

Engineering Exports and Imports Monitor

January 2018



Engineering the future

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Analysis of Indian engineering exports and imports for January 2018
26 February, 2018

India's Merchandise Trade scenario

- ❖ Economic Survey 2017-18 has revealed a very interesting fact on India's firm export. It says, "India's firm export structure is substantially more egalitarian than in other large countries". In India, top 1 percent firms account only for 38% of exports while in many other countries the share is much higher (72%, 68%, 67% and 55% in Brazil, Germany, Mexico and USA respectively). Such tendencies have also been found to be true for the top 5 or 10 percent of the Indian companies.
- ❖ India's merchandise exports maintained its growth run in January 2018 but at a slower pace as it grew by 9.07 percent year-on-year in dollar terms as against 12.36 percent and 30.55 percent in December and November 2016 respectively. In Rupee terms, the growth was even slower at 1.95 percent year-on-year in the month concerned. Exports in January 2018 stood at US\$ 24,383.97 million as compared to US\$ 22,356.32 million during the same month last fiscal.
- ❖ Major commodity groups of export showing positive growth over the corresponding month of last year are Engineering Goods (15.77%), Petroleum Products (39.5%), Gems & Jewellery (0.89%), Organic & Inorganic Chemicals (33.6%) and Drugs & Pharmaceuticals (8.6%).
- ❖ Cumulative value of exports for the period April-January 2017-18 was US\$ 247,896.55 million as against US\$ 221,823.46 million during the same period last fiscal registering 11.75 percent year-on-year growth.
- ❖ Merchandise Imports in January 2018 far outpaced that of export once again by registering 26.10 percent year-on-year growth. Merchandise imports during January 2018 was seen at US\$ 40,682.44 million as against US\$ 32,261.14 million in January 2017.
- ❖ Such a high growth in imports was driven by substantial year-on-year import growth of some major commodity groups like Petroleum, Crude & products (42.64%), Electronic goods (12.19%), Machinery, electrical & non-electrical (29.11%), Pearls, precious & Semi-precious stones (55.71%) and Coal, Coke & Briquettes, etc. (31.67%).
- ❖ Cumulative merchandise imports for the period April-January 2017-18 rose to US\$ 379,052.07 million from US\$ 310,160.46 million during the same period last fiscal registering 22.21 percent year-on-year growth.
- ❖ Trade deficit as a consequence widened to 56-month high in January 2018 at 64.55 percent year-on-year to US\$ 16,298.47 million from US\$ 9,904.82 in January 2017. Cumulative trade deficit during April - January 2017-18 stood at 48.47 percent as it

went up to US\$ 131,155.52 million from US\$ 88,337.00 million during the same period last fiscal.

India's Engineering Exports scenario

- ❖ Indian Engineering export is expected to see a new high in terms of values during 2017-18 as evident from the trend of overseas shipment for the first ten months.
- ❖ Engineering exports from India continued to grow for the 18th straight month but the year-on-year growth slowed down in January 2018 in line with the broader merchandise export. The growth was recorded at 15.10 percent in the reporting month as against a faster 25.85 percent in December 2017 and 41.96 percent in November 2017 over the same month last year.
- ❖ The month of January 2018 saw engineering exports surged to US\$ 6140.22 million from US\$ 5334.66 million in the same month last fiscal.
- ❖ Cumulative growth of India's engineering export during April-January 2017-18 was recorded at 21.38 percent on a year-on-year basis which was a bit lower than the cumulative growth registered during April-December 2017-18. Engineering exports during April - January 2017-18 was recorded at US\$ 61,942.33 million as against US\$ 51,031.02 million during the same period last fiscal.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 25.2 percent in January 2018 while on a cumulative basis, the share was 25% during April - January 2017-18.
- ❖ Out of 33 engineering panels, 23 panels recorded growth in exports in January 2018 over the same month last year and the remaining 10 panels recorded negative growth in exports.

During January 2018, 16 countries out of top 25 engineering export destinations recorded year-on-year growth in engineering exports from India over the same month last year.

India's Engineering Imports scenario

- ❖ India's monthly Engineering imports were valued at US\$ 8.6 billion during January 2018 compared to US\$ 6.9 billion in January 2017 registering a sharp growth to the extent of 23.6 percent in dollar terms.
- ❖ Engineering imports during April - January 2017-18 was recorded at US\$ 76,121.5 million as against US\$ 67,456.9 million during the same period last fiscal. Cumulative growth of India's engineering import during April-January 2017-18 was recorded at 12.8 percent on a year-on-year basis which was slightly higher than the cumulative growth registered during April-December 2017-18 to the extent of 11.6 percent.

1. Trend in overall merchandise trade

India's merchandise exports continued its growth run in January 2018, however at a declining pace. Exports have been on a positive trajectory since August 2016 barring only October 2017 when it conceded a dip of 1.1 percent year-on-year.

Exports in January 2018 stood at US\$ 24,383.97 million as compared to US\$ 22,356.32 million during the same month last fiscal registering 9.07 percent year-on-year in dollar terms as against 12.36 percent and 30.55 percent in December and November 2016 respectively. In Rupee terms, the growth was even slower at 1.95 percent year-on-year in the month concerned.

Major commodity groups of export showing positive growth over the corresponding month of last year are Engineering Goods (15.77%), Petroleum Products (39.5%), Gems & Jewellery (0.89%), Organic & Inorganic Chemicals (33.6%) and Drugs & Pharmaceuticals (8.6%).

Cumulative value of exports for the period April-January 2017-18 was US\$ 247,896.55 million as against US\$ 221,823.46 million during the same period last fiscal registering 11.75 percent year-on-year growth.

Non-petroleum and Non Gems & Jewellery exports in January 2018 were valued at US\$ 17,523.24 million as against US\$ 16,607.36 million in January 2017, an increase of 5.51 percent year-on-year. Non-petroleum and Non Gems and Jewellery exports during April-January 2017-18 were valued at US \$ 181,238.18 million as compared to US\$ 161,281.88 million for the corresponding period in 2016-17, registering an year-on-year increase of 12.37 percent.

Merchandise Imports in January 2018 far outpaced that of export once again by registering 26.10 percent year-on-year growth. Merchandise imports during January 2018 was seen at US\$ 40,682.44 million as against US\$ 32,261.14 million in January 2017. Cumulative merchandise imports for the period April-January 2017-18 rose to US\$ 379,052.07 million from US\$ 310,160.46 million during the same period last fiscal registering 22.21 percent year-on-year growth.

Such a high growth in imports during January 2018 was driven by substantial year-on-year import growth of some major commodity groups like Petroleum, Crude & products (42.64%), Electronic goods (12.19%), Machinery, electrical & non-electrical (29.11%), Pearls, precious & Semi-precious stones (55.71%) and Coal, Coke & Briquettes, etc. (31.67%).

Oil import during January 2018 was seen at US\$ 11,659.07 million which was 42.64 percent higher than that of in January 2017 at US\$ 8,173.96 million. Oil imports during April- January 2017-18 stood at US\$ 87,807.92 million which was 26.35 percent higher than the oil imports of US\$ 69493.68 million in the corresponding period of the last fiscal. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 25.69 percent in January 2018 vis-à-vis January 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during January 2018 were estimated at US\$ 29,023.37 million which was 20.49 percent higher than non-oil imports of US\$ 24,087.18 million in January 2017. Non-oil imports during April-January 2017-18 also recorded 21.02 percent growth by rising to US\$ 291,244.15 million from US\$ 240,666.78 million in April-January 2016-17.

Trade deficit as a consequence widened to 56-month high in January 2018 at 64.55 percent year-on-year to US\$ 16,298.47 million from US\$ 9,904.82 in January 2017. Cumulative trade deficit during April - January 2017-18 surged by 48.47 percent as it went up to US\$ 131,155.52 million from US\$ 88,337.00 million during the same period last fiscal.

2. Engineering exports

Indian Engineering export is expected to see a new high in terms of values during 2017-18 as evident from the trend of overseas shipment for the first ten months.

Engineering exports from India continued to grow for the 18th straight month but the year-on-year growth slowed down in January 2018 in line with the broader merchandise export. The growth was recorded at 15.10 percent in the reporting month as against a faster 25.85 percent in December 2017 and 41.96 percent in November 2017 over the same month last year.

The month of January 2018 saw engineering exports surged to US\$ 6140.22 million from US\$ 5334.66 million in the same month last fiscal.

Cumulative growth of India's engineering export during April-January 2017-18 was recorded at 21.38 percent on a year-on-year basis which was a bit lower the cumulative growth registered during April-December 2017-18. Engineering exports during April - January 2017-18 was recorded at US\$ 61,942.33 million as against US\$ 51,031.02 million during the same period last fiscal.

The share of engineering exports in India's total merchandise exports was estimated at 25.2 percent in January 2018 while on a cumulative basis, the share was 25% during April - January 2017-18. Out of 33 engineering panels, 23 panels recorded growth in exports in January 2018 over the same month last year and the remaining 10 panels recorded negative growth in exports. During January 2018, 16 countries out of top 25 engineering export destinations 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:

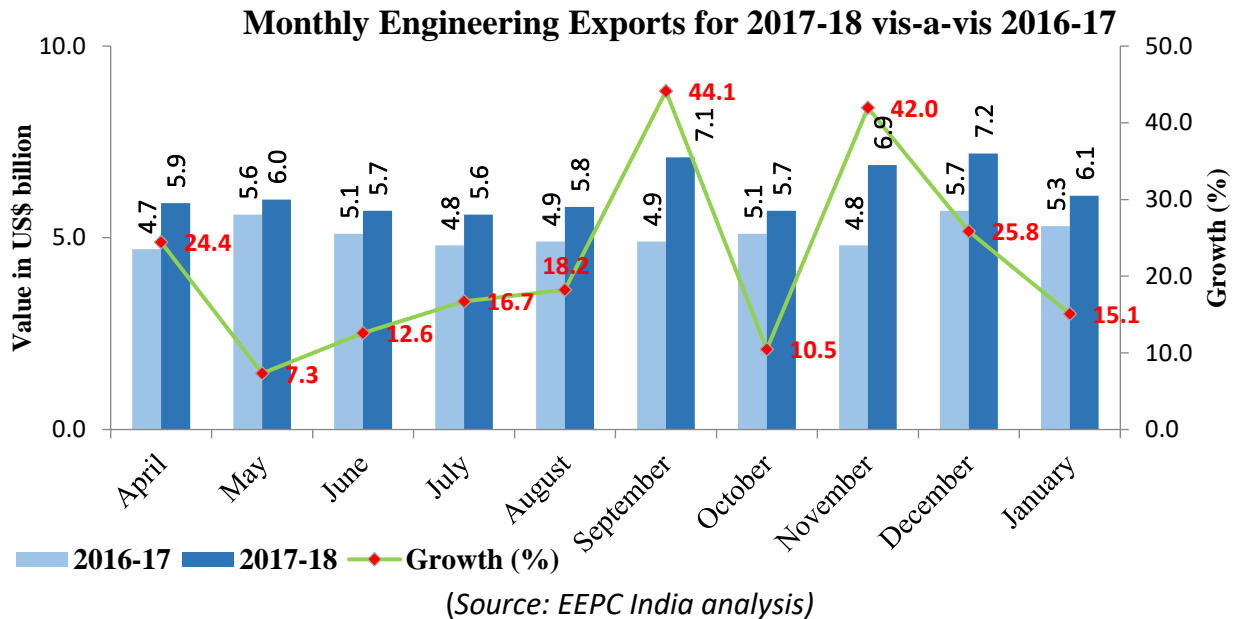
Table1: Engineering Exports
(US\$ Million)

Months	2016-17	2017-18	Growth (%)
Apr	4744.32	5902.83	24.42
May	5636.17	6048.65	7.32
Jun	5066.99	5703.77	12.57
Apr - Jun	15447.48	17655.25	14.29
Jul	4794.12	5595.86	16.72
Aug	4873.71	5761.38	18.21
Sep	4917.78	7087.37	44.12
Jul - Sep	14585.61	18444.61	26.46
Oct	5133.58	5671.06	10.47
Nov	4841.37	6872.66	41.96
Dec	5688.32	7158.53	25.85
Oct - Dec	15663.27	19702.25	25.79
Jan	5334.66	6140.22	15.10
Apr - Jan	51031.02	61942.33	21.38

(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)



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. From July 2017 till date, both engineering exports growth and manufacturing growth have been showing strong positive correlation between them. The month of July saw acceleration in engineering growth and deceleration in the pace of decline in manufacturing production. During August and September engineering exports witnessed acceleration in growth in both the months while manufacturing production bounced back to growth path in August and grew at the same pace in September. During October, growth of both manufacturing production and engineering export slowed down while in November, both of them enjoyed significant acceleration in growth. A repetition of October 2017 was seen in December 2017 when both engineering export and manufacturing output conceded some deceleration in growth. Manufacturing Index in the Index of Industrial Production (IIP) stood at 131.6 in December 2017 as against 128.1 in November 2017, 124.0 in October 2017 and 125.6 in September 2017 (final revision).

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

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

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
April - March 2016-17	11.33	4.9
April 2017	24.42	2.9
May 2017	7.32	2.6
June 2017	12.57	-0.7
April - June 2017-18	14.29	1.6
July 2017	16.72	-0.1
August 2017	18.21	3.8
September 2017	44.12	3.8
July - September 2017	26.46	2.5
October 2017	10.47	2.2
November 2017	41.96	10.7
December 2017	25.85	8.4
October - December 2017	25.79	7.1
January 2018	15.10	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	5688.32*	21.28%
Quarter 3	13487.52	15663.27*	16.13%
January	4709.05	5334.66*	13.29%
February	4349.97	6706.35	54.17%
March	5170.29	7641.30	47.79%

Quarter 4	14229.31	19682.31*	38.32%
April-March	58597.44	65378.67*	11.57%

(*) Marked figures are revised figures

Source: DGCI&S

3. Impact of Exchange Rate

How has the exchange rate been in January 2018 vis-à-vis January 2017? We look at the average exchange rate for January 2018 vis-à-vis January 2017. The table below provides the same:

Table 4: Average Exchange Rate

January	Average Exchange Rate 1 USD to INR
2017	68.08
2018	63.64

(Source: Calculated from RBI archive)

During January 2018, the official exchange rate of rupee strengthened by 6.52 percent vis-à-vis the US Dollar on a year-on-year basis, i.e., over January 2017. The rate of appreciation was somewhat faster than the year-on-year appreciation seen in December 2017 at 5.39%.

We begin by looking at the Engineering Panel wise exports for the month of January 2018 vis-à-vis January 2017. The data is given in Table 5 below:

Table 5: Trends in Engineering panel Exports for January 2018 and April- January 2017-18
US\$ Million

Sl no.	Panel	Jan_17	Jan_18	Growth %	Apr-Jan 2016-17	Apr-Jan 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	957.24	900.13	-6.0	6287.57	9299.31	47.9
B	Products of Iron and Steel	490.58	556.91	13.5	4745.28	5576.25	17.5
Sub Total		1315.8	1726.51	31.21	9585.03	13397.4	39.77
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	258.52	321.02	24.18	2080.09	2902.21	39.52

Sl no.	Panel	Jan_17	Jan_18	Growth %	Apr-Jan 2016-17	Apr-Jan 2017-18	Growth %
B	Aluminium and products	288.03	439	52.41	2571.65	3895.4	51.47
C	Zinc and products	88.95	83.06	-6.62	450.61	741.94	64.65
D	Nickel and products	5.41	2.94	-45.66	88.65	37.99	-57.15
E	Lead and products	24.7	36.39	47.33	151.08	298.02	97.26
F	Tin and products	0.76	1.24	63.16	6.22	8.86	42.44
G	Other Non-Ferrous Metals	38.21	39.49	3.35	363.93	409.7	12.58
Sub Total		704.58	923.14	31.02	5712.23	8294.12	45.20
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	53.47	56.99	6.6	555.68	475.08	-14.5
B	IC Engines and Parts	151.85	165.74	9.1	1715.73	2024.26	18.0
C	Pumps of all types	64.46	77.17	19.72	624.23	797.17	27.70
D	Air condition and Refrigerators	73.1	123.9	69.5	790.78	994.89	25.8
E	Industrial Machinery for dairy, food processing , textiles etc	353.58	419.52	18.6	3713.17	4289.31	15.5
F	Machine Tools	36.59	33.47	-8.53	373.38	384.84	3.07
G	Machinery for Injecting moulding, valves and ATMs	105.71	119.37	12.9	1036.58	1252.32	20.8
Sub Total		838.76	996.16	18.8	8809.55	10217.9	16.0
4	Electrical Machinery	351.34	697.29	98.47	3815.59	5346.52	40.12
5. Automobiles							
A	Motor Vehicle/cars	469.39	698.73	48.9	6181.36	6815.14	10.3
B	Two and Three Wheelers	112.82	148.11	31.3	1326.51	1638.8	23.5
C	Auto Components/Part	326.86	432.48	32.31	3454.89	4203.42	21.67
Sub Total		909.07	1279.32	40.73	10962.76	12657.36	15.46
6	Aircrafts and Spacecraft parts and products	224.31	174.26	-22.31	2579.12	1709.03	-33.74
7	Ships Boats and Floating products and parts	318.15	24.86	-92.19	2729.91	2640.31	-3.28

Sl no.	Panel	Jan_17	Jan_18	Growth %	Apr-Jan 2016-17	Apr-Jan 2017-18	Growth %
8. Other engineering products							
A	Medical and Scientific instruments	108.56	122.46	12.80	1134.21	1334.37	17.65
B	Railway Transport	45.9	9.11	-80.15	199.26	222.29	11.56
C	Hand Tools & Cutting Tools	51.4	58.02	12.88	526.48	582.62	10.66
D	Electrodes Accumulators	2.84	2.99	5.28	33.93	36.47	7.49
E	Accumulator and Batteries	22.58	18.61	-17.58	185.74	218.45	17.61
F	Bicycle & Parts	24.43	27.19	11.30	239.4	260.66	8.88
G	Cranes Lifts & Winches	29.89	33.17	10.97	328.83	299.38	-8.96
H	Office Equipments	9.48	3.38	-64.35	99.81	69.79	-30.08
I	Other Construction Machinery	79.72	114.77	43.97	827.48	1133.02	36.92
J	Prime Mica & Mica Products	1.38	1.29	-6.52	14.92	17.23	15.48
K	OTHER MISC. ITEMS	164.45	197.16	19.89	1798.95	2027.28	12.69
Sub total		540.63	588.15	8.79	5389.01	6201.56	15.08
Total engineering exports		5334.66	6140.22	15.10	51031.02	61942.33	21.38

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During January 2018, exports of engineering goods (panel wise) registered positive growth to the extent of 15.10 percent on a month- on- month basis compared to 25.8 percent growth recorded in the previous month of December 2017. The trend in the growth trajectory appears to be very much volatile starting from 24 percent growth in April 2017 to 12.6 percent in June and then scaling up to the extent of 44 percent in September and again sharply deteriorating by 10.5 percent in October. Exports revived again in the month of November to the extent of 42 percent and finally registering 15 percent growth in January. Out of 33 engineering panels, 23 panels sharing almost 70% of the products, recorded growth in exports in January 2018 over the same month last year while the remaining 10 panels conceded decline in exports.
- ❖ Iron and Steel figures recorded 6 percent drop in exports during January 2018 with an overseas shipment recording US\$ 900 million from US\$ 957.2 million in the same month last year. Cumulative figure showed 48 percent growth in exports during April –January 2017-18 to US\$ 9299.3 million from US\$ 6287.57 million during the same period last fiscal.

Products of Iron and Steel experienced an increase in exports by 13.5 percent during January 2018 over the same month last year while its cumulative exports increased by 17.5 percent to US\$ 5576.25 million during April – January 2017-18 from US\$ 4745.28 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', 'Aluminium and products' and 'Copper and products' recorded substantial growth in exports during January 2018. 'Tin and its products' recorded highest growth of 63.2 percent during January 2018. 'Nickel and products' and 'Zinc and products' experienced a drop down to the extent of 46 percent and 7 percent respectively in January 2018 compared to same period last fiscal.
- ❖ Industrial machinery recorded growth in exports to the extent of 19 percent during January 2018 and 16 percent cumulatively from April- January 2017-18 vis-à-vis same period last fiscal. Only Industrial Boilers, recorded fall in exports cumulatively to the extent of 14.5 percent in April-January 2017-18 compared to that of April-January 2016-17 and Machine Tools recorded drop in exports by 8.5 percent in January 2018 compared to same month last year. Other exporting segments like, Air Condition and Repair Machinery, 'Pumps of all types', 'Other Industrial machinery', 'Machinery for ATMs', 'IC Engines' recorded positive growth in exports to the extent of 69.5%, 19.7%, 19%, 13% and 9.1% respectively during January 2018 compared to January 2017.
- ❖ Electrical Machinery and equipments panel faced positive growth in January 2018 by 98.5 percent. On a cumulative basis, the growth was slightly lower at 40.12 percent during April – January 2017-18 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 22.3 percent drop in exports during January 2018 and 34 percent decline in exports experienced cumulatively during April –January 2017-18 over the same period last year.
- ❖ Among other panels, Ship and Boats scaled down by more than 92% moving down from US\$ 318 million to US\$ 24.86 million January 2018 compared to that over last fiscal. Railway Transport and Office Equipments squeezed by 80 percent and 64 percent respectively during January 2018 vis-a-vis January 2017. Accumulators and Battery, also dropped by 18 percent in January 2018. On the other hand, Other Construction Machinery, Medical Instruments, Hand Tools and Cutting Tools, Cranes and Winches are some of the engineering panels experiencing growth during January 2018 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 January 2018 over January 2017 in Absolute Value. Country wise cumulative figures for April- January 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	January, 2016	January, 2017	Growth (%)	April-January 2016-17	April-January 2017-18	Growth (%)
U S A	612.6	864.7	41.14	5613.4	8370.8	49.12
UAE	215.9	229.9	6.51	3092.5	3608.4	16.68
CHINA	200.4	305.3	52.33	1414.4	2607.6	84.36
GERMANY	171.2	294.1	71.79	1783.5	2591.7	45.32
U K	183.0	267.5	46.20	2043.3	2370.2	16.00
MEXICO	174.9	191.9	9.69	2000.9	2217.4	10.82
ITALY	186.5	175.3	-6.01	1559.9	2033.1	30.33
NEPAL	192.0	182.1	-5.14	1814.1	1968.4	8.50
BANGLADESH	176.0	211.3	20.07	1625.0	1950.3	20.01
MALAYSIA	359.8	196.8	-45.30	2064.3	1746.1	-15.41
SINGAPORE	111.6	99.3	-11.07	1747.5	1589.5	-9.04
KOREA RP	191.3	184.8	-3.43	1174.3	1575.6	34.17
INDONESIA	98.9	167.7	69.64	1073.0	1427.5	33.04
TURKEY	131.8	196.1	48.83	1322.0	1384.7	4.75
SRI LANKA	107.3	88.3	-17.71	1168.8	1171.0	0.19
FRANCE	148.8	109.0	-26.79	1052.2	1169.1	11.11
SOUTH AFRICA	78.2	80.5	2.94	858.3	1130.7	31.73
BELGIUM	109.9	134.6	22.44	920.5	1110.4	20.63
SAUDI ARAB	74.9	110.4	47.37	961.6	1045.9	8.77
THAILAND	102.1	106.9	4.75	739.1	1003.5	35.79
VIETNAM SOC REP	120.3	62.7	-47.93	755.5	1002.9	32.76
SPAIN	75.3	85.3	13.34	762.3	918.3	20.48
JAPAN	82.1	95.5	16.38	664.8	838.0	26.04
BRAZIL	45.1	84.1	86.73	506.0	768.4	51.86
NETHERLAND	86.1	71.2	-17.32	760.6	700.6	-7.89
Top 25 Countries Total	4036.0	4595.3	13.86	37477.7	46300.3	23.54
Grand Total	5334.69	6140.22	15.10	51031.00	61942.33	21.38

COUNTRY	January, 2016	January, 2017	Growth (%)	April-January 2016-17	April-January 2017-18	Growth (%)
Share % Total Engineering Exports	75.7	74.8		73.4	74.7	

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ During January 2018, out of top 25 countries 16 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 January 2018. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-January 2017-18 over the same period last fiscal to the extent of 41 percent and 49 percent respectively.
- ❖ Countries like Brazil recorded more than 86 percent export growth during January 2018 vis-à-vis January 2017. On the other hand UAE, Mexico, South Africa and Thailand recorded less than 10 percent export growth in January 2018.
- ❖ Out of the top 25 export destinations, countries like Malaysia, Netherland and Singapore recorded dip in exports both monthly as well as on cumulative basis during April-Jan 2017-18 compared to the same period last fiscal.
- ❖ All European nations falling under the top 25 engineering export destinations like Germany, UK, Belgium and Spain recorded considerable growth during Apr-Jan 2017-18 over Apr- Jan 2016-17.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations like Malaysia, Singapore, Vietnam recorded negative growth in January 2018, while Indonesia recorded strong positive growth to the extent of 69 percent in January 2018 compared to same period last fiscal.
- ❖ Out of 224 exports destinations of Indian engineering goods, top 25 nations accounted for 74.8 percent of India's total engineering exports on monthly basis during January 2018 compared to January 2017 and 74.7 percent on cumulative basis from Apr- January 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 14 percent in January 2018 and cumulatively also to the

extent of 23.5 percent during April- January 2017-18 compared to the same period previous year.

5. Regional Distribution of Engineering Exports

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

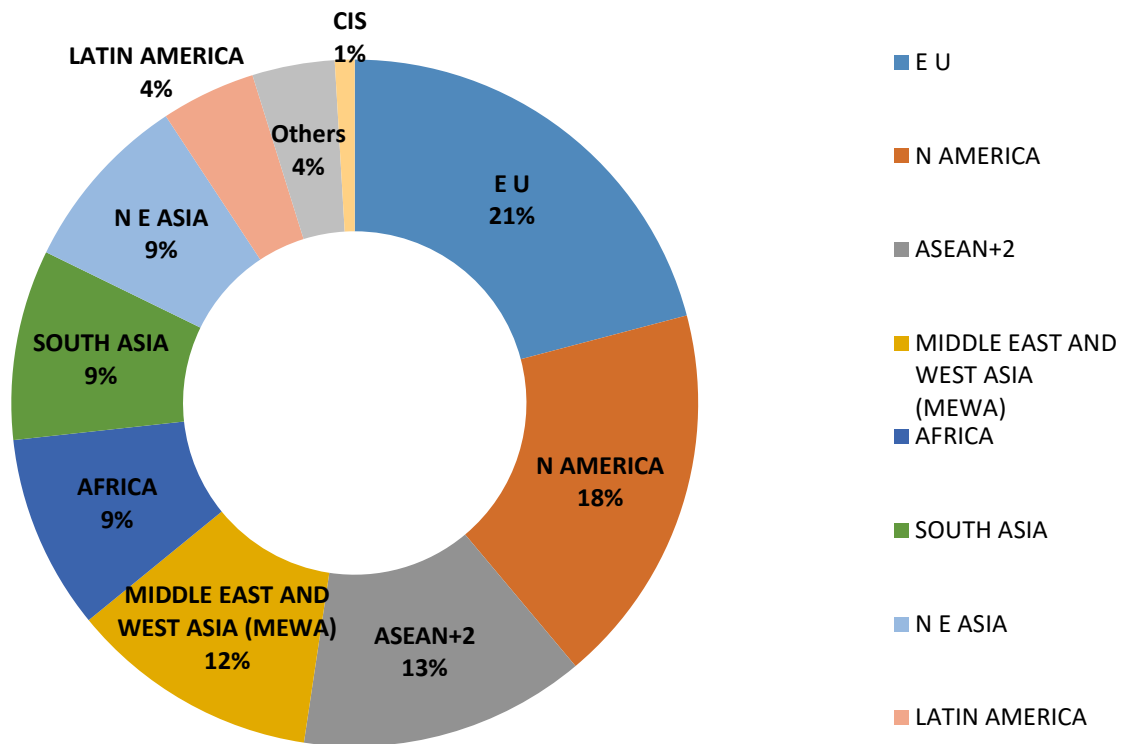
Table 7: Region Wise Exports Trend
US\$ Million

COUNTRY	January, 2016	January, 2017	Growth (%)	April-January 2016-17	April-January 2017-18	Growth (%)
E U	1109.5	1352.3	21.88	10686.3	12943.4	21.12
N AMERICA	821.5	1123.9	36.82	7965.8	11143.9	39.90
ASEAN+2	923.3	792.8	-14.13	7575.3	8348.7	10.21
MIDDLE EAST AND WEST ASIA (MEWA)	502.3	596.0	18.66	6294.6	7272.0	15.53
AFRICA	484.9	504.2	3.99	4763.9	5682.1	19.27
SOUTH ASIA	507.1	532.1	4.92	5023.2	5545.9	10.40
N E ASIA	484.0	616.0	27.28	3365.7	5265.0	56.43
LATIN AMERICA	197.5	268.3	35.87	2273.8	2759.9	21.38
Others	255.4	305.1	19.46	2483.9	2405.3	-3.16
CIS	49.3	49.5	0.44	598.5	576.2	-3.73
Grand Total	5334.7	6140.2	15.10	51031.0	61942.3	21.38

(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-January



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during January 2018 with a share of more than 22% of total engineering exports.
- ❖ India's exports to North America and ASEAN ranks second and third in global shipment of Indian engineering goods that recorded considerable growth cumulatively during Apr-Jan 2017-18 over the same period last fiscal.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – Jan 2017-18 to the extent of 56.4 percent over the same period in the previous year.
- ❖ India's exports to Latin America improved in January 2018 both monthly and cumulatively compared to last month of December 2017 while CIS region registered almost negligible growth in exports in January 2018 and negative growth in April-January 2017-18 over the same period last fiscal.
- ❖ Engineering exports to N.E. Asia, North America, EU, Latin America and Africa 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 January 2018. 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	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
SRI LANKA	9.6	12.8	32.2	89.8	226.3	152.1
INDONESIA	29.5	37.3	26.4	203.1	465.4	129.2
SAUDI ARAB	3.3	16.4	402.0	52.0	115.6	122.2
POLAND	11.92	13.17	10.47	64.60	131.62	103.75
UAE	47.1	64.8	37.7	354.8	614.4	73.2
TAIWAN	31.8	37.2	17.0	194.2	313.3	61.3
IRAN	4.6	11.7	151.4	77.2	112.7	46.0
Sharp cumulative decline						
BANGLADESH	19.8	24.9	25.7	324.1	218.9	-32.5
GHANA	2.3	0.7	-68.1	38.7	24.8	-35.8
KUWAIT	1.4	1.2	-17.0	24.3	19.2	-21.1
FRANCE	0.9	1.2	38.9	16.5	14.6	-11.6

(Source: Department of Commerce, Government of India)

- ❖ Indonesia, Sri Lanka and Poland recorded highest growth in exports of Indian Iron and Steel during April –January 2017-18.
- ❖ Countries with more than double growth in exports include Taiwan, UAE, Iran and Indonesia.
- ❖ Countries like Bangladesh, Ghana and France experienced sharp downfall in exports to the extent of 32.5 percent, 35.8 percent, and 11.6 percent respectively during April-January 2017-18.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
BANGLADESH	5.4	19.1	253.3	51.7	104.0	101.1
CANADA	11.9	30.3	155.0	106.0	190.3	79.5
U S A	129.7	131.6	1.5	992.0	1349.2	36.0
AUSTRALIA	8.0	11.9	48.9	69.9	106.9	52.9
OMAN	9.0	17.8	97.4	109.8	162.2	47.7
FRANCE	10.5	10.8	2.4	99.6	116.5	16.9
U K	19.6	26.8	36.8	207.6	239.1	15.2
Sharp cumulative decline						
KUWAIT	10.7	5.7	-47.0	149.1	69.1	-53.7
KENYA	7.8	5.1	-35.2	49.6	32.8	-34.0
NEPAL	6.9	5.1	-25.6	75.1	60.4	-19.7
UAE	36.3	32.5	-10.4	413.9	341.5	-17.5
IRAN	9.5	1.1	-88.1	59.3	50.2	-15.3

(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 - January 2017-18 with 24, 6.2 and 5.7 percent share respectively.
- ❖ USA recorded 36 percent growth in imports of 'Products of Iron & Steel' from India while Germany saw 13 percent growth. UAE recorded 17.5 percent decline in imports during April - January 2017-18.
- ❖ Among major exporters, exports to Bangladesh, Colombia, and Afghanistan witnessed notable growth during April - January 2017-18.
- ❖ Among major importers, UAE, Saudi Arabia, Nepal and Kenya conceded substantial decline in imports during April - January 2017-18.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
U K	26.6	43.3	62.9	316.3	486.5	53.8
NIGERIA	11.6	23.1	99.4	124.6	187.3	50.4
THAILAND	15.5	22.1	42.0	164.5	246.1	49.6
ITALY	21.2	28.6	34.9	225.9	305.3	35.2
U S A	130.2	151.6	16.4	1221.3	1572.5	28.8
BANGLADESH	38.0	44.4	16.9	361.0	464.4	28.6
FRANCE	21.2	18.7	-11.7	170.8	216.0	26.5
UAE	27.9	33.4	19.9	358.1	371.4	3.7
Sharp cumulative decline						
RUSSIA	5.8	8.5	47.3	162.8	104.1	-36.0
ALGERIA	5.2	10.2	95.1	78.1	55.1	-29.4
IRAN	15.3	9.8	-35.7	146.7	126.6	-13.7
KENYA	11.5	11.6	0.5	127.8	119.0	-6.8
KUWAIT	26.3	15.9	-39.5	227.0	211.7	-6.8
VIETNAM	19.1	14.5	-24.1	169.6	158.7	-6.4

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–January 2017-18 with 15.4 percent share and 28 percent year-on-year growth in imports followed by UK with 4.8 percent share and 54 percent y-o-y growth in imports from India. Bangladesh and Germany also imported over US\$ 460 million and US\$ 450 million of "industrial Machinery" respectively from India during the first ten months of fiscal 2017-18.
- ❖ Among the major importers, export to Algeria, Iran and Russia recorded sharp declines in imports during April - January 2017-18.

Table 11: Export of Automobiles
US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
INDONESIA	11.3	51.3	353.9	89.6	293.2	227.2
ALGERIA	9.3	38.0	309.9	103.9	232.8	124.0
UAE	4.3	23.3	437.7	92.6	148.4	60.3
FRANCE	7.5	8.9	18.2	103.6	160.3	54.7
BANGLADESH	41.1	54.9	33.7	341.2	481.8	41.2
SOUTH AFRICA	40.7	32.7	-19.6	471.4	646.6	37.2
CHILE	15.3	18.6	20.9	180.4	205.3	13.8
Sharp cumulative decline						
VIETNAM	7.1	0.6	-91.4	153.2	10.9	-92.9
NETHERLAND	13.7	0.7	-95.2	159.0	33.6	-78.9
U K	19.7	23.0	16.7	369.8	186.4	-49.6
SPAIN	9.5	2.3	-75.6	165.5	110.7	-33.1
ITALY	19.3	13.2	-31.8	285.5	233.8	-18.1
PERU	9.4	8.4	-10.8	167.0	149.1	-10.7

(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-January of 2017-18 witnessing 17.5, 7.7 and 5.7 percent share respectively. Mexico being the largest importer shares 17.5 percent of imports of automobiles from India.
- ❖ Countries like USA, Indonesia, Algeria, Cote D' Ivoire, Ecuador, Austria saw over 100 percent growths in imports of Indian automobile during April-January 2017-18 among major importers.
- ❖ UK, Spain, Vietnam, Italy conceded substantial decrease in imports of Automobiles from India during April-January 2017-18.

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

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
CHINA	82.6	191.7	132.2	551.8	1529.7	177.2
SPAIN	2.5	18.2	636.1	59.0	116.2	96.9
JAPAN	11.9	16.9	42.5	74.8	134.8	80.2
TURKEY	33.6	59.9	78.0	106.2	186.4	75.5
THAILAND	9.3	13.4	43.7	60.1	100.9	67.8
U S A	59.6	86.2	44.6	512.5	840.0	63.9
Sharp cumulative decline						
SAUDI ARAB	7.7	5.9	-23.4	132.7	83.7	-36.9
SINGAPORE	39.0	2.5	-93.7	351.7	248.9	-29.2
KENYA	4.2	5.0	20.1	61.9	46.8	-24.4
MEXICO	5.8	7.6	31.1	147.6	136.7	-7.3

- ❖ China (USD 1529.67 million), Malaysia (USD 1027.90 million) and South Korea (USD 985.87 million) were the top three importers of Indian Non-ferrous metals during April - Jan 2017-18 with Y-o-Y growth of 177 percent, 58 percent and 48 percent respectively.
- ❖ Spain, Japan, Turkey and China witnessed highest growth in imports of Indian Non-ferrous metal products during April-January 2017-18.
- ❖ Saudi Arabia, Kenya and Singapore conceded significant decline in imports of non-ferrous metals from India during the April - January of fiscal 2017-18.

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

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
TAIWAN	0.3	8.7	2781.6	12.2	54.1	342.9
GERMANY	21.5	92.9	332.1	241.5	750.1	210.5
BELGIUM	2.6	51.1	1839.9	32.9	87.0	164.7
SINGAPORE	6.6	35.6	438.9	87.8	216.2	146.1
VIETNAM	8.0	10.5	31.7	58.3	119.3	104.5
CHINA	11.8	32.5	176.5	96.5	196.4	103.5
U S A	61.8	96.8	56.6	599.1	982.9	64.0
Sharp cumulative decline						
ALGERIA	4.0	0.2	-95.0	82.0	5.3	-93.5
PHILIPPINES	2.0	2.2	11.7	43.2	19.3	-55.2
ETHIOPIA	3.3	0.5	-85.8	32.9	17.3	-47.2
OMAN	3.1	2.8	-10.3	38.3	28.2	-26.3
SRI LANKA	5.4	3.1	-41.4	45.3	36.1	-20.2
BHUTAN	0.8	3.5	355.8	30.8	26.1	-15.2
JAPAN	21.7	21.6	-0.1	118.8	102.7	-13.5

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 982.9 million), Germany (US\$ 750.1 million) and UK (US\$ 362.1 million) were the three top importers of Indian Electrical Machinery and Components during April - January 2017-18 with market shares of 19.1percent, 14.14percent and 6.14percent respectively. These three nations witnessed 18.4percent, 14percent and 6.8percent year-on-year growth in imports of Indian 'Electrical Machinery and Components' during April - January 2017-18.
- ❖ Taiwan, Germany and Belgium recorded highest growth in imports of India's Electrical Machinery and Components during April - January 2017-18.
- ❖ On the other hand, Algeria, Philippines and Ethiopia conceded highest declines in imports of India's Electrical Machinery and Components during the said period.

Table 14: Export of Aircrafts &Spacecrafts

US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
GERMANY	26.8	39.7	48.3	133.3	214.8	61.2
POLAND	1.7	3.2	83.3	18.3	29.3	60.3
CHINA	0.4	2.1	387.1	26.9	28.9	7.4
U S A	52.7	57.1	8.5	515.5	536.2	4.0
Sharp cumulative decline						
BULGARIA	0	0		93.7	0	-100
CZECH REPUBLIC	0.0	0.0	-26.6	171.2	0.3	-99.9
SRI LANKA	0.1	0.0	-100.0	78.4	0.2	-99.7
UAE	0.7	0.6	-13.5	152.6	6.2	-95.9
TURKEY	1.1	1.1	6.7	104.8	13.9	-86.7
SWITZERLAND	4.0	1.9	-53.1	115.7	18.2	-84.3
RUSSIA	2.0	0.7	-63.0	93.7	34.1	-63.6

(Source: Department of Commerce and CSO)

- ❖ USA, Germany and Singapore were the top importers of India's 'Aircrafts & Spacecrafts' during April - January 2017-18 with 31.4 percent, 12.6 percent, and 12.3 percent shares respectively in India's total global exports of the product. Among them, Singapore conceded 7.1 percent decline in imports of the product group during April - January 2017-18 while USA, Germany and Poland recorded 4 percent, 61.2 percent and 60.3 percent growth in imports respectively during the same time period.
- ❖ Germany, USA and Poland achieved significant increase in import volumes of India's 'Aircrafts & Spacecrafts' during April - January 2017-18.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Czech Republic, UAE, Turkey, Bulgaria and Switzerland declined significantly during April - January 2017-18.

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

US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
EGYPT	0.0	0.0		0.0	213.8	6744046.6
U S A	0.1	0.0	-99.9	0.3	443.7	142452.1
UAE	12.5	11.3	-9.9	783.7	1051.3	34.1
Sharp cumulative decline						
BAHARAIN IS	0.0	0.0		45.8	0.0	-100.0
MALAYSIA	207.0	0.0	-100.0	725.2	6.2	-99.1
INDONESIA	0.0	0.0		233.3	36.1	-84.5
MAURITIUS	72.5	0.0	-100.0	72.5	38.5	-47.0
SINGAPORE	0.1	0.0	-91.1	680.8	443.0	-34.9
SRI LANKA	25.6	12.3	-52.0	178.4	169.0	-5.2

Note: Export figures in case of some nations are showing zero due to rounding off but actually they are very small in value.

(Source: Department of Commerce and CSO)

- ❖ UAE is the largest importer of India's 'Ships, Boats and Floating Structures and Parts' during April - January 2017-18 with almost 40percent share in India's total global exports of the product. USA, Singapore and Egypt were the other top importers during the same time period with 16.80percent, 16.78percent and 8.1percent shares respectively in India's global export of the product. Among them, USA and Egypt continued to see gigantic growths in imports, and Singapore conceded decline in imports.
- ❖ UAE, USA, and Egypt achieved significant increase in year-on-year imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - January 2017-18.
- ❖ Exports of Indian 'Ships, Boats and Floating Structures and Parts' to Bahrain, Malaysia, Indonesia, Singapore and Sri Lanka recorded significant decline in imports during April - January 2017-18 over the same period last year.

Table 16: Export of Auto Components

US\$ Million

COUNTRY	JANUARY, 2017	JANUARY, 2018	Growth (%)	APRIL, 2016 - JANUARY, 2017	APRIL, 2017- JANUARY, 2018	Growth (%)
High cumulative growth						
VIETNAM	1.2	6.4	447.5	19.6	93.4	376.2
ROMANIA	1.9	12.6	577.0	18.8	55.6	195.7
FRANCE	6.9	11.7	69.6	57.0	101.0	77.0
BRAZIL	11.3	20.8	84.5	119.1	201.3	69.0
RUSSIA	3.6	7.3	100.9	47.1	73.4	56.1
BANGLADESH	17.5	29.0	65.9	154.2	225.5	46.3
CANADA	5.4	5.9	9.6	48.5	69.7	43.7
ITALY	10.3	15.4	49.5	98.3	137.6	40.0
Sharp cumulative decline						
NEPAL	14.4	6.0	-58.1	164.5	93.3	-43.3
EGYPT	3.3	5.4	60.3	76.3	50.8	-33.4
SRI LANKA	5.5	4.9	-11.5	66.6	62.8	-5.8
SPAIN	4.8	6.1	28.0	54.8	52.9	-3.4
TURKEY	25.5	25.0	-1.9	300.0	298.0	-0.7

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 847.2 million), Turkey (US\$ 298 million) and Bangladesh (US\$ 225.5 million) were the three largest importers of Indian 'Auto Components/Parts' during April - January 2017-18 with 20.2percent, 7.1percent and 5.4percent shares respectively in India's global exports of the same. While USA and Bangladesh recorded 32.3percent and 46.3percent growth in year-on-year imports respectively, Turkey conceded 0.7percent decline in imports during the said time period.
- ❖ Vietnam, Romania and France recorded significant increase in imports of Indian Auto Components/Parts during April - January 2017-18.
- ❖ Nepal and Egypt conceded substantial decline in cumulative imports of 'Auto Components/Parts' from India during the said time period.

7. Import Analysis of Engineering Goods

Engineering imports to India continued to grow for the 3rd straight month post October but the year-on-year growth slowed down in January 2018 in line with the broader merchandise export. The growth was recorded at 23.6 percent in the reporting month as against 0.6 percent in December 2017 and 18.7 percent in November 2017 over the same month last year.

India's monthly Engineering imports were valued at US\$ 8.6 billion during January 2018 compared to US\$ 6.9 billion in January 2017 registering a sharp growth to the extent of 23.6 percent in dollar terms

Cumulative growth of India's engineering import during April-January 2017-18 was recorded at 12.8 percent on a year-on-year basis which was slightly higher than the cumulative growth registered during April-December 2017-18 to the extent of 11.6 percent. Engineering imports during April - January 2017-18 was recorded at US\$ 76121.5 million as against US\$ 67456.9 million during the same period last fiscal.

The share of engineering imports in India's total merchandise exports was estimated at 21.1 percent in January 2018 as against 20.6 percent in December 2017, 20.6 percent during November 2017 and 20 percent in October 2017.

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

**Table17: Engineering Imports
(US\$ Million)**

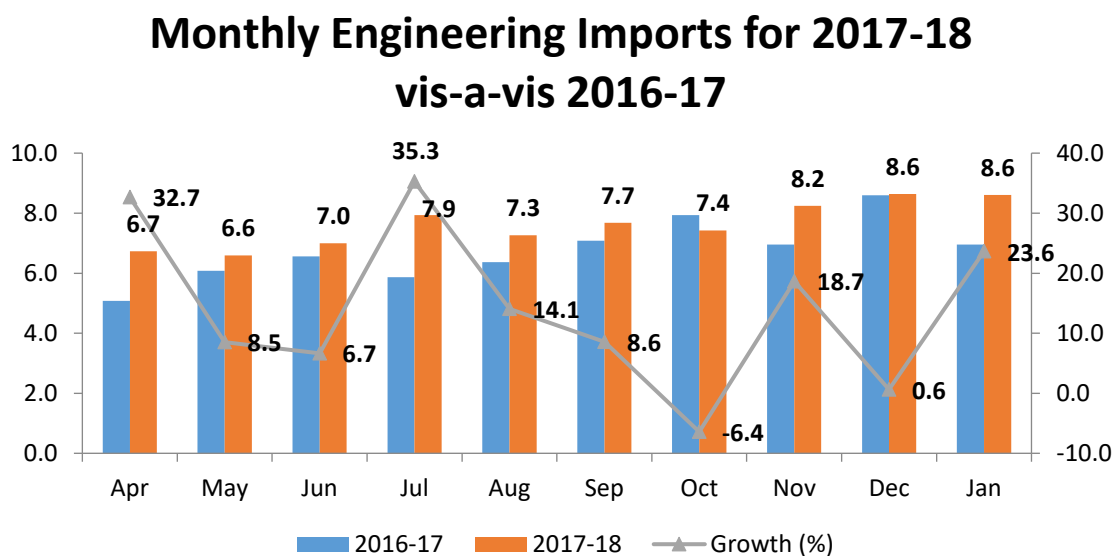
Months	2016-17	2017-18	Growth (%)
Apr	5077.6	6735.4	32.7
May	6080.1	6596.9	8.5
Jun	6557.1	6993.9	6.7
Apr - Jun	17714.8	20326.3	14.7
Jul	5864.9	7933.2	35.3
Aug	6367.9	7263.4	14.1
Sep	7077.7	7683.1	8.6
Jul - Sep	19310.5	22879.7	18.5

Oct	7931.3	7422.2	-6.4
Nov	6950.2	8246.6	18.7
Dec	8591.6	8643.0	0.6
Oct - Dec	23473.1	24311.8	3.6
Jan	6958.5	8603.7	23.6
Apr - Jan	67456.9	76121.5	12.8

(Source: Department of Commerce, Government of India)

Figure 3 below depicts the monthly trend in engineering imports for 2016-17 and 2017-18

Figure3: Trend in Monthly Engineering Exports (In US\$ Million)



(Source: EEPIC India analysis)

8. Trade Balance in Engineering Goods

We now present the trade balance for the engineering sector from 2014-15 to 2016-17 and also for the current fiscal from April-Jan 2017-18 as opposed to April-Jan 2016-17.

**Table17: Engineering Trade
(US\$ Million)**

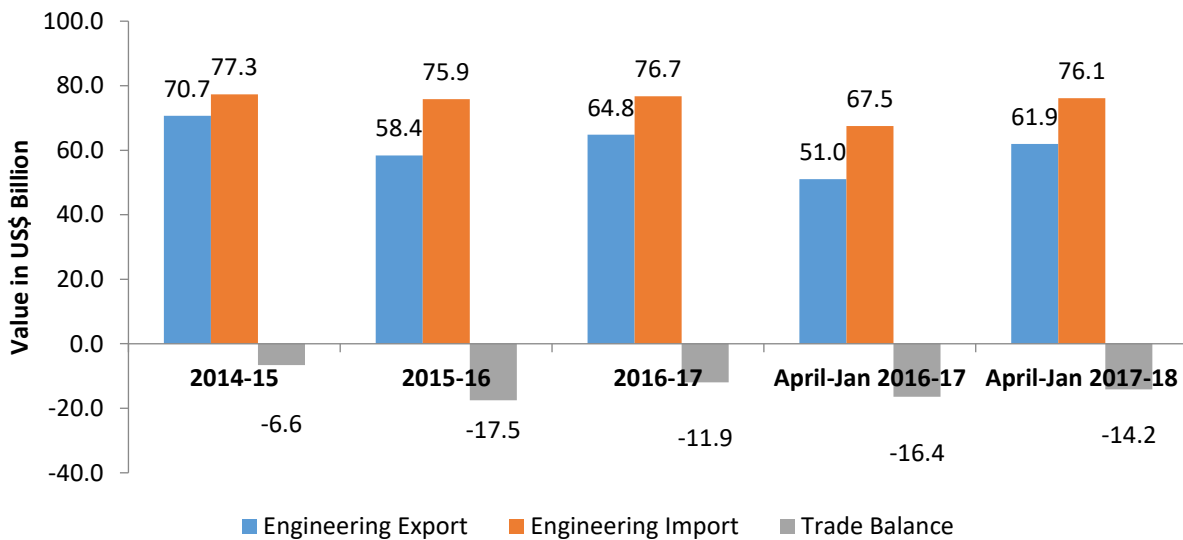
	2014-15	2015-16	2016-17	Growth (%)	April-Jan 2016-17	April-Jan 2017-18	Growth percent
Engineering Export	70661.20	58351.58	64794.12	11.04	51031.02	61942.33	21.4
Engineering Import	77279.45	75859.72	76712.38	1.12	67456.90	76121.50*	12.8
Trade Balance	-6618.25	-17508.14	-11918.26		16425.88	-14179.2	

Source: DGCI&S

(*) Provisional Estimates

Figure 4 below depicts the yearly trend in engineering trade from 2014-15 to 2016-17 and also for the current fiscal April-Jan 2017-18

Figure3: Trend in Monthly Engineering Trade (In US\$ Billion)



9. Conclusion

India's merchandise trade deficit widened to 56-month high in January 2018 as export growth slowed down further but import growth continued to rise. Indian engineering export growth outperformed the overall merchandise exports during January 2018 but also conceded decline in the pace of growth in line with the broader merchandise trade. Engineering import, on the other hand, recorded much faster growth in January 2018 over the previous month despite the cumulative growth for April - January 2017-18 being slower than that of exports.

Although, WTO has predicted the trade recovery of 2017 to continue in 2018 with solid trade volume growth in the first quarter of 2018, the slowdown in engineering export growth may also persist as corrected measures approved by the GST Council is yet to be implemented properly and the fund crisis is still being faced by the exporters, especially the MSMEs. Imposition of GST and delays in refund of input tax credits have been impacting overseas shipments adversely, prompting the GST Council to continue two pre-GST era schemes that allows duty-free sourcing of materials for export production until March 2018.

