

Engineering Exports and Imports Monitor

June 2020



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for June 2020

17th July 2020

Overall Scenario

Merchandise trade

Decline in exports continued to moderate in June 2020 while India turned 'Net Exporter' for the first time in 18 years

- ❖ Merchandise exports in June 2020 declined to USD 21.91 billion from USD 25.01 billion in June 2019, registering a decline of 12.41 percent year-on-year. However, the decline was much lower than 36.47 percent in May 2020 and 60.28 percent in April 2020. This gradual improvement was attributed to full or partial unlocking of essential economic activities worldwide and subsequent rise in global demand, however at a very slow pace. In Rupee terms, the year-on-year decline in exports during June 2020 was 4.48 percent.
- ❖ Major commodity groups that recorded positive growth during June 2020 vis-à-vis June 2019 included Iron Ore (63.11%), Oil seeds (50.48%), Rice (32.72%), Oil meals (27.36%), Organic & inorganic chemicals (19.06%), Drugs & pharmaceuticals (9.89%) and Tobacco (3.56%) among others. However, exports of Gems & jewellery, Leather & leather products, RMG of all textiles, Man-made yarn/fabs./made-ups etc., Petroleum products, Marine products, Tea and Engineering goods continued to decline.
- ❖ Cumulative value of exports for the period April-June 2020-21 was USD 51.32 billion as against USD 81.08 billion during the same period last fiscal, registering a decline of 36.71 percent in Dollar terms. The decline was 31.02 percent in Rupee terms.
- ❖ Merchandise Imports in June 2020 conceded 47.59 percent decline in dollar terms as it slumped to USD 21.11 billion from USD 40.29 billion in June 2019. The decline was 42.85 percent in Rupee terms.
- ❖ Cumulative imports for the period April-June 2020-21 were USD 60.44 billion as against USD 127.04 billion during April-June 2019-20, registering a negative growth of 52.43 percent in Dollar terms and 48.12 percent in Rupee terms.

- ❖ **For the first time in 18 years, India turned a Net Exporter of Merchandise trade with a surplus of USD 0.79 billion during June 2020** as against a deficit of USD 15.28 billion during June 2019. Although, the deficit continued on a cumulative basis, it was narrowed down by 80.16 percent to USD 9.12 billion in April-June 2020 from USD 45.96 billion during the same quarter last fiscal.

Engineering Exports

Gradual improvement in India's engineering exports witnessed as year-on-year decline dropped to single digit in June 2020

- ❖ Engineering exports from India witnessed only 7.24 percent decline in year-on-year shipments during June 2020 as against 23.67 percent in May 2020 and 63.74 percent in April 2020. Engineering exports during June 2020 stood at USD 5820.26 million as compared to USD 6274.85 million in the same month last fiscal.
- ❖ Cumulative engineering exports during the first quarter of 2020-21 was recorded at USD 13,611.26 million as against USD 19,847.78 million during the same quarter last fiscal, registering a decline of 31.42 percent.
- ❖ Share of engineering in total merchandise exports was at 26.57 percent in June 2020 as against 28.72 percent during May and 22.33 percent in April 2020. On a cumulative basis, the share was recorded at 26.52 percent.
- ❖ Out of 33 engineering panels, 27 panels recorded negative growth and 6 panels recorded positive growth in exports during June 2020 vis-à-vis June 2019. In cumulative terms, 28 out of 33 panels exhibited a year-on-year decline in exports.
- ❖ During June 2020, exports to 6 nations out of India's top 25 export destinations for engineering products recorded positive monthly growth in comparison to June 2019. USA has once again regained its top position of being the numero uno destination for India's engineering products during April- June 2020 over April-June 2019, replacing Singapore

India's June engineering imports down by 41.8 %

- ❖ India's Engineering imports during June 2020 were valued at US\$ 4.56 billion compared to US\$ 7.83 billion in June 2019 recording a significant negative growth of 41.8 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports during June 2020 has been estimated at 21.6%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

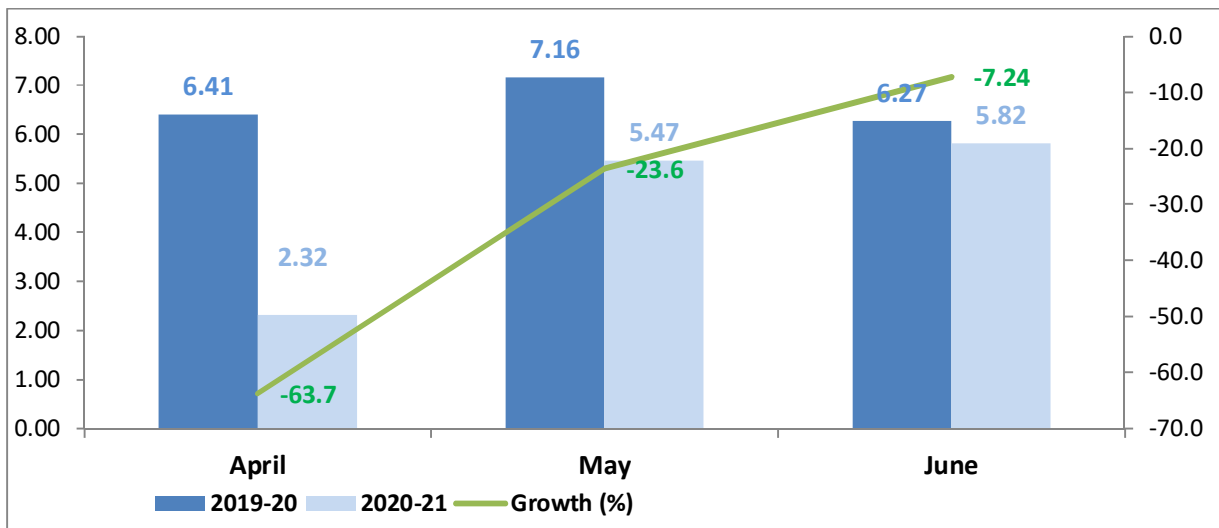
The monthly engineering figures for 2020-21 vis-à-vis 2019-20 are shown below as per the latest DGCIS estimates:

Table 1: Engineering Exports: Monthly trend 2020-21
(US\$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.92	2324.59	-63.74
May	7162.01	5466.41	-23.67
June	6274.85	5820.26	-7.24
April-June	19847.78	13611.26	-31.42

Source: DGCIS, Govt. of India.

Figure 1: Monthly Engineering Exports in 2020-21 vis-à-vis 2019-20



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.

During fiscal 2019-20, engineering exports growth and manufacturing growth moved in the same direction in as many as nine out of twelve months, including March 2020. The first month of Fiscal 2020-21 saw both of them conceded sharp decline due to imposition of Lockdown to arrest COVID-19 Pandemic, but the very next month saw moderation in the pace of decline for both as depicted in the following table.

Table 2: Engineering exports growth vis-à-vis manufacturing growth from April 2019

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	3.0
December 2019	-1.05	-0.3
January 2020	-4.52	1.6
February 2020	8.90	3.1
March 2020	-42.52	-20.6
April 2020	-63.67	-67.1
May 2020	-23.59	-39.3
June 2020	-7.24	N A

(Source: Department of Commerce and CSO)

We also present the month wise corresponding revised engineering exports for 2019-20 as opposed to 2018-19.

Table 3: Revised engineering exports for 2019-20 (US\$ million)

Months	2018-19	2019-20	Growth (%)
April	7020.54	6410.92*	-8.68
May	6928.08	7162.01*	3.38
June	6512.31	6274.85*	-3.65
Quarter 1	20460.93	19847.78*	-3.00
July	6052.64	5949.01	-1.71
August	6974.48	6347.76	-8.99
September	6769.15	6344.77	-6.27
Quarter 2	19796.27	18641.54	-5.83
October	6151.93	6252.68	1.64
November	5740.17	6199.17	8.00

Months	2018-19	2019-20	Growth (%)
December	6905.63	6811.53	-1.36
Quarter 3	18797.73	19263.38	2.48
January	6295.94	6011.39	-4.52
February	6442.37	7015.51	8.90
March	9162.3	5266.9	-42.52
Quarter 4	21900.61	18293.8	-16.47
April-March	80955.54	76046.5*	-6.06

Source: DGCI&S * Revised data

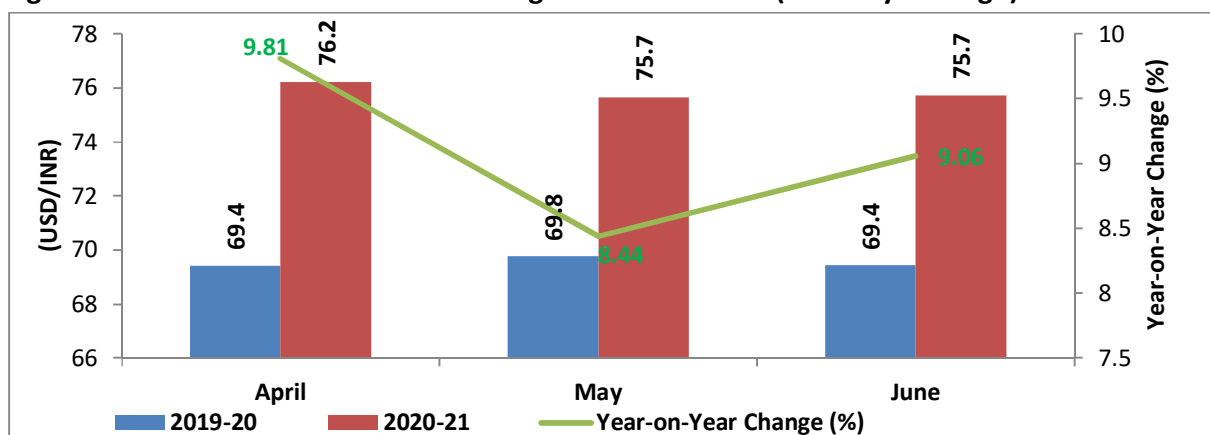
Impact of Exchange Rate

How did the exchange rate fare during June 2020 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of June 2020, but considered each month of fiscal 2019-20 and 2020-21 and looked at the movement of monthly average exchange rate of Rupee vis-à-vis the US Dollar as mere one month figure does not determine the trend. The tables and the charts below depict the short-term trend clearly:

Table 4A: USD-INR average exchange rate in 2020-21
(As per latest data release by FBIL)

Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	2019-20	2020-21		
April	69.43	76.24	9.81	Depreciation
May	69.77	75.66	8.44	Depreciation
June	69.44	75.73	9.06	Depreciation

Figure 2A: Movement of USD-INR Exchange Rate in 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

Rupee continued to weaken year-on-year in June 2020 but the month-on-month picture showed marginal recovery in the last two months: Although, the year-on-year comparison showed that rupee depreciated further in Jun 2020 after a marginal moderation in May 2020, the movement of rupee vis-à-vis the greenback was broadly in the confined range of 75.00 - 76.30 levels with a slight recovery during May and June.

Outlook does not seem so gloomy: The Pandemic-led sell off in the domestic capital market seems to have stabilized. RBI has also been accumulating foreign exchange reserves and has taken it to near the all-time high levels. Current Account is expected to yield a surplus during the last completed quarter. These factors, coupled with the prospects of foreign inflows lead by Reliance may help rupee escaping any sharp downtrend in the near term and moving towards a slow recovery instead. However, possibilities of sharper US-China confrontation, any escalation in the India- China tensions and further adversities arising out of the ongoing Pandemic cannot be ruled out as deterrents to a smooth recovery of Indian Rupee.

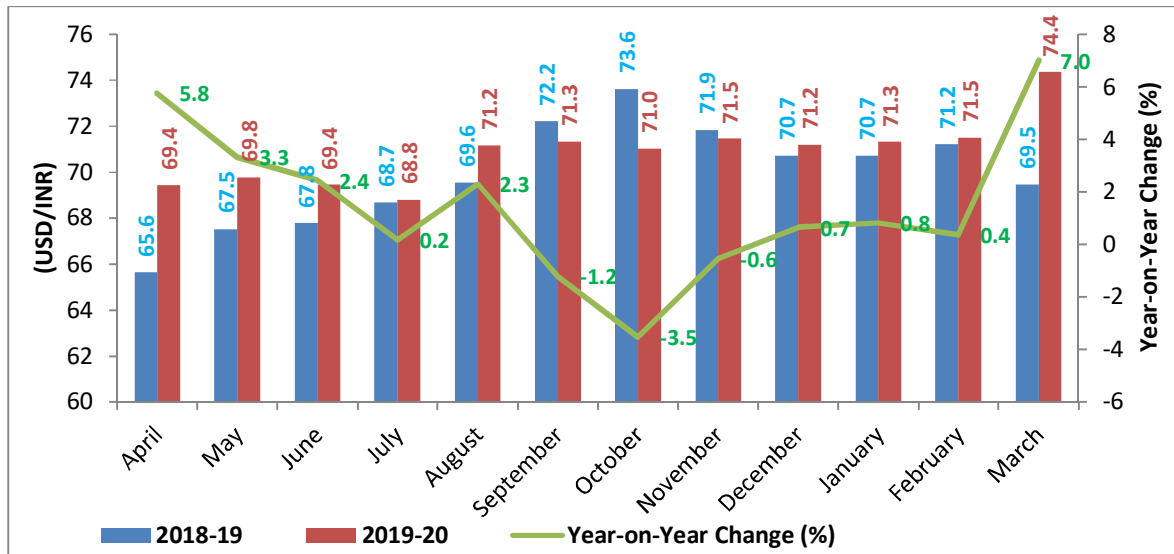
Rupee-Dollar Trends in 2019-20 vis-à-vis 2018-19

Table 4B: USD-INR average exchange rate in 2019-20

Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	2018-19	2019-20		
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
January	70.73	71.31	0.82	Depreciation
February	71.22	71.49	0.38	Depreciation
March	69.48	74.35	7.01	Depreciation
April – March (Monthly Avg.)	69.92	70.90	1.46	Depreciation

During 2019-20, Rupee depreciated over the US Dollar between April to August 2019 but at a narrowing rate over the month and then witnessed some appreciation in the next three months. December 2019 to February 2020 again saw marginal depreciation of rupee over the greenback but the month of March 2020 saw a record low of rupee as COVID-19 Pandemic started taking toll on investors' sentiment. The pictorial representation may provide a clearer picture.

Figure2B: Movement of USD-INR Exchange Rate (2019-20) (Monthly Average)



Source: RBI, FBIL, EEPC Research

3. Top 25 engineering export destinations in June 2020

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April- June 2020 over April- June 2019.

Table-5: Engineering exports country wise (April-June 2020)

US\$ million

Country	June 2019	June 2020	Growth (%)	Apr-June 2019	Apr-June 2020	Growth (%)
U S A	977.39	736.21	-24.68	2882.11	1614.03	-44.00
CHINA	139.03	749.03	438.76	456.10	1608.20	252.60
SINGAPORE	281.52	395.06	40.33	1064.96	1190.39	11.78
UAE	332.10	242.90	-26.86	1690.00	764.91	-54.74
MALAYSIA	151.10	168.39	11.44	614.09	732.75	19.32
VIETNAM	84.77	242.20	185.72	288.53	466.74	61.76
KOREA RP	163.84	188.53	15.07	501.26	465.89	-7.06
GERMANY	274.67	194.33	-29.25	789.25	433.23	-45.11
INDONESIA	139.14	72.25	-48.07	405.01	367.44	-9.28
ITALY	153.12	109.97	-28.18	489.46	252.45	-48.42
SAUDI ARAB	92.90	127.64	37.40	293.87	239.86	-18.38
JAPAN	93.07	79.39	-14.70	262.49	234.84	-10.53
MEXICO	214.75	134.68	-37.28	607.99	227.64	-62.56
THAILAND	120.72	119.72	-0.82	388.88	218.61	-43.78
U K	200.18	122.24	-38.94	630.29	212.07	-66.35
BELGIUM	80.20	77.52	-3.33	257.31	212.06	-17.59

Country	June 2019	June 2020	Growth (%)	Apr-June 2019	Apr-June 2020	Growth (%)
NEPAL	229.71	135.04	-41.21	670.93	205.01	-69.44
BANGLADESH	174.57	96.96	-44.45	593.79	198.42	-66.58
TAIWAN	50.71	95.13	87.60	143.83	191.03	32.81
TURKEY	76.02	97.38	28.11	240.46	187.03	-22.22
GIBRALTAR	179.27	0.00	-100.00	179.27	173.69	-3.11
PORTUGAL	9.44	12.88	36.34	26.12	166.80	538.51
NETHERLAND	83.56	74.92	-10.34	213.76	145.84	-31.77
NIGERIA	129.43	73.20	-43.45	365.64	145.62	-60.17
CANADA	62.76	66.53	6.00	190.84	143.09	-25.02
Total engineering exports to top 25 countries	4493.96	4412.10	-1.82	14246.24	10797.66	-24.21
Total engineering exports	6274.52	5824.93	-7.17	19846.90	13622.70	-31.36
Share (%)	71.62	75.75		71.78	79.26	

Source: Department of Commerce, Government of India

India's top 25 engineering export destinations: Some observations

- ❖ 6 out of 25 countries, recorded positive cumulative growth in engineering exports during April- June 2020 over April- June 2019. Like the previous month, 10 out of 25 countries recorded positive monthly growth in June 2020 over June 2019 which is an improvement over the first monthly performance where only two countries recorded positive monthly growth in April 2020 over April 2019.
- ❖ USA has retained its top position of being the numero uno destination for India's engineering products during April- June 2020 over April-June 2019, even though the growth rate turned negative for both monthly as well as cumulatively over the said period.
- ❖ Like the previous month China has ranked as the second largest destination for India's engineering products during April- June 2020 over April-June 2019, registering a high positive cumulative growth. China ranked as the top most export destination of Indian engineering products during June 2020 over June 2019, registering an enormous positive monthly growth of over 400 percent.
- ❖ Singapore ranked as the third largest destination for India's engineering products during April- June 2020 over April-June 2019, registering a positive cumulative growth and also positive monthly growth in June 2020 viz-a-viz June 2019.

- ❖ Gibraltar which came to prominence in India's top 25 engineering export destinations in last month during the ongoing COVID 19 crisis has continued to rank among the top 25 export destinations.
- ❖ Portugal is the only European country among India's top 25 engineering export destinations to have recorded a positive monthly growth in June 2020 over June 2019. Portugal also recorded the highest positive cumulative growth during April-June 2020 over April-June 2019.
- ❖ Among the ASEAN countries under the top 25 engineering exports destinations, Singapore, Malaysia and Vietnam recorded moderate positive growth during April- June 2020 over April-June 2019, barring Thailand and Indonesia which recorded negative growth during the same period.
- ❖ The share of India's engineering exports to its top 25 nations accounted for 79.3 percent of India's total engineering exports in April-June 2020. This significant high share is indicative of the dependence of India's engineering export on the traditional markets even at this time of crisis.
- ❖ India's engineering exports to its top 25 destinations during April-June 2020 over April-June 2019 recorded a negative growth which is less 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-June 2020 as opposed to April-June 2019.

Table 6: Region wise engineering exports in April-June 2020

US\$ million

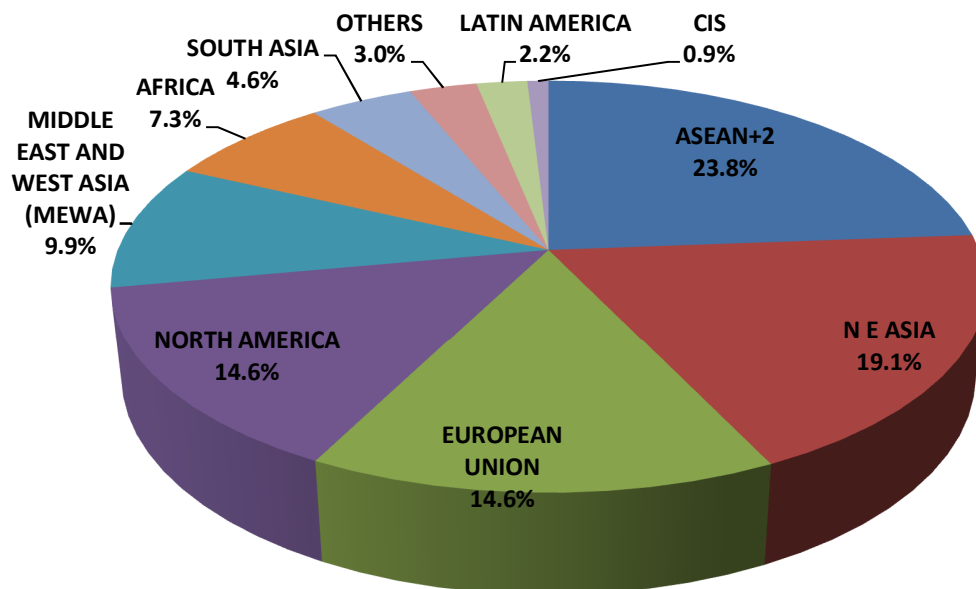
Regions	June 2019	June 2020	Growth (%)	Apr- June 2019	Apr- June 2020	Growth (%)
ASEAN+2	920.36	1150.67	25.02	3213.85	3241.72	0.87
N E ASIA	465.55	1145.60	146.08	1429.53	2599.20	81.82
EUROPEAN UNION	1132.15	906.22	-19.96	3826.23	1993.63	-47.90
NORTH AMERICA	1254.90	937.43	-25.30	3680.94	1984.76	-46.08
MIDDLE EAST AND WEST ASIA (MEWA)	624.54	533.57	-14.57	2590.06	1351.91	-47.80
AFRICA	628.90	495.69	-21.18	1891.22	996.33	-47.32
SOUTH ASIA	549.49	317.18	-42.28	1675.58	620.68	-62.96
OTHERS	335.22	119.20	-64.44	550.92	404.04	-26.66

Regions	June 2019	June 2020	Growth (%)	Apr- June 2019	Apr- June 2020	Growth (%)
LATIN AMERICA	290.36	155.16	-46.56	788.43	304.28	-61.41
CIS	73.05	64.21	-12.11	200.14	126.16	-36.97
Grand Total	6274.52	5824.93	-7.17	19846.90	13622.70	-31.36

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 3: Region-wise shares of India's engineering exports during Apr-June 2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ❖ ASEAN+2 like the previous month ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-June 2020 over April-June 2019 with a share of 23.8 percent of total engineering exports.
- ❖ India's exports to NE Asia and EU ranked second and third in global shipments of Indian engineering goods in April-June 2020 with a share of 19.1 percent and 14.6 percent of total engineering exports respectively.

- ❖ North America ranked fourth in global shipments of Indian engineering goods in April-June 2020 with a share of 14.6 percent, which is slightly higher in comparison to its last month share.
- ❖ Like the previous month North East Asia recorded high positive monthly and cumulative growth in exports of engineering products from India during April-June 2020 over April-June 2019. ASEAN+2 is the second region to revive and record positive monthly and cumulative growth during April-June 2020 over April-June 2019. All other regions recorded negative growth due to the vast disruption in commerce and trade on account of COVID19.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of June 2020 vis-a-vis June 2019 as well as April-June 2020-21 vis-à-vis April-June 2019-20. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for June 2020 compared to June 2019 as well as April-June 2020-21 vis-à-vis April-June 2019-20

US\$ Million

Products	JUNE 2019	JUNE 2020	Growth (%)	APRIL-JUNE, 2019-20	APRIL, - JUNE, 2020-21	Growth (%)
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	653.52	1323.94	102.6	2061.2	2968.6	44.0
Products of Iron and Steel	589.47	478.60	-18.8	1689.3	955.5	-43.4
Sub Total	1243.0	1802.5	45.0	3750.5	3924.1	4.6
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	56.46	138.57	145.4	187.4	294.6	57.2
Aluminium and products	412.74	451.42	9.4	1195.4	1285.1	7.5
Zinc and products	48.92	90.46	84.9	138.9	191.1	37.6
Nickel and products	5.5	6.48	17.9	45.2	10.7	-76.2
Lead and products	19.50	45.49	133.3	74.3	94.4	27.0
Tin and products	0.97	0.55	-43.4	2.5	1.1	-57.2
Other Non-Ferrous Metals	43.97	35.28	-19.8	132.1	60.6	-54.1
Sub Total	588.0	768.2	30.6	1775.8	1937.6	9.1
Industrial Machinery						

Products	JUNE 2019	JUNE 2020	Growth (%)	APRIL-JUNE, 2019-20	APRIL, -JUNE, 2020-21	Growth (%)
Industrial Machinery like Boilers, parts, etc	65.78	36.23	-44.9	226.0	74.5	-67.0
IC Engines and Parts	205.86	198.05	-3.8	618.6	306.4	-50.5
Pumps of all types	80.77	70.37	-12.9	251.7	121.7	-51.7
Air condition and Refrigerators	141.10	91.06	-35.5	384.6	163.9	-57.4
Industrial Machinery for dairy, food processing , textiles etc	398.18	372.88	-6.4	1199.5	666.1	-44.5
Machine Tools	38.31	31.59	-17.5	115.6	53.7	-53.5
Machinery for Injecting moulding, valves and ATMs	141.48	124.73	-11.8	422.5	256.3	-39.4
Sub Total	1071.5	924.9	-13.7	3218.5	1642.5	-49.0
Electrical Machinery	691.55	603.16	-12.8	2171.8	1496.3	-31.1
Auto Components and parts						
Motor Vehicle/cars	619.90	359.19	-42.1	1926.0	573.6	-70.2
Two and Three Wheelers	169.76	125.58	-26.0	496.3	192.0	-61.3
Auto Components/Part	457.57	328.41	-28.2	1343.2	524.6	-60.9
Sub Total	1247.2	813.2	-34.8	3765.5	1290.1	-65.7
Aircrafts and Spacecraft parts and products	109.59	73.79	-32.7	317.4	134.0	-57.8
Ships Boats and Floating products and parts	583.27	261.57	-55.2	2626.9	2099.3	-20.1
Other engineering products						
Medical and Scientific instruments	144.95	134.81	-7.0	432.2	281.1	-34.9

Products	JUNE 2019	JUNE 2020	Growth (%)	APRIL-JUNE, 2019-20	APRIL, - JUNE, 2020-21	Growth (%)
Railway Transport	33.76	5.68	-83.2	94.8	11.5	-87.9
Hand Tools & Cutting Tools	65.56	52.47	-20.0	201.7	95.1	-52.8
Electrodes Accumulators	5.04	3.54	-29.7	14.9	6.3	-57.3
Accumulator and Batteries	32.50	26.06	-19.8	102.8	44.2	-57.0
Bicycle & Parts	29.94	23.08	-22.9	95.4	40.6	-57.5
Cranes Lifts & Winches	46.78	34.93	-25.3	135.6	58.3	-57.0
Office Equipment	20.71	11.30	-45.4	49.5	21.0	-57.7
Other Construction Machinery	122.53	87.47	-28.6	389.3	172.9	-55.6
Prime Mica & Mica Products	8.80	2.11	-76.0	15.5	4.5	-71.1
OTHER MISC. ITEMS	230.1	191.5	-16.8	689.8	351.7	-49.0
Sub Total	740.7	572.9	-22.7	2221.5	1087.2	-51.1
Total engineering exports	6274.8	5820.3	-7.24	19847.8	13611.2	-31.42

Source: Department of Commerce, Government of India

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

- Exports of Products of Iron and Steel under Chapter 73: fell by 18.8% in June 2020 and 43.4% in April-June 2020-21
- Exports of Tin and products under Chapter 80: fell by 43.4% in June 2020 and 57.2% in April-June 2020-21

Panel wise engineering exports: Some observations

- ❖ During June 2020, exports of engineering goods (panel wise) dropped to US\$ 5820.26 million compared to US\$ 6274.8 million in June 2019 contracting to the extent of 7.24 percent for the third straight month of the new fiscal 2020-21. India's engineering export basket reflected recovery in June 2020 after shrinking drastically in the month of April 2020 as well as May 2020 due to Covid-19 pandemic. Out of 33 engineering panels, 27 panels recorded

negative growth and 6 panels recorded positive growth in exports during June 2020 vis-à-vis June 2019. In cumulative terms, 28 out of 33 panels exhibited a year-on-year decline in exports.

- ❖ Iron and Steel figures recorded more than 100 percent growth in exports during June 2020 with an overseas shipment recording US\$ 1323.94 million from US\$ 653.52 million in the same month last year. In cumulative terms too, Iron and steel figures increased by 44 percent during the fiscal April-June 2020-21 vis-à-vis same period last fiscal. Products of Iron and Steel recorded negative exports by 18.8 percent during June 2020 falling to US\$ 478.60 million from US\$ 589.47 million during the same period in June 2019. Cumulative exports of products of iron and steel also registered negative growth to the extent of 43.4 percent from US\$ 1689.3 million during April-June 2019-20 to US\$ 955.5 million during April-June 2020-21. The significant drop in exports of products of iron and steel led to slow growth in cumulative figures for combined iron and steel and products of iron and steel exports to the extent of 4.6 percent in April-June 2020-21 corresponding to the same period last year.
- ❖ The Non-Ferrous metal segment witnessed growth in exports to the extent of 30.6 percent during June 2020 compared to same period last year and cumulative growth to the extent of 9.1 percent during April-June 2020-21 compared to April-June 2019-20. Sectors like Copper, Aluminium, Zinc, Nickel and Lead products registered positive export growth during June 2020 to the extent of 145.4 percent, 9.4 percent, 84.9 percent, 17.9 percent and 133.3 percent respectively. Only Tin and products recorded negative export growth both monthly and cumulatively (drop by 43.4 percent monthly and 57.2 percent cumulatively) and other Non-Ferrous Metals (drop by 19.8 percent monthly and 54.1 percent cumulatively) during June 2020 and April-June 2020-21 compared to same period last year.
- ❖ All the seven panels of Industrial machinery as a whole recorded negative growth in exports to the extent of 13.7 percent from US\$ 1071.5 million in June 2019 to US\$ 924.9 million in June 2020. In cumulative terms too, the panel registered negative growth of 49 percent from US\$ 3218.5 million during April-June 2019-2020 to US\$ 1642.5 million during April-June 2020-21. Sectors like, Industrial Machinery for dairy, food processing and textiles slumped by 6.4 percent from US\$ 398.18 million in June 2019 to US\$ 372.88 million in June 2020. IC engines and parts dropped by 3.8 percent from US\$ 205.86 million in June 2019 to US\$ 198.05 million in June 2020. Industrial Boilers recorded 44.9 percent drop in exports during June 2020 compared to June 2019 and other sectors like Pumps of all types, Air Condition Machinery and parts, Machine Tools and Machinery for ATMs recorded 12.9 percent, 35.5 percent, 17.5 percent and 11.8 percent fall in exports respectively during June 2020 vis-a-vis June 2019.
- ❖ Electrical Machinery and equipment which is a major engineering exporting sector for India experienced negative exports to the extent of 12.8 percent from US\$ 691.55 million in June 2019 to US\$ 603.16 million in June 2020. In cumulative terms too, there was 31.1 percent negative growth in exports in April-June 2020-21 when compared to April-June 2019-20.

- ❖ Exports of Auto Components and parts recorded 34.8 percent negative growth during June 2020, moving down from US\$ 1247.2 million in June 2019 to US\$ 813.2 million in June 2020. In cumulative terms too, the sector dipped by 65.7 percent from US\$ 3765.5 million in April-June 2019-20 to US\$ 1290.1 million in April-June 2020-21. The automobile sector (including Motor Vehicles and Two/Three Wheelers) experienced drop in exports by 39 percent from US\$ 789.7 million in June 2019 to US\$ 484.8 million in June 2020. In cumulative terms also, the sector dropped by 68 percent from US\$ 2422.3 million in April-June 2019-20 to US\$ 765.5 million in April-June 2020-21.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 32.7 percent drop in June 2020 vis-à-vis June 2019 and cumulative drop in exports by 57.8 percent during April-June 2020-21 compared to same period last year. Similar to that, Ship, Boats and Floating Bodies also exhibited negative growth in exports of 55.2 percent in June 2020 and by 20.1 percent during April-June 2020-21 compared to same period last fiscal.
- ❖ The entire product group under “Other engineering products” category witnessed negative growth both monthly and cumulatively during June 2020 as well as April-June 2020-21 compared to same period last year. Major sectors including Railway transport (falling by 83.2 percent monthly and 87.9 percent cumulatively), Hand Tools (falling by 20 percent monthly and 52.8 percent cumulatively), Accumulator and Batteries (falling by 19.8 percent monthly and 57 percent cumulatively), Bicycle and parts (falling by 22.9 percent monthly and 57.5 percent cumulatively), Cranes, Lifts and winches (falling by 25.3 percent monthly and 57 percent cumulatively), Office Equipment (falling by 45.4 percent monthly and 57.7 percent cumulatively), Other Construction machinery (falling by 28.6 percent monthly and 55.6 percent cumulatively). Most prominently, Medical and scientific devices with maximum volume of exports under this category registered a 7 percent drop in exports in June 2020 and by 34.9 percent drop in exports during April-June 2020-21 compared to same period last fiscal.

6. Data for ferrous and non-ferrous panels experiencing a decline in the month of June 2020 vis-à-vis June 2019

Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	565.04	557.10	-1.1	101.74	-81.74
May	575.87	544.83	-5.3	375.08	-30.9
June	587.78	591.46	0.6	478.60	-18.8
July	539.72	596.79	10.5		
August	691.22	624.46	-9.3		
September	615.69	570.35	-7.36		

Table 8A: Chapter 73: Products of Iron & Steel					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
October	569.97	592.72	3.99		
November	533.39	572.77	7.38		
December	666.88	653.10	-2.07		
January	562.16	628.11	11.73		
February	539.59	590.07	9.35		
March	723.35	461.36	-36.2		
April-March	7259.37	7004.58	-3.51		

Table 8B: Chapter 73: Products of Iron & Steel					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	265.95	264.77	-0.44		
May	295.46	248.23	-15.99		
June	288.75	293.38	1.60		
July	237.38	271.11	14.21		
August	327.95	284.78	-13.16		
September	293.51	259.36	-11.63		
October	247.69	263.78	6.49		
November	241.06	267.61	11.01		
December	323.76	305.79	-5.55		
January	278.10	306.58	10.24		
February	276.80	306.94	10.89		
March	349.72	231.34	-33.85		
April-March	3426.18	3303.70	-3.57		

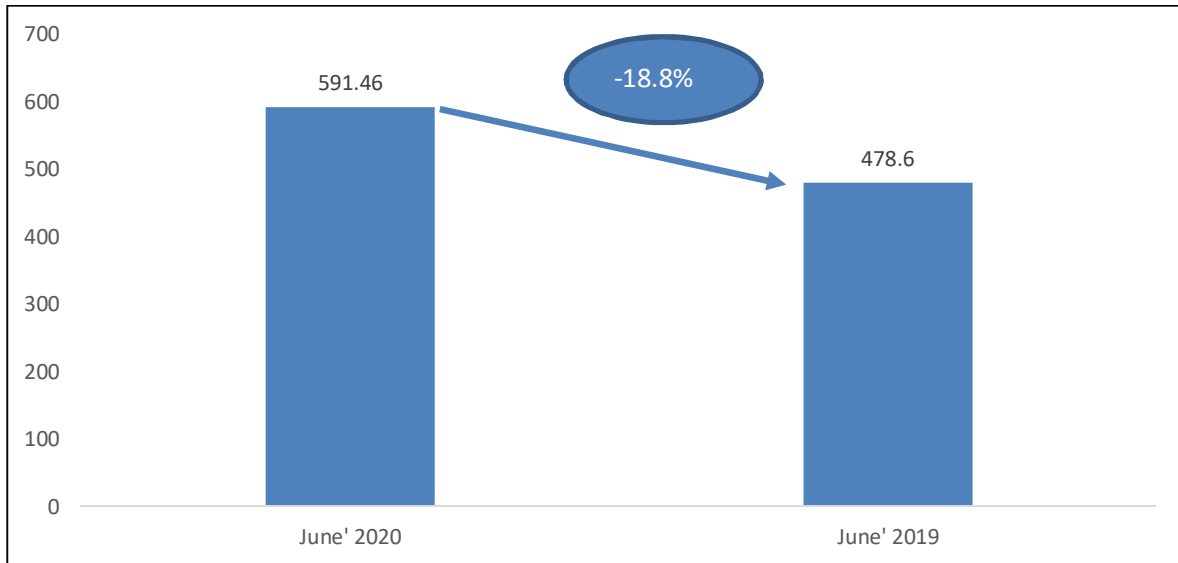
Table 9A: Chapter 80: Tin and Products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.56	0.65	16.1	0.18	-71.85
May	0.38	0.91	139.5	0.35	-61.4
June	0.84	0.97	15.5	0.55	-43.4
July	0.84	0.48	-42.9		
August	0.81	1.22	50.6		

September	0.58	0.84	44.8		
October	0.69	0.78	13.0		
November	1.17	1.10	-6.0		
December	1.23	0.46	62.6		
January	0.57	1.24	117.5		
February	1.26	0.54	-57.1		
March	1.25	0.48	-61.60		
April-March	9.83	9.86	0.31		

Table 9B: Chapter 80: Tin and Products					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.073	0.062	-15.05		
May	0.123	0.119	-2.92		
June	0.130	0.098	-23.99		
July	0.063	0.061	-10.69		
August	0.072	0.110	52.22		
September	0.038	0.066	75.19		
October	0.043	0.069	60.22		
November	0.063	0.074	17.38		
December	0.067	0.038	-42.63		
January	0.035	0.100	185.61		
February	0.061	0.093	51.01		
March	0.081	0.057	-29.13		
April-March	0.859	0.953	11.03		

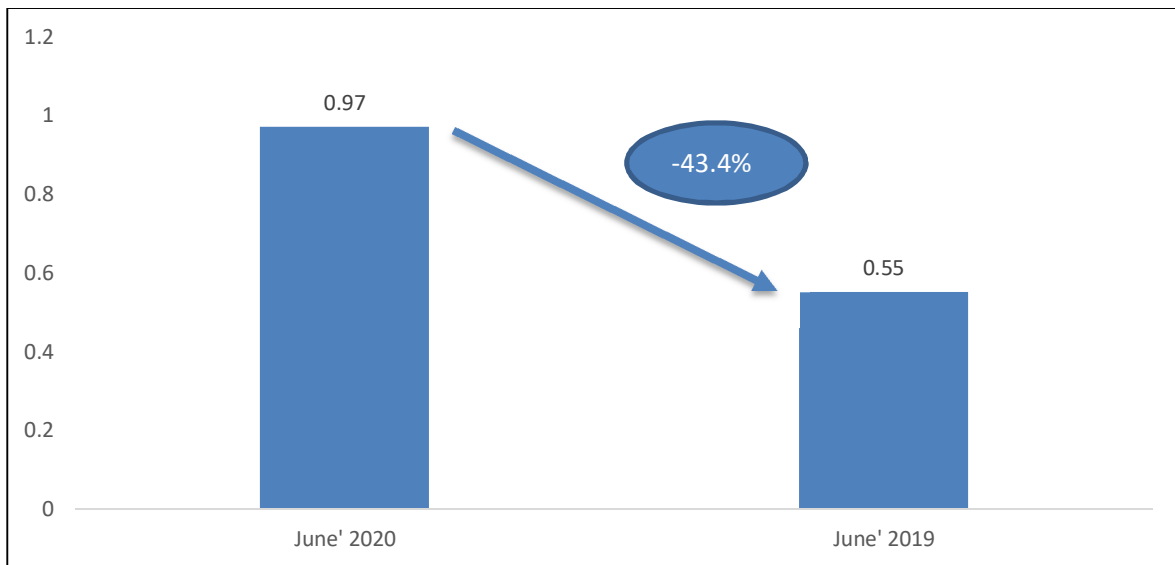
➤ **Slump in products of Iron and steel exports**

Figure 4: Slump in Products of Iron and Steel Exports in June 2020 v/s June 2019 (in USD million)



➤ **Slump in products of exports of Tin and its products**

Figure 5: Slump in Exports of Tin and its products in June 2020 v/s June 2019 (in USD million)



7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during June 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 14-22)

Table 10: Export of Iron & Steel
 US\$ Million
 (Source: Department of Commerce, Government of India)

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
Top Five Importers						
CHINA	34.85	523.97	1403.64	111.37	1142.07	925.46
VIETNAM	22.09	183.20	729.20	129.55	371.63	186.86
U A E	68.17	61.15	-10.30	178.90	198.18	10.77
BELGIUM	28.98	29.72	2.53	92.63	126.26	36.31
ITALY	36.88	40.89	10.86	118.46	126.25	6.58
High cumulative growth						
CHINA	34.85	523.97	1403.64	111.37	1142.07	925.46
VIETNAM	22.09	183.20	729.20	129.55	371.63	186.86
TAIWAN	11.02	35.10	218.52	31.64	58.20	83.90
THAILAND	6.09	33.83	455.89	40.24	72.14	79.28
BELGIUM	28.98	29.72	2.53	92.63	126.26	36.31
Sharp cumulative decline						
NEPAL	106.57	56.29	-47.18	283.53	96.60	-65.93
MALAYSIA	20.55	16.25	-20.94	76.26	29.02	-61.94
GERMANY	14.73	9.88	-32.89	36.47	17.14	-53.00
JAPAN	18.77	13.44	-28.38	63.01	30.16	-52.14
BANGLADESH	24.17	16.24	-32.80	92.26	46.63	-49.46
U S A	22.00	11.72	-46.71	66.63	39.64	-40.50

- ❖ China, Vietnam and UAE were the three top three importers of Indian Iron and Steel during April 2020-June 2020 with market shares of 38.44 percent, 12.51 percent and 6.67 percent respectively.
- ❖ China recorded a monumental growth of 925.46 percent followed by Vietnam and Taiwan at 186.86 percent and 83.90 percent in exports of Indian Iron and Steel during April 2020-June 2020 compared to April 2019-June 2019.
- ❖ Nepal, Malaysia, Germany and Japan experienced sharp downfall to the extent of more than 50% drop in exports during April 2020-June 2020 compared to same period last fiscal.

Table 11: Export of Products of Iron & Steel

US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
Top Five Importers						
U S A	146.20	93.46	-36.07	422.23	164.04	-61.15
CANADA	19.59	33.98	73.42	58.59	88.66	51.33
U A E	33.59	24.76	-26.27	112.59	53.92	-52.11
GERMANY	33.69	26.16	-22.35	96.41	47.53	-50.70
SAUDI ARABIA	14.64	18.21	24.38	42.23	37.39	-11.45
High cumulative growth						
INDONESIA	3.79	2.58	-32.06	13.02	37.24	185.96
EGYPT	2.97	15.80	431.23	7.46	16.97	127.45
OMAN	7.10	19.52	174.80	14.86	30.02	102.00
CANADA	19.59	33.98	73.42	58.59	88.66	51.33
MALAYSIA	2.74	4.45	62.58	12.66	17.01	34.32
Sharp cumulative decline						
FRANCE	14.44	8.30	-42.52	42.69	14.73	-65.49
U K	25.46	16.67	-34.52	74.05	27.84	-62.40
U S A	146.20	93.46	-36.07	422.23	164.04	-61.15
U A E	33.59	24.76	-26.27	112.59	53.92	-52.11
GERMANY	33.69	26.16	-22.35	96.41	47.53	-50.70
ITALY	17.14	13.93	-18.73	50.56	26.13	-48.32

(Source: Department of Commerce, Government of India)

- ❖ USA, Canada and UAE were the top three importers of India's 'Products of Iron & Steel' during April 2020-June 2020 with 17.15 percent, 9.27 percent and 5.64 percent shares respectively in India's global import of the same.
- ❖ Indonesia experienced more than 185% growth followed by Egypt and Oman in import of 'Products of Iron and Steel' during April 2020-June 2020.
- ❖ France, UK and USA conceded substantial decline in imports by more than 60% for the said product group from India during April 2020-June 2020.

Table 12: Export of Industrial Machinery

US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
Top Five Importers						

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
U S A	171.06	139.51	-18.44	509.97	265.69	-47.90
CHINA	48.73	62.67	28.63	132.29	112.53	-14.94
U A E	36.32	51.89	42.86	121.34	81.86	-32.54
GERMANY	53.41	42.48	-20.45	157.31	78.56	-50.06
THAILAND	49.46	43.76	-11.52	163.79	66.29	-59.53
High cumulative growth						
SOUTH SUDAN	0.08	1.56	1851.62	0.26	1.57	511.61
SURINAME	0.21	0.58	180.18	0.29	1.01	250.07
CHAD	0.18	0.99	450.93	0.36	1.22	233.37
TOGO	0.26	0.81	216.17	0.75	1.97	160.53
BAHARAIN	3.70	3.07	-17.19	8.42	12.70	50.77
Sharp cumulative decline						
BANGLADESH	45.21	23.61	-47.78	151.93	38.99	-74.33
NIGERIA	33.73	26.43	-21.66	120.17	45.07	-62.50
THAILAND	49.46	43.76	-11.52	163.79	66.29	-59.53
GERMANY	53.41	42.48	-20.45	157.31	78.56	-50.06
U S A	171.06	139.51	-18.44	509.97	265.69	-47.90
U A E	36.32	51.89	42.86	121.34	81.86	-32.54

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April 2020-June 2020 with 16.16 percent share in India's global import of the product group. China and UAE were the two immediate followers of USA with 6.84 percent and 4.98 percent shares respectively.
- ❖ South Sudan, Suriname and Chad were among the major importing nations witnessing growth of more than 200% in imports of Industrial machinery from India followed by Togo and Bahrain during April 2020-June 2020 over the same period last fiscal. Except Bahrain, the absolute export figures are not very convincing.
- ❖ Among the major importers, Bangladesh, Nigeria, Thailand and Germany recorded over 50 percent year-on-year declines in imports during April 2020-June 2020.

Table 13: Automobiles

US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
Top Five Importers						

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
MEXICO	121.54	82.39	-32.22	350.97	127.89	-63.56
SAUDI ARABIA	31.14	52.50	68.60	85.94	101.41	18.00
SOUTH AFRICA	89.48	43.56	-51.32	233.18	65.65	-71.85
NIGERIA	43.87	18.14	-58.66	117.38	44.15	-62.39
U S A	54.18	29.89	-44.82	222.44	32.42	-85.42
High cumulative growth						
SUDAN	0.06	4.50	7960.94	0.26	6.24	2283.57
BRUNEI	0.00	1.29	#DIV/0!	1.90	4.59	141.63
THAILAND	1.07	4.19	291.65	2.50	5.20	108.52
SOMALIA	0.69	3.53	411.59	2.50	4.50	80.01
EGYPT	1.67	4.73	183.71	9.29	15.98	72.04
Sharp cumulative decline						
INDONESIA	36.82	4.48	-87.82	105.67	9.24	-91.25
U S A	54.18	29.89	-44.82	222.44	32.42	-85.42
SOUTH AFRICA	89.48	43.56	-51.32	233.18	65.65	-71.85
MEXICO	121.54	82.39	-32.22	350.97	127.89	-63.56
NIGERIA	43.87	18.14	-58.66	117.38	44.15	-62.39

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ❖ Mexico, Saudi Arabia and South Africa were top three importers of India's Automobiles during April 2020-June 2020 with 16.69, 13.24 and 8.57 percent share in India's global exports respectively over the same period last fiscal.
- ❖ Sudan recorded a meteoric growth of more than 2200% followed by Brunei and Thailand with more than 100% growth in imports of the product group from India during April 2020-June 2020 over the same period last fiscal.
- ❖ Countries like Indonesia, USA and South Africa saw their imports of automobile lower by more than 70% during April 2020-June 2020 compared to same period last fiscal.

Table 14: Export of Non-Ferrous metals

US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
Top Five Importers						
MALAYSIA	61.64	111.97	81.65	205.88	394.05	91.39

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
KOREA	98.96	131.84	33.23	295.73	348.29	17.77
CHINA	16.84	120.21	613.87	92.02	268.08	191.34
SINGAPORE	10.59	67.66	538.62	31.91	192.31	502.63
U S A	87.05	48.63	-44.14	230.18	127.19	-44.74
High cumulative growth						
SINGAPORE	10.59	67.66	538.62	31.91	192.31	502.63
CHINA	16.84	120.21	613.87	92.02	268.08	191.34
MALAYSIA	61.64	111.97	81.65	205.88	394.05	91.39
TAIWAN	28.39	49.03	72.70	69.50	112.80	62.30
KOREA	98.96	131.84	33.23	295.73	348.29	17.77
Sharp cumulative decline						
ITALY	18.61	2.63	-85.88	46.64	7.19	-84.58
NEPAL	15.67	9.38	-40.14	47.96	12.92	-73.07
MEXICO	14.68	6.64	-54.78	46.63	13.11	-71.90
THAILAND	15.85	10.31	-34.97	49.57	27.05	-45.42
U S A	87.05	48.63	-44.14	230.18	127.19	-44.74
U A E	18.28	18.14	-0.73	60.61	34.65	-42.83

(Source: Department of Commerce and CSO)

- ❖ Malaysia, Korea and China were the top three importers of India's Non-ferrous metals and products' during April 2020-June 2020 with 20.32 percent, 17.96 percent and 13.82 percent shares respectively in India's global import of the same.
- ❖ Singapore experienced massive growth of more than 500% followed by China and Malaysia at 191.34% and 91.39% respectively in import of Non-ferrous metals and products during April 2020-June 2020.
- ❖ Italy, Nepal and Mexico conceded substantial decline in imports by more than 70% for the said product group from India during April 2020-June 2020 vis-à-vis same period last fiscal.

Table 15: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
Top Five Importers						
U S A	201.36	194.05	-3.63	592.03	597.84	0.98

GERMANY	80.69	48.49	-39.90	243.32	169.25	-30.44
JAPAN	8.00	9.74	21.65	21.11	72.81	244.96
SINGAPORE	36.20	31.15	-13.95	136.23	71.86	-47.25
U A E	25.13	25.00	-0.50	58.77	43.45	-26.07
High cumulative growth						
NEW ZEALAND	0.32	17.11	5305.20	1.21	28.61	2257.52
JAPAN	8.00	9.74	21.65	21.11	72.81	244.96
HONG KONG	3.53	10.76	204.81	12.36	42.44	243.44
TURKEY	3.98	16.03	303.06	22.97	32.21	40.21
Sharp cumulative decline						
U K	55.07	12.82	-76.72	200.94	22.31	-88.90
MEXICO	17.94	6.11	-65.95	44.63	10.64	-76.17
FRANCE	13.74	12.18	-11.36	58.71	18.18	-69.04
BANGLADESH	14.40	8.26	-42.64	50.64	19.23	-62.03
BELGIUM	13.15	8.90	-32.35	48.96	21.32	-56.46

(Source: Department of Commerce and CSO)

- ❖ USA, Germany and Japan were the three top importers of Indian Electrical Machinery and Components during April 2020-June 2020 with market shares of 39.92 percent, 11.30 percent and 4.86 percent respectively.
- ❖ New Zealand recorded massive growth of 2257.52 % followed by Japan and Hong Kong at 244.96% and 243.44% in imports of India's Electrical Machinery and Components during April 2020-June 2020 vis-a-vis April 2019 – June 2019.
- ❖ UK and Mexico experienced the sharp decline of more than 75% in its imports in April 2020-June 2020 when compared to April 2019 – June 2019. It is also the case for France and Bangladesh which experienced more than 60 percent drop.

Table 16: Export of Aircrafts and Space crafts

US\$ million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019-JUNE 2019	APRIL 2020-JUNE 2020	Growth (%)
Top Five Importers						
U S A	42.23	28.36	-32.84	125.48	47.08	-62.48
U K	19.97	10.92	-45.29	47.03	18.73	-60.17
FRANCE	11.94	4.45	-62.76	35.88	14.34	-60.04
SINGAPORE	9.06	7.47	-17.63	28.16	11.18	-60.29
GERMANY	5.85	4.25	-27.43	13.90	9.13	-34.31
High cumulative growth						

IRELAND	0.04	4.98	12321.20	0.91	4.98	446.71
MAURITIUS	0.03	0.43	1255.71	0.08	0.43	419.48
RUSSIA	0.22	1.57	596.59	0.82	1.59	94.12
POLAND	0.49	1.27	162.56	1.13	1.68	48.58
Sharp cumulative decline						
MALAYSIA	5.75	2.39	-58.50	13.66	2.62	-80.84
U S A	42.23	28.36	-32.84	125.48	47.08	-62.48
SINGAPORE	9.06	7.47	-17.63	28.16	11.18	-60.29
U K	19.97	10.92	-45.29	47.03	18.73	-60.17
FRANCE	11.94	4.45	-62.76	35.88	14.34	-60.04

(Source: Department of Commerce and CSO)

- ❖ USA, UK and France were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020 - June 2020 with around 35.11, 13.97 and 10.69 percent shares respectively in India's total global exports of the product.
- ❖ Ireland and Mauritius registered substantial growth of 446.71% and 419.48% respectively in import of the product group from India during April 2020 - June 2020 as compared with the same period last fiscal.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Malaysia, USA, Singapore, UK and France dropped more than 60 percent on a year-on-year basis during April 2020 - June 2020 when compared to April 2019 - June 2019.

Table 17: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
Top Five Importers						
SINGAPORE	172.03	228.31	32.72	714.44	808.12	13.11
U A E	93.17	11.58	-87.57	948.06	266.69	-71.87
MALAYSIA	21.73	0.33	-98.46	191.33	237.33	24.04
INDONESIA	28.08	0.00	-100.00	89.70	221.53	146.96
GIBRALTAR	179.09	0.00	-100.00	179.09	173.69	-3.02
High cumulative growth						
MALTA	0.00	0.00	-	0.01	113.42	1720163.06
INDONESIA	28.08	0.00	-100.00	89.70	221.53	146.96
SRI LANKA	18.74	0.01	-99.95	45.22	73.35	62.20
MALAYSIA	21.73	0.33	-98.46	191.33	237.33	24.04
SINGAPORE	172.03	228.31	32.72	714.44	808.12	13.11

Sharp cumulative decline						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	5.35	0.00	-100.00	29.87	0.00	-100.00
MAURITIUS	0.00	0.00	-	5.89	0.00	-100.00
NORWAY	58.33	0.00	-100.00	58.33	0.00	-100.00
U A E	93.17	11.58	-87.57	948.06	266.69	-71.87

(Source: Department of Commerce and CSO)

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

- ❖ Singapore, UAE and Malaysia became the largest importer of ships, boats and floating structures followed by Indonesia and Gibraltar. Their respective shares are 38.46 percent, 12.69 percent, 11.30 percent, 10.54 percent and 8.27 percent.
- ❖ Though Malta recorded negligible imports in June 2020 but the cumulative Imports to Malta recorded meteoric increase as they had negligible import in April 2019 - June 2019. Indonesia and Sri Lanka registered substantial growth of 146.96% and 62.20% respectively in import of the product group from India during April 2020 - June 2020 as compared with the same period last fiscal.
- ❖ However, sharp decline of more than 70 percent was noticed in exports to UAE from India during April 2020 - June 2020 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Cyprus, Liberia, Mauritius and Norway.

Table 18: Export of Auto Components

US\$ Million

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
Top Five Importers						
U S A	110.90	73.42	-33.80	314.22	117.28	-62.67
TURKEY	19.81	23.97	20.99	60.11	40.26	-33.02
GERMANY	21.55	18.31	-15.00	63.25	31.84	-49.66
VIETNAM	19.27	18.70	-2.93	43.84	23.71	-45.91
MEXICO	20.55	14.44	-29.72	54.85	21.87	-60.12
High cumulative growth						
CONGO	0.88	3.33	280.20	1.01	3.87	282.09
UZBEKISTAN	0.11	0.81	636.24	0.55	1.29	135.01
IRAQ	0.17	0.63	274.45	0.66	1.13	71.88
GUINEA	0.17	0.83	378.42	1.19	1.88	58.52
SLOVENIA	0.40	1.00	147.42	1.37	2.11	54.51
Sharp cumulative decline						
BRAZIL	24.16	10.33	-57.24	73.07	17.12	-76.57

COUNTRY	JUNE 2019	JUNE 2020	Growth (%)	APRIL 2019- JUNE 2019	APRIL 2020- JUNE 2020	Growth (%)
BANGLADESH	20.31	13.43	-33.89	64.89	17.86	-72.48
U S A	110.90	73.42	-33.80	314.22	117.28	-62.67
MEXICO	20.55	14.44	-29.72	54.85	21.87	-60.12
GERMANY	21.55	18.31	-15.00	63.25	31.84	-49.66

(Source: Department of Commerce and CSO)

- ❖ USA remained the top importer of auto components in April 2020 - June 2020 with a share of 22.34 percent. It is followed by Turkey, Germany, Vietnam and Mexico with respective shares of 7.67 percent, 6.06 percent, 4.52 percent and 4.17 percent.
- ❖ Congo recorded maximum increase of more than 280 percent followed by Uzbekistan and Iraq in imports from April 2020 - June 2020 when compared to April 2019 - June 2019. However, absolute figures are not very convincing for any of the nations.
- ❖ However, Brazil and Bangladesh recorded significant decline of more than 70 percent in April 2020 - June 2020 when compared to April 2019 - June 2019.

Analysis of India's engineering imports

India's Engineering imports during June 2020 were valued at US\$ 4558.01 million compared to US\$ 7827.95 million in June 2019 registering a negative growth of 41.8 percent in dollar terms.

Cumulative engineering imports during April-March 2019-20 was recorded at US\$ 100.55 billion as against US\$ 111.21 billion during the same period last fiscal registering a fall of 9.6 percent.

The share of engineering imports in India's total merchandise imports has dropped during June 2020 in comparison to May 2020 which has been estimated at 21.6%.

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

Table 19: Monthly engineering Imports during 2020-21 (US\$ Mn.)

Months	2019-20	2020-21	Growth (%)
April	8143.84	3858.97	-52.6
May	8875.24	6433.42	-27.5
June	7827.95	4558.01	-41.8

The monthly engineering import figures for fiscal April-March 2019-20 vis-à-vis April-March 2018-19 is depicted below as per the latest availability of figure:

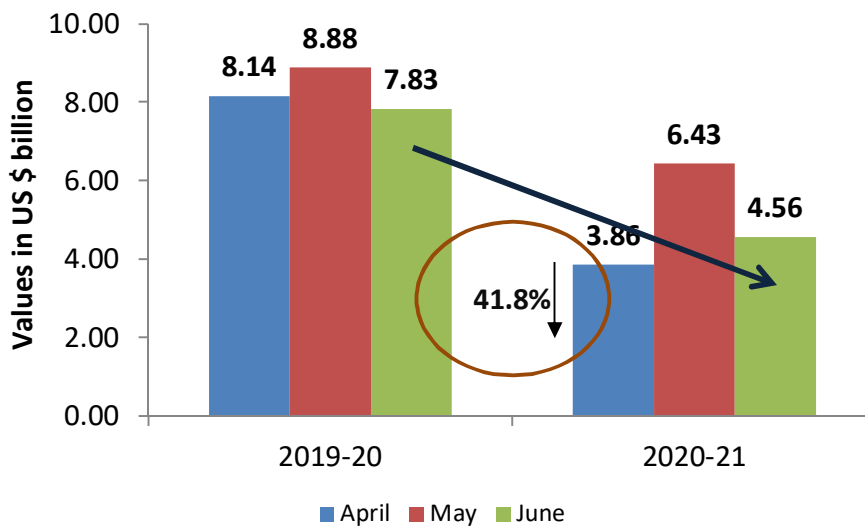
Table 20: Engineering Imports during 2019-20 vis-à-vis 1018-19
(US\$ Million)

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
February	8381.48	8446.97	0.8
March	9402.1	7132.2	-24.1

Source: Department of Commerce, Government of India

Figure below depicts engineering imports for April-June 2020 compared to April-June 2019

Fig 6: Monthly Engineering Imports for April-June 2020 vis-a-vis April-June 2019



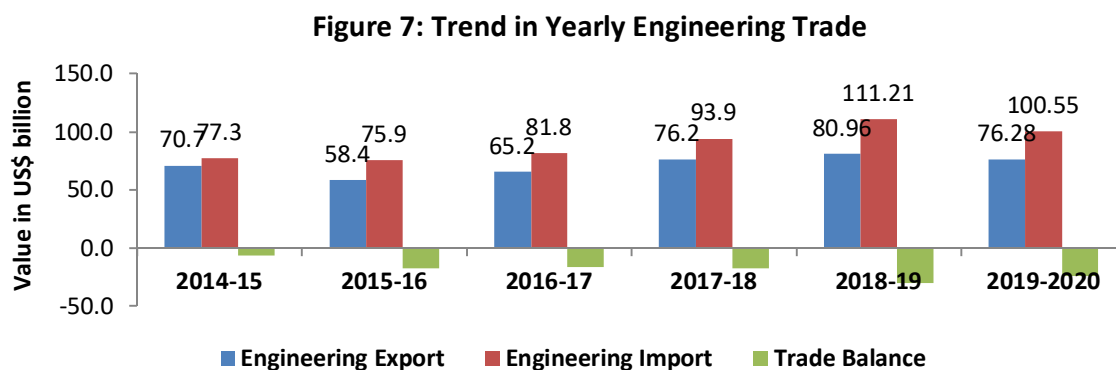
Source: EEPC India analysis

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

Table 21: Tear-wise trend in engineering trade
(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Jun 2019	Apr-Jun 2020	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	19.8	13.6	-31.4
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	24.8	14.9	-40.2
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-5.0	-1.3	

Figure13 below depicts the yearly trend in engineering trade **from 2014-15 to 2019-20**



Conclusion

With engineering trade continuing to decline in June, the first quarter of 2020-21 exhibited dismal y-o-y performance. This echoed the global trade performance which was also quite weak albeit due to the rapidly expanding pandemic-COVID-19 across the globe. The situation may worsen as the pandemic does not show any signs of subsiding in the near future. Almost all international organisations predict a deep set recession for the global economy in 2020. As the world gradually comes into terms with the new post COVID normal, trade emerges as one of the most important factors to instill confidence in the global economy. As the OECD predicts against the background of a rapidly spreading pandemic wreaking havoc on global economy, trade has to be continued to ensure smooth supply of essentials and to send a signal of confidence to the global economy. However to keep trade flowing mutual trust and cooperation among different trade partners will be essential in the near future. Implementing several import restrictions, protectionist measures and trade tensions such as the US-China trade war may further worsen the prospects of revival of both trade and economy. Hence countries have to deal with each other very cautiously.

Coming back to India's engineering trade, while there has been continuous y-o-y decline in all three months of the first quarter of 2020-21, there is a ray of hope as the rate of decline continues to drop. While in April 2020, the decline was 64 percent, in May 2020 it recovered to -24 percent. In June the recovery was far better as engineering exports declined by 7.24 percent. However, the recovery can be attributed to encouraging performance in the ferrous and non-ferrous sectors as capital goods sectors such as industrial machinery, electrical machinery, automobile and even medical instruments continue to exhibit a y-o-y decline in exports in all the three months of the first quarter of 2020-21.

Therefore India's export of raw materials and low value added intermediate products increased while high value added exports continued to dwindle. To reverse this trend in favour of high value added exports, the government needs to identify those sectors and promote investment, technology upgradation and R&D in the same. As most of India's engineering sector comprise of MSMEs who do not have access to capital or technology, government has to take necessary steps to acquire the support particularly in these difficult times. Cooperation of industry and academia will be essential for this. At the same time to ease access to finance, the government needs to bring together both RBI and the various bank networks. Such concerted steps will benefit India in the long term as the country's production capability will improve lessening import dependency and export potential and India can recover from the impact of the pandemic much more smoothly.

