

Engineering Exports and Imports Monitor

August 2021



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for August 2021

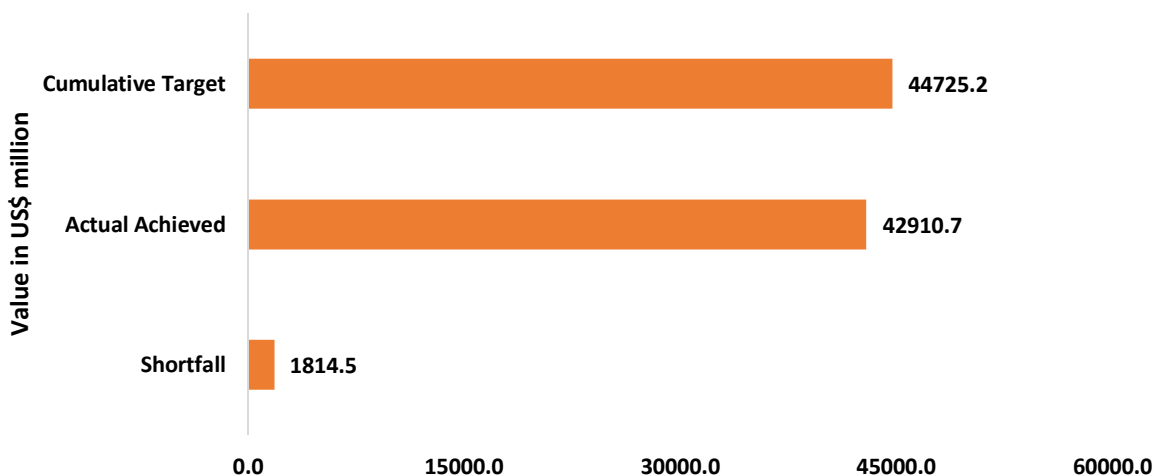
17th September 2021

Highlight

Engineering exports well on track to achieve USD 107 bn exports by end of FY 2021

India has set a target of US\$ 400 billion merchandise exports for the fiscal 2021-22. In terms of engineering sector, the target has been fixed to US\$ 107 billion for the fiscal 2021-22. In this regard, the month-wise Export and Export Target of engineering products for the period April to August 2021 are depicted in the below figure. India’s Engineering exports have cumulatively increased from 25.8 billion to 42.9 billion, registering a growth rate 66.2 % for the period of April-August 2021 as against the corresponding period of April-August 2020. Overall, for the given period (April-August 2021-22), percentage of target already achieved in the engineering sector has been to the extent of 40%. Now, for the given period April-August 2021-22, India’s engineering exports have fallen short on the target set by about US\$ 1.82 billion calculated on pro-rata basis achieving 40% of the target (against 42% of desired level) for the FY21-22. Engineering Export Target export analysis is given below.

Engineering Export Target -April-August 2021-22



Overall Scenario

Merchandise trade

Export continued to grow year-on-year for the tenth month in a row to Aug 2021

- ✚ Exports in August 2021 were USD 33.28 Billion, as compared to USD 22.83 Billion in August 2020, exhibiting a positive growth of 45.76 percent. In Rupee terms, the growth was 44.81 percent. As compared to August 2019, exports in August 2021 exhibited a positive growth of 28.03 percent in Dollar terms and 33.50 percent in Rupee terms. This was the tenth consecutive month when merchandise exports from India saw year-on-year growth and sixth straight month when exports remained above USD 30 Billion.
- ✚ The commodities/commodity groups recorded positive growth during August 2021 vis-à-vis August 2020 included Petroleum products (144.6%), Gems & jewellery (88.3%), Engineering goods (59.01%), Cotton yarn/fabs./made-ups, handloom products etc. (55.84%), Man-made yarn/fabs./made-ups etc. (51.71%) and Marine products (50.7%) among others. However, exports of Iron ore (-64.58%), Oil meals (-45.75%), Meat, dairy & poultry products (-15.39%), Oil seeds (-5.78%), Other cereals (-2.56%) and Tobacco (-2.55%) dropped over August 2020.
- ✚ Cumulative value of exports for the period April-August 2021 was USD 164.10 Billion as against USD 98.06 Billion during April-August 2020, registering a positive growth of 67.33 percent in Dollar terms. The growth was 64.37 percent in Rupee terms. As compared to April-August 2019, exports in April-August 2021 exhibited a positive growth of 23.25 percent in Dollar terms and 30.83 per cent in Rupee terms.
- ✚ Imports in August 2021 were USD 47.09 Billion, which was 51.72 percent higher in Dollar terms over that of August 2020 at USD 31.03 Billion and 18.15 percent over August 2019. In rupee terms, import grew by 50.73 percent over Aug 2020.
- ✚ Cumulative value of imports for the period April-August 2021 was USD 219.63 Billion as against USD 121.42 Billion during April-August 2020, registering a positive growth of 80.89 percent in Dollar terms. The growth was 77.76 percent in Rupee terms. Imports in April-August 2021 also registered a positive growth of 4.39 percent in Dollar terms over April-August 2019.
- ✚ Trade deficit in August 2021 widened by 68.41 percent to USD 13.81 Billion from USD - 8.20 Billion in August 2020. Cumulative trade deficit during April-August 2021 mounted by 137.86 percent to USD 55.54 Billion from USD 23.35 Billion during the same period last fiscal.

Engineering Trade

India's Engineering exports was at its all-time monthly high for the second straight month to August 2021.

- ✚ India's engineering exports was at its record high once again in August 2021. It crossed USD 9 billion for the second straight month and reached an all-time high of USD 9.21 billion (USD 9210.10 million) surpassing the previous record high of USD 9.13 billion (USD 9125.51 million) achieved in July 2021. Engineering exports in August 2021 was 59.05 percent higher over August 2020 when it was seen at USD 5790.82 million. It also recorded 46.80 percent growth over August 2019 when the Pandemic was yet to take its toll on global economy.
- ✚ Cumulative engineering exports during April-August 2021-22 stood at USD 42,910.71 million, registering 66.18 percent growth over the shipments of April-August 2020-21 at USD 25,822.06 million.
- ✚ Share of engineering in total merchandise export was 27.68 percent in August 2021 as against 25.82 percent in July, 27.19 percent in June, 25.44 percent in May, 24.83 percent in April 2021 and 25.36 percent in March 2021. On a cumulative basis, the share was 26.15 percent during April-August 2021-22.
- ✚ Out of 33 engineering panels 29 panels witnessed positive growth in exports and remaining 4 panels witnessed negative export growth during August 2021 vis-à-vis August 2020. 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-August 2021 over April-August 2020 while 24 countries recorded positive monthly growth during July 2021 over July 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 August 2021 over August 2020 as well as for April- August 2021 over April- August 2020, registering high positive growths.

India's engineering imports increased by 19.8 percent year-on-year in August 2021

- ✚ India's Engineering imports during August 2021 were valued at US\$ 7908.45 million compared to US\$ 6599.67 million in August 2020 registering a positive growth of 19.8 percent in dollar terms.
- ✚ Barring in sectors like Transport Equipment, all the other engineering panels, like iron & steel, non-ferrous metals, machine tools, machinery, electrical & non-electrical, medicinal & pharmaceutical products and professional instrument, optical goods witnessed an increase in import during August 2021 compared to August 2020.
- ✚ The share of engineering imports in India's total merchandise imports declined to 16.8 percent in August 2021 when compared to the same period last year.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

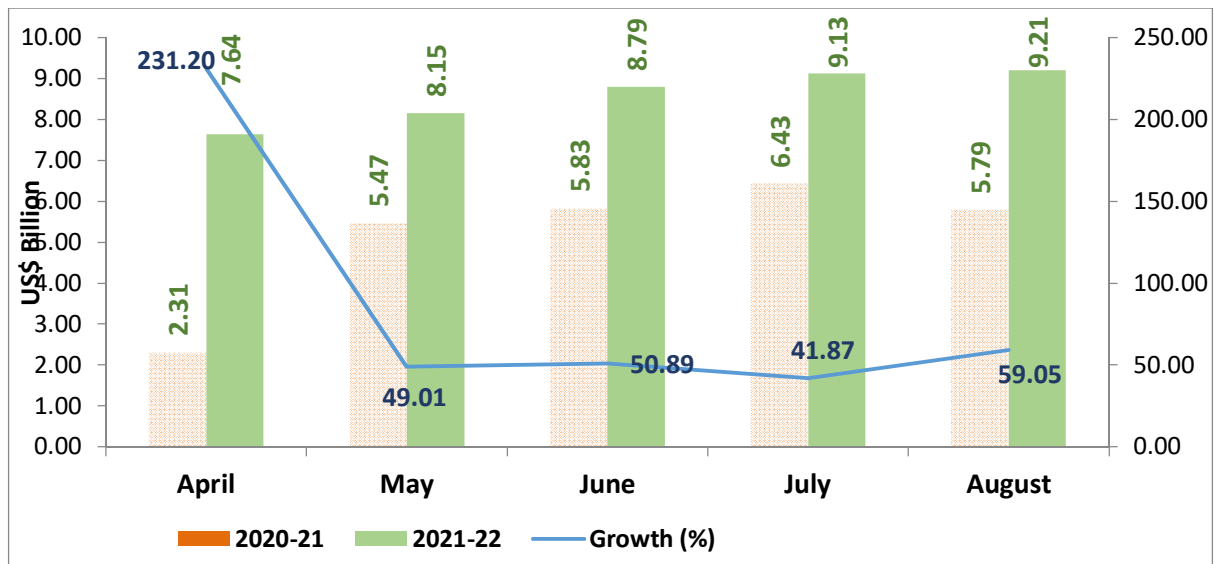
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

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

Month	2020-21	2021-22	Growth (%)
April	2306.35	7638.64	231.20
May	5466.82	8145.90	49.01
June	5825.88	8790.56	50.89
April-June	13599.06	24575.10	80.71
July	6432.18	9125.51	41.87
August	5790.82	9210.10	59.05
April-August	25822.06	42910.71	66.18

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 but June 2021 saw them moving in opposite direction with slightly accelerating engineering export growth but moderating manufacturing growth. The month of July again saw both engineering exports growth and manufacturing output growth decelerated. 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	231.20	196.0
May 2021	49.01	33.5
June 2021	50.89	13.0
July 2021	41.87	10.5
August 2021	59.05	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	2306.35*	-64.02
May	7159.43	5466.82*	-23.64
June	6274.90	5825.88*	-7.16
April-June	19845.12	13599.06*	-31.47
July	5877.95	6432.18*	9.43
August	6273.83	5790.82*	-7.70
September	6257.50	6513.53	4.09
July-September	18409.28	18736.53*	1.78
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	72717.77*	-3.49

Source: DGCI&S * Revised figures

Impact of Exchange Rate

How did the exchange rate fare during August 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 August 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:

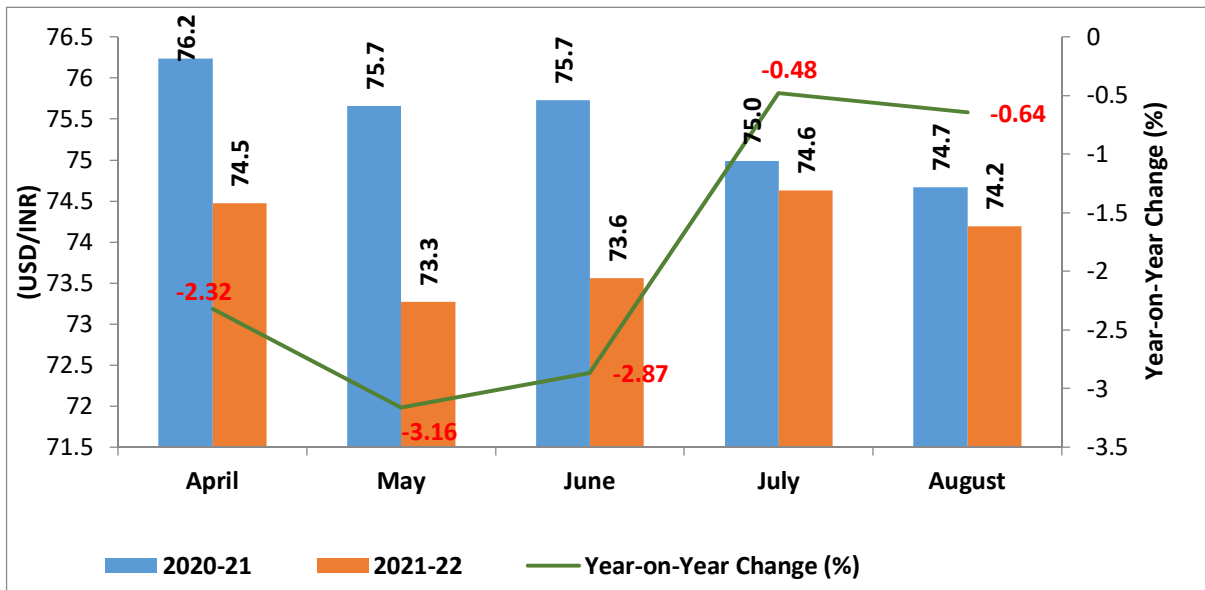
Table 4A: USD-INR monthly average exchange rate in 2021-22

(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
July	74.99	74.63	-0.48	Appreciation	1.45	Depreciation
August	74.67	74.19	-0.64	Appreciation	-0.59	Appreciation

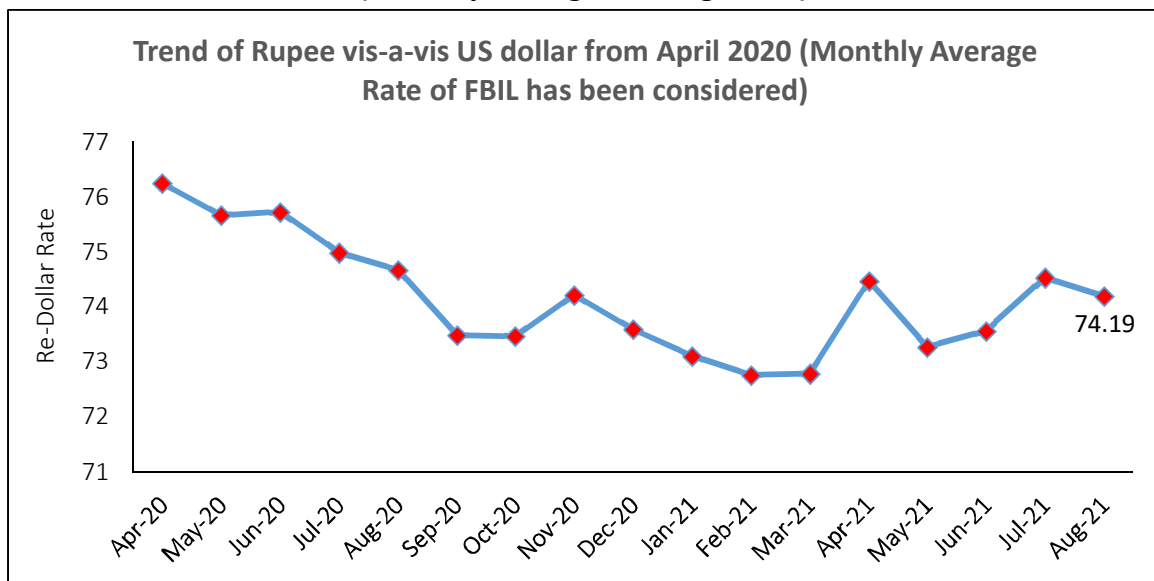
Source: FBIL, EEPC Research

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



Source: 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 in August 2021 both on a month-on-month as well as on a year-on-year basis vis-à-vis the US Dollar: Rupee in August 2021 appreciated by 0.59 percent vis-à-vis the US Dollar over the previous month and by 0.64 percent over the same month last year. The uncertainty in the currency market continues due to panic of the pandemic and geopolitical disturbance in Afghanistan.

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

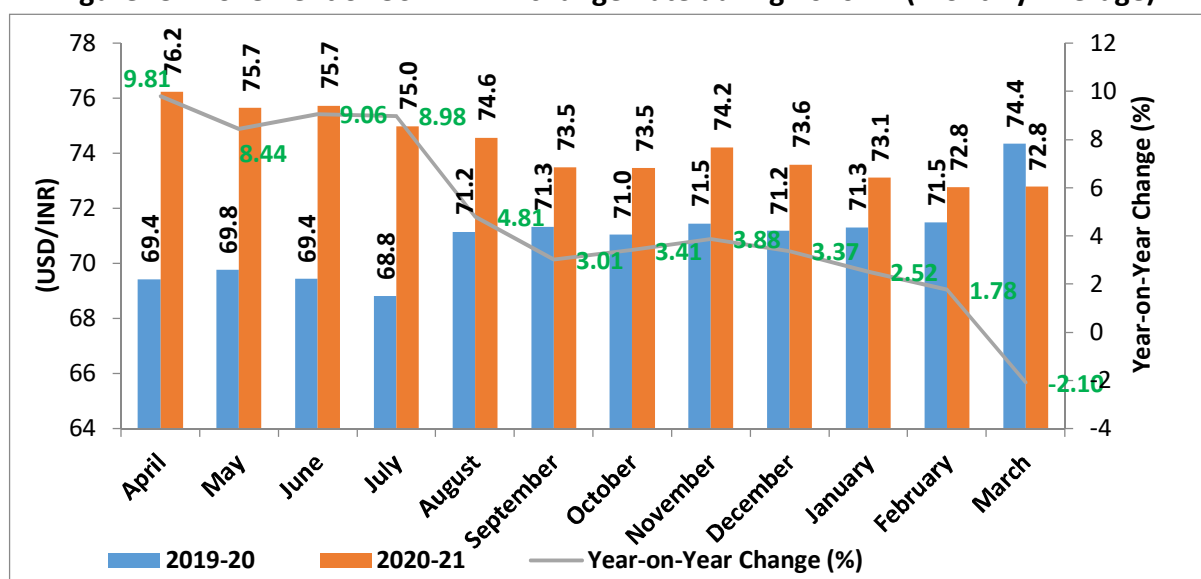
Table 4B: USD-INR average exchange rate in 2020-21

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
May	69.77	75.66	8.44	Depreciation	-0.76
June	69.44	75.73	9.06	Depreciation	0.09
July	68.81	74.99	8.98	Depreciation	-0.98
August	71.15	74.57	4.81	Depreciation	-0.56
September	71.33	73.48	3.01	Depreciation	-1.46
October	71.04	73.46	3.41	Depreciation	-0.03
November	71.45	74.22	3.88	Depreciation	1.03
December	71.19	73.59	3.37	Depreciation	-0.85
January	71.31	73.11	2.52	Depreciation	-0.65
February	71.49	72.76	1.78	Depreciation	-0.48
March	74.35	72.79	-2.10	Appreciation	0.04

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, EPC Research

3. Top 25 engineering export destinations in August 2021

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

Table-5: Engineering exports country wise
US\$ million

Row Labels	August 2020	August 2021	Growth (%)	April-August 2020	April-August 2021	Growth (%)
U S A	916.5	1302.0	42%	3526.9	5901.0	67%
CHINA P RP	531.3	613.3	15%	2745.8	2493.6	-9%
U ARAB EMTS	287.8	379.3	32%	1321.0	2382.5	80%
ITALY	150.7	460.4	206%	537.0	1938.7	261%
SINGAPORE	244.2	251.5	3%	1570.7	1407.1	-10%
GERMANY	212.3	341.3	61%	914.4	1369.0	50%
TURKEY	99.0	274.3	177%	372.7	1350.0	262%
BELGIUM	56.8	207.8	266%	342.0	1315.3	285%
NEPAL	148.8	277.0	86%	496.3	1279.5	158%
KOREA RP	182.4	271.0	49%	840.1	1152.9	37%
VIETNAM SOC REP	153.9	282.8	84%	856.8	1140.1	33%
SOUTH AFRICA	89.5	189.9	112%	289.4	1099.4	280%
U K	159.7	233.8	46%	543.5	1073.4	97%
MEXICO	143.6	257.0	79%	542.5	1069.4	97%
BANGLADESH PR	166.9	219.2	31%	528.9	1031.0	95%
THAILAND	123.5	199.6	62%	494.6	962.4	95%
INDONESIA	48.4	176.4	265%	665.7	917.6	38%
MALAYSIA	161.4	50.6	-69%	1084.5	728.4	-33%
SAUDI ARAB	104.2	150.6	45%	434.2	651.9	50%
POLAND	39.3	183.2	366%	147.5	631.7	328%
BRAZIL	81.0	133.2	65%	263.2	624.6	137%
NETHERLAND	66.8	192.9	189%	280.7	624.5	122%
JAPAN	57.7	129.7	125%	360.3	622.9	73%
SPAIN	56.8	115.6	104%	258.6	613.4	137%
FRANCE	100.8	124.5	24%	354.9	593.6	67%
Total engineering exports to top 25 countries	4383.4	7016.8	60%	19772.2	32973.8	67%
Total engineering exports	5790.8	9210.1	59%	25822.1	42910.7	66%
Share (%)	75.7%	76.2%		76.6%	76.8%	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- ✚ Like the previous month 22 out of 25 countries recorded positive cumulative growth in engineering exports during April-August 2021 over April-August 2020. While 24 countries recorded positive monthly growth during August 2021 over August 2020.
- ✚ Once again USA ranks as the numero uno destination for India's engineering products during August 2021 over August 2020 as well as for April- August 2021 over April- August 2020, registering high positive growths to the extent of 42% and 67% respectively.
- ✚ UAE ranked as India's third largest export destination after China securing the second spot registering high positive monthly growth during August 2021 over August 2020 and positive cumulative growth during April- August 2021 over April- August 2020.
- ✚ Unlike the previous months, exports to China registers the second largest export destination witnessing positive monthly growth in August 2021 but negative cumulative growth in April-August 2021-22 compared to same period last fiscal.
- ✚ Among the ASEAN countries under the top 25 engineering exports destinations, Korea Rep, Vietnam, Thailand and Indonesia recorded significant positive cumulative growth to the extent of 37%, 33%, 95% and 38% while Singapore and Malaysia recorded negative cumulative growth falling by 10% and 33% respectively during April- August 2021 over April- August 2020. Except Malaysia, positive monthly growth was recorded in case of Singapore, Korea Rep, Vietnam, Thailand and Indonesia for August 2021 over August 2020.
- ✚ All the European nations for India's top 25 engineering export destinations –Italy, Germany, Turkey, Belgium, UK, Poland, Spain and France recorded high positive cumulative growth during April- August 2021 over April- August 2020. All the European countries mentioned above recorded positive monthly growth in August 2021 over August 2020.
- ✚ Italy ranked as the fourth 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- August 2021 over April- August 2020 recorded a high positive growth which is marginally a little more 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 76.8 percent of India's total engineering exports in April-August 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-August 2021 as opposed to April-August 2020.

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

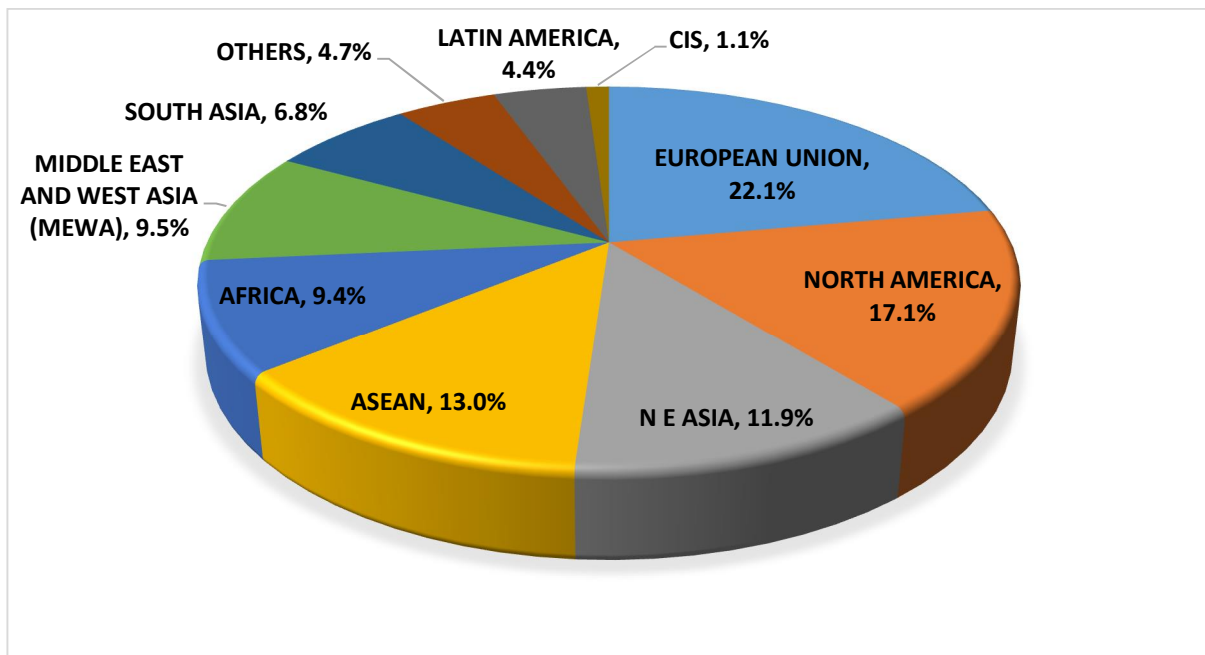
US\$ million

Region	August-2020	August-2021	Growth (%)	April-August 2020	April-August 2021	Growth (%)
EUROPEAN UNION	998.20	2143.45	114.7%	4307.01	9502.68	120.6%
NORTH AMERICA	1118.89	1635.04	46.1%	4335.37	7317.15	68.8%
N E ASIA	852.18	1229.58	44.3%	4425.37	5113.17	15.5%
ASEAN	819.18	1028.01	25.5%	4947.98	5568.72	12.5%
AFRICA	540.75	857.63	58.6%	1920.15	4033.02	110.0%
MIDDLE EAST AND WEST ASIA (MEWA)	559.12	785.61	40.5%	2451.42	4070.88	66.1%
SOUTH ASIA	410.85	596.19	45.1%	1481.30	2912.74	96.6%
OTHERS	203.46	438.24	115.4%	942.65	2033.01	115.7%
LATIN AMERICA	214.56	396.66	84.9%	710.25	1894.40	166.7%
CIS	73.62	99.67	35.4%	300.50	464.10	54.4%
Grand Total	5790.82	9210.10	59.0%	25822.06	42910.71	66.2%

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-August 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-August 2021 over April-July 2020 with a share of 22.1 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-August 2021 with a share of 17.1 percent and 13 percent of total engineering exports respectively.
- North East Asia ranked fourth in global shipments of Indian engineering goods in April-August 2021 with a share of 11.9 percent.
- Like the previous month engineering exports to all regions recorded positive cumulative growth during April-August 2021 compared to April-August 2020.
- Latin America recorded the highest positive cumulative growth of more than 166.7 percent during April-August 2021.

5. Panel Wise Engineering Exports

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

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

US\$ Million

Engineering Panels		AUGUST, 2020	AUGUST, 2021	Growth %	APRIL,2020 - AUGUST,2020	APRIL,2021 - AUGUST,2021	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	1021.2	2469.1	141.8	5292.6	10161.1	92.0
B	Products of Iron and Steel	542.7	709.4	30.7	2027.7	3176.5	56.7
Sub Total		1564.0	3178.5	103.2	7320.3	13337.6	82.2
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	93.8	259.3	176.4	497.2	1087.9	118.8
B	Aluminium and products	444.4	760.3	71.1	2195.3	3578.3	63.0
C	Zinc and products	53.4	39.5	-26.0	317.7	364.1	14.6
D	Nickel and products	4.0	8.2	105.6	19.2	40.0	108.3
E	Lead and products	22.1	48.4	118.5	138.5	202.1	45.9
F	Tin and products	0.5	1.6	205.1	2.5	8.1	231.4
G	Other Non-Ferrous Metals	44.6	68.3	53.3	152.7	313.3	105.2
Sub Total		662.9	1185.5	78.8	3323.1	5593.9	68.3
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	42.7	51.3	20.2	185.9	234.4	26.1
B	IC Engines and Parts	201.8	281.7	39.6	744.9	1333.6	79.0

Engineering Panels		AUGUST, 2020	AUGUST, 2021	Growt h %	APRIL,2020 - AUGUST,20 20	APRIL,2021 - AUGUST,20 21	Growt h %
C	Pumps of all types	72.2	103.1	42.9	271.1	495.3	82.7
D	Air condition and Refrigerators	89.9	113.2	25.9	346.4	525.0	51.6
E	Industrial Machinery for dairy, food processing , textiles etc	381.5	560.2	46.8	1448.2	2610.2	80.2
F	Machine Tools	34.8	62.8	80.6	123.4	253.1	105.2
G	Machinery for Injecting moulding, valves and ATMs	134.2	158.0	17.7	537.9	722.5	34.3
Sub Total		957.0	1330.3	39.0	3657.7	6174.3	68.8
4	Electrical Machinery	692.9	878.4	26.8	3031.9	3969.6	30.9
5. Automobiles							
A	Motor Vehicle/cars	440.1	671.4	52.5	1414.4	2791.4	97.4
B	Two and Three Wheelers	145.7	251.2	72.4	466.8	1231.6	163.8
C	Auto Components/Part	392.1	571.6	45.8	1293.0	2763.6	113.7
Sub Total		978.0	1494.1	52.8	3174.3	6786.5	113.8
6	Aircrafts and Spacecraft parts and products	99.2	86.6	-12.8	334.2	407.9	22.1
7	Ships Boats and Floating products and parts	154.4	120.9	-21.7	2516.3	2338.4	-7.1
8. Other engineering products							
A	Medical and Scientific instruments	138.9	163.7	17.9	570.5	803.8	40.9
B	Railway Transport	9.4	9.9	6.2	29.7	81.2	173.1
C	Hand Tools & Cutting Tools	57.7	80.7	39.9	217.9	387.1	77.6
D	Electrodes Accumulators	3.9	4.6	19.3	13.8	21.5	56.3
E	Accumulator and Batteries	33.6	50.8	51.2	112.0	224.8	100.7
F	Bicycle & Parts	33.4	38.0	13.9	104.3	180.3	72.8
G	Cranes Lifts & Winches	39.7	54.1	36.2	138.4	249.0	80.0
H	Office Equipments	13.4	9.1	-31.9	46.6	71.4	53.3
I	Other Construction Machinery	90.1	181.4	101.2	354.9	742.5	109.2
J	Prime Mica & Mica Products	1.9	2.2	15.4	9.6	17.2	78.7
K	OTHER MISC. ITEMS	260.4	341.2	31.0	866.6	1523.7	75.8
Sub total		682.5	935.9	37.1	2464.3	4302.5	74.6
Total engineering exports*		5790.8	9210.1	59.0	25822.1	42910.7	66.2

Source: DGCI&S

🇮🇳 India's engineering goods exports grew by 59% for the fifth straight month reaching to US\$ 9210.1 million in August 2021 from US\$ 5790.8 million in August 2020. Engineering

exports crossed USD 9 billion mark consecutively for the second time after the month of July, reaching an all-time high of USD 9.21 billion. Cumulative engineering exports during April-August 2021-22 witnessed massive growth (66.2% growth) to USD 42910.7 million from USD 25822.1 million during the same period last fiscal. The share of engineering in total merchandise export has been 27.7 percent in August 2021 as against 25.82 percent in July 2021.

- ✚ Out of 33 engineering panels 29 panels witnessed positive growth in exports and remaining 4 panels witnessed negative export growth during August 2021 vis-à-vis August 2020. In cumulative terms, 32 out of 33 panels exhibited a year-on-year growth and only one panel (Ships and Boats) exhibited negative growth.

- ✚ Year on year growth for the month of August 2021 witnessed in some panels except for Zinc and products declining to the extent of 26%, Aircraft and Spacecraft by 12.8%, Ship, Boats and Floating Bodies to the extent of 21.7% and Office Equipments to the extent of 31.9%.

- ✚ Exports of iron and steel recorded a continuous growth to the extent of 142% in August 2021 compared to same period last year. Furthermore, exports of products of iron and steel increased to the extent of 31% in August 2021 thereby resulting a growth in export of the total group by more than 100 percent. In cumulative terms, Iron and steel figures grew by 92% and products of iron and steel grew by 57% during April-August 2021-22 vis-à-vis same period last fiscal. Moreover, in cumulative terms the two panels together registered a growth to the extent of 82.2%. 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.

- ✚ In case of non-ferrous metals, sectors like Zinc and products exhibited negative growth in exports to the extent of 26% during the month of August 2021 vis-a-vis August 2020. All the remaining segments showed positive growth. Copper and products witnessed 176% growth in exports, Aluminium and products grew by 71.1%, while Nickel and Lead products grew by 105% and 118% respectively, while Tin and products more than doubled to the extent of 205% in August 2021, which has been primarily due to low base effect. In cumulative terms the export growth was noticed to the extent of 68.3% during April-August 2021-22 vis-à-vis April-August 2020-21.

- ✚ All the seven panels under Industrial machinery exhibited positive growth in August 2021 which led the total industrial machinery panel increase by 39% during August 2021. In the month of August 2021, panels like Industrial Machinery for Boilers increased by 20.2%, Machinery for IC Engines improved by 39.6%, Pumps and Valves rose by 42.9%, Air Condition and Repair Machinery increased by 25.9%, Industrial Machinery for dairy

increased by 46.8%, Machine Tools fared positive trends to the extent of 80.6% and Machinery for ATMS increased by 17.7%. In cumulative terms, the panel registered positive growth of 68.8% during April-August 2021-22 compared to the same period last year.

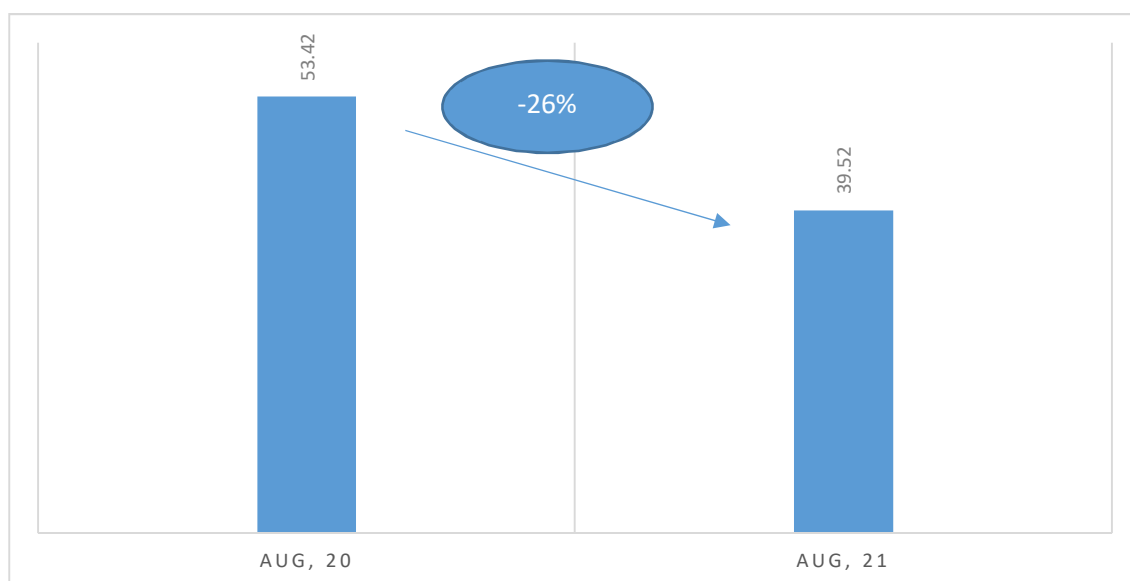
- ✚ Electrical Machinery and equipment which is a major engineering exporting sector for India experienced a growth in exports both monthly and on cumulative basis increasing to the extent of 26.8% from US\$ 692.9 million in August 2020 to US\$ 878.4 million in August 2021. In cumulative terms there was 30.9% growth in exports in April-August 2021-22 when compared to April-August 2020-21.
- ✚ The automobile sector (combination of Two and Three wheelers and Motor vehicles and Cars) recorded consecutive massive jump in exports to the extent of 57.5% primarily due to sharp jump in exports of Two and Three Wheelers by 72.4% and Motor Vehicles by 52.5% during August 2021. In cumulative terms, the automobile sector experienced a positive growth of more than 113.8% from US\$ 1881.2 million in April- August 2020-21 to US\$ 4022.9 million in April-August 2021-22. Auto Components and parts sector witnessed export growth to the extent of 45.8% in August 2021 vis-à-vis August 2020 and in cumulative terms witnessed export growth by more than 113.7% during April-August 2021-22 compared to April-August 2020-21.
- ✚ Exports of Aircrafts and Spacecraft parts and products recorded 12.8% negative monthly growth and 22.1% positive cumulative growth. While 'Ship, Boats and Floating Bodies' exhibited a negative monthly growth in exports (21.7%) and negative cumulative exports (7.1%).
- ✚ In the rest of the engineering segments, there has been no negative growth during August 2021 except in one panel like Office Equipments witnessing negative monthly growth to the extent of 32% while in cumulative terms all the miscellaneous panels registered positive export growth. Increase in exports was noticed in case of Medical Devices and Equipment (17.9%), Railway, Transport and Equipment by 6.2%, Hand Tools and Cutting Tools increased by 39.9%, Electrodes and Accumulators rose by 19.3%, Accumulators and Battery increased by 51.2%, Bicycle and parts increased by 13.9%, Cranes, Lifts and Winches increased by 36.2% and Other Construction Machinery increased by 101% during August 2021 compared to August 2020. In cumulative terms the "other engineering sector" witnessed export growth to the extent of 74.6% during April-August 2021-22 vis-à-vis April-August 2020-21.

➤ **Data for ferrous and non-ferrous panels experiencing a decline in the month of August 2021 vis-à-vis August 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	73.21	13.7	71.12	-2.8
August	32.30	53.42	-43.1	39.52	-26
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 August 2021 v/s August 2020 (in USD Million)



Source: DGCI&S

6. Engineering panels – country-wise analysis

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

Table 9: Export of Iron & Steel
US\$ Million
(Source: Department of Commerce, Government of India)

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
ITALY	70.10	256.37	265.73	257.07	1216.47	373.20
BELGIUM	19.19	131.69	586.42	164.83	1006.25	510.47
CHINA	328.14	208.14	-36.57	1862.05	689.14	-62.99
VIETNAM	78.71	198.50	152.19	630.49	687.21	9.00
NEPAL	54.29	110.75	103.99	210.84	554.57	163.03
High cumulative growth						
SINGAPORE	1.12	18.93	1594.85	15.59	170.74	995.50
TURKEY	11.15	107.31	862.12	46.97	500.40	965.27
BELGIUM	19.19	131.69	586.42	164.83	1006.25	510.47
POLAND	9.80	61.45	527.38	41.37	234.66	467.16
U S A	10.67	88.97	733.97	66.79	320.38	379.70
ITALY	70.10	256.37	265.73	257.07	1216.47	373.20
Sharp cumulative decline						
MYANMAR	10.55	0.33	-96.91	32.30	5.04	-84.39
CHINA	328.14	208.14	-36.57	1862.05	689.14	-62.99
ETHIOPIA	3.07	1.74	-43.11	13.91	5.93	-57.40
FRANCE	10.71	4.77	-55.49	27.45	19.16	-30.22
BHUTAN	1.32	3.78	185.92	21.98	15.38	-30.01

- ✚ Italy, Belgium and China were the top three importers of Indian Iron and Steel during April - August 2021 with market shares of 11.97 percent, 9.90 percent and 6.78 percent respectively.
- ✚ Singapore and Turkey recorded a monumental growth of 995.50 and 965.27 percent respectively followed by Belgium and Poland exhibiting growth of more than 450 percent in exports of Indian Iron and Steel during April-August 2021 compared to April-August 2020.
- ✚ Myanmar, China and Ethiopia experienced sharp downfall to the extent of more than 55 percent drop in exports during April-August 2021 compared to same period last fiscal.

Table 10: Export of Products of Iron & Steel

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U S A	143.56	212.99	48.37	426.59	894.49	109.69
GERMANY	28.16	42.62	51.35	106.22	175.90	65.60
U K	22.01	38.25	73.78	68.72	175.20	154.96
U A E	28.67	36.22	26.31	117.72	159.06	35.12
ITALY	15.14	24.12	59.33	56.72	105.97	86.84
High cumulative growth						
U K	22.01	38.25	73.78	68.72	175.20	154.96
BELGIUM	8.67	20.82	140.23	36.01	75.82	110.55
U S A	143.56	212.99	48.37	426.59	894.49	109.69
NETHERLAND	12.89	25.85	100.55	51.36	103.02	100.58
SPAIN	7.66	14.52	89.62	27.07	53.78	98.69
NEPAL	7.88	12.86	63.15	28.42	56.08	97.31
Sharp cumulative decline						
ETHIOPIA	4.17	0.59	-85.91	13.20	4.45	-66.28
EGYPT	14.88	2.28	-84.69	33.73	12.02	-64.37
AFGHANISTAN	0.72	0.33	-54.60	10.81	5.31	-50.89
INDONESIA	2.97	4.24	42.67	44.69	22.70	-49.20
CHILE	0.41	1.62	291.19	12.74	7.42	-41.78

(Source: Department of Commerce, Government of India)

- 🇺🇸 USA, Germany and UK were the top three importers of India's 'Products of Iron & Steel' during April-August2021 with 28.16 percent, 5.54 percent and 5.52 percent shares respectively in India's global import of the same.
- 🇺🇸 UK experienced more than 154 percent growth followed by Belgium and USA at around 110 percent in import of 'Products of Iron and Steel' during April-August2021.
- 🇪🇹 Ethiopia, Egypt and Afghanistan conceded substantial decline in imports by more than 50% for the said product group from India during April-August 2021.

Table 11: Export of Industrial Machinery

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U S A	140.80	228.89	62.57	566.80	1114.68	96.66
THAILAND	47.84	87.44	82.76	181.01	431.62	138.45
CHINA	47.79	77.88	62.96	211.86	337.93	59.50

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
GERMANY	69.39	71.09	2.45	200.08	326.29	63.08
SINGAPORE	19.23	50.99	165.15	103.07	233.91	126.94
High cumulative growth						
THAILAND	47.84	87.44	82.76	181.01	431.62	138.45
SINGAPORE	19.23	50.99	165.15	103.07	233.91	126.94
U S A	140.80	228.89	62.57	566.80	1114.68	96.66
TURKEY	27.64	42.44	53.55	109.04	189.17	73.49
GERMANY	69.39	71.09	2.45	200.08	326.29	63.08
CHINA	47.79	77.88	62.96	211.86	337.93	59.50
Sharp cumulative decline						
IRAN	2.82	1.69	-40.02	20.46	8.88	-56.61
OMAN	9.87	3.89	-60.64	59.90	44.52	-25.69
HUNGARY	3.54	2.10	-40.65	15.87	13.40	-15.59
FINLAND	1.05	1.03	-1.54	5.73	4.88	-14.84
MYANMAR	2.47	1.32	-46.41	10.29	9.32	-9.47

(Source: Department of Commerce, Government of India)

- 🇺🇸 USA was the largest importer of Indian 'Industrial machinery' during April-August 2021 with 18.05 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 6.99 percent and 5.47 percent shares respectively.
- 🇹🇭 Thailand and Singapore exhibited the substantial growth of more than 125 percent followed by USA witnessing growth of 96.66 percent in imports of Industrial machinery from India during April-August 2021 over the same period last fiscal.
- 🇮🇷 Among the major importers, Iran recorded over 56 percent year-on-year decline followed by Oman and Hungary in imports of Industrial machinery from India during April-August 2021 over the same period last fiscal.

Table 12: Automobiles

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
MEXICO	75.77	105.02	38.61	314.25	481.65	53.27
SOUTH AFRICA	47.10	106.84	126.85	151.67	459.13	202.71
NEPAL	15.14	53.85	255.64	44.60	220.74	394.95
NIGERIA	39.25	45.77	16.62	106.57	220.66	107.05
CHILE	12.78	37.19	191.01	41.37	184.60	346.22
High cumulative growth						

COLOMBIA	10.24	32.76	219.87	31.70	160.62	406.68
NEPAL	15.14	53.85	255.64	44.60	220.74	394.95
CHILE	12.78	37.19	191.01	41.37	184.60	346.22
SOUTH AFRICA	47.10	106.84	126.85	151.67	459.13	202.71
NIGERIA	39.25	45.77	16.62	106.57	220.66	107.05
Sharp cumulative decline						
MYANMAR	1.91	0.00	-100.00	4.58	1.29	-71.79
U K	16.85	4.21	-74.99	33.73	11.87	-64.82
CANADA	8.19	5.29	-35.35	29.72	13.71	-53.87
AFGHANISTAN	0.98	0.28	-71.18	3.82	1.92	-49.91
SINGAPORE	0.17	0.77	340.13	3.35	1.98	-41.05

(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-August 2021 with 11.97, 11.41 and 5.49 percent share in India's global exports respectively over the same period last fiscal.
- 🇨🇴 Colombia and Nepal exhibited close to 400 percent growth followed by Chile and South Africa exhibiting growth of 346.22 percent and 202.71 percent respectively in imports of the product group from India during April-August 2021 over the same period last fiscal.
- 🇲🇻 Countries like Myanmar, UK, Canada and Afghanistan saw their imports of automobile lower by about/more than 50 percent during April-August 2021 compared to same period last fiscal.

Table 13: Export of Non-Ferrous metals

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
CHINA	107.62	272.56	153.27	495.29	1179.15	138.07
KOREA	130.94	142.03	8.47	617.96	700.59	13.37
U S A	52.96	116.86	120.68	239.03	487.32	103.88
TURKEY	2.81	46.05	1539.39	13.48	332.10	2363.03
SINGAPORE	13.70	16.56	20.88	219.46	215.98	-1.58
High cumulative growth						
TURKEY	2.81	46.05	1539.39	13.48	332.10	2363.03
ITALY	5.18	86.84	1575.62	14.90	191.11	1182.77
VIETNAM	7.27	24.14	231.94	31.92	151.26	373.85
CHINA	107.62	272.56	153.27	495.29	1179.15	138.07
U A E	15.39	32.04	108.19	70.32	158.30	125.10
Sharp cumulative decline						
MALAYSIA	109.42	5.81	-94.69	641.77	81.52	-87.30

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
ETHIOPIA	5.43	0.91	-83.27	17.63	5.79	-67.16
MALI	0.00	1.53	909186.37	7.36	3.00	-59.21
ECUADOR	1.38	1.10	-20.26	5.29	3.54	-32.94
EGYPT	0.76	3.74	394.43	15.11	10.55	-30.19

(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-August 2021 with 21.08 percent, 12.52 percent and 8.71 percent shares respectively in India's global import of the same.
- Turkey and Italy experienced massive growth of 2363.03 percent and 1182.77 percent followed by Vietnam at more than 370 percent growth in import of Non-ferrous metals and products ' during April-August 2021.
- Malaysia and Ethiopia conceded substantial decline in imports by more than 65 percent followed by Mali for the said product group from India during April-August 2021 vis-à-vis same period last fiscal.

Table 14: Export of Electrical Machinery and Components

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U S A	229.06	228.01	-0.46	1145.51	1138.45	-0.62
GERMANY	29.28	76.55	161.47	275.23	251.48	-8.63
POLAND	7.17	86.19	1101.92	23.62	238.03	907.94
U K	33.59	36.13	7.56	90.96	188.60	107.35
U A E	25.02	32.47	29.81	109.92	156.21	42.11
High cumulative growth						
POLAND	7.17	86.19	1101.92	23.62	238.03	907.94
SAUDI ARABIA	5.79	6.48	11.93	22.79	95.13	317.37
BANGLADESH	11.82	27.52	132.90	59.87	150.39	151.19
FRANCE	11.13	33.08	197.24	70.27	150.78	114.56
U K	33.59	36.13	7.56	90.96	188.60	107.35
U A E	25.02	32.47	29.81	109.92	156.21	42.11
Sharp cumulative decline						
NEW ZEALAND	6.11	0.32	-94.72	35.02	2.59	-92.59
HONG KONG	9.42	3.81	-59.53	71.98	17.61	-75.54
IRELAND	9.41	0.55	-94.12	23.86	11.86	-50.28
PHILIPPINES	1.98	2.28	14.99	14.65	9.71	-33.74

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
BELGIUM	3.69	9.57	159.36	40.29	29.75	-26.15

(Source: Department of Commerce and CSO)

- USA, Germany and Poland were the three top importers of Indian Electrical Machinery and Components during April-August 2021 with market shares of 28.68 percent, 6.34 percent and 6.00 percent respectively.
- Poland and Saudi Arabia recorded massive growth of 907.94 and 317.37 percent respectively followed by Bangladesh, France and UK exhibiting more than 100 percent growth in imports of India's Electrical Machinery and Components during April-August 2021 vis-a-vis April– August 2020.
- New Zealand and Hong Kong experienced the sharp decline of more than 75% in its imports in April-August 2021 when compared to April– August 2020.

Table 15: Export of Aircrafts and Space crafts

US\$ million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U S A	28.03	33.35	18.96	110.44	150.55	36.32
FRANCE	19.06	14.02	-26.44	47.55	78.64	65.39
U K	6.09	8.02	31.84	31.77	33.78	6.33
SINGAPORE	12.80	5.48	-57.19	35.47	29.33	-17.32
GERMANY	2.17	5.31	144.36	14.87	21.31	43.34
High cumulative growth						
FRANCE	19.06	14.02	-26.44	47.55	78.64	65.39
RUSSIA	1.08	1.32	21.61	5.86	8.95	52.67
SWITZERLAND	0.40	1.04	158.79	4.56	6.63	45.46
GERMANY	2.17	5.31	144.36	14.87	21.31	43.34
U S A	28.03	33.35	18.96	110.44	150.55	36.32
Sharp cumulative decline						
IRELAND	0.25	0.00	-100.00	5.23	0.92	-82.46
U A E	13.25	0.36	-97.25	20.00	8.20	-59.01
JAPAN	0.50	0.26	-47.59	2.06	1.08	-47.35
THAILAND	1.12	0.15	-86.48	2.73	1.44	-47.22
TURKEY	0.99	0.40	-59.70	3.03	2.39	-20.92

(Source: Department of Commerce and CSO)

- ✚ USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April-August 2021 with around 36.91, 19.28 and 8.28 percent shares respectively in India's total global exports of the product.
- ✚ France registered maximum growth of 65.39 percent followed by Russia and Switzerland in import of the product group from India during April-August 2021 as compared with the same period last fiscal.
- ✚ On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Ireland, U A E, Japan and Thailand dropped more than 45 percent on a year-on-year basis during April-August 2021 when compared to April-August 2020.

Table 16: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U A E	26.74	6.64	-75.17	301.16	821.59	172.81
SINGAPORE	126.87	108.08	-14.81	970.26	480.11	-50.52
MALAYSIA	0.00	0.03	5092.47	236.74	362.47	53.10
SOUTH AFRICA	0.00	0.00	-	0.00	257.40	-
INDONESIA	0.00	0.00	-	378.91	246.43	-34.96
High cumulative growth						
U A E	26.74	6.64	-75.17	301.16	821.59	172.81
MALAYSIA	0.00	0.03	5092.47	236.74	362.47	53.10
NETHERLAND	0.00	0.00	-	15.75	22.51	42.87
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
SRI LANKA	0.00	2.81	282392.96	135.19	37.91	-71.96
PORTUGAL	0.00	0.00	-	141.63	64.29	-54.61
SINGAPORE	126.87	108.08	-14.81	970.26	480.11	-50.52

(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 35.13 percent, 20.53 percent, 15.50 percent, 11.01 percent and 10.54 percent.
- ❖ Exports to UAE recorded substantial increase of more than 170 percent followed by Malaysia and Netherlands at 53.10 and 42.87 percent respectively in import of the product group from India during April-August 2021 as compared with the same period last fiscal.

- However, sharp decline of more than 50 percent was noticed in exports to Sri Lanka, Singapore and Portugal from India during April- August2021 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Gibraltar and Malta.

Table 17: Export of Auto Components

US\$ Million

COUNTRY	AUGUST 2020	AUGUST 2021	Growth (%)	APRIL - AUGUST 2020	APRIL - AUGUST 2021	Growth (%)
Top Five Importers						
U S A	92.04	145.76	58.37	297.16	691.23	132.61
BANGLADESH	23.15	23.58	1.84	62.07	152.31	145.39
GERMANY	22.14	32.05	44.73	77.97	150.41	92.91
TURKEY	23.36	36.29	55.33	85.80	149.11	73.79
MEXICO	14.22	27.70	94.82	51.93	137.94	165.63
High cumulative growth						
MEXICO	14.22	27.70	94.82	51.93	137.94	165.63
BRAZIL	15.77	23.17	46.93	46.84	119.98	156.17
BANGLADESH	23.15	23.58	1.84	62.07	152.31	145.39
U S A	92.04	145.76	58.37	297.16	691.23	132.61
GERMANY	22.14	32.05	44.73	77.97	150.41	92.91
Sharp cumulative decline						
JORDAN	0.56	0.00	-99.50	0.75	0.09	-87.90
CONGO	0.01	0.00	-98.27	0.34	0.08	-76.66
MYANMAR	1.51	0.78	-48.04	8.32	4.00	-51.87
ANGOLA	0.00	0.07	3410.73	0.26	0.19	-27.25
CAMBODIA	0.08	0.07	-14.60	0.32	0.24	-24.81

(Source: Department of Commerce and CSO)

- USA remained the top importer of auto components in April-August 2021 with a share of 25.01 percent. It is followed by Bangladesh, Germany, Turkey and Mexico with respective shares of 5.51 percent, 5.44 percent, 5.40 percent and 4.99 percent.
- Mexico recorded maximum increase of more than 165 percent followed by Brazil, Bangladesh, and USA in imports from April-August2021 when compared to April-August2020. However, all the four nations exhibited more than 100 % growth.
- However, Jordan, Congo and Myanmar recorded significant decline of more than 50 percent in April-August2021 when compared to April-August2020.

India's Engineering imports during August 2021 were valued at US\$ 7908.45 million compared to US\$ 6599.67 million in August 2020 registering a positive growth of 19.8 percent in dollar terms.

Barring in sectors like Transport Equipment, all the other engineering panels, like iron & steel, non-ferrous metals, machine tools, machinery, electrical & non-electrical, medicinal & pharmaceutical products and professional instrument, optical goods witnessed an increase in import during August 2021 compared to August 2020.

The share of engineering imports in India's total merchandise imports has dropped during August 2021 in comparison to August 2020 which has been estimated at 16.8%.

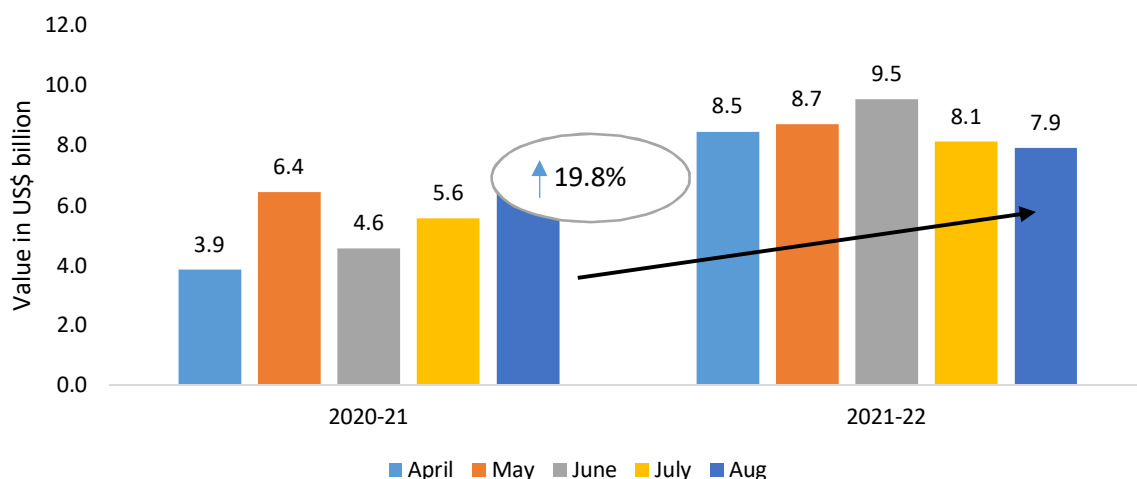
The monthly engineering import figures for fiscal April- August 2021 vis-a-vis April- August 2020 is depicted below as per the latest availability of figure:

Table 18: 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
July	5571.34	8119.31	45.73
August	6599.67	7908.45	19.8

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

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



Source: EEPC India analysis

We now present the trend in two way yearly trade for the engineering sector from 2014-15 till the last concluded fiscal 2020-21 depicted in the table below:

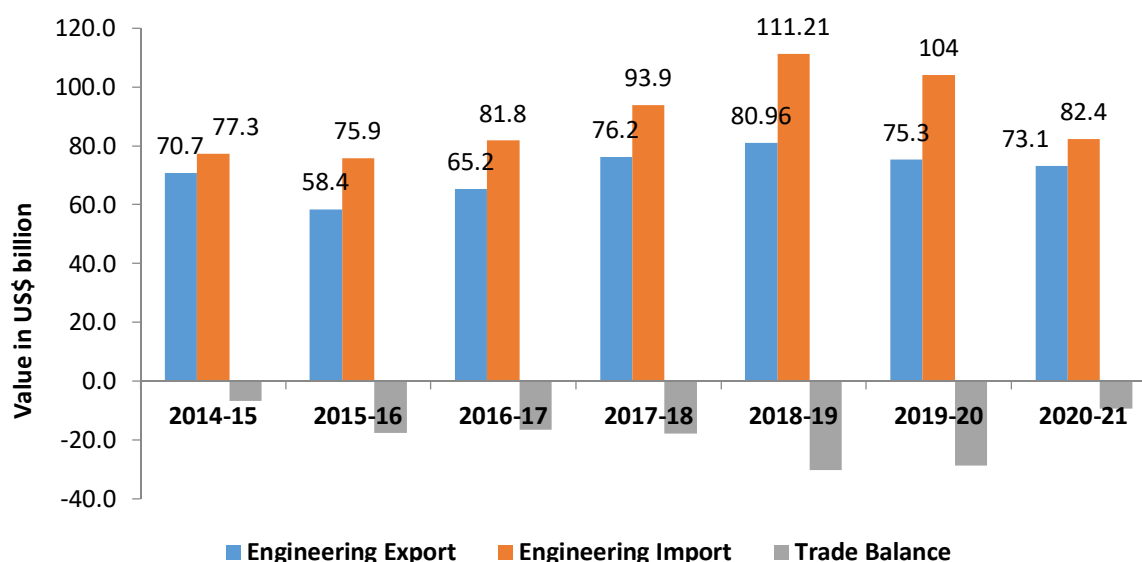
Table 19: Year-wise trend in engineering trade
(US\$ Billions)

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: DGCIS, 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



To conclude....

In India's endeavour to come out of the pandemic led economic downturn, exports have been a very positive factor. India has achieved growth in exports of almost all commodities. Infact commodity exports have exhibited double digit positive growth for last 10 consecutive months. Engineering exports have also exhibited tremendous growth in the past few months. In August 2021, engineering exports have even recorded a more than 40% growth when compared to August 2019 when the pandemic has not yet impacted global economy. The engineering export community is positively hopeful that with the expected strong global trade turnaround, engineering trade will continue in its growth journey and will be able to achieve the target of USD 107 billion by the end of FY 21. The engineering exporting community is also

thankful to the government for its relentless policy support. However, the community also urges the government to look into the issues of logistical shortage, high raw material prices, pending MEIS claims and proper rates under RoDTEP. The industry strongly believes that with this support engineering exports will be able to continue its north bound journey in the coming months.

