

Engineering Exports and Imports Monitor

September 2020



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for September 2020
19th October 2020

Overall Scenario

Merchandise trade

Exports in September recorded year-on-year growth for the first time in fiscal 2020-21

- ✚ Merchandise Exports in September 2020 were USD 27.58 Billion, as compared to USD 26.02 Billion in September 2019, exhibiting a positive growth of 5.99 percent. In rupee terms, the growth was 9.19 percent in September 2020 compared to that of September 2019. This is the first month in fiscal 2020-21 when merchandise export recorded year-on-year growth.
- ✚ Major commodities/commodity groups with positive year-on-year growth in exports during September 2020 included Other cereals (337.22%), Iron Ore (109.65%), Rice (93.86%), Oil Meals (47.52%), Carpet (42.89%), Ceramic products & glassware (36.17%), Oil seeds (35.69%), Cereal preparations & miscellaneous processed items (33.57%) and Drugs & pharmaceuticals (24.38%) among others. On the other hand, Cashew (-44.25%), Gems & jewellery (-24.67%), Man-made yarn/fabs./made-ups etc. (-9.12%), Mica, Coal & other ores, minerals including processed minerals (-6.71%), Marine products (-5.41%), Leather & leather products (-3.36%), Tea (-2.27%) and Fruits & Vegetables (-1.44%) conceded decline in exports as compared to September 2019.
- ✚ Cumulative value of exports for the period April-September 2020-21 was USD 125.25 Billion as against USD 159.16 Billion during April-September 2019-20, registering a negative growth of (-) 21.31 percent in Dollar terms. In rupee terms, the decline was 15.74 percent over the same period last fiscal
- ✚ Imports in September 2020 declined by 19.60 percent to USD 30.31 Billion from USD 37.69 Billion in the same month last fiscal. The decline was 17.18 percent in Rupee terms.
- ✚ Cumulative value of imports for the first half of fiscal 2020-21 was USD 148.69 Billion as against USD 248.08 Billion during the same period last fiscal, registering a negative growth of (-) 40.06 percent in Dollar terms. In rupee terms, the decline was 35.77 percent year-on-year.
- ✚ Trade deficit continued to improve as it declined by 76.69 percent to USD 2.72 billion in September 2020 from USD 11.67 billion in September 2019. On a cumulative basis, deficit narrowed down by 73.64 percent to USD 23.44 billion during April-September 2020-21 from USD 88.92 billion during the same period last fiscal.

Engineering exports in September 2020 recorded year-on-year growth for the second month in fiscal 2020-21

- ✚ Engineering exports grew by 5.11 percent during September 2020, recording year-on-year growth for the second month in fiscal 2020-21 after July 2020. Meanwhile the month of August saw 6.50 percent decline in engineering exports from India and the first three months of fiscal 2020-21 conceded 62.67 percent, 21.39 percent and 4.55 percent year-on-year declines respectively before registering 11.43 percent growth in July. Engineering exports during September 2020 stood at USD 6577.20 million as against USD 6257.50 million in the same month last fiscal. It is mention worthy in this connection that all the positive or negative growth (decline) figures of the previous months were revised upward, indicating gradual improvement in engineering shipment in the months to come.
- ✚ On a cumulative basis however, the decline in engineering exports continued due to substantial decline in the first two months of 2020-21. Cumulative engineering exports during April - September 2020-21 declined by 13.73 percent to USD 33,003.52 million from USD 38,254.41 million during the same period last fiscal.
- ✚ Share of engineering in total merchandise exports dropped to 23.84 percent from 25.42 percent in August, 27.12 percent in July 2020, 26.57 percent in June 2020 and 28.72 percent in May 2020. On a cumulative basis, the share was recorded at 26.35 percent.
- ✚ Out of 33 engineering panels, 12 panels recorded negative growth and 21 panels recorded positive growth in exports during September 2020 vis-à-vis September 2019. In cumulative terms, 28 out of 33 panels exhibited a year-on-year decline in exports.
- ✚ Only 8 out of 25 countries recorded positive monthly growth in September 2020 over September 2019 which is an improvement over the last month performance where 5 countries recorded positive monthly growth in August 2020 over August 2019. Like the previous month the same set of 7 out of 25 countries, recorded positive cumulative growth in engineering exports during April- September 2020 over April- September 2019.

India's September engineering imports down by 27.8%

- ✚ India's Engineering imports during September 2020 were valued at US\$ 6218.92 million compared to US\$ 8618.02 million in September 2019 registering a negative growth of 27.8 percent in dollar terms.
- ✚ The share of engineering imports in India's total merchandise imports has dropped during September 2020 in comparison to September 2019 which has been estimated at 20.5%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

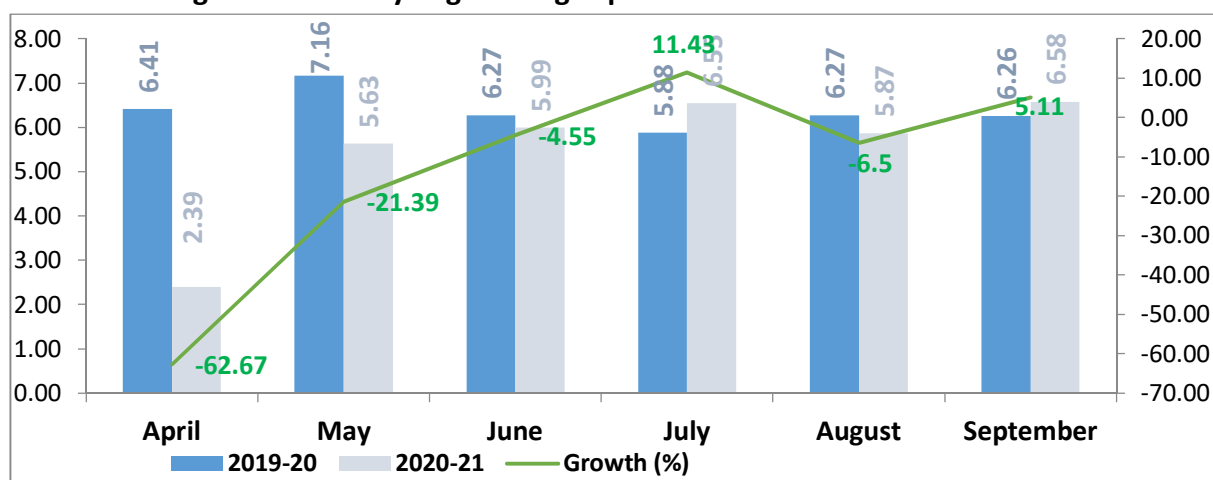
The monthly engineering figures for 2020-21 vis-à-vis 2019-20 are shown below as per the latest DGCIS estimates:

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

Month	2019-20	2020-21	Growth (%)
April	6410.79	2392.87	-62.67
May	7159.43	5628.12	-21.39
June	6274.90	5989.45	-4.55
April-June	19845.12	14010.44	-29.40
July	5877.95	6549.89	11.43
August	6273.83	5866.00	-6.50
September	6257.50	6577.20	5.11
July-September	18409.28	18993.09	3.17
April-September	38254.41	33003.52	-13.73

Source: DGCIS, Govt. of India.

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



Source: DGCIS&S, EEPC research

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 four months of Fiscal 2020-21 saw both of them moved in the same direction but the month of August saw the opposite. Engineering exports declined year-on-year once again in August as opposed to a rise in July 2020 but manufacturing witnessed a slower year-on-year decline in output as compared to the previous month. The following table depicts the short-term trend of both manufacturing output and engineering exports.

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 2019	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	-62.67	-66.6

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
May 2020	-21.39	-37.8
June 2020	-4.55	-16.0
July 2020	11.43	-11.6
August 2020	-6.50	-8.6
September 2020	5.11	N A

(Source: Department of Commerce and CSO)

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

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

Months	2018-19	2019-20	Growth (%)
April	7020.54	6410.79*	-8.69
May	6928.08	7159.43*	3.34
June	6512.31	6274.90*	-3.65
Quarter 1	20460.93	19845.12*	-3.01
July	6052.64	5877.95*	-2.89
August	6974.48	6273.83*	-10.05
September	6769.15	6257.50*	-7.56
Quarter 2	19796.27	18409.28*	-7.01
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	9162.3	5266.9	-42.52

Months	2018-19	2019-20	Growth (%)
Quarter 4	21900.61	18293.8	-16.47
April-March	80955.54	75811.59*	-6.35

Source: DGCIS * Revised data

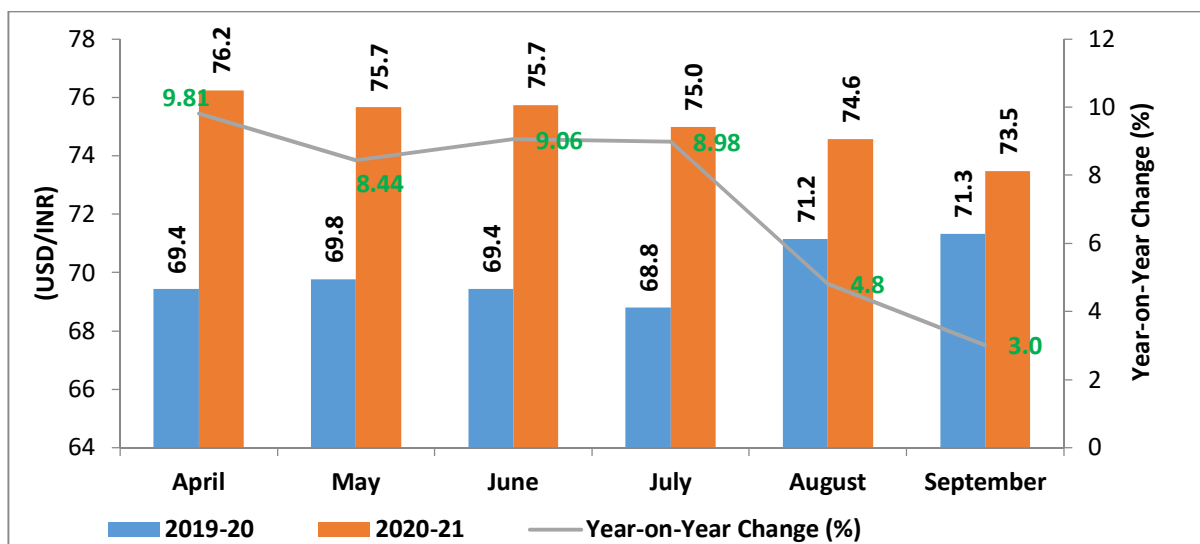
Impact of Exchange Rate

How did the exchange rate fare during September 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 September 2020, but considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2019-20 against those of 2020-21 as mere one month figure does not reflect any 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)

Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	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
July	68.81	74.99	8.98	Depreciation
August	71.15	74.57	4.80	Depreciation
September	71.33	73.48	3.00	Depreciation

Figure2A: Movement of USD-INR Exchange Rate in 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

Rupee has been strengthening over the month in 2020-21 but year-on-year depreciation continues vis-à-vis the US Dollar. Movement of rupee vis-à-vis the greenback was broadly in the range of 73.5 – 75.0 per US Dollar during the last three months.

Outlook does not seem so gloomy but concerns remain ahead of US election: Rupee has been strengthening over the month. 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. These factors, coupled with the prospects of foreign inflows in the near term may lead to a gradual recovery. However, US election, 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

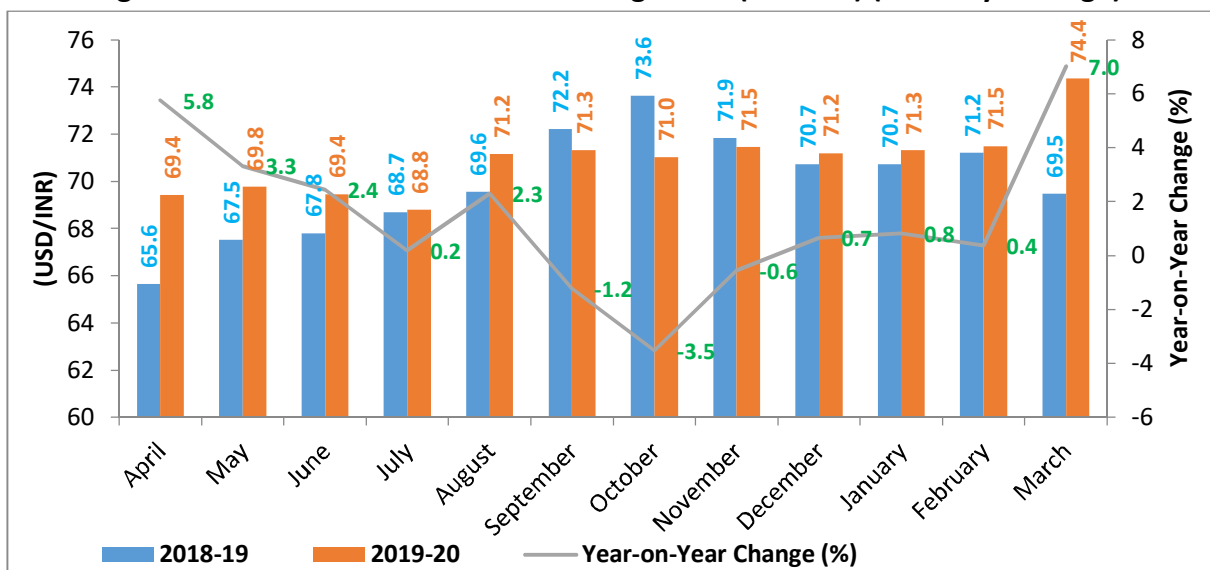
Table 4B: USD-INR average exchange rate in 2019-20

Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	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

Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	2018-19	2019-20		
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 September2020

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April- September2020 over April- September2019.

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

US\$ million

Country	Sep 2019	Sep 2020	Growth (%)	Apr-Sep 2019	Apr-Sep 2020	Growth (%)
U S A	945.02	1157.71	22.51	5677.96	4769.58	-16.00
CHINA	195.58	380.77	94.68	973.68	3159.56	224.50
SINGAPORE	109.86	109.64	-0.19	1470.23	1726.72	17.45
UAE	218.87	268.78	22.81	2455.77	1624.49	-33.85
MALAYSIA	202.16	207.99	2.88	1123.51	1324.11	17.85
GERMANY	264.21	258.19	-2.28	1562.78	1195.07	-23.53
KOREA RP	182.95	178.02	-2.69	1009.85	1042.25	3.21
VIETNAM	220.24	110.61	-49.77	859.43	989.34	15.12
INDONESIA	93.11	137.02	47.16	668.54	820.07	22.67
MEXICO	193.82	237.33	22.45	1238.09	792.67	-35.98
BANGLADESH	225.90	203.12	-10.08	1222.15	744.77	-39.06
U K	200.52	166.56	-16.93	1273.98	722.76	-43.27
ITALY	207.55	163.43	-21.26	1052.88	713.41	-32.24
NEPAL	228.13	187.80	-17.68	1349.66	688.26	-49.00
THAILAND	129.64	121.26	-6.46	768.31	627.87	-18.28
SAUDI ARAB	150.99	173.67	15.02	707.58	619.03	-12.52
SRI LANKA	118.15	171.35	45.02	609.15	499.88	-17.94
TURKEY	100.26	99.34	-0.92	507.66	481.23	-5.21
FRANCE	141.70	107.99	-23.79	709.45	470.99	-33.61
NIGERIA	171.03	127.70	-25.33	787.37	461.23	-41.42
JAPAN	96.61	73.21	-24.22	534.47	443.27	-17.06
BELGIUM	79.72	71.48	-10.33	502.19	422.65	-15.84
SOUTH AFRICA	128.36	100.54	-21.68	776.39	396.97	-48.87
TAIWAN	67.85	65.55	-3.40	335.29	368.21	9.82
NETHERLAND	81.99	80.22	-2.16	433.81	367.97	-15.18
Total engineering exports to top 25 countries	4754.24	4959.30	4.31	28610.19	25472.35	-10.97

Country	Sep 2019	Sep 2020	Growth (%)	Apr-Sep 2019	Apr-Sep 2020	Growth (%)
Total engineering exports	6257.50	6577.20	5.11	38254.41	33003.52	-13.73
Share (%)	75.98	75.40		74.79	77.18	

Source: Department of Commerce, Government of India

India's top 25 engineering export destinations: Some observations

- ✚ Like the previous month the same set of 7 out of 25 countries, recorded positive cumulative growth in engineering exports during April- September 2020 over April- September 2019. While 8 out of 25 countries recorded positive monthly growth in September 2020 over September 2019 which is an improvement over the last month performance where only 5 countries recorded positive monthly growth in August 2020 over August 2019.
- ✚ USA has retained its top position of being the numero uno destination for India's engineering products during April- September 2020 over April- September 2019, even though the growth rate turned negative cumulatively over the said period.
- ✚ Once again China has ranked as the second largest destination for India's engineering products during April- September 2020 over April- September 2019, registering a high positive cumulative growth of 224.50% and a positive monthly growth of over 94 percent.
- ✚ Like the previous month Singapore ranked as the third largest destination for India's engineering products during April- September 2020 over April- September 2019, registering a positive cumulative growth.
- ✚ All the European countries among India's top 25 engineering export destinations recorded a negative monthly growth in September 2020 over September 2019 and a negative cumulative growth during April- September 2020 over April- September 2019.
- ✚ Among the ASEAN countries under the top 25 engineering exports destinations, Singapore, Malaysia, Vietnam and Indonesia all recorded significant positive growth during April- September 2020 over April- September 2019, barring Thailand which recorded negative growth during the same period.
- ✚ The share of India's engineering exports to its top 25 nations accounted for 77.2 percent of India's total engineering exports in April- September 2020. This significant high share is indicative of the dependence of India's engineering export on the traditional markets.
- ✚ India's engineering exports to its top 25 destinations during April- September 2020 over April- September 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- September 2020 as opposed to April- September 2019.

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

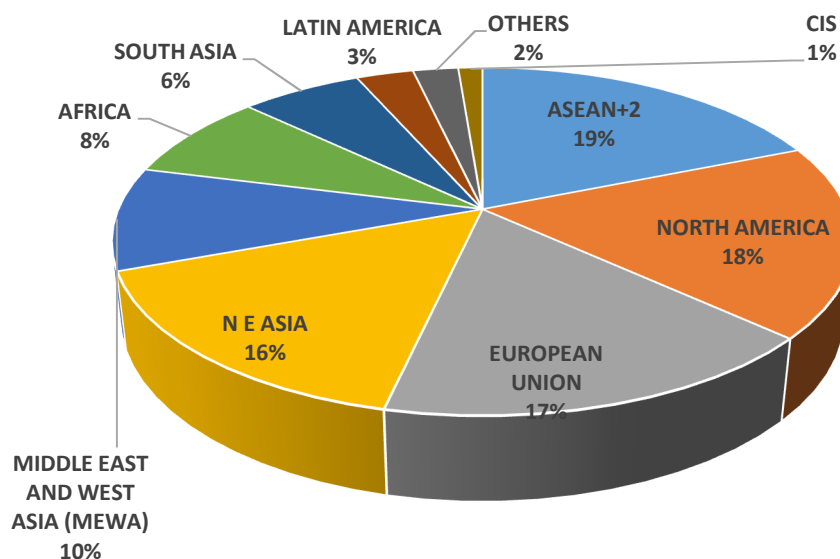
US\$ million

Regions	Sep 2019	Sep 2020	Growth (%)	Apr- Sep 2019	Apr- Sep 2020	Growth (%)
ASEAN+2	912.97	827.49	-9.36	5790.69	6229.30	7.57
NORTH AMERICA	1200.12	1472.63	22.71	7315.48	5912.65	-19.18
EUROPEAN UNION	1264.41	1139.26	-9.90	7478.66	5532.95	-26.02
N E ASIA	556.42	714.09	28.34	3010.28	5218.97	73.37
MIDDLE EAST AND WEST ASIA (MEWA)	574.35	652.51	13.61	4432.87	3167.45	-28.55
AFRICA	667.09	702.57	5.32	3777.69	2675.44	-29.18
SOUTH ASIA	608.72	580.35	-4.66	3478.09	2087.50	-39.98
LATIN AMERICA	278.48	255.76	-8.16	1640.99	983.06	-40.09
OTHERS	124.63	123.28	-1.08	896.40	779.37	-13.06
CIS	70.32	109.25	55.36	433.27	416.85	-3.79
Grand Total	6257.50	6577.20	5.11	38254.41	33003.52	-13.73

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-Sep 2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ASEAN+2 for the sixth time in a row ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-September 2020 over April- September 2019 with a share of 18.9 percent of total engineering exports.
- India's exports to North America improved and ranked second in global shipments of Indian engineering goods in April- September 2020 with a share of 17.9 percent of total engineering exports respectively.
- EU also climbed up by one position and ranked third in global shipments of Indian engineering goods in April- September 2020 with a share of 16.8 percent.
- North East Asia like before recorded high positive monthly and cumulative growth in exports of engineering products from India during April- September 2020 over April- September 2019. ASEAN+2 is the second region to record positive cumulative growth during April- September 2020 over April- September 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 September 2020 vis-a-vis September 2019 as well as April-September 2020-21 vis-à-vis April-September 2019-20. The data is given in Table 7 below:

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

US\$ Million

Engineering Panels	September 2019	September 2020	Growth (%)	Apr-September 2019	Apr-September 2020	Growth (%)
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	933.49	944.99	1.23	4651.54	6373.27	37.0
Products of Iron and Steel	567.95	665.42	17.16	3473.68	2741.50	-21.1
Sub Total	1501.44	1610.41	7.26	8125.22	9114.77	12.18
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	87.70	98.81	12.66	400.73	608.82	51.93
Aluminium and products	484.86	484.64	-0.05	2496.16	2684.98	7.56
Zinc and products	50.76	54.59	7.53	274.09	380.53	38.83
Nickel and products	7.3	4.3	-41.2	62.2	24.0	-61.40
Lead and products	36.69	43.18	17.68	169.41	185.44	9.46
Tin and products	0.84	1.61	92.17	5.05	4.12	-18.39
Other Non-Ferrous Metals	45.64	54.06	18.46	267.72	210.24	-21.47
Sub Total	713.816	741.191	3.84	3675.39	4098.14	11.50
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	74.33	42.05	-43.4	427.73	232.21	-45.7
IC Engines and Parts	188.86	231.38	22.5	1282.05	992.98	-22.5
Pumps of all types	76.72	93.20	21.49	489.31	370.46	-24.29
Air condition and Refrigerators	128.78	98.79	-23.3	745.71	453.36	-39.2
Industrial Machinery for dairy, food processing , textiles etc	389.02	424.06	9.0	2403.78	1908.39	-20.6
Machine Tools	34.59	37.81	9.30	224.27	164.14	-26.81
Machinery for Injecting	153.20	157.61	2.9	874.91	707.55	-19.1

Engineering Panels	September 2019	September 2020	Growth (%)	Apr-September 2019	Apr-September 2020	Growth (%)
moulding, valves and ATMs						
Sub Total	1045.5	1084.9	3.8	6447.76	4829.1	-25.10
Electrical Machinery	733.11	838.12	14.32	4248.43	3944.40	-7.16
5. Automobiles and Auto components and Parts						
Motor Vehicle/cars	663.15	544.09	-18.0	3940.39	1991.74	-49.5
Two and Three Wheelers	179.07	186.86	4.3	1050.69	664.61	-36.7
Auto Components/Part	461.27	455.92	-1.16	2740.98	1782.02	-34.99
Sub Total	1303.494	1186.874	-8.95	7732.058	4438.367	-42.60
Aircrafts and Spacecraft parts and products	135.61	198.58	46.44	698.36	539.82	-22.70
Ships Boats and Floating products and parts	84.46	150.53	78.22	2894.16	2742.63	-5.24
8. Other engineering products						
Medical and Scientific instruments	145.63	165.42	13.59	873.97	750.00	-14.18
Railway Transport	30.82	16.59	-46.19	174.26	47.03	-73.01
Hand Tools & Cutting Tools	59.97	68.29	13.89	388.04	291.34	-24.92
Electrodes Accumulators	5.20	4.42	-14.99	30.53	18.52	-39.33
Accumulator and Batteries	36.97	37.39	1.12	222.28	151.87	-31.67
Bicycle & Parts	30.36	31.73	4.51	189.49	138.27	-27.03
Cranes Lifts & Winches	61.17	43.35	-29.14	292.79	184.71	-36.91
Office Equipment	19.05	13.86	-27.23	96.56	61.54	-36.27

Engineering Panels	September 2019	September 2020	Growth (%)	Apr-September 2019	Apr-September 2020	Growth (%)
Other Construction Machinery	111.67	104.08	-6.79	734.23	467.45	-36.33
Prime Mica & Mica Products	1.83	1.77	-2.93	25.20	11.64	-53.80
OTHER MISC. ITEMS	237.41	279.71	17.82	1405.69	1173.92	-16.49
Sub Total	740.1	766.6	3.6	4433.0	3296.3	-25.6
Total engineering exports	6257.5	6577.2	5.1	38254.4	33003.5	-13.7

Source: DGCI&S

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

- Exports of Nickel and products under Chapter 75: fell by 41.2% in September 2020 and 61.4% in April-September 2020-21

- ✚ Indian engineering exports once again showed positive signs of recovery during September 2020 after significant decline observed in the month of August 2020 mainly due to the COVID situation. While total exports exhibited positive growth in September 2020 to the extent of 5.99% compared to September 2019. Similarly, India's engineering exports recorded positive growth of 5.11% from US\$ 6257.5 million in September 2019 to US\$ 6577.2 million in September 2020. In cumulative terms the first two quarters recorded a decline to the extent of 13.7% from US\$ 38254.4 million in April-September 2019-20 to US\$ 33003.5 million in April-September 2020-21, given the fact that COVID still continues to impact global trade and economy negatively.
- ✚ Out of 33 engineering panels, 12 panels recorded negative growth and 21 panels recorded positive growth in exports during September 2020 vis-à-vis September 2019. In cumulative terms, 28 out of 33 panels exhibited a year-on-year decline in exports.
- ✚ Among major panels, a steady growth was noticed in exports from ferrous and non-ferrous sectors which grew both in monthly and cumulative terms
- ✚ Exports of iron and steel recorded an increase to the extent of 1.23% in September 2020 compared to same period last year on account of rise in Chinese demand. Furthermore, exports of products of iron and steel increased by 17.2% in September thereby increasing the export of the total group by 7.26 percent. The total segment also recorded in 12.18 percent jump in exports in cumulative terms.
- ✚ In case of non-ferrous metals, segments like Aluminium and products and Nickel and products witnessed decline in exports to the extent of 0.05 and 41.2 percent respectively

during September 2020. While the remaining non-ferrous metal segment witnessed positive growth in the month of September 2020.

- ✚ Within industrial machinery, overall there has been an increase in the monthly exports to the extent of 3.8%, while there has been a decline to the extent of 25% in cumulative terms during April-September 2020-21. Negative export performance was noticed in segments including industrial machinery for boilers (43.4%), air-condition and refrigeration machinery (23.3%). Remaining segments witnessed positive growth. In cumulative terms too, the growth was definitely negative to the extent of 25%, given the significant decline in exports witnessed by most of the sub sectors in the last few months.
- ✚ The electrical machinery segment showed recovery in September 2020, similar to that observed in June, July and August 2020. In September too, exports grew by 14.3% as demand in top export destinations remained buoyant. The sector grew in monthly terms while the growth still remained negative in cumulative terms given the sharp decline in exports the sector faced in the last few months of the current fiscal.
- ✚ Unlike other sectors which showed some signs of recovery in September 2020, exports in the entire automobile sector remained negative both in monthly and cumulative terms due to subdued demand in all major markets. Exports in Automobiles fell by 13.2% in September 2020 and by 46.8% during April-Sep 2020-21 compared to same period last fiscal.
- ✚ While exports of aircraft, spacecraft and parts exhibited positive growth by 46.44% in September 2020 but witnessed negative growth to the extent of 22.70% in cumulative terms. On the other hand, there was a significant rise (more than 78 percent) in September 2020 in exports of ships, boats and floating structures. The increase was majorly attributed to significant rise in exports to Singapore and Sri Lanka.
- ✚ In the rest of the engineering segments, while there was decline in almost all, slight increase in exports was noticed in case of Medical Devices and Equipment (13.59%), Hand Tools and Cutting Tools (13.89%), Bicycle and parts (4.51%) during September 2020 compared to September 2019.

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

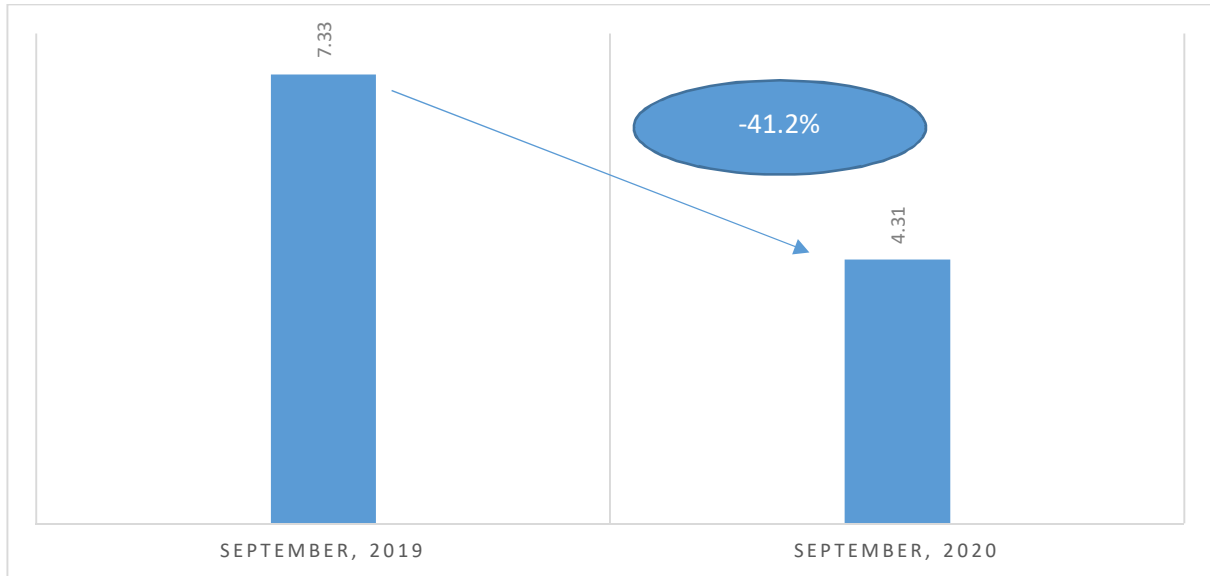
Table 8A: Chapter 75: Nickel and Products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	6.1	4.14	-27.0	1.18	-71.54
May	6.72	35.23	424.3	2.96	-91.6

June	6.81	5.50	-19.2	6.55	19.1
July	6.08	4.80	-21.1	4.49	-6.26
August	7.47	4.92	-34.1	4.06	-17.5
September	5.24	7.33	39.9	4.31	-41.2
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 8B: Chapter 75: Nickel and Products					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.32	0.26	-17.65	0.08	-67.62
May	0.32	13.59	4049.51	0.15	-98.84
June	0.33	0.52	-15.92	0.60	15.35
July	0.28	0.43	9.28	0.43	1.23
August	0.35	0.43	-31.19	0.39	-8.21
September	0.30	0.43	43.57		
October	0.32	0.33	0.18		
November	0.25	0.25	-0.95		
December	0.22	0.33	50.19		
January	0.19	0.33	74.14		
February	0.24	0.35	46.36		
March	0.20	0.34	67.50		
April-	2.80	17.02	507.9		

➤ Slump in exports of Nickel and its products

Figure 4: Slump in Exports of Nickel and its products in September 2020 v/s September 2019 (in USD million)



Reason for fall: In the first half of 2020, the Nickel industry suffered from a demand decline due to the pandemic as against a steady supply of the metal from major producers. This led to a surplus reserve of nickel as against a deficit last year. This may explain why Nickel exports have not taken up since.

7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during September 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 9: Export of Iron & Steel
US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
CHINA	40.46	223.49	452.43	233.08	2134.22	815.66
VIETNAM	165.97	44.73	-73.05	533.90	691.68	29.55
U A E	43.35	80.33	85.31	382.32	433.68	13.43
ITALY	104.12	62.32	-40.15	360.56	325.68	-9.67
NEPAL	68.14	67.47	-0.98	524.52	283.38	-45.97
High cumulative growth						
CHINA	40.46	223.49	452.43	233.08	2134.22	815.66
PHILIPPINES	9.74	10.15	4.19	30.05	62.02	106.35
INDONESIA	18.05	37.45	107.48	65.65	133.99	104.08
THAILAND	21.44	8.15	-62.01	80.46	151.00	87.67
OMAN	3.12	14.43	362.18	59.95	81.49	35.93
Sharp cumulative decline						
MALAYSIA	27.19	20.71	-23.82	158.73	71.21	-55.14

NEPAL	68.14	67.47	-0.98	524.52	283.38	-45.97
BANGLADESH	28.20	20.40	-27.64	182.89	101.29	-44.61
BHUTAN	4.92	2.03	-58.65	41.55	24.26	-41.62
JAPAN	20.14	14.80	-26.51	107.39	64.42	-40.02
GERMANY	11.48	11.95	4.12	75.93	49.70	-34.55

(Source: Department of Commerce, Government of India)

- China, Vietnam and UAE were the three top three importers of Indian Iron and Steel during April 2020-September 2020 with market shares of 33.49 percent, 10.85 percent and 6.80 percent respectively.
- China recorded a monumental growth of 815.66 percent followed by Philippines and Indonesia at 106.35 percent and 104.08 percent in exports of Indian Iron and Steel during April 2020-September 2020 compared to April 2019-September 2019.
- Malaysia and Nepal experienced sharp downfall to an extent of more than 45% drop in exports during April 2020-September 2020 compared to same period last fiscal.

Table 10: Export of Products of Iron & Steel

US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
U S A	124.04	147.26	18.72	841.24	583.60	-30.63
CANADA	18.45	39.68	115.12	144.21	160.28	11.14
U A E	24.15	28.26	17.01	204.11	148.84	-27.08
GERMANY	34.40	28.74	-16.45	196.64	137.47	-30.09
SAUDI ARABIA	17.18	27.18	58.22	86.85	105.11	21.03
High cumulative growth						
EGYPT	4.11	13.94	239.54	17.39	48.47	178.69
OMAN	12.71	24.97	96.49	58.15	82.82	42.43
GHANA	2.62	7.44	183.75	17.79	24.97	40.41
MALAYSIA	2.82	3.09	9.72	21.53	27.86	29.38
SAUDI ARABIA	17.18	27.18	58.22	86.85	105.11	21.03
Sharp cumulative decline						
NIGERIA	8.91	10.59	18.89	65.87	32.85	-50.13
FRANCE	10.96	15.01	36.97	79.46	49.20	-38.09
NEPAL	10.94	7.73	-29.34	58.65	36.40	-37.94
U K	23.32	26.28	12.70	149.77	96.60	-35.50
SPAIN	8.48	8.47	-0.13	52.88	36.18	-31.58

(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-September 2020 with 21.29 percent, 5.85 percent and 5.43 percent shares respectively in India's global import of the same.
- Egypt experienced more than 175% growth followed by Oman and Ghana in import of 'Products of Iron and Steel' during April 2020-September 2020.
- Nigeria, France, Nepal and U K conceded substantial decline in imports by more than 35% for the said product group from India during April 2020-September 2020.

Table 11: Export of Industrial Machinery

US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
U S A	160.04	174.69	9.15	1003.89	755.45	-24.75
CHINA	47.20	47.36	0.34	275.79	264.56	-4.07
GERMANY	47.44	53.96	13.75	305.65	258.38	-15.46
THAILAND	42.67	60.37	41.49	311.81	245.65	-21.22
U A E	39.42	44.33	12.47	236.35	219.99	-6.92
High cumulative growth						
TOGO	0.87	3.88	347.07	2.27	7.26	220.20
BENIN	0.39	0.48	21.28	2.06	3.21	55.63
HUNGARY	2.21	4.59	108.18	14.27	20.85	46.10
RUSSIA	12.61	32.54	157.99	77.49	106.37	37.26
CAMEROON	0.41	1.03	153.69	3.68	4.72	28.40
Sharp cumulative decline						
INDONESIA	22.17	15.15	-31.70	151.37	68.25	-54.91
NEPAL	29.68	23.59	-20.51	163.91	84.38	-48.52
BANGLADESH	53.87	44.51	-17.38	311.51	169.10	-45.72
NIGERIA	53.68	33.54	-37.52	237.78	137.06	-42.36
ITALY	27.10	28.24	4.20	185.53	124.75	-32.76

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April 2020-September 2020 with 15.64 percent share in India's global import of the product group. China and Germany were the two immediate followers of USA with 5.48 percent and 5.35 percent shares respectively.
- Togo was the top importer with monumental growth of 220.20 percent followed by Benin, witnessing growth of more than 55 percent in imports of Industrial machinery from India followed by Hungary, Russia and Cameroon during April 2020-September 2020 over the same period last fiscal.

- Among the major importers, Indonesia, Nepal, Bangladesh and Nigeria recorded over 40 percent year-on-year declines in imports during April 2020-September 2020.

Table 12: Automobiles
US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
MEXICO	123.88	154.69	24.87	747.82	476.34	-36.30
U S A	71.40	83.54	17.00	425.60	278.94	-34.46
SOUTH AFRICA	76.30	53.18	-30.30	477.38	208.48	-56.33
SAUDI ARABIA	68.00	55.32	-18.65	280.42	195.46	-30.30
NIGERIA	47.20	47.22	0.02	245.42	156.28	-36.32
High cumulative growth						
SUDAN	0.29	8.13	2695.86	1.80	18.55	932.98
EGYPT	0.35	11.76	3308.27	10.11	45.44	349.41
BRUNEI	0.71	3.95	456.41	6.08	16.22	166.63
AUSTRIA	0.10	0.00	-100.00	16.20	35.69	120.22
CANADA	0.83	1.21	46.24	24.91	31.56	26.69
Sharp cumulative decline						
ITALY	20.52	3.78	-81.59	135.14	12.10	-91.05
INDONESIA	9.32	10.48	12.46	132.63	31.31	-76.39
NEPAL	51.34	32.99	-35.74	232.01	78.69	-66.08
BANGLADESH	32.21	25.60	-20.51	180.74	70.65	-60.91
COLOMBIA	25.19	22.75	-9.68	131.86	55.19	-58.15
SOUTH AFRICA	76.30	53.18	-30.30	477.38	208.48	-56.33

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- Mexico, USA and South Africa were top three importers of India's Automobiles during April 2020-September 2020 with 17.93, 10.50 and 7.85 percent share in India's global exports respectively over the same period last fiscal.
- Sudan recorded a meteoric growth of more than 932.98 percent followed by Egypt, Brunei and Austria with more than 100 percent growth in imports of the product group from India during April 2020-September 2020 over the same period last fiscal.

- Countries like Italy, Indonesia, Nepal and Bangladesh saw their imports of automobile lower by more than 60 percent during April 2020-September 2020 compared to same period last fiscal.

Table 13: Export of Non-Ferrous metals
US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
MALAYSIA	125.32	141.07	12.57	487.29	801.77	64.54
KOREA	116.26	122.03	4.97	601.76	758.54	26.05
CHINA	46.28	58.34	26.04	162.84	528.34	224.46
U S A	110.42	78.84	-28.60	484.70	323.38	-33.28
SINGAPORE	1.19	18.88	1492.78	61.47	245.16	298.85
High cumulative growth						
SINGAPORE	1.19	18.88	1492.78	61.47	245.16	298.85
CHINA	46.28	58.34	26.04	162.84	528.34	224.46
MALAYSIA	125.32	141.07	12.57	487.29	801.77	64.54
KOREA	116.26	122.03	4.97	601.76	758.54	26.05
TAIWAN	21.52	22.27	3.45	144.35	174.21	20.69
Sharp cumulative decline						
ITALY	6.16	6.23	1.03	65.60	21.48	-67.26
MEXICO	8.63	9.15	5.98	77.59	39.35	-49.28
THAILAND	20.69	10.51	-49.23	108.05	56.69	-47.53
NEPAL	15.11	14.28	-5.49	93.87	52.06	-44.55
JAPAN	12.18	7.38	-39.45	83.23	54.66	-34.32

(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-September 2020 with 19.56 percent, 18.51 percent and 12.89 percent shares respectively in India's global import of the same.
- Singapore experienced massive growth of 298.85 percent followed by China and Malaysia at 224.46 percent and 64.54 percent respectively in import of Non-ferrous metals and products during April 2020-September 2020.
- Italy, Mexico, Thailand and Nepal conceded substantial decline in imports by more than 40% for the said product group from India during April 2020-September 2020 vis-à-vis same period last fiscal.

Table 14: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
U S A	187.31	316.07	68.74	1110.74	1490.56	34.20
GERMANY	82.87	77.66	-6.29	455.64	360.61	-20.86
U A E	19.99	41.48	107.54	107.25	154.67	44.22
SINGAPORE	24.86	28.21	13.48	266.40	142.80	-46.40
U K	37.20	24.11	-35.18	361.34	117.04	-67.61
High cumulative growth						
NEW ZEALAND	0.35	12.02	3378.79	2.42	48.01	1881.82
HONG KONG	2.58	2.65	2.93	21.75	76.48	251.65
JAPAN	20.57	10.95	-46.77	54.98	103.96	89.08
VIETNAM	7.23	6.99	-3.34	33.64	53.37	58.65
U A E	19.99	41.48	107.54	107.25	154.67	44.22
Sharp cumulative decline						
U K	37.20	24.11	-35.18	361.34	117.04	-67.61
NIGERIA	36.96	17.36	-53.03	102.05	49.23	-51.76
SINGAPORE	24.86	28.21	13.48	266.40	142.80	-46.40
MALAYSIA	17.51	3.57	-79.61	52.22	29.83	-42.87
POLAND	8.43	18.35	117.66	66.87	42.52	-36.41

(Source: Department of Commerce and CSO)

- ✚ USA, Germany and UAE were the three top importers of Indian Electrical Machinery and Components during April 2020-September2020 with market shares of 37.79 percent, 9.14 percent and 3.92 percent respectively.
- ✚ New Zealand recorded massive growth of 1881.82 percent followed by Hong Kong and Japan at 251.65 percent and 89.08 percent in imports of India's Electrical Machinery and Components during April 2020-September 2020 vis-a-visa April 2019 – September 2019.
- ✚ UK experienced the sharp decline of more than 65 percent in imports in April 2020-September 2020 when compared to April 2019 – September 2019. It is also the case for Singapore and Nigeria which experienced more than 45 percent drop.

Table 15: Export of Aircrafts and Space crafts
US\$ million

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
Top Five Importers						
U S A	35.56	88.66	149.31	258.80	201.73	-22.05
FRANCE	18.92	8.91	-52.90	82.97	56.91	-31.41
SINGAPORE	16.97	11.97	-29.46	69.38	47.90	-30.95
INDONESIA	0.00	47.16	1446466.30	0.53	47.40	8888.32
U K	20.27	5.07	-74.96	89.02	37.68	-57.68
High cumulative growth						
INDONESIA	0.00	47.16	1446466.30	0.53	47.40	8888.32
IRELAND	0.28	4.93	1673.02	1.29	10.32	702.61
U A E	0.52	0.57	8.72	4.57	20.94	358.22
SWITZERLAND	0.68	1.19	75.79	5.20	5.85	12.45
Sharp cumulative decline						
U K	20.27	5.07	-74.96	89.02	37.68	-57.68
GERMANY	8.44	6.62	-21.56	35.28	21.88	-37.98
MALAYSIA	4.82	6.66	38.00	26.88	16.71	-37.83
FRANCE	18.92	8.91	-52.90	82.97	56.91	-31.41
SINGAPORE	16.97	11.97	-29.46	69.38	47.90	-30.95

(Source: Department of Commerce and CSO)

- ✚ USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020-September 2020 with around 37.37, 10.54 and 8.87 percent shares respectively in India's total global exports of the product.
- ✚ Surprisingly, due to massive imports in the month of September 2020, Indonesia became the top importer for the said product group with monumental growth of 8888.32 percent during April 2020-September 2020. Also, Ireland and UAE registered substantial growth of 702.61 percent and 358.22 percent respectively in import of the product group from India during April 2020-September 2020 as compared to the same period last fiscal.
- ✚ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from UK, Germany, Malaysia, France and Singapore dropped more than 30 percent on a year-on-year basis during April 2020-September 2020 when compared to April 2019 -September 2019.

Table 16: Export of Ships, Boats and Floating Structures and parts

US\$ million

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

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
SINGAPORE	13.96	0.02	-99.83	759.26	1000.89	31.82
INDONESIA	0.00	0.00	-	89.70	389.12	333.79
U A E	4.28	9.57	123.70	967.22	319.50	-66.97
MALAYSIA	0.00	7.28	222352.83	191.34	251.64	31.52
SRI LANKA	21.86	103.11	371.64	151.00	241.75	60.10
High cumulative growth						
MALTA	0.00	0.00	-	0.01	116.78	1771156.40
INDONESIA	0.00	0.00	-	89.70	389.12	333.79
SRI LANKA	21.86	103.11	371.64	151.00	241.75	60.10
SINGAPORE	13.96	0.02	-99.83	759.26	1000.89	31.82
MALAYSIA	0.00	7.28	222352.83	191.34	251.64	31.52
Sharp cumulative decline						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	16.12	0.00	-100.00	69.04	0.00	-100.00
NORWAY	0.00	0.00	-	58.33	0.00	-100.00
U A E	4.28	9.57	123.70	967.22	319.50	-66.97

(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, Indonesia and UAE became the largest importer of ships, boats and floating structures followed by Malaysia and Sri Lanka. Their respective shares are 36.49 percent, 14.19 percent, 11.65 percent, 9.18 percent and 8.81 percent.
- ❖ Though Malta recorded negligible imports in September 2020 but the cumulative Imports to Malta recorded meteoric increase as they had negligible import in April 2019 – September 2019. Indonesia registered substantial growth of 333.79% in import of the product group from India during April 2020-September 2020 as compared with the same period last fiscal.
- 📉 However, sharp decline of more than 65 percent was noticed in exports to UAE from India during April 2020-September 2020 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Cyprus, Liberia and Norway.

Table 17: Export of Auto Components
US\$ Million

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

COUNTRY	SEPTEMBER 2019	SEPTEMBER 2020	Growth (%)	APRIL 2019-SEPTEMBER 2019	APRIL 2020-SEPTEMBER 2020	Growth (%)
U S A	102.33	103.88	1.52	622.28	407.95	-34.44
TURKEY	24.73	26.93	8.90	125.08	114.79	-8.22
GERMANY	20.67	24.25	17.31	131.53	104.05	-20.89
VIETNAM	19.58	26.43	35.00	100.39	93.75	-6.61
BANGLADESH	25.52	28.77	12.76	140.50	92.20	-34.38
High cumulative growth						
CONGO	0.28	0.49	76.18	1.69	4.84	186.46
SLOVENIA	1.19	3.06	156.29	3.76	9.97	165.16
IRAQ	0.29	0.63	116.27	1.69	3.25	91.90
SPAIN	3.93	9.47	140.78	23.46	34.22	45.85
SLOVAKIA	0.86	2.58	200.80	5.46	7.92	45.12
Sharp cumulative decline						
U A E	16.46	8.42	-48.87	94.29	30.90	-67.23
BRAZIL	20.41	19.24	-5.70	142.88	67.13	-53.01
THAILAND	12.91	14.54	12.62	91.85	50.98	-44.49
U K	13.62	13.24	-2.79	79.03	47.40	-40.03
JAPAN	10.28	11.06	7.52	77.38	47.28	-38.90

(Source: Department of Commerce and CSO)

- ✚ USA remained the top importer of auto components in April 2020-September 2020 with a share of 22.89 percent. It is followed by Turkey, Germany, Vietnam and Bangladesh with respective shares of 6.44 percent, 5.84 percent, 5.26 percent and 5.17 percent.
- ✚ Congo and Slovenia recorded increase of more than 150 percent followed by Iraq and Spain in imports from April 2020-September 2020 when compared to April 2019 – September 2019. Iraq also exhibited an increase of 91.90 percent but the absolute figures are not very convincing.
- ✚ UAE and Brazil recorded significant decline of more than 50 percent in April 2020-September 2020 when compared to April 2019 –September 2019.

Analysis of India's engineering imports

India's Engineering imports during September 2020 were valued at US\$ 6218.92 million compared to US\$ 8618.02 million in September 2019 registering a negative growth of 27.8 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 September 2020 in comparison to September 2019 which has been estimated at 20.5%.

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

Table 18: 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
July	8938.17	5571.34	-37.7
Aug	8917.11	5114.42	-42.6
Sep	8618.02	6218.92	-27.8

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 19: Engineering Imports during 2019-20 vis-à-vis 2018-19

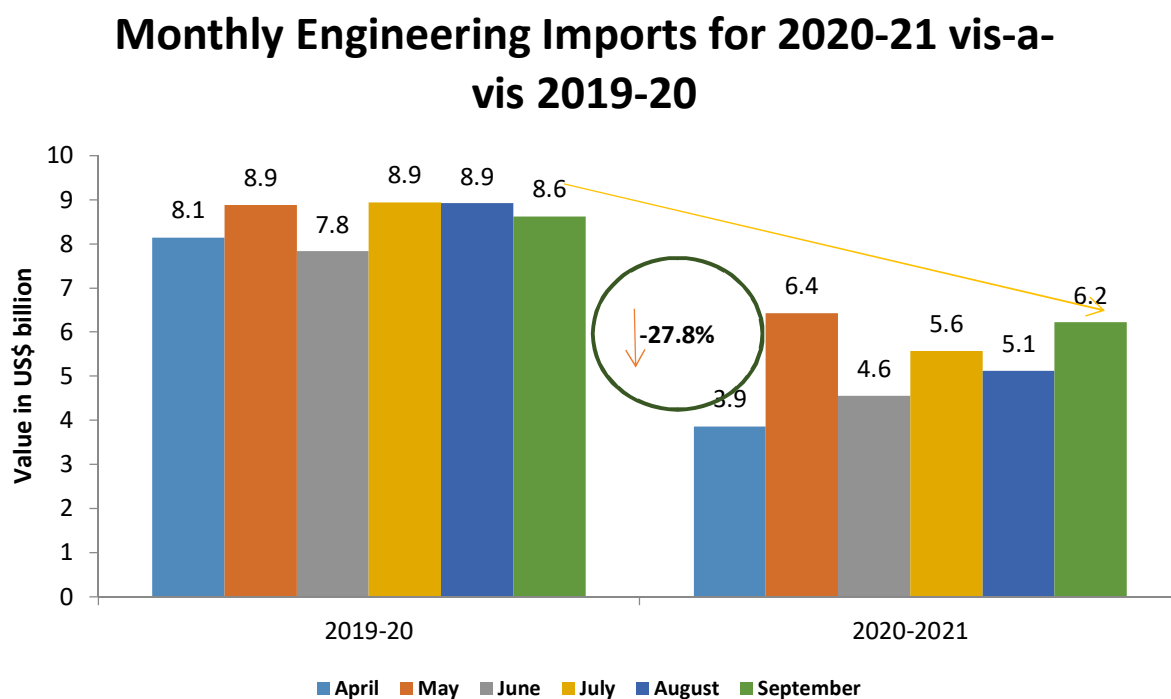
(US\$ Million)

Months	2018-19	2019-20	Growth (%)
April	8139.45	8143.84	0.1
May	8536	8875.2	4.0
Sepust	8890.89	7827.95	-12.0
July	9272.5	8938.2	-3.6
Sepust	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-Sep 2020 compared to April-Sep 2019

Figure 5: Monthly Engineering Imports for April-Sep 2020 vis-a-vis April-Sep2019



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:

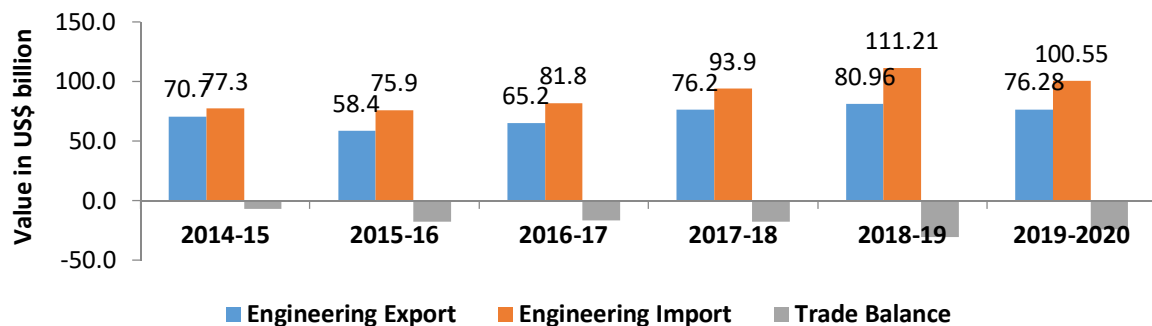
Table 20: Tear-wise trend in engineering trade

(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Sep 2019	Apr-Sep 2020	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	38.3	33.0	-13.7
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	51.3	31.8	-38.1
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-13.0	1.20	

Figure 6 below depicts the yearly trend in engineering trade **from 2014-15 to 2019-20**

Figure 6: Trend in Yearly Engineering Trade



Conclusion

For the first time in fiscal 2020-21, both merchandise as well as engineering exports recorded year-on-year growth on a monthly basis. Engineering exports achieved it for the second month after July 2020 and it also recorded growth on a quarterly basis during the April-September quarter. Although, a reversal of trend is too early to predict, it has been observed that revised estimates, be it growth or decline are showing improvement over the preliminary numbers. Therefore, it can be said that exports has already seen its bottom and gradual improvement in business sentiment is expected. At the same time, WTO on the global front recently has predicted a 9.2 percent drop in global merchandise trade in 2020-21, which is much lower than the earlier forecast of 12.9 percent drop. WTO further mentioned that the deeper trade slump could be avoided due to the rise in cross-border trade in the months of June and July when several countries across the world lifted lockdowns and gradually started going back to the business-as-usual mode. Another sign of recovery is contained in a recent report by UNCTAD that has projected rise in the number of ships pulling into ports to unload and load containers in many parts of the world in the third quarter of 2020.^[1] However, there are several constraints to smooth recovery across the globe like adverse impact of US election outcome, escalation in US-China tension and of course, any further increase in the severity of Pandemic going forward.

In India, the government continues its fight against the Pandemic with the best of its endeavour. Other regulatory authorities has also joined hands to provide much needed support to household and businesses. Recently RBI has announced discontinuation of automatic caution-listing of exporters with pending bills for two years, a step which would go a long way in helping the exporters. Furthermore to ease out the burden of exporters on the increasing freight, CBIC has also issued a notification recently extending GST exemption on Ocean/Air freight for export consignments by Shipping Lines/Airlines from customs station of clearance in India to a place outside India till Sep 30, 2021. All these efforts are expected to

start yielding fruits and may, in turn lead to slow but steady restoration of economic activities towards the pre-COVID level.

