

Engineering Exports and Imports Monitor

January 2020



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for January 2020

Overall Scenario

India's merchandise exports declined for sixth month in a row to January 2020

- ❖ India's merchandise exports declined on a year-on-year basis for the fifth straight month to January 2020. This time, merchandise exports dropped to USD 25.97 billion from USD 26.41 billion in January 2019, conceding 1.66 percent decline due to slowdown in global demand. In rupee terms, the decline was lower at 0.86 percent Y-o-Y during the month.
- ❖ Cumulative merchandise exports during April-January 2019-20 USD 265.26 billion as against USD 270.49 billion during the same period last fiscal, registering a negative growth of 1.93 percent in Dollar terms. The decline was 1.02 percent in Rupee terms on a cumulative basis.
- ❖ Merchandise Imports also contracted by 0.75 percent in dollar terms to USD 41.14 billion in January 2020 from USD 41.46 billion in January 2019. In rupee terms however imports grew by 0.07 percent.
- ❖ Trade deficit widened marginally after several months to USD 15.17 billion in January 2020 was 0.8 percent higher than the deficit in January 2019 at USD 15.05 billion. On a cumulative basis, trade deficit improved by 18.4 percent to US\$ 133.27 billion during April-January 2019-20 from US\$ 163.27 billion during the same period last fiscal.

India's engineering exports declined for the second straight month to January 2020

- ❖ Engineering exports from India recorded year-on-year decline for the second straight month to January 2020 and this time the decline was higher at 4.17 percent as against 1.05 percent in December 2019. The month of January 2020 saw engineering exports at USD 6,033.39 million as against USD 6,295.94 million recorded in the same month last fiscal.
- ❖ Cumulative estimates showed that engineering exports continued to slide on a y-o-y basis. It was recorded at US\$ 64,036.23 million during April-January 2019-20 as against US\$ 65350.87 million during the same period last fiscal, registering 2.01 percent decline over the year.
- ❖ The share of engineering exports in India's total merchandise exports moderated to 23.23 percent in January 2020 from 25 percent during December 2019. The share was 23.49 percent in November 2019, 24.05 percent in October and 24.4 percent in September 2019. On a cumulative basis, the contribution of engineering exports in India's total merchandise exports was 24.14 percent during April-January 2019-20.

- ❖ Out of 33 engineering panels, as much as 18 panels recorded year-on-year decline in exports during January 2020. On a cumulative basis, the number of panels conceded negative growth were 17.
- ❖ During January 2020, 13 nations out of India's top 25 export destinations for engineering products recorded growth in exports vis-à-vis January 2020. On a cumulative basis for April-January 2019-20, the number of countries were 12.

India's January engineering imports down by 3.4 %

- ❖ India's Engineering imports during January 2020 were valued at US\$ 9271.98 million compared to US\$ 9594.17 million in January 2019 recording a negative growth of 3.4 percent in dollar terms.
- ❖ Cumulative engineering imports during April-January 2019-20 was recorded at US\$ 85.0 billion as against US\$ 92.3 billion during the same period last fiscal registering a fall of 8.0 percent.
- ❖ The share of engineering imports in India's total merchandise imports in January 2020 has decreased to that of during January 2019 estimated at 22.5%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

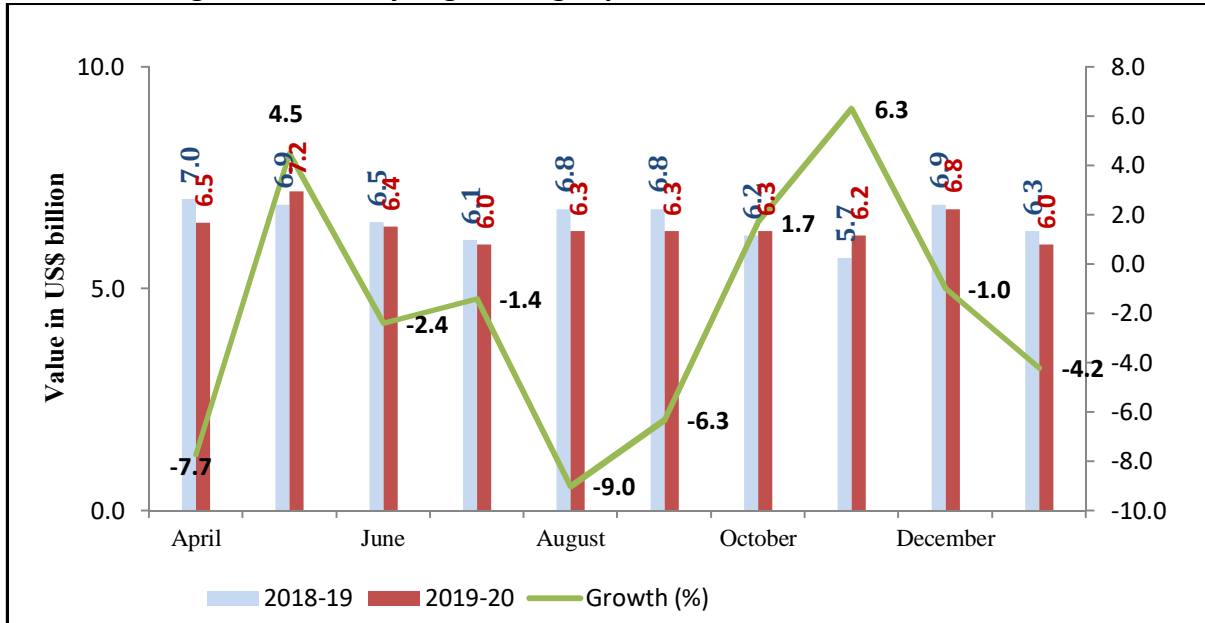
The monthly engineering figures for 2019-20 vis-à-vis 2018-19 are depicted below as per the latest DGCIS estimates:

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	6352.14	-2.46
April-June	20460.93	20076.61	-1.88
July	6052.64	5948.79	-1.72
August	6974.48	6347.69	-8.99
September	6769.15	6344.72	-6.27
April-September	19796.27	18641.20	-5.83
October	6151.93	6252.5	1.63
November	5740.17	6199.15	8.00
December	6905.63	6833.38	-1.05
October-December	18797.73	19285.03	2.59
January	6295.94	6033.39	-4.17
April-January	65350.87	64036.23	-2.01

Source: DGCIS, Govt. of India.

Figure 1: Monthly Engineering Exports in 2019-20 vis-a-vis 2018-19



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 bank 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. Again from October to December 2020, both moved in the same direction. Engineering exports bounced back to growth path in October 2019 while growth accelerated in November 2019. On the other hand, decline in manufacturing moderated in October and then registered decent growth in November 2019. During December 2020, both engineering exports and manufacturing output conceded year-on-year decline. **As per the latest figures, manufacturing output and engineering exports moved in the same direction in seven out of the first nine months of fiscal 2019-20.** Perhaps, the trend in Table 2 shows a lagged effect of a month. We need to see how this plays out during the last quarter 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
July 2019	-1.72	4.8
August 2019	-8.99	-1.6
September 2019	-6.27	-4.0
October 2019	1.63	-2.1
November 2019	8.00	2.7
December 2019	-1.05	-1.2
January 2020	-4.17	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	6905.63*	-3.60%
Quarter 3	19705.99	18797.73*	-4.61%
January	6217.28	6295.94*	1.27%
February	6332.92	6439.29	1.68%
March	7839.32	9156.46	16.80%
Quarter 4	20389.52	21891.69*	7.37%
April-March	76199.33	80946.62*	6.23%

Source: DGCI&S

* Revised data

Impact of Exchange Rate

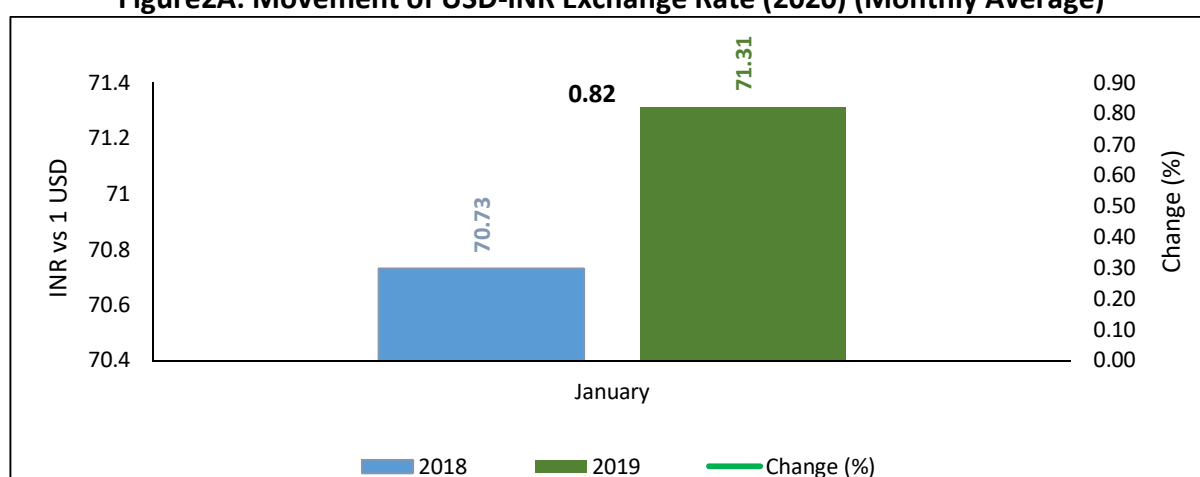
How has the exchange rate been changing in 2020 vis-à-vis 2019? We look at the monthly average exchange rate for both 2020 and 2019. The table and the chart below provide the scenario:

As mere one month figure does not determine the trend, we will continue to include the Rupee-Dollar trend analysis table and the movement chart for 2019 so that the short-term trend can be understood clearly.

Table 4A: USD-INR average exchange rate in 2020

Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	2019	2020		
January	70.73	71.31	0.82	Depreciation

Figure2A: Movement of USD-INR Exchange Rate (2020) (Monthly Average)



Source: RBI, FBIL, EEPC Research

Rupee depreciated in Jan 2020 vis-à-vis the US Dollar: After appreciating in each month between September and November 2019 over the US Dollar, the Indian rupee again started weakening from December 2019 and recorded marginal depreciation of 0.65 percent and 0.82 percent in December 2019 and January 2020 respectively. Rupee has been hovering around 71 per US Dollar during the last six months.

Rupee-Dollar Trend in 2019

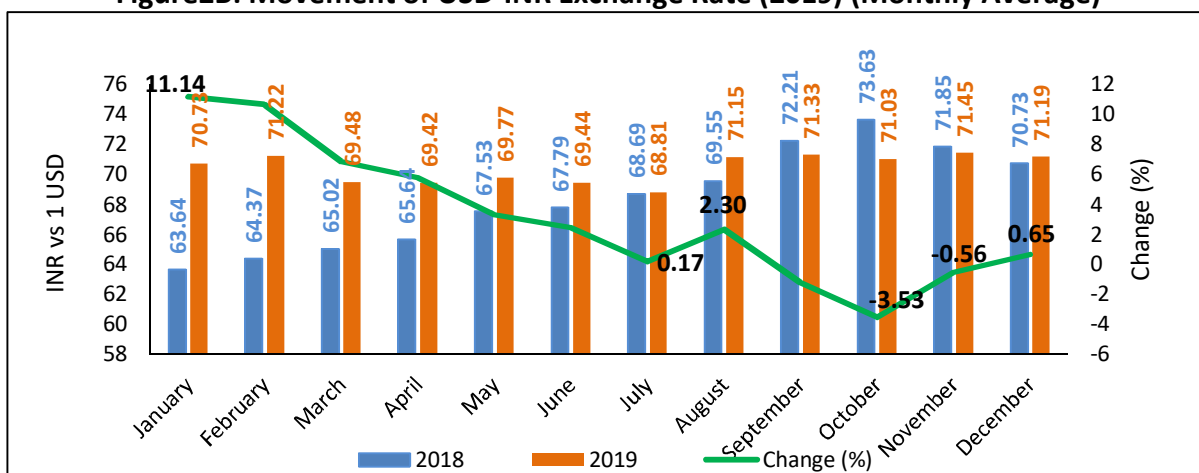
Table 4B: USD-INR average exchange rate in 2019

Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	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	72.21	71.33	-1.22	Appreciation
October	73.63	71.03	-3.53	Appreciation
November	71.85	71.45	-0.56	Appreciation
December	70.73	71.19	0.65	Depreciation

A noteworthy feature of Rupee-Dollar movement in 2019 had been the relative hardening of Rupee in 2019 as indicated by the narrowing in the rate of depreciation over corresponding months of last year between January and July 2019. After a somewhat higher depreciation in August 2019, rupee started appreciating against the US Dollar for the next three months. The month of December 2019 however saw rupee on a depreciating mode. The pictorial representation may provide a clearer picture.

Figure2B: Movement of USD-INR Exchange Rate (2019) (Monthly Average)



Source: RBI, FBIL, EEPC Research

3. Top 25 engineering export destinations in January 2020

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April- January 2019-20 over April- December 2018-19.

Table-5: Engineering exports country wise, (2019-20)

US\$ million

Country	January 2019	January 2020	Growth (%)	April-January 2018-19	April-January 2019-20	Growth (%)
U S A	1030.64	949.59	-7.86	9791.99	9876.02	0.86
UAE	365.97	273.45	-25.28	3676.08	3588.70	-2.38
GERMANY	227.39	265.09	16.58	2717.89	2567.76	-5.52

Country	January 2019	January 2020	Growth (%)	April-January 2018-19	April-January 2019-20	Growth (%)
U K	224.63	391.95	74.48	2320.92	2268.26	-2.27
NEPAL	251.12	224.78	-10.49	2562.28	2232.23	-12.88
BANGLADESH	215.94	166.70	-22.80	2282.55	2079.00	-8.92
MEXICO	172.03	157.47	-8.46	2091.95	1990.65	-4.84
SINGAPORE	205.35	144.59	-29.59	1635.32	1980.09	21.08
MALAYSIA	165.80	187.82	13.28	1492.39	1974.81	32.32
CHINA	126.12	156.22	23.87	1459.68	1858.01	27.29
ITALY	189.68	181.50	-4.31	1842.07	1653.61	-10.23
KOREA RP	119.67	145.30	21.41	1453.84	1628.23	12.00
VIETNAM	96.00	104.87	9.24	856.98	1525.53	78.01
NIGERIA	103.73	163.30	57.42	1024.69	1465.79	43.05
THAILAND	112.98	125.13	10.75	1342.53	1355.58	0.97
SAUDI ARAB	123.96	164.18	32.45	1182.80	1333.68	12.76
SOUTH AFRICA	85.09	87.20	2.48	1358.82	1303.58	-4.07
FRANCE	111.69	113.39	1.52	1135.71	1138.75	0.27
SRI LANKA	192.70	80.75	-58.10	1445.26	1055.25	-26.99
INDONESIA	172.75	76.79	-55.55	1477.44	1026.09	-30.55
TURKEY	128.74	107.37	-16.60	1529.62	948.88	-37.97
BRAZIL	73.08	90.23	23.47	815.07	884.31	8.50
BELGIUM	114.78	69.06	-39.83	1406.42	871.51	-38.03
JAPAN	95.74	60.71	-36.59	1030.50	832.03	-19.26
CANADA	79.14	103.32	30.55	720.59	748.47	3.87
Total engineering	4784.73	4590.73	-4.05	48653.40	48186.81	-0.96

Country	January 2019	January 2020	Growth (%)	April-January 2018-19	April-January 2019-20	Growth (%)
exports to top 25 countries						
Total engineering exports	6295.94	6033.39	-4.17	65350.87	64036.23	-2.01
Share (%)	76.00	76.09		74.45	75.25	

Source: Department of Commerce, Government of India

India's top 25 engineering export destinations: Some observations

- ❖ In 12 out of 25 countries, engineering exports recorded positive cumulative growth during April- January 2019-20 over April- January 2018-19.
- ❖ India's engineering exports to its top 25 nations accounted for 75.2 per cent of India's total engineering exports in April-January 2019-20, which is marginally higher than its share in the April- January 2018-19.
- ❖ USA continues to rank as the number one destination for India's engineering products during January 2020 over January 2019 as well as for April- January 2019-20 over April-January 2018-19. Unlike the previous month trend India's exports to USA recorded a significant negative growth in January 2020 over January 2019.
- ❖ Consecutively Vietnam for the fifth time in a row recorded highest positive cumulative growth during April- January 2019-20 over April- January 2018-19.
- ❖ Among the ASEAN countries under the top 25 engineering exports destinations, Vietnam, Malaysia and Singapore recorded high positive growth and Thailand recorded a positive marginal growth during April- January 2019-20 over April- January 2018-19, barring Indonesia, like the previous month.
- ❖ India's engineering exports to China recorded high positive cumulative growth during April- January 2019-20 over April- January 2018-19 as well as monthly growth for January 2020 over January 2019.
- ❖ Like the previous months barring France, all the European nations falling under the top 25 engineering exports destinations, recorded negative growth during April-January 2019-20 over April- January 2018-19. However India's engineering exports recorded positive monthly growth for UK, Germany and France during January 2020 over January 2019.
- ❖ India's engineering exports to its top 25 destinations during April- January 2019-20 over April- January 2018-19 recorded a marginal 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-January 2019-20 as opposed to April-January 2018-19.

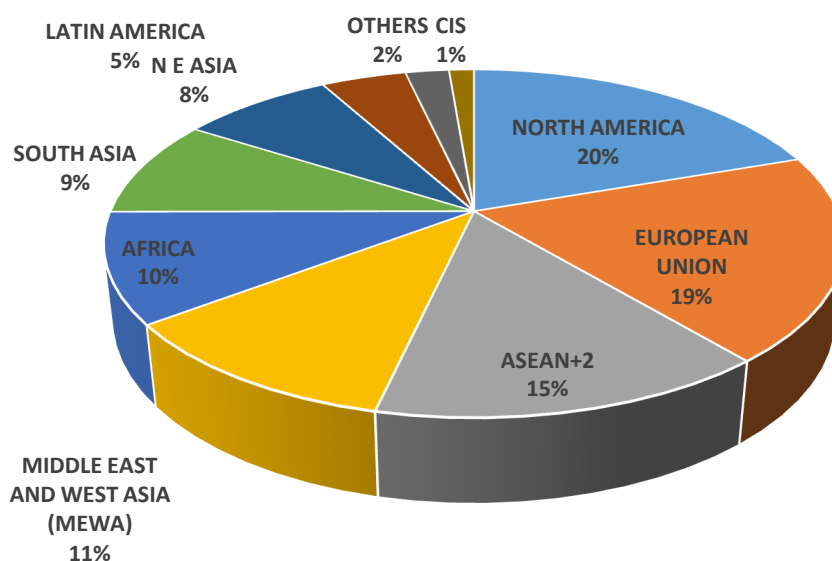
Table 6: Region wise exports trend
US\$ million

Regions	January 2018	January 2019	Growth (%)	April-January 2018-19	April-January 2019-20	Growth (%)
NORTH AMERICA	1281.81	1210.38	-5.57	12604.53	12615.14	0.08
EUROPEAN UNION	1260.49	1382.22	9.66	13421.79	12283.56	-8.48
ASEAN+2	917.21	788.36	-14.05	8434.96	9406.61	11.52
MIDDLE EAST AND WEST ASIA (MEWA)	675.63	636.74	-5.76	7492.70	7128.61	-4.86
AFRICA	590.42	603.29	2.18	6520.04	6558.97	0.60
SOUTH ASIA	707.61	506.12	-28.47	6808.92	5804.11	-14.76
N E ASIA	421.79	412.08	-2.30	4781.77	5101.92	6.70
LATIN AMERICA	227.69	290.36	27.53	2809.55	2845.86	1.29
OTHERS	157.76	135.06	-14.39	1833.45	1456.40	-20.57
CIS	55.53	68.78	23.87	643.14	835.05	29.84
Grand Total	6295.94	6033.39	-4.17	65350.87	64036.23	-2.01

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-January 2019-20



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ❖ North America once again retained its numero uno position as the region with highest shipment of engineering products from India during April-January 2019-20 over April-January 2018-19 with a share of 19.7 percent of total engineering exports.
- ❖ After a long hiatus, India's exports to CIS recorded highest positive growth during April-January 2019-20 over April- January 2018-19, followed by ASEAN+2 .
- ❖ Like before, India's exports to EU and ASEAN+2 ranked second and third in global shipments of Indian engineering goods in April- January 2019-20 with a share of 19.2 percent and 14.7 percent of total engineering exports respectively.
- ❖ Along with CIS and ASEAN+ 2, Africa, North East Asia, Latin America and North America recorded positive cumulative growth in exports of engineering products from India during April- January 2019-20 over April- January 2018-19.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of January 2020 vis-a-vis January 2019. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for January 2020 compared to January 2019

US\$ Million

	JANUAR Y, 2019	JANUAR Y, 2020	Growt h	APRIL,2018 - JANUARY,20 19	APRIL,2019 - JANUARY,20 20	Growt h
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	816.34	735.75	-9.9	8021.62	7973.7	-0.6
Products of Iron and Steel	625.12	647.17	3.5	5948.16	5932.03	-0.3
Sub Total	1441.46	1382.92	-4.06	13969.8	13905.7	-0.46
Non-Ferrous Metals and Products made of Non-Ferrous Metals						

Copper and products	75.44	83.38	10.52	881.59	790.83	-10.30
Aluminium and products	463.83	428.82	-7.55	4829.65	4313.74	-10.68
Zinc and products	68.5	51.95	-24.16	521.73	458.05	-12.21
Nickel and products	6.79	8.13	19.73	62.08	90.28	45.43
Lead and products	38.05	25.66	-32.56	339.52	321.39	-5.34
Tin and products	0.56	1.24	121.43	7.32	8.65	18.17
Other Non-Ferrous Metals	44.84	48.96	9.19	445.21	458.45	2.97
Sub Total	698.01	648.14	-7.14	7087.1	6441.39	-9.11
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	79.22	67.12	-15.3	610.34	698.03	14.4
IC Engines and Parts	198.05	220.7	11.4	2275.91	2143.36	-5.8
Pumps of all types	81.47	86.09	5.67	820.35	825.86	0.67
Air condition and Refrigerators	132.75	100.52	-24.3	1651.84	1176.86	-28.8
Industrial Machinery for dairy, food processing, textiles etc	457.47	451.3	-1.3	4797.31	4737.36	-1.2
Machine Tools	39.05	35.61	-8.81	401.44	373.61	-6.93
Machinery for Injecting moulding, valves and ATMs	138.71	154.67	11.5	1320.74	1490.63	12.9
Sub Total	1126.72	1116.01	-1.0	11877.9	11445.7	-3.64
Electrical Machinery	662.19	703.21	6.19	6916.2	7390.49	6.86
Auto Components and parts						
Motor Vehicle/cars	620.5	462.89	-25.4	7024.21	6595.84	-6.1
Two and Three Wheelers	144.45	170.33	17.9	1775.56	1765.59	-0.6

Auto Components/Part	494.22	435.33	-11.92	4761.83	4480.32	-5.91
Sub Total	1259.17	1068.55	-15.14	13561.6	12841.75	-5.31
Aircrafts and Spacecraft parts and products	124.12	115.3	-7.11	1444.76	1199.89	-16.95
Ships Boats and Floating products and parts	278.9	312.47	12.04	3344.77	3520.34	5.25
Other engineering products						
Medical and Scientific instruments	132.64	148.74	12.14	1385.28	1479.51	6.80
Railway Transport	23.01	8.29	-63.97	303.18	226.07	-25.43
Hand Tools & Cutting Tools	63.03	69.45	10.19	630.91	640.31	1.49
Electrodes Accumulators	4.69	3.56	-24.09	44.26	47.1	6.42
Accumulator and Batteries	27.66	31.23	12.91	313.38	354.73	13.19
Bicycle & Parts	34.55	30.56	-11.55	318.01	316.86	-0.36
Cranes Lifts & Winches	46.14	44.05	-4.53	408.26	481.8	18.01
Office Equipment	11.44	10.68	-6.64	113.88	163.28	43.38
Other Construction Machinery	133.84	108.89	-18.64	1382.74	1180.6	-14.62
Prime Mica & Mica Products	4.7	2.56	-45.53	25.6	34.89	36.29
OTHER MISC. ITEMS	223.67	228.78	2.28	2223.23	2365.78	6.41
Sub Total	705.37	686.79	-2.63	7148.73	7290.93	1.99
Total engineering exports	6295.94	6033.39	-4.17	65350.87	64036.23	-2.01

Source: Department of Commerce, Government of India

Engineering ferrous and non-ferrous products with negative growth in January 2020

- Export of Iron and Steel under Chapter 72: fell by 9.9% in January 2020 and 0.6% in April-January 2019-2020
- Exports of Aluminium and products under Chapter 76: fell by 7.55% in January 2020 and 10.68% in April-January 2019-2020
- Exports of Zinc and products under Chapter 79: fell by 24.16% in January 2020 and 12.21% in April-January 2019-2020
- Exports of Lead and products under Chapter 78: fell by 32.56% in January 2020 and 5.34% in April-January 2019-2020

Panel wise engineering exports: Some observations

- ❖ Year on year decline for the month of January 2020 witnessed in 18 out of total 33 engineering panels. These include some of the key panels such as non-ferrous products, industrial machinery, automobiles, auto components and parts, aircraft and parts, railway, other construction machinery and others. In cumulative terms, 17 out of 33 panels exhibited a year-on-year decline.
- ❖ After recovering from consecutive monthly decline last month, Iron and Steel figures once again exhibited negative trend to the extent of 9.9% in January 2020 compared to January 2019. In cumulative terms too, Iron and steel figures dipped although by a miniscule 0.6% in the first ten months of 2019-20 vis-à-vis same period last fiscal.
- ❖ Products of Iron and Steel however registered positive growth of 3.5% in January 2020 vis-à-vis January 2019. Cumulative exports registered miniscule negative growth to the extent of 0.3% during April-January 2019-20 compared to same period last fiscal. The significant drop in iron and steel however led to monthly decline in iron and steel and products of iron and steel to the extent of 4.06% percent in January 2020 corresponding to the same period last year. However, in cumulative terms the two panels together registered a fall of 0.46%
- ❖ The Non-Ferrous metal segment witnessed declining export growth in Aluminium and products to the extent of 7.5% in the month of January 2020. Decline was also witnessed in the panels of Lead and Zinc in to the extent of 32.6% and 24.2% respectively during January 2020. Copper which registered consecutive negative growth in the last several months, registered a 10.52% increase in January 2020. In cumulative terms though fall was noticed in four panels including copper, aluminium, zinc and lead.
- ❖ Out of the seven panels under Industrial machinery four panels exhibited negative growth in January 2020 taking the total industrial machinery growth to -1.0% during January 2020. Positive growth was witnessed in Machinery for IC Engines, Pumps of all types and Machinery for ATMS. In cumulative terms too, the panel registered negative growth of 3.64% between April-January 2019-2020 compared to the same period last year.
- ❖ Electrical Machinery and equipment which generally exhibits rise and is a major export for India experienced growth to the extent of 6.19% in January 2020 when compared to January 2019. In cumulative terms there was 6.86% growth in exports in April-January 2019-2020 when compared to April-January 2018-19.
- ❖ The panel Automobiles recorded 17.2% percent decline during January 2019 due to fall in exports of motor vehicles. In cumulative terms too, the panel experienced a declining

trend to the extent of 5% and in this case too, both the panels under automobiles registered a decline in April to January 2019-20 compared to the same period last year.

- ❖ Exports of Aircrafts and Spacecraft parts and products recorded negative monthly growth (7.11% drop) and negative cumulative growth (16.95% drop). On the other hand, 'Ship, Boats and Floating Bodies' exhibited a positive monthly growth in exports (12.04%) and positive cumulative exports (5.25% rise).
- ❖ Negative growth was witnessed in some other miscellaneous sectors such as Railway transport (63.97%), Electrodes and Accumulators (24.09%), Bicycle and parts (11.55%), other construction machinery (18.54%), Office Equipments (6.64%), Cranes, Lifts and winches (4.53%) and prime mica products (45.53%). Medical and scientific devices registered a 12.14% positive growth in exports in monthly terms and 6.80% growth in cumulative terms.

Data for ferrous and non-ferrous panels experiencing a decline in the month December 2019 vis-à-vis December 2018

Table 8: Chapter 72: Iron & Steel					
Values in US\$ Million					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	900.36	837.85	-6.9	715.13	-14.6
May	787.41	776.79	-1.3	692.45	-10.9
June	691.32	735.22	6.4	653.72	-11.1
July	850.94	804.63	-5.4	749.6	-6.8
August	899.14	1053.2	17.1	907.48	-13.8
September	1064.53	843.61	-20.8	933.47	10.7
October	941.68	755.77	-19.7	903.55	19.6
November	1203.34	710.91	-40.9	831.35	16.9
December	1069.17	687.04	-35.8	851.57	23.9
January	916.07	816.34	-10.9	735.75	-9.9
April-January	9323.96	8021.36	-14.0	7947.07	-0.6

Table 9: Chapter 76: Aluminium and Products					
Values in US\$ Million					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	395.75	412.51	3.6	407.91	-1.1
May	291.4	514.50	75.9	375.44	-27.0
June	331.32	542.75	63.2	412.74	-24.0
July	341.04	475.16	38.8	399.74	-15.9
August	359.46	504.19	40.3	417.68	-17.2
September	451.66	494.77	9.5	490.96	-0.8
October	405.08	478.33	44.97	399.72	-16.4

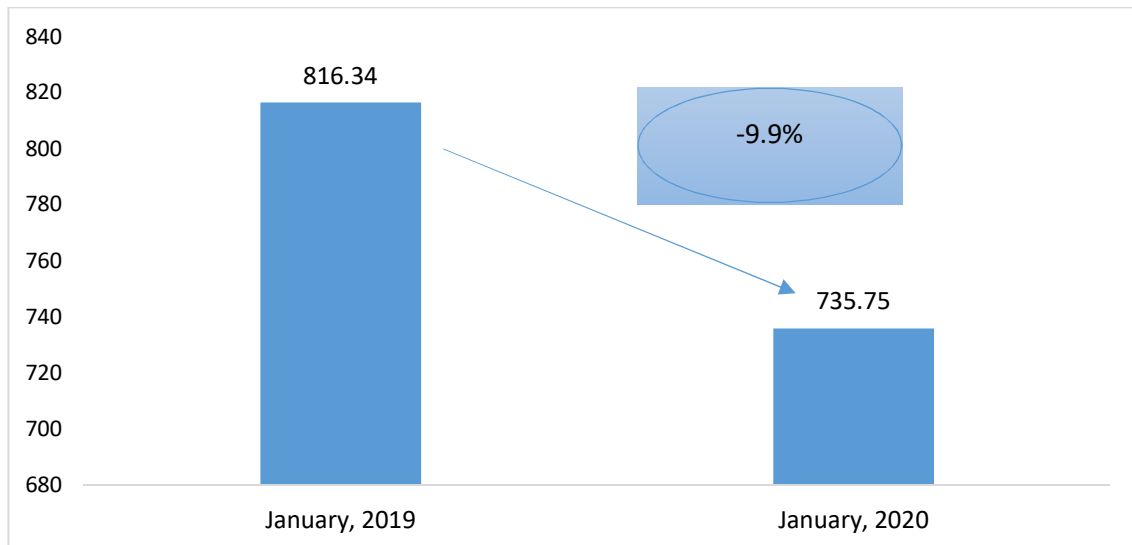
November	422.65	469.76	11.1	470.45	0.1
December	477.19	473.85	-0.7	524.59	10.7
January	439.12	463.83	5.6	428.82	-7.5
April-January	3914.67	4829.65	23.4	4328.05	-10.4

Table 10: Chapter 78: Lead and Products					
Values in US\$ Million					
Month	2017-18	2018-19	Growth (%)	2019-20	Growth (%)
April	26.58	27.35	2.91	30.1	10.1
May	15.41	35.8	132.35	24.75	-30.9
June	15.02	32.68	117.56	19.5	-40.3
July	27.13	31.24	15.15	19.47	-37.7
August	35.27	33.04	-6.33	38.90	17.7
September	41.56	31.05	-25.28	36.69	18.2
October	30.09	38.15	26.80	39.60	3.8
November	31.63	28.69	-9.31	45.76	59.5
December	38.94	43.47	11.64	40.96	5.8
January	36.39	38.05	4.9	25.66	-32.6
April-January	298.02	339.52	13.9	321.39	-5.3

Table 11: 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
December	110.61	48.85	-55.83	45.87	-6.10
January	83.07	68.5	-17.5	51.95	-24.2
April-January	718.36	521.73	-27.4	458.06	-12.2

Slump in iron and steel Products exports

Figure 4: Slump in iron and steel Exports in January 2020 v/s January 2019 (in USD million)



Reason for fall

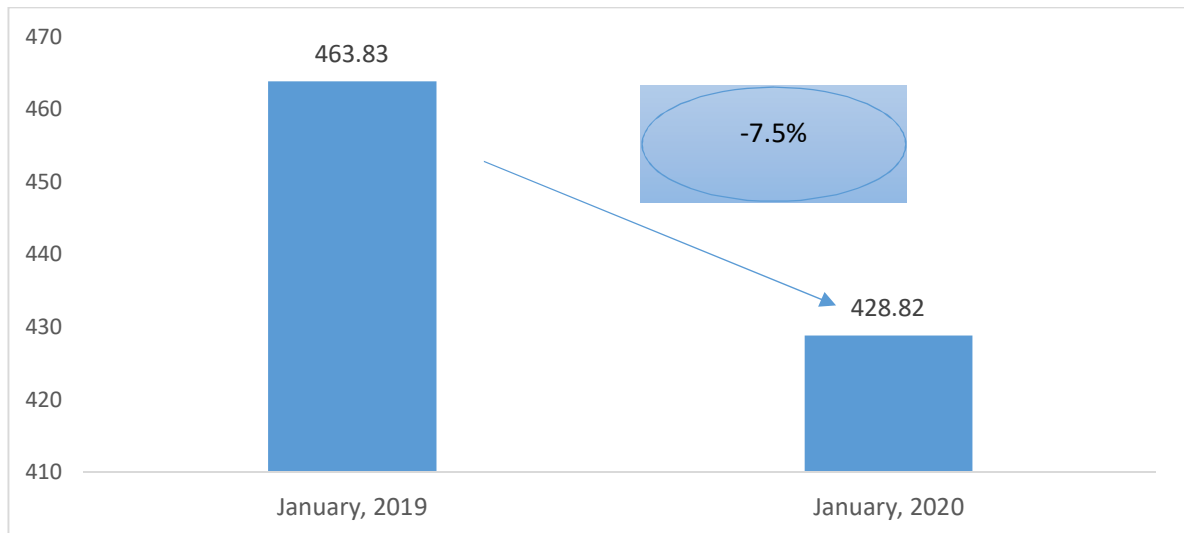
The Indian iron and steel exports are expected to be impacted due to higher local demand generated by infrastructure and automotive companies¹. This is compounded by the fact that prices of both iron ore and coking coal are on a rise creating further pressure on steel suppliers. Moreover India's December crude steel output was low as large scale steel mills carried out maintenance which slowed production.² Added to this is the recent Coronavirus incident in China which is expected to have a further downward impact on steel demand from China. While it may also create an opportunity for India, since Chinese suppliers have been greatly affected, as per our members operating in the steel sector international players are waiting to observe China's capability to supply once it opens on February 17th and India's prospects would be largely dependent on that.

Slump in aluminium and products exports

Figure 5: Slump in aluminium Exports in January 2020 v/s January 2019 (in USD million)

¹ <https://economictimes.indiatimes.com/industry/indl-goods/svs/steel/higher-local-demand-may-hurt-steel-exports-in-fy21/articleshow/73650169.cms?from=mdr>

² <https://www.argusmedia.com/en/news/2047962-indias-december-crude-steel-output-weaker>

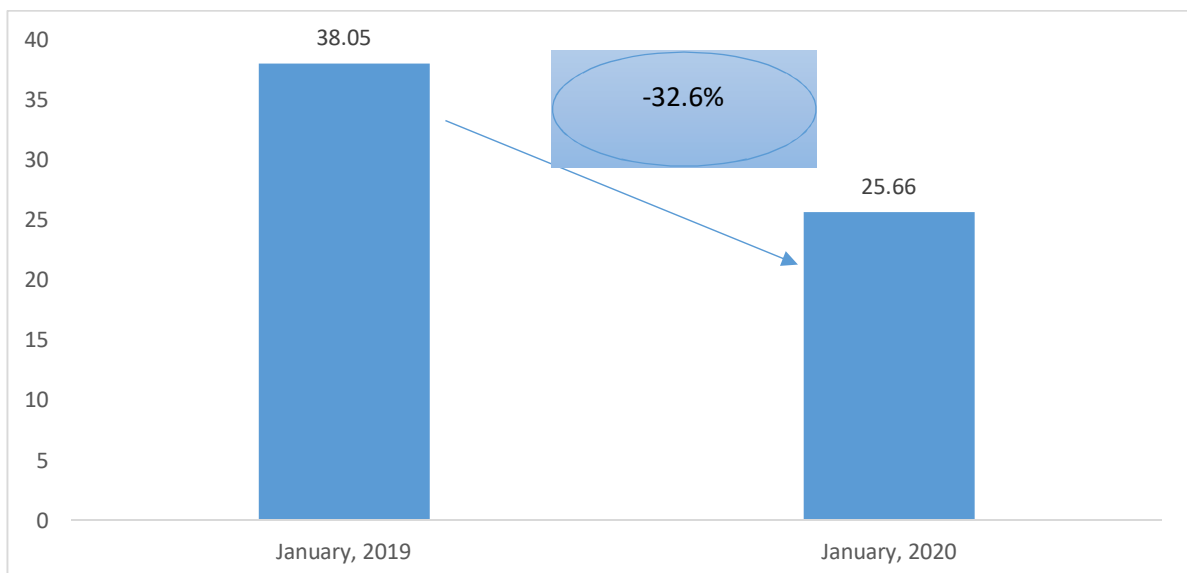


Reason for fall

The coronavirus event in China is also expected to have negative impact on exports of aluminium due to demand slow-down.³ Infact LME aluminium prices fell sharply in January to a new short term low. With such downward trend in prices, there could be more contraction in production which may also impact exports.⁴

Slump in Lead and lead Products exports

Figure 6: Slump in lead and lead products in January 2020 v/s January 2019 (in USD million)



³ <https://www.bloomberquint.com/markets/the-key-sectors-that-are-likely-to-be-affected-by-coronavirus-outbreak>

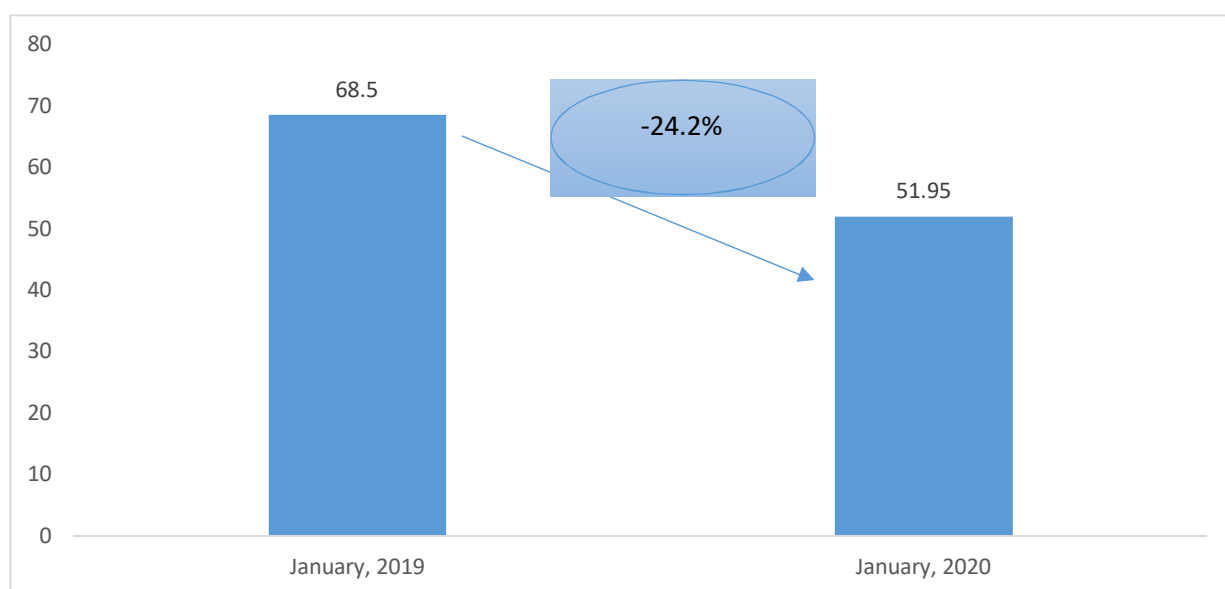
⁴ <https://agmetminer.com/2020/02/13/aluminum-mmi-demand-uncertainty-weighs-on-aluminum-prices/>

Reasons for the fall

Globally all base metal markets have been reeling under the growing trade tensions, coronavirus threat from China, one of the largest markets and falling LME prices.

Slump in Zinc Products exports

Figure 7: Slump in Zinc Exports in January 2020 v/s January 2019 (in USD million)



Reasons for the fall

As already mentioned last month, 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. Also, the global demand which is created significantly by China is also depressed due to the ongoing trade tension and the coronavirus threat in China.

6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during January 2020. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. (Tables 11-19)

Table 12: Export of Iron & Steel
US\$ Million

(Source: Department of Commerce, Government of India)

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019- JANUARY 2020	Growth (%)
Top Five Importers						
VIETNAM	46.70	65.44	40.12	305.32	967.79	216.98
NEPAL	90.81	98.92	8.93	1002.64	813.39	-18.88
U A E	77.09	62.96	-18.33	599.59	632.34	5.46
ITALY	85.04	85.96	1.08	628.37	623.89	-0.71
CHINA	36.14	21.87	-39.49	239.77	473.65	97.54
High cumulative growth						
VIETNAM	46.70	65.44	40.12	305.32	967.79	216.98
CHINA	36.14	21.87	-39.49	239.77	473.65	97.54
BHUTAN	3.55	6.14	72.92	43.39	67.74	56.12
RUSSIA	5.92	11.85	100.16	66.49	97.25	46.26
OMAN	15.16	10.87	-28.28	72.21	95.52	32.27
PORTUGAL	3.41	4.52	32.49	53.20	68.15	28.09
Sharp cumulative decline						
ETHIOPIA	5.01	1.86	-62.78	74.96	43.50	-41.96
SAUDI ARABIA	24.24	16.91	-30.26	132.93	84.77	-36.23
KOREA	24.40	20.22	-17.12	386.71	247.20	-36.08
MEXICO	9.24	6.02	-34.83	88.63	60.11	-32.18
INDONESIA	26.91	19.86	-26.21	240.28	166.97	-30.51
U S A	15.84	12.49	-21.20	211.87	147.47	-30.39

- ❖ Vietnam, Nepal and UAE were the three top three importers of Indian Iron and Steel during April 2019- January 2020 with market shares of 12.14 percent, 10.20 percent and 7.93 percent respectively.
- ❖ Vietnam, China and Bhutan recorded more than 50 percent year-on-year growth in exports of Indian Iron and Steel during April 2019- January 2020 compared to April 2018- January 2019.
- ❖ Ethiopia, Saudi Arabia and Korea experienced sharp downfall to the extent of more than 35% drop in exports during April 2019- January 2020 compared to same period last fiscal.

Table 13: Export of Products of Iron & Steel

US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018-	APRIL 2019- JANUARY 2020	Growth (%)
				JANUARY 2019		

				JANUARY 2019		
Top Five Importers						
U S A	148.26	143.63	-3.13	1374.91	1357.50	-1.27
UAE	44.53	33.66	-24.42	372.11	350.92	-5.69
GERMANY	40.65	33.89	-16.63	357.04	322.97	-9.54
CANADA	35.96	60.38	67.92	233.83	319.67	36.71
U K	28.92	25.60	-11.49	263.16	251.20	-4.54
High cumulative growth						
PERU	0.23	8.77	3775.85	4.37	60.94	1294.21
LIBYA	0.14	0.39	181.41	3.75	22.56	501.28
ETHIOPIA	0.87	5.90	575.50	11.72	43.34	269.83
INDONESIA	4.10	5.15	25.55	48.82	79.50	62.84
OMAN	6.93	19.12	176.00	66.14	106.82	61.52
BANGLADESH	8.91	10.30	15.67	84.81	128.21	51.19
Sharp cumulative decline						
IRAQ	0.74	0.59	-19.65	31.41	4.42	-85.93
MAURITANIA	3.36	0.10	-97.16	32.55	5.15	-84.17
EGYPT	3.86	2.38	-38.22	81.59	30.43	-62.70
TANZANIA	2.93	1.95	-33.40	71.93	28.31	-60.64
KUWAIT	7.90	5.22	-33.91	94.27	54.15	-42.56
SOUTH AFRICA	6.31	5.84	-7.46	76.14	50.00	-34.34
QATAR	11.13	10.70	-3.88	121.60	86.68	-28.71

(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 2019- January 2020 with 22.88 percent, 5.92 percent and 5.44 percent shares respectively in India's global import of the same.
- ❖ Peru, Libya and Ethiopia experienced more than 250% growth in import of 'Products of Iron and Steel' during April 2019- January 2020.
- ❖ Iraq, Mauritania, Egypt and Tanzania conceded substantial decline in imports by more than 60% for the said product group from India during April 2019- January 2020.

Table 14: Export of Industrial Machinery

US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019- JANUARY 2020	Growth (%)

Top Five Importers						
U S A	200.32	180.25	-10.02	1917.70	1786.38	-6.85
THAILAND	38.44	57.47	49.50	512.97	573.09	11.72
BANGLADESH	60.82	44.91	-26.16	545.32	554.18	1.62
GERMANY	54.52	54.46	-0.11	536.19	504.73	-5.87
CHINA	41.68	50.91	22.15	427.72	484.21	13.21
High cumulative growth						
RUSSIA	8.60	12.72	47.82	107.96	244.55	126.51
UGANDA	4.24	6.99	64.79	47.36	73.11	54.37
SINGAPORE	17.97	43.02	139.44	178.63	270.52	51.44
NIGERIA	39.82	50.54	26.92	316.25	455.70	44.09
MYANMAR	5.88	5.95	1.24	42.92	61.60	43.53
PHILIPPINES	8.88	9.02	1.66	69.05	91.46	32.45
BELGIUM	9.84	13.00	32.12	97.00	119.08	22.76
Sharp cumulative decline						
IRAN	3.78	3.66	-3.39	159.29	47.45	-70.21
VIETNAM	11.28	6.40	-43.24	161.32	103.25	-36.00
KENYA	13.72	11.63	-15.20	171.54	113.84	-33.64
TURKEY	24.28	24.36	0.32	381.41	269.16	-29.43
SAUDI ARABIA	32.49	20.35	-37.37	322.15	227.92	-29.25
U K	28.60	30.34	6.09	431.94	314.64	-27.16

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April 2019- January 2020 with 15.61 percent share in India's global import of the product group. Thailand and Bangladesh were the two immediate followers of USA with 5.01 percent and 4.84 percent shares respectively.
- ❖ Russia, Uganda, Nigeria and Singapore were among the major importing nations witnessing growth of more than 40% in imports of Industrial machinery from India during April 2019- January 2020 over the same period last fiscal.
- ❖ Among the major importers, Iran, Vietnam, Kenya, Turkey, UK, Kenya and Saudi Arabia recorded over 25 percent year-on-year declines in imports during April 2019- January 2020.

Table 14: Automobiles

US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018-	APRIL 2019- JANUARY 2020	Growth (%)

				JANUARY 2019		
Top Five Importers						
MEXICO	95.61	86.38	-9.65	1122.92	1184.36	5.47
U S A	100.65	57.71	-42.66	944.73	796.19	-15.72
SOUTH AFRICA	35.06	47.05	34.19	622.45	792.04	27.25
SAUDI ARABIA	27.15	77.85	186.79	254.92	574.12	125.21
NIGERIA	32.68	52.93	61.97	345.84	457.08	32.17
High cumulative growth						
SAUDI ARABIA	27.15	77.85	186.79	254.92	574.12	125.21
KUWAIT	9.72	4.19	-56.85	46.46	79.31	70.71
U A E	13.85	19.23	38.84	183.77	271.98	48.00
ETHIOPIA	5.00	4.59	-8.26	55.52	75.65	36.26
PERU	6.39	7.97	24.78	103.75	138.50	33.49
NIGERIA	32.68	52.93	61.97	345.84	457.08	32.17
Sharp cumulative decline						
EGYPT	13.37	5.16	-61.43	121.72	22.12	-81.82
BELGIUM	6.22	0.55	-91.24	55.66	10.19	-81.69
SPAIN	5.05	0.19	-96.31	57.43	20.36	-64.55
ALGERIA	18.84	0.00	-100.00	211.94	80.74	-61.91
INDONESIA	41.08	6.07	-85.21	320.80	156.68	-51.16
CANADA	3.23	5.80	79.68	108.60	53.50	-50.74

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ❖ Mexico, USA and South Africa were top three importers of India's Automobiles during April 2019- January 2020 with 14.16, 9.52 and 9.47 percent share in India's global exports respectively over the same period last fiscal.
- ❖ Saudi Arabia and Kuwait recorded over 70 percent growth in imports of the product group from India during April 2019- January 2020 over the same period last fiscal.
- ❖ Countries like Belgium, Egypt, Spain and Algeria saw their imports of automobile lower by more than 60% during April 2019- January 2020 compared to same period last fiscal.

Table 15: Export of Non-Ferrous metals

US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018-	APRIL 2019- JANUARY 2020	Growth (%)

				JANUARY 2019		
Top Five Importers						
MALAYSIA	111.32	140.63	26.33	839.36	1083.34	29.07
KOREA	64.25	96.12	49.61	732.82	998.29	36.22
U S A	98.88	61.53	-37.77	883.11	770.31	-12.77
CHINA	6.10	46.96	670.45	254.20	408.71	60.78
TAIWAN	42.25	14.13	-66.57	312.85	225.44	-27.94
High cumulative growth						
CHINA	6.10	46.96	670.45	254.20	408.71	60.78
TANZANIA	0.96	3.72	288.60	17.58	26.20	48.98
OMAN	5.88	3.63	-38.25	43.08	60.25	39.85
AUSTRALIA	3.22	3.93	22.19	25.24	34.86	38.11
ETHIOPIA	3.11	3.31	6.41	23.11	31.88	37.97
KOREA	64.25	96.12	49.61	732.82	998.29	36.22
Sharp cumulative decline						
TURKEY	56.33	6.96	-87.65	468.84	43.39	-90.75
SPAIN	11.53	5.13	-55.56	190.90	71.12	-62.75
ITALY	13.12	10.86	-17.23	244.82	98.09	-59.93
MEXICO	12.51	10.78	-13.82	284.24	119.16	-58.08
NETHERLAND	12.34	9.59	-22.31	159.21	83.19	-47.74
BANGLADESH	14.14	8.56	-39.43	215.32	147.15	-31.66

(Source: Department of Commerce and CSO)

- ❖ Malaysia, Korea, and USA were the top three importers of India's Non-ferrous metals and products' during April 2019- January 2020 with 16.82 percent, 15.50 percent and 11.96 percent shares respectively in India's global import of the same.
- ❖ China experienced more than 60% growth in import of Non-ferrous metals and products ' during April 2019- January 2020.
- ❖ Turkey, Italy, Mexico and Spain conceded substantial decline in imports by more than 55% for the said product group from India during April 2019- January 2020 vis-à-vis same period last fiscal.

Table 16: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019- JANUARY 2020	Growth (%)
Top Five Importers						
U S A	174.61	211.08	20.89	1655.58	2207.75	33.35
GERMANY	32.75	87.86	168.24	753.50	755.09	0.21
U K	61.08	61.50	0.68	426.90	566.03	32.59
SINGAPORE	40.83	19.86	-51.36	421.56	383.04	-9.14
FRANCE	20.36	28.33	39.13	185.26	226.57	22.30
High cumulative growth						
NIGERIA	8.05	32.43	302.90	69.23	215.48	211.25
MEXICO	1.76	6.31	259.17	51.90	96.06	85.07
SOUTH AFRICA	4.37	2.95	-32.43	31.32	54.82	75.04
TURKEY	10.39	23.70	128.17	95.10	140.83	48.09
KOREA	2.18	2.48	13.65	33.22	49.02	47.58
Sharp cumulative decline						
INDONESIA	42.27	3.76	-91.10	152.75	40.71	-73.35
BELGIUM	27.12	3.16	-88.36	314.87	93.76	-70.22
EGYPT	4.99	2.00	-59.96	48.40	19.37	-59.98
JAPAN	12.08	5.25	-56.55	204.33	93.01	-54.48
SWITZERLAND	3.87	2.91	-24.95	39.04	22.38	-42.69

(Source: Department of Commerce and CSO)

- ❖ USA, Germany and UK were the three top importers of Indian Electrical Machinery and Components during April- January 2020 with market shares of 29.85 percent, 10.22 percent and 7.66 percent respectively. Out of these top five importers, Singapore experienced a drop in imports during April 2019- January 2020 compared to April 2018- January 2019.
- ❖ Nigeria, South Africa, Mexico, Turkey and Korea recorded more than 45% growth in imports of India's Electrical Machinery and Components during April 2019- January 2020 vis-a-vis April 2018- January 2019.
- ❖ Belgium and Indonesia experienced the sharp decline of more than 70% in its imports in April 2019- January 2020 when compared to April 2018- January 2019. 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	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019 - JANUARY 2020	Growth (%)
Top Five Importers						
U S A	50.52	44.58	-11.75	452.42	429.42	-5.08
SINGAPORE	15.96	14.41	-9.69	205.13	146.82	-28.42
FRANCE	12.70	10.79	-15.09	200.89	140.11	-30.26
U K	12.20	13.31	9.07	186.91	138.56	-25.87
GERMANY	7.99	6.01	-24.84	96.20	60.85	-36.74
High cumulative growth						
MAURITIUS	0.05	0.02	-56.04	0.50	4.53	812.99
SPAIN	0.22	0.23	2.77	1.63	4.08	150.86
MEXICO	0.73	1.31	80.16	4.80	10.03	109.03
VIETNAM	0.18	0.00	-100.00	2.89	5.93	104.76
RUSSIA	0.22	2.95	1239.56	15.72	29.82	89.68
HONG KONG	0.02	0.36	1845.46	2.87	4.79	66.76
Sharp cumulative decline						
SEYCHELLES	0.05	0.00	-100.00	23.21	0.14	-99.40
BELGIUM	0.02	0.09	258.42	12.62	1.74	-86.23
IRELAND	0.00	0.16	25255.37	12.79	2.11	-83.54
POLAND	0.40	0.42	3.39	11.64	3.71	-68.09
SWITZERLAND	1.04	0.23	-78.16	20.48	7.11	-65.30

(Source: Department of Commerce and CSO)

- ❖ USA, Singapore and France were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2019- January 2020 with around 35.79, 12.24 and 11.68 percent shares respectively in India's total global exports of the product.
- ❖ Mauritius, Spain, Vietnam and Mexico registered substantial growths of more than 100% in import of the product group from India during April 2019- January 2020 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 2019- January 2020 when compared to April 2018- January 2019.

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

US\$ million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019- JANUARY 2020	Growth (%)
Top Five Importers						
U A E	90.03	15.11	-83.22	1285.37	1005.44	-21.78
SINGAPORE	71.68	33.70	-52.99	467.72	849.56	81.64
CYPRUS	0.00	0.00	-	0.00	349.98	-
SRI LANKA	93.17	15.93	-82.91	564.13	211.39	-62.53
U K	0.00	199.75	-	0.01	209.36	1810290.8
High cumulative growth						
U K	0.00	199.75	-	0.01	209.36	1810290.8
MALAYSIA	0.00	0.02	-	8.52	191.35	2146.51
FRANCE	0.00	0.00	-	2.97	22.55	658.16
SINGAPORE	71.68	33.70	-52.99	467.72	849.56	81.64
BANGLADESH	0.00	0.16	-	20.56	32.43	57.74
Sharp cumulative decline						
BAHARAIN	0.00	0.00	-	63.63	0.00	-100.00
NAMIBIA	24.01	0.00	-100.00	24.01	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

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 Sri Lanka and UK. Their respective shares are 28.56 percent, 24.13 percent, 9.94 percent, 6.01 percent and 5.95 percent.
- ❖ Imports to UK recorded meteoric increase as they had practically no import in April 2018- January 2019. Malaysia and France registered substantial growths of 2146.5% and 658.2% respectively in import of the product group from India during April 2019- January 2020 as compared with the same period last fiscal.
- ❖ However, sharp decline was noticed in exports to Saudi Arabia. In fact exports to these countries have been less than US\$ 5 million in April 2019- January 2020. Whereas the exports dropped to zilch for Bahrain, Namibia, South Africa, Belgium, Nigeria and Qatar.

Table 19: Export of Auto Components

US\$ Million

COUNTRY	JANUARY 2019	JANUARY 2020	Growth (%)	APRIL 2018- JANUARY 2019	APRIL 2019- JANUARY 2020	Growth (%)
Top Five Importers						
U S A	116.86	96.22	-17.66	1046.60	991.18	-5.30
BANGLADESH	27.19	23.02	-15.32	251.93	234.40	-6.96
BRAZIL	24.50	20.10	-17.97	239.36	226.69	-5.29
TURKEY	18.42	22.24	20.75	266.21	221.88	-16.65
GERMANY	21.61	22.17	2.56	222.85	217.53	-2.38
High cumulative growth						
PHILIPPINES	4.60	7.31	58.88	42.01	77.94	85.54
CZECH REPUBLIC	2.09	3.31	58.76	17.17	29.58	72.28
TAIWAN	1.91	2.32	21.37	15.24	20.92	37.28
SAUDI ARABIA	3.25	1.22	-62.47	19.23	25.90	34.66
CHILE	1.97	1.71	-13.09	15.95	19.96	25.12
MALAYSIA	3.59	1.88	-47.75	23.59	28.67	21.55
Sharp cumulative decline						
UZBEKISTAN	0.67	0.50	-24.34	15.55	3.03	-80.49
SINGAPORE	12.92	1.11	-91.42	28.92	12.81	-55.72
KENYA	0.91	1.11	22.84	21.57	14.36	-33.42
ALGERIA	1.11	0.72	-34.89	14.36	9.65	-32.82
ROMANIA	8.57	4.42	-48.39	82.24	58.73	-28.59

(Source: Department of Commerce and CSO)

- ❖ USA remained the top importer of auto components in April 2019- January 2020 with a share of 22.12 percent. It is followed by Bangladesh, Brazil, Turkey and Germany with respective shares of 5.23 percent, 5.06 percent, 4.95 percent and 4.86 percent.
- ❖ Philippines and Czech Republic recorded maximum increase of more than 70 percent in imports from April 2019- January 2020 when compared to April 2018- January 2019.
- ❖ However, Uzbekistan, Singapore, Algeria, Kenya and Romania recorded significant decline of more than 25 percent in April 2019- January 2020 when compared to April 2018- January 2019.

Analysis of India's engineering imports

India's Engineering imports during January 2020 were valued at US\$ 9272 million compared to US\$ 9594.2 million in January 2019 recording a moderate negative growth of 3.4 percent in dollar terms.

Cumulative engineering imports during April-January 2019-20 was recorded at US\$ 85.0 billion as against US\$ 92.3 billion during the same period last fiscal registering a fall of 8.0 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 January 2020 has decreased to that of during January 2019 estimated at 22.5%.

The monthly engineering import figures for fiscal January 2020 vis-à-vis January 2019 is depicted below as per the latest availability of figure:

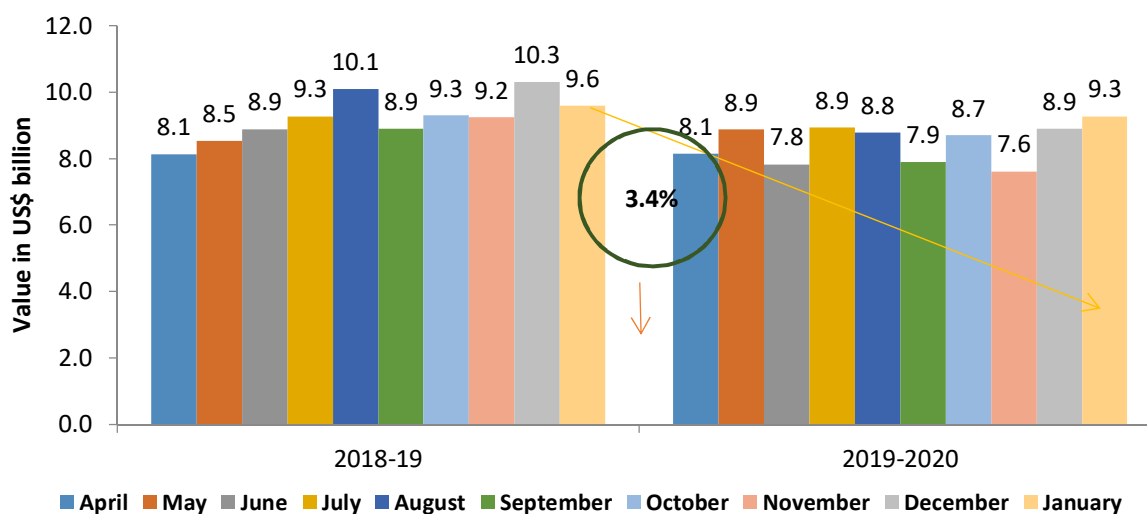
Table 20: Engineering Imports
(US\$ Million)

Months	2018-19	2019-20	Growth (%)
April	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
December	10331.2	8896.1	-13.9
January	9594.17	9271.98	-3.4

Source: Department of Commerce, Government of India

Figure below depicts the monthly trend in engineering imports for **January 2020 and January 2019**

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



Source: EEPC India analysis

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 ten months of the current fiscal 2019-20 depicted in the table below:

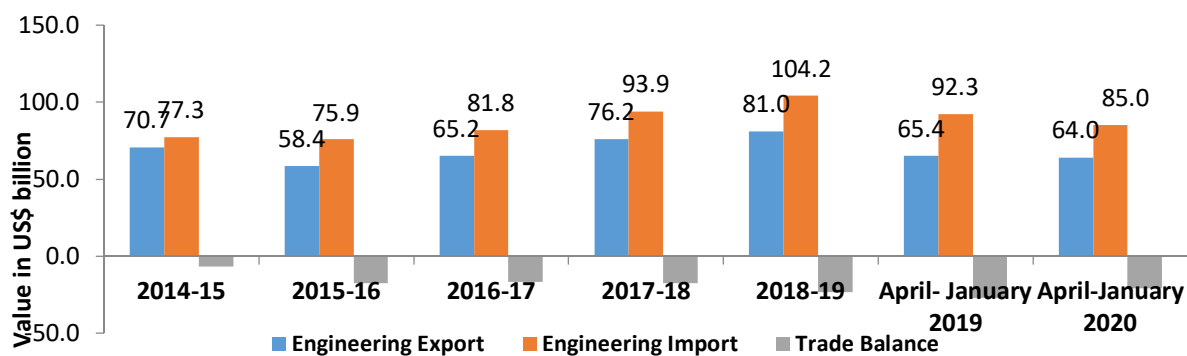
Table 21: Engineering Trade
(US\$ Billion)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	Growth %	April-January 2019	April-January 2020	Growth %
Engineering Export	70.7	58.4	65.2	76.2	81.0	6.3	65.4	64.0	-2.0
Engineering Import	77.3	75.9	81.8	93.9	104.2	10.9	92.3	85.0	-8.0
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1		-27.0	-20.9	

(*) 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-January 2019-20 of the current fiscal

Figure 7: Trend in Monthly Engineering Trade



To conclude...

Indian engineering exports again registered a negative growth in January 2020 after December 2019. This month it fell by 4.17% compared to January 2019. The decline is slightly higher than that of last month. Significant fall in exports of railway related components, ferrous and non-ferrous metals, automobile and auto components and industrial machinery.

While the government has taken concerted steps in the budget for development of the domestic and export industries, global trade scenario continue to remain depressing in the first half of 2020 as per the recent data from WTO Goods Trade Barometer.⁵ The recent data which does not take into account the latest threat due to the outbreak of COVID-19 (the new coronavirus disease) shows that the real time measure of trade remains at 95.5 less than 96.6 recorded last November and well below the baseline value of 100. Also, WTO trade statistics show that the volume of world merchandise trade was down 0.2% in the third quarter of 2019 compared to the previous year. This is expected to be further impacted by the Coronavirus threat which would manifest in weaker demand and global trade. Infact, the coronavirus contagion is already affecting India's exports due to its significant dependence on the Chinese economy as a supplier as well as a market. Additionally as per experts, the uncertainty over the withdrawal of MEIS has been a cause of concern for the exporters as their claims for almost six months remain pending. This has significantly impacted their liquidity.

The recently concluded budget has however brought some respite for the exporters in the form of the RODTEP scheme which will expectedly replace the MEIS scheme in the coming fiscal and the NIRVIK scheme which aims to provide enhanced insurance coverage and reduce premium for small exporters. This is expected to increase the export credit disbursement and help an already ailing industry.

Overall the global trade scenario remain tense which has a significant impact on India and is prompting the government and industry to adopt a cautious approach. However, the industry remains positive that given government's sincere efforts to revive the industry Indian engineering trade will have a positive future journey.



⁵ https://www.wto.org/english/news_e/news20_e/wtoi_17feb20_e.htm

