

Engineering Exports and Imports Monitor

June 2018



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for June 2018

India's Merchandise Trade scenario

- ❖ India's merchandise exports during June 2018 were valued at US\$ 27.70 Billion as compared to US\$ 23.56 Billion during June 2017 exhibiting a positive growth of 17.57 percent year-on-year (Over the same period last year). The growth was however lower than that of in May 2018 at 20.18 percent. Growth was higher at 23.68 percent during the reporting month in Rupee terms.
- ❖ During June 2018, export growth was driven by substantial year-on-year growth in segments like Petroleum Products (52.53%), Organic & Inorganic Chemicals (30.26%), Drugs & Pharmaceuticals (14.71%) and Engineering Goods (14.19%). Exports of Readymade garments however continued to decline in the month concerned.
- ❖ Cumulative value of exports for the period April-June 2018-19 was US\$ 82.47 Billion as against US\$ 72.21 Billion registering a positive growth of 14.21 percent in Dollar terms over the same period last year.
- ❖ Merchandise Imports during June 2018 were valued at US\$ 44.30 Billion which was 21.31 percent higher in Dollar terms over the level of imports valued at US\$ 36.52 Billion recorded in June 2017.
- ❖ High import growth during Jun 2018 was driven large by sizeable growth in imports of Petroleum, Crude & products (56.61%), Electronic goods (14.28%), Machinery, electrical & non-electrical (32.83%), Coal, Coke & Briquettes, etc. (26.98%) and Organic & Inorganic Chemicals (24.28%).
- ❖ Cumulative value of merchandise imports for the period April-June 2018-19 was at US\$ 127.41 Billion as against US\$ 112.26 Billion during the same period last year registering a positive growth of 13.49 percent.
- ❖ Trade deficit in June 2018 widened the most in 5 years on the back of a surge in crude oil imports as it stood 28 percent higher over the same month last year at \$16.6 billion. Cumulative trade deficit for Apr - Jun 2018-19 was at around US\$ 45 billion registering 12.2 percent growth over the same period last year.

India's Engineering Exports scenario

- ❖ Indian engineering exports continued to achieve double-digit growth for the third straight month with 14.31 percent year-on-year growth in June 2018-19. During the said month, engineering exports increased to US\$ 6.52 billion from US\$ 5.70 billion in the same month last fiscal.

- ❖ Cumulative engineering exports during the first quarter (Apr - Jun) of 2018-19 stood at US\$ 20.47 billion as against US\$ 17.65 billion during the same quarter last fiscal, recording 15.96 percent growth year-on-year.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 23.5 percent in Jun 2018 as against a slightly higher 24.1 percent in May 2018. However, share of engineering to total exports was at 24.8 percent during Apr - Jun 2018-19.
- ❖ Out of 33 engineering panels, 28 panels sharing almost 85 percent of the products, recorded growth in exports in June 2018 over the same month last year while the remaining 5 panels conceded decline in exports.
- ❖ During June 2018, 20 out of top 25 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ Top 25 nations accounted for 74.6 percent of India's total engineering exports in June 2018 over June 2017.

India's Engineering Imports scenario

- ❖ India's Engineering imports for the new fiscal 2018-19 were valued at US\$ 8.3 billion during June 2018 compared to US\$ 6.6 billion in June 2017 registering a considerable growth to the extent of 25.9 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports was estimated at 18.7 percent in June 2018 compared to 20.6 percent share in May 2018 and 20.5 percent in April 2018.

1. Trend in overall merchandise trade

India's merchandise exports during June 2018 were valued at US\$ 27.70 Billion as compared to US\$ 23.56 Billion during June 2017 exhibiting a positive growth of 17.57 percent year-on-year (Over the same period last year). The growth was however lower than that of in May 2018 at 20.18 percent. Growth was higher at 23.68 percent during the reporting month in Rupee terms.

During June 2018, engineering export growth was driven by substantial year-on-year growth in segments like Petroleum Products (52.53%), Organic & Inorganic Chemicals (30.26%), Drugs & Pharmaceuticals (14.71%) and Engineering Goods (14.19%). Exports of Readymade garments however continued to decline in the month concerned.

Cumulative value of exports for the period April-June 2018-19 was US\$ 82.47 Billion as against US\$ 72.21 Billion registering a positive growth of 14.21 percent in Dollar terms over the same period last year.

Non-petroleum and Non Gems and Jewellery exports during June 2018 were valued at US\$ 20.13 Billion as compared to US\$ 17.48 Billion during June 2017 exhibiting a positive growth of 15.13 percent. Cumulative exports of the same during April-June 2018-19 stood at US\$ 59.86

Billion as against US \$ 52.71 Billion for the corresponding period in 2017-18, securing an increase of 13.56 percent.

Merchandise Imports during June 2018 were valued at US\$ 44.30 Billion which was 21.31 percent higher in Dollar terms over the level of imports valued at US\$ 36.52 Billion recorded in June 2017.

High import growth during Jun 2018 was driven large by sizeable growth in imports of Petroleum, Crude & products (56.61%), Electronic goods (14.28%), Machinery, electrical & non-electrical (32.83%), Coal, Coke & Briquettes, etc. (26.98%) and Organic & Inorganic Chemicals (24.28%) among others.

Cumulative value of imports for the period April-June 2018-19 was US\$ 127.41 Billion as against US\$ 112.26 Billion during the same period last year registering a positive growth of 13.49 percent.

Oil imports during June 2018 were valued at US \$ 12.73 Billion which was 56.61percent higher in Dollar terms as compared to US\$ 8.13 Billion in June 2017. Oil imports during April- June 2018-19 were valued at US\$ 34.64 Billion as against US\$ 23.18 Billion during the same period last year, registering a growth of 49.44 percent year-on-year. In this connection it is mentioned that the global Brent price (\$/bbl) has increased by 60.47 percent in June 2018 vis-à-vis June 2017 as per data available from US Energy Information Administration(EIA).

Non-oil imports during June 2018 were estimated at US\$ 31.58 Billion which was 11.20 percent higher in Dollar terms compared to US\$ 28.40 Billion recorded in June 2017. Cumulative value of Non-oil imports during April-June 2018-19 were US\$ 92.77 Billion which was 4.14 per cent higher than US\$ 89.09 Billion of exports during April-June of 2017-18.

Trade deficit in June 2018 widened the most in 5 years on the back of a surge in crude oil imports as it stood 28 percent higher over the same month last year at \$16.6 billion. Cumulative trade deficit for Apr - Jun 2018-19 was at around US\$ 45 billion registering 12.2 percent growth over the same period last year.

2. Engineering exports

Indian engineering exports continued to achieve double-digit growth for the third straight month with 14.31 percent year-on-year growth in June 2018-19. During the said month, engineering exports increased to US\$ 6.52 billion from US\$ 5.70 billion in the same month last fiscal.

Cumulative engineering exports during the first quarter (Apr - Jun) of 2018-19 stood at US\$ 20.47 billion as against US\$ 17.65 billion during the same quarter last fiscal, recording 15.96 percent growth year-on-year.

The share of engineering exports in India's total merchandise exports was estimated at 23.5 percent in Jun 2018 as against a slightly higher 24.1 percent in May 2018. However, share of engineering to total exports was at 24.8 percent during Apr - Jun 2018-19.

Out of 33 engineering panels, 28 panels sharing almost 85 percent of the products, recorded growth in exports in June 2018 over the same month last year while the remaining 5 panels conceded decline in exports.

During June 2018, 20 out of top 25 countries recorded positive growth in engineering exports from India over the same month last year.

Top 25 nations accounted for 74.6 percent of India's total engineering exports in June 2018 over June 2017.

The cumulative engineering figures for Apr - Jun 2018-19 vis-à-vis Apr - Jun 2017-18 are depicted below as per the latest availability of figure:

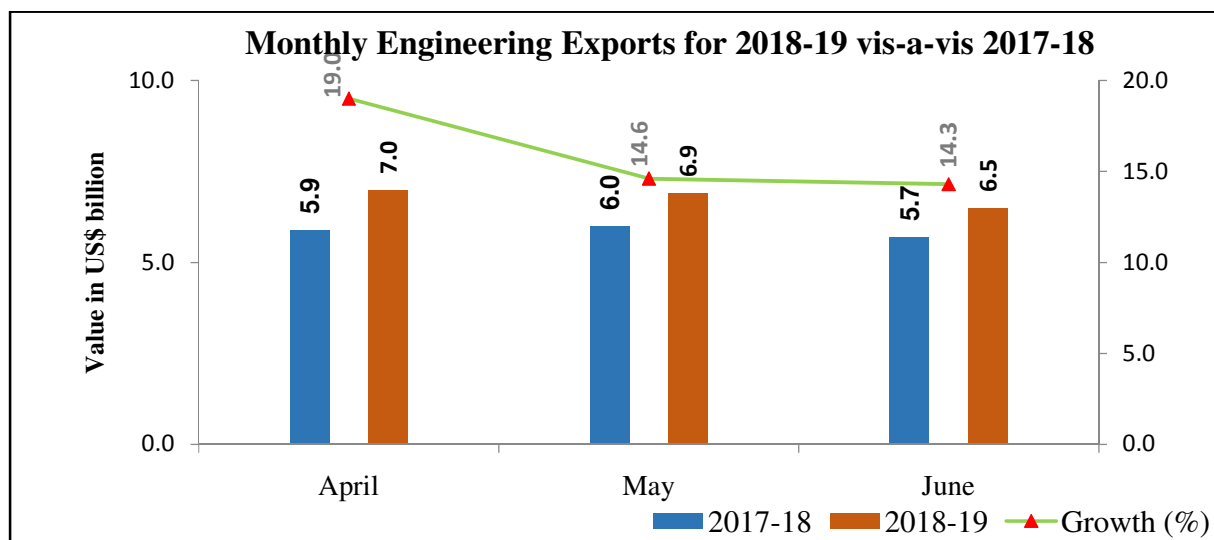
Table1: Engineering Exports
(US\$ Million)

Months	2017-18	2018-19	Growth (%)
April	5902.89	7021.97	18.96
May	6047.16	6929.23	14.59
June	5703.28	6519.51	14.31
Apr - Jun	17653.3	20470.7	15.96

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the trend in monthly engineering exports during **2018-19 vis-à-vis 2017-18**

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



(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.

Trend of engineering exports growth and that of manufacturing established some correlation between them in 2017-18. 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 showed 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.

During the first month of Fiscal 2018-19, both engineering exports and manufacturing moved in the same direction as growth accelerated for both of them in Apr 2018. Engineering exports growth registered 18.19 percent and manufacturing sector witnessed 5.3 percent growth in the said month. During May 2018, both engineering exports and manufacturing growth slowed down sizeably. Manufacturing Index in the Index of Industrial Production (IIP) stood at 129.1 in May 2018 as against 123.5 in April 2018, 138.9 in March 2018, 129.9 in February 2018 and 133.8 in January 2018.

The growth rates in Engineering Exports and that 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 (2018-19)

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
Apr-Mar 2017-18	16.81	4.5
April 2018	18.96	5.3
May 2018	14.59	2.8*
Jun 2018	14.31	N A
Apr - Jun 2018	15.96	N A

* As per 'Quick Estimates' of Ministry of Commerce, Govt. of India for May 2018
(Source: Department of Commerce and CSO)

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	5902.90*	24.42%
May	5636.17	6047.20*	7.29%
June	5066.99	5703.28*	12.56%

Months	2016-17	2017-18	Growth
Quarter 1	15447.48	17653.38*	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	76203.87*	16.81%

Source: DGCI&S

* Revised Figures

3. Impact of Exchange Rate

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

Table 4: Average Exchange Rate

Jun	Average Exchange Rate 1 USD to INR
2017	64.44
2018	67.79

(Source: Calculated from RBI archive)

During June 2018, the official exchange rate of rupee vis-à-vis the US Dollar has depreciated to the extent of 5.19 percent over Jun 2017. This was a bit higher than the 4.8% year-on-year depreciation recorded in May 2017.

4. Panel wise Analysis of Engineering Exports

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

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

Sl no.	Panel	June 2017	June 2018	Growth %	April-June 2017-18	April-June 2018-19	Growth %
A	A. Iron and Steel	691.32	735.65	6.4	2379.09	2350.18	-1.2
B	B. Products of Iron	516.74	584.93	13.2	1554.13	1721.69	10.8
	Sub Total	1208.06	1320.58	9.31	3933.22	4071.87	3.53
A	Copper and products	285.15	69.08	-75.77	735.17	245	-66.67
B	Aluminium and products	333.41	554.33	66.26	987.95	1481.33	49.94
C	Zinc and products	61.62	68.3	10.84	172.71	217.34	25.84
D	Nickel and products	2.54	6.81	168.11	8.15	19.63	140.86
E	Lead and products	15.02	32.68	117.58	57.01	95.83	68.09
F	Tin and products	0.58	0.77	32.76	3.5	1.59	-54.57
G	Other Non-Ferrous Metals	42.05	44.24	5.21	119.61	133.47	11.59
	Sub Total	740.37	776.21	4.84	2084.1	2194.19	5.28
A	Industrial Machinery like Boilers, parts, etc	47.67	48.85	2.48	132.59	156.17	17.78
B	IC Engines and Parts	274.16	235.06	-14.26	706.65	593.48	-16.02
C	Pumps of all types	82.54	77.75	-5.80	220.76	238.52	8.04
D	Air condition and Refrigerators	92.84	188.87	103.44	262.26	501.1	91.07
E	Industrial Machinery for dairy, food processing , textiles etc	416.82	467.67	12.20	1182.6	1411.52	19.36
F	Machine Tools	41.64	43.74	5.04	121.81	127.09	4.33
G	Machinery for Injecting moulding, valves and ATMs	119.59	132.87	11.10	348.21	371.8	6.77
	Sub Total	1075.26	1194.81	11.12	2974.88	3399.68	14.28
4	Electrical Machinery	436.37	719.16	64.81	1310.69	1998.93	52.51
A	Motor Vehicle/cars	636.16	701.19	10.22	1838.21	2087.95	13.59
B	Two and Three Wheelers	149.72	199.8	33.45	471.6	544.83	15.53
C	Auto Components/Part	399.83	455.99	14.05	1135.23	1366.47	20.37
	Sub Total	1185.71	1356.98	14.44	3445.04	3999.25	16.09
6	Aircrafts and Spacecraft parts and products	159.53	185.93	16.55	461.1	531.96	15.37
7	Ships Boats and Floating products and parts	275.26	285.53	3.73	1611.26	2210.46	37.19

Sl no.	Panel	June 2017	June 2018	Growth %	April-June 2017-18	April-June 2018-19	Growth %
A	Medical and Scientific instruments	135.2	137.12	1.42	367.47	406.34	10.58
B	Railway Transport	40.72	22	-45.97	83.32	92.93	11.53
C	Hand Tools & Cutting Tools	57.99	58.82	1.43	168.39	177.55	5.44
D	Electrodes Accumulators	3.97	4	0.76	10.53	12.07	14.62
E	Accumulator and Batteries	18.63	30.89	65.81	57.07	90.14	57.95
F	Bicycle & Parts	28.4	29.58	4.15	78.69	90.46	14.96
G	Cranes Lifts & Winches	26.28	39.51	50.34	77.21	110.12	42.62
H	Office Equipments	7.73	9.69	25.36	25.08	20.31	-19.02
I	Other Construction Machinery	109.38	131.27	20.01	298.14	439.09	47.28
J	Prime Mica & Mica Products	2.06	1.66	-19.42	5.97	6.21	4.02
K	OTHER MISC. ITEMS	192.36	215.77	12.17	661.12	619.15	-6.23
Sub total		622.72	680.31	9.25	1832.99	2064.37	12.67
Total engineering exports		5703.28	6519.51	14.31	17653.28	20470.71	15.96

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During June 2018, exports of engineering goods performed quite similar to the previous month of May and recorded a positive growth of 14.31 percent on a month on month basis compared to 14.78 percent in May 2018 and 18.96 percent in April 2018. Out of 33 engineering panels, 28 panels sharing almost 85% of the products, recorded growth in exports in June 2018 over the same month last year while the remaining 5 panels conceded decline in exports.
- ❖ Iron and Steel figures recorded 6.4 percent growth in exports during June 2018 with an overseas shipment recording US\$ 735.65 million from US\$ 691.32 million in the same month last year. Cumulative figure showed a meagre 1.2 percent drop in exports during April –June 2018-19 touching US\$ 2350.18 million from US\$ 2379.09 million during the same period last fiscal. Products of Iron and Steel recorded growth in exports by 13.2 percent during June 2018 increasing to US\$ 584.93 million from US\$ 516.74 million during the same period last in June 2017. The cumulative exports for products of Iron and Steel increased by 10.8 percent to US\$ 1721.69 million during April-June 2017-18 from US\$ 1554.13 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', 'Nickel and products', 'Lead and products' and 'Tin and Products' recorded substantial growth in exports during June 2018. 'Nickel and its products' recorded highest growth of 168.11 percent during June. 'Copper and products' experienced drop

in exports to the extent of 75.77 percent in June 2018 compared to same period last fiscal.

- ❖ Industrial machinery panel as a whole recorded growth in exports to the extent of 11.12 percent during June 2018 vis-à-vis same period last fiscal. Among which sectors like, Air condition and Repair machinery, Machinery for ATMs, Other Industrial Machinery recorded growth in exports to the extent of 103.44 percent, 11.1 percent and 12.2 percent respectively in June 2018 compared to June 2017. Sectors like IC engines & parts recorded fall in exports during June 2018 to the extent of 14.26 percent and Pumps of all types experienced drop in exports to the extent of 5.8 percent during June 2018 compared to same period last fiscal.
- ❖ Electrical Machinery and equipments panel faced considerable growth in exports to the extent of 64.8 percent during June 2018 over the same period last fiscal. Cumulative exports for April-June 2018-19 recorded 52.5 percent growth moving to US\$ 1998.93 million from US\$ 1310.69 million in April-June 2017-18.
- ❖ Exports of Auto and Auto Components recorded 14.44 percent growth during June 2018, scaling up from US\$ 1185.71 million in June 2017 to US\$ 1356.98 million in June 2018. The automobile sector (including Motor Vehicles and Two/Three Wheelers) experienced growth in exports by 19.33 percent from US\$ 549.55 million in June 2017 to US\$ 655.79 million in June 2018.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 16.55 percent growth in exports during June 2018 over the same period last year. On the other hand Ship, Boats and Floating Bodies exhibited growth in exports of 3.73 percent moving up from US\$ 275.3million in June 2017 to US\$ 285.53 million in June 2018.
- ❖ Some other miscellaneous sectors like Railway, Transport and Equipment squeezed to the extent of 45.97 percent during June 2018 vis-a-vis June 2017. Some other sectors like Accumulators and Batteries, Cranes, Lifts and Winches, Office Equipments, Other Construction Machinery, Bicycle and Parts recorded growth in exports to the extent of 65.8 percent, 50.3 percent, 25.36 percent, 20.01 percent and 4.15 percent respectively in June 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 June 2018 over June 2017 in Absolute Value.

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

(Values in US\$ million)

COUNTRY	June 2017	June 2018	Growth (%)	Apr-June 2017-18	Apr-June 2018-19	Growth (%)
U S A	749.76	913.28	21.81	2306.19	2776.15	20.38
UAE	319.40	292.38	-8.46	1552.20	1678.16	8.12
GERMANY	209.52	281.79	34.49	659.68	839.23	27.22
MEXICO	217.23	266.25	22.56	696.86	763.09	9.50
NEPAL	160.77	233.83	45.45	487.00	750.77	54.16
SINGAPORE	220.43	226.89	2.93	414.50	709.95	71.28
U K	242.18	283.83	17.20	692.84	705.60	1.84
BANGLADESH	178.49	213.65	19.69	521.35	650.91	24.85
ITALY	167.83	194.67	15.99	631.45	598.89	-5.16
SOUTH AFRICA	136.85	119.68	-12.55	376.70	576.88	53.14
TURKEY	132.05	183.61	39.04	391.46	559.17	42.84
KOREA RP	160.10	163.22	1.95	481.30	528.82	9.87
BELGIUM	101.97	115.54	13.30	315.52	501.85	59.05
CHINA	233.92	144.93	-38.04	629.38	446.71	-29.02
INDONESIA	104.37	163.71	56.86	351.65	441.11	25.44
SAUDI ARAB	98.01	92.46	-5.66	293.34	364.03	24.10
THAILAND	99.26	140.08	41.12	270.71	349.28	29.02
FRANCE	118.39	122.02	3.07	376.06	344.49	-8.40
JAPAN	80.66	120.79	49.76	231.20	332.74	43.92
SRI LANKA	112.83	147.40	30.64	303.62	320.56	5.58
NIGERIA	79.98	116.38	45.52	168.47	312.58	85.54
OMAN	32.61	43.73	34.09	93.73	312.48	233.39

COUNTRY	June 2017	June 2018	Growth (%)	Apr-June 2017-18	Apr-June 2018-19	Growth (%)
SPAIN	89.94	78.13	-13.12	296.98	290.40	-2.22
NETHERLAND	61.65	97.80	58.65	209.98	274.44	30.70
MALAYSIA	96.61	106.92	10.67	306.42	265.22	-13.44
Top 25 Countries Total	4204.83	4862.97	15.65	13058.60	15693.50	20.18
Grand Total	5703.31	6519.50	14.31	17653.27	20470.71	15.96
Share % Total Engineering Exports	73.73	74.59		73.97	76.66	

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ During June 2018, out of top 25 countries 20 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ Like the previous month, USA once again ranks as the numero uno exporting destination for India's engineering products in June 2018. It registered significant positive cumulative growth during April-June 2018 over April-June 2017 to the extent of 20.38 percent.
- ❖ Once again Oman recorded the highest cumulative export growth of more than 233 percent during April-June 2018 vis-à-vis April-June 2017. Nigeria and Singapore holds the second and third position respectively in terms of high cumulative growth during the same period.
- ❖ India's engineering exports to China have been recording negative growth for the third consecutive time both monthly as well as cumulatively for the fiscal 2018-19 over 2017-18.
- ❖ Among European nations falling under the top 25 engineering export destinations Netherland recorded the highest growth in June 2018 over June 2017. Only Spain recorded negative monthly growth in June 2018 over June 2017. On cumulative basis France, Italy and Spain all recorded negative export growth during April-June 2018 vis-à-vis April-June 2017.
- ❖ Among the ASEAN countries under the top 25 engineering export destinations Indonesia recorded the highest monthly growth in June 2018 over June 2017, while Singapore recorded the highest cumulative growth during April-June 2018 vis-à-vis April-June

2017. Barring Malaysia, all the ASEAN nations falling under the top 25 engineering export destinations recorded positive cumulative growth during April-June 2018 vis-à-vis April-June 2017.

- ❖ Out of 219 exports destinations of Indian engineering goods, top 25 nations accounted for 74.6 percent of India's total engineering exports in June 2018 over June 2017.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a higher growth in exports during April-June 2018 over April-June 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 June 2018 as opposed to June 2017. The Table below gives this picture:

Table 7: Region Wise Exports Trend

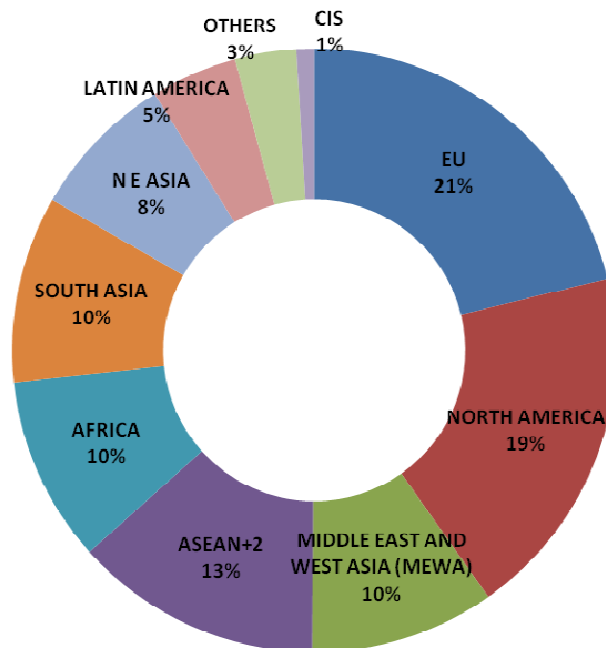
(Values in US\$ million)

COUNTRY	June 2017	June 2018	Growth (%)	Apr-June 2017-18	Apr-June 2018-19	Growth (%)
EU	1192.18	1381.91	15.91	3753.78	4251.31	13.25
NORTH AMERICA	1007.09	1241.03	23.23	3125.42	3742.66	19.75
MIDDLE EAST AND WEST ASIA (MEWA)	661.50	645.25	-2.46	2606.74	2937.21	12.68
ASEAN+2	730.62	863.72	18.22	1876.03	2451.05	30.65
AFRICA	566.18	648.77	14.59	1868.93	2001.51	7.09
SOUTH ASIA	484.36	652.08	34.63	1418.99	1879.53	32.46
N E ASIA	545.18	511.61	-6.16	1556.58	1536.96	-1.26
LATIN AMERICA	292.05	301.50	3.23	787.85	842.70	6.96
OTHERS	165.65	212.16	28.08	483.37	657.06	35.93
CIS	58.49	61.46	5.08	175.58	170.71	-2.77
Grand Total	5703.31	6519.50	14.31	17653.27	20470.71	15.96

(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 June 2018



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during June 2018 with a share of more than 21 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-June 2018 vis-à-vis April-June 2017.
- ❖ India's exports recorded positive monthly growth for all the regions in June 2018 over June 2017 barring MEWA and North East Asia.
- ❖ Exports to South Asia registered the highest growth of 34.6 percent in June 2018 compared to June 2017.

Table 8: Export of Iron & Steel
US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
NEPAL	45.46	101.14	122.48	151.77	306.57	102.00
ITALY	45.64	41.81	-8.39	237.89	197.28	-17.07
U A E	37.92	46.34	22.22	131.37	138.05	5.08
KOREA	19.50	34.88	78.86	85.64	130.47	52.34
BELGIUM	60.51	27.00	-55.38	194.48	128.14	-34.11
High cumulative growth						
PHILIPPINES	0.92	8.93	873.38	4.77	33.00	591.61
KUWAIT	0.88	1.18	34.21	2.62	15.42	488.06
DJIBOUTI	0.13	8.77	6546.34	4.02	16.61	313.58
BHUTAN	0.88	2.44	177.65	3.19	12.43	289.27
QATAR	1.01	4.43	337.15	11.55	26.49	129.47
VIETNAM	6.30	27.82	341.74	27.06	51.36	89.79
KENYA	3.21	4.18	30.15	7.60	13.28	74.82
KOREA	19.50	34.88	78.86	85.64	130.47	52.34
Sharp cumulative decline						
ETHIOPIA	22.60	5.83	-74.20	46.69	13.85	-70.33
SOUTH AFRICA	2.59	3.17	22.26	26.95	8.33	-69.10
ECUADOR	2.55	1.84	-27.86	12.56	6.39	-49.16
PORTUGAL	13.85	2.48	-82.08	35.38	18.32	-48.24
POLAND	17.39	9.75	-43.95	50.57	31.44	-37.83
INDONESIA	35.23	26.97	-23.45	123.77	77.12	-37.69
BELGIUM	60.51	27.00	-55.38	194.48	128.14	-34.11

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
SPAIN	43.07	17.93	-58.38	122.19	83.79	-31.43

(Source: Department of Commerce, Government of India)

- ❖ Nepal, Italy and UAE were the three top three importers of Indian Iron and Steel during April - June 2018 with market shares of 13.04 percent, 8.39 percent and 5.87 percent respectively.
- ❖ Philippines, Kuwait, Djibouti and Bhutan, recorded more than 200 percent year-on-year growth in exports of Indian Iron and Steel during April-June 2018.
- ❖ Ethiopia, South Africa, Ecuador and Poland experienced sharp downfall in exports during April-June 2018.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
U S A	129.74	127.58	-1.66	383.18	378.43	-1.24
U A E	28.84	34.60	19.98	122.37	125.45	2.52
GERMANY	30.21	33.85	12.07	89.12	100.31	12.55
U K	28.34	23.64	-16.60	68.04	71.11	4.51
CANADA	10.90	20.27	85.90	36.20	60.20	66.30
High cumulative growth						
MAURITANIA	0.09	5.65	5845.77	0.40	13.73	3328.94
CHILE	1.25	4.44	254.14	2.74	29.39	974.60
AFGHANISTAN	0.64	5.05	692.90	1.36	10.75	688.48
NIGERIA	2.52	15.59	517.71	4.39	28.30	544.96
QATAR	3.97	11.64	193.24	13.64	39.86	192.14
TANZANIA	2.11	17.44	725.80	8.82	25.73	191.81
SINGAPORE	3.75	6.14	63.63	9.28	17.23	85.59
Sharp cumulative decline						

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
IRAN	1.38	0.37	-73.62	23.29	0.84	-96.38
COLOMBIA	5.63	0.59	-89.54	11.73	1.74	-85.17
EGYPT	4.52	2.35	-48.02	18.32	7.46	-59.26
MALAYSIA	11.34	3.20	-71.73	19.38	8.90	-54.06
SAUDI ARAB	21.68	10.78	-50.26	69.38	37.78	-45.55
SRI LANKA	11.44	4.28	-62.59	34.16	19.08	-44.14

(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 - June 2018 with 22 percent, 7.28 percent and 5.82 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 - June 2018.
- ❖ On the other hand, Iran, Columbia, Egypt and Malaysia conceded substantial decline in imports of the said product group from India during April - June 2018.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
U S A	192.41	206.63	7.39	513.93	602.77	17.29
GERMANY	47.78	59.13	23.76	139.03	166.94	20.07
BANGLADESH	45.03	49.56	10.06	133.43	152.81	14.52
CHINA	41.18	45.35	10.13	117.78	141.25	19.93
TURKEY	33.20	43.04	29.63	101.35	138.41	36.57
High cumulative growth						
CAMBODIA	0.48	4.93	919.77	1.42	11.12	684.39
HONG KONG	1.12	16.51	1370.71	3.27	20.13	514.61
ALGERIA	3.83	10.35	170.22	14.67	28.70	95.58

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
COLOMBIA	2.80	5.02	79.47	7.59	12.75	67.94
POLAND	4.63	9.21	98.84	14.25	23.66	66.09
SPAIN	13.87	18.14	30.81	43.35	71.12	64.06
THAILAND	29.45	50.62	71.92	68.95	112.96	63.84
NIGERIA	28.49	30.15	5.85	58.78	95.34	62.19
Sharp cumulative decline						
FINLAND	12.10	1.20	-90.05	13.41	2.98	-77.75
SWITZERLAND	2.16	2.39	10.38	14.37	6.91	-51.90
BHUTAN	7.27	2.19	-69.86	17.33	9.24	-46.68
TAIWAN	3.38	2.81	-16.87	12.69	6.90	-45.64
KUWAIT	20.25	8.61	-57.46	54.22	32.52	-40.01
SENEGAL	4.13	2.75	-33.45	11.25	6.94	-38.33
U K	67.62	41.47	-38.67	168.31	105.65	-37.23
PHILIPPINES	11.90	5.28	-55.61	27.97	17.82	-36.30

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–June 2018 with 16.85 percent share in India's global import of the product group, followed by Germany and Bangladesh with 4.67 percent and 4.27 percent shares.
- ❖ Cambodia, Algeria, Colombia and Poland were among the nations witnessing significant growth of imports of Industrial machinery from Indian during Apr - June 2018
- ❖ Among the major importers, export to Finland, Switzerland, Bhutan and UK recorded sharp declines in imports during April - June 2018.

Table 11: Export of Automobiles

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
MEXICO	136.62	132.88	-2.74	477.46	421.76	-11.67
U S A	0.94	70.35	7388.15	4.37	276.02	6212.11
SOUTH AFRICA	89.55	65.34	-27.04	223.03	220.43	-1.17
SRI LANKA	33.75	70.96	110.27	88.08	133.18	51.21
BANGLADESH	38.45	39.77	3.46	126.20	128.26	1.64
High cumulative growth						
U S A	0.94	70.35	7388.15	4.37	276.02	6212.11
MOZAMBIQUE	0.42	1.74	314.91	1.01	11.99	1082.83
CONGO	1.26	5.85	363.40	3.24	11.92	268.10
NEW ZEALAND	1.39	3.52	152.94	3.71	12.79	244.29
AUSTRALIA	1.44	9.50	558.47	9.24	24.99	170.54
SAUDI ARAB	9.57	13.54	41.56	13.60	36.44	167.88
NIGERIA	17.55	34.36	95.74	38.00	86.64	128.00
GHANA	2.00	6.23	212.25	6.40	14.16	121.36
Sharp cumulative decline						
TURKEY	8.12	0.86	-89.45	15.68	0.94	-94.01
COTE D' IVOIRE	14.79	1.13	-92.37	35.75	2.72	-92.40
NETHERLAND	0.94	0.82	-13.25	19.25	3.50	-81.81
ISRAEL	4.31	1.81	-57.98	10.88	2.45	-77.49
SPAIN	8.44	4.05	-51.98	50.65	11.42	-77.45
FRANCE	22.76	6.99	-69.27	76.74	24.68	-67.83
ITALY	25.68	10.09	-60.72	95.88	34.52	-63.99

(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-June of 2018 witnessing 16.02, 10.48 and 8.37 percent share respectively. Mexico being the largest importer shares 16.02 percent of imports of automobiles from India.
- ❖ Countries like U S A, Mozambique, Congo and New Zealand saw over 100 percent growths in imports of Indian automobile during April-June 2018 among major importers.
- ❖ Turkey, Cote D'Ivoire, Netherland, Israel and Spain conceded substantial decrease in imports of Automobiles from India during April-June 2018.

Table 12: Export of Non-Ferrous metals

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
SOUTH KOREA	101.99	96.77	-5.12	303.83	309.99	2.03
U S A	79.01	91.85	16.24	204.74	252.44	23.30
TURKEY	2.65	57.20	2061.11	41.90	194.16	363.38
MEXICO	24.00	69.30	188.79	39.86	139.29	249.45
ITALY	22.51	50.58	124.68	83.50	94.25	12.88
High cumulative growth						
AFGHANISTAN	0.21	13.82	6615.87	0.82	14.30	1650.46
BULGARIA	1.75	3.72	112.37	2.19	30.62	1299.72
VIETNAM	1.96	9.12	365.93	4.29	33.55	682.86
TURKEY	2.65	57.20	2061.11	41.90	194.16	363.38
TANZANIA	0.77	1.17	50.38	2.52	10.27	307.71
GREECE	0.15	3.45	2229.62	14.71	56.89	286.73
MEXICO	24.00	69.30	188.79	39.86	139.29	249.45

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
NETHERLAND	4.49	25.53	469.11	22.10	53.29	141.20
ISRAEL	2.72	7.63	180.26	8.30	18.47	122.41
SPAIN	6.70	18.56	177.09	24.85	53.67	116.02
Sharp cumulative decline						
SINGAPORE	0.92	1.34	46.08	36.45	2.98	-91.83
CHINA	157.90	4.71	-97.02	355.32	60.66	-82.93
U A E	70.64	16.46	-76.70	182.01	59.32	-67.41
IRAN	5.85	1.71	-70.71	12.71	4.20	-66.94
BAHARAIN	8.66	2.85	-67.07	22.96	12.38	-46.07
OMAN	4.14	3.50	-15.40	14.94	9.72	-34.96

- ❖ Korea (USD 310 million), USA (USD 252.44 million) and Turkey (USD 194.16 million) were the top three importers of Indian Non-ferrous metals during April - June 2018 with market shares of 14.13 percent, 11.51 percent and 8.85 percent respectively and Y-o-Y growth of 2.03 percent, 23.30 percent and 363.38 percent respectively.
- ❖ Afghanistan, Bulgaria, Vietnam, Turkey and Tanzania witnessed highest growth in imports of Indian Non-ferrous metal products during April-June 2018.
- ❖ Singapore, China, Iran, UAE and Bahrain conceded significant decline in imports of non-ferrous metals from India during the April - June 2018.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Importers						
U S A	93.92	129.57	37.96	244.18	411.36	68.47
GERMANY	41.58	91.12	119.11	145.53	259.65	78.41
SINGAPORE	7.25	55.61	667.45	28.12	131.56	367.88

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
U K	16.53	50.61	206.18	80.22	130.27	62.40
CHINA	6.59	46.98	612.50	24.52	103.95	323.96
High cumulative growth						
TAIWAN	0.52	0.51	-2.01	1.60	17.06	965.50
BELGIUM	3.81	44.82	1076.76	10.62	81.97	671.95
SINGAPORE	7.25	55.61	667.45	28.12	131.56	367.88
CHINA	6.59	46.98	612.50	24.52	103.95	323.96
SPAIN	2.19	2.88	31.58	7.93	18.02	127.31
JAPAN	13.15	28.23	114.62	33.05	62.17	88.09
NETHERLAND	3.65	7.79	113.74	11.88	22.26	87.44
INDONESIA	3.18	10.72	237.31	11.36	20.80	83.11
Sharp cumulative decline						
KUWAIT	10.29	2.75	-73.30	20.58	9.36	-54.52
VIETNAM	9.82	4.34	-55.79	28.96	14.98	-48.27
TURKEY	23.32	18.67	-19.93	50.16	33.35	-33.50
U A E	22.19	13.88	-37.43	75.44	52.66	-30.20
SOUTH AFRICA	4.72	2.03	-56.87	10.44	7.39	-29.28
KENYA	3.59	2.21	-38.50	12.38	10.40	-15.99
SAUDI ARAB	4.97	3.39	-31.77	13.18	11.48	-12.87

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 411.36 million), Germany (US\$ 259.65 million) and Singapore (US\$ 131.56 million) were the three top importers of Indian Electrical Machinery and Components during April - June 2018 with market shares of 20.58 percent, 12.99 percent and 6.58 percent respectively.

- ❖ Taiwan, Belgium and Singapore recorded highest growth in imports of India's Electrical Machinery and Components during April - June 2018.
- ❖ On the other hand, Kuwait, Vietnam, Turkey and UAE conceded highest declines in imports of India's Electrical Machinery and Components during April-June 2018.

Table 14: Export of Aircrafts &Spacecrafts
US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top Five Importers						
U S A	60.51	45.79	-24.33	142.00	143.47	1.03
U K	12.70	40.13	215.95	51.79	80.33	55.10
SINGAPORE	18.74	28.41	51.61	54.48	78.59	44.25
FRANCE	19.30	22.34	15.73	50.95	69.68	36.77
GERMANY	12.45	8.89	-28.58	51.40	41.33	-19.60
High cumulative growth						
BELGIUM	0.14	0.31	130.20	0.36	11.31	3033.27
SWITZERLAND	3.01	0.87	-71.07	8.02	14.30	78.37
U K	12.70	40.13	215.95	51.79	80.33	55.10
SINGAPORE	18.74	28.41	51.61	54.48	78.59	44.25
FRANCE	19.30	22.34	15.73	50.95	69.68	36.77
MALAYSIA	3.58	4.45	24.48	8.66	10.75	24.09
Sharp cumulative decline						
RUSSIA	3.46	1.57	-54.78	20.93	7.52	-64.09
ISRAEL	8.12	0.60	-92.64	14.85	5.63	-62.08
POLAND	3.60	1.15	-67.97	8.43	4.95	-41.25
ITALY	1.67	1.14	-31.76	6.63	5.02	-24.23

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
GERMANY	12.45	8.89	-28.58	51.40	41.33	-19.60

(Source: Department of Commerce and CSO)

- ❖ USA , UK and Singapore were the top importers of India's 'Aircrafts & Spacecrafts' during April- June 2018-19 with 27 percent, 15.10 percent, and 14.77 percent shares respectively in India's total global exports of the product.
- ❖ Belgium and Switzerland recorded gigantic growths on a low base but value of exports to those nations remained less than US\$ 15 million during April-June 2018.
- ❖ On the flipside, demand for India's 'Aircrafts& Spacecrafts' from Russia, Israel and Poland declined significantly during April- June 2018.

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

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top 5 Importers						
UAE	70.68	96.65	36.75	785.16	1046.78	33.32
SINGAPORE	153.83	88.37	-42.55	175.62	351.41	100.09
SOUTH AFRICA	0.00	0.00	---	0.00	198.48	---
OMAN	2.47	0.00	-100.00	2.47	187.76	7509.76
BELGIUM	0.00	0.00	---	0.00	150.05	---
High cumulative growth						
SOUTH AFRICA	0.00	0.00	---	0.00	198.48	---
BELGIUM	0.00	0.00	---	0.00	150.05	---
OMAN	2.47	0.00	-100.00	2.47	187.76	7509.76
SAUDI ARABIA	0.00	0.00	---	19.11	104.60	447.45
INDONESIA	0.00	17.48	---	15.24	37.07	143.16
SINGAPORE	153.83	88.37	-42.55	175.62	351.41	100.09

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
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
MYANMAR	21.28	0.00	-100.00	21.28	0.00	-100.00
U S A	0.01	0.01	-42.55	216.62	0.02	-99.99
SRI LANKA	25.34	19.63	-22.53	48.51	37.72	-22.25

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- June 2018-19 with 47.36 percent share in India's total global exports of the product followed by Singapore and South Africa with 15.90 and 8.98 percent shares respectively.
- ❖ South Africa and Belgium saw sizeable imports of India's 'Ships, Boats and Floating Structures and Parts' during April- June 2018 against no exports in the same period last fiscal. Oman and Saudi Arabia also recorded high growths in imports.
- ❖ Cameroon, Egypt, Liberia and Myanmar recorded no imports during April 2018 - June 2018 against a decent or substantial export during the same period last fiscal.

Table 16: Export of Auto Components

US\$ Million

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
Top 5 Importers						
U S A	79.58	95.03	19.41	234.19	289.94	23.80
TURKEY	25.90	33.91	30.93	78.95	101.34	28.36
BANGLADESH	20.16	29.94	48.51	52.37	80.19	53.11
BRAZIL	23.90	25.65	7.33	58.57	71.87	22.71

COUNTRY	JUNE, 2017	JUNE, 2018	Growth (%)	APRIL, 2017 - JUNE, 2017	APRIL, 2018- JUNE, 2018	Growth (%)
GERMANY	16.37	20.47	25.04	46.71	61.00	30.60
High cumulative growth						
ROMANIA	1.76	6.16	250.53	6.19	24.17	290.23
JAPAN	8.22	12.84	56.18	26.18	50.47	92.83
VIETNAM	9.11	10.00	9.86	17.48	32.43	85.54
COLOMBIA	3.88	7.85	102.34	10.47	18.82	79.72
BANGLADESH	20.16	29.94	48.51	52.37	80.19	53.11
EGYPT	4.05	5.47	34.92	12.76	18.95	48.45
Sharp cumulative decline						
SAUDI ARABIA	2.68	0.55	-79.53	12.18	2.45	-79.85
PHILIPPINES	3.68	2.21	-39.87	10.58	8.40	-20.60
CANADA	7.75	5.74	-26.00	21.70	17.55	-19.15
SOUTH KOREA	4.56	3.98	-12.88	13.21	11.37	-13.95
POLAND	4.04	3.18	-21.34	11.38	9.98	-12.26

(Source: Department of Commerce and CSO)

- ❖ USA is the topmost importer of auto components/parts from India during April- June 2018 with a share of 21.2 percent in India's global exports of auto components. Turkey and Bangladesh were the immediate followers of USA with 7.42 percent and 5.87 percent shares respectively.
- ❖ Romania, Japan and Vietnam are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April - June 2018 over April - June 2017.
- ❖ Saudi Arabia conceded substantial decline in imports during April- June 2018 over the same period last fiscal.

7. Import Analysis of Engineering Goods

India's Engineering imports during June 2018 were valued at US\$ 8268.14 million compared to US\$ 6567.1 million in June 2017 registering growth of 25.9 percent. Engineering imports for the

month of May 2018 was valued at US\$ 8535.98 million and for April it was valued at US\$ 8139.45 million registering a considerable growth to the extent of 28.8 percent and 17.3 percent respectively compared to the same period last fiscal.

On the other hand, India's total merchandised imports for the month of June 2018 were valued at US\$ 44.3 billion as against US\$ 36.52 billion in June 2017 registering 21.31 percent growth in dollar terms.

The share of engineering imports in India's total merchandise imports was estimated at 18.7 percent in June 2018 compared to 20.6 percent in May 2018 and 20.5 percent in April 2018 as against 18.3 percent in April 2017. The share of engineering imports 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 2018-19 vis-à-vis 2017-18 are depicted below as per the latest availability of figure:

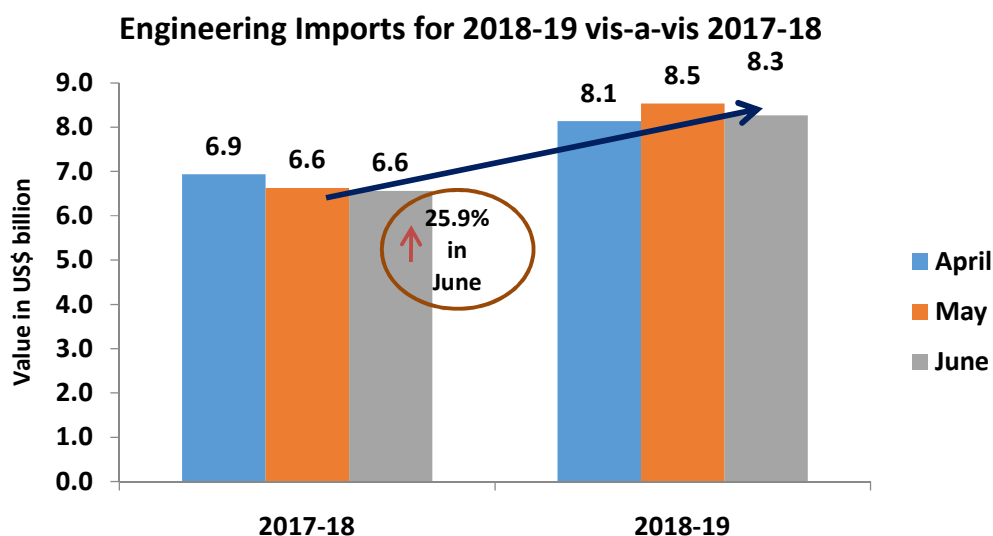
**Table 17: Engineering Imports
(US\$ Million)**

Months	2017-18	2018-19	Growth (%)
Apr	6936.70	8139.45	17.3
May	6628.73	8535.98	28.8
June	6567.10	8268.14	25.9
Quarter 1 (April-June)	20132.5	24943.6	23.9

(Source: Department of Commerce, Government of India)

Figure 3 below depicts the monthly trend in engineering imports for 2018-19 vis-à-vis 2017-18

Figure3: Trend in Monthly Engineering Imports (In US\$ billion) for 2018-19



8. 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:

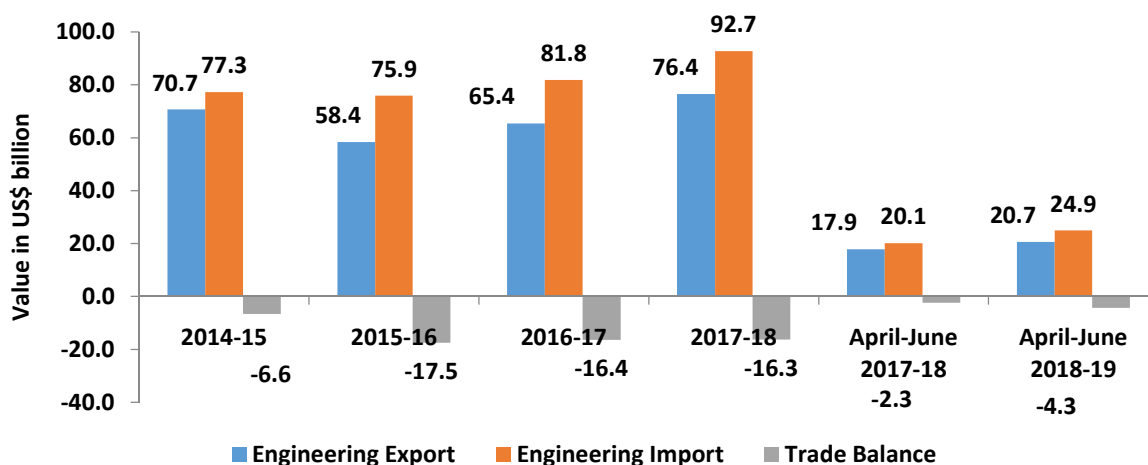
Table 6: Engineering Trade
(US\$ Million)

	2014-15	2015-16	2016-17*	2017-18	Growth %	April-June 2017-18	April-June 2018-19	Growth %
Engineering Export	70661.2	58351.58	65439.66*	76395.99	16.7	17855.1*	20660.5*	15.71
Engineering Import	77279.45	75859.72	81834.75*	92692.13*	13.3	20132.5*	24943.6*	23.9
Trade Balance	-6618.25	-	-16395.1	-16296.1		-2277.4	-4283.1	
		17508.14						

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

Figure 4 below depicts the yearly trend in engineering trade **from 2014-15 to 2017-18 and April-June of the current fiscal 2018-19**

Figure 4: Trend in Monthly Engineering Trade (In US\$ billion)



9. Conclusion

India's merchandise export growth decelerated in Jun 2018 after achieving six-month high growth during May 2018 but trade deficit went up to 5-year high as imports exceeds exports significantly due to a surge in crude oil imports.

Engineering sector also saw slight moderation in growth and continued to underperform the broader merchandise export growth during June 2018. Share of engineering in total merchandise exports was up again to 25 percent in Jun from 24 percent in the previous month. The share was also estimated at 25 percent during the first quarter of 2018-19.

Despite an impressive growth of Indian engineering exports during April - Jun 2018 our concerns on exports did not wane off. The key threat to growth of engineering export is the growing tension in trade relations between key countries, especially the unfolding tariff war between US and China. Moreover, Initiation of safeguard investigation by the European Commission on import of selected steel products, US investigation on India's compliance with the norms under Generalised System of Preference and possible extinction of India's export subsidy schemes intensified the panic among Indian exporting community. Back home, rising raw material cost still remains another concern for the exporters. In addition, post-GST fund shortage continues even with substantial effort by the domestic government to mitigate GST related issues.
