

Engineering Exports Monitor

September 2017



Engineering the future

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India's Merchandise Trade scenario

- ❖ India's merchandise export growth accelerated splendidly to 25.67 percent in September 2017 from 10.29 percent in August 2017. This is the 14th straight month of growth of Indian merchandise export on a y-o-y basis. During September 2017, India's merchandise export was valued at US\$ 28.61 billion as compared to US\$ 22.77 billion during the same month last year. In Rupee terms, engineering exports increased by 21.35 percent year-on-year during September 2017.
- ❖ Top ten commodity groups of export, comprising 82.14 percent share in total merchandise exports have exhibited positive year-on-year growth during September 2017 over the corresponding month of last year. Some of the highest growth achievers are Engineering Goods (44.24%), Petroleum Products (39.69%), Organic & Inorganic Chemicals (46.06%), RMG of all Textiles (29.39%), Drugs & Pharmaceuticals (14.67%), Marine Products (32.73%), Rice (45.66%) and Electronic Goods (14.32%).
- ❖ Cumulative value of exports during the first half of fiscal 2017-18 was US\$ 147.19 billion as against US\$ 131.98 billion securing a decent 11.52 percent growth over the same period last fiscal.
- ❖ Merchandise Imports in September 2017 recorded a lower year-on-year growth than that of exports at 18.09 percent. This growth was also lower than the 21.02% year-on-year growth registered in August 2017. Imports during September 2017 were valued at US\$ 37.60 billion as against US\$ 31.84 billion in September 2016.
- ❖ Major commodity group of imports showing high growth in September 2017 over the corresponding month of last year are Petroleum, Crude & products (18.47 %), Electronic goods (40.90 %), Pearls, precious & Semi-precious stones (56.91%), Machinery electrical & non-electrical (16.36%) and Coal, Coke & Briquettes (48.00%).
- ❖ Cumulative value of imports for the period April-September 2017-18 increased to US\$ 219.32 billion from US \$ 175.34 billion securing 25.08 percent year-on-year growth.
- ❖ Trade deficit declined marginally to US\$ 8.98 billion in September 2017 from US\$ 9.07 billion in September 2016 due to lower year-on-year import growth over export growth. Cumulative trade deficit however zoomed by 66.36 percent to US\$ 72.13 billion during April - September 2017-18 from US\$ 43.36 billion during the same period last fiscal.

India's Engineering Exports scenario

- ❖ Following the broader merchandise trade, India's engineering exports registered year-on-year growth for the 14th month in a row to September 2017 and outperformed the overall merchandise export once again.
- ❖ Exports of India's engineering products witnessed a sudden spark to US\$ 7.11 billion during September 2017, the highest in fiscal 2017-18 as against US\$ 4.92 billion in the same month last year resulting a sudden acceleration in growth at 44.65 percent over the same month last year.
- ❖ Cumulative growth of India's engineering export also accelerated during the first half of

2017-18 with a solid 20.7 percent growth over the same period last year. Engineering exports during April - September 2017-18 was recorded at US\$ 36.26 billion as against US\$ 30.03 billion during the same period last fiscal.

- ❖ The share of engineering exports in India's total merchandise exports increased marginally once again to 24.9 percent in September from 24.4 percent in August 2017.
- ❖ Out of 33 engineering panels, 29 panels recorded growth in exports in September 2017 over the same month last year while the remaining 4 panels conceded decline during the month of September 2017.
- ❖ During September 2017, all of the top 25 countries recorded year-on-year growth in engineering exports from India over the same month last year.

1. Trend in overall merchandise trade

The growth run of India's merchandise export continued for the 14th consecutive month to September 2017 and this time the growth accelerated significantly to 25.67 percent year-on-year from 10.29% in July 2017 and around 4% in Jun 2017. During September 2017, India's merchandise export was valued at US\$ 28.61 billion as compared to US\$ 22.77 billion during the same month last year. In Rupee terms, engineering exports increased by 21.35 percent year-on-year during September 2017.

Top ten commodity groups of export, comprising 82.14 percent share in total merchandise exports have exhibited positive year-on-year growth during September 2017 over the corresponding month of last year. These are Engineering Goods (44.24%), Gems and Jewellery (7.10%), Petroleum Products (39.69%), Organic & Inorganic Chemicals (46.06%), RMG of all Textiles (29.39%), Drugs & Pharmaceuticals (14.67%), Cotton Yarn/Fabs./made-ups, Handloom Products etc. (15.20%), Marine Products (32.73%), Rice (45.66%) and Electronic Goods (14.32%).

Cumulative value of exports during the first half of fiscal 2017-18 was US\$ 147.19 billion as against US\$ 131.98 billion securing a decent 11.52 percent growth over the same period last fiscal.

Merchandise Imports in September 2017 recorded a lower year-on-year growth than that of exports at 18.09 percent. This growth was also lower than the 21.02% year-on-year growth registered in August 2017. Imports during September 2017 were valued at US\$ 37.60 billion as against US\$ 31.84 billion in September 2016.

Major commodity group of imports showing high growth in September 2017 over the corresponding month of last year are Petroleum, Crude & products (18.47 %), Electronic goods

(40.90 %), Pearls, precious & Semi-precious stones (56.91%), Machinery electrical & non-electrical (16.36%) and Coal, Coke & Briquettes (48.00%).

Cumulative value of imports for the period April-September 2017-18 increased to US\$ 219.32 billion from US \$ 175.34 billion securing 25.08 percent year-on-year growth.

Oil imports during September 2017 were valued at US\$ 8.19 billion which was 18.47 percent higher than oil imports valued at US\$ 6.91 billion in September 2016. Oil imports during April-September 2017-18 were valued at US\$ 46.97 billion which was 18.82 percent higher than the oil imports of US\$ 39.53 billion in the corresponding period of the previous fiscal. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 19.42 percent in September 2017 vis-à-vis September 2016 as per World Bank commodity price data (The pink sheet).

Non-oil imports during September 2017 were estimated at US\$ 29.41 billion which was 17.98 percent higher than non-oil imports of US\$ 24.93 billion in the same month last year. Non-oil imports during April-September 2017-18 were valued at US \$ 172.35 billion as against US\$ 135.81 billion during the same period last fiscal registering 26.90 percent growth year-on-year.

Trade deficit declined marginally to US\$ 8.98 billion in September 2017 from US\$ 9.07 billion in September 2016 due to lower year-on-year import growth as compared to export growth during September 2017. Cumulative trade deficit however zoomed by 66.36 percent to US\$ 72.13 billion during April - September 2017-18 from US\$ 43.36 billion during the same period last fiscal.

2. Engineering exports

The growth of Indian engineering exports in September 2017 accelerated sharply to 44.65 percent over the same month last year from 19.08 percent year-on-year in August 2017. This is the 14th straight month when engineering exports achieved year-on-year growth following the broader merchandise trade. This time also, engineering export growth and outperformed the overall merchandise export. Overseas shipment of India's engineering products witnessed a sudden spark to US\$ 7.11 billion during September 2017, the highest in fiscal 2017-18 as against US\$ 4.92 billion in the same month last year.

Cumulative growth of India's engineering export also accelerated during the first half of 2017-18 with a solid 20.7 percent growth over the same period last year. Engineering exports during April - September 2017-18 was recorded at US\$ 36.26 billion as against US\$ 30.03 billion during the same period last fiscal.

The share of engineering exports in India's total merchandise exports increased marginally once again to 24.9 percent in September from 24.4 percent in August 2017 and 24.1 percent in July 2017. The share was recorded at 24.3 percent in Jun 2017, 25.2 percent in May 2017 and 23.8

percent in April 2017. Share of engineering to total exports during April - September 2017-18 was a bit lower at 24.6 percent.

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

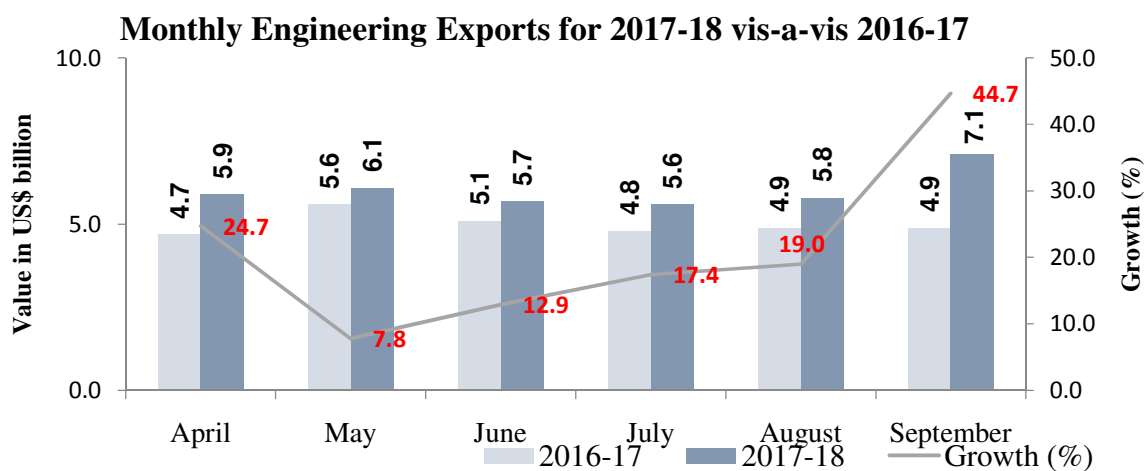
Table1: Engineering Exports
(US\$ Million)

Months	2016-17	2017-18	Growth (%)
Apr	4744.32	5920.18	24.78
May	5636.17	6075.57	7.80
Jun	5066.99	5719.38	12.88
Apr - Jun	15447.48	17715.13	14.68
Jul	4794.12	5625.83	17.35
Aug	4873.71	5803.67	19.02
Sep	4917.78	7113.64	44.65
Jul - Sep	14585.61	18543.17	27.13
Apr - Sep	30033.09	36258.37	20.73

(Source: Department of Commerce, Government of India)

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

Figure1: Trend in Monthly Engineering Exports
US\$ Million



(Source: EEPIC 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. The month of July 2017 saw engineering exports and manufacturing growth moving in different directions. Engineering export growth decelerated in July 2017 and manufacturing continued to decline for the second straight month. During August 2017, both of them moved in the same direction as engineering exports witnessed acceleration in growth while manufacturing production bounced back to growth. Manufacturing Index in the Index of Industrial Production (IIP) stood at 123.3 in Aug 2017 as against 119.1 (downwardly revised) in Jul 2017, 120.5 in Jun 2017 as and 125.6 in May 2017 measuring 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 (%)
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April - March 2016-17	11.33	4.9
April 2017	24.78	2.9
May 2017	7.80	2.6
June 2017	12.88	-0.5
Apr - Jun 2017-18	14.68	1.7
July 2017	17.35	-0.3
August 2017	19.02	3.1
September 2017	44.7	N A
Apr - Sep 2017	27.13	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	4744.32*	-16.42%
May	5354.44	5636.17*	5.26%
June	4936.26	5066.99*	2.65%
Quarter 1	15967.3	15447.48*	-3.26%
July	5559.65	4794.12*	-13.77%
August	4653.93	4873.71*	4.72%
September	4699.73	4917.78*	4.64%
Quarter 2	14913.31	14585.61*	-2.20%
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	65223.36*	11.31%

(*) Marked figures are revised figures

Source: DGCI&S

1. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

September	Average Exchange Rate 1 USD to INR
2016	66.74
2017	64.44

(Source: Calculated from RBI archive)

During September 2017, the official exchange rate of rupee strengthened by 3.44% vis-à-vis the US Dollar on a year-on-year basis, i.e., over September 2016. The rate of appreciation was somewhat lower than the year-on-year appreciation seen in August 2017 at 4.44%.

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

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

Sl no.	Panel	Sep_16	Sep_17	Growth %	Apr-Sep 2016-17	Apr-Sep 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	632.62	1064.6	68.3	3287.11	5185.18	57.74
B	Products of Iron and Steel	491.9	639.49	30.0	2808.71	3295.89	17.3
Sub Total		1124.52	1704.09	51.54	6095.82	8481.07	39.13
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	219.27	345.63	57.63	1125.07	1666.37	48.11
B	Aluminium and products	298.85	456.33	52.70	1404.93	2149.89	53.02
C	Zinc and products	37.65	91.57	143.21	125.19	359.37	187.06
D	Nickel and products	3.95	3.57	-9.62	63.46	21.53	-66.07
E	Lead and products	12.11	41.59	243.44	62.1	161	159.26
F	Tin and products	0.32	1.55	384.38	2.9	6.07	109.31
G	Other Non-Ferrous Metals	37.08	45.64	23.09	218.08	243.98	11.88
Sub Total		609.23	985.88	61.82	3001.73	4608.21	53.52
3. Industrial Machinery							
A	Industrial	59.77	57.63	-3.6	346.36	280.43	-19.0

Sl no.	Panel	Sep_16	Sep_17	Growth %	Apr-Sep 2016-17	Apr-Sep 2017-18	Growth %
	Machinery like Boilers, parts, etc						
B	IC Engines and Parts	169.31	215.69	27.4	1082.28	1312.32	21.3
C	Pumps of all types	56.39	89.82	59.28	350.27	468.64	33.79
D	Air condition and Refrigerators	77.55	106.67	37.5	493.93	541.92	9.7
E	Industrial Machinery for dairy, food processing , textiles etc	373.44	480.45	28.7	2217.61	2449.74	10.5
F	Machine Tools	28.49	39.21	37.63	236.17	236.04	-0.06
G	Machinery for Injecting moulding, valves and ATMs	105.5	143.92	36.4	611.45	737.86	20.7
Sub Total		870.45	1133.39	30.2	5338.07	6026.95	12.9
4	Electrical Machinery	403.95	590.68	46.23	2284.6	2780.75	21.72
5. Automobiles							
A	Motor Vehicle/cars	689.02	610.13	-11.4	3639.95	3759.91	3.3
B	Two and Three Wheelers	138.38	171.31	23.8	806.84	975.05	20.8
C	Auto Components/Part	361.25	459.02	27.06	2098.23	2433.71	15.99
Sub Total		1188.65	1240.46	4.36	6545.02	7168.67	9.53
6	Aircrafts and Spacecraft parts and products	176.36	193.92	9.96	1524.88	1080.34	-29.15
7	Ships Boats and Floating products and parts	39.94	565.21	1315.15	2007.05	2419.03	20.53
8. Other engineering products							
A	Medical and Scientific instruments	113.28	159.61	40.90	659.52	773.73	17.32
B	Railway Transport	12.64	29.64	134.49	78.72	143.94	82.85
C	Hand Tools & Cutting Tools	52.42	68.83	31.30	327.73	349.21	6.55
D	Electrodes Accumulators	2.66	4.14	55.64	21.48	21.52	0.19
E	Accumulator and	17.18	23.53	36.96	109.74	122.3	11.45

SI no.	Panel	Sep_16	Sep_17	Growth %	Apr-Sep 2016-17	Apr-Sep 2017-18	Growth %
	Batteries						
F	Bicycle & Parts	24.26	34.43	41.92	145.1	160.26	10.45
G	Cranes Lifts & Winches	31.62	32.74	3.54	210.35	159.54	-24.15
H	Office Equipments	10.52	6.38	-39.35	54.34	47.03	-13.45
I	Other Construction Machinery	74.48	128.02	71.89	499.62	622.15	24.52
J	Prime Mica & Mica Products	1.23	2.01	63.41	8.78	11.39	29.73
K	OTHER MISC. ITEMS	164.39	210.68	28.16	1120.54	1282.28	14.43
Sub total		504.68	700.01	38.70	3235.92	3693.35	14.14
Total engineering exports		4917.78	7113.64	44.65	30033.09	36258.37	20.73

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Panel-wise analysis for the month of September 2017 engineering export data showed that the overall scenario improved significantly as compared to that of September 2016 registering a growth of more than 44%. Out of 33 engineering panels, 29 panels sharing almost 88% of the products, recorded growth in exports over the same month last year while the remaining 4 panels conceded decline during the month of September 2017.
- ❖ Iron and Steel exports more than doubled compared to the previous month, scaling up by 68 percent during September 2017 with an overseas shipment crossing more than US\$ 1000 million mark recording US\$ 1064.6 million from US\$ 632.6 million in the same month last year. Cumulative figure showed 57.7 percent growth of exports during April –September 2017 to US\$ 5185.2 million from US\$ 3287.1 million during the same period last fiscal. Products of Iron and Steel increased in export by 30 percent during September 2017 over the same month last year while its cumulative exports increased by 17.3 percent to US\$ 3295.9 million during April - September 2017 from US\$ 2808.7 million during the same period last in 2016-17.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, ‘Tin and products’, ‘Lead and products’, ‘Zinc and products’, ‘Copper and products’, recorded substantial growth in exports during September 2017. ‘Tin and its products’ recorded highest growth of 384 percent during September 2017.

- ❖ Industrial machinery recorded positive growth in exports to the extent of 30 percent during September 2017 and a positive growth of 13 percent cumulatively from April-September 2017 vis-à-vis same period last fiscal. Industrial segments like Industrial Boilers recorded fall in exports to the extent of 3.6 percent in September 2017 compared to that of September 2016. Other exporting segments like, 'Pumps and Valves', 'Machine Tools', 'Air Condition and Repair machinery' and 'Machinery for ATMs' and IC engines & parts recorded good positive growth in exports to the extent of 59.3%, 37.6%, 37.5%, 36% and 27% respectively during September 2017 compared to September 2016.
- ❖ Electrical Machinery and equipments panel faced positive growth in September 2017 by 46 percent. On a cumulative basis, the growth was lower at 22 percent during April - September 2017 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 9.9 percent growth during September 2017 but conceded a decline to the extent of 29 percent cumulatively during April - September 2017 over the same period last year.
- ❖ Among other panels, Ship and Boats scaled up by more than 1000% moving from US\$ 39.9 million to US\$ 565 million in September 2017 compared to that over last fiscal. Railway Transport grew by 134 percent during April - September 2017. Electrodes and Accumulators, Construction and Machinery, Bicycle and Parts, Medical & scientific equipments also registered positive growth during September 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 September 2017 over September 2016 in Absolute Value. Country wise cumulative figures for April- September 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	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
U S A	551.0	1053.1	91.10	3253.5	4798.6	47.49
UAE	252.9	542.4	114.44	2171.8	2613.3	20.33
GERMANY	171.8	287.6	67.43	1062.5	1445.5	36.05
MEXICO	230.9	253.4	9.75	1196.8	1413.7	18.12

U K	216.6	252.6	16.61	1241.2	1383.5	11.46
CHINA	92.9	283.0	204.51	562.8	1367.4	142.98
ITALY	160.6	208.7	30.00	857.4	1222.4	42.57
BANGLADESH	146.5	198.4	35.42	916.0	1075.0	17.36
NEPAL	200.2	219.7	9.76	1089.6	1053.5	-3.31
SINGAPORE	79.6	113.0	42.04	1206.5	936.7	-22.36
MALAYSIA	184.8	262.5	42.03	976.4	919.5	-5.83
KOREA RP	119.0	152.3	27.98	644.9	896.7	39.05
TURKEY	139.4	145.1	4.14	809.6	843.2	4.15
INDONESIA	92.7	169.6	82.88	684.8	767.3	12.05
SRI LANKA	113.7	259.6	128.38	752.6	730.2	-2.98
FRANCE	85.3	132.0	54.79	587.6	727.9	23.87
SOUTH AFRICA	81.2	111.9	37.81	475.1	725.2	52.64
BELGIUM	96.6	97.1	0.53	491.7	616.5	25.37
SAUDI ARAB	104.0	119.7	15.08	602.7	604.5	0.30
THAILAND	78.1	109.6	40.39	388.9	588.3	51.28
VIETNAM SOC REP	99.2	146.1	47.38	367.5	558.3	51.92
SPAIN	73.8	96.8	31.14	429.2	552.1	28.64
EGYPT	45.4	52.3	15.24	274.3	490.4	78.78
JAPAN	70.6	83.3	18.04	371.7	471.6	26.91
BRAZIL	60.8	87.4	43.71	299.2	463.6	54.97
Top 25 Countries Total	3547.5	5437.3	53.3	21714.1	27264.8	25.6
Engg Total	4917.8	7113.6	44.65	30033.0	36258.4	20.73
Share of Top 25 Countries		76.4%			75.2%	

*Note: Red font indicates negative growth
(Source: Department of Commerce, Government of India)*

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

- ❖ In September 2017, all of the 25 countries recorded year-on-year growth in engineering exports from India over the same month last year.
- ❖ USA continued to be the top most exporting destination for India's engineering products in September 2017. It registered positive growth both on monthly basis as well as in

cumulative basis during Apr-September 2017-18 over the same period last fiscal to the extent of 91 percent and 41 percent.

- ❖ Countries like UAE and China recorded more than 100 percent export growth during September 2017 vis-à-vis September 2016. Like Mexico, Nepal, Turkey and Belgium recorded less than 10 percent export growth in September 2017.
- ❖ Out of the top 25 export destinations, countries like Nepal, Singapore, Malaysia, Sri Lanka recorded dip in exports on cumulative basis during April-Sep 2017-18 compared to the same period last fiscal.
- ❖ All European nations falling under the top 25 engineering export destinations like Germany, Italy, Belgium, Netherlands, France and Poland recorded considerable growth during Apr-September 2017-18 over Apr-September 2016-17.
- ❖ Even, among the ASEAN countries under the top 25 engineering export destinations like Singapore, Malaysia, Indonesia, Thailand and Vietnam have recorded sharp growth in engineering exports with high export base in Apr-September 2017-18.
- ❖ Out of 224 export destinations of Indian engineering goods, top 25 nations accounted for 76.4 percent of India's total engineering exports on monthly basis during September 2017 compared to September 2016 and 75.2 percent on cumulative basis from Apr-September 2017-18 compared to same period last fiscal.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in exports both monthly to the extent of 53.3 percent in September 2017 and cumulatively to the extent of 25.6 percent during April-September 2017 compared to the same period previous year.

3. Regional Distribution of Engineering Exports

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

Table 7: Region Wise Exports Trend
US\$ Million

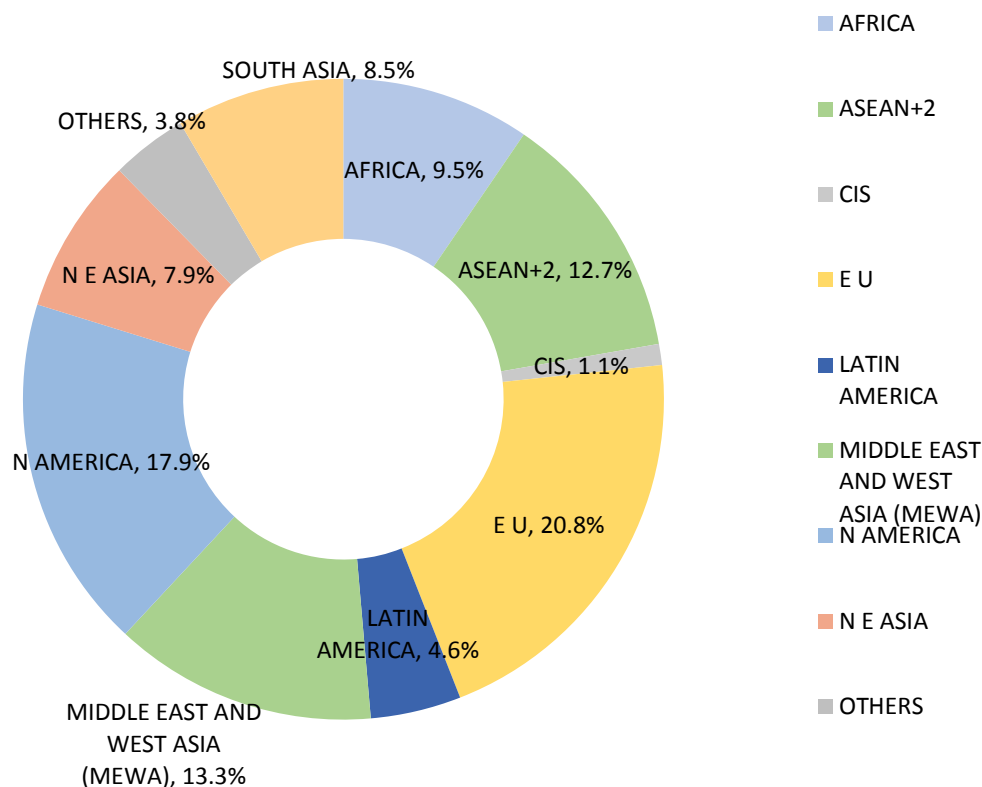
COUNTRY	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
AFRICA	482.99	591.14	22.39	2841.00	3452.86	21.54
ASEAN+2	668.16	974.05	45.78	4333.68	4607.12	6.31

CIS	43.75	71.52	63.47	378.96	384.45	1.45
E U	1029.04	1360.97	32.26	6307.84	7535.49	19.46
LATIN AMERICA	248.57	293.32	18.00	1356.32	1654.07	21.95
MIDDLE EAST AND WEST ASIA (MEWA)	599.82	928.80	54.85	4042.10	4815.02	19.12
N AMERICA	819.22	1351.14	64.93	4669.75	6474.90	38.66
N E ASIA	293.49	573.15	95.29	1644.59	2861.50	74.00
OTHERS	236.09	244.02	3.36	1442.20	1390.44	-3.59
SOUTH ASIA	496.65	725.54	46.09	3016.60	3082.51	2.19
Grand Total	4917.78	7113.64	44.65	30033.04	36258.38	20.73

(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-September 2017-18



(Source: EEPIC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during September 2017 with a share of more than 21% of total engineering exports.
- ❖ India's exports to all the regions recorded considerable growth both monthly and cumulatively during Apr-September 2017-18 over the same period last fiscal.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – September 2017-18 to the extent of 74 percent over the same period in the previous year.
- ❖ India's exports to ASEAN+2, South Asia and CIS registered slow growth (below 5 percent) in exports in April – September 2017-18.
- ❖ 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 September 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	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
High cumulative growth						
ITALY	46.1	92.8	101.2	250.0	463.5	85.4
BELGIUM	60.0	52.5	-12.5	264.2	364.9	38.1
NEPAL	53.7	75.1	39.8	287.0	363.8	26.8
UAE	39.4	70.2	77.9	200.9	323.2	60.9
VIETNAM SOC REP	36.0	83.1	130.8	98.1	282.9	188.5
INDONESIA	20.1	54.5	171.5	100.3	239.9	139.3
SPAIN	26.4	33.9	28.8	130.9	211.3	61.5
Sharp cumulative decline						
BANGLADESH	31.4	14.5	-53.7	211.4	126.4	-40.2
ETHIOPIA	8.4	7.0	-16.7	76.4	73.2	-4.3
ECUADOR	4.3	3.0	-31.3	20.8	20.5	-1.5
GHANA	1.5	2.2	53.9	25.8	19.4	-24.9

(Source: Department of Commerce, Government of India)

- ❖ Vietnam, Indonesia and Italy recorded highest growth in exports of Indian Iron and Steel during April –September 2017-18.
- ❖ Countries with more than double growth in exports include Italy, UAE, Vietnam, Indonesia and Spain.
- ❖ Countries like Bangladesh and Ghana experienced sharp downfall in exports from US\$ 211.4 million to US\$ 126 million and from US\$ 25.8 million to US\$ 19.4 million respectively during April-September 2017-18.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
High cumulative growth						
U S A	112.1	160.4	43.1	557.0	847.9	52.2
GERMANY	32.9	37.5	14.1	176.2	190.7	8.2
U K	23.0	27.5	19.9	125.5	140.2	11.7
OMAN	16.6	16.0	-3.5	54.9	87.1	58.5
NETHERLAND	13.4	14.3	6.2	80.7	87.1	7.9
CANADA	10.5	16.4	56.2	67.7	83.2	22.9
FRANCE	10.8	12.9	19.2	58.8	67.0	13.8
AUSTRALIA	8.1	13.9	71.8	39.7	60.1	51.2
Sharp cumulative decline						
UAE	32.2	34.3	6.3	286.5	211.5	-26.2
SAUDI ARAB	25.4	48.3	90.4	171.6	163.0	-5.0
ITALY	15.0	16.5	10.1	88.4	85.0	-3.8
KUWAIT	20.8	6.8	-67.4	78.6	41.2	-47.6
SPAIN	7.3	7.4	1.5	40.8	40.2	-1.4

(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 - September 2017-18 with 26, 6.4 and 5.8 percent share respectively.
- ❖ USA recorded 52.2 percent growth in imports of 'Products of Iron & Steel' from India while Germany saw 8.2 percent growth. UAE recorded 26.2 percent decline in imports during April - September 2017-18.
- ❖ Among major exporters, exports to Sri Lanka, Colombia, Iran, Iraq witnessed notable growth during April - September 2017-18.
- ❖ Among major importers, UAE, Saudi Arabia, Kuwait, Nepal, Indonesia conceded substantial decline in imports during April - September 2017-18.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
High cumulative growth						
U S A	118.86	174.99	47.23	722.16	965.00	33.63
U K	33.80	57.43	69.91	199.31	301.95	51.50
BANGLADESH	31.55	51.76	64.07	212.63	268.16	26.12

GERMANY	36.74	49.99	36.05	247.81	262.58	5.96
CHINA	29.70	37.87	27.53	168.07	219.13	30.38
ITALY	24.08	36.17	50.22	138.88	178.04	28.20
THAILAND	19.19	32.83	71.13	98.74	149.95	51.87
SAUDI ARAB	14.34	23.34	62.75	119.96	141.19	17.70
Sharp cumulative decline						
UAE	38.12	36.62	-3.94	224.29	220.99	-1.47
TURKEY	38.39	48.38	26.04	232.89	214.01	-8.11
NEPAL	31.06	24.18	-22.15	144.33	138.47	-4.06
SINGAPORE	14.54	12.47	-14.21	115.86	114.70	-1.00
MALAYSIA	16.09	18.25	13.45	103.66	103.59	-0.07
IRAN	16.84	12.14	-27.90	93.45	73.28	-21.59
KENYA	14.91	13.78	-7.61	73.51	70.47	-4.14
RUSSIA	7.94	10.29	29.60	134.80	69.00	-48.82

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–September 2017-18 with 16 percent share and 34% year-on-year growth in imports followed by UK with 5% share and 51.5% y-o-y growth in imports from India. Bangladesh and Germany also imported over US\$ 268 million and US\$ 262 million of "industrial Machinery" respectively from India during the first two quarters of fiscal 2017-18.
- ❖ Among the major importers, export to Russia, Algeria, Bhutan and Iran recorded sharp declines in imports during April - September 2017-18.

Table 11: Export of Automobiles

US\$ Million

COUNTRY	SEPTEMBER, 2016	SEPTEMBER, 2017	Growth (%)	APRIL, 2016 - SEPTEMBER, 2016	APRIL, 2017- SEPTEMBER, 2017	Growth (%)
High cumulative growth						
MEXICO	133.4	155.8	16.9	770.0	956.7	24.2
SOUTH AFRICA	41.4	61.7	49.0	238.3	428.8	80.0
BANGLADESH	35.3	42.9	21.7	168.4	250.9	49.0
ITALY	38.3	10.2	-73.4	169.3	182.7	7.9
INDONESIA	12.7	36.5	187.9	38.4	151.1	293.7
GERMANY	12.8	9.2	-27.7	95.6	115.5	20.8
FRANCE	8.3	14.4	73.4	60.1	114.4	90.3
Sharp cumulative decline						

NEPAL	56.2	53.1	-5.4	256.6	217.2	-15.4
SRI LANKA	54.3	45.2	-16.8	257.4	194.3	-24.5
U K	38.2	3.5	-90.9	222.9	118.7	-46.7
COLOMBIA	16.9	13.2	-21.9	96.3	95.6	-0.7
PERU	20.2	16.9	-16.3	105.1	94.0	-10.6
PHILIPPINES	19.8	24.3	22.9	98.5	92.4	-6.2

(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-September of 2017-18 witnessing 24, 80 and 49 percent growth in year-on-year imports respectively. Mexico being the largest importer shares 20.2 percent of imports of automobiles from India.
- ❖ Countries like Indonesia, Cote D' Ivoire, Ecuador, Singapore and Lebanon saw over 100 percent growths in imports of Indian automobile during April - September 2017-18 among major importers.
- ❖ Nepal, Sri Lanka, UK, Colombia and Peru conceded substantial decrease in imports of Automobiles from India during April-September 2017-18.

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

COUNTRY	September, 2016	September, 2017	Growth (%)	April-September 2016-17	April-September 2017-18	Growth %
High cumulative growth						
QATAR	0.85	13.36	1480.75	5.78	85.59	1380.63
GREECE	0.31	0.46	45.68	1.25	15.61	1146.05
CHINA	21.77	152.34	599.85	140.08	753.19	437.66
BAHARAIN	0.26	0.44	65.89	10.58	45.62	330.95
MONTENEGRO	2.18	2.00	-8.01	5.54	19.91	259.29
SPAIN	6.45	17.58	172.69	20.13	60.52	200.61
PHILIPPINES	1.33	2.77	107.69	4.49	12.62	180.91

TURKEY	8.67	6.11	-29.58	43.11	114.72	166.13
Sharp cumulative decline						
SINGAPORE	15.74	18.01	14.42	208.43	80.96	-61.16
SAUDI ARABIA	17.87	9.87	-44.80	91.03	57.03	-37.35
AUSTRALIA	3.95	3.99	0.92	23.22	16.97	-26.93
KENYA	15.76	6.66	-57.74	36.60	27.72	-24.27
SOUTH AFRICA	4.76	2.36	-50.50	21.70	16.47	-24.11

- ❖ China (USD 753.19 million), South Korea (USD 568.14 million) and Malaysia (USD 488.03 million) were the top three importers of Indian Non-ferrous metals during April - September 2017-18 with Y-o-Y growth of 437.6%, 50.6% and 36.1% respectively.
- ❖ Qatar, Greece and China witnessed highest growth in imports of Indian Non-ferrous metal products during April-September 2017-18.
- ❖ Singapore, Saudi Arabia and Australia conceded significant decline in imports of non-ferrous metals from India during the first half of fiscal 2017-18.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	September, 2016	September, 2017	Growth (%)	April-September 2016-17	April-September 2017-18	Growth %
High cumulative growth						
GERMANY	21.09	85.96	307.64	123.97	349.77	182.14
MEXICO	2.77	2.31	-16.80	11.51	21.59	87.63
POLAND	2.59	6.15	138.01	14.24	26.57	86.66
VIETNAM	13.98	12.47	-10.84	34.03	63.09	85.40
NIGERIA	3.82	10.65	178.35	21.84	34.68	58.81
AUSTRALIA	5.81	8.41	44.69	26.75	40.60	51.80
U S A	53.10	103.24	94.41	343.39	502.86	46.44
FRANCE	13.92	26.24	88.56	86.02	125.61	46.03

Sharp cumulative decline						
SOUTH AFRICA	2.93	5.30	81.06	25.70	20.75	-19.27
NEPAL	5.82	7.36	26.53	52.06	42.08	-19.17
SAUDI ARABIA	3.40	3.92	15.20	27.12	24.10	-11.13
U K	43.90	33.99	-22.57	174.08	157.47	-9.54

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 502.86 million), Germany (US\$ 349.77 million) and UK (US\$ 157.47 million) were the three top importers of Indian Electrical Machinery and Components during April - September 2017-18 with market shares of 18.1%, 12.6%, 5.7% respectively. While USA and Germany 46.44% and 182.14% growth in year-on-year imports of the product respectively, UK witnessed 9.54% decline in imports during the same time period.
- ❖ Germany, Mexico and Poland recorded highest growth in imports of India's Electrical Machinery and Components during April - September 2017-18.
- ❖ On the flipside, South Africa, Nepal and Saudi Arabia conceded highest declines in imports of India's Electrical Machinery and Components during the first six months of fiscal 2017-18.

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

COUNTRY	September, 2016	September, 2017	Growth (%)	April- September 2016-17	April- September 2017-18	Growth %
High cumulative growth						
GERMANY	10.63	23.83	124.25	70.06	114.96	64.09
CHINA	1.49	1.33	-10.50	13.99	22.58	61.47
POLAND	2.47	0.68	-72.56	12.06	17.75	47.17
ISRAEL	27.19	12.60	-53.67	58.84	78.11	32.75
Sharp cumulative decline						
BULGARIA	0.00	0.00		93.70	0.00	-100.00
CZECH	0.03	0.03	20.02	171.14	0.15	-99.91

REPUBLIC						
SRI LANKA	0.18	0.00	-99.90	77.95	0.13	-99.83
TURKEY	8.46	0.96	-88.70	93.84	8.72	-90.71

(Source: Department of Commerce and CSO)

- ❖ USA, the largest importer of Indian 'Aircrafts, Spacecrafts and Parts' with US\$ 295.53 million imports from India (27.4% of India's global exports of the product group) during April - September 2017-18, saw 2.41% decline in imports during the said time period.
- ❖ Other major importers France (US\$ 138.62 million) and Singapore (US\$ 127.59 million) witnessed 6.5 percent and 4.5 percent growth in imports respectively during April - September 2017-18.
- ❖ Germany, China and Poland witnessed highest growths in imports of India's 'Aircrafts & Spacecrafts' during April-September 2017-18 while UK conceded 12.7 percent decline in exports during the same time period.
- ❖ Demand from Czech republic, Bulgaria, Sri Lanka and Turkey declined significantly during the first half of fiscal 2017-18

Table 15: Export of Ships, Boats and Floating Structures and parts

US\$ Million

COUNTRY	September, 2016	September, 2017	Growth (%)	April-September 2016-17	April-September 2017-18	Growth %
High cumulative growth						
LIBERIA	0.00	0.00		0.00	84.61	----
EGYPT	0.00	0.01		0.00	213.78	----
CAMEROON	0.00	0.00		0.00	20.63	6546481.92
U S A	0.00	227.02		0.20	443.73	222953.73
Sharp cumulative decline						
MALAYSIA	0.00	0.01		254.39	6.22	-97.55
INDONESIA	0.00	0.00		233.32	36.07	-84.54

BAHARAIN	0.00	0.00		45.81	0.00	-100.00
SINGAPORE	0.00	0.00	-68.76	573.47	371.09	-35.29

(Source: Department of Commerce and CSO)

- ❖ UAE, USA, Singapore, Egypt and Sri Lanka are the top importers of Indian 'Ships, Boats and Floating Structures and Parts' during April - September 2017-18. While the rest of them recorded decent growth in 2017-18 till date, USA recorded a gigantic 222953% growth in imports.
- ❖ Liberia, Egypt, Cameroon and USA achieved significant increase in year-on-year imports of Indian 'Ships, Boats and Floating Structures and Parts' during the first half of fiscal 2017-18.
- ❖ Exports of Indian 'Ships, Boats and Floating Structures and Parts' to Malaysia, Indonesia, Bahrain and Singapore recorded significant decline during April - September 2017-18.

Table 16: Export of Auto Components

US\$ Million

COUNTRY	September, 2016	September, 2017	Growth (%)	April-September 2016-17	April-September 2017-18	Growth %
High cumulative growth						
IVORY COAST	0.00	7.76	204165.94	0.10	10.64	10581.42
VIETNAM	1.28	13.63	961.98	14.33	52.14	263.82
MYANMAR	0.58	2.25	285.27	3.80	10.20	167.95
PERU	1.88	4.90	161.18	9.06	17.15	89.26
FRANCE	5.18	11.95	130.50	32.64	56.64	73.54
BRAZIL	12.51	21.27	70.00	69.68	119.02	70.81
SOUTH KOREA	2.31	3.99	72.81	15.19	25.87	70.30
CANADA	6.47	6.10	-5.77	26.12	43.29	65.72
PHILIPPINES	2.55	3.53	38.20	13.46	21.91	62.71
Sharp cumulative decline						
NEPAL	16.43	7.05	-57.13	117.26	57.62	-50.86

EGYPT	9.38	5.93	-36.78	55.42	28.39	-48.76
MALAYSIA	2.48	1.75	-29.59	12.47	11.17	-10.42

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 484.63 million), Turkey (US\$ 175.08 million) and Brazil (US\$ 119.02 million) were the three largest importers of Indian 'Auto Components/Parts' during April - September 2017-18. While USA and Brazil recorded 27.63% and 70.81% growth in imports respectively, Turkey conceded 2.76% decline in imports during the concerned time period.
- ❖ Ivory Coast, Vietnam, Myanmar, Peru recorded highest growths in imports of Indian 'Auto Components/Parts' during April - September 2017-18.
- ❖ Nepal, Egypt and Malaysia conceded substantial decline in imports of 'Auto Components/Parts' from India among major importers during the first half of fiscal 2017-18.

5. Conclusion

The growth in engineering exports during September 2017 was basically driven by noticeable year-on-year growth in exports of basic metals. All ferrous and non-ferrous metal recorded strong growth other than Nickel. However, Office Equipments' and 'Motor Vehicle/cars' registered decline in exports and Ship and Boats registered heavy growth in exports from US\$ 39.9 million in September 2016 to US\$ 565.2 in September 2017.

North East Asia saw highest growth in imports of Indian engineering during the first six months of fiscal 2017-18 followed by North America and Latin America. On the flipside, India's exports to ASEAN+2, South Asia and CIS registered slow growth (below 5 percent) in exports in April – September 2017-18. USA and UAE still remained top two importers of Indian engineering products with over USD 4798 million and USD 2613 million of imports respectively during April - September 2017-18.

Despite high growth in exports, outlook does not seem very impressive as increasing global uncertainties, rupee volatility and economic slowdown on the domestic front is apprehended to weigh on India's overseas shipment in the near term. Exporters are also worried about future growth as order booking position from October onwards is not good in view of.

Many exporters have stopped taking orders with least or no working capital at their disposal due to delay in refund of GST paid by them on inputs. If the refund procedure does not start

immediately the liquidity position of exporters will further deteriorate. These factors may dent the growth of engineering exports in the coming months.

