

# Engineering Exports and Imports Monitor

April 2018



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

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

### **India's Merchandise Trade scenario**

- ❖ India's merchandise exports revived from its negative growth recorded last month and registered a growth of 5.17 percent in April 2018 compared to April 2017 in dollar terms.
- ❖ Overseas shipment from India increased by 7.01 percent in rupee terms in (Over the same period last year) April 2018. Exports during April 2018 increased to US\$ 25.91 billion from US\$ 24.64 billion during the same period last year. In dollar terms, the growth was lesser at 5.17 percent in April 2018 over April 2017.
- ❖ Surge in exports in April 2018 over the same month last fiscal was led by expansion in shipment in engineering goods (17.63%), Organic & Inorganic Chemicals (38.48%), Drugs & Pharmaceuticals (13.56%), Rice (13.39%) & Cotton Yarn/Fabs./made-ups ,handloom products etc (15.66%), and plastic & linoleum (30.03%). However, some major commodity groups like Cashew (-41.24%), Iron ore (-49.58%), Petroleum products (-4.48%), Gems and Jewellery (-16.95%), Textiles (-22.76%), and Oil seeds (-6.70%), portrayed substantial negative growth in exports during the reporting month.
- ❖ India's Merchandise Imports during April 2018 were value at US\$ 39625.13 million which was 4.60 percent higher in dollar terms over the level of imports valued at US\$ 37884.28 million in April 2017.
- ❖ Major commodity groups of imports showing high growth in April 2018 over the corresponding month last year includes Petroleum, Crude & products (41.49%), Machinery, Electrical and non electrical (9.11%), Coal, Coke & Briquettes, etc. (20.43%), Organic and Inorganic Chemicals (18%) and Transport Equipments (33.18%).
- ❖ Trade deficit for April 2018 increased marginally at US \$ 13.72 billion as against the deficit of US \$ 13.25 billion during April 2017, registering a growth of 3.55 percent.

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

- ❖ Indian engineering exports registered a significant growth of 18.19 percent in the first month of the new fiscal.
- ❖ Engineering exports increased to US\$ 6976.54 million in April 2018 from US\$ 5902.89 million in the same month last fiscal.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 26.93 percent in April 2018.
- ❖ Out of 33 engineering panels, 24 panels, sharing almost 72% of the products, recorded

growth in exports in April 2018 over the same month last year while the remaining 9 panels conceded decline in exports.

- ❖ During April 2018, 18 out of top 25 importing nations recorded positive growth in engineering exports from India over the same month last year.
- ❖ Top 25 nations accounted for 78.8 percent of India's total engineering exports in April 2018 over April 2017.

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

- ❖ India's Engineering imports for the new fiscal 2018-19 were valued at US\$ 8.14 billion during April 2018 compared to US\$ 6.94 billion in April 2017 registering a considerable growth to the extent of 17.3 percent in dollar terms.
- ❖ India's engineering import during the previous fiscal of April-March 2017-18 recorded 11.6 percent growth on year-on-year basis moving up from US\$ 81.8 billion in 2016-17 to US\$ 92.7 billion in 2017-18.

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

India's merchandise exports revived from its negative growth recorded last month and registered a growth of 5.17 percent in April 2018 compared to April 2017 in dollar terms.

Overseas shipment from India increased by 7.01 percent in rupee terms in (Over the same period last year) April 2018. Exports during April 2018 increased to US\$ 25.91 billion from US\$ 24.64 billion during the same period last year. In dollar terms, the growth was lesser at 5.17 percent in April 2018 over April 2017.

Surge in exports in April 2018 over the same month last fiscal was led by expansion in shipment in engineering goods (17.63%), Organic & Inorganic Chemicals (38.48%), Drugs & Pharmaceuticals (13.56%), Rice (13.39%) & Cotton Yarn/Fabs./made-ups ,handloom products etc (15.66%), and plastic & linoleum (30.03%). However, some major commodity groups like Cashew (-41.24%), Iron ore (-49.58%), Petroleum products (-4.48%), Gems and Jewellery (-16.95%), Textiles (-22.76%), and Oil seeds (-6.70%), portrayed substantial negative growth in exports during the reporting month.

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(9.11%), Coal, Coke & Briquettes, etc. (20.43%), Organic and Inorganic Chemicals (18%) and Transport Equipments (33.18%).

Oil imports during April 2018 were valued at US \$ 10.41 billion which was 41.49 percent higher than oil imports valued at US \$ 7.36 billion in April 2017. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 35.20 percent in April 2018 vis-à-vis April 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during April 2018 were estimated at US \$ 29.21 Billion which was 4.30 per cent lower than non-oil imports of US \$ 30.53 Billion in April 2017.

Trade deficit for April 2018 increased marginally at US \$ 13.72 billion as against the deficit of US \$ 13.25 billion during April 2017, registering a growth of 3.55 percent.

## 2. Engineering exports

Indian engineering exports registered a significant growth of 18.2 percent in the first month of the new fiscal 2018-19. Engineering exports increased to US\$ 6976.54 million in April 2018 from US\$ 5902.89 million in the same month last fiscal.

Engineering exports for the year 2017-18 ended at US\$ 76204.38 million as against US\$ 65239.19 million during the same period last fiscal registering a cumulative growth of 16.81 percent.

The share of engineering exports in India's total merchandise exports was estimated at **26.93 percent in April 2018**. The share of engineering exports for the year 2017-18 was recorded at around 25.16 percent compared to 23.65 percent in 2016-17.

Out of 33 engineering panels, 24 panels, sharing almost 72% of the products, recorded growth in exports in April 2018 over the same month last year while the remaining 9 panels conceded decline in exports.

During April 2018, 18 out of top 25 importing nations recorded positive growth in engineering exports from India over the same month last year.

Top 25 nations accounted for 78.8 percent of India's total engineering exports in April 2018 over April 2017.

The monthly engineering figures for the new fiscal 2018-19 for the month of April 2018 vis-à-vis April 2017 is depicted below as per the latest availability of figure:

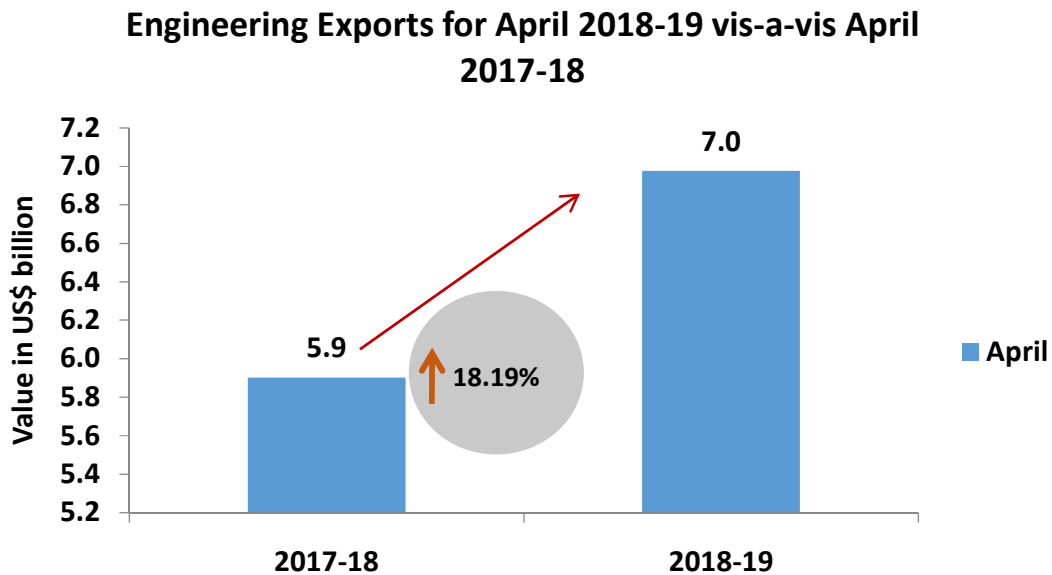
**Table1: Engineering Exports  
(US\$ Million)**

Months	2017-18	2018-19	Growth (%)
Apr	5902.89	6976.54	18.19

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports for **April 2018 vis-à-vis April 2017**

**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 growth was largely flat in both the months on a year-on-year basis. March 2018 witnessed movement in opposite direction when engineering exports came back to growth but manufacturing growth slowed down. Manufacturing Index in the Index of Industrial Production (IIP) stood at 138.6 in March 2018 as against 129.9 (revised) in February 2018, 133.7 (revised) in January 2018 and 132.0 (final revision) in December 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 (%)
<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
<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

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
<b>Nov 2017</b>	41.96	10.4
<b>Dec 2017</b>	25.85	8.7
<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	8.5
<b>Mar 2018</b>	1.87	4.4*
<b>Jan-Mar 2017-18</b>	4.39	7.1*
<b>Apr-Mar 2017-18</b>	16.81	4.6*

\* As per 'Quick Estimates' of Ministry of Commerce, Govt. of India for April 2018  
(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 2017-18 as opposed to 2016-17.

**Table 3: Revised Engineering Exports for 2017-18 (Figures in US\$ Million)**

<b>Months</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Growth</b>
<b>April</b>	4744.32	5902.80*	24.42%
<b>May</b>	5636.17	6047.30	7.29%
<b>June</b>	5066.99	5703.79	12.57%
<b>Quarter 1</b>	<b>15447.48</b>	<b>17653.89*</b>	<b>14.28%</b>
<b>July</b>	4794.12	5597.35	<b>16.75%</b>
<b>August</b>	4873.71	5761.35	<b>18.21%</b>
<b>September</b>	4917.78	7087.17	<b>44.11%</b>
<b>Quarter 2</b>	<b>14585.61</b>	<b>18445.87</b>	<b>26.47%</b>
<b>October</b>	5133.58	5670.57	<b>10.46%</b>
<b>November</b>	4841.37	6872.54	<b>41.95%</b>
<b>December</b>	5688.32	7160.88	<b>25.89%</b>
<b>Quarter 3</b>	<b>15663.27</b>	<b>19703.99</b>	<b>25.80%</b>
<b>January</b>	5334.66	6217.67	<b>16.55%</b>
<b>February</b>	6501.99	6332.64	<b>-2.60%</b>
<b>March</b>	7706.18	7850.32	<b>1.87%</b>
<b>Quarter 4</b>	<b>19542.83</b>	<b>20400.63</b>	<b>4.39%</b>
<b>April-March</b>	<b>65239.19</b>	<b>76204.38*</b>	<b>16.81%</b>

Source: DGCI&S

\* Revised Figures



### 3. Impact of Exchange Rate

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

**Table 4: Average Exchange Rate**

April	Average Exchange Rate 1 USD to INR
2017	64.51
2018	65.64

*(Source: Calculated from RBI archive)*

**During April 2018, the official exchange rate of rupee vis-à-vis the US Dollar has depreciated to the extent of 1.8% on a year-on-year basis, i.e., over April 2017.**

### 4. Panel wise Analysis of Engineering Exports

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

**Table 5: Trends in Engineering panel Exports for April 2018 compared to April 2017  
US\$ Million**

Sl no.	Panel	April 2017	April 2018	Growth %
A	Iron and Steel	900.36	824.47	-8.43
B	Products of Iron and Steel	527.69	560.33	6.19
	<b>Sub Total</b>	<b>1428.05</b>	<b>1384.8</b>	<b>-3.03</b>
A	Copper and products	208.75	108.78	-47.89
B	Aluminium and products	361.42	417.01	15.38
C	Zinc and products	56.73	79.63	40.37
D	Nickel and products	3.09	6.1	97.41
E	Lead and products	26.58	27.36	2.93
F	Tin and products	1.07	0.54	-49.53
G	Other Non-Ferrous Metals	39.55	42.48	7.41
	<b>Sub Total</b>	<b>697.19</b>	<b>681.9</b>	<b>-2.19</b>
A	Industrial Machinery like Boilers, parts, etc	45.2	58.26	28.89
B	IC Engines and Parts	207.99	171.41	-17.59

Sl no.	Panel	April 2017	April 2018	Growth %
C	<b>Pumps of all types</b>	74.22	81.26	9.49
D	<b>Air condition and Refrigerators</b>	88.69	133.8	50.86
E	<b>Industrial Machinery for dairy, food processing , textiles etc</b>	392.54	480.53	22.42
F	<b>Machine Tools</b>	45.24	43.72	-3.36
G	<b>Machinery for Injecting moulding, valves and ATMs</b>	116.68	127.41	9.20
Sub Total		<b>970.56</b>	<b>1096.39</b>	<b>12.96</b>
4	<b>Electrical Machinery</b>	<b>462.26</b>	<b>710.77</b>	<b>53.76</b>
A	<b>Motor Vehicle/cars</b>	592.37	606.11	2.32
B	<b>Two and Three Wheelers</b>	158.64	169.39	6.78
C	<b>Auto Components/Part</b>	364.43	443.91	21.81
Sub Total		<b>1115.44</b>	<b>1219.41</b>	<b>9.32</b>
6	<b>Aircrafts and Spacecraft parts and products</b>	<b>163.85</b>	<b>151.39</b>	<b>-7.60</b>
7	<b>Ships Boats and Floating products and parts</b>	<b>404.78</b>	<b>1077.13</b>	<b>166.10</b>
A	<b>Medical and Scientific instruments</b>	116.45	129.73	11.40
B	<b>Railway Transport</b>	14.78	36.72	148.44
C	<b>Hand Tools &amp; Cutting Tools</b>	56.52	58.66	3.79
D	<b>Electrodes Accumulators</b>	3.07	4.32	40.72
E	<b>Accumulator and Batteries</b>	19.56	24.11	23.26
F	<b>Bicycle &amp; Parts</b>	25.77	31.56	22.47
G	<b>Cranes Lifts &amp; Winches</b>	26.66	35.51	33.20
H	<b>Office Equipments</b>	7.75	5.43	-29.94
I	<b>Other Construction Machinery</b>	96.15	134.26	39.64
J	<b>Prime Mica &amp; Mica Products</b>	1.97	1.83	-7.11
K	<b>OTHER MISC. ITEMS</b>	292.08	192.62	-34.05
Sub total		<b>660.76</b>	<b>654.75</b>	<b>-0.91</b>
<b>Total engineering exports</b>		<b>5902.89</b>	<b>6976.54</b>	<b>18.19</b>

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

Some factors that need to be noted are:

- ❖ During April 2018, exports of engineering goods (panel wise) revived and recorded a positive growth of 18.19 percent on a month- on- month basis. Out of 33 engineering panels, 24 panels sharing almost 72% of the products, recorded growth in exports in

April 2018 over the same month last year while the remaining 9 panels conceded decline in exports.

- ❖ Iron and Steel figures recorded 8.4 percent drop in exports during April 2018 with an overseas shipment recording US\$ 824.47 million from US\$ 900.36 million in the same month last year. Products of Iron and Steel recorded growth in exports by 6.19 percent during April 2018 increasing to US\$ 560.33 million from US\$ 527.7 million during the same period last in April 2017.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 'Nickel and products, 'Zinc and products' and 'Aluminium and products' recorded substantial growth in exports during April 2018. 'Nickel and its products' recorded highest growth of 97.4 percent during April 2018 scaling up from US\$ 3.1 million in 2017-18 to US\$ 6.1 billion in 2018-19 for the month of April. 'Copper and products' and 'Tin and products' experienced a drop down to the extent of 47.8 percent and 49.53 percent respectively in April 2018 compared to same period last fiscal.
- ❖ Industrial machinery panel as a whole recorded growth in exports to the extent of 12.96 percent during April 2018 vis-à-vis same period last fiscal. Among which sectors like, Industrial Boilers recorded 29 percent growth in exports during April 2018 compared to April 2017 and other sectors like Air Condition Machinery and parts recorded 51 percent growth and Industrial machinery and parts recorded 22.4 percent growth during the said period. Sectors like IC engines & parts recorded fall in exports during April 2018 to the extent of 17.59 percent and Machine Tools experienced drop in exports to the extent of 3.36 percent during April 2018 compared to same period last fiscal.
- ❖ Electrical Machinery and equipments panel faced considerable growth in exports to the extent of 53.76 percent during April 2018 over the same period last fiscal.
- ❖ Exports of Auto Components and parts recorded 21.8 percent growth during April 2018, scaling up from US\$ 364.43 million in April 2017 to US\$ 443.91 million in April 2018. The automobile sector (including Motor Vehicles and Two/Three Wheelers) experienced growth in exports by 3.3 percent from US\$ 751 million in April 2017 to US\$ 775.5 million in April 2018.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 7.6 percent drop in exports during April 2018 over the same period last year. On the other hand Ship, Boats and Floating Bodies exhibited growth in exports of 166 percent moving up from US\$ 404.78 million in April 2017 to US\$ 1077.13 million in April 2018.
- ❖ Some other miscellaneous sectors like Office Equipments squeezed to the extent of 29.9 percent during April 2018 vis-a-vis April 2017. Some other sectors like Railway and Transport equipment, Electrodes and Accumulators, Cranes, Lifts and Winches, Other Construction Machinery, Bicycle and Parts recorded growth in exports to the extent of

148 percent, 40.7 percent, 33.2 percent, 39.64 percent and 22.47 percent respectively in April 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 April 2018 over April 2017 in Absolute Value.

**Table 6: Engineering Exports Country wise (2017-18)**

COUNTRY	April 2017	April 2018	Growth (%)
U S A	653.3	960.73	47.06
UAE	278.63	602.84	116.36
SOUTH AFRICA	122.21	314.24	157.13
GERMANY	241.7	294.88	22.00
SINGAPORE	95.73	290.84	203.81
MEXICO	248.79	249.08	0.12
BANGLADESH	163.4	238.57	46.00
OMAN	35.69	209.07	485.79
ITALY	216.63	201.94	-6.78
NEPAL	158.5	197.83	24.81
U K	232.01	194.39	-16.21
KOREA RP	171.64	187.79	9.41
CHINA	206.18	185.59	-9.99
SAUDI ARAB	124.46	184.01	47.85
TURKEY	159	181.51	14.16
BELGIUM	116.62	132.96	14.01
INDONESIA	141.22	125.27	-11.29
SPAIN	108.45	112.13	3.39
FRANCE	137.63	100.28	-27.14
MALAYSIA	111.04	99.46	-10.43
THAILAND	76.61	93.98	22.67
JAPAN	59.24	90.09	52.08
NETHERLAND	82.98	85.8	3.40
NIGERIA	45.87	83.29	81.58
SRI LANKA	96.29	79.46	-17.48
<b>Top 25 Countries Total</b>	<b>4083.82</b>	<b>5496.03</b>	<b>34.58</b>

COUNTRY	April 2017	April 2018	Growth (%)
<b>Grand Total</b>	5902.89	6976.54	18.19
<b>Share % Total Engineering Exports</b>	69.18	78.78	

*Note: Red font indicates negative growth*

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

The country wise engineering export figures for April 2018 show the following facts:

- ❖ During April 2018, out of top 25 countries 18 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ USA ranks as the numero uno exporting destination for India's engineering products in April 2018. It registered high positive growth in April 2018 over April 2017 to the extent of 47.06 percent.
- ❖ Oman recorded the highest growth of almost 486 percent export growth during April 2018 vis-à-vis April 2017. Singapore and South Africa holds the second and third position respectively in terms of high growth.
- ❖ Out of the top 25 export destinations, Malaysia and France once again recorded dip in exports during April 2018 compared to the same period last fiscal.
- ❖ India's engineering exports to China recorded negative growth after a long time in the first month of this new fiscal viz-a-viz April 2017.
- ❖ Among European nations falling under the top 25 engineering export destinations Germany recorded the highest growth in April 2018 over April 2017. France, UK and Italy recorded negative growth during the same.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations Singapore revived and recorded high growth of more than 200 percent in April 2018 over April 2017. On the other hand Indonesia which had recorded positive growth in March 2018 this time registered a negative growth in April 2018 over the same month last fiscal.
- ❖ Out of 209 exports destinations of Indian engineering goods, top 25 nations accounted for 78.8 percent of India's total engineering exports in April 2018 over April 2017.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a higher growth in exports in April 2018 over April 2017 compared to India's total global engineering exports during the same period.

## 6. Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April 2018 as opposed to April 2017. The Table below gives this picture:

**Table 7: Region Wise Exports Trend**

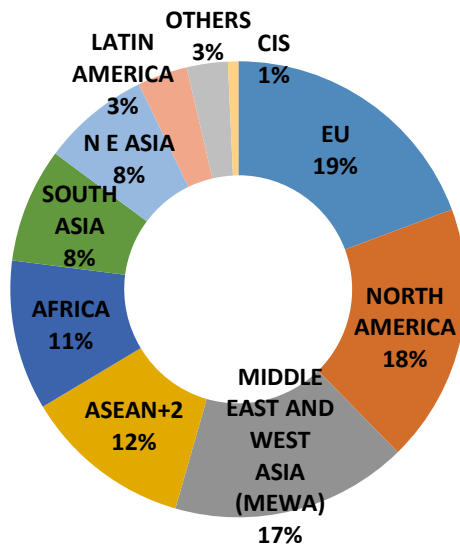
US\$ Million

COUNTRY	Apr 2017	Apr 2018	Growth (%)
EU	1334.92	1347.21	0.92
NORTH AMERICA	946.28	1279.29	35.19
MIDDLE EAST AND WEST ASIA (MEWA)	735.95	1172.65	59.34
ASEAN+2	583.72	832.05	42.54
AFRICA	824.63	742.15	-10.00
SOUTH ASIA	459.21	568.91	23.89
N E ASIA	531.23	532.31	0.20
LATIN AMERICA	239.42	247.33	3.30
OTHERS	184.63	204.25	10.63
CIS	62.9	50.39	-19.89
<b>Grand Total</b>	<b>5902.89</b>	<b>6976.54</b>	<b>18.19</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 2018**



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during April 2018 with a share of 19.3 percent of total engineering exports.
- ❖ India's exports to North America and MEWA ranks second and third in global shipment of Indian engineering goods that recorded considerable growth during April 2018 over the same period last fiscal.
- ❖ India's exports recorded positive growth for all the regions in April 2018 over April 2017 barring Africa and CIS.
- ❖ Exports to ASEAN+2 revived and registered a growth of 42.5 percent in April 2018 compared to April 2017.

## 7. Engineering panel – country wise analysis

We now analyse the performance of some of the important products during April 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	April, 2017	April, 2018	Growth (%)
<b>High cumulative growth</b>			

ITALY	76.59	90.43	18.07
NEPAL	51.3	88.77	73.04
KOREA RP	34.16	52.7	54.27
SPAIN	39.7	44.97	13.27
BANGLADESH	16.01	27.79	73.58
MALAYSIA	20.98	25	19.16
VIETNAM SOC REP	15.75	18	14.29
QATAR	9.14	12.07	32.06
GERMANY	10.28	11.9	15.76
KUWAIT	1.03	11.61	1027.18
<b>Sharp cumulative decline</b>			
UAE	56.16	54.9	-2.24
BELGIUM	72.76	51.99	-28.55
INDONESIA	56.93	30.83	-45.85
TAIWAN	39.83	28.47	-28.52
U S A	41.56	27.7	-33.35
CHINA	43.28	16.75	-61.30
JAPAN	17.78	15.2	-14.51

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

- ❖ Countries like Kuwait, Bangladesh, Nepal and Korea recorded substantial growth in exports during April 2018.
- ❖ Top countries with considerable exports in April 2018 including Italy and Nepal also recorded considerable growth in exports to the extent of 18.1 percent and 73.04 percent respectively.
- ❖ Countries like China, Indonesia and USA, experienced sharp downfall in exports to the extent of 61.3 percent, 45.85 percent, and 33.35 percent respectively during April 2018

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

US\$ Million

COUNTRY	April, 2017	April, 2018	Growth (%)
<b>High cumulative growth</b>			
U S A	119.54	126.65	5.95
GERMANY	28.84	33.45	15.98
U K	19.73	24.1	22.15
CANADA	12.69	19.84	56.34
NETHERLAND	13.86	16.52	19.19
ITALY	12.58	15.23	21.07
QATAR	5.91	13.51	128.60
NIGERIA	1.86	12.72	583.87
FRANCE	9.65	12.57	30.26
CHILE	0.72	12.34	1613.89
<b>Sharp cumulative decline</b>			



COUNTRY	April, 2017	April, 2018	Growth (%)
SAUDI ARAB	33.24	14.13	-57.49
SRI LANKA	15.14	9.98	-34.08
KUWAIT	6.62	5.8	-12.39
THAILAND	6.01	5.7	-5.16
CHINA	5.36	4.31	-19.59

(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 2018 with 5.9%, 0.69% and 15.98% growth experienced respectively.
- ❖ Countries like Chile, Nigeria, Qatar and Canada recorded over 100% growths in exports in of 'Products of Iron & Steel' from India during April 2018 vis-à-vis April 2017.
- ❖ Among major importers, Saudi Arabia, Sri Lanka, Kuwait and Thailand conceded substantial decline in imports during April 2018 compared April 2017.

**Table 10: Export of Industrial Machinery**

US\$ Million

COUNTRY	April, 2017	April, 2018	Growth (%)
<b>High cumulative growth</b>			
U S A	147.15	179.91	22.26
BANGLADESH	47.27	53.27	12.69
CHINA	36.82	52.91	43.70
ITALY	25	33.35	33.40
INDONESIA	16.44	32.78	99.39
SPAIN	16.04	31.27	94.95
THAILAND	17.11	27.85	62.77
NIGERIA	16.41	24.38	48.57
NETHERLAND	10.19	19.89	95.19
MALAYSIA	13.07	19.39	48.36
<b>Sharp cumulative decline</b>			
U K	35.67	30.33	-14.97
NEPAL	25.69	22.78	-11.33
FRANCE	30.92	19.58	-36.68
SINGAPORE	29.85	16.9	-43.38
BRAZIL	18.8	15.11	-19.63

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April 2018 with 16.4 percent share and 22.3 percent year-on-year growth in imports followed by Bangladesh with 4.85 percent share and 12.69 percent y-o-y growth in imports from India.
- ❖ Among the major importers, export to UK, France, Singapore and Brazil recorded sharp declines in imports during April 2018.

**Table 11: Export of Automobiles**

US\$ Million

COUNTRY	April, 2017	April, 2018	Growth (%)
<b>High Growth</b>			
CANADA	0.06	14.25	23650.00
U S A	1.62	101.69	6177.16
NIGERIA	9.71	23.61	143.15
BANGLADESH	39.59	56.15	41.83
<b>Sharp Decline</b>			
SPAIN	22.31	1.16	-94.80
ITALY	41.27	3.84	-90.70
FRANCE	24.07	2.45	-89.82
U K	22.87	2.86	-87.49
GERMANY	24.36	5.54	-77.26
CHILE	18.13	10.49	-42.14
PERU	16.65	11.5	-30.93

*(Source: Department of Commerce, Government of India)**(Note: Automobiles sector includes Motor vehicles and Two & Three Wheelers)*

- ❖ Mexico, (US\$ 155.51 million) USA (US\$ 101.69 million) and South Africa (US\$ 66.86 million) were the top three importers of India's Automobiles during April 2018 with 20.05, 13.11 and 8.62 percent shares respectively. Among them, USA recorded a robust 6177.16 percent growth and South Africa saw 13.44 percent growth in imports of Indian Automobiles over Apr 2017. Top importer Mexico however, conceded 9.21 percent decline in imports during the reporting month.
- ❖ Countries like Canada, USA, Nigeria and Bangladesh saw over 100 percent growths in imports of Indian automobile during April 2018 among major importers.
- ❖ Spain, Italy, France and UK are among the import partners conceded substantial decline in imports of Automobiles from India during April 2018

**Table 12: Export of Non-Ferrous metals**

US\$ Million

COUNTRY	April, 2017	April, 2018	Growth (%)
<b>High Growth</b>			
JAPAN	6.54	20.61	215.14

<b>MEXICO</b>	8.82	21.63	145.24
<b>TURKEY</b>	33.77	65.83	94.94
<b>THAILAND</b>	13.3	20.4	53.38
<b>U K</b>	13.05	19.28	47.74
<b>SPAIN</b>	9.25	13.23	43.03
<b>NEPAL</b>	8.88	11.98	34.91
<b>GREECE</b>	14.48	19.12	32.04
<b>Sharp Decline</b>			
<b>TAIWAN</b>	35.72	13.37	-62.57
<b>CHINA</b>	93.25	52.44	-43.76
<b>MALAYSIA</b>	52.25	29.66	-43.23
<b>UAE</b>	37.39	22.27	-40.44
<b>ITALY</b>	32.76	21.51	-34.34
<b>SAUDI ARABIA</b>	11.27	8.28	-26.53
<b>INDONESIA</b>	11.00	8.67	-21.18

- ❖ South Korea (US\$ 105.49 million), USA (US\$ 77.81 million) and Turkey (US\$ 65.83 million) were the top three importers of Indian Non-ferrous metals during April 2018 with shares of 15.47 percent, 11.41 percent and 9.66 percent respectively. While exports of non-ferrous metals to Turkey and USA recorded 14.81 percent and 94.94 percent growth respectively, exports to South Korea declined by 3.99 percent in Apr 2018 over the same month last fiscal.
- ❖ Japan, Mexico, Turkey and Thailand witnessed highest growth in imports of Indian Non-ferrous metal products during April 2018.
- ❖ Taiwan, China, Malaysia and UAE conceded significant declines in imports of non-ferrous metals from India during the April 2018

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

US\$ Million

<b>COUNTRY</b>	<b>April, 2017</b>	<b>April, 2018</b>	<b>Growth (%)</b>
<b>High Growth</b>			
<b>BELGIUM</b>	2.96	33.55	1033.45
<b>JAPAN</b>	3.23	16.47	409.91
<b>SINGAPORE</b>	7.97	37.16	366.25
<b>CHINA</b>	10.45	36.93	253.40
<b>U S A</b>	67.33	173.51	157.70
<b>BANGLADESH</b>	8.19	14.66	79.00
<b>GERMANY</b>	73.16	119.44	63.26
<b>MEXICO</b>	8.77	12.87	46.75
<b>Sharp Decline</b>			
<b>TURKEY</b>	17.79	4.75	-73.30

COUNTRY	April, 2017	April, 2018	Growth (%)
FRANCE	29.48	17.47	-40.74
U K	46.37	30.19	-34.89
UAE	22.98	16.03	-30.24

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 173.51 million), Germany (US\$ 119.44 million) and Singapore (US\$ 37.16 million) were the three top importers of Indian Electrical Machinery and Components during April 2018 with shares of 24.41 percent, 16.81 percent and 5.23 percent respectively. All of them registered substantial year-on-year growth in imports of the same during April 2018.
- ❖ Belgium, Japan, Singapore, China and USA recorded triple-digit growth in imports of India's Electrical Machinery and Components during April 2018.
- ❖ On the other hand, Turkey, France, UK and UAE 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	APRIL 2017	APRIL 2018	Growth (%)
<b>High cumulative growth</b>			
AUSTRIA	0.46	1.46	217.39
JAPAN	0.91	1.96	115.38
U S A	42.10	52.18	23.94
FRANCE	19.06	21.81	14.43
SINGAPORE	17.19	17.95	4.42
MALAYSIA	2.85	2.90	1.75
<b>Sharp cumulative decline</b>			
RUSSIA	14.57	4.01	-72.48
POLAND	2.64	1.17	-55.68
TURKEY	2.62	1.3	-50.38
NETHERLAND	3.07	1.74	-43.32
ISRAEL	4.85	2.91	-40.00
THAILAND	2.04	1.45	-28.92
U K	27.65	21.38	-22.68
GERMANY	11.81	11.12	-5.84

(Source: Department of Commerce and CSO)

- ❖ USA , France and UK were the top importers of India's 'Aircrafts & Spacecrafts' during April 2018 with 34.46 percent, 14.4 percent, and 14.12 percent shares respectively in India's total global exports of the product.

- ❖ Belgium, Austria, Hong Kong, Australia, Mexico, Sweden and Japan recorded gigantic growth rates even though the increase in import volumes of 'Aircrafts & Spacecrafts' remains less than US\$ 2 million during April 2018.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from UK, Germany, Russia and Israel declined significantly during April 2018 over April 2017.

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

US\$ Million

COUNTRY	APRIL 2017	APRIL 2018	Growth (%)
<b>High cumulative growth</b>			
UAE	36.09	381.39	956.77
SINGAPORE	21.79	188.88	766.82
SAUDI ARAB	19.11	104.6	447.36
SRI LANKA	0.01	5.86	58500.00
CANADA	0.01	0.05	400.00
U K	0.01	0.02	100.00
<b>Sharp cumulative decline</b>			
CAMEROON	20.63	0	-100.00
EGYPT	213.77	0	-100.00
INDONESIA	8.64	0	-100.00
LIBERIA	84.61	0	-100.00
U S A	0.1	0	-100.00

**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 with 35.41 percent share in India's total global exports of the product.
- ❖ Sri Lanka recorded gigantic growths in imports of 'Ships, Boats and Floating Structures and Parts' during April 2018 over April 2017.
- ❖ Egypt, Liberia, Indonesia, and Cameroon recorded significant decline in imports during April 2018 over the same period last year.

**Table 16: Export of Auto Components**

US\$ Million

COUNTRY	APRIL 2017	APRIL 2018	Growth (%)
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<b>High cumulative growth</b>			
<b>VIETNAM</b>	2.03	12.45	513.30
<b>BANGLADESH</b>	12.77	22.72	77.92
<b>ITALY</b>	11.44	17.12	49.65
<b>BRAZIL</b>	16.31	21.57	32.25
<b>U S A</b>	75.92	98.68	29.98
<b>GERMANY</b>	15.51	19.57	26.18
<b>TURKEY</b>	27.9	35.07	25.70
<b>U K</b>	13.25	14.88	12.30
<b>Sharp cumulative decline</b>			
<b>CANADA</b>	8.38	6.07	-27.57
<b>UAE</b>	8.42	6.98	-17.10
<b>SOUTH AFRICA</b>	8.91	7.61	-14.59
<b>KOREA RP</b>	4.31	3.71	-13.92
<b>SPAIN</b>	5.24	4.70	-10.31
<b>INDONESIA</b>	12.16	11.24	-7.57
<b>NEPAL</b>	7.22	6.73	-6.79
<b>THAILAND</b>	16.36	15.86	-3.06

(Source: Department of Commerce and CSO)

- ❖ USA is the top most importer of auto components/parts from India during April 2018, with a share of more than 22 percent in the total auto components from India during the same.
- ❖ Vietnam, Bangladesh and Italy are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April 2018 over April 2017.
- ❖ Thailand, Indonesia, South Africa and UAE conceded substantial decline in during April 2018 over the same month last fiscal.

## 8. Import Analysis of Engineering Goods

India's Engineering imports during April 2018 were valued at US\$ 8139.45 million compared to US\$ 6936.7 million in April 2017 registering a considerable growth to the extent of 17.3 percent in dollar terms.

Engineering imports for the year 2017-18 was recorded at US\$ 92692.1million as against US\$ 81834.8 million during the same period last fiscal registering a cumulative growth of 11.6 percent.

The share of engineering imports in India's total merchandise imports was estimated at 20.5 percent in April 2018 as against 18.3 percent in April 2017. The share of engineering exports for the year 2017-18 stood at around 20.2 percent compared to 21.3 percent in 2016-17.

The monthly engineering import figures for fiscal April 2018 vis-à-vis April 2017 is depicted below as per the latest availability of figure:

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

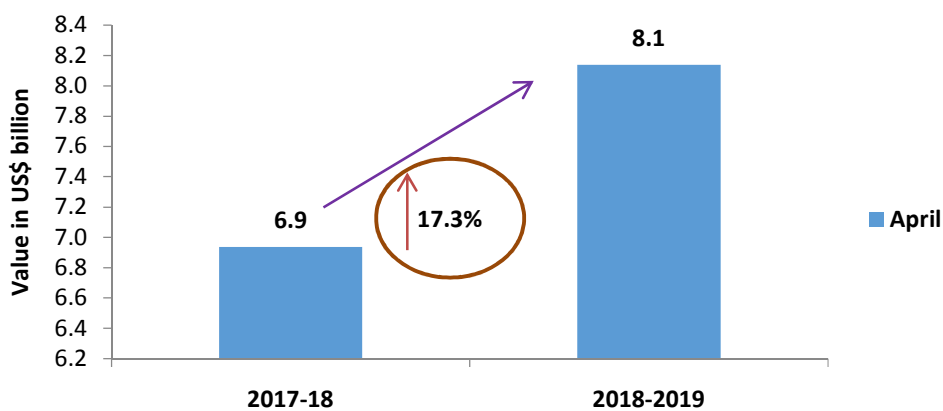
Months	2017-18	2018-19	Growth (%)
<b>Apr</b>	6936.70	8139.45	17.3

(Source: Department of Commerce, Government of India)

Figure 2 below depicts the monthly trend in engineering imports for April 2018 and April 2017

**Figure 2: Trend in Monthly Engineering Imports (In US\$ billion) for 2018-19**

### Engineering Imports for April 2018-19 vis-a-vis April 2017-18



(Source: EEPC India analysis)

## 9. Trend in two-way engineering trade

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2017-18 depicted in the table below:

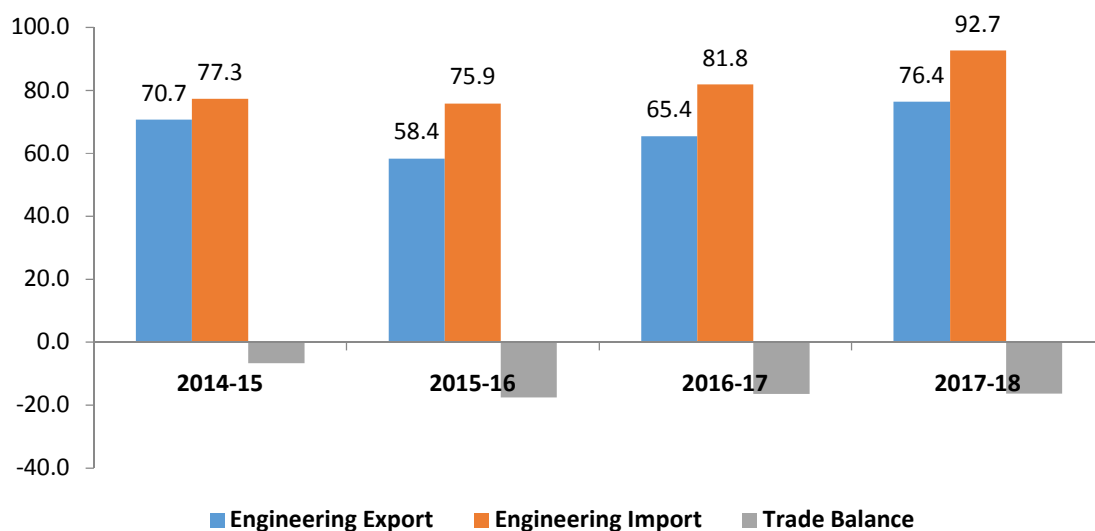
**Table 6: Engineering Trade**  
(US\$ Million)

	2014-15	2015-16	2016-17*	2017-18	Growth %
<b>Engineering Export</b>	<b>70661.2</b>	<b>58351.58</b>	<b>65439.66*</b>	<b>76395.99</b>	<b>16.7</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>-16395.1</b>	<b>-16296.1</b>	

(\*) Figures for 2016-17 both the Engineering Export and Import values are updated as per latest Quick Estimate values

Figure 3 below depicts the yearly trend in engineering trade **from 2014-15 to 2017-18**

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



## 10. Conclusion

After conceding year-on-year decline in March 2018, merchandise export returned to growth in April 2018. However, the growth was somewhat slow in comparison to the average of the previous fiscal as major labour-intensive sectors continued to see decline in overseas shipment.

Engineering sector bounced back in the new fiscal registering 18.19% export growth in the month of April 2018 from a feeble 1.86 percent growth in the month of March 2018. 24 engineering panels out of 33 panels, experienced growth in exports in April 2018 over the same month last year while the remaining 9 panels conceded decline in exports. Engineering sectors like Electrical machinery and Equipment, Ship and Boats, Railway and Transport Equipment and Air Condition and Repair Machinery recorded substantial growth in exports in April 2018. Iron and Steel sector on the other hand recorded slump in growth rate in the beginning of the new



fiscal. While Non Ferrous sectors like Nickel and Zinc products recorded considerable growth in the month of April 2018 vis-à-vis April 2017.

Country wise analysis showed that USA ranked as the top import destination for India's engineering exports. EU ranks as the region with highest shipment of engineering products from India during April 2018 with a share of 19.3% of total engineering exports. India's engineering exports to MEWA and ASEAN+2 countries too recorded noteworthy positive growth in the said period.

Despite an impressive growth of Indian engineering exports during April 2018, external threats to foreign trade still persist as the fear of an imminent tariff war that started with trade protectionist measures by the US and China, intensified further with the initiation of safeguard investigation by the European Commission on a number of steel products imported by EU. US investigation on India's compliance with the norms under Generalised System of Preference is another external shock for the exporting community. These two concerns along with the volatile trend of Rupee clouded the outlook for global exports.

Back home, rising raw material cost and post-GST fund shortage for the exporters is apprehended to weigh on Indian overseas shipment for some more months.

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