

Engineering Exports and Imports Monitor

June 2021



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for June 2021
21st July 2021

Overall Scenario

Merchandise trade

Growth run of Indian exports continued for the eighth month in a row

- Indian merchandise exports achieved year-on-year growth for the eighth straight month to June 2021 and crossed USD 30 billion for the fourth month in a row. Exports in June 2021 were at USD 32.50 billion as against USD 21.91 Billion in June 2020, registering 48.38 percent growth. The growth was 195.72 percent and 69.35 percent year-on-year in April and May 2021 respectively. In rupee terms, the growth in June 2021 was 44.09 percent year-on-year. Even the export in June 2021 was 29.85 percent higher in Dollar over June 2019, when the Pandemic did not start biting the economy.
- The commodities/commodity groups which have recorded positive growth during June 2021 vis-à-vis June 2020 are Other cereals (235.93%), Petroleum products (115.37%), Man-made yarn/fabs./made-ups etc.(81.72%), Gems & jewellery (80.53%), Meat, dairy & poultry products (61.81%), Cotton yarn/fabs./made-ups, handloom products etc.(56.88%), Handicrafts excl. handmade Carpet (55.1%), Plastic & Linoleum (53.8%), Engineering goods (52.9%) and Electronic goods (45.2%) among others. Oil seeds (-32.75%), Cashew (-24.45%), Tea (-18.54%) and Spices (-11.31%) on the other hand conceded decline in year-on-year exports during June 2021.
- Cumulative value of exports during April-June 2021 was USD 95.39 Billion as against USD 51.32 Billion during the same period last fiscal, registering a positive growth of 85.88 percent in Dollar terms. The growth was 80.85 percent in Rupee terms. As compared to April-June 2019-20, exports in the first quarter of 2021-22 exhibited a positive growth of 17.90 percent in Dollar terms.
- Imports in June 2021 were USD 41.87 Billion, which was an increase of 98.31 percent in Dollar terms over imports of USD 21.11 Billion in June 2020. The growth was 92.63 percent in Rupee terms. Imports in June 2021 were 2.05 percent higher in Dollar terms over that of in June 2019.
- Cumulative value of imports for the period April-June 2021 was USD 126.15 Billion as against USD 60.44 Billion during the period April-June 2020, registering a positive growth of 108.72 percent in Dollar terms. In rupee terms, the growth was 103.09

percent. Imports in April-June 2021 however declined by 3.04 percent in Dollar terms in comparison to April-June 2019.

- ✚ Trade deficit in June 2021 was USD 9.37 billion while there was a merchandise trade surplus of USD 0.79 Billion in June 2020. Cumulative trade deficit during April-June 2021-22 more than trebled to USD 30.75 Billion from USD 9.12 Billion during the first quarter of 2020-21.

Engineering exports from India was at its all-time high in June 2021 and recorded 50 percent or higher year-on-year growth for the fourth straight month.

- ✚ Engineering exports witnessed 50 percent or higher year-on-year growth for the fourth straight month to June 2021 and crossed USD 8 billion for the third time in last four months. Engineering shipment in June 2021 was at its all-time monthly high of USD 8,836.32 million as against USD 5,831.78 million in June 2020, registering 51.52 percent growth over the year. Engineering exports in June 2021 was also 40.82 percent higher in comparison to June 2019 when the economy was free of any adversity caused by the pandemic.
- ✚ Cumulative engineering exports during April-June 2021-22 stood at USD 24,704.31 million, which was 81.58 percent higher the shipment of USD 13,605.00 million during April-June 2020-21. In comparison to April-June 2019-20, cumulative engineering export during April-June 2021-22 was higher by nearly 25 percent.
- ✚ Share of engineering in total merchandise export also increased to 27.19 percent in June 2021 from 25.44 percent in May 2021, 24.83 percent in April 2021 and 25.36 percent in March 2021. On a cumulative basis, the share was 25.90 percent during April-June 2021-22.
- ✚ Out of 33 engineering panels 31 panels witnessed positive growth in exports during June 2021 vis-à-vis June 2020. Decline in exports experienced in two panels, Zinc and products falling by 5.1% and Aircraft and Spacecraft falling by a miniscule share of 0.6%. In cumulative terms, 32 out of 33 panels exhibited a year-on-year growth and only one panel (Ships and Boats) exhibited negative growth.
- ✚ 22 out of 25 countries recorded positive cumulative growth in engineering exports during April-June 2021 over April-June 2020 while 21 countries recorded positive monthly growth during June 2021 over June 2020 which is a remarkable increase like the previous months export performance.
- ✚ Once again USA ranks as the top destination for India's engineering products during June 2021 over June 2020 as well as for April- June 2021 over April- June 2020, registering high positive growths.

India's engineering imports increased by 109.2 percent year-on-year in June 2021

- ✚ India's Engineering imports during June 2021 were valued at US\$ 9533.91 million compared to US\$ 4558.01million in June 2020 registering a positive growth of 109.2

percent in dollar terms.

- All the engineering panels, like iron & 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 June 2021 compared to June 2020.

- The share of engineering imports in India's total merchandise imports declined to 22.8 percent in June 2021 when compared to the same period last year.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

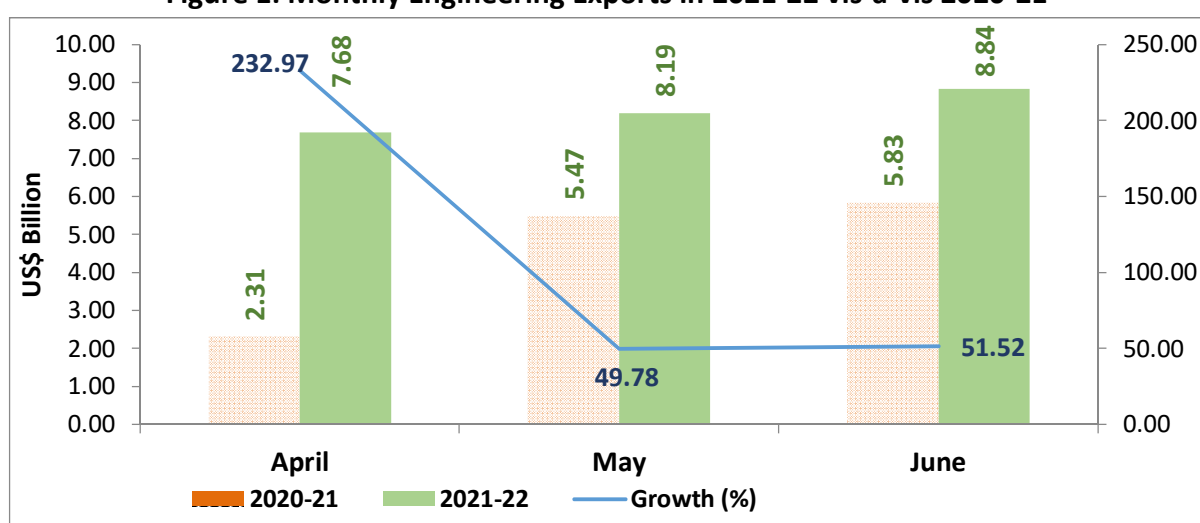
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

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

| Month | 2020-21 | 2021-22 | Growth (%) |
|-------------------|-----------------|-----------------|--------------|
| April | 2306.49 | 7679.83 | 232.97 |
| May | 5466.73 | 8188.17 | 49.78 |
| June | 5831.78 | 8836.32 | 51.52 |
| April-June | 13605.00 | 24704.31 | 81.58 |

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. The month of May 2021 saw decelerated growth for both. As we move forward with time and data 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 | -3.4 |
| March 2021 | 67.75 | 28.3 |
| April 2021 | 232.97 | 197.1 |
| May 2021 | 49.78 | 34.5 |
| June 2021 | 51.52 | 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 | 5831.78* | -7.06* |
| April-June | 19845.12 | 13605.00* | -31.44* |
| 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 | 72833.41* | -3.33* |

Source: DGCI&S * Revised data

Impact of Exchange Rate

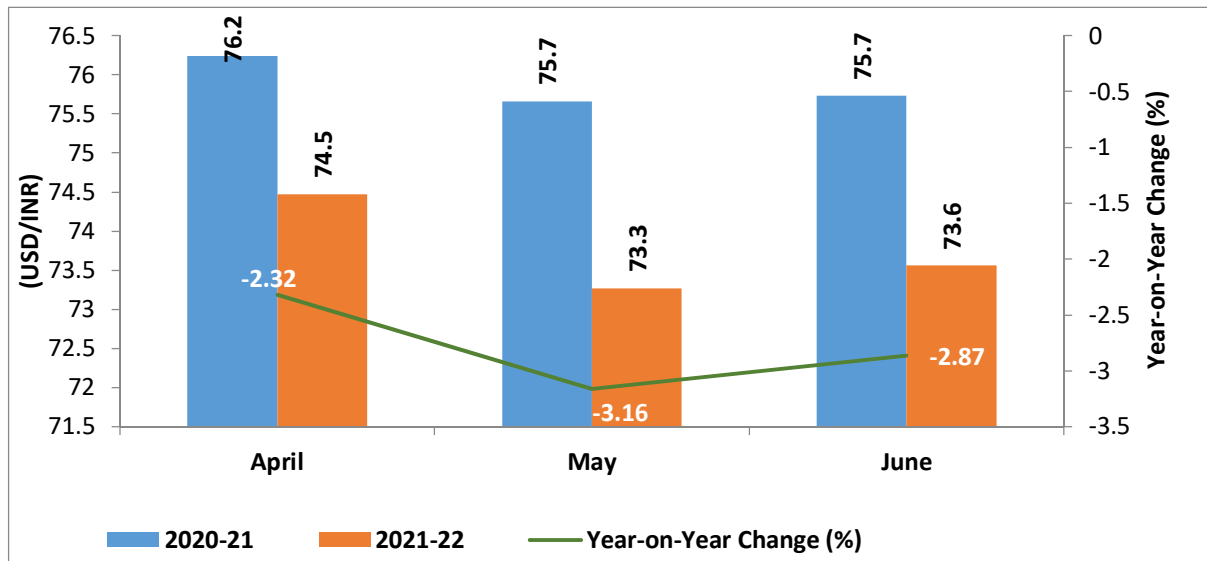
How did the exchange rate fare during June 2021 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of June 2021, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for 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)

| Month | Monthly Average Exchange Rate (1 USD to INR) | | Year-on- Year Change (%) | Direction | Month-on- Month Change (%) | Direction |
|-------|---|---------|--------------------------------|--------------|----------------------------------|--------------|
| | 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 |
| June | 75.73 | 73.56 | -2.87 | Appreciation | 0.40 | Depreciation |

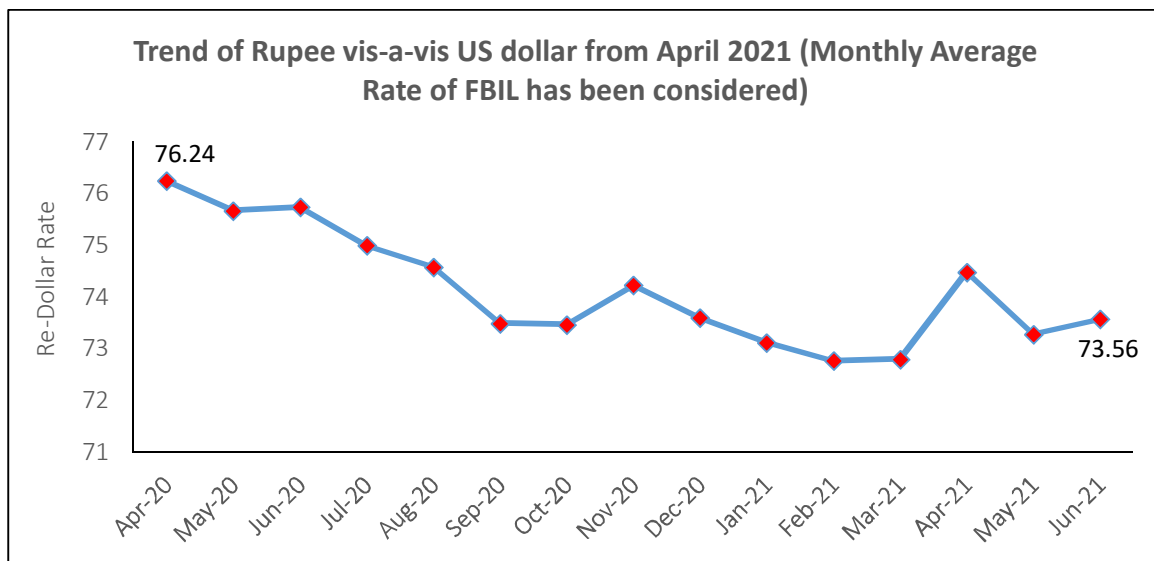
Source: FBIL, EEP Research

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 Exchange Rate)



Source: FBIL

Rupee depreciated slightly in June 2021 over the previous month but recorded an appreciation of 2.87 percent over June 2020 vis-à-vis the US Dollar: This marginal weakening of Rupee over the US Dollar during June 2021 over the previous month may be attributed to a fresh panic on likely emergence of the third wave of the pandemic that caused investors skeptical on further damage in economic activities and hindrances in recovery.

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

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

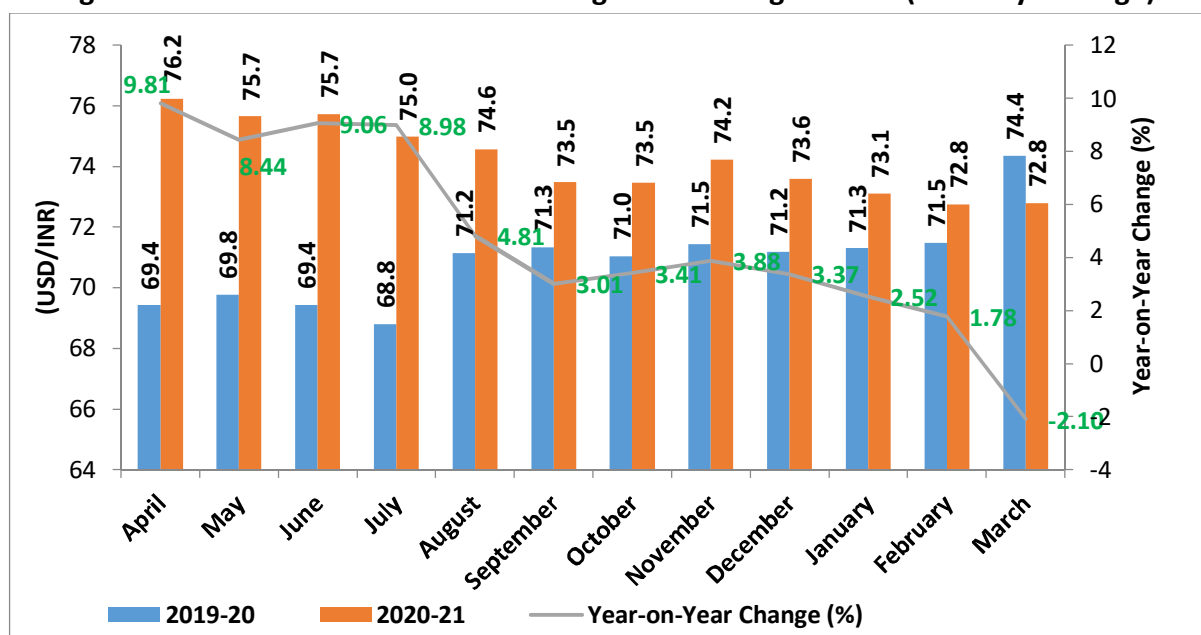
Table 4B: USD-INR average exchange rate in 2020-21

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

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 May 2021 and ended the fiscal at 72.79 per US Dollar as economies across the world started stabilizing gradually.

Figure 2C: Movement of USD-INR Exchange Rate during 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

3. Top 25 engineering export destinations in June 2021

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

Table-5: Engineering exports country wise

US\$ million

| Row Labels | June 2020 | June 2021 | Growth (%) | April-June 2020 | April-June 2021 | Growth (%) |
|--|---------------|---------------|-------------|-----------------|-----------------|-------------|
| U S A | 735.3 | 1205.2 | 63.9 | 1611.0 | 3342.5 | 107.5 |
| UAE | 242.7 | 561.7 | 131.4 | 763.9 | 1494.6 | 95.7 |
| CHINA | 747.1 | 501.9 | -32.8 | 1604.9 | 1357.9 | -15.4 |
| ITALY | 109.9 | 418.9 | 281.1 | 252.2 | 1020.7 | 304.8 |
| SINGAPORE | 394.6 | 271.7 | -31.1 | 1184.4 | 924.2 | -22.0 |
| BELGIUM | 77.5 | 289.0 | 273.1 | 211.6 | 784.8 | 270.9 |
| GERMANY | 194.5 | 278.9 | 43.4 | 432.6 | 760.5 | 75.8 |
| NEPAL | 136.4 | 232.0 | 70.1 | 207.4 | 747.0 | 260.1 |
| SOUTH AFRICA | 71.1 | 464.7 | 553.7 | 127.6 | 729.7 | 471.7 |
| TURKEY | 97.5 | 285.2 | 192.4 | 187.1 | 720.9 | 285.4 |
| BANGLADESH | 96.8 | 184.7 | 90.8 | 197.9 | 643.1 | 225.0 |
| VIETNAM | 241.9 | 294.4 | 21.7 | 466.0 | 630.5 | 35.3 |
| MALAYSIA | 167.5 | 65.3 | -61.0 | 727.2 | 618.6 | -14.9 |
| U K | 122.1 | 234.2 | 91.7 | 211.8 | 611.5 | 188.7 |
| KOREA RP | 187.5 | 260.4 | 38.9 | 463.2 | 599.8 | 29.5 |
| MEXICO | 134.5 | 191.7 | 42.6 | 227.3 | 582.5 | 156.3 |
| INDONESIA | 72.2 | 126.7 | 75.5 | 366.9 | 581.4 | 58.5 |
| THAILAND | 119.5 | 201.5 | 68.6 | 218.2 | 542.7 | 148.7 |
| SAUDI ARAB | 127.4 | 121.1 | -4.9 | 239.3 | 366.9 | 53.3 |
| BRAZIL | 59.0 | 128.3 | 117.3 | 114.0 | 365.9 | 220.8 |
| FRANCE | 61.5 | 118.7 | 93.0 | 118.7 | 365.8 | 208.2 |
| JAPAN | 79.4 | 109.2 | 37.6 | 234.7 | 358.1 | 52.6 |
| SPAIN | 56.0 | 116.7 | 108.3 | 110.8 | 346.5 | 212.6 |
| NIGERIA | 73.1 | 105.3 | 44.1 | 145.4 | 325.3 | 123.7 |
| NETHERLAND | 74.9 | 120.9 | 61.5 | 145.5 | 321.2 | 120.7 |
| Total engineering exports to top 25 countries | 4479.9 | 6888.3 | 53.8 | 10569.7 | 19142.6 | 81.1 |

| | | | | | | |
|----------------------------------|---------------|---------------|-------------|----------------|----------------|-------------|
| Total engineering exports | 5831.8 | 8836.3 | 51.5 | 13605.0 | 24704.3 | 81.6 |
| Share (%) | 76.8 | 78.0 | | 77.7 | 77.5 | 76.8 |

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- ✚ 22 out of 25 countries recorded positive cumulative growth in engineering exports during April-June 2021 over April-June 2020 while 21 countries recorded positive monthly growth during June 2021 over June 2020 which is a remarkable increase like the previous months export performance.
- ✚ Once again USA ranks as the numero uno destination for India's engineering products during June 2021 over June 2020 as well as for April- June 2021 over April- June 2020, registering high positive growths.
- ✚ Like the previous month, UAE ranked as India's second largest export destination registering high positive monthly growth during June 2021 over June 2020 and positive cumulative growth during April- June 2021 over April- June 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 significant positive growth while Singapore and Malaysia recorded negative growth during April- June 2021 over April- June 2020 as well as during June 2021 viz-a-viz June 2020.
- ✚ All the European nations for India's top 25 engineering export destinations –Germany, Italy, France, UK, Spain, Netherlands and Belgium, recorded high positive monthly and cumulative growth during April- June 2021 over April- June 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- June 2021 over April- June 2020 recorded a high positive growth which is negligibly less than in comparison to the 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 77.5 percent of India's total engineering exports in April-June 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-June 2021 as opposed to April-June 2020.

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

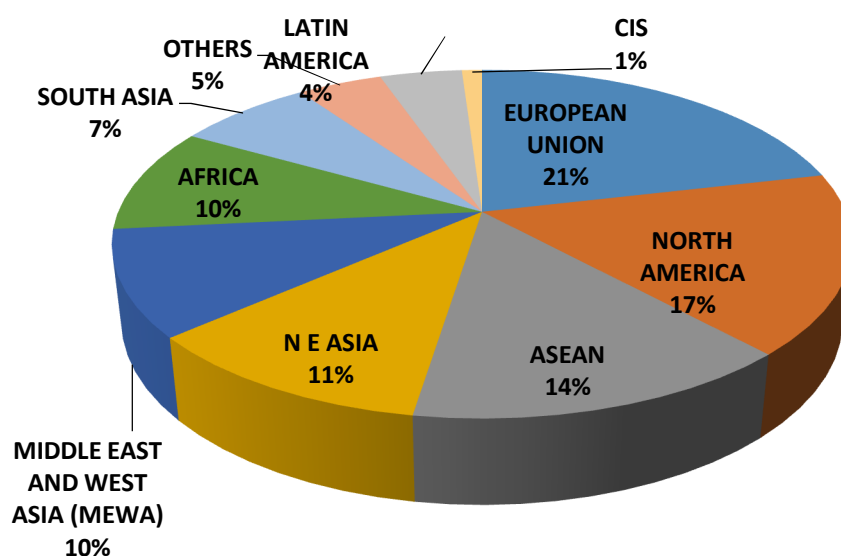
US\$ million

| Region | June-2021 | June-2021 | Growth (%) | April-June 2020 | April-June 2021 | Growth (%) |
|----------------------------------|---------------|---------------|-------------|-----------------|-----------------|-------------|
| EUROPEAN UNION | 927.3 | 1967.7 | 112.2 | 2127.8 | 5280.4 | 148.2 |
| NORTH AMERICA | 936.2 | 1456.3 | 55.5 | 1981.1 | 4131.0 | 108.5 |
| ASEAN | 1070.0 | 1066.3 | -0.3 | 3076.5 | 3555.5 | 15.6 |
| N E ASIA | 1142.4 | 1027.4 | -10.1 | 2592.6 | 2737.4 | 5.6 |
| MIDDLE EAST AND WEST ASIA (MEWA) | 532.8 | 895.9 | 68.1 | 1348.1 | 2430.6 | 80.3 |
| AFRICA | 488.7 | 1046.2 | 114.1 | 873.2 | 2409.1 | 175.9 |
| SOUTH ASIA | 318.6 | 533.6 | 67.5 | 622.8 | 1753.7 | 181.6 |
| OTHERS | 196.4 | 391.4 | 99.3 | 553.2 | 1086.8 | 96.4 |
| LATIN AMERICA | 155.2 | 355.9 | 129.3 | 303.9 | 1060.2 | 248.9 |
| CIS | 64.1 | 95.6 | 49.1 | 126.0 | 259.7 | 106.2 |
| Grand Total | 5831.8 | 8836.3 | 51.5 | 13605.0 | 24704.3 | 81.6 |

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-June 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-June 2021 over April-June 2020 with a share of 21.4% 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-June 2021 with a share of 16.7 percent and 14.4 percent of total engineering exports respectively.
- North East Asia ranked fourth in global shipments of Indian engineering goods in April-June 2021 with a share of 11.1 percent.
- Engineering exports to all regions recorded positive cumulative growth during April-June 2021 compared to April-June 2020.
- Latin America recorded the highest positive cumulative growth of more than 248% during April-June 2021.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of June 2021 vis-a-vis June 2020 as well as the cumulative exports during April-June 2021-22 vis-à-vis April-June 2020-21. The data is given in Table 2 below:

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

| Engineering Panels | | US\$ Million | | | | | |
|--|---|---------------|---------------|---------|----------------------|----------------------|----------|
| | | JUNE, 2020 | JUNE, 2021 | Gro wth | APRIL – JUNE 2020-21 | APRIL – JUNE 2021-22 | Growth % |
| 1. Iron and Steel and Products made of Iron and Steel | | | | | | | |
| A | Iron and Steel | 1322.7 | 2165.5 | 63.7 | 2965.5 | 5292.1 | 78.5 |
| B | Products of Iron and Steel | 478.8 | 619.5 | 29.4 | 955.5 | 1781.0 | 86.4 |
| Sub Total | | 1801.5 | 2785.0 | 54.6 | 3921.0 | 7073.1 | 80.4 |
| 2. Non-Ferrous Metals and Products made of Non-Ferrous Metals | | | | | | | |
| A | Copper and products | 138.6 | 267.4 | 92.9 | 294.6 | 656.5 | 122.9 |
| B | Aluminium and products | 468.1 | 752.3 | 60.7 | 1292.4 | 2030.6 | 57.1 |
| C | Zinc and products | 90.5 | 85.9 | -5.1 | 191.1 | 255.1 | 33.5 |
| D | Nickel and products | 6.5 | 8.0 | 22.9 | 10.7 | 21.9 | 104.3 |
| E | Lead and products | 45.5 | 52.7 | 15.8 | 94.4 | 106.5 | 12.8 |
| F | Tin and products | 0.5 | 1.8 | 230.9 | 1.1 | 3.9 | 259.8 |
| G | Other Non-Ferrous Metals | 35.3 | 64.1 | 81.7 | 60.7 | 175.4 | 189.0 |
| Sub Total | | 784.9 | 1232.1 | 57.0 | 1944.9 | 3249.9 | 67.1 |
| 3. Industrial Machinery | | | | | | | |
| A | Industrial Machinery like Boilers, parts, etc | 36.5 | 58.4 | 59.7 | 74.8 | 141.3 | 88.7 |
| B | IC Engines and Parts | 198.2 | 252.2 | 27.3 | 306.7 | 755.1 | 146.2 |
| C | Pumps of all types | 70.6 | 103.2 | 46.3 | 121.9 | 295.4 | 142.2 |

| Engineering Panels | | JUNE, 2020 | JUNE, 2021 | Gro wth | APRIL – JUNE 2020-21 | APRIL – JUNE 2021-22 | Growth % |
|--------------------------------------|---|---------------|---------------|-------------|----------------------------|----------------------------|---------------|
| D | Air condition and Refrigerators | 93.5 | 106.2 | 13.7 | 165.0 | 299.6 | 81.6 |
| E | Industrial Machinery for dairy, food processing , textiles etc | 375.0 | 531.6 | 41.8 | 668.2 | 1489.2 | 122.9 |
| F | Machine Tools | 31.6 | 46.5 | 47.0 | 53.8 | 136.6 | 153.9 |
| G | Machinery for Injecting moulding, valves and ATMs | 124.9 | 141.2 | 13.0 | 256.7 | 418.5 | 63.0 |
| Sub Total | | 930.3 | 1239.4 | 33.2 | 1647.1 | 3535.7 | 114.7 |
| 4 | Electrical Machinery | 600.3 | 727.3 | 21.2 | 1493.4 | 2333.5 | 56.3 |
| 5. Automobiles | | | | | | | |
| A | Motor Vehicle/cars | 359.0 | 557.4 | 55.3 | 573.3 | 1497.1 | 161.1 |
| B | Two and Three Wheelers | 125.6 | 243.4 | 93.8 | 191.9 | 727.4 | 279.0 |
| C | Auto Components/Part | 328.5 | 549.4 | 67.3 | 524.6 | 1596.4 | 204.3 |
| Sub Total | | 813.1 | 1350.3 | 66.1 | 1289.8 | 3820.8 | 196.2 |
| 6 | Aircrafts and Spacecraft parts and products | 75.4 | 74.9 | -0.6 | 136.1 | 225.4 | 65.6 |
| 7 | Ships Boats and Floating products and parts | 260.5 | 582.0 | 123.4 | 2094.7 | 2018.7 | -3.6 |
| 8. Other engineering products | | | | | | | |
| A | Medical and Scientific instruments | 134.7 | 163.4 | 21.3 | 280.8 | 466.5 | 66.1 |
| B | Railway Transport | 5.6 | 9.0 | 61.0 | 11.4 | 37.3 | 227.2 |
| C | Hand Tools & Cutting Tools | 52.2 | 75.6 | 44.8 | 94.9 | 226.0 | 138.2 |
| D | Electrodes Accumulators | 3.5 | 4.9 | 39.3 | 6.4 | 12.0 | 89.2 |
| E | Accumulator and Batteries | 26.1 | 46.8 | 79.5 | 44.2 | 127.9 | 189.2 |
| F | Bicycle & Parts | 23.1 | 36.3 | 57.3 | 40.5 | 106.3 | 162.4 |
| G | Cranes Lifts & Winches | 34.9 | 43.5 | 24.4 | 58.4 | 142.0 | 143.0 |
| H | Office Equipments | 11.3 | 18.6 | 64.2 | 21.0 | 44.5 | 112.5 |
| I | Other Construction Machinery | 87.4 | 136.2 | 55.8 | 172.8 | 412.4 | 138.7 |
| J | Prime Mica & Mica Products | 2.1 | 2.6 | 24.9 | 4.5 | 11.4 | 154.9 |
| K | OTHER MISC. ITEMS | 184.8 | 308.3 | 66.8 | 343.1 | 861.0 | 151.0 |
| Sub total | | 565.8 | 845.3 | 49.4 | 1077.8 | 2447.2 | 127.0% |
| Total engineering exports* | | 5831.8 | 8836.3 | 51.5 | 13605.0 | 24704.3 | 81.6% |

Source: DGCI&S

Export figures for the month of June are provisional. Few Sub sector data under engineering panel not available

🇮🇳 India's engineering goods exports exhibited a positive growth to the extent of 51.5% during the month of June 2021 compared to the same period last year. Year on year growth for the month of June 2021 witnessed in almost all the panels except for Zinc and products and Aircrafts and Spacecraft. Engineering exports increased from US\$

5831.8 million in June 2020 to US\$ 8836.3 million in June 2021. Cumulative engineering exports during April-June 2021-22 witnessed massive growth (81.6% growth) to USD 24704.3 million from USD 13605 million during the same period last fiscal.

- ✚ Out of 33 engineering panels 31 panels witnessed positive growth in exports during June 2021 vis-à-vis June 2020. Decline in exports experienced in two panels, Zinc and products falling by 5.1% and Aircraft and Spacecraft falling by a miniscule share of 0.6%. In cumulative terms, 32 out of 33 panels exhibited a year-on-year growth and only one panel (Ships and Boats) exhibited negative growth.
- ✚ Exports of iron and steel recorded a continuous growth to the extent of 64% in June 2021 compared to same period last year. Furthermore, exports of products of iron and steel increased to the extent of 29.4% in June 2021 thereby resulting a growth in export of the total group by 55 percent. In cumulative terms, Iron and steel figures grew by 78.5% and products of iron and steel grew by 86.4% during April-June 2021-22 vis-à-vis same period last fiscal. Moreover, in cumulative terms the two panels together registered a growth to the extent of 80.4%. The low base effect primarily led to such an increase in export rate. In the recent months, there has been an uptrend in exports due to the rising international prices 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 exhibited negative growth in exports to the extent of 5.1% during the month of June 2021 vis-a-vis June 2020. All the remaining segments showed positive growth. Copper and products witnessed 93% growth in exports, Aluminium and products grew by 61%, while Nickel and Lead products grew by 22.9% and 15.8% respectively, while Tin and products more than doubled to the extent of 230.9% in June 2021, which has been primarily due to low base effect. In cumulative terms the export growth was noticed to the extent of 67.1% during April-June 2021-22 vis-à-vis April-June 2020-21.
- ✚ All the seven panels under Industrial machinery exhibited positive growth in June 2021 that led the total industrial machinery panel increase by 33.2% during June 2021. In the month of June 2021, panels like Industrial Machinery for Boilers increased by 59.7%, Machinery for IC Engines improved by 27.3%, Pumps and Valves rose by 46.3%, Air Condition and Repair Machinery increased by 13.7%, Industrial Machinery for dairy increased by 41.8%, Machine Tools fared positive trends to the extent of 47% and Machinery for ATMS increased by 13%. In cumulative terms too, the panel registered positive growth of 114.7% during April-June 2021-22 compared to the same period last year.

- ✚ Electrical Machinery and equipment which is a major engineering exporting sector for India experienced 21.2% growth in exports from US\$ 600.3 million in June 2020 to US\$ 727.3 million in June 2021. In cumulative terms there was 56.3% growth in exports in April-June 2021-22 when compared to April-June 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 65.3% primarily due to sharp jump in exports of Two and Three Wheelers by 93.8% and Motor Vehicles by 55.3% during June 2021. In cumulative terms, the automobile sector experienced a positive growth of more than 190.7% from US\$ 765.25 million in April- June 2020-21 to US\$ 2224.5 million in April-June 2021-22. Auto Components and parts sector witnessed export growth to the extent of 67.3% in June 2021 vis-à-vis June 2020 and in cumulative terms witnessed export growth by more than 204.3% during April-June 2021-22 compared to April-June 2020-21.
- ✚ Exports of Aircrafts and Spacecraft parts and products recorded 0.6% negative monthly growth and 65.6% positive cumulative growth. However, 'Ship, Boats and Floating Bodies' exhibited a positive monthly growth in exports (123.4%) and negative cumulative exports (3.6%).

In the rest of the engineering segments, there has been no negative growth during June 2021 as well as in cumulative terms. Increase in exports was noticed in case of Medical Devices and Equipment (21.3%), Railway, Transport and Equipment by 61% (low base), Hand Tools and Cutting Tools increased by 44.8%, Electrodes and Accumulators rose by 39.3%, Accumulators and Battery increased by 79.5%, Bicycle and parts increased by 57.3%, Cranes, Lifts and Winches increased by 24.4%, Office Equipment increased by 64.2% and Other Construction Machinery increased by 55.8% during June 2021 compared to June 2020. In cumulative terms the miscellaneous sector witness export growth to the extent of 127% during April-June 2021-22 vis-à-vis April-June 2020-21.

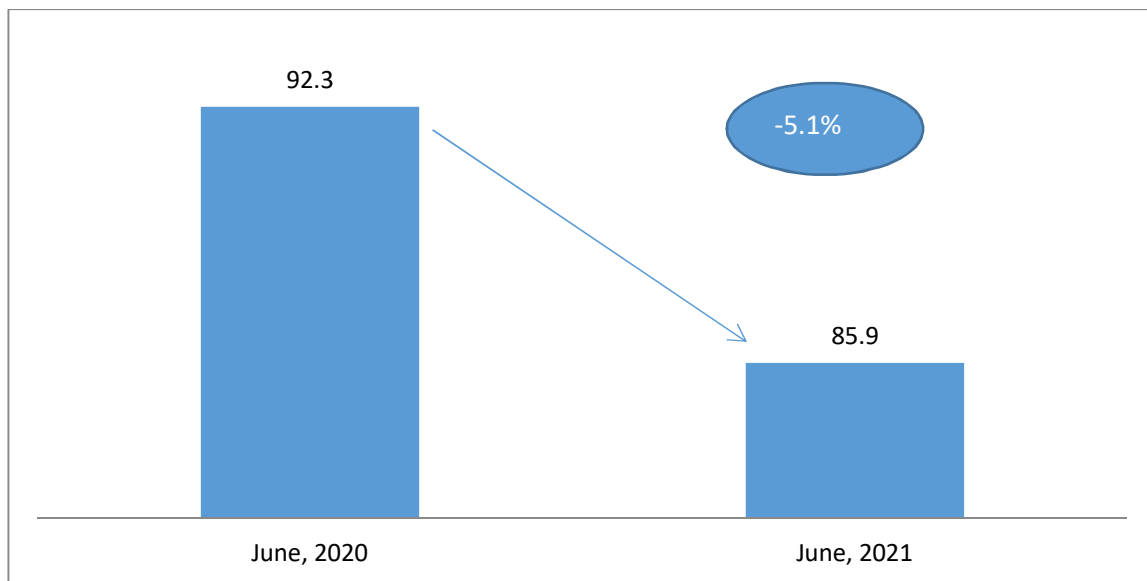
➤ **Data for ferrous and non-ferrous panels experiencing a decline in the month of June 2021 vis-à-vis June 2020**

| Table 8: 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 | 85.9 | -5.1 |
| 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: According to the International Lead and Zinc Study Group, global supply of refined zinc will exceed demand and the surplus will be to the tune of 35, 000 tonnes. China’s declining domestic demand has led to a further surge in supply. This has affected India’s Zinc exports.

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



6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during June 2021. We have taken the major panels and computed the top importers and sharp declines to get an idea of the current trade pattern. (Tables 14-22)

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

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------|-----------|-----------|------------|-------------------|-------------------|------------|
|---------|-----------|-----------|------------|-------------------|-------------------|------------|

| Top Five Importers | | | | | | |
|--------------------------|--------|--------|--------|---------|--------|--------|
| ITALY | 40.85 | 295.79 | 624.05 | 126.10 | 681.69 | 440.60 |
| BELGIUM | 29.69 | 233.40 | 686.15 | 125.88 | 622.70 | 394.68 |
| VIETNAM | 183.04 | 172.28 | -5.88 | 371.18 | 345.15 | -7.01 |
| NEPAL | 56.28 | 113.23 | 101.18 | 96.49 | 340.47 | 252.84 |
| CHINA | 522.31 | 112.24 | -78.51 | 1139.45 | 307.26 | -73.03 |
| High cumulative growth | | | | | | |
| TURKEY | 10.64 | 86.35 | 711.85 | 22.67 | 235.20 | 937.44 |
| ITALY | 40.85 | 295.79 | 624.05 | 126.10 | 681.69 | 440.60 |
| BELGIUM | 29.69 | 233.40 | 686.15 | 125.88 | 622.70 | 394.68 |
| POLAND | 11.48 | 54.21 | 372.09 | 24.17 | 118.32 | 389.54 |
| INDONESIA | 27.68 | 61.06 | 120.59 | 34.02 | 162.45 | 377.56 |
| U S A | 11.71 | 87.87 | 650.33 | 39.60 | 183.80 | 364.13 |
| Sharp cumulative decline | | | | | | |
| MYANMAR | 8.37 | 0.13 | -98.41 | 11.62 | 0.28 | -97.58 |
| CHINA | 522.31 | 112.24 | -78.51 | 1139.45 | 307.26 | -73.03 |
| BHUTAN | 5.55 | 3.10 | -44.14 | 16.56 | 9.37 | -43.40 |
| OMAN | 13.34 | 18.05 | 35.30 | 45.36 | 33.27 | -26.65 |
| FRANCE | 2.56 | 3.73 | 45.47 | 13.07 | 9.63 | -26.33 |

(Source: Department of Commerce, Government of India)

- Italy, Belgium and Vietnam were the top three importers of Indian Iron and Steel during April - June 2021 with market shares of 12.88 percent, 11.77 percent and 6.52 percent respectively.
- Turkey recorded a monumental growth of 937.44 percent followed by Italy, Belgium, Poland, Indonesia and USA exhibiting growth of more than 350 percent in exports of Indian Iron and Steel during April-June 2021 compared to April-June 2020.
- Myanmar, China and Bhutan experienced sharp downfall to the extent of more than 40% drop in exports during April-June 2021 compared to same period last fiscal.

Table 10: Export of Products of Iron & Steel

US\$ Million

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|--------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U S A | 93.36 | 166.49 | 78.33 | 163.84 | 478.66 | 192.14 |
| U K | 16.66 | 36.11 | 116.78 | 27.80 | 96.55 | 247.26 |
| GERMANY | 26.13 | 33.96 | 29.98 | 47.46 | 94.37 | 98.84 |
| U A E | 24.79 | 35.99 | 45.17 | 53.89 | 92.72 | 72.05 |
| ITALY | 13.92 | 23.12 | 66.08 | 26.11 | 59.04 | 126.09 |

| High cumulative growth | | | | | | |
|--------------------------|-------|--------|--------|--------|--------|--------|
| U K | 16.66 | 36.11 | 116.78 | 27.80 | 96.55 | 247.26 |
| U S A | 93.36 | 166.49 | 78.33 | 163.84 | 478.66 | 192.14 |
| NETHERLAND | 13.05 | 20.76 | 59.09 | 24.45 | 57.01 | 133.12 |
| ITALY | 13.92 | 23.12 | 66.08 | 26.11 | 59.04 | 126.09 |
| GERMANY | 26.13 | 33.96 | 29.98 | 47.46 | 94.37 | 98.84 |
| U A E | 24.79 | 35.99 | 45.17 | 53.89 | 92.72 | 72.05 |
| Sharp cumulative decline | | | | | | |
| INDONESIA | 2.57 | 3.54 | 37.43 | 37.23 | 11.95 | -67.90 |
| CHILE | 1.84 | 2.04 | 10.81 | 10.40 | 3.76 | -63.82 |
| ALGERIA | 6.04 | 0.96 | -84.15 | 6.94 | 2.63 | -62.03 |
| EGYPT | 15.78 | 2.65 | -83.23 | 16.96 | 7.24 | -57.29 |
| AFGHANISTAN | 3.27 | 1.01 | -69.08 | 8.60 | 3.72 | -56.78 |

(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-June 2021 with 26.88 percent, 5.42 percent and 5.30 percent shares respectively in India's global import of the same.
- UK experienced more than 247 percent growth followed by USA and Netherland at 192.14 percent and 133.12 percent respectively in import of 'Products of Iron and Steel' during April-June 2021.
- Indonesia, Chile and Algeria conceded substantial decline in imports by more than 60% for the said product group from India during April-June 2021.

Table 12: Export of Industrial Machinery

US\$ Million

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|--------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U S A | 139.32 | 254.21 | 82.46 | 265.07 | 651.23 | 145.69 |
| THAILAND | 43.77 | 84.59 | 93.24 | 66.26 | 241.14 | 263.90 |
| CHINA | 62.62 | 64.78 | 3.45 | 112.37 | 195.40 | 73.90 |
| GERMANY | 42.44 | 70.68 | 66.54 | 78.47 | 188.84 | 140.66 |
| U A E | 51.83 | 52.41 | 1.13 | 81.74 | 143.35 | 75.37 |
| High cumulative growth | | | | | | |
| THAILAND | 43.77 | 84.59 | 93.24 | 66.26 | 241.14 | 263.90 |
| SINGAPORE | 32.94 | 48.45 | 47.07 | 49.09 | 137.79 | 180.71 |
| BANGLADESH | 23.59 | 34.39 | 45.77 | 38.95 | 108.24 | 177.91 |
| U S A | 139.32 | 254.21 | 82.46 | 265.07 | 651.23 | 145.69 |
| GERMANY | 42.44 | 70.68 | 66.54 | 78.47 | 188.84 | 140.66 |
| Sharp cumulative decline | | | | | | |
| SOUTH SUDAN | 1.56 | 0.02 | -98.67 | 1.57 | 0.14 | -91.21 |

| | | | | | | |
|-------------------|------|------|--------|------|------|--------|
| SURINAME | 0.58 | 0.09 | -83.88 | 1.01 | 0.14 | -86.01 |
| ESTONIA | 0.14 | 0.31 | 116.87 | 2.17 | 0.63 | -71.13 |
| CHAD | 0.99 | 0.19 | -80.58 | 1.22 | 0.41 | -66.29 |
| MAURITANIA | 0.44 | 0.17 | -61.54 | 1.11 | 0.53 | -52.26 |

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April-June 2021 with 18.42 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 5.53 percent shares respectively.
- Thailand exhibited the substantial growth of more than 260 percent followed by Singapore and Bangladesh witnessing growth of more than 175 percent in imports of Industrial machinery from India during April-June 2021 over the same period last fiscal.
- Among the major importers, South Sudan, Suriname and Estonia recorded over 70 percent year-on-year declines in imports during April-June 2021.

Table 13: Automobiles

US\$ Million

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------------------------------|------------------|------------------|-------------------|--------------------------|--------------------------|-------------------|
| Top Five Importers | | | | | | |
| MEXICO | 82.29 | 102.95 | 25.12 | 127.77 | 248.64 | 94.60 |
| SOUTH AFRICA | 43.94 | 102.69 | 133.69 | 65.96 | 238.95 | 262.27 |
| NIGERIA | 18.12 | 45.65 | 151.94 | 44.08 | 131.73 | 198.85 |
| NEPAL | 15.70 | 34.62 | 120.54 | 20.81 | 123.98 | 495.77 |
| CHILE | 3.73 | 34.60 | 827.62 | 9.47 | 109.58 | 1057.29 |
| High cumulative growth | | | | | | |
| CHILE | 3.73 | 34.60 | 827.62 | 9.47 | 109.58 | 1057.29 |
| NEPAL | 15.70 | 34.62 | 120.54 | 20.81 | 123.98 | 495.77 |
| SOUTH AFRICA | 43.94 | 102.69 | 133.69 | 65.96 | 238.95 | 262.27 |
| NIGERIA | 18.12 | 45.65 | 151.94 | 44.08 | 131.73 | 198.85 |
| MEXICO | 82.29 | 102.95 | 25.12 | 127.77 | 248.64 | 94.60 |
| Sharp cumulative decline | | | | | | |
| CYPRUS | 0.00 | 0.03 | | 0.60 | 0.03 | -95.49 |
| ZAMBIA | 1.50 | 0.02 | -98.75 | 1.60 | 0.28 | -82.56 |
| SOUTH SUDAN | 1.43 | 0.14 | -90.14 | 1.99 | 0.42 | -78.87 |
| MALDIVES | 0.38 | 0.05 | -87.05 | 0.60 | 0.15 | -74.89 |
| VIETNAM | 8.59 | 0.33 | -96.15 | 8.65 | 3.50 | -59.53 |

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ✚ Mexico, South Africa and Nigeria were top three importers of India's Automobiles during April-June 2021 with 11.18, 10.74 and 5.92 percent share in India's global exports respectively over the same period last fiscal.
- ✚ Chile exhibited a meteoric growth of 1057.29 percent followed by Nepal and South Africa at 495.77 percent and 262.27 percent respectively in imports of the product group from India during April-June 2021 over the same period last fiscal.
- ✚ Countries like Cyprus, Zambia, South Sudan and Maldives saw their imports of automobile lower by about/more than 75 percent during April-June 2021 compared to same period last fiscal.

Table 14: Export of Non-Ferrous metals
US\$ Million

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| CHINA | 120.07 | 271.36 | 126.01 | 267.68 | 689.28 | 157.50 |
| KOREA | 130.81 | 169.80 | 29.80 | 345.77 | 381.43 | 10.31 |
| U S A | 48.79 | 95.58 | 95.90 | 126.23 | 270.03 | 113.92 |
| TURKEY | 4.51 | 95.48 | 2015.62 | 9.35 | 205.45 | 2096.43 |
| SINGAPORE | 67.36 | 88.10 | 30.81 | 190.28 | 162.13 | -14.79 |
| High cumulative growth | | | | | | |
| TURKEY | 4.51 | 95.48 | 2015.62 | 9.35 | 205.45 | 2096.43 |
| MEXICO | 6.56 | 15.77 | 140.37 | 12.96 | 118.01 | 810.32 |
| VIETNAM | 7.26 | 50.68 | 597.85 | 19.57 | 112.62 | 475.51 |
| CHINA | 120.07 | 271.36 | 126.01 | 267.68 | 689.28 | 157.50 |
| U S A | 48.79 | 95.58 | 95.90 | 126.23 | 270.03 | 113.92 |
| Sharp cumulative decline | | | | | | |
| MALAYSIA | 110.76 | 12.73 | -88.50 | 388.90 | 69.09 | -82.23 |
| MALI | 2.49 | 0.85 | -65.85 | 6.85 | 1.45 | -78.78 |
| ETHIOPIA | 2.92 | 0.40 | -86.30 | 10.44 | 4.15 | -60.27 |
| EGYPT | 2.08 | 1.12 | -46.28 | 10.80 | 4.56 | -57.75 |
| TAIWAN | 48.94 | 23.51 | -51.97 | 112.49 | 80.81 | -28.16 |

(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-June 2021 with 21.21 percent, 11.74 percent and 8.31 percent shares respectively in India's global import of the same.

- Turkey and Mexico experienced massive growth of 2096.43 percent and 810.32 percent followed by Vietnam at more than 475 percent growth in import of Non-ferrous metals and products ' during April-June 2021.
- Malaysia, Mali and Ethiopia conceded substantial decline in imports by more than 60% for the said product group from India during April-June 2021 vis-à-vis same period last fiscal.

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

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U S A | 193.88 | 232.22 | 19.78 | 597.36 | 651.43 | 9.05 |
| GERMANY | 48.45 | 46.45 | -4.14 | 168.66 | 141.43 | -16.15 |
| U K | 12.81 | 48.70 | 280.25 | 22.28 | 121.48 | 445.36 |
| BANGLADESH | 8.25 | 12.50 | 51.47 | 19.22 | 109.53 | 469.86 |
| SINGAPORE | 31.11 | 36.96 | 18.79 | 71.69 | 103.62 | 44.54 |
| High cumulative growth | | | | | | |
| POLAND | 6.02 | 8.71 | 44.59 | 9.36 | 97.49 | 942.07 |
| SAUDI ARABIA | 6.90 | 5.75 | -16.64 | 10.05 | 82.09 | 717.20 |
| BANGLADESH | 8.25 | 12.50 | 51.47 | 19.22 | 109.53 | 469.86 |
| FRANCE | 12.17 | 28.98 | 138.07 | 18.16 | 102.11 | 462.29 |
| U K | 12.81 | 48.70 | 280.25 | 22.28 | 121.48 | 445.36 |
| U A E | 24.95 | 31.49 | 26.23 | 43.38 | 94.93 | 118.85 |
| Sharp cumulative decline | | | | | | |
| NEW ZEALAND | 17.09 | 0.57 | -96.66 | 28.60 | 1.52 | -94.67 |
| HONG KONG | 10.76 | 3.16 | -70.66 | 42.43 | 10.14 | -76.10 |
| BELGIUM | 8.89 | 2.89 | -67.56 | 21.31 | 9.69 | -54.51 |
| GERMANY | 48.45 | 46.45 | -4.14 | 168.66 | 141.43 | -16.15 |
| SOUTH AFRICA | 2.41 | 3.72 | 54.40 | 12.73 | 11.61 | -8.81 |

(Source: Department of Commerce and CSO)

- USA, Germany and UK were the three top importers of Indian Electrical Machinery and Components during April-June 2021 with market shares of 27.92 percent, 6.06 percent and 5.21 percent respectively.
- Poland and Saudi Arabia recorded massive growth of 942.07 and 717.20 percent respectively followed by Bangladesh, France and UK exhibiting more than 445 percent growth in imports of India's Electrical Machinery and Components during April-June 2021 vis-a-vis April- June 2020.

- New Zealand and Hong Kong experienced the sharp decline of more than 75% in its imports in April-June 2021 when compared to April- June 2020. It is also the case for Belgium which experienced more than 50 percent drop.

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

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U S A | 28.50 | 25.40 | -10.85 | 47.40 | 76.26 | 60.88 |
| FRANCE | 4.81 | 18.60 | 286.40 | 14.95 | 49.29 | 229.62 |
| U K | 10.93 | 6.99 | -36.08 | 18.71 | 19.02 | 1.63 |
| SINGAPORE | 7.60 | 6.40 | -15.73 | 11.37 | 17.75 | 56.09 |
| GERMANY | 4.69 | 3.76 | -19.79 | 9.56 | 12.38 | 29.43 |
| High cumulative growth | | | | | | |
| FRANCE | 4.81 | 18.60 | 286.40 | 14.95 | 49.29 | 229.62 |
| U S A | 28.50 | 25.40 | -10.85 | 47.40 | 76.26 | 60.88 |
| SINGAPORE | 7.60 | 6.40 | -15.73 | 11.37 | 17.75 | 56.09 |
| GERMANY | 4.69 | 3.76 | -19.79 | 9.56 | 12.38 | 29.43 |
| Sharp cumulative decline | | | | | | |
| IRELAND | 4.98 | 0.15 | -97.05 | 4.98 | 0.92 | -81.47 |
| MEXICO | 0.02 | 0.20 | 763.31 | 1.06 | 0.37 | -64.69 |
| SPAIN | 0.13 | 0.10 | -19.44 | 0.77 | 0.27 | -64.61 |
| POLAND | 1.27 | 0.29 | -77.16 | 1.68 | 0.78 | -53.31 |
| JAPAN | 0.11 | 0.08 | -22.27 | 0.74 | 0.36 | -51.72 |

(Source: Department of Commerce and CSO)

- USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April-June 2021 with around 33.83, 21.86 and 8.44 percent shares respectively in India's total global exports of the product.
- France registered substantial growth of about 230 percent followed by USA and Singapore in import of the product group from India during April-June 2021 as compared with the same period last fiscal.
- On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Ireland, Mexico and Spain dropped more than 60 percent on a year-on-year basis during April-June 2021 when compared to April-June 2020.

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

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|---------------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U A E | 11.57 | 223.17 | 1829.18 | 266.43 | 660.60 | 147.95 |
| SINGAPORE | 228.11 | 29.26 | -87.17 | 804.33 | 374.14 | -53.48 |
| MALAYSIA | 0.33 | 0.00 | -100.00 | 236.74 | 358.07 | 51.25 |
| SOUTH AFRICA | 0.00 | 258.86 | - | 0.00 | 258.86 | - |
| INDONESIA | 0.00 | 0.00 | - | 221.13 | 219.98 | -0.52 |
| High cumulative growth | | | | | | |
| U A E | 11.57 | 223.17 | 1829.18 | 266.43 | 660.60 | 147.95 |
| MALAYSIA | 0.33 | 0.00 | -100.00 | 236.74 | 358.07 | 51.25 |
| Sharp cumulative decline | | | | | | |
| GIBRALTAR | 0.00 | 0.00 | - | 173.69 | 0.00 | -100.00 |
| MALTA | 0.00 | 0.00 | - | 113.42 | 0.00 | -100.00 |
| JAPAN | 0.00 | 0.00 | - | 34.95 | 0.00 | -100.00 |
| PORTUGAL | 0.00 | 64.65 | - | 141.63 | 64.65 | -54.35 |
| SINGAPORE | 228.11 | 29.26 | -87.17 | 804.33 | 374.14 | -53.48 |

(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, Singapore and Malaysia became the largest importer of ships, boats and floating structures followed by South Africa and Indonesia. Their respective shares are 32.72 percent, 18.53 percent, 17.74 percent, 12.82 percent and 10.90 percent.
- ❖ Exports to UAE recorded substantial increase of more than 147 percent followed by Malaysia at 51.25 percent in import of the product group from India during April-June 2021 as compared with the same period last fiscal.
- ✚ However, sharp decline of more than 50 percent was noticed in exports to Portugal and Singapore from India during April-June 2021 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Gibraltar, Malta and Japan.

Table 18: Export of Auto Components
US\$ Million

| COUNTRY | JUNE 2020 | JUNE 2021 | Growth (%) | APRIL - JUNE 2020 | APRIL - JUNE 2021 | Growth (%) |
|-------------------------------|-----------|-----------|------------|-------------------|-------------------|------------|
| Top Five Importers | | | | | | |
| U S A | 73.35 | 139.18 | 89.74 | 117.16 | 394.84 | 237.02 |
| BANGLADESH | 13.42 | 29.77 | 121.83 | 17.84 | 101.48 | 468.96 |
| GERMANY | 18.30 | 31.87 | 74.19 | 31.81 | 87.14 | 173.92 |
| TURKEY | 23.95 | 27.59 | 15.20 | 40.23 | 81.20 | 101.83 |
| MEXICO | 14.43 | 26.99 | 87.06 | 21.85 | 79.72 | 264.84 |
| High cumulative growth | | | | | | |

| | | | | | | |
|---------------------------------|-------|--------|--------|--------|--------|--------|
| BANGLADESH | 13.42 | 29.77 | 121.83 | 17.84 | 101.48 | 468.96 |
| BRAZIL | 10.32 | 26.10 | 152.94 | 17.11 | 70.61 | 312.75 |
| MEXICO | 14.43 | 26.99 | 87.06 | 21.85 | 79.72 | 264.84 |
| U S A | 73.35 | 139.18 | 89.74 | 117.16 | 394.84 | 237.02 |
| GERMANY | 18.30 | 31.87 | 74.19 | 31.81 | 87.14 | 173.92 |
| Sharp cumulative decline | | | | | | |
| KAZAKHSTAN | 0.12 | 0.00 | -99.76 | 0.12 | 0.00 | -99.76 |
| ANGOLA | 0.13 | 0.00 | -98.23 | 0.17 | 0.02 | -87.96 |
| CONGO | 0.18 | 0.06 | -65.31 | 0.37 | 0.07 | -80.90 |
| MYANMAR | 3.04 | 0.88 | -71.01 | 4.29 | 1.11 | -74.22 |
| JORDAN | 0.12 | 0.03 | -73.42 | 0.15 | 0.07 | -53.66 |

(Source: Department of Commerce and CSO)

- ✚ USA remained the top importer of auto components in April-June 2021 with a share of 24.73 percent. It is followed by Bangladesh, Germany, Turkey and Mexico with respective shares of 6.36 percent, 5.46 percent, 5.09 percent and 4.99 percent.
- ✚ Bangladesh recorded maximum increase of more than 468 percent followed by Brazil, Mexico, USA and Germany in imports from April-June 2021 when compared to April-June 2020. However, all the four nations exhibited multi-fold growth.
- ✚ However, Kazakhstan, Angola and Congo recorded significant decline of more than 80 percent in April-June 2021 when compared to April-June 2020.

Analysis of India's engineering imports

India's Engineering imports during June 2021 were valued at US\$ 9533.91 million compared to US\$ 4558.01million in June 2020 registering a positive growth of 109.2 percent in dollar terms.

All the engineering panels, like iron & 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 June 2021 compared to June 2020.

The share of engineering imports in India's total merchandise imports has increased during June 2021 in comparison to June 2020 which has been estimated at 22.8%.

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

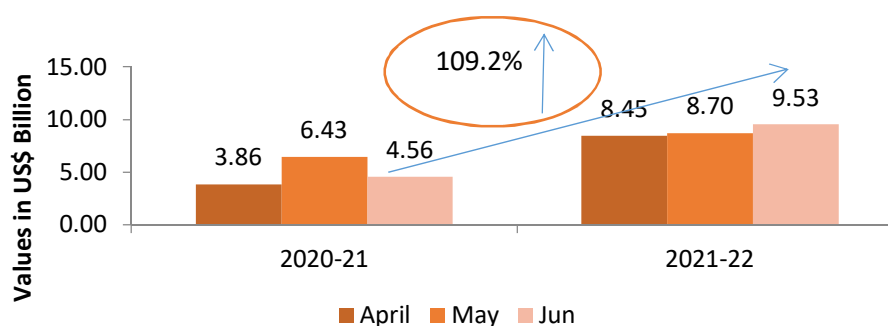
Table 19: Monthly engineering Imports (US\$ Mn.)

| Months | 2020-21 | 2021-22 | Growth (%) |
|--------|---------|---------|------------|
| April | 3858.97 | 8454.25 | 119.1 |
| May | 6433.42 | 8697.51 | 35.2 |
| June | 4558.01 | 9533.91 | 109.2 |

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

Figure 5: Monthly Engineering Imports for April-June 2021 vis-a-vis April-June 2020

Monthly Engineering Imports for April-June 2021 vis-a-vis April-June 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 last concluded fiscal 2020-21 depicted in the table below:

Table 20: Year-wise trend in engineering trade

(US\$ Billions)

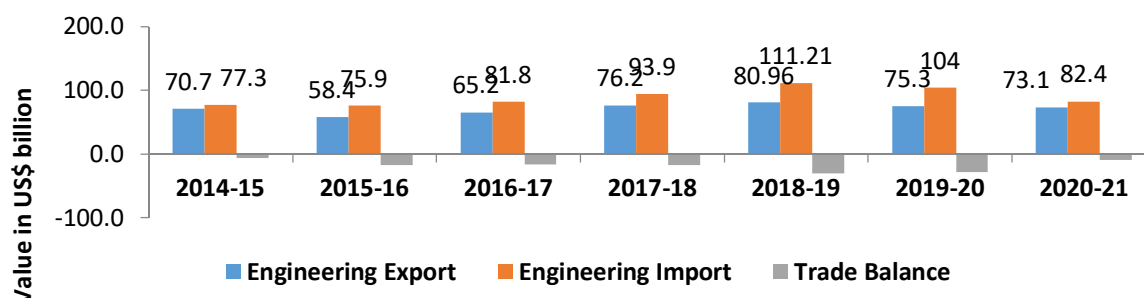
| Trade Flow | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Apr-Mar 2019-20 | Apr-Mar 2020-21 | Growth (%) |
|--------------------|---------|---------|---------|---------|---------|-----------------|-----------------|------------|
| Engineering Export | 70.7 | 58.4 | 65.2 | 76.2 | 81.0 | 75.3 | 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 6: Trend in Yearly Engineering Trade



Conclusion

Continuing with the growth trend in the past two months, India's engineering exports have maintained the growth momentum in June 2021 too. Double digit growth has been evident in almost all of India's major export destinations. This trend mirrors that of the global trade recovery. Globally the first quarter of 2021 witnessed significant growth although there were regional disparities. However factor such as falling demand in China, world's largest buyer of raw material and the possibility of a new and highly infectious COVID strain is again threatening the global trade. With domestic demand coming down in East Asian manufacturing giants including Japan, China and Korea, the export volumes from these countries have also been increasing which may pose a threat to the Indian exporters. In domestic front too Indian exporters are reeling through a number of challenges which include acute shortage of containers, doubling cost of logistics, increasing price of key raw materials such as steel, etc. In these tough times while we are grateful to the government for extending their support to the industry, we urge them to expedite the announcement of benefits under RODTEP scheme and the release of pending funds under the MEIS scheme. This will continue the working capital flow of our exporters who are mainly MSMEs. India has targeted to raise its exports to USD 400 billion by end of 2022. Given that engineering contributes almost 25 percent of total merchandise exports from India, to achieve the above target, India's engineering exports need to rise to USD 100 billion by 2022. The above factors will become crucial in India's journey towards achieving the export targets.

