

Engineering Exports and Imports Monitor

May 2021



Engineering the future

EEPCINDIA
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Analysis of Indian engineering exports and imports for May 2021 18th June 2021

Overall Scenario

Merchandise trade

Exports crossed USD 30 billion for the third straight month and achieved year-on-year growth for the seventh month in a row to May 2021

- ✚ After witnessing 195.72 percent year-on-year growth in April 2021, Indian merchandise exports registered 69.35 percent growth in May 2021 over the same month last fiscal. Exports in May 2021 were USD 32.27 Billion, as compared to USD 19.05 Billion in May 2020, exhibiting a growth of 69.35 percent in dollar terms and 64.00 percent in rupee terms. Even in comparison to May 2019 when the economy was in normal run, merchandise exports exhibited a positive growth of 8.11 percent in Dollar terms.
- ✚ The commodities/commodity groups recorded positive growth during May 2021 vis-à-vis May 2020 included Other cereals (847.41%), Jute mfg. including floor covering (256.29%), Petroleum products (227.25%), Handicrafts excl. handmade carpet (192.9%), Gems & jewellery (179.13%), Leather & leather products (155.08%), Meat, dairy & poultry products (146.45%), Man-made yarn/fabs./made-ups etc. (146.34%) among others. On the other hand, commodities/commodity groups conceded decline in exports during May 2021 vis-à-vis May 2020 included Fruits & vegetables (-7.1%), Oil seeds (-7.09%), Drugs & pharmaceuticals (-5.36%), Tea (-3.4%) and Spices (-0.33%).
- ✚ Cumulative value of exports during April-May 2021 was USD 62.89 Billion as against USD 29.41 Billion during the period April-May 2020, registering a positive growth of 113.85 percent in Dollar terms. The growth was 108.19 percent in Rupee terms. As compared to April-May 2019, exports in April-May 2021 exhibited a positive growth of 12.54 percent in Dollar terms.
- ✚ Imports in May 2021 were USD 38.55 Billion, which was an increase of 73.64 percent in Dollar terms as compared to USD 22.20 Billion in May 2020. In rupee terms, the growth was 68.15 percent. Import in May 2021 however was lower by 17.42 percent over May 2019 in Dollar terms.
- ✚ Cumulative value of imports during April-May 2021-22 was USD 84.27 Billion as against USD 39.32 Billion during the same period last fiscal, registering a positive growth of 114.31 percent in Dollar terms. The growth was 108.69 percent in Rupee terms. In

comparison to April-May 2019, Imports in April-May 2021 was 5.39 percent lower in Dollar terms.

- ✚ Trade deficit in May 2021 however almost doubled to USD 6.28 billion from USD 3.15 billion in May 2020. Cumulative trade deficit during April-May 2021-22 also surged by 115.74 percent over the same period last fiscal.

Recovery in engineering exports continued as shipment crossed USD 8 billion once again in May 2021.

- ✚ Engineering exports witnessed year-on-year growth for the third straight month to May 2021 and crossed USD 8 billion for the second month after March 2021. Engineering exports during May 2021 stood at USD 8,208.47 million as against USD 5,466.73 million in May 2020, registering 50.15 percent growth. Engineering exports in May 2021 also recorded 14.65 percent increase over that of May 2019 when the economic activities were normal.
- ✚ Cumulative engineering exports during April-May 2021-22 more than doubled (104.15 percent growth) to USD 15,869.14 million from USD 7,773.22 million during the same period last fiscal. In comparison to April-May 2019-20, cumulative engineering export was higher by 15.41 percent.
- ✚ Share of engineering in total merchandise exports rose to 25.44 percent in May 2021 from 24.83 percent in April 2021 and 25.36 percent in March 2021. On a cumulative basis, the share was 25.23 percent during April-May 2021-22.
- ✚ Out of 33 engineering panels, 30 panels witnessed positive growth in exports during May 2021 vis-à-vis May 2020. Decline in year-on-year exports experienced in three panels namely Lead and products falling by 21%, Zinc and products falling by 2% and Ship and Boats falling by 16%. In cumulative terms, 32 out of 33 panels exhibited year-on-year growth and remaining one panel exhibited negative growth.
- ✚ 22 out of top 25 countries recorded positive growth in engineering exports during May 2021 over May 2020. Negative export growth was noticed in China, Indonesia and Saudi Arabia.

India's engineering imports increased by 35.2 percent year-on-year in May 2021

- ✚ India's engineering imports during May 2021 increased by 35.2 percent over same period last year. It went up from US\$6433.42 million to US\$ 8697.41 million.
- ✚ The share of engineering imports in India's total merchandise imports declined to 22.6 percent in May 2021 when compared to the same period last year.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

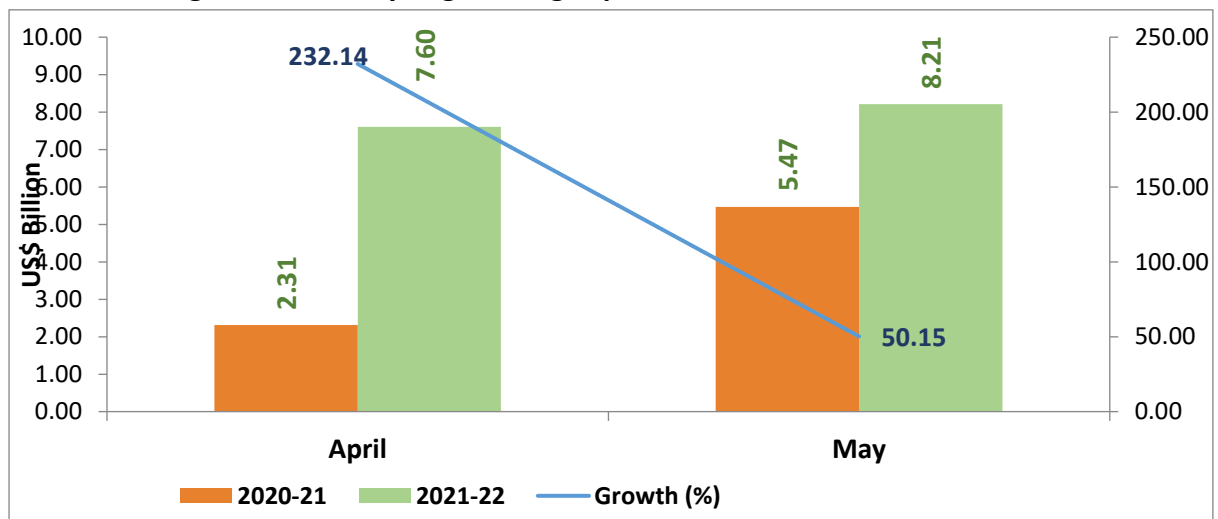
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

Table 1: Engineering Exports: Monthly trend 2021-22
(US\$ million)

Month	2020-21	2021-22	Growth (%)
April	2306.49	7660.67	232.14
May	5466.73	8208.47	50.15
April-May	7773.22	15869.14	104.15

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.

Engineering exports growth and manufacturing output growth moved in the same direction in as many as nine out of twelve months in each of the fiscal years 2019-20 and 2020-21. April 2021 also saw both moving in the same direction by registering unprecedentedly high growth, but that was purely due to imposition of nationwide lockdown in 2020. As we moving forward with time and date for more months in fiscal 2021-22 will come, the correlation will be established more clearly.

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	-0.9
February 2021	-4.94	-3.7
March 2021	67.75	28.3
April 2021	229.74	197.1
May 2021	50.15	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	5466.73*	-23.64*
June	6274.90	5949.78	-5.18
April-June	19845.12	13722.99*	-30.85*
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	72951.41*	-3.18*

Source: DGCI&S * Revised data

Impact of Exchange Rate

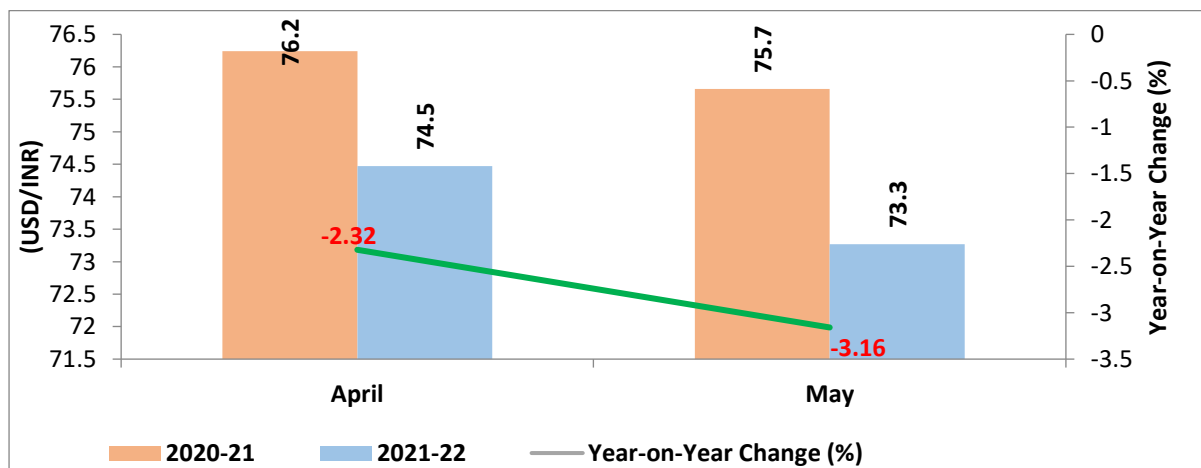
How did the exchange rate fare during May 2021 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of May 2021, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2021-22 as well as 2020-21 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
May	75.66	73.27	-3.16	Appreciation	-1.61	Appreciation

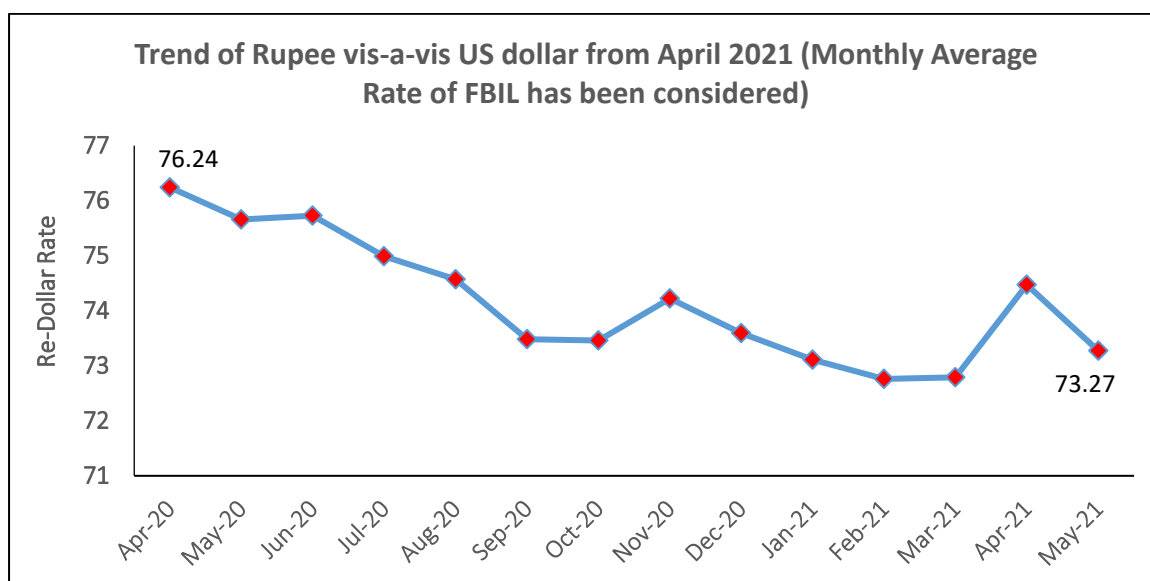
Source: FBIL, EEP Research

Figure 2A: 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 Exchange Rate)



Source: FBIL

Rupee appreciated vis-à-vis the US Dollar during May 2021 both on an month-on-month (over April 2021) and on a year-on-year (over May 2020) basis: After depreciating in April 2021 over the previous month following the uncertainty on economic recovery due to the second wave of the Pandemic, rupee strengthened in the month of May 2021 as the initial panic waned off and the economic rupture did not seem so intense as it was thought earlier.

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

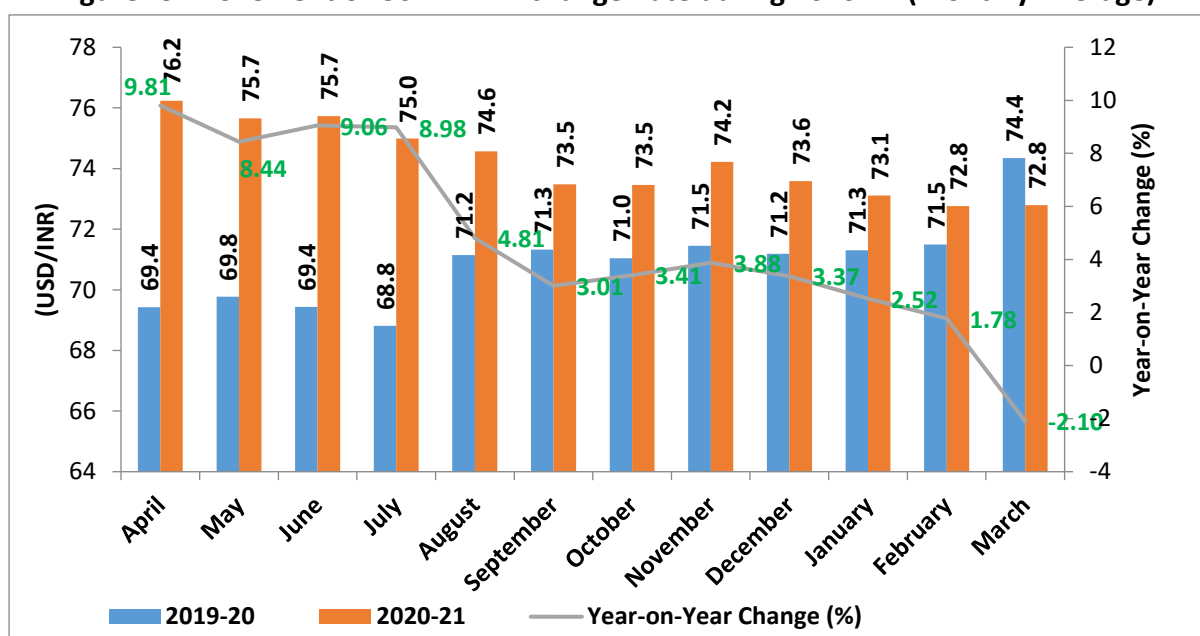
Month	Monthly Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction	Month-on-Month Change (%)	Direction
	2019-20	2020-21				
April	69.43	76.24	9.81	Depreciation	2.54	Depreciation
May	69.77	75.66	8.44	Depreciation	-0.76	Appreciation
June	69.44	75.73	9.06	Depreciation	0.09	Depreciation
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

Monthly Average Exchange Rate (1 USD to INR)			Year-on- Year Change	Direction	Month-on- Month	Direction
Month	2019-20	2020-21	(%)		Change (%)	
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

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, EEP Research

3. Top 25 engineering export destinations in May 2021

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during May 2021 over May 2020 as well as during April-May 2021-22 vis-a-vis April-May 2020-21.

Table-5: Engineering exports country wise

US\$ million

Row Labels	May 2020	May 2021	Growth (%)	April-May 2020	April-May 2021	Growth (%)
U S A	655.37	1022.19	55.97	875.75	2134.17	143.70
UAE	404.07	686.61	69.92	521.12	931.43	78.73
CHINA	684.51	444.65	-35.04	857.79	854.87	-0.34
SINGAPORE	238.44	269.15	12.88	789.82	651.60	-17.50
ITALY	116.06	367.50	216.66	142.26	600.94	322.43
MALAYSIA	343.73	433.92	26.24	559.76	552.50	-1.30
NEPAL	51.67	209.11	304.67	71.03	506.04	612.48
BELGIUM	82.13	285.68	247.82	134.14	495.15	269.12
GERMANY	142.46	230.05	61.49	238.15	480.88	101.93
BANGLADESH	65.89	215.09	226.42	101.08	457.76	352.86
INDONESIA	234.75	157.13	-33.07	294.73	454.03	54.05
TURKEY	75.89	212.56	180.10	89.54	435.08	385.91
MEXICO	75.94	173.70	128.72	92.78	390.27	320.63
U K	66.54	190.41	186.16	89.64	376.78	320.30
THAILAND	68.40	158.90	132.31	98.64	340.71	245.41
KOREA RP	160.34	177.04	10.41	275.74	338.92	22.91
VIETNAM	181.60	212.90	17.24	224.04	335.66	49.82
SOUTH AFRICA	38.48	141.06	266.58	56.56	264.66	367.94
JAPAN	99.48	129.26	29.94	155.33	248.60	60.04
FRANCE	43.85	123.30	181.21	57.21	246.80	331.41
SAUDI ARABIA	90.62	85.09	-6.11	111.96	245.37	119.16
POLAND	26.44	153.77	481.48	33.17	238.52	619.13
BRAZIL	38.46	119.15	209.85	55.00	237.24	331.37
SPAIN	39.52	107.93	173.09	54.84	229.54	318.54
NIGERIA	54.37	105.30	93.67	72.29	219.62	203.81
Total engineering exports to top 25 countries	4079.00	6411.45	57.18	6052.37	12267.13	102.68
Total engineering exports	5466.73	8208.46	50.15	7773.22	15869.13	104.15
Share (%)	74.61	78.11		77.86	77.30	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- 🇮🇳 22 out of 25 countries recorded positive monthly growth in engineering exports during May 2021 over May 2020 as well as positive cumulative growth during April-May 2021

over April-May 2020 which is a remarkable increase like the previous months export performance.

- ✚ Like before, USA ranks as the numero uno destination for India's engineering products during May 2021 over May 2020 as well as for April- May 2021 over April- May 2020, registering positive growths.
- ✚ UAE ranked as India's second largest export destination registering positive monthly growth during May 2021 over May 2020 and positive cumulative growth during April- May 2021 over April- May 2020.
- ✚ Exports to China, slipped to the third position and recorded negative growth during the said period.
- ✚ Among the ASEAN countries under the top 25 engineering exports destinations, Indonesia, Thailand and Vietnam recorded high positive growth while Singapore and Malaysia recorded negative growth during April- May 2021 over April- May 2020. Barring Indonesia, all the four countries recorded significant positive growth during May 2021 viz-a-viz May 2020.
- ✚ All the European nations for India's top 25 engineering export destinations –Germany, Italy, France, UK, Spain, Poland and Belgium, recorded high positive monthly and cumulative growth during May 2021 over May 2020.
- ✚ Italy ranked as the fifth largest export destination for India's engineering sector, registering a phenomenal monthly and cumulative growth during the said period.
- ✚ India's engineering exports to its top 25 destinations during April- May 2021 over April-May 2020 recorded a high positive growth which is a little less than in comparison to the high positive growth in India's total global engineering exports during the same period.
- ✚ The share of India's engineering exports to its top 25 nations accounted for 77.3 percent of India's total engineering exports in April-May 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-May 2021 as opposed to April-May 2020.

Table 6: Region wise engineering exports in April-May 2021

US\$ million

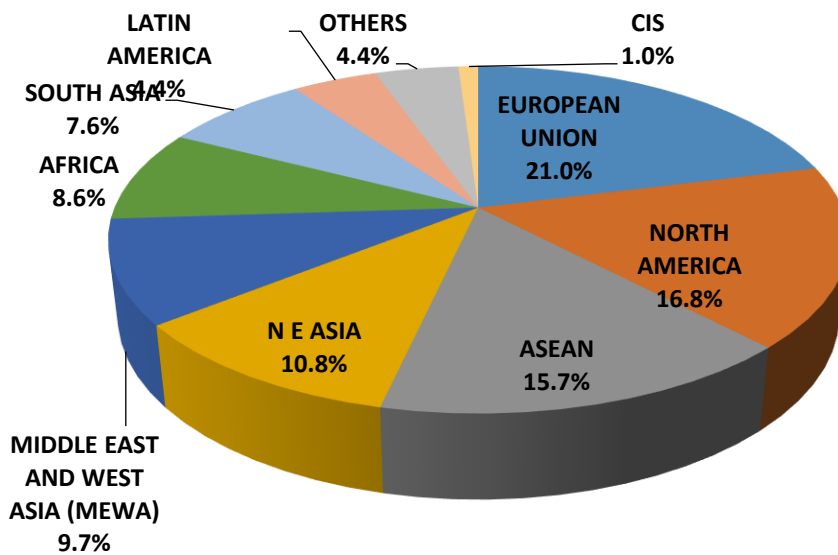
Region	May-2021	May-2021	Growth (%)	April-May 2020	April-May 2021	Growth (%)
EUROPEAN UNION	918.67	1816.40	97.72	1200.54	3339.89	178.20
NORTH AMERICA	776.99	1272.19	63.73	1044.83	2670.88	155.63

ASEAN	1097.32	1300.46	18.51	2006.4 4	2485.65	23.88
N E ASIA	1074.47	868.38	-19.18	1450.1 3	1707.48	17.75
MIDDLE EAST AND WEST ASIA (MEWA)	609.31	946.06	55.27	815.25	1532.22	87.94
AFRICA	285.06	668.71	134.58	384.46	1360.96	253.99
SOUTH ASIA	233.46	579.09	148.05	304.21	1210.04	297.77
LATIN AMERICA	104.41	344.97	230.40	148.70	703.30	372.97
OTHERS	321.21	332.61	3.55	356.82	694.84	94.73
CIS	45.81	79.58	73.72	61.83	163.87	165.02
Grand Total	5466.73	8208.46	50.15	7773.2 2	15869.1 3	104.15

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-May 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-May 2021 over April-May 2020 with a share of 21% 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-May 2021 with a share of 16.8 percent and 15.7 percent of total engineering exports respectively.
- North East Asia ranked fourth in global shipments of Indian engineering goods in April-May 2021 with a share of 10.8 percent.
- Engineering exports to all regions recorded positive monthly growth during April-May 2021 compared to April-May 2020.
- Latin America recorded the highest positive cumulative growth of more than 372% during April-May 2021.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of May 2021 vis-a-vis May 2020 as well as the cumulative exports during April-May 2021-22 vis-à-vis April-May 2020-21. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for April 2021 compared to April 2020 as well as April-May 2021-22 compared to April-May 2020-21

Engineering Panels		US\$ Million					
		MAY, 2020	MAY, 2021	Growt h	APRIL – MAY 2020-21	APRIL – MAY 2021-22	Growt h %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	1180.59	1682.93	43%	1642.8	3117.44	90%
B	Products of Iron and Steel	375	561.54	50%	476.72	1158.9	143%
Sub Total		1555.59	2244.47	44%	2119.52	4276.34	102%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	127.66	222.45	74%	155.95	388.55	149%
B	Aluminium and products	435.78	670.9	54%	824.34	1276.41	55%
C	Zinc and products	87.87	86.2	-2%	100.63	169	68%
D	Nickel and products	2.99	6.57	120%	4.25	13.94	228%
E	Lead and products	40.36	31.74	-21%	48.89	53.7	10%
F	Tin and products	0.35	1.37	291%	0.53	2.07	291%
G	Other Non-Ferrous Metals	21.78	54.87	152%	25.42	111.1	337%
Sub Total		716.79	1074.1	50%	1160.01	2014.77	74%
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	30.29	41.32	36%	38.3	82.72	116%
B	IC Engines and Parts	87.27	241.91	177%	108.57	502.17	363%
C	Pumps of all types	41.02	99.27	142%	51.38	191.83	273%

Engineering Panels		MAY, 2020	MAY, 2021	Growt h	APRIL – MAY 2020-21	APRIL – MAY 2021-22	Growt h %
D	Air condition and Refrigerators	55.79	98.44	76%	71.53	193.09	170%
E	Industrial Machinery for dairy, food processing , textiles etc	236.02	449.84	91%	293.2	954.47	226%
F	Machine Tools	18.42	46.83	154%	22.15	89.85	306%
G	Machinery for Injecting moulding, valves and ATMs	101.84	128.66	26%	131.73	277.58	111%
Sub Total		570.65	1106.27	94%	716.86	2291.71	220%
4	Electrical Machinery	647.68	775.27	20%	893.1	1635.6	83%
5. Automobiles							
A	Motor Vehicle/cars	179.54	408.26	127%	214.29	938.58	338%
B	Two and Three Wheelers	50.75	243.33	379%	66.35	483.3	628%
C	Auto Components/Part	163.26	517.42	217%	196.12	1045.14	433%
Sub Total		393.55	1169.01	197%	476.76	2467.02	417%
6	Aircrafts and Spacecraft parts and products	36.6	75.1	105%	60.68	150.25	148%
7	Ships Boats and Floating products and parts	1156.8	975.7	-16%	1834.23	1434.79	-22%
8. Other engineering products							
A	Medical and Scientific instruments	95.7	147.41	54%	146.11	302.42	107%
B	Railway Transport	3.82	15.75	312%	5.77	28.18	388%
C	Hand Tools & Cutting Tools	36.01	72.84	102%	42.65	150.03	252%
D	Electrodes Accumulators	2.51	3.45	37%	2.81	7.06	151%
E	Accumulator and Batteries	15.24	39.85	161%	18.14	80.96	346%
F	Bicycle & Parts	13.08	35.32	170%	17.46	69.77	300%
G	Cranes Lifts & Winches	18.17	47.19	160%	23.48	98.21	318%
H	Office Equipments	6.69	14.29	114%	9.66	25.95	169%
I	Other Construction Machinery	71.89	132.53	84%	85.36	275.74	223%
J	Prime Mica & Mica Products	1.37	2.07	51%	2.35	3.79	61%
K	OTHER MISC. ITEMS	124.58	277.83	123%	158.23	556.48	252%
Sub total		389.06	788.53	103%	512.02	1598.59	212%
Total engineering exports		5466.7	8208.5	50%	7773.2	15869.1	104%

Source: DGCI&S

- India's engineering goods exports exhibited a positive growth to the extent of 50% during the month of May 2021 compared to the same period last year. Year on year decline for the month of May 2021 witnessed in almost all the panels except for Zinc and products,

Lead and products and Ship and Boats panel. Engineering exports increased from US\$ 5466.7 million in May 2020 to US\$ 8208.5 million in May 2021. Cumulative engineering exports during April-May 2021-22 more than doubled (104.15 percent growth) to USD 15,869.14 million from USD 7,773.22 million during the same period last fiscal.

- ✚ Out of 33 engineering panels 30 panels witnessed positive growth in exports during May 2021 vis-à-vis May 2020. Decline in exports experienced in three panels, Lead and products falling by 21%, Zinc and products falling by 2% and Ship and Boats falling by 16%. In cumulative terms, 32 out of 33 panels exhibited a year-on-year growth and remaining one panel exhibited negative growth.
- ✚ Exports of iron and steel recorded a continuous growth to the extent of 43% in May 2021 compared to same period last year. Furthermore, exports of products of iron and steel increased even more to the extent of 50% in May 2021 thereby resulting a growth in export of the total group by 44 percent. In cumulative terms, Iron and steel figures grew by 90% and products of iron and steel grew by 143% during the fiscal April-May 2021-22 vis-à-vis same period last fiscal. Moreover, in cumulative terms the two panels together registered a growth to the extent of 102%. The low base effect primarily led to such an increase in export rate. In the recent months, there has been an uptrend in exports while imports remained range bound. Furthermore, 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, sectors like Zinc and products and Lead and products exhibited negative growth in exports to the extent of 2% and 21% during the month of May 2021 vis-a-vis May 2020. All the remaining segments showed positive growth. Copper and products witnessed 74% growth in exports, Aluminium and products grew by 54%, while Nickel and Tin products grew by more than 120% and 290 respectively in May 2021, which has been primarily due to low base effect. . In cumulative terms the export growth was noticed to the extent of 74% during April-May 2021-22 vis-à-vis April-May 2020-21
- ✚ All the seven panels under Industrial machinery exhibited positive growth in May 2021 that led the total industrial machinery panel increase by 94% during May 2021. In the month of May 2021, panels like Industrial Machinery for Boilers increased by 36%, Machinery for IC Engines improved by 177%, Pumps and Valves rose by 142%, Air Condition and Repair Machinery increased by 76%, Industrial Machinery for dairy increased by 91%, Machine Tools fared positive trends to the extent of 154% (low base effect) and Machinery for ATMS increased by 26%. In cumulative terms too, the panel registered positive growth of 220% during April-May 2021-22 compared to the same period last year.

- ✚ Electrical Machinery and equipment which is a major engineering exporting sector for India experienced 20% growth in exports from US\$ 647.7 million in May 2020 to US\$ 775.3 million in May 2021. In cumulative terms there was 83% growth in exports in April-May 2021-22 when compared to April-May 2020-21.

- ✚ The automobile sector (combination of Two and Three wheelers and Motor vehicles and Cars) recorded a massive jump in exports to the extent of 183% primarily due to sharp jump in exports of Two and Three Wheelers by 379% and Motor Vehicles by 127% during May 2021. In cumulative terms, the sector experienced a positive growth of more than 400% from US\$ 280.6 million in April- May 2020-21 to US\$ 1421.9 million in April-May 2021-22.

- ✚ Exports of Aircrafts and Spacecraft parts and products recorded 105% positive monthly growth and 148% positive cumulative growth. However, 'Ship, Boats and Floating Bodies' exhibited a negative monthly growth in exports (16%) and negative cumulative exports (22%).

- ✚ In the rest of the engineering segments, there has been no negative growth during May 2021 as well as in cumulative terms. Increase in exports was noticed in case of Medical Devices and Equipment (54%), Railway, Transport and Equipment by 312% (low base), Hand Tools and Cutting Tools increased by 102% (low base), Electrodes and Accumulators increased by 37% (low base), Accumulators and Batteries increased by 161% (low base) , Bicycle and parts increased by 170%(low base), Cranes, Lifts and Winches increased by 160%, Office Equipment increased by 114% and Other Construction Machinery increased by 84% during May 2021 compared to May 2020. In cumulative terms the miscellaneous sector witness export growth to the extent of 212% during April-May 2021-22 vis-à-vis April-May 2020-21

- **Data for ferrous and non-ferrous panels experiencing a decline in the month of February 2021 vis-à-vis February 2020**

Table 8: Chapter 78: Lead and Products					
Value in USD Million					
Month	2019-20	2020-21	Growth (%)	2021-22	Growth (%)
April	30.1	8.71	-71.1	21.97	157.45
May	24.75	40.89	65.2	31.74	-21.36
June	19.5	46.13	136.6		
July	19.47	22.13	13.7		
August	38.90	22.13	-43.1		
September	36.69	42.23	15.1		

October	39.60	25.29	-36.1		
November	45.76	21.10	-53.9		
December	40.96	31.05	-24.2		
January	25.66	29.33	14.30		
February	23.25	29.61	27.35		
March	26.57	27.57	3.76		
April-March	372.06	348.20	-6.41		

Table 9: Chapter 79:Zinc and Products					
Value in USD Million					
Month	2019-20	2020-21	Growth (%)	2021-22	Growth (%)
April	44.18	12.75	-71.1	82.80	549.28
May	45.79	87.87	65.2	86.20	-1.91
June	48.92	92.30	136.6		
July	52.14	73.97	13.7		
August	32.30	53.74	-43.1		
September	50.79	54.04	15.1		
October	40.40	35.63	-36.1		
November	45.75	57.68	-53.9		
December	45.86	71.78	-24.2		
January	51.95	72.45	14.30		
February	54.48	62.74	27.35		
March	56.54	65.40	3.76		
April-March	569.07	742.39	30.46		

Reason for fall: The post pandemic manufacturing recovery across the world has led to a surge in global metal markets. However, lead and zinc did not exhibit the similar trend. According to the International Lead and Zinc Study Group, this is because both the metals recorded significant supply surpluses in the previous year and are expected to be on the same course this year. Last year the refined zinc market recorded an oversupply of 486000 tonnes and is forecast to record another surplus of 353000 tonnes this year. Similarly for Lead production exceeded usage by 172000 tonnes last year and is expected to again exceed by 96000 tonnes this year. China has also not been able to lap up the oversupply largely due to decline in their domestic demand. Therefore globally the Zinc and the Lead demand fell and the repercussion is noticed in India's export figures for May.

Figure 4: Slump in exports of Lead and its products in May 2021 v/s May 2020 (in USD Million)

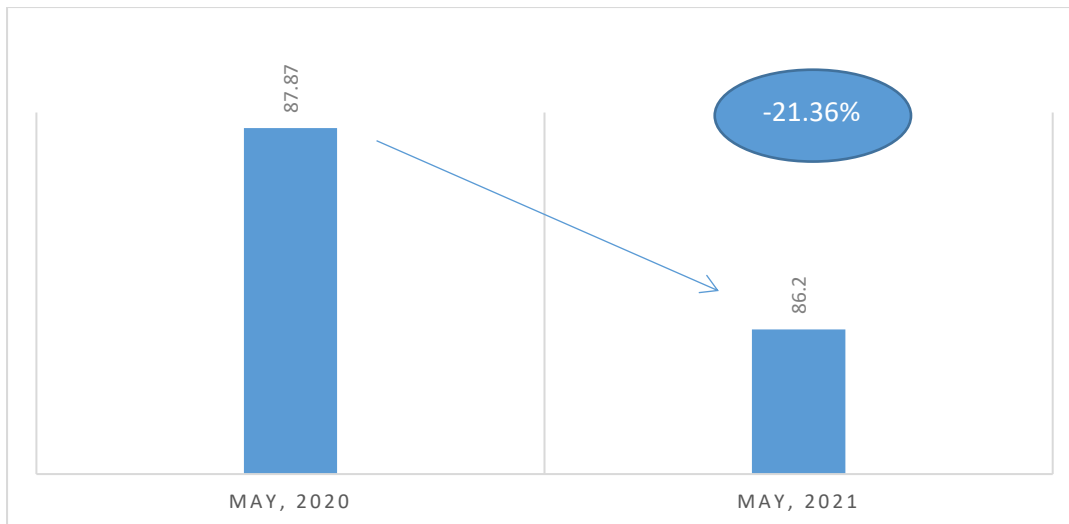
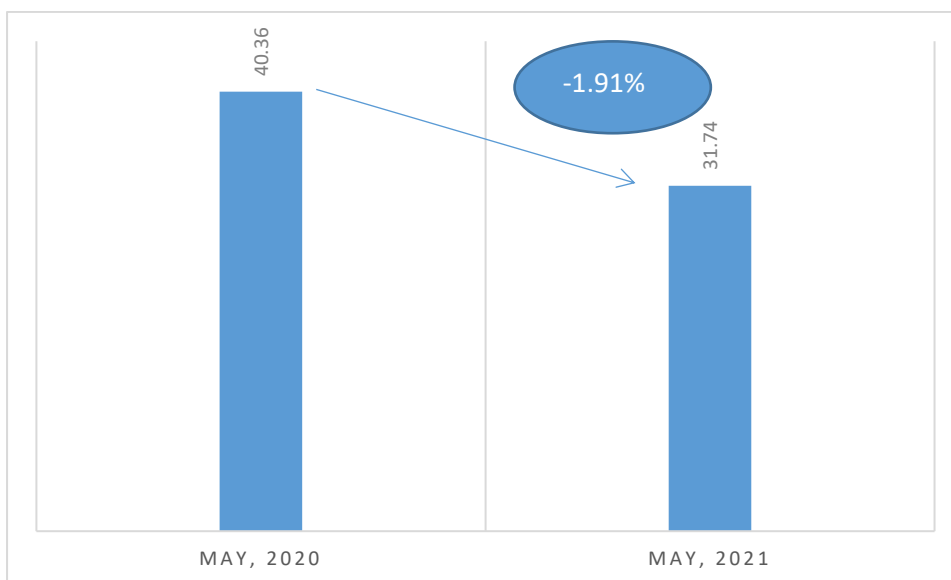


Figure 5: Slump in exports of Zinc and its products in May 2021 V/s May 2020 (in USD Million)



6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during April-May 2021-22 compared to same period last fiscal. 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 10: Export of Iron & Steel
US\$ Million

(Source: Department of Commerce, Government of India)

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
BELGIUM	49.61	234.58	372.84	96.19	388.75	304.15
ITALY	69.60	257.64	270.20	85.25	385.36	352.05
NEPAL	25.29	115.94	358.37	40.21	222.05	452.26
CHINA	490.65	68.49	-86.04	617.13	194.74	-68.44
VIETNAM	150.42	125.31	-16.69	188.14	172.62	-8.25
High cumulative growth						
TURKEY	8.76	51.61	489.17	12.04	148.64	1135.06
NEPAL	25.29	115.94	358.37	40.21	222.05	452.26
TAIWAN	17.53	56.15	220.29	23.05	113.93	394.26
SPAIN	14.85	45.83	208.69	23.38	111.88	378.51
ITALY	69.60	257.64	270.20	85.25	385.36	352.05
BELGIUM	49.61	234.58	372.84	96.19	388.75	304.15
Sharp cumulative decline						
CHINA	490.65	68.49	-86.04	617.13	194.74	-68.44
OMAN	5.23	7.32	40.14	32.02	15.20	-52.54
FRANCE	9.47	3.21	-66.13	10.50	5.89	-43.93
BHUTAN	6.92	3.45	-50.20	11.00	6.26	-43.11
U A E	80.71	69.96	-13.32	136.60	113.71	-16.76

- 🇧🇪 Belgium, Italy and Nepal were the three top three importers of Indian Iron and Steel during April -May 2021 with market shares of 12.47 percent, 12.36 percent and 7.12 percent respectively.
- 🇹🇷 Turkey recorded a monumental growth of 1135.06 percent followed by Nepal, Taiwan, Spain and Italy exhibiting growth of more than 350 percent in exports of Indian Iron and Steel during April-May 2021 compared to April-May 2020.
- 🇨🇳 China, Oman, France and Bhutan experienced sharp downfall to the extent of more than 40% drop in exports during April-May 2021 compared to same period last fiscal.

Table 11: Export of Products of Iron & Steel

US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U S A	58.59	152.63	160.49	70.48	311.72	342.26
U K	8.33	29.40	252.88	11.15	60.35	441.39

GERMANY	16.97	30.05	77.10	21.33	60.31	182.67
U A E	22.38	30.01	34.10	29.10	56.65	94.67
NETHERLAND	8.68	16.30	87.75	11.41	36.20	217.31
High cumulative growth						
U K	8.33	29.40	252.88	11.15	60.35	441.39
U S A	58.59	152.63	160.49	70.48	311.72	342.26
NETHERLAND	8.68	16.30	87.75	11.41	36.20	217.31
ITALY	11.04	17.86	61.78	12.19	35.86	194.22
GERMANY	16.97	30.05	77.10	21.33	60.31	182.67
U A E	22.38	30.01	34.10	29.10	56.65	94.67
Sharp cumulative decline						
CHILE	7.35	0.82	-88.85	8.56	1.72	-79.87
INDONESIA	33.92	4.45	-86.87	34.65	8.40	-75.76
AFGHANISTAN	2.76	0.15	-94.60	5.33	2.70	-49.29
MALAYSIA	11.21	3.76	-66.44	12.55	7.74	-38.34
CANADA	29.47	18.22	-38.19	54.49	35.40	-35.04

(Source: Department of Commerce, Government of India)

- ✚ USA, UK and Germany were the top three importers of India's 'Products of Iron & Steel' during April-May 2021 with 26.90 percent, 5.21 percent and 5.20 percent shares respectively in India's global import of the same.
- ✚ UK experienced more than 440 percent growth followed by USA and Netherland at 342.26 percent and 217.31 percent respectively in import of 'Products of Iron and Steel' during April-May 2021.
- ✚ Chile and Indonesia conceded substantial decline in imports by more than 75% for the said product group from India during April-May 2021.

Table 12: Export of Industrial Machinery

US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U S A	102.21	191.43	87.29	125.75	396.47	215.29
THAILAND	18.21	72.15	296.29	22.49	156.33	595.05
CHINA	36.27	65.53	80.66	49.75	130.44	162.20
GERMANY	29.45	57.91	96.66	36.03	118.00	227.51
U A E	22.24	45.37	104.02	29.91	90.80	203.58
High cumulative growth						
THAILAND	18.21	72.15	296.29	22.49	156.33	595.05
GERMANY	29.45	57.91	96.66	36.03	118.00	227.51
U S A	102.21	191.43	87.29	125.75	396.47	215.29

U A E	22.24	45.37	104.02	29.91	90.80	203.58
CHINA	36.27	65.53	80.66	49.75	130.44	162.20
Sharp cumulative decline						
ARMENIA	0.35	0.00	-99.58	0.35	0.00	-99.57
SURINAME	0.42	0.03	-93.30	0.42	0.05	-88.96
ESTONIA	2.03	0.02	-98.88	2.03	0.32	-84.34
MAURITANIA	0.35	0.05	-85.64	0.67	0.36	-46.28
IRAN	4.01	1.52	-62.16	5.33	2.99	-43.83

(Source: Department of Commerce, Government of India)

- 🇺🇸 USA was the largest importer of Indian 'Industrial machinery' during April-May 2021 with 17.30 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 6.82 percent and 5.69 percent shares respectively.
- 🇹🇭 Thailand exhibited the massive growth of more than 595 percent followed by Germany, USA and UAE witnessing growth of more than 200 percent in imports of Industrial machinery from India during April-May 2021 over the same period last fiscal.
- 🇦🇲 Among the major importers, Armenia, Suriname and Estonia recorded over 80 percent year-on-year declines in imports during April-May 2021.

Table 13: Automobiles

US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
MEXICO	42.50	70.77	66.50	45.48	145.49	219.87
SOUTH AFRICA	11.93	54.29	355.20	22.02	136.08	518.12
NEPAL	5.01	26.59	430.40	5.11	89.24	1644.76
NIGERIA	19.14	48.26	152.22	25.96	85.96	231.13
U S A	1.34	33.48	2394.97	2.52	76.01	2915.40
High cumulative growth						
U S A	1.34	33.48	2394.97	2.52	76.01	2915.40
NEPAL	5.01	26.59	430.40	5.11	89.24	1644.76
SOUTH AFRICA	11.93	54.29	355.20	22.02	136.08	518.12
NIGERIA	19.14	48.26	152.22	25.96	85.96	231.13
MEXICO	42.50	70.77	66.50	45.48	145.49	219.87
Sharp cumulative decline						
CYPRUS	0.60	0.00	-100.00	0.60	0.00	-100.00
MADAGASCAR	0.61	0.14	-76.21	1.17	0.30	-73.99
MALDIVES	0.22	0.00	-100.00	0.22	0.10	-53.79

SINGAPORE	0.29	0.14	-51.34	0.29	0.14	-50.69
SOUTH SUDAN	0.47	0.00	-100.00	0.56	0.28	-50.10

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ✚ Mexico, South Africa and Nepal were top three importers of India's Automobiles during April-May 2021 with 10.23, 9.57 and 6.28 percent share in India's global exports respectively over the same period last fiscal.
- ✚ USA exhibited a meteoric growth of 2915.40 percent followed by Nepal and South Africa at 1644.76 percent and 518.12 percent respectively in imports of the product group from India during April-May 2021 over the same period last fiscal.
- ✚ Countries like Cyprus, Madagascar, Maldives, Singapore and South Sudan saw their imports of automobile lower by more than 50% during April-May 2021 compared to same period last fiscal.

Table 14: Export of Non-Ferrous metals

US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
CHINA	124.34	249.13	100.35	147.62	417.33	182.71
KOREA	117.21	108.63	-7.31	214.95	211.33	-1.69
U S A	53.81	92.85	72.56	77.44	174.18	124.93
TURKEY	3.54	69.97	1876.86	4.84	109.81	2168.57
MEXICO	2.94	29.52	903.63	6.40	102.10	1494.85
High cumulative growth						
TURKEY	3.54	69.97	1876.86	4.84	109.81	2168.57
MEXICO	2.94	29.52	903.63	6.40	102.10	1494.85
VIETNAM	9.46	31.27	230.59	12.31	61.85	402.60
BRAZIL	5.96	31.50	428.29	15.41	60.37	291.88
CHINA	124.34	249.13	100.35	147.62	417.33	182.71
U S A	53.81	92.85	72.56	77.44	174.18	124.93
Sharp cumulative decline						
MALI	1.10	0.60	-45.32	4.36	0.60	-86.18
MALAYSIA	149.41	13.17	-91.18	278.15	56.28	-79.77
EGYPT	5.58	2.26	-59.56	8.72	3.44	-60.55
ETHIOPIA	1.94	3.35	72.26	7.52	3.74	-50.26
SINGAPORE	66.95	43.26	-35.39	122.92	73.92	-39.86

(Source: Department of Commerce and CSO)

- China, Korea and USA were the top three importers of India's Non-ferrous metals and products' during April-May 2021 with 20.71 percent, 10.49 percent and 8.65 percent shares respectively in India's global import of the same.
- Turkey and Mexico experienced massive growth of 2168.57 percent and 1494.85 percent followed by Vietnam at more than 400 percent in import of Non-ferrous metals and products ' during April-May 2021.
- Mali, Malaysia and Egypt conceded substantial decline in imports by more than 60% for the said product group from India during April-May 2021 vis-à-vis same period last fiscal.

Table 15: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U S A	287.13	183.59	-36.06	403.48	418.63	3.75
POLAND	2.34	87.92	3653.64	3.33	120.56	3515.09
BANGLADESH	10.36	58.02	459.89	10.97	96.89	783.43
GERMANY	47.04	38.63	-17.87	120.20	94.85	-21.10
JAPAN	61.55	52.34	-14.97	63.06	78.14	23.91
High cumulative growth						
POLAND	2.34	87.92	3653.64	3.33	120.56	3515.09
SAUDI ARABIA	2.60	4.82	85.22	3.15	76.23	2322.29
FRANCE	4.61	31.16	575.28	5.99	73.03	1119.63
BANGLADESH	10.36	58.02	459.89	10.97	96.89	783.43
U K	6.43	44.02	584.65	9.47	72.68	667.63
JAPAN	61.55	52.34	-14.97	63.06	78.14	23.91
Sharp cumulative decline						
NEW ZEALAND	11.50	0.36	-96.83	11.51	0.95	-91.73
HONG KONG	30.77	2.57	-91.63	31.67	6.97	-77.98
BELGIUM	12.13	3.78	-68.82	12.42	6.80	-45.24
SOUTH AFRICA	10.06	3.53	-64.94	10.33	7.88	-23.66
GERMANY	47.04	38.63	-17.87	120.20	94.85	-21.10

(Source: Department of Commerce and CSO)

- USA, Poland and Bangladesh were the three top importers of Indian Electrical Machinery and Components during April-May 2021 with market shares of 25.59 percent, 7.37 percent and 5.92 percent respectively.

- ✚ Poland recorded massive growth of 3515.09 percent followed by Saudi Arabia and France at 2322.29 percent and 1119.63 percent in imports of India's Electrical Machinery and Components during April-May 2021 vis-a-vis April– May 2020.
- ✚ New Zealand and Hong Kong experienced the sharp decline of more than 75% in its imports in April-May 2021 when compared to April– May 2020. It is also the case for Belgium which experienced more than 45 percent drop.

Table 16: Export of Aircrafts and Space crafts
US\$ million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U S A	11.83	25.23	113.28	18.90	50.78	168.62
FRANCE	6.77	16.08	137.43	10.14	30.65	202.24
U K	4.25	6.45	51.96	7.78	12.01	54.38
SINGAPORE	2.05	4.45	117.33	3.77	11.33	200.45
GERMANY	3.76	4.32	14.91	4.88	8.61	76.47
High cumulative growth						
FRANCE	6.77	16.08	137.43	10.14	30.65	202.24
SINGAPORE	2.05	4.45	117.33	3.77	11.33	200.45
U S A	11.83	25.23	113.28	18.90	50.78	168.62
U K	4.25	6.45	51.96	7.78	12.01	54.38
Sharp cumulative decline						
ALGERIA	0.31	0.00	-100.00	0.31	0.00	-100.00
MEXICO	0.38	0.12	-69.45	1.04	0.18	-82.96
SPAIN	0.41	0.13	-67.22	0.64	0.17	-73.80
JAPAN	0.23	0.27	13.30	0.63	0.27	-56.80
ITALY	0.69	0.36	-48.49	0.99	0.75	-23.56

(Source: Department of Commerce and CSO)

- ✚ USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April-May 2021 with around 33.80, 20.40 and 8.00 percent shares respectively in India's total global exports of the product.
- ✚ France and Singapore registered substantial growth of about 200 percent in import of the product group from India during April-May 2021 as compared with the same period last fiscal.
- ✚ On the flipside, demand for India's 'Aircrafts &Spacecrafts' from Algeria, Mexico and Spain dropped more than 70 percent on a year-on-year basis during April-May 2021 when compared to April-May 2020.

Table 17: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U A E	222.07	421.14	89.65	254.86	436.81	71.39
MALAYSIA	159.48	351.76	120.58	236.41	357.56	51.25
SINGAPORE	105.19	101.58	-3.43	576.21	344.41	-40.23
INDONESIA	168.11	50.19	-70.15	221.13	219.67	-0.66
SRI LANKA	73.01	35.24	-51.73	73.34	35.24	-51.94
High cumulative growth						
NETHERLAND	0.00	15.49	-	0.01	15.51	262238.78
FRANCE	0.00	0.01	332.67	0.00	0.01	332.67
U A E	222.07	421.14	89.65	254.86	436.81	71.39
MALAYSIA	159.48	351.76	120.58	236.41	357.56	51.25
Sharp cumulative decline						
GIBRALTAR	173.69	0.00	-100.00	173.69	0.00	-100.00
JAPAN	0.01	0.00	-100.00	34.95	0.00	-100.00
PORTUGAL	141.63	0.00	-100.00	141.63	0.00	-100.00
SRI LANKA	73.01	35.24	-51.73	73.34	35.24	-51.94
SINGAPORE	105.19	101.58	-3.43	576.21	344.41	-40.23

(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.

- ❖ UAE, Malaysia and Singapore became the largest importer of ships, boats and floating structures followed by Indonesia and Sri Lanka. Their respective shares are 30.44 percent, 24.92 percent, 24.01 percent, 15.31 percent and 2.46 percent.
- ❖ Imports to Netherland recorded meteoric increase as they had negligible import in April-May 2021. France and U A E registered substantial growth of 332.67 percent and 71.39 percent in import of the product group from India during April-May 2021 as compared with the same period last fiscal.
- 🚩 However, sharp decline of more than 50 percent was noticed in exports to Sri Lanka from India during April-May 2021 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Gibraltar, Japan and Portugal.

Table 18: Export of Auto Components
US\$ Million

COUNTRY	MAY 2020	MAY 2021	Growth (%)	APRIL - MAY 2020	APRIL - MAY 2021	Growth (%)
Top Five Importers						
U S A	35.20	128.95	266.28	43.80	255.24	482.69
BANGLADESH	2.76	34.97	1167.61	4.42	71.61	1521.44
GERMANY	11.61	27.75	139.11	13.52	55.19	308.34
TURKEY	15.13	26.58	75.71	16.28	53.53	228.81
MEXICO	5.89	27.73	370.63	7.42	52.65	609.64
High cumulative growth						
BANGLADESH	2.76	34.97	1167.61	4.42	71.61	1521.44
MEXICO	5.89	27.73	370.63	7.42	52.65	609.64
U S A	35.20	128.95	266.28	43.80	255.24	482.69
GERMANY	11.61	27.75	139.11	13.52	55.19	308.34
TURKEY	15.13	26.58	75.71	16.28	53.53	228.81
Sharp cumulative decline						
CONGO	0.18	0.00	-98.81	0.18	0.01	-96.38
MYANMAR	1.24	0.02	-98.23	1.26	0.23	-82.01
MALAWI	0.06	0.01	-74.66	0.12	0.03	-76.29
LIBERIA	0.04	0.02	-42.00	0.15	0.11	-21.93
BURUNDI	0.20	0.27	36.33	0.28	0.28	-2.05

(Source: Department of Commerce and CSO)

- ✚ USA remained the top importer of auto components in April-May 2021 with a share of 24.42 percent. It is followed by Bangladesh, Germany, Turkey and Mexico with respective shares of 6.85 percent, 5.28 percent, 5.12 percent and 5.04 percent.
- ✚ Bangladesh recorded maximum increase of more than 1521 percent followed by Mexico, USA, Germany and Turkey in imports from April-May 2021 when compared to April-May 2020. However, all the four nations exhibited multi-fold growth.
- ✚ However, Congo, Myanmar and Malawi recorded significant decline of more than 75 percent in April-May 2021 when compared to April-May 2020.

Analysis of India's engineering imports

India's Engineering imports during May 2021 were valued at US\$ 8697.51 million compared to US\$ 6433.42 million in May 2020 registering a positive growth of 35.2 percent in dollar terms.

All the engineering panels, like 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 May 2021 compared to May 2020.

The share of engineering imports in India's total merchandise imports has decreased during May 2021 in comparison to May 2020 which has been estimated at 22.6%.

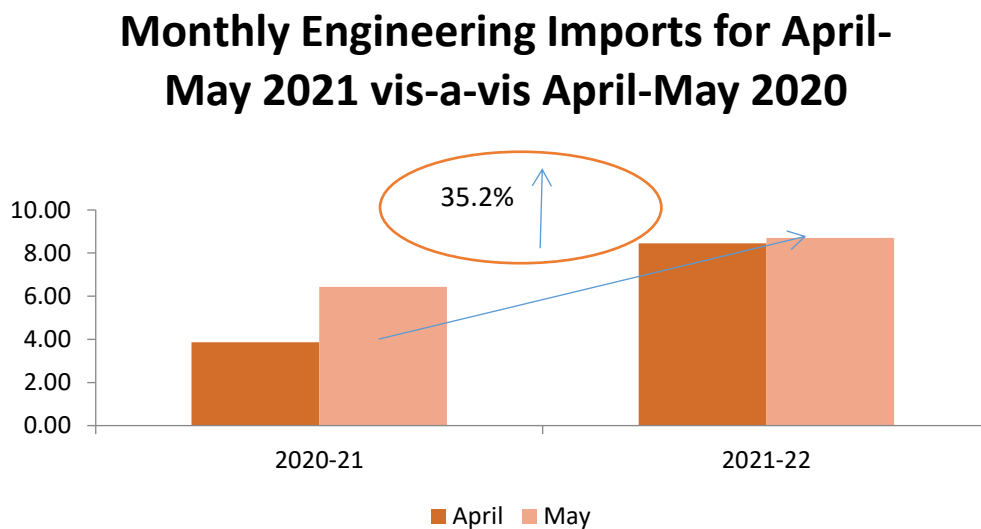
The monthly engineering import figures for fiscal April- May 2021 vis-a-vis April- May 2020 is depicted below as per the latest availability of figure:

Table 19: Monthly engineering Imports (US\$ Mn.)

Months	2020-21	2021-22	Growth (%)
April	3858.97	8454.25	119.1
May	6433.42	8697.51	35.2

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

Figure 6: Monthly Engineering Imports for April-May 2021 vis-a-vis April-May 2020



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 20: Year-wise trend in engineering trade

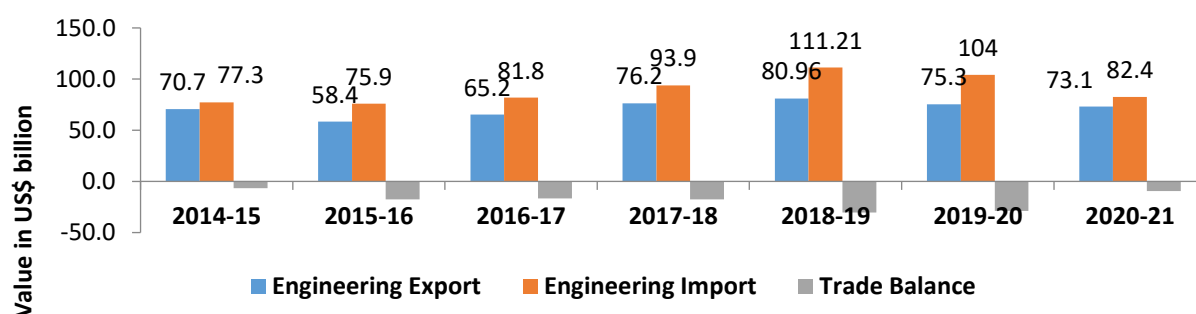
(US\$ Billions)

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 7: Trend in Yearly Engineering Trade



Conclusion

Indian engineering exports continued its upward journey this month following the trend of the last two months. While the figures are lower compared to last month it is a silver lining for the Indian economy which is already reeling from the fall in domestic demand. The

recovery of Indian exports clearly reflects the global trend. A recent report by UNCTAD specified that the trade in goods in the first three months of 2021 was higher than the pre-pandemic levels. According to new estimates by the WTO, the volume of merchandise trade expected to increase by 8 percent in 2021 after declining by 5.3% in 2020. The demand surge has been mainly led by the economic recovery in East Asia and some parts of Western Europe and US. However, experts have also cautioned against the uneven recovery that is witnessed in the world at present. The global trade organisation has also cautioned the developed countries like the US and the EU countries against their pre-pandemic level protective stance which had already led to a shrinking global trade even before COVID. Along with open international markets WTO has specifically mentioned that keeping international markets that an even roll out of vaccines across the globe will be necessary. This is also true for India. To keep up with the recovery India also needs to complete vaccination soon. In fact the central government's announcement for free vaccination drive in the second half of June is bound to accelerate the pace of vaccination further especially in the rural areas. However, expert virologists have already predicted repeated pandemic waves even after vaccination which can further derail India's recovery. Hence centre and states need to cooperate to form a robust policy which will help the country to move in a sustainable growth path. Sustainable economic growth will be crucial to keep up the momentum of the export growth in the long run. With such concerted efforts it is possible for the country to survive from the pandemic crisis and take India's exports to greater height.

