

# Engineering Exports and Imports Monitor

March 2018



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

## Analysis of Indian engineering exports and imports for March 2018

19 April, 2018

### India's Merchandise Trade scenario

- ❖ India's merchandise exports growth witnessed a decline once again in March 2018 after October 2017, both in dollar as well as in rupee terms.
- ❖ Overseas shipment from India dropped by 1.95 percent in rupee terms in (Over the same period last year) March 2018. Exports during March 2018 declined to US\$ 29109.09 million from US\$ 29301.55 million during the same period last year. In dollar terms, the decline in growth was much slower at 0.66 % in March 2018 over March 2017.
- ❖ Decline in export growth in March 2018 was dampened by contraction in shipment in Oil meals (-43.51%), Iron ore (-25.50%), Textiles (-17.78%), Petroleum products (-13.22%) and Gems and Jewellery (-16.57%). However, some major commodity groups like engineering goods (2.62%), Organic & Inorganic Chemicals (31.75%), Drugs & Pharmaceuticals (8.4%), Rice (20.91%) & Cotton Yarn/Fabs./made-ups ,handloom products etc (14.27%) portrayed substantial year-on-year growth in exports during the reporting month.
- ❖ Cumulative value of exports for the period April-March 2017-18 was US\$ 302.84 billion as against US\$ 275.85 billion registering a growth of 9.78 percent in Dollar terms and 5.56 percent in Rupee terms over the same period last year.
- ❖ Merchandise Imports registered growth of 7.15 percent in March 2018 bucking the trend of broader merchandise export. Merchandise import during March 2018 was recorded at US\$ 42,800.89 million as against US\$ 39,946.67 million during the same month last fiscal.
- ❖ Major commodity groups showing high year-on-year growth in imports during March 2018 were Petroleum, Crude & products (13.92%), Electronic goods (2.53%), Machinery, electrical & non-electrical (33.41%), Pearls, precious & Semi-precious stones (0.78%) and Coal, Coke & Briquettes, etc. (44.67%).
- ❖ Cumulative value of merchandise imports for April-March 2017-18 was US\$ 459.67 billion as against US\$ 384.36 billion registering a positive growth of 19.59 percent in Dollar terms over the same period last fiscal.
- ❖ Trade deficit widened for March 2018 at US \$ 13.69 billion as against the deficit of US \$ 10.65 billion during March 2017, registering a growth of 28.5 percent. Cumulative trade deficit during April - March 2017-18 jumped by 44.5 percent as it went up to US\$ 156.83 billion from US\$ 108.50 billion during the same period last fiscal.



### **India's Engineering Exports scenario**

- ❖ The growth of Indian engineering export revived in March 2018 after the drop in the previous month as it increased by 1.87 percent in dollar terms during the said month over the same month last fiscal.
- ❖ Engineering exports increased to US\$ 7850.32 million in March 2018 from US\$ 7706.18 million in the same month last fiscal.
- ❖ On a cumulative basis engineering exports have grown significantly to US\$ 76204.38 million during April-March 2017-18 as against US\$ 65239.19 million during the same period last fiscal registering 16.81 percent year-on-year growth.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 26.97 percent in March 2018 while on a cumulative basis, the share was 25.16 percent during April - March 2017-18.
- ❖ Out of 33 engineering panels, 25 panels recorded growth in exports in March 2018 over the same month last year and the remaining 8 panels recorded decline in exports over the same. Only 6 panels recorded negative growth on cumulative basis during 2017-18 over 2016-17.
- ❖ During March 2018, 21 out of top 25 countries recorded year-on-year growth in engineering exports from India during 2017-18 over 2016-17.

### **India's Engineering Imports scenario**

- ❖ India's Engineering imports during March 2018 were valued at US\$ 9.11 billion during March 2018 compared to US\$ 6.94 billion in March 2017 registering a considerable growth to the extent of 31.2 percent in dollar terms.
- ❖ Cumulative growth of India's engineering import during April-March 2017-18 was recorded at 13.3 percent on a year-on-year basis which is higher than the cumulative growth registered during April-February 2017-18 to the extent of 11.6 percent. Engineering imports during April - March 2017-18 was recorded at US\$ 92692.1 million as against US\$ 81834.8 million during the same period last fiscal.

## **1. Trend in overall merchandise trade**

India's merchandise exports growth witnessed a decline once again in March 2018 after October 2017, both in dollar as well as in rupee terms.

Overseas shipment from India dropped by 1.95 percent in rupee terms in (Over the same period last year) March 2018. Exports during March 2018 declined to US\$ 29109.09 million from US\$ 29301.55 million during the same period last year. In dollar terms, the decline in growth was much slower at 0.66 % in March 2018 over March 2017.

Decline in export growth in March 2018 was dampened by contraction in shipment in Oil meals (-43.51%), Iron ore (-25.50%), Textiles (-17.78%), Petroleum products (-13.22%) and Gems and

Jewellery (-16.57%). However, some major commodity groups like engineering goods (2.62%), Organic & Inorganic Chemicals (31.75%), Drugs & Pharmaceuticals (8.4%), Rice (20.91%) & Cotton Yarn/Fabs./made-ups ,handloom products etc (14.27%) portrayed substantial year-on-year growth in exports during the reporting month.

Cumulative value of exports for the period April-March 2017-18 was US\$ 302.84 billion as against US\$ 275.85 billion registering a growth of 9.78 percent in Dollar terms and 5.56 percent in Rupee terms over the same period last year.

Merchandise Imports registered growth of 7.15 percent in March 2018 bucking the trend of broader merchandise export. Merchandise import during March 2018 was recorded at US\$ 42,800.89 million as against US\$ 39,946.67 million during the same month last fiscal.

Major commodity groups showing high year-on-year growth in imports during March 2018 were Petroleum, Crude & products (13.92%), Electronic goods (2.53%), Machinery, electrical & non-electrical (33.41%), Pearls, precious & Semi-precious stones (0.78%) and Coal, Coke & Briquettes, etc. (44.67%).

Cumulative value of merchandise imports for April-March 2017-18 was US\$ 459.67 billion as against US\$ 384.36 billion registering a positive growth of 19.59 percent in Dollar terms over the same period last fiscal.

Oil imports during March 2018 were valued at US \$ 11.11 Billion which was 13.92 percent higher than oil imports valued at US \$ 9.75 Billion in March 2017. Oil imports during April-March 2017-18 were valued at US \$ 109.11 Billion which was 25.47 per cent higher than the oil imports of US \$ 86.96 Billion in the corresponding period last year. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 27.86 % in March 2018 vis-à-vis March 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during March 2018 were estimated at US \$ 31.69 Billion which was 4.96 per cent higher than non-oil imports of US \$ 30.20 Billion in March 2017. Non-oil imports during April-March 2017-18 were valued at US \$ 350.56 Billion which was 17.88 per cent higher than the level of such imports valued at US \$ 297.39 Billion in April-March, 2016-17.

Trade deficit widened for March 2018 at US \$ 13.69 billion as against the deficit of US \$ 10.65 billion during March 2017, registering a growth of 28.5 percent. Cumulative trade deficit during April - March 2017-18 jumped by 44.5 percent as it went up to US\$ 156.83 billion from US\$ 108.50 billion during the same period last fiscal.

## **2. Engineering exports**

The growth of Indian engineering export revived in March 2018 after the drop in the previous month as it increased by 1.87 percent in dollar terms during the said month over the same month last fiscal.

Engineering exports increased to US\$ 7850.32 million in March 2018 from US\$ 7706.18 million in the same month last fiscal.

On a cumulative basis, engineering exports have grown significantly to US\$ 76204.38 million during April-March 2017-18 as against US\$ 65239.19 million during the same period last fiscal, registering 16.81 percent year-on-year growth.

The share of engineering exports in India's total merchandise exports was estimated at 26.97 percent in March 2018 while on a cumulative basis, the share was 25.16 percent during April - March 2017-18.

Out of 33 engineering panels, 25 panels recorded growth in exports in March 2018 over the same month last year and the remaining 8 panels recorded decline in exports over the same. Only 6 panels recorded negative growth on cumulative basis during 2017-18 over 2016-17.

During March 2018, 21 out of top 25 countries recorded year-on-year growth in engineering exports from India during 2017-18 over 2016-17.

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

**Table1: Engineering Exports**  
(US\$ Million)

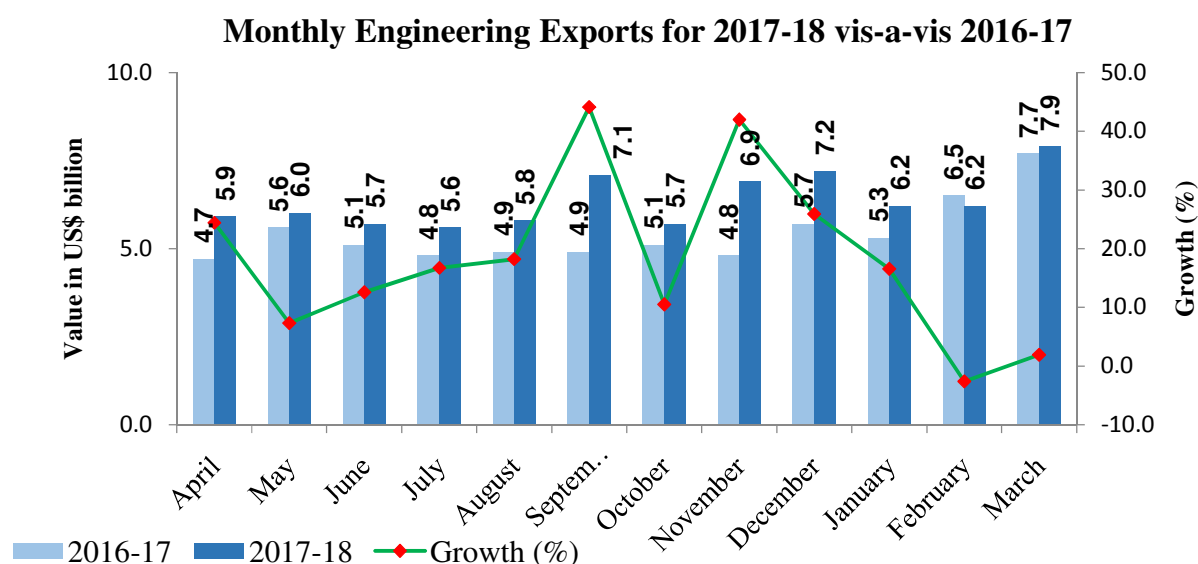
Months	2016-17	2017-18	Growth (%)
April	4744.32	5902.8	24.42
May	5636.17	6047.3	7.29
June	5066.99	5703.79	12.57
Apr - Jun	15447.48	17653.89	14.28
July	4794.12	5597.35	16.75
August	4873.71	5761.35	18.21
September	4917.78	7087.17	44.11
Quarter 2	14585.61	18445.87	26.47

Months	2016-17	2017-18	Growth (%)
October	5133.58	5670.57	10.46
November	4841.37	6872.54	41.95
December	5688.32	7160.88	25.89
Quarter 3	15663.27	19703.99	25.80
January	5334.66	6217.67	16.55
February	6501.99	6332.64	-2.60
March	7706.18	7850.32	1.87
Quarter 4	19542.83	20400.63	4.39
Apr - Mar	65239.19	76204.38	16.81

(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\$ billion)



(Source: EEPC India analysis)

Engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. Now, as production and exports are directly correlated, some correlation between manufacturing production growth and engineering export growth is very likely to exist. Hence, a broad analysis

of industrial production, especially of manufacturing sector is effective in the context of engineering export analysis as manufacturing has 77.63% weightage in India's industrial production.

During the first two months of fiscal 2017-18, both engineering exports and manufacturing growth moved in the same direction but the month of June 2017 saw a change. In April 2017, both engineering export growth and manufacturing growth accelerated while in May 2017, both of them continued to witness growth but growth decelerated in both cases. During Jun 2017, Engineering export growth accelerated but manufacturing production declined Y-o-Y. 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. However, the pace of growth slowed down in January 2018 and engineering exports even declined In February 2018 but manufacturing output growth slightly accelerated in both the months on a year-on-year basis. Manufacturing Index in the Index of Industrial Production (IIP) stood at 130.1 in February 2018 as against 133.7 (revised) in January 2018, 131.7 in December 2017 and 127.7 (final revision) in November 2017.

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

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

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
<b>Apr - Mar 2016-17</b>	<b>11.33</b>	<b>4.9</b>
<b>Apr 2017</b>	24.42	2.9
<b>May 2017</b>	7.32	2.6
<b>Jun 2017</b>	12.57	-0.7
<b>Apr-Jun 2017-18</b>	<b>14.29</b>	<b>1.6</b>
<b>Jul 2017</b>	16.72	-0.1

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
<b>Aug 2017</b>	18.21	3.8
<b>Sep 2017</b>	44.12	3.8
<b>Jul-Sep 2017-18</b>	<b>26.46</b>	<b>2.5</b>
<b>Oct 2017</b>	10.47	2.0
<b>Nov 2017</b>	41.96	10.7
<b>Dec 2017</b>	25.85	8.5
<b>Oct - Dec 2017-18</b>	<b>25.79</b>	<b>7.0</b>
<b>Jan 2018</b>	15.10	8.6
<b>Feb 2018</b>	-2.60	8.7*
<b>Mar 2018</b>	1.87	N A
<b>Jan-Mar 2017-18</b>	4.39	N A
<b>Apr-Mar 2017-18</b>	16.81	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)**

<b>Months</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Growth</b>
<b>April</b>	5676.6	4744.32	-16.42%
<b>May</b>	5354.44	5636.17	5.26%
<b>June</b>	4936.26	5066.99	2.65%
<b>Quarter 1</b>	<b>15967.3</b>	<b>15447.48</b>	<b>-3.26%</b>
<b>July</b>	5559.65	4794.12	-13.77%
<b>August</b>	4653.93	4873.71	4.72%
<b>September</b>	4699.73	4917.78	4.64%
<b>Quarter 2</b>	<b>14913.31</b>	<b>14585.61</b>	<b>-2.20%</b>
<b>October</b>	4475.58	5133.58	14.70%
<b>November</b>	4321.78	4841.37	12.02%
<b>December</b>	4690.16	5688.32	21.28%
<b>Quarter 3</b>	<b>13487.52</b>	<b>15663.27</b>	<b>16.13%</b>
<b>January</b>	4709.05	5334.66	13.29%
<b>February</b>	4349.97	6501.99	49.47%
<b>March</b>	5170.29	7706.18	49.05%
<b>Quarter 4</b>	<b>14229.31</b>	<b>19542.83</b>	<b>37.34%</b>
<b>April-March</b>	<b>58597.44</b>	<b>65239.19</b>	<b>11.33%</b>

All figures are revised

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 March 2018 vis-a-vis March 2017. The data is given in Table 5 below:

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

Sl no.	Panel	Mar_17	Mar_18	Growth %	Apr-Mar 2016-17	Apr-Mar 2017-18	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	1439.67	1014.13	-29.56	8659.26	11206.93	29.42
B	Products of Iron and Steel	616.62	651.46	5.65	5895.43	6769.14	14.82
Sub Total		<b>2056.29</b>	<b>1665.59</b>	<b>-19.00</b>	<b>14554.69</b>	<b>17976.07</b>	<b>23.51</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	328.34	324.85	-1.06	2672.84	3481.25	30.25

Sl no.	Panel	Mar_17	Mar_18	Growth %	Apr-Mar 2016-17	Apr-Mar 2017-18	Growth %
B	Aluminium and products	399.44	515.42	29.04	3244.65	4793.87	47.75
C	Zinc and products	84.15	135.37	60.87	609.72	955.67	56.74
D	Nickel and products	2.07	4.27	106.28	93.19	46.53	-50.07
E	Lead and products	52.65	57.62	9.44	236.89	396.65	67.44
F	Tin and products	1.45	1.09	-24.83	8.83	11.1	25.71
G	Other Non-Ferrous Metals	44.25	48.76	10.19	445.7	504.82	13.26
<b>Sub Total</b>		<b>912.35</b>	<b>1087.38</b>	<b>19.18</b>	<b>7311.82</b>	<b>10189.89</b>	<b>39.36</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	73.94	64.94	-12.17	669.96	606.49	-9.47
B	IC Engines and Parts	243.46	222.18	-8.74	2115.14	2423.94	14.60
C	Pumps of all types	78.71	86.97	10.49	761.49	966.86	26.97
D	Air condition and Refrigerators	110.29	158.08	43.33	983.58	1294.32	31.59
E	Industrial Machinery for dairy, food processing , textiles etc	493.96	577.26	16.86	4640.94	5341.03	15.09
F	Machine Tools	36.21	47.39	30.88	450.01	468.44	4.10
G	Machinery for Injecting moulding, valves and ATMs	134.1	144.81	7.99	1268.77	1520.89	19.87
<b>Sub Total</b>		<b>1170.67</b>	<b>1301.63</b>	<b>11.19</b>	<b>10889.9</b>	<b>12622</b>	<b>15.91</b>
4	<b>Electrical Machinery</b>	549.4	765.73	39.38	4741.51	6701.83	41.34
<b>5. Automobiles</b>							
A	Motor Vehicle/cars	740.66	931.58	25.78	7551.7	8482.61	12.33
B	Two and Three Wheelers	170.08	193.54	13.79	1637.88	2001.15	22.18

Sl no.	Panel	Mar_17	Mar_18	Growth %	Apr-Mar 2016-17	Apr-Mar 2017-18	Growth %
C	Auto Components/Part	408.75	522.99	27.95	4205.38	5205.6	23.78
Sub Total		<b>1319.49</b>	<b>1648.11</b>	<b>24.91</b>	<b>13394.96</b>	<b>15689.36</b>	<b>17.13</b>
6	Aircrafts and Spacecraft parts and products	567.92	382.1	-32.72	3381.67	2264.99	-33.02
7	Ships Boats and Floating products and parts	490.62	183.93	-62.51	4370.09	3075.18	-29.63
<b>8. Other engineering products</b>							
A	Medical and Scientific instruments	140.68	173.86	23.59	1392.73	1649.66	18.45
B	Railway Transport	19.07	46.98	146.36	231.92	286.67	23.61
C	Hand Tools & Cutting Tools	60.45	69.51	14.99	638.95	711.53	11.36
D	Electrodes Accumulators	3.65	3.89	6.58	40.69	43.94	7.99
E	Accumulator and Batteries	29.28	31.15	6.39	231.21	271.79	17.55
F	Bicycle & Parts	27.78	37.09	33.51	293.67	328.18	11.75
G	Cranes Lifts & Winches	31.82	46.48	46.07	386.26	385.12	-0.30
H	Office Equipments	7.94	4.2	-54.62	116.94	78.23	-33.10
I	Other Construction Machinery	114.3	160.34	40.28	1067.41	1440.98	35.00
J	Prime Mica & Mica Products	1.43	2.1	46.85	18.16	20.78	14.43
K	OTHER MISC. ITEMS	203.04	240.25	18.33	2176.62	2468.24	13.40
Sub total		<b>639.44</b>	<b>815.85</b>	<b>27.59</b>	<b>6594.56</b>	<b>7685.12</b>	<b>16.54</b>
Total engineering exports		<b>7706.2</b>	<b>7850.3</b>	<b>1.87</b>	<b>65239.2</b>	<b>76204.4</b>	<b>16.81</b>

*(Source: Department of Commerce, Government of India)*

Some factors that need to be noted are:

- ❖ During March 2018, exports of engineering goods (panel wise) revived and recorded a positive growth of 1.87 percent on a month- on- month basis. Out of 33 engineering

panels, 25 panels sharing almost 70% of the products, recorded growth in exports in March 2018 over the same month last year while the remaining 8 panels conceded decline in exports.

- ❖ Iron and Steel figures recorded 29.56 percent drop in exports during March 2018 with an overseas shipment recording US\$ 1014.1 million from US\$ 1439.7 million in the same month last year. Cumulative figure showed 29.42 percent growth in exports during April –March 2017-18 to US\$ 11206.9 million from US\$ 8659.3 million during the same period last fiscal. Products of Iron and Steel recorded growth in exports by 5.65 percent during March 2018 over the same month last year while its cumulative exports increased by 14.82 percent to US\$ 6769.1 million during April – March 2017-18 from US\$ 5895.4 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 'Zinc and products' recorded substantial growth in exports during March 2018. 'Nickel and its products' recorded highest growth of 106.28 percent during March 2018. 'Copper and products' and 'Tin and products' experienced a drop down to the extent of 1.06 percent and 24.83 percent respectively in March 2018 compared to same period last fiscal.
- ❖ Industrial machinery recorded growth in exports to the extent of 11.19 percent during March 2018 and 15.91 percent cumulatively from April- March 2017-18 vis-à-vis same period last fiscal. Industrial Boilers and IC engines & parts recorded fall in exports during March 2018 to the extent of 12.17 percent and 8.74 percent compared to that of March 2017. Other exporting segments like, Air Condition and Repair Machinery, 'Pumps of all types', 'Machinery for ATMs', 'Machine Tools', and 'Industrial machinery for dairy etc' recorded positive growth in exports to the extent of 43.33%, 10.49%, 7.99%, 30.88% and 16.86% respectively during March 2018 compared to March 2017.
- ❖ Electrical Machinery and equipments panel faced positive growth in March 2018 by 39.38 percent. On a cumulative basis, the growth was higher at 41.34 percent during April – March 2017-18 over the same period last fiscal.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 32.72 percent drop in exports during March 2018 and 33.02 percent decline in exports experienced cumulatively during April –March 2017-18 over the same period last year.
- ❖ Ship and Boats scaled down once again by more than 62 percent moving down from US\$ 490.6 million to US\$ 183.9 million in March 2018 compared to that over last fiscal. Office Equipments squeezed to the extent of 54.62 percent during March 2018 vis-a-vis March 2017. Cranes, Lifts and Winches recorded growth to the extent of 46.07 percent in March 2018. Other engineering panels like Railway and Transport Equipments, Accumulators and Battery, Bicycle and parts, Other construction machinery, Medical



Instruments, Hand Tools and Cutting Tools are some of the engineering panels experiencing growth during March 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 March 2018 over March 2017 in Absolute Value. Country wise cumulative figures for April- March 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	Mar, 2016	Mar, 2017	Growth (%)	Apr-Mar 2016-17	Apr-Mar 2017-18	Growth (%)
U S A	863.81	1056.87	22.35	7115.87	10268.42	44.30
UAE	386.44	325.20	-15.85	4021.48	4193.13	4.27
CHINA	355.01	363.59	2.42	1973.18	3222.90	63.34
GERMANY	229.12	325.79	42.19	2215.48	3211.70	44.97
U K	288.37	276.20	-4.22	2529.06	2854.21	12.86
MEXICO	246.54	247.31	0.31	2449.10	2674.80	9.22
NEPAL	180.31	268.87	49.12	2164.89	2557.71	18.14
ITALY	310.56	233.95	-24.67	2086.28	2460.16	17.92
BANGLADESH	208.33	287.34	37.92	1998.73	2454.99	22.83
MALAYSIA	173.40	132.44	-23.62	2406.95	2021.34	-16.02
SINGAPORE	250.97	155.58	-38.01	2833.28	1995.70	-29.56
KOREA RP	216.51	193.09	-10.82	1602.41	1931.18	20.52
INDONESIA	168.90	207.72	22.99	1421.12	1784.96	25.60
TURKEY	116.77	195.77	67.65	1550.61	1761.26	13.59
SRI LANKA	136.59	325.71	138.46	1434.52	1579.12	10.08
FRANCE	459.86	114.76	-75.05	1694.94	1424.79	-15.94
BELGIUM	163.34	135.46	-17.07	1220.24	1406.79	15.29

COUNTRY	Mar, 2016	Mar, 2017	Growth (%)	Apr-Mar 2016-17	Apr-Mar 2017-18	Growth (%)
<b>SOUTH AFRICA</b>	117.43	128.76	9.65	1063.40	1355.21	27.44
<b>SAUDI ARAB</b>	153.76	121.24	-21.15	1231.44	1271.68	3.27
<b>THAILAND</b>	140.89	123.55	-12.31	970.00	1241.22	27.96
<b>SPAIN</b>	105.76	149.71	41.55	963.04	1196.76	24.27
<b>VIETNAM</b>	256.29	101.20	-60.51	1133.11	1170.13	3.27
<b>JAPAN</b>	86.14	132.07	53.32	801.13	1055.93	31.80
<b>BRAZIL</b>	69.83	86.68	24.12	627.40	926.25	47.63
<b>NETHERLAND</b>	81.72	95.10	16.37	922.79	890.95	-3.45
<b>Top 25 Countries Total</b>	5766.65	5783.95	0.30	48430.47	56911.28	17.51
<b>Grand Total</b>	<b>7706.19</b>	<b>7850.31</b>	<b>1.87</b>	<b>65239.17</b>	<b>76204.42</b>	<b>16.81</b>
<b>Share % Total Engineering Exports</b>	<b>74.83</b>	<b>73.68</b>		<b>74.24</b>	<b>74.68</b>	

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

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

- ❖ During March 2018, out of top 25 countries 14 countries recorded positive 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 March 2018. It registered positive growth both on monthly basis as well as in cumulative basis during April-March 2017-18 over the same period last fiscal to the extent of 22.35 percent and 44.3 percent respectively.
- ❖ Sri Lanka recorded the highest growth of more than 138 percent export growth during March 2018 vis-à-vis March 2017. On the other hand Mexico, China and South Africa recorded less than 10 percent export growth in March 2018.
- ❖ Out of the top 25 export destinations, countries like Malaysia, Singapore and France recorded dip in exports both monthly as well as on cumulative basis during April-March 2017-18 compared to the same period last fiscal.

- ❖ All European nations falling under the top 25 engineering export destinations barring France, like Germany, Italy, Spain Belgium and UK recorded considerable growth during April-March 2017-18 over April-March 2016-17.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations only Indonesia recorded positive growth both on a monthly basis in March 2018 over March 2017 as well as on a cumulative basis April-March 2017-18 compared to the same period last fiscal.
- ❖ Out of 227 exports destinations of Indian engineering goods, top 25 nations accounted for 73.7 percent of India's total engineering exports on monthly basis during March 2018 compared to March 2017 and 74.7 percent on cumulative basis from April-March 2017-18 compared to same period last fiscal.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a growth in exports monthly to the extent of 0.3 percent in March 2018 and growth in exports cumulatively to the extent of 17.51 percent during April- March 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- March 2017-18 as opposed to April- March 2016-17. We also look at the trend in March 2017 vis-à-vis March 2016. The Table below gives this picture:

**Table 7: Region Wise Exports Trend**

US\$ Million

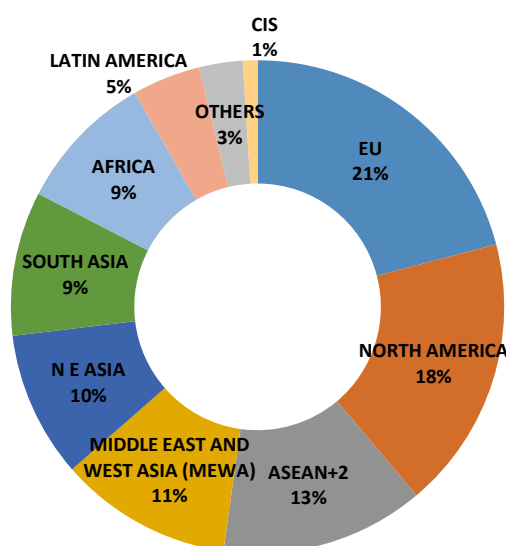
COUNTRY	March, 2016	March, 2017	Growth (%)	April- March 2016-17	April- March 2017-18	Growth (%)
EU	1881.40	1580.03	-16.02	13855.38	15948.50	15.11
NORTH AMERICA	1158.38	1389.54	19.96	9995.67	13657.59	36.64
ASEAN+2	1149.22	933.91	-18.74	10232.61	10183.30	-0.48
MIDDLE EAST AND WEST ASIA (MEWA)	1018.58	753.23	-26.05	8182.16	8631.85	5.50
N E ASIA	788.92	832.40	5.51	5369.47	7306.05	36.07
SOUTH ASIA	566.94	972.25	71.49	6101.52	7195.36	17.93
AFRICA	601.42	736.96	22.54	5805.74	6965.43	19.97

COUNTRY	March, 2016	March, 2017	Growth (%)	April- March 2016-17	April- March 2017-18	Growth (%)
LATIN AMERICA	303.36	338.87	11.70	2851.42	3414.64	19.75
OTHERS	148.79	222.16	49.31	2093.18	2174.49	3.88
CIS	89.18	90.96	1.99	752.02	727.21	-3.30
<b>Grand Total</b>	<b>7706.19</b>	<b>7850.31</b>	<b>1.87</b>	<b>65239.17</b>	<b>76204.42</b>	<b>16.81</b>

(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-March



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during March 2018 with a share of 20.13 percent of total engineering exports.
- ❖ India's exports to North America and ASEAN +2 ranks second and third in global shipment of Indian engineering goods that recorded considerable growth cumulatively during Apr-Mar 2017-18 over the same period last fiscal.

- ❖ India's exports recorded positive growth for all the regions in March 2018 over March 2017 the highest for EU and the lowest for CIS.
- ❖ Exports to ASEAN+2, and CIS registered drop during April-March 2017-18 to the extent of 0.48 percent and 3.30 percent respectively compared to same period last fiscal.
- ❖ Engineering exports to, North America, N.E. Asia, Africa, Latin America and South Asia 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 March 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	March, 2017	March, 2018	Growth (%)	APRIL, 2016- March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
MYANMAR	5.91	6.05	2.41	30.10	107.39	256.72
ARGENTINA	1.65	11.60	605.04	16.95	55.50	227.42
EGYPT	2.38	3.65	53.45	31.35	69.81	122.69
SAUDI ARAB	20.78	26.10	25.65	83.28	155.65	86.89
JAPAN	20.37	31.83	56.26	154.86	252.49	63.05
IRAN	12.21	14.28	16.95	94.80	136.78	44.28
<b>Sharp cumulative decline</b>						
GHANA	3.49	3.42	-1.99	45.88	29.22	-36.32
BANGLADESH	21.33	22.15	3.84	372.65	269.78	-27.61
U K	26.43	3.06	-88.44	114.95	101.33	-11.85
ETHIOPIA	8.62	7.63	-11.51	116.57	108.13	-7.24

*(Source: Department of Commerce, Government of India)*

- ❖ Myanmar, Argentina and Egypt recorded highest growth in exports of Indian Iron and Steel during April – March 2017-18.



- ❖ Countries with more than double growth in exports include Japan, Saudi Arab and Iran.
- ❖ Countries like Ghana, Bangladesh and UK, experienced sharp downfall in exports to the extent of 36.32 percent, 27.61 percent, and 11.85 percent respectively during April-March 2017-18.

**Table 9: Export of Products of Iron & Steel**

US\$ Million

COUNTRY	March, 2017	March, 2018	Growth (%)	APRIL, 2016-March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>NIGERIA</b>	3.22	25.68	697.88	39.28	113.08	187.88
<b>TANZANIA</b>	3.50	16.95	384.49	27.21	53.80	97.76
<b>CANADA</b>	16.66	27.30	63.92	132.22	250.40	89.38
<b>POLAND</b>	3.70	5.22	40.97	32.97	58.41	77.20
<b>AUSTRALIA</b>	10.18	11.07	8.70	87.00	128.26	47.43
<b>OMAN</b>	11.20	11.41	1.86	126.74	186.77	47.37
<b>MEXICO</b>	3.66	8.40	129.17	47.09	67.41	43.14
<b>BRAZIL</b>	5.98	8.58	43.41	51.03	71.98	41.06
<b>Sharp cumulative decline</b>						
<b>KUWAIT</b>	10.29	6.65	-35.36	169.14	84.63	-49.96
<b>IRAN</b>	26.92	0.77	-97.15	99.40	51.76	-47.92
<b>KENYA</b>	4.97	2.92	-41.12	61.70	39.09	-36.63
<b>SAUDI ARAB</b>	37.73	13.84	-63.32	342.09	262.60	-23.23
<b>U A E</b>	56.07	41.40	-26.17	515.29	414.77	-19.51

*(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 - March 2017-18 with 24, 6.13 and 5.8 percent share respectively.

- ❖ UAE recorded a decline of 19.5 percent in imports of 'Products of Iron & Steel' from India while USA and Germany saw 27.1 percent and 13.1 percent growth in imports during April - March 2017-18.
- ❖ Among major exporters, exports to Nigeria, Tanzania, and Canada witnessed notable growth during April - March 2017-18.
- ❖ Among major importers, Kuwait, Saudi Arabia, Kenya and Iran conceded substantial decline in imports during April - March 2017-18.

**Table 10: Export of Industrial Machinery**

US\$ Million

COUNTRY	March, 2017	March, 2018	Growth (%)	APRIL, 2016-March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>SPAIN</b>	11.95	23.51	96.67	128.30	187.38	46.05
<b>SOUTH AFRICA</b>	8.37	19.64	134.52	114.20	166.57	45.85
<b>U K</b>	47.21	35.03	-25.79	393.38	566.50	44.01
<b>THAILAND</b>	27.73	32.17	15.99	211.42	302.48	43.07
<b>NIGERIA</b>	39.22	34.09	-13.07	177.91	251.99	41.64
<b>INDONESIA</b>	21.75	46.43	113.41	221.88	310.22	39.81
<b>SUDAN</b>	4.08	6.11	50.02	40.52	56.09	38.43
<b>ITALY</b>	26.55	36.04	35.75	279.60	371.78	32.97
<b>Sharp cumulative decline</b>						
<b>MALAYSIA</b>	11.91	18.28	53.48	293.17	196.59	-32.94
<b>MYANMAR</b>	9.59	4.35	-54.65	81.43	60.96	-25.14
<b>RUSSIA</b>	11.72	29.42	151.12	181.64	143.09	-21.22
<b>ALGERIA</b>	12.34	12.12	-1.81	96.32	76.13	-20.96
<b>IRAN</b>	23.62	24.13	2.12	182.59	165.50	-9.36
<b>VIETNAM</b>	18.82	17.20	-8.59	204.59	188.31	-7.96

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–March 2017-18 with 15.3 percent share and 25 percent year-on-year growth in imports followed by UK with 4.5 percent share and 44 percent y-o-y growth in imports from India. Bangladesh and Germany also imported over US\$ 500 million of "Industrial Machinery" respectively from India during the fiscal 2017-18.
- ❖ Among the major importers, export to Malaysia, Myanmar and Russia recorded sharp declines in imports during April - March 2017-18.

**Table 11: Export of Automobiles**

US\$ Million

COUNTRY	March, 2017	March, 2018	Growth (%)	APRIL, 2016- March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>U S A</b>	1.57	139.51	8773.50	9.63	673.72	6895.29
<b>INDONESIA</b>	31.75	58.51	84.27	136.91	393.58	187.48
<b>ALGERIA</b>	18.22	37.62	106.49	122.16	292.57	139.50
<b>NIGERIA</b>	12.68	29.56	133.24	160.30	242.99	51.59
<b>U A E</b>	30.65	26.40	-13.87	139.75	192.48	37.74
<b>SOUTH AFRICA</b>	54.58	68.25	25.05	567.61	765.02	34.78
<b>FRANCE</b>	14.91	7.24	-51.41	136.93	179.29	30.93
<b>Sharp cumulative decline</b>						
<b>VIETNAM</b>	17.84	1.62	-90.95	184.22	13.00	-92.94
<b>NETHERLAND</b>	3.14	0.21	-93.23	178.04	34.03	-80.89
<b>U K</b>	22.85	22.20	-2.84	427.28	224.39	-47.48
<b>SPAIN</b>	13.63	15.79	15.87	198.07	140.82	-28.90
<b>ITALY</b>	38.52	19.48	-49.43	360.44	266.51	-26.06
<b>SRI LANKA</b>	43.63	35.44	-18.78	497.50	398.22	-19.95

*(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-March of 2017-18 witnessing 16.9, 7.3 and 6.5 percent share respectively. Mexico being the largest importer shares 16.9 percent of imports of automobiles from India.
- ❖ Countries like USA, Indonesia, and Algeria saw over 100 percent growths in imports of Indian automobile during April-March 2017-18 among major importers.
- ❖ UK, Spain, Vietnam, Italy conceded substantial decrease in imports of Automobiles from India during April-March 2017-18.

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

COUNTRY	March, 2017	March, 2018	Growth (%)	APRIL, 2016-March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>TURKEY</b>	1.94	50.02	2477.96	113.84	270.11	137.27
<b>CHINA</b>	166.14	221.35	33.23	815.28	1,872.51	129.68
<b>SPAIN</b>	13.71	30.89	125.37	82.96	165.70	99.74
<b>JAPAN</b>	11.13	21.56	93.66	91.29	168.54	84.61
<b>MALAYSIA</b>	30.91	69.06	123.40	711.22	1,184.76	66.58
<b>U S A</b>	110.03	138.69	26.04	689.16	1,075.36	56.04
<b>THAILAND</b>	16.58	19.68	18.67	90.51	140.10	54.78
<b>Sharp cumulative decline</b>						
<b>TAIWAN</b>	67.55	52.45	-22.36	464.81	272.35	-41.41
<b>SINGAPORE</b>	4.77	1.00	-78.95	369.88	250.78	-32.20
<b>KENYA</b>	7.37	6.74	-8.49	75.12	60.46	-19.51
<b>INDONESIA</b>	22.72	10.57	-53.50	141.69	131.96	-6.87

- ❖ China (USD 1872.51 million), South Korea (USD 1234.54 million) and Malaysia (USD 1184.76 million) were the top three importers of Indian Non-ferrous metals during April

- March 2017-18 with Y-o-Y growth of 130 percent, 27 percent and 67 percent respectively.

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

**Table 13: Export of Electrical Machinery and Components**

US\$ Million

COUNTRY	March, 2017	March, 2018	Growth (%)	APRIL, 2016- March, 2017	APRIL, 2017 - March, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>TAIWAN</b>	0.40	8.50	2011.09	12.82	64.73	404.95
<b>BELGIUM</b>	2.74	19.68	618.51	48.73	158.04	224.34
<b>GERMANY</b>	48.67	105.52	116.81	326.03	946.64	190.36
<b>SINGAPORE</b>	9.87	21.84	121.37	105.45	256.41	143.15
<b>CHINA</b>	8.52	28.47	234.08	111.23	250.64	125.34
<b>VIETNAM</b>	11.93	22.07	85.02	74.38	148.26	99.31
<b>U S A</b>	123.19	112.29	-8.85	792.60	1,181.10	49.01
<b>Sharp cumulative decline</b>						
<b>ALGERIA</b>	0.35	1.27	259.37	82.67	6.63	-91.98
<b>PHILIPPINES</b>	3.61	2.80	-22.35	47.95	24.73	-48.42
<b>OMAN</b>	2.55	5.61	120.40	45.46	35.94	-20.95
<b>KUWAIT</b>	8.62	3.78	-56.09	71.14	58.99	-17.08
<b>SRI LANKA</b>	5.56	5.39	-3.06	55.13	45.97	-16.62
<b>MALAYSIA</b>	15.94	8.24	-48.30	128.14	108.03	-15.69
<b>SAUDI ARAB</b>	5.46	4.28	-21.55	51.12	48.09	-5.93

(Source: Department of Commerce and CSO)



- ❖ USA (US\$ 1181.10 million), Germany (US\$ 946.64 million) and UK (US\$ 439.21 million) were the three top importers of Indian Electrical Machinery and Components during April - March 2017-18 with market shares of 17.6 percent, 14.13 percent and 6.55 percent respectively.
- ❖ Taiwan, Germany and Belgium recorded highest growth in imports of India's Electrical Machinery and Components during April - March 2017-18.
- ❖ On the other hand, Philippines, Algeria and Oman 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	MARCH, 2017	MARCH, 2018	Growth (%)	APRIL, 2016 - MARCH, 2017	APRIL, 2017- MARCH, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>THAILAND</b>	0.08	0.37	363.51	6.74	18.77	178.56
<b>SRI LANKA</b>	0.00	195.65	----	78.46	195.87	149.65
<b>BELGIUM</b>	0.05	0.12	129.14	7.51	17.47	132.60
<b>POLAND</b>	1.35	3.75	177.01	21.31	35.10	64.71
<b>AUSTRIA</b>	0.98	1.87	92.20	10.13	16.15	59.41
<b>GERMANY</b>	13.94	18.31	31.34	166.10	263.89	58.87
<b>Sharp cumulative decline</b>						
<b>BULGARIA</b>	0.00	0.00	-100.00	93.70	0.00	-100.00
<b>CZECH REPUBLIC</b>	0.03	0.02	-40.13	171.24	0.32	-99.82
<b>UAE</b>	7.11	0.36	-94.96	160.18	6.76	-95.78
<b>TURKEY</b>	4.00	0.83	-79.20	109.61	15.29	-86.05
<b>SWITZERLAND</b>	3.69	1.31	-64.42	121.42	20.64	-83.00

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 634.48 million), Germany (US\$ 263.89 million), France (US\$ 251.34 million) and Singapore (US\$ 248.43 million) were the top importers of India's 'Aircrafts &

Spacecrafts' during fiscal 2017-18 with 28 percent, 11.7 percent, and 11.1 percent and 11.0 percent shares respectively in India's total global exports of the product. Among them, France conceded a substantial 66.2 percent decline in imports of the product group during fiscal 2017-18 while USA and Germany recorded 4.5 percent and 58.9 percent growth in imports respectively during the same time period.

- ❖ Sri Lanka imported US\$ 195.65 million of imports in March 2018 and recorded around 150 percent growth during 2017-18.
- ❖ Other than Germany and Sri Lanka, Thailand, Belgium, Poland and Austria achieved significant increase in import volumes of India's 'Aircrafts & Spacecrafts' during fiscal 2017-18.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Bulgaria, Czech Republic, UAE, Turkey, and Switzerland declined significantly during fiscal 2017-18.

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

US\$ Million

COUNTRY	MARCH, 2017	MARCH, 2018	Growth (%)	APRIL, 2016 - MARCH, 2017	APRIL, 2017- MARCH, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>EGYPT</b>	0.00	0.02	----	0.00	213.79	6744744.58
<b>CAMEROON</b>	0.00	0.00	----	0.00	20.63	6546481.92
<b>BANGLADESH</b>	0.00	27.23	----	0.01	28.23	242857.02
<b>U S A</b>	2.11	0.02	-99.11	2.42	443.71	18233.25
<b>NETHERLAND</b>	0.27	0.59	120.25	0.39	17.66	4423.85
<b>Sharp cumulative decline</b>						
<b>BAHARAIN</b>	0.00	0.00	----	45.81	0.00	-100.00
<b>MALAYSIA</b>	38.36	0.00	-100.00	774.98	6.22	-99.20
<b>OMAN</b>	220.23	0.00	-100.00	228.43	2.47	-98.92
<b>INDONESIA</b>	7.45	0.00	-100.00	304.50	36.07	-88.15
<b>SINGAPORE</b>	168.61	63.38	-62.41	1590.68	675.23	-57.55
<b>MAURITIUS</b>	0.00	0.00	----	72.52	38.46	-46.96

**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 - March 2017-18 with US\$ 1160.28 million of imports and 37.7 percent share in India's total global exports of the product. Singapore (US\$ 675.23 million), USA (US\$ 443.71 million) and Egypt (US\$ 213.79 million) were the other top importers during the same time period with 21.96 percent, 14.43 percent and 6.95 percent shares respectively in India's global export of the product during the same time period. Among them, USA and Egypt continued to see gigantic growths in imports, UAE recorded feeble growth while Singapore conceded decline in imports.
- ❖ Other than USA and Egypt, Cameroon, Bangladesh (solely due to jump in imports during March 2018) and Netherland achieved significant increase in year-on-year imports of Indian 'Ships, Boats and Floating Structures and Parts' during April - March 2017-18 on top of very negligible import in the previous fiscal.
- ❖ Bahrain, Malaysia, Oman (witnessed robust import in March 2017), Indonesia, Singapore and Mauritius recorded significant decline in imports during April - March 2017-18 over the same period last year.

**Table 16: Export of Auto Components**

US\$ Million

COUNTRY	MARCH, 2017	MARCH, 2018	Growth (%)	APRIL, 2016 - MARCH, 2017	APRIL, 2017- MARCH, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>COTE D' IVOIRE</b>	0.04	0.14	291.09	0.23	11.66	4952.45
<b>VIETNAM</b>	2.63	12.99	393.63	24.54	114.86	368.00
<b>ROMANIA</b>	1.84	9.79	432.92	22.41	75.68	237.72
<b>MYANMAR</b>	1.31	2.94	124.63	7.97	21.58	170.66
<b>AUSTRIA</b>	0.84	2.10	150.05	5.44	13.32	145.00
<b>CHILE</b>	0.93	1.74	87.38	9.48	21.30	124.68
<b>BRAZIL</b>	15.25	23.49	54.05	146.75	249.92	70.30
<b>FRANCE</b>	8.67	10.50	21.09	74.53	122.44	64.28
<b>Sharp cumulative decline</b>						
<b>ALGERIA</b>	2.33	1.25	-46.46	24.50	12.41	-49.34
<b>NEPAL</b>	9.13	9.18	0.56	183.99	115.94	-36.99

<b>EGYPT</b>	3.45	7.33	112.63	81.89	63.07	-22.98
<b>MALAYSIA</b>	2.20	2.34	6.65	28.69	23.33	-18.69

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 1060.22 million), Turkey (US\$ 365.27 million), Bangladesh (US\$ 288.90 million), Brazil (US\$ 249.92 million) and Germany (US\$ 227.02 million) were the top five importers of Indian 'Auto Components/Parts' during April - March 2017-18 with 20.37 percent, 7.02 percent, 5.55 percent, 4.80 percent and 4.36 percent shares respectively in India's global exports of the same. All these five nations witnessed growth in imports of the product group from India during the entire fiscal 2017-18 over the previous fiscal. The growth rates were recorded at 32.95 percent, 1.69 percent, 49.91 percent, 70.30 percent and 19.81 percent respectively.
- ❖ Cote D' Ivoire, Vietnam, Romania and Myanmar are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April - March 2017-18.
- ❖ Algeria, Nepal, Egypt and Malaysia conceded substantial year-on-year decline in cumulative imports of 'Auto Components/Parts' from India during fiscal 2017-18.

## 8. Import Analysis of Engineering Goods

India's Engineering imports during March 2018 were valued at US\$ 9.11 billion as compared to US\$ 6.94 billion in March 2017 registering a considerable growth to the extent of 31.2 percent in dollar terms.

Engineering imports to India continued to grow for the 5th straight month post October reviving from the slow growth observed in February in line with the broader merchandise export. The growth was recorded at 31.2 percent in March 2018 as against 0.3 percent in February, 23.6 percent in January and 0.6 percent in December 2017 over the same month last year.

Cumulative growth of India's engineering import during April-March 2017-18 was recorded at 13.3 percent on a year-on-year basis which is higher than the cumulative growth registered during April-February 2017-18 to the extent of 11.6 percent. Engineering imports during April - March 2017-18 was recorded at US\$ 92692.1 million as against US\$ 81834.8 million during the same period last fiscal.

The share of engineering imports in India's total merchandise imports was estimated at 21.3 percent in March as against 19.72 percent in February and 21.1 percent in January 2018.

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

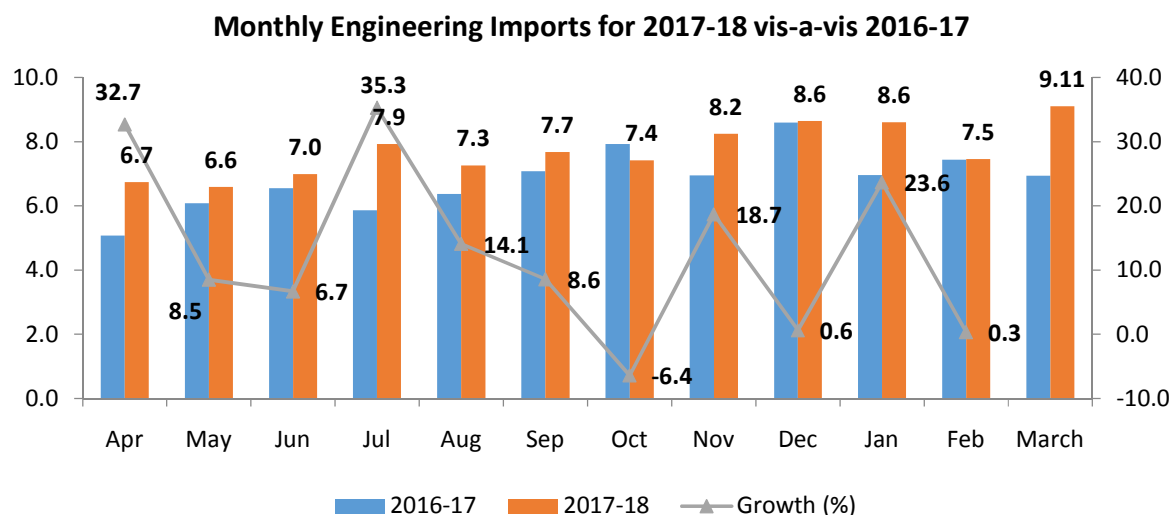
Months	2016-17	2017-18	Growth (%)
<b>Apr</b>	5077.6	6735.4	32.7
<b>May</b>	6080.1	6596.9	8.5
<b>Jun</b>	6557.1	6993.9	6.7
<b>Apr - Jun</b>	<b>17714.8</b>	<b>20326.3</b>	<b>14.7</b>
<b>Jul</b>	5864.9	7933.2	35.3
<b>Aug</b>	6367.9	7263.4	14.1
<b>Sep</b>	7077.7	7683.1	8.6
<b>Jul - Sep</b>	<b>19310.5</b>	<b>22879.7</b>	<b>18.5</b>
<b>Oct</b>	7931.3	7422.2	-6.4
<b>Nov</b>	6950.2	8246.6	18.7
<b>Dec</b>	8591.6	8643.0	0.6
<b>Oct - Dec</b>	<b>23473.1</b>	<b>24311.8</b>	<b>3.6</b>
<b>Jan</b>	6958.5	8603.7	23.6
<b>Feb</b>	7434.9	7459.8	0.3
<b>March</b>	6942.96	9110.87	31.22
<b>Apr - Mar</b>	<b>81834.8</b>	<b>92692.1</b>	<b>13.3</b>

*(Source: Department of Commerce, Government of India)*



Figure 2 below depicts the monthly trend in engineering imports for 2016-17 and 2017-18

**Figure2: Trend in Monthly Engineering Imports (In US\$ billion)**



(Source: EEPIC 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 2017-18.

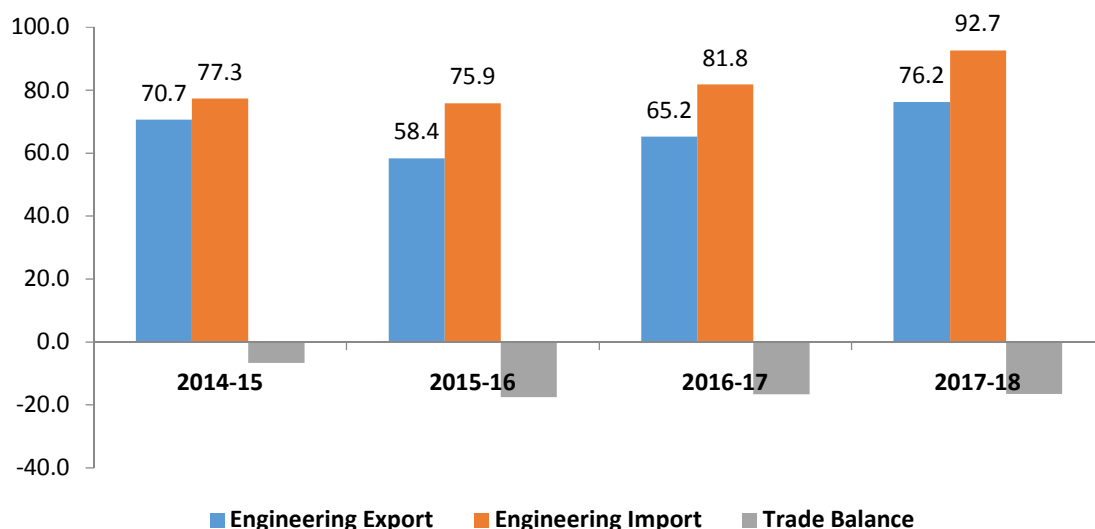
**Table 6: Engineering Trade  
(US\$ Million)**

	2014-15	2015-16	2016-17*	2017-18	Growth %
<b>Engineering Export</b>	<b>70661.2</b>	<b>58351.58</b>	<b>65239.19</b>	<b>76204.38</b>	<b>16.8</b>
<b>Engineering Import</b>	<b>77279.45</b>	<b>75859.72</b>	<b>81834.75*</b>	<b>92692.13*</b>	<b>13.3</b>
<b>Trade Balance</b>	<b>-6618.25</b>	<b>-17508.14</b>	<b>-16595.56</b>	<b>-16487.75</b>	

(\*)Import Figures for 2016-17 and 2017-18 are Quick Estimates of Ministry of Commerce, Govt. of India.

Figure 3 below depicts the yearly trend in engineering trade from 2014-15 to 2016-17 and also for the last fiscal 2017-18

**Figure 3: Trend in Monthly Engineering Trade (In US\$ Billion)**



## 10. Conclusion

The month of March 2018 saw a decline in merchandise exports over the same month last year but cumulative export for fiscal 2017-18 was still higher by 9.78 percent. The decline in merchandise export in March 2018 was attributed to a higher statistical base as merchandise exports recorded a huge 25.79 percent year-on-year growth during March 2017. Merchandise trade deficit widened once again after narrowing down in the previous month. Engineering exports however came back to growth path in March 2018 and touched a record-high during Fiscal 2017-18 with over USD 76 billion exports and 16.81 percent growth over the previous fiscal. **This is the highest annual exports figure in the independence period breaking the 2014-15 figure of USD 70 billion. Moreover, India managed to slightly narrow the trade deficit in engineering sector in 2016-17 vis-à-vis 2017-18.**

The current trend of merchandise 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. Moreover, protectionist measures in the US on aluminium and steel may invite a trade war as China has already imposed retaliatory measures and more such measure are likely to come from developed regions. Rising raw material cost remains another bottleneck to overseas shipment for last few months. Similarly, the EU has started safeguard investigation against Indian steel exports.

Another threat for the exporters comes with the news that US trade representative office recently said it has launched investigations on whether India was complying with the rules on the Generalised System of Preferences, which could affect duty-free entry of a host of products from India.

