Engineering Exports and Imports Monitor

October 2020

Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for October 2020

18th October 2020

Overall Scenario

Merchandise trade

Exports dropped year-on-year once again in October 2020

- After registering a positive growth of 5.99 percent year-on-year in September 2020, Indian merchandise exports once again declined in October 2020 by 5.12 percent over the same month last fiscal. Exports were USD 24.89 billion in October 2020 as against USD 26.23 billion in October 2019. In rupee terms, the decline was 1.88 percent.
- Major commodities/commodity groups that recorded positive growth in exports during October 2020 vis-à-vis October 2019 include Other cereals (378.23%), Rice (113.62%), Oil meals (78.57%), Iron ore (74.14%), Oil seeds (54.21%), Carpet (37.67%), Cereal preparations & miscellaneous processed items (36.18%), Ceramic products & glassware (34.92%), Spices (21.85%), Drugs & pharmaceuticals (21.85%) and Jute mfg. including floor covering (18.73%) among others. On the other hand, Petroleum products (-52.04%), Cashew (-21.57%), Gems & jewellery (-21.27%), Leather & leather products (-16.67%), Man-made yarn/fabs./made-ups etc. (-12.8%), Electronic goods (-9.36%), Coffee (-9.23%), Marine products (-8.09%), Plastic & Linoleum (-6.86%) and Engineering goods (-3.75%) recorded year-on-year decline in shipment in October 2020.
- Cumulative value of exports for the period April-October 2020-21 was USD 150.14 Billion as against USD 185.40 Billion during April-October 2019-20, registering a negative growth of 19.02 percent in Dollar terms. In rupee terms, the decline was 13.76 percent over the same period last fiscal.
- Imports in October 2020 dropped by 11.53 percent to USD 33.61 Billion from USD 37.99 Billion in the same month last fiscal. In rupee terms, the decline was 8.52 percent.
- Cumulative value of imports for the period April-October 2020-21 was USD 182.29 Billion as against USD 286.07 Billion during April-October 2019-20, registering a negative growth of 36.28 percent. The decline was 32.11 percent in Rupee terms.
- Trade deficit narrowed down by 25.87 percent in October 2020 as it declined to USD 8.71 billion in October 2020 from USD 11.15 billion in October 2019. On a cumulative basis, deficit shrank by 68.05 percent to USD 32.16 billion during April-October 2020-21 from USD 100.67 billion during the same period last fiscal.

Engineering exports declined in October 2020 after a growth in September

- After achieving 3.07 percent growth in September 2020, engineering exports from India declined once again in October 2020. Shipment declined by 6.26 percent to USD 5785.29 million during the month of October 2020 from USD 6171.31 million during October 2019.
- On a cumulative basis, engineering shipment from India declined by 14.15 percent to USD 38,140.85 million during April-October 2020-21 from USD 44,425.72 million during the same period last fiscal.
- Share of engineering in total merchandise exports dropped again to 23.24 percent in the reporting month from 23.84 percent in September, 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 25.40 percent.
- Out of 33 engineering panels, 18 panels recorded negative growth and 15 panels recorded positive growth in exports during October 2020 vis-à-vis October 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.
- 6 out of 25 countries recorded positive cumulative growth in engineering exports during April- October 2020 over April- October 2019. While 10 out of 25 countries recorded positive year on year growth in October 2020.

India's October engineering imports down by 27.8%

- India’s Engineering imports during October 2020 were valued at US$ 6911.83 million compared to US$ 9228.91 million in October 2019 registering a negative growth of 25.1 percent in dollar terms.
- The share of engineering imports in India's total merchandise imports has dropped during October 2020 in comparison to October 2019 which has been estimated at 20.6%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

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

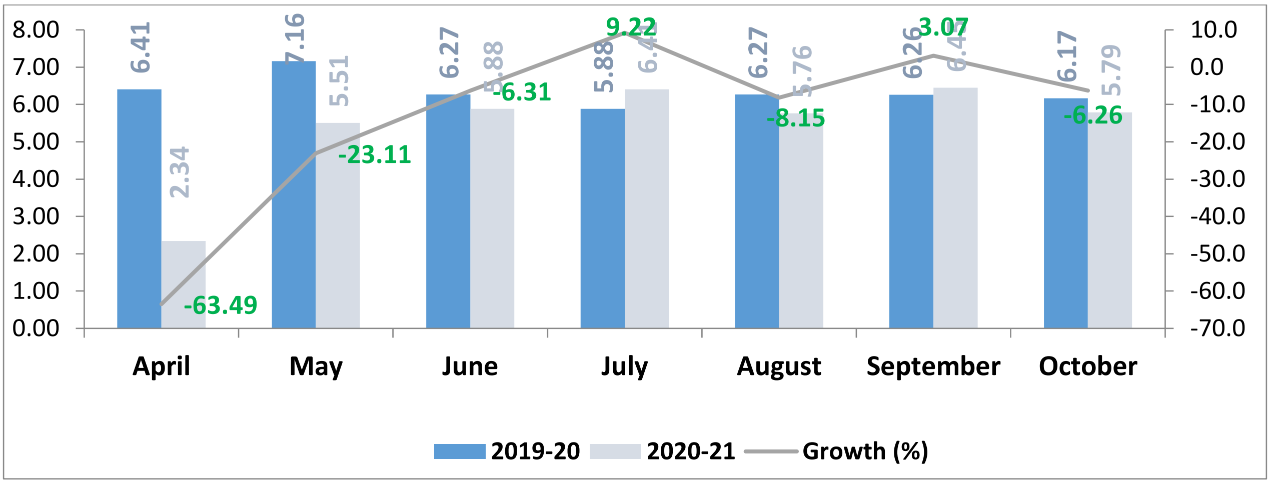
Table 1: Engineering Exports: Monthly trend 2020-21

(US$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.79	2340.55	-63.49
May	7159.43	5505.03	-23.11
June	6274.90	5878.67	-6.31
April-June	**19845.12**	**13724.25**	**-30.84**
July	5877.95	6419.63	9.22
August	6273.83	5762.38	-8.15
September	6257.50	6449.30	3.07
July-September	**18409.28**	**18631.31**	**1.21**
October	6171.31	5785.29	-6.26
April-October	**44425.72**	**38140.85**	**-14.15**

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. However, both moved in the same direction once again in September 2020 as engineering exports registered year-on-year growth against a decline in the previous month and manufacturing output recorded a much smaller year-on-year decline 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	-63.49	-66.6
May 2020	-23.11	-37.8
June 2020	-6.31	-17.0
July 2020	9.22	-11.6
August 2020	-8.15	-7.9
September 2020	3.07	-0.6
October 2020	-6.26	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

Months	2018-19	2019-20	Growth (%)
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	6171.31*	0.32
November	5740.17	6199.17	8.00
December	6905.63	6811.53	-1.36
Quarter 3	**18797.73**	**19182.01***	**2.04**
January	6295.94	6011.39	-4.52
February	6442.37	7015.51	8.90
March	9162.3	5266.9	-42.52
Quarter 4	**21900.61**	**18293.8**	**-16.47**
April-March	**80955.54**	**75730.22***	**-6.45**

Source: DGCI&S * Revised data

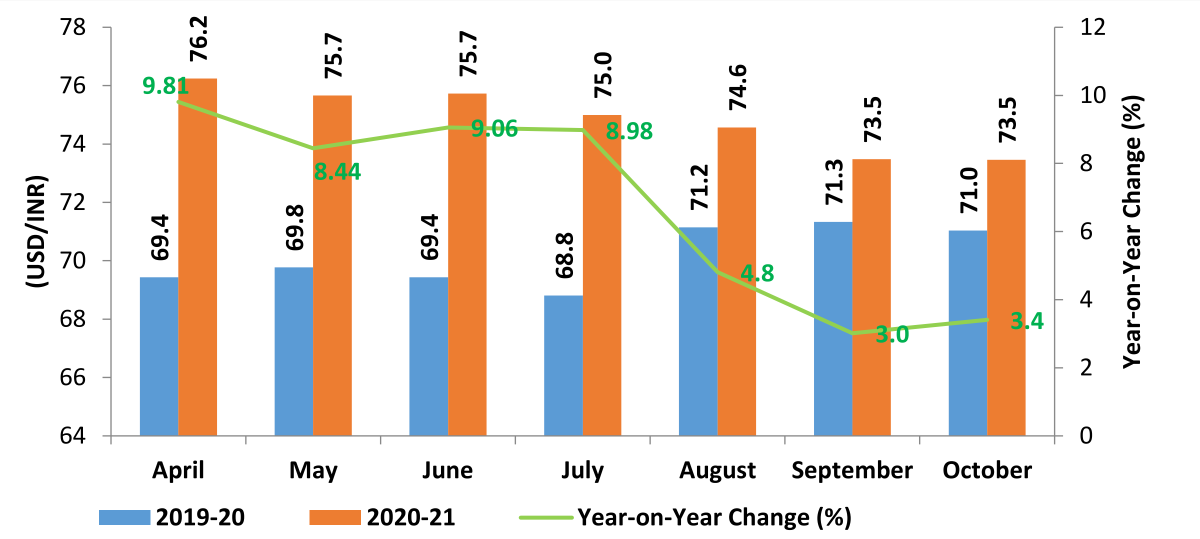
Impact of Exchange Rate

How did the exchange rate fare during October 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 October 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 monthly average exchange rate in 2020-21
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	2019-20	2020-21		
April	69.43	76.24	9.81	Depreciation
May	69.77	75.66	8.44	Depreciation
June	69.44	75.73	9.06	Depreciation
July	68.81	74.99	8.98	Depreciation
August	71.15	74.57	4.80	Depreciation
September	71.33	73.48	3.00	Depreciation
October	71.04	73.46	3.40	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. During October 2020, rupee at 73.46 per USD was largely unchanged in terms of US Dollar over the previous month but year-on-year depreciation at 3.4 percent was a tad higher than that of September 2020. After a record low in April 2020, rupee continued to strengthen vis-à-vis the greenback and was broadly confined in the range of 73.5 – 75.0 per US Dollar during the last four months.

Outlook now seems in favour of rupee: Continuous strengthening of rupee since the last few months was mainly led by a high current account surplus during the first quarter of the current fiscal and recent drop in oil prices. The Pandemic-led sell off in the domestic capital market have stabilized and RBI, after building an all-time high foreign exchange reserve, is expected to intervene less in the currency market. These factors, coupled with the prospects of foreign inflows in the near term may lead to a gradual recovery of rupee at around 72 per US Dollar by the end of the ongoing fiscal.

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

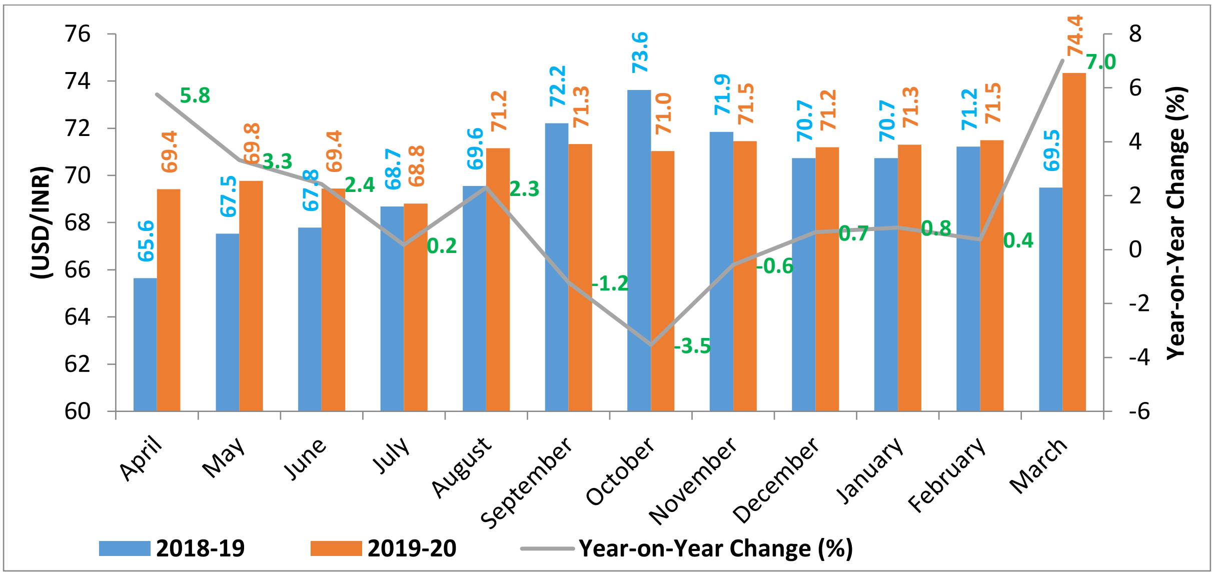
Table 4B: USD-INR average exchange rate in 2019-20

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

Month	Average Exchange Rate (1 USD to INR) 2018-19	2019-20	Year-on-Year Change (%)	Direction
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 October 2020

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

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

US$ million

Row Labels	Oct-19	Oct-20	Growth (%)	Apr-Oct, 2019	Apr-Oct, 2020	Growth (%)
U S A	887.21	847.64	-4.5	6565.17	5513.63	-16.0
CHINA	249.76	234.75	-6.0	1223.45	3363.47	174.9
UAE	255.20	268.93	5.4	2710.98	1857.87	-31.5
SINGAPORE	139.78	141.06	0.9	1610.02	1830.98	13.7
MALAYSIA	198.45	176.18	-11.2	1321.96	1486.73	12.5
GERMANY	271.64	232.55	-14.4	1834.43	1401.32	-23.6
KOREA	157.85	175.99	11.5	1167.71	1194.73	2.3
VIETNAM	222.31	142.06	-36.1	1081.74	1110.38	2.6
MEXICO	172.82	228.11	32.0	1410.90	1001.33	-29.0
BANGLADESH	185.45	199.95	7.8	1407.60	928.12	-34.1
U K	203.14	186.94	-8.0	1477.12	893.91	-39.5
NEPAL	180.01	201.50	11.9	1529.67	874.66	-42.8
INDONESIA	116.81	71.86	-38.5	785.35	873.92	11.3
ITALY	141.58	125.39	-11.4	1194.46	823.20	-31.1
THAILAND	127.99	156.62	22.4	896.30	770.77	-14.0
SAUDI ARAB	126.35	130.50	3.3	833.93	735.20	-11.8
NIGERIA	180.94	142.13	-21.4	968.31	593.47	-38.7
SRI LANKA	122.23	91.23	-25.4	731.38	580.18	-20.7
FRANCE	114.05	110.69	-2.9	823.50	573.27	-30.4
TURKEY	93.84	94.50	0.7	601.50	565.25	-6.0
JAPAN	72.46	65.76	-9.2	606.93	499.33	-17.7
SOUTH AFRICA	161.45	104.99	-35.0	937.85	492.77	-47.5
BELGIUM	100.59	67.28	-33.1	602.78	480.69	-20.3
BRAZIL	76.90	88.38	14.9	592.46	447.62	-24.4
NETHERLAND	72.95	67.63	-7.3	506.76	427.66	-15.6
Total engineering exports to top 25 countries	**4631.76**	**4352.62**	**-6.0**	**33422.26**	**29320.46**	**-12.3**
Total engineering exports	**6171.31**	**5785.29**	**-6.3**	**44425.72**	**38140.85**	**-14.1**
Share (%)	**75.05**	**75.24**		**75.23**	**76.87**	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- 6 out of 25 countries recorded positive cumulative growth in engineering exports during April- October 2020 over April- October 2019. While 10 out of 25 countries recorded positive year on year growth in October 2020.

- USA has retained its top position of being the numero uno destination for India's engineering products during April- October 2020 over April-October 2019, although exports to USA fell down in both monthly as well as cumulative terms.
- While monthly exports to China, India's second largest export destination have come down, cumulative export has experienced a significant growth of 175%.
- Within the ASEAN region, monthly export growth remained positive in Thailand and Singapore. However, negative monthly export growth was noted in Indonesia, Malaysia and Vietnam. In cumulative terms though, exports to all the above mentioned ASEAN countries grew barring Thailand.
- UAE replaced Singapore to become the third largest export destination for Indian engineering sector although in cumulative terms exports from India to UAE declined
- All the European countries among India's top 25 engineering export destinations recorded a negative monthly growth and a negative cumulative growth.
- The share of India's engineering exports to its top 25 nations accounted for 76.9 percent of India's total engineering exports in April-October 2020. This significant high share is indicative of the dependence of India's engineering export on the traditional markets.

4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-October 2020 as opposed to April-October 2019.

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

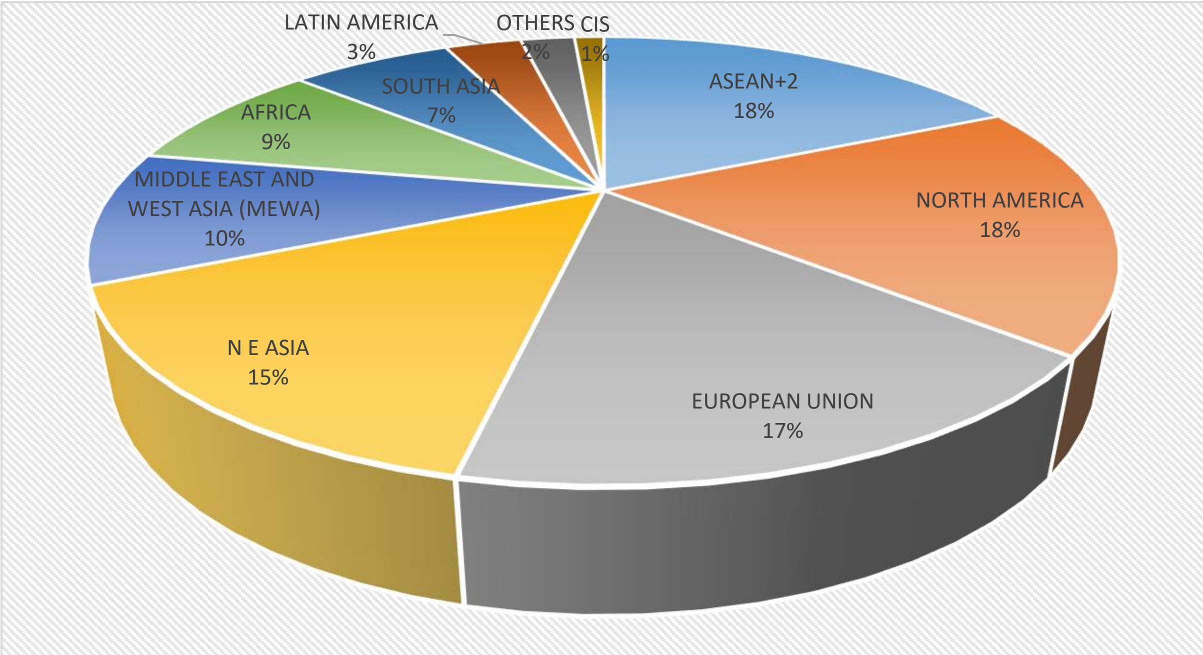
US$ million

Region	Oct-19	Oct-20	Growth (%)	Apr-Oct, 2019	Apr-Oct, 2020	Growth (%)
ASEAN+2	959.39	823.73	-14.1	6750.07	6933.70	2.7
NORTH AMERICA	1140.74	1139.37	-0.1	8456.21	6921.29	-18.2
EUROPEAN UNION	1175.24	1056.80	-10.1	8653.90	6491.02	-25.0
N E ASIA	563.47	550.96	-2.2	3573.75	5693.29	59.3
MIDDLE EAST AND WEST ASIA (MEWA)	656.65	586.63	-10.7	5089.77	3683.92	-27.6
AFRICA	692.32	646.77	-6.6	4470.01	3263.46	-27.0
SOUTH ASIA	522.48	520.25	-0.4	4000.57	2561.79	-36.0
LATIN AMERICA	266.29	270.29	1.5	1907.28	1231.77	-35.4
OTHERS	129.98	117.83	-9.3	1026.14	880.20	-14.2
CIS	64.76	72.66	12.2	498.03	480.40	-3.5
Grand Total	6171.31	5785.29	-6.3	44425.72	38140.85	-14.1

Source: DGCI&S

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 April-October 2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ASEAN+2 like the previous month ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-October 2020 over April-October 2019 with a share of 18% percent of total engineering exports.
- India's exports to North America and EU ranked second and third in terms of global shipments of Indian engineering goods in April-October 2020 with a share of 18.1 percent and 17 percent of total engineering exports respectively.
- North East Asia ranked fourth in global shipments of Indian engineering goods in April-October 2020 with a share of 15 percent, which is lower in comparison to its last month share.
- While exports to all regions barring Latin America fell during October 2020 compared to that of last year, in cumulative terms North East Asian countries remained the biggest destination.

5. Panel Wise Engineering Exports

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

Table 7: Trends in engineering panel Exports for October 2020 compared to October2019 as well as April-October 2020-21 vis-à-vis April-October 2019-20

US$ Million

Engineering Panels	October 2019	October 2020	Growth (%)	Apr-October 2019	Apr-October 2020	Growth (%)
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	903.57	731.81	-19.01	5555.11	6965.54	25.4
Products of Iron and Steel	590.42	616.47	4.41	4064.10	3298.16	-18.8
Sub Total	**1493.99**	**1348.28**	-9.75	**9619.21**	**10263.7**	6.70
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	115.57	92.38	-20.07	516.30	687.86	33.23
Aluminium and products	393.82	444.78	12.94	2889.99	3143.28	8.76
Zinc and products	40.40	35.20	-12.87	314.49	407.41	29.54
Nickel and products	7.0	2.9	-58.0	69.22	26.43	-61.82
Lead and products	39.60	25.29	-36.12	209.01	206.68	-1.11
Tin and products	0.77	0.66	-14.21	5.82	4.69	-19.39
Other Non-Ferrous Metals	48.49	57.24	18.05	316.21	262.94	-16.85
Sub Total	**645.653**	**658.495**	1.99	**4321.04**	**4739.28**	9.68
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	87.37	53.02	-39.3	515.11	280.13	-45.6
IC Engines and Parts	199.96	250.94	25.5	1482.01	1223.34	-17.5
Pumps of all types	80.51	91.53	13.69	569.82	454.07	-20.31
Air condition and Refrigerators	114.94	91.20	-20.7	860.65	534.67	-37.9
Industrial Machinery for dairy, food processing , textiles etc	410.60	409.86	-0.2	2814.38	2276.03	-19.1
Machine Tools	33.24	37.87	13.92	257.51	198.41	-22.95
Machinery for Injecting moulding, valves and ATMs	156.86	142.52	-9.1	1031.77	834.63	-19.1
Sub Total	**1083.48**	**1076.94**	-0.6	**7531.25**	**5801.28**	-22.97
Electrical Machinery	**736.44**	**680.27**	-7.63	**4984.88**	**4534.71**	**-9.03**
5. Automobiles and Auto components and Parts						
Motor Vehicle/cars	625.42	467.51	-25.2	4565.81	2412.19	-47.2
Two and Three Wheelers	196.62	217.33	10.5	1247.31	867.41	-30.5
Auto Components/Part	439.51	462.93	5.33	3180.49	2206.03	-30.64

Engineering Panels	October 2019	October 2020	Growth (%)	Apr-October 2019	Apr-October 2020	Growth (%)
Sub Total	**1261.55**	**1147.77**	-9.02	**8993.61**	**5485.63**	-39.01
Aircrafts and Spacecraft parts and products	**126.57**	**92.68**	-26.77	**824.93**	**628.91**	-23.76
Ships Boats and Floating products and parts	**117.98**	**45.18**	-61.70	**3012.13**	**2727.55**	-9.45
8. Other engineering products						
Medical and Scientific instruments	149.11	154.55	3.65	1023.07	888.15	-13.19
Railway Transport	21.04	8.56	-59.32	195.31	54.56	-72.06
Hand Tools & Cutting Tools	60.45	64.49	6.69	448.49	349.49	-22.08
Electrodes Accumulators	4.38	3.90	-10.93	34.90	22.01	-36.93
Accumulator and Batteries	32.70	37.82	15.68	254.97	186.27	-26.94
Bicycle & Parts	36.56	30.74	-15.92	226.05	165.86	-26.62
Cranes Lifts & Winches	39.99	42.03	5.08	332.78	222.69	-33.08
Office Equipment	17.62	10.54	-40.18	114.18	70.74	-38.05
Other Construction Machinery	103.07	112.51	9.16	837.30	569.90	-31.94
Prime Mica & Mica Products	1.87	2.12	13.16	27.07	13.51	-50.11
OTHER MISC. ITEMS	238.85	268.41	12.38	1644.54	1416.61	-13.86
Sub Total	**705.6**	**735.7**	4.3	**5138.7**	**3959.8**	-22.9
Total engineering exports	**6171.3**	**5785.3**	-6.26	**44425.7**	**38140.9**	-14.1

Source: DGCI&S

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

- **Exports of Iron and Steel under Chapter 72: fell by 19% in October 2020**
- **Exports of Copper and products under Chapter 74: fell by 20.1% in October 2020**
- **Export of Zinc and products under Chapter 79: fell by 12.9% in October 2020**
- **Exports of Nickel and products under Chapter 75: fell by 58% in October 2020 and 61.8% in April-October 2020-21**
- **Exports of Lead and products under Chapter 78: fell by 36.1% in October 2020 and 1.1% in April-October 2020-21**
- **Exports of Tin and products under Chapter 80: fell by 14.2% in October 2020 and 19.4% in April-October 2020-21**

- Indian engineering exports slipped back into the negative territory in October 2020 declining by 6.3% (year- on year) to US$ 5785.3 million after recording positive growth in the month of September 2020. India's merchandised exports in October 2020 were US$24.89 billion, as compared to US$26.23 billion in October 2019, exhibiting a negative growth of (-)5.12per cent. Similarly, India's engineering exports witnessed negative growth in October 2020 after September's buoyancy from US$ 6171.3 million in October 2019 to US$ 5785.3 million in October 2020. In cumulative terms the first seven months recorded a decline to the extent of 14.1% from US$ 44425.72 million in April-October 2019-20 to US$ 38140.85 million in April-October 2020-21, given the fact that COVID still continues to impact global trade and economy negatively.

- Out of 33 engineering panels, 18 panels recorded negative growth and 15 panels recorded positive growth in exports during October 2020 vis-à-vis October 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.

- Exports of iron and steel recorded negative growth to the extent of 19.01% in October 2020 compared to same period last year. With progressive opening of the economy and improving economic activities leading to better domestic demand, resulted in declining exports and relatively increasing import in recent months. Furthermore, exports of products of iron and steel increasing merely by 4.41% in October thereby resulting a decline in export of the total group by 9.75 percent. The total segment on the other hand recorded a 6.70 percent jump in exports in cumulative terms.

- In case of non-ferrous metals, segments like Nickel and products, Lead and products, Copper and products, Zinc and products and Tin and products witnessed decline in exports to the extent of 58%, 36%, 20.07%, 12.8% and 14.2% respectively during October 2020. While sectors like Aluminium and products witnessed positive growth to the extent of 12.94% in the month of October 2020.

- Within industrial machinery, overall there has been miniscule fall in the monthly exports to the extent of 0.6%, while there has been a decline to the extent of 23% in cumulative terms during April-October 2020-21. Negative export performance was noticed in segments including industrial machinery for boilers (39.3%), air-condition and refrigeration machinery (20.7%), other industrial machinery (9.1%) and machinery for dairy, food processing (9.2%) during October 2020 compared to same period last fiscal. Remaining segments witnessed positive growth. In cumulative terms too, the growth was definitely negative to the extent of 22.97%, given the significant decline in exports witnessed by most of the sub sectors in the last few months.

- The electrical machinery segment showed negative growth in October 2020, unlike the pattern observed in the previous months. In October, exports dropped by 7.63% while in cumulative terms the exports dropped by 9.03%, given the sharp decline in exports the sector faced in the last few months of the current fiscal.

- Surprisingly in the auto components and parts sector, exports of two and three wheelers and auto components parts witnessed positive growth to the extent of 10.5% and 5.33% respectively during October 2020 vis-à-vis October 2019. On the other hand, exports in the entire automobile sector remained negative both in monthly and cumulative terms mainly due to subdued demand in Motor vehicles and cars. Exports in Automobiles fell by 16.7% in October 2020 and by 43.6% during April-October 2020-21 compared to same period last fiscal.

- Exports of aircraft, spacecraft and parts exhibited negative growth both monthly by 26.77% in October 2020 and in cumulative terms to the extent of 23.76% respectively. On the other hand, exports of ships, boats and floating structures also witnessed significant decline (more than 61 percent) in October 2020 and in cumulative terms by 9.45%. Major importing countries like Singapore, Sri Lanka also witnessed decline in exports during October 2020 compared to same period last fiscal.

- In the rest of the engineering segments, while there was decline in almost all sectors, slight increase in exports was noticed in case of Medical Devices and Equipment (3.65%), Hand Tools and Cutting Tools (6.69%), Accumulators and Batteries (15.68%), Cranes, Lifts and Winches (5.08%), Other Construction Machinery (9.16%) during October 2020 compared to October 2019.Prominent panels like Railway, transport and equipment, Office Equipment and Tools, Electrodes and Accumulators and Bicycle and Parts witnessed decline in exports during October 2020 vis-à-vis October 2019 to the extent of 59%, 40.18%, 10.93% and 15.92% respectively.

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

Table 8A: Chapter 72: Iron and Steel Values in US$ Million					
Month	**2018-19**	**2019-20**	**Growth (%)**	**2020-21**	**Growth (%)**
April	837.85	715.17	-14.6	469.05	-34.4
May	776.79	692.48	-10.9	1188.85	71.7
June	735.22	653.52	-11.1	1333.11	104.0
July	804.63	749.58	-6.8	1303.49	73.9
August	1053.2	907.29	-13.8	1015.03	11.9
September	843.61	933.49	10.7	924.20	-1.0
October	755.77	903.57	19.6	731.81	-19.0
November	710.91	831.35	16.9		

Table 8A: Chapter 72: Iron and Steel Values in US$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
December	687.04	851.57	23.9		
January	816.34	735.75	-9.9		
February	802.61	637.73	-20.5		
March	906.93	627.05	-30.9		
April-March	9731.16	9260.74	-4.83		

Table 8B: Chapter 72: Iron and Steel					
Quantity in '000MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	1018.92	1006.43	-1.23	963.63	-4.25
May	887.02	941.31	6.12	2673.50	184.02
June	860.95	843.07	-2.08	2894.57	243.33
July	973.34	1087.12	11.69	2712.69	149.53
August	1390.90	1462.15	5.12	2006.77	37.25
September	1060.65	1561.15	47.22	1742.68	11.60
October	924.98	1525.53	64.93		
November	874.52	1442.84	64.99		
December	888.97	1478.84	66.35		
January	1225.14	1140.40	-6.92		
February	1135.11	1164.30	2.57		
March	1264.93	1291.35	2.09		
April-March	15888.26	12476.34	-21.47		

Table 9A: Chapter 74: Copper and its products					
Values in US$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	109.54	67.17	-38.7	28.72	-57.2
May	66.38	63.75	-4.0	128.57	101.7
June	69.23	56.46	-18.4	139.71	147.4
July	55.65	62.53	12.4	108.63	73.7
August	77.73	62.71	-19.3	93.24	48.7
September	95.89	87.55	-8.7	96.62	10.4

October	108.51	115.43	6.4	92.38	-20.0
November	113.36	56.48	-50.2		
December	109.86	135.37	23.2		
January	75.44	83.10	10.2		
February	56.76	69.68	22.8		
March	128.83	57.88	-55.1		
April-March	1067.18	918.11	-13.97		

Table 9B: Chapter 74: Copper and its products					
Quantity in '000MT					
Month	**2018-19**	**2019-20**	**Growth (%)**	**2020-21**	**Growth (%)**
April	15.12	7.32	**-51.57**	5.46	-25.40
May	7.34	7.21	**-1.79**	24.44	238.74
June	7.03	5.61	**-20.10**	23.22	313.34
July	6.44	7.68	**19.26**	18.75	143.91
August	9.35	6.81	**-27.13**	13.87	103.58
September	12.68	11.55	**-8.93**	13.31	15.18
October	15.35	15.92	**3.75**		
November	15.24	7.14	**-53.15**		
December	15.24	20.54	**34.73**		
January	43.82	8.80	**-79.91**		
February	36.40	5.93	**-83.71**		
March	45.00	15.99	**-64.45**		
April-March	511.49	134.57	**-73.69**		

Table 10A: 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	7.00	40.46	2.94	-58.0
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 10B: 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	0.22	-48.47
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		

Table 11A: Chapter 78: Lead and Products					
Values in US$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	27.35	30.1	10.1	8.71	-71.1
May	35.8	24.75	-30.9	40.89	65.2
June	32.68	19.5	-40.3	46.13	136.6
July	31.24	19.47	-37.7	22.13	13.7
August	33.04	38.90	17.7	22.13	-43.1
September	31.05	36.69	18.2	42.23	15.1
October	38.15	39.60	3.8	25.29	-36.1
November	28.69	45.76	59.5		

December	43.47	40.96	5.8		
January	38.05	25.66	-32.6		
February	25.52	23.25	-8.9		
March	37.86	26.57	-29.8		
April-	402.9	372.06	-7.65		

Table 11B: Chapter 78: Lead and Products					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	11.02	13.89	26.05	4.40	-68.32
May	14.68	11.92	-18.81	21.72	82.25
June	13.20	9.49	-28.04	24.83	161.38
July	12.34	9.42	-23.67	11.61	23.28
August	13.81	18.73	35.59	11.54	-38.37
September	13.81	17.10	23.84	21.64	26.52
October	17.25	18.13	5.12		
November	13.17	20.57	56.16		
December	20.65	18.71	-9.40		
January	14.00	17.89	27.74		
February	15.67	11.84	-24.43		
March	21.67	17.13	-20.92		
April-March	159.54	176.84	10.84		

Table 12A: Chapter 79: Zinc and Products					
Values in US$ Million					
Month	**2018-19**	**2019-20**	**Growth (%)**	**2020-21**	**Growth (%)**
April	79.65	44.18	-44.5	12.75	-71.1
May	69.39	45.79	-34.0	88.50	93.3
June	68.34	48.92	-28.4	91.19	86.4
July	35.67	52.14	46.2	73.08	40.2
August	30.59	32.30	5.6	53.10	64.4
September	45.05	50.76	12.7	53.39	5.2
October	29.62	40.40	36.4	35.20	-12.9
November	46.07	45.75	-0.7		
December	48.85	45.86	-6.1		
January	68.50	51.95	-24.2		
February	44.42	54.48	22.6		
March	36.86	56.54	53.4		
April-March	603.01	569.07	-5.6		

Table 12B: Chapter 79: Zinc and Products					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	22.90	13.62	**-40.54**	5.99	**-55.96**
May	20.70	14.32	**-30.78**	42.29	**195.19**
June	20.23	16.45	**-18.67**	43.22	**162.70**
July	11.18	18.00	**60.95**	33.73	**87.32**
August	10.34	12.01	**16.18**	23.30	**93.95**
September	16.70	19.83	**18.72**	22.20	**11.97**
October	10.66	16.46	**54.36**		
November	15.41	17.59	**14.15**		
December	16.74	18.09	**8.06**		
January	23.51	24.23	**3.08**		
February	21.22	14.87	**-29.89**		
March	36.27	11.87	**-67.27**		
April-March	286.97	195.99	**-31.74**		

Table 13A: Chapter 80: Tin and Products					
Values in US$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.56	0.65	**16.1**	0.18	**-70.77**
May	0.38	0.91	**139.5**	0.35	**-61.54**
June	0.84	0.97	**15.5**	0.55	**-43.30**
July	0.84	0.48	**-42.9**	0.87	**81.25**
August	0.81	1.22	**50.6**	0.51	**-58.20**
September	0.58	0.84	**44.8**	1.58	**88.0**
October	0.69	0.77	**13.0**	0.66	**-14.2**
November	1.17	1.10	**-6.0**		
December	1.23	0.46	**62.6**		
January	0.57	1.24	**117.5**		
February	1.26	0.54	**-57.1**		
March	1.25	0.48	**-61.60**		
April-March	9.83	9.86	**0.31**		

Table 13B: Chapter 80: Tin and Products
Quantities in '000 MT

Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.073	0.062	-15.05	0.021	-65.32
May	0.123	0.119	-2.92	0.042	-64.50
June	0.130	0.098	-23.99	0.051	-47.82
July	0.063	0.061	-10.69	0.058	-2.02
August	0.072	0.110	52.22	0.050	-54.04
September	0.038	0.070	75.19	0.110	66.77
October	0.043	0.069	60.22		
November	0.063	0.074	17.38		
December	0.067	0.038	-42.63		
January	0.073	0.062	-15.05		
February	0.123	0.119	-2.92		
March	0.130	0.098	-23.99		
April-March	0.063	0.061	-10.69		

After few months of positive growth trends, this month has witnessed a significant decline in the exports of both ferrous and non-ferrous metals. Exports in almost all sectors barring Iron and steel products and aluminium experienced a month on month decline. As we looked into the reasons for a sudden fall in exports, we found that it was the result of both domestic and external factors.

In the domestic scenario, the government of India has been increasing their spending on growing infrastructure across the country which is increasing the demand for metals such as iron and steel and copper. Additionally as factories are gearing up production, demand for the metals in the domestic market are. Infact the recent festive season witnessed a rising demand trend after several months. If this demand recovery continues to persist domestic demand for metals is expected to increase.

At the same time, in the international market due to months of inactivity arising out of the mandatory lock downs, there has been a downward trend in demands of all base metals. As the countries come back to business as usual, due to the sluggish demand of the past months, most LME metals faced challenges due to oversupply. Oversupply has affected prices of major ferrous and non-ferrous metals such as copper, nickel, etc. In case of nickel oversupply and a lack of demand in the global EV industry impacted exports. While some recovery has come with increase in demand in China, however a stronger demand is needed to sustain the industry.

Slump in exports of Iron and steel exports

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

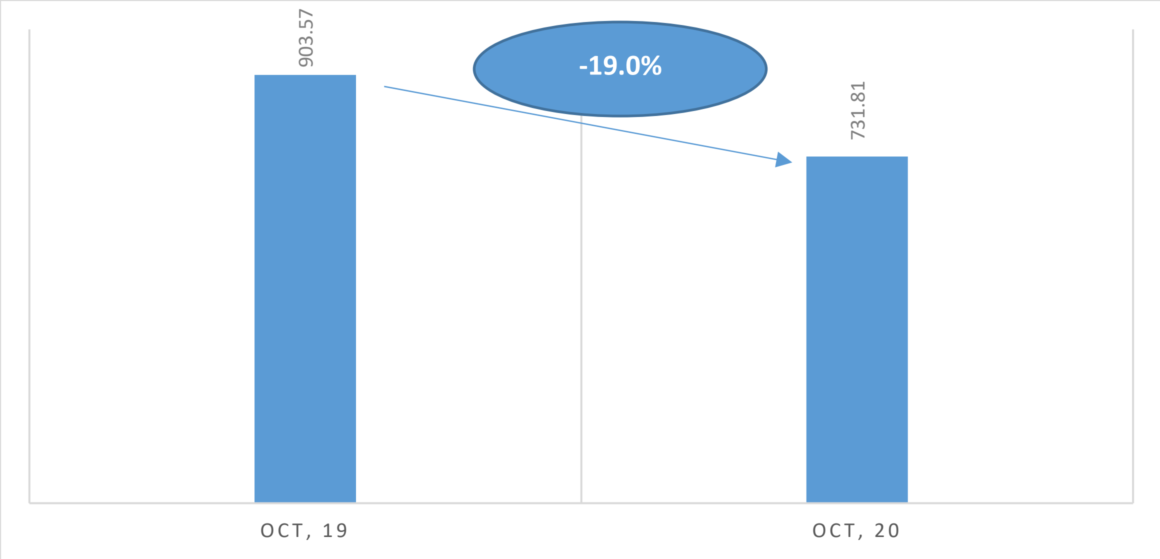
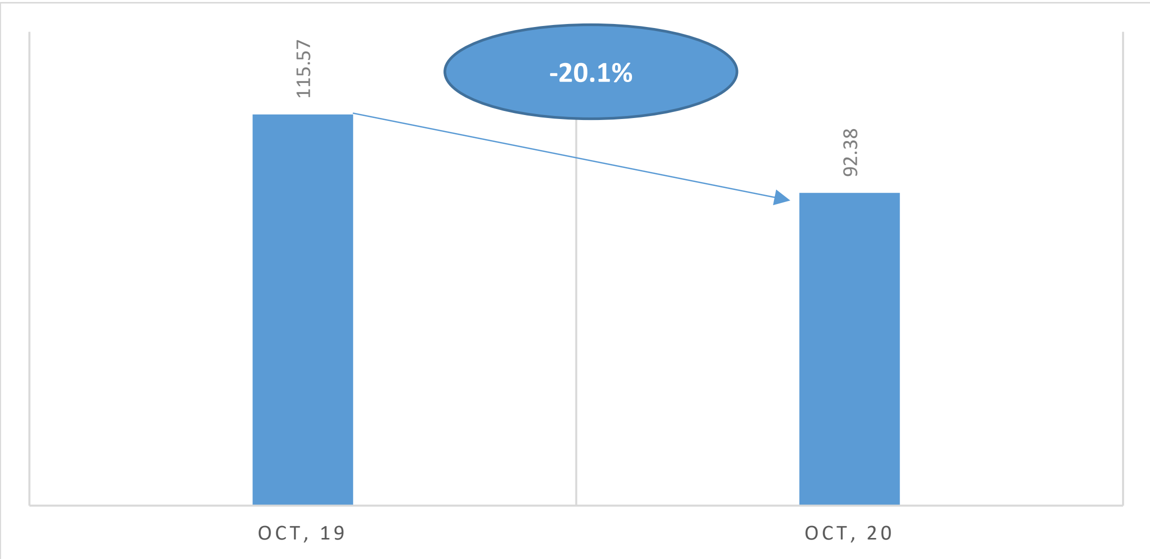


Figure 4: Slump in Exports of Copper and its products in October 2020 v/s October 2019 (in USD million)



Reason for fall:

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

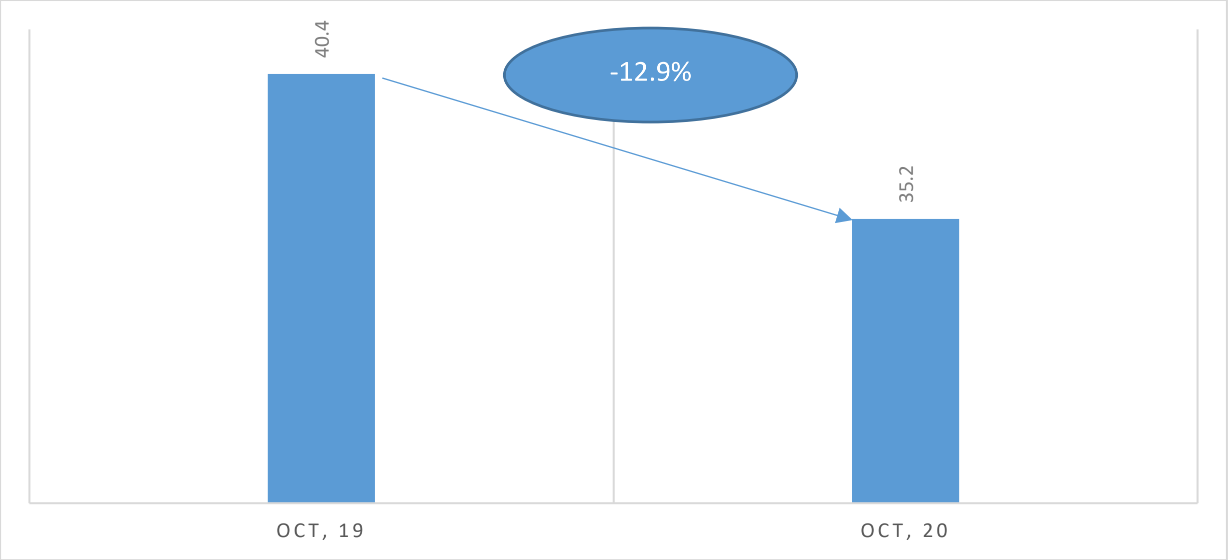


Figure 4: Slump in Exports of Nickel and its products in October 2020 v/s October 2019 (in USD million)

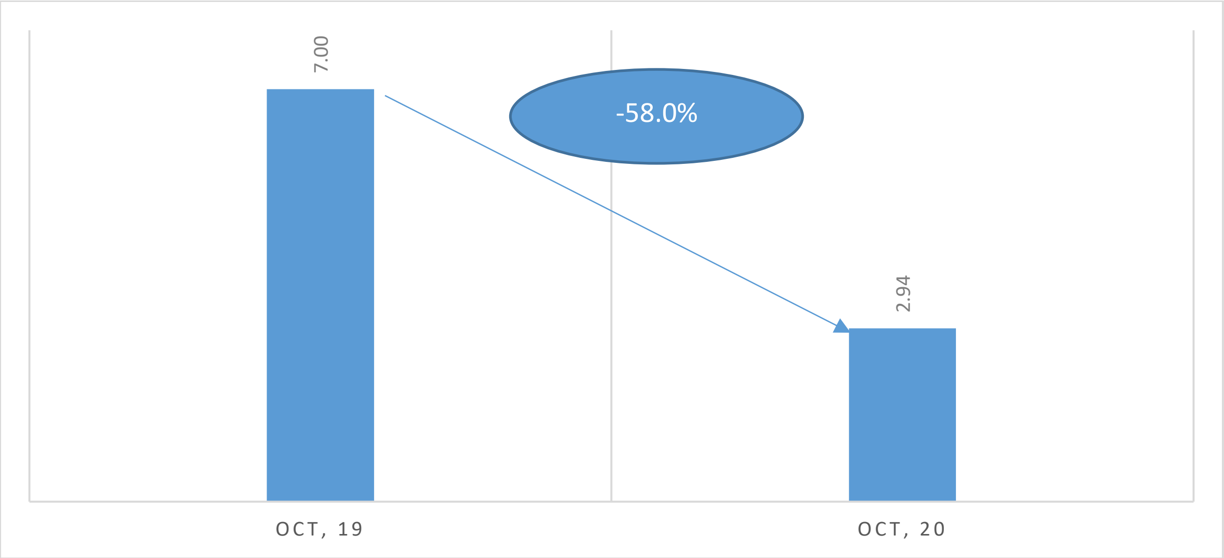


Figure 4: Slump in Exports of Lead and its products in October 2020 v/s October 2019 (in USD million)

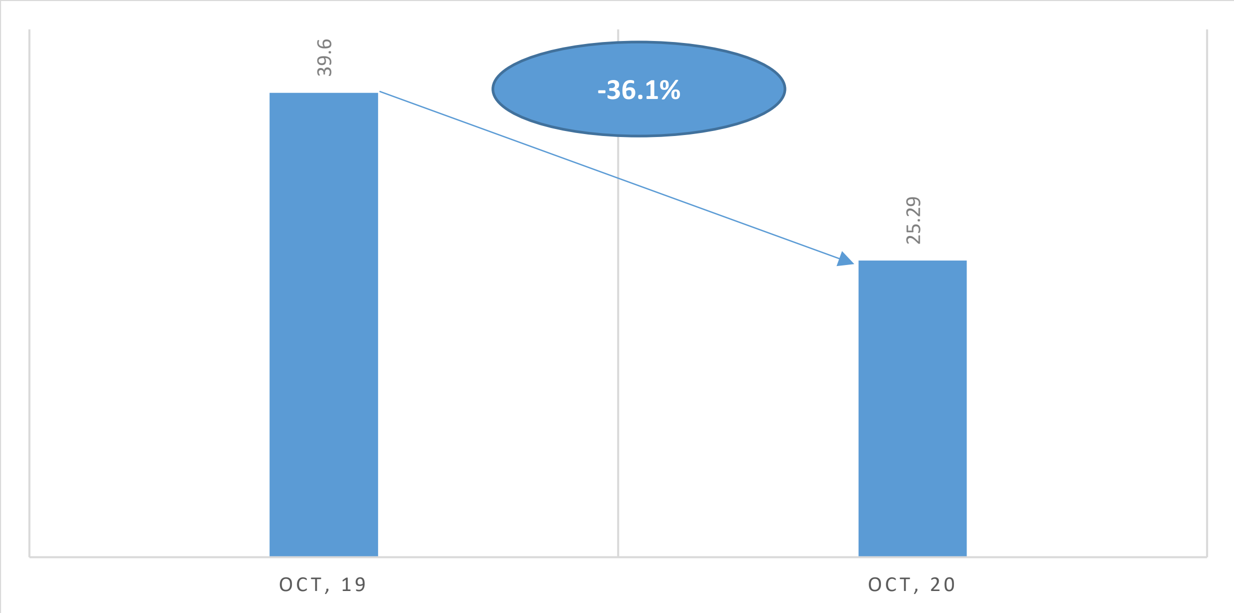
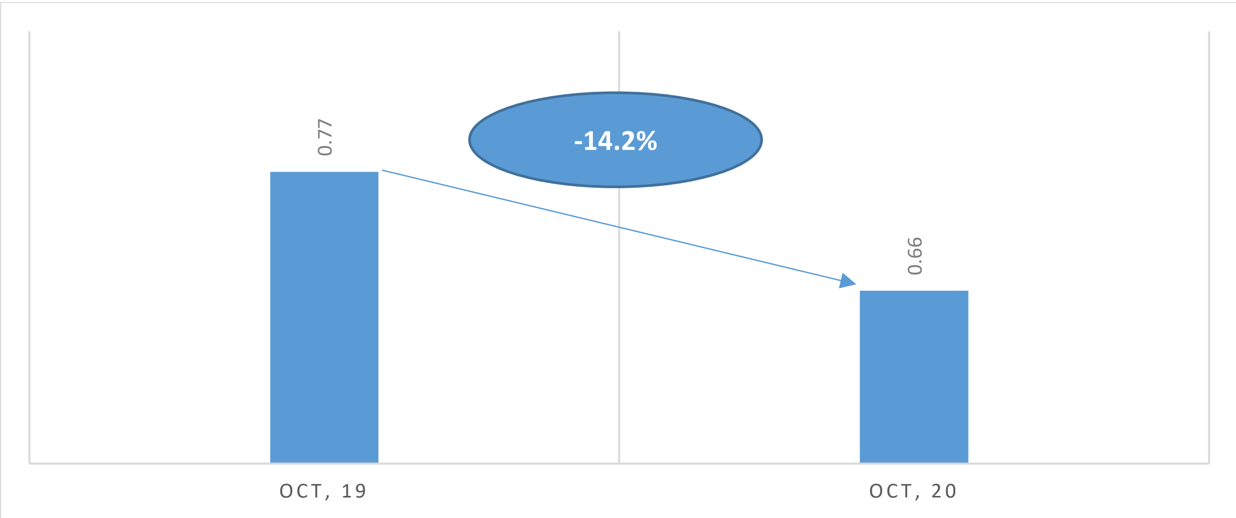


Figure 4: Slump in Exports of Tin and its products in October 2020 v/s October 2019 (in USD million)



7. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during October2020. 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 14: Export of Iron & Steel

US$ Million

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

CHINA	73.40	101.44	38.21	306.47	2188.99	614.25
VIETNAM	159.24	62.60	-60.69	693.13	739.16	6.64
U A E	68.29	51.40	-24.73	450.61	475.60	5.55
ITALY	57.35	35.58	-37.96	417.90	354.14	-15.26
NEPAL	56.43	58.82	4.24	580.95	335.95	-42.17
High cumulative growth						
CHINA	73.40	101.44	38.21	306.47	2188.99	614.25
KENYA	4.51	24.66	447.07	18.85	62.90	233.75
PHILIPPINES	1.62	16.53	920.98	31.67	77.19	143.72
THAILAND	14.83	17.15	15.63	95.29	164.85	72.99
INDONESIA	43.03	23.95	-44.35	108.69	154.89	42.51
SAUDI ARABIA	4.85	12.57	159.43	50.39	71.43	41.76
Sharp cumulative decline						
MALAYSIA	21.57	8.62	-60.04	180.30	78.27	-56.59
BHUTAN	6.43	2.23	-65.35	47.98	25.95	-45.91
BANGLADESH	24.12	20.56	-14.74	207.00	119.64	-42.20
NEPAL	56.43	58.82	4.24	580.95	335.95	-42.17
JAPAN	9.81	12.46	27.09	117.20	75.48	-35.60

(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-October2020 with market shares of 31.43 percent, 10.61 percent and 6.83 percent respectively.

- China recorded a monumental growth of 614.25 percent followed by Kenya and Philippines exhibiting growth of 233.75 percent and 143.72 percent respectively in exports of Indian Iron and Steel during April 2020- October 2020 compared to April 2019- October 2019.

- Malaysia and Bhutan experienced sharp downfall to the extent of more than 45% drop in exports during April 2020- October 2020 compared to same period last fiscal.

Table 15: Export of Products of Iron & Steel

US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
U S A	119.74	138.56	15.71	960.98	709.49	-26.17
CANADA	38.16	26.71	-30.00	182.37	183.49	0.61
U A E	35.21	29.68	-15.71	239.32	175.26	-26.77
GERMANY	33.87	30.87	-8.86	230.51	165.37	-28.26
SAUDI ARABIA	14.31	24.10	68.44	101.15	126.91	25.47

High cumulative growth						
ALGERIA	1.04	1.02	-2.67	5.91	16.11	172.66
EGYPT	3.77	2.88	-23.55	21.16	50.29	137.67
OMAN	8.61	26.79	211.11	66.76	107.80	61.47
GHANA	4.16	3.91	-5.94	21.95	28.34	29.13
SAUDI ARABIA	14.31	24.10	68.44	101.15	126.91	25.47
Sharp cumulative decline						
NIGERIA	8.78	8.98	2.32	74.65	41.12	-44.92
KUWAIT	12.92	2.98	-76.94	40.00	22.31	-44.22
MEXICO	5.75	5.33	-7.30	51.59	30.05	-41.76
FRANCE	11.59	11.97	3.27	91.05	60.11	-33.98
U K	24.77	26.48	6.90	174.54	120.96	-30.70

(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-October 2020 with 21.51 percent, 5.56 percent and 5.31 percent shares respectively in India's global import of the same.

- Algeria experienced more than 170% growth followed by Egypt and Oman in import of 'Products of Iron and Steel' during April 2020-October 2020.

- Nigeria, Kuwait and Mexico conceded substantial decline in imports by more than 40% for the said product group from India during April 2020-October 2020.

Table 16: Export of Industrial Machinery

US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
U S A	149.52	158.91	6.28	1153.41	898.09	-22.14
THAILAND	53.46	83.99	57.11	365.27	324.28	-11.22
CHINA	64.66	57.34	-11.31	340.44	316.12	-7.15
GERMANY	47.31	60.89	28.70	352.96	313.34	-11.23
U A E	38.90	48.54	24.78	275.25	263.84	-4.15
High cumulative growth						
TOGO	0.23	1.06	356.08	2.50	8.34	233.68
BENIN	0.67	2.05	207.43	2.73	5.18	90.17
HUNGARY	1.51	2.93	93.63	15.78	23.32	47.77
CAMBODIA	0.80	1.13	41.16	2.45	3.39	38.53
RUSSIA	12.35	8.65	-29.98	89.84	112.69	25.43
Sharp cumulative decline						
INDONESIA	24.15	15.25	-36.87	175.52	82.00	-53.28
BANGLADESH	48.25	36.34	-24.67	359.76	201.75	-43.92

NIGERIA	77.06	42.74	-44.54	314.84	176.81	-43.84
NEPAL	25.71	26.64	3.65	189.62	109.29	-42.36
ITALY	28.17	25.73	-8.68	213.70	147.75	-30.86

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April 2020-October 2020 with 15.48 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 5.59 percent and 5.45 percent shares respectively.

- Togo was the top importer with monumental growth of 233.68 percent followed by Benin, witnessing growth of more than 90 percent in imports of Industrial machinery from India followed by Hungary, Cambodia and Russia during April 2020-October 2020 over the same period last fiscal.

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

Table 17: Automobiles

US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
MEXICO	103.84	151.63	46.02	851.66	615.42	-27.74
U S A	75.03	26.09	-65.23	500.63	298.93	-40.29
SOUTH AFRICA	104.00	59.86	-42.44	581.38	263.29	-54.71
SAUDI ARABIA	58.84	45.97	-21.88	339.27	236.36	-30.33
NIGERIA	52.98	50.55	-4.59	298.40	203.41	-31.83
High cumulative growth						
SUDAN	1.20	2.36	97.46	2.99	20.51	585.16
EGYPT	1.99	10.37	420.07	12.11	54.82	352.84
BRUNEI	3.59	5.41	50.70	9.67	21.27	119.94
AUSTRIA	0.22	0.14	-38.53	16.43	35.04	113.34
ARGENTINA	1.66	6.69	304.33	9.77	20.09	105.66
Sharp cumulative decline						
SRI LANKA	27.05	0.38	-98.58	150.62	4.86	-96.78
SOUTH AFRICA	104.00	59.86	-42.44	581.38	263.29	-54.71
NEPAL	38.70	49.04	26.71	270.71	125.96	-53.47
COLOMBIA	23.32	18.72	-19.73	155.18	72.70	-53.15
BANGLADESH	35.01	33.69	-3.76	215.75	102.80	-52.35
U A E	29.00	7.18	-75.22	154.81	75.96	-50.93

(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-October 2020 with 18.77, 9.11 and 8.03 percent share in India’s global exports respectively over the same period last fiscal.

- Sudan and Egypt recorded a substantial growth of 585.16% and 352.84% respectively followed by Brunei, Austria and Argentina with more than 100% growth in imports of the product group from India during April 2020-October 2020 over the same period last fiscal.

- Countries like Sri Lanka, South Africa, Nepal, Colombia, Bangladesh and UAE saw their imports of automobile lower by more than 50% during April 2020- October 2020 compared to same period last fiscal.

Table 18: Export of Non-Ferrous metals

US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
MALAYSIA	127.90	129.64	1.36	615.19	928.93	51.00
KOREA	99.45	117.63	18.28	701.21	858.86	22.48
CHINA	67.38	38.06	-43.51	230.22	592.32	157.28
U S A	70.76	73.13	3.35	555.46	389.87	-29.81
SINGAPORE	0.63	19.52	2994.95	62.10	259.32	317.59
High cumulative growth						
GREECE	1.60	0.50	-68.76	8.96	63.06	603.44
SINGAPORE	0.63	19.52	2994.95	62.10	259.32	317.59
CHINA	67.38	38.06	-43.51	230.22	592.32	157.28
MALAYSIA	127.90	129.64	1.36	615.19	928.93	51.00
KOREA	99.45	117.63	18.28	701.21	858.86	22.48
Sharp cumulative decline						
ITALY	9.22	9.80	6.22	74.82	30.81	-58.83
THAILAND	17.03	12.42	-27.09	125.08	67.87	-45.74
MEXICO	7.41	9.13	23.16	85.00	47.64	-43.95
NEPAL	8.85	11.97	35.25	102.73	62.85	-38.82
JAPAN	16.19	9.09	-43.83	99.42	62.56	-37.07

(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-October 2020 with 19.60 percent, 18.12 percent and 12.50 percent shares respectively in India's global import of the same.

- Greece experienced massive growth of 603.44% followed by Singapore and China at 317.59% and 157.28% respectively in import of Non-ferrous metals and products during April 2020-October 2020.

- Italy, Thailand and Mexico conceded substantial decline in imports by more than 40% for the said product group from India during April 2020-October 2020vis-à-vis same period last fiscal.

Table 19: Export of Electrical Machinery and Components

US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
U S A	190.93	158.95	-16.75	1301.67	1615.44	24.11
GERMANY	84.31	50.91	-39.62	539.95	403.56	-25.26
SINGAPORE	38.62	55.82	44.54	305.02	195.07	-36.05
U A E	23.14	33.83	46.20	130.39	185.12	41.98
U K	56.95	37.78	-33.66	418.29	151.75	-63.72
High cumulative growth						
NEW ZEALAND	0.59	0.38	-36.26	3.01	47.34	1470.62
HONG KONG	2.48	11.54	364.93	24.23	86.34	256.35
VIETNAM	4.77	25.64	437.12	38.42	78.52	104.38
JAPAN	6.41	5.07	-20.86	61.39	106.76	73.90
U A E	23.14	33.83	46.20	130.39	185.12	41.98
Sharp cumulative decline						
U K	56.95	37.78	-33.66	418.29	151.75	-63.72
NIGERIA	20.59	14.71	-28.55	122.64	63.05	-48.59
MALAYSIA	9.49	9.20	-3.07	61.71	38.35	-37.85
SINGAPORE	38.62	55.82	44.54	305.02	195.07	-36.05
CHINA	16.94	9.90	-41.59	132.31	84.96	-35.79

(Source: Department of Commerce and CSO)

- USA, Germany and Singapore were the top three importers of Indian Electrical Machinery and Components during April 2020-October2020 with market shares of 35.62 percent, 8.90 percent and 4.30 percent respectively.

- New Zealand recorded massive growth of 1470.62 % followed by Hong Kong and Vietnam at 256.35% and 104.38% in imports of India's Electrical Machinery and Components during April 2020-October 2020 vis-a-visa April 2019 – October 2019.

- UK experienced the sharp decline of more than 60% in imports in April 2020- October 2020 when compared to April 2019 – October 2019. It is also the case for Nigeria, Malaysia, Singapore and China which experienced more than 35% drop.

Table 20: Export of Aircrafts and Space crafts

US$ million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019- OCTOBER 2019	APRIL 2020- OCTOBER 2020	Growth (%)
Top Five Importers						
U S A	40.18	34.07	-15.20	298.98	232.89	-22.10
FRANCE	13.36	16.24	21.52	96.33	73.87	-23.32
SINGAPORE	29.24	11.30	-61.34	98.61	59.64	-39.52
INDONESIA	0.05	0.02	-59.24	0.58	46.41	7920.96
U K	8.98	8.28	-7.74	98.00	45.14	-53.94
High cumulative growth						
INDONESIA	0.05	0.02	-59.24	0.58	46.41	7920.96
IRELAND	0.09	0.00	-95.37	1.38	10.10	631.93
U A E	0.47	5.00	961.13	5.04	25.48	405.57
SWITZERLAND	0.65	1.07	63.23	5.86	6.79	15.93
Sharp cumulative decline						
U K	8.98	8.28	-7.74	98.00	45.14	-53.94
MALAYSIA	7.59	2.00	-73.68	34.47	18.53	-46.24
GERMANY	6.87	2.69	-60.87	42.15	24.28	-42.39
SINGAPORE	29.24	11.30	-61.34	98.61	59.64	-39.52
FRANCE	13.36	16.24	21.52	96.33	73.87	-23.32

(Source: Department of Commerce and CSO)

- USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020-October 2020 with around 37.03, 11.75 and 9.48 percent shares respectively in India's total global exports of the product.

- Indonesia is the top importer for the said product group with monumental growth of 7920.96 % during April 2020- October 2020. Also, Ireland and U A E registered substantial growth of 631.93% and 405.57% respectively in import of the product group from India during April 2020- October 2020 as compared with the same period last fiscal.

- On the flipside, demand for India's 'Aircrafts &Spacecrafts' from UK, Germany, Malaysia and Singapore dropped by more than 35 percent year-on-year basis during April 2020- October 2020 when compared to April 2019 - October 2019.

Table 21: Export of Ships, Boats and Floating Structures and parts

US$ million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
SINGAPORE	25.27	0.03	-99.86	784.53	979.04	24.79
INDONESIA	1.64	6.01	266.46	91.34	386.63	323.27
U A E	0.00	31.26	1594578.43	967.22	343.67	-64.47
MALAYSIA	0.00	0.00	-	191.34	246.14	28.64
SRI LANKA	12.01	7.68	-36.03	163.01	244.14	49.77
High cumulative growth						
MALTA	0.00	0.00	-	0.01	114.23	1732425.40
PORTUGAL	0.01	0.00	-100.00	0.01	142.64	979157.77
INDONESIA	1.64	6.01	266.46	91.34	386.63	323.27
SRI LANKA	12.01	7.68	-36.03	163.01	244.14	49.77
MALAYSIA	0.00	0.00	-	191.34	246.14	28.64
Sharp cumulative decline						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	0.00	0.00	-	69.04	0.00	-100.00
NORWAY	0.00	0.00	-	58.33	0.00	-100.00
OMAN	65.04	0.00	-100.00	65.56	0.00	-100.00
U A E	0.00	31.26	1594578.43	967.22	343.67	-64.47

(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 in April 2020-October 2020 followed by Malaysia and Sri Lanka. Their respective shares are 35.89 percent, 14.17percent, 12.60 percent, 9.02 percent and 8.95 percent.

- Though Malta and Portugal recorded negligible imports in October 2020 but the cumulative Imports to both the nations recorded meteoric increase as they had negligible import in April 2019 – October 2019. Indonesia registered substantial growth of 323.27% in import of the product group from India during April 2020-October 2020 as compared with the same period last fiscal.

- However, sharp decline of more than 60 percent was noticed in exports to UAE from India during April 2020- October 2020 as compared with the same period last fiscal whereas the exports dropped to zilch for Cyprus, Liberia, Norway and Oman.

Table 22: Export of Auto Components
US$ Million

COUNTRY	OCTOBER 2019	OCTOBER 2020	Growth (%)	APRIL 2019-OCTOBER 2019	APRIL 2020-OCTOBER 2020	Growth (%)
Top Five Importers						
U S A	94.69	104.51	10.37	716.97	503.54	-29.77
TURKEY	22.03	24.04	9.10	147.11	136.32	-7.34
GERMANY	20.71	26.63	28.58	152.24	128.40	-15.66
BANGLADESH	25.06	30.05	19.94	165.56	120.24	-27.37
VIETNAM	18.18	21.01	15.53	118.57	112.71	-4.94
High cumulative growth						
IRAQ	0.21	1.19	458.19	1.91	4.37	129.23
CONGO	0.44	0.11	-74.33	2.13	4.85	127.43
SLOVENIA	1.73	2.07	20.09	5.48	11.82	115.52
SLOVAKIA	0.81	1.94	139.55	6.27	9.69	54.57
SPAIN	5.13	9.58	86.80	28.59	43.06	50.58
Sharp cumulative decline						
U A E	12.87	7.71	-40.06	107.16	37.93	-64.60
INDONESIA	9.10	6.50	-28.61	72.21	29.14	-59.65
BRAZIL	19.80	21.73	9.72	162.68	87.40	-46.27
THAILAND	13.06	13.87	6.17	104.91	63.74	-39.24
JAPAN	11.50	9.62	-16.37	88.88	55.87	-37.14

(Source: Department of Commerce and CSO)

- USA remained the top importer of auto components in April 2020-October 2020with a share of 22.83 percent followed by Turkey, Germany,Bangladesh and Vietnam with respective shares of 6.18 percent, 5.82 percent, 5.45 percent and 5.11 percent.

- Iraq, Congo and Slovenia recorded increase of more than 115 percent followed by Slovakia and Spain in imports from April 2020-October 2020 when compared to April 2019 – October 2019.

- U A E and Indonesia recorded significant decline of more than 55 percent in April 2020-October 2020 when compared to April 2019 – October 2019.

Analysis of India’s engineering imports

India’s Engineering imports during October 2020 were valued at US$ 6911.83 million compared to US$ 9228.91 million in October 2019 registering a negative growth of 25.1 percent in dollar terms. In cumulative terms, the first seven months recorded a decline to the extent of 39.3% from US$ 63689.23 million in April-October 2019-20 to US$ 38666.91 million in April-October 2020-21.

Among the major engineering panels, sectors like iron and steel, machine tools, machinery and electrical equipments, transport equipments, witnessed a decline to the extent of 22.3%, 29.6%, 15.5% and 56.3% respectively during October 2020 compared to October 2019.

The share of engineering imports in India's total merchandise imports has dropped during October 2020 in comparison to October 2019 which has been estimated at 20.6%.

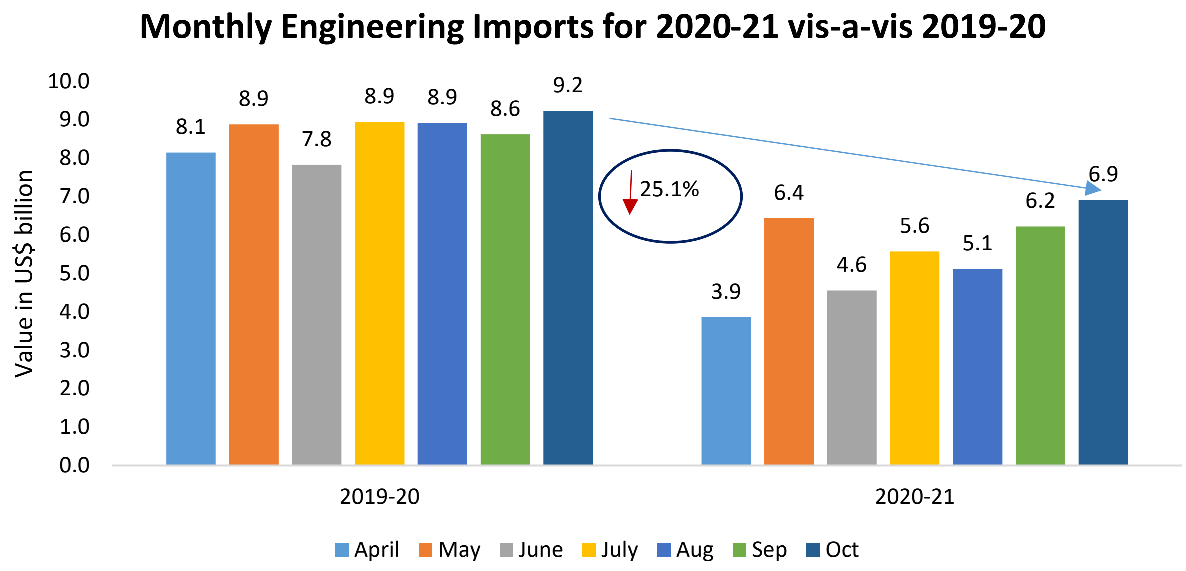
The monthly engineering import figures for fiscal April- October 2020 vis-a-vis April- October 2019 is depicted below as per the latest availability of figure:

Table 23: 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
Oct	9228.91	6911.83	-25.1

The figure below depicts engineering imports **for April-Oct 2020 compared to April-Oct 2019**

Figure 5: Monthly Engineering Imports for April-Oct 2020 vis-a-vis April-Oct 2019



Source: EEPC India analysis

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2019-20 as well as the current fiscal 2020-21 depicted in the table below:

Table 24: Tear-wise trend in engineering trade

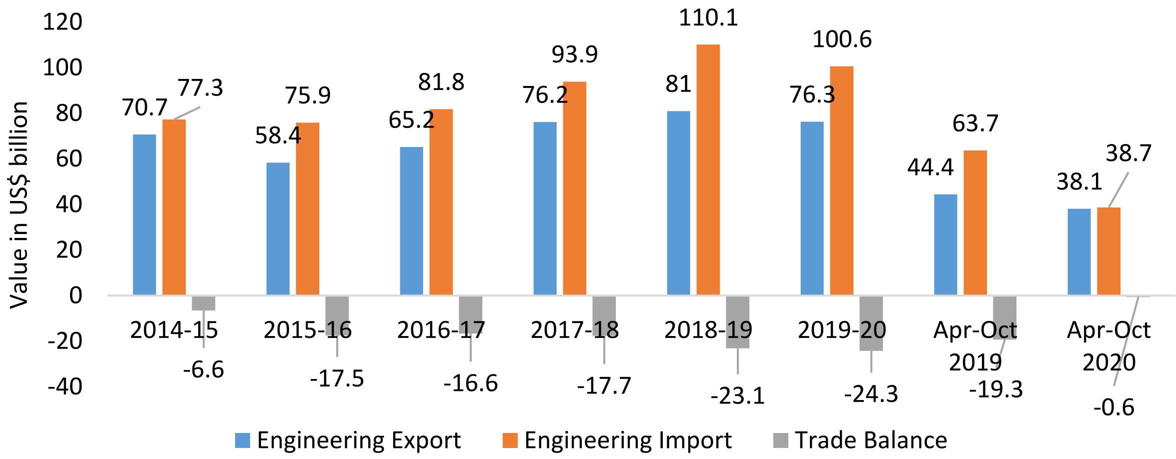
(US$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Oct 2019	Apr-Oct 2020	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	44.4	38.1	-14.1
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	63.7	38.7	-25.1
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-19.3	-0.6	

Source: DGCI&S, EEPC India Analysis

Figure 6 below depicts the yearly trend in engineering trade **from 2014-15 to 2019-20 as well as the current fiscal April-Oct 2020-21**

Figure 6: Trend in Yearly Engineering Trade



Conclusion

Indian engineering trade experienced a sharp decline in October 2020 after last month's positive growth. The decline was majorly triggered by huge fall in exports of ferrous and non-ferrous metals. Interestingly since April 2020, when exports of all commodities fell due to Covid-19 pandemic, major metals such as copper, iron and steel, aluminium, nickel experienced a rise in exports. The recovery in the previous months were purely due to factors such as sudden surge in demand from China and re-emergence of several industries from lockdown. However with months of depressed demand, even from before Covid-19, the scare of over supply had always loomed high. With UNCTAD predicting a 20% decline in merchandised trade in 2020, it seems, recovery would be difficult and we may witness the declining trend in the coming months.

In the domestic front however, the festive season has witnessed a growth in demand across sectors. At the same time the Indian Government has introduced a number of packages braided under the name of "Atmanirbhar Bharat" for the industry. The latest of the package – Atmanirbhar Package 3.0 is very well targeted and is expected to kick-start demand, investment, exports, etc. While it will require time, such steps would act as a catalyst and enabler in our economy's recovery.