

Engineering Exports and Imports Monitor

October 2018



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for October 2018

India's Merchandise Trade scenario

- ❖ India's merchandise exports revived significantly from its negative growth recorded last month and registered a growth of 17.86 percent in October 2018 compared to October 2017 in dollar terms.
- ❖ Overseas shipment from India increased by 33.35 percent in rupee terms in (over the same period last year) October 2018. Exports during October 2018 increased to US\$ 26.98 billion from US\$ 22.89 billion during the same period last year. In dollar terms, the growth was lesser at 17.86 percent in October 2018 over October 2017.
- ❖ Surge in exports in October 2018 over the same month last fiscal was led by expansion in shipment in Petroleum products (49.38%), Electronic goods (72.26%), Ceramic products & glassware (50.62%), Iron ore (13.31%), Engineering goods (8.87%), Organic & Inorganic Chemicals (34.01%), Drugs & Pharmaceuticals (12.83%), Spices (17.43%), Oil Meals (21.01%), Carpet (34.13%), RMG of all Textiles (36.26%), Cotton Yarn/Fabs./made-ups ,handloom products etc (10.23%), Plastic & linoleum (31.86%) and etc . However, some major commodity groups like Cashew (-41.16%), Meat, dairy & poultry products (-22.39%), Coffee (-18.52%), Rice (-15.98%), and Tobacco (-11.04%), portrayed negative growth in exports during the reporting month.
- ❖ India's Merchandise Imports during October 2018 were value at US\$ 44.11 billion which was 17.62 percent higher in dollar terms over the level of imports valued at US\$ 37.50 billion in October 2017.
- ❖ Major commodity groups of imports showing high growth in October 2018 over the corresponding month last year includes Petroleum, Crude & products (52.64%), Machine Tools (57.38%), Sulphur & Unroasted Iron Pyrites (41.87%), Organic and Inorganic Chemicals (26.63%), Chemical material & products (34.77%), Newsprint (53.20%), and Silver (51.77%).
- ❖ Trade deficit for October 2018 increased significantly at US \$ 17.13 billion as against the deficit of US\$ 14.61 billion during October 2017, registering a growth of 17.2 percent. Cumulative trade deficit also surged by 22.1 percent to US\$ 111.46 billion during April-October 2018-19 from US\$ 91.28 billion in the same period last fiscal.

India's Engineering Exports scenario

- ❖ Indian engineering exports bounced back to growth path once again in October 2018 with 8.56 percent year-on-year growth in dollar terms. Engineering exports recorded 4.5 percent decline in September 2018 over the same month last fiscal.

- ❖ During Oct 2018, engineering exports from India was recorded at US\$ 6155.02 million as against US\$ 5669.59 million in October 2017.
- ❖ The share of engineering exports in India's total merchandise exports was estimated at 22.8 percent in October 2018. However, on a cumulative basis, it was higher at 24.33 percent during April-October 2018-19.

India's Engineering Imports scenario

- ❖ India's Engineering imports for the new fiscal 2018-19 were valued at US\$ 8.6 billion during October 2018 compared to US\$ 7.8 billion in October 2017 registering a considerable growth to the extent of 10.1 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports was estimated at a lower 19.5 percent in October 2018 as against 20.8 percent in October 2017.

1. Trend in overall merchandise trade

India's merchandise exports revived significantly from its negative growth recorded last month and registered a growth of 17.86 percent in October 2018 compared to October 2017 in dollar terms.

Overseas shipment from India increased by 33.35 percent in rupee terms in (over the same period last year) October 2018. Exports during October 2018 increased to US\$ 26.98 billion from US\$ 22.89 billion during the same period last year. In dollar terms, the growth was lesser at 17.86 percent in October 2018 over October 2017.

Surge in exports in October 2018 over the same month last fiscal was led by expansion in shipment in Petroleum products (49.38%), Electronic goods (72.26%), Ceramic products & glassware (50.62%), Iron ore(13.31%), Engineering goods (8.87%), Organic & Inorganic Chemicals (34.01%), Drugs & Pharmaceuticals (12.83%), Spices (17.43%) , Oil Meals (21.01%), Carpet (34.13%), RMG of all Textiles (36.26%), Cotton Yarn/Fabs./made-ups ,handloom products etc (10.23%), Plastic & linoleum (31.86%) and etc . However, some major commodity groups like Cashew (-41.16%), Meat, dairy & poultry products (-22.39%), Coffee (-18.52%), Rice (-15.98%), and Tobacco (-11.04%), portrayed negative growth in exports during the reporting month.

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(57.38%), Sulphur & Unroasted Iron Pyrites (41.87%), Organic and Inorganic Chemicals (26.63%), Chemical material & products (34.77%), Newsprint (53.20%), and Silver (51.77%).

Oil imports during October 2018 were valued at US \$ 14.21 billion which was 52.64 percent higher than oil imports valued at US \$ 9.31 billion in October 2017. In this connection it is mentioned that the global Brent price (\$/bbl) have increased by 39.66percent in October 2018 vis-à-vis October 2017 as per World Bank commodity price data (The pink sheet).

Non-oil imports during October 2018 were estimated at US \$ 29.90 Billion which was 6.05 per cent higher than non-oil imports of US \$ 28.19 Billion in October 2017.

Trade deficit for October 2018 increased significantly at US \$ 17.13 billion as against the deficit of US\$ 14.61 billion during October 2017, registering a growth of 17.2 percent. Cumulative trade deficit also surged by 22.1 percent to US\$ 111.46 billion during April-October 2018-19 from US\$ 91.28 billion in the same period last fiscal.

2. Engineering exports

Indian engineering exports bounced back to growth path once again in October 2018 with 8.56 percent year-on-year growth in dollar terms. Engineering exports recorded 4.5 percent decline in September 2018 over the same month last fiscal.

During Oct 2018, engineering exports from India was recorded at US\$ 6155.02 million as against US\$ 5669.59 million in October 2017.

The share of engineering exports in India's total merchandise exports was estimated at 22.8 percent in October 2018. However, on a cumulative basis, it was higher at 24.33 percent during April-October 2018-19.

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

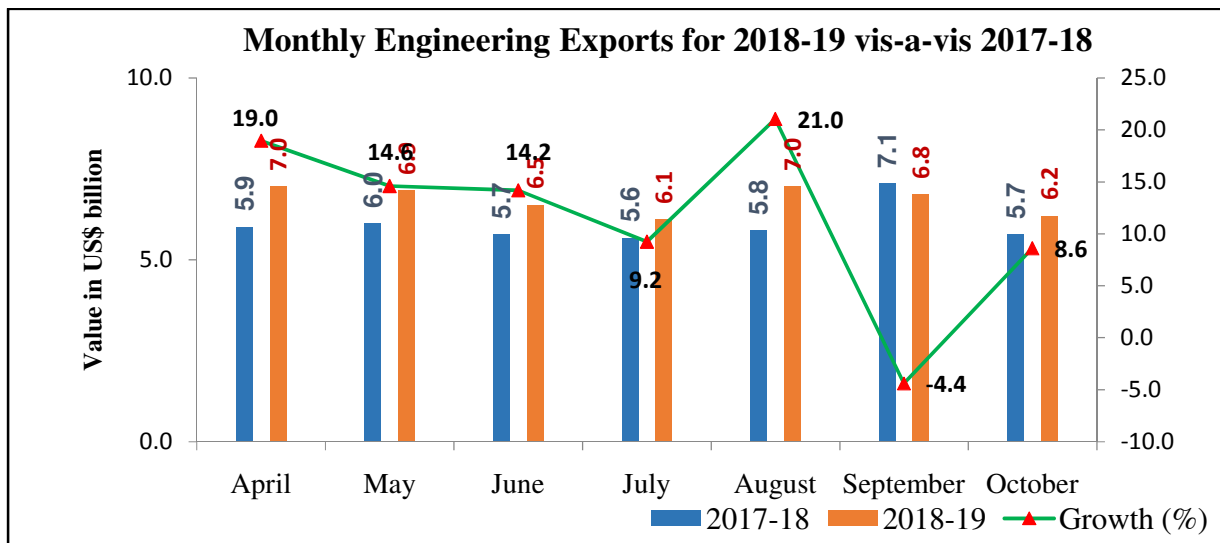
Table1: Engineering Exports
(US\$ Million)

Month	2017-18	2018-19	Growth (%)
April	5902.86	7021.90	18.96
May	6047.26	6929.77	14.59
June	5703.28	6511.69	14.17
April-June	17653.40	20463.36	15.92

July	5595.63	6111.89	9.23
August	5766.60	6979.90	21.04
September	7088.19	6769.57	-4.50
July-September	18450.42	19861.36	7.65
October	5669.59	6155.02	8.56
April-October	41773.41	46479.74	11.27

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

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



(Source: EEPC India analysis)

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

During the first and second month of fiscal 2018-19, both engineering exports and manufacturing moved in the same direction. Growth accelerated for both in April 2018. During May 2018, both engineering exports and manufacturing growth slowed down sizeably. However, these two moved in opposite directions in each month between June and August 2018. During June and July, manufacturing growth surged but engineering exports growth moderated while in August, just the opposite has happened. Again in the month of September 2018, engineering export growth and manufacturing growth moved in the same direction. While the former conceded decline, the later observed a slowdown. The manufacturing Index in the Index of Industrial Production (IIP) stood at 131.4 in Sep 2018 followed by 130.4 in Aug 2018, 127.6 in July, 128.6 in June, 130.1 in May and 123.1 in April 2018.

The growth rates in Engineering Exports and the Growth rate of Manufacturing in the country during the current fiscal is shown in Table 2 below:

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

Months/ Year	Engg. exports growth (%)	Manufacturing growth (%)
April-March 2017-18	16.81	4.5
April 2018	18.96	4.9
May 2018	14.59	3.6
Jun 2018	14.17	6.9
April-June 2018	15.92	5.1
July 2018	9.23	7.0
August 2018	21.04	5.1
September 2018	-4.40	4.6
July-September 2018	7.68	5.5
October 2018	8.87	NA

(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	7088.19*	44.13%
Quarter 2	14585.61	18450.42*	26.50%
October	5133.58	5669.59*	10.44%
November	4841.37	6872.54	41.95%
December	5688.32	7160.88	25.89%
Quarter 3	15663.27	19703.01	25.79%
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	76207.46	16.81%

Source: DGCI&S

3. Impact of Exchange Rate

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

Table 4: Average exchange rate

October	Average exchange rate 1 USD to INR
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2017	65.08
2018	73.60

(Source: Calculated from RBI archive)

During October 2018, the official exchange rate of rupee vis-à-vis the US Dollar has depreciated by an alarming 13.1 percent over October 2018 as rupee reached its all time low vis-à-vis the US Dollar and continued to weaken. The year-on-year depreciation in September 2018 was around 12.07 percent.

4. Import Analysis of Engineering Goods

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

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

Sl no.	Panel	October 2017	October 2018	Growth %	April-October 2017-18	April-October 2018-19	Growth %
1. Iron and Steel and Products of Iron and Steel							
A	A. Iron and Steel	941.68	755.8	-19.7	6131.94	5807.08	-5.3
B	B. Products of Iron and Steel	504.43	567.31	12.5	3808.38	4129.18	8.4
Subtotal		1446.11	1323.11	-8.51	9940.32	9936.26	-0.04
2. Non Ferrous Metals and Products							
A	Copper and products	301.99	108.29	-64.14	1968.48	582.31	-70.42
B	Aluminium and products	406.93	487.41	19.78	2553.42	3431.34	34.38
C	Zinc and products	86.6	29.57	-65.85	445.97	358.26	-19.67
D	Nickel and products	6.91	6.06	-12.30	28.39	45.13	58.96
E	Lead and products	30.09	38.15	26.79	191.06	229.31	20.02
F	Tin and products	0.46	0.67	45.65	6.53	4.41	-32.47
G	Other Non-Ferrous Metals	40.43	45.14	11.65	285.24	314.44	10.24
Sub Total		873.41	715.29	-18.10	5479.09	4965.2	-9.38
3. Industrial Machinery and parts							

Sl no.	Panel	October 2017	October 2018	Growth %	April-October 2017-18	April-October 2018-19	Growth %
A	Industrial Machinery like Boilers, parts, etc	50.28	51.5	2.43	331.08	404.37	22.14
B	IC Engines and Parts	159.17	235.75	48.11	1456.26	1583.96	8.77
C	Pumps of all types	75.44	79.27	5.08	543.54	566.12	4.15
D	Air condition and Refrigerators	84.49	151.01	78.73	624.74	1204.45	92.79
E	Industrial Machinery for dairy, food processing , textiles etc	419.36	497.97	18.75	2875.6	3391	17.92
F	Machine Tools	32.31	38.96	20.58	269.11	282.43	4.95
G	Machinery for Injecting moulding, valves and ATMs	113.71	127.59	12.21	851.37	901.87	5.93
Sub Total		934.76	1182.05	26.45	6951.7	8334.2	19.89
4	Electrical Machinery	556.75	672.76	20.84	3340.63	5041.92	50.93
A	Motor Vehicle/cars	570	646.88	13.49	4329.35	4956.9	14.50
B	Two and Three Wheelers	155.36	176.71	13.74	1130.37	1284.59	13.64
C	Auto Components/Part	382.98	454.42	18.65	2818.22	3283.44	16.51
Sub Total		1108.34	1278.01	15.31	8277.94	9524.93	15.06
6	Aircrafts and Spacecraft parts and products	171.44	108.41	-36.77	1135.03	1090.09	-3.96
7	Ships Boats and Floating products and parts	2.28	118.05	5077.63	2420	2621.05	8.31
8. Miscellaneous							
A	Medical and Scientific instruments	126.36	130.85	3.55	900.11	969.69	7.73
B	Railway Transport	25.93	29.91	15.35	169.79	214.78	26.50
C	Hand Tools & Cutting Tools	52.44	70.71	34.84	401.41	443.74	10.55
D	Electrodes Accumulators	3.39	4.3	26.84	24.91	29.43	18.15
E	Accumulator and Batteries	20.23	35.02	73.11	142.62	228.18	59.99
F	Bicycle and Parts	19.17	30.86	60.98	179.51	216.04	20.35

Sl no.	Panel	October 2017	October 2018	Growth %	April-October 2017-18	April-October 2018-19	Growth %
G	Cranes Lifts and Winches	26.85	46.42	72.89	185.39	274.52	48.08
H	Office Equipments	5.47	10.71	95.80	52.52	71.96	37.01
I	Other Construction Machinery	114.84	159.52	38.91	738.8	959.46	29.87
J	Prime Mica and Mica Products	1.18	2.01	70.34	12.58	15.41	22.50
K	OTHER MISC. ITEMS	176.44	232.67	31.87	1386.97	1506.47	8.62
Sub total		572.3	752.98	31.57	4194.61	4929.68	17.52
Total engineering exports		5665.39	6150.66	8.57	41739.32	46443.33	11.27

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ During April-October 2018-19, exports of engineering goods registered a double digit growth of 11.27 percent compared to April-October 2017-18. While the monthly engineering exports rose to US\$6150.66million in October 2018 compared to September 2017, recording a single digit growth of 8.57 percent.
- ❖ Out of 33 engineering panels, 26 panels sharing almost 79 percent of the products recorded growth in exports during April-October 2018-19, over the same period last fiscal, while the remaining seven panels demonstrated decline in exports.
- ❖ Products of Iron and steel recorded a growth of 8.4 percent in exports during April-October 2018-19 with overseas shipments of US\$4129.18 million from US\$3808.38 million over the same period last fiscal.
- ❖ Among the seven non-ferrous metals and products made of non-ferrous metals, more than 50 percent i.e. four products recorded positive growth in October 2018 compared to October 2017. Tin and products recorded highest growth of staggering 45.65 percent followed by Lead and products at 26.79 during October 2018 over the same period last fiscal.
- ❖ The Industrial machinery panel as a whole recorded growth in exports of 26.45 percent during October 2018 vis-à-vis the same period last fiscal. All the sectors under this panel have positive growth figures, with sectors like Air condition and Refrigerators recording highest growth in exports to the extent of 78.73 percent in October 2018 compared to

October 2017. Pumps and valves and Industrial Machinery like Boilers, parts, etc. recorded single digit growth figures of 5.08 percent and 2.43 percent respectively in exports during October 2018 compared to the same period last fiscal. Cumulative figures for Industrial machinery as a whole recorded growth in exports of 19.89 percent during April-October 2018-19 compared to the same period last fiscal, with all sectors recording positive growth.

- ❖ The Electrical machinery and equipments panel experienced considerable growth in exports to the extent of 20.84 percent during October 2018 over the same period last fiscal. Cumulative exports for April-October 2018-19 recorded 50.93 percent growth, moving up to US\$5041.92 million from US\$3340.63 million in April-October 2017-18.
- ❖ Exports of Auto and auto components recorded significant growth figure of 15.31 percent during October 2018, scaling up from US\$1108.34 million in October 2017 to US\$1278.01 million in October 2018. Cumulative exports for April-October 2018-19 recorded 15.06 percent growth, moving up to US\$9524.93 million from US\$8277.94 million in April-October 2017-18.
- ❖ Exports of ‘Aircrafts and spacecraft parts and products’ recorded negative monthly growth in October 2018 over October 2017 as well as over the period April-October 2018-19 over the same period last year whereas ‘Ships, Boats and Floating Structures’ recorded positive growth figures in both the cases.
- ❖ It has been observed that all sectors under panel namely miscellaneous registered positive monthly as well as cumulative growth in exports. Accumulators and batteries recorded the highest cumulative growth of 60 percent during April-October 2018-19 over the same period last year. Cranes, lifts and winches and Office Equipments recorded substantial growth in exports to the extent of 48 percent and 37 percent during April-October 2018-19 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 highest demand for Indian engineering products during October 2018 over October 2017 in absolute value.

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

Country	October 2017	October 2018	Growth (%)	April-October 2017-18	April-October 2018-19	Growth (%)
USA	693.28	938.44	35.36	5470.77	6740.38	23.21
U ARAB EMTS	191.96	305.69	59.24	2806.38	2772.99	-1.19

Country	October 2017	October 2018	Growth (%)	April-October 2017-18	April-October 2018-19	Growth (%)
NEPAL	235.01	282.86	20.36	1295.82	1793.41	38.40
GERMANY	267.04	278.25	4.20	1714.49	1990.92	16.12
U K	211.41	221.12	4.59	1571.16	1695.76	7.93
BANGLADESH	176.58	215.78	22.20	1250.91	1572.96	25.74
ITALY	145.66	202.44	38.98	1367.18	1365.59	-0.12
MEXICO	192.95	173.78	-9.93	1606.50	1605.22	-0.08
MALAYSIA	188.05	169.14	-10.06	1105.84	888.12	-19.69
CHINA	309.88	168.77	-45.54	1678.19	993.82	-40.78
TURKEY	102.53	158.96	55.04	945.77	1222.20	29.23
THAILAND	98.15	144.04	46.75	689.17	957.77	38.97
KOREA	147.75	136.61	-7.54	1044.50	1089.58	4.32
BELGIUM	91.63	130.20	42.10	708.01	1082.33	52.87
INDONESIA	169.46	127.64	-24.68	937.10	988.86	5.52
SINGAPORE	214.36	122.17	-43.01	1135.12	1239.09	9.16
SOUTH AFRICA	82.13	106.31	29.43	807.62	1024.68	26.88
FRANCE	102.47	103.23	0.74	810.96	818.00	0.87
NIGERIA	54.13	102.19	88.78	403.10	690.66	71.34
SPAIN	86.17	100.30	16.40	638.52	711.44	11.42
SRI LANKA	99.67	98.35	-1.33	830.11	811.49	-2.24
NETHERLAND	61.53	94.77	54.02	479.84	624.34	30.12
JAPAN	80.18	84.64	5.56	553.79	731.66	32.12
SAUDI ARAB	72.67	84.17	15.84	677.03	770.40	13.79

Country	October 2017	October 2018	Growth (%)	April-October 2017-18	April-October 2018-19	Growth (%)
VIETNAM	107.24	79.74	-25.65	670.85	598.90	-10.72
Top 25 Countries Total	4181.90	4629.59	10.71	31198.76	34780.56	11.48
Grand Total	5669.59	6155.02	8.56	41773.41	46479.74	11.27
Share % Total Engineering Exports	73.76	75.22		74.69	74.83	

Note: Red font indicates negative growth

(Source: Department of Commerce, Government of India)

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

- ❖ Out of the top 25 countries, 18 countries recorded positive cumulative growth in engineering exports from India during April-October 2018-19 over April-October 2017-18.
- ❖ USA retained its numero uno position, being the top exporting destination for India's engineering products in October 2018. It registered significant positive cumulative growth during April-October 2018-19 over April-October 2017-18 of 23.21 percent.
- ❖ Nigeria and Belgium holds the first and second positions respectively in terms of high cumulative growth during the same period.
- ❖ India's engineering exports to China which has been recording negative growth, once again recorded negative growth in October 2018 over the same month last year. It registered highest negative cumulative growth during April-October 2018 over April-October 2017 of 40.78 percent.
- ❖ Among European nations falling under the top 25 engineering exports destinations, exports to Belgium once again recorded the highest growth both on monthly as well as cumulative basis. On cumulative basis, only Italy recorded negative export growth during April-October 2018-19 vis-à-vis April-October 2017-18.
- ❖ 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 and Vietnam, all the ASEAN nations falling under the top 25

engineering exports destinations recorded positive cumulative growth during April-October 2018-19 vis-à-vis April-October 2017-18.

- ❖ Out of 221 exports destinations of Indian engineering goods, the top 25 nations accounted for 73.76 percent of India's total engineering exports in October 2018 over October 2017.
- ❖ India's total global engineering exports during April-October 2018-19 over April-October 2017-18 is scantily higher compared to India's engineering exports to its top 25 destinations during the same period.

6. Regional distribution of engineering exports

We now look at the regional distribution of engineering exports for October 2018 as opposed to October 2017. Table 7 gives this picture:

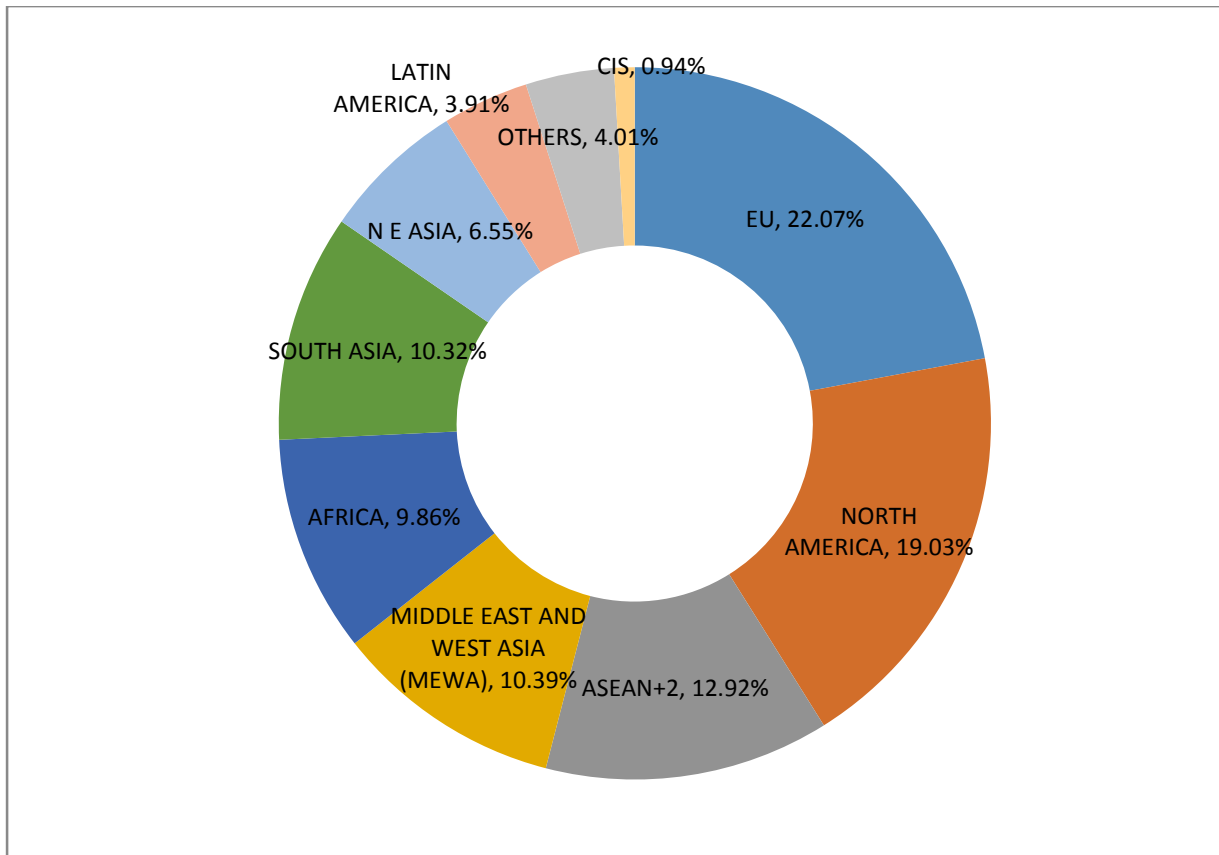
Table -7: Region wise exports trend

Country	(\$ million)					
	October 2018	October 2017	Growth (%)	April-October 2018-19	April-October 2017-18	Growth (%)
EU	1,358.33	1,150.25	18.09	9,837.49	8,645.78	13.78
NORTH AMERICA	1,171.02	934.32	25.33	8,823.95	7,390.21	19.40
ASEAN+2	795.47	990.39	-19.68	5,797.19	5,589.29	3.72
MIDDLE EAST AND WEST ASIA (MEWA)	639.59	517.55	23.58	5,539.62	5,281.40	4.89
AFRICA	607.04	442.79	37.09	4,629.37	3,891.42	18.96
SOUTH ASIA	635.25	568.85	11.67	4,538.89	3,659.55	24.03
N E ASIA	403.18	559.59	-27.95	2,965.03	3,423.86	-13.40
LATIN AMERICA	240.59	260.26	-7.56	1,988.99	1,914.68	3.88
OTHERS	246.94	187.76	31.51	1,903.21	1,569.01	21.30
CIS	57.63	57.83	-0.35	456.01	408.20	11.71
GRAND TOTAL	6155.02	5669.59	8.56	46479.74	41773.41	11.27

(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 October 2018



(Source: EEPC India analysis)

- ❖ EU ranked the region with highest shipment of engineering products from India during October 2018 with a share of 22 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 cumulative growth during April-October 2018-19 vis-à-vis April-October 2017-18.
- ❖ India's exports to South Asia countries recorded the highest positive monthly growth in October 2018 over October 2017, followed by Africa.
- ❖ Barring North East Asia, all the other regions recorded positive cumulative growth in exports during April-October 2018-19 vis-à-vis April-October 2017-18.

7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during September 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 & Steel

US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
NEPAL	106.48	86.18	23.56	724.12	450.20	60.84
ITALY	77.75	44.65	74.12	478.80	508.17	-5.78
U A E	53.85	41.20	30.70	408.11	364.44	11.98
BELGIUM	54.76	49.31	11.04	373.39	414.06	-9.82
KOREA RP	47.49	35.67	33.13	298.50	191.15	56.16
High cumulative growth						
BHUTAN	2.63	2.40	9.47	29.77	10.56	181.85
DJIBOUTI	4.46	2.79	59.87	47.08	19.28	144.20
FRANCE	1.50	0.70	115.27	16.53	7.03	135.28
KENYA	3.08	4.76	-35.23	41.17	22.85	80.14
CANADA	4.35	3.15	38.03	33.63	19.86	69.34
QATAR	1.96	2.98	-34.25	43.46	26.99	61.02
NEPAL	106.48	86.18	23.56	724.12	450.20	60.84
KOREA RP	47.49	35.67	33.13	298.50	191.15	56.16
Sharp cumulative decline						
PORTUGAL	1.05	11.97	-91.21	35.43	69.28	-48.85
INDONESIA	16.36	63.69	-74.31	165.29	303.64	-45.56

SRI LANKA	5.38	26.20	-79.47	76.20	131.83	-42.20
VIETNAM	18.49	66.21	-72.08	210.23	354.22	-40.65
SINGAPORE	1.59	24.56	-93.52	36.65	60.85	-39.77
ETHIOPIA	6.17	15.46	-60.11	55.12	88.62	-37.80
IRAN	4.59	16.39	-71.98	52.03	81.75	-36.35
PHILIPPINES	2.23	57.35	-96.11	66.56	103.15	-35.47

(Source: Department of Commerce, Government of India)

- ❖ Nepal, Italy and UAE were the three top three importers of Indian Iron and Steel during April - October 2018 with market shares of 12.47 percent, 8.25 percent and 7. percent respectively.
- ❖ France, Bhutan, and Djibouti recorded more than 100 percent year-on-year growth in exports of Indian Iron and Steel during April–October 2018.
- ❖ Portugal, Indonesia, and Sri Lanka experienced sharp downfall in exports during April-October 2018.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
U S A	133.11	111.24	19.67	932.08	958.44	-2.75
U A E	32.98	29.12	13.28	254.65	240.82	5.75
GERMANY	37.80	28.64	32.00	249.32	219.76	13.45
U K	27.06	21.32	26.94	180.09	161.54	11.48
CANADA	17.88	22.04	-18.91	158.05	105.27	50.14
High cumulative growth						
CHILE	1.48	5.23	-71.67	49.18	14.33	243.26
TANZANIA	3.41	2.43	40.19	51.35	21.02	144.33

QATAR	10.10	7.14	41.47	85.46	39.98	113.74
EGYPT	5.39	2.54	111.83	68.13	33.15	105.54
NIGERIA	6.44	3.48	85.18	56.17	30.66	83.22
NEPAL	8.69	5.37	61.72	61.64	38.13	61.65
CANADA	17.88	22.04	-18.91	158.05	105.27	50.14
Sharp cumulative decline						
COLOMBIA	2.66	7.47	-64.35	9.33	53.95	-82.70
OMAN	8.92	19.42	-54.06	51.03	106.46	-52.06
SAUDI ARABIA	13.45	10.65	26.30	88.23	173.63	-49.19
MALAYSIA	3.51	2.38	47.33	22.61	35.68	-36.62
SRI LANKA	7.45	5.13	45.30	46.04	62.75	-26.63
THAILAND	8.35	5.50	51.74	58.17	66.44	-12.44

(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 - October 2018 with 22.57 percent, 6.17 percent and 6.03 percent shares respectively in India's global import of the same.
- ❖ Chile, Qatar, Tanzania and Nigeria were among the nations witnessing significant growth in import of Indian 'Products of Iron and Steel' during April - October 2018.
- ❖ On the other hand, Colombia, Saudi Arabia and Malaysia conceded substantial decline in imports of the said product group from India during April - October 2018.

Table 10: Export of Industrial Machinery
US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
U S A	190.60	124.88	52.63	1,336.58	1,079.50	23.82
GERMANY	48.99	38.10	28.60	373.10	300.94	23.98
THAILAND	62.07	23.39	165.40	367.00	173.35	111.71

BANGLADESH	57.79	39.29	47.09	360.33	306.93	17.40
U K	42.24	33.10	27.62	320.09	334.68	-4.36
High cumulative growth						
UZBEKISTAN	5.47	2.69	102.93	36.82	10.78	241.73
HONG KONG	1.60	1.12	42.70	28.34	9.15	209.81
THAILAND	62.07	23.39	165.40	367.00	173.35	111.71
ALGERIA	7.42	3.52	110.43	61.08	30.57	99.82
NIGERIA	34.20	11.88	187.95	209.21	114.98	81.96
INDONESIA	27.09	19.20	41.11	221.86	130.47	70.05
IRAN	21.28	12.03	76.95	144.57	85.29	69.50
SPAIN	19.33	13.27	45.64	149.30	90.38	65.19
Sharp cumulative decline						
SENEGAL	1.91	2.09	-8.37	11.65	25.37	-54.09
FINLAND	0.66	0.35	88.80	7.35	15.63	-52.95
KUWAIT	8.10	35.93	-77.46	83.40	153.59	-45.70
BHUTAN	1.94	1.77	9.82	16.89	29.15	-42.05
PHILIPPINES	5.63	7.71	-26.97	40.89	63.25	-35.35
HUNGARY	2.11	1.72	23.05	14.43	19.93	-27.63
MALAYSIA	17.27	21.46	-19.54	99.79	125.05	-20.20
BRAZIL	19.96	16.09	24.06	129.17	150.27	-14.04

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April–October 2018 with 16.04 percent share in India's global import of the product group, followed by Germany and Thailand with 4.48 percent and 4.40 percent shares.
- ❖ Uzbekistan, Hong Kong, Algeria and Thailand were among the nations witnessing significant growth of imports of Industrial machinery from Indian during April - October 2018

- ❖ Among the major importers, export to Senegal, Finland, Bhutan and Philippines recorded sharp declines in imports during April - October 2018.

Table 11: Export of Automobiles
US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
MEXICO	89.65	132.64	-32.41	874.62	1,089.32	-19.71
U S A	82.59	28.36	191.18	587.25	42.15	1293.09
SOUTH AFRICA	55.51	44.35	25.17	453.25	473.16	-4.21
BANGLADESH	68.99	47.74	44.51	406.12	298.45	36.08
NEPAL	60.03	48.14	24.71	321.72	265.54	21.16
High cumulative growth						
U S A	82.59	28.36	191.18	587.25	42.15	1293.09
CAMBODIA	2.39	0.65	267.21	23.45	3.32	605.68
CONGO D. REP.	3.62	2.77	30.84	32.31	12.91	150.22
BHUTAN	6.86	0.43	1492.94	49.26	23.09	113.29
NIGERIA	33.03	21.43	54.15	225.41	113.78	98.11
ALGERIA	26.61	6.86	288.01	189.92	101.23	87.61
U A E	19.99	14.21	40.70	131.92	79.42	66.10
COLOMBIA	22.46	11.03	103.54	154.91	106.65	45.25
Sharp cumulative decline						
COTE D' IVOIRE	0.46	6.16	-92.57	7.60	57.57	-86.79
NETHERLAND	1.02	1.76	-42.06	6.41	31.26	-79.51
ARGENTINA	0.31	8.32	-96.29	26.11	72.99	-64.23

ITALY	16.55	6.65	148.89	84.02	189.33	-55.62
GERMANY	11.06	9.23	19.78	55.76	124.68	-55.28
FRANCE	16.12	13.36	20.68	68.80	127.71	-46.13
PERU	6.74	12.04	-44.00	79.65	106.04	-24.89

(Source: Department of Commerce, Government of India)

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

- ❖ Mexico, USA and South Africa were top three importers of India's Automobiles during April-October of 2018 witnessing 14.01, 9.41 and 7.26 percent share respectively. Mexico being the largest importer shares 14.01 percent of imports of automobiles from India.
- ❖ Countries like U S A, Cambodia, Congo, and Bhutan saw over 100 percent growths in imports of Indian automobile during April- October 2018 among major importers.
- ❖ Cote D'Ivoire, Netherland and Argentina conceded substantial decrease in imports of Automobiles from India during April-October 2018.

Table 12: Export of Non-Ferrous metals

US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
U S A	93.57	72.99	28.21	608.19	528.72	15.03
KOREA RP	53.38	83.80	-36.30	563.52	651.96	-13.57
MALAYSIA	95.56	113.98	-16.16	422.91	599.56	-29.46
TURKEY	67.71	2.69	2419.76	408.37	117.33	248.06
MEXICO	22.22	12.13	83.12	244.13	106.78	128.64
High cumulative growth						
BULGARIA	1.77	2.59	-31.49	50.54	12.22	313.68

GREECE	0.38	0.29	30.53	64.01	15.90	302.68
TURKEY	67.71	2.69	2419.76	408.37	117.33	248.06
VIETNAM	7.01	1.98	253.25	61.61	19.89	209.68
NETHERLAND	22.67	4.54	398.84	125.89	43.55	189.05
MEXICO	22.22	12.13	83.12	244.13	106.78	128.64
SPAIN	23.95	12.56	90.69	144.19	73.21	96.96
THAILAND	16.38	13.21	23.98	128.25	70.23	82.62
JAPAN	13.86	19.57	-29.18	125.21	77.49	61.58
ITALY	33.82	21.92	54.29	199.22	140.49	41.80
Sharp cumulative decline						
SINGAPORE	2.22	92.63	-97.60	12.37	173.60	-92.87
CHINA	48.89	203.69	-76.00	151.28	956.94	-84.19
IRAN	2.32	4.55	-49.00	8.29	29.02	-71.44
U A E	21.18	25.27	-16.19	139.09	407.15	-65.84
BAHARAIN	1.53	0.49	213.41	21.42	46.10	-53.55
MALAYSIA	95.56	113.98	-16.16	422.91	599.56	-29.46

- ❖ USA (US\$608 million), Korea (US\$563 million) and Malaysia (US\$423 million) were the top three importers of Indian Non-ferrous metals during April - October 2018 with market shares of 12.24 percent, 11.34 percent and 8.52 percent respectively.
- ❖ Greece, Vietnam, Turkey and Mexico witnessed highest growth in imports of Indian Non-ferrous metal products during April-October 2018.
- ❖ Singapore, China, UAE and Bahrain conceded significant decline in imports of non-ferrous metals from India during the April - October 2018.

Table 13: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER,	APRIL, 2017 - OCTOBER,	Growth (%)
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				2018	2017	
Top Importers						
U S A	156.33	115.10	35.82	1,179.26	616.99	91.13
GERMANY	71.25	110.90	-35.75	587.33	460.93	27.42
SINGAPORE	60.36	28.56	111.33	359.60	107.31	235.09
U K	38.81	38.41	1.04	312.47	195.98	59.43
BELGIUM	35.04	8.48	313.36	247.65	28.89	757.14
High cumulative growth						
BELGIUM	35.04	8.48	313.36	247.65	28.89	757.14
SINGAPORE	60.36	28.56	111.33	359.60	107.31	235.09
EGYPT	7.76	2.22	249.66	32.56	10.33	215.39
INDONESIA	11.94	5.28	126.01	93.08	32.02	190.68
CHINA	24.92	25.21	-1.16	198.09	98.05	102.04
JAPAN	10.27	4.81	113.76	142.67	70.75	101.65
U S A	156.33	115.10	35.82	1,179.26	616.99	91.13
U K	38.81	38.41	1.04	312.47	195.98	59.43
Sharp cumulative decline						
VIETNAM	6.83	6.77	0.93	39.84	69.93	-43.02
TURKEY	2.75	4.08	-32.63	60.19	104.87	-42.60
KUWAIT	2.09	4.55	-54.03	29.91	39.95	-25.14
MYANMAR	2.87	4.28	-33.01	16.01	20.58	-22.22
U A E	14.23	13.99	1.68	141.97	164.69	-13.79
SOUTH AFRICA	3.89	3.60	7.92	21.57	24.34	-11.37
HONG KONG	3.84	4.49	-14.52	23.67	25.95	-8.76

(Source: Department of Commerce and CSO)

- ❖ USA (US\$ 1179 million), Germany (US\$ 587 million) and Singapore (US\$ 359 million) were the three top importers of Indian Electrical Machinery and Components during April - October 2018 with market shares of 23.4 percent, 11.64 percent and 7.13 percent respectively.
- ❖ Belgium, Singapore and Egypt recorded highest growth in imports of India's Electrical Machinery and Components during April - October 2018.
- ❖ On the other hand, Vietnam, Kuwait, UAE and Turkey conceded highest declines in imports of India's Electrical Machinery and Components during April-October 2018.

Table 14: Export of Aircrafts and Spacecrafts

US\$ million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top Five Importers						
U S A	30.79	50.80	-39.39	326.10	340.21	-4.15
FRANCE	14.61	18.27	-20.03	160.23	133.38	20.13
SINGAPORE	10.74	21.77	-50.67	151.93	150.34	1.06
U K	15.01	33.75	-55.54	139.79	130.17	7.40
GERMANY	7.45	16.45	-54.68	76.41	131.79	-42.02
High cumulative growth						
SOUTH AFRICA	0.10	-		7.35	1.11	561.36
SWEDEN	1.25	0.57	118.34	7.12	3.22	121.35
UAE	1.14	0.40	184.14	5.02	3.67	36.75
FRANCE	14.61	18.27	-20.03	160.23	133.38	20.13
U K	15.01	33.75	-55.54	139.79	130.17	7.40
SINGAPORE	10.74	21.77	-50.67	151.93	150.34	1.06

Sharp cumulative decline						
RUSSIA	0.59	2.37	-75.25	10.92	27.76	-60.66
CHINA	0.70	2.14	-67.03	10.46	24.76	-57.76
TURKEY	0.51	1.43	-64.14	5.26	10.14	-48.12
POLAND	0.36	1.69	-79.03	10.68	19.44	-45.07
GERMANY	7.45	16.45	-54.68	76.41	131.79	-42.02
ISRAEL	2.67	7.33	-63.64	19.20	32.56	-41.04
USA	30.79	50.80	-39.39	326.10	340.21	-4.15

(Source: Department of Commerce and CSO)

- ❖ USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April-October 2018-19 with around 29.9, 14.70, and 13.94 percent shares respectively in India's total global exports of the product.
- ❖ South Africa and Sweden continued to register substantial growths in import of the product group during April-October 2018-19 as compared with the same period last fiscal.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from China, Russia and Turkey dropped significantly on a year-on-year basis during April-October 2018 along with some other nations.

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

US\$ million

COUNTRY	OCTOBER, 2018	OCTOBER, 2017	Growth (%)	APRIL, 2018- OCTOBER, 2018	APRIL, 2017 - OCTOBER, 2017	Growth (%)
Top 5 Importers						
UAE	78.74	0.02	380212.09	1,152.95	1,036.27	11.26
SINGAPORE	5.07	-		384.75	371.08	3.68
OMAN	-	-		215.84	2.47	8648.20
SOUTH AFRICA	-	-		198.48	-	

SRI LANKA	10.51	-		189.91	156.75	21.16
High cumulative growth						
BANGLADESH	0.41	0.32	29.73	20.48	0.32	6392.69
ISRAEL	-	-		59.57	3.29	1710.81
FRANCE	0.15	-		2.76	0.45	506.45
SAUDI ARAB	-	-		104.60	19.11	447.45
INDONESIA	23.12	-		60.19	36.07	66.86
SRI LANKA	10.51	-		189.91	156.75	21.16
Sharp cumulative decline						
CAMEROON	-	-		-	20.63	-100.00
EGYPT A RP	-	-		-	213.77	-100.00
LIBERIA	-	-		-	84.61	-100.00
MYANMAR	-	-		-	21.28	-100.00
U S A	0.03	0.01	374.10	0.10	443.66	-99.98

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-October 2018-19 with 44 percent share in India's total global exports of the product followed by Singapore with 14.67 percent share. Oman emerged as the third largest importer with 8.23 percent share.
- ❖ Bangladesh, Israel, France and Saudi Arabia recorded robust growth in imports of 'Ships, Boats and Floating Structures and Parts' during April-October 2018-19.
- ❖ Liberia and Egypt were among the nations that recorded no imports during April - October 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	OCTOBER,	OCTOBER,	Growth	APRIL, 2018-	APRIL, 2017 -	Growth
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	2018	2017	(%)	OCTOBER, 2018	OCTOBER, 2017	(%)
Top 5 Importers						
U S A	103.24	76.80	34.42	707.02	561.36	25.95
TURKEY	24.37	29.87	-18.42	206.74	204.94	0.88
BANGLADESH	18.48	21.54	-14.22	182.23	138.96	31.13
BRAZIL	16.81	15.75	6.76	165.99	135.11	22.85
GERMANY	23.78	15.89	49.65	151.99	122.49	24.09
High cumulative growth						
ROMANIA	8.32	7.46	11.60	60.30	21.53	180.03
COLOMBIA	9.02	4.12	119.02	51.23	26.57	92.81
MYANMAR	2.48	1.08	129.60	20.85	11.28	84.89
U A E	15.81	10.92	44.76	95.22	66.13	43.99
VIETNAM	13.93	10.80	29.04	90.89	63.17	43.89
JAPAN	12.08	10.32	17.07	97.69	70.57	38.44
EGYPT	4.94	4.31	14.83	43.78	32.73	33.78
BANGLADESH	18.48	21.54	-14.22	182.23	138.96	31.13
SWEDEN	4.32	3.18	35.98	30.28	23.12	30.99
Sharp cumulative decline						
PERU	3.30	4.14	-20.39	14.12	21.29	-33.69
NETHERLAND	2.27	2.93	-22.45	17.90	21.32	-16.02
POLAND	3.06	3.18	-3.90	24.29	27.56	-11.87
CANADA	6.20	4.79	29.43	44.06	48.09	-8.38
SOUTH AFRICA	6.28	3.42	83.42	49.51	52.68	-6.01

(Source: Department of Commerce and CSO)

- ❖ USA is the topmost importer of auto components/parts from India during April-October 2018 with a share of 21.53 percent in India's global exports of auto components. Turkey and Bangladesh were the immediate followers of USA with 6.29 percent and 5.54 percent shares respectively.
- ❖ Romania, Colombia and Myanmar are among the prominent nations recorded significant increase in imports of Indian Auto Components/Parts during April-October 2018-19 over April-October 2017-18.
- ❖ Peru and Netherland conceded highest declines in imports during April-October 2018-19 over the same period last fiscal followed by Poland and Canada.

8. Import analysis of engineering goods

India's Engineering imports during October 2018 were valued at US\$ 8599.86 million compared to US\$ 7812.5 million in October 2017 registering a considerable growth to the extent of 10.08 percent in dollar terms.

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

The share of engineering imports in India's total merchandise imports was estimated at a lower 19.5 percent in October 2018 as against 20.8 percent in October 2017. The share of engineering exports for the year 2017-18 stood at around 20.2 percent compared to 21.3 percent in 2016-17.

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

Table 17: Engineering Imports
(US\$ Million)

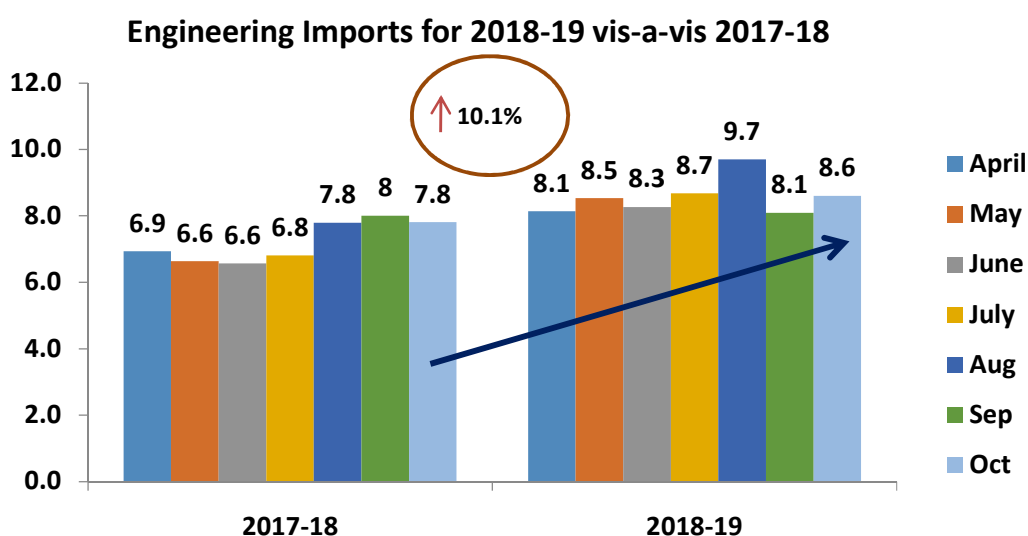
Months	2017-18	2018-19	Growth (%)
April	6936.7	8139.45	17.34
May	6628.73	8535.98	28.77
June	6567.1	8268.14	25.90
Quarter 1 (April-June)	20132.53	24943.57	23.90
July	6811.16	8683.39	27.49
August	7769.3	9667.6	24.43
September	8028.2	8064.26	0.45
Quarter 2 (July-September)	22608.66	26415.25	16.84

Months	2017-18	2018-19	Growth (%)
October	7812.5	8599.9	10.08
April-October	50553.69	59959	18.60

(Source: Department of Commerce, Government of India)

Figure 2 below depicts the monthly trend in engineering imports for 2018-19 vis-a-vis 2017-18

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



(Source: EEPC India analysis)

9. Trend in two-way engineering trade

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2017-18 as well as the current fiscal of 2018-19 depicted in the table below:

Table6: Engineering Trade
(US\$ billion)

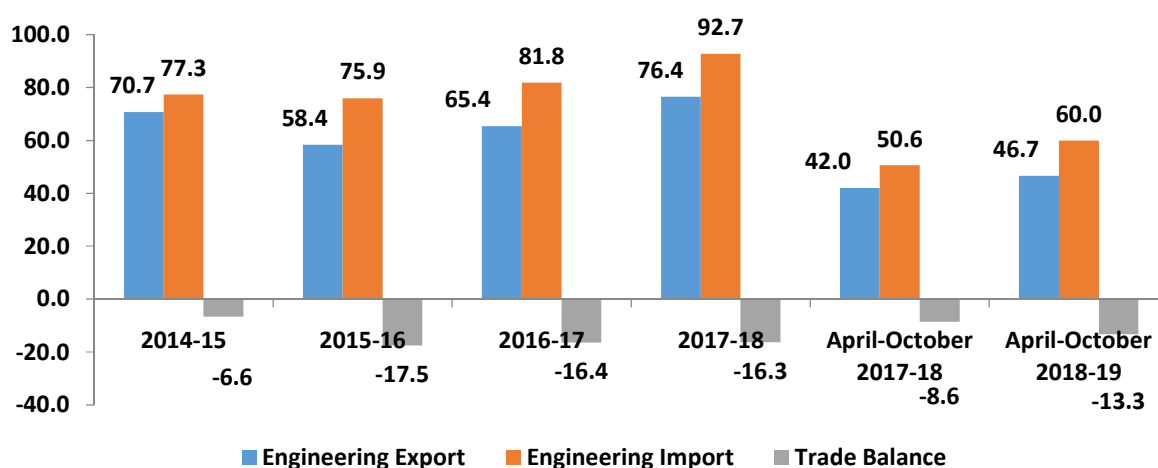
	2014-15	2015-16	2016-17	2017-18	Growth %	April-October 2017-18	April-October 2018-19	Growth %
Engineering exports	70.7	58.4	65.4	76.4	16.81	42.0*	46.7*	11.3

Engineering imports	77.3	75.9	81.8	92.7	13.27	50.6	60.0	18.6
Trade balance	-6.6	-17.5	-16.4	-16.3		-8.6	-13.3	

(*)Both the Engineering Export and Import figures for April-October 2018-19 v/s 2017-18 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-October of the current fiscal 2018-19**

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



10. Conclusion

India's merchandised exports as well as engineering exports registered year-on-year growth in October 2018 vis-a-vis October 2017. The high growth in October has come about on the back of a favourable base effect even as trade deficit widened to US\$ 17.13 billion. Engineering sector registered 8.56% growth in exports during October 18 compared to same period last fiscal. On a cumulative basis, during April-October period, merchandise exports grew by 13.3 % and engineering exports grew by 11.31%.

On the other hand, India's engineering imports registered 10.1 percent growth in October 2018 and cumulative growth of over 18.6 percent during April-October 2018-19 compared to the same period last fiscal. India's engineering trade deficit widened to \$13.3 billion during April-October 2018-19 compared to \$8.6 billion in April-October 2017-18.

However, the external threats to foreign trade still persist as the fear of an imminent tariff war that started with trade protectionist measures by the US and China, intensified further with the initiation of safeguard investigation by the European Commission on a number of steel

products imported by EU. US investigation on India's compliance with the norms under Generalised System of Preference is another external shock for the exporting community. These two concerns along with the volatile trend of Rupee clouded the outlook for global exports.

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