

# Engineering Exports and Imports Monitor

July 2018



*Engineering the future*

**EEPCINDIA**  
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## **Analysis of Indian engineering exports and imports for July 2018**

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### **India's merchandise trade scenario**

- ❖ India's merchandise exports continued to grow for the fourth straight month to July 2018, but at a decelerating pace since May 2018. Merchandise exports during July 2018 were valued at \$25.77 billion as compared to \$22.54 billion during July 2017, exhibiting a positive growth of 14.32 percent. Growth in June and May 2018 was recorded at a higher 17.57 percent and 20.18 percent year-on-year respectively, over the same period last year. In rupee terms, however, the growth at 21.84 percent was higher than in dollar terms during the month concerned.
- ❖ Growth in merchandise exports during July 2018 was driven by substantial year-on-year growth in segments like petroleum products (30.08), gems and jewellery (24.62) and organic and inorganic chemicals (19.89) percent respectively. Exports of engineering goods recorded 9.09 percent growth in the reporting month.
- ❖ The cumulative value of exports for the period April-July 2018-19 was \$108.24 billion as against \$94.76 billion, registering positive growth of 14.23 percent year-on-year in dollar terms. In rupee terms, the growth was again higher at 19.49 percent.
- ❖ Imports during July 2018 were valued at \$43.79 billion which was 28.81 percent higher in dollar terms over the same month last fiscal when imports were recorded at \$33.99 billion.
- ❖ High import growth during July 2018 was driven largely by sizeable growth in imports of petroleum, crude and products (57.41), gold (40.94), machinery, electrical and non-electrical (30.59) and electronic goods (26.42) percent respectively.
- ❖ Cumulative value of imports for the period April-July 2018-19 was at \$171.20 billion as against \$146.26 billion, registering positive growth of 17.05 percent in dollar terms over the same period last year.
- ❖ Trade deficit in July 2018 widened by 57.4 percent to \$18.02 billion from \$11.45 billion in July 2017. Cumulative trade deficit for April-July 2018-19 was at \$63 billion as against \$51.5 billion, registering 22.3 percent growth over the same period last year.

### **India's engineering exports scenario**

- ❖ Engineering exports growth during July 2018 slowed down to single digit for the first time in fiscal 2018-19. Engineering exports recorded \$6.12 billion as against \$5.60 billion in the same month last fiscal, registering 9.4 percent year-on-year growth.



- ❖ Cumulative engineering exports during April-July 2018-19 stood at \$26.58 billion as against \$23.25 billion during the same period last fiscal, recording 14.34 percent growth year-on-year.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 23.8 percent in July 2018 as against 23.5 percent in June 2018 and 24.1 percent in May 2018. However, the share of engineering to total merchandise exports was at 24.6 percent during April-July 2018-19.
- ❖ Out of 33 engineering panels, 24 panels sharing almost 73 percent of the products, recorded growth in exports in July 2018 over the same month last year, while the remaining nine panels conceded decline in exports.
- ❖ During July 2018, 16 out of the top 25 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ The top 25 nations accounted for 71.8 percent of India's total engineering exports in July 2018 over July 2017.

#### **India's engineering imports scenario**

- ❖ India's engineering imports for the new fiscal 2018-19 were valued at \$8.7 billion during July 2018 compared to \$6.8 billion in July 2017, registering considerable growth of 27.5 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports was estimated at 19.8 percent in July 2018 compared to 18.7 percent in June, 20.6 percent in May and 20.5 percent in April.

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

India's merchandise exports continued to grow for the fourth straight month to July 2018 but at a decelerating pace since May 2018. Merchandise exports during July 2018 were valued at \$25.77 billion as compared to \$22.54 billion during July 2017, exhibiting positive growth of 14.32 percent. Growth in June and May 2018 were recorded at a higher 17.57 percent and 20.18 percent year-on-year respectively, over the same period last year. In rupee terms, however, the growth was higher at 21.84 percent during the month concerned.

Growth in merchandise export during July 2018 was driven by substantial year-on-year growth in segments like petroleum products (30.08 percent), gems and jewellery (24.62 percent) and organic and inorganic chemicals (19.89 percent). Export of engineering goods recorded 9.09 percent growth in the reporting month.

Cumulative value of exports for the period April-July 2018-19 was \$108.24 billion as against \$94.76 billion, registering positive growth of 14.23 percent year-on-year in dollar terms. In rupee terms, the growth was again higher at 19.49 percent.

Non-petroleum and non-gems and jewellery exports during July 2018 were valued at \$18.68 billion as compared to \$16.98 billion during July 2017, exhibiting positive growth of 9.98 percent. Non-petroleum and non-gems and jewellery exports during April-July 2018-19 were valued at \$78.54 billion as compared to \$69.70 billion for the corresponding period in 2017-18, registering an increase of 12.69 percent over the same period last fiscal.

Imports during July 2018 were valued at \$43.79 billion which was 28.81 percent higher in dollar terms over the same month last fiscal when imports were recorded at \$33.99 billion.

High import growth during July 2018 was driven largely by sizeable growth in imports of petroleum, crude and products (57.41), gold (40.94), machinery, electrical and non-electrical (30.59), and electronic goods (26.42) percent, respectively.

Oil imports during July 2018 were valued at \$12.35 billion, which was 57.41 percent higher in dollar terms compared to \$7.84 billion in July 2017. Oil imports during April-July 2018-19 were valued at \$46.98 billion which was 51.45 percent higher in dollar terms compared to \$31.02 billion in the corresponding period last year. In this connection it is mentioned that the global Brent price (\$/bbl) has increased by 53.16 percent in July 2018 vis-à-vis July 2017 as per data available from the US Energy Information Administration (EIA).

Non-oil imports during July 2018 were estimated at \$31.44 billion, which was 20.23 percent higher in dollar terms compared to \$26.15 billion in July 2017. Non-oil imports during April-July 2018-19 were valued at \$124.21 billion, which was 7.79 percent higher in dollar terms compared to \$115.23 billion in April-July 2017-18.

The cumulative value of imports for the period April-July 2018-19 was at \$171.20 billion as against \$146.26 billion, registering positive growth of 17.05 percent in dollar terms over the same period last year.

Trade deficit in July 2018 widened by 57.4 percent to \$18.02 billion from \$11.45 billion in July 2017. Cumulative trade deficit for April-July 2018-19 was at \$63 billion as against \$51.5 billion, registering 22.3 percent growth over the same period last year.

## 2. Engineering exports

Engineering exports growth during July 2018 slowed down to single digit for the first time in fiscal 2018-19. Engineering exports were recorded at \$6.12 billion as against \$5.60 billion in the same month last fiscal, registering 9.4 percent year-on-year growth.

Cumulative engineering exports during April-July 2018-19 stood at \$26.58 billion as against \$23.25 billion during the same period last fiscal, recording 14.34 percent growth year-on-year.

The share of engineering exports in India's total merchandise exports was estimated at 23.8 percent in July 2018 as against 23.5 percent in June 2018 and 24.1 percent in May 2018. However, the share of engineering to total merchandise exports was at 24.6 percent during April-July 2018-19.

The cumulative engineering figures for April-July 2018-19 vis-à-vis April-July 2017-18 is given in Table1 below.

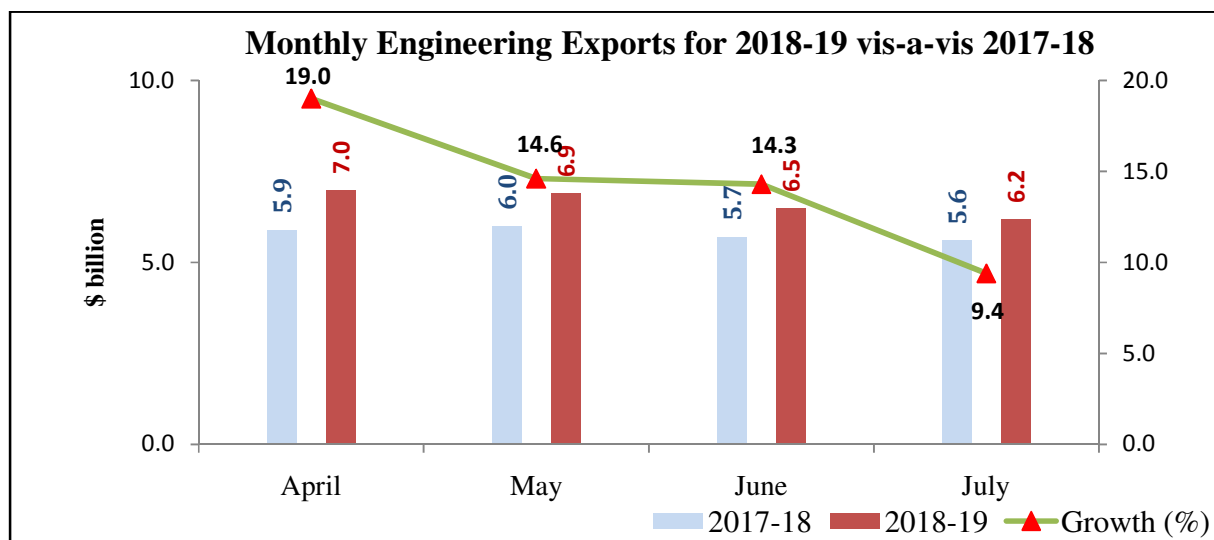
**Table1: Engineering exports**  
(\$ million)

Month	2017-18	2018-19	Growth (%)
April	5902.86	7021.96	18.96
May	6047.26	6929.84	14.59
June	5703.28	6511.70	14.17
<b>April-June</b>	<b>17653.40</b>	<b>20463.50</b>	<b>15.92</b>
July	5595.63	6119.95	9.37
<b>April-July</b>	<b>23249.03</b>	<b>26583.45</b>	<b>14.34</b>

(Source: Quick Estimates, Department of Commerce, Government of India)

Figure1 depicts the trend in monthly engineering exports during **2018-19 vis-à-vis 2017-18**.

**Figure1: Trend in monthly engineering exports for 2018-19 vis-à-vis 2017-18 (\$ million)**



(Source: EEPC India analysis)

The engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. As production and exports are directly correlated, some correlation between manufacturing production growth and engineering exports growth is very likely to exist. Hence, a broad analysis of industrial production, especially of the manufacturing sector, is effective in the context of engineering exports analysis as manufacturing has 77.63 percent weightage in India's industrial production.

The trends in the growth of engineering exports and manufacturing established some correlation 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 exports growth and manufacturing growth accelerated while in May 2017, both of them continued to witness growth but at a decelerated rate. During June 2017, engineering exports 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 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 while manufacturing production bounced back to the growth path in August and grew at the same pace in September. During October, growth of both manufacturing production and engineering exports slowed down, while in November both enjoyed significant acceleration in growth. A repetition of October 2017 was seen in December 2017 when both engineering exports and manufacturing output demonstrated 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 months on a year-on-year basis. March 2018 witnessed movement in opposite

directions when engineering exports came back to the growth path 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 in April 2018. During May 2018, both engineering exports and manufacturing growth slowed down sizeably. The month of June 2018, however, saw these two moving in opposite directions. Manufacturing growth rose sharply while engineering exports growth moderated marginally. The manufacturing index in the index of industrial production (IIP) stood at 128.6 in June 2018 as against 130.2 (Revised) in May 2018 and 123.5 in April 2018.

The growth rates in engineering exports and that of manufacturing in the country during the current fiscal are shown in Table2 below:

**Table2: Engineering Exports Growth vis-à-vis Manufacturing Growth (2018-19)**

Month/Year	Engg exports growth (%)	Manufacturing growth (%)
<b>April-March 2017-18</b>	<b>16.81</b>	<b>4.5</b>
<b>April 2018</b>	18.96	5.3
<b>May 2018</b>	14.59	3.7
<b>June 2018</b>	14.31	6.9*
<b>April-June 2018</b>	<b>15.96</b>	<b>5.3*</b>
<b>July 2018</b>	9.09	N A

\* As per 'Quick Estimates' of Ministry of Commerce, Govt of India for June 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.

**Table3: Revised engineering exports for 2017-18 (\$ million)**

Month	2016-17	2017-18	Growth %
<b>April</b>	4744.32	5902.86*	24.42
<b>May</b>	5636.17	6047.26*	7.29
<b>June</b>	5066.99	5703.28*	12.56
<b>Quarter 1</b>	<b>15447.48</b>	<b>17653.40*</b>	<b>14.28</b>
<b>July</b>	4794.12	5595.63*	16.72
<b>August</b>	4873.71	5761.35	18.21
<b>September</b>	4917.78	7087.17	44.11
<b>Quarter 2</b>	<b>14585.61</b>	<b>18444.15</b>	<b>26.45</b>

Month	2016-17	2017-18	Growth %
October	5133.58	5670.57	10.46
November	4841.37	6872.54	41.95
December	5688.32	7160.88	25.89
Quarter 3	15663.27	19703.99	25.80
January	5334.66	6217.67	16.55
February	6501.99	6332.64	-2.60
March	7706.18	7850.32	1.87
Quarter 4	19542.83	20400.63	4.39
April-March	65239.19	76202.17*	16.80

Source: DGCI&S

\* Revised figures

### 3. Impact of exchange rate

How has the exchange rate changed in July 2018 vis-à-vis July 2017? In order to find it out, we look at the average exchange rate in July for both 2018 and 2017. Table4 provides the same:

**Table4: Average exchange rate**

July	Average exchange rate 1 USD to INR
2017	64.46
2018	68.69

(Source: Calculated from RBI archive)

During July 2018, the official exchange rate of rupee vis-à-vis the US dollar depreciated by 6.56 percent over July 2017. This was higher than the 5.19 percent year-on-year depreciation recorded in June 2017.

### 4. Panel-wise analysis of engineering exports

We begin by looking at the engineering panel-wise exports for the month of July 2018 vis-à-vis July 2017. The data is given in Table5.

**Table5: Trends in engineering panel exports for July 2018 compared to July 2017 (\$ million)**

Sl no.	Panel	July 2017	July 2018	Growth %	April-July 2017-18	April-July 2018-19	Growth %
<b>1. Iron and Steel and Products of Iron and Steel</b>							
A	A. Iron and Steel	850.94	804.59	-5.4	3230.03	3154.42	-2.3



Sl no.	Panel	July 2017	July 2018	Growth %	April-July 2017-18	April-July 2018-19	Growth %
B	B. Products of Iron	518.56	537.2	3.6	2072.73	2259.24	9.0
<b>Subtotal</b>		<b>1369.5</b>	<b>1341.79</b>	<b>-2.02</b>	<b>5302.76</b>	<b>5413.66</b>	<b>2.09</b>
<b>2. Non Ferrous Metals and Products</b>							
A	Copper and products	261.6	55.5	-78.78	996.77	300.5	-69.85
B	Aluminium and products	342.62	489.85	42.97	1330.58	1959.73	47.28
C	Zinc and products	44.7	35.67	-20.20	217.41	253.05	16.39
D	Nickel and products	2.7	6.13	127.04	10.85	25.76	137.42
E	Lead and products	27.13	31.24	15.15	84.14	127.07	51.02
F	Tin and products	0.38	0.81	113.16	3.88	2.4	-38.14
G	Other Non-Ferrous Metals	37.8	42.03	11.19	157.42	175.63	11.57
<b>Sub Total</b>		<b>716.93</b>	<b>661.23</b>	<b>-7.77</b>	<b>2801.05</b>	<b>2844.14</b>	<b>1.54</b>
<b>3. Industrial Machinery and parts</b>							
A	Industrial Machinery like Boilers, parts, etc	37.02	53.84	45.43	169.61	211	24.40
B	IC Engines and Parts	168.22	225.49	34.04	874.87	819.13	-6.37
C	Pumps of all types	76.64	67.94	-11.35	297.41	306.73	3.13
D	Air condition and Refrigerators	78.79	158.86	101.62	341.05	660.23	93.59
E	Industrial Machinery for dairy, food processing , textiles etc	395.94	448.47	13.27	1578.55	1859.41	17.79
F	Machine Tools	40.7	35.18	-13.56	162.51	162.23	-0.17
G	Machinery for Injecting moulding, valves and ATMs	115.89	111.65	-3.66	464.1	483.87	4.26
<b>Sub Total</b>		<b>913.2</b>	<b>1101.43</b>	<b>20.61</b>	<b>3888.1</b>	<b>4502.6</b>	<b>15.80</b>
<b>4</b>	<b>Electrical Machinery</b>	<b>387.23</b>	<b>748.3</b>	<b>93.24</b>	<b>1697.96</b>	<b>2746.74</b>	<b>61.77</b>
A	Motor Vehicle/cars	702.36	697.8	-0.65	2540.57	2785.74	9.65
B	Two and Three Wheelers	163.2	192.19	17.76	634.8	737.01	16.10
C	Auto Components/Part	402.52	447.05	11.06	1537.75	1813.5	17.93
<b>Sub Total</b>		<b>1268.08</b>	<b>1337.04</b>	<b>5.44</b>	<b>4713.12</b>	<b>5336.25</b>	<b>13.22</b>
<b>6</b>	<b>Aircrafts and Spacecraft parts and products</b>	<b>172.05</b>	<b>152.5</b>	<b>-11.36</b>	<b>633.15</b>	<b>684.63</b>	<b>8.13</b>
<b>7</b>	<b>Ships Boats and Floating products and parts</b>	<b>219.44</b>	<b>106.15</b>	<b>-51.63</b>	<b>1830.7</b>	<b>2316.61</b>	<b>26.54</b>
<b>8. Miscellaneous</b>							
A	Medical and Scientific instruments	117.02	140.62	20.17	484.49	551.74	13.88
B	Railway Transport	13.77	28.49	106.90	97.09	121.42	25.06
C	Hand Tools & Cutting Tools	57.23	60.02	4.88	225.62	237.62	5.32
D	Electrodes Accumulators	3.52	4.01	13.92	14.05	16.19	15.23
E	Accumulator and Batteries	22.56	39.85	76.64	79.63	129.99	63.24
F	Bicycle and Parts	22.99	28.48	23.88	101.68	119.04	17.07
G	Cranes Lifts and Winches	25.15	35.92	42.82	102.36	146.07	42.70
H	Office Equipments	10.15	12.5	23.15	35.23	32.8	-6.90
I	Other Construction Machinery	94.07	112.29	19.37	392.21	551.26	40.55

Sl no.	Panel	July 2017	July 2018	Growth %	April-July 2017-18	April-July 2018-19	Growth %
J	Prime Mica and Mica Products	1.2	2.05	70.83	7.17	8.24	14.92
K	OTHER MISC. ITEMS	181.54	207.28	14.18	842.66	824.45	-2.16
	<b>Sub total</b>	<b>549.2</b>	<b>671.51</b>	<b>22.27</b>	<b>2382.19</b>	<b>2738.82</b>	<b>14.97</b>
	<b>Total engineering exports</b>	<b>5595.63</b>	<b>6119.95</b>	<b>9.37</b>	<b>23249.03</b>	<b>26583.45</b>	<b>14.34</b>

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During July 2018, exports of engineering goods slackened compared to the previous three months of the new fiscal 2018-19. Engineering exports stood at \$6119.95 million in July 2018, recording a slow growth of 9.4 percent compared to 14.2 percent in June and 14.6 and 19 percent respectively in May and April 2018. Out of 33 engineering panels, 24 panels sharing almost 73 percent of the products recorded growth in exports in July 2018 over the same month last year, while the remaining nine panels demonstrated decline in exports.
- ❖ Iron and steel figures recorded 5.4 percent drop in exports during July 2018 with overseas shipments of \$804.6 million from \$850.94 million in the same month last year. Cumulative figures also registered 2.3 percent drop in exports during April-July 2018-19, touching \$3154.42 million from \$3230.03 million during the same period last fiscal. Products of iron and steel recorded growth in exports by 3.6 percent during July 2018, increasing to \$537.2 million from \$518.6 million during the same period last year. The cumulative exports for products of iron and steel increased by 9 percent to \$2259.24 million during April-July 2017-18 from \$2072.73 million during the same period last in 2017-18.
- ❖ Among the seven non-ferrous metals and products made of non-ferrous metals, Nickel and products, Aluminium and products, Tin and products, and Lead and products recorded substantial growth in exports during July 2018. Nickel and its products recorded highest growth of 127.04 percent during July. Copper and products experienced drop in exports to the extent of 78.8 percent in July 2018 compared to the same period last fiscal.
- ❖ The Industrial machinery panel as a whole recorded growth in exports of 20.6 percent during July 2018 vis-à-vis the same period last fiscal. Sectors like Air condition and repair machinery, Nuclear reactors and industrial boilers, and IC engines and parts recorded growth in exports to the extent of 101.6, 45.43, and 34.04 percent respectively in July 2018 compared to July 2017. Sectors like Pumps and valves recorded fall in exports during July 2018 of 11.35 percent and Machine tools experienced drop in exports of

13.56 percent during July 2018 compared to the same period last fiscal. Even Machinery for ATMs recorded drop in exports by 3.66 percent in July 2018 vis-à-vis July 2017. Cumulative figures for Industrial machinery as a whole recorded growth in exports of 15.8 percent during April-July 18 compared to the same period last fiscal.

- ❖ The Electrical machinery and equipments panel experienced considerable growth in exports to the extent of 93.24 percent during July 2018 over the same period last fiscal. Cumulative exports for April-July 2018-19 recorded 61.77 percent growth, moving up to \$2746.74 million from \$1697.96 million in April-July 2017-18.
- ❖ Exports of Auto and auto components recorded 5.44 percent growth during July 2018, scaling up from \$1268.08 million in July 2017 to \$1337.04 million in July 2018. The automobile sector (including Motor vehicles and two/three wheelers) experienced growth in exports by 2.82 percent from \$865.56 million in July 2017 to \$889.99 million in July 2018.
- ❖ Exports of Aircrafts and spacecraft parts and products recorded 11.36 percent drop in exports during July 2018 over the same period last year. Ships, boats and floating bodies also exhibited drop in exports by 51.63 percent, moving down from \$219.44 million in July 2017 to \$106.15 million in July 2018.
- ❖ Some miscellaneous sectors like Railway transport and equipment recorded growth in exports to the extent of 106.9 percent in July 2018 vis-à-vis July 2017. Some other sectors like Accumulators and batteries, Cranes, lifts and winches, Medical and scientific instruments, Office equipments, and Bicycle and parts recorded growth in exports to the extent of 76.64, 42.82, 20.17, 23.15, and 23.88 percent respectively in July 2018 over the same period last year.

## 5. Top 25 destinations for Indian engineering exports

We now look at the export scenario of the top 25 nations that had the highest demand for Indian engineering products during July 2018 over July 2017 in absolute value.

**Table6: Engineering exports country-wise, 2018-19 (\$ million)**

Country	July 2017	July 2018	Growth (%)	Apr-Jul 2017-18	Apr-Jul 2018-19	Growth (%)
<b>USA</b>	649.90	924.86	42.31	2956.09	3700.74	25.19
<b>UAE</b>	259.56	226.97	-12.56	1811.76	1905.18	5.16
<b>GERMANY</b>	237.37	242.50	2.16	897.05	1082.01	20.62

Country	July 2017	July 2018	Growth (%)	Apr-Jul 2017-18	Apr-Jul 2018-19	Growth (%)
NEPAL	183.76	244.21	32.90	670.86	998.72	48.87
MEXICO	252.61	231.30	-8.43	949.46	994.12	4.70
U K	198.63	245.92	23.81	891.47	950.78	6.65
BANGLADESH	158.62	238.11	50.11	679.97	888.80	30.71
SINGAPORE	302.55	171.30	-43.38	717.05	881.18	22.89
ITALY	185.31	150.46	-18.81	816.76	749.11	-8.28
TURKEY	150.49	186.84	24.15	541.96	744.01	37.28
SOUTH AFRICA	122.08	107.03	-12.33	498.78	683.86	37.11
KOREA	132.56	112.79	-14.91	613.87	639.98	4.25
BELGIUM	104.21	112.43	7.89	419.73	614.20	46.33
INDONESIA	91.98	149.34	62.36	443.63	590.45	33.09
CHINA	197.74	135.84	-31.30	827.12	582.46	-29.58
THAILAND	113.06	120.19	6.30	383.77	469.43	22.32
FRANCE	115.48	120.32	4.19	491.55	464.38	-5.53
SAUDI ARABIA	106.72	85.58	-19.81	400.06	449.56	12.37
JAPAN	78.84	77.90	-1.20	310.04	410.64	32.45
MALAYSIA	138.92	144.03	3.68	445.34	406.99	-8.61
SRI LANKA	75.92	81.02	6.72	379.54	401.57	5.80
NIGERIA	52.96	84.24	59.08	221.43	396.98	79.28
SPAIN	68.19	77.37	13.46	365.17	367.08	0.52
OMAN	35.89	45.04	25.51	129.62	357.48	175.80
NETHERLANDS	65.45	79.60	21.61	275.43	353.94	28.50
<b>Top 25 Countries Total</b>	4078.80	4395.21	7.76	17137.50	20083.66	17.19
<b>Grand Total</b>	5595.63	6119.95	9.37	23249.03	26583.45	14.34
<b>Share % Total Engineering Exports</b>	72.89	71.82		73.71	75.55	

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ During July 2018, out of the top 25 countries, 16 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ As before USA once again ranked as the numero uno exporting destination for India's engineering products in July 2018. It registered significant positive cumulative growth during April-July 2018 over April-July 2017 of 25.19 percent.

- ❖ For the third time in succession, Oman recorded the highest cumulative exports growth of more than 175 percent during April-July 2018 vis-à-vis April-July 2017. Nigeria and Nepal held the second and third positions respectively in terms of high cumulative growth during the same period.
- ❖ India's engineering exports to China have been recording negative growth for the fourth consecutive time, both monthly as well as cumulatively for fiscal 2018-19 over 2017-18.
- ❖ Among European nations falling under the top 25 engineering exports destinations, Belgium recorded the highest growth in July 2018 over July 2017. Only Italy recorded negative monthly growth in July 2018 over July 2017. On cumulative basis, France and Italy recorded negative export growth during April-July 2018 vis-à-vis April-July 2017.
- ❖ Among the ASEAN countries under the top 25 engineering exports destinations, Indonesia, like the previous month, recorded the highest monthly as well as the highest cumulative growth. Similarly, barring Malaysia, all the ASEAN nations falling under the top 25 engineering exports destinations recorded positive cumulative growth during April-July 2018 vis-à-vis April-July 2017.
- ❖ Out of 219 exports destinations of Indian engineering goods, the top 25 nations accounted for 71.8 percent of India's total engineering exports in July 2018 over July 2017.
- ❖ Overall, India's engineering exports to its top 25 destinations registered higher growth in exports during April-July 2018 over April-July 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 July 2018 as opposed to July 2017. Table7 gives this picture:

**Table7: Region-wise exports trend (\$ million)**

COUNTRY	July 2017	July 2018	Growth (%)	Apr-Jul 2017-18	Apr-Jul 2018-19	Growth (%)
<b>EU</b>	1166.88	1226.04	5.07	4920.66	5475.18	11.27
<b>NORTH AMERICA</b>	948.90	1215.39	28.08	4074.32	4957.52	21.68
<b>MIDDLE EAST AND WEST ASIA (MEWA)</b>	610.16	596.90	-2.17	3216.91	3532.51	9.81

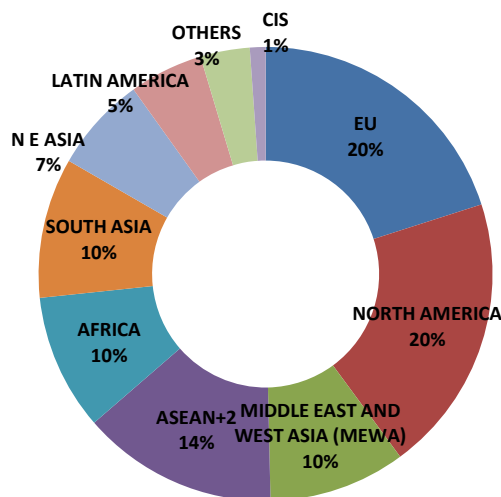


COUNTRY	July 2017	July 2018	Growth (%)	Apr-Jul 2017-18	Apr-Jul 2018-19	Growth (%)
ASEAN+2	932.01	854.82	-8.28	2808.04	3303.49	17.64
AFRICA	490.03	594.37	21.29	2358.96	2595.94	10.05
SOUTH ASIA	455.05	609.78	34.00	1874.15	2492.79	33.01
N E ASIA	479.90	417.63	-12.98	2036.48	1952.73	-4.11
LATIN AMERICA	278.64	320.75	15.11	1066.48	1163.51	9.10
OTHERS	172.04	215.81	25.44	655.44	870.72	32.85
CIS	62.00	68.46	10.42	237.58	239.06	0.62
<b>GRAND TOTAL</b>	<b>5595.63</b>	<b>6119.95</b>	<b>9.37</b>	<b>23249.03</b>	<b>26583.45</b>	<b>14.34</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 July 2018



(Source: EEPC India analysis)

- ❖ EU ranked as the region with highest shipment of engineering products from India during July 2018 with a share of 20.03 percent of total engineering exports.

- ❖ India's exports to North America and MEWA ranked second and third in global shipments of Indian engineering goods that recorded substantial growth during April-July 2018 vis-à-vis April-July 2017.
- ❖ India's exports recorded positive monthly growth for all the regions in July 2018 over July 2017, barring Northeast Asia, ASEAN+2 and MEWA.
- ❖ Exports to South Asia registered the highest growth of 34 percent in July 2018 compared to July 2017.

## 7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during July 2018. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. (Tables8-16)

**Table 8: Export of Iron and Steel**

\$ Million

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
NEPAL	111.58	76.65	45.57	228.42	418.27	83.11
ITALY	43.72	60.28	-27.47	298.17	241.00	-19.17
UAE	71.09	60.95	16.63	192.32	209.14	8.74
BELGIUM	50.81	61.45	-17.32	255.93	178.95	-30.08
KOREA	29.59	22.91	29.17	108.55	160.06	47.45
<b>High cumulative growth</b>						
KUWAIT	3.55	4.31	-17.71	6.93	18.97	173.64
SINGAPORE	6.72	0.76	786.68	4.63	11.01	137.53
KENYA	5.79	0.91	532.58	8.51	19.07	124.01
DJIBOUTI	7.96	7.58	5.03	11.60	24.57	111.85
NEPAL	111.58	76.65	45.57	228.42	418.27	83.11
PHILIPPINES	0.93	17.99	-94.82	22.76	33.93	49.09

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017-JULY, 2017	APRIL, 2018-JULY, 2018	Growth (%)
KOREA	29.59	22.91	29.17	108.55	160.06	47.45
CANADA	4.38	3.87	13.41	11.33	15.95	40.73
<b>Sharp cumulative decline</b>						
SOUTH AFRICA	2.87	2.72	5.44	29.67	11.20	-62.26
ETHIOPIA	7.92	4.32	83.19	51.01	21.77	-57.32
PORTUGAL	2.97	12.04	-75.31	47.42	21.29	-55.11
MEXICO	7.59	17.02	-55.44	64.11	35.90	-44.01
INDONESIA	9.59	21.74	-55.90	145.51	86.71	-40.41
TURKEY	10.39	25.20	-58.79	84.41	53.74	-36.33
POLAND	9.83	9.62	2.14	60.19	41.26	-31.44
BELGIUM	50.81	61.45	-17.32	255.93	178.95	-30.08

(Source: Department of Commerce, Government of India)

- ❖ Nepal, Italy, and UAE were the three top three importers of Indian Iron and steel during April-July 2018 with market shares of 13.36, 7.64 and 6.63 percent respectively.
- ❖ Kuwait, Singapore, Kenya, and Djibouti recorded more than 100 percent year-on-year growth in exports of Indian Iron and steel during April-July 2018.
- ❖ South Africa, Ethiopia, Portugal, and Mexico experienced sharp fall in exports during April-July 2018.

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

\$ Million

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017-JULY, 2017	APRIL, 2018-JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
USA	130.25	133.42	-2.38	516.60	508.60	-1.55
UAE	28.83	25.28	14.04	147.65	154.24	4.46
GERMANY	32.02	30.51	4.93	119.63	132.21	10.51
UK	23.76	21.47	10.70	89.51	94.87	5.99
CANADA	20.39	13.80	47.74	50.00	80.59	61.17
<b>High cumulative growth</b>						
MAURITANIA	1.48	0.04	3906.33	0.44	15.21	3377.72
CHILE	8.72	1.38	533.62	4.11	38.11	826.94
QATAR	12.02	5.23	129.78	18.88	52.02	175.58
TANZANIA	3.82	2.58	48.06	11.40	29.79	161.38
NIGERIA	4.02	8.03	-49.93	18.67	37.91	103.06
SINGAPORE	5.47	2.87	90.13	12.16	22.69	86.66

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
INDONESIA	4.11	3.10	32.42	12.20	20.60	68.89
<b>Sharp cumulative decline</b>						
IRAN	0.29	0.66	-55.21	23.94	1.14	-95.26
COLOMBIA	0.70	11.31	-93.81	23.04	2.44	-89.41
SAUDI ARABIA	12.06	32.79	-63.21	102.17	49.84	-51.22
MALAYSIA	3.21	3.52	-9.03	22.90	12.11	-47.13
SRI LANKA	4.62	7.01	-34.05	41.16	23.70	-42.42
THAILAND	7.85	16.26	-51.69	49.28	29.62	-39.89

(Source: Department of Commerce, Government of India)

- ❖ USA, UAE, and Germany were the top three importers of India's Products of iron and steel' during April-July 2018 with 22.51, 6.83, and 5.85 percent shares respectively in India's global imports of the same.
- ❖ Mauritania, Chile, Qatar, Tanzania, and Nigeria were among the nations witnessing significant growth in import of Indian Products of iron and steel during April-July 2018.
- ❖ On the other hand, Iran, Colombia, Saudi Arabia, and Malaysia demonstrated substantial decline in imports of the product group from India during April-July 2018.

**Table 10: Export of Industrial Machinery**

\$ Million

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
USA	167.03	133.20	25.39	613.50	736.09	19.98
BANGLADESH	52.55	37.35	40.69	168.81	203.22	20.39
GERMANY	48.29	43.60	10.74	169.00	200.01	18.35
CHINA	38.79	33.89	14.45	148.82	176.19	18.40
TURKEY	35.56	29.89	18.99	129.74	172.86	33.24
<b>High cumulative growth</b>						
HONG KONG	3.29	1.60	106.18	4.49	23.07	413.16
ALGERIA	6.41	4.50	42.37	19.07	34.93	83.17
THAILAND	52.30	23.56	121.97	90.29	162.96	80.48
OMAN	14.96	6.35	135.55	29.87	52.14	74.56
INDONESIA	36.17	14.40	151.15	68.83	119.61	73.79
SWEDEN	5.44	3.55	53.00	12.25	20.56	67.84
SPAIN	16.47	10.92	50.81	52.04	84.55	62.48
NIGERIA	18.21	14.34	27.02	70.39	111.80	58.83
<b>Sharp cumulative decline</b>						
FINLAND	2.76	0.85	225.35	13.76	5.32	-61.35

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
BHUTAN	2.43	6.15	-60.51	23.26	11.14	-52.12
SWITZERLAND	2.14	2.25	-4.81	16.26	8.54	-47.49
KUWAIT	11.44	18.75	-38.99	72.72	43.39	-40.33
SENEGAL	0.83	1.32	-37.12	12.42	7.64	-38.47
PHILIPPINES	4.92	5.84	-15.85	33.59	22.33	-33.53
BAHRAIN	1.39	3.21	-56.86	17.27	12.10	-29.97
IRAQ	1.64	3.39	-51.59	11.91	9.31	-21.83

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian Industrial machinery during April-July 2018 with 16.35 percent share in India's global import of the product group, followed by Bangladesh and Germany with 4.51 and 4.44 percent share respectively.
- ❖ Hong Kong, Algeria, Thailand, and Oman were among the nations witnessing significant growth of imports of Industrial machinery from Indian during April-July 2018.
- ❖ Among the major importers, exports to Finland, Bhutan, Switzerland, and Kuwait recorded sharp decline during April-July 2018.

**Table 11: Export of Automobiles**

\$ Million

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
MEXICO	127.44	169.72	-24.91	647.18	549.19	-15.14
USA	57.12	3.17	1704.26	7.54	333.14	4319.14
SOUTH AFRICA	62.00	78.41	-20.93	301.44	282.43	-6.31
BANGLADESH	62.23	40.23	54.67	166.43	190.49	14.46
NEPAL	39.04	38.09	2.51	126.04	154.37	22.48
<b>High cumulative growth</b>						
CANADA	8.89	0.26	3363.30	0.31	47.24	14925.25
USA	57.12	3.17	1704.26	7.54	333.14	4319.14
AUSTRALIA	1.63	2.40	-32.07	11.64	26.62	128.79
NIGERIA	38.25	17.17	122.78	55.17	124.89	126.37
SAUDI ARABIA	26.73	19.44	37.51	33.04	63.17	91.19
BHUTAN	8.75	3.51	149.32	16.17	29.62	83.16
INDONESIA	34.03	22.04	54.35	84.27	153.94	82.67
UAE	17.92	8.53	110.05	37.45	59.23	58.16
<b>Sharp cumulative decline</b>						
COTE D'IVOIRE	1.21	8.69	-86.09	44.44	3.93	-91.17
ISRAEL	0.36	7.84	-95.44	18.72	2.81	-85.00



COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
NETHERLANDS	0.56	2.06	-72.98	21.31	4.06	-80.95
SPAIN	3.24	9.85	-67.11	60.50	14.66	-75.77
ITALY	6.02	47.66	-87.38	143.54	40.54	-71.76
FRANCE	8.22	18.42	-55.41	95.16	32.90	-65.43
GERMANY	4.99	25.81	-80.67	86.20	31.29	-63.70

(Source: Department of Commerce, Government of India)

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

- ❖ Mexico, USA, and South Africa were the top three importers of India's Automobiles during April-July of 2018, witnessing 15.59, 9.46, and 8.02 percent share respectively. Mexico, being the largest importer, shared 15.59 percent of exports of automobiles from India.
- ❖ Countries like Canada, USA, Australia, and Nigeria saw over 100 percent growth in imports of Indian Automobiles during April-July 2018 among the major importers.
- ❖ Cote d'Ivoire, Israel, Netherlands, and Spain witnessed substantial decrease in imports of Automobiles from India during April-July 2018.

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

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
SOUTH KOREA	53.61	85.23	-37.09	389.05	361.97	-6.96
USA	86.89	58.35	48.92	263.09	337.15	28.15
TURKEY	76.40	37.42	104.16	79.32	268.41	238.39
MEXICO	40.79	17.55	132.45	57.41	179.79	213.20
MALAYSIA	72.31	77.23	-6.37	177.75	153.08	-13.88
<b>High cumulative growth</b>						
BULGARIA	4.91	1.64	199.04	3.83	35.36	823.36
VIETNAM	8.73	1.83	378.29	6.11	42.29	591.87
GREECE	1.96	0.24	719.66	14.95	58.85	293.64
TURKEY	76.40	37.42	104.16	79.32	268.41	238.39

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
MEXICO	40.79	17.55	132.45	57.41	179.79	213.20
NETHERLANDS	14.09	4.69	200.26	26.79	67.26	151.09
SPAIN	19.57	7.96	146.03	32.80	72.47	120.93
JAPAN	16.81	8.27	103.38	36.69	77.09	110.12
THAILAND	17.41	7.57	129.96	39.84	74.66	87.41
ISRAEL	4.03	3.71	8.61	12.01	22.39	86.38
<b>Sharp cumulative decline</b>						
SINGAPORE	2.25	19.95	-88.71	56.39	5.23	-90.73
CHINA	4.10	95.28	-95.69	450.59	64.76	-85.63
IRAN	0.62	3.04	-79.45	15.75	4.83	-69.35
BAHRAIN	0.78	17.85	-95.64	40.82	13.03	-68.08
UAE	19.91	49.22	-59.55	231.23	79.27	-65.72
BELGIUM	1.47	1.69	-13.06	10.53	5.95	-43.51

- ❖ Korea (\$362 million), USA (\$337 million) and Turkey (\$268 million) were the top three importers of Indian Non-ferrous metals during April-July 2018 with market shares of 12.73, 11.85, and 9.44 percent respectively.
- ❖ Bulgaria, Vietnam, Greece, Turkey, and Mexico witnessed highest growth in imports of Indian Non-ferrous metal products during April-July 2018.
- ❖ Singapore, China, Iran, and Bahrain saw significant decline in imports of Non-ferrous metals from India during the April-July 2018.

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

\$ Million

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Importers</b>						
USA	197.22	71.64	175.28	315.83	608.05	92.53
GERMANY	61.66	45.27	36.20	190.81	321.06	68.26
SINGAPORE	72.79	20.77	250.50	48.88	204.28	317.89
UK	56.15	17.96	212.73	98.18	186.38	89.85
CHINA	37.07	9.07	308.94	33.58	140.91	319.58
<b>High cumulative growth</b>						
BELGIUM	18.25	3.08	492.37	13.70	100.21	631.57
CHINA	37.07	9.07	308.94	33.58	140.91	319.58
SINGAPORE	72.79	20.77	250.50	48.88	204.28	317.89
INDONESIA	40.10	3.24	1137.28	14.60	60.89	317.07

COUNTRY	JULY, 2018	JULY, 2017	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
CANADA	2.27	4.22	-46.14	8.71	20.44	134.68
SPAIN	3.92	1.98	97.82	9.91	21.94	121.42
USA	197.22	71.64	175.28	315.83	608.05	92.53
U K	56.15	17.96	212.73	98.18	186.38	89.85
<b>Sharp cumulative decline</b>						
VIETNAM	4.69	7.38	-36.52	36.34	19.66	-45.89
KUWAIT	11.39	6.86	66.01	27.44	20.69	-24.60
UAE	18.92	18.61	1.65	94.05	71.55	-23.92
TURKEY	16.27	10.67	52.48	60.83	49.74	-18.24
SAUDI ARABIA	2.74	3.95	-30.74	17.13	14.19	-17.19
FRANCE	18.65	18.91	-1.36	92.39	79.01	-14.48
HUNGARY	5.68	4.54	25.08	18.44	20.96	13.66

*(Source: Department of Commerce and CSO)*

- ❖ USA (\$608 million), Germany (\$321 million), and Singapore (\$204 million) were the three top importers of Indian Electrical machinery and components during April-July 2018 with market shares of 22.14, 11.69, and 7.44 percent respectively.
- ❖ Belgium, China, and Singapore recorded highest growth in imports of India's Electrical machinery and components during April-July 2018.
- ❖ On the other hand, Vietnam, Kuwait, UAE, and Turkey saw highest decline in imports of India's Electrical machinery and components during April-July 2018.

**Table 14: Export of Aircrafts and Spacecrafts**

\$ Million

COUNTRY	JULY, 2017	JULY, 2018	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top Five Importers</b>						
USA	48.83	54.99	12.61	190.83	198.53	4.03
SINGAPORE	19.88	24.20	21.73	74.36	102.79	38.23
FRANCE	24.61	24.69	0.31	75.56	94.37	24.89

UK	17.81	12.22	-31.38	69.61	92.56	32.98
GERMANY	21.41	7.74	-63.86	72.81	49.15	-32.50
<b>High cumulative growth</b>						
SEYCHELLES	0.00	0.00	15.44	0.00	19.63	6956125.66
BELGIUM	0.22	0.06	-73.76	0.58	11.37	1869.17
SWITZERLAND	1.51	0.55	-63.81	9.53	14.85	55.79
SINGAPORE	19.88	24.20	21.73	74.36	102.79	38.23
UK	17.81	12.22	-31.38	69.61	92.56	32.98
AUSTRIA	1.37	1.91	39.93	4.42	5.84	32.24
<b>Sharp cumulative decline</b>						
CHINA	14.49	2.62	-81.90	18.99	6.58	-65.36
RUSSIA	0.65	0.53	-18.93	21.59	8.05	-62.72
TURKEY	1.48	0.47	-68.64	6.28	2.74	-56.43
NETHERLANDS	1.23	0.33	-73.10	5.87	3.14	-46.40
ISRAEL	3.00	4.03	34.53	17.85	9.66	-45.86
POLAND	3.07	2.09	-31.82	11.50	7.04	-38.73
GERMANY	21.41	7.74	-63.86	72.81	49.15	-32.50

(Source: Department of Commerce and CSO)

- ❖ USA, Singapore, and France were the top three importers of India's Aircrafts and spacecrafts' during April-July 2018-19 with 29, 15, and 13.8 percent shares respectively in India's total global exports of the product.
- ❖ Seychelles and Belgium recorded gigantic growth in imports of the product group during April-July 2018-19 against zero or negligible amount imports during the same period last fiscal.
- ❖ On the flipside, demand for India's Aircrafts and spacecrafts from China, Russia, and Turkey dropped significantly on a year-on-year basis during April-July 2018 along with some other nations.

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

\$ Million

COUNTRY	JULY, 2017	JULY, 2018	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top 5 Importers</b>						
UAE	23.74	2.11	-91.09	808.90	1048.89	29.67
SINGAPORE	195.40	28.20	-85.57	371.02	379.61	2.32
SOUTH AFRICA	0.00	0.00	----	0.00	198.48	----
OMAN	0.00	0.01	----	2.47	187.76	----

COUNTRY	JULY, 2017	JULY, 2018	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
BELGIUM	0.00	0.00	----	0.00	150.05	----
<b>High cumulative growth</b>						
OMAN	0.00	0.01	----	2.47	187.76	7510.12
ISRAEL	0.00	54.65	----	1.48	55.55	3646.83
SAUDI ARABIA	0.00	0.00	----	19.11	104.60	447.45
SOUTH AFRICA	0.00	0.00	----	0.00	198.48	----
BELGIUM	0.00	0.00	----	0.00	150.05	----
QATAR	0.00	7.47	----	0.00	36.47	----
NIGERIA	0.00	0.00	----	0.00	24.88	----
BANGLADESH	0.00	0.00	----	0.00	20.07	----
<b>Sharp cumulative decline</b>						
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	0.00	0.00	----	6.22	0.00	-100.00
MYANMAR	0.00	0.00	----	21.28	0.00	-100.00
USA	0.03	0.05	31.92	216.66	0.07	-99.97

**Note:** Export figures in case of some nations are showing zero due to rounding off but actually they are very small in value.

*(Source: Department of Commerce and CSO)*

- ❖ UAE was the largest importer of India's Ships, boats and floating structures and parts during April-July 2018-19 with 45.28 percent share in India's total global exports of the product followed by Singapore with 15.9 percent share. South Africa emerged as the third largest importer with 8.57 percent share.
- ❖ Oman, Israel, and Saudi Arabia recorded robust growth in imports of Ships, boats and floating structures and parts during April-July 2018-19, while South Africa and Belgium saw sizeable imports of the same during April-June 2018 against no exports during the same period last fiscal.
- ❖ Cameroon and Egypt were among the nations that recorded no imports during April - July 2018 against substantial exports during the same period last fiscal. USA also saw significant fall in imports from India.

**Table 16: Export of Auto Components**

\$ Million

COUNTRY	JULY, 2017	JULY, 2018	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
<b>Top 5 Importers</b>						



COUNTRY	JULY, 2017	JULY, 2018	Growth (%)	APRIL, 2017- JULY, 2017	APRIL, 2018- JULY, 2018	Growth (%)
USA	81.18	93.37	15.01	315.37	383.31	21.54
TURKEY	27.97	24.59	-12.08	106.93	125.93	17.78
BANGLADESH	21.22	36.93	74.07	73.59	117.14	59.18
BRAZIL	20.29	23.63	16.48	78.86	95.49	21.09
GERMANY	19.37	20.10	3.80	66.07	81.10	22.75
<b>High cumulative growth</b>						
ROMANIA	1.82	8.19	349.85	8.01	32.36	303.78
MYANMAR	1.89	2.79	47.18	5.52	11.54	109.17
COLOMBIA	3.85	8.02	108.39	14.32	26.84	87.43
VIETNAM	7.57	13.25	75.14	25.04	45.68	82.40
JAPAN	9.69	9.53	-1.65	35.86	59.94	67.13
BANGLADESH	21.22	36.93	74.07	73.59	117.14	59.18
EGYPT	4.35	6.94	59.64	17.11	25.88	51.25
<b>Sharp cumulative decline</b>						
SAUDI ARABIA	2.66	3.27	22.85	14.84	5.72	-61.44
PHILIPPINES	4.12	2.73	-33.83	14.70	11.12	-24.31
CANADA	6.60	5.16	-21.86	28.31	22.71	-19.78
SOUTH KOREA	4.67	3.94	-15.70	17.88	15.30	-14.43

(Source: Department of Commerce and CSO)

- ❖ USA was the top importer of Auto components/parts from India during April-July 2018 with a share of 21.14 percent in India's global exports of auto components. Turkey and Bangladesh were the immediate followers of USA with 6.94 and 6.46 percent shares respectively.
- ❖ Romania, Myanmar, and Colombia were among the prominent nations that recorded significant increase in imports of Indian Auto components/parts during April-July 2018 over April-July 2017.
- ❖ Saudi Arabia witnessed the highest decline in imports during April-July 2018 over the same period last fiscal followed by the Philippines and Canada.

## 8. Import analysis of engineering goods

India's engineering imports during July 2018 were valued at \$8683.4 million compared to \$6811.2 million in July 2017, registering growth of 27.5 percent. Engineering imports for the month of June were valued at \$8268.14 million compared to \$8535.98 million in May 2018 and for April it was valued at \$8139.45 million, registering considerable growth of 25.9, 28.8, and 17.3 percent respectively compared to the same period last fiscal.

On the other hand, India's total merchandise imports for the month of July 2018 were valued at \$43.79 billion as against \$33.99 billion in July 2017, registering 28.81 percent growth in dollar terms.

The share of engineering imports in India's total merchandise imports was estimated at 19.8 percent in July 2018 compared to 18.7 percent in June, 20.6 percent in May 2018 and 20.5 percent in April 2018. 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 imports figures for fiscal 2018-19 vis-à-vis 2017-18 are given below as per the latest availability of data.

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

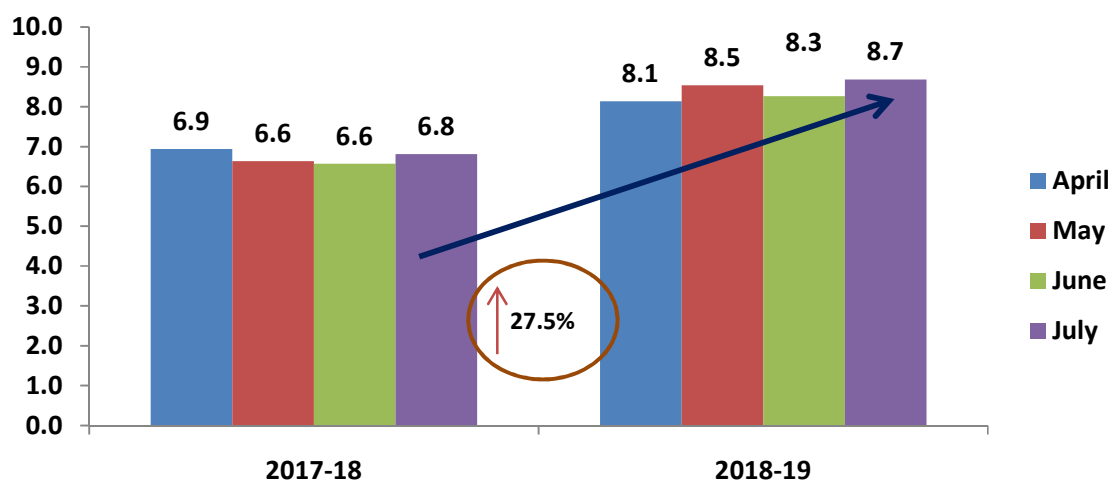
Months	2017-18	2018-19	Growth (%)
<b>April</b>	6936.70	8139.45	17.3
<b>May</b>	6628.73	8535.98	28.8
<b>June</b>	6567.10	8268.14	25.9
<b>Quarter 1 (April-June)</b>	<b>20132.5</b>	<b>24943.6</b>	<b>23.9</b>
<b>July</b>	6811.16	8683.39	27.5
<b>April-July</b>	<b>26943.69</b>	<b>33626.96</b>	<b>24.8</b>

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

Figure3 below depicts the monthly trend in engineering imports for 2018-19 vis-à-vis 2017-18

**Figure2: Trend in monthly engineering imports for 2018-19 (\$ billion)**

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



(Source: EEPIC India analysis)

### 9. Trend in two-way engineering trade

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

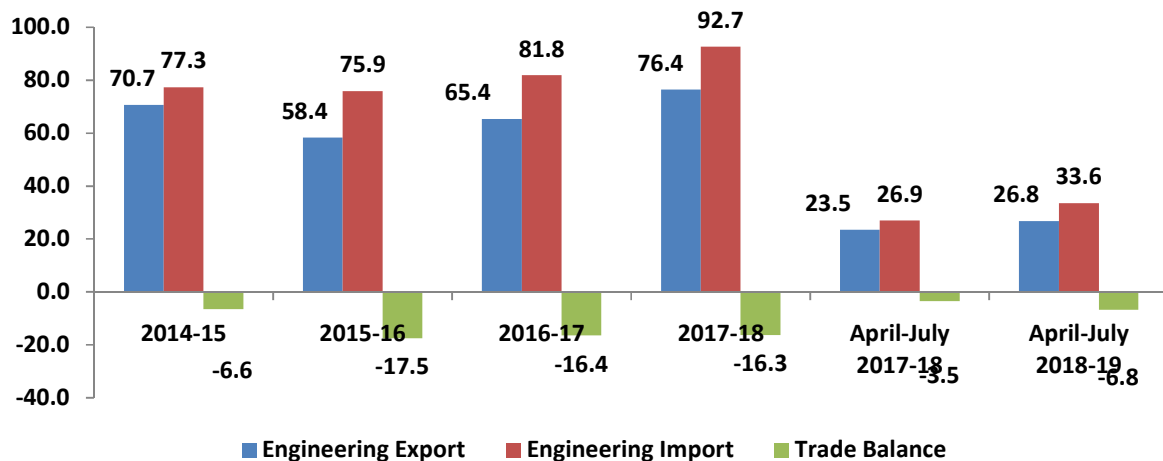
Table18: Engineering trade (\$ million)

	2014-15	2015-16	2016-17*	2017-18	Growth %	April-July 2017-18	April-July 2018-19	Growth %
Engineering exports	70661.2	58351.58	65439.66*	76395.99	16.7	17855.1*	20660.5*	15.71
Engineering imports	77279.45	75859.72	81834.75*	92692.13*	13.3	26943.7*	33626.96*	24.8
Trade balance	-6618.25	-17508.14	-16395.1	-16296.1		-3489.1	-6827.8	

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

Figure4 below depicts the yearly trend in engineering trade from 2014-15 to 2017-18 and April-June of the current fiscal 2018-19

Figure4: Trend in monthly engineering trade (\$ billion)



## 10. Conclusion

Despite registering double-digit growth, India's merchandise exports growth decelerated for the third straight month to July 2018 after achieving six-month high growth during May 2018 and the trade deficit also hovered around a 5-year high as imports exceeds exports significantly due to a surge in crude oil imports like the previous month.

The engineering sector for the first time in fiscal 2018-19 saw a slowdown in exports growth to single digit in July 2018. It also continued to underperform the broader merchandise exports growth in the ongoing fiscal. The share of engineering in total merchandise exports was higher than that of the previous two months.

On the other hand, India's engineering imports registered 27.5 percent growth in July 2018 and cumulative growth of over 24.8 percent during April-July 2018-19 compared to the same period last fiscal. India's engineering trade deficit widened to \$6.8 billion during April-July 2018-19 compared to \$3.5 billion in April-July 2017-18.

The slide in engineering growth was as per our expectations. In our analysis of the previous months, we expressed our apprehensions on the steady growth of exports. The constraint to firm growth in exports remains the same over the month. The key threat to growth of engineering exports is the growing tension in trade relations between large economies, especially the unfolding tariff war between US and China. Moreover, the initiation of safeguard investigation by the European Commission on imports of selected steel products, the US investigation on India's compliance with the norms under Generalised System of Preference, and the possible extinction of India's exports subsidy schemes have intensified the panic among the Indian exporting community. Back home, rising raw materials costs still remain a major concern for the exporters.

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