

Engineering Export-Import Monitor

November 2019



Engineering the future

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Overall Scenario

India's merchandise exports conceded its fourth straight monthly decline in November 2019

- ❖ India's merchandise exports declined for the fourth month in a row to November 2019 over the same period last fiscal. The extent of decline however moderated further to 0.34 percent year-on-year (Y-o-Y) in dollar terms as against 1.11 percent in October 2019 and a higher 6.57 percent in September 2019.
- ❖ Merchandise exports from India was recorded at USD 25.98 billion as compared to USD 26.07 billion in November 2018, registering a marginal 0.34 percent decline y-o-y as global slowdown led to slackening of demand from overseas. In rupee terms, merchandise exports declined by 0.90 percent Y-o-Y during the month.
- ❖ Cumulative merchandise exports for the first eight months of fiscal 2019-20 also conceded 1.99 percent decline over the same period last fiscal as it dropped to US\$ 211.93 billion during April-November 2019-20 from 216.23 billion during the same period last fiscal. In rupee terms, the decline was lower at 1.02 percent Y-o-Y during the same time period.
- ❖ Merchandise imports during November 2019 also declined over the same month last fiscal. Imports in November 2019 was US\$ 38.11 billion as against US\$ 43.66 billion, registering a fall of 12.71 percent. In Rupee terms, the decline was a bit higher at 13.20 percent during the same time period.
- ❖ Cumulative value of imports for the period April-November 2019-20 was US\$ 318.78 billion as against US\$ 349.96 billion during April-November 2018-19, registering a drop of 8.91 percent in Dollar terms.
- ❖ Trade deficit at US\$ 12.12 billion in November 2019 was 31.1 percent lower than the deficit in November 2018 at US\$ 17.58 billion. On a cumulative basis, trade deficit shrank by 20.1 percent to US\$ 106.84 billion during April-November 2019-20 from US\$ 133.74 billion during the same period last fiscal.

India's engineering exports in November grew by 6.30 percent Y-o-Y due to base effect

- ❖ Lower statistical base helped Indian engineering exports to register a growth of 6.30 percent during November 2019 over the same period last fiscal. In fact, engineering exports from India during November 2019 at US\$ 6101.97 million was the second lowest in this fiscal till date after July 2019. However, value of Indian engineering export in November 2018 was the lowest of all months in fiscal 2018-19 and this lower statistical base helped exports to secure 6.30 percent Y-o-Y growth during the reporting month.

- ❖ Cumulative estimates showed that engineering exports continued to slide on a y-o-y basis as it was recorded at US\$ 51,076.25 million during April-November 2019-20 as against US\$ 52,149.30 million during the same period last fiscal, registering 2.06 percent decline.
- ❖ The share of engineering exports in India's total merchandise exports dropped marginally to 23.49 percent during November 2019 from 24.05 percent in October and 24.4 percent in September. The share was 24.3 percent in August, 22.7 percent in July, 25.4 percent in June and 24.2 percent in May 2019. On a cumulative basis, the contribution of engineering exports in India's total merchandise exports was 24.10 percent during April-November 2019-20.
- ❖ Out of 33 engineering panels, only 13 panels recorded year-on-year decline in exports during November 2019. The number of panels however increased to 16 when estimated on a cumulative basis for the first eight months of fiscal 2019-20.
- ❖ During November 2019, 16 nations out of India's top 25 export destinations for engineering products recorded growth in exports vis-à-vis November 2018. The number of countries however reduced to 11 when estimated on a cumulative basis.

India's November engineering imports down by 17.7 %

- ❖ India's Engineering imports during November 2019 were valued at US\$ 7611.7 million compared to US\$ 9245.4 million in November 2018 recording a high negative growth of 17.7 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports in November 2019 has decreased to that of during November 2018 estimated at 20.0%.

Analysis of India's engineering exports

1. Engineering exports: monthly trend

The monthly engineering figures for 2019-20 vis-à-vis 2018-19 are depicted below as per the latest DGCIS estimates:

Table 1: Engineering Exports: monthly trend
(US\$ million)

Month	2018-19	2019-20	Growth (%)
April	7020.54	6479.99	-7.70
May	6928.08	7244.48	4.57
June	6512.31	6352.15	-2.46
April-June	20460.93	20076.62	-1.88
July	6052.64	5948.76	-1.72
August	6974.48	6347.69	-8.99
September	6769.15	6344.95	-6.27
April-September	19796.27	18641.40	-5.83

October	6151.93	6256.26	1.70
November	5740.17	6101.97	6.30
April-November	52149.30	51076.25	-2.06

Source: DGCIIS, Govt. of India.

2. Correlation between Manufacturing Production and Engineering Exports

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 exports generally come from what is produced within a country, some correlation between manufacturing production growth and engineering export growth should exist. We briefly looked at the trend in manufacturing growth as also engineering export growth to see if they move in tandem. It may be mentioned that manufacturing has 77.63% weightage in India's industrial production.

The first month of fiscal 2019-20 saw engineering exports growth and manufacturing growth moving in the opposite direction but the next four months saw just the reverse. In April 2019, manufacturing growth accelerated while engineering exports dropped to negative. During May, engineering exports bounced back to growth path and manufacturing growth accelerated. Engineering exports declined once again in June 2019 and manufacturing growth also slowed down noticeably. The decline in engineering exports continued in July but at a slower pace while manufacturing witnessed accelerated growth. During August, engineering exports decelerated faster and manufacturing growth turned negative. The month of September 2019 again saw both moved in the opposite direction when decline in engineering exports moderated but decline in manufacturing growth accelerated. In October, both moved in the same direction as engineering exports bounced back to growth path while decline in manufacturing moderated. Perhaps, the trend in Table 2 shows a lagged effect of a month. We need to see how this plays out during the course of rest of the fiscal.

Table 2: Engineering exports growth vis-à-vis manufacturing growth (2019-20)

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2019	-7.70	2.5
May 2018	4.57	4.4
June 2019	-2.46	0.3
April-June 2019	-1.88	2.4
July 2019	-1.72	4.8
August 2019	-8.99	-1.6
September 2019	-6.27	-4.0
July-September 2019	-5.83	-0.3
October 2019	1.70	-2.1
November 2019	6.30	N A
April-November 2019	-2.06	N A

(Source: Department of Commerce and CSO)

We also present the month wise corresponding **revised engineering exports for 2018-19** as opposed to 2017-18.

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

Months	2017-18	2018-19	Growth (%)
April	5902.86	7020.54*	18.93%
May	6047.26	6928.08*	14.57%
June	5703.28	6512.31*	14.19%
Quarter 1	17653.40	20460.93*	15.90%
July	5595.63	6052.64*	8.17%
August	5766.60	6974.48*	20.95%
September	7088.19	6769.15*	-4.50%
Quarter 2	18450.42	19796.27*	7.29%
October	5669.59	6151.93*	8.51%
November	6872.84	5740.17*	-16.48%
December	7163.56	6911.61	-3.52%
Quarter 3	19705.99	18803.71*	-4.58%
January	6217.28	6294.12	1.24%
February	6332.92	6439.29	1.68%
March	7839.32	9156.46	16.80%
Quarter 4	20389.52	21889.87	7.36%
April-March	76199.33	80950.78*	6.24%

Source: DGCI&S * Revised data

Impact of Exchange Rate

How has the exchange rate been changing in 2019 vis-à-vis 2018? We look at the monthly average exchange rate for both 2019 and 2018. The table below provides the same:

Table 4: USD-INR average exchange rate

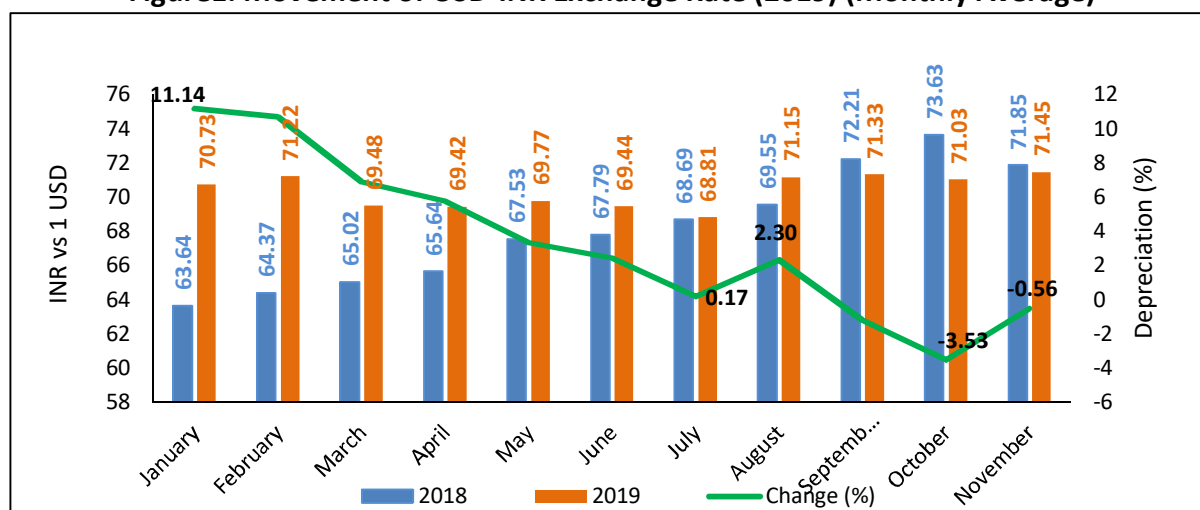
Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	2018	2019		
January	63.64	70.73	11.14	Depreciation
February	64.37	71.22	10.64	Depreciation
March	65.02	69.48	6.86	Depreciation
April	65.64	69.42	5.76	Depreciation
May	67.53	69.77	3.32	Depreciation
June	67.79	69.44	2.43	Depreciation
July	68.69	68.81	0.17	Depreciation
August	69.55	71.15	2.30	Depreciation
September	72.22	71.33	-1.22	Appreciation

October	73.63	71.03	-3.53	Appreciation
November	71.85	71.45	-0.56	Appreciation

Source: RBI, FBIL, EEPC Research

Indian rupee was largely flat vis-à-vis US Dollar over the month in November 2019 but rate of appreciation moderated over the same month last year. Indian rupee witnessed Y-o-Y appreciation for the third month in a row in November 2019. A noteworthy feature had been the relative hardening of the Rupee in 2019 as indicated by the narrowing in the rate of depreciation over corresponding months of last year till July 2019 followed by appreciation from September. However, moderation in appreciation in November 2019 will probably induce the market participants to take a more cautious approach going forward. The pictorial representation presented below may provide a clearer picture.

Figure1: Movement of USD-INR Exchange Rate (2019) (Monthly Average)



Source: RBI, FBIL, EEPC Research

The chart shows that Indian Rupee had been depreciating since the very beginning of 2019 but at a moderating pace. While the year-on-year depreciation of rupee vis-à-vis the USD was 11.14 percent in January 2019, it was mere 0.17 percent in July 2019. The month of August witnessed higher depreciation but then rupee started appreciating from September 2019.

3. Top 25 engineering export destinations in November 2019

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during November 2019.

Table-5: Engineering exports country wise, (2018-19)
US\$ million

Country	November 2018	November 2019	Growth (%)	April-November 2018-19	April-November 2019-20	Growth (%)
U S A	954.32	1111.27	16.45	7692.62	7768.95	0.99
UAE	267.49	261.35	-2.30	3040.77	2987.90	-1.74
GERMANY	236.57	211.22	-10.72	2226.19	2050.42	-7.90
NEPAL	248.50	198.62	-20.07	2049.17	1784.83	-12.90
SINGAPORE	80.64	125.42	55.52	1317.59	1735.49	31.72
BANGLADESH	235.01	194.49	-17.24	1808.03	1675.99	-7.30
U K	169.15	177.56	4.97	1862.53	1657.60	-11.00
MEXICO	128.76	183.52	42.53	1733.88	1618.60	-6.65
MALAYSIA	220.17	234.51	6.51	1105.73	1559.75	41.06
CHINA	174.30	222.81	27.83	1169.01	1446.23	23.71
KOREA RP	122.92	152.23	23.84	1212.56	1320.99	8.94
ITALY	140.58	109.55	-22.07	1505.33	1304.91	-13.31
VIETNAM	83.66	181.71	117.20	682.48	1264.73	85.31
NIGERIA	96.21	147.85	53.67	786.87	1118.73	42.18
SOUTH AFRICA	112.57	119.29	5.97	1137.26	1074.95	-5.48
THAILAND	121.95	130.98	7.41	1079.65	1067.27	-1.15
SAUDI ARAB	115.86	171.64	48.15	886.27	1007.81	13.71
FRANCE	88.58	102.12	15.30	906.27	930.40	2.66
INDONESIA	128.19	82.42	-35.71	1117.04	870.33	-22.09
SRI LANKA	102.24	100.10	-2.09	913.82	850.95	-6.88
TURKEY	92.03	113.25	23.05	1312.40	716.80	-45.38
BELGIUM	115.88	106.56	-8.04	1197.90	711.71	-40.59
BRAZIL	65.82	86.64	31.63	650.49	688.04	5.77

Country	November 2018	November 2019	Growth (%)	April-November 2018-19	April-November 2019-20	Growth (%)
JAPAN	83.18	68.70	-17.41	815.07	676.30	-17.03
CANADA	71.83	105.38	46.72	550.27	585.97	6.49
Total engineering exports to top 25 countries	4256.42	4699.20	10.40	38759.19	38475.65	-0.73
Total engineering exports	5740.17	6101.98	6.30	52149.30	51076.25	-2.06
Share (%)	74.15	77.01		74.32	75.33	

Source: Department of Commerce, Government of India

India's top 25 engineering export destinations: Some observations

- ❖ In 11 out of 25 countries, engineering exports recorded positive cumulative growth during April- November 2019-20 over April- November 2018-19.
- ❖ India's engineering exports to its top 25 nations accounted for 75.3 per cent of India's total engineering exports in April-November 2019, which is 1% higher than its share in the April- November 2018.
- ❖ USA maintained its numero uno position, being the top exporting destination for India's engineering products during November 2019 over November 2018 as well as for April-November 2019 over April- November 2018. But unlike the previous four months, India's exports to US recorded a significant high growth in November 2019 over November 2018 and a marginal positive cumulative growth.
- ❖ Consecutively Vietnam for the third time in a row recorded highest positive cumulative growth during April- November 2019 over April- November 2018 as well as for November 2019 over November 2018.
- ❖ Like the previous month, among the ASEAN countries under the top 25 engineering exports destinations, Vietnam, Malaysia and Singapore recorded high positive growth during April- November 2019 over April- November 2018, barring Indonesia and Thailand.
- ❖ India's engineering exports to China recorded significant positive cumulative growth during April- November 2019 over April- November 2018 as well as monthly growth for November 2019 over November 2018.
- ❖ Like the previous months barring France, all the European nations falling under the top 25 engineering exports destinations, recorded negative growth during April- November 2019 over April- November 2018.
- ❖ India's engineering exports to its top 25 destinations during April- November 2019 over April- November 2018 recorded a negative growth which is less than in comparison to the negative growth in India's total global engineering exports during the same period.

4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-September 2019 as opposed to April-September 2018.

Table 6: Region wise exports trend

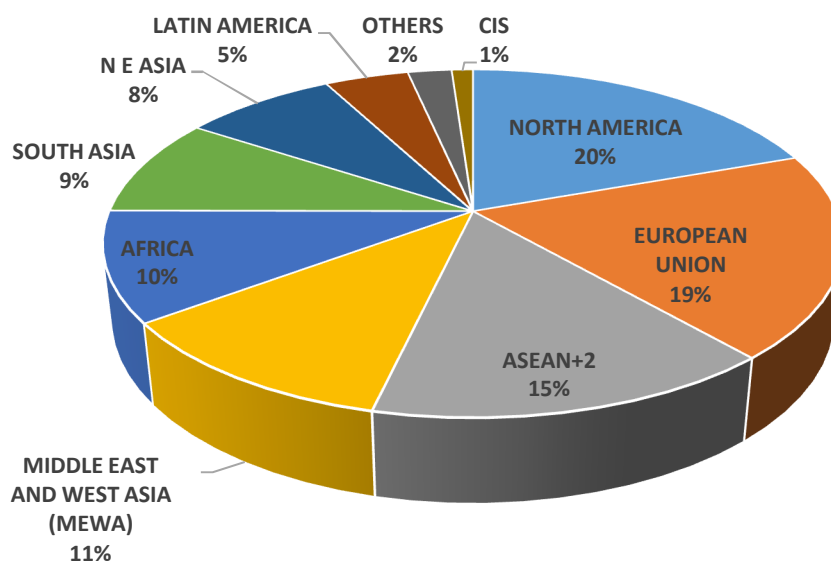
US\$ million

Regions	October 2018	October 2019	Growth (%)	April-October 2018-19	April-October 2019-20	Growth (%)
NORTH AMERICA	1154.91	1400.17	21.24	9976.78	9973.53	-0.03
EUROPEAN UNION	1077.89	1023.57	-5.04	10908.60	9715.14	-10.94
ASEAN+2	803.38	893.64	11.23	6595.69	7713.56	16.95
MIDDLE EAST AND WEST ASIA (MEWA)	625.03	603.34	-3.47	6104.13	5719.74	-6.30
AFRICA	582.16	643.59	10.55	5213.90	5214.69	0.02
SOUTH ASIA	636.98	524.48	-17.66	5183.40	4676.71	-9.78
N E ASIA	439.05	516.14	17.56	3831.64	4092.48	6.81
LATIN AMERICA	233.51	300.94	28.88	2270.37	2233.69	-1.62
OTHERS	127.10	133.39	4.95	1549.04	1168.41	-24.57
CIS	60.15	62.72	4.27	515.75	568.31	10.19
Total engineering exports	5740.17	6101.98	6.30	52149.30	51076.25	-2.06

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 April-November 2019



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ❖ North America climbed up leaving EU to rank as the region with highest shipment of engineering products from India during April-November 2019 over April- November 2018 with a share of 19.5 percent of total engineering exports.
- ❖ Like before India's exports to ASEAN+2 recorded highest positive growth during April-November 2019 over April- November 2018, followed by CIS.
- ❖ India's exports to EU and ASEAN+2 ranked second and third in global shipments of Indian engineering goods in April- November 2019 with a share of 19 percent and 15.1 percent of total engineering exports respectively.
- ❖ Like the previous month barring ASEAN+ 2, Africa, CIS and North East Asia, all the other major regions recorded negative cumulative growth in exports of engineering products from India during April- November 2019 over April- November 2018.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of November 2019 vis-a-vis November 2018. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for November 2019 compared to November 2018

US\$ Million						
Engineering Panels	November , 2018	Novemb er, 2019	Grow th (%)	April- Novembe r 2018	April- Novembe r 2019	Grow th (%)
1. Iron and Steel and Products made of Iron and Steel						
Iron and Steel	710.91	831.36	16.9	6518.24	6386.39	-2.0
Products of Iron and Steel	531.14	570.93	7.5	4659.06	4634.42	-0.5
Sub Total	1242.05	1402.29	12.90	11177.3	11020.8	-1.40
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals						

Engineering Panels	November , 2018	November, 2019	Grow th (%)	April- November r 2018	April- November r 2019	Grow th (%)
Copper and products	113.36	56.47	-50.19	696.29	572.07	-17.84
Aluminium and products	469.76	477.17	1.58	3891.97	3372.92	-13.34
Zinc and products	46.07	45.75	-0.69	404.38	360.24	-10.92
Nickel and products	4.34	5.32	22.58	49.47	74.54	50.68
Lead and products	28.69	45.76	59.50	258	254.77	-1.25
Tin and products	1.14	1.1	-3.51	5.55	6.95	25.23
Other Non-Ferrous Metals	39.69	45.54	14.74	354.15	361.82	2.17
Sub Total	703.05	677.11	-3.69	5659.81	5003.31	-11.60
3. Industrial Machinery						
Industrial Machinery like Boilers, parts, etc.	53.75	43.53	-19.0	456.97	557.73	22.0
IC Engines and Parts	223.49	201.88	-9.7	1807.19	1683.61	-6.8
Pumps of all types	75.33	73.9	-1.90	641.16	643.62	0.38
Air condition and Refrigerators	151.76	108.25	-28.7	1355.67	968.81	-28.5
Industrial Machinery for dairy, food processing , textiles etc.	438.46	469.62	7.1	3834.43	3684.99	-3.9
Machine Tools	34.16	35.92	5.15	316.36	298.66	-5.59
Machinery for Injecting moulding, valves and ATMs	125.9	144.03	14.4	1028.52	1175.01	14.2
Sub Total	1102.85	1077.13	-2.3	9440.3	9012.43	-4.53
Electrical Machinery	558.5	871.9	56.11	5599.64	5857.21	4.60
5. Automobiles						
Motor Vehicle/cars	612.87	646.18	5.4	5568.97	5344.72	-4.0
Two and Three Wheelers	166.99	169.34	1.4	1451.57	1416.71	-2.4
Auto Components/Part	450.38	403.36	-10.44	3733.76	3582.91	-4.04
Sub Total	1230.24	1218.88	-0.92	10754.3	10344.34	-3.81
Aircrafts and Spacecraft parts and products	108.83	111.95	2.87	1199.98	939.02	-21.75
Ships Boats and Floating products and parts	111.23	61.62	-44.60	2664.73	3086.22	15.82
8. Other engineering products						
Medical and Scientific instruments	130.09	148.85	14.42	1098.97	1169.78	6.44
Railway Transport	34.04	5.94	-82.55	248.82	201.24	-19.12
Hand Tools & Cutting Tools	57.05	58.42	2.40	500.81	506.89	1.21
Electrodes Accumulators	5.31	4.17	-21.47	34.76	39.09	12.46

Engineering Panels	November , 2018	November, 2019	Growth (%)	April-November 2018	April-November 2019	Growth (%)
Accumulator and Batteries	30.1	33.89	12.59	254.27	288.71	13.54
Bicycle & Parts	30.97	34.47	11.30	247.27	256.09	3.57
Cranes Lifts & Winches	37.34	48.47	29.81	311.88	381.2	22.23
Office Equipment	10.37	14.35	38.38	82.33	134.04	62.81
Other Construction Machinery	133.42	111.55	-16.39	1094.67	948.22	-13.38
Prime Mica & Mica Products	2.14	2.1	-1.87	17.55	29.17	66.21
Other misc. items	212.59	218.88	2.96	1761.91	1858.48	5.48
Sub total	683.42	681.09	-0.34	5653.24	5812.91	2.82
Total engineering exports	5740.17	6101.97	6.30	52149.3	51076.25	-2.06

Source: Department of Commerce, Government of India

Engineering products with negative growth in November 2019

- Exports of Copper and products under Chapter 74: fell by 50.19% in November 2019 and 17.84% in April-November 2019
- Exports of Zinc and products under Chapter 79: fell by 0.69% in November 2019 and 10.92% in April-November 2019
- Exports of Tin and products under Chapter 80: fell by 3.5% in November 2019 but increased by 25.2% in April-November 2019.

Panel wise engineering exports: Some observations

- ❖ Year on year decline for the month of November 2019 witnessed in 13 out of total 33 engineering panels. These include some of the key panels such as Copper and products, Industrial Boilers, Air condition and repair machinery, Ship, Boats and Floating Bodies, railway, transport and equipment and others. In cumulative terms too, 16 out of 33 panels exhibited a year-on-year decline.
- ❖ Iron and Steel figures recovered from the negative growth observed in past few months and registered 16.9% growth during November 2019 with an overseas shipment recording US\$ 831.36 million from US\$ 710.91 million in the same month last year. In cumulative terms, Iron and steel figures fell by 2% in the first eight months of 2019-20 vis-à-vis same period last fiscal.
- ❖ Products of Iron and Steel also recovered from the negative monthly trend witnessed in the previous months and registered 7.5% growth in November 2019 vis-à-vis November 2018. Cumulative exports registered negative growth to the extent of 0.5% during April-November 2019-20 compared to same period last fiscal. This led to cumulative fall in iron and steel and products of iron and steel to the extent of 1.4% percent in April-November 2019 corresponding to the same period last year.

- ❖ The Non-Ferrous metal segment witnessed declining export growth in Copper and products to the extent of 50.2% in the month of November 2019 and 17.8% during April-November compared to same period last fiscal. Heavyweight segments like Aluminium and products recorded 1.6% growth monthly and 13.3% decline in cumulative terms compared to same period last fiscal. In cumulative terms too, four major out of seven non-ferrous panels experienced a decline in April-November 2019 when compared to April-November 2018.
- ❖ Industrial machinery panel exhibited (-) 2.3% growth during November 2019 over November 2018 and recorded decline in cumulative growth to the extent of 4.53% in the first eight months of 2019-20 compared to same period last fiscal. Four out of seven panels exhibited decline in November 2019 when compared to November 2018. Air Condition and Repair Machinery recorded maximum decline to the extent of 28.7% in November 2019 vis-à-vis last month. 15% negative growth was also witnessed in Industrial Machinery like Boilers and parts in November 2019. Sectors like Machine Tools, Other Industrial Machinery also witnessed positive growth in November 2019 compared to last month. In cumulative terms also the panel witnessed negative growth trend in four panels and the total decline (4.53%) has been outweighed by the monthly declining (2.3%) trend.
- ❖ Electrical Machinery and equipment which generally exhibits rise and is a major export for India experienced growth to the extent of 56.11% in November 2019 when compared to November 2018. In cumulative terms there was 4.6% growth in exports in April-November 2019 when compared to April-November 2018.
- ❖ The panel Automobiles recorded 4.6 percent growth during November 2019, moving up from US\$ 779.86 million in November 2018 to US\$ 815.52 million in November 2019. The growth was accounted for by the increase in y-o-y exports of Motor Vehicles/Cars by 5.4%. Decline in exports was witnessed in Auto components and parts to the extent of 10.44% in November 2019. In cumulative terms though the picture is grim as all three sub-panels recorded a decline in April-November 2019-20 when compared to the same period last year. Overall in cumulative terms the total Automobiles panel recorded a 3.7% decline.
- ❖ Exports of Aircrafts and Spacecraft parts and products recorded positive monthly growth (2.87 percent drop) and negative cumulative growth (21.75 percent drop). On the other hand, 'Ship, Boats and Floating Bodies' exhibited a negative monthly growth in exports (44.60 percent rise) and positive cumulative exports (15.82 percent rise).
- ❖ Some other miscellaneous sectors such as Hand Tools, Office equipment, Electrodes Accumulators, Accumulators and Batteries, Bicycle and parts, Medical and Scientific instruments and Cranes , lifts and winches experienced positive growth in exports in both monthly and cumulative terms although decline in cumulative terms is exhibited by the other construction machinery panel and Railway Transport and Equipment panel, etc.

Data for panels experiencing a decline in the month November 2019 vis-à-vis November 2018

Table 8A: Chapter 74: Copper and Products
Values in US\$ Million

Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	202.49	109.54	-45.9%	67.17	-38.7%
May	236.24	66.38	-71.9%	63.75	-4.0%
June	281.22	69.23	-75.4%	56.46	-18.4%
July	257.73	55.65	-78.4%	62.52	12.3%
August	319.68	77.73	-75.7%	62.63	-19.3%
September	340.95	95.89	-71.9%	87.55	-8.7%
October	297.22	108.51	-63.5%	115.43	6.4%
November	296.92	113.36	-61.8%	56.47	-50.2%
April-November	2232.48	696.26	-68.8%	572.07	-17.84%

Table 8B: Chapter 74: Copper and Products					
Volume in '000 Metric tons					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	33.06	15.12	-54.3%	7.32	-51.6%
May	37.93	7.34	-80.6%	7.21	-1.8%
June	46.04	7.03	-84.7%	5.60	-20.3%
July	42.89	6.44	-85.0%	7.66	18.9%
August	46.69	9.35	-80.0%	7.05	-24.6%
September	49.63	12.68	-74.5%	11.53	-9.13%
October	44.00	15.35	-65.11%	54.25	253.36%
November	42.62	15.24	-64.23		
April-November	300.27	73.34	-75.57%	100.37 (April-October)	

Table 9A: Chapter 79: Zinc and Products					
Values in US\$ Million					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	56.73	79.65	40.40	44.18	-27.05
May	54.36	69.39	27.65	45.79	424.26
June	61.62	68.34	10.91	48.92	-19.24
July	44.70	35.67	-20.20	52.14	-21.22
August	50.39	30.59	-39.29	32.30	-34.14
September	91.57	45.05	-50.80	50.76	24.45
October	62.61	29.62	-52.69	40.40	15.51
November	102.70	46.07	-55.14	45.75	22.58
April-November	524.68	404.38	-22.93	360.24	50.68

Table 9B: Chapter 79: Zinc and Products					
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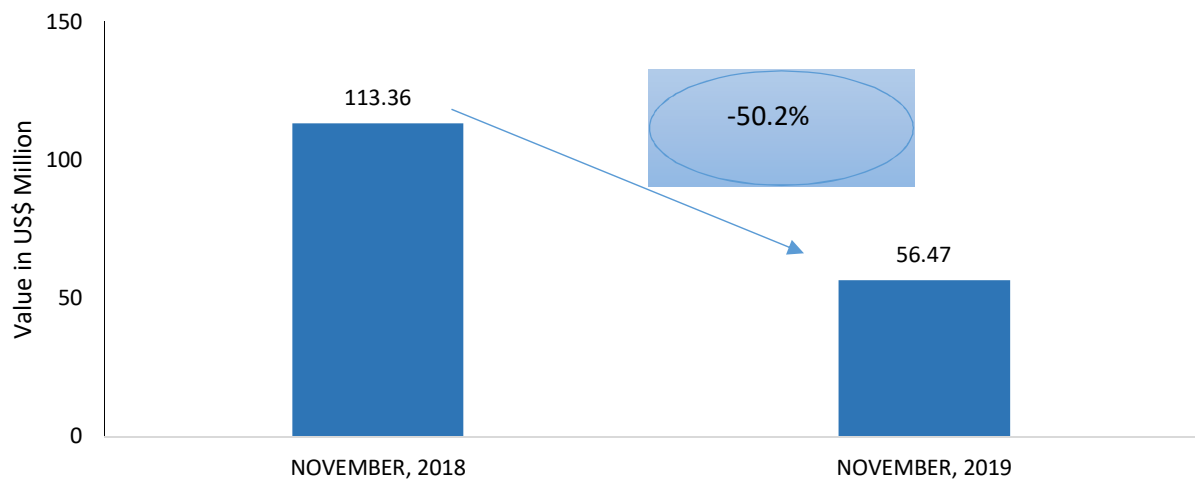
Volume in '000 Metric tons					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	19.27	22.90	18.84	22.90	18.84
May	19.34	20.70	7.00	14.32	-30.78
June	22.04	20.23	-8.23	16.45	-18.67
July	15.45	11.18	-27.60	18.00	60.95
August	16.86	10.34	-38.67	12.01	16.18
September	26.42	16.70	-36.79	19.83	18.72
October	25.28	10.66	-57.83	16.88	58.33
November	29.41	15.41	-47.59		
April-November	174.11	128.16	-26.39		

Table 10A: Chapter 80: Tin and Products					
Volume in '000 Metric tons					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	1.18	0.49	-58.5	0.65	32.7
May	1.98	0.33	-83.3	0.91	175.8
June	0.73	0.77	5.50	0.97	26.0
July	0.45	0.81	80.0	0.48	-40.7
August	0.69	0.77	11.6	1.22	58.4
September	1.58	0.57	-63.9	0.84	47.4
October	0.50	0.67	34.0	0.78	16.4
November	0.66	1.14	72.7	1.1	-3.5
April-November	7.77	5.55	-28.6	6.95	25.2

Table 10B: Chapter 80: Tin and Products					
Volume in '000 Metric tons					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	146.23	73.80	-49.5	62.69	-15.05
May	163.14	123.13	-24.5	119.53	-2.92
June	138.12	130.20	-5.7	98.97	-23.99
July	69.73	68.30	-2.1	61.00	-10.69
August	56.29	72.78	29.3	110.78	52.22
September	38.14	38.14	0.0	65.82	72.57
October	37.19	43.23	16.2	126.87	193.45
November	51.65	63.73	23.40		
April-November	743.27	549.57	-17.49	645.65 (April - October)	

Slump in Copper and Copper Products exports

Figure 3: Slump in Copper Exports in November 2019 v/s November 2018



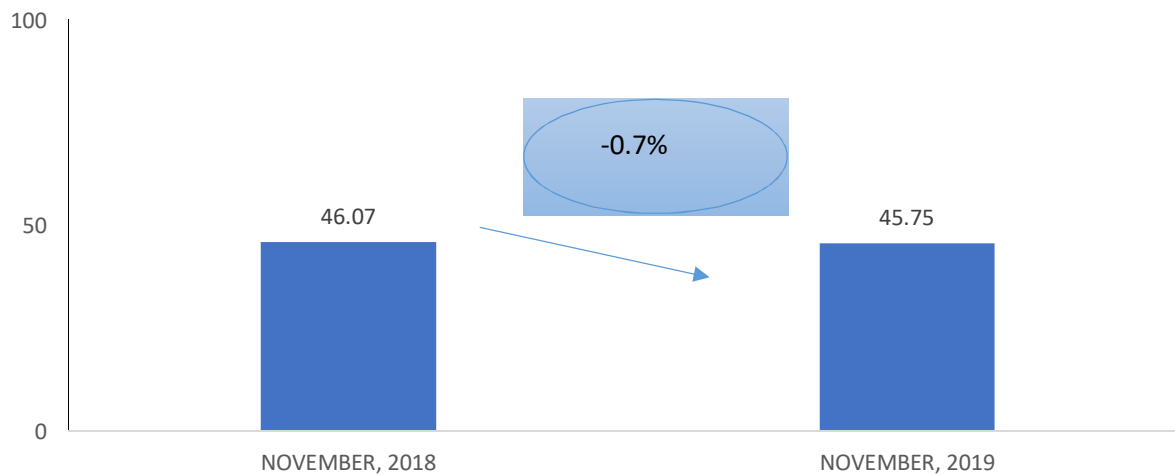
Reasons for the fall

- ❖ India's copper production continues to shrink due to the closure of the Starlight factory in Tamil Nadu while the consumption has increased. The domestic production of refined copper in the current fiscal continues to remain stressed falling 6.4 per cent to 229.1 thousand tonnes in the first seven months.¹ This is also having a negative impact on the exports of copper.

Slump in Zinc Products exports

Figure 4: Slump in Zinc Exports in November 2019 v/s November 2018

¹ <https://www.businesstoday.in/current/economy-politics/india-refined-copper-production-shrinks-64-sterlite-copper-hindustan-copper-see-massive-slump-in-output/story/391901.html>

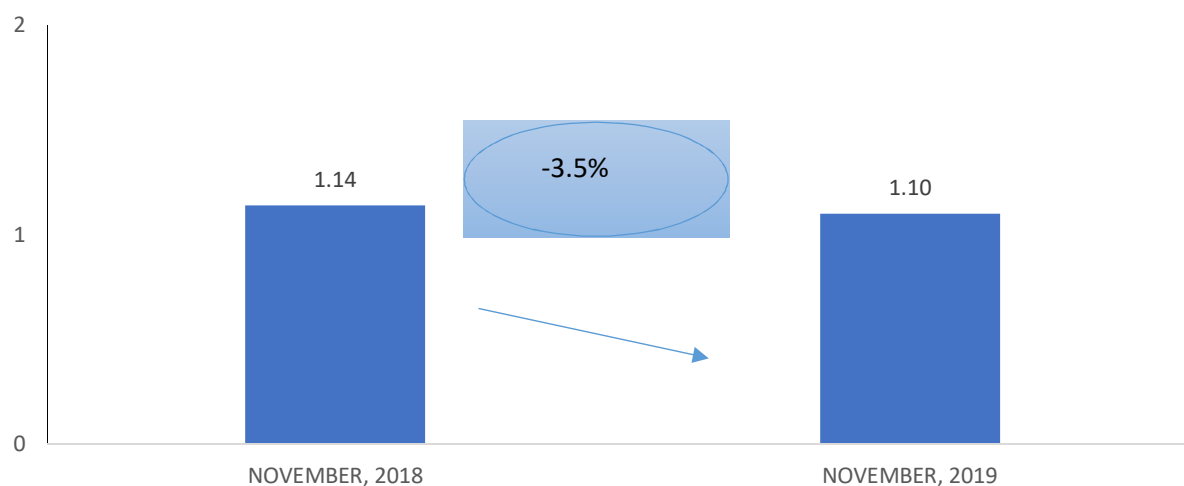


Reasons for the fall

- ❖ The fall in export of zinc may be explained by the rising demand in the domestic market due to increased usage of galvanised steel in different sectors.² The rising demand has increased sales in the domestic market and affected exports

Slump in Tin Products exports

Figure 5: Slump in Tin Exports in November 2019 v/s November 2018



Reason for fall

² <https://www.deccanherald.com/business/economy-business/need-for-galvanisation-pushes-zinc-demand-785805.html>

Globally all base metal markets have been reeling under the growing trade tensions and falling LME prices. The tiny Tin market has also been affected as LME prices of tin has continued to fall since July 2019. Core demand weakness is coming from the semiconductor sector, where cyclical downturn is exacerbated by the current trade tensions between Japan and South Korea.³

6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during November 2019. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. (Tables 13-21)

Table 11: Export of Iron & Steel
US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
VIETNAM	33.35	127.80	283.15	243.58	820.93	237.03
NEPAL	97.18	55.46	-42.93	821.64	636.40	-22.54
U A E	59.61	56.15	-5.81	467.68	506.76	8.36
ITALY	42.89	42.89	-0.02	521.68	460.79	-11.67
CHINA	27.11	83.60	208.36	166.40	390.08	134.43
High cumulative growth						
VIETNAM	33.35	127.80	283.15	243.58	820.93	237.03
CHINA	27.11	83.60	208.36	166.40	390.08	134.43
OMAN	6.18	5.39	-12.83	41.22	69.96	69.71
HONG KONG	0.42	0.12	-71.64	42.80	63.37	48.05
RUSSIA	5.27	7.79	47.97	54.97	76.51	39.18
SRI LANKA	17.59	19.77	12.37	93.79	127.85	36.32
Sharp cumulative decline						
PHILIPPINES	13.12	4.97	-62.08	79.68	36.65	-54.00
ETHIOPIA	9.97	4.99	-49.98	65.09	40.28	-38.11
KOREA	32.41	27.10	-16.38	330.91	207.88	-37.18
SAUDI ARABIA	15.50	12.86	-17.04	95.10	63.25	-33.50
INDONESIA	31.72	24.93	-21.42	197.01	133.61	-32.18
MEXICO	8.23	4.12	-49.94	70.26	47.81	-31.95

³ <https://www.mining.com/web/tiny-tin-market-sounds-a-recessionary-warning-note/>

TURKEY	9.37	10.94	16.80	130.71	89.84	-31.27
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(Source: Department of Commerce, Government of India)

- ❖ Vietnam, Nepal and UAE were the three top three importers of Indian Iron and Steel during April- November 2019 with market shares of 12.85 percent, 9.96 percent and 7.94 percent respectively.
- ❖ Vietnam, China, Oman, Hong Kong, Sri Lanka and Russia recorded more than 35 percent year-on-year growth in exports of Indian Iron and Steel during April- November 2019 compared to April- November 2018.
- ❖ Philippines, Ethiopia and Korea experienced sharp downfall to the extent of more than 35% drop in exports during April- November 2019 compared to same period last fiscal.

Table 12: Export of Products of Iron & Steel

US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
U S A	127.23	119.05	-6.43	1059.08	1080.01	1.98
UAE	34.58	33.75	-2.41	289.20	273.07	-5.58
GERMANY	30.73	23.50	-23.54	278.50	254.01	-8.79
CANADA	14.45	61.07	322.57	172.50	243.44	41.12
U K	24.75	23.16	-6.42	204.85	197.70	-3.49
High cumulative growth						
PERU	0.59	11.47	1859.50	3.45	45.33	1212.08
PAKISTAN	1.17	0.01	-98.88	2.42	15.82	553.64
ETHIOPIA	1.19	10.58	791.27	9.46	32.18	240.29
DOMINIC REPUBLIC	0.47	0.45	-4.96	6.25	12.00	91.93
MAURITIUS	0.99	1.33	33.27	6.25	10.85	73.59
INDONESIA	3.63	4.12	13.71	39.43	67.62	71.49
Sharp cumulative decline						
IRAQ	0.09	0.11	21.62	30.21	3.47	-88.52
EGYPT	4.93	3.46	-29.77	73.05	24.62	-66.30
TANZANIA	13.95	4.55	-67.40	65.29	24.17	-62.98
SOUTH AFRICA	6.75	3.52	-47.94	63.29	40.34	-36.27
KUWAIT	8.49	4.51	-46.87	68.92	44.51	-35.41
CHILE	2.04	0.92	-54.75	51.22	34.53	-32.58
QATAR	11.64	9.99	-14.16	97.10	67.11	-30.88

(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- November 2019 with 23.30 percent, 5.89 percent and 5.48 percent shares respectively in India's global import of the same.
- ❖ Pakistan, Peru and Ethiopia experienced more than 200% growth in import of 'Products of Iron and Steel' during April- November 2019.
- ❖ Iraq, Egypt and Tanzania conceded substantial decline in imports by more than 60% for the said product group from India during April- November 2019.

Table 13: Export of Industrial Machinery

US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
U S A	178.69	172.52	-3.45	1514.84	1416.69	-6.48
BANGLADESH	55.99	54.04	-3.49	416.46	453.98	9.01
THAILAND	46.26	55.77	20.58	413.33	449.35	8.71
GERMANY	54.93	41.63	-24.22	427.82	399.46	-6.63
CHINA	35.48	49.28	38.90	330.85	390.26	17.96
High cumulative growth						
MYANMAR	2.94	4.37	48.69	32.54	50.50	55.19
NIGERIA	22.07	38.38	73.95	231.27	355.05	53.52
PHILIPPINES	7.98	10.35	29.82	48.88	73.03	49.40
UGANDA	3.72	7.03	88.91	39.62	58.62	47.97
SINGAPORE	17.57	26.82	52.61	145.97	208.17	42.61
BELGIUM	9.02	7.63	-15.40	77.57	96.15	23.96
FRANCE	21.24	21.98	3.47	176.66	212.41	20.23
Sharp cumulative decline						
IRAN	4.62	6.00	29.73	149.21	38.11	-74.46
VIETNAM	12.33	11.56	-6.21	134.05	78.37	-41.53
KENYA	12.34	10.33	-16.30	143.74	88.31	-38.57
TURKEY	37.05	29.21	-21.17	328.13	206.56	-37.05
U K	33.61	26.99	-19.70	353.53	245.54	-30.55
SAUDI ARABIA	41.89	23.24	-44.51	242.71	185.30	-23.66

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April- November 2019 with 15.72 percent share in India's global import of the product group. Bangladesh and Thailand were the two immediate followers of USA with 5.04 percent and 4.99 percent shares respectively.

- ❖ Myanmar, Nigeria, Philippines and Uganda were among the major importing nations witnessing growth of more than 45% in imports of Industrial machinery from India during April- November 2019 over the same period last fiscal.
- ❖ Among the major importers, Iran, Turkey, Vietnam, UK, Kenya and Saudi Arabia recorded over 20 percent year-on-year declines in imports during April- November 2019.

Table 14: Automobiles

US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
MEXICO	89.65	103.84	15.82	874.62	851.74	-2.62
SOUTH AFRICA	55.51	104.09	87.51	453.25	581.77	28.35
U S A	82.58	75.17	-8.98	587.23	500.79	-14.72
SAUDI ARABIA	11.79	59.38	403.58	137.40	340.94	148.14
NIGERIA	33.03	52.98	60.39	225.41	299.09	32.69
High cumulative growth						
ISRAEL	1.32	0.11	-91.70	7.82	68.15	771.95
VIETNAM	2.93	1.17	-59.95	9.74	48.90	401.84
JORDAN	0.52	1.08	106.83	8.38	30.27	261.13
THAILAND	2.09	6.45	209.05	11.25	35.43	215.02
SAUDI ARABIA	24.50	90.11	267.71	161.91	431.05	166.23
KUWAIT	4.18	10.03	140.25	28.08	64.91	131.16
OMAN	2.30	4.47	94.51	19.27	30.93	60.57
ITALY	10.43	0.81	-92.22	94.46	137.66	45.74
Sharp cumulative decline						
EGYPT	11.56	1.99	-82.77	93.45	14.10	-84.91
BELGIUM	2.63	1.05	-60.26	45.56	7.68	-83.15
ECUADOR	2.98	3.83	28.43	65.37	22.53	-65.53
ALGERIA	3.18	0.00	-100.00	193.10	80.74	-58.19
CANADA	12.89	7.04	-45.42	92.85	39.32	-57.66
SPAIN	10.35	0.23	-97.77	44.79	20.07	-55.19
BANGLADESH	72.92	34.64	-52.49	479.04	283.89	-40.74

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ❖ Mexico, South Africa and USA were top three importers of India's Automobiles during April- November 2019 with 14.32, 9.66 and 8.79 percent share in India's global exports respectively over the same period last fiscal.
- ❖ Israel, Vietnam, Jordan, Thailand, Saudi Arabia and Kuwait recorded over 125 percent growth in imports of the product group from India during April- November 2019 over the same period last fiscal.
- ❖ Countries like Belgium, Egypt and Ecuador saw their imports of automobile lower by more than 65% during April- November 2019 compared to same period last fiscal.

Table 15: Export of Non-Ferrous metals

US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
KOREA	57.61	94.20	63.51	620.79	796.30	28.27
MALAYSIA	169.00	157.95	-6.54	589.39	775.88	31.64
U S A	91.94	86.86	-5.53	698.62	642.76	-8.00
CHINA	68.98	28.70	-58.40	220.76	258.36	17.03
TAIWAN	24.98	25.80	3.29	195.03	184.97	-5.16
High cumulative growth						
SINGAPORE	8.77	4.85	-44.70	21.03	66.95	218.29
OMAN	3.00	6.17	105.78	32.52	51.98	59.84
BAHARAIN	3.94	1.48	-62.41	25.31	39.44	55.84
EGYPT	4.19	3.62	-13.60	17.56	27.03	53.94
ETHIOPIA	7.31	8.58	17.37	17.86	24.82	38.98
AUSTRALIA	2.19	2.39	9.05	19.86	27.52	38.58
Sharp cumulative decline						
TURKEY	4.44	9.30	109.39	410.98	29.55	-92.81
ITALY	18.41	3.35	-81.81	216.77	78.27	-63.89
MEXICO	15.73	9.85	-37.40	259.75	94.95	-63.45
SPAIN	16.66	4.79	-71.22	160.31	61.76	-61.48
NETHERLAND	7.51	6.91	-8.07	133.17	66.84	-49.81
BANGLADESH	16.89	13.75	-18.59	180.22	109.19	-39.41

(Source: Department of Commerce and CSO)

- ❖ Korea, Malaysia and USA were the top three importers of India's Non-ferrous metals and products' during April- November 2019 with 15.92 percent, 15.51 percent and 12.85 percent shares respectively in India's global import of the same.
- ❖ Singapore experienced more than 200% growth in import of Non-ferrous metals and products ' during April- November 2019.

- ❖ Turkey, Italy, Mexico and Spain conceded substantial decline in imports by more than 60% for the said product group from India during April- November 2019 vis-à-vis same period last fiscal.

Table 16: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
U S A	161.65	370.87	129.44	1340.72	1672.71	24.76
GERMANY	59.57	64.61	8.46	646.70	604.56	-6.52
U K	20.30	30.93	52.36	332.71	449.23	35.02
SINGAPORE	10.53	30.27	187.54	370.08	335.32	-9.39
FRANCE	11.48	24.25	111.22	145.33	182.51	25.58
High cumulative growth						
NIGERIA	5.29	27.80	425.43	51.12	150.44	194.28
SOUTH AFRICA	1.71	3.81	122.82	23.28	47.18	102.63
MEXICO	3.67	6.06	65.41	47.19	84.44	78.93
KOREA	2.83	3.31	16.89	26.71	41.93	56.94
POLAND	7.11	5.93	-16.59	51.36	79.25	54.30
Sharp cumulative decline						
BELGIUM	36.37	9.44	-74.05	283.80	87.96	-69.01
INDONESIA	4.77	3.92	-17.86	97.85	31.92	-67.38
EGYPT	2.10	1.12	-46.50	34.66	15.85	-54.28
JAPAN	5.45	7.89	44.68	148.14	69.28	-53.23
NETHERLAND	6.94	3.95	-43.07	52.33	36.98	-29.33
AUSTRALIA	25.30	5.76	-77.23	78.01	56.26	-27.88

(Source: Department of Commerce and CSO)

- ❖ USA, Germany and UK were the three top importers of Indian Electrical Machinery and Components during April- November 2019 with market shares of 28.56 percent, 10.32 percent and 7.67 percent respectively. Out of these top three importers, Germany and Singapore experienced a drop in imports during April- November 2019 compared to April- November 2018.
- ❖ Nigeria, South Africa, Mexico, Poland and Korea recorded more than 50% growth in imports of India's Electrical Machinery and Components during April- November 2019 vis-a-vis April- November 2018.
- ❖ Belgium and Indonesia experienced the sharp decline in its imports, -69% and 67% in April- November 2019 when compared to April- November 2018. It is also the case for Egypt and Japan which experienced more than 50 percent drop.

Table 17: Export of Aircrafts and Space crafts

US\$ million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
Top Five Importers						
U S A	38.74	37.56	-3.06	365.63	336.56	-7.95
FRANCE	12.28	15.22	24.01	172.75	111.53	-35.44
SINGAPORE	16.67	12.83	-23.06	170.94	111.42	-34.82
U K	13.70	13.00	-5.07	151.73	111.00	-26.84
GERMANY	5.92	4.54	-23.29	82.98	45.76	-44.86
High cumulative growth						
SPAIN	0.27	0.25	-9.40	1.23	3.60	193.73
MEXICO	0.24	1.23	406.24	3.59	7.43	106.73
HONG KONG	0.25	0.12	-52.35	2.75	4.42	60.79
VIETNAM	0.07	0.00	-100.00	2.67	4.16	56.12
CANADA	0.90	0.78	-13.83	7.54	11.46	51.88
MALAYSIA	3.58	3.81	6.29	25.67	38.27	49.10
Sharp cumulative decline						
SEYCHELLES	0.00	0.00	-100.00	23.13	0.14	-99.40
BELGIUM	0.09	0.04	-54.61	11.95	1.46	-87.80
IRELAND	0.00	0.20	6403.33	12.43	1.58	-87.26
POLAND	0.29	0.52	80.95	10.97	3.09	-71.83
SWITZERLAND	1.90	0.50	-73.70	18.76	6.36	-66.11

(Source: Department of Commerce and CSO)

- ❖ USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April- November 2019 with around 36.84, 11.88 and 11.87 percent shares respectively in India's total global exports of the product.
- ❖ Spain, Mexico and Hong Kong registered substantial growths of more than 60% in import of the product group from India during April- November 2019 as compared with the same period last fiscal.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Seychelles, Ireland, Belgium, Poland and Switzerland dropped more than 65 percent on a year-on-year basis during April- November 2019 when compared to April- November 2018.

Table 18: Export of Ships, Boats and Floating Structures and parts

US\$ million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL- NOVEMBER 2018	APRIL- NOVEMBER 2019	Growth (%)
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Top Five Importers						
U A E	33.17	5.45	-83.58	1186.03	972.68	-17.99
SINGAPORE	0.00	31.36	-	384.68	815.89	112.10
CYPRUS	0.00	0.00	-	0.00	349.98	-
MALAYSIA	0.00	0.00	-	0.00	191.34	-
SRI LANKA	19.28	11.47	-40.51	209.14	174.47	-16.58
High cumulative growth						
NETHERLAND	0.00	0.01	-	0.03	6.71	21231.36
GERMANY	0.00	0.00	-	0.06	12.27	18952.30
FRANCE	0.22	0.00	-100.00	2.97	22.55	658.16
MAURITIUS	0.00	0.00	-	2.33	7.35	215.15
SINGAPORE	0.00	31.36	-	384.68	815.89	112.10
Sharp cumulative decline						
BAHRAIN	58.35	0.00	-100.00	63.63	0.00	-100.00
SOUTH AFRICA	0.00	0.00	-	198.48	0.00	-100.00
BELGIUM	0.00	0.00	-	150.05	0.01	-100.00
NIGERIA	0.00	0.00	-	24.87	0.00	-99.99
QATAR	0.00	0.00	-	29.01	0.01	-99.97
SAUDI ARABIA	0.00	0.00	-	104.60	4.71	-95.49
BANGLADESH	0.00	0.00	-	20.48	2.39	-88.33

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, Singapore and Cyprus became the largest importer of ships, boats and floating structures followed by Malaysia and Sri Lanka. Their respective shares are 31.52 percent, 26.44 percent, 11.34 percent, 6.20 percent and 5.65 percent.
- ❖ Imports to Netherland and Germany recorded significantly large increase as they had practically no import in April- November 2018.
- ❖ However, sharp decline was noticed in exports to Saudi Arabia and Bangladesh. In fact exports to these countries have been less than US\$ 5 million in April- November 2019. Whereas the exports dropped to zilch for Bahrain, South Africa, Belgium, Nigeria and Qatar.

Table 19: Export of Auto Components
US\$ Million

COUNTRY	NOVEMBER 2018	NOVEMBER 2019	Growth (%)	APRIL-NOVEMBER 2018	APRIL-NOVEMBER 2019	Growth (%)

Top Five Importers						
U S A	100.52	85.42	-15.01	807.51	802.39	-0.63
BANGLADESH	17.39	21.32	22.61	199.44	186.88	-6.30
BRAZIL	21.45	22.25	3.74	187.46	184.93	-1.35
TURKEY	19.56	26.08	33.37	226.35	173.19	-23.49
GERMANY	24.01	18.13	-24.49	175.99	170.35	-3.21
High cumulative growth						
PHILIPPINES	3.61	11.14	208.63	29.27	62.14	112.34
CZECH REPUBLIC	1.54	2.71	76.53	12.69	23.53	85.44
SAUDI ARABIA	1.83	0.74	-59.74	13.85	23.15	67.15
TAIWAN	1.65	2.40	45.18	11.31	15.97	41.23
MALAYSIA	2.34	2.48	6.14	17.35	24.39	40.58
CHILE	1.26	1.42	13.26	11.93	16.44	37.83
Sharp cumulative decline						
UZBEKISTAN	3.11	0.42	-86.59	13.60	2.03	-85.07
MYANMAR	1.78	3.28	84.44	22.62	14.14	-37.48
ALGERIA	1.43	1.20	-16.21	12.22	7.70	-36.95
KENYA	1.45	1.31	-9.75	17.45	12.38	-29.04
AUSTRIA	1.64	1.31	-20.13	10.29	7.65	-25.59

(Source: Department of Commerce and CSO)

- ❖ USA remained the top importer of auto components in April- November 2019 with a share of 22.39 percent. It is followed by Bangladesh, Brazil, Turkey and Germany with respective shares of 5.22 percent, 5.16 percent, 4.83 percent and 4.75 percent.
- ❖ Philippines, Czech Republic and Saudi Arabia recorded maximum increase of more than 65 percent in imports from April- November 2019 when compared to April- November 2018
- ❖ However, Uzbekistan, Myanmar, Algeria, Kenya and Austria recorded significant decline of more than 25 percent in April- November 2019 when compared to April- November 2018.

Analysis of India's engineering imports

India's Engineering imports during November 2019 were valued at US\$ 7611.7 million compared to US\$ 9245.4 million in November 2018 recording a high negative growth of 17.7 percent in dollar terms.

Cumulative engineering imports during April- November 2019-20 was recorded at US\$ 66.8 billion as against US\$ 72.4 billion during the same period last fiscal registering fall of 7.7 percent.

Engineering imports for the year 2018-19 was recorded at US\$ 104.2 billion as against US\$ 93.9 billion during 2017-18 and US\$ 81.83 billion in 2016-17 registering a cumulative growth of 10.9 and 11.6% respectively.

The share of engineering imports in India's total merchandise imports in November 2019 has decreased to that of during November 2018 estimated at 20.0%.

The monthly engineering import figures for fiscal November 2019 vis-à-vis November 2018 is depicted below as per the latest availability of figure:

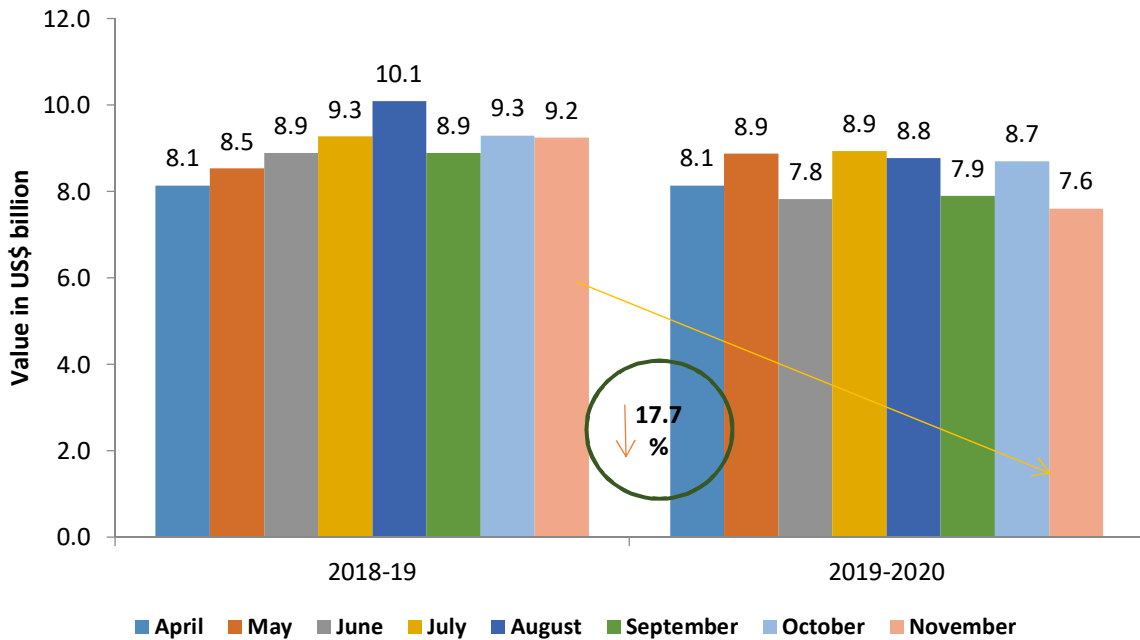
Table 20: Engineering Imports
(US\$ Million)

Months	2018-19	2019-20	Growth (%)
Apr	8139.45	8143.84	0.1
May	8536	8875.2	4.0
June	8890.89	7827.95	-12.0
July	9272.5	8938.2	-3.6
August	10097.3	8779.3	-13.1
September	8858.41	7915.5	-10.6
October	9346.29	8711.71	-6.8
November	9245.44	7611.71	-17.7

Source: Department of Commerce, Government of India

Figure below depicts the monthly trend in engineering imports **for November 2019 and November 2018**

Fig 6: Monthly Engineering Imports for 2019-20 vis-a-vis 2018-19
US\$ billion



Trend in two-way engineering trade

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2018-19 as well as the first eight months of the current fiscal 2019-20 depicted in the table below:

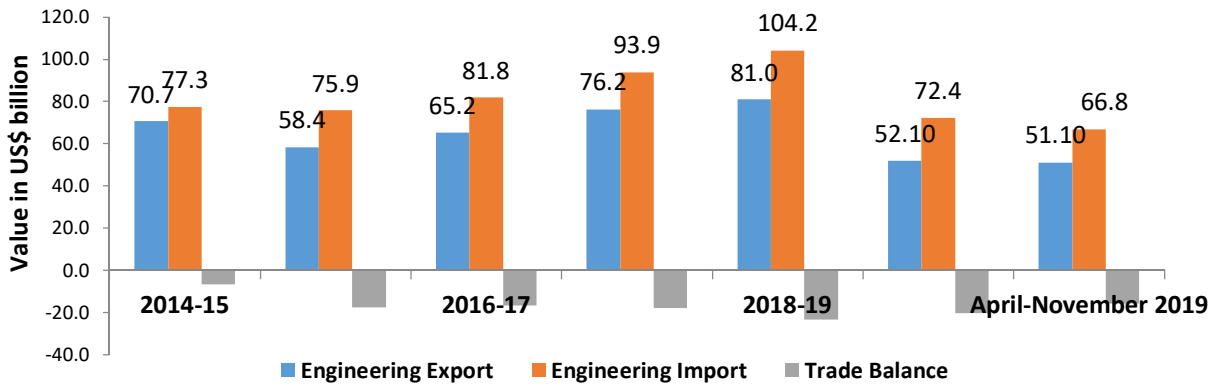
Table 21: Engineering Trade
(US\$ Million)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	Growth %	April-November 2018	April-November 2019	Growth %
Engineering Export	70.7	58.4	65.2	76.2	81.0	6.3	52.10	51.10	-2.1
Engineering Import	77.3	75.9	81.8	93.9	104.2	10.9	72.4	66.8	-7.7
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1		-20.3	-15.7	

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

Figure 7 below depicts the yearly trend in engineering trade from 2014-15 to 2018-19 as well as April-November 2019-20 of the current fiscal

Figure 7: Trend in Monthly Engineering Trade



To conclude...

After experiencing a Y-o-Y downfall in engineering exports in the first six months of the current fiscal, India's engineering exports recorded a positive y-o-y growth for the last two consecutive month. This month the growth was recorded at 6.30% and remains significant given the fact that total merchandise exports have come down by 0.34% during the same period. The increase has been on the account of significant growth in export of various segments of electrical machinery (56.11%), various ferrous and non-ferrous metals. The industry remains hopeful that engineering exports will continue with this northbound journey in the coming months.

Global trade scenario continue to remain depressing due to several factors such as the US-China trade war, trade tensions between Japan and South Korea, falling industrial production in major nations and dwindling demand. While economists have refuted the claim of a global recession, it cannot be denied that the impact of the global economic slowdown has affected factories as well as households. Export declines have been witnessed in major manufacturing economies including China and Japan. As per recent news China's exports fell by 1.1% in November recording fourth successive monthly decline.⁴ At the same time Japan's exports fell by 7.9%, marking 12 straight months of decline.⁵ This downward trend is more evident from the fact that the WTO has continued to reduce its global trade growth forecast, the current forecast being 1.2% from the earlier 2.6% mainly due to trade tensions and sluggish global economy.

Furthermore, India's key export subsidy schemes including MEIS faced challenge from US at the WTO resulting in the possible withdrawal of the schemes. The government promptly addressed this issue by announcing the Remission of Duties or Taxes on Export Product

⁴ <https://www.scmp.com/economy/china-economy/article/3041124/chinas-exports-fell-again-november-trade-war-pain-continues>

⁵ <https://www.marketwatch.com/story/japans-exports-fall-for-12th-straight-month-2019-12-17>

(RoDTEP) scheme which should replace MEIS. However, with US threatening the imminent dismissal of the WTO Appellate Body which addresses the trade disputes, the future of both export promotion schemes now becomes uncertain.⁶

On the domestic front, the government has taken a number of steps to make the business environment conducive and to facilitate exports. The country has achieved the remarkable feat of being among the top 10 improvers for three consecutive years in Ease of Doing Business. The country is currently ranked at 63, an improvement of 14 points from the previous rank of 77, highest jump by any large country since 2011.

ECGC has introduced a new Export Credit Insurance Scheme, 'Nirvik' for exporters which is expected to cost the exchequer INR 1700 crores. A capital of INR. 389 crore has been infused into ECGC on 21st June 2019 to provide extra support to exports to emerging and challenging markets like Africa, CIS, Latin America and Asian countries. In terms of specific sectoral benefits, given the importance of the bicycle industry in India, second largest globally, the government has formed a Bicycle Development Council whose objective is to develop the standards of the bicycle industry and its small parts manufacturers.

Also, in our experience it is found that exporters often do not opt for FTA/PTA routes due to the complex processes involved. To address those the government has introduced 'Origin Management System' meant to provide single access points for all exporters for all FTAs and PTAs and for all agencies. The process will remain electronic, paperless and transparent. Exporters feel that this scheme would be of significant benefit for them. In this context it needs to be noted that, EEPC India has been making repeated requests to the government to expedite their process of engaging in FTAs with CIS, Africa and LAC as we feel that India's current FTAs are heavily concentrated in Asia.

Overall the current global situations remain tense and both the exporters and the government need to practice extreme caution while formulating policies for export promotion. At the same time, given government's sincere efforts to revive the industry and increase exports, the engineering industry feels more positive towards the future.

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⁶ <https://www.thehindubusinessline.com/economy/key-wto-body-may-become-dysfunctional-from-december-11/article30069712.ece>