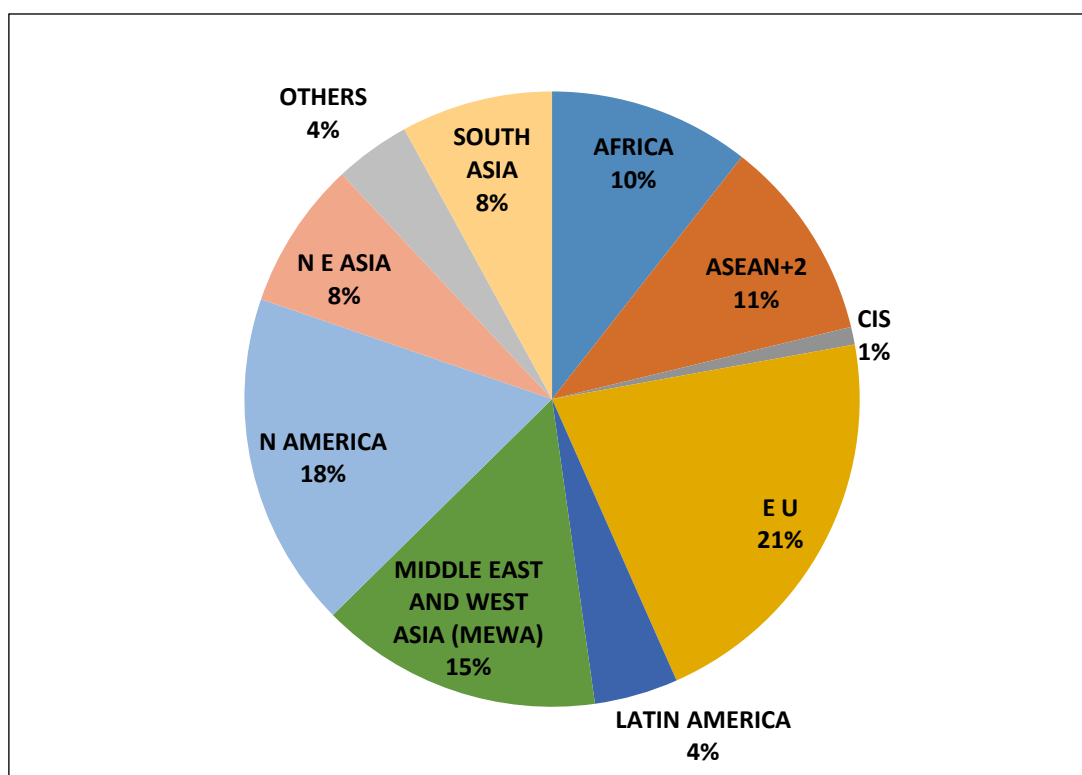
Table 7: Region Wise Exports Trend
US\$ Million

Region	JUNE, 2016	JUNE, 2017	Growth	APRIL, 2016 - JUNE, 2016	APRIL, 2017- JUNE, 2017	Growth
AFRICA	493.36	566.63	14.85	1366.51	1869.15	36.78
ASEAN+2	619.64	721.09	16.37	2463.81	1883.56	-23.55
CIS	68.49	59.54	-13.06	253.59	163.70	-35.45
E U	1112.28	1185.65	6.60	3089.94	3749.22	21.34
LATIN AMERICA	199.79	289.25	44.78	622.34	778.07	25.02
MIDDLE EAST AND WEST ASIA (MEWA)	756.88	666.12	-11.99	2293.57	2625.36	14.47
N AMERICA	779.02	1004.76	28.98	2222.83	3118.28	40.28
N E ASIA	266.22	487.53	83.13	749.81	1374.70	83.34
OTHERS	297.55	257.16	-13.57	782.92	705.29	-9.92
SOUTH ASIA	472.88	476.85	0.84	1591.31	1408.76	-11.47
Grand Total	5066.10	5714.59	12.80	15436.62	17676.09	14.51

(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-June 2017-18



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during June 2017 with a share of more than 21% of total engineering exports.
- ❖ India's exports to ASEAN+2 and CIS registered sharp decline in cumulative terms.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – June 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 June 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	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
ITALY	43.78	45.64	4.24	102.79	237.85	131.39
BELGIUM	59.87	60.51	1.07	108.85	194.48	78.66
UAE	47.76	37.93	-20.58	90.70	145.78	60.72
INDONESIA	14.47	35.23	143.53	40.35	125.16	210.14
SPAIN	21.85	43.07	97.14	41.71	122.19	192.91
U S A	34.07	24.26	-28.80	72.17	111.41	54.38
TURKEY	36.07	53.87	49.35	51.59	89.14	72.78
KOREA RP	13.26	19.50	47.05	40.17	85.64	113.18
TAIWAN	24.42	27.63	13.16	45.93	84.88	84.79
MALAYSIA	5.36	27.90	420.09	31.12	77.43	148.77
Sharp cumulative decline						
NEPAL	49.71	45.43	-8.61	161.87	151.73	-6.26
BANGLADESH	23.04	26.03	12.96	95.40	73.33	-23.13

(Source: Department of Commerce, Government of India)

- ❖ Italy recorded highest growth in exports of Indian Iron and Steel during April – June 2017-18. Belgium saw second highest growth.
- ❖ UAE, ranks third recording high growth in April - June 2016-17.
- ❖ Exports to Nepal and Bangladesh declined sizeably during April - June 2017-18 over the same period last year.

Table 9: Export of Products of Iron & Steel

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
IRAQ	0.36	11.08	2952.46	0.71	17.56	2381.77
IRAN	2.08	1.35	-35.36	4.19	23.25	455.09

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
COTE D' IVOIRE	0.36	0.17	-53.96	1.46	6.08	316.94
COLOMBIA	1.77	5.63	218.93	3.12	11.73	275.53
SRI LANKA	3.97	11.42	187.34	13.33	34.14	156.16
THAILAND	5.88	6.81	15.83	14.98	32.29	115.55
SENEGAL	2.33	3.34	43.53	4.69	9.28	97.95
EGYPT	4.01	4.39	9.39	10.81	17.69	63.60
Sharp cumulative decline						
TURKEY	4.39	2.65	-39.55	12.72	7.03	-44.75
KUWAIT	10.52	6.77	-35.63	33.41	20.54	-38.53
ETHIOPIA	2.67	1.44	-45.93	9.11	5.85	-35.84
KENYA	5.88	1.61	-72.59	10.75	6.93	-35.52
OMAN	17.88	7.06	-60.50	28.05	18.52	-33.98
SAUDI ARABIA	35.51	21.65	-39.04	101.32	69.37	-31.54

(Source: Department of Commerce, Government of India)

- ❖ USA, UAE and Germany are the top three importers of India's 'Products of Iron & Steel' during April - June 2017-18 with 24.8, 7.9 and 5.8 percent share respectively.
- ❖ USA recorded 53 percent growth in imports of 'Products of Iron & Steel' from India while Germany saw 5.1 percent growth. UAE recorded 19.5 percent decline in imports during the first three months of 2017-18 over the same period last year.
- ❖ Among major exporters, exports to Iran, Iraq, Cote D' Ivoire, Colombia and Sri Lanka witnessed notable growth during April - June 2017-18.
- ❖ Among major importers, Saudi Arabia and Kuwait conceded substantial decline in imports during April - June 2017-18.

Table 10: Export of Industrial Machinery
US\$ Million

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
FINLAND	0.57	11.97	2002.51	1.35	12.92	857.02

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
UZBEKISTAN	0.69	2.50	265.11	2.03	5.48	170.38
LITHUANIA	0.60	1.98	229.29	2.38	5.98	151.05
SWITZERLAND	2.22	2.01	-9.51	7.61	13.99	83.96
KOREA RP	8.82	20.70	134.57	27.17	43.04	58.41
THAILAND	17.30	28.65	65.63	44.17	66.44	50.43
FRANCE	15.90	18.38	15.65	45.86	67.17	46.48
Sharp cumulative decline						
RUSSIA	14.93	11.71	-21.54	117.55	26.07	-77.82
ETHIOPIA	4.75	5.20	9.50	30.13	14.22	-52.81
ALGERIA	14.75	3.82	-74.10	27.08	14.58	-46.17
MALAYSIA	17.44	15.43	-11.52	71.08	40.64	-42.82
BHUTAN	12.68	7.10	-43.98	26.33	16.79	-36.24

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during Apr - Jun 2017-18 with 16.35 percent share. UK, Bangladesh, Germany, China and UAE also crossed import value of USD 100 million during the three months.
- ❖ Finland recorded highest growth in imports of India's Industrial Machinery during April - June 2017-18. Uzbekistan and Lithuania also achieved triple digit growth during the time period.
- ❖ Export to Russia, Ethiopia, Algeria and Malaysia were among the major importers recorded sharp decline in imports during April - June 2017-18.

Table 11: Export of Automobiles

US\$ Million

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
COTE D' IVOIRE	0.51	14.79	2789.45	0.98	35.75	3536.95
ALGERIA	3.74	17.23	360.11	3.78	37.27	886.81

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
INDONESIA	4.22	23.14	448.15	9.64	62.24	545.69
FRANCE	7.77	22.76	193.06	27.08	76.74	183.39
SOUTH AFRICA	40.32	89.59	122.18	105.58	223.07	111.28
ARGENTINA	6.72	15.53	131.06	20.88	36.32	73.98
BANGLADESH	31.76	38.62	21.62	76.03	126.38	66.22
Sharp cumulative decline						
VIETNAM	16.60	0.72	-95.64	48.30	2.94	-93.91
OMAN	3.81	0.99	-73.98	10.02	1.72	-82.80
GREECE	2.97	0.39	-86.88	12.19	2.15	-82.37
SAUDI ARABIA	15.54	9.57	-38.44	38.83	13.60	-64.97
SENEGAL	0.46	3.48	660.80	11.58	4.67	-59.65
NETHERLAND	12.72	0.94	-92.58	45.84	19.25	-58.01

(Source: Department of Commerce, Government of India)

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

- ❖ Mexico, South Africa and Bangladesh were top three importers of India's Automobiles during the first quarter of 2017-18 witnessing 33.6, 111.3 and 66.2 percent growth in year-on-year imports respectively.
- ❖ Cote D' Ivoire, Algeria, Indonesia, France and South Africa saw over 100 percent growths in imports of Indian automobile during April - June 2017-18 among major importers.
- ❖ Vietnam, Saudi Arabia and Netherland conceded substantial decrease in imports of Automobiles from India during April-June 2017-18.

Table 12: Export of Non-Ferrous metals
US\$ Million

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
CHINA	14.75	157.87	970.32	80.08	355.27	343.62
KOREA	62.46	102.96	64.84	158.46	304.91	92.42
MALAYSIA	11.17	17.30	54.88	38.16	100.52	163.38
ITALY	4.35	23.04	430.02	11.07	85.41	671.49
TAIWAN	19.64	21.60	10.00	34.27	69.67	103.32
TURKEY	7.16	2.68	-62.52	12.08	41.94	247.27
THAILAND	4.05	8.62	112.63	12.18	32.27	165.04
BRAZIL	3.41	9.58	180.65	12.49	31.12	149.17
QATAR	0.85	25.68	2937.47	3.03	27.47	806.16
SPAIN	3.04	6.85	125.32	7.11	25.06	252.40
BAHARAIN	3.71	8.99	141.99	4.67	23.29	398.16
MONTENEGRO	0.82	7.07	766.51	1.62	14.00	765.88
Sharp cumulative decline						
SINGAPORE	67.24	0.92	-98.64	135.95	36.44	-73.20
OMAN	9.32	4.14	-55.63	19.44	14.93	-23.17
MEXICO	32.94	24.20	-26.53	48.72	40.06	-17.77
SOUTH AFRICA	3.34	2.71	-18.84	10.00	8.40	-16.05
FRANCE	3.37	3.09	-8.33	10.33	9.65	-6.50
SAUDI ARAB	15.96	14.64	-8.26	35.42	33.54	-5.31

- ❖ China and South Korea are the leading importers of Indian Non-ferrous metals during Apr - Jun 2017-18 with 17.0 percent and 14.6 percent shares respectively.
- ❖ Qatar, Italy and Montenegro witnessed highest growth in imports of Indian Non-ferrous metal products during the first three months of 2017-18.
- ❖ Singapore, Oman and Mexico conceded significant decline in imports of non-ferrous metals from India during April – Jun 2017-18.

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

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
ARGENTINA	0.71	0.76	7.08	2.22	9.11	310.08
MEXICO	2.48	2.59	4.29	4.65	13.39	188.18
GERMANY	20.80	41.67	100.36	58.12	145.62	150.55
JAPAN	4.04	13.08	223.77	13.55	32.98	143.33
VIETNAM	4.01	9.12	127.68	13.00	28.25	117.34
U S A	55.69	93.97	68.74	141.52	244.16	72.53
FRANCE	13.11	15.09	15.11	40.72	68.12	67.29
UAE	16.41	22.21	35.34	47.90	74.52	55.59
Sharp cumulative decline						
PHILIPPINES	5.29	2.03	-61.59	23.45	6.32	-73.04
OMAN	4.43	2.67	-39.78	12.49	7.38	-40.92
BANGLADESH	8.59	8.56	-0.34	43.25	29.18	-32.52
SRI LANKA	3.84	4.05	5.54	12.64	10.16	-19.62
NEPAL	10.54	6.48	-38.55	24.62	21.09	-14.34
SAUDI ARABIA	3.65	5.00	36.82	15.12	13.21	-12.64

(Source: Department of Commerce and CSO)

- ❖ USA and Germany were the two largest importers of Indian Electrical Machinery and Components with 18.7 percent and 11.1 percent share in India's total exports of the product group respectively. USA and Germany recorded 72.5 percent and 150.6 percent growth in imports respectively during Apr - Jun 2017-18.
- ❖ Argentina and Mexico recorded highest growth in imports of India's Electrical Machinery and Components during Apr - June 2017-18.
- ❖ Philippines, Oman and Bangladesh conceded highest decline in imports of India's Electrical Machinery and Components during Apr - June 2017-18.

Table 14: Export of Aircrafts & Space crafts
US\$ Million

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
SWITZERLAND	1.84	3.01	63.85	4.72	8.02	69.69
GERMANY	12.31	12.42	0.89	30.12	51.07	69.56
U K	14.71	19.32	31.30	44.13	72.34	63.91
POLAND	2.91	3.60	23.67	5.56	8.43	51.72
SINGAPORE	12.08	23.44	94.10	49.97	58.85	17.77
Sharp cumulative decline						
BULGARIA	0.00	0.00	---	93.70	0.00	-100.00
CZECH REPUBLIC	127.90	0.03	-99.98	171.08	0.07	-99.96
SRI LANKA	0.41	0.03	-92.15	77.54	0.11	-99.86
UAE	38.53	0.69	-98.20	50.01	1.78	-96.44
TURKEY	65.23	0.88	-98.65	74.39	4.80	-93.55
RUSSIA	21.27	4.54	-78.66	38.86	9.05	-76.71
FRANCE	28.62	18.59	-35.04	76.79	51.37	-33.11
U S A	49.42	53.06	7.37	151.12	132.37	-12.41

(Source: Department of Commerce and CSO)

- ❖ USA, France and Singapore were the three largest importers of Indian 'Aircrafts, Spacecrafts and parts' during April - June 2017. While France and USA recorded decline in imports, Singapore saw an increase of 17.8 percent during the said time period.
- ❖ Exports of India's 'Aircraft & Spacecrafts' to Switzerland saw the highest growth during April-June 2017-18 followed by Germany and UK.
- ❖ Bulgaria saw no imports of Indian 'Aircrafts, Spacecrafts and parts' during Apr - Jun 2017-18 as against imports of USD 93.7 million during the same period last fiscal. Czech Republic, Sri Lanka, UEA, Turkey and Russia also conceded sizeable decline in imports of Indian 'Aircrafts, Spacecrafts and parts' during the first three months of 2017-18.

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

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
EGYPT	0.00	0.00	----	0.00	213.77	----
LIBERIA	0.00	0.00	----	0.00	84.61	----
U S A	0.02	0.10	320.14	0.03	216.75	858126.10
Sharp cumulative decline						
MALAYSIA	0.01	0.02	79.74	254.39	6.22	-97.55
INDONESIA	62.75	0.00	-100.00	233.32	15.24	-93.47
SINGAPORE	61.85	144.86	134.20	528.48	166.67	-68.46
SRI LANKA	0.00	25.34	----	126.10	48.51	-61.53

(Source: Department of Commerce and CSO)

- ❖ Egypt and Liberia recorded substantial imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - June 2017-18 as against no exports during the same period last year. USA registered abnormally high growth in imports of that same product group during the same period.
- ❖ Exports to Malaysia, Indonesia, Singapore and Sri Lanka recorded significant decline in imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - June 2017-18.

Table 16: Export of Auto Components
US\$ Million

COUNTRY	June, 2016	June, 2017	Growth (%)	April- June 2016-17	April- June 2017-18	Growth %
High cumulative growth						
SAUDI ARABIA	1.80	2.67	48.79	5.53	12.17	120.16
CANADA	3.41	7.74	126.92	10.08	21.70	115.34
BRAZIL	12.34	23.92	93.79	32.53	58.66	80.31

VIETNAM	2.85	9.18	221.42	9.85	17.55	78.18
KOREA	2.65	4.56	72.52	7.84	13.21	68.45
POLAND	2.24	4.04	80.66	6.78	11.38	67.89
FRANCE	5.05	7.83	54.87	15.72	25.61	62.90
BANGLADESH	14.25	20.15	41.42	36.83	52.34	42.11
SOUTH AFRICA	7.78	6.73	-13.52	16.90	22.75	34.60
Sharp cumulative decline						
NEPAL	18.16	11.66	-35.80	62.33	29.34	-52.93
EGYPT	7.31	3.90	-46.55	26.58	12.64	-52.46
SPAIN	5.44	4.34	-20.12	17.50	14.51	-17.07

(Source: Department of Commerce and CSO)

- ❖ USA, Turkey and Brazil were three largest importers of Indian 'Auto Components/Parts' during April - June 2017-18 with 20.5, 6.9 and 5.2 percent of shares respectively.
- ❖ Saudi Arabia and Canada recorded highest growth in imports of Indian 'Auto Components/Parts' during April - June 2017-18 followed by Brazil and Vietnam among major importers.
- ❖ Nepal, Egypt and Spain conceded highest decline in imports 'Auto Components/Parts' from India among major importers during April - June 2017-18.

5. Conclusion

Merchandise exports grew on a year-on-year basis for the tenth month in a row to June 2017 despite a slowdown in growth was observed. Merchandise exports grew by 4.39 percent in Dollar terms to USD 23.56 billion from USD 22.57 billion in June 2016. Growth in exports was mainly led by impressive growth in exports of Engineering Goods, Petroleum Products, Organic & Inorganic Chemicals, Rice and Marine Products.

That appreciation of Indian Rupee vis-à-vis the US Dollar probably started taking its toll on export revenues as the value of exports in Rupee terms declined by 0.04 percent during June 2017 despite a growth in terms of US Dollar.

Despite the growth in exports, trade deficit during June 2017 widened by 59.68 percent over June 2016 as imports exceeded exports substantially mainly due to sharp rise in crude and gold imports. On a cumulative basis during April - June 2017-18, trade deficit zoomed by an even higher 108.22 percent over the same period last year.

In line with the broader merchandise exports, India's engineering exports achieved year-on-year growth for the 11th consecutive month to June 2017 and outperformed the overall merchandise export once again during the reporting month. The share of engineering exports in India's total merchandise exports decreased to 24.3 percent in Jun 2017 from 25.2 percent in May 2017 but it was higher than the share of 23.8 percent in April 2017.

Out of 33 engineering panels, 26 panels recorded growth in exports during June 2017 over the same month last year while the remaining 7 panels conceded decline.

Among the exporting destinations, N E Asia saw highest growth during the first quarter of fiscal 2017-18 followed by North America and Africa. Engineering exports to ASEAN+2 and CIS region declined noticeably. USA and UAE remained two largest importers of Indian engineering products with over USD 1 billion of imports during April - June 2017-18.

Despite a continuous upward trend of Indian engineering export from August 2016 on the back of rising commodity prices and stability in major developed economies, there are a few bottlenecks to growth of exports like rising domestic steel prices and non-availability of certain types of steel among others. Moreover, an appreciating Rupee coupled with growing protectionism in both developed and developing countries may also weigh on Indian exports going forward.

