

Engineering Exports Monitor

November 2017



Engineering the future

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India's Merchandise Trade scenario

- ❖ India's merchandise exports returned to growth path once again in November 2017 after a marginal drop in October 2017. Exports during November 2017 exhibited a robust 30.55 percent growth in dollar terms vis-à-vis November 2016. Exports during November 2017 were at US\$ 26,195.76 million as compared to US\$ 20,066.26 million during November 2016. After 14 straight months' of year-on-year growth, India's merchandise export declined by 1.12 percent in October 2017. In Rupee terms, the growth was seen at 25.21 percent during November 2017.
- ❖ Major commodity groups showing positive year-on-year growth in Exports during November 2017 were Engineering Goods (43.76%), Petroleum Products (47.68%), Gems & Jewellery (32.69%), Organic & Inorganic Chemicals (54.28%), and Drugs & Pharmaceuticals (13.39%).
- ❖ Cumulative value of exports for the period April-November 2017-18 was US\$ 196,482.31 million as against US\$ 175,410.66 million, registering a positive growth of 12.01 per cent in Dollar term.
- ❖ Merchandise Imports also surged by a much higher 19.61 percent year-on-year during November 2017 as against 7.60 percent in October 2017. Imports went up to US\$ 40,024.96 million in November 2017 from US\$ 33,461.87 million during the same month last year.
- ❖ Major commodity groups of import showing high growth in November 2017 over the corresponding month of last year were Petroleum, Crude & products (39.14%), Electronic goods (24.97%), Pearls, precious & Semi-precious stones (85.80%), Machinery, electrical & non-electrical (23.24%) and Coal, Coke & Briquettes, etc. (51.80%).
- ❖ Cumulative value of imports for the period April-November 2017-18 was US\$ 296,459.17 million as against US\$ 243,296.85 million during the same period last fiscal, registering 21.85 per cent growth in Dollar terms.
- ❖ Trade deficit in November 2017 increased by 3.24 percent to US\$ 13,829.2 million from US\$ 13,395.61 million in November 2016. Cumulative trade deficit during April - November 2017-18 surged by 47.27 percent to US\$ 99,976.86 million from US\$ 67,886.19 million during the same period last fiscal.

India's Engineering Exports scenario

- ❖ Indian engineering exports maintained the growth run for the 16th straight month to November 2017 and this time, the growth accelerated substantially by 43.68 percent year-on-year just in-line with the broader merchandise exports.
- ❖ Overseas shipment of India's engineering products rose to US\$ 6,956.22 million during November 2017 from US\$ 4,841.37 million in the same month last year.
- ❖ Cumulative growth of India's engineering export during April-November 2017-18 was recorded at 22.35 percent on a year-on-year basis which was somewhat higher than the

cumulative growth registered during April-October 2017-18. Engineering exports during April - November 2017-18 was recorded at US\$ 48,951.2 million as against US\$ 40,008.04 million during the same period last fiscal.

- ❖ The share of engineering exports in India's total merchandise exports increased to 26.6 percent during November 2017 from 24.8 percent in October 2017 and 24.9 percent in September 2017.
- ❖ Out of 33 engineering panels, 29 panels recorded growth in exports in November 2017 over the same month last year while the remaining 4 panels conceded decline during the month of November 2017.
- ❖ During November 2017, out of top 25 countries 22 countries recorded year-on-year growth in engineering exports from India over the same month last year.

1. Trend in overall merchandise trade

India's merchandise exports returned to growth path once again in November 2017 after a marginal drop in October 2017. Exports during November 2017 exhibited a robust 30.55 percent growth in dollar terms vis-à-vis November 2016. Export during November 2017 was at US\$ 26,195.76 million as compared to US\$ 20,066.26 million during November 2016. After 14 straight months' of year-on-year growth, India's merchandise export declined by 1.12 percent in October 2017. In Rupee terms, the growth was seen at 25.21 percent during November 2017.

Major commodity groups showing positive year-on-year growth in Exports during November 2017 were Engineering Goods (43.76%), Petroleum Products (47.68%), Gems & Jewellery (32.69%), Organic & Inorganic Chemicals (54.28%), and Drugs & Pharmaceuticals (13.39%).

Non-petroleum and Non Gems & Jewellery exports in November 2017 were valued at US\$ 19,247.56 million as against US\$ 15,104.42 million in November 2016, registering an increase of 27.43 percent. Cumulative exports of Non-petroleum and Non Gems and Jewellery segment during April -November 2017-18 were at US\$ 143,528.58 million as against US\$ 126,660.74 million during the corresponding period in 2016-17 with an increase of 13.32 percent.

Merchandise Imports also surged by a much higher 19.61 percent year-on-year during November 2017 as against 7.60 percent in October 2017. Imports went up to US\$ 40,024.96 million in November 2017 from US\$ 33,461.87 million during the same month last year. Cumulative value of imports for the period April-November 2017-18 was US\$ 296,459.17 million as against US\$ 243,296.85 million during the same period last fiscal, registering 21.85 per cent growth in Dollar terms.

Major commodity groups of import showing high growth in November 2017 over the corresponding month of last year were Petroleum, Crude & products (39.14%), Electronic goods (24.97%), Pearls, precious & Semi-precious stones (85.80%), Machinery, electrical & non-electrical (23.24%) and Coal, Coke & Briquettes, etc. (51.80%).

Oil import during November 2017 at US\$ 9,550.97 million was 39.14 percent higher than that of in November 2016 at US\$ 6,864.25 million. Oil imports during April-November 2017-18 were valued at US\$ 65,802.97 million, which was 22.65 per cent higher than the oil imports of US\$ 53,652.71 million recorded during the corresponding period of the last fiscal. Global Brent prices (US\$/bbl) have increased by 34.73 percent year-on-year in November 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during November 2017 were estimated at US\$ 30,473.99 million which was 14.57 per cent higher than non-oil imports of US\$ 26,597.62 million in November 2016. Non-oil imports during April-November 2017-18 were valued at US\$ 230,656.20 million which was 21.63 per cent higher than the level of such imports valued at US\$ 189,644.14 million in April-November 2016-17.

Trade deficit in November 2017 increased by 3.24 percent to US\$ 13,829.2 million from US\$ 13,395.61 million in November 2016. Cumulative trade deficit during April - November 2017-18 surged by 47.27 percent to US\$ 99976.86 million from US\$ 67,886.19 million during the same period last fiscal.

2. Engineering exports

Indian engineering exports maintained the growth run for the 16th straight month to November 2017 and this time, the growth accelerated substantially by 43.68 percent year-on-year just in-line with the broader merchandise exports.

Overseas shipment of India's engineering products rose to US\$ 6,956.22 million during November 2017 from US\$ 4,841.37 million in the same month last year.

Cumulative growth of India's engineering export during April-November 2017-18 was recorded at 22.35 percent on a year-on-year basis which was somewhat higher than the cumulative growth registered during April-October 2017-18. Engineering exports during April - November 2017-18 was recorded at US\$ 48,951.2 million as against US\$ 40,008.04 million during the same period last fiscal.

The share of engineering exports in India's total merchandise exports increased to 26.6 percent during November 2017 from 24.8 percent in October 2017 and 24.9 percent in September 2017.

Out of 33 engineering panels, 29 panels recorded growth in exports in November 2017 over the same month last year while the remaining 4 panels conceded decline during the month of November 2017.

During November 2017, out of top 25 countries 22 countries recorded year-on-year growth in engineering exports from India over the same month last year.

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)

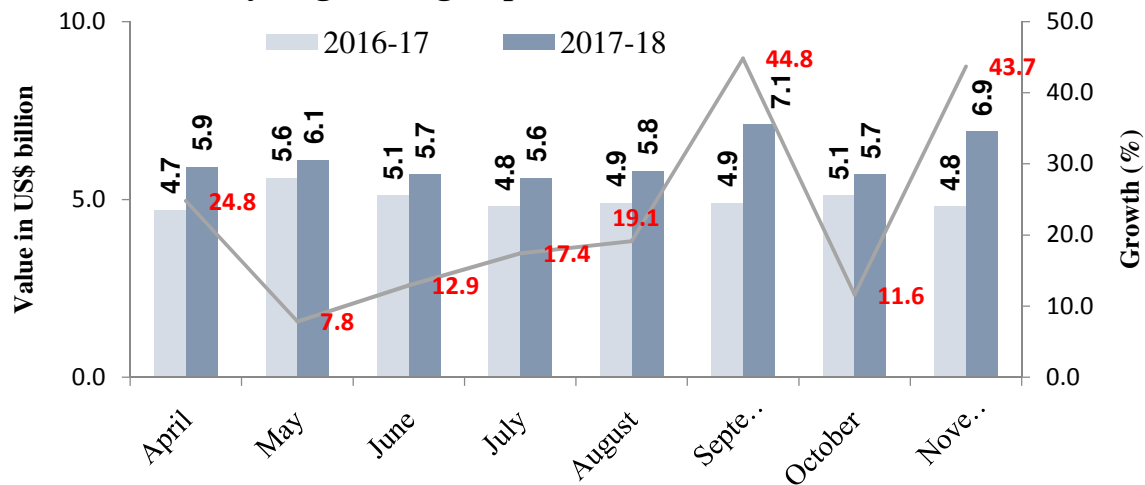
Months	2016-17	2017-18	Growth (%)
Apr	4744.32	5920.35	24.79
May	5636.17	6075.48	7.79
Jun	5066.99	5719.49	12.88
Apr - Jun	15447.48	17715.32	14.68
Jul	4794.12	5626.09	17.35
Aug	4873.71	5804.32	19.09
Sep	4917.78	7121.44	44.81
Jul - Sep	14585.61	18551.85	27.19
Oct	5133.58	5727.81	11.58
Nov	4841.37	6956.22	43.68
Apr - Nov	40008.04	48951.2	22.35

(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 (In US\$ Million)

Monthly Engineering Exports for 2017-18 vis-a-vis 2016-17



(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. 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 and September 2017, both of them moved in the same direction as engineering exports witnessed acceleration in growth in both the months while manufacturing production bounced back to growth path in August and recorded further acceleration in growth during September 2017. Their direction was same in October 2017 also but growth of both manufacturing production and engineering export slowed down. Manufacturing Index in the Index of Industrial Production (IIP) stood at 124.3 in October 2017 as against 125.6 in September 2017 as against 123.7 in Aug 2017 and 119.3 (final revision) in Jul 2017.

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	24.79	2.9
May 2017	7.79	2.6
June 2017	12.88	-0.7
Apr - Jun 2017-18	14.68	1.6
July 2017	17.35	-0.1
August 2017	19.09	3.1
September 2017	44.81	3.8
Jul - Sep 2017	27.19	2.3
October 2017	11.58	2.5
November 2017	43.68	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	5133.58*	14.70%
November	4321.78	4841.37*	12.02%
December	4690.16	5633.93	20.12%
Quarter 3	13487.52	15608.88	15.73%
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	65293.23*	11.43%

(*) Marked figures are revised figures

Source: DGCI&S

1. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

November	Average Exchange Rate 1 USD to INR
2016	67.63
2017	64.86

(Source: Calculated from RBI archive)

During November 2017, the official exchange rate of rupee strengthened by 4.10 percent vis-à-vis the US Dollar on a year-on-year basis, i.e., over November 2016. The rate of appreciation was sizeably higher than the year-on-year appreciation seen in October 2017 at 2.50%.

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

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

Sl no.	Panel	Nov_16	Nov_17	Growth %	Apr-Nov 2016-17	Apr-Nov 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	657.08	1203.33	83.1	4526.74	7329.76	61.92
B	Products of Iron and Steel	421.62	540.14	28.1	3742.49	4340.24	16.0
Sub Total		1078.7	1743.47	61.63	8269.23	11670	41.13
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	217.9	301.92	38.56	1512.35	2270.41	50.12
B	Aluminium and products	272.61	427.86	56.95	1959.04	2982.66	52.25
C	Zinc and products	69.64	102.62	47.36	257.44	548.59	113.09
D	Nickel and products	12.15	3.51	-71.11	77.65	31.9	-58.92
E	Lead and products	21.67	31.63	45.96	101.58	222.72	119.26

Sl no.	Panel	Nov_16	Nov_17	Growth %	Apr-Nov 2016-17	Apr-Nov 2017-18	Growth %
F	Tin and products	0.33	0.59	78.79	3.66	7.12	94.54
G	Other Non-Ferrous Metals	29.59	38.91	31.50	286.5	324	13.09
Sub Total		623.89	907.04	45.38	4198.22	6387.4	52.15
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	40.94	36.19	-11.6	452.92	366.94	-19.0
B	IC Engines and Parts	139.67	209.28	49.8	1401.79	1676.72	19.6
C	Pumps of all types	63.11	80.21	27.10	479.18	623.26	30.07
D	Air condition and Refrigerators	61.86	114.92	85.8	632.01	740.84	17.2
E	Industrial Machinery for dairy, food processing , textiles etc	322	465.53	44.6	2935.36	3338.38	13.7
F	Machine Tools	32.03	40.67	26.97	302.13	309.43	2.42
G	Machinery for Injecting moulding, valves and ATMs	96.28	127.34	32.3	812	979.77	20.7
Sub Total		755.89	1074.14	42.1	7015.39	8035.34	14.5
4	Electrical Machinery	382.12	703.49	84.10	3072.13	4040.08	31.51
5. Automobiles							
A	Motor Vehicle/cars	597.6	801.24	34.1	4920.36	5130.9	4.3
B	Two and Three Wheelers	123.47	178.3	44.4	1072.07	1308.75	22.1
C	Auto Components/Part	298.43	448.19	50.18	2763.63	3266.57	18.20
Sub Total		1019.5	1427.73	40.04	8756.06	9706.22	10.85
6	Aircrafts and Spacecraft parts and products	239.07	266.89	11.64	2139.28	1570.43	-26.59
7	Ships Boats and Floating products and parts	279.7	168.73	-39.67	2303.85	2588.93	12.37
8. Other engineering products							
A	Medical and Scientific instruments	112.34	142	26.40	900.82	1044.7	15.97

Sl no.	Panel	Nov_16	Nov_17	Growth %	Apr-Nov 2016-17	Apr-Nov 2017-18	Growth %
B	Railway Transport	5.4	24.79	359.07	118.89	194.75	63.81
C	Hand Tools & Cutting Tools	42.08	57.81	37.38	421.32	459.76	9.12
D	Electrodes Accumulators	3.25	3.83	17.85	27.51	28.73	4.43
E	Accumulator and Batteries	15.39	28.74	86.74	145.13	171.65	18.27
F	Bicycle & Parts	19.46	24.72	27.03	188.61	204.16	8.24
G	Cranes Lifts & Winches	22.45	39.22	74.70	271.1	224.77	-17.09
H	Office Equipments	12.64	7.93	-37.26	76.23	60.45	-20.70
I	Other Construction Machinery	75.99	136.61	79.77	651.56	875.31	34.34
J	Prime Mica & Mica Products	1.55	1.8	16.13	11.73	14.38	22.59
K	OTHER MISC. ITEMS	151.95	197.28	29.83	1440.98	1674.14	16.18
Sub total		462.5	664.73	43.73	4253.88	4952.8	16.43
Total engineering exports		4841.37	6956.22	43.68	40008.04	48951.2	22.35

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ For the month of October, panel-wise analysis of engineering export showed that the overall scenario improved again in November post low growth observed in October compared to that of the previous month. Engineering exports recovered high growth similar to that of September to the extent of 44 percent in November 2017 vis-a-vis November 2016. 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 November 2017.
- ❖ Iron and Steel exports more or less maintained similar growth pattern like in the previous month scaling up by 83.1 percent during November 2017 with an overseas shipment recording US\$ 1203.3 million from US\$ 657 million in the same month last year. Cumulative figure showed 61.9 percent growth of exports during April –November 2017 to US\$ 7329.7 million from US\$ 4526.7 million during the same period last fiscal. Products of Iron and Steel experienced an increase in exports by 28 percent during November 2017 over the same month last year while its cumulative exports increased by 16 percent to US\$ 4340.24 million during April - November 2017 from US\$ 3742.5 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', 'Aluminium and products', 'Zinc and products', 'Lead and products' 'Copper and products' recorded substantial growth in exports during November 2017. 'Tin and its products' recorded highest growth of 79 percent during November 2017. Nickel and products were the only non ferrous sector that experienced a drop down to the extent of 71 percent in November 2017 compared to same period last fiscal.
- ❖ Industrial machinery recorded a high growth in exports to the extent of 42.1 percent during November 2017 and a positive growth of 14.5 percent cumulatively from April-November 2017 vis-à-vis same period last fiscal. Industrial segments like Industrial Boilers, recorded fall in exports to the extent of 11.6 percent and 19 percent respectively in November 2017 compared to that of November 2016. Other exporting segments like, IC Engines, Air Condition and Repair Machinery, 'Industrial Machinery for dairy' recorded positive growth in exports to the extent of 86%, 50%, and 45% respectively during November 2017 compared to November 2016.
- ❖ Electrical Machinery and equipments panel faced positive growth in November 2017 by 84.1 percent. On a cumulative basis, the growth was lower at 31.5 percent during April - November 2017 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 11.6 percent growth in November 2017 and a decline faced to the extent of 27 percent cumulatively during April –November 2017 over the same period last year.
- ❖ Among other panels, Ship and Boats scaled down by more than 39% moving down from US\$ 279.7 million to US\$ 168.7 million in November 2017 compared to that over last fiscal. Office Equipments squeezed by 37.3 percent during November 2017 and to the extent of 20.7 percent during April - November 2017. Railway and Transport, Accumulators and Battery, Construction and Machinery, Other Construction Machinery, are some of the engineering panels that more than 50 percent growth during November 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 November 2017 over November 2016 in Absolute Value. Country wise cumulative figures for April- November 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	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
U S A	495.72	994.62	100.64	4,353.95	6,490.69	49.08
U A E	169.96	279.57	64.49	2,649.83	3,084.53	16.41
CHINA	257.09	321.19	24.93	960.44	1,998.93	108.13
GERMANY	156.28	273.49	75.00	1,397.55	1,987.12	42.19
U K	166.06	329.36	98.34	1,625.75	1,924.44	18.37
MEXICO	179.70	199.47	11.00	1,591.61	1,805.97	13.47
ITALY	161.67	278.19	72.07	1,171.07	1,646.49	40.60
NEPAL	174.14	242.15	39.05	1,445.28	1,535.77	6.26
BANGLADESH	173.73	238.14	37.07	1,250.68	1,489.28	19.08
MALAYSIA	424.32	220.51	-48.03	1,538.76	1,325.40	-13.87
SINGAPORE	130.37	162.61	24.72	1,435.60	1,314.47	-8.44
KOREA	91.43	194.69	112.93	841.70	1,248.91	48.38
INDONESIA	93.10	181.16	94.59	874.17	1,117.89	27.88
TURKEY	126.17	121.86	-3.41	1,084.70	1,067.64	-1.57
FRANCE	110.97	113.98	2.71	793.54	966.28	21.77
SRI LANKA	87.96	119.79	36.19	965.13	949.92	-1.58
SOUTH AFRICA	85.23	111.52	30.85	664.61	919.51	38.35
BELGIUM	86.40	125.60	45.38	664.43	833.71	25.48
VIETNAM	85.24	141.89	66.46	513.23	807.48	57.33
THAILAND	68.15	107.65	57.97	555.97	792.90	42.62
SAUDI ARAB	98.80	73.86	-25.25	785.96	750.92	-4.46
SPAIN	84.11	92.08	9.47	598.94	730.57	21.98
JAPAN	79.99	90.52	13.16	512.65	642.30	25.29
BRAZIL	39.63	72.41	82.71	390.69	600.05	53.59
EGYPT	34.32	41.65	21.37	357.36	570.62	59.67
Top 25 Countries Total	3,660.56	5,127.96	40.09	29,023.59	36,601.79	26.11
Engg Total	4,841.38	6,956.23	43.68	40,007.99	48,951.21	(90.11)
Share of Top 25 Countries		73.7%			74.7%	

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

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

- ❖ During November 2017, out of top 25 countries 22 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 November 2017. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-November 2017-18 over the same period last fiscal to the extent of 100 percent and 49 percent respectively.
- ❖ Countries like Korea recorded more than 100 percent export growth during November 2017 vis-à-vis November 2016. On the other hand France and Spain recorded less than 10 percent export growth in November 2017.
- ❖ Out of the top 25 export destinations, countries like Turkey, Malaysia, Sri Lanka, Singapore and Saudi Arabia recorded dip in exports both monthly as well as on cumulative basis during April-Nov 2017-18 compared to the same period last fiscal.
- ❖ All European nations falling under the top 25 engineering export destinations like Germany, Italy, Belgium and France recorded considerable growth during Apr-November 2017-18 over Apr- November 2016-17.
- ❖ Even, among the ASEAN countries under the top 25 engineering export destinations like Indonesia, Thailand and Vietnam have recorded sharp growth in engineering exports with high export base in Apr- November 2017-18.
- ❖ Out of 224 exports destinations of Indian engineering goods, top 25 nations accounted for 73.7 percent of India's total engineering exports on monthly basis during November 2017 compared to November 2016 and 74.7 percent on cumulative basis from Apr-November 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 40.1 percent in November 2017 and cumulatively to the extent of 26.1 percent during April- November 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- November 2017-18 as opposed to April- November 2016-17. We also look at the trend in November 2017 vis-à-vis November 2016. The Table below gives this picture:

Table 7: Region Wise Exports Trend

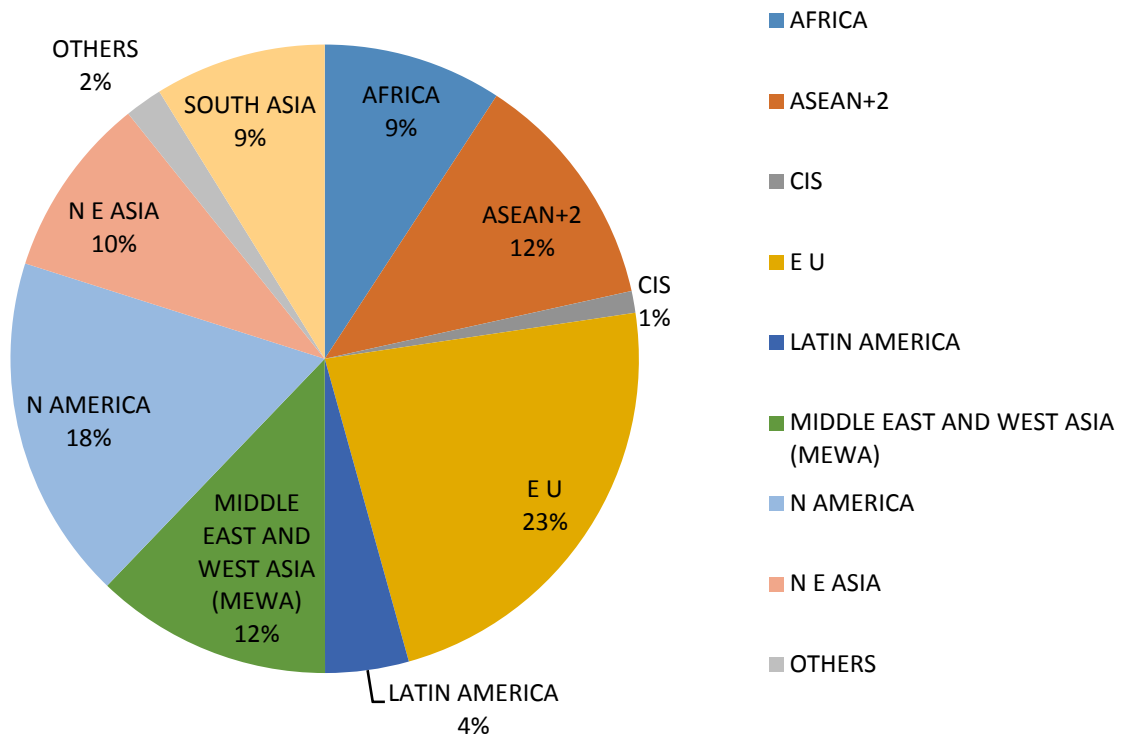
US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
AFRICA	407.20	606.29	48.89	3,752.39	4,503.80	20.02
ASEAN+2	852.73	907.05	6.37	5,436.13	6,041.85	11.14
CIS	52.97	81.53	53.93	493.23	545.69	10.64
E U	1,089.96	1,607.62	47.49	9,412.19	11,271.59	19.76
LATIN AMERICA	190.24	264.49	39.03	1,699.74	2,104.76	23.83
MIDDLE EAST AND WEST ASIA (MEWA)	505.52	630.95	24.81	5,196.26	5,965.46	14.80
N AMERICA	702.27	1,268.60	80.64	6,224.48	8,681.89	39.48
N E ASIA	492.14	722.74	46.86	2,806.45	4,573.80	62.97
OTHERS	77.13	207.26	168.72	987.23	945.44	-4.23
SOUTH ASIA	471.24	659.70	39.99	3,999.89	4,316.93	7.93
Grand Total	4,841.38	6,956.23	43.68	40,007.99	48,951.21	22.35

(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 April-November



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during November 2017 with a share of more than 23% of total engineering exports.
- ❖ India's exports to ASEAN+2 and North East Asia recorded considerable growth both monthly and cumulatively during Apr-November 2017-18 over the same period last fiscal.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – November 2017-18 to the extent of 63 percent over the same period in the previous year.
- ❖ India's exports to South Asia and CIS region registered slow growth in exports in November 2017.
- ❖ Engineering exports to North America, Latin America, EU, 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 November 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	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
ITALY	5.96	16.39	175.06	34.43	67.21	95.19
NEPAL	5.95	7.23	21.51	39.42	52.21	32.43
BELGIUM	5.24	8.23	57.21	36.09	49.64	37.55
UAE	2.67	9.33	249.70	26.67	45.77	71.58
VIETNAM SOC REP	2.93	8.61	193.76	14.32	43.52	204.00
INDONESIA	2.04	8.28	305.18	14.11	38.64	173.84

SPAIN	3.11	2.86	-8.06	18.11	27.45	51.55
Sharp cumulative decline						
BANGLADESH	3.21	1.97	-38.75	26.40	16.76	-36.50
MEXICO	1.55	1.28	-17.46	10.80	10.35	-4.13
ETHIOPIA	0.57	0.35	-38.78	9.27	9.21	-0.67
ECUADOR	0.42	0.32	-25.11	2.87	2.58	-10.18

(Source: Department of Commerce, Government of India)

- ❖ Italy, Nepal and Belgium recorded highest growth in exports of Indian Iron and Steel during April –October 2017-18.
- ❖ Countries with more than double growth in exports include Italy, UAE, Vietnam and Indonesia.
- ❖ Countries like Bangladesh, Mexico and Ethiopia experienced sharp downfall in exports to the extent of 36.5%, 4.1%, and 0.7% respectively during April-November 2017-18.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
U S A	87.3	127.0	45.53	740.7	1085.5	46.55
GERMANY	21.5	27.9	29.51	227.0	247.2	8.88
U K	16.3	22.9	40.60	165.2	184.3	11.62
CANADA	5.7	23.1	301.81	80.9	128.4	58.60
OMAN	18.1	19.5	7.65	95.1	126.0	32.48
NETHERLAND	12.1	13.3	9.52	106.9	112.5	5.19
FRANCE	9.6	12.7	32.92	78.8	92.5	17.37
Sharp cumulative decline						
UAE	29.7	31.5	6.09	352.1	272.3	-22.65
SAUDI ARAB	29.8	12.3	-58.63	225.0	186.0	-17.36
ITALY	11.2	14.2	26.96	114.0	111.2	-2.41
KUWAIT	24.7	7.9	-67.96	122.9	55.3	-55.02
NEPAL	6.5	7.7	18.02	62.8	45.6	-27.35

(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 - November 2017-18 with 25, 6.3 and 5.7 percent share respectively.

- ❖ USA recorded 47 percent growth in imports of 'Products of Iron & Steel' from India while Germany saw 9 percent growth. UAE recorded 23 percent decline in imports during April - November 2017-18.
- ❖ Among major exporters, exports to Sri Lanka, Colombia, and Iran witnessed notable growth during April - November 2017-18.
- ❖ Among major importers, UAE, Saudi Arabia, Italy, Kuwait, Nepal, China conceded substantial decline in imports during April - November 2017-18.

Table 10: Export of Industrial Machinery
US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
U S A	95.86	161.98	68.98	949.31	1251.15	31.80
U K	28.09	51.52	83.41	258.58	386.63	49.52
BANGLADESH	39.00	60.65	55.53	284.91	367.58	29.01
GERMANY	28.25	45.47	60.93	313.46	346.18	10.44
UAE	32.98	38.00	15.24	291.74	293.15	0.48
CHINA	36.63	37.79	3.17	236.93	288.43	21.74
ITALY	16.55	32.24	94.78	179.44	242.03	34.88
NEPAL	23.79	29.59	24.37	197.04	202.72	2.89
THAILAND	16.93	24.21	42.98	133.79	197.55	47.65
Sharp cumulative decline						
TURKEY	34.73	41.07	18.23	298.81	288.06	-3.60
MALAYSIA	22.63	14.01	-38.10	152.70	139.04	-8.94
VIETNAM SOC REP	11.65	14.00	20.25	129.99	129.26	-0.56
IRAN	9.03	16.16	78.87	114.67	101.45	-11.53
RUSSIA	9.78	19.13	95.54	150.73	95.31	-36.77
KENYA	10.54	11.03	4.67	98.57	91.76	-6.91
PHILIPPINES	4.53	5.59	23.44	73.97	68.84	-6.93

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–November 2017-18 with 15.6 percent share and 31.8% year-on-year growth in imports followed by UK with 4.8% share and 49.5% y-o-y growth in imports from India. Bangladesh and Germany also imported over US\$ 367 million and US\$ 346 million of "industrial Machinery" respectively from India during the first eight months of fiscal 2017-18.
- ❖ Among the major importers, export to Iran, Russia, Algeria, Bhutan recorded sharp declines in imports during April - November 2017-18.

Table 11: Export of Automobiles

US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
MEXICO	121.4	125.6	3.5	1032.4	1214.9	17.7
SOUTH AFRICA	56.6	66.8	18.1	359.0	540.0	50.4
BANGLADESH	44.3	63.7	43.8	254.2	362.4	42.6
INDONESIA	9.5	21.2	123.6	64.6	213.9	231.0
U S A	0.1	160.0	110228.4	4.9	202.2	4045.6
CHILE	19.2	24.9	29.4	139.7	154.4	10.6
ALGERIA	11.6	43.0	270.8	80.5	144.2	79.2
Sharp cumulative decline						
NEPAL	34.8	50.2	44.4	335.9	315.6	-6.0
SRI LANKA	39.2	37.8	-3.5	348.2	263.4	-24.3
ITALY	26.8	10.4	-61.0	227.6	199.8	-12.2
U K	34.2	10.7	-68.6	298.3	131.2	-56.0
COLOMBIA	18.5	19.6	5.8	136.4	126.3	-7.4
PERU	14.8	18.3	23.2	136.5	124.3	-8.9

*(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-November of 2017-18 witnessing 18, 50.4 and 43 percent growth in year-on-year imports respectively. Mexico being the largest importer shares 19 percent of imports of automobiles from India.
- ❖ Countries like USA, Indonesia, Cote D' Ivoire, Ecuador, Singapore saw over 100 percent growths in imports of Indian automobile during April - November 2017-28 among major importers.
- ❖ UK, Sri Lanka, Saudi Arabia, Spain conceded substantial decrease in imports of Automobiles from India during April-November 2017-18.

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

COUNTRY	OCTOBER, 2016	OCTOBER, 2017	Growth (%)	APRIL, 2016 - OCTOBER, 2016	APRIL, 2017- OCTOBER, 2017	Growth (%)
High cumulative growth						
QATAR	0.66	14.56	2117.67	7.38	109.66	1385.59
BAHARAIN	0.20	0.38	91.40	11.15	46.48	316.99
COLOMBIA	1.18	11.40	865.98	17.75	62.52	252.12
CHINA	147.80	194.59	31.66	331.37	1151.47	247.49
BANGLADESH	15.24	26.91	76.62	76.84	161.00	109.54
THAILAND	5.62	9.38	66.90	40.40	79.61	97.07
Sharp cumulative decline						
SAUDI ARABIA	12.38	7.36	-40.52	110.99	69.49	-37.40
SOUTH AFRICA	3.77	2.38	-36.88	30.29	21.18	-30.08
KENYA	5.93	4.92	-17.00	49.29	35.86	-27.24
SINGAPORE	18.13	33.77	86.25	263.31	207.36	-21.25

- ❖ China (USD 1151.47 million), South Korea (USD 764.39 million) and Malaysia (USD 740.29 million) were the top three importers of Indian Non-ferrous metals during April - Nov 2017-18 with Y-o-Y growth of 247.49%, 64.18% and 42.90% respectively.
- ❖ Qatar, Bahrain, Colombia and China witnessed highest growth in imports of Indian Non-ferrous metal products during April-November 2017-18.
- ❖ Saudi Arabia, South Africa, Kenya and Singapore conceded significant decline in imports of non-ferrous metals from India during the April - November of fiscal 2017-18.

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

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
UKRAINE	0.32	7.95	2398.27	1.26	10.18	709.09
TAIWAN	0.19	8.59	4368.09	11.35	36.68	223.09
GERMANY	27.47	95.92	249.18	180.04	556.84	209.29
IRAN	0.21	3.38	1511.67	4.01	11.68	191.43
ISRAEL	1.53	12.10	691.09	9.02	24.51	171.70
ARGENTINA	0.34	1.65	382.52	6.51	15.17	133.11
RUSSIA	0.62	1.46	133.66	9.68	21.09	117.99
POLAND	2.03	6.22	205.92	18.85	37.95	101.35
VIETNAM	5.04	17.50	247.47	44.20	87.43	97.78

MEXICO	4.57	8.24	80.38	17.68	32.43	83.41
MYANMAR	0.27	6.88	2480.61	15.03	27.46	82.77
CHINA	6.77	42.62	529.36	77.28	140.69	82.06
SINGAPORE	8.48	21.59	154.61	72.95	128.90	76.69
Sharp cumulative decline						
ALGERIA	15.21	0.04	-99.73	64.43	4.59	-92.88
LIBYA	0.26	0.48	84.04	17.32	1.81	-89.56
IRAQ	2.02	0.69	-66.08	17.22	6.20	-64.02
PHILIPPINES	2.49	1.62	-35.09	38.46	14.45	-62.41

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 773.93 million), Germany (US\$ 556.84 million) and UK (US\$ 263.06 million) were the three top importers of Indian Electrical Machinery and Components during April - November 2017-18 with market shares of 19.2%, 13.8% and 6.5% respectively. These three nations witnessed 61.5%, 209.29% and 22.33% year-on-year growth in imports of Indian 'Electrical Machinery and Components' during April - November 2017-18.
- ❖ Ukraine, Taiwan and Germany recorded highest growth in imports of India's Electrical Machinery and Components during April - November 2017-18.
- ❖ On the other hand, Algeria, Libya and Nepal conceded highest declines in imports of India's Electrical Machinery and Components during the first eight months of fiscal 2017-18.

Table 14: Export of Aircrafts & Spacecrafts

US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
THAILAND	0.15	1.38	837.84	3.91	11.19	186.20
GERMANY	12.98	23.26	79.23	88.61	155.02	74.95
POLAND	1.09	2.16	99.23	14.94	21.61	44.62
U K	14.27	77.15	440.57	153.95	208.06	35.15
Sharp cumulative decline						
BULGARIA	0.00	0.00	----	93.70	0.00	-100.00
CZECH REPUBLIC	0.03	0.03	2.62	171.18	0.23	-99.87
SRI LANKA	0.13	0.02	-87.78	78.22	0.18	-99.77
UAE	1.43	0.89	-37.74	151.39	4.56	-96.99

TURKEY	0.85	1.08	27.37	100.08	11.22	-88.78
SWITZERLAND	1.42	1.60	13.16	109.93	25.29	-76.99

(Source: Department of Commerce and CSO)

- ❖ USA, UK, France and Singapore were the top importers of India's 'Aircrafts & Spacecrafts' during April - November 2017-18 with 26.70 percent, 13.25 percent, 12.92 percent and 10.96 percent shares respectively in India's total global exports of the product. Among them, Singapore conceded 9.30% decline in imports of the product group during April - November 2017-18 while USA, UK and France recorded 2.16%, 35.15% and 5.37% growth in imports respectively during the same time period.
- ❖ Thailand, Germany, Poland and UK achieved significant growth in imports of India's 'Aircrafts & Spacecrafts' during April - November 2017-18.
- ❖ Demand from Bulgaria, Czech Republic, Sri Lanka, UAE, Turkey and Switzerland declined significantly during April - November 2017-18.

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

US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
EGYPT	0.00	0.00	8.05	0.00	213.77	6744154.69
U S A	0.01	0.05	476.79	0.22	443.72	204133.47
LIBERIA	0.00	0.00	----	0.00	84.61	----
NORWAY	0.00	82.41	----	0.00	82.42	----
Sharp cumulative decline						
BAHARAIN	0.00	0.00	----	45.81	0.00	-100.00
MALAYSIA	247.66	0.00	-100.00	502.05	6.22	-98.76
INDONESIA	0.00	0.00	----	233.32	36.07	-84.54
SINGAPORE	30.84	47.64	54.50	605.85	418.72	-30.89

(Source: Department of Commerce and CSO)

- ❖ UAE is the largest importer of India's 'Ships, Boats and Floating Structures and Parts' during Apr - Nov 2017-18 with 40% share of India's total global exports of the same. USA, Singapore and Egypt were the other top importers during the same time period with 17.14%, 16.17% and 8.26% shares respectively. Among them, Egypt recorded no imports during April - November 2016-17, USA continued to see a gigantic growth in imports, and Singapore conceded decline in imports.

- ❖ Egypt, USA, Liberia and Norway, achieved significant increase in year-on-year imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - November 2017-18.
- ❖ Exports of Indian 'Ships, Boats and Floating Structures and Parts' to Bahrain, Malaysia, Indonesia and Singapore recorded significant decline during April - November 2017-18.

Table 16: Export of Auto Components

US\$ Million

COUNTRY	NOVEMBER, 2016	NOVEMBER, 2017	Growth (%)	APRIL, 2016 - NOVEMBER, 2016	APRIL, 2017- NOVEMBER, 2017	Growth (%)
High cumulative growth						
U S A	56.60	89.06	57.37	504.86	650.45	28.84
BANGLADESH	18.33	24.29	32.52	120.44	163.25	35.54
BRAZIL	10.49	20.58	96.32	92.90	155.69	67.60
THAILAND	12.70	18.99	49.52	124.82	143.69	15.12
GERMANY	12.35	18.59	50.47	124.89	141.07	12.96
MEXICO	11.96	14.64	22.40	111.73	122.71	9.83
U K	10.23	14.56	42.35	99.66	114.70	15.09
ITALY	6.59	16.21	146.06	77.40	107.06	38.32
Sharp cumulative decline						
TURKEY	31.47	35.78	13.72	248.42	240.73	-3.10
NEPAL	9.35	9.19	-1.75	139.79	76.96	-44.95

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 650.45 million), Bangladesh (US\$ 163.25 million) and Brazil (US\$ 155.69 million) were the three largest importers of Indian 'Auto Components/Parts' during April - November 2017-18. While USA and Bangladesh recorded 29% and 35.5% growth in imports respectively, Turkey conceded 3.10% decline in imports during the said time period.
- ❖ Vietnam, France and Brazil recorded significant growths in imports of Indian Auto Components/Parts during April - November 2017-18.
- ❖ Nepal and Egypt conceded substantial decline in cumulative imports of 'Auto Components/Parts' from India during the first eight months of fiscal 2017-18.

5. Conclusion

India's merchandise exports returned to growth path once again in November 2017 after a marginal drop in October 2017. Exports during November 2017 exhibited a rise to the extent of 30.55 percent growth in November 2017 compared to November 2016. Iron and Steel exports

more or less maintained similar growth pattern like in the previous month scaling up by 83.1 percent during November 2017 with an overseas shipment recording US\$ 1203.3 million from US\$ 657 million in the same month last year. Industrial machinery recorded a high growth in exports to the extent of 42.1 percent during November 2017 even Electrical Machinery and equipments panel faced positive growth in November 2017 by 84.1 percent.

India's engineering exports to N E Asia countries recorded highest positive growth to the extent of 62.9 percent in April -November 2017-18 over the same period in the previous year, followed by North America and Latin America. On the flipside, India's exports to South Asia and CIS registered slow growth in exports in November 2017. USA and UAE still remained top two importers of Indian engineering products with over USD 6490.7 million and USD 3084.5 million of imports respectively during April – November 2017-18.

The slowdown in engineering export growth may continue as corrected measures approved by the GST Council is yet to be implemented properly and the fund crisis faced by the exporters, especially from the MSME sector still persists as a consequence. The situation may worsen if this problem is not addressed immediately. Moreover, global uncertainties, rupee volatility and economic slowdown on the domestic front are also apprehended to weigh on India's overseas shipment in the near term.

