

Engineering Exports and Imports Monitor

May 2020



Engineering the future

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Analysis of Indian engineering exports and imports for May 2020

Overall Scenario

Merchandise exports remained dismal but pace of decline moderated in May 2020 due to strategic withdrawal of Lockdown

- ❖ Merchandise exports in May 2020 declined by 36.47 percent year-on-year as compared to a much higher drop of 60.28 percent in April 2020 as the domestic government opted for full or partial unlocking of essential economic activities across the country. Exports were registered at USD 19.05 billion during May 2020 as against USD 29.99 billion in May 2019. In Rupee terms, the decline was 31.11 percent.
- ❖ Except for Iron ore, Drugs & pharmaceuticals, Spices and Rice registering 103.04%, 17.32%, 10.55% and 7.64% year-on-year growths respectively, all other commodity/commodity groups conceded decline in overseas shipments during May 2020 over the same month last fiscal.
- ❖ Cumulative value of exports for the period April-May 2020-21 was USD 29.41 billion as against USD 56.07 billion during the same period last fiscal, registering 47.54 percent decline in Dollar terms. The decline was 42.83 percent in Rupee terms.
- ❖ Merchandise Imports in May 2020 was recorded at USD 22.20 billion, which was 51.05 percent lower in Dollar terms over imports of USD 45.35 billion in May 2019. In rupee terms, the decline was 46.92 percent lower. During April 2020, the decline in year-on-year import was 58.65 percent in Dollar terms.
- ❖ Cumulative merchandise imports during April-May 2020-21 were USD 39.32 billion as against USD 86.75 billion during April-May of 2019-20, registering a slump of 54.67 percent in Dollar terms. In rupee terms, the extent of fall was 50.57 percent.
- ❖ Trade deficit however continued to narrow down as decline of imports was more than that of exports. During May, deficit declined by 79.5 percent to USD 3.15 billion from USD 15.36 billion in May 2020. On a cumulative basis, Trade deficit declined by 67.7 percent to USD 9.91 billion during April-May 2020-21 from USD 30.69 during the same period last fiscal.

India's engineering exports also saw moderation in year-on-year decline at 23.59 percent in May 2020 as against 63.67 percent (revised) in April 2020

- ❖ Following the broader merchandise exports, engineering exports from India also witnessed much lower year-on-year decline in shipments over the month in May 2020. Engineering exports during May 2020 was recorded at USD 5472.22 million as against USD 7162.01 million in May 2019 registering 23.59 percent drop. During April 2020, the year-on-year decline was 63.67 percent (revised).
- ❖ Cumulative engineering exports during the first two months of the ongoing fiscal stood at USD 7801.02 million as against USD 13572.92 million during the same period last fiscal, showing a decline of 42.53 percent.
- ❖ One good reason to cheer was the increase in the share of engineering in total merchandise exports during May 2020. It was 28.72 percent as against 22.33 percent in the previous month. On a cumulative basis, the share was recorded at 26.52 percent.
- ❖ Out of 33 panels, 28 panels recorded negative growth in exports during May 2020 via-a-vis May 2019. In cumulative terms 29 out of 33 panels experienced a negative growth
- ❖ During May 2020, exports to 10 nations out of India's top 25 export destinations for engineering products recorded positive monthly growth in comparison to May2019. USA has once again regained its top position of being the numero uno destination for India's engineering products during April- May 2020 over April-May 2019, replacing Singapore

India's May engineering imports down by 27.5 %

- ❖ India's Engineering imports during May 2020 were valued at US\$ 6.43 billion compared to US\$ 8.88 billion in May 2019 recording a significant negative growth of 27.5 percent in dollar terms.
- ❖ The share of engineering imports in India's total merchandise imports during May 2020 has been estimated at 29%.

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:

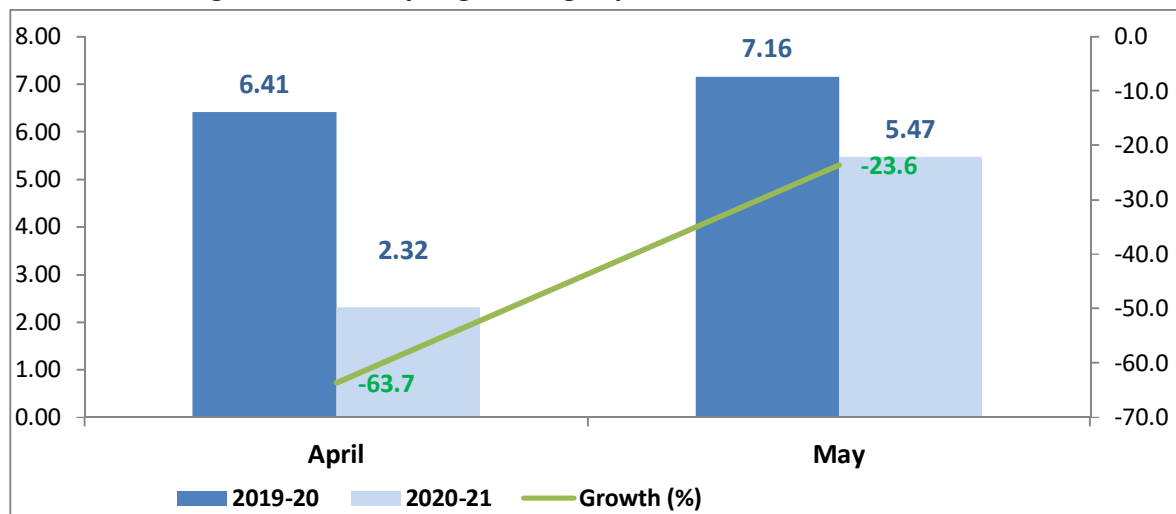
Table 1: Engineering Exports: Monthly trend 2020-21

(US\$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.92	2328.80	-63.67
May	7162.01	5472.22	-23.59
April-May	13572.92	7801.02	-42.53

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 but that was obvious due to imposition of Lockdown in order to arrest COVID-19 Pandemic.

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

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
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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	-55.6
May 2020	-23.59	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	6352.16	-2.46
Quarter 1	20460.93	19925.09*	-2.62
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
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	9162.30	5266.90	-42.52
Quarter 4	21900.61	18293.80	-16.47
April-March	80955.54	76123.81*	-5.97

Source: DGCI&S * Revised data

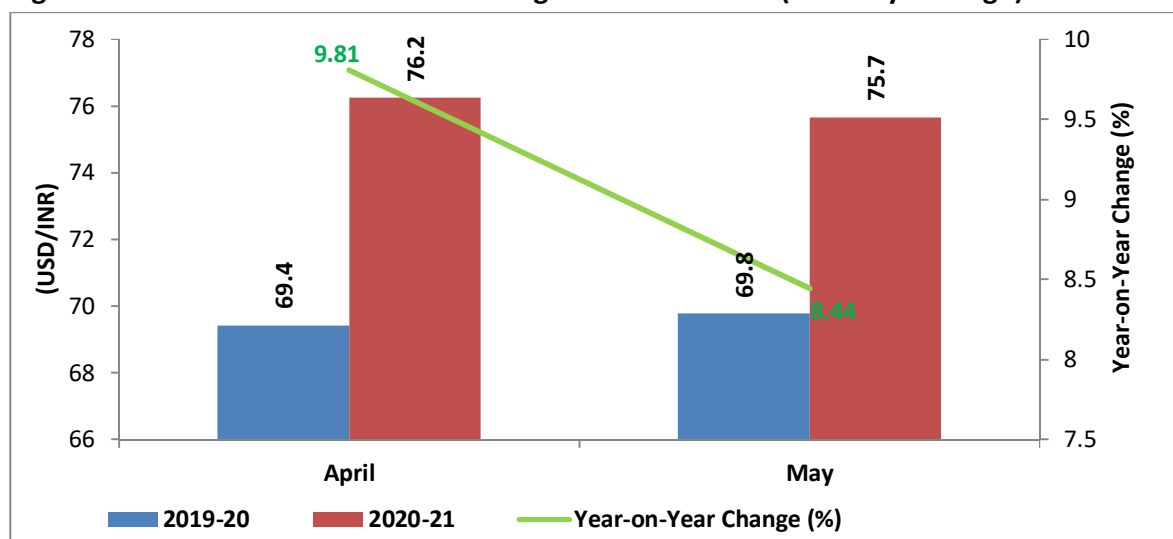
Impact of Exchange Rate

How did the exchange rate fare during May 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 May 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

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



Source: RBI, FBIL, EEPC Research

Rupee continued to weaken in May 2020 but at a slightly moderated rate in comparison to May 2020 vis-à-vis the US Dollar on the face of COVID-19 Pandemic: After appreciating from September to November 2019 over the US Dollar, the Indian rupee again started weakening from December 2019 and conceded as much as 9.81 percent depreciation in April 2020 over the greenback as the outbreak of Corona Virus led to outflow of US Dollar from Indian capital market following withdrawal of investments mainly by Foreign Portfolio Investors. Fear of debt monetization by the Indian government following the increase in expenditure in order to manage

COVID-19 crisis also played a role in weakening rupee. The rate of depreciation however moderated to 8.44 percent in May 2020.

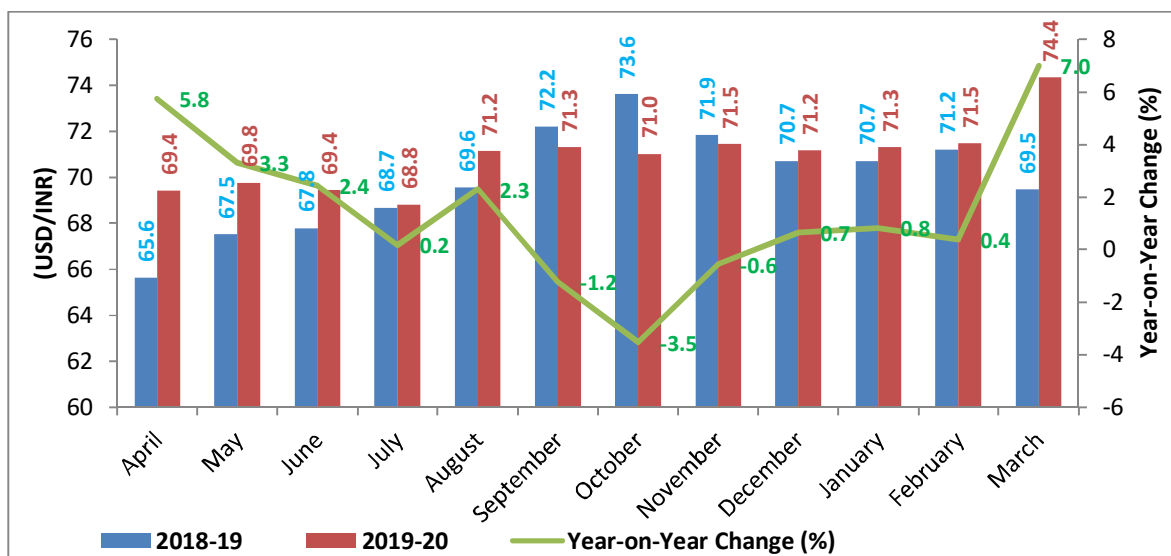
Rupee-Dollar Trends in 2019-20 vis-à-vis 2018-19

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, EEP Research

3. Top 25 engineering export destinations in May 2020

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

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

US\$ million

Country	May 2019	May 2020	Growth (%)	Apr-May 2019	Apr-May 2020	Growth (%)
U S A	1021.75	655.09	-35.89	1904.72	878.79	-53.86
CHINA	172.35	684.58	297.20	317.07	859.19	170.97
SINGAPORE	500.76	238.96	-52.28	783.44	796.51	1.67
MALAYSIA	149.60	346.78	131.80	462.99	565.05	22.04
UAE	1011.78	404.09	-60.06	1357.90	522.04	-61.56
INDONESIA	119.32	234.75	96.73	265.87	295.19	11.03
KOREA RP	181.13	160.74	-11.26	337.42	277.64	-17.72
GERMANY	274.28	142.48	-48.05	514.58	238.93	-53.57
VIETNAM	104.34	181.73	74.17	203.77	224.54	10.19
GIBRALTAR	0.00	173.69		0.00	173.69	
JAPAN	89.93	99.17	10.28	169.42	155.46	-8.24
PORTUGAL	7.57	152.83	1918.95	16.68	153.93	822.86
ITALY	165.71	116.08	-29.95	336.34	142.48	-57.64
BELGIUM	78.93	82.13	4.06	177.12	134.54	-24.04
MALTA	2.73	113.91	4066.94	3.98	113.93	2764.89
SAUDI ARAB	114.02	90.72	-20.43	200.97	112.24	-44.15

Country	May 2019	May 2020	Growth (%)	Apr-May 2019	Apr-May 2020	Growth (%)
BANGLADESH	193.44	65.95	-65.91	419.22	101.46	-75.80
THAILAND	145.08	68.42	-52.84	268.16	98.92	-63.11
TAIWAN	38.92	70.72	81.71	93.12	95.91	2.99
SRI LANKA	73.73	88.98	20.69	153.49	94.98	-38.12
MEXICO	204.55	76.04	-62.82	393.25	93.10	-76.33
U K	242.75	66.55	-72.59	430.10	89.83	-79.12
TURKEY	86.22	75.90	-11.97	164.45	89.44	-45.61
CANADA	62.12	45.70	-26.43	128.08	76.57	-40.22
OMAN	52.44	41.45	-20.96	103.74	73.95	-28.72
Total engineering exports to top 25 countries	5093.47	4477.43	-12.09	9205.85	6458.28	-29.85
Total engineering exports	7161.77	5472.19	-23.59	13572.38	7801.02	-42.52
Share (%)	71.12	81.82		67.83	82.8	

Source: Department of Commerce, Government of India

India's top 25 engineering export destinations: Some observations

- ❖ 8 out of 25 countries, recorded positive cumulative growth in engineering exports during April- May 2020 over April- May 2019 , while 10 out of 25 countries recorded positive monthly growth in May 2020 over May 2019 which is an improvement over the last month performance where only two countries recorded positive monthly growth.
- ❖ USA has once again regained its top position of being the numero uno destination for India's engineering products during April- May 2020 over April-May 2019, replacing Singapore.
- ❖ Astonishingly China has ranked as the second destination for India's engineering products during April- May 2020 over April-May 2019, registering a very high positive cumulative growth as well as positive monthly during May 2020 over May 2019.
- ❖ Singapore ranked as the third destination for India's engineering products during April- May 2020 over April-May 2019, registering a positive growth of little more than 1 percent.
- ❖ India's engineering exports to Vietnam has revived once again, recording high monthly growth in May 2020 over May 2019 and moderate positive cumulative growth.
- ❖ Two new destinations – Gibraltar and Malta have come to prominence in India's top 25 engineering export destinations in May 2020 during the ongoing COVID 19 crisis.
- ❖ Belgium is the only European country among India's top 25 engineering export destinations to have recorded a positive monthly growth in May 2020 over May 2019.

- ❖ Among the ASEAN countries under the top 25 engineering exports destinations, Singapore, Malaysia, Indonesia and Vietnam recorded moderate positive growth during April- May 2020 over April-May 2019, barring Thailand which recorded high negative growth during the same period.
- ❖ The share of India's engineering exports to its top 25 nations accounted for 82.8 percent of India's total engineering exports in April-May 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-May 2020 over April-May 2019 recorded a high negative growth which is however 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-May 2020 as opposed to April-May 2019.

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

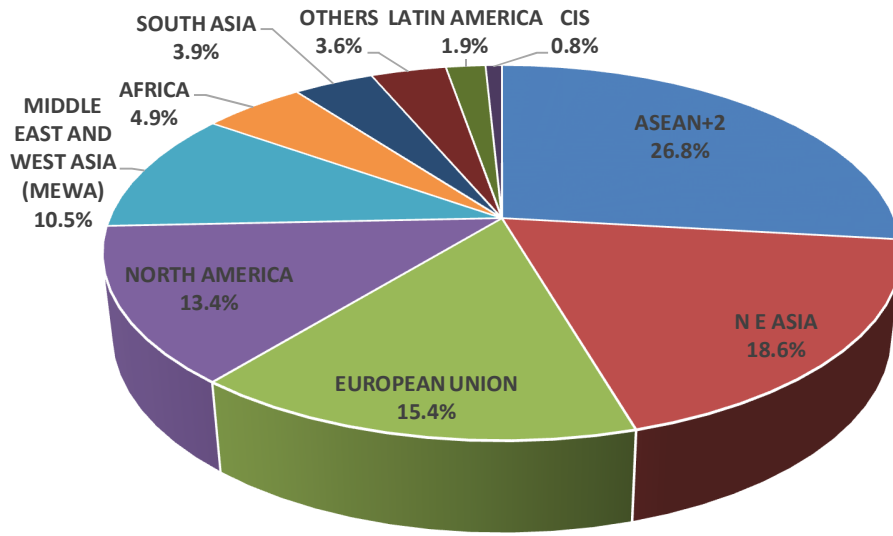
US\$ million

Regions	May 2019	May 2020	Growth (%)	Apr- May 2019	Apr- May 2020	Growth (%)
ASEAN+2	1184.99	1156.77	-2.38	2293.49	2093.11	-8.74
N E ASIA	510.52	1074.67	110.51	963.98	1453.90	50.82
EUROPEAN UNION	1218.52	804.01	-34.02	2694.08	1086.96	-59.65
NORTH AMERICA	1288.43	776.84	-39.71	2426.04	1048.46	-56.78
MIDDLE EAST AND WEST ASIA (MEWA)	1336.23	610.84	-54.29	1965.53	818.44	-58.36
AFRICA	634.48	400.11	-36.94	1262.31	500.80	-60.33
SOUTH ASIA	530.79	232.27	-56.24	1126.09	303.51	-73.05
OTHERS	114.78	266.43	132.12	215.69	284.74	31.96
LATIN AMERICA	275.17	104.42	-62.05	498.07	149.13	-70.06
CIS	67.87	45.83	-32.48	127.09	61.97	-51.24
Grand Total	7161.77	5472.19	-23.59	13572.38	7801.02	-42.52

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-May 2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ❖ ASEAN+2 once again recorded as the numero uno destination, as the region with highest shipment of engineering products from India during April-May 2020 over April-May 2019 with a share of 27 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-May 2020 with a share of 18.6 percent and 13.9 percent of total engineering exports respectively.
- ❖ North America ranked fourth in global shipments of Indian engineering goods in April-May 2020 with a share of 13.4 percent.
- ❖ North East Asia is the only region to have recorded high positive monthly and cumulative growth in exports of engineering products from India during April-May 2020 over April-May 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 May 2020 vis-a-vis May 2019 as well as April-May 2020-21 vis-à-vis April-May 2019-20. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for May 2020 compared to May 2019 as well as April-May 2020-21 vis-à-vis April-May 2019-20
US\$ Million

	MAY 2019	MAY 2020	Growt h	APRIL-MAY, 2019-20	APRIL, - MAY, 2020-21	Growt h
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	692.5	1180.5	70.5	1407.7	1646.2	16.9
Products of Iron and Steel	542.7	375.1	-30.9	1099.8	477.6	-56.6
Sub Total	1235.2	1555.5	25.9	2507.5	2123.8	-15.3
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	63.7	127.5	100.0	130.9	156.1	19.2
Aluminium and products	375.4	440.9	17.4	782.6	838.0	7.1
Zinc and products	45.8	87.9	91.9	90.0	100.7	12.0
Nickel and products	35.2	3.0	-91.5	39.7	4.3	-89.3
Lead and products	24.8	40.4	63.0	54.9	49.0	-10.8
Tin and products	0.9	0.4	-61.4	1.6	0.5	-65.7

	MAY 2019	MAY 2020	Growt h	APRIL-MAY, 2019-20	APRIL, - MAY, 2020-21	Growt h
Other Non-Ferrous Metals	46.3	21.7	-53.1	88.1	25.4	-71.2
Sub Total	592.1	721.7	21.9	1187.7	1173.9	-1.2
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	86.9	30.3	-65.2	160.2	38.3	-76.1
IC Engines and Parts	226.1	87.0	-61.5	412.8	108.5	-73.7
Pumps of all types	87.1	40.9	-53.1	170.9	51.3	-70.0
Air condition and Refrigerators	130.6	57.0	-56.4	243.5	73.3	-69.9
Industrial Machinery for dairy, food processing, textiles etc	397.9	236.1	-40.7	801.3	293.7	-63.3
Machine Tools	38.9	18.4	-52.6	77.2	22.2	-71.3
Machinery for Injecting moulding, valves and ATMs	152.6	101.5	-33.5	281.0	131.6	-53.2
Sub Total	1120.1	571.1	-49.0	2147.0	718.9	-66.5
Electrical Machinery	799.4	646.8	-19.1	1480.2	894.1	-39.6
Auto Components and parts						
Motor Vehicle/cars	677.4	179.6	-73.5	1306.1	214.6	-83.6
Two and Three Wheelers	174.9	50.7	-71.0	326.6	66.5	-79.6
Auto Components/Part	473.6	163.2	-65.5	885.6	196.3	-77.8
Sub Total	1325.9	393.5	-70.3	2518.3	477.4	-81.0
Aircrafts and Spacecraft parts and products	110.8	36.0	-67.5	207.8	58.9	-71.6
Ships Boats and Floating products and parts	1213.2	1156.8	-4.6	2043.6	1839.4	-10.0
Other engineering products						

	MAY 2019	MAY 2020	Growt h	APRIL-MAY, 2019-20	APRIL, - MAY, 2020-21	Growt h
Medical and Scientific instruments	147.5	95.7	-35.2	287.2	146.4	-49.0
Railway Transport	29.8	3.8	-87.2	61.0	5.8	-90.5
Hand Tools & Cutting Tools	73.2	36.0	-50.9	136.1	42.6	-68.7
Electrodes Accumulators	5.1	2.5	-51.0	9.8	2.8	-71.4
Accumulator and Batteries	35.5	15.2	-57.0	70.3	18.2	-74.2
Bicycle & Parts	32.9	13.1	-60.2	65.5	17.5	-73.3
Cranes Lifts & Winches	41.8	18.1	-56.8	88.8	23.4	-73.7
Office Equipment	15.6	6.7	-57.3	28.8	9.7	-66.4
Other Construction Machinery	141.8	72.0	-49.2	266.8	85.6	-67.9
Prime Mica & Mica Products	2.7	1.4	-48.7	6.7	2.4	-64.7
OTHER MISC. ITEMS	239.4	126.4	-47.2	459.7	160.3	-65.1
Sub Total	765.2	390.7	-48.9	1480.8	514.6	-65.2
Total engineering exports	7162.0	5472.2	-23.6	13573.0	7801.0	-42.5

Source: Department of Commerce, Government of India

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

- Exports of Products of Iron and Steel under Chapter 73: fell by 30.9% in May 2020 and 56.6% in April-May 2020-21
- Exports of Nickel and products under Chapter 75: fell by 91.5% in May 2020 and 89.3% in April-May 2020-21
- Exports of Tin and products under Chapter 80: fell by 61.4% in May 2020 and 65.7% in April-May 2020-21

Panel wise engineering exports: Some observations

- ❖ During May 2020, exports of engineering goods (panel wise) dropped to US\$ 5472.22 million compared to US\$ 7162.01 million in May 2019 recording a drop to the extent of 23.59 percent in the second consecutive month of the new fiscal 2020-21. India's engineering export basket

plummeted in May though at a slower pace compared to the preceding month of April 2020 as major economies of the world sealed their borders to arrest the spread of coronavirus. Supply chains broke down due to mobility restrictions and wave of postponement of foreign orders in the sector led to such massive drop in exports. Out of 33 engineering panels, 28 panels recorded negative growth in exports during May 2020 vis-à-vis May 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports.

- ❖ Iron and Steel figures recorded 70.5 percent growth in exports during May 2020 with an overseas shipment recording US\$ 1180.46 million from US\$ 692.48 million in the same month last year. In cumulative terms too, Iron and steel figures increased by 16.9 percent during the fiscal April-May 2020-21 vis-à-vis same period last fiscal. Products of Iron and Steel recorded negative exports by 30.9 percent during May 2020 falling to US\$ 375.08 million from US\$ 542.73 million during the same period in May 2019. Cumulative exports of products of iron and steel also registered negative growth to the extent of 56.6 percent from US\$ 1099.8 million during April-May 2019-20 to US\$ 477.6 million during April-May 2020-21. The significant drop in exports of products of iron and steel led to the cumulative decline in combined iron and steel and products of iron and steel exports to the extent of 15.3 percent in April-May 2020-21 corresponding to the same period last year.
- ❖ The Non-Ferrous metal segment witnessed growth in exports to the extent of 21.9 percent during May 2020 compared to same period last year and cumulative drop to the extent of 1.2 percent during April-May 2020-21 compared to April-May 2019-20. Sectors like Copper, Aluminium, Zinc and Lead products registered positive export growth during May 2020 to the extent of 100 percent, 17.4 percent, 91.9 percent and 63 percent respectively. Sectors witnessing negative export growth both monthly and cumulatively includes Nickel and products (drop by 91.5 percent monthly and 89.3 percent cumulatively) , Tin and products (drop by 61.4 percent monthly and 65.7 percent cumulatively) and other Non-Ferrous Metals (drop by 53.1 percent monthly and 71.2 percent cumulatively) during May 2020 and April-May 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 49 percent from US\$ 1120.1 million in May 2019 to US\$ 571.1 million in May 2020. In cumulative terms too, the panel registered negative growth of 66.5 percent from US\$ 2147 million during April-May 2019-2020 to US\$ 718.9 million during April-May 2020-21. Sectors like, Industrial Machinery for dairy, food processing and textiles slumped by 40.7 percent from US\$ 397.9 million in May 2019 to US\$ 236.1 million in May 2020. IC engines and parts dropped by 61.5 percent from US\$ 226.1 million in May 2019 to US\$ 87 million in May 2020. Industrial Boilers recorded 65.2 percent drop in exports during May 2020 compared to May 2019 and other sectors like Pumps of all types, Air Condition Machinery and parts, Machine Tools and Machinery for ATMs recorded 53.1 percent, 56.4 percent, 52.6 percent and 33.5 percent fall in exports respectively during May 2020 vis-a-vis May 2019.

- ❖ Electrical Machinery and equipment which is a major engineering exporting sector for India experienced negative exports to the extent of 19.1 percent from US\$ 799.4 million in May 2019 to US\$ 646.8 million in May 2020. In cumulative terms too, there was 39.6 percent negative growth in exports in April-May 2020-21 when compared to April-May 2019-20.
- ❖ Exports of Auto Components and parts recorded 65.5 percent negative growth during May 2020, moving down from US\$ 473.6 million in May 2019 to US\$ 163.2 million in May 2020. In cumulative terms too, the sector dipped by 77.8 percent from US\$ 885.6 million in April-May 2019-20 to US\$ 196.3 million in April-May 2020-21. The automobile sector (including Motor Vehicles and Two/Three Wheelers) experienced drop in exports by 73 percent from US\$ 852.3 million in May 2019 to US\$ 230.3 million in May 2020. In cumulative terms also, the sector dropped by 83 percent from US\$ 1632.7 million in April-May 2019-20 to US\$ 281.1 million in April-May 2020-21.
- ❖ Exports of 'Aircrafts and Spacecraft parts and products' recorded 67.5 percent drop in May 2020 vis-à-vis May 2019 and cumulative drop in exports by 71.6 percent during April-May 2020-21 compared to same period last year. Similar to that, Ship, Boats and Floating Bodies also exhibited negative growth in exports of 4.6 percent in May 2020 and by 10 percent during April-May 2020-21 compared to same period last fiscal.
- ❖ Negative growth was witnessed in all the miscellaneous sectors both monthly and cumulatively during May 2020 as well as April-May 2020-21 compared to same period last year. Major sectors including Railway transport (falling by 87.2 percent monthly and 90.5 percent cumulatively), Hand Tools (falling by 50.9 percent monthly and 68.7 percent cumulatively), Accumulator and Batteries (falling by 57 percent monthly and 74.2 percent cumulatively), Bicycle and parts (falling by 60.2 percent monthly and 73.3 percent cumulatively), Cranes, Lifts and winches (falling by 56.8 percent monthly and 73.7 percent cumulatively), Office Equipments (falling by 57.3 percent monthly and 66.4 percent cumulatively), Other Construction machinery (falling by 49.2 percent monthly and 67.9 percent cumulatively). Most prominently, Medical and scientific devices registered a 35.2 percent drop in exports in May 2020 and by 49 percent drop in exports during April-May 2020-21 compared to same period last fiscal.

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

Please note that in the section below we have only given the tables for value-wise decline and not volume-wise export decline. This is because the volume-wise data is not available for the entire last fiscal and the current fiscal. Data for volume has not been updated since February 2020.

Table 8: Chapter 73: Products of Iron & Steel					
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		
July	539.72	596.79	10.5		
August	691.22	624.46	-9.3		
September	615.69	570.35	-7.36		
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		

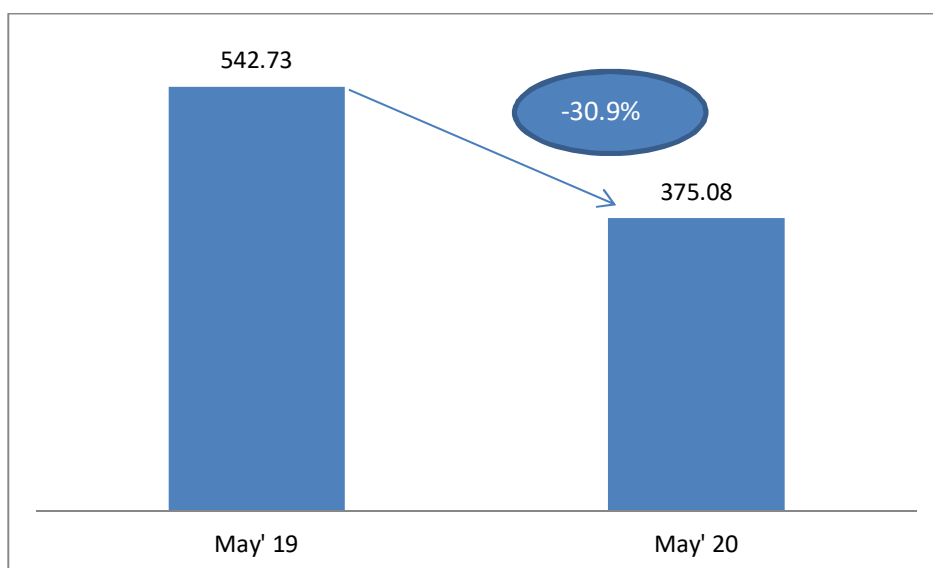
Table 9: Chapter 75: Nickel and Products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	6.1	4.14	-27.0	1.18	-71.54
May	6.72	35.23	424.3	2.96	-91.6
June	6.81	5.50	-19.2		
July	6.08	4.80	-21.1		
August	7.47	4.92	-34.1		
September	5.24	6.07	15.89		
October	5.90	9.34	40.46		
November	3.88	4.91	26.58		
December	5.35	6.88	28.47		
January	2.75	6.24	127.22		
February	5.89	3.84	-34.8		
March	5.58	4.14	-25.8		
April-March	73.55	98.74	34.25		

Table 10: Chapter 80: Tin and Products					
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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		
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		

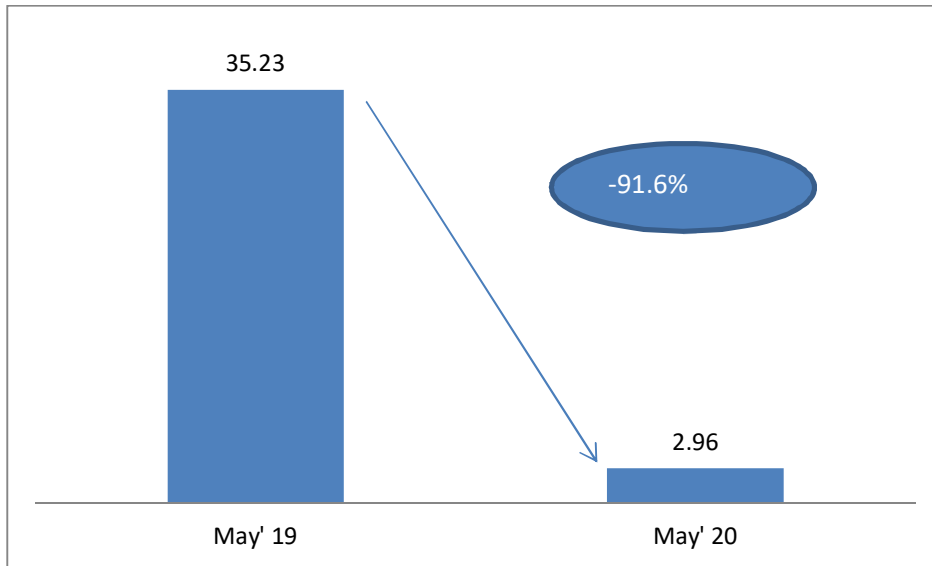
➤ **Slump in products of Iron and steel exports**

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



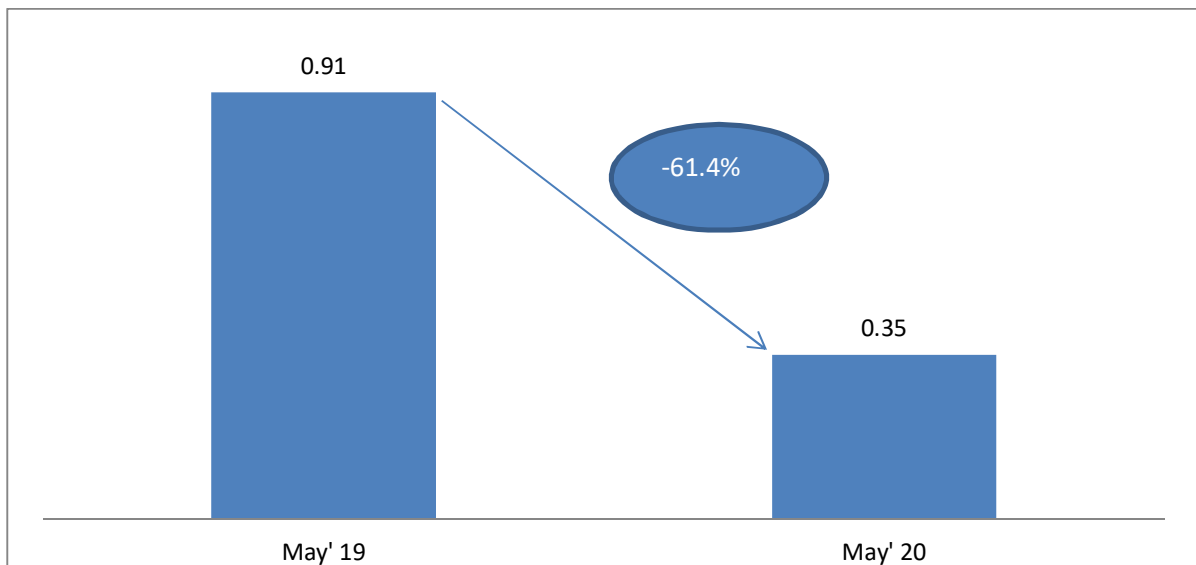
➤ **Slump in exports of Nickel and its products**

Figure 5: Slump in Exports of Nickel and its products for May 2020 v/s May 2019 (in USD million)



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

Figure 6: Slump in Exports of Tin and its products for May 2020 v/s May 2019 (in USD million)



7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during May 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 11: Export of Iron & Steel
US\$ Million

(Source: Department of Commerce, Government of India)

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
CHINA	32.92	490.65	1390.49	76.52	618.10	707.71
VIETNAM	56.70	150.42	165.30	107.46	188.42	75.35
U A E	54.82	80.74	47.27	110.73	137.05	23.77
BELGIUM	30.87	49.61	60.72	63.65	96.55	51.69
ITALY	37.04	69.60	87.89	81.57	85.37	4.65
High cumulative growth						
CHINA	32.92	490.65	1390.49	76.52	618.10	707.71
HONG KONG	9.85	24.19	145.49	10.18	27.87	173.73
VIETNAM	56.70	150.42	165.30	107.46	188.42	75.35
BELGIUM	30.87	49.61	60.72	63.65	96.55	51.69
U A E	54.82	80.74	47.27	110.73	137.05	23.77
Sharp cumulative decline						
NEPAL	82.81	25.29	-69.46	176.97	40.32	-77.22
MALAYSIA	29.48	5.88	-80.06	55.71	12.78	-77.07
JAPAN	19.27	9.94	-48.40	44.25	16.72	-62.22
BANGLADESH	27.89	18.11	-35.07	68.09	30.39	-55.37
KOREA	27.77	16.97	-38.88	49.81	29.29	-41.19
U S A	28.29	24.29	-14.13	44.63	27.92	-37.44

- ❖ China, Vietnam and UAE were the three top three importers of Indian Iron and Steel during April 2020-May 2020 with market shares of 37.55 percent, 11.45 percent and 8.33 percent respectively.
- ❖ China recorded a monumental growth of 707.71 percent followed by Hong Kong and Vietnam at 173.73 percent and 75.35 percent in exports of Indian Iron and Steel during April 2020-May 2020 compared to April 2019-May 2019.
- ❖ Nepal, Malaysia and Japan experienced sharp downfall to the extent of more than 60% drop in exports during April 2020-May 2020 compared to same period last fiscal.

Table 12: Export of Products of Iron & Steel

US\$ Million

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

U S A	133.91	58.67	-56.19	276.03	70.65	-74.40
CANADA	17.58	29.47	67.61	38.99	54.68	40.22
INDONESIA	4.35	33.92	680.27	9.23	34.66	275.55
U A E	35.12	22.53	-35.86	79.00	29.30	-62.91
GERMANY	31.74	16.97	-46.53	62.71	21.37	-65.92
High cumulative growth						
INDONESIA	4.35	33.92	680.27	9.23	34.66	275.55
AFGHANISTAN	1.59	2.76	73.26	3.19	5.35	67.40
CANADA	17.58	29.47	67.61	38.99	54.68	40.22
OMAN	4.24	10.15	139.27	7.76	10.50	35.34
MALAYSIA	4.03	11.21	178.20	9.92	12.56	26.53
Sharp cumulative decline						
U K	23.61	8.34	-64.67	48.59	11.18	-76.99
U S A	133.91	58.67	-56.19	276.03	70.65	-74.40
GERMANY	31.74	16.97	-46.53	62.71	21.37	-65.92
ITALY	16.07	11.04	-31.32	33.42	12.20	-63.50
U A E	35.12	22.53	-35.86	79.00	29.30	-62.91
NETHERLAND	15.46	8.68	-43.87	30.77	11.43	-62.86

(Source: Department of Commerce, Government of India)

- ❖ USA, Canada and Indonesia were the top three importers of India's 'Products of Iron & Steel' during April 2020-May 2020 with 14.79 percent, 11.45 percent and 7.26 percent shares respectively in India's global import of the same.
- ❖ Indonesia experienced more than 275% growth followed by Afghanistan and Canada in import of 'Products of Iron and Steel' during April 2020-May 2020.
- ❖ UK, USA and Germany conceded substantial decline in imports by more than 65% for the said product group from India during April 2020-May 2020.

Table 13: Export of Industrial Machinery

US\$ Million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
U S A	187.36	102.45	-45.32	338.91	126.31	-62.73
CHINA	45.66	36.27	-20.55	83.57	49.85	-40.35
GERMANY	53.55	29.45	-45.01	103.91	36.12	-65.24
U A E	40.15	22.24	-44.61	85.02	29.97	-64.75
TURKEY	25.70	24.99	-2.78	50.77	27.26	-46.32
High cumulative growth						

TOGO	0.38	0.99	160.59	0.50	1.15	131.71
BAHARAIN	2.13	4.49	110.19	4.72	9.63	104.11
FINLAND	1.01	1.76	74.73	1.49	1.92	28.89
ESTONIA	0.84	2.03	140.70	1.69	2.03	20.24
Sharp cumulative decline						
BANGLADESH	47.19	11.59	-75.45	106.72	15.39	-85.58
THAILAND	59.82	18.21	-69.56	114.33	22.52	-80.30
NIGERIA	49.45	15.33	-69.01	86.44	18.84	-78.20
GERMANY	53.55	29.45	-45.01	103.91	36.12	-65.24
U A E	40.15	22.24	-44.61	85.02	29.97	-64.75
U S A	187.36	102.45	-45.32	338.91	126.31	-62.73

(Source: Department of Commerce, Government of India)

- ❖ USA was the largest importer of Indian 'Industrial machinery' during April 2020-May 2020 with 17.57 percent share in India's global import of the product group. China and Germany were the two immediate followers of USA with 6.93 percent and 5.02 percent shares respectively.
- ❖ Togo and Baharain were among the major importing nations witnessing growth of 131.71% and 104.11% respectively in imports of Industrial machinery from India during April 2020-May 2020 over the same period last fiscal.
- ❖ Among the major importers, Bangladesh, Thailand and Nigeria recorded over 75 percent year-on-year declines in imports during April 2020-May 2020.

Table 14: Automobiles

US\$ Million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
SAUDI ARABIA	37.53	41.29	10.04	54.80	48.91	-10.75
MEXICO	122.98	42.50	-65.44	229.43	45.51	-80.16
NIGERIA	34.98	19.14	-45.30	73.51	26.01	-64.62
SOUTH AFRICA	78.07	11.93	-84.72	143.70	22.09	-84.63
EGYPT	1.71	10.22	497.72	7.62	11.27	47.76
High cumulative growth						
BRUNEI	0.93	3.06	228.06	1.90	3.30	73.65
EGYPT	1.71	10.22	497.72	7.62	11.27	47.76

PARAGUAY	1.44	2.12	47.50	1.47	2.17	47.37
Sharp cumulative decline						
ALGERIA	31.69	0.00	-100.00	73.63	0.00	-100.00
U S A	79.82	1.37	-98.28	168.26	2.56	-98.48
SOUTH AFRICA	78.07	11.93	-84.72	143.70	22.09	-84.63
MEXICO	122.98	42.50	-65.44	229.43	45.51	-80.16
NIGERIA	34.98	19.14	-45.30	73.51	26.01	-64.62

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ❖ Saudi Arabia, Mexico and Nigeria were top three importers of India's Automobiles during April 2020-May 2020 with 17.40, 16.19 and 9.25 percent share in India's global exports respectively over the same period last fiscal.
- ❖ Brunei, Egypt and Paraguay recorded over 45 percent growth in imports of the product group from India during April 2020-May 2020 over the same period last fiscal.
- ❖ Countries like Algeria, USA, South Africa and Mexico saw their imports of automobile lower by more than 80% during April 2020-May 2020 compared to same period last fiscal.

Table 15: Export of Non-Ferrous metals
US\$ Million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
MALAYSIA	62.92	152.45	142.30	144.24	282.77	96.04
KOREA	95.20	117.62	23.55	196.78	216.73	10.14
CHINA	51.09	124.41	143.54	75.18	147.87	96.69
SINGAPORE	13.94	67.48	383.96	21.32	125.83	490.28
U S A	76.36	54.12	-29.13	143.13	79.56	-44.42
High cumulative growth						
SINGAPORE	13.94	67.48	383.96	21.32	125.83	490.28
CHINA	51.09	124.41	143.54	75.18	147.87	96.69
MALAYSIA	62.92	152.45	142.30	144.24	282.77	96.04
TAIWAN	20.43	46.80	129.09	41.11	63.77	55.13
KOREA	95.20	117.62	23.55	196.78	216.73	10.14

Sharp cumulative decline						
NEPAL	16.99	3.16	-81.41	32.29	3.54	-89.04
MEXICO	15.03	2.94	-80.42	31.95	6.51	-79.62
U K	15.84	6.44	-59.34	30.54	7.45	-75.61
U A E	20.21	11.88	-41.25	42.33	16.36	-61.34
THAILAND	17.38	11.07	-36.30	33.72	16.78	-50.23
U S A	76.36	54.12	-29.13	143.13	79.56	-44.42

(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-May 2020 with 24.09 percent, 18.46 percent and 12.60 percent shares respectively in India's global import of the same.
- ❖ Singapore experienced massive growth of more than 490% followed by China and Malaysia at more than 95% in import of Non-ferrous metals and products ' during April 2020-May 2020.
- ❖ Nepal, Mexico and UK conceded substantial decline in imports by more than 75% for the said product group from India during April 2020-May 2020 vis-à-vis same period last fiscal.

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

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
U S A	229.61	286.56	24.80	390.66	403.80	3.36
GERMANY	92.14	47.04	-48.95	162.63	120.76	-25.75
JAPAN	6.89	61.55	792.99	13.10	63.07	381.38
SINGAPORE	62.21	26.73	-57.03	100.04	40.72	-59.30
HONG KONG	4.63	30.77	564.93	8.83	31.68	258.89
High cumulative growth						
NEW ZEALAND	0.38	11.50	2931.34	0.90	11.51	1182.46
JAPAN	6.89	61.55	792.99	13.10	63.07	381.38
HONG KONG	4.63	30.77	564.93	8.83	31.68	258.89
SOUTH AFRICA	3.79	10.06	165.17	7.11	10.33	45.27
Sharp cumulative decline						
U K	86.44	6.47	-92.51	145.87	9.54	-93.46
FRANCE	28.41	4.61	-83.76	44.97	6.00	-86.67

BANGLADESH	6.68	10.36	55.08	36.24	10.97	-69.73
BELGIUM	6.40	12.13	89.61	35.80	12.42	-65.31
SINGAPORE	62.21	26.73	-57.03	100.04	40.72	-59.30

(Source: Department of Commerce and CSO)

- ❖ USA, Germany and Japan were the three top importers of Indian Electrical Machinery and Components during April 2020-May 2020 with market shares of 45.16 percent, 13.51 percent and 7.05 percent respectively.
- ❖ New Zealand recorded massive growth of 1182.46 % followed by Japan and Hong Kong at 381.38% and 258.89% in imports of India's Electrical Machinery and Components during April 2020-May 2020 vis-a-vis April 2019 – May 2019.
- ❖ UK and France experienced the sharp decline of more than 85% in its imports in April 2020-May 2020 when compared to April 2019 – May 2019. It is also the case for Bangladesh and Belgium which experienced more than 65 percent drop.

Table 17: Export of Aircrafts and Space crafts

US\$ million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
U S A	43.88	11.58	-73.61	83.25	18.58	-77.68
FRANCE	14.67	6.50	-55.68	23.94	8.97	-62.55
U K	15.02	4.25	-71.73	27.06	7.80	-71.17
GERMANY	4.41	3.76	-14.87	8.05	4.87	-39.48
SINGAPORE	8.88	1.98	-77.68	19.10	3.72	-80.54
High cumulative growth						
SOUTH AFRICA	0.07	0.00	-100.00	0.10	0.16	69.90
PORTUGAL	0.06	0.06	-11.24	0.06	0.08	25.87
SWEDEN	1.61	1.71	5.95	2.60	3.05	17.65
SPAIN	0.46	0.41	-11.56	0.63	0.64	2.06
Sharp cumulative decline						
SINGAPORE	8.88	1.98	-77.68	19.10	3.72	-80.54
U S A	43.88	11.58	-73.61	83.25	18.58	-77.68
U K	15.02	4.25	-71.73	27.06	7.80	-71.17
FRANCE	14.67	6.50	-55.68	23.94	8.97	-62.55
GERMANY	4.41	3.76	-14.87	8.05	4.87	-39.48

(Source: Department of Commerce and CSO)

- ❖ USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020 - May 2020 with around 31.53, 15.22 and 13.24 percent shares respectively in India's total global exports of the product.
- ❖ South Africa registered substantial growth of about 70% in import of the product group from India during April 2020 - May 2020 as compared with the same period last fiscal.
- ❖ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Singapore, USA and UK dropped more than 70 percent on a year-on-year basis during April 2020 - May 2020 when compared to April 2019 - May 2019.

Table 18: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
SINGAPORE	364.91	105.19	-71.17	542.42	579.80	6.89
U A E	763.42	222.07	-70.91	854.88	255.11	-70.16
MALAYSIA	10.39	159.48	1435.47	169.60	237.00	39.74
INDONESIA	34.23	168.11	391.14	61.62	221.53	259.50
GIBRALTAR	0.00	173.69	-	0.00	173.69	-
High cumulative growth						
MALTA	0.01	113.42	1720163.06	0.01	113.42	1720163.06
INDONESIA	34.23	168.11	391.14	61.62	221.53	259.50
SRI LANKA	16.61	73.01	339.62	26.48	73.34	176.98
MALAYSIA	10.39	159.48	1435.47	169.60	237.00	39.74
SINGAPORE	364.91	105.19	-71.17	542.42	579.80	6.89
Sharp cumulative decline						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	13.52	0.00	-100.00	24.52	0.00	-100.00
MAURITIUS	2.74	0.00	-100.00	5.89	0.00	-100.00
SAUDI ARABIA	4.70	0.00	-100.00	4.70	0.00	-100.00
U A E	763.42	222.07	-70.91	854.88	255.11	-70.16

(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 31.52 percent, 13.87 percent, 12.88 percent, 12.04 percent and 9.44 percent.
- ❖ Imports to Malta recorded meteoric increase as they had negligible import in April 2019 - May 2019. Indonesia and Sri Lanka registered substantial growth of 259.50% and 176.98% in import of the product group from India during April 2020 - May 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 - May 2020 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Cyprus, Liberia, Mauritius and Saudi Arabia.

Table 19: Export of Auto Components
US\$ Million

COUNTRY	MAY 2019	MAY 2020	Growth (%)	APRIL 2019- MAY 2019	APRIL 2020- MAY 2020	Growth (%)
Top Five Importers						
U S A	109.42	35.17	-67.86	203.32	43.84	-78.44
TURKEY	23.12	15.13	-34.58	40.29	16.29	-59.57
GERMANY	21.19	11.61	-45.23	41.71	13.53	-67.56
JAPAN	14.33	6.82	-52.40	25.20	8.51	-66.22
MEXICO	17.77	5.89	-66.84	34.30	7.43	-78.34
High cumulative growth						
CONGO	0.01	0.39	3821.11	0.13	0.53	294.33
OMAN	0.36	0.49	38.42	0.58	0.80	39.10
SLOVENIA	0.56	0.66	17.90	0.96	1.11	15.46
GUINEA	0.45	0.47	5.77	1.02	1.06	3.94
IRAQ	0.20	0.40	99.57	0.49	0.50	2.37
Sharp cumulative decline						
BANGLADESH	23.61	2.76	-88.32	44.57	4.43	-90.06
BRAZIL	26.24	6.52	-75.15	48.91	6.79	-86.12
U S A	109.42	35.17	-67.86	203.32	43.84	-78.44
GERMANY	21.19	11.61	-45.23	41.71	13.53	-67.56
TURKEY	23.12	15.13	-34.58	40.29	16.29	-59.57

(Source: Department of Commerce and CSO)

- ❖ USA remained the top importer of auto components in April 2020 - May 2020 with a share of 22.33 percent. It is followed by Turkey, Germany, Japan and Mexico with respective shares of 8.30 percent, 6.89 percent, 4.34 percent and 3.79 percent.
- ❖ Congo recorded maximum increase of more than 294 percent followed by Oman and Slovenia in imports from April 2020 - May 2020 when compared to April 2019 - May 2019. However, absolute figures are not very convincing for any of the nations.
- ❖ However, Bangladesh, Brazil and USA recorded significant decline of more than 75 percent in April 2020 - May 2020 when compared to April 2019 - May 2019.

Analysis of India's engineering imports

India's Engineering imports during May 2020 were valued at US\$ 6433.4 million compared to US\$ 8875.2 million in May 2019 registering a negative growth of 27.5 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 increased considerably during May 2020 which has been estimated at 29%.

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

Table 20: 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

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:

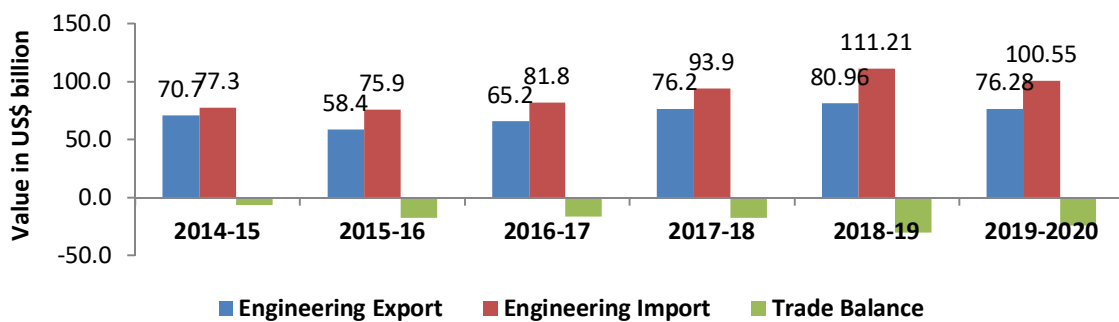
Table 21: Engineering Imports during 2019-20 vis-à-vis 1018-19
(US\$ Million)

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

Engineering Export	70.7	58.4	65.2	76.2	81.0	6.3	80.96	76.28	-5.8
Engineering Import	77.3	75.9	81.8	93.9	104.2	10.9	111.21	100.55	-9.6
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	---	-30.25	-24.27	---

Figure 13 below depicts the yearly trend in engineering trade from 2014-15 to 2018-19 as well as April-March 2019-20 of the last fiscal

Figure 8: Trend in Yearly Engineering Trade



Conclusion

Following the disastrous performance in the last month, India's Y-o-Y engineering export performance recovered slightly in May 2020. This recovery has been mainly attributed to the partial opening of lockdowns across the globe including India. While this is positive news, experts still believe that it will take some time for the full recovery of exports as currently the demand is more inclined towards more essential items. Demand for products such as medical instruments is on the rise. At the same time owing to closure of key industries such as construction and infrastructure development, engineering industries related to them are currently suffering. This is in-keeping with the global trend. The June 2020 Global Economic Prospects by the World Bank envisions a 5.2% contraction in global economy in 2020 bringing one of the deepest global recessions in decades.

However, while the pandemic looms large, it also imparts key lessons for the engineering as well as other industries. Primary of these being diversification of input sources and bring back the supply chain to the country. Indian engineering industry needs to look for other sourcing partners beyond China to reduce any supply-side risks in the future. At the same time developing domestic sourcing partners is very essential. Both the government and the industry have to come forward and develop India's own engineering clusters such that a significant part of the sourcing can be done domestically and in a cost effective way. Not only sourcing destination, Indian engineering exporters must also contemplate improving the quality of their products and moving up the value chain by investing in technology and R&D.

With no end to the pandemic, the experts are predicting for a grim situation in the coming months. However, we strongly believe that the Indian industries will learn from the above lessons and exhibit dynamism as per the need of the post-COVID world because only with such concerted effort from both government and the industry, India will be able to navigate and survive through the current situation.

