

Engineering Exports and Imports Monitor

November 2020



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for November 2020
18th December 2020

Overall Scenario

Merchandise trade

Exports dropped in seven out of eight months in the ongoing fiscal till November 2020

- ✚ Merchandise exports during November 2020 dropped by 8.74 percent year-on-year which was higher than the decline in October 2020 at 5.12 percent. Exports in November 2020 were USD 23.52 Billion as compared to USD 25.77 Billion in November 2019. In rupee terms, the decline was 5.20 percent.
- ✚ Commodities or commodity groups recorded substantial year-on-year growth during November 2020 vis-à-vis November 2019 include Other cereals (171.63%), Oil meals (72.09%), Iron ore (68.15%), Rice (25.88%), Ceramic products & glassware (21.38%), Handicrafts excl. handmade carpet (17.99%), Cereal preparations & miscellaneous processed items (17.04%), Carpet (15.59%) among others. On the flipside, Petroleum products (-59.73%), Leather & leather products (-29.8%), Cashew (-24.53%), Plastic & Linoleum (-23.26%), Marine products (-16.1%), Oil seeds (-15.2%), Man-made yarn/fabs./made-ups etc. (-11.06%) and Engineering goods (-8.12%) conceded noticeable year-on-year decline in exports during the month.
- ✚ Cumulative value of exports for the period April-November 2020-21 was USD 173.66 Billion as against USD 211.17 Billion during the same period last fiscal, registering a drop of 17.76 percent. In rupee terms, cumulative merchandise exports declined by 12.70 percent during this time period.
- ✚ Imports in November 2020 were USD 33.39 Billion, which was 13.32 percent lower than the imports recorded during November 2020 at USD 38.52 Billion. The decline was 9.96 percent in Rupee terms.
- ✚ Cumulative value of imports during April-November 2020-21 were USD 215.69 Billion as against USD 324.59 Billion during the same period in fiscal 2019-20, registering a negative growth of 33.55 percent. In rupee terms, the decline was 29.43 percent.
- ✚ Trade deficit narrowed down by 22.59 percent to USD 9.87 billion in November 2020 from USD 12.75 billion in the same month last fiscal. On a cumulative basis, deficit shrank by 62.94 percent to USD 42.03 billion during April-November 2020-21 from USD 113.42 billion during the same period last fiscal.

Engineering exports declined for the second straight month to November 2020

- ✚ Following the broader merchandise trend, engineering export also dropped for the second straight month to November 2020 and this time the decline was higher at 9.10 percent year-on-year as compared to 5.81 percent in October 2020. Engineering exports from India stood at USD 5571.39 million in November 2020 as against USD 6129.02 million in the same month last fiscal.
- ✚ Cumulative engineering exports from India declined by 13.24 percent to USD 43,859.87 million during April-November 2020-21 from USD 50,554.74 million during the same period last fiscal.
- ✚ Share of engineering in total merchandise exports rose marginally to 23.69 percent in November from 23.24 percent in October 2020. This share was 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 of engineering in total merchandise exports was recorded at 25.26 percent.
- ✚ Out of 33 engineering panels, 18 panels recorded negative growth and 15 panels recorded positive growth in exports during November 2020 vis-à-vis November 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.
- ✚ 5 out of 25 countries recorded positive cumulative growth in engineering exports during April-November 2020 over April- November 2019. While 7 out of 25 countries recorded positive year on year growth in November 2020.

India's November engineering imports down by 10.6%

- ✚ India's Engineering imports during November 2020 were valued at US\$ 7178.3 million compared to US\$ 8029.28 million in November 2019 registering a negative growth of 10.6% percent in dollar terms.
- ✚ The share of engineering imports in India's total merchandise imports has increased during November 2020 in comparison to November 2019 which has been estimated at 21.5%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

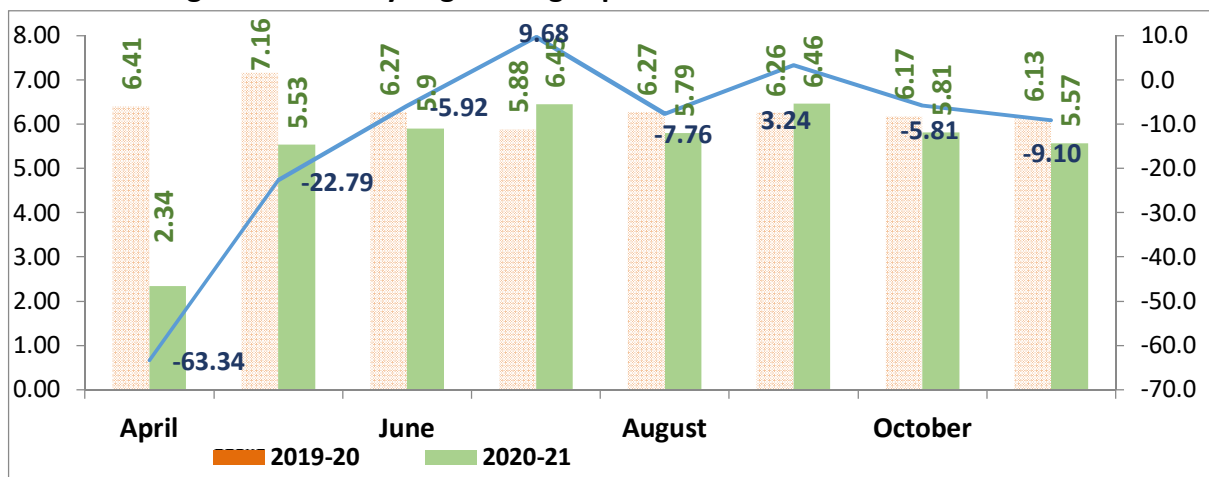
The monthly engineering figures for 2020-21 vis-à-vis 2019-20 are shown below as per the latest DGCIS estimates:

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

Month	2019-20	2020-21	Growth (%)
April	6410.79	2350.51	-63.34
May	7159.43	5527.99	-22.79
June	6274.90	5903.19	-5.92
April-June	19845.12	13781.69	-30.55
July	5877.95	6447.04	9.68
August	6273.83	5786.88	-7.76
September	6257.50	6460.33	3.24
July-September	18409.28	18694.25	1.55
October	6171.31	5812.54	-5.81
November	6129.02	5571.39	-9.10
April-November	50554.74	43859.87	-13.24

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 during September 2020 when both engineering exports and manufacturing output witnessed improvement over the month. The month of October however saw manufacturing output came back to growth path but engineering exports recorded negative growth. 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	-63.34	-66.6
May 2020	-22.79	-37.8
June 2020	-5.92	-17.0
July 2020	9.68	-11.4
August 2020	-7.76	-7.9
September 2020	3.24	-0.2
October 2020	-5.81	3.5
November 2020	-9.10	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	6171.31*	0.32
November	5740.17	6129.02*	6.77
December	6905.63	6811.53	-1.36
Quarter 3	18797.73	19111.86*	1.67
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	75660.07*	-6.54

Source: DGCI&S * Revised data

Impact of Exchange Rate

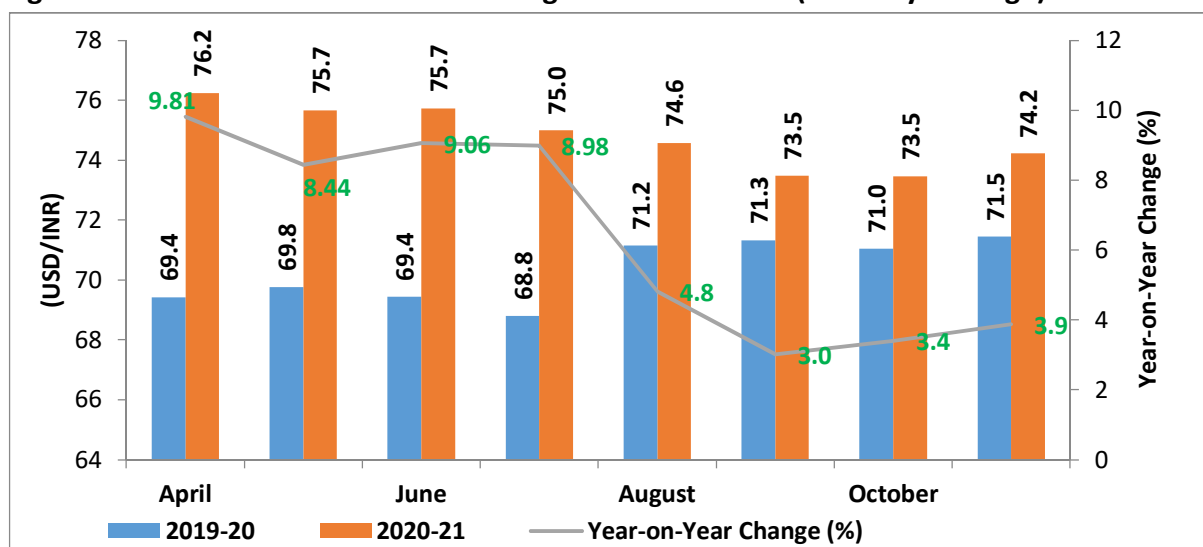
How did the exchange rate fare during November 2020 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of November 2020, but considered monthly average exchange rate of Rupee vis-à-vis the US Dollar 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)

Month	Monthly 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
October	71.04	73.46	3.40	Depreciation
November	71.45	74.22	3.90	Depreciation

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



Source: RBI, FBIL, EEPC Research

Rupee weakened vis-à-vis the US Dollar during November 2020 and year-on-year depreciation continued over the greenback as per the monthly average calculated from data released by FBIL. On a monthly average basis, Rupee depreciated to 74.22 during November 2020 from 73.46 per USD in October. Year-on-year depreciation in November 2020 was also higher at 3.9 percent from 3.4 percent in October 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 five months.

Despite a downturn in November 2020, outlook seems in favour of rupee: After sliding down to below 74.5 per US Dollar, Rupee started rising from Mid-November 2020 and strengthened above 73 by the first week of December. A high current account surplus during the first quarter of the current fiscal and recent drop in oil prices is still favoring Rupee. 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.

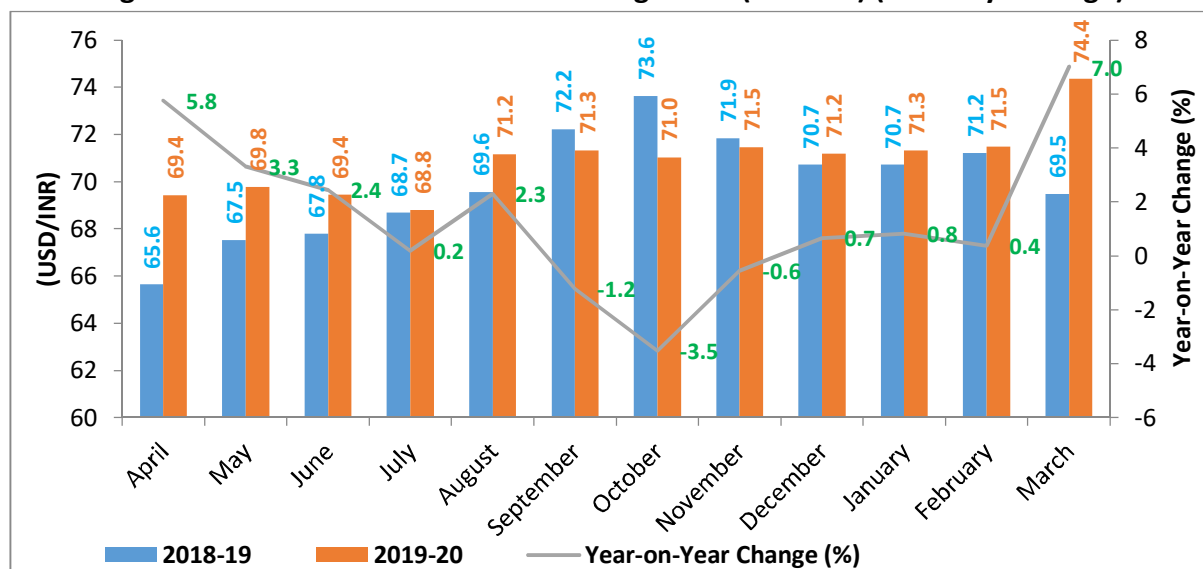
Rupee-Dollar Trend in 2019-20 vis-à-vis 2018-19

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

Month	Average Exchange Rate (1 USD to INR)		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
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 November 2020

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

Table-5: Engineering exports country wise (April-November2020)

US\$ million

Row Labels	Nov-19	Nov-20	Growth (%)	Apr-Nov, 2019	Apr-Nov, 2020	Growth (%)
U S A	1094.35	869.45	-20.55	7659.52	6405.94	-16.37
CHINA	222.83	203.66	-8.60	1446.27	3581.13	147.61
UAE	258.87	245.73	-5.08	2969.85	2111.55	-28.90
SINGAPORE	125.41	131.70	5.01	1735.43	1970.46	13.54
MALAYSIA	230.81	186.33	-19.27	1552.77	1679.18	8.14
GERMANY	209.81	186.68	-11.03	2044.23	1594.00	-22.02
KOREA RP	151.03	132.63	-12.18	1318.74	1332.10	1.01
VIETNAM	181.62	121.71	-32.99	1263.36	1236.80	-2.10
MEXICO	181.74	154.67	-14.89	1592.64	1160.21	-27.15
BANGLADESH	185.57	182.75	-1.52	1593.17	1118.26	-29.81
NEPAL	190.99	222.60	16.55	1720.66	1100.94	-36.02
U K	177.19	136.16	-23.15	1654.31	1033.89	-37.50
ITALY	109.41	154.65	41.35	1303.87	981.32	-24.74
SAUDI ARAB	170.62	229.54	34.53	1004.56	967.78	-3.66
INDONESIA	82.49	70.02	-15.12	867.84	947.65	9.20
THAILAND	125.36	117.98	-5.89	1021.66	892.03	-12.69
NIGERIA	147.48	121.06	-17.91	1115.79	717.06	-35.74
FRANCE	99.96	136.45	36.51	923.46	712.16	-22.88
TURKEY	112.60	92.65	-17.72	714.10	660.28	-7.54
SRI LANKA	96.55	57.98	-39.95	827.93	640.63	-22.62
SOUTH AFRICA	118.26	88.06	-25.54	1056.11	582.91	-44.81
JAPAN	68.50	64.82	-5.37	675.42	566.28	-16.16
BELGIUM	106.54	71.04	-33.33	709.32	553.77	-21.93
BRAZIL	83.40	96.85	16.13	675.86	546.37	-19.16
NETHERLAND	65.52	68.64	4.75	572.28	498.10	-12.96
Total engineering exports to top 25 countries	4596.91	4143.80	-9.86	38019.15	33590.84	-11.65
Total engineering exports	6129.02	5571.39	-9.10	50554.74	43859.87	-13.24
Share (%)	75.00	74.38		75.20	76.59	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- ✚ 5 out of 25 countries recorded positive cumulative growth in engineering exports during April- November 2020 over April- November 2019. While 7 out of 25 countries recorded positive year on year growth in November 2020.
- ✚ Like the previous month USA has retained its top position of being the numero uno destination for India's engineering products during April- November 2020 over April- November 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 recorded a negative growth, cumulative export has experienced a significant growth of 148%.
- ✚ Within the ASEAN region, monthly export growth recorded positive for only Singapore. Negative monthly export growth was noted in Indonesia, Malaysia, Thailand and Vietnam. In cumulative terms though, exports to all the above mentioned ASEAN countries grew barring Thailand and Vietnam.
- ✚ UAE retained its third position of largest export destination for Indian engineering sector although it recorded negative export growth both in cumulative and monthly terms.
- ✚ 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 76.6 percent of India's total engineering exports in April-November 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-November 2020 as opposed to April-November 2019.

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

US\$ million

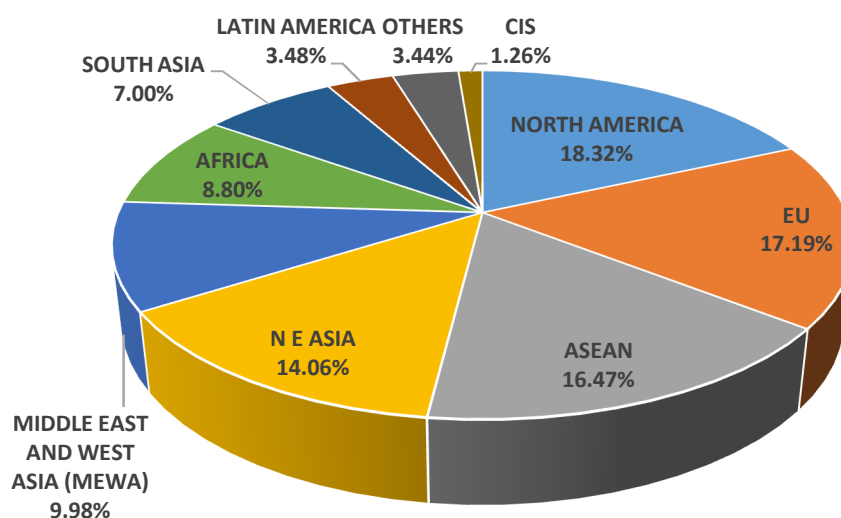
Region	Nov-19	Nov-20	Growth (%)	Apr-Nov, 2019	Apr-Nov, 2020	Growth (%)
NORTH AMERICA	1381.48	1085.65	-21.41	9837.69	8035.75	-18.32
EUROPEAN UNION	1016.94	1020.97	0.40	9670.84	7539.59	-22.04
ASEAN+2	836.79	706.18	-15.61	7096.16	7224.27	1.81
N E ASIA	514.28	449.82	-12.53	4088.02	6166.68	50.85
MIDDLE EAST AND WEST ASIA (MEWA)	591.05	692.51	17.17	5680.52	4376.21	-22.96
AFRICA	630.53	582.48	-7.62	5100.54	3859.86	-24.32
SOUTH ASIA	503.86	493.20	-2.12	4504.43	3069.30	-31.86
LATIN AMERICA	295.93	291.08	-1.64	2203.20	1528.05	-30.64

OTHERS	183.45	181.13	-1.26	1700.60	1509.32	-11.25
CIS	174.70	68.35	-60.88	672.74	550.85	-18.12
Grand Total	6129.02	5571.39	-9.10	50554.7	43859.87	-13.24

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-November2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- North America ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-November 2020 over April-November 2019 with a share of 18.3% percent of total engineering exports.
- India's exports to EU and ASEAN ranked second and third in terms of global shipments of Indian engineering goods in April-November 2020 with a share of 17.2 percent and 16.5 percent of total engineering exports respectively.
- North East Asia ranked fourth in global shipments of Indian engineering goods in April-November 2020 with a share of 14.1 percent, which is lower in comparison to its last month share.
- Exports to all regions barring MEWA and EU fell during November 2020 compared to that of last year, in cumulative terms North East Asia and ASEAN recorded positive growth.

5. Panel Wise Engineering Exports

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

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

US\$ Million						
Engineering Panels	November 2019	November 2020	Growth (%)	April-November 2019	April-November 2020	Growth (%)
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	831.37	726.12	-12.66	6386.48	7721.31	20.9
Products of Iron and Steel	570.57	543.76	-4.70	4634.67	3855.57	-16.8
Sub Total	1401.94	1269.88	-9.42	11021.1	11576.9	5.04
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	56.63	83.91	48.18	572.93	774.71	35.22
Aluminium and products	470.46	449.05	-4.55	3360.45	3603.93	7.25
Zinc and products	45.75	57.23	25.08	360.25	466.37	29.46
Nickel and products	5.33	5.05	-5.2	74.55	31.59	-57.62
Lead and products	45.76	21.10	-53.90	254.77	228.66	-10.25
Tin and products	1.09	0.53	-51.69	6.91	5.24	-24.19
Other Non-Ferrous Metals	45.42	51.64	13.69	361.63	315.52	-12.75
Sub Total	670.441	668.495	-0.29	4991.48	5426.02	8.71
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	43.54	44.16	1.4	558.64	325.45	-41.7
IC Engines and Parts	201.98	194.90	-3.5	1683.99	1423.58	-15.5
Pumps of all types	73.64	79.32	7.71	643.46	535.29	-16.81

Engineering Panels	November 2019	November 2020	Growth (%)	Apr-November 2019	Apr-November 2020	Growth (%)
Air condition and Refrigerators	102.78	86.17	-16.2	963.43	620.89	-35.6
Industrial Machinery for dairy, food processing , textiles etc	520.98	426.02	-18.2	3335.36	2711.87	-18.7
Machine Tools	34.66	38.30	10.50	292.17	237.56	-18.69
Machinery for Injecting moulding, valves and ATMs	146.40	137.63	-6.0	1178.17	975.83	-17.2
Sub Total	1123.98	1006.5	-10.5	8655.23	6830.47	-21.08
Electrical Machinery	869.30	527.28	-39.34	5854.18	5078.75	-13.25
5. Automobiles and Auto components and Parts						
Motor Vehicle/cars	632.64	445.18	-29.6	5198.45	2867.87	-44.8
Two and Three Wheelers	169.31	200.49	18.4	1416.62	1071.62	-24.4
Auto Components/Part	403.21	454.66	12.76	3583.70	2673.11	-25.41
Sub Total	1205.163	1100.342	-8.70	10198.77	6612.606	-35.16
Aircrafts and Spacecraft parts and products	120.51	116.33	-3.47	945.45	752.30	-20.43
Ships Boats and Floating products and parts	61.52	162.96	164.90	3073.65	2901.99	-5.58
8. Other engineering products						
Medical and Scientific instruments	146.98	148.08	0.75	1170.06	1040.24	-11.10
Railway Transport	5.94	7.33	23.36	201.25	62.13	-69.13
Hand Tools & Cutting Tools	58.35	61.06	4.63	506.85	412.01	-18.71
Electrodes Accumulators	4.17	3.88	-7.00	39.07	25.99	-33.49
Accumulator and Batteries	33.89	35.25	4.02	288.86	222.38	-23.02
Bicycle & Parts	40.44	30.33	-25.01	266.49	196.84	-26.13

Engineering Panels	November 2019	November 2020	Growth (%)	Apr-November 2019	Apr-November 2020	Growth (%)
Cranes Lifts & Winches	48.47	53.37	10.10	381.25	275.47	-
Office Equipment	12.85	9.54	-25.76	127.03	80.58	-
Other Construction Machinery	111.66	109.17	-2.23	948.96	683.02	-
Prime Mica & Mica Products	2.00	1.31	-34.50	29.07	14.87	-
OTHER MISC. ITEMS	211.4	260.28	23.12	1855.94	1667.33	-
Sub Total	676.2	719.6	6.4	5814.8	4680.8	-19.5
Total engineering exports	6129.0	5571.4	-9.10	50554.7	43859.9	-13.2

Source: DGCI&S

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

- Exports of Iron and Steel under Chapter 72: fell by 12.7% in November 2020
- Exports of Aluminium and products under Chapter 76: fell by 4.55% in November 2020
- Exports of Nickel and products under Chapter 75: fell by 5.2% in November 2020 and 57.62% in April-November 2020-21
- Exports of Lead and products under Chapter 78: fell by 53.9% in November 2020 and 10.25% in April-November 2020-21
- Exports of Tin and products under Chapter 80: fell by 51.69% in November 2020 and 24.19% in April-November 2020-21

Indian engineering exports once again witnessed negative growth in November 2020 declining by 9.1% (year-on-year) to US\$ 5571.4 million similar to the previous month of September 2020. India's merchandised exports in November 2020 were US\$23.52 billion, as compared to US\$25.77 billion in November 2019, exhibiting a negative growth of (-) 8.74%. Similarly, India's engineering exports marched on to the negative territory during two consecutive months of October and November from US\$ 6129 million in November 2019 to US\$ 5571.4 million in November 2020. In cumulative terms the first eight months recorded a decline to the extent of 13.2% from US\$ 50554.74 million in April-November 2019-20 to US\$ 43859.87 million in April-November 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 November 2020 vis-à-vis November 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 12.66% in November 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 also declined by 4.70% in November thereby resulting a decline in export of the total group by 9.42 percent. The total segment recorded a 5.04 percent jump in exports in cumulative terms.
- ✚ In case of non-ferrous metals, segments like Aluminium and products, Nickel and products, Lead and products, and Tin and products witnessed decline in exports to the extent of 4.55%, 5.2%, 53.9%, and 51.69% respectively during November 2020. While sectors like Copper and Zinc products witnessed positive growth to the extent of 48.2% and 25.08% respectively in the month of November 2020.
- ✚ Within industrial machinery, overall there has been fall both in the monthly exports to the extent of 10.05%, as well as cumulative exports to the extent of 21.08% during April-November 2020-21. Negative export performance was noticed in segments including IC Engines (3.5%), air-condition and refrigeration machinery (16.2%), machinery for dairy, food processing (18.2%) and other industrial machinery (6%) during November 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 21.08%, given the significant decline in exports witnessed in all the sub sectors during April-November 2020-21.
- ✚ The electrical machinery segment showed negative growth in November 2020, unlike the pattern observed in the previous months. In November, exports dropped by 39.34% while in cumulative terms the exports dropped by 13.25%, 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 18.4% and 12.76% respectively during November 2020 vis-à-vis November 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 19.5% in November 2020 and by 40.4% during April-November 2020-21 compared to same period last fiscal.
- ✚ Exports of aircraft, spacecraft and parts exhibited negative growth both monthly by 3.47% in November 2020 and in cumulative terms to the extent of 20.43% respectively. On the other hand, exports of ships, boats and floating structures also witnessed sharp growth from US\$ 61.5 million in November 2019 US\$ 162.96 million (more than 160 percent) in November 2020 and in cumulative terms exports dropped by 5.58%.

✚ In the rest of the engineering segments, while there was decline in few sectors. Slight increase in exports was noticed in case of Medical Devices and Equipment (0.75%), while Railway, transport and equipment increased by 23.36%, Hand Tools and Cutting Tools increased by (4.63%), Accumulators and Batteries (4.02%), Cranes, Lifts and Winches (10.10%) during November 2020 compared to November 2019. Prominent panels like Electrodes and Accumulators, Bicycle and Parts, Office Equipment and Tools, Other Construction Machinery and Prime Mica products witnessed decline in exports during November 2020 vis-à-vis November 2019 to the extent of 7%, 25.01%, 25.76%, 2.23% and 34.5% respectively.

➤ **Data for ferrous and non-ferrous panels experiencing a decline in the month of November 2020 vis-à-vis November 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	734.93	-19.0
November	710.91	831.35	16.9	726.12	-12.7
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 73: Products of Iron & Steel					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	565.04	557.10	-1.1	101.74	-81.74
May	575.87	544.83	-5.3	375.08	-30.9
June	587.78	591.46	0.6	478.60	-18.8
July	539.72	592.28	10.5	528.83	-10.71
August	691.22	624.46	-9.3	542.10	-13.1
September	615.69	570.35	-7.36	653.69	4.8
October	569.97	592.72	3.99	618.65	15.1
November	533.39	572.77	7.38	543.76	-4.7
December	666.88	653.10	-2.07		
January	562.16	628.11	11.73		
February	539.59	590.07	9.35		
March	723.35	461.36	-36.2		
April-March	7259.37	7004.58	-3.51		

Table 9B: Chapter 73: Products of Iron & Steel					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	265.95	264.77	-0.44	53.48	-79.80
May	295.46	247.80	-15.99	150.79	-39.15
June	288.75	292.80	1.60	234.20	-20.01
July	237.38	271.11	14.21	215.35	-20.54
August	327.95	284.78	-13.16	222.29	-21.95
September	293.51	259.36	-11.63	260.63	0.46

October	247.69	263.78	6.49		
November	241.06	267.61	11.01		
December	323.76	305.79	-5.55		
January	278.10	306.58	10.24		
February	276.80	306.94	10.89		
March	349.72	231.34	-33.85		
April-March	3426.18	3303.70	-3.57		

Table 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	5.05	-5.2
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	21.10	-53.9
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 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	1.09	-6.0	0.53	-51.7
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 12B: 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 again witnessed a significant decline in the exports of both ferrous and non-ferrous metals after October 2020. Exports in almost all sectors barring Copper and Zinc 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 international market renewed restrictions in key trade partners led to a reduction in shipment. Furthermore softer demands in China and USA have also impacted exports globally. Countries such as Japan have also reported reduced export demand for the above reasons.¹ At the same time, reduction in domestic property demand in China has come down substantially, which has impacted the demand of key metals within the country. This has resulted in a large Chinese surplus which is being exported now. This may surely have an impact on metal exports by other countries. In domestic market, rise in prices of key inputs such as iron ore and coal have affected the export capability of many steel producers. Additionally a rise in global commodity prices is already happening and is expected to continue. This will also have adverse impact on metal exports from India.²

The below figures determine the slump in key metal exports.

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

¹ <https://financialpost.com/pmnbusiness-pmn/japan-posts-record-run-of-export-declines-on-soft-u-s-china-demand-4>

² <https://www.livemint.com/market/mark-to-market/as-global-commodity-prices-catch-up-india-inc-braces-for-cost-inflation-11608188287926.html>

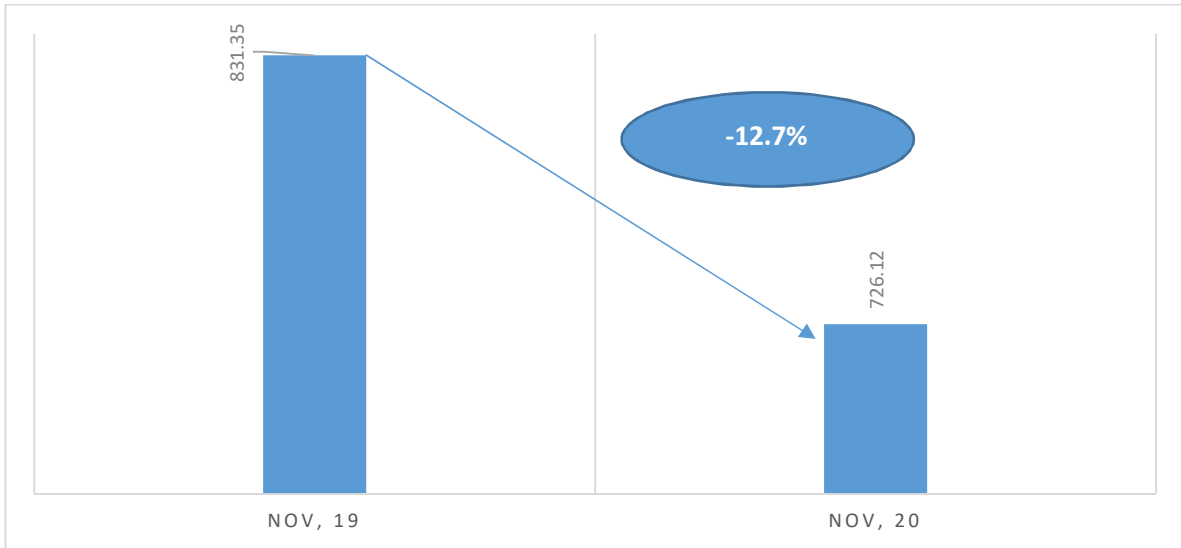


Figure 5: Slump in Exports of Products of iron and steel in November 2020 v/s November 2019 (in USD million)

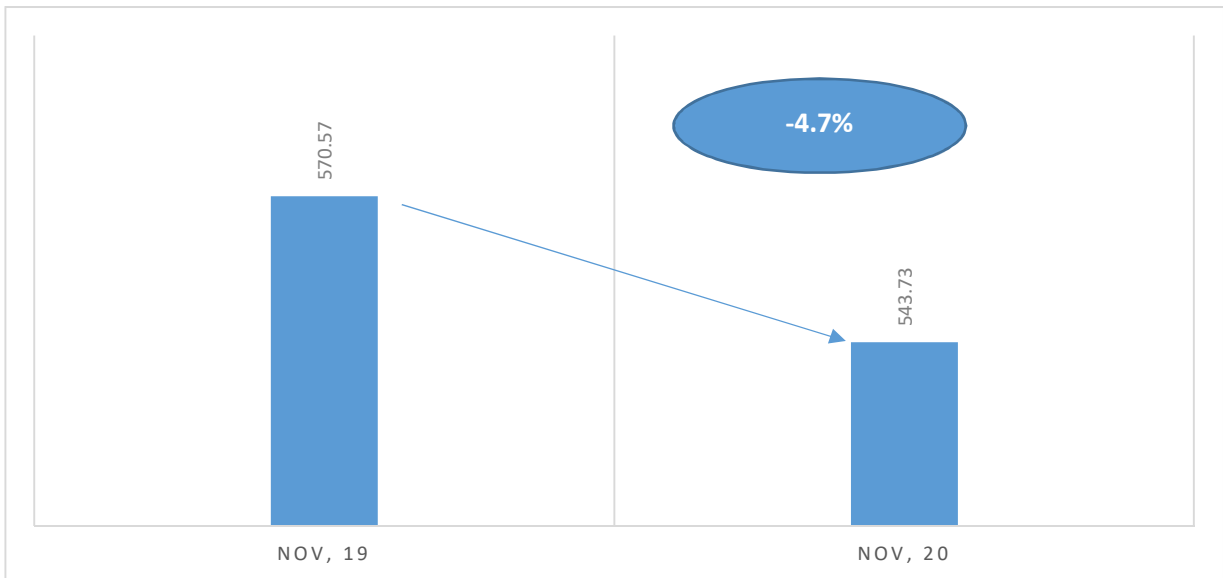


Figure 6: Slump in Exports of Aluminium and its products in November 2020 v/s November 2019 (in USD million)

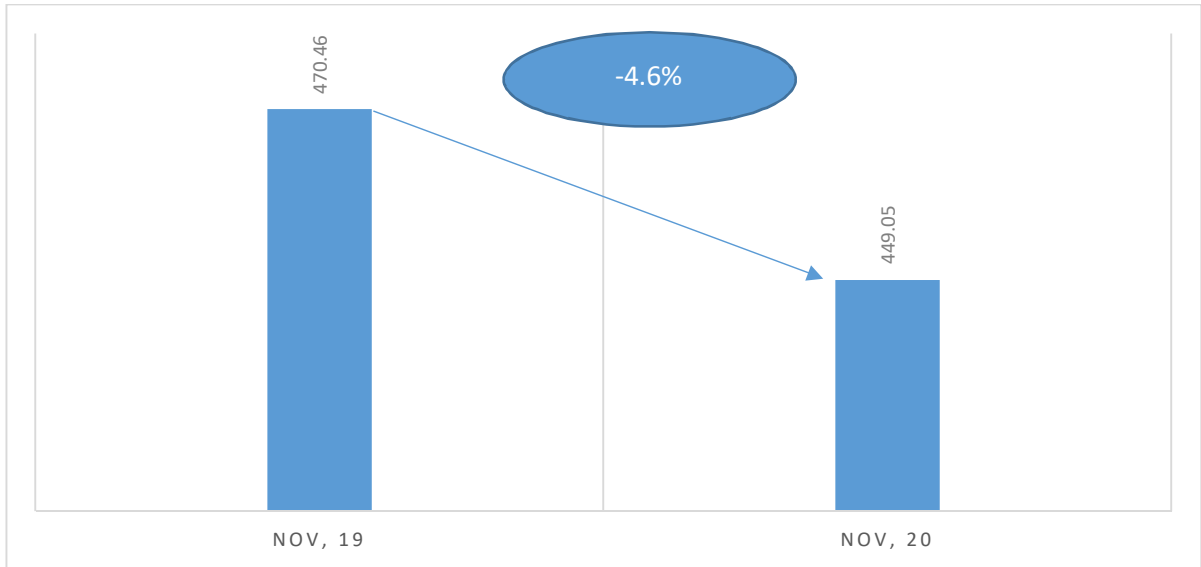


Figure 7: Slump in Exports of Nickel and its products November 2020 v/s November 2019 (in USD million)

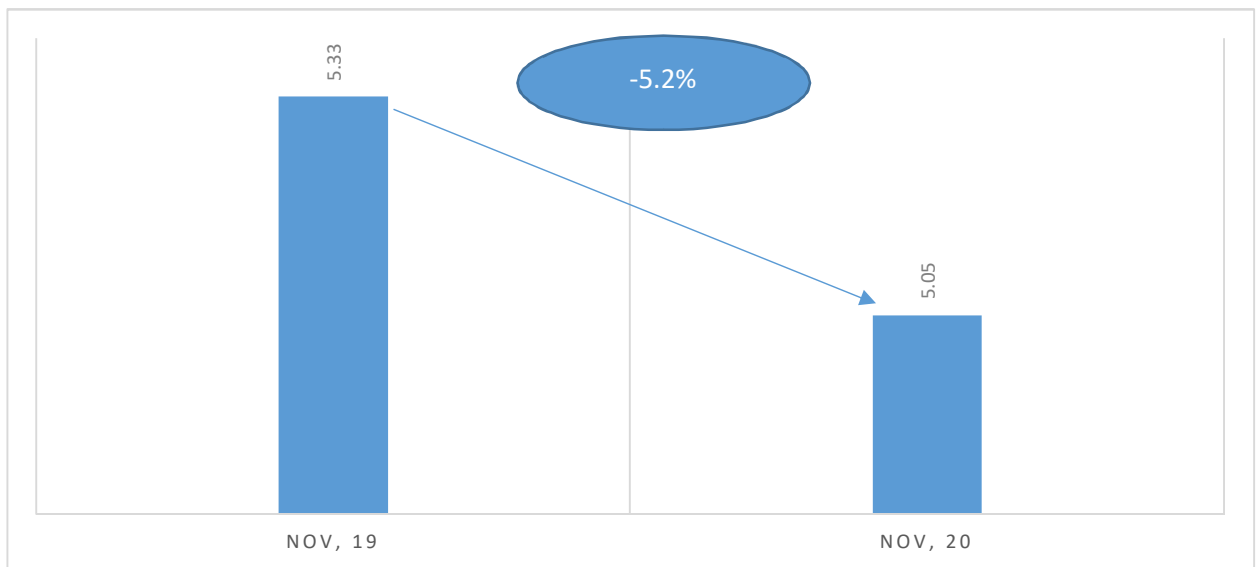


Figure 4: Slump in Exports of Lead and its products in November 2020 v/s November 2019 (in USD million)

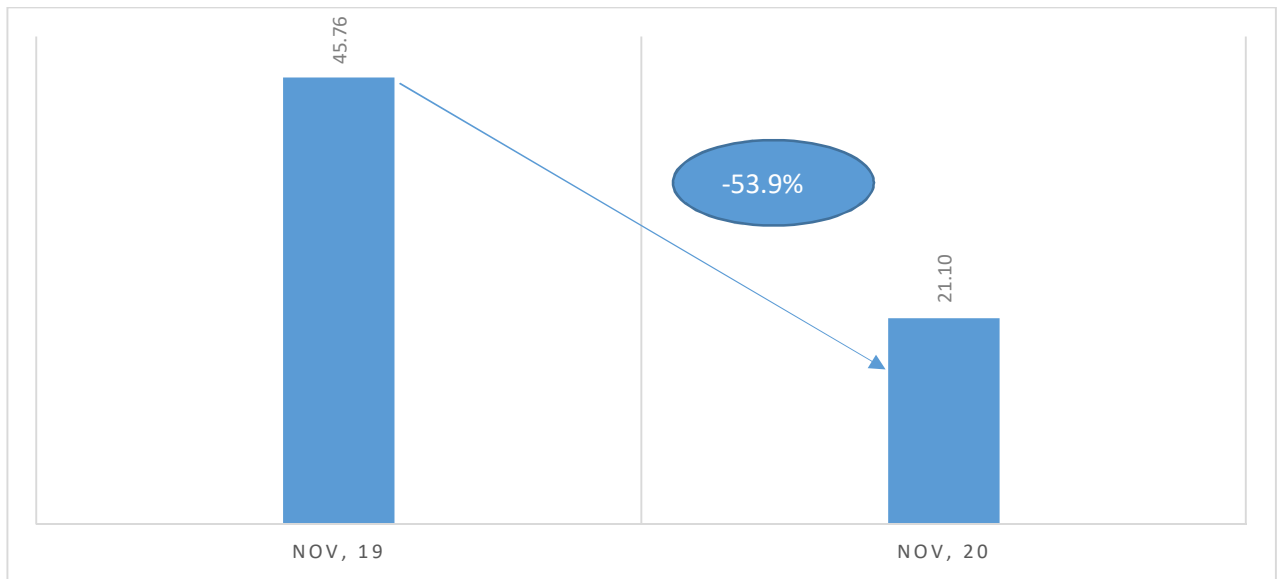
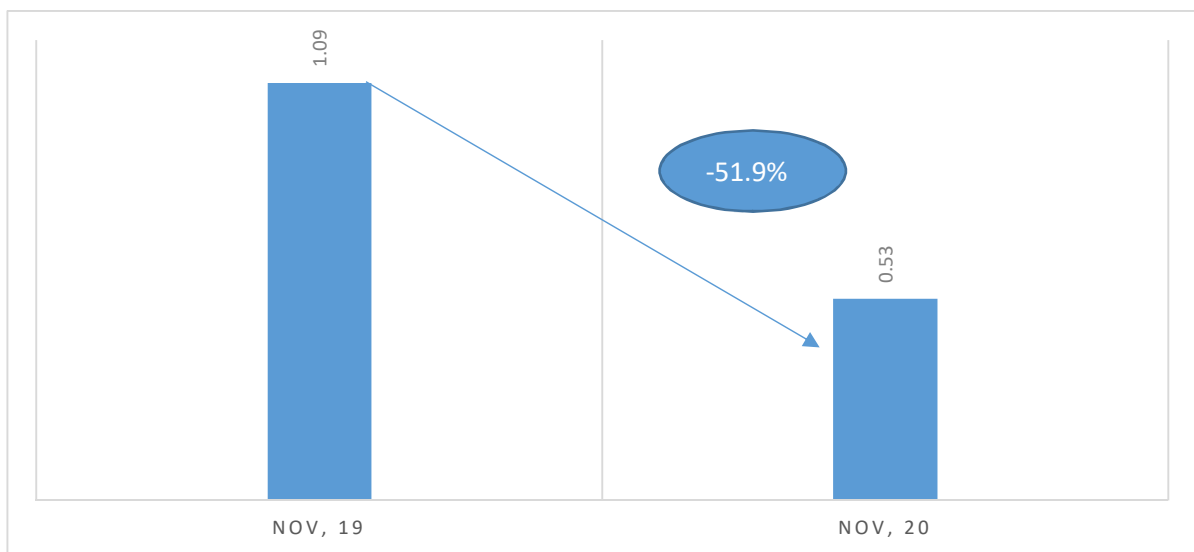


Figure 8: Slump in Exports of Tin and its products in November 2020 v/s November 2019 (in USD million)



6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during November 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 13: Export of Iron & Steel
US\$ Million

(Source: Department of Commerce, Government of India)

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019-NOVEMBER 2019	APRIL 2020-NOVEMBER 2020	Growth (%)
Top Five Importers						
CHINA	83.60	73.37	-12.25	390.08	2271.67	482.36
VIETNAM	127.80	52.31	-59.07	820.93	794.61	-3.21
U A E	56.15	62.40	11.13	506.76	540.02	6.56
NEPAL	55.46	87.52	57.80	636.41	424.90	-33.24
ITALY	42.89	68.83	60.50	460.79	424.47	-7.88
High cumulative growth						
CHINA	83.60	73.37	-12.25	390.08	2271.67	482.36
KENYA	2.21	1.77	-19.90	21.06	64.94	208.37
PHILIPPINES	4.97	26.22	427.10	36.65	103.75	183.09
THAILAND	16.07	7.45	-53.66	111.37	173.00	55.34
INDONESIA	24.93	30.03	20.48	133.61	185.58	38.90
HONG KONG	0.12	0.10	-14.24	63.37	87.23	37.66
Sharp cumulative decline						
MALAYSIA	10.49	5.64	-46.27	190.80	84.25	-55.85
BHUTAN	6.05	1.95	-67.74	54.03	28.02	-48.15
BANGLADESH	26.27	14.28	-45.65	233.27	134.43	-42.37
U K	23.79	1.60	-93.27	62.68	36.16	-42.31
GERMANY	14.33	7.89	-44.94	103.05	65.96	-35.99

- 📌 China, Vietnam and UAE were the three top three importers of Indian Iron and Steel during April 2020-November 2020 with market shares of 29.42 percent, 10.29 percent and 6.99 percent respectively.
- 📌 China recorded a monumental growth of 482.36 percent followed by Kenya and Philippines exhibiting growth of 208.37 percent and 183.09 percent respectively in exports of Indian Iron and Steel during April 2020-November 2020 compared to April 2019- November 2019.
- 📌 Malaysia and Bhutan experienced sharp downfall to the extent of more than 45% drop in exports during April 2020- November 2020 compared to same period last fiscal.

Table 14: Export of Products of Iron & Steel

US\$ Million

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

U S A	119.02	129.57	8.87	1080.00	842.15	-22.02
CANADA	61.07	27.70	-54.65	243.44	211.96	-12.93
U A E	33.75	24.34	-27.87	273.07	200.35	-26.63
GERMANY	23.50	23.47	-0.10	254.01	189.55	-25.38
U K	23.10	23.60	2.17	197.64	145.06	-26.60
High cumulative growth						
ALGERIA	0.54	4.66	770.45	6.44	20.84	223.44
EGYPT	3.46	3.22	-6.85	24.62	53.73	118.23
OMAN	4.61	15.83	243.40	71.37	124.08	73.86
VIETNAM	2.50	6.58	163.06	15.66	22.78	45.48
PHILIPPINES	2.16	4.86	125.51	21.94	28.23	28.66
Sharp cumulative decline						
PERU	11.47	2.00	-82.59	45.33	10.61	-76.60
NIGERIA	11.61	7.67	-33.96	86.25	48.96	-43.24
KUWAIT	4.51	3.45	-23.45	44.51	25.86	-41.90
MEXICO	5.87	6.18	5.41	57.46	36.36	-36.73
FRANCE	11.88	10.06	-15.30	102.94	70.43	-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-November 2020 with 21.84 percent, 5.50 percent and 5.20 percent shares respectively in India's global import of the same.
- 🚩 Algeria experienced more than 223% growth followed by Egypt and Oman in import of 'Products of Iron and Steel' during April 2020- November 2020.
- 🚩 Peru, Nigeria and Kuwait conceded substantial decline in imports by more than 40% for the said product group from India during April 2020- November 2020.

Table 15: Export of Industrial Machinery

US\$ Million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019-NOVEMBER 2019	APRIL 2020-NOVEMBER 2020	Growth (%)
Top Five Importers						
U S A	156.10	169.49	8.58	1309.50	1071.63	-18.17
THAILAND	50.21	58.26	16.03	415.48	383.92	-7.60
GERMANY	40.88	53.72	31.42	393.84	368.11	-6.53
CHINA	49.19	45.26	-7.99	389.64	362.40	-6.99
U A E	54.70	36.22	-33.77	329.95	301.14	-8.73
High cumulative growth						
TOGO	0.42	0.65	54.00	2.92	9.03	208.79
BENIN	0.39	2.66	575.81	3.12	7.87	152.22

HUNGARY	1.69	1.81	7.12	17.47	25.23	44.42
CAMBODIA	0.42	0.33	-21.06	2.87	3.73	30.31
ANGOLA	0.98	2.23	128.30	7.98	9.82	23.08
Sharp cumulative decline						
INDONESIA	17.83	15.29	-14.25	193.35	97.64	-49.50
RUSSIA	121.86	10.71	-91.22	211.70	123.95	-41.45
BANGLADESH	45.44	39.89	-12.21	405.20	242.52	-40.15
NIGERIA	38.02	33.75	-11.23	352.86	211.31	-40.11
NEPAL	25.54	24.03	-5.88	215.15	133.85	-37.79

(Source: Department of Commerce, Government of India)

- 🚩 USA was the largest importer of Indian 'Industrial machinery' during April 2020- November 2020 with 15.69 percent share in India's global import of the product group. Thailand and Germany were the two immediate followers of USA with 5.62 percent and 5.39 percent shares respectively.
- 🚩 Togo was the top importer with monumental growth of 208.79 percent followed by Benin, witnessing growth of more than 150 percent in imports of Industrial machinery from India followed by Hungary, Cambodia and Russia during April 2020- November 2020 over the same period last fiscal.
- 🚩 Among the major importers, Indonesia, Russia, Bangladesh and Nigeria recorded over 40 percent year-on-year declines in imports during April 2020- November 2020.

Table 16: Automobiles
US\$ Million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019- NOVEMBER 2019	APRIL 2020- NOVEMBER 2020	Growth (%)
Top Five Importers						
MEXICO	117.11	65.48	-44.09	968.77	683.46	-29.45
U S A	93.84	76.53	-18.44	594.46	376.72	-36.63
SOUTH AFRICA	71.26	44.13	-38.08	652.64	308.52	-52.73
SAUDI ARABIA	89.19	39.39	-55.83	428.46	276.73	-35.41
NIGERIA	46.42	48.21	3.85	344.83	252.49	-26.78
High cumulative growth						
EGYPT	1.99	14.27	616.30	14.10	69.32	391.74
SUDAN	3.01	1.47	-51.29	6.01	22.06	267.31
ARGENTINA	0.72	4.58	536.29	10.49	24.76	136.06
BRUNEI	1.11	2.94	164.65	10.78	24.25	124.95
AUSTRIA	1.60	1.13	-29.66	18.03	36.32	101.45
Sharp cumulative decline						

SRI LANKA	20.15	0.32	-98.43	170.77	5.12	-97.00
SOUTH AFRICA	71.26	44.13	-38.08	652.64	308.52	-52.73
BANGLADESH	34.25	29.62	-13.52	250.00	133.40	-46.64
COLOMBIA	21.34	22.96	7.63	176.52	95.97	-45.63
U A E	29.87	25.05	-16.15	184.68	101.33	-45.13
NEPAL	33.18	41.53	25.17	303.89	168.03	-44.71

(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-November 2020 with 17.35, 9.56 and 7.83 percent share in India's global exports respectively over the same period last fiscal.
- 🇸🇩 Sudan and Egypt recorded a substantial growth of 391.74% and 267.31% respectively followed by Argentina, Brunei and Austria with more than 100% growth in imports of the product group from India during April 2020- November 2020 over the same period last fiscal.
- 🇱🇰 Countries like Sri Lanka and South Africa saw their imports of automobile lower by more than 50% during April 2020- November 2020 compared to same period last fiscal.

Table 17: Export of Non-Ferrous metals

US\$ Million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019-NOVEMBER 2019	APRIL 2020-NOVEMBER 2020	Growth (%)
Top Five Importers						
MALAYSIA	154.36	141.69	-8.21	769.55	1074.23	39.59
KOREA	93.03	79.30	-14.75	794.23	941.47	18.54
CHINA	28.86	44.42	53.91	259.09	639.27	146.74
U S A	86.83	76.37	-12.04	642.28	467.12	-27.27
SINGAPORE	4.81	30.28	529.41	66.91	290.61	334.35
High cumulative growth						
GREECE	2.91	0.95	-67.51	11.88	64.25	440.88
SINGAPORE	4.81	30.28	529.41	66.91	290.61	334.35
CHINA	28.86	44.42	53.91	259.09	639.27	146.74
MALAYSIA	154.36	141.69	-8.21	769.55	1074.23	39.59
KOREA	93.03	79.30	-14.75	794.23	941.47	18.54
Sharp cumulative decline						
ITALY	3.29	9.24	180.47	78.12	40.17	-48.58
THAILAND	17.66	9.96	-43.59	142.74	78.12	-45.27

JAPAN	14.53	10.07	-30.70	113.95	72.90	-36.03
NEPAL	16.22	16.27	0.32	118.94	79.39	-33.26
MEXICO	9.72	17.27	77.61	94.72	65.12	-31.25

(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-November 2020 with 19.80 percent, 17.35 percent and 11.78 percent shares respectively in India's global import of the same.
- ✚ Greece experienced massive growth of 440.88% followed by Singapore and China at 334.35% and 146.74% respectively in import of Non-ferrous metals and products during April 2020- November 2020.
- ✚ Italy and Thailand conceded substantial decline in imports by more than 40% for the said product group from India during April 2020- November 2020 vis-à-vis same period last fiscal.

Table 18: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019- NOVEMBER 2019	APRIL 2020- NOVEMBER 2020	Growth (%)
Top Five Importers						
U S A	369.98	133.43	-63.94	1671.65	1753.94	4.92
GERMANY	64.57	25.76	-60.10	604.52	431.04	-28.70
SINGAPORE	29.13	37.41	28.44	334.15	233.31	-30.18
U A E	19.00	19.41	2.18	149.38	205.32	37.45
U K	30.85	16.68	-45.92	449.15	169.06	-62.36
High cumulative growth						
NEW ZEALAND	0.39	0.87	124.82	3.40	48.41	1323.67
HONG KONG	2.40	3.32	38.23	26.63	90.03	238.08
VIETNAM	6.48	9.06	39.84	44.90	87.92	95.81
JAPAN	7.89	9.99	26.55	69.28	117.20	69.16
U A E	19.00	19.41	2.18	149.38	205.32	37.45
Sharp cumulative decline						
U K	30.85	16.68	-45.92	449.15	169.06	-62.36
NIGERIA	27.80	12.20	-56.11	150.44	75.52	-49.80
CHINA	35.22	9.20	-73.86	167.53	94.52	-43.58
BELGIUM	9.44	3.27	-65.35	87.96	57.86	-34.22
SINGAPORE	29.13	37.41	28.44	334.15	233.31	-30.18

(Source: Department of Commerce and CSO)

- ✚ USA, Germany and Singapore were the top three importers of Indian Electrical Machinery and Components during April 2020-November 2020 with market shares of 35.53 percent, 8.49 percent and 4.59 percent respectively.
- ✚ New Zealand recorded massive growth of 1323.67 % followed by Hong Kong and Vietnam at 238.08% and 95.81% in imports of India's Electrical Machinery and Components during April 2020 - November 2020 vis-a-vis April 2019 - November 2019.
- ✚ UK experienced the sharp decline of more than 60% in imports in April 2020-November 2020 when compared to April 2019 – November 2019. It is also the case for Nigeria and China which experienced more than 40% drop

Table 19: Export of Aircrafts and Space crafts
US\$ million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019-NOVEMBER 2019	APRIL 2020-NOVEMBER 2020	Growth (%)
Top Five Importers						
U S A	39.03	28.94	-25.85	338.01	264.83	-21.65
FRANCE	17.81	50.91	185.77	114.14	125.86	10.26
SINGAPORE	16.01	7.84	-51.00	114.62	68.97	-39.83
U K	13.39	7.38	-44.85	111.39	52.74	-52.65
INDONESIA	0.04	0.00	-100.00	0.62	46.61	7441.27
High cumulative growth						
INDONESIA	0.04	0.00	-100.00	0.62	46.61	7441.27
IRELAND	0.28	0.00	-99.97	1.66	10.14	510.60
U A E	0.44	0.39	-11.44	5.48	25.98	374.18
SWITZERLAND	0.50	1.72	243.06	6.36	8.53	34.26
Sharp cumulative decline						
U K	13.39	7.38	-44.85	111.39	52.74	-52.65
MALAYSIA	3.96	1.36	-65.69	38.43	19.97	-48.04
SINGAPORE	16.01	7.84	-51.00	114.62	68.97	-39.83
GERMANY	4.89	5.10	4.36	47.03	29.83	-36.58
U S A	39.03	28.94	-25.85	338.01	264.83	-21.65

(Source: Department of Commerce and CSO)

- ✚ USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April 2020-November 2020 with around 37.20, 16.73 and 9.17 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 7441.27 % during April 2020- November 2020. Also, Ireland and U A E registered

substantial growth of 510.60% and 374.18% respectively in import of the product group from India during April 2020- November 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- November 2020 when compared to April 2019 - November 2019.

Table 20: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019-NOVEMBER 2019	APRIL 2020-NOVEMBER 2020	Growth (%)
Top Five Importers						
SINGAPORE	31.33	7.98	-74.52	815.86	991.19	21.49
INDONESIA	0.00	0.00	-	91.34	388.27	325.07
U A E	5.43	23.56	333.41	972.66	368.69	-62.09
MALAYSIA	0.00	0.00	-	191.34	247.19	29.19
SRI LANKA	11.47	0.00	-100.00	174.47	245.18	40.53
High cumulative growth						
MALTA	0.00	0.00	-	0.01	114.71	1739799.62
PORTUGAL	0.00	0.00	-	0.01	143.25	983325.82
SAUDI ARABIA	0.00	116.06	-	4.71	140.72	2885.56
INDONESIA	0.00	0.00	-	91.34	388.27	325.07
SRI LANKA	11.47	0.00	-100.00	174.47	245.18	40.53
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	0.00	3.65	-	65.56	3.65	-94.43
U A E	5.43	23.56	333.41	972.66	368.69	-62.09

(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-November 2020 followed by Malaysia and Sri Lanka. Their respective shares are 34.16 percent, 13.38 percent, 12.70 percent, 8.52 percent and 8.45 percent.
- ❖ Though Malta and Portugal recorded negligible imports in November 2020 but the cumulative Imports to both the nations recorded meteoric increase as they had negligible import in April 2019 – November 2019. Saudi Arabia registered substantial

growth of 2885.56% in import of the product group from India during April 2020- November 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- November 2020 as compared with the same period last fiscal whereas the exports dropped to zilch for Cyprus, Liberia and Norway.

Table 21: Export of Auto Components
US\$ Million

COUNTRY	NOVEMBER 2019	NOVEMBER 2020	Growth (%)	APRIL 2019- NOVEMBER 2019	APRIL 2020- NOVEMBER 2020	Growth (%)
Top Five Importers						
U S A	85.21	101.17	18.73	802.18	606.87	-24.35
TURKEY	26.08	25.94	-0.54	173.19	162.79	-6.01
BANGLADESH	21.33	30.32	42.16	186.89	153.94	-17.63
GERMANY	18.13	23.81	31.35	170.37	152.77	-10.33
VIETNAM	15.25	21.56	41.36	133.82	134.74	0.69
High cumulative growth						
CONGO	0.07	0.44	487.42	2.21	5.31	140.54
IRAQ	0.27	0.68	155.74	2.17	5.07	133.33
SLOVENIA	1.87	1.52	-18.39	7.35	13.39	82.19
SLOVAKIA	0.71	1.71	139.10	6.98	11.44	63.81
SPAIN	7.25	8.67	19.57	35.84	51.91	44.82
Sharp cumulative decline						
U A E	9.45	8.29	-12.32	116.61	46.38	-60.22
INDONESIA	9.14	6.15	-32.79	81.36	35.41	-56.48
BRAZIL	22.25	21.14	-5.01	184.93	108.91	-41.11
JAPAN	10.25	9.89	-3.52	99.13	66.00	-33.43
THAILAND	10.46	13.72	31.13	115.37	77.73	-32.63
FRANCE	8.04	9.18	14.23	73.48	50.15	-31.75

(Source: Department of Commerce and CSO)

- USA remained the top importer of auto components in April 2020- November 2020 with a share of 22.70 percent followed by Turkey, Bangladesh, Germany and Vietnam with respective shares of 6.09 percent, 5.76 percent, 5.72 percent and 5.04 percent.
- Congo and Iraq recorded increase of more than 130 percent followed by Slovenia, Slovakia and Spain in imports from April 2020- November 2020 when compared to April 2019 – November 2019.

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

Analysis of India's engineering imports

India's Engineering imports during November 2020 were valued at US\$ 7178.3 million compared to US\$ 8029.28 million in November 2019 registering a negative growth of 10.6 percent in dollar terms. In cumulative terms, the first eleven months recorded a decline to the extent of 33.1% from US\$ 68578.52 million in April-November 2019-20 to US\$ 45845.21 million in April-November 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 10.1%, 26.6%, 13.4% and 19.6% respectively during November 2020 compared to November 2019.

The share of engineering imports in India's total merchandise imports has increased during November 2020 in comparison to November 2019 which has been estimated at 21.5%.

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

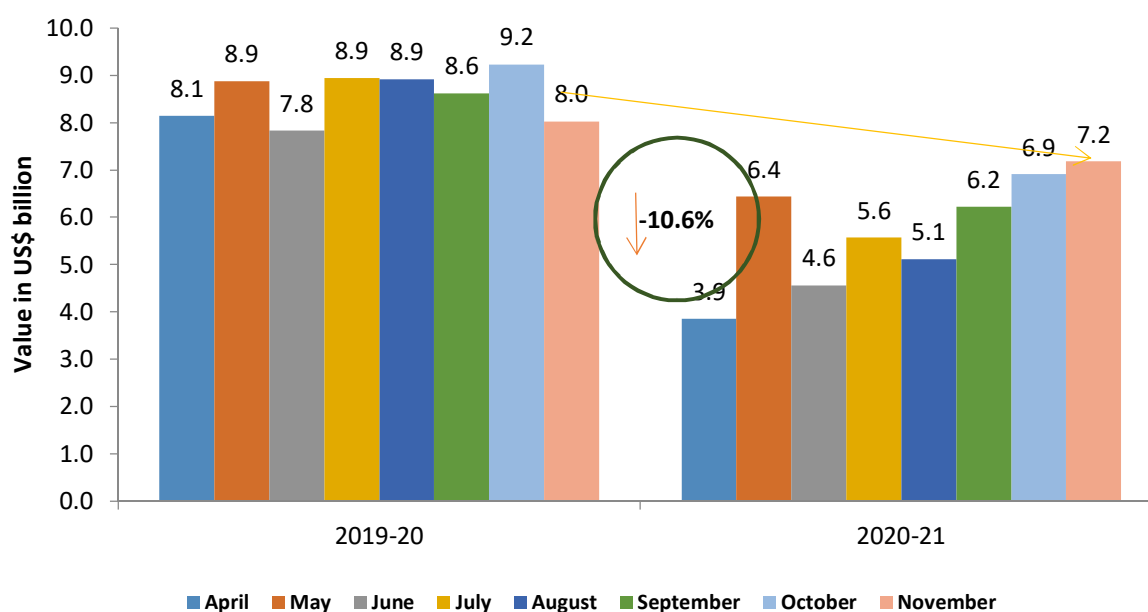
Table 22: Monthly engineering Imports during 2020-21 (US\$ Mn.)

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
Nov	8029.28	7178.30	-10.6

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

Figure 9: Monthly Engineering Imports for April-Nov 2020 vis-a-vis April-Nov 2019

Monthly Engineering Imports for 2020-21 vis-a-vis 2019-20



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 23: Tear-wise trend in engineering trade

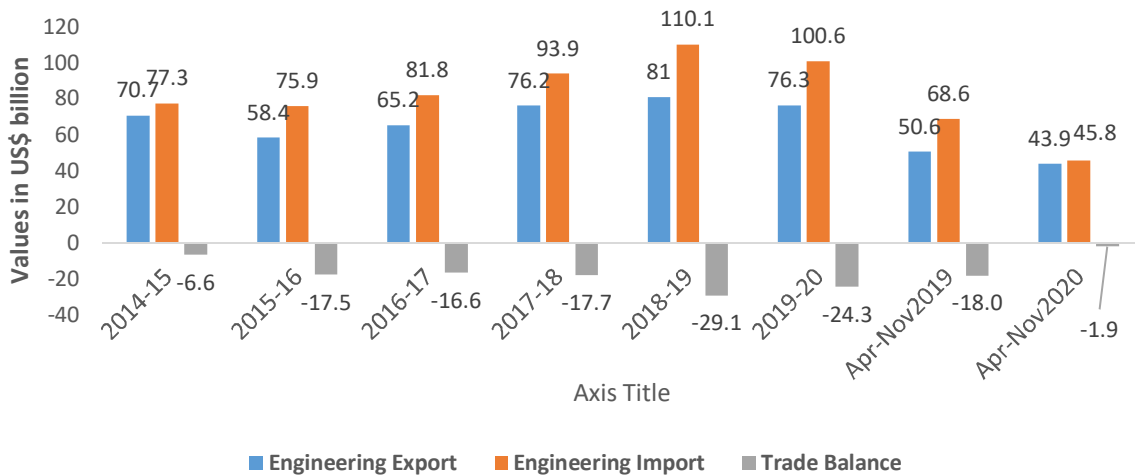
(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Nov 2019	Apr-Nov 2020	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	50.55	43.86	-13.24
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	68.6	45.8	-33.1
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-18.05	-1.94	

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 10: Trend in Yearly Engineering Trade



Conclusion

The Indian engineering trade continued its downward movement in November 2020 mainly due to continuing demand-supply imbalance which emanated from the pandemic led economic crisis. With the withdrawal of lockdowns several major manufacturing countries such as China, Japan, Korea, etc. started industrial production at large scale. However, their domestic demand did not pick up enough to absorb the production. Therefore these countries have continued to export the surplus leading to excess supply in the global markets. This situation is further exacerbated by second pandemic wave in Europe where many countries have again resorted to partial lockdowns. All in all, the global demand situation continues to remain bleak and the Indian exporters are expected to face tougher challenges in the coming months.

In such a scenario, the exporting community has asked the government's assistance in getting timely benefits such as GST refunds to help them stay competitive in the current situation. Announcement of key schemes such as the Remission of Duties and Taxes Scheme or RoDTEP will go a long way in reinstating exporter confidence. Also as India tries to localise some of its supply chains availability of domestic raw materials at an affordable price is going to be a very important factor for the exporters. Better Ease of doing business with introduction of more single window clearance systems would also help exporters in a significant manner. We do express our gratitude to the government of India for launching the Atmanirbhar Bharat scheme. We strongly feel that a combination of all the above measures if implemented properly would go a long way in securing India's position in the global market in the coming months.

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