

Engineering Exports and Imports Monitor

April 2021



Engineering the future

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Analysis of Indian engineering exports and imports for April 2021
19th May 2021

Overall Scenario

Merchandise trade

Recovery in exports continued as it recorded year-on-year growth for the sixth straight month to April 2021

- ✚ Recovery in India's merchandise exports continued in the new fiscal 2021-22 as outbound shipment in goods crossed USD 30 billion for the second consecutive month and year-on-year growth in exports witnessed for the sixth month in a row. Exports in April 2021 were USD 30.63 Billion, as compared to USD 10.36 Billion in April 2020, registering a growth of 195.72 percent over the same month last fiscal. In rupee terms, the growth was 188.88 percent in April 2021. Export in April 2021 also was higher by 17.62 percent in Dollar terms over April 2019.
- ✚ This substantially high growth in exports during April 2021 was solely attributed to a positive base effect as export during April 2020 was dismal due to disruption in supply chain following the outbreak of Corona virus. During March 2021, Export was recorded at USD 34.45 Billion.
- ✚ All commodities/commodity groups recorded positive growth in export during April 2021 vis-à-vis April 2020 with the top five being Gems & jewellery (9271.21%), Jute mfg. including floor covering (1684.62%), Carpet (1352.68%), Handicrafts excl. handmade carpet (1275.46%) and Leather & leather products (1201.44%).
- ✚ Imports in April 2021 were USD 45.72 Billion, which is an increase of 167.05 percent over imports of USD 17.12 Billion in April 2020. Imports in April 2021 also witnessed a growth of 7.87 percent in comparison to April 2019.
- ✚ Trade deficit in April 2021 however surged by 123.37 percent over the same month last fiscal. Trade deficit in April 2021 surged to USD 15.10 billion from USD 6.76 billion in April 2020.
- ✚ During fiscal 2020-21, cumulative exports declined by 7.26 percent in Dollar terms over the previous fiscal as exports in the first half of 2020-21 was mostly dismal and gradual recovery started only from November 2020.

Engineering exports started the new fiscal 2021-22 with over 200 percent year-on-year growth

- ✚ Engineering exports in April 2021 recorded positive growth for the second straight month. The shipment jumped to USD 7605.36 million in April 2021 as against a depressing USD 2306.49 million in April 2020, resulting in a significantly high growth of 229.74 percent. Again, the growth was due to a favourable base effect similar to that in overall merchandise exports. Engineering export in April 2021 was also higher by 18.63 percent as compared to April 2019.
- ✚ Share of engineering in total merchandise exports was 24.83 percent in April 2021 as against 25.36 percent in March 2021.
- ✚ Engineering exports for the entire fiscal 2020-21 recorded a mere 3.04 percent (revised) decline over the previous fiscal despite a poor start in the first quarter as substantial year-on-year growth in March 2021 restricted the decline for the entire fiscal to around 3 percent. The share of engineering in total merchandise exports for the entire fiscal 2020-21 was 25.16 percent.
- ✚ All engineering panels except 'Ships, Boats and Floating Structures' recorded positive growth during the month of April 2021 on a year-on-year basis.
- ✚ 23 out of top 25 countries recorded positive growth in engineering exports during April 2021 over April 2020. Negative export growth was noticed in Malaysia and Singapore.

India's engineering imports increased by 119.1 percent year-on-year in April 2021

- ✚ India's Engineering imports during April 2021 increased by 119.1 percent over same period last year. It went up from US\$3858.97 million to US\$ 8454.25 million.
- ✚ The share of engineering imports in India's total merchandise imports declined to 18.5 percent in April 2021 when compared to the same period last year.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

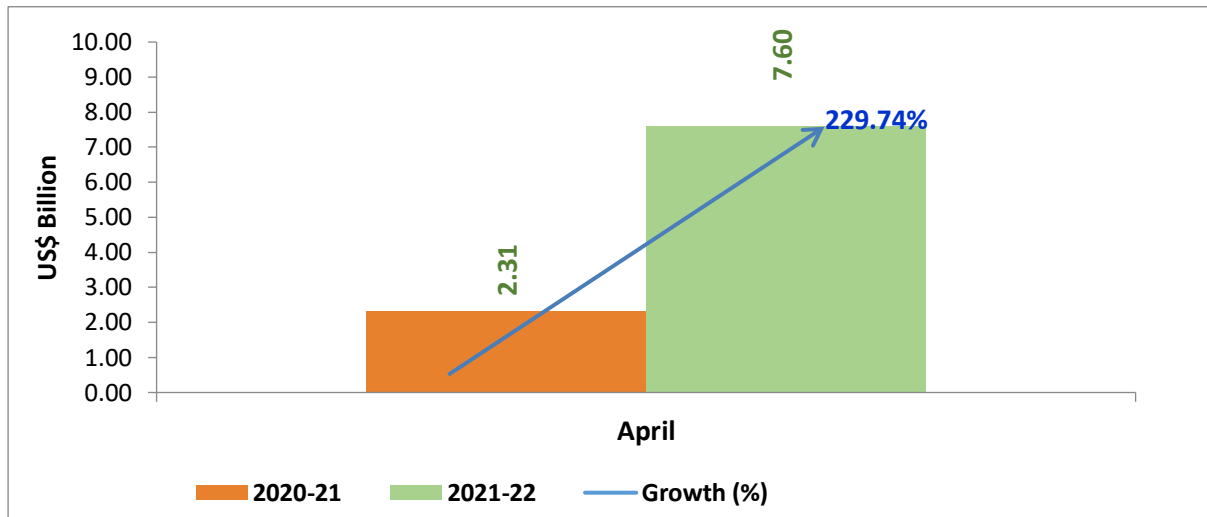
Table 1: Engineering Exports: Monthly trend 2021-22

(US\$ million)

Month	2020-21	2021-22	Growth (%)
April	2306.49	7605.36	229.74

Source: DGCIS, Govt. of India.

Figure 1: Monthly Engineering Exports in 2021-22 vis-à-vis 2020-21



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 saw manufacturing output came back to growth path but engineering exports recorded negative growth while the month of November and December 2020 saw both of them moving in the same direction once again. Both moved in opposite direction during January 2021 but February and March 2021 saw both were in the same direction. Both performed poorer during February 2021 while witnessed substantial growth in March 2021. **During fiscal 2020-21, engineering exports growth and manufacturing**

growth moved in the same direction in as many as nine out of twelve months. The following table depicts the trend of both manufacturing output and engineering exports during fiscal 2021-22.

Table 2: Engineering exports growth vis-à-vis manufacturing growth from April 2020

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2020	-63.05	-66.6
May 2020	-22.17	-37.8
June 2020	-5.18	-17.0
July 2020	10.56	-11.4
August 2020	-7.01	-7.6
September 2020	4.09	-0.4
October 2020	-5.01	4.5
November 2020	-8.37	-1.6
December 2020	-0.93	2.7
January 2021	16.66	-1.3
February 2021	-4.94	-3.7
March 2021	67.75	25.8
April 2021	229.74	N A

(Source: Department of Commerce and CSO)

We also present the month-wise revised engineering exports for 2020-21 as compared to 2019-20.

Table 3: Revised engineering exports for 2020-21 as against 2019-20 (US\$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.79	2306.49*	-64.02*
May	7159.43	5572.41	-22.17
June	6274.90	5949.78	-5.18
April-June	19845.12	13828.68*	-30.32*
July	5877.95	6498.79	10.56
August	6273.83	5833.92	-7.01
September	6257.50	6513.53	4.09
July-September	18409.28	18846.24	2.37
October	6171.31	5861.87	-5.01
November	6129.02	5615.72	-8.37
December	6731.46	6669.06	-0.93
October-December	19031.79	18146.64	-4.65
January	5941.41	6931.20	16.66
February	6908.79	6567.77	-4.94
March	5208.01	8736.56	67.75
January-March	18058.21	22235.53	23.13

April-March	75344.41	73057.09*	-3.04*
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Source: DGCI&S * Revised data

Impact of Exchange Rate

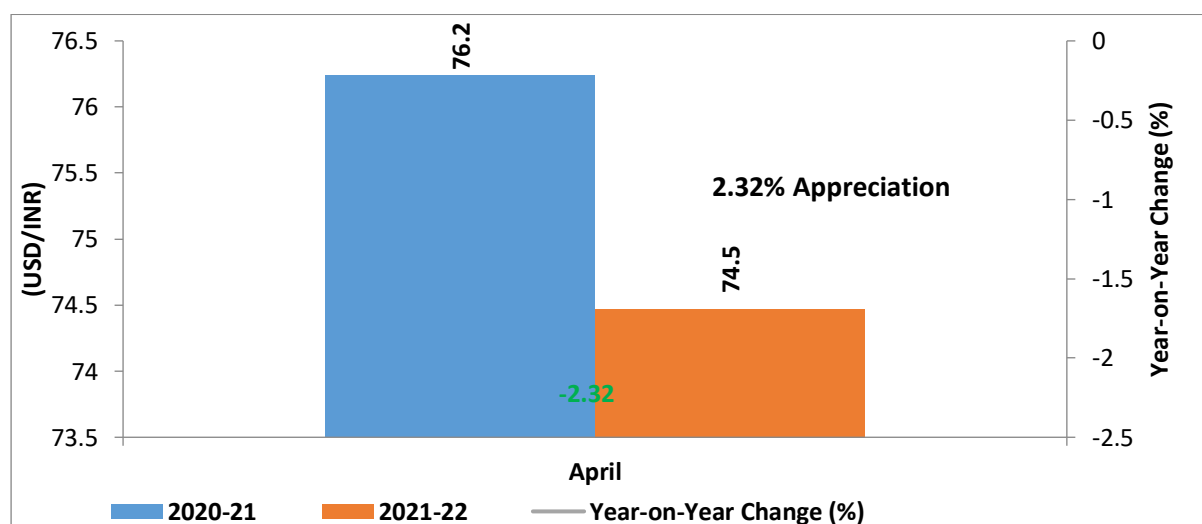
How did the exchange rate fare during April 2021 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of April 2021, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2020-21 against those of 2019-20 as mere one month figure does not reflect any trend. Later on, we would also provide the monthly trend of Re-dollar for each month of 2021-22 as we move forward with time. The tables and the charts below depict the short-term trend clearly:

Table 4A: USD-INR monthly average exchange rate in 2021-22
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change	Direction	Month-on-Month Change (%)	Direction
Month	2020-21	2021-22	(%)			
April	76.24	74.47	-2.32	Appreciation	2.31	Depreciation

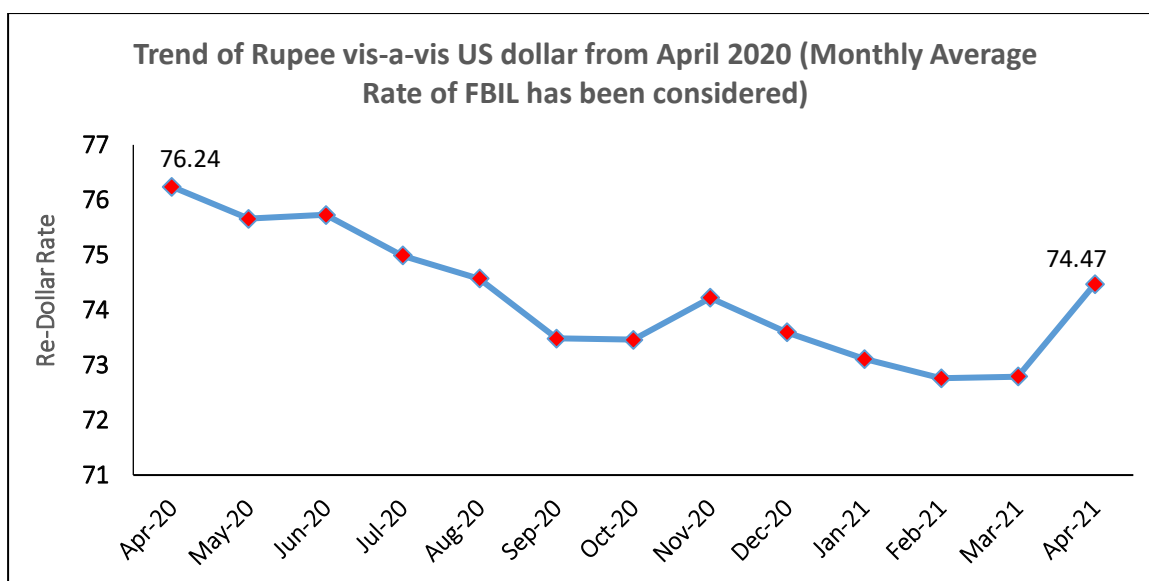
Source: FBIL, EEPC Research

Figure2A: Performance of Rupee against US Dollar in 2021-22 vis-à-vis 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

Figure2B: Movement of Rupee vis-à-vis the US Dollar during from April 2020 (Monthly Average)



Source: FBIL

Rupee depreciated vis-à-vis the US Dollar in the first month of fiscal 2021-22: As the second wave of the Pandemic started to take its toll on Indian economy, the uncertainty on recovery have made the investors skeptical and currency market turned volatile. Indian Rupee once again depreciated by 2.31 percent vis-à-vis the US Dollar over the month. However, rupee appreciated on a year-on-year basis as the jerk of economic slowdown was more intense in the previous fiscal.

Note: For the purpose of both y-o-y and m-o-m trend analysis, monthly average of the USDINR exchange rate as obtained from FBIL was considered.

Performance of Rupee over US Dollar in 2020-21 vis-à-vis 2019-20

Table 4B: USD-INR average exchange rate in 2020-21

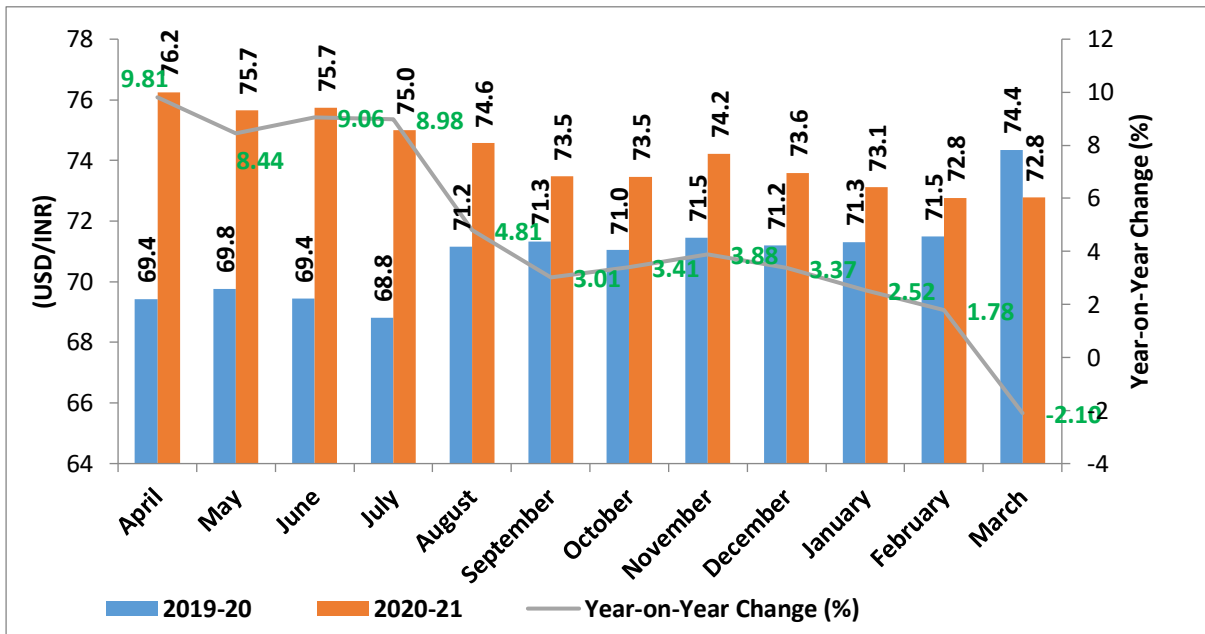
Month	Monthly Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
	2019-20	2020-21				
April	69.43	76.24	9.81	Depreciation	2.54	Depreciation
May	69.77	75.66	8.44	Depreciation	-0.76	Appreciation
June	69.44	75.73	9.06	Depreciation	0.09	Depreciation
July	68.81	74.99	8.98	Depreciation	-0.98	Appreciation
August	71.15	74.57	4.81	Depreciation	-0.56	Appreciation
September	71.33	73.48	3.01	Depreciation	-1.46	Appreciation
October	71.04	73.46	3.41	Depreciation	-0.03	Appreciation
November	71.45	74.22	3.88	Depreciation	1.03	Depreciation
December	71.19	73.59	3.37	Depreciation	-0.85	Appreciation
January	71.31	73.11	2.52	Depreciation	-0.65	Appreciation
February	71.49	72.76	1.78	Depreciation	-0.48	Appreciation

March	74.35	72.79	-2.10	Appreciation	0.04	Depreciation
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Source: RBI, FBIL

Rupee dollar trend during 2020-21: Economic lockdowns imposed across the globe to arrest the spread of Corona virus made the global economy virtually standstill and Rupee experienced a sudden slump in April 2020. However, rupee started strengthening vis-à-vis the greenback from the very next month and ended the fiscal at 72.79 per US Dollar as economies across the world have started stabilizing gradually.

Figure2C: Movement of USD-INR Exchange Rate during 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

3. Top 25 engineering export destinations in April 2021

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April 2021 over April 2020.

Table-5: Engineering exports country wise

US\$ million

Row Labels	April 2020	April 2021	Growth (%)
U S A	220.39	1102.81	400.40
CHINA	173.28	421.51	143.25
SINGAPORE	551.39	379.36	-31.20
INDONESIA	59.98	294.50	390.97
NEPAL	19.35	286.64	1381.15
GERMANY	95.69	248.80	160.01

UAE	117.05	242.84	107.46
BANGLADESH	35.19	240.40	583.17
ITALY	26.20	231.55	783.73
TURKEY	13.65	220.72	1517.12
MEXICO	16.84	214.83	1175.60
BELGIUM	52.01	207.78	299.50
U K	23.10	184.58	698.91
THAILAND	30.24	180.34	496.38
KOREA	115.40	160.56	39.14
SAUDI ARAB	21.34	158.99	645.13
SOUTH AFRICA	18.08	122.60	578.17
FRANCE	13.36	122.50	816.79
VIETNAM	42.44	121.76	186.92
SPAIN	15.32	120.63	687.31
JAPAN	55.86	118.32	111.82
MALAYSIA	216.03	117.62	-45.55
BRAZIL	16.54	117.13	608.09
NIGERIA	17.92	113.40	532.87
TAIWAN	24.93	101.22	305.95
Total engineering exports to top 25 countries	1991.58	5831.39	192.80
Total engineering exports	2306.49	7605.36	229.74
Share (%)	86.35	76.67	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- 23 out of 25 countries recorded positive growth in engineering exports during April 2021 over April 2020, which is a remarkable increase from the previous months export performance.
- USA ranks as the numero uno destination for India's engineering products during April 2021 over April 2020, registering a growth of more than 400%.
- Exports to China, India's second largest export destination recorded a positive monthly as growth of 143.3%.
- Within the ASEAN region, monthly export growth recorded positive for all –Thailand, Vietnam and Indonesia barring Malaysia and Singapore.
- Singapore and Indonesia ranked as the third and fourth largest export destination for Indian engineering sector respectively during April 2021 over April 2020.
- All the European nations for India's top 25 engineering export destinations –Germany, Italy, France, UK, Spain and Belgium, recorded high positive monthly growth during April 2021 over April 2020.
- Nepal ranked as the fifth largest export destination for Indian engineering sector, registering a phenomenal growth.

✚ The share of India’s engineering exports to its top 25 nations accounted for 76.7 percent of India's total engineering exports in April 2021. 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 2021 as opposed to April 2020.

Table 6: Region wise engineering exports in April 2021

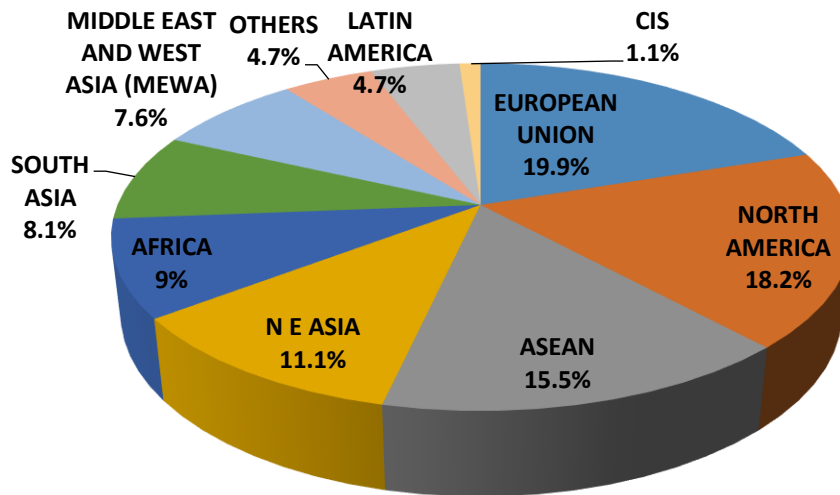
US\$ million

Region	April-20	April-21	Growth (%)
EUROPEAN UNION	281.78	1510.75	436.14
NORTH AMERICA	267.84	1387.21	417.93
ASEAN	909.12	1175.61	29.31
N E ASIA	375.66	847.06	125.48
AFRICA	99.40	686.65	590.83
SOUTH ASIA	70.75	617.65	773.03
MIDDLE EAST AND WEST ASIA (MEWA)	205.94	581.42	182.32
OTHERS	35.69	359.90	908.29
LATIN AMERICA	44.29	355.46	702.65
CIS	16.02	83.66	422.23
Grand Total	2306.49	7605.36	229.74

Source: DGCI&S

Note: *Figures have been rounded off. Source: DGCI&S; **Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

Figure 3: Region-wise shares of India's engineering exports during April 2021



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- ✚ European Union ranked as the numero uno destination as the region with highest shipment of engineering products from India during April 2021 over April 2020 with a share of almost 20% percent of total engineering exports.
- ✚ India's exports to North America and ASEAN ranked second and third in terms of global shipments of Indian engineering goods in April 2021 with a share of 18.2 percent and 15.5 percent of total engineering exports respectively.
- ✚ North East Asia ranked fourth in global shipments of Indian engineering goods in April 2021 with a share of 11.1 percent.
- ✚ Engineering exports to all regions recorded positive monthly growth during April 2021 compared to April 2020.
- ✚ South Asia recorded the highest positive monthly growth of more than 700%.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of April 2021 vis-a-vis April 2020. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for April 2021 compared to April 2020

US\$ Million

Engineering Panels		Apr-20	Apr-21	Growth
1. Iron and Steel and Products made of Iron and Steel				
A	Iron and Steel	462.20	1433.60	210.17
B	Products of Iron and Steel	101.72	592.15	482.11
Sub Total		563.93	2025.75	259.22
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals				
A	Copper and products	28.30	164.74	482.18
B	Aluminium and products	388.57	600.54	54.55
C	Zinc and products	12.75	82.13	544.04
D	Nickel and products	1.26	7.32	479.54
E	Lead and products	8.53	21.79	155.37
F	Tin and products	0.18	0.70	282.49
G	Other Non-Ferrous Metals	3.64	55.72	1430.88
Sub Total		443.23	932.94	110.48
3. Industrial Machinery				
A	Industrial Machinery like Boilers, parts, etc	8.01	41.06	412.75
B	IC Engines and Parts	21.30	258.16	1111.80
C	Pumps of all types	10.36	91.66	784.53
D	Air condition and Refrigerators	15.74	93.85	496.19
E	Industrial Machinery for dairy, food processing , textiles etc	57.18	499.16	772.96
F	Machine Tools	3.72	42.65	1045.26
G	Machinery for Injecting moulding, valves and ATMs	29.89	147.69	394.05
Sub Total		146.21	1174.23	703.09
4	Electrical Machinery	245.43	853.13	247.60
5. Automobiles				
A	Motor Vehicle/cars	34.74	525.47	1412.36
B	Two and Three Wheelers	15.61	238.01	1424.93
C	Auto Components/Part	32.86	523.37	1492.76
Sub Total		83.21	1286.85	1446.47
6	Aircrafts and Spacecraft parts and products	24.09	74.50	209.24
7	Ships Boats and Floating products and parts	677.40	455.39	-32.77
8. Other engineering products				
A	Medical and Scientific instruments	50.41	153.45	204.40
B	Railway Transport	1.95	12.32	530.42
C	Hand Tools & Cutting Tools	6.63	76.54	1053.69
D	Electrodes Accumulators	0.30	3.58	1082.68
E	Accumulator and Batteries	2.90	40.75	1305.90
F	Bicycle & Parts	4.38	34.04	676.59
G	Cranes Lifts & Winches	5.31	50.58	853.31
H	Office Equipments	2.97	11.57	288.90

Engineering Panels		Apr-20	Apr-21	Growth
I	Other Construction Machinery	13.48	141.84	952.39
J	Prime Mica & Mica Products	0.99	1.71	73.09
K	OTHER MISC. ITEMS	33.64	276.21	721.08
Sub total		122.97	802.56	552.68
Total engineering exports		2306.49	7605.36	229.74

Source: DGCI&S

- India's engineering goods exports zoomed by over 229 percent in the first month of the new fiscal April 2021 over April 2020 indicating that recovery in outbound trade is well on track and outlook remains positive. While sharp jump in shipments is primarily on account of low-base effect, it has also been supported by robust demand. Engineering exports increased from US\$ 2306.48 million in April 2020 to US\$ 7605.36 million in April 2021.
- Out of 33 engineering panels, only 1 panel recorded negative growth and remaining 32 panels recorded positive growth in exports during April 2021 vis-à-vis April 2020.
- Exports of iron and steel recorded massive jump to the extent of 210% in April 2021 compared to same period last year. Furthermore, exports of products of iron and steel increased even more to the extent of 482% in April 2021 thereby resulting a growth in export of the total group by more than 259 percent. The low base effect primarily led to such an increase in export rate. The steel industry is looking forward for a steady growth in the new fiscal 2021-22. However, the second wave of the pandemic is ravaging some parts of the country and threatens to spread at a supersonic speed the remaining states of the country.
- In case of non-ferrous metals, all the segments like Copper and products, Aluminium and products, Zinc and products, Lead and products and Nickel and products and Tin and products witnessed massive jump in export growth to the extent of 482% (low base effect), 54.55%, 544%(low base effect), 155%(low base effect), 479% and 282% (low base) respectively during April 2021 vis-a-vis April 2020. The non-ferrous segment as a whole witnessed 110.5 percent monthly growth.
- Within industrial machinery, overall there has been growth in monthly exports to the extent of 703% from US\$ 146.21 million in April 2020 to US\$ 1174.23 million in April 2021. Positive export performance was noticed in all the segments including Industrial Machinery like Boilers increased from US\$ 8.01 million to US\$ 41.06 million in April 2021. Similarly IC Engines and Parts increased from US\$ 21.3 million to US\$ 258.2 million, Pumps and Valves increased from US\$ 10.4 to US\$ 91.7 million, Air Condition and Repair machinery increased from US\$ 15.7 million to US\$ 93.8 million, industrial machinery for dairy jumped from US\$ 57.2 million to US\$ 499.2 million, Machine Tools increased from US\$ 3.7 million to US\$ 42.6 million, Other machinery increased from US\$ 29.9 million to US\$ 147.7 million during April 2021 compared to same period last fiscal.

- Exports of electrical machinery segment increased from US\$ 245.43 million in April 2020 to US\$ 853.1 million in April 2021 witnessing a growth of more than 247% unlike the pattern observed in the previous months.
- Surprisingly in the auto components and parts sector, exports of two and three wheelers and auto components parts witnessed sharp rise in growth rate scaling up US\$ 15.6 million to US\$ 238 million in April 2021 and correspondingly from US\$ 32.9 million to US\$ 523.4 million in April 2021 to the extent of more than 1000% respectively during April 2021 vis-à-vis April 2020. While Motor Vehicles and cars also witnessed more than 1000% growth from US\$ 35 million in April 2020 to US\$ 525 million in April 2021. Infact, exports in the entire automobile sector remained positive increasing by more than 1000% from US\$ 50.4 million in April 2020 to US\$ 763.5 million in April 2021.
- Exports of aircraft, spacecraft and parts exhibited positive monthly growth by more than 200% in April 2021 scaling up from US\$ 24.1 million in April 2020 to US\$ 74.5 million in April 2021. On the other hand, exports of ships, boats and floating structures is the only engineering panel witnessing negative growth to the extent of 32.8% from US\$ 677.4 million in April 2020 to US\$ 455.4 million in April 2021.
- In the rest of the engineering segments, there has been no negative growth. Increase in exports was noticed in case of Medical Devices and Equipment (204.4%), Railway, Transport and Equipment by 530% (low base), Hand Tools and Cutting Tools increased by 1053% (low base), Electrodes and Accumulators increased by 1082% (low base), Accumulators and Batteries increased by 1305% (low base) , Bicycle and parts increased by 676%, Cranes, Lifts and Winches increased by 853%, Office Equipment increased by 288.9% and Other Construction Machinery increased by 952% during April 2021 compared to April 2020.

6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products in April 2021. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern.

Table 8: Export of Iron & Steel
US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
BELGIUM	46.58	152.93	228.31
CHINA	126.48	139.85	10.57
ITALY	15.65	126.68	709.43
NEPAL	14.91	101.13	578.09

TURKEY	3.28	96.25	2838.58
High cumulative growth			
TURKEY	3.28	96.25	2838.58
U S A	3.60	65.96	1732.31
ITALY	15.65	126.68	709.43
SPAIN	8.54	65.52	667.61
NEPAL	14.91	101.13	578.09
BELGIUM	46.58	152.93	228.31
Sharp cumulative decline			
MYANMAR	1.66	0.04	-97.85
OMAN	26.79	7.81	-70.85
BHUTAN	4.08	2.79	-31.64
DJIBOUTI	1.54	1.08	-30.07
U A E	55.89	43.40	-22.35

(Source: Department of Commerce, Government of India)

- ✚ Belgium, China and Italy were the three top three importers of Indian Iron and Steel in April 2021 with market shares of 10.67 percent, 9.76 percent and 8.84 percent respectively.
- ✚ Turkey and U S A recorded massive growth of 2838.58 per cent and 1732.31 percent respectively in exports of Indian Iron and Steel in April 2021 compared to April 2020. Italy, Spain and Nepal also exhibited the growth of more than 500%.
- ✚ Myanmar and Oman experienced sharp downfall to the extent of more than 70% drop in exports in April 2021 compared to same period last fiscal.

Table 9: Export of Products of Iron & Steel
US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
U S A	11.89	157.81	1226.92
U K	2.82	30.70	990.08
GERMANY	4.36	30.01	587.54
U A E	6.72	26.43	293.19
NETHERLAND	2.73	19.74	623.94
High cumulative growth			
ITALY	1.15	17.86	1449.85
U S A	11.89	157.81	1226.92
QATAR	1.62	18.03	1014.63
U K	2.82	30.70	990.08
NETHERLAND	2.73	19.74	623.94
GERMANY	4.36	30.01	587.54

Sharp cumulative decline			
CANADA	25.01	17.04	-31.88
CHILE	1.21	0.90	-25.97

(Source: Department of Commerce, Government of India)

- USA, U K and Germany were the top three importers of India's 'Products of Iron & Steel' in April 2021 with 26.65 percent, 5.18 percent and 5.07 percent shares respectively in India's global import of the same.
- Italy, U S A and Qatar experienced more than 1000% growth in import of 'Products of Iron and Steel' in April 2021 compared to April 2020.
- Canada and Chile conceded decline in imports by more than 25% for the said product group from India in April 2021.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
U S A	23.54	203.38	764.05
THAILAND	4.28	83.50	1848.64
CHINA	13.47	64.38	377.85
GERMANY	6.58	59.60	805.85
U A E	7.67	45.07	487.32
High cumulative growth			
THAILAND	4.28	83.50	1848.64
GERMANY	6.58	59.60	805.85
U S A	23.54	203.38	764.05
U A E	7.67	45.07	487.32
CHINA	13.47	64.38	377.85
Sharp cumulative decline			
BAHRAIN	5.11	1.86	-63.53
MADAGASCAR	0.32	0.22	-31.00
SYRIA	0.58	0.42	-26.70

(Source: Department of Commerce, Government of India)

- U S A was the largest importer of Indian 'Industrial machinery' in April 2021 with 17.32 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 7.11 percent and 5.48 percent shares respectively.
- Thailand, Germany and U S A experienced massive growth of 1848.64%, 805.85% and 764.05% respectively in imports of Industrial machinery from India in April 2021. U S A exhibited considerable growth in terms of absolute import figures in April 2021 over the same period last fiscal.

- Among the major importers, Bahrain and Madagascar recorded maximum year-on-year declines in imports by 63.53% and 31 % respectively during April 2021 as compared to April 2020.

Table 11: Automobiles

US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
SOUTH AFRICA	10.09	81.13	704.16
MEXICO	2.98	74.13	2387.52
NEPAL	0.10	61.51	60051.93
U S A	1.18	42.19	3478.53
CHILE	0.08	40.81	51179.35
High cumulative growth			
NEPAL	0.10	61.51	60051.93
CHILE	0.08	40.81	51179.35
U S A	1.18	42.19	3478.53
MEXICO	2.98	74.13	2387.52
SOUTH AFRICA	10.09	81.13	704.16
Sharp cumulative decline			
ROMANIA	0.03	0.00	-90.96
MADAGASCAR	0.56	0.16	-71.82
U K	2.17	1.26	-42.03

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- South Africa, Mexico and Nepal were top three importers of India's Automobiles in April 2021 with 10.63, 9.71 and 8.06 percent share in India's global exports respectively over the same period last fiscal.
- Imports to Nepal and Chile recorded meteoric increase as they had miniscule imports in April 2020. U S A and Mexico registered substantial growth of 3478.53% and 2387.52% respectively in import of the product group from India in April 2021 as compared to April 2020.
- Countries like Romania and Madagascar saw their imports of automobile lower by more than 70% in April 2021 compared to same period last fiscal.

Table 12: Export of Non-Ferrous metals

US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			

CHINA	23.28	166.83	616.73
KOREA	97.74	101.86	4.22
U S A	23.63	80.68	241.38
MEXICO	3.46	71.99	1980.40
MALAYSIA	128.74	42.76	-66.79
High cumulative growth			
TURKEY	1.30	39.53	2937.09
MEXICO	3.46	71.99	1980.40
VIETNAM	2.85	30.34	965.15
CHINA	23.28	166.83	616.73
U S A	23.63	80.68	241.38
Sharp cumulative decline			
MALI	3.26	0.00	-99.99
ETHIOPIA	5.58	0.39	-92.97
MALAYSIA	128.74	42.76	-66.79
EGYPT	3.14	1.17	-62.61
SINGAPORE	55.97	30.41	-45.66

(Source: Department of Commerce and CSO)

- ✚ China, Korea, and U S A were the top three importers of India's Non-ferrous metals and products' in April 2021 with 17.88 percent, 10.92 percent and 8.65 percent shares respectively in India's global import of the same.
- ✚ Turkey and Mexico experienced a sudden hefty growth of 2937.09% and 1980.40% respectively, whereas Vietnam and China experienced more than 600% growth in import of Non-ferrous metals and products ' in April 2021 compared to April 2020.
- ✚ Mali and Ethiopia conceded substantial decline in imports by more than 90% for the said product group from India in April 2021 vis-à-vis same period last fiscal.

Table 13: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
U S A	116.36	233.13	100.36
SAUDI ARABIA	0.55	70.84	12844.84
GERMANY	73.16	55.76	-23.79
FRANCE	1.37	41.53	2924.18
BANGLADESH	0.60	38.55	6282.69
High cumulative growth			
SAUDI ARABIA	0.55	70.84	12844.84

BANGLADESH	0.60	38.55	6282.69
FRANCE	1.37	41.53	2924.18
SINGAPORE	13.88	35.21	153.74
U S A	116.36	233.13	100.36
Sharp cumulative decline			
RWANDA	1.19	0.15	-87.53
ISRAEL	2.16	1.02	-52.61
GERMANY	73.16	55.76	-23.79
CHILE	0.83	0.66	-19.50

(Source: Department of Commerce and CSO)

- ✚ USA, Saudi Arabia and Germany were the three top importers of Indian Electrical Machinery and Components in April 2021 with market shares of 27.33 percent, 8.30 percent and 6.54 percent respectively. Out of these top five importers, only Germany saw a decline in imports in April 2021 compared to April 2020.
- ✚ Saudi Arabia recorded a massive growth of 12844.84% followed by Bangladesh and France at 6282.69% and 2924.18% respectively in imports of India's Electrical Machinery and Components in April 2021 vis-a-vis April 2020.
- ✚ Rwanda and Israel experienced the sharp decline of more than 50% in its imports in April 2021 when compared to April 2020.

Table 14: Export of Aircrafts and Space crafts
US\$ million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
U S A	7.08	25.35	258.22
FRANCE	3.37	14.45	329.10
SINGAPORE	1.72	6.82	296.24
RUSSIA	0.00	5.86	-
U K	3.54	5.52	56.02
High cumulative growth			
FRANCE	3.37	14.45	329.10
SINGAPORE	1.72	6.82	296.24
GERMANY	1.12	4.26	279.58
U S A	7.08	25.35	258.22
U K	3.54	5.52	56.02
Sharp cumulative decline			
JAPAN	0.40	0.01	-98.10
MEXICO	0.66	0.06	-90.92
U A E	0.42	0.22	-46.48
POLAND	0.32	0.21	-34.41

ISRAEL	2.15	1.67	-22.18
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(Source: Department of Commerce and CSO)

- USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' in April 2021 with around 34.02, 19.39 and 9.15 percent shares respectively in India's total global exports of the product.
- France, Singapore, Germany and U S A registered substantial growth of more than 250% in import of the product group from India in April 2021 as compared with the same period last fiscal.
- On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Japan and Mexico dropped more than 90 percent on a year-on-year basis in April 2021 when compared to April 2020.

Table 15: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
SINGAPORE	471.03	240.87	-48.86
INDONESIA	53.02	168.12	217.06
AUSTRALIA	0.00	24.97	-
U A E	32.79	15.54	-52.60
MALAYSIA	76.93	5.75	-92.52
High cumulative growth			
AUSTRALIA	0.00	24.97	-
U K	0.00	0.10	-
GERMANY	0.00	0.01	-
INDONESIA	53.02	168.12	217.06
NETHERLAND	0.01	0.02	191.11
Sharp cumulative decline			
JAPAN	34.94	0.00	-100.00
MALAYSIA	76.93	5.75	-92.52
U A E	32.79	15.54	-52.60
SINGAPORE	471.03	240.87	-48.86

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

(Source: Department of Commerce and CSO)

- Singapore, Indonesia and Australia became the largest importer of ships, boats and floating structures followed by UAE and Malaysia. Their respective shares are 52.89 percent, 36.92 percent, 5.48 percent, 3.41 percent and 1.26 percent.

- ❖ Imports to Australia, U K and Germany recorded meteoric increase as they had practically no import in April 2020. Indonesia and Netherland registered substantial growth of 217.06% and 191.11% respectively in import of the product group from India in April 2021 as compared with the same period last fiscal.
- ✚ However, sharp decline was noticed in exports to Malaysia, U A E and Singapore whereas the exports dropped to zilch for Japan.

Table 16: Export of Auto Components
US\$ Million

COUNTRY	APRIL 2020	APRIL 2021	Growth (%)
Top Five Importers			
U S A	8.60	125.27	1356.81
BANGLADESH	1.66	36.34	2092.36
GERMANY	1.91	27.22	1325.47
TURKEY	1.15	26.74	2221.14
MEXICO	1.53	24.71	1519.33
High cumulative growth			
TURKEY	1.15	26.74	2221.14
BANGLADESH	1.66	36.34	2092.36
MEXICO	1.53	24.71	1519.33
U S A	8.60	125.27	1356.81
GERMANY	1.91	27.22	1325.47
Sharp cumulative decline			
BURUNDI	0.09	0.01	-86.35
MALAWI	0.06	0.01	-78.14
DJIBOUTI	0.01	0.00	-76.97
MALI	0.12	0.07	-42.50
HONDURAS	0.14	0.10	-27.88

(Source: Department of Commerce and CSO)

- ✚ U S A remained the top importer of auto components in April 2021 with a share of 23.93 percent. It is followed by Bangladesh, Germany, Turkey and Mexico with respective shares of 6.94 percent, 5.20 percent, 5.11 percent and 4.72 percent.
- ✚ Turkey and Bangladesh recorded maximum increase of more than 2000 percent in imports in April 2021 when compared to April 2020.
- ✚ However, Burundi, Malawi and Djibouti recorded significant decline of more than 75 percent in April 2021 when compared to April 2020.

NOTE: Due to sudden outbreak of Covid 19 last year and subsequent restrictions as well as substantial drop in demand resulted in major decline in exports during April 2020. Therefore, April 2021 is exhibiting such huge growth in exports when compared to April 2020.

Analysis of India's engineering imports

India's Engineering imports during April 2021 were valued at US\$ 8454.25 million compared to US\$ 3858.97 million in April 2020 registering a positive growth of 119.1 percent in dollar terms.

All the engineering panels, like iron and steel, non-ferrous metals, machine tools, machinery, electrical & non-electrical, medicinal & pharmaceutical products and professional instrument, optical goods, transport equipment etc. witnessed an increase in import during April 2021 compared to April 2020.

The share of engineering imports in India's total merchandise imports has decreased during April 2021 in comparison to April 2020 which has been estimated at 18.5%.

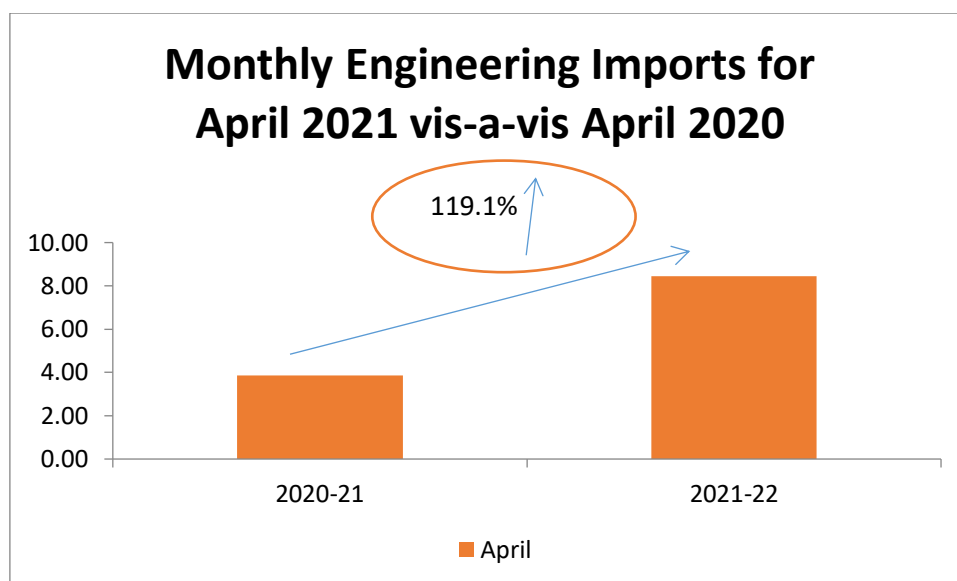
The monthly engineering import figures for fiscal April- March 2021 vis-a-vis April- March 2020 is depicted below as per the latest availability of figure:

Table 17: Monthly engineering Imports (US\$ Mn.)

Months	2020-21	2021-22	Growth (%)
April	3858.97	8454.25	119.1

The figure below depicts engineering imports for April 2021 compared to April 2020

Figure 4: Monthly Engineering Imports for April 2021 vis-a-vis April 2020 (Values in US\$ Bn.)



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 18: Year-wise trend in engineering trade

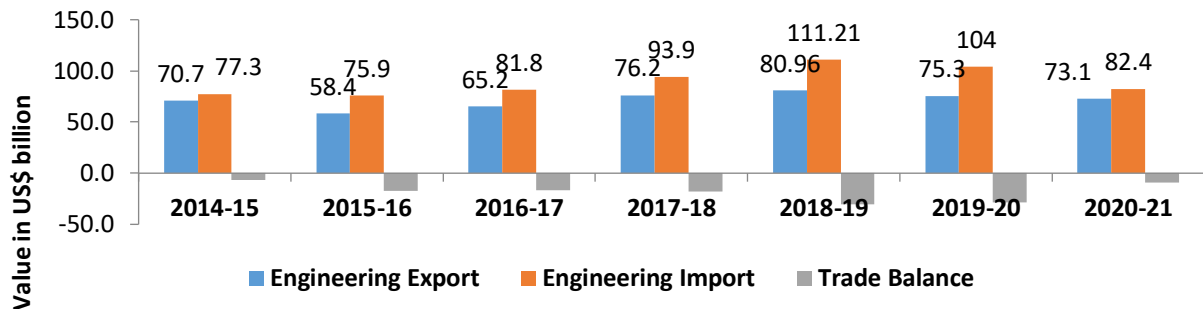
(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	Apr-Mar 2019-20	Apr-Mar 2020-21	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	75.3	73.1	-2.95
Engineering Import	77.3	75.9	81.8	93.9	110.1	104.0	82.4	-20.8
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-28.7	-9.3	

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 latest concluding fiscal April-Mar 2020-21

Figure 5: Trend in Yearly Engineering Trade



Conclusion

Continuing the growth momentum from the last month, India’s merchandise exports recorded tremendous recovery in the first month of the new fiscal. Engineering sector remained one of the major contributors in this recovery as engineering exports recorded a whopping 230 percent y-o-y growth in April. While low base effect has been one of the reasons behind this growth, this recovery is commendable nonetheless and mirrors the global trend. As per the latest UNCTAD report, the first quarter of the year 2021 recorded a significantly high y-o-y (10%) growth and 4% quarter-over-quarter growth. The report further mentions that countries like China, India and South Africa have performed relatively better in terms of export than the other major economies during the first quarter of 2021. It is important to note here that India’s export recovery also picked up in 2021 which is reflected in the report. Government’s effort to bring stability in the form of continuation of major trade policies including the Foreign Trade Policy also brought considerable support to the exporting community.

While the above facts are bringing hope to the exporting community, apprehensions are rising regarding the devastating second wave of the pandemic that is currently creating havoc globally, prominently in India. While the state governments are rightly resorting to movement restrictions to break the chain, it is important that the exporters get the adequate support to continue the growth momentum.



