

Engineering Exports and Imports Monitor

September 2021



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

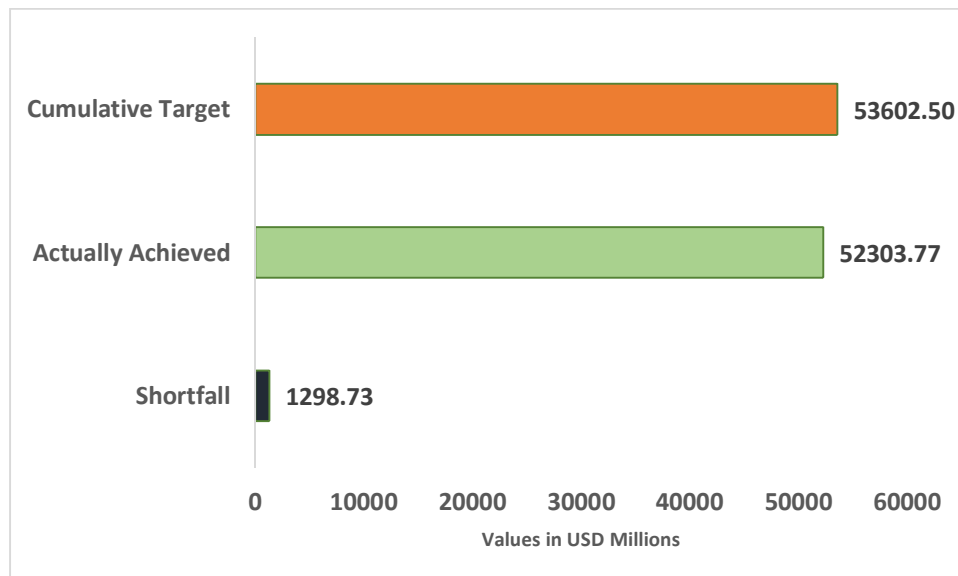
Analysis of Indian engineering exports and imports for September 2021
21st October 2021

Highlight

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

- Total export target set by India for the fiscal 2021-22: US\$ 400 billion
- Total engineering export target set by India for fiscal 2021-22: US\$ 107 billion
- India’s Engineering exports have cumulatively increased from 32.4 billion in April-September 2020-21 to 52.3 billion in April-September 2021-22, registering a growth rate 61.4%
- Overall, for the given period (April-September 2021-22), percentage of target already achieved in the engineering sector has been 48.87%

Figure 1: Engineering Export Target V/S Achieved for April-September 2021-22



Overall Scenario

Merchandise trade

Growth-run of India's merchandise export continued for the eleventh straight month to September 2021

- ✚ Exports in September 2021 were USD 33.79 Billion, as compared to USD 27.56 Billion in September 2020, exhibiting a positive growth of 22.63 percent. In Rupee terms, the growth was 22.76 percent.
- ✚ This was the eleventh straight month when merchandise exports from India saw year-on-year growth and seventh straight month when merchandise exports from India remained above USD 30 Billion.
- ✚ Coffee, cashew, petroleum products, Cotton yarn/fabs./made-ups, handloom products etc, engineering goods, etc were some of the sectors which experienced a growth in exports
- ✚ Cumulative value of exports for the period April-September 2021 was USD 197.89 Billion as against USD 125.62 Billion during the period April-September 2020, registering a positive growth of 57.53 per cent in Dollar terms. The growth was 55.42 percent in Rupee terms.
- ✚ Imports in September 2021 were USD 56.39 Billion, which was an increase of 84.77 percent in Dollar terms over imports of USD 30.52 Billion in September 2020. The growth was 84.97 percent in Rupee terms.
- ✚ Cumulative value of imports for the period April-September 2021 was USD 276.02 Billion as against USD 151.94 Billion during the period April-September 2020, registering a positive growth of 81.67 percent in Dollar terms. In rupee terms, the growth was 79.18 percent.
- ✚ Trade deficit in August 2021 widened by 68.41 percent to USD 13.81Billion from USD - 8.20Billion in August 2020. Cumulative trade deficit during April-August 2021 mounted by 137.86percent to USD 55.54Billion from USD 23.35Billion during the same period last fiscal.

Engineering Trade

India's Engineering exports crossed USD 9 billion for third straight month to September 2021

- ✚ India's engineering exports was recorded at USD 9005.31 million in September 2021 as against USD 6579.26 million in the same month last fiscal, registering a growth of 36.87 percent. This is the third straight month when engineering shipment from India crossed USD 9 billion.
- ✚ Engineering exports in September 2021 was also higher by nearly 44 percent as compared to September 2019 when the Pandemic was yet to take its toll on global economy.

- ✚ Cumulative engineering exports during April-September 2021-22 stood at USD 52303.77 million, registering 61.42 percent growth over the shipments of April-August 2020-21 at USD 32401.32 million.
- ✚ Share of engineering in total merchandise export was 26.65 percent in September 2021 as against 27.68 percent in August 2021. On a cumulative basis, the share was 26.43 percent during April-September 2021-22
- ✚ Out of 33 engineering panels 27 panels witnessed positive growth in exports during September 2021 vis-à-vis September 2020. In cumulative terms, 31 out of 33 panels exhibited a positive year-on-year growth
- ✚ Maximum y-o-y decline is witnessed in Zinc; Aircraft, spacecraft and parts; ships and floating structure and electrical machinery in September 2021
- ✚ Exports rose to 22 out of 25 top export destinations and all regions barring CIS

India's engineering imports increased by 36.9 percent year-on-year in September 2021

- ✚ India's Engineering imports during September 2021 were valued at US\$ 8697.24 million compared to US\$ 6350.82 million in September 2020 registering a positive growth of 36.9 percent in dollar terms.
- ✚ All the engineering panels, like iron & steel, non-ferrous metals, machine tools, machinery, electrical & non-electrical, transport equipment, medicinal & pharmaceutical products and professional instrument, optical goods witnessed a Y-o-Y increase in import during September 2021
- ✚ The share of engineering imports in India's total merchandise imports declined to 15.4 percent in August 2021 when compared to the same period last year.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

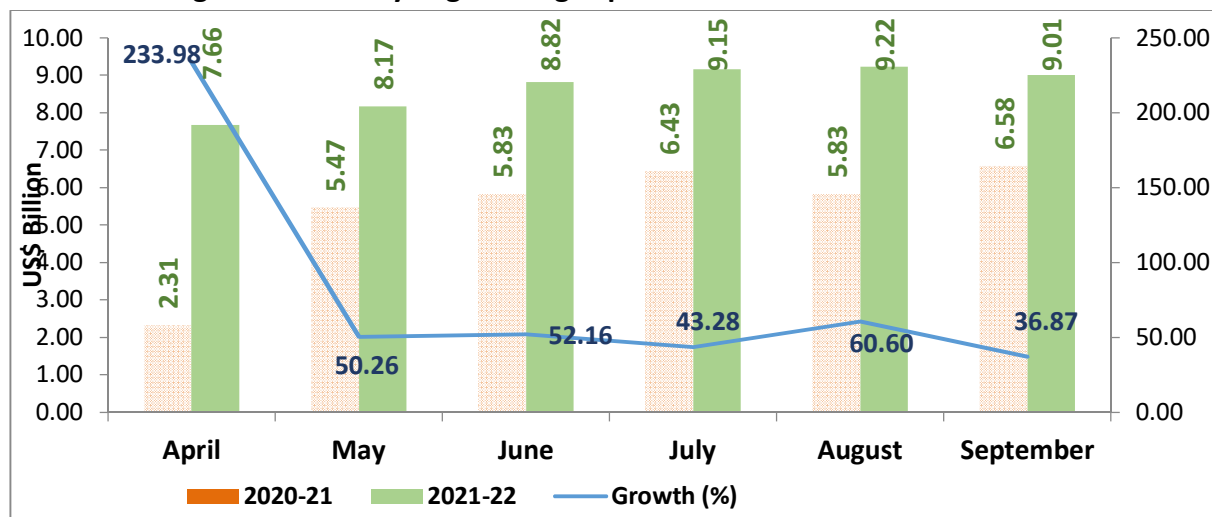
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

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

Month	2020-21	2021-22	Growth (%)
April	2306.35	7702.78	233.98
May	5466.82	8214.69	50.26
June	5825.88	8864.79	52.16
April-June	13599.06	24782.26	82.24
July	6432.18	9216.33	43.28
August	5790.82	9299.86	60.60
September	6579.26	9005.31	36.87
July-September	18802.27	27521.51	46.37
April-September	32401.32	52303.77	61.42

Source: DGCIS, Govt. of India.

Figure 2: 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 while August 2021 witnessed higher growth of engineering exports but deceleration in manufacturing output growth.. 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	32.1
June 2021	50.89	13.0
July 2021	41.87	10.5
August 2021	59.05	9.7
September 2021	36.87	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	6579.26*	5.14
July-September	18409.28	18802.27*	2.13
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	72783.50*	-3.40

Source: DGCI&S * Revised figures

Impact of Exchange Rate

How did the exchange rate fare during September 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 September 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

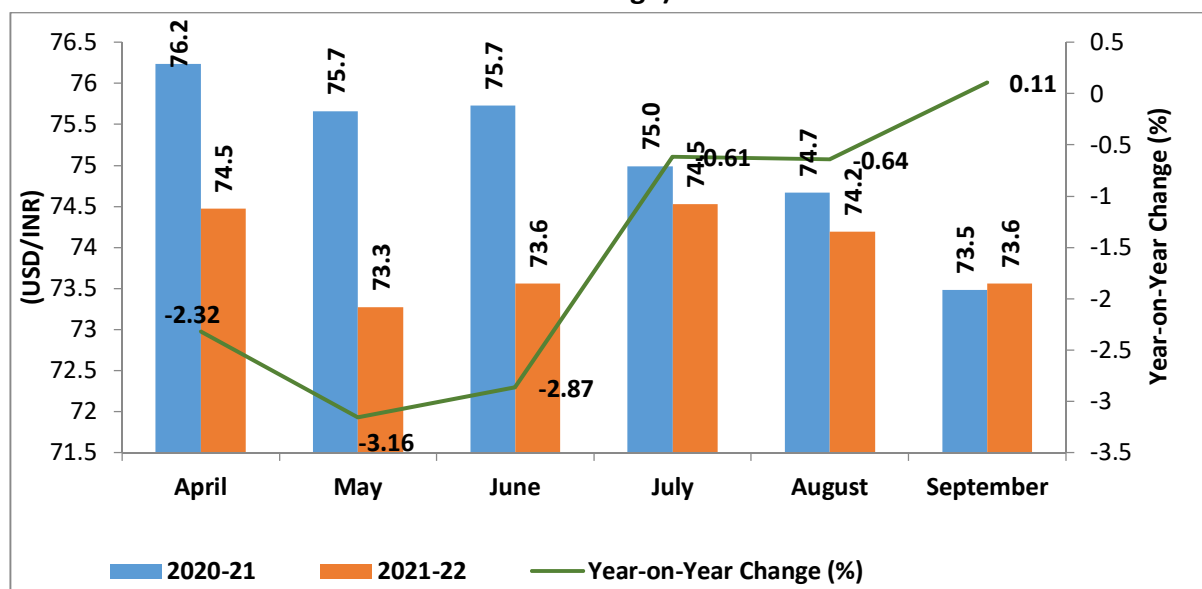
(As per latest data released by FBIL)

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
September	73.48	73.56	0.11	Depreciation	-0.85	Appreciation

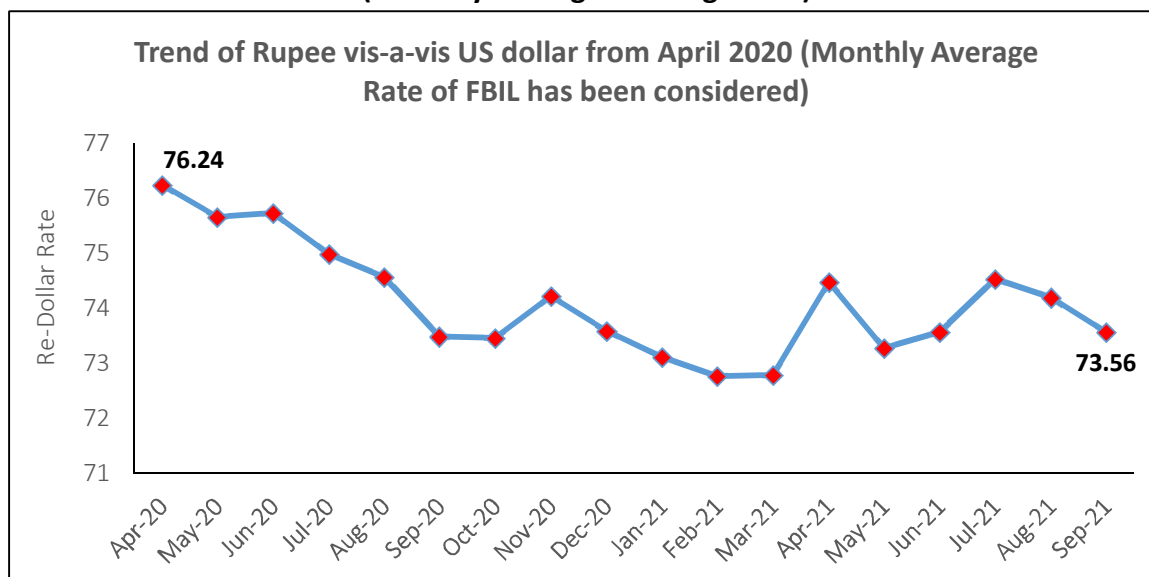
Source: FBIL, EEPC Research

Figure3A: Performance of Rupee against US Dollar in 2021-22 vis-à-vis 2020-21 (Monthly Average)



Source: FBIL, EEPC Research

Figure3B: Movement of Rupee vis-à-vis the US Dollar during from April 2020 (Monthly Average Exchange Rate)



Source: FBIL

Rupee appreciated in September 2021 over the month but slightly depreciated on a year-on-year basis vis-à-vis the US Dollar: Rupee in September 2021 depreciated by 0.11 percent over the same month last fiscal but appreciated on a month-on-month basis for the second straight month vis-à-vis the US Dollar.

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

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

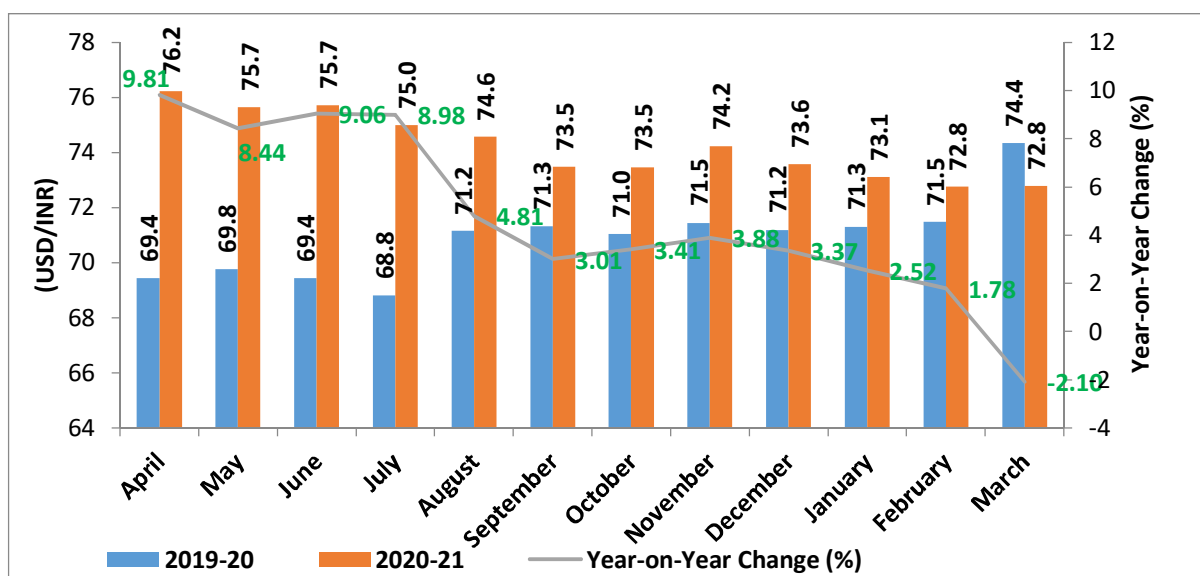
Table 4B: USD-INR average exchange rate in 2020-21

Month	Monthly Average Exchange Rate (1 USD to INR)		Year-on- Year Change (%)	Direction	Month-on- Month Change (%)	Direction
	2019-20	2020-21				
April	69.43	76.24	9.81	Depreciation	2.54	Depreciation
May	69.77	75.66	8.44	Depreciation	-0.76	Appreciation
June	69.44	75.73	9.06	Depreciation	0.09	Depreciation
July	68.81	74.99	8.98	Depreciation	-0.98	Appreciation
August	71.15	74.57	4.81	Depreciation	-0.56	Appreciation
September	71.33	73.48	3.01	Depreciation	-1.46	Appreciation
October	71.04	73.46	3.41	Depreciation	-0.03	Appreciation
November	71.45	74.22	3.88	Depreciation	1.03	Depreciation
December	71.19	73.59	3.37	Depreciation	-0.85	Appreciation
January	71.31	73.11	2.52	Depreciation	-0.65	Appreciation
February	71.49	72.76	1.78	Depreciation	-0.48	Appreciation
March	74.35	72.79	-2.10	Appreciation	0.04	Depreciation

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.

Figure3C: Movement of USD-INR Exchange Rate during 2020-21 (Monthly Average)



Source: RBI, FBIL, EEP Research

3. Top 25 engineering export destinations in September 2021

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during September 2021 over September 2020. The data clearly indicates that monthly as well as cumulative growth is witnessed in most countries and regions.

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

Row Labels	September 2020	September 2021	Growth (%)	April-September 2020	April-September 2021	Growth (%)
U S A	1157.7	1299.4	12.2	4684.5	7248.3	54.7
CHINA	381.6	568.4	49.0	3127.3	3083.5	-1.4
UAE	268.6	399.6	48.8	1589.5	2802.2	76.3
ITALY	163.4	351.1	114.9	700.4	2306.2	229.3
GERMANY	258.1	292.7	13.4	1172.5	1673.4	42.7
TURKEY	99.4	289.9	191.8	472.1	1651.3	249.8
NEPAL	192.0	299.6	56.0	688.4	1619.9	135.3
SINGAPORE	110.1	161.9	47.0	1680.8	1581.2	-5.9
BELGIUM	71.5	146.5	104.9	413.5	1472.8	256.2
SOUTH KOREA	177.2	267.4	50.9	1017.3	1430.0	40.6
U K	166.6	337.8	102.8	710.1	1419.7	99.9
VIETNAM	111.3	261.3	134.8	968.0	1411.0	45.8
MEXICO	235.1	329.9	40.3	777.7	1408.2	81.1
SOUTH AFRICA	100.0	191.1	91.0	389.4	1299.7	233.8
BANGLADESH	202.8	185.2	-8.7	731.7	1224.8	67.4
THAILAND	121.2	183.8	51.6	615.8	1154.3	87.4

INDONESIA	136.9	152.6	11.4	802.6	1077.9	34.3
SAUDI ARAB	172.8	144.6	-16.3	607.0	802.0	32.1
MALAYSIA	224.1	64.8	-71.1	1308.6	799.3	-38.9
JAPAN	73.2	163.6	123.4	433.5	791.7	82.6
NETHERLAND	80.3	145.4	81.2	361.0	775.2	114.8
BRAZIL	97.6	131.9	35.1	360.9	761.8	111.1
SPAIN	55.9	140.6	151.6	314.5	759.2	141.4
FRANCE	109.3	156.5	43.3	464.1	753.0	62.2
POLAND	54.0	100.9	86.9	201.6	738.0	266.1
Total engineering exports to top 25 countries	4820.5	6766.3	40.4	24592.7	40044.8	62.8
Total engineering exports	6579.3	9005.3	36.9	32401.3	52303.8	61.4
Share (%)	73.27	75.14		75.90	76.56	

Source: DGCI&S

4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-September 2021 as opposed to April-September 2020.

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

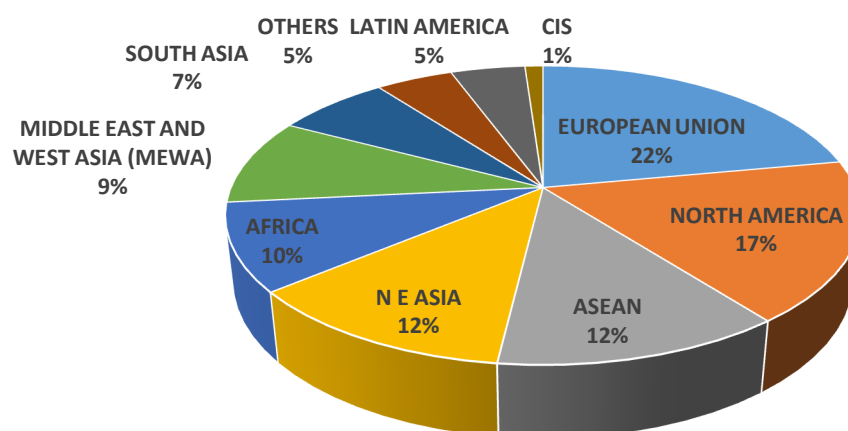
US\$ million

Region	September-2020	September-2021	Growth (%)	April-September 2020	April-September 2021	Growth (%)
EUROPEAN UNION	1140.55	1957.38	71.6	5447.57	11537.56	111.8
NORTH AMERICA	1470.36	1731.50	17.8	5805.73	9108.43	56.9
ASEAN	766.42	889.94	16.1	5714.41	6505.94	13.9
N E ASIA	713.97	1136.51	59.2	5139.34	6293.34	22.5
AFRICA	702.33	886.19	26.2	2622.47	4952.58	88.9
MIDDLE EAST AND WEST ASIA (MEWA)	635.19	781.79	23.1	3086.61	4887.11	58.3
SOUTH ASIA	584.37	653.48	11.8	2065.67	3620.86	75.3
OTHERS	201.26	404.65	101.1	1143.96	2455.66	114.7
LATIN AMERICA	255.58	457.75	79.1	965.83	2368.14	145.2
CIS	109.23	106.13	-2.8	409.73	574.15	40.1
Grand Total	6579.26	9005.31	36.9	32401.32	52303.77	61.4

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 4: Region-wise shares of India's engineering exports during April-September 2021



Source: Data from DGCI&S and EEPC India analysis

5. Panel Wise Engineering Exports

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

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

		US\$ Million					
Engineering Panels		SEPTEMBER, 2020	SEPTEMBER, 2021	Growth	APRIL,2020 -SEP,2020	APRIL,2021 -SEP,2021	Growth%
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	944.89	2226.61	136%	6237.47	12487.33	100%
B	Products of Iron and Steel	665.64	726.54	9%	2693.33	3931.35	46%
Sub Total		1610.53	2953.14	83%	8930.8	16418.7	84%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	98.79	181.93	84%	595.97	1279.17	115%
B	Aluminium and products	498.27	905.89	82%	2693.54	4515.12	68%
C	Zinc and products	54.59	23.27	-57%	372.31	390.45	5%
D	Nickel and products	4.31	10.48	143%	23.53	50.87	116%

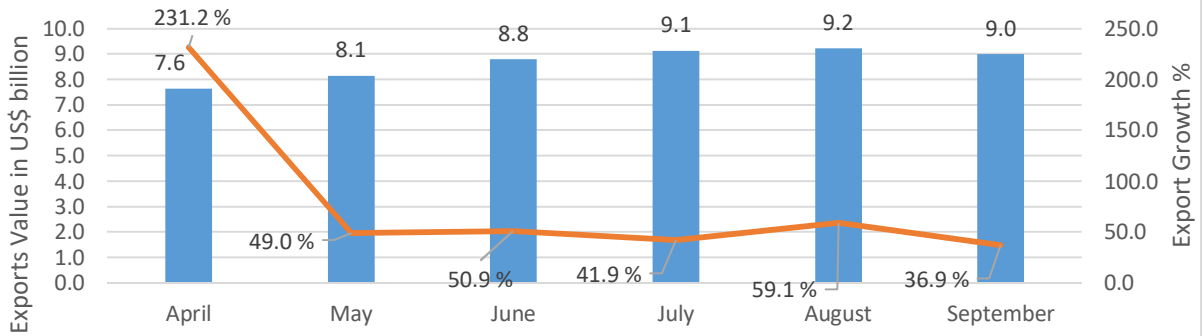
Engineering Panels		SEPTEMBER, 2020	SEPTEMBER, 2021	Growth	APRIL,2020 -SEP,2020	APRIL,2021 -SEP,2021	Growth%
E	Lead and products	43.18	36.03	-17%	181.72	239.82	32%
F	Tin and products	1.62	1.48	-8%	4.07	9.67	138%
G	Other Non-Ferrous Metals	54.11	69.23	28%	206.81	385.34	86%
Sub Total		754.852	1228.3	63%	4077.95	6870.45	68%
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	42.02	73.58	75%	227.91	311.04	36%
B	IC Engines and Parts	231.93	292.06	26%	976.80	1636.85	68%
C	Pumps of all types	93.30	112.46	21%	364.36	611.67	68%
D	Air condition and Refrigerators	98.92	124.81	26%	445.32	654.62	47%
E	Industrial Machinery for dairy, food processing , textiles etc	425.65	559.34	31%	1873.85	3194.69	70%
F	Machine Tools	37.86	53.64	42%	161.23	309.36	92%
G	Machinery for Injecting moulding, valves and ATMs	157.79	161.17	2%	695.72	890.77	28%
Sub Total		1087.48	1377.06	27%	4745.19	7609	60%
4	Electrical Machinery	834.24	816.10	-2%	3866.15	4820.21	25%
5. Automobiles							
A	Motor Vehicle/cars	540.57	654.03	21%	1955.00	3465.73	77%
B	Two and Three Wheelers	186.86	240.78	29%	653.67	1482.75	127%
C	Auto Components/Part	456.12	582.09	28%	1749.14	3369.90	93%
Sub Total		1183.55	1476.91	25%	4357.81	8318.39	91%
6	Aircrafts and Spacecraft parts and products	206.20	110.43	-46.4%	540.41	526.31	-3%
7	Ships Boats and Floating products and parts	150.42	25.74	-83%	2666.69	2383.92	-11%

Engineering Panels	SEPTEMBER, 2020	SEPTEMBER, 2021	Growth	APRIL,2020 -SEP,2020	APRIL,2021 -SEP,2021	Growth%	
8. Other engineering products							
A	Medical and Scientific instruments	165.43	180.97	9%	735.93	992.26	35%
B	Railway Transport	16.59	40.86	146%	46.33	122.77	165%
C	Hand Tools & Cutting Tools	68.31	86.32	26%	286.24	476.90	67%
D	Electrodes Accumulators	4.42	4.99	13%	18.21	26.72	47%
E	Accumulator and Batteries	37.42	57.34	53%	149.38	284.21	90%
F	Bicycle & Parts	31.68	40.13	27%	135.97	222.45	64%
G	Cranes Lifts & Winches	43.36	56.23	30%	181.72	307.50	69%
H	Office Equipments	13.86	18.00	30%	60.42	89.99	49%
I	Other Construction Machinery	105.22	199.75	90%	460.14	949.21	106%
J	Prime Mica & Mica Products	1.77	1.71	-4%	11.40	19.09	67%
K	OTHER MISC. ITEMS	263.93	331.33	26%	1130.58	1865.71	65%
Sub total		751.98	1017.64	35%	3216.32	5356.81	67%
Total engineering exports		6579.3	9005.3	36.9%	32401.3	52303.8	61%

Source: DGCI&S

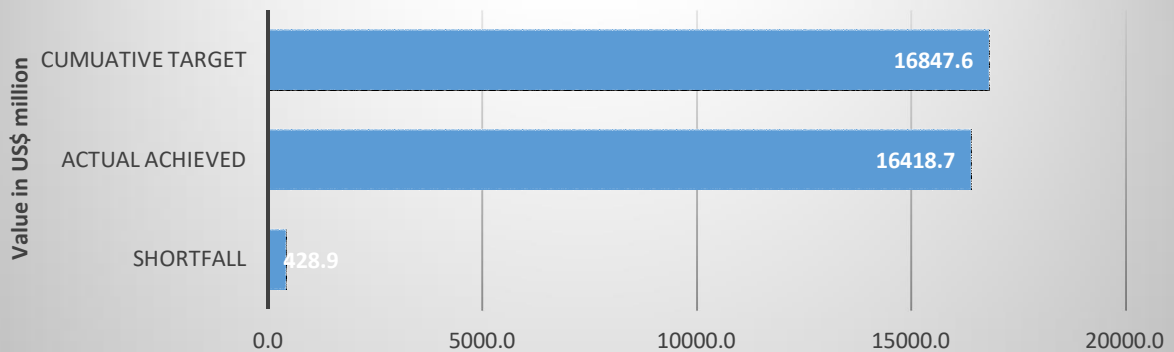
✚ Brief snapshot of major engineering sector wise export target for 2021-22

Figure 5: Engineering Exports Trend for 2021-22



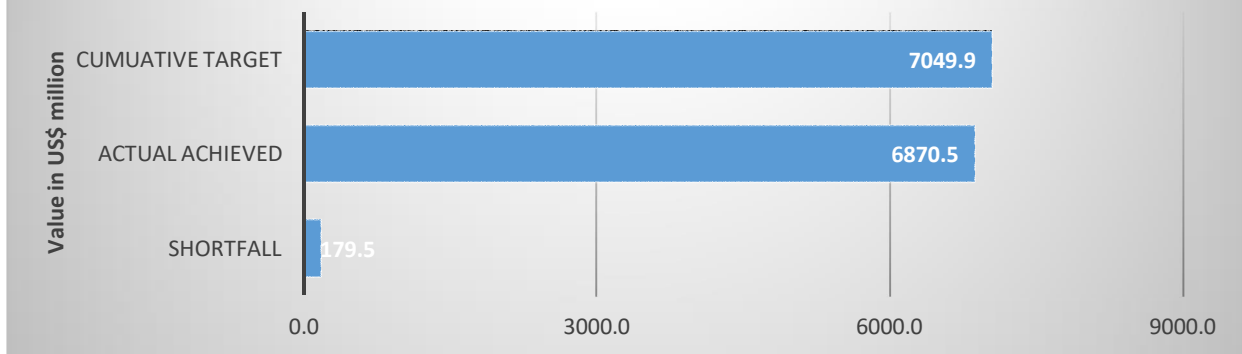
- a) Exports achieved 61.4% growth in sixth straight month
- b) 26 engineering panels witnessed positive growth and 7 panels fared negative growth during Sep 2021

Figure 6A: Export Target- Iron and Steel and products -April-September 2021-22



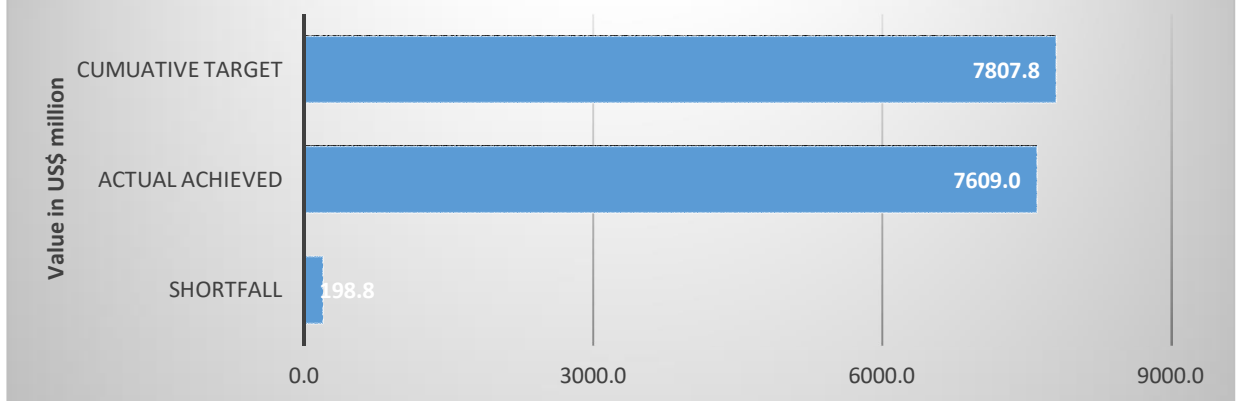
- a) Exports Target for Iron and Steel and Products Already Achieved more than 90%
- b) Shortfall to the tune of US\$ 428.9 million witnessed till April-Sep 2021-22

Figure 6B: Export Target- Non-ferrous Metals and products -April-September 2021-22

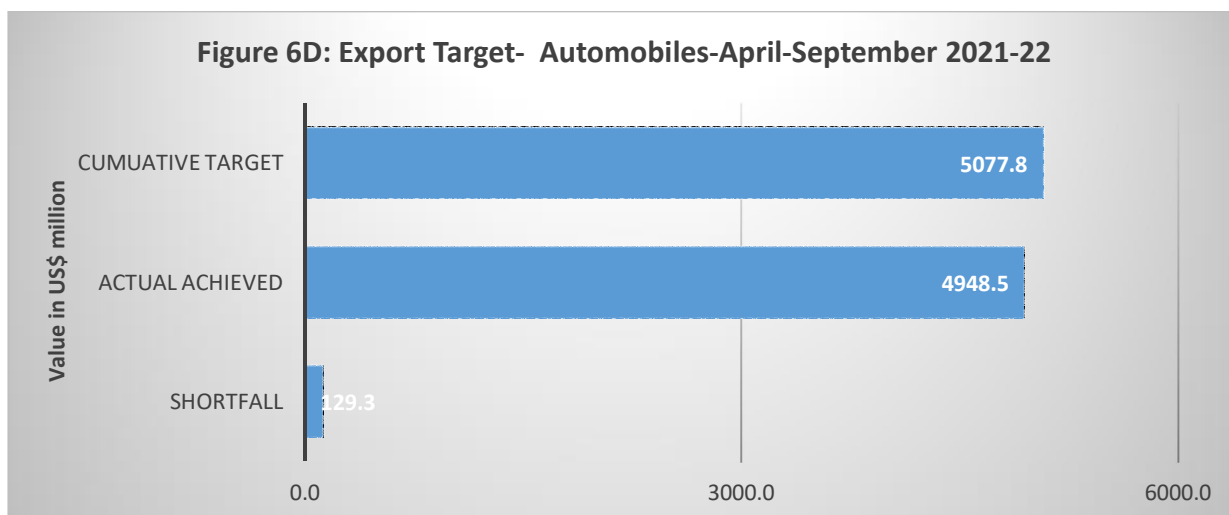


- a) Exports Target for Non-Ferrous Metal and Products Already Achieved more than 90%
- b) Shortfall to the tune of US\$ 179.5 million witnessed till April-Sep 2021-22

Figure 6C: Export Target- Industrial Machinery and parts-April-September 2021-22



- a) Exports Target for Industrial Machinery and Parts Already Achieved more than 90%
- b) Shortfall to the tune of US\$ 198.8 million witnessed till April-Sep 2021-22



	<p>a) Exports Target for Automobiles Already Achieved more than 90%</p> <p>b) Shortfall to the tune of US\$ 129.3 million witnessed till April-Sep 2021-22</p>	
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Source: DGCIS (Note: Cumulative sector wise target has been calculated based on the share percentage of the given sector w.r.t engineering sector as a whole)

➤ **Slump in exports of key non-ferrous metals including Lead, Zinc and Tin and their products**

While Zinc exports exhibited a decline since May 2021, this month also witnessed decline in Lead and Tin exports mainly on the account of decline in demand from the Chinese economy. A recent report points out how drastic slowdown in the Chinese markets have affected the demand for major metals across the globe.¹ In case of Tin a recent report by metal bulletin mentions that since most end users especially in Europe and America have secured the required amount of metal, demand is not strong as it was previously.² The below tables and the figures indicate the trend in exports of the metal and also the decline.

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

Table 8: Chapter 78: Lead and Products

¹ <https://www.reuters.com/article/global-metals-idCNL3N2600SB>

² <https://www.metalbulletin.com/Article/4006815/GLOBAL-TIN-WRAP-European-premiums-decline-for-first-time-this-year-US-upcharges-also-drop.html>

Value in USD Million					
Month	2019-20	2020-21	Growth (%)	2021-22	Growth (%)
April	30.1	8.53	-71.1	22.06	158.6
May	24.75	40.36	65.2	31.87	-21.0
June	19.5	45.49	136.6	52.83	16.1
July	19.47	22.03	13.7	48.26	119.1
August	38.90	22.13	-43.1	48.78	120.4
September	36.69	43.18	15.1	36.03	-16.6
October	39.60	25.29	-36.1		
November	45.76	21.10	-53.9		
December	40.96	31.05	-24.2		
January	25.66	29.33	14.30		
February	23.25	29.61	27.35		
March	26.57	27.57	3.76		
April-March	372.06	348.20	-6.41		

Source: DGCI&S

Figure 7: Monthly decline in Lead Exports

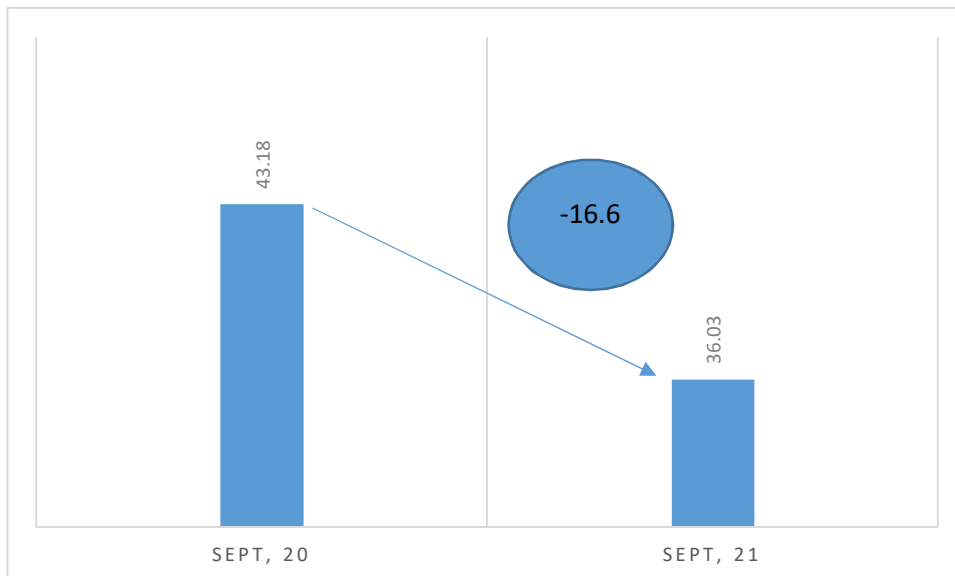


Table 9: Chapter 79:Zinc and Products					
Value in USD Million					
Month	2019-20	2020-21	Growth (%)	2021-22	Growth (%)
April	44.18	12.75	-71.1	82.80	549.28
May	45.79	87.87	65.2	86.20	-1.91

June	48.92	92.30	136.6	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	54.59	15.1	23.27	-57.4
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		

Source: DGCI&S

Figure 8: Monthly decline in Zinc exports

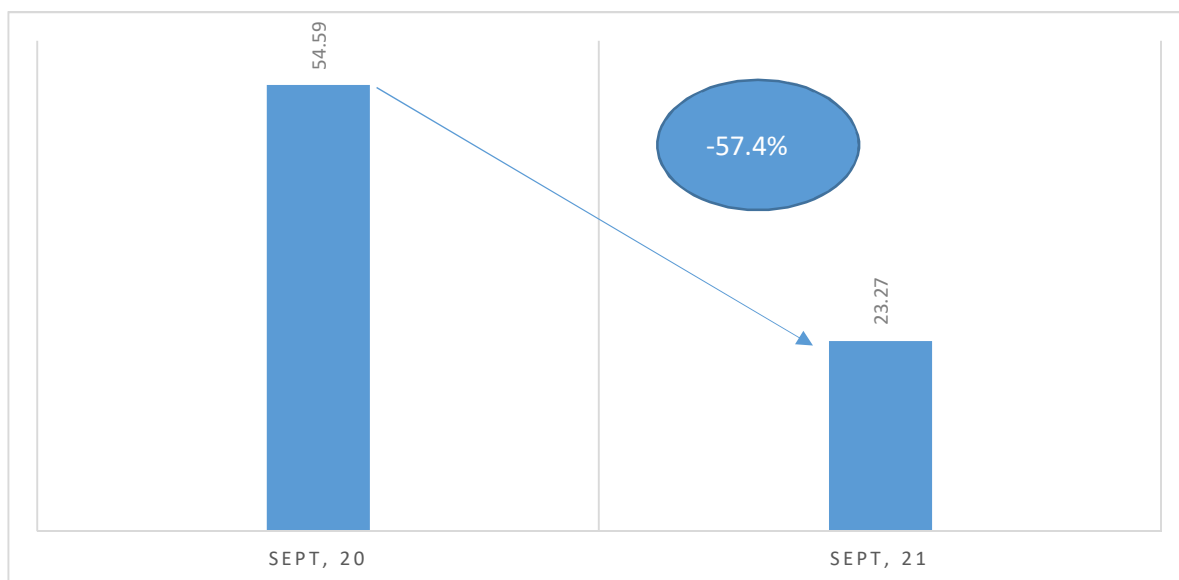
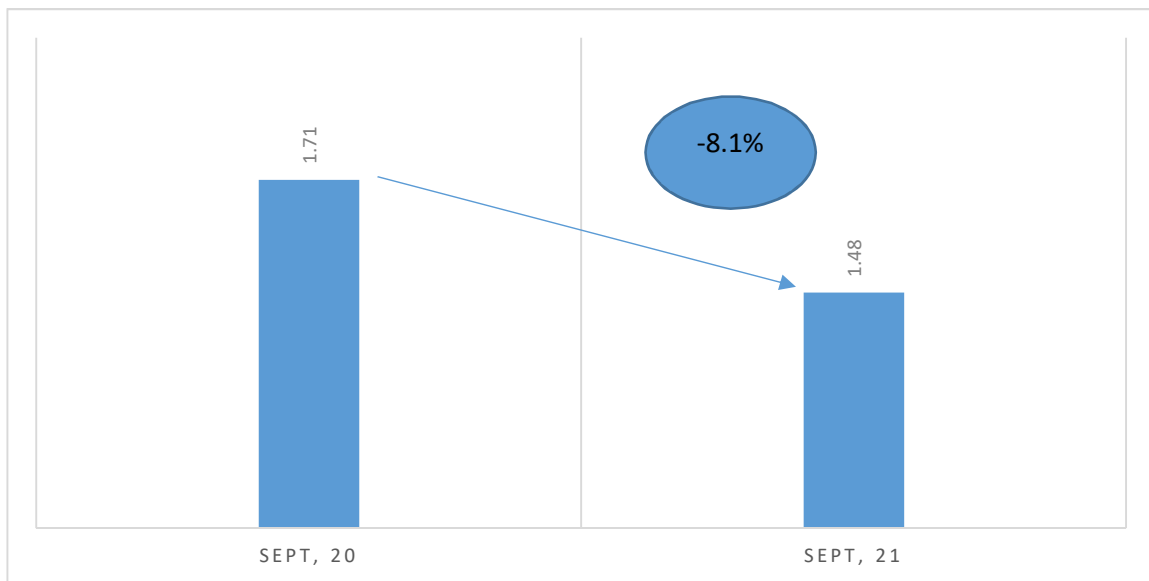


Table 10: Chapter 80: Tin and Products					
Value in USD Million					
Month	2019-20	2020-21	Growth (%)	2021-22	Growth (%)
April	0.70	0.19	-72.82	0.71	273.7
May	1.00	0.40	-60.34	1.37	242.5
June	1.03	0.65	-37.06	1.81	178.2
July	0.51	0.92	79.92	2.73	196.7

August	1.32	0.60	-54.41	1.57	161.7
September	0.88	1.71	95.50	1.48	-8.1
October	0.82	0.76	-7.22		
November	1.11	0.56	-49.24		
December	0.49	1.42	189.59		
January	1.31	0.64	-51.06		
February	0.77	0.62	-20.25		
March	0.52	2.16	318.40		
April-March	10.45	10.63	1.67		

Source: DGCI&S

Figure 9: Monthly decline in Tin exports



Source: DGCI&S

6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during September 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 11: Export of Iron & Steel
US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)

Top Five Importers						
ITALY	62.32	159.38	155.75	319.39	1386.12	333.98
BELGIUM	26.93	83.73	210.89	191.76	1098.48	472.83
VIETNAM	44.73	184.03	311.41	675.23	877.05	29.89
CHINA	223.49	167.85	-24.90	2085.55	862.81	-58.63
NEPAL	67.50	108.83	61.23	278.34	682.83	145.33
High cumulative growth						
SOUTH AFRICA	1.45	3.85	164.97	13.05	152.85	1071.63
SINGAPORE	4.38	31.91	628.20	19.97	204.09	922.11
TURKEY	11.70	83.54	613.96	58.68	588.17	902.41
U K	1.37	102.62	7415.19	32.16	209.82	552.51
BELGIUM	26.93	83.73	210.89	191.76	1098.48	472.83
U S A	10.35	91.06	779.83	77.14	414.14	436.89
Sharp cumulative decline						
MYANMAR	0.25	0.22	-13.58	32.55	5.30	-83.71
CHINA	223.49	167.85	-24.90	2085.55	862.81	-58.63
ETHIOPIA	4.33	2.21	-48.98	18.24	8.19	-55.13
BHUTAN	2.04	4.40	116.01	24.01	19.90	-17.14
FRANCE	2.46	6.40	160.36	29.91	25.72	-14.01

(Source: Department of Commerce, Government of India)

- Italy, Belgium and Vietnam were the top three importers of Indian Iron and Steel during April - September 2021 with market shares of 11.10 percent, 8.80 percent and 7.02 percent respectively.

Table 12: Export of Products of Iron & Steel

US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U S A	147.28	221.24	50.21	573.87	1123.24	95.73
GERMANY	28.74	39.29	36.71	134.96	216.67	60.55
U K	26.28	37.18	41.48	94.99	213.85	125.13
U A E	28.26	40.39	42.92	145.98	200.76	37.52
NETHERLAND	17.79	27.01	51.84	69.15	130.89	89.30
High cumulative growth						
U K	26.28	37.18	41.48	94.99	213.85	125.13
BELGIUM	9.79	18.14	85.35	45.80	94.60	106.56
U S A	147.28	221.24	50.21	573.87	1123.24	95.73
NETHERLAND	17.79	27.01	51.84	69.15	130.89	89.30

ITALY	20.91	23.31	11.49	77.62	130.15	67.67
GERMANY	28.74	39.29	36.71	134.96	216.67	60.55
Sharp cumulative decline						
ETHIOPIA	6.95	0.82	-88.14	20.15	5.31	-73.63
EGYPT	13.94	2.61	-81.28	47.67	14.72	-69.12
AFGHANISTAN	0.47	0.00	-99.94	11.28	5.35	-52.52
INDONESIA	3.16	6.00	89.53	47.86	28.88	-39.65
CHILE	1.89	1.78	-5.70	14.63	9.26	-36.70

(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- September 2021 with 28.57 percent, 5.51 percent and 5.44 percent shares respectively in India's global import of the same.

Table 13: Export of Industrial Machinery

US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U S A	175.10	242.61	38.55	741.90	1366.09	84.13
THAILAND	60.37	70.49	16.76	241.39	505.76	109.52
CHINA	47.36	81.14	71.32	259.22	421.92	62.76
GERMANY	53.74	67.19	25.04	253.81	396.06	56.04
SINGAPORE	24.31	43.56	79.20	127.38	279.12	119.12
High cumulative growth						
SINGAPORE	24.31	43.56	79.20	127.38	279.12	119.12
NEPAL	25.37	38.33	51.06	88.35	192.32	117.68
THAILAND	60.37	70.49	16.76	241.39	505.76	109.52
JAPAN	10.32	22.02	113.35	53.13	108.74	104.65
INDONESIA	15.15	21.98	45.09	66.96	132.30	97.58
Sharp cumulative decline						
IRAN	1.20	1.98	64.37	21.66	10.93	-49.55
OMAN	12.30	6.97	-43.30	72.20	51.89	-28.14
HUNGARY	4.59	2.31	-49.67	20.46	15.82	-22.69
MYANMAR	3.58	1.81	-49.58	13.88	11.20	-19.26
RUSSIA	32.54	20.50	-37.02	104.74	86.86	-17.07

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April- September 2021 with 17.95 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 6.65 percent and 5.54 percent shares respectively.

Table 14: Automobiles
US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
MEXICO	152.52	111.84	-26.67	466.77	597.56	28.02
SOUTH AFRICA	52.67	108.10	105.23	204.34	571.10	179.48
NEPAL	32.99	63.38	92.11	77.59	286.01	268.63
NIGERIA	47.22	47.12	-0.21	153.79	269.64	75.33
SAUDI ARABIA	54.51	45.68	-16.20	190.93	227.95	19.39
High cumulative growth						
CHILE	13.22	39.56	199.27	54.59	225.72	313.49
NEPAL	32.99	63.38	92.11	77.59	286.01	268.63
COLOMBIA	22.75	30.23	32.84	54.46	192.21	252.96
SOUTH AFRICA	52.67	108.10	105.23	204.34	571.10	179.48
U A E	6.36	31.34	393.21	68.83	157.01	128.10
Sharp cumulative decline						
MYANMAR	1.31	0.00	-100.00	5.89	1.30	-77.89
U K	18.39	0.68	-96.32	52.12	12.64	-75.74
AFGHANISTAN	1.24	0.36	-71.22	5.06	2.29	-54.81
CANADA	1.21	4.04	233.96	30.93	17.86	-42.25
SINGAPORE	0.07	0.07	5.47	3.42	2.07	-39.61

(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-September 2021 with 12.08, 11.54 and 5.78 percent share in India's global exports respectively over the same period last fiscal.

Table 15: Export of Non-Ferrous metals
US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
CHINA	58.34	260.01	345.71	553.62	1449.12	161.75
KOREA	121.19	155.36	28.19	739.15	861.87	16.60
U S A	78.62	106.79	35.83	317.65	598.22	88.33
TURKEY	3.89	75.09	1829.68	17.38	410.00	2259.72

ITALY	6.21	81.80	1216.29	21.11	274.52	1200.28
High cumulative growth						
TURKEY	3.89	75.09	1829.68	17.38	410.00	2259.72
ITALY	6.21	81.80	1216.29	21.11	274.52	1200.28
MEXICO	9.12	103.42	1033.85	38.66	247.30	539.73
VIETNAM	11.15	12.40	11.22	43.07	164.94	282.94
NETHERLAND	7.65	45.22	490.71	41.82	153.75	267.65
Sharp cumulative decline						
MALAYSIA	156.78	12.64	-91.94	798.55	94.84	-88.12
ETHIOPIA	8.47	2.24	-73.52	26.10	8.16	-68.75
MALI	0.03	0.29	841.44	7.39	3.31	-55.16
ECUADOR	2.97	0.29	-90.10	8.25	3.87	-53.12
PERU	1.93	0.36	-81.48	6.40	3.91	-38.90

(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- September 2021 with 21.01 percent, 12.54 percent and 8.71 percent shares respectively in India's global import of the same.

Table 16: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U S A	314.35	207.29	-34.06	1459.86	1354.37	-7.23
GERMANY	77.59	49.53	-36.17	352.83	303.51	-13.98
POLAND	18.35	35.69	94.51	41.97	275.74	557.04
U K	23.58	39.16	66.04	114.54	229.35	100.23
FRANCE	17.13	49.03	186.23	87.40	201.08	130.07
High cumulative growth						
POLAND	18.35	35.69	94.51	41.97	275.74	557.04
SAUDI ARABIA	7.21	5.71	-20.82	30.00	101.64	238.80
FRANCE	17.13	49.03	186.23	87.40	201.08	130.07
BANGLADESH	14.09	11.17	-20.66	73.96	162.81	120.14
U K	23.58	39.16	66.04	114.54	229.35	100.23
JAPAN	10.95	20.18	84.25	101.45	148.17	46.06
Sharp cumulative decline						
NEW ZEALAND	12.02	0.93	-92.30	47.04	3.54	-92.47
HONG KONG	2.65	3.37	26.92	74.64	21.07	-71.77
IRELAND	5.08	0.31	-93.81	28.95	12.28	-57.58

RUSSIA	7.86	2.17	-72.36	29.31	20.38	-30.48
PHILIPPINES	2.29	2.03	-11.46	16.94	11.81	-30.28

(Source: Department of Commerce and CSO)

- USA, Germany and Poland were the three top importers of Indian Electrical Machinery and Components during April- September 2021 with market shares of 28.10 percent, 6.30 percent and 5.72 percent respectively.

Table 17: Export of Aircrafts and Space crafts
US\$ million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U S A	90.19	34.93	-61.28	200.63	189.75	-5.42
FRANCE	10.40	24.74	137.82	57.95	104.04	79.54
U K	5.08	17.30	240.73	36.85	51.39	39.47
SINGAPORE	13.23	5.60	-57.69	48.70	35.75	-26.59
GERMANY	6.89	7.34	6.52	21.76	28.87	32.69
High cumulative growth						
CANADA	0.79	0.54	-31.91	2.82	5.72	102.62
FRANCE	10.40	24.74	137.82	57.95	104.04	79.54
U K	5.08	17.30	240.73	36.85	51.39	39.47
GERMANY	6.89	7.34	6.52	21.76	28.87	32.69
SWEDEN	1.20	1.85	54.55	6.55	8.17	24.74
Sharp cumulative decline						
ALGERIA	1.56	0.00	-100.00	3.39	0.00	-100.00
IRELAND	4.93	0.00	-100.00	10.16	0.93	-90.90
INDONESIA	47.16	0.30	-99.36	47.42	5.89	-87.59
U A E	0.57	0.12	-78.36	20.57	8.43	-59.02
THAILAND	1.63	0.39	-76.21	4.37	1.84	-57.79

(Source: Department of Commerce and CSO)

- USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April- September 2021 with around 36.05, 19.77 and 9.76 percent shares respectively in India's total global exports of the product.

Table 18: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U A E	9.47	0.12	-98.78	310.64	828.64	166.76
SINGAPORE	0.02	7.74	32869.85	970.29	491.90	-49.30
MALAYSIA	7.28	0.00	-100.00	244.02	365.53	49.79
SOUTH AFRICA	0.00	0.00	-	0.00	259.57	-
INDONESIA	0.00	0.00	-	378.91	248.51	-34.41
High cumulative growth						
U A E	9.47	0.12	-98.78	310.64	828.64	166.76
MALAYSIA	7.28	0.00	-100.00	244.02	365.53	49.79
NETHERLAND	0.00	0.00	-	15.75	22.70	44.10
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	103.11	0.00	-100.00	238.30	38.23	-83.96
PORTUGAL	0.00	0.00	-	141.63	64.83	-54.22
SINGAPORE	0.02	7.74	32869.85	970.29	491.90	-49.30

(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 34.76 percent, 20.63 percent, 15.33 percent, 10.89 percent and 10.42 percent.

Table 19: Export of Auto Components
US\$ Million

COUNTRY	SEPTEMBER 2020	SEPTEMBER 2021	Growth (%)	APRIL - SEPTEMBER 2020	APRIL - SEPTEMBER 2021	Growth (%)
Top Five Importers						
U S A	103.88	134.48	29.46	401.04	831.55	107.35
BANGLADESH	28.77	32.81	14.03	90.84	186.41	105.20
TURKEY	26.93	35.94	33.44	112.73	186.31	65.27
GERMANY	24.25	29.95	23.47	102.22	181.59	77.65
MEXICO	17.25	32.87	90.52	69.18	171.98	148.58
High cumulative growth						
MEXICO	17.25	32.87	90.52	69.18	171.98	148.58
BRAZIL	19.24	22.37	16.23	66.08	143.36	116.95

U S A	103.88	134.48	29.46	401.04	831.55	107.35
BANGLADESH	28.77	32.81	14.03	90.84	186.41	105.20
GERMANY	24.25	29.95	23.47	102.22	181.59	77.65
Sharp cumulative decline						
CONGO	0.01	0.00	-93.07	0.35	0.08	-76.89
JORDAN	0.06	0.23	305.91	0.81	0.32	-60.52
MYANMAR	1.32	1.31	-0.45	9.63	5.35	-44.49
KUWAIT	0.38	0.08	-78.24	1.67	1.18	-29.33
CAMBODIA	0.09	0.06	-25.85	0.40	0.31	-24.54

(Source: Department of Commerce and CSO)

- USA remained the top importer of auto components in April- September 2021 with a share of 24.68 percent. It is followed by Bangladesh, Turkey, Germany and Mexico with respective shares of 5.53 percent, 5.52 percent, 5.39 percent and 5.10 percent.

Analysis of India's engineering imports

India's Engineering imports during September 2021 were valued at US\$ 8697.24 million compared to US\$ 6350.82 million in September 2020 registering a positive growth of 36.9 percent in dollar terms.

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

The share of engineering imports in India's total merchandise imports has dropped during September 2021 in comparison to September 2020 which has been estimated at 15.4%.

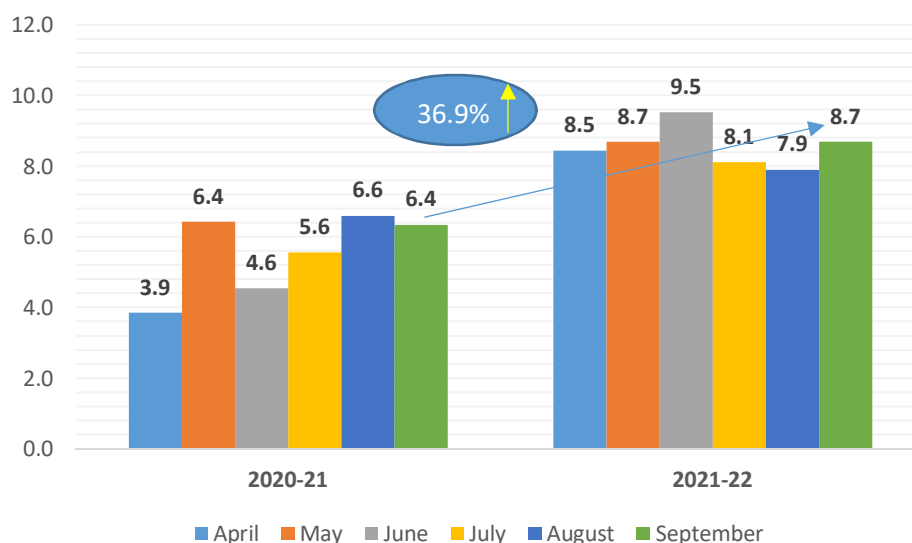
The monthly engineering import figures for fiscal April- September 2021 vis-a-vis April-September 2020 is depicted below as per the latest availability of figure:

Table 20: 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
September	6350.82	8697.24	36.9

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

Figure 10: Monthly Engineering Imports for April-September 2021 vis-a-vis April-September 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:

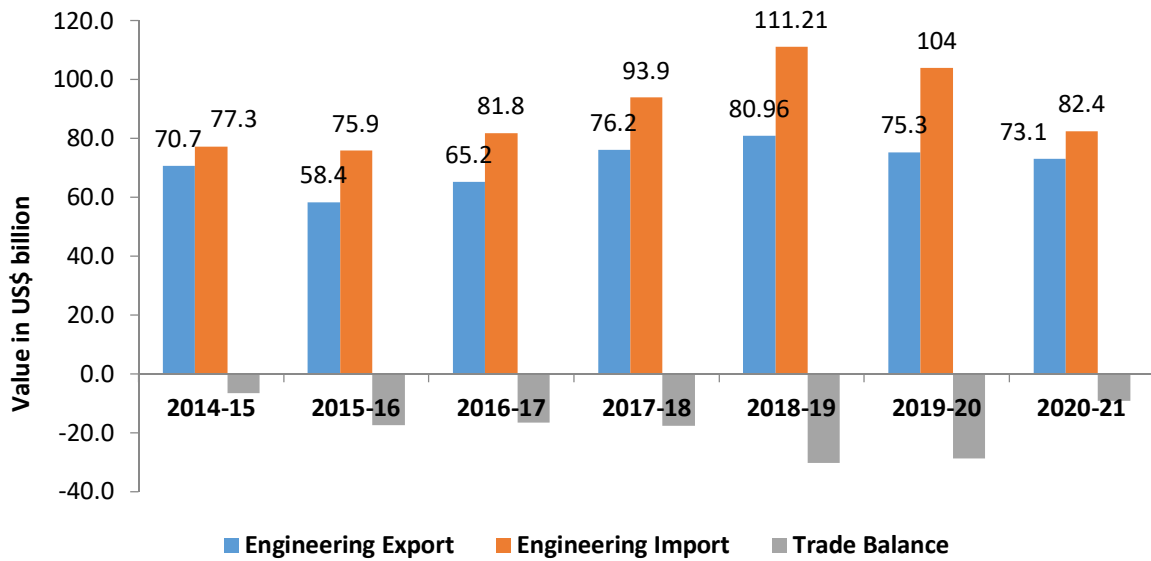
Table 21: Year-wise trend in engineering trade
(US\$ Billions)

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 11: Trend in Yearly Engineering Trade



To conclude....

Recently the government of India in its endeavour to further encourage exports, have taken the decision to negotiate a number of FTAs with some of its key partners. The government has fast tracked six FTAs with countries including UK, UAE, Canada, Australia and EU. All in all India is currently negotiating twenty FTAs including the six fast tracked ones. While the exporting community welcomes these steps, it also urges the government to take learnings from its earlier FTAs. It needs to be mentioned here that since the signing of the FTAs India's exports to its FTA partners did not outperform India's overall global export trend. Moreover FTAs led to an increased import especially in the ferrous and non-ferrous metal sectors from countries such as Korea and Japan. Hence it is important for India to take a cautious stand while signing the new FTAs. Furthermore trade complementarities should be checked thoroughly especially since trade patterns have changed in the post COVID world. Harmonisation of key standards with FTA partners is also essential. The government is requested to take these suggestions into account while going for new FTAs.

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