

Engineering Exports Monitor

July 2017



Engineering the future

EEPCINDIA
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India's Merchandise Trade scenario

- ❖ India's merchandise export registered year-on-year (Y-o-Y) growth for the twelve straight months to July 2017 when it increased to USD 22.54 billion from USD 21.69 billion in the same month last year, registering 3.94% growth. However, merchandise exports in Rupee terms declined by 0.32% in July 2017, the second month in a row as appreciation of Indian Rupee vis-à-vis the US Dollar outweighed the rise in the value of exports once again.
- ❖ Rise in Y-o-Y exports during Jul 2017 was driven by impressive growth in exports of Engineering Goods, Petroleum Products, Organic & Inorganic Chemicals, Cotton Yarn/Fabs./made-ups, Handloom Products etc. and Marine Products.
- ❖ Cumulative value of exports for the period April-July 2017-18 was USD 94.76 billion as against USD 87 billion showing 8.91% growth Y-o-Y.
- ❖ Merchandise Imports during July 2017 also registered 15.42% growth over the same period last year as it surged to USD 33.99 billion from USD 29.45 billion in July 2016.
- ❖ Growth in imports was mainly led by 95.05% surge in Gold imports during July 2017. Other major commodity groups showing high Y-o-Y import growth are Petroleum, Crude & products, Electronic goods, Machinery, electrical & non-electrical, Pearls, precious & Semi-precious stones and Gold.
- ❖ Cumulative value of imports for the period April-July 2017-18 was USD 146.26 billion as against USD 114.0 billion registering 28.30% growth over the same period last year.
- ❖ Trade deficit narrowed down in July 2017 from the previous month but widened by 47.5% on a Y-o-Y basis to USD 11.45 billion from USD 7.76 billion during July 2016. On a cumulative basis, trade deficit zoomed by 90.8% as it mounted up to USD 51.5 billion in Apr-Jul 2017-18 from USD 27 billion during the same period last year.

India's Engineering Exports scenario

- ❖ India's engineering exports continued its growth run for the 12th month in a row to July 2017 and outperformed the overall merchandise export once again.
- ❖ Overseas shipment of India's engineering products grew by 7.96% during July 2017 to USD 5.18 billion from USD 4.79 billion during the same month last year.
- ❖ Cumulative engineering export during April - July 2017 recorded a higher 13.03% growth over the same period last year. Engineering exports stood at USD 22.88 billion during April - July 2017-18 as against USD 20.24 billion during the same period last year.
- ❖ The share of engineering exports in India's total merchandise exports decreased marginally to 24.1% in July 2017 from 24.3% in Jun 2017 and 25.2% in May 2017 but it was higher than the share of 23.8% in April 2017.
- ❖ Out of 33 engineering panels, 15 panels recorded growth in exports in July 2017 over the same month last year while the remaining 18 panels conceded decline during the month of July 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 export registered year-on-year (Y-o-Y) growth for the twelve straight months to July 2017 when it increased to USD 22.54 billion from USD 21.69 billion in the same month last year, registering 3.94% growth. However, merchandise exports in Rupee terms declined by 0.32% in July 2017, the second month in a row as appreciation of Indian Rupee vis-à-vis the US Dollar outweighed the rise in the value of exports once again.

Rise in Y-o-Y exports during Jul 2017 was driven by impressive growth in exports of Engineering Goods (15.16%), Petroleum Products (20.27%), Organic & Inorganic Chemicals (20.67%), Cotton Yarn/Fabs./made-ups, Handloom Products etc. (5.39%) and Marine Products (30.53%). However, exports of readymade garments, pharmaceuticals and gems and jewellery contracted. Non-petroleum and Non Gems & Jewellery exports in July 2017 increased 6.93% Y-o-Y while on a cumulative basis during Apr - Jul 2017-18, growth was 9.05% over the same period last year.

Cumulative value of exports for the period April-July 2017-18 was USD 94.76 billion as against USD 87.0 billion showing 8.91% growth Y-o-Y.

Merchandise Imports during July 2017 also registered 15.42% growth over the same period last year as it surged to USD 33.99 billion from USD 29.45 billion in July 2016. In rupee terms, imports grew by 10.70% Y-o-Y in the reporting month. Cumulative value of imports for the period April-July 2017-18 was USD 146.26 billion as against USD 114.0 billion registering 28.30% growth over the same period last year.

Gold imports surged by 95.05% Y-o-Y in July 2017. Other major commodity groups showing high Y-o-Y import growth in July 2017 are Petroleum, Crude & products (15.02%), Electronic goods (22.5%), Machinery, electrical & non-electrical (7.34%), Pearls, precious & Semi-precious stones (6.86%) and Gold (95.05%).

Oil imports during July 2017 were valued at USD 7.84 billion which was 15.02% higher than oil imports valued at USD 6.82 billion in July 2016. Oil imports during April-July, 2017-18 were valued at USD 31.02 billion which was 20.87% higher than the oil imports of USD 25.67 billion in the corresponding period last year. It needs to be mentioned in this regard that price of Brent Crude in the international market (USD/bbl) have increased by 8.03 % Y-o-Y in July 2017 vis-à-vis July 2016 as per World Bank commodity price data.

Non-oil imports during July 2017 were estimated at USD 26.15 billion which was 15.55% higher than non-oil imports of USD 22.63 billion in July 2016. Non-oil imports during April-July 2017-18 were valued at USD 115.23 billion which was 30.46% higher than the level of such imports valued at USD 88.33 billion in April-July 2016-17.

Trade deficit narrowed down in July 2017 from the previous month but widened by 47.5% on a Y-o-Y basis to USD 11.45 billion from USD 7.76 billion during July 2016. On a cumulative basis, trade deficit zoomed by 90.8% as it mounted up to USD 51.5 billion in Apr-Jul 2017-18 from USD 27 billion during the same period last year.

2. Engineering exports

India's engineering exports continued its growth run for the 12th month in a row to July 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 grew by 7.96% during July 2017 to USD 5.18 billion from USD 4.79 billion during the same month last year. Cumulative engineering export during April - July 2017 recorded a higher 13.03% growth over the same period last year driven by substantial Y-o-Y growth in April and June 2017. Engineering exports stood at USD 22.88 billion during Apr - July 2017-18 as against USD 20.24 billion during the same period last year. The share of engineering exports in India's total merchandise exports decreased marginally to 24.1% in July 2017 from 24.3% in Jun 2017 and 25.2% in May 2017 but it was higher than the share of 23.8% 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:

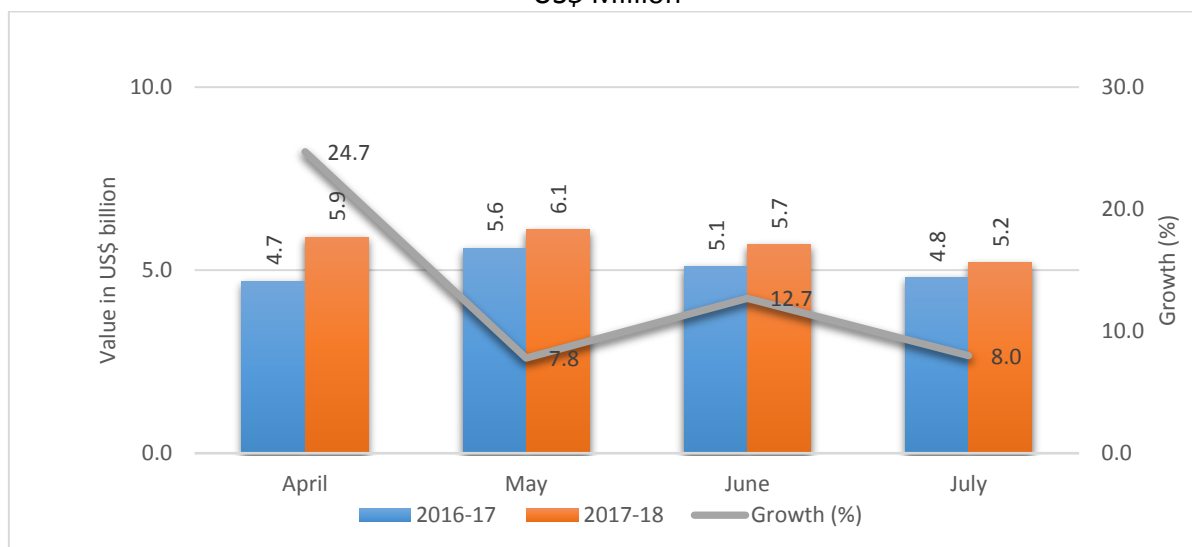
Table1: Engineering Exports
(US\$ Million)

Months	2016-17	2017-18	Growth (%)
April	4745.00	5918.54	24.73
May	5637.12	6076.39	7.79
June	5067.02	5710.38	12.70
April - June	15449.14	17705.31	14.60
July	4794.64	5176.41	7.96
April - July	20243.78	22881.72	13.03

(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 for 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 77.63% 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 but the month of June 2017 saw a change. 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. During Jun 2017, Engineering export growth accelerated but manufacturing production declined Y-o-Y. Manufacturing Index in the Index of Industrial Production (IIP) stood at 120.6 in Jun 2017 as against 125.6 (Revised) in May 2017 and 117.6 in Apr 2017 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 in 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	24.73	3.16

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
May 2017	7.79	2.61
June 2017	12.70	-0.41
Apr - Jun 2017-18	14.60	1.79
July 2017	7.96	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 this 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	4745.00*	-16.41%
May	5354.44	5637.12*	5.28%
June	4936.26	5067.02*	2.65%
Quarter 1	15967.3	15449.14*	-3.25%
July	5559.65	4794.64*	-13.76%

Months	2015-16	2016-17	Growth (%)
August	4653.93	4877.52	4.80%
September	4699.73	5009.42	6.59%
Quarter 2	14913.31	14681.58	-1.55%
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	65320.99*	11.47%

(*) Marked figures are revised figures

Source: DGCI&S

3. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

July	Average Exchange Rate 1 USD to INR
2016	67.21
2017	64.46

(Source: Calculated from RBI archive)

During July 2017, the official exchange rate of rupee strengthened by 4.27% vis-à-vis the US Dollar on a year-on-year basis, i.e., over July 2016. The appreciation in July 2017 was higher than the year-on-year appreciation seen in June 2017.

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

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

Sl. no.	Panel	July 16	July 17	Growth %	Apr-July 2016-17	Apr-July 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	552.75	800.31	44.8	1994.64	3179.3	59.4
B	Products of Iron and Steel	478.44	481.01	0.5	1856.14	2024.39	9.1
Sub Total		1031.2	1281.3	24.3	3850.8	5203.7	35.1
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	199.28	232.2	16.5	697.66	967.31	38.7
B	Aluminium and products	258.06	334.01	29.4	818.81	1323.9	61.7
C	Zinc and products	26.22	42.59	62.4	68.47	215.3	214.4
D	Nickel and products	27.01	2.62	-90.3	57.21	10.77	-81.2
E	Lead and products	12.77	26.21	105.2	40.13	83.22	107.4
F	Tin and products	0.42	0.38	-9.5	1.98	3.88	96.0
G	Other Non-Ferrous Metals	38.2	34.92	-8.6	146.23	154.23	5.5
Sub Total		562.0	672.9	19.7	1830.5	2758.6	50.7
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	52.87	33.63	-36.4	214.36	165.81	-22.6
B	IC Engines and Parts	155.27	155.55	0.2	737.03	861.25	16.9
C	Pumps of all types	69.26	70.2	1.4	238.21	290.66	22.0
D	Air condition and Refrigerators	82.55	71.21	-13.7	335.44	333.74	-0.5
E	Industrial Machinery for dairy, food processing , textiles etc	388.24	361.51	-6.9	1475.09	1542.1	4.5

Sl. no.	Panel	July 16	July 17	Growth %	Apr-July 2016-17	Apr-July 2017-18	Growth %
F	Machine Tools	49.26	31.99	-35.1	176.72	158.22	-10.5
G	Machinery for Injecting moulding, valves and ATMs	103.72	105.06	1.3	405.21	454.48	12.2
	Sub Total	901.2	829.2	-8.0	3582.1	3806.3	6.3
4	Electrical Machinery	403.89	357.83	-11.4	1481.56	1662.84	12.2
A	Motor Vehicle/cars	641.47	631.93	-1.5	2245.36	2470.34	10.0
B	Two and Three Wheelers	138.38	152.2	10.0	539.72	623.8	15.6
C	Auto Components/Part	373.15	368.22	-1.3	1391.22	1503.19	8.0
	Sub Total	1153.0	1152.4	-0.1	4176.3	4597.3	10.1
6	Aircrafts and Spacecraft parts and products	214.72	159.82	-25.6	1197.79	679	-43.3
7	Ships Boats and Floating products and parts	21	219.52	945.3	1876.62	1822.07	-2.9
A	Medical and Scientific instruments	120.76	108.17	-10.4	440.12	474.96	7.9
B	Railway Transport	13.91	13.17	-5.3	60.34	96.64	60.2
C	Hand Tools & Cutting Tools	51.56	53.62	4.0	225.27	222.25	-1.3
D	Electrodes Accumulators	4.19	3.27	-22.0	15.56	14.25	-8.4
E	Accumulator and Batteries	18.83	20.39	8.3	71.37	77.57	8.7
F	Bicycle & Parts	23.51	21.61	-8.1	96.58	100.15	3.7
G	Cranes Lifts & Winches	28.92	23.15	-20.0	151.45	100.28	-33.8

Sl. no.	Panel	July 16	July 17	Growth %	Apr-July 2016-17	Apr-July 2017-18	Growth %
H	Office Equipments	9.26	8.74	-5.6	34.27	33.82	-1.3
I	Other Construction Machinery	72.38	80.69	11.5	344.05	373.7	8.6
J	Prime Mica & Mica Products	1.32	1.01	-23.5	6.22	6.98	12.2
K	OTHER MISC. ITEMS	163.07	169.67	4.0	802.95	851.32	6.0
Sub Total		507.7	503.5	-0.8	2248.2	2351.9	4.6
Grand Total		4794.64	5176.41	7.96	20243.78	22881.72	13.03

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Panel-wise analysis for the month of July 2017 engineering export data showed that the overall scenario improved as compared to that of July 2016 registering a growth of 8%. Out of 33 engineering panels, 15 panels recorded growth in exports over the same month last year while the remaining 18 panels conceded decline during the month of July 2017. In July, out of 33 panels, almost 55% of the panels recorded negative growth showing a contrasting picture from the preceding month of June 2017, where only 21% of the panels recorded negative growth.
- ❖ Iron and Steel exports jumped by more than 45 percent during July 2017 with an overseas shipment of US\$ 800.3 million from US\$ 552.75 million in the same month last year. Cumulative figure showed 59.4 percent growth of exports during April –July 2017 to US\$ 3179.3 million from US\$ 1994.64 million during the same period last fiscal. Products of Iron and Steel increased in export by 0.5 percent during July 2017 over the same month last year while its cumulative exports increased by 9.1 percent to US\$ 2024.4 million during April - July 2017 from US\$ 1856 million during the same period last in 2016-17.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 'Copper and products', 'Aluminium and products', 'Zinc and products', 'Lead and products', recorded substantial growth in exports during July 2017. 'Lead and its products' recorded highest growth of 105 percent during July 2017. Panels that recorded negative growth include 'Nickel and its products' dipping by 90 percent in July 2017, 'Tin and its products' down by 9.5 percent and ' Other non ferrous panels' down by 8.6 percent in July 2017 vis-à-vis July 2016.
- ❖ Industrial machinery recorded negative growth in exports to the extent of 8 percent during July 2017 but recorded positive growth by 6.3 percent cumulatively from April- July 2017 vis-à-vis same period last fiscal. Few industrial segments like Industrial Boilers, Machine Tools and Air Condition Repair

Machinery recorded fall in exports to the extent of 36 percent, 35 percent and 14 percent respectively in July 2017 compared to that of July 2016. Other exporting segments like, 'Pumps and Valves' and 'Machinery for ATMs' recorded minor positive growth in exports by 1.4 percent and 1.3 percent respectively during July 2017 compared to July 2016.

- ❖ Electrical Machinery and equipments panel faced negative growth in July 2017 by 11.4 percent. On a cumulative basis, the growth was higher at 12.2 percent during April - July 2017 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 25.6 percent decline in growth during July 2017 and conceded 43.3 percent decline cumulatively during April - July 2017 over the same period last year.
- ❖ Among other panels, Railway Transport grew by 60.2 percent during April - July 2017. Medical & scientific equipments, Bicycle and Parts, Other Construction and Machinery, Accumulator and Batteries, Prime mica & mica products also registered positive growth during April - July 2017 over the same period last year.

4. 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 July 2017 over July 2016 in Absolute Value. Country wise cumulative figures for April-July 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	JULY, 2016	JULY, 2017	Growth	APRIL, 2016 - JULY, 2016	APRIL, 2017- JULY, 2017	Growth
U S A	564.3	599.2	6.17	2120.64	2911.77	37.31
UAE	240.8	238.6	-0.90	1700.65	1789.30	5.21
MEXICO	219.6	224.2	2.10	771.00	921.15	19.48
U K	215.2	184.6	-14.22	782.25	878.52	12.31
GERMANY	201.9	214.1	6.03	710.09	872.47	22.87
ITALY	129.6	177.3	36.82	518.08	809.88	56.32
CHINA	117.7	174.7	48.43	399.51	803.76	101.19
SINGAPORE	113.6	290.9	156.06	990.35	713.13	-27.99
BANGLADESH	153.5	142.0	-7.51	617.43	663.30	7.43
NEPAL	158.1	170.2	7.66	714.49	656.11	-8.17
KOREA RP	123.9	128.4	3.62	386.85	610.16	57.72
TURKEY	132.2	141.9	7.38	562.84	533.37	-5.24
FRANCE	84.2	109.5	30.03	379.39	492.97	29.94
SOUTH AFRICA	92.5	111.5	20.61	308.20	487.99	58.33
MALAYSIA	131.8	135.0	2.41	599.83	440.62	-26.54

COUNTRY	JULY, 2016	JULY, 2017	Growth	APRIL, 2016 - JULY, 2016	APRIL, 2017- JULY, 2017	Growth
INDONESIA	70.6	85.9	21.71	496.54	437.18	-11.95
BELGIUM	88.3	100.5	13.90	306.50	416.02	35.74
SAUDI ARAB	94.4	99.9	5.73	387.46	393.11	1.46
EGYPT	47.7	38.7	-18.79	187.85	381.86	103.28
THAILAND	65.1	104.7	60.73	239.73	372.59	55.42
SRI LANKA	105.4	66.0	-37.37	544.32	369.58	-32.10
SPAIN	69.2	64.1	-7.37	259.48	361.13	39.17
JAPAN	73.0	74.0	1.42	244.65	303.46	24.04
BRAZIL	55.2	69.6	26.24	195.74	293.48	49.93
VIETNAM	43.5	147.0	237.65	213.92	282.16	31.90

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ In July 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 July 2017. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-July 2017-18 over the same period last fiscal.
- ❖ Like in case of UAE, UK, Bangladesh, Egypt and Spain, engineering exports recorded negative growth in July but positive growth in terms of cumulative exports, barring countries like Sri Lanka.
- ❖ All European nations falling under the top 25 engineering export destinations like Germany, Italy, Belgium and France, recorded positive growth both during Apr-July 2017-18 over Apr-July 2016-17 as well as on a monthly basis during July 2017 over July 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-July 2017-18.
- ❖ Out of 221 exports destinations of Indian engineering goods, top 25 nations accounted for 75.1 percent of India's total engineering exports during Apr-July 2017-18.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth both monthly to the extent of 14.8 percent in July 2017 and cumulatively to the extent of 17.5 percent during April- July 2017 over the same period in the previous year.

5. Regional Distribution of Engineering Exports

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

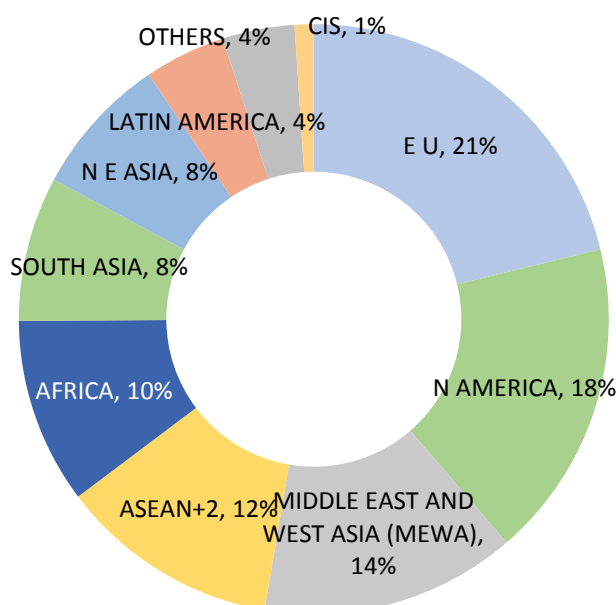
Table 7: Region Wise Exports Trend
US\$ Million

Region	JULY 2016	JULY 2017	Growth	APRIL, 2016 - JULY, 2016	APRIL, 2017- JULY, 2017	Growth
E U	1035.6	1088.6	5.11	4127.4	4849.7	17.50
N AMERICA	818.9	866.6	5.82	3042.8	3996.3	31.34
MIDDLE EAST AND WEST ASIA (MEWA)	568.7	567.3	-0.24	2867.1	3207.6	11.87
ASEAN+2	545.5	878.7	61.08	3009.7	2757.9	-8.37
AFRICA	520.5	461.0	-11.42	1887.3	2329.3	23.42
SOUTH ASIA	467.3	399.9	-14.42	2058.6	1815.0	-11.83
N E ASIA	325.2	388.1	19.35	1075.0	1762.2	63.92
LATIN AMERICA	254.0	243.0	-4.33	876.4	1020.4	16.43
OTHERS	216.9	224.3	3.41	999.8	903.8	-9.60
CIS	42.1	59.0	40.19	299.6	239.5	-20.06
Grand Total	4794.7	5176.4	7.96	20243.8	22881.7	13.03

(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-July 2017-18



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during July 2017 with a share of more than 21% of total engineering exports.
- ❖ India's exports to ASEAN+2, South Asia and CIS registered sharp decline in cumulative terms.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – July 2017-18 to the extent of 64 percent over the same period in the previous year.
- ❖ Engineering exports to Africa, and North America also recorded noteworthy positive growth in cumulative terms.

6. Engineering panel – country wise analysis

We now analyse the performance of some of the important products during July 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	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
ARGENTINA	0.7	3.1	332.2	2.7	11.3	317.3
BAHARAIN	1.1	2.0	87.1	3.0	10.4	248.1
SAUDI ARABIA	6.9	11.3	64.9	15.3	50.1	226.8
SOUTH AFRICA	2.5	2.5	1.8	9.2	29.5	221.8
MALAYSIA	4.4	24.0	442.2	35.6	101.4	185.3
NIGERIA	1.8	2.3	28.9	4.5	12.2	173.4
THAILAND	4.7	26.9	466.8	24.1	66.0	173.4
VIETNAM	8.0	104.5	1214.1	49.2	131.6	167.5
POLAND	6.6	9.2	40.4	22.7	59.8	163.8
BRAZIL	4.2	7.5	79.3	11.0	27.4	150.0
Sharp cumulative decline						
BANGLADESH	42.5	12.7	-70.1	137.9	86.0	-37.6

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
GHANA	5.9	3.7	-37.3	20.3	12.9	-36.8
DJIBOUTI	4.5	6.9	52.3	11.8	10.9	-7.6
KENYA	3.4	0.8	-76.6	9.7	8.4	-13.7
GREECE	2.6	1.0	-60.9	10.4	7.7	-25.8
KUWAIT	3.9	4.3	9.6	12.5	6.9	-44.6

(Source: Department of Commerce, Government of India)

- ❖ Italy, Belgium and Nepal recorded highest growth in exports of Indian Iron and Steel during April –July 2017-18.
- ❖ Countries with more than double growth in exports include Argentina, Bahrain, South Africa and Malaysia.
- ❖ Countries like Bangladesh experienced sharp downfall in exports from US\$ 138 million to US\$ 86 million during April-July 17-18.

Table 9: Export of Products of Iron & Steel
US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
U S A	93.6	123.4	31.9	344.2	506.7	47.2
THAILAND	5.8	15.9	175.7	20.9	46.1	120.9
SRI LANKA	4.2	6.5	54.4	17.5	40.6	131.6
AUSTRALIA	7.3	8.9	21.6	24.8	34.5	39.2
BANGLADESH	4.3	3.9	-10.7	19.4	25.7	32.1
IRAQ	1.1	7.6	601.1	1.8	25.2	1302.0
IRAN	0.9	0.7	-29.4	5.1	23.9	367.9
COLOMBIA	0.8	10.0	1174.8	3.9	21.7	455.7
Sharp cumulative decline						
UAE	58.6	23.5	-60.0	211.1	145.8	-30.9
SAUDI ARAB	18.6	31.7	70.0	120.0	101.0	-15.8
ITALY	15.6	12.7	-18.5	59.3	51.8	-12.8
KUWAIT	15.2	6.7	-55.8	48.6	27.2	-44.0
OMAN	4.6	5.7	24.8	32.6	24.2	-25.8
QATAR	5.6	4.7	-15.7	22.2	18.4	-17.2

(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 - July 2017-18 with 25, 7.2 and 5.8 percent share respectively.

- ❖ USA recorded 47 percent growth in imports of 'Products of Iron & Steel' from India while Germany saw 1.4 percent growth. UAE recorded 31 percent decline in imports during the first four months of 2017-18 over the same period last year.
- ❖ Among major exporters, exports to Iran, Iraq, Colombia, Australia, Bangladesh and Sri Lanka witnessed notable growth during April - July 2017-18.
- ❖ Among major importers, Saudi Arabia, Kuwait, Oman and Qatar conceded substantial decline in imports during April - July 2017-18.

Table 10: Export of Industrial Machinery
US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
FINLAND	0.6	0.8	32.0	2.0	13.7	599.6
LITHUANIA	0.7	1.2	72.8	3.0	7.1	134.0
UZBEKISTAN	1.1	0.8	-23.6	3.1	6.3	103.2
TUNISIA	0.7	0.9	24.6	3.0	5.8	93.8
ARGENTINA	2.2	3.7	67.3	7.8	13.0	65.1
KOREA RP	8.2	9.6	16.8	35.4	52.6	48.8
SWITZERLAND	3.9	2.2	-44.5	11.5	17.1	48.2
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 - July 2017-18 with 16 percent share. UK, Bangladesh, Germany, China and UAE also crossed import value of USD 100 million during the first four months.
- ❖ Finland recorded highest growth in imports of India's Industrial Machinery during April - July 2017-18. Uzbekistan and Lithuania also achieved triple digit growth during the time period.

- ❖ Export to Bhutan, Russia, Algeria and Senegal were among the major importers recorded sharp decline in imports during April - July 2017-18.

Table 11: Export of Automobiles

US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
COTE D' IVOIRE	1.3	8.2	527.6	2.3	43.9	1820.7
MALI	0.3	7.2	2406.1	0.8	8.2	921.0
INDONESIA	4.1	21.4	419.8	13.8	83.7	507.9
ALGERIA	13.7	20.7	50.6	17.5	58.0	231.0
FRANCE	6.3	17.7	181.8	33.3	94.4	183.1
SINGAPORE	1.0	4.6	371.0	3.1	8.8	179.9
LEBANON	1.4	3.3	142.2	3.4	9.3	175.3
Sharp cumulative decline						
VIETNAM	6.5	3.7	-42.8	54.8	6.7	-87.8
SENEGAL	17.4	0.4	-97.9	29.0	5.0	-82.6
NETHERLAND	19.2	1.9	-89.9	65.1	21.2	-67.4
AUSTRALIA	6.6	2.4	-63.7	25.8	11.6	-54.9
COSTA RICA	9.5	2.5	-74.2	24.3	11.8	-51.3
BHUTAN	7.6	0.0	-100.0	25.7	12.7	-50.7

(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 April-July of 2017-18 witnessing 25, 94 and 59 percent growth in year-on-year imports respectively.
- ❖ Cote D' Ivoire, Mali, Algeria, Indonesia, France and Singapore saw over 100 percent growths in imports of Indian automobile during April - July 2017-18 among major importers.

Vietnam, Senegal and Netherland conceded substantial decrease in imports of Automobiles from India during April-July 2017-18.

Table 12: Export of Non-Ferrous metals

US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
QATAR	1.05	19.49	1756.91	4.08	46.96	1050.72
MONTENEGRO	0.39	1.88	378.46	2.01	15.71	681.48
ITALY	6.33	9.31	47.10	17.40	94.37	442.44
BAHARAIN	5.30	17.15	223.81	9.97	40.16	302.81
CHINA	34.82	85.28	144.93	114.90	440.55	283.41
SPAIN	3.38	7.84	132.15	10.49	32.76	212.43
TURKEY	15.62	37.85	142.29	27.70	79.77	188.01
THAILAND	3.07	6.80	121.41	15.25	39.07	156.24
BRAZIL	3.69	8.50	130.57	16.18	39.46	143.95
CANADA	2.09	4.33	107.28	7.79	16.25	108.53
Sharp cumulative decline						
SINGAPORE	26.69	19.36	-27.47	162.64	55.80	-65.69
OMAN	11.40	7.23	-36.55	30.84	22.16	-28.12
SOUTH AFRICA	4.31	2.02	-53.14	14.31	10.42	-27.20
SAUDI ARABIA	19.95	7.47	-62.55	55.37	41.01	-25.95

- ❖ China (USD 440.55 million), South Korea (USD 387.03 million) and USA (USD 258.92 million) were the top three importers of Indian Non-ferrous metals during April - July 2017-18 with Y-o-Y growth of 283.4%, 68.6% and 54.6% respectively.
- ❖ Qatar, Montenegro and Italy witnessed highest growth in imports of Indian Non-ferrous metal products during the first four months of fiscal 2017-18.
- ❖ Singapore, Oman and South Africa conceded significant decline in imports of non-ferrous metals from India during April – July 2017-18.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
ARGENTINA	0.81	0.61	-24.87	3.03	9.72	220.69
MEXICO	2.21	3.41	54.45	6.86	16.59	142.03
GERMANY	19.12	37.33	95.25	77.24	182.79	136.64
DENMARK	0.99	2.01	104.02	3.40	7.73	127.37
VIETNAM	2.98	7.11	138.38	15.98	36.07	125.68
ISRAEL	1.15	1.64	42.82	4.36	7.96	82.67
RUSSIA	0.92	1.54	65.99	5.35	9.33	74.34
POLAND	2.19	5.35	144.30	8.93	15.36	71.98
FRANCE	11.93	17.95	50.45	52.65	85.98	63.30
U S A	56.72	68.02	19.93	209.77	312.71	49.07
Sharp cumulative decline						
PHILIPPINES	1.71	1.38	-19.47	25.17	7.70	-69.40
ETHIOPIA	2.28	0.77	-66.17	17.61	8.01	-54.50
SWEDEN	1.44	1.19	-17.65	10.06	5.20	-48.31
MALAYSIA	5.57	6.44	15.48	45.21	27.67	-38.80
EGYPT	1.74	1.20	-31.18	8.20	5.08	-38.11
OMAN	3.67	2.94	-19.92	16.16	10.33	-36.12
BANGLADESH	7.79	5.56	-28.61	51.03	34.73	-31.95
SOUTH AFRICA	6.59	2.83	-57.14	18.49	13.27	-28.24

(Source: Department of Commerce and CSO)

- ❖ USA (USD 312.71 million), Germany (USD 182.79 million) and UK (USD 97.11 million) were the top three importers of Indian Electrical Machinery and Components during April - July 2017-18 with 49.07%, 136.64% and 4.09% Y-o-Y growth in imports of the product respectively. Respective shares of these three

nations in India's global export of 'Electrical Machinery and Components' were 11.8%, 11.0% and 5.8% during April - July 2017-18.

- ❖ Argentina and Mexico recorded highest growth in imports of India's Electrical Machinery and Components during Apr - July 2017-18.
- ❖ Philippines, Ethiopia and Sweden conceded highest decline in imports of India's Electrical Machinery and Components during Apr - July 2017-18.

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

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
ISRAEL	4.69	6.01	28.04	23.48	55.11	134.76
POLAND	1.99	3.05	53.43	7.54	11.48	52.17
GERMANY	21.82	20.33	-6.83	51.94	71.36	37.39
U K	26.56	17.46	-34.27	70.72	76.35	7.96
Sharp cumulative decline						
TURKEY	5.95	1.36	-77.16	80.34	6.16	-92.34
NETHERLAND	3.24	0.86	-73.43	15.88	5.50	-65.40
RUSSIA	3.37	1.13	-66.45	46.17	25.33	-45.14

(Source: Department of Commerce and CSO)

- ❖ USA (USD 183.07 million), France (USD 86.88 million), UK (USD 76.35 million) and Singapore (USD 75.97 million) were the top importers of Indian 'Aircrafts, Spacecrafts and parts' during April - July 2017-18 with 27%, 12.8% and 11.2% (both France and Singapore) respectively. While UK managed 7.96% growth in imports during April - July 2017-18, USA, France and Singapore recorded 13.43%, 8.5% and 3.97% decline in imports respectively during the same time period.
- ❖ Israel, Poland and Germany witnessed highest growth in imports of India's 'Aircrafts & Spacecrafts' during April-July 2017-18.
- ❖ Turkey and Netherland conceded significant drop in imports of the product group from India during the first four months of fiscal 2017-18.

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

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 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	16.82	195.41	1061.46	545.31	362.03	-33.61
SRI LANKA	3.95	0.01	-99.78	130.05	48.52	-62.69

(Source: Department of Commerce and CSO)

- ❖ UAE (USD 808.92 million) is the largest importer of Indian 'Ships, Boats and Floating Structures and Parts' during April - July 2017-18 with 44.4% share in India's global export of the product during the same time period. Singapore (USD 362.03 million) was the immediate follower of UAE with 19.9% share.
- ❖ USA and Egypt witnessed sudden jump in imports of Indian 'Ships, Boats and Floating Structures and Parts' in 2017-18. USA became the third largest importer of the said product group exported by India during April - July 2017-18 with 11.9% share as its import galloped up to USD 216.68 million in April - July 2017-18 from a meagre USD 0.20 million in April - July 2016-17 registering a sizeable 108,816% growth. Egypt saw USD 213.77 million import of the same product group from India as against 'No' export in the same period last fiscal.
- ❖ Exports to Malaysia, Indonesia, Singapore and Sri Lanka recorded significant decline in imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - July 2017-18.

Table 16: Export of Auto Components
US\$ Million

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
High cumulative growth						
VIETNAM	1.61	7.06	337.58	11.46	24.54	114.09

COUNTRY	July 2016	July 2017	Growth (%)	April- July 2016-17	April- July 2017-18	Growth %
CANADA	3.62	6.25	72.58	13.70	27.95	104.05
SAUDI ARABIA	1.59	2.28	42.70	7.12	14.45	102.95
BRAZIL	13.45	17.91	33.13	45.99	76.48	66.31
KOREA	3.11	4.64	49.24	10.95	17.85	63.00
PHILIPPINES	1.90	3.07	61.24	8.56	13.65	59.49
POLAND	3.04	3.86	26.89	9.82	15.23	55.20
FRANCE	6.14	8.16	32.81	21.86	33.87	54.91
Sharp cumulative decline						
EGYPT	11.10	4.22	-61.98	37.68	16.84	-55.31
NEPAL	21.00	8.12	-61.35	83.33	37.61	-54.87
SPAIN	5.47	4.58	-16.18	22.97	19.10	-16.84
SRI LANKA	8.14	3.77	-53.73	23.90	20.30	-15.06

(Source: Department of Commerce and CSO)

- ❖ USA (USD 309.35 million), Turkey (USD 104.71 million) and Brazil (USD 76.48 million) were three largest importers of Indian 'Auto Components/Parts' during April - July 2017-18 with 20.6%, 7.0% and 5.1% shares respectively. While USA and Brazil recorded 22.63% and 66.31% growth in imports respectively, Turkey conceded 9.64% decline in imports during the concerned time period.
- ❖ Vietnam and Canada recorded highest growth in imports of Indian 'Auto Components/Parts' during April - July 2017-18 among major importers followed by Saudi Arabia and Brazil.
- ❖ Egypt and Nepal conceded substantial decline in imports of 'Auto Components/Parts' from India among major importers during April - July 2017-18.

7. Conclusion

Two factors have impacted exports, despite the growth in terms of USD. The first is the Sharp Rupee appreciation and second is the impact of GST. Thus, **out of 33 engineering panels, 15 panels recorded Y-o-Y growth in exports in July 2017 while the remaining 18 panels witnessed declines during the month.**

North East Asia saw highest growth in imports of Indian engineering during the first four months of fiscal 2017-18 followed by North America and Africa. On the flipside, CIS recorded over 20% decline in

imports of Indian engineering products while exports to South Asia declined around 12%. USA and UAE still remained top two importers of Indian engineering products with over USD 1 billion of imports during April - July 2017-18.

The forward guidance is uncertain growth pattern till the transition issues with regard to GST is sorted out.

