

Engineering Exports and Imports Monitor

May 2018



Engineering the future

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Analysis of Indian engineering exports and imports for May 2018

India's Merchandise Trade scenario

- ❖ India's merchandise exports recorded a higher positive growth in comparison to April 2018 and registered a growth of 20.18 percent in May 2018 over May 2017 in dollar terms.
- ❖ Merchandise exports from India increased by 25.99 percent in rupee terms in (Over the same period last year) May 2018. Exports during May 2018 increased to US\$ 28.86 billion from US\$ 24.01 billion during the same period last year.
- ❖ Surge in exports in May 2018 over the same month last fiscal was led by expansion in shipment in engineering goods (14.77%), Organic & Inorganic Chemicals (34.21%), Drugs & Pharmaceuticals (25.67%), Petroleum products (104.47%), Rice (15.24%), Cotton Yarn/Fabs./made-ups ,handloom products etc (24.70%), and plastic & linoleum (36.04%). Some major commodity groups like Cashew (-36.85%), Iron ore (-24.32%), and RMG of all Textiles (-16.62%), recorded negative growth in exports during the reporting month.
- ❖ India's Merchandise Imports during May 2018 were value at US\$ 43.48 billion which was 14.85 percent higher in dollar terms over the level of imports valued at US\$ 37.86 billion in May 2017.
- ❖ Major commodity groups of imports showing high growth in May 2018 over the corresponding month last year includes Fertilisers, crude & manufactured (73.47%), Petroleum, Crude & products (49.46%), Iron & Steel (39.10%), Machine Tools (58.52%), Machinery, Electrical and non electrical (30.86%), Organic and Inorganic Chemicals (28.26%) and Project goods (48.20%).
- ❖ Trade deficit for May 2018 increased moderately at US \$ 14.62 billion as against the deficit of US \$ 13.84 billion during May 2017, registering a growth of 5.6 percent.

India's Engineering Exports scenario

- ❖ Indian engineering exports registered a significant growth of 14.78 percent in May 2018 viz-a-viz 2017.
- ❖ Engineering exports increased to US\$ 6940.79 million in May 2018 from US\$ 6047.16 million in the same month last fiscal.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 24.05 percent in May 2018.

- ❖ Out of 33 engineering panels, 26 panels sharing almost 79% of the products, recorded growth in exports in May 2018 over the same month last year while the remaining 7 panels conceded decline in exports.
- ❖ During May 2018, 21 out of top 25 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ Top 25 nations accounted for 76.64 percent of India's total engineering exports in May 2018 over May 2017.

India's Engineering Imports scenario

- ❖ India's Engineering imports for the new fiscal 2018-19 were valued at US\$ 8.5 billion during May 2018 compared to US\$ 6.6 billion in May 2017 registering a considerable growth to the extent of 28.8 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports was estimated at 20.6 percent in May 2018 compared to 20.5 percent share in April 2018.

1. Trend in overall merchandise trade

India's merchandise exports recorded a higher positive growth in comparison to April 2018 and registered a growth of 20.18 percent in May 2018 over May 2017 in dollar terms.

Merchandise exports from India increased by 25.99 percent in rupee terms in (Over the same period last year) May 2018. Exports during May 2018 increased to US\$ 28.9 billion from US\$ 24.0 billion during the same period last year.

Surge in exports in May 2018 over the same month last fiscal was led by expansion in shipment in engineering goods (14.77%), Organic & Inorganic Chemicals (34.21%), Drugs & Pharmaceuticals (25.67%), Petroleum products (104.47%), Rice (15.24%), Cotton Yarn/Fabs./made-ups ,handloom products etc (24.70%), and plastic & linoleum (36.04%). Some major commodity groups like Cashew (-36.85%), Iron ore (-24.32%), and RMG of all Textiles (-16.62%), recorded negative growth in exports during the reporting month.

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Oil imports during May 2018 were valued at US \$ 11.50 billion which was 49.46 percent higher than oil imports valued at US \$ 7.69 billion in May 2017. In this connection it is mentioned that the global Brent prices (\$/bbl) have increased by 50.68 percent in May 2018 vis-à-vis May 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during May 2018 were estimated at US \$ 31.98 Billion which was 6.03 per cent higher than non-oil imports of US \$ 30.16 Billion in May 2017.

Trade deficit for May 2018 increased moderately at US \$ 14.62 billion as against the deficit of US \$ 13.84 billion during May 2017, registering a growth of 5.6 percent.

2. Engineering exports

Indian engineering exports registered a significant growth of 14.78 percent in the second month of the new fiscal 2018-19. Engineering exports increased to US\$ 6940.79 million in May 2018 from US\$ 6047.16 million in the same month last fiscal.

Engineering exports for the year April-May 2018-19 recorded US\$ 13921.18 million as against US\$ 11949.99 million during the same period last fiscal registering a cumulative growth of 16.5 percent.

The share of engineering exports in India's total merchandise exports was estimated at **24.05 percent in May 2018**.

The cumulative engineering figures for the new fiscal 2018-19 for the months of April & May 2018 vis-à-vis April & May 2017 are depicted below as per the latest availability of figure:

Table1: Engineering Exports
(US\$ Million)

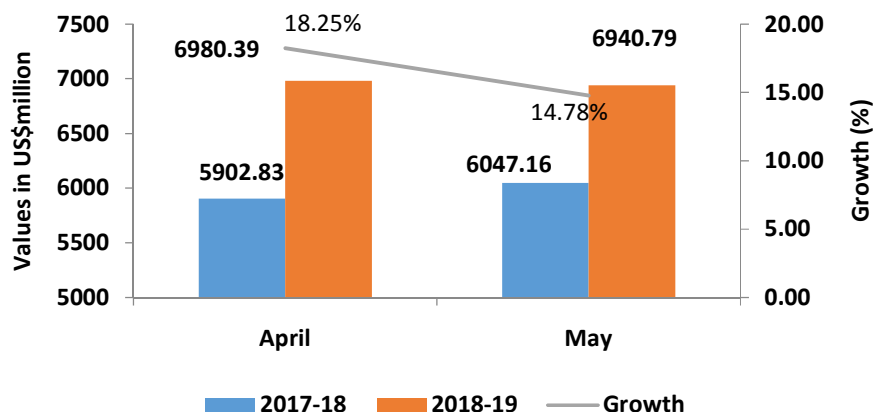
Months	2017-18	2018-19	Growth (%)
Apr	5902.89	6976.54	18.19
May	6047.16	6940.79	14.78

(Source: Department of Commerce, Government of India)

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

Figure1: Trend in Monthly Engineering Exports (In US\$ million)

Engineering Exports for April-May 2018-19 vis-a-vis April-May 2017-18



(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.

The fiscal 2017-18 ended with a growth rate of 16.8 percent in the engineering sector and 4.5% growth of the manufacturing sector. The month of March 2018 witnessed movement in opposite direction when engineering exports came back to growth but manufacturing growth slowed down. The figures slightly improved in the month of April 2018 where both the engineering exports and manufacturing growth moved in the same direction. Engineering exports registered growth rate of 18.19 percent and manufacturing sector witnessed 5.2 percent growth in the month of May 2018. Manufacturing Index in the Index of Industrial Production (IIP) stood at 123.4 in April 2018 as against 138.9 (revised) in March 2018, 129.9 in February 2018 and 133.8 (revised) in January 2018.

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 (%)
Apr - Mar 2016-17	11.33	4.9

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
Apr 2017	24.42	2.9
May 2017	7.32	2.6
Jun 2017	12.57	-0.7
Apr-Jun 2017-18	14.29	1.6
Jul 2017	16.72	-0.1
Aug 2017	18.21	3.8
Sep 2017	44.12	3.8
Jul-Sep 2017-18	26.46	2.5
Oct 2017	10.47	2.0
Nov 2017	41.96	10.4
Dec 2017	25.85	8.7
Oct - Dec 2017-18	25.79	7.0
Jan 2018	15.10	8.6
Feb 2018	-2.60	8.5
Mar 2018	1.87	4.4*
Jan-Mar 2017-18	4.39	7.1*
Apr-Mar 2017-18	16.81	4.5*
April 2018	18.19	5.2*
May 2018	14.77	N.A.

* 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 2017-18 and the first month of 2018-19 have established some correlation between the two. In January 2018, engineering exports growth decelerated over the month while manufacturing more or less

maintained its trend. In February 2018, engineering sector deteriorated sharply and the manufacturing maintained its growth path. In March 2018, the engineering sector revived and the manufacturing sector witnessed a slowdown in the growth rate. The new fiscal 2018-19 however saw both engineering exports and manufacturing output achieved faster growth.

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)

Months	2016-17	2017-18	Growth
April	4744.32	5902.80*	24.42%
May	5636.17	6047.16	7.29%
June	5066.99	5703.79	12.57%
Quarter 1	15447.48	17653.75*	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%
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%
April-March	65239.19	76204.24*	16.81%

Source: DGCI&S

* Revised Figures

3. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

May	Average Exchange Rate 1 USD to INR
2017	64.42
2018	67.54

(Source: Calculated from RBI archive)

During May 2018, the official exchange rate of rupee vis-à-vis the US Dollar has depreciated to the extent of 4.8% on a year-on-year basis, i.e., over May 2017.

4. Panel wise Analysis of Engineering Exports

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

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

Sl no.	Panel	May 2017	May 2018	Growth %	April-May 2017-18	April-May 2018-19	Growth %
A	A. Iron and Steel	787.41	776.71	-1.36	1687.77	1601.9	-5.09
B	B. Products of Iron	509.69	573.7	12.56	1037.38	1135.48	9.46
	Sub Total	1297.1	1350.41	4.11	2725.15	2737.38	0.45
A	Copper and products	241.27	66.3	-72.52	450.02	175.14	-61.08
B	Aluminium and products	293.12	521.9	78.05	654.54	934.98	42.85
C	Zinc and products	54.36	69.39	27.65	111.09	149.04	34.16
D	Nickel and products	2.52	6.72	166.67	5.61	12.82	128.52
E	Lead and products	15.41	35.8	132.32	41.99	63.15	50.39
F	Tin and products	1.85	0.33	-82.16	2.92	0.82	-71.92

Sl no.	Panel	May 2017	May 2018	Growth %	April-May 2017-18	April-May 2018-19	Growth %
G	Other Non-Ferrous Metals	38.01	45.67	20.15	77.56	88.28	13.82
Sub Total		646.54	746.11	15.40	1343.73	1424.23	5.99
A	Industrial Machinery like Boilers, parts, etc	39.72	47.88	20.54	84.92	106.7	25.65
B	IC Engines and Parts	224.5	186.99	-16.71	432.49	358.25	-17.17
C	Pumps of all types	64	79.36	24.00	138.22	160.48	16.10
D	Air condition and Refrigerators	80.73	176.39	118.49	169.42	310.28	83.14
E	Industrial Machinery for dairy, food processing , textiles etc	373.24	454.66	21.81	765.78	937.15	22.38
F	Machine Tools	34.93	39.38	12.74	80.17	83.17	3.74
G	Machinery for Injecting moulding, valves and ATMs	111.94	108.6	-2.98	228.62	238.06	4.13
Sub Total		929.06	1093.26	17.67	1899.62	2194.09	15.50
4	Electrical Machinery	412.06	570.54	38.46	874.32	1277.2	46.08
A	Motor Vehicle/cars	609.68	776.03	27.28	1202.05	1382.14	14.98
B	Two and Three Wheelers	163.24	174.86	7.12	321.88	344.19	6.93
C	Auto Components/Part	370.97	465.29	25.43	735.4	909.58	23.69
Sub Total		1143.89	1416.18	23.80	2259.33	2635.91	16.67
6	Aircrafts and Spacecraft parts and products	137.77	192.73	39.89	301.57	345.49	14.56
7	Ships Boats and Floating products and parts	931.22	855.5	-8.13	1336	1932.48	44.65
A	Medical and Scientific instruments	115.83	133.66	15.39	232.27	266.48	14.73
B	Railway Transport	27.82	34.21	22.97	42.6	70.93	66.50
C	Hand Tools & Cutting Tools	53.88	61.14	13.47	110.4	119.04	7.83
D	Electrodes Accumulators	3.49	3.71	6.30	6.56	8.04	22.56
E	Accumulator and Batteries	18.88	34.34	81.89	38.44	58.49	52.16
F	Bicycle & Parts	24.52	29.03	18.39	50.29	60.82	20.94
G	Cranes Lifts & Winches	24.27	34.61	42.60	50.93	70.25	37.93
H	Office Equipments	9.6	5.73	-40.31	17.35	11.12	-35.91
I	Other Construction Machinery	92.61	166.87	80.19	188.76	301.54	59.75
J	Prime Mica & Mica Products	1.94	2.73	40.72	3.91	4.56	16.62
K	OTHER MISC. ITEMS	176.68	210.03	18.88	468.76	403.13	-14.00
Sub total		549.52	716.06	30.31	1210.27	1374.4	13.56
Total engineering exports		6047.16	6940.79	14.78	11949.99	13921.18	16.50

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During May 2018, exports of engineering goods slightly got subdued compared to the previous month of April and recorded a positive growth of 14.78 percent on a month on month basis compared to 18.2 percent in April 2018. Out of 33 engineering panels, 26 panels sharing almost 79% of the products, recorded growth in exports in May 2018 over the same month last year while the remaining 7 panels conceded decline in exports.
- ❖ Iron and Steel figures recorded 1.4 percent drop in exports during May 2018 with an overseas shipment recording US\$ 776.7 million from US\$ 787.41 million in the same month last year. Cumulative figure showed 5.1 percent drop in exports during April – May 2018-19 touching US\$ 1601.9 million from US\$ 1687.7 million during the same period last fiscal. Products of Iron and Steel recorded growth in exports by 12.56 percent during May 2018 increasing to US\$ 573.7 million from US\$ 509.69 million during the same period last in May 2017. The cumulative exports for products of Iron and Steel increased by 9.46 percent to US\$ 1135.48 million during April-May 2017-18 from US\$ 1037.38 million during the same period last in 2017-18.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 'Aluminium and products', 'Zinc and products', 'Nickel and products, and 'Lead and products' recorded substantial growth in exports during May 2018. 'Nickel and its products' recorded highest growth of 166.7 percent during May 2018 scaling up from US\$ 2.52 million in 2017-18 to US\$ 6.72 billion in 2018-19 for the month of May. 'Copper and products' and 'Tin and products experienced a drop down to the extent of 72.52 percent and 82.16 percent respectively in May 2018 compared to same period last fiscal.
- ❖ Industrial machinery panel as a whole recorded growth in exports to the extent of 17.67 percent during May 2018 vis-à-vis same period last fiscal. Among which sectors like, Pumps and Valves recorded 24 percent growth in exports in May 2018 compared to May 2017, Industrial Boilers recorded 20.5 percent growth in exports during May 2018 compared to May 2017 and other sectors like Air Condition Machinery and parts recorded 118.5 percent growth and Industrial machinery and parts recorded 21.8 percent growth during the said period. Sectors like IC engines & parts recorded fall in exports during May 2018 to the extent of 16.71 percent and Machinery for ATMs experienced drop in exports to the extent of 2.98 percent during May 2018 compared to same period last fiscal.
- ❖ Electrical Machinery and equipments panel faced considerable growth in exports to the extent of 38.46 percent during May 2018 over the same period last fiscal. Cumulative exports for April-May 2018-19 recorded 46.08 percent growth moving to US\$ 1277.2 million from US\$ 874.32 million in April-May 2017-18.

- ❖ Exports of Auto Components and parts recorded 23.8 percent growth during May 2018, scaling up from US\$ 1146.18 million in May 2017 to US\$ 1143.89 million in May 2018. The automobile sector (including Motor Vehicles and Two/Three Wheelers) experienced growth in exports by 23.03 percent from US\$ 772.92 million in May 2017 to US\$ 950.89 million in May 2018.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 39.89 percent growth in exports during May 2018 over the same period last year. On the other hand Ship, Boats and Floating Bodies exhibited drop in exports of 8.13 percent moving down from US\$ 931.2 million in May 2017 to US\$ 855.5 million in May 2018.
- ❖ Some other miscellaneous sectors like Office Equipments squeezed to the extent of 40.3 percent during May 2018 vis-a-vis May 2017. Some other sectors like Accumulators and Batteries, Railway and Transport equipment, Cranes, Lifts and Winches, Other Construction Machinery, Bicycle and Parts recorded growth in exports to the extent of 81.9 percent, 23 percent, 42.6 percent, 80.2 percent and 18.39 percent respectively in May 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 May 2018 over May 2017 in Absolute Value.

Table 6: Engineering Exports Country wise (2018-19)

COUNTRY	May 2017	May 2018	Growth (%)	Apr-May 2017-18	Apr-May 2018-19	Growth (%)
U S A	903.13	903.56	0.05	1556.43	1863.87	19.75
UAE	954.16	783.04	-17.93	1232.79	1385.87	12.42
GERMANY	208.47	261.03	25.22	450.15	556.64	23.66
MEXICO	230.84	253.73	9.92	479.62	498.40	3.91
SINGAPORE	98.34	192.22	95.47	194.07	483.05	148.90
NEPAL	167.71	266.16	58.71	326.23	472.69	44.89
SOUTH AFRICA	117.65	142.96	21.51	239.85	457.21	90.63
BANGLADESH	179.44	198.51	10.63	342.86	437.32	27.55
U K	218.68	228.63	4.55	450.66	422.50	-6.25
ITALY	246.98	201.84	-18.28	463.62	403.98	-12.86

BELGIUM	96.94	253.23	161.23	213.55	386.26	80.88
TURKEY	100.41	194.29	93.49	259.41	377.07	45.36
KOREA RP	149.56	179.46	19.99	321.20	366.52	14.11
CHINA	189.27	115.77	-38.84	395.46	301.77	-23.69
INDONESIA	106.06	152.08	43.40	247.29	277.35	12.16
SAUDI ARAB	70.87	87.46	23.41	195.33	271.56	39.02
OMAN	25.43	59.77	135.00	61.11	268.81	339.85
FRANCE	120.05	121.71	1.38	257.67	222.07	-13.82
SPAIN	98.59	100.30	1.73	207.04	212.59	2.68
JAPAN	91.32	121.91	33.50	150.54	212.23	40.98
THAILAND	94.86	115.25	21.50	171.45	209.23	22.04
NIGERIA	42.62	112.90	164.91	88.49	196.20	121.71
NETHERLAND	65.34	91.07	39.37	148.33	176.88	19.24
SRI LANKA	94.51	93.76	-0.79	190.79	173.06	-9.30
BRAZIL	72.93	88.94	21.95	140.00	162.26	15.90
Top 25 Countries Total	4744.15	5319.58	12.13	8783.96	10795.40	22.90
Grand Total	6047.15	6940.76	14.78	11949.95	13921.16	16.50
Share % Total Engineering Exports	78.45	76.64		73.51	77.55	

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ During May 2018, out of top 25 countries 21 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ USA once again ranks as the numero uno exporting destination for India's engineering products in May 2018. It registered high positive cumulative growth during April-May 2018 over April-May 2017 to the extent of 19.75 percent.

- ❖ Oman recorded the highest growth of almost 340 percent export growth during April-May 2018 vis-à-vis April-May 2017. Singapore and Nigeria holds the second and third position respectively in terms of high growth during the same period.
- ❖ Out of the top 25 export destinations, France once again recorded dip in exports during April-May 2018 compared to the same period last fiscal.
- ❖ India's engineering exports to China recorded negative growth for the second time both monthly as well as cumulatively.
- ❖ Among European nations falling under the top 25 engineering export destinations Belgium recorded the highest growth in May 2018 over May 2017. France, UK and Italy recorded negative growth during April-May 2018 compared to the same period last fiscal.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations Singapore recorded highest growth both monthly as well as cumulatively. Indonesia revived its growth and recorded positive growth in May 2018 compared to May 2017. All the three ASEAN countries- Singapore, Indonesia and Thailand under the top 25 recorded positive growth both on monthly as well as cumulatively.
- ❖ Out of 217 exports destinations of Indian engineering goods, top 25 nations accounted for 76.6 percent of India's total engineering exports in May 2018 over May 2017.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a higher growth in exports during April-May 2018 over April-May 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 May 2018 as opposed to May 2017. The Table below gives this picture:

Table 7: Region Wise Exports Trend

US\$ Million

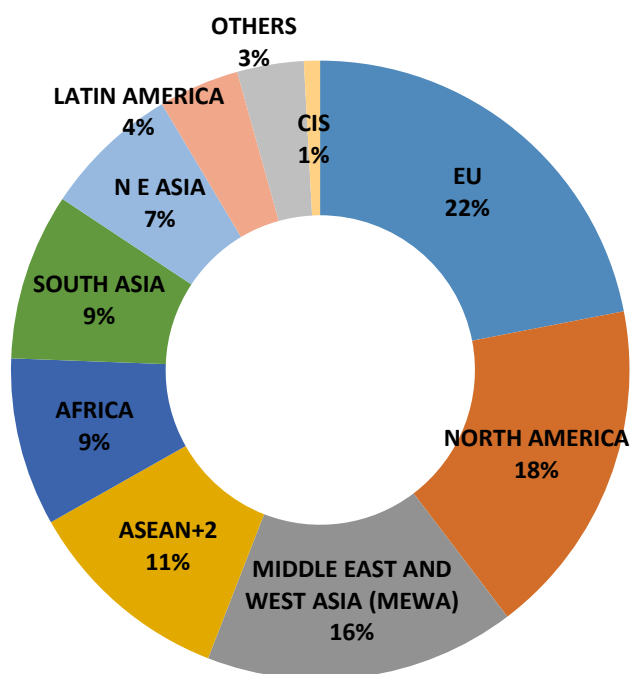
COUNTRY	May 2017	May 2018	Growth (%)	Apr-May 2017-18	Apr-May 2018-19	Growth (%)
EU	1226.7	1523.9	24.2	2561.6	2870.7	12.1
NORTH AMERICA	1172.0	1229.8	4.9	2118.3	2504.2	18.2

COUNTRY	May 2017	May 2018	Growth (%)	Apr-May 2017-18	Apr-May 2018-19	Growth (%)
MIDDLE EAST AND WEST ASIA (MEWA)	1209.3	1127.1	-6.8	1945.2	2299.7	18.2
ASEAN+2	561.7	756.1	34.6	1145.4	1587.3	38.6
AFRICA	478.0	610.4	27.7	1302.8	1352.8	3.8
SOUTH ASIA	475.4	605.4	27.3	934.6	1183.2	26.6
N E ASIA	480.2	494.3	3.0	1011.4	1026.6	1.5
LATIN AMERICA	256.4	293.5	14.5	495.8	540.9	9.1
OTHERS	133.5	241.5	81.0	317.7	446.5	40.5
CIS	54.1	58.8	8.6	117.1	109.3	-6.7
Grand Total	6047.1	6940.8	14.8	11950.0	13921.2	16.5

(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 May 2018



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during May 2018 with a share of more than 22 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 May 2018 over the same period last fiscal.
- ❖ India's exports recorded positive monthly growth for all the regions in May 2018 over May 2017 barring MEWA.
- ❖ Exports to ASEAN+2 registered the highest growth of 34.6 percent in May 2018 compared to May 2017.

7. Engineering panel – country wise analysis

We now analyse the performance of some of the important products during May 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	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						
NEPAL	55.01	103.29	87.77	106.31	192.80	81.36
ITALY	115.66	65.04	-43.77	192.25	155.47	-19.13
BELGIUM	61.22	49.15	-19.70	133.97	101.14	-24.51
SOUTH KOREA	31.98	42.89	34.12	66.14	95.59	44.52
UAE	37.29	36.81	-1.30	93.45	91.71	-1.87
High cumulative growth						
KUWAIT	0.71	2.64	270.33	1.74	14.25	717.02
PHILIPPINES	1.26	17.37	1282.71	3.85	24.07	524.56
BHUTAN	1.00	5.27	428.13	2.31	9.98	331.77
FRANCE	1.03	5.26	409.56	2.12	6.75	218.31
NIGERIA	3.49	7.65	119.18	6.25	13.45	115.12
QATAR	1.40	10.00	615.71	10.53	22.07	109.50
KENYA	2.31	2.87	23.79	4.39	9.10	107.48
DJIBOUTI	1.74	4.04	131.73	3.88	7.84	101.83
Sharp cumulative decline						
SOUTH AFRICA	1.86	2.56	37.86	24.36	5.16	-78.81
SWEDEN	1.52	0.68	-55.01	6.13	1.73	-71.73
SUDAN	1.73	0.83	-52.06	5.31	1.60	-69.85

ETHIOPIA	10.38	7.26	-30.10	24.09	8.02	-66.70
PERU	4.15	2.77	-33.32	8.94	4.00	-55.31
ECUADOR	4.95	2.84	-42.69	10.01	4.55	-54.59
GHANA	3.42	1.22	-64.30	6.30	3.01	-52.29
INDONESIA	31.62	19.32	-38.90	88.54	50.15	-43.36

(Source: Department of Commerce, Government of India)

- ❖ Nepal, Italy and Belgium were the three top three importers of Indian Iron and Steel during April - May 2018 with market shares of 12.04 percent, 9.71 percent and 6.31 percent respectively.
- ❖ Kuwait, Philippines, Bhutan and France, recorded more than 200 percent year-on-year growth in exports of Indian Iron and Steel during April–May 2018.
- ❖ South Africa, Sweden, Sudan and Ethiopia experienced sharp downfall in exports during April-May2018.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						
U S A	133.91	124.23	-7.23	253.44	250.86	-1.02
U A E	46.83	43.84	-6.39	93.53	90.86	-2.86
GERMANY	30.07	33.02	9.81	58.91	66.47	12.83
U K	19.97	23.38	17.07	39.69	47.48	19.61
CANADA	12.61	20.12	59.52	25.30	39.96	57.94
High cumulative growth						
MAURITANIA	0.17	5.91	3278.15	0.31	8.08	2546.54
CHILE	0.76	12.60	1556.47	1.48	24.95	1585.23
AFGHANISTAN	0.22	2.62	1087.45	0.73	5.74	690.04
NIGERIA	2.52	15.59	517.71	4.39	28.30	544.96
QATAR	3.76	14.71	291.30	9.67	28.22	191.69

BANGLADESH	5.11	19.89	289.49	11.19	29.28	161.68
SINGAPORE	2.93	6.42	119.46	5.53	11.11	100.78
Sharp cumulative decline						
IRAN	7.59	0.33	-95.71	21.90	0.48	-97.82
IVORY COST	0.45	0.09	-80.07	5.91	0.29	-95.08
IRAQ	0.18	0.44	145.61	6.49	0.77	-88.12
COLOMBIA	2.93	0.45	-84.50	6.10	1.15	-81.14
EGYPT	5.65	2.30	-59.34	13.80	5.11	-62.95
SENEGAL	2.41	0.90	-62.66	5.94	2.45	-58.68

(Source: Department of Commerce, Government of India)

- ❖ USA, UAE and Germany were the top three importers of India's 'Products of Iron & Steel' during April - May 2018 with 22.09 percent, 8.00 percent and 5.85 percent shares respectively in India's global import of the same.
- ❖ Mauritania, Chile, Afghanistan and Nigeria were among the nations witnessing significant growth in import of Indian 'Products of Iron and Steel' during April - May 2018.
- ❖ On the other hand, Iran, Ivory Cost, Iraq and Columbia conceded substantial decline in imports of the said product group from India during April - May 2018.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						
U S A	152.54	194.37	27.42	299.70	374.11	24.83
BANGLADESH	39.56	48.05	21.47	86.84	101.54	16.92
GERMANY	39.10	48.18	23.23	81.52	97.66	19.80
TURKEY	30.79	51.17	66.15	67.16	94.58	40.83
CHINA	37.92	40.27	6.22	74.74	93.16	24.65
High cumulative growth						
CAMBODIA	0.43	5.73	1232.53	0.93	6.19	562.64

TUNISIA	0.41	1.39	243.01	2.45	5.52	125.60
NIGERIA	12.16	39.89	227.94	28.57	64.25	124.92
ARGENTINA	3.23	5.69	76.34	4.84	9.78	102.28
SPAIN	11.93	19.74	65.52	27.97	51.01	82.38
OMAN	6.77	15.55	129.79	15.12	27.30	80.53
SWEDEN	2.94	4.33	47.62	5.59	10.04	79.52
ALGERIA	2.95	7.60	157.55	10.76	18.17	68.95
Sharp cumulative decline						
SWITZERLAND	8.65	2.02	-76.60	12.00	4.20	-64.96
TAIWAN	6.73	1.73	-74.26	9.01	3.85	-57.31
SENEGAL	2.86	1.62	-43.39	6.97	4.18	-40.01
U K	60.72	29.86	-50.82	96.40	60.20	-37.55
BHUTAN	1.79	2.42	35.27	9.92	6.67	-32.72
KUWAIT	15.36	10.14	-34.01	33.77	23.41	-30.68
SINGAPORE	17.26	16.31	-5.55	47.12	33.20	-29.53
PHILIPPINES	8.11	5.81	-28.38	15.94	12.34	-22.57

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–May 2018 with 17.05 percent share in India's global import of the product group, followed by Bangladesh and Germany with 4.63 percent and 4.45 percent shares.
- ❖ Cambodia, Tunisia, Nigeria and Argentina were among the nations witnessing significant growth of imports of Industrial machinery from Indian during Apr - May 2018
- ❖ Among the major importers, export to Switzerland, Taiwan, Senegal and UK recorded sharp declines in imports during April - May 2018.

Table 11: Export of Automobiles
US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						

MEXICO	169.55	133.37	-21.34	340.84	288.87	-15.25
U S A	1.81	103.98	5644.25	3.43	205.68	5890.41
SOUTH AFRICA	74.54	88.23	18.36	133.48	155.09	16.19
BANGLADESH	48.16	32.34	-32.85	87.75	88.49	0.84
NEPAL	28.95	54.39	87.90	56.29	78.42	39.32
High cumulative growth						
CANADA	0.00	13.30		0.06	27.55	47694.60
U S A	1.81	103.98	5644.25	3.43	205.68	5890.41
MOZAMBIQUE	0.30	0.99	232.85	0.59	10.25	1627.01
IRAQ	0.34	1.60	368.41	0.58	5.19	801.42
CAMBODIA	0.64	1.98	211.62	0.96	6.19	543.73
MYANMAR	0.80	5.19	548.56	1.39	8.16	488.49
SAUDI ARAB	3.35	16.10	380.63	4.04	22.90	467.37
NEW ZEALAND	1.15	5.94	418.11	2.32	9.27	298.97
Sharp cumulative decline						
TURKEY	2.33	0.02	-99.18	7.56	0.08	-98.88
COTE D' IVOIRE	14.16	1.08	-92.36	20.97	1.59	-92.42
ISRAEL	2.10	0.18	-91.52	6.57	0.64	-90.29
NETHERLAND	5.75	2.68	-53.42	18.30	2.68	-85.34
SPAIN	19.90	6.20	-68.82	42.20	7.37	-82.55
FRANCE	29.92	15.24	-49.06	53.98	17.69	-67.23
ITALY	28.93	20.60	-28.80	70.20	24.44	-65.19

(Source: Department of Commerce, Government of India)

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

- ❖ Mexico, USA and South Africa were top three importers of India's Automobiles during April-May of 2018 witnessing 16.73, 11.91 and 8.98 percent share

respectively. Mexico being the largest importer shares 16.73 percent of imports of automobiles from India.

- ❖ Countries like Canada, U S A, Mozambique, Myanmar, Saudi Arabia saw over 100 percent growths in imports of Indian automobile during April-May 2018 among major importers.
- ❖ Turkey, Netherland, Spain, France, Italy conceded substantial decrease in imports of Automobiles from India during April-May 2018.

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

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						
S. KOREA	92.0	109.3	18.9	201.8	214.1	6.1
U S A	58.0	85.6	47.7	125.7	161.7	28.6
TURKEY	5.5	71.4	1202.6	39.3	138.5	252.8
MEXICO	7.0	49.9	609.0	15.9	71.5	351.1
CHINA	104.2	3.3	-96.8	197.4	55.9	-71.7
High cumulative growth						
BULGARIA	0.1	21.4	21580.6	0.4	27.4	6158.2
VIETNAM	1.5	14.8	865.7	2.3	24.4	949.4
QATAR	0.8	10.4	1133.0	1.8	18.4	928.7
TANZANIA	1.0	8.5	747.6	1.7	9.1	422.1
MEXICO	7.0	49.9	609.0	15.9	71.5	351.1
GREECE	0.1	36.2	47085.5	14.6	54.3	272.7
TURKEY	5.5	71.4	1202.6	39.3	138.5	252.8
JAPAN	11.0	25.3	129.6	17.6	46.1	162.5

SPAIN	8.9	22.2	149.6	18.1	35.6	96.1
ISRAEL	3.2	6.8	109.9	5.6	10.9	95.7
Sharp cumulative decline						
SINGAPORE	33.5	0.8	-97.6	35.5	1.6	-95.4
CHINA	104.2	3.3	-96.8	197.4	55.9	-71.7
IRAN	2.5	1.2	-50.8	6.9	2.5	-63.7
UAE	74.0	20.5	-72.3	111.4	42.7	-61.6
BELGIUM	1.3	1.5	13.0	7.1	3.1	-56.6
MALAYSIA	31.0	11.4	-63.4	83.2	40.0	-51.9

- ❖ Korea (USD 214.09 million), USA (USD 161.71million) and Turkey (USD 138.47million) were the top three importers of Indian Non-ferrous metals during April - May 2018 with market shares of 15.03 percent, 11.35 percent and 9.72 percent respectively and Y-o-Y growth of 6.07 percent, 28.61 percent and 252.75 percent respectively.
- ❖ Bulgaria, Vietnam, Qatar, Tanzania, Mexico and Greece witnessed highest growth in imports of Indian Non-ferrous metal products during April-May2018.
- ❖ Singapore, China, Iran, UAE and Belgium conceded significant decline in imports of non-ferrous metals from India during the April - May 2018.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Importers						
U S A	82.93	108.49	30.82	150.26	282.06	87.71
GERMANY	30.79	49.58	61.03	103.95	168.83	62.41
U K	17.32	49.66	186.76	63.69	79.85	25.38
SINGAPORE	12.90	38.79	200.56	20.87	75.95	263.88
CHINA	7.47	20.07	168.51	17.92	56.99	217.98

High cumulative growth						
TAIWAN	0.50	8.30	1550.52	1.08	16.55	1431.93
CANADA	1.27	12.68	896.66	2.00	16.04	700.36
BELGIUM	3.85	3.55	-7.78	6.81	37.10	444.82
LAO PD	1.16	5.39	365.81	1.28	6.66	419.91
SUDAN	0.80	0.54	-31.98	1.71	7.54	341.70
SINGAPORE	12.90	38.79	200.56	20.87	75.95	263.88
CHINA	7.47	20.07	168.51	17.92	56.99	217.98
SPAIN	2.96	11.17	277.14	5.74	15.07	162.68
Sharp cumulative decline						
ETHIOPIA	2.90	0.55	-81.00	5.07	0.89	-82.41
TURKEY	9.05	9.92	9.61	26.84	14.67	-45.34
VIETNAM	14.84	3.69	-75.16	19.14	10.64	-44.40
RUSSIA	2.48	2.10	-15.39	5.23	3.18	-39.23
FRANCE	23.39	16.07	-31.30	52.87	33.54	-36.55
KUWAIT	4.22	3.49	-17.30	10.28	6.63	-35.55
UAE	30.27	22.46	-25.79	53.25	38.48	-27.74

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 282.06 million), Germany (US\$ 168.83 million) and UK (US\$ 79.85 million) were the three top importers of Indian Electrical Machinery and Components during April - May 2018 with market shares of 22.08 percent, 13.22 percent and 6.25 percent respectively.
- ❖ Taiwan, Canada and Belgium recorded highest growth in imports of India's Electrical Machinery and Components during April - May 2018.
- ❖ On the other hand, Ethiopia, Turkey, Vietnam and Russia 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	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top Five Importers						
U S A	39.40	44.41	12.73	81.49	97.66	19.84
SINGAPORE	18.55	32.23	73.76	35.74	50.17	40.39
FRANCE	12.58	25.24	100.55	31.65	47.14	48.95
U K	11.49	18.78	63.42	39.09	40.17	2.76
GERMANY	27.14	20.87	-23.11	38.95	32.20	-17.31
High cumulative growth						
BELGIUM	0.17	10.81	6122.03	0.23	11.00	4770.96
SWITZERLAND	3.46	12.74	268.40	5.01	13.43	168.07
FRANCE	12.58	25.24	100.55	31.65	47.14	48.95
SINGAPORE	18.55	32.23	73.76	35.74	50.17	40.39
MALAYSIA	2.23	3.39	52.08	5.08	6.29	23.81
U S A	39.40	44.41	12.73	81.49	97.66	19.84
Sharp cumulative decline						
RUSSIA	2.90	1.94	-33.14	17.47	5.95	-65.93
ISRAEL	1.88	2.13	13.03	6.74	5.04	-25.27
GERMANY	27.14	20.87	-23.11	38.95	32.20	-17.31
U K	11.49	18.78	63.42	39.09	40.17	2.76
U S A	39.40	44.41	12.73	81.49	97.66	19.84
MALAYSIA	2.23	3.39	52.08	5.08	6.29	23.81
SINGAPORE	18.55	32.23	73.76	35.74	50.17	40.39
FRANCE	12.58	25.24	100.55	31.65	47.14	48.95

(Source: Department of Commerce and CSO)

- ❖ USA , Singapore and France were the top importers of India's 'Aircrafts & Spacecrafts' during April- May 2018 with 28.27 percent, 14.52 percent, and 13.64 percent shares respectively in India's total global exports of the product.
- ❖ Belgium and Switzerland recorded gigantic growth rates even though the increase in import volumes of 'Aircrafts & Spacecrafts' remains less than US\$ 15 million during April-May 2018.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Russia, Israel, Germany, and UK declined significantly during April- May 2018.

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

US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top 5 Importers						
U A E	678.39	568.80	-16.16	714.49	950.19	32.99
SINGAPORE	0.00	74.17	-	21.79	263.04	1107.13
SOUTH AFRICA	0.00	0.00	-	0.00	198.48	-
OMAN	0.00	16.23	-	0.00	187.76	-
BELGIUM	0.00	150.05	-	0.00	150.05	-
High cumulative growth						
SOUTH AFRICA	0.00	0.00	-	0.00	198.48	-
OMAN	0.00	16.23	-	0.00	187.76	-
BELGIUM	0.00	150.05	-	0.00	150.05	-
BANGLADESH	0.00	0.00	-	0.00	20.07	-
QATAR	0.00	8.34	-	0.00	8.34	-
BAHARAIN	0.00	0.00	-	0.00	5.28	-

SINGAPORE	0.00	74.17	-	21.79	263.04	1107.13
Sharp cumulative decline						
CAMEROON	0.00	0.00	-	20.63	0.00	-100.00
EGYPT	0.00	0.00	-	213.77	0.00	-100.00
LIBERIA	0.00	0.00	-	84.61	0.00	-100.00
MALAYSIA	6.20	0.00	-100.00	6.20	0.00	-100.00
U S A	216.51	0.02	-99.99	216.61	0.02	-99.99
SRI LANKA	23.16	12.23	-47.19	23.17	18.09	-21.92

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- May 2018 with 49.17 percent share in India's total global exports of the product followed by Singapore and South Africa with 13.61 and 10.27 percent share respectively.
- ❖ Singapore recorded high growths in imports of 'Ships, Boats and Floating Structures and Parts' during April- May 2018 over the same period last year.
- ❖ Cameroon, Egypt, Liberia, Malaysia, USA and Sri Lanka recorded significant decline in imports during April 2018 - May 2018 over the same period last year.

Table 16: Export of Auto Components

US\$ Million

COUNTRY	MAY, 2017	MAY, 2018	Growth (%)	APRIL, 2017 - MAY, 2017	APRIL, 2018- MAY, 2018	Growth (%)
Top 5 Importers						
U S A	78.69	96.22	22.28	154.61	194.91	26.06
TURKEY	25.15	32.35	28.61	53.05	67.42	27.09
BANGLADESH	19.45	27.51	41.42	32.21	50.25	55.99
BRAZIL	18.36	24.66	34.27	34.68	46.23	33.31

GERMANY	14.83	20.99	41.61	30.34	40.57	33.74
High cumulative growth						
ROMANIA	1.93	9.94	415.83	4.44	18.01	305.96
MYANMAR	1.39	3.24	133.12	2.26	6.40	182.99
VIETNAM	6.35	9.97	57.07	8.37	22.42	167.86
JAPAN	8.93	25.20	182.07	17.95	37.65	109.70
COLOMBIA	3.54	6.37	80.02	6.59	10.91	65.55
BANGLADESH	19.45	27.51	41.42	32.21	50.25	55.99
EGYPT	4.78	6.98	46.12	8.71	13.47	54.59
BELGIUM	4.72	6.49	37.43	9.51	13.70	44.06
CHINA	5.09	7.80	53.37	10.83	15.19	40.30
Sharp cumulative decline						
SAUDI ARABIA	3.44	0.83	-75.85	9.49	1.90	-79.96
CANADA	5.57	5.74	3.11	13.95	11.81	-15.34
KOREA	4.34	3.68	-15.14	8.65	7.39	-14.52
PHILIPPINES	4.00	2.90	-27.42	6.90	6.17	-10.59
NETHERLAND	3.17	2.59	-18.39	6.19	5.55	-10.28
U A E	7.74	7.63	-1.49	16.16	14.61	-9.60
NEPAL	10.48	9.12	-12.96	17.70	16.12	-8.97
POLAND	3.98	3.51	-11.76	7.34	6.81	-7.24
SOUTH AFRICA	7.20	7.58	5.28	16.10	15.19	-5.69
INDONESIA	9.59	9.80	2.27	21.75	21.06	-3.17

(Source: Department of Commerce and CSO)

- ❖ USA is the top most importers of auto components/parts from India during April- May 2018, with a share of more than 21 percent in the total auto components from India

during the same followed by Turkey and Bangladesh with 7.41 and 5.52 percent share respectively.

- ❖ Romania, Myanmar and Vietnam are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April - May 2018 over April - May 2017.
- ❖ Saudi Arabia conceded substantial decline in during April- May 2018 over the same period last fiscal.

8. Import Analysis of Engineering Goods

India's Engineering imports during May 2018 were valued at US\$ 8535.98 million compared to US\$ 6628.73 million in May 2017 registering a considerable growth to the extent of 28.8 percent in dollar terms. Imports for the previous month of April 2018 stood at US\$ 8139.45 million compared to US\$ 6936.7 million in April 2017.

The share of engineering imports in India's total merchandise imports was estimated at 20.6 percent in May 2018 quite similar to the previous month of April 2018 maintaining 20.5 percent share out of total merchandised imports.

The monthly engineering import figures for fiscal 2018-19 vis-à-vis 2017-18 is depicted below as per the latest availability of figure:

Table 5: Engineering Imports
(US\$ Million)

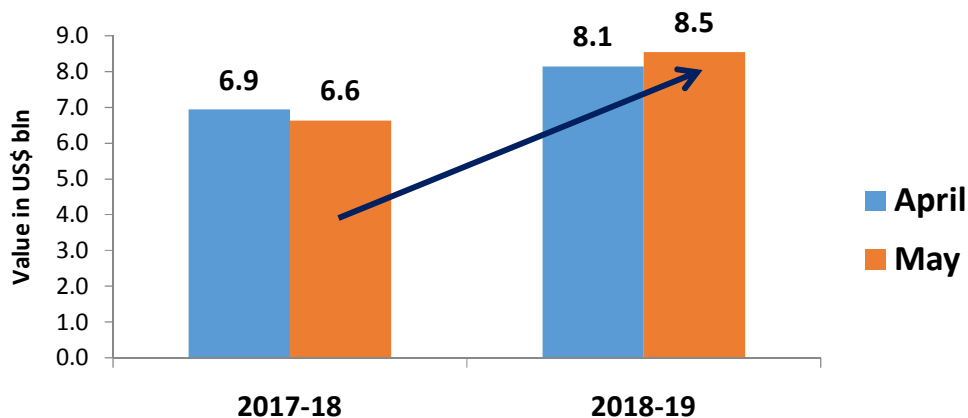
Months	2017-18	2018-19	Growth (%)
Apr	6936.70	8139.45	17.3
May	6628.73	8535.98	28.8
April-May	13565.4	16675	22.9

(Source: Department of Commerce, Government of India)

Figure 2 below depicts the monthly trend in engineering imports **for May 2018 compared to May 2017**

Figure2: Trend in Monthly Engineering Imports (In US\$ billion) for 2018-19

Engineering Imports for 2018-19 vis-a-vis 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:

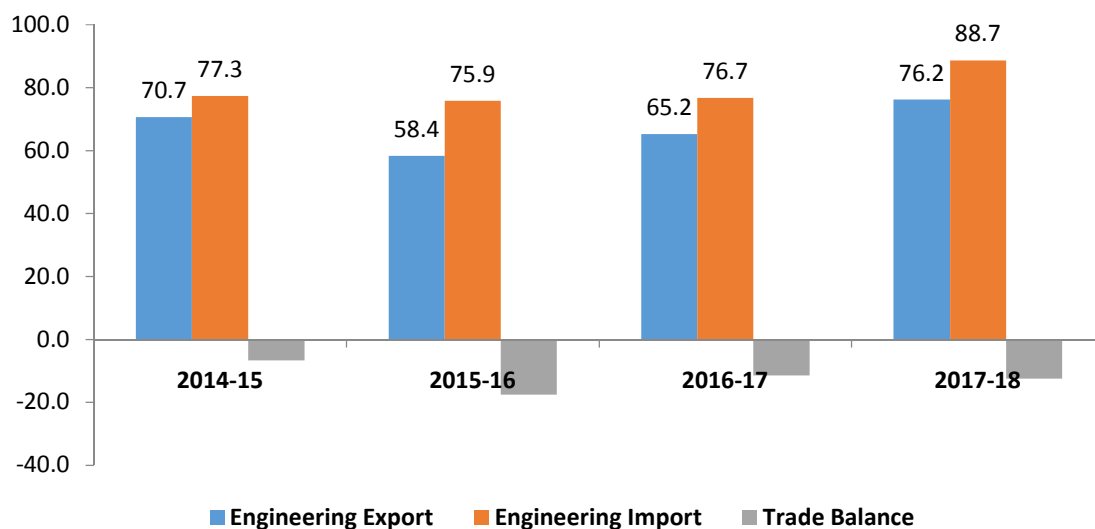
Table 6: Engineering Trade
(US\$ Million)

	2014-15	2015-16	2016-17*	2017-18	Growth %
Engineering Export	70661.2	58351.58	65239.19	76204.38	16.8
Engineering Import	77279.45	75859.72	76712.38	88654.28	15.6
Trade Balance	-6618.25	-17508.1	-11473.2	-12449.9	

Source: DGCI&S

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

India's merchandise export growth accelerated to six-month high during May 2018 due to a broad-based recovery in petroleum and like sectors. However, imports also grew significantly following the rise in the import price of crude oil. Trade deficit as a result went up to four-month high.

Engineering sector, despite of achieving a noticeable growth in exports during May 2018, underperformed the broader merchandise export growth. The growth in engineering exports were attributed to substantial rise in the overseas shipments of Electrical machinery; Auto components/parts; Non-ferrous metals, Aircrafts and Spacecraft; and Industrial machinery. Share of engineering in total merchandise exports declined slightly to 24 percent from 25 percent recorded during the entire fiscal 2017-18.

USA, UAE and Germany remained the top three exporting destinations for Indian engineering products during the first two months of the new fiscal. However, Exports to USA was largely flat while that to UAE declined when compared to same period last fiscal. EU continued to be the highest importing region for Indian engineering with 22 percent share and 12 percent growth in imports over the same period last fiscal. Other than CIS, all regions experienced growth in engineering imports from India during Apr - May 2018-19.

Despite an impressive growth of Indian engineering exports during April - May 2018, rising raw material cost has been maturing as a concern for exporters. In addition, post-GST fund shortage continues even with substantial effort by the domestic government to mitigate GST related issues. On the global front, Fear of an imminent tariff war damaging the prospect of

international trade backed by intermittent bullying from USA and China. Initiation of safeguard investigation by the European Commission on import of selected steel products further intensified the panic across the globe. US investigation on India's compliance with the norms under Generalised System of Preference is another external shock for the exporting community. Volatile trend of Rupee has also clouded the outlook for global exports.
