

Engineering Exports and Imports Monitor

February 2018



Engineering the future

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**Analysis of Indian engineering exports and imports for
February 2018**
16 March, 2018

India's Merchandise Trade scenario

- ❖ Despite achieving a growth run for the last 19 months barring only October 2017, India's merchandise exports has been witnessing a noticeable slowdown in the pace of growth from December 2017 in dollar terms.
- ❖ Overseas shipment from India grew by only 4.48 percent in dollar terms on a year-on-year basis (Over the same period last year) in February 2018 as against 9.07 percent in January 2018, 11.76 percent (revised) in December 2017 and 29.46 percent (revised) in November 2017. Exports during February 2018 rose to US\$ 25,834.36 million from US\$ 24,726.71 million during the same month last fiscal. In rupee terms, the growth was much slower at 0.27% year-on-year during the month concerned.
- ❖ Export growth in February 2018 was dampened by contraction in shipment in textiles (-10.3%), engineering goods (-4%) and gems and jewellery (-5.1%). However, some major commodity groups like Petroleum Products (27.44%), Organic & Inorganic Chemicals (30.41%), Drugs & Pharmaceuticals (13.92%), Rice (21.29%) & Electronic Goods (29.71%) portrayed substantial year-on-year growth in exports during the reporting month.
- ❖ Cumulative value of exports for the period April-February 2017-18 was US\$ 273,730.91 million as against US\$ 246,550.17 million registering a growth of 11.02 percent over the same period last year.
- ❖ Merchandise Imports continued to show double-digit growth at 10.41 percent in February 2018 which was more than double to that of exports. Merchandise import during February 2018 was recorded at US\$ 37,813.57 million as against US\$ 34,248.44 million during the same month last fiscal.
- ❖ Major commodity groups showing high year-on-year growth in imports during February 2018 were Petroleum, Crude & products (32.05%), Electronic goods (18.95%), Machinery, electrical & non-electrical (23.04%), Pearls, precious & Semi-precious stones (15.86%) and Coal, Coke & Briquettes, etc. (17.73%).
- ❖ Cumulative value of merchandise imports for April-February 2017-18 was US\$ 416,865.64 million as against US\$ 344,408.90 million registering a positive growth of 21.04 percent in Dollar terms over the same period last fiscal.
- ❖ Trade deficit narrowed down to a five-month low of US\$ 11,979.21 million in February 2018 after widening to 56-month high in January 2018. However, it went up by 25.81 percent over the same month last fiscal. Cumulative trade deficit during April - February 2017-18 jumped by 46.27 percent as it went up to US\$ 143,134.73 million from US\$

97,858.73 million during the same period last fiscal.

India's Engineering Exports scenario

- ❖ The growth run of Indian engineering export came to a halt in February 2018 after 18 straight months as it slipped by 3.69 percent in dollar terms during the said month over the same month last fiscal.
- ❖ Engineering exports declined to US\$ 6,261.75 million in February 2018 from US\$ 6,501.99 million in the same month last fiscal.
- ❖ On a cumulative basis however, engineering export continued to grow and was seen at US\$ 68,282.56million during April-February 2017-18 as against US\$ 57,533.01million during the same period last fiscal registering 18.68 percent year-on-year growth.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 24.24 percent in February 2018 while on a cumulative basis, the share was 24.95 percent during April - February 2017-18.
- ❖ Out of 33 engineering panels, 22 panels recorded growth in exports in February 2018 over the same month last year and the remaining 11panels recorded negative growth in exports.
- ❖ During February 2018, 14 out of top 25 countries 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\$ 7.5 billion during February 2018 compared to US\$ 7.4 billion in February 2017 registering a minor growth to the extent of 0.3 percent in dollar terms.
- ❖ Cumulative growth of India's engineering import during April-February 2017-18 was recorded at 11.6 percent on a year-on-year basis which was slightly lower than the cumulative growth registered during April-January 2017-18 to the extent of 12.8 percent. Engineering imports during April - February 2017-18 was recorded at US\$ 83,581.3 million as against US\$ 74,891.8 million during the same period last fiscal.

1. Trend in overall merchandise trade

Despite achieving a growth run for the last 19 months barring only October 2017, India's merchandise exports has been witnessing a noticeable slowdown in the pace of growth from December 2017 in dollar terms.

Overseas shipment from India grew by only 4.48 percent in dollar terms on a year-on-year (Over the same period last year) basis in February 2018 as against 9.07 percent in January 2018, 11.76 percent (revised) in December 2017 and 29.46 percent (revised) in November 2017. Exports during February 2018 rose to US\$ 25,834.36 million from US\$ 24,726.71 million during

the same period last year. In rupee terms, the growth was much slower at 0.27% year-on-year during the month concerned.

Export growth in February 2018 was dampened by contraction in shipment in textiles (-10.3%), engineering goods (-2%) and gems and jewellery (-5.1%). However, some major commodity groups like Petroleum Products (27.44%), Organic & Inorganic Chemicals (30.41%), Drugs & Pharmaceuticals (13.92%), Rice (21.29%) & Electronic Goods (29.71%) portrayed substantial year-on-year growth in exports during the reporting month.

Cumulative value of exports for the period April-February 2017-18 was US\$ 273,730.91 million as against US\$ 246,550.17 million registering a growth of 11.02 percent in Dollar terms and 6.43 percent in Rupee terms over the same period last year.

Merchandise Imports continued to show double-digit growth at 10.41 percent in February 2018 which was more than double to that of exports. Merchandise import during February 2018 was recorded at US\$ 37,813.57 million as against US\$ 34,248.44 million during the same month last fiscal.

Major commodity groups showing high year-on-year growth in imports during February 2018 were Petroleum, Crude & products (32.05%), Electronic goods (18.95%), Machinery, electrical & non-electrical (23.04%), Pearls, precious & Semi-precious stones (15.86%) and Coal, Coke & Briquettes, etc. (17.73%).

Cumulative value of merchandise imports for April-February 2017-18 was US\$ 416,865.64 million as against US\$ 344,408.90 million registering a positive growth of 21.04 percent in Dollar terms over the same period last fiscal.

Oil imports during February 2018 were valued at US\$ 10,194.33 million which was 32.05 percent higher than oil imports valued at US\$ 7,719.84 million in February 2017. Oil imports during April-February 2017-18 were valued at US\$ 98,002.25 million which was 26.92 per cent higher than the oil imports of US\$ 77,213.52 million in the corresponding period last year. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 17.90 % in February 2018 vis-à-vis February 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during February 2018 were estimated at US\$ 27,619.24 million which was 4.11percent higher than non-oil imports of US\$ 26,528.60 million in February 2017. Non-oil imports during April-February 2017-18 were valued at US\$ 318,863.39 million which was 19.34 per cent higher than the level of such imports valued at US\$ 267,195.38 million during the same period last fiscal.

Trade deficit narrowed down to a five-month low of US\$ 11,979.21 million in February 2018 after widening to 56-month high in January 2018. However, it went up by 25.81 percent over the same month last fiscal. Cumulative trade deficit during April - February 2017-18 jumped by

46.27 percent as it went up to US\$ 143,134.73 million from US\$ 97,858.73 million during the same period last fiscal.

2. Engineering exports

The growth run of Indian engineering export came to a halt in February 2018 after 18 straight months as it slipped by 3.69 percent in dollar terms during the said month over the same month last fiscal.

Bucking the trend of broader merchandise export, Engineering exports declined to US\$ 6,261.75 million in February 2018 from US\$ 6,501.99 million in the same month last fiscal. **A POINT THAT NEEDS TO BE NOTED THAT THIS DROP IN ENGINEERING EXPORTS IN THE MONTH OF FEBRUARY 2018, IS PRIMARILY A BASE EFFECT. THIS CAN BE SEEN FROM TABLE 1 BELOW. IN 2016-17, IN EVERY MONTH BARRING FEBRUARY 2017, ENGINEERING EXPORTS WAS BELOW USD 6 BILLION PER MONTH. ONLY IN FEBRUARY 2017, THE ENGINEERING EXPORTS SHOT UP TO USD 6.5 BIILION. IN THE CURRENT FISCAL FEBRUARY 2018 EXPORTS, THEREFORE, FELL IN RELATIVE TERMS EVEN THOUGH THE EXPORTS WAS A LITTLE MORE THAN JANUARY 2018.**

On a cumulative basis however, engineering export continued to grow and was seen at US\$ 68,282.56 million during April-February 2017-18 as against US\$ 57,533.01 million during the same period last fiscal registering 18.68 percent year-on-year growth.

The share of engineering exports in India's total merchandise exports was estimated at 24.24 percent in February 2018 while on a cumulative basis, the share was 24.95 percent during April - February 2017-18.

Out of 33 engineering panels, 22 panels recorded growth in exports in February 2018 over the same month last year and the remaining 11 panels recorded year-on-year decline in exports.

During February 2018, 14 out of top 25 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)

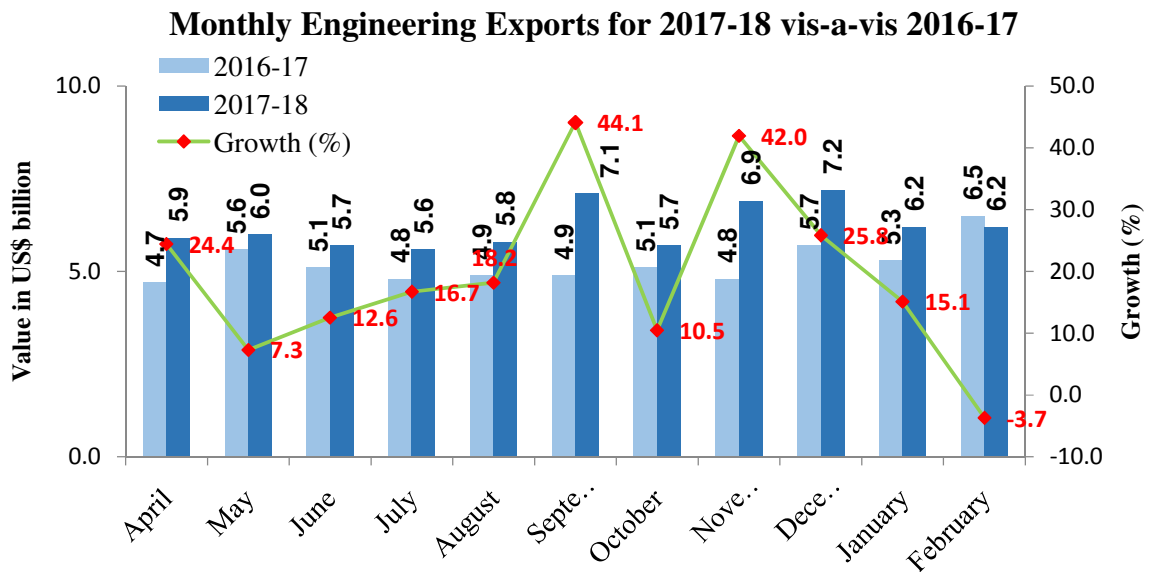
Months	2016-17	2017-18	Growth (%)
Apr	4744.32	5902.80	24.42

May	5636.17	6048.58	7.32
Jun	5066.99	5703.76	12.57
Apr - Jun	15447.48	17655.14	14.29
Jul	4794.12	5597.32	16.75
Aug	4873.71	5761.35	18.21
Sep	4917.78	7087.21	44.11
Jul - Sep	14585.61	18445.88	26.47
Oct	5133.58	5670.74	10.46
Nov	4841.37	6872.55	41.95
Dec	5688.32	7158.83	25.85
Oct - Dec	15663.27	19702.12	25.79
Jan	5334.66	6217.67	16.55
Feb	6501.99	6261.75	-3.69
Apr - Feb	57533.01	68282.56	18.68

(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)



(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. From July to December 2017, both engineering exports growth and manufacturing growth have been showing strong positive correlation between them before defying the same in February 2018. 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. In January 2018 however, the pace of growth of engineering exports slowed down but that of manufacturing output accelerated. Manufacturing Index in the Index of Industrial Production (IIP) stood at 133.8 in January 2018 as against 131.7 (revised) in December 2017, 128.1 in November 2017 and 123.7(final revision) in October 2017.

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	2.0
November 2017	41.96	10.7
December 2017	25.85	8.5
October - December 2017	25.79	7.0
January 2018	15.10	8.7
February 2018	-3.69	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 fall 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	6501.99*	49.47%
March	5170.29	7641.30	47.79%
Quarter 4	14229.31	19477.95*	36.89%
April-March	58597.44	65174.31*	11.22%

(*) Marked figures are revised figures
Source: DGCI&S

3. Impact of Exchange Rate

How has the exchange rate changed in February 2018 vis-à-vis February 2017? In order to find it out, we look at the average exchange rate for both February 2018 and 2017. The table below provides the same:

Table 4: Average Exchange Rate

February	Average Exchange Rate 1 USD to INR
2017	67.08
2018	64.37

(Source: Calculated from RBI archive)

During February 2018, the official exchange rate of rupee strengthened by 4.04 percent vis-à-vis the US Dollar on a year-on-year basis, i.e., over February 2017. The rate of appreciation now turned slower than the year-on-year appreciation seen in January 2018 at 6.52%.

4. Panel-wise Analysis of Engineering Exports

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

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

Sl no.	Panel	Feb_17	Feb_18	Growth %	Apr-Feb 2016-17	Apr-Feb 2017-18	Growth %
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SI no.	Panel	Feb_17	Feb_18	Growth %	Apr-Feb 2016-17	Apr-Feb 2017-18	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	932.02	863.36	-7.4	7219.59	10178.59	41.0
B	Products of Iron and Steel	533.53	533.12	-0.1	5278.81	6113.38	15.8
Sub Total		1465.55	1396.48	-4.71	12498.4	16292	30.35
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	264.41	252.53	-4.49	2344.5	3155.63	34.60
B	Aluminium and products	273.56	389.52	42.39	2845.21	4283.16	50.54
C	Zinc and products	74.96	78.34	4.51	525.57	820.29	56.08
D	Nickel and products	2.47	4.27	72.87	91.12	42.26	-53.62
E	Lead and products	33.16	41.01	23.67	184.24	339.03	84.02
F	Tin and products	1.16	1.15	-0.86	7.38	10.01	35.64
G	Other Non-Ferrous Metals	37.52	42.36	12.90	401.45	454.22	13.14
Sub Total		687.24	809.18	17.74	6399.47	9104.6	42.27
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	40.34	65.12	61.4	596.02	541.38	-9.2
B	IC Engines and Parts	155.95	178.07	14.2	1871.68	2201.71	17.6
C	Pumps of all types	58.55	81.68	39.50	682.78	879.49	28.81
D	Air condition and Refrigerators	82.51	138.21	67.5	873.29	1134.44	29.9
E	Industrial Machinery for dairy, food processing , textiles etc	433.81	457.96	5.6	4146.98	4756.23	14.7
F	Machine Tools	40.42	36.07	-10.76	413.8	420.78	1.69
G	Machinery for Injecting moulding, valves and ATMs	98.09	121.05	23.4	1134.67	1375.01	21.2

SI no.	Panel	Feb_17	Feb_18	Growth %	Apr-Feb 2016-17	Apr-Feb 2017-18	Growth %
Sub Total		909.67	1078.16	18.5	9719.22	11309	16.4
4	Electrical Machinery	376.52	578.74	53.71	4192.11	5930.73	41.47
5. Automobiles							
A	Motor Vehicle/cars	629.68	715.72	13.7	6811.04	7540.99	10.7
B	Two and Three Wheelers	141.29	162.46	15.0	1467.8	1804.13	22.9
C	Auto Components/Part	341.74	470.77	37.76	3796.63	4677.72	23.21
Sub Total		1112.71	1348.95	21.23	12075.47	14022.84	16.13
6	Aircrafts and Spacecraft parts and products	234.63	171.52	-26.90	2813.75	1881	-33.15
7	Ships Boats and Floating products and parts	1149.56	251.58	-78.12	3879.47	2891.55	-25.47
8. Other engineering products							
A	Medical and Scientific instruments	117.84	131.93	11.96	1252.05	1470.42	17.44
B	Railway Transport	13.59	17.4	28.04	212.85	239.69	12.61
C	Hand Tools & Cutting Tools	52.02	58.35	12.17	578.5	641.7	10.92
D	Electrodes Accumulators	3.11	3.4	9.32	37.04	40.02	8.05
E	Accumulator and Batteries	16.19	21.58	33.29	201.93	240.34	19.02
F	Bicycle & Parts	26.49	29.52	11.44	265.89	290.51	9.26
G	Cranes Lifts & Winches	25.61	39	52.28	354.44	338.11	-4.61
H	Office Equipments	9.19	4.17	-54.62	109	73.98	-32.13
I	Other Construction Machinery	125.63	120.34	-4.21	953.11	1268.14	33.05
J	Prime Mica & Mica Products	1.81	1.44	-20.44	16.73	18.67	11.60
K	OTHER MISC. ITEMS	174.63	200.01	14.53	1973.58	2229.25	12.95
Sub total		566.11	627.14	10.78	5955.12	6850.83	15.04

SI no.	Panel	Feb_17	Feb_18	Growth %	Apr-Feb 2016-17	Apr-Feb 2017-18	Growth %
	Total engineering exports	6501.99	6261.75	-3.69	57533.01	68282.56	18.68

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During February 2018, exports of engineering goods (panel wise) registered negative growth for the first time in the current fiscal to the extent of 3.7 percent on a month- on-month basis compared to 16.6 percent growth recorded in January 2018 and 25.9 percent growth in December 2017. The positive trajectory of engineering exports continued for the past 18 months starting from the month of August 2016 with 4.8 percent growth and then continuing its fluctuating growth path starting from 54 percent growth in exports in February 2017 and then moving down to 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 2017 to the extent of 42 percent and finally dropped down sharply in February 2018 in the negative zone. Out of 33 engineering panels, 23 panels sharing almost 70% of the products, recorded growth in exports in February 2018 over the same month last year while the remaining 10 panels conceded decline in exports.
- ❖ Iron and Steel figures recorded 7.4 percent drop in exports during February 2018 with an overseas shipment recording US\$ 863.4 million from US\$ 932 million in the same month last year. Cumulative figure showed 41 percent growth in exports during April –February 2017-18 to US\$ 10178.59 million from US\$ 7219.6 million during the same period last fiscal. Products of Iron and Steel also incurred loss in exports by 0.1 percent during February 2018 over the same month last year while its cumulative exports increased by 15.8 percent to US\$ 6113.4 million during April –February 2017-18 from US\$ 5278.8 million during the same period last in 2016-17.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, ‘Nickel and products’, ‘Aluminium and products’ and ‘Lead and products’ recorded substantial growth in exports during February 2018. ‘Nickel and its products’ recorded highest growth of 73 percent during February 2018. ‘Copper and products’ and ‘Tin and products’ experienced a drop down to the extent of 4.5 percent and 0.9 percent respectively in February 2018 compared to same period last fiscal.
- ❖ Industrial machinery recorded growth in exports to the extent of 18.5 percent during February 2018 and 16.4 percent cumulatively from April- February 2017-18 vis-à-vis same period last fiscal. Only Industrial Boilers, recorded fall in exports cumulatively to

the extent of 9.2 percent in April-February 2017-18 compared to that of April-February 2016-17 and Machine Tools recorded drop in exports by 10.8 percent in February 2018 compared to same month last year. Other exporting segments like, Air Condition and Repair Machinery, 'Industrial Boilers', 'Pumps of all types', 'Machinery for ATMs', 'IC Engines' recorded positive growth in exports to the extent of 67%, 61%, 39.5%, 23.4% and 14.2% respectively during February 2018 compared to February 2017.

- ❖ Electrical Machinery and equipments panel faced positive growth in February 2018 by 53.7 percent. On a cumulative basis, the growth was slightly lower at 40.47 percent during April –February 2017-18 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 26.9 percent drop in exports during February 2018 and 33.1 percent decline in exportsexperienced cumulatively during April –February 2017-18 over the same period last year.
- ❖ Among other panels, Ship and Boats scaled down by more than 78% moving down from US\$ 1149.56 million to US\$ 251.58 million in February 2018 compared to that over last fiscal. Office Equipments squeezed to the extent of 54 percent during February 2018 vis-a-vis February 2017. Cranes, Lifts and Winches recorded growth to the extent of 52.3 percent in February 2018. Other engineering panels likeRailway and Transport Equipments, Accumulators and Battery, Medical Instruments, Hand Tools and Cutting Tools are some of the engineering panels experiencing growth during February 2018 over the same period last year.

5. 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 February 2018 over February 2017 in Absolute Value. Country wise cumulative figures for April- February 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	February, 2017	February, 2018	Growth (%)	April-February 2016-17	April-February 2017-18	Growth (%)
U S A	638.7	840.3	31.6	6252.1	9211.4	47.3
UAE	542.5	259.6	-52.1	3635.0	3868.0	6.4
GERMANY	202.8	292.5	44.2	1986.4	2885.5	45.3

COUNTRY	February, 2017	February, 2018	Growth (%)	April-February 2016-17	April-February 2017-18	Growth (%)
CHINA	203.8	250.6	23.0	1618.2	2858.5	76.6
U K	197.4	209.2	6.0	2240.7	2579.2	15.1
MEXICO	201.6	210.3	4.3	2202.6	2427.7	10.2
ITALY	215.8	193.5	-10.3	1775.7	2227.2	25.4
NEPAL	170.5	170.5	0.0	1984.6	2216.7	11.7
BANGLADESH	165.4	217.9	31.8	1790.4	2167.7	21.1
MALAYSIA	169.3	145.5	-14.1	2233.6	1890.6	-15.4
SINGAPORE	834.8	249.3	-70.1	2582.3	1838.8	-28.8
KOREA RP	211.6	163.1	-22.9	1385.9	1738.6	25.5
INDONESIA	179.2	149.2	-16.7	1252.2	1576.8	25.9
TURKEY	111.9	181.1	61.9	1433.8	1565.5	9.2
FRANCE	182.9	139.4	-23.8	1235.1	1309.0	6.0
BELGIUM	136.4	160.9	17.9	1056.9	1271.3	20.3
SRI LANKA	129.1	82.5	-36.1	1297.9	1253.5	-3.4
SOUTH AFRICA	87.7	95.8	9.3	946.0	1226.4	29.6
SAUDI ARAB	116.1	104.3	-10.2	1077.7	1150.5	6.8
THAILAND	90.1	114.6	27.2	829.1	1117.9	34.8
VIETNAM SOC REP	121.4	65.9	-45.7	876.8	1068.9	21.9
SPAIN	95.0	129.8	36.6	857.3	1047.6	22.2
JAPAN	50.1	85.7	70.8	715.0	923.6	29.2
BRAZIL	51.6	70.8	37.3	557.6	839.3	50.5
NETHERLAND	80.5	95.0	18.1	841.1	795.5	-5.4
Top 25 Countries Total	5186.1	4677.3	-9.8	42663.8	51055.7	19.7
Grand Total	6501.98	6261.75	-3.7	57532.98	68282.56	18.7
Share % Total Engineering Exports	79.8	74.7		74.2	74.8	

*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 February 2018, out of top 25 countries 14 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 February 2018. It registered positive growth both on monthly basis as well as in cumulative basis during Apr-February 2017-18 over the same period last fiscal to the extent of 32 percent and 47 percent respectively.
- ❖ Countries like Japan recorded more than 70 percent export growth during February 2018 vis-à-vis February 2017. On the other hand UK, Mexico, South Africa recorded less than 10 percent export growth in February 2018.
- ❖ Out of the top 25 export destinations, countries like Malaysia, Singapore and Sri Lanka recorded dip in exports both monthly as well as on cumulative basis during April-Feb 2017-18 compared to the same period last fiscal.
- ❖ All European nations falling under the top 25 engineering export destinations like Germany, Italy, Spain and Belgium recorded considerable growth during Apr-Feb 2017-18 over Apr- Feb 2016-17.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations like Malaysia, Singapore, Indonesia, Thailand and Vietnam recorded negative growth in February 2018, while Singapore recorded strong negative growth to the extent of 70 percent in February 2018 compared to same period last fiscal.
- ❖ Out of 205 exports destinations of Indian engineering goods, top 25 nations accounted for 74.7 percent of India's total engineering exports on monthly basis during February 2018 compared to 79.8 percent in February 2017 and 74.8 percent on cumulative basis from Apr- February 2017-18 compared to same period last fiscal.
- ❖ Overall, India's engineering exports to its top 25 destinations registered drop in exports monthly to the extent of 9.8 percent in February 2018 and growth in exports cumulatively to the extent of 19.7 percent during April- February 2017-18 compared to the same period previous year.

6. Regional Distribution of Engineering Exports

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

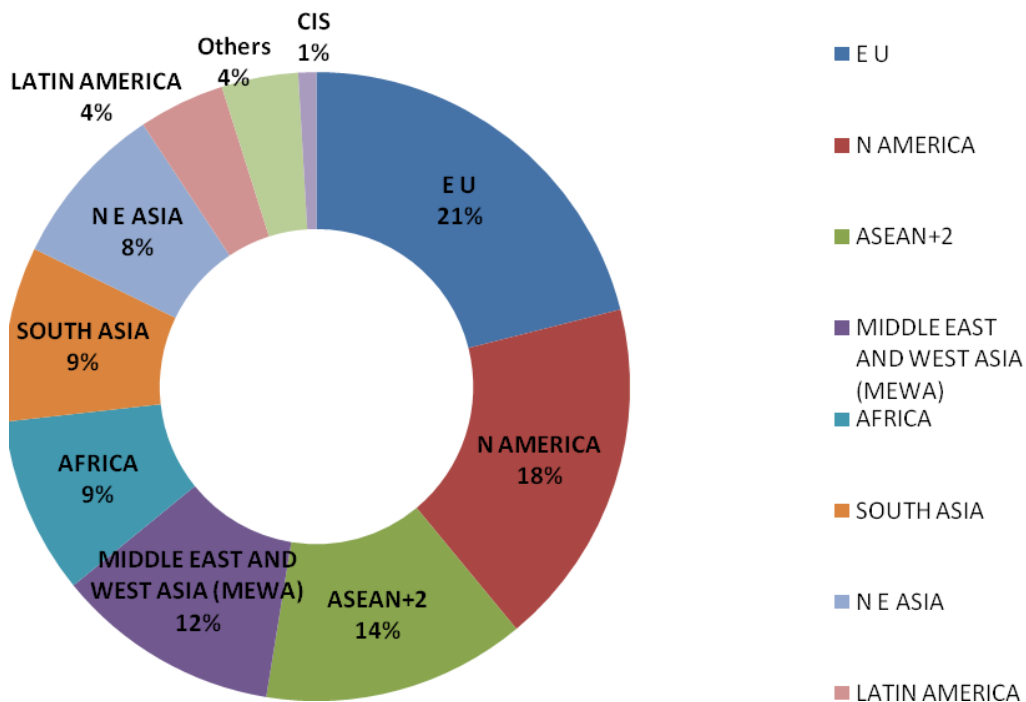
Table 7: Region Wise Exports Trend
US\$ Million

COUNTRY	February, 2017	February, 2018	Growth (%)	April-February 2016-17	April-February 2017-18	Growth (%)
E U	1287.6	1425.0	10.7	11974.0	14369.8	20.0
N AMERICA	871.5	1124.0	29.0	8837.3	12268.1	38.8
ASEAN+2	1508.0	902.1	-40.2	9083.4	9249.6	1.8
MIDDLE EAST AND WEST ASIA (MEWA)	869.0	606.9	-30.2	7163.6	7879.0	10.0
AFRICA	437.7	544.6	24.4	5201.5	6226.5	19.7
SOUTH ASIA	511.4	527.6	3.2	5534.6	6150.9	11.1
N E ASIA	475.8	514.5	8.1	3841.5	5779.5	50.4
LATIN AMERICA	234.0	271.9	16.2	2507.8	3031.9	20.9
Others	242.6	285.1	17.5	2726.5	2691.0	-1.3
CIS	64.4	60.0	-6.9	662.8	636.2	-4.0
Grand Total	6502.0	6261.8	-3.7	57533.0	68282.6	18.7

(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-February



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during February 2018 with a share of more than 21% 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-Feb 2017-18 over the same period last fiscal.
- ❖ India's engineering exports to N E Asia countries recorded highest positive growth in April – Feb 2017-18 to the extent of 50.4 percent over the same period in the previous year.
- ❖ India's exports to Latin America also improved in February 2018 both monthly and cumulatively compared to last month, while CIS region registered negative growth in exports in February 2018 and also in April-January 2017-18 over the same period last fiscal.

- ❖ Exports to ASEAN, and Middle East and West Asia registered drop in exports during February 2018 to the extent of 40% and 30% respectively compared to 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.

7. Engineering panel – country wise analysis

We now analyse the performance of some of the important products during February 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	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016- FEBRUARY, 2017	APRIL, 2017 - FEBRUARY, 2018	Growth (%)
High cumulative growth						
PHILIPPINES	1.73	8.41	385.28	17.77	164.56	826.11
MYANMAR	2.83	10.57	272.87	24.19	101.33	318.85
SINGAPORE	1.02	16.63	1525.54	35.09	108.80	210.08
SAUDI ARAB	10.50	13.97	32.99	62.51	129.55	107.25
JAPAN	9.80	15.79	61.11	134.49	220.66	64.07
IRAN	5.40	9.84	82.17	82.59	122.50	48.33
Sharp cumulative decline						
GHANA	3.74	0.97	-74.17	42.40	25.80	-39.15
KUWAIT	8.50	1.85	-78.21	32.78	21.00	-35.93
BANGLADESH	27.26	28.72	5.36	351.32	247.63	-29.51
TANZANIA	1.95	2.16	10.57	11.48	10.23	-10.85

(Source: Department of Commerce, Government of India)

- ❖ Philippines, Myanmar and Singapore recorded highest growth in exports of Indian Iron and Steel during April –February 2017-18.

- ❖ Countries with more than double growth in exports include Japan, Saudi Arab and Iran.
- ❖ Countries like Ghana, Kuwait and Bangladesh experienced sharp fall in exports to the extent of 39.15 percent, 35.93 percent, and 29.51 percent respectively during April-February 2017-18.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016 - FEBRUARY, 2017	APRIL, 2017- FEBRUARY, 2018	Growth (%)
High cumulative growth						
COLOMBIA	0.83	1.87	125.61	9.05	66.86	638.83
NIGERIA	4.49	6.36	41.89	36.06	87.40	142.36
BANGLADESH	3.66	17.32	373.59	55.36	121.17	118.89
CANADA	9.52	32.79	244.38	115.56	223.09	93.05
AUSTRALIA	6.91	10.28	48.74	76.82	117.19	52.55
OMAN	5.74	13.18	129.45	115.54	175.37	51.78
FRANCE	10.56	12.26	16.08	110.19	128.76	16.84
U K	20.95	25.26	20.60	228.52	264.44	15.72
Sharp cumulative decline						
KUWAIT	KUWAIT	9.73	8.91	-8.40	158.85	77.98
KENYA	7.13	3.42	-52.06	56.73	36.17	-36.24
IRAN	13.22	0.81	-93.86	72.48	51.00	-29.64
SAUDI ARAB	30.53	10.99	-64.01	304.36	248.80	-18.25
NEPAL	6.99	8.12	16.06	82.10	71.64	-12.74

(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, 6.11 and 5.8 percent share respectively.
- ❖ USA recorded a decline of 11.5 percent in imports of 'Products of Iron & Steel' from India while Germany saw 8.7 percent growth. UAE recorded 29.6 percent decline in imports during April - February 2017-18.

- ❖ Among major exporters, exports to Bangladesh, Colombia, and Nigeria witnessed notable growth during April - February 2017-18.
- ❖ Among major importers, Kuwait, Saudi Arabia, Kenya and Nepal conceded substantial decline in imports during April - February 2017-18.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016 - FEBRUARY, 2017	APRIL, 2017- FEBRUARY, 2018	Growth (%)
High cumulative growth						
NIGERIA	15.37	31.41	104.36	147.19	228.43	55.19
U K	31.82	47.31	48.67	370.49	556.44	50.19
THAILAND	20.02	24.91	24.39	191.19	279.43	46.15
ITALY	27.90	32.02	14.73	262.01	346.51	32.25
U S A	148.96	171.65	15.23	1,467.78	1,860.72	26.77
FRANCE	18.64	24.61	31.98	201.30	253.27	25.82
BANGLADESH	45.28	43.65	-3.60	411.34	513.68	24.88
GERMANY	43.26	56.86	31.44	480.66	557.05	15.89
Sharp cumulative decline						
MALAYSIA	69.23	10.69	-84.56	284.87	182.24	-36.03
RUSSIA	8.08	10.87	34.57	180.23	127.94	-29.02
ALGERIA	5.90	8.97	52.13	85.26	64.80	-23.99
MYANMAR	9.13	4.05	-55.69	75.15	59.67	-20.60
IRAN	12.51	14.86	18.73	160.89	142.74	-11.28
VIETNAM	16.34	12.51	-23.44	187.85	173.29	-7.75

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–February 2017-18 with 15.6 percent share and 27percent year-on-year growth in imports followed by Germany with 4.7percent share and 16percent y-o-y growth in imports from

India. Bangladesh and UK also imported over US\$ 500 million of "industrial Machinery" respectively from India during the first eleven months of fiscal 2017-18.

- ❖ Among the major importers, export to Malaysia, Algeria and Russia recorded sharp declines in imports during April - February 2017-18.

Table 11: Export of Automobiles
US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016- FEBRUARY, 2017	APRIL, 2017 - FEBRUARY, 2018	Growth (%)
High cumulative growth						
INDONESIA	15.55	41.91	169.49	105.15	335.07	218.65
UAE	16.53	17.70	7.10	109.10	166.09	52.23
FRANCE	18.44	11.80	-36.00	122.02	172.05	41.00
BANGLADESH	37.01	50.30	35.93	378.21	531.88	40.63
SOUTH AFRICA	41.62	50.23	20.69	513.03	696.76	35.81
CHILE	22.41	22.65	1.05	202.82	227.99	12.41
MEXICO	148.24	137.09	-7.53	1,470.79	1,614.01	9.74
Sharp cumulative decline						
VIETNAM	13.23	0.53	-95.99	166.38	11.38	-93.16
NETHERLAND	15.89	0.26	-98.33	174.90	33.82	-80.67
U K	34.65	15.82	-54.33	404.43	202.21	-50.00
SPAIN	18.93	14.34	-24.25	184.44	125.03	-32.21
ITALY	36.46	13.26	-63.63	321.92	247.03	-23.26
SRI LANKA	36.46	13.26	-63.63	321.92	247.03	-23.26

(Source: Department of Commerce, Government of India)

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

- ❖ Mexico, South Africa and USA were top three importers of India's Automobiles during April-February of 2017-18 witnessing 17.3, 7.5 and 5.7 percent share

respectively. Mexico being the largest importer shares 17.3 percent of imports of automobiles from India.

- ❖ Countries like USA, Indonesia, Algeria, Nigeria, Philippines saw over 100 percent growths in imports of Indian automobile during April-February 2017-18 among major importers.
- ❖ UK, Spain, Vietnam, Italy conceded substantial decrease in imports of Automobiles from India during April-February 2017-18.

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

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016-FEBRUARY, 2017	APRIL, 2017 - FEBRUARY, 2018	Growth (%)
High cumulative growth						
CHINA	97.38	121.51	24.79	649.14	1,651.15	154.36
TURKEY	5.69	34.02	497.69	111.90	220.13	96.71
SPAIN	10.26	19.71	91.97	69.25	135.37	95.49
JAPAN	5.35	12.23	128.57	80.16	147.05	83.45
THAILAND	13.81	19.88	43.90	73.93	120.64	63.18
U S A	66.68	97.43	46.12	579.12	937.01	61.80
NEPAL	7.91	10.43	31.85	91.10	137.15	50.55
Sharp cumulative decline						
SAUDI ARAB	5.08	6.82	34.44	137.78	90.52	-34.30
SINGAPORE	13.42	0.93	-93.08	365.11	249.78	-31.59
KENYA	5.90	6.93	17.36	67.76	53.72	-20.71
OMAN	2.02	2.80	38.70	76.39	74.86	-2.00

- ❖ China (USD 1651.15 million), Malaysia (USD 1117.44 million) and South Korea (USD 1101.17 million) were the top three importers of Indian Non-ferrous metals during April

- Feb 2017-18 with Y-o-Y growth of 154 percent, 64 percent and 33 percent respectively.

- ❖ Spain, Japan, Turkey and China witnessed highest growth in imports of Indian Non-ferrous metal products during April-February 2017-18.
- ❖ Saudi Arabia, Kenya and Singapore conceded significant decline in imports of non-ferrous metals from India during the April - February of fiscal 2017-18.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016-FEBRUARY, 2017	APRIL, 2017 - FEBRUARY, 2018	Growth (%)
High cumulative growth						
TAIWAN	0.21	2.18	933.77	12.42	56.24	352.94
GERMANY	35.83	91.61	155.65	277.36	841.64	203.45
BELGIUM	13.12	51.35	291.28	45.99	138.36	200.87
SINGAPORE	7.75	18.41	137.46	95.59	234.57	145.40
CHINA	6.19	26.03	320.39	102.71	222.40	116.53
VIETNAM	4.11	6.81	65.56	62.46	126.11	101.93
U S A	70.27	86.08	22.50	669.41	1,068.93	59.68
Sharp cumulative decline						
PHILIPPINES	1.16	2.54	118.64	44.34	21.90	-50.61
ETHIOPIA	1.01	0.20	-79.84	33.88	17.73	-47.66
BHUTAN	9.66	1.53	-84.21	40.44	27.62	-31.69
OMAN	4.62	2.12	-54.24	42.92	30.32	-29.34
SRI LANKA	4.30	4.48	4.16	49.57	40.61	-18.07
SOUTH AFRICA	6.41	3.10	-51.70	41.66	37.50	-10.00
JAPAN	3.79	10.67	181.52	122.56	113.38	-7.49

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 1068.9 million), Germany (US\$ 841.6million) and UK (US\$ 382.4 million)were the three top importers of Indian Electrical Machinery and Components during April - February 2017-18 with market shares of 18.1percent, 14.19percent and 6.45percent respectively.
- ❖ Taiwan, Germany and Belgium recorded highest growth in imports of India's Electrical Machinery and Components during April - February 2017-18.
- ❖ On the other hand, Philippines, Ethiopia and Bhutan 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	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016 - FEBRUARY, 2017	APRIL, 2017- FEBRUARY, 2018	Growth (%)
High cumulative growth						
THAILAND	0.01	2.94	19632.19	6.66	18.40	176.34
BELGIUM	0.04	0.14	274.81	7.46	17.35	132.62
GERMANY	18.86	30.44	61.40	152.16	245.45	61.31
POLAND	1.68	2.05	21.82	19.96	31.35	57.10
AUSTRIA	0.84	1.29	53.98	9.16	14.28	55.91
JAPAN	0.54	1.82	239.35	9.08	12.42	36.77
Sharp cumulative decline						
BULGARIA	0.00	0.00	-100.00	93.70	0.00	-100.00
CZECH REPUBLIC	0.01	0.04	229.07	171.21	0.30	-99.83
SRI LANKA	0.10	0.00	-99.30	78.46	0.22	-99.72
UAE	0.46	0.16	-63.75	153.07	6.42	-95.80
TURKEY	0.80	0.56	-30.11	105.61	14.46	-86.31
SWITZERLAND	2.06	1.16	-43.57	117.73	19.33	-83.58
RUSSIA	8.68	1.93	-77.73	102.36	36.05	-64.78

ISRAEL	12.29	5.82	-52.69	122.88	48.71	-60.36
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(Source: Department of Commerce and CSO)

- ❖ USA, Germany and France were the top importers of India's 'Aircrafts& Spacecrafts' during April - February 2017-18 with 31.2percent, 13.1 percent, and 12.3 percent shares respectively in India's total global exports of the product. Among them, France conceded a substantial 39.5percent decline in imports of the product group during April - February 2017-18 while USA and Germany recorded 6percent and 61.3percentgrowth in imports respectively during the same time period.
- ❖ Other than Germany, Thailand, Belgium, Poland and Austria achieved significant increase in import volumes of India's 'Aircrafts& Spacecrafts' during April - February 2017-18.
- ❖ On the flipside, demand for India's 'Aircrafts& Spacecrafts' from Bulgaria, Czech Republic, Sri Lanka, UAE, Turkey, and Switzerland declined significantly during April - February 2017-18.

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

US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016 - FEBRUARY, 2017	APRIL, 2017- FEBRUARY, 2018	Growth (%)
High cumulative growth						
EGYPT	0.00	0.00	----	0.00	213.77	6744048.97
CAMEROON	0.00	0.00	----	0.00	20.63	6546481.92
U S A	0.00	0.04	12692.53	0.31	443.72	142332.30
NETHERLAND	0.00	16.86	----	0.12	17.26	13962.17
Sharp cumulative decline						
BAHARAIN	0.00	0.00	----	45.81	0.00	-100.00
MALAYSIA	11.45	0.00	-99.99	736.62	6.23	-99.15
INDONESIA	63.74	0.00	-100.00	297.05	36.07	-87.86
SINGAPORE	741.27	168.87	-77.22	1422.07	611.85	-56.97
MAURITIUS	0.00	0.00	----	72.52	38.46	-46.97

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 - February 2017-18 with 37.4 percent share in India's total global exports of the product. Singapore, USA and Egypt were the other top importers during the same time period with 21.16 percent, 15.35 percent and 7.39 percent shares respectively in India's global export of the product. Among them, USA and Egypt continued to see gigantic growths in imports while UAE and Singapore conceded decline in imports.
- ❖ Other than USA and Egypt, Cameroon and Netherland achieved significant increase in year-on-year imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - February 2017-18 on top of very negligible import in the previous fiscal.
- ❖ Bahrain, Malaysia, Indonesia, Singapore and Mauritius recorded significant decline in imports during April - February 2017-18 over the same period last year.

Table 16: Export of Auto Components
US\$ Million

COUNTRY	FEBRUARY, 2017	FEBRUARY, 2018	Growth (%)	APRIL, 2016 - FEBRUARY, 2017	APRIL, 2017- FEBRUARY, 2018	Growth (%)
High cumulative growth						
VIETNAM	2.29	8.21	258.43	21.91	101.86	364.89
ROMANIA	1.76	10.25	482.22	20.57	65.88	220.28
MYANMAR	0.84	2.34	179.40	6.67	18.65	179.69
AUSTRIA	0.57	1.28	126.95	4.60	11.22	143.99
CHILE	0.96	1.63	69.18	8.55	19.56	128.72
BRAZIL	12.42	25.06	101.79	131.50	226.44	72.19
FRANCE	8.82	10.96	24.28	65.86	111.93	69.95
RUSSIA	4.38	8.27	88.82	51.43	81.70	58.85
Sharp cumulative decline						
ALGERIA	0.92	0.87	-4.73	22.17	11.16	-49.65
NEPAL	10.32	5.80	-43.79	174.86	101.88	-41.73
EGYPT	2.16	4.97	130.00	78.44	55.75	-28.94
MALAYSIA	2.03	1.85	-8.76	26.50	20.99	-20.79

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 949.84 million), Turkey (US\$ 329.82 million) and Bangladesh (US\$ 257.03 million) were the three largest importers of Indian 'Auto Components/Parts' during April - February 2017-18 with 20.31 percent, 7.05 percent and 5.49 percent shares respectively in India's global exports of the same. While USA and Bangladesh recorded 33.2 percent and 50.9 percent growth in year-on-year imports respectively, Turkey saw a marginal 0.5 percent growth in imports during the said time period.
- ❖ Vietnam, Romania and Myanmar are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April - January 2017-18.
- ❖ Algeria, Nepal, Egypt and Malaysia conceded substantial decline in cumulative imports of 'Auto Components/Parts' from India during the said time period.

8. Import Analysis of Engineering Goods

Engineering imports to India continued to grow for the 4th straight month post October but the year-on-year growth slowed down in February 2018 in line with the broader merchandise export. The growth was recorded at 0.3 percent in the reporting month of February 2018 compared to 23.6 percent growth in January 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\$ 7.5 billion during February 2018 compared to US\$ 7.4 billion in February 2017 registering a minor growth to the extent of 0.3 percent in dollar terms

Cumulative growth of India's engineering import during April-February 2017-18 was recorded at 11.6 percent on a year-on-year basis which was slightly lower than the cumulative growth registered during April-January 2017-18 to the extent of 12.8 percent. Engineering imports during April - February 2017-18 was recorded at US\$ 83581.3 million as against US\$ 74891.8 million during the same period last fiscal.

The share of engineering imports in India's total merchandise imports was estimated at 19.72 percent in February as against 21.1 percent in January 2018 and 20.6 percent in December 2017 and 20.6 percent during November 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:

Table 17: Engineering Imports

(US\$ Million)

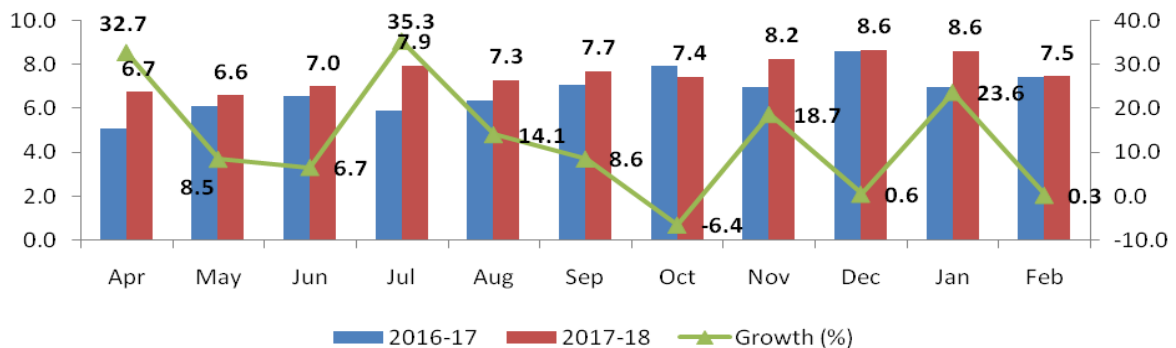
Months	2016-17	2017-18	Growth (%)
Apr	5077.6	6735.4	32.7
May	6080.1	6596.9	8.5
Jun	6557.1	6993.9	6.7
Apr - Jun	17714.8	20326.3	14.7
Jul	5864.9	7933.2	35.3
Aug	6367.9	7263.4	14.1
Sep	7077.7	7683.1	8.6
Jul - Sep	19310.5	22879.7	18.5
Oct	7931.3	7422.2	-6.4
Nov	6950.2	8246.6	18.7
Dec	8591.6	8643.0	0.6
Oct - Dec	23473.1	24311.8	3.6
Jan	6958.5	8603.7	23.6
Feb	7434.9	7459.8	0.3
Apr - Feb	74891.8	83581.3	11.6

(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)

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



(Source: EEPC India analysis)

9. Trend in two-way engineering trade

We now present the trend in two way trade for the engineering sector from 2014-15 to 2016-17 and also for the current fiscal from April-Feb 2017-18 as opposed to April-Feb 2016-17.

Table17: Engineering Trade
(US\$ Million)

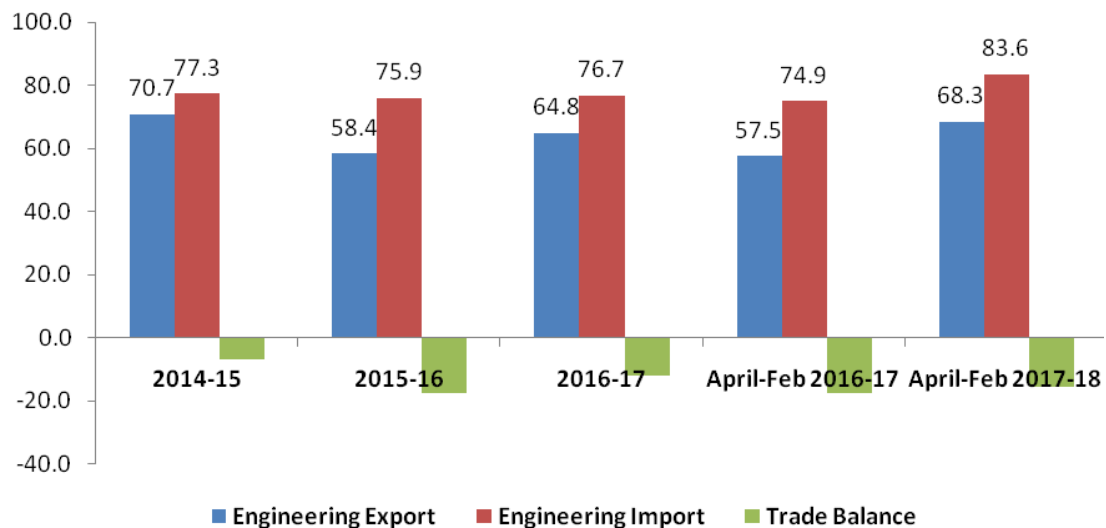
	2014-15	2015-16	2016-17	Growth%	April-Feb 2016-17	April-Feb 2017-18	Growth %
Engineering Export	70661.2	58351.58	64794.12	11.04	57533.01	68282.56	18.68
Engineering Import	77279.45	75859.72	76712.38	1.12	74891.8	83581.3*	11.6
Trade Balance	-6618.25	-17508.14	-11918.26		-17358.8	-15298.7	

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-Feb 2017-18

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



10. Conclusion

Merchandise trade deficit narrowed down to five month low as import growth also slowed down along with that of exports. However, for the first time in 19 months, Indian engineering

exports underperformed the broader merchandise exports and recorded year-on-year decline. This decline is mostly attributed to lower exports of 'Iron and Steel'; 'Copper and products'; 'Aircrafts and Spacecraft parts and products' and 'Ships Boats and Floating products and parts' and the base effect as mentioned earlier. It may be mentioned that the engineering trade deficit has also shrunk in the first eleven months as opposed to the same period in the last fiscal.

Although, WTO has predicted the trade recovery of 2017 to continue in 2018 with solid trade volume growth in the first half of 2018, the current trend of engineering exports i.e., slower growth or even negative growth may also persist as post-GST complication is likely to weigh on the financial position of exporters for some more months. Corrected measures approved by the GST Council are 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 the end of this fiscal.

This apart, the possibility of rising import tariffs in the wake of US Presidential action on Steel and Aluminium as also the complaint filed against India by US in the WTO with regard to various export promotion schemes will be challenging issues for the Indian exporting sector.

