

# Engineering Exports and Imports Monitor

August 2018



*Engineering the future*

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

### India's merchandise trade scenario

- ❖ India's merchandise exports continued its growth run for the fifth straight month to August 2018 and this time at an accelerated pace. Merchandise exports in August 2018 stood at US\$27.84 billion, as compared to US\$23.36 billion in the same month last fiscal, exhibiting a positive growth of 19.21 percent. In rupee terms, the growth was higher at 29.60 percent due to depreciation of rupee vis-a-vis the US dollar.
- ❖ Growth in merchandise export during August 2018 was driven by substantial year-on-year growth in segments like Organic & Inorganic Chemicals (39.9 percent), Petroleum Products (31.76 percent), Gems & Jewellery (23.95 percent), Engineering Goods (21.23 percent) and Drugs & Pharmaceuticals (18.21 percent).
- ❖ Cumulative value of exports for the period April-August 2018-19 was US\$136.09 billion as against US\$117.19 billion during the corresponding period of the previous fiscal, registering a growth of 16.13 percent.
- ❖ Merchandise imports in August 2018 were US\$45.24 billion which was 25.41 percent higher over imports of US\$36.07 billion recorded in August 2017.
- ❖ Major commodity groups of import showing high growth in August 2018 over the corresponding month of last fiscal were Gold (92.62 percent), Petroleum, Crude & products (51.62 percent), Machinery, electrical & non-electrical (46.2 percent), Coal, Coke & Briquettes, etc. (44.37 percent) and Electronic goods (22.48 percent).
- ❖ Cumulative value of imports for the period April-August 2018-19 was US\$216.43 billion as against US\$184.45 billion during April-August 2017-18, registering 17.34 percent year-on-year growth.
- ❖ Trade deficit in August 2018 stood at US\$17.39 billion as against the deficit of US\$12.72 billion in August 2017 registering 36.7 percent increase over the year. Cumulative trade deficit for April-August 2018-19 was at US\$80.4 billion as against US\$67.3 billion during the same period last fiscal registering 19.5 percent growth year-on-year.

### India's engineering exports scenario

- ❖ After a deceleration to single digit in July 2018, India's engineering exports growth during Aug 2018 quickened to 21.2 percent on a year-on-year basis, the highest monthly growth in fiscal 2018-19. During the said month, engineering exports was recorded at US\$6.99 billion as against US\$5.77 billion in the same month last fiscal.

- ❖ Cumulative export growth also surged due to higher exports in August 2018. Engineering exports during April-Aug 2018-19 stood at US\$33.56 billion as against US\$29.01 billion during the same period last fiscal, recording 15.68 percent growth on a year-on-year basis. Cumulative growth during April-July 2018-19 was at 14.34 percent year-on-year.
- ❖ The share of engineering exports in India's total merchandise exports surged to 25.1 percent in August 2018 as against 23.8 percent in July 2018, 23.5 percent in June 2018 and 24.1 percent in May 2018. However, share of engineering to total merchandise exports was slightly lower at 24.7 percent during April-August 2018-19.
- ❖ Out of 33 engineering panels, 29 panels sharing almost 88 percent of the products, recorded growth in exports in August 2018 over the same month last year while the remaining 4 panels conceded decline in exports.
- ❖ During August 2018, 21 out of top 25 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ Top 25 nations accounted for 73 percent of India's total engineering exports in August 2018 over August 2017.

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

- ❖ India's Engineering imports for the new fiscal 2018-19 were valued at US\$ 9.7 billion during August 2018 compared to US\$ 7.8 billion in August 2017 registering a considerable growth to the extent of 24.4 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports was estimated at 21.4 percent in August 2018 compared to 19.8 percent in July, 18.7 percent in June 2018 and 20.6 percent in May 2018.

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

India's merchandise exports continued its growth run for the fifth straight month to August 2018 and this time at an accelerated pace. Merchandise exports in August 2018 stood at US\$27.84 billion, as compared to US\$23.36 billion in the same month last fiscal, exhibiting a positive growth of 19.21 percent. In rupee terms, the growth was higher at 29.60 percent.

Growth in merchandise export during August 2018 was driven by substantial year-on-year growth in segments like Organic & Inorganic Chemicals (39.9 percent), Petroleum Products (31.76 percent), Gems & Jewellery (23.95 percent), Engineering Goods (21.23 percent) and Drugs & Pharmaceuticals (18.21 percent).

Cumulative value of exports for the period April-August 2018-19 was US\$136.09 billion as against US\$117.19 billion during the corresponding period of the previous fiscal, registering a growth of 16.13 percent.

Non-petroleum and Non Gems and Jewellery exports in August 2018 were US\$20.70 billion, as compared to US\$17.78 billion in August 2017, exhibiting a positive growth of 16.45 percent. Non-petroleum and Non Gems and Jewellery exports in April-August 2018-19 were US\$99.24 billion, as compared to US\$87.60 billion for the corresponding period in 2017-18, an increase of 13.28 percent.

Merchandise imports in August 2018 were US\$45.24 billion which was 25.41 percent higher over imports of US\$36.07 billion recorded in August 2017.

Major commodity groups of import showing high growth in August 2018 over the corresponding month of last fiscal were Gold (92.62 percent), Petroleum, Crude & products (51.62 percent), Machinery, electrical & non-electrical (46.2 percent), Coal, Coke & Briquettes, etc. (44.37 percent) and Electronic goods (22.48 percent).

Cumulative value of imports for the period April-August 2018-19 was US\$216.43 billion as against US\$184.45 billion during April-August 2017-18, registering 17.34 percent year-on-year growth.

Oil imports in August 2018 were US\$11.83 billion which was 51.62 percent higher as compared to US\$7.80 billion in August 2017. Oil imports in April-August 2018-19 were US\$58.81 billion which was 53.55 percent higher as compared to US\$38.30 billion over the same period last year. In this connection it is mentioned that the global Brent price (\$/bbl) has increased by 42.36% in August 2018 vis-à-vis August 2017 as per data available from World Bank (Pink Sheet).

Non-oil imports in August 2018 were estimated at US\$33.41 billion, which was 18.17 percent higher as compared to US\$28.27 billion in August 2017. Non-oil imports in April-August 2018-19 were US\$157.62 billion, which was 7.84 percent higher as compared to US\$146.15 billion in April-August 2017-18.

Merchandise trade deficit in August 2018 stood at US\$17.39 billion as against the deficit of US\$12.72 billion in August 2017 registering 36.7 percent increase over the year. Cumulative trade deficit for April-August 2018-19 was at US\$80.4 billion as against US\$67.3 billion during the same period last fiscal registering 19.5 percent increase year-on-year.

## **2. Engineering exports**

After a deceleration to single digit in July 2018, India's engineering exports growth during Aug 2018 quickened to 21.2 percent on a year-on-year basis, the highest in fiscal 2018-19. During the said month, engineering exports was recorded at US\$6.99 billion as against US\$5.77 billion in the same month last fiscal.

Cumulative export growth also surged due to higher exports in August 2018. Engineering exports during April-Aug 2018-19 stood at US\$33.56 billion as against US\$29.01 billion during

the same period last fiscal, recording 15.68 percent growth on a year-on-year basis. Cumulative growth during April-July 2018-19 was at 14.34 percent year-on-year.

The share of engineering exports in India's total merchandise exports surged to 25.1 percent in August 2018 as against 23.8 percent in July 2018, 23.5 percent in June 2018 and 24.1 percent in May 2018. However, share of engineering to total merchandise exports was slightly lower at 24.7 percent during April-August 2018-19.

Out of 33 engineering panels, 29 panels sharing almost 88 percent of the products, recorded growth in exports in August 2018 over the same month last year while the remaining 4 panels conceded decline in exports.

During August 2018, 21 out of top 25 countries recorded positive growth in engineering exports from India over the same month last year.

Top 25 nations accounted for 73 percent of India's total engineering exports in August 2018 over August 2017.

The cumulative engineering exports for April-August 2018-19 vis-à-vis April-August 2017-18 is tabled below as per the latest availability of data:

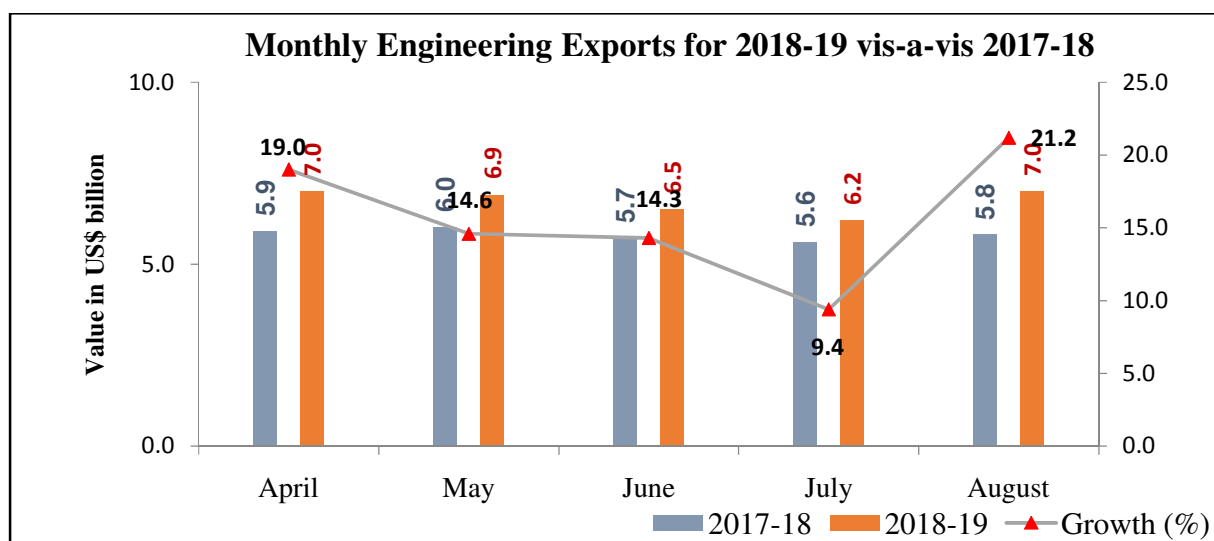
**Table1: Engineering exports**  
(US\$ million)

Month	2017-18	2018-19	Growth (%)
April	5902.86	7021.83	18.96
May	6047.26	6929.84	14.59
June	5703.28	6511.79	14.18
April-June	17653.4	20463.46	15.92
July	5595.63	6112.33	9.23
August	5766.6	6988.26	21.19
April-August	29015.6	33564.1	15.68

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

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

**Figure1: Trend in monthly engineering exports(In US\$ million)**



(Source: EEPC India analysis)

### Correlation between engineering and manufacturing sector

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 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 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 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 enjoyed significant acceleration in growth. A repetition of October 2017 was seen in December 2017 when both engineering exports 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 months on a year-on-year basis. March 2018 witnessed movement in opposite direction 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 and July 2018, however saw these two moving in opposite directions. Manufacturing growth rose sharply while engineering exports growth moderated. The manufacturing Index in the Index of Industrial Production (IIP) stood at 127.6 in July 2018 as against 128.3(revised) in June 2018 130.2 in May 2018 and 123.1 in April 2018.

The growth rates in engineering exports and that of manufacturing in the country during the current fiscal are shown in Table 2 below:

**Table 2: Engineering exports growth vis-à-vis manufacturing growth (2018-19)**

Months/ 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>Jun 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	7.0*
<b>August 2018</b>	21.19	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.

**Table 3: Revised engineering exports for 2017-18 (US\$ million)**

Month	2016-17	2017-18	Growth (%)
April	4744.32	5902.86*	24.42%
May	5636.17	6047.26*	7.29
June	5066.99	5703.28*	12.56
Quarter 1	15447.48	17653.40*	14.28
July	4794.12	5595.63*	16.72
August	4873.71	5766.60*	18.32
September	4917.78	7087.17	44.11
Quarter 2	14585.61	18449.40*	26.49
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	76207.42*	16.81

Source: DGCI&amp;S

\* Revised figures

### 3. Impact of exchange rate

How has the exchange rate changed in August 2018 vis-à-vis August 2017? In order to find it out, we look at the average exchange rate in August for both 2018 and 2017. Table 4 provides the same:

**Table 4: Average exchange rate**



August	Average exchange rate 1 USD to INR
2017	63.97
2018	69.55

(Source: Calculated from RBI archive)

During July 2018, the official exchange rate of rupee vis-à-vis the US Dollar has depreciated by 8.72 percent over August 2018. This was higher than the 6.56 percent year-on-year depreciation recorded in July 2018.

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

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

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

Sl no.	Panel	August 2017	August 2018	Growth %	April-August 2017-18	April-August 2018-19	Growth %
<b>1. Iron and Steel and Products of Iron and Steel</b>							
A	A. Iron and Steel	895.7	1053.48	17.6	4125.73	4207.95	2.0
B	B. Products of Iron	592.03	689.19	16.4	2664.76	2948.9	10.7
<b>Subtotal</b>		<b>1487.73</b>	<b>1742.67</b>	<b>17.14</b>	<b>6790.49</b>	<b>7156.85</b>	<b>5.40</b>
<b>2. Non Ferrous Metals and Products</b>							
A	Copper and products	324.04	77.59	-76.06	1320.81	378.24	-71.36
B	Aluminium and products	361.79	514.58	42.23	1692.37	2459.8	45.35
C	Zinc and products	50.39	30.59	-39.29	267.8	283.64	5.91
D	Nickel and products	7.11	7.47	5.06	17.96	33.23	85.02
E	Lead and products	35.27	33.04	-6.32	119.41	160.11	34.08
F	Tin and products	0.64	0.77	20.31	4.52	3.17	-29.87
G	Other Non-Ferrous Metals	41.03	49.63	20.96	198.45	225.29	13.52
<b>Sub Total</b>		<b>820.27</b>	<b>713.67</b>	<b>-13.00</b>	<b>3621.32</b>	<b>3543.48</b>	<b>-2.15</b>
<b>3. Industrial Machinery and parts</b>							
A	Industrial Machinery like Boilers, parts, etc	53.47	70.07	31.05	223.08	281.4	26.14
B	IC Engines and Parts	208.35	274.55	31.77	1083.22	1093.39	0.94
C	Pumps of all types	81.94	87.17	6.38	379.35	393.61	3.76
D	Air condition and Refrigerators	93.09	179.99	93.35	434.14	842.34	94.02
E	Industrial Machinery for dairy, food processing , textiles etc	393.18	500.87	27.39	1971.73	2361.32	19.76
F	Machine Tools	34.52	43.09	24.83	197.03	205.32	4.21
G	Machinery for Injecting moulding, valves	128.4	146.63	14.20	592.5	632.46	6.74

Sl no.	Panel	August 2017	August 2018	Growth %	April-August 2017-18	April-August 2018-19	Growth %
	and ATMs						
	<b>Sub Total</b>	<b>992.95</b>	<b>1302.37</b>	<b>31.16</b>	<b>4881.05</b>	<b>5809.84</b>	<b>19.03</b>
<b>4</b>	<b>Electrical Machinery</b>	<b>495.85</b>	<b>779.33</b>	<b>57.17</b>	<b>2193.81</b>	<b>3526.09</b>	<b>60.73</b>
<b>A</b>	<b>Motor Vehicle/cars</b>	608.59	785.28	29.03	3149.16	3568.94	13.33
<b>B</b>	<b>Two and Three Wheelers</b>	168.92	185.28	9.69	803.72	922.29	14.75
<b>C</b>	<b>Auto Components/Part</b>	437.44	517.29	18.25	1975.19	2330.83	18.01
	<b>Sub Total</b>	<b>1214.95</b>	<b>1487.85</b>	<b>22.46</b>	<b>5928.07</b>	<b>6822.06</b>	<b>15.08</b>
<b>6</b>	<b>Aircrafts and Spacecraft parts and products</b>	<b>165.32</b>	<b>157.06</b>	<b>-5.00</b>	<b>798.47</b>	<b>845.03</b>	<b>5.83</b>
<b>7</b>	<b>Ships Boats and Floating products and parts</b>	<b>21.94</b>	<b>46.21</b>	<b>110.62</b>	<b>1852.64</b>	<b>2362.62</b>	<b>27.53</b>
<b>8. Miscellaneous</b>							
<b>A</b>	<b>Medical and Scientific instruments</b>	128.12	140.04	9.30	612.61	695.96	13.61
<b>B</b>	<b>Railway Transport</b>	17.05	37.6	120.53	114.14	159.02	39.32
<b>C</b>	<b>Hand Tools &amp; Cutting Tools</b>	54.81	68.09	24.23	280.43	305.34	8.88
<b>D</b>	<b>Electrodes Accumulators</b>	3.33	4.44	33.33	17.38	20.63	18.70
<b>E</b>	<b>Accumulator and Batteries</b>	19.11	34.07	78.28	98.74	164.08	66.17
<b>F</b>	<b>Bicycle and Parts</b>	24.14	34.14	41.43	125.82	153.19	21.75
<b>G</b>	<b>Cranes Lifts and Winches</b>	24.18	43.79	81.10	126.54	188.53	48.99
<b>H</b>	<b>Office Equipments</b>	5.44	12.96	138.24	40.67	45.76	12.52
<b>I</b>	<b>Other Construction Machinery</b>	101.96	132.37	29.83	494.17	684.06	38.43
<b>J</b>	<b>Prime Mica and Mica Products</b>	2.21	2.17	-1.81	9.38	10.41	10.98
<b>K</b>	<b>OTHER MISC. ITEMS</b>	187.24	249.43	33.21	1029.9	1071.1	4.00
	<b>Sub total</b>	<b>567.59</b>	<b>759.1</b>	<b>33.74</b>	<b>2949.78</b>	<b>3498.08</b>	<b>18.59</b>
	<b>Total engineering exports</b>	<b>5766.6</b>	<b>6988.26</b>	<b>21.19</b>	<b>29015.63</b>	<b>33564.05</b>	<b>15.68</b>

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

Some factors that need to be noted are:

- ❖ During August 2018, exports of engineering goods saw sharp rise with a record growth of 21.2 percent compared to the previous four months of the new fiscal 2018-19. Engineering exports grew at 21.19 percent to US\$6988.26 million in August 2018, following the trend of double digit growth of 14.2 percent in June, 14.6 percent in May and 19 percent April 2018. The trend was broken in July 2018 registering a growth of 9.4 percent which has been marginally missed out by a few points. Out of 33 engineering panels, 29 panels sharing almost 88 percent of the products recorded growth in exports in August 2018 over the same month last year, while the remaining four panels demonstrated decline in exports.

- ❖ Iron and steel figures recorded a double digit growth of 17.6 percent in exports during August 2018 with overseas shipments of US\$1053.48 million from US\$895.7 million in the same month last year. Cumulative figures also registered 2 percent growth in exports during April-August 2018-19, touching US\$4207.95 million from US\$4125.73 million during the same period last fiscal. Products of iron and steel also recorded double digit growth in exports by 16.4 percent during August 2018, increasing to US\$689.19 million from US\$592.03 million during the same period last year. The cumulative exports for products of iron and steel increased by 10.7 percent to US\$2948.9 million during April-August 2018-19 from US\$2664.76 million during the same period last in 2017-18.
  
- ❖ Among the seven non-ferrous metals and products made of non-ferrous metals, Aluminium and products recorded substantial growth of 42.23 percent in exports which outshines decent growth figures of 20.31 percent of Tin and products and 5.06 percent of Nickel and products during August 2018. Copper and products experienced drop in exports to the extent of 76.06 percent in August 2018 compared to the same period last fiscal.
  
- ❖ The Industrial machinery panel as a whole recorded growth in exports of 31.16 percent during August 2018 vis-à-vis the same period last fiscal. However, all sectors under this panel have positive growth figures, but 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 93.35, 31.05, and 31.77 percent respectively in August 2018 compared to August 2017. The only sector of Pumps and valves recorded single digit growth figures of 6.38 percent in exports during August 2018 compared to the same period last fiscal. Cumulative figures for Industrial machinery as a whole recorded growth in exports of 19.03 percent during April-August 18 compared to the same period last fiscal.
  
- ❖ The Electrical machinery and equipments panel experienced considerable growth in exports to the extent of 57.17 percent during August 2018 over the same period last fiscal. Cumulative exports for April-August 2018-19 recorded 60.73 percent growth, moving up to US\$3526.09 million from US\$2193.81 million in April-August 2017-18.
  
- ❖ Exports of Auto and auto components recorded impressive growth figure of 22.46 percent during August 2018, scaling up from US\$1214.95 million in August 2017 to US\$1487.85 million in August 2018. The automobile sector (including Motor vehicles and two/three wheelers) experienced tremendous growth in exports by 38.7 percent from US\$777.51 million in August 2017 to US\$970.56 million in August 2018.
  
- ❖ Exports of Aircrafts and spacecraft parts and products recorded 5.00 percent drop in exports during August 2018 over the same period last year.

- ❖ Exports of Ships, boats and floating bodies exhibited impressive three digit growth by 110.62 percent, moving up from US\$21.94 million in August 2017 to US\$46.21 million in August 2018.
- ❖ It has been observed that all sectors under panel namely miscellaneous registered growth in exports. Sectors like Railway Transport and Office Equipments recorded substantial growth in exports to the extent of 120.53 percent and 138.24 percent in August 2018 vis-à-vis August 2017. Some other sectors like Cranes, lifts and winches, Accumulators and batteries, Bicycle and parts and Hand Tools and Cutting Tools recorded growth in exports to the extent of 81.10, 78.28, 41.43 and 24.23 percent respectively in August 2018 over the same period last year. The only sector with single digit growth of 9.30 percent in August 2018 is Medical and Scientific Instruments.

## 5. Top 25 destinations for Indian engineering exports

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

**Table-6: Engineering exports country wise, (2018-19)**  
(Values in US\$ million)

Country	August 2017	August 2018	Growth (%)	April-August 2017-18	April-August 2018-19	Growth (%)
U S A	776.94	1046.32	34.67	3733.03	4746.70	27.15
UAE	260.48	277.85	6.67	2072.24	2185.22	5.45
GERMANY	261.77	312.68	19.45	1158.82	1396.75	20.53
NEPAL	163.47	244.49	49.56	834.32	1247.92	49.57
U K	215.69	279.78	29.72	1107.15	1229.60	11.06
MEXICO	210.81	227.39	7.86	1160.28	1220.18	5.16
BANGLADESH	196.48	238.31	21.29	876.46	1126.43	28.52
SINGAPORE	89.88	131.74	46.56	806.93	1012.93	25.53
ITALY	195.65	219.10	11.99	1012.41	968.33	-4.35
TURKEY	156.14	169.68	8.67	698.09	910.18	30.38

Country	August 2017	August 2018	Growth (%)	April-August 2017-18	April-August 2018-19	Growth (%)
<b>SOUTH AFRICA</b>	114.78	111.74	-2.65	613.56	795.64	29.68
<b>KOREA</b>	130.77	153.37	17.28	744.64	792.46	6.42
<b>BELGIUM</b>	99.68	167.32	67.85	519.41	781.52	50.46
<b>INDONESIA</b>	154.45	151.73	-1.76	598.08	742.11	24.08
<b>CHINA</b>	257.65	111.46	-56.74	1084.78	694.24	-36.00
<b>THAILAND</b>	97.69	193.78	98.35	481.46	663.21	37.75
<b>FRANCE</b>	89.93	133.00	47.89	581.48	595.17	2.36
<b>MALAYSIA</b>	211.71	168.51	-20.40	657.05	572.13	-12.92
<b>SAUDI ARABIA</b>	84.70	115.87	36.81	484.75	565.44	16.64
<b>SRI LANKA</b>	91.33	137.96	51.06	470.87	539.18	14.51
<b>JAPAN</b>	79.97	112.06	40.14	390.01	522.62	34.00
<b>SPAIN</b>	90.45	129.77	43.48	455.62	496.14	8.89
<b>NIGERIA</b>	54.44	80.30	47.50	275.87	478.25	73.36
<b>NETHERLANDS</b>	72.74	88.40	21.54	348.17	441.85	26.91
<b>BRAZIL</b>	73.87	97.43	31.90	376.57	431.65	14.63
<b>Top 25 Countries Total</b>	4231.47	5100.05	20.53	21542.05	25155.87	16.78
<b>Grand Total</b>	5766.60	6988.26	21.19	29015.63	33564.05	15.68
<b>Share % Total Engineering Exports</b>	73.38	72.98		74.24	74.95	

*Note: Red font indicates negative growth*

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

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

- ❖ During August 2018, out of the top 25 countries, 21 countries recorded positive growth in engineering exports from India over the same month last year.
- ❖ USA retained its numero uno position, being the top exporting destination for India's engineering products in August 2018. It registered significant positive cumulative growth during April-August 2018 over April-August 2017 of 27.2 percent.
- ❖ UAE and Germany holds the second and third positions respectively in terms of high cumulative growth during the same period.
- ❖ India's engineering exports to China which had been recording negative growth, recorded the highest negative growth in August 2018 over the same month last year. It registered highest negative cumulative growth as well during April-August 2018 over April-August 2017 of 36 percent.
- ❖ Among European nations falling under the top 25 engineering exports destinations, Belgium once again recorded the highest growth and the remaining four countries all recorded positive growth in August 2018 over August 2017. On cumulative basis, Italy recorded negative export growth during April-August 2018 vis-à-vis April-August 2017.
- ❖ Among the ASEAN countries under the top 25 engineering exports destinations, Thailand 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-August 2018 vis-à-vis April-August 2017.
- ❖ Out of 221 exports destinations of Indian engineering goods, the top 25 nations accounted for 73 percent of India's total engineering exports in August 2018 over August 2017.
- ❖ Overall, India's engineering exports to its top 25 destinations registered higher growth in exports during April-August 2018 over April-August 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 August 2018 as opposed to August 2017. Table 7 gives this picture:

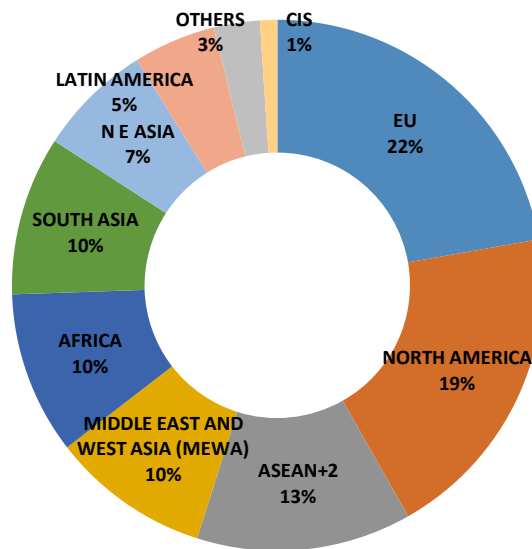
**Table -7: Region wise exports trend**

Country	(\$ million)					
	August 2017	August 2018	Growth (%)	April-August 2017-18	April-August 2018-19	Growth (%)
<b>EU</b>	1217.03	1554.17	27.70	6137.68	7026.87	14.49
<b>NORTH AMERICA</b>	1039.19	1365.53	31.40	5113.51	6321.36	23.62
<b>ASEAN+2</b>	817.35	915.70	12.03	3625.40	4215.80	16.29
<b>MIDDLE EAST AND WEST ASIA (MEWA)</b>	628.14	674.54	7.39	3845.05	4206.22	9.39
<b>AFRICA</b>	499.41	693.51	38.87	2858.37	3290.61	15.12
<b>SOUTH ASIA</b>	484.22	677.23	39.86	2358.37	3173.84	34.58
<b>N E ASIA</b>	543.19	486.97	-10.35	2579.67	2438.98	-5.45
<b>LATIN AMERICA</b>	310.96	351.53	13.05	1377.45	1515.16	10.00
<b>OTHERS</b>	177.65	196.16	10.42	833.10	1063.23	27.62
<b>CIS</b>	49.44	72.91	47.46	287.02	311.98	8.70
<b>GRAND TOTAL</b>	5766.60	6988.26	21.19	29015.63	33564.05	15.68

*(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 August 2018**



*(Source: EEPC India analysis)*

- ❖ EU ranked the region with highest shipment of engineering products from India during August 2018 with a share of 27.7 percent of total engineering exports.
- ❖ India's exports to North America and ASEAN+2 ranked second and third in global shipments of Indian engineering goods that recorded substantial growth during April-August 2018 vis-à-vis April-August 2017.
- ❖ India's exports recorded positive monthly growth for all the regions in August 2018 over August 2017, barring North East Asia.
- ❖ Exports to CIS registered the highest growth of more than 47 percent in August 2018 compared to August 2017.

## **7. Engineering panels – country-wise analysis**

We now analyse the performance of some of the important products during August 2018. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. **(Tables 8-16)**



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

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
NEPAL	60.29	100.01	65.89	288.71	518.33	79.53
ITALY	72.57	86.04	18.56	370.73	327.04	-11.79
UAE	60.74	78.50	29.24	253.07	287.64	13.66
BELGIUM	56.43	68.48	21.36	312.36	247.43	-20.79
KOREA	21.00	45.34	115.96	129.54	205.40	58.56
<b>High cumulative growth</b>						
NEPAL	60.29	100.01	65.89	288.71	518.33	79.53
UAE	60.74	78.50	29.24	253.07	287.64	13.66
KOREA	21.00	45.34	115.96	129.54	205.40	58.56
JAPAN	20.42	19.81	-2.99	100.33	110.83	10.47
THAILAND	11.11	52.89	376.06	78.21	109.54	40.06
NETHERLANDS	15.05	13.76	-8.58	65.16	73.95	13.48
GERMANY	7.28	15.26	109.74	47.05	70.41	49.65
SRI LANKA	17.52	18.73	6.86	57.19	62.72	9.67
<b>Sharp cumulative decline</b>						
ITALY	72.57	86.04	18.56	370.73	327.04	-11.79

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
BELGIUM	56.43	68.48	21.36	312.36	247.43	-20.79
VIETNAM	73.13	33.46	-54.24	204.87	157.82	-22.97
SPAIN	35.50	51.44	44.92	177.37	153.42	-13.50
U S A	29.05	19.86	-31.63	162.13	124.31	-23.32
INDONESIA	39.88	35.23	-11.68	185.40	121.93	-34.23
TAIWAN	23.09	34.99	51.56	132.66	117.88	-11.14
CHINA	32.30	22.73	-29.64	119.65	111.26	-7.01

(Source: Department of Commerce, Government of India)

- ❖ Nepal, Italy and UAE were the three top three importers of Indian Iron and Steel during April - August 2018 with market shares of 12.32 percent, 7.77 percent and 6.84 percent respectively.
- ❖ Hong Kong, Djibouti, Singapore, Kenya and Bhutan recorded more than 100 percent year-on-year growth in exports of Indian Iron and Steel during April–August 2018.
- ❖ South Africa, Ethiopia, Portugal and Mexico experienced sharp downfall in exports during April-August 2018.

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

US\$ Million

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
U S A	170.74	148.70	-12.91	687.34	657.28	-4.37
UAE	29.65	33.33	12.41	177.31	187.58	5.80
GERMANY	33.88	43.06	27.12	153.51	175.29	14.19
U K	23.20	30.96	33.44	112.71	125.83	11.64
CANADA	16.84	39.19	132.79	66.84	119.78	79.21
<b>High cumulative growth</b>						

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
CHILE	1.21	7.81	543.54	5.33	45.93	762.36
QATAR	5.71	11.94	108.97	24.59	63.96	160.10
TANZANIA	3.69	3.98	7.93	15.09	33.77	123.87
NIGERIA	2.84	5.21	83.43	21.51	43.12	100.47
EGYPT	4.04	26.69	561.08	25.93	48.99	88.94
CANADA	16.84	39.19	132.79	66.84	119.78	79.21
NEPAL	3.50	8.43	140.65	28.80	45.36	57.50
<b>Sharp cumulative decline</b>						
IRAN	1.81	0.29	-84.06	25.75	1.42	-94.47
COLOMBIA	12.98	1.58	-87.79	36.02	4.02	-88.83
OMAN	46.31	5.79	-87.50	70.97	35.32	-50.24
SAUDI ARABIA	12.53	13.08	4.40	114.70	62.93	-45.14
SENEGAL	1.99	3.11	55.93	14.23	7.89	-44.54
MALAYSIA	4.66	3.68	-21.12	27.56	15.79	-42.73

*(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 - August 2018 with 22.29 percent, 6.36 percent and 5.94 percent shares respectively in India's global import of the same.
- ❖ Mauritania, Chile, Afghanistan, Qatar, Tanzania and Nigeria were among the nations witnessing significant growth in import of Indian 'Products of Iron and Steel' during April - August 2018.
- ❖ On the other hand, Iran, Colombia, Saudi Arabia and Malaysia conceded substantial decline in imports of the said product group from India during April - August 2018.

**Table 10: Export of Industrial Machinery**  
US\$ Million

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
<b>U S A</b>	167.03	133.20	25.39	613.50	736.09	19.98
<b>BANGLADESH</b>	52.55	37.35	40.69	168.81	203.22	20.39
<b>GERMANY</b>	48.29	43.60	10.74	169.00	200.01	18.35
<b>CHINA</b>	38.79	33.89	14.45	148.82	176.19	18.40
<b>TURKEY</b>	35.56	29.89	18.99	129.74	172.86	33.24
<b>High cumulative growth</b>						
<b>HONG KONG</b>	3.29	1.60	106.18	4.49	23.07	413.16
<b>ALGERIA</b>	6.41	4.50	42.37	19.07	34.93	83.17
<b>THAILAND</b>	52.30	23.56	121.97	90.29	162.96	80.48
<b>OMAN</b>	14.96	6.35	135.55	29.87	52.14	74.56
<b>INDONESIA</b>	36.17	14.40	151.15	68.83	119.61	73.79
<b>SWEDEN</b>	5.44	3.55	53.00	12.25	20.56	67.84
<b>SPAIN</b>	16.47	10.92	50.81	52.04	84.55	62.48
<b>NIGERIA</b>	18.21	14.34	27.02	70.39	111.80	58.83
<b>Sharp cumulative decline</b>						
<b>FINLAND</b>	2.76	0.85	225.35	13.76	5.32	-61.35
<b>BHUTAN</b>	2.43	6.15	-60.51	23.26	11.14	-52.12
<b>SWITZERLAND</b>	2.14	2.25	-4.81	16.26	8.54	-47.49
<b>KUWAIT</b>	11.44	18.75	-38.99	72.72	43.39	-40.33

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
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
BAHARAIN	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–August 2018 with 16.35 percent share in India's global import of the product group, followed by Bangladesh and Germany with 4.51 percent and 4.44 percent shares.
- ❖ Hong Kong, Algeria, Thailand and Oman were among the nations witnessing significant growth of imports of Industrial machinery from Indian during Apr - August 2018
- ❖ Among the major importers, export to Finland, Bhutan, Switzerland and Kuwait recorded sharp declines in imports during April - August 2018.

**Table 11: Export of Automobiles**

US\$ million

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
MEXICO	153.66	120.46	-21.60	800.84	669.65	-16.38
U S A	3.35	74.96	2134.83	10.89	408.10	3646.48
SOUTH AFRICA	65.65	50.25	-23.45	367.09	332.68	-9.37
BANGLADESH	41.34	73.09	76.80	207.77	263.57	26.86
NEPAL	38.05	48.41	27.24	164.09	202.84	23.62
<b>High cumulative growth</b>						
PUERTO RICO	0.00	6.87	---	0.00	17.14	---
CANADA	0.00	14.51	---	0.31	61.75	19539.32

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
U S A	3.35	74.96	2134.83	10.89	408.10	3646.48
CAMBODIA	0.26	5.70	2099.08	2.03	17.92	784.66
MOZAMBIQUE	0.77	4.18	444.65	2.99	16.48	451.24
IRAQ	0.83	2.72	228.88	2.70	11.73	334.08
MYANMAR	1.01	2.71	169.52	3.60	15.39	327.05
BAHARAIN	0.71	4.19	492.03	3.26	11.31	246.44
<b>Sharp cumulative decline</b>						
ISRAEL	8.81	0.25	-97.11	27.53	3.06	-88.88
COTE D' IVOIRE	2.27	2.19	-3.61	46.72	6.12	-86.91
NETHERLAND	6.96	0.58	-91.61	28.27	4.64	-83.58
SPAIN	8.46	6.24	-26.24	68.96	20.90	-69.69
ITALY	28.95	12.91	-55.40	172.50	53.45	-69.01
GERMANY	20.02	6.72	-66.46	106.22	38.00	-64.22
FRANCE	4.81	10.14	110.95	99.97	40.94	-59.05
ARGENTINA	9.69	0.87	-91.02	57.39	24.61	-57.11
THAILAND	3.02	2.93	-2.82	11.66	5.59	-52.08

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

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

- ❖ Mexico, USA and South Africa were the top three importers of India's Automobiles during April-August 2018-19 with respective shares of 14.9, 9.09 and 7.41 percent shares in India's global exports of automobile. Among the top five importers, Mexico and South Africa saw decline in imports of Automobiles from India during April-August 2018-19 over the same period last fiscal.
- ❖ Countries like Puerto Rico, Canada, Cambodia, Mozambique and Iraq, among others saw more than three times rise in imports of Indian automobile during April-August 2018 among major importers.

- ❖ Israel, Cote D'Ivoire, Netherland and Spain recorded substantial decrease in imports of Automobiles from India during April-August 2018-19 on a year-on-year basis.

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

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
KOREA RP	83.2	73.1	-12.1	472.3	434.2	-8.1
U S A	88.2	96.6	9.5	351.3	431.0	22.7
TURKEY	29.3	25.7	-12.2	108.6	290.6	167.5
MALAYSIA	130.3	87.0	-33.3	308.1	236.7	-23.2
MEXICO	2.7	23.2	768.5	60.1	201.7	235.7
<b>High cumulative growth</b>						
BULGARIA	2.7	8.3	207.8	6.5	43.4	564.2
VIETNAM	4.1	5.8	40.7	10.2	48.1	370.7
GREECE	0.2	2.7	1242.6	15.2	61.6	306.3
MEXICO	2.7	23.2	768.5	60.1	201.7	235.7
AFGHANISTAN	0.1	2.9	2659.7	5.9	17.4	195.6
TURKEY	29.3	25.7	-12.2	108.6	290.6	167.5
NETHERLAND	6.3	16.8	165.2	33.1	83.6	152.3
TANZANIA	1.3	0.9	-32.3	5.1	11.9	134.0
SPAIN	10.4	28.7	177.2	43.2	100.5	132.8
JAPAN	10.4	17.7	70.0	47.1	94.8	101.2
<b>Sharp cumulative decline</b>						

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
CHINA	150.3	2.3	-98.5	600.9	67.2	-88.8
SINGAPORE	6.6	2.6	-59.8	63.0	7.9	-87.5
IRAN	4.0	0.6	-86.0	19.7	5.4	-72.7
UAE	68.2	19.3	-71.7	299.4	98.6	-67.1
MONTENEGRO	2.3	0.8	-65.0	17.9	5.9	-66.9
BAHARAIN	4.4	3.1	-29.2	45.2	16.1	-64.3

- ❖ Korea RP, USA and Turkey were the top three importers of Indian Non-ferrous metals during April-August 2018-19 with 12.3, 12.2 and 8.2 percent shares respectively in India's global exports of the same.
- ❖ Bulgaria, Vietnam, Greece, Mexico and Afghanistan were among the ten importers recorded over 100 percent growth in imports of Indian Non-ferrous metal products during April-August 2018.
- ❖ China, Singapore, Iran and UAE witnessed significant declines in imports of non-ferrous metals from India during the April-August 2018-19 on a year-on-year basis.

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

US\$ million

COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Importers</b>						
U S A	83.08	191.10	130.02	398.90	799.09	100.32
GERMANY	73.03	82.73	13.28	263.84	403.17	52.81
SINGAPORE	18.06	45.20	150.24	66.95	249.48	272.65
U K	25.34	45.60	79.90	123.52	231.87	87.72
CHINA	17.05	13.29	-22.02	50.63	154.07	204.31



COUNTRY	AUGUST, 2018	AUGUST, 2017	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>High cumulative growth</b>						
<b>BELGIUM</b>	3.30	52.66	1497.82	16.99	152.87	799.56
<b>SINGAPORE</b>	18.06	45.20	150.24	66.95	249.48	272.65
<b>INDONESIA</b>	3.91	7.35	88.04	18.51	68.17	268.33
<b>CHINA</b>	17.05	13.29	-22.02	50.63	154.07	204.31
<b>EGYPT</b>	1.43	5.22	265.59	6.51	18.77	188.12
<b>QATAR</b>	0.82	2.61	217.67	4.92	12.89	161.97
<b>SUDAN</b>	0.99	2.45	146.58	4.65	11.78	153.04
<b>BHUTAN</b>	0.42	4.53	978.04	4.79	11.43	138.82
<b>U S A</b>	83.08	191.10	130.02	398.90	799.09	100.32
<b>Sharp cumulative decline</b>						
<b>VIETNAM</b>	14.29	5.50	-61.48	50.63	25.15	-50.33
<b>DENMARK</b>	2.15	1.35	-37.30	10.98	7.40	-32.62
<b>TURKEY</b>	17.14	4.78	-72.13	77.97	54.50	-30.10
<b>KUWAIT</b>	4.54	4.26	-6.03	31.97	24.95	-21.97
<b>MYANMAR</b>	2.94	3.27	11.12	13.11	10.24	-21.86

*(Source: Department of Commerce and CSO)*

- ❖ USA, Germany and Singapore were the top three importers of Indian Electrical Machinery and Components during April-August 2018-19 with respective shares of 22.66, 11.13 and 7.08 percent in India's global exports of that product group.
- ❖ Belgium, Singapore and Indonesia were the top three among nine importers who saw double or more imports of India's Electrical Machinery and Components during April-August 2018-19 over the same period last fiscal.
- ❖ On the other hand, Vietnam, Denmark, Turkey, Kuwait and Myanmar conceded highest declines in imports of the product group from India during April-August 2018-19 over the same period last fiscal.

**Table 14: Export of Aircrafts andSpacecrafts**

US\$ million

COUNTRY	AUGUST, 2017	AUGUST, 2018	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top Five Importers</b>						
U S A	51.06	53.57	4.90	241.90	252.31	4.30
SINGAPORE	22.97	22.19	-3.39	97.33	124.98	28.41
FRANCE	18.16	25.92	42.74	93.72	121.67	29.82
U K	13.09	18.61	42.13	82.70	111.28	34.56
GERMANY	18.70	7.96	-57.45	91.51	58.74	-35.81
<b>High cumulative growth</b>						
SEYCHELLES	0.00	2.89	3245785.08	0.00	22.51	6067191.98
BELGIUM	0.07	0.10	29.32	0.65	11.47	1657.76
SWEDEN	0.46	1.36	197.24	1.99	5.02	152.32
SWITZERLAND	2.01	0.72	-64.13	11.54	15.57	34.93
U K	13.09	18.61	42.13	82.70	111.28	34.56
AUSTRIA	1.14	1.53	34.51	5.56	7.38	32.70
<b>Sharp cumulative decline</b>						
BAHARAIN	6.90	0.00	-100.00	7.02	0.07	-99.04
CHINA	2.31	1.99	-13.59	21.30	8.57	-59.75
RUSSIA	1.06	1.71	60.94	22.65	9.76	-56.93
TURKEY	1.48	1.16	-21.67	7.76	3.90	-49.74
POLAND	5.57	2.13	-61.70	17.07	9.18	-46.23
THAILAND	2.51	0.35	-85.89	6.85	3.76	-45.19

<b>NETHERLANDS</b>	0.64	0.60	-6.97	6.51	3.74	-42.51
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(Source: Department of Commerce and CSO)

- ❖ USA, Singapore and France were the top three importers of India's 'Aircrafts and Spacecrafts' during April-August 2018-19 with around 30.0, 15.0, and 14.4 percent shares respectively in India's total global exports of the product.
- ❖ Seychelles and Belgium continued to register substantial growths in import of the product group during April-August 2018-19 against zero or negligible imports during the same period last fiscal.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Bahrain, China, Russia and Turkey dropped significantly on a year-on-year basis during April-August 2018 along with some other nations.

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

US\$ million

<b>COUNTRY</b>	<b>AUGUST, 2017</b>	<b>AUGUST, 2018</b>	<b>Growth (%)</b>	<b>APRIL, 2017 - AUGUST, 2017</b>	<b>APRIL, 2018- AUGUST, 2018</b>	<b>Growth (%)</b>
<b>Top 5 Importers</b>						
<b>UAE</b>	0.05	0.08	57.02	808.95	1048.97	29.67
<b>SINGAPORE</b>	0.06	0.04	-34.08	371.08	379.65	2.31
<b>SOUTH AFRICA</b>	0.00	0.00	---	0.00	198.48	---
<b>OMAN</b>	0.00	0.00	---	2.47	187.76	7509.76
<b>BELGIUM</b>	0.00	0.00	---	0.00	150.05	---
<b>High cumulative growth</b>						
<b>OMAN</b>	0.00	0.00	---	2.47	187.76	7509.76
<b>ISRAEL</b>	0.00	3.79	---	1.48	59.34	3902.37
<b>SAUDI ARABIA</b>	0.00	0.00	---	19.11	104.60	447.45
<b>SOUTH AFRICA</b>	0.00	0.00	---	0.00	198.48	---
<b>BELGIUM</b>	0.00	0.00	---	0.00	150.05	---
<b>SRI LANKA</b>	0.00	41.72	---	48.52	92.91	91.50

COUNTRY	AUGUST, 2017	AUGUST, 2018	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Sharp cumulative decline</b>						
CAMEROON	0.00	0.00	---	20.63	0.00	-100.00
EGYPT	0.00	0.00	-100.00	213.77	0.00	-100.00
LIBERIA	0.00	0.00	---	84.61	0.00	-100.00
MYANMAR	0.00	0.00	---	21.28	0.00	-100.00
U S A	0.00	0.03	679.82	216.66	0.06	-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 is the largest importer of India's 'Ships, boats and floating structures and parts' during April-August 2018-19 with 44.40 percent share in India's total global exports of the product followed by Singapore with 16.07 percent share. South Africa emerged as the third largest importer with 8.40 percent share.
- ❖ Oman, Israel and Saudi Arabia recorded robust growth in imports of 'Ships, Boats and Floating Structures and Parts' during April-August 2018-19 while South Africa and Belgium saw sizeable imports of the same during April-August 2018-19 against no exports during the same period last fiscal.
- ❖ Cameroon and Egypt were among the nations that recorded no imports during April-August 2018 against substantial export during the same period last fiscal. USA also saw significant downfall in imports from India.

**Table 16: Export of Auto Components**

US\$ Million

COUNTRY	AUGUST, 2017	AUGUST, 2018	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
<b>Top 5 Importers</b>						
U S A	82.85	112.13	35.34	398.23	495.44	24.41
TURKEY	32.72	29.99	-8.33	139.65	155.93	11.66
BANGLADESH	24.83	25.97	4.60	98.42	143.12	45.42
BRAZIL	18.94	28.61	51.06	97.80	124.11	26.90

COUNTRY	AUGUST, 2017	AUGUST, 2018	Growth (%)	APRIL, 2017 - AUGUST, 2017	APRIL, 2018- AUGUST, 2018	Growth (%)
GERMANY	19.08	25.26	32.36	85.16	106.36	24.90
<b>High cumulative growth</b>						
ROMANIA	2.30	10.06	338.43	10.31	42.42	311.49
TAIWAN	0.38	1.75	361.43	1.87	6.44	244.33
AUSTRIA	0.51	1.56	204.33	3.01	6.07	101.48
MYANMAR	2.43	3.33	37.38	7.94	14.87	87.24
COLOMBIA	4.03	7.47	85.24	18.35	34.31	86.95
VIETNAM	13.70	15.98	16.63	38.75	61.66	59.14
KENYA	0.72	1.92	164.94	5.90	9.30	57.59
JAPAN	11.35	13.68	20.46	47.21	73.61	55.91
SLOVAK REP	0.95	1.18	23.56	3.96	6.03	52.38
<b>Sharp cumulative decline</b>						
ETHIOPIA	0.71	0.16	-78.21	5.85	1.64	-71.92
SAUDI ARABIA	2.43	1.51	-37.93	17.27	7.23	-58.13
UZBEKISTAN	1.90	0.25	-86.61	8.14	3.95	-51.49
GUATEMALA	1.00	1.27	26.50	7.43	4.07	-45.19
PERU	3.04	2.26	-25.79	12.25	8.04	-34.38

*(Source: Department of Commerce and CSO)*

- ❖ USA is the topmost importer of auto components/parts from India during April-August 2018 with a share of 21.26 percent in India's global exports of auto components. Turkey and Bangladesh were the immediate followers of USA with 6.69 percent and 6.14 percent shares respectively.
- ❖ Romania, Myanmar and Colombia are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April-August 2018-19 over April-August 2017-18.
- ❖ Ethiopia and Saudi Arabia conceded highest declines in imports during April-August 2018-19 over the same period last fiscal followed by Uzbekistan and Guatemala.

## 8. Import analysis of engineering goods

India's engineering imports during August 2018 were valued at US\$ 9667.6million compared to US\$ 7769.3 million in August 2017 registering growth of 24.4 percent. Engineering imports for the month of July were valued at US\$ 8683.39 million compared to US\$ 8268.14 million in June 2018 and for May it was valued at US\$ 8535.98 million registering considerable growth of 27.5 ,25.9and 28.8 percent respectively compared to the same period last fiscal.

On the other hand, India's total merchandise imports for the month of August 2018 were valued at US\$ 45.24 billion as against US\$ 36.07 billion in August 2017 registering 25.41 percent growth in dollar terms.

The share of engineering imports in India's total merchandise imports was estimated at 21.4 percent in August 2018 compared to 19.8 percent in July, 18.7 percent in June 2018 and 20.6 percent in May 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 import figures for fiscal 2018-19 vis-à-vis 2017-18 are below as per the latest availability of data.

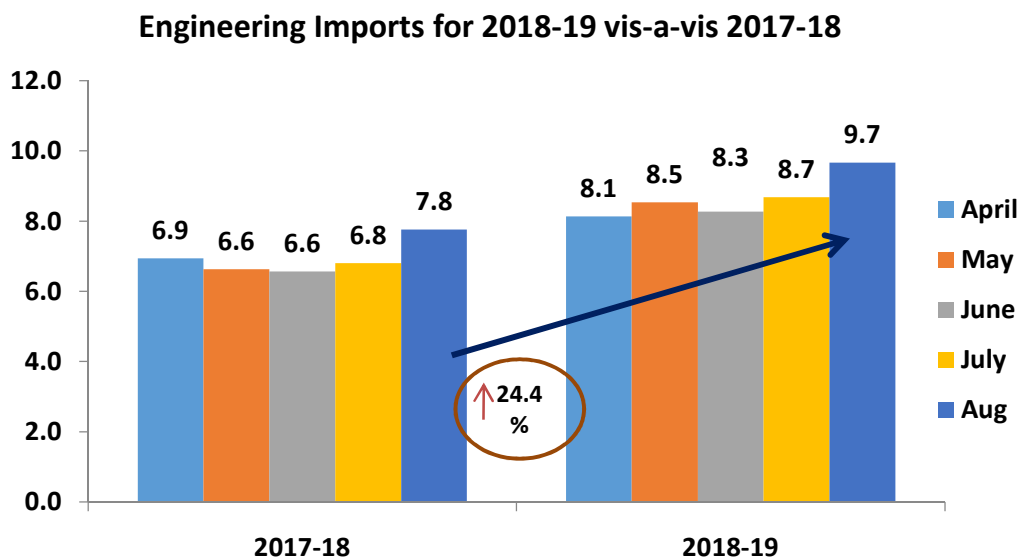
**Table17: Engineering Imports**  
(US\$ Million)

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>August</b>	7769.3	9667.6	24.4
<b>April-August</b>	<b>34712.99</b>	<b>43294.56</b>	<b>24.7</b>

(Source: Department of Commerce, Government of India)

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

**Figure3: Trend in monthly engineering imports for 2018-19 (\$ billion)**



(Source: EEPC 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:

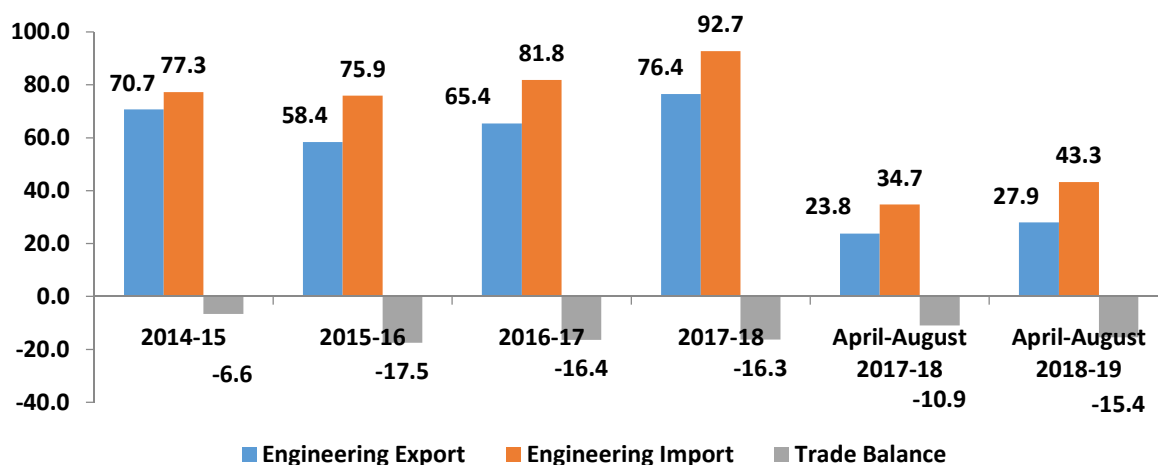
**Table 18: Engineering trade**  
(US\$ million)

	2014-15	2015-16	2016-17*	2017-18	Growth %	April-August 2017-18	April-August 2018-19	Growth %
<b>Engineering exports</b>	70661.2	58351.58	65439.66*	76395.99	16.7	23826.98*	27900.45*	17.10
<b>Engineering imports</b>	77279.45	75859.72	81834.75*	92692.13*	13.3	34712.99*	43294.56*	24.7
<b>Trade balance</b>	<b>-6618.25</b>	<b>-17508.14</b>	<b>-16395.1</b>	<b>-16296.1</b>		<b>-10886</b>	<b>-15394.1</b>	

(\*) 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-August of the current fiscal 2018-19**

Figure 3: Trend in monthly engineering trade (\$ billion)



## 10. Conclusion

After a slowdown in the pace of growth, India's merchandise export growth accelerated in August 2018 after conceding slowdown in the previous three months. Trade deficit however did not decline much from the near 5-year high as imports exceeded exports significantly due to a surge in crude oil imports like the previous month.

Engineering exports also revived from a slowdown in monthly growth seen in the last month and recorded fastest growth of this fiscal during August 2018. In addition, for the first time in fiscal 2018-19, engineering exports outperformed the broader merchandise export. Share of engineering in total merchandise exports crossed 25 percent in this month.

On the other hand India's engineering import registered 24.4 percent growth in August 2018 and cumulative growth of over 24.7 percent during April-August 2018-19 compared to the same period last fiscal. India's engineering trade deficit widened to US\$ 15.4 billion during April-August 2018-19 compared to US\$ 10.9 billion in April-August 2017-18.

Despite having a number of bottlenecks, engineering exports surprised the exporting community with a sudden surge in growth. However, a one month show did not confirm continuation of the same in the coming months as concerns to international trade remained the same. The key concern to growth of engineering export is the growing tension in global trade, especially among the large economies. 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 intensifies the panic among Indian exporting community. Back home, concerns on GST and ITC refund have subsided to some extent but rising raw material cost still remains a major hindrance to exports.

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