

Engineering Exports and Imports Monitor

October 2021



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for October 2021

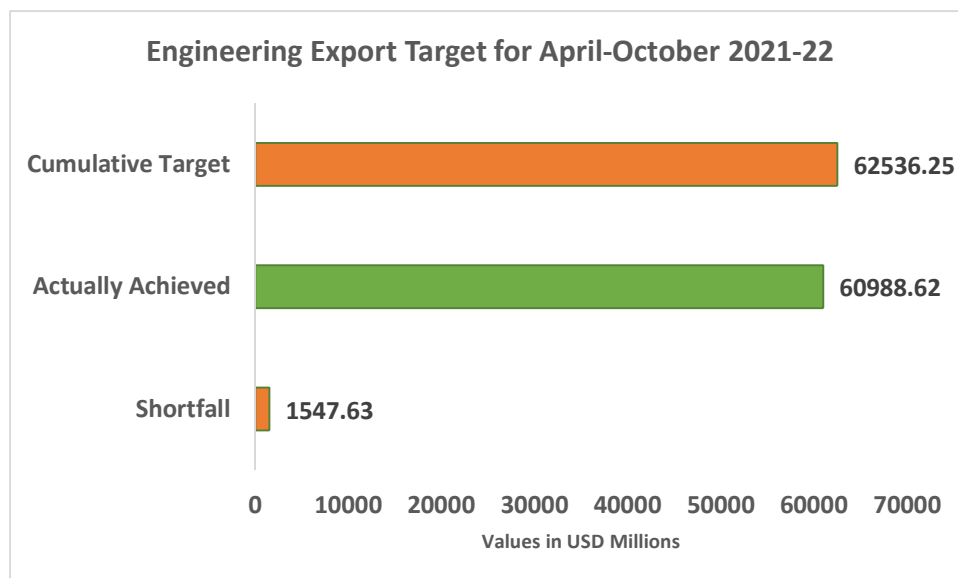
16th Nov 2021

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: USD 400 billion
- Total engineering export target set by India for fiscal 2021-22: USD 107 billion
- Cumulative engineering exports from India recorded 59.14 percent growth from USD 60988.62 million during April-October 2021-22 from USD 38324.66 Million during April-October 2020-21.
- Overall, for the given period (April-October 2021-22), percentage of target already achieved in the engineering sector has been 57.0%

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



Overall Scenario

Merchandise trade

Merchandise exports continued its growth-run and crossed USD 35 billion once again in October 2021

- ✚ Exports in October 2021 were USD 35.65 Billion, as compared to USD 24.92 Billion in October 2020, exhibiting a positive growth of 43.05 percent. In Rupee terms, the growth was 45.88 percent. As compared to October 2019, exports in October 2021 exhibited a positive growth of 35.89 percent in Dollar terms and 43.30 percent in Rupee terms.
- ✚ Merchandise exports from India after the COVID-led setback recorded its first year-on-year growth in September 2020 and then growing continuously from December 2020. This was the eighth straight month when it was above USD 30 Billion.
- ✚ The commodities/commodity groups that led the overall merchandise export growth in October 2021 were Petroleum Products, Coffee, Engineering goods, Cotton yarn/fabs./made-ups, handloom products etc. and Gems & jewellery among others.
- ✚ A few of the commodity groups like Iron ore and Oil meals conceded decline in year-on-year exports during October 2021.
- ✚ Cumulative value of exports for the period April-October 2021-22 was USD 233.54 Billion as against USD 150.54 Billion during April-October 2020-21, registering a positive growth of 55.13 percent in Dollar terms. The growth was 53.87 percent in Rupee terms.
- ✚ Imports in October 2021 were USD 55.37 Billion, which was an increase of 62.51 percent in Dollar terms over imports of USD 34.07 Billion in October 2020. In rupee terms, the growth was 65.73 percent.
- ✚ Cumulative value of imports during April-October 2021-22 was USD 331.39 Billion as against USD 186.01 Billion in April-October 2020-21, registering a positive growth of 78.16 percent in Dollar terms. The growth was 76.76 percent in Rupee terms.
- ✚ Trade deficit in October 2021 more than doubled to USD 19.73 Billion in October 2021 from USD 9.15 Billion in October 2020. Cumulative trade deficit during April-October 2021-22 jumped by 175.87 percent to USD 97.85 Billion from USD 35.47 Billion during the same period last fiscal.

Engineering Trade

India's Engineering exports was above USD 9 Billion once again in October 2021

- ✚ India's engineering exports in October 2021 recorded 52.69 percent growth over October 2020 with a shipment of USD 9044.60 Million as against USD 5923.34 Million in October 2020. Exports in September 2021 however was revised slightly downward.

- ✚ *Engineering exports in October 2021 was also higher by 46.6 percent as compared to October 2019 when the economy was free of any Pandemic effect.*
- ✚ *Cumulative engineering exports during April-October 2021-22 stood at USD 60988.62 Million, registering 59.14 percent growth over the exports of USD 38324.66 Million during April-October 2020-21.*
- ✚ *Share of engineering in total merchandise export was 26.37 percent in October 2021 as against 26.65 percent in September 2021 and 27.68 percent in August 2021. On a cumulative basis, the share was 27.36 percent during April-October 2021-22.*
- ✚ *All the 33 engineering panels witnessed positive year-on-year growth in exports during October 2021 while on a cumulative basis for April-October 2021-22, only 'Ships, Boats and floating Structures' recorded a decline in exports over the same period last fiscal.*
- ✚ *Exports rose to 23 out of 25 top export destinations and all regions*

India's engineering imports increased by 28.4 percent year-on-year in October 2021

- ✚ *India's Engineering imports during October 2021 were valued at US\$ 9444.26 million compared to US\$ 7353.21 million in October 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 October 2021*
- ✚ *The share of engineering imports in India's total merchandise imports declined to 15.4 percent in October 2021 when compared to the same period last year.*

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

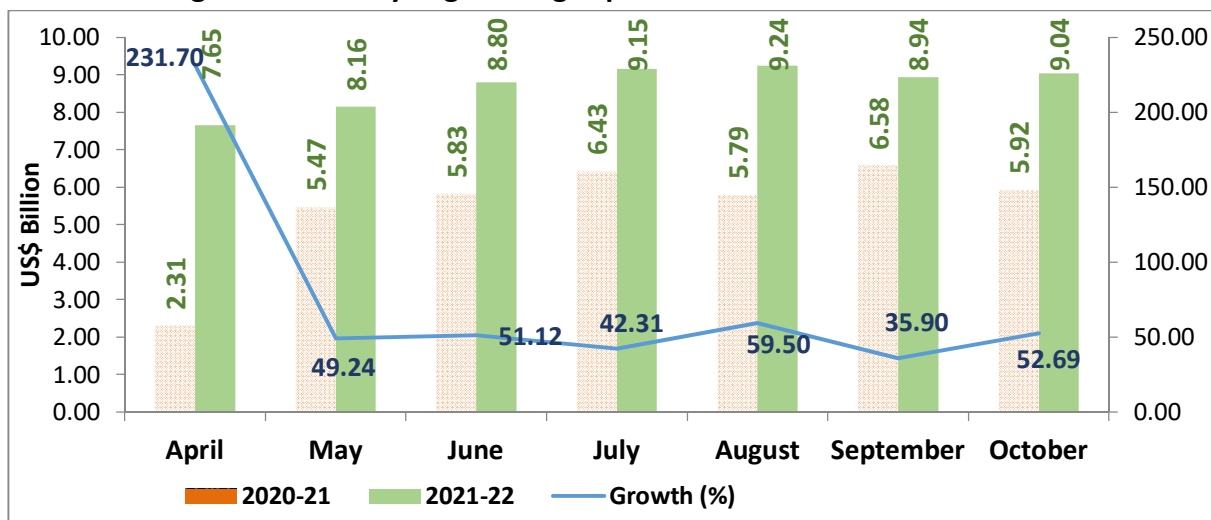
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

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

Month	2020-21	2021-22	Growth (%)
April	2306.35	7650.12	231.70
May	5466.82	8158.53	49.24
June	5825.88	8804.18	51.12
April-June	13599.06	24612.83	80.99
July	6432.18	9153.53	42.31
August	5790.82	9236.24	59.50
September	6579.26	8941.42	35.90
July-September	18802.27	27331.19	45.36
October	5923.34	9044.60	52.69
April-October	38324.66	60988.62	59.14

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. September 2021 again saw both engineering export growth and manufacturing growth decelerated. As we move forward with time and data for later months in fiscal 2021-22, 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	231.70	196.0
May 2021	49.24	32.1
June 2021	51.12	13.2
July 2021	42.31	10.5

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
August 2021	59.50	9.9
September 2021	35.90	2.7
October 2021	52.69	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	5923.34*	-4.02
November	6129.02	5615.72	-8.37
December	6731.46	6669.06	-0.93
October-December	19031.79	18208.12*	-4.33
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	72844.97*	-3.32

Source: DGCI&S * Revised figures

Impact of Exchange Rate

How did the exchange rate fare during October 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 October 2021, but also considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2021-22 as well as 2020-21 as mere one month figure does not reflect any trend. Later on, we would also provide the monthly trend of Re-dollar for each month of 2021-22 as we move forward with time. The tables and the charts below depict the short-term trend clearly:

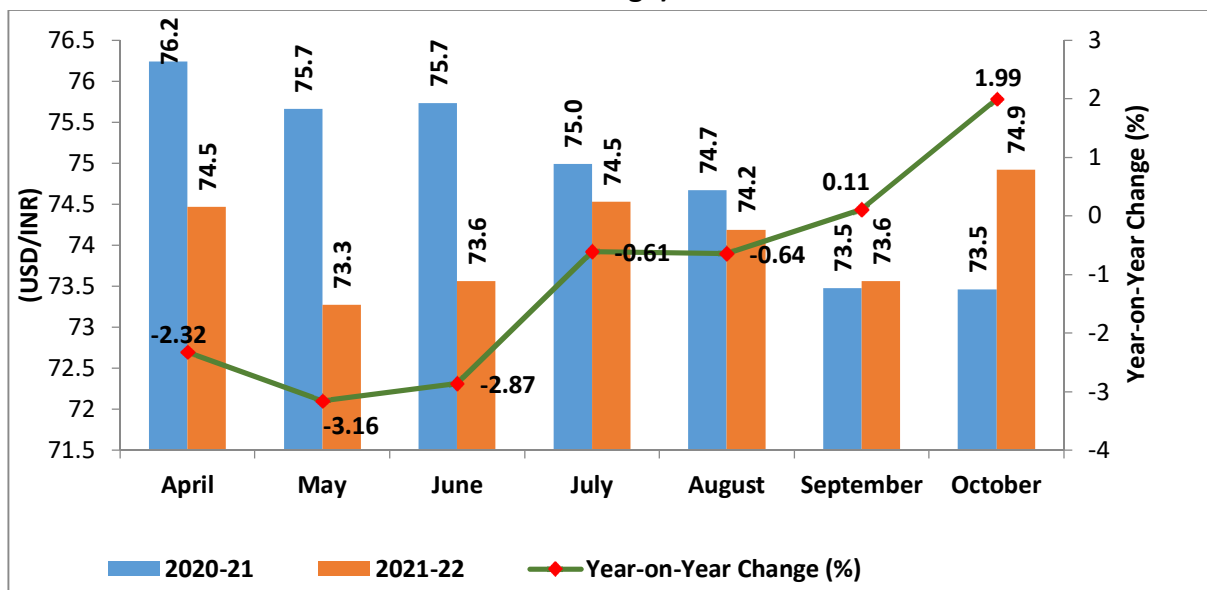
Table 4A: USD-INR monthly average exchange rate in 2021-22

(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on- Year Change (%)	Direction	Month-on- Month Change (%)	Direction
Month	2020-21	2021-22				
April	76.24	74.47	-2.32	Appreciation	2.31	Depreciation
May	75.66	73.27	-3.16	Appreciation	-1.61	Appreciation
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
October	73.46	74.92	1.99	Depreciation	1.85	Depreciation

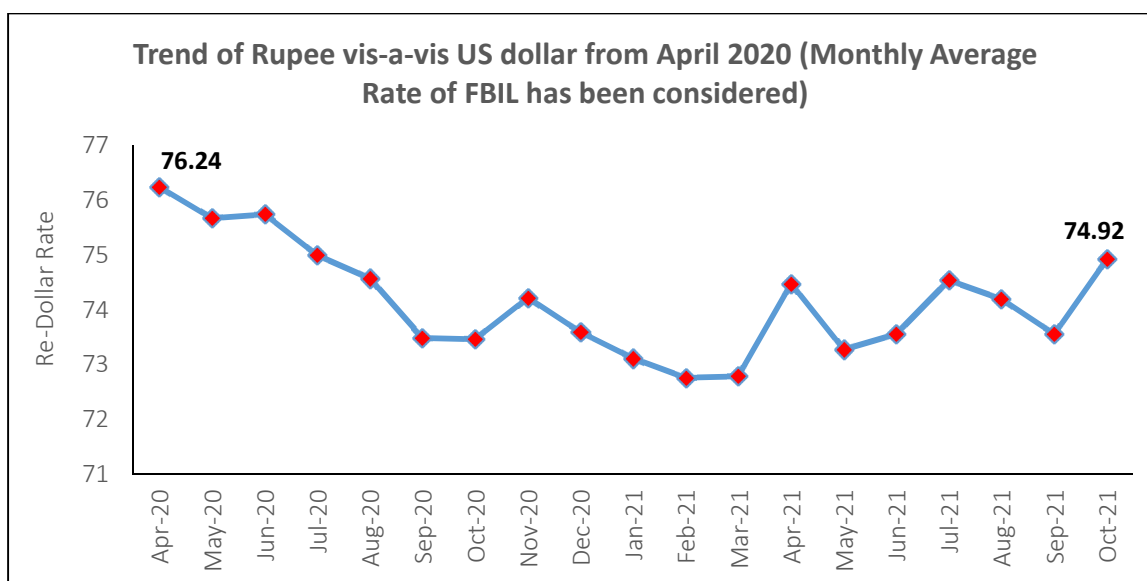
Source: FBIL, EEPC Research

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 vis-à-vis the US Dollar in October 2021 depreciated by 1.85 percent over the previous month and 1.99 percent over the same month last fiscal: The sudden downward spiraling of Rupee in October 2021 was led by rise in energy prices in the global market, subsequent concern on inflation on the domestic front and selling of Indian equities by Foreign Institutional Investors (FIIs).

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

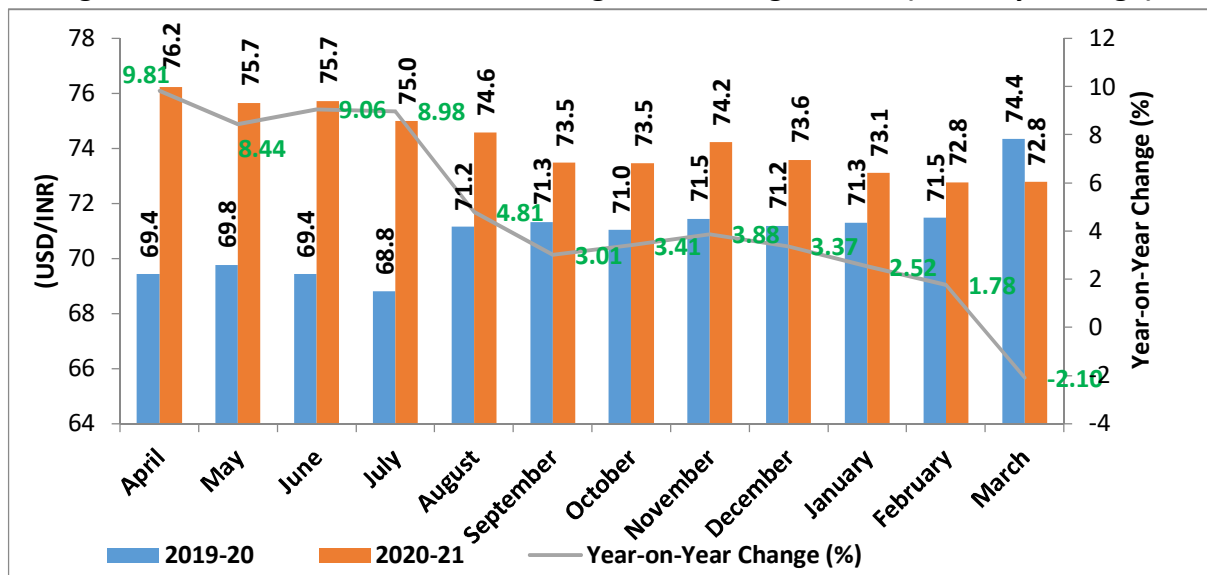
Table 4B: USD-INR average exchange rate in 2020-21

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 October 2021

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during October 2021 over October 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	October 2020	October 2021	Growth (%)	April-October 2020	April-October 2021	Growth (%)
U S A	865.4	1457.2	68.4	5549.9	8655.6	56.0
CHINA	239.7	635.6	165.1	3367.1	3698.7	9.8
UAE	275.0	467.5	70.0	1864.6	3250.5	74.3
ITALY	128.1	243.3	90.0	828.5	2533.7	205.8
GERMANY	238.6	299.5	25.5	1411.1	1961.4	39.0
NEPAL	209.6	310.1	47.9	897.9	1919.1	113.7
TURKEY	96.6	171.4	77.4	568.7	1811.4	218.5
SINGAPORE	147.4	161.2	9.4	1828.2	1731.7	-5.3
U K	190.4	263.9	38.6	900.5	1674.0	85.9

SOUTH KOREA	179.8	228.2	26.9	1197.1	1648.5	37.7
BELGIUM	68.8	160.7	133.6	482.3	1623.5	236.6
VIETNAM	145.2	211.1	45.4	1113.3	1612.5	44.8
MEXICO	233.1	204.9	-12.1	1010.8	1603.6	58.6
SOUTH AFRICA	107.3	227.1	111.6	496.8	1517.9	205.6
BANGLADESH	208.0	215.7	3.7	939.7	1432.1	52.4
THAILAND	160.2	177.0	10.5	776.0	1323.4	70.5
INDONESIA	73.5	182.9	148.9	876.1	1253.5	43.1
JAPAN	67.3	200.0	197.3	500.7	985.9	96.9
SAUDI ARAB	133.4	137.9	3.4	740.4	934.4	26.2
FRANCE	113.0	158.6	40.3	577.2	906.4	57.0
BRAZIL	90.3	146.9	62.7	451.2	903.5	100.3
NETHERLAND	69.2	121.1	75.2	430.1	891.0	107.2
MALAYSIA	178.7	75.1	-58.0	1487.3	869.0	-41.6
SPAIN	58.0	87.2	50.3	372.5	841.1	125.8
POLAND	56.0	104.7	87.2	257.5	837.7	225.3
Total engineering exports to top 25 countries	4332.5	6648.9	53.5	28925.3	46420.1	60.5
Total engineering exports	5923.3	9044.6	52.7	38324.7	60988.6	59.1
Share (%)	73.1	73.5		75.5	76.1	

Source: DGCI&S

4. Region wise India's engineering exports

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

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

US\$ million

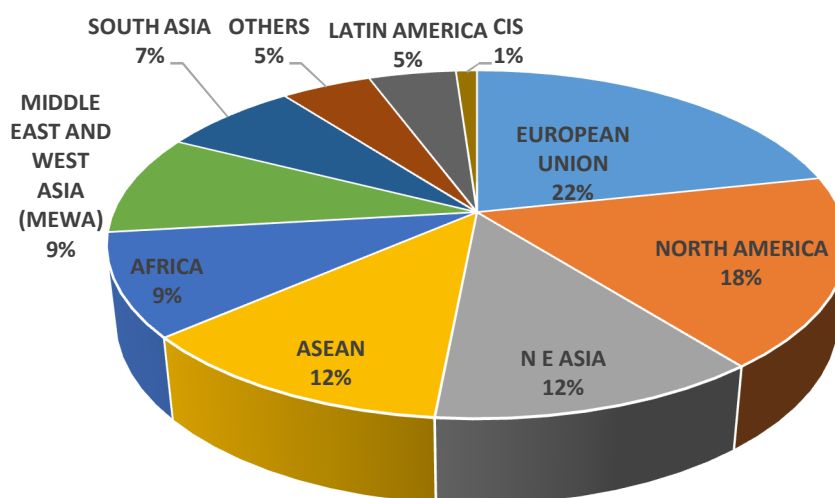
Region	October-2020	October-2021	Growth (%)	April-October 2020	April-October 2021	Growth (%)
EUROPEAN UNION	1080.2	1736.2	60.7	6527.8	13193.4	102.1
NORTH AMERICA	1163.5	1757.3	51.0	6969.3	10803.3	55.0
ASEAN	563.0	1168.9	107.6	5702.3	7419.5	30.1
N E ASIA	780.4	914.0	17.1	6494.8	7375.6	13.6
AFRICA	661.4	900.3	36.1	3283.9	5818.1	77.2
MIDDLE EAST AND WEST ASIA (MEWA)	600.3	849.8	41.6	3686.9	5703.4	54.7

SOUTH ASIA	539.9	746.7	38.3	2605.6	4342.9	66.7
OTHERS	184.1	441.5	139.8	1328.0	2880.3	116.9
LATIN AMERICA	276.3	428.3	55.0	1242.1	2780.2	123.8
CIS	74.3	101.6	36.7	484.0	671.8	38.8
Grand Total	5923.3	9044.6	52.7	38324.7	60988.6	59.1

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-October 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 October 2021 vis-a-vis October 2020 as well as the cumulative exports during April-October 2021-22 vis-à-vis April-October 2020-21. The data is given in Table 7 below:

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

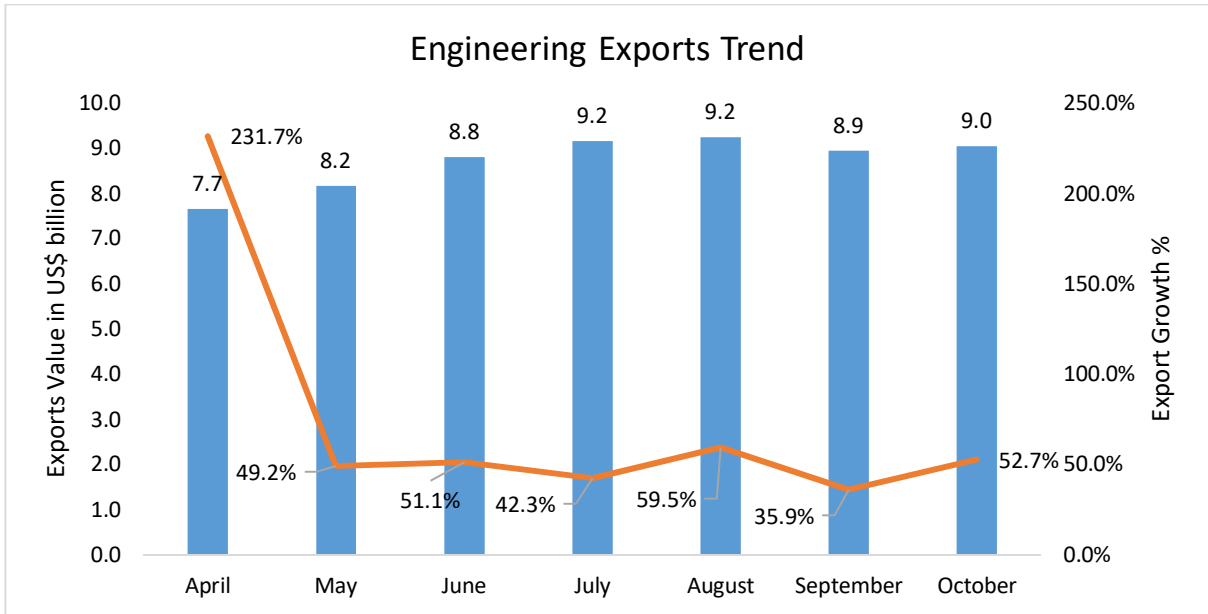
Engineering Panels		OCTOBER, 2020	OCTOBER, 2021	Growth	APRIL,2020 -OCT,2020	APRIL,2021 -OCT,2021	Growth%
US\$ Million							
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	748.5	1935.8	158.6	6986.0	14335.9	105.2
B	Products of Iron and Steel	630.4	842.7	33.7	3323.8	4747.2	42.8
Sub Total		1378.9	2778.5	101.5	10309.8	19083.1	85.1
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							

Engineering Panels		OCTOBER, 2020	OCTOBER, 2021	Growth	APRIL,2020 -OCT,2020	APRIL,2021 -OCT,2021	Growth%
A	Copper and products	94.5	186.6	97.4	690.5	1457.0	111.0
B	Aluminium and products	451.9	864.8	91.4	3145.4	5349.1	70.1
C	Zinc and products	36.0	84.9	135.8	408.3	472.7	15.8
D	Nickel and products	3.0	8.8	190.9	26.5	59.3	123.4
E	Lead and products	25.9	32.5	25.8	207.6	270.7	30.4
F	Tin and products	0.7	1.1	66.0	4.7	10.7	126.3
G	Other Non-Ferrous Metals	58.4	75.8	29.8	265.2	458.5	72.9
Sub Total		670.3	1254.5	87.1	4748.3	8078.0	70.1
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	54.3	56.5	4.2	282.2	365.5	29.5
B	IC Engines and Parts	256.7	282.7	10.1	1233.5	1908.4	54.7
C	Pumps of all types	93.6	109.9	17.5	457.9	717.5	56.7
D	Air condition and Refrigerators	91.0	125.6	38.1	536.3	775.7	44.6
E	Industrial Machinery for dairy, food processing , textiles etc	421.3	588.6	39.7	2295.1	3761.3	63.9
F	Machine Tools	38.7	58.4	50.7	200.0	365.5	82.8
G	Machinery for Injecting moulding, valves and ATMs	146.3	174.7	19.4	842.0	1059.4	25.8
Sub Total		1101.8	1396.4	26.7	5847.0	8953.2	53.1
4	Electrical Machinery	693.1	866.6	25.0	4559.3	5653.8	24.0
5. Automobiles							
A	Motor Vehicle/cars	478.3	628.9	31.5	2433.3	4070.8	67.3
B	Two and Three Wheelers	222.3	244.2	9.9	876.0	1716.8	96.0
C	Auto Components/Part	476.5	571.9	20.0	2225.7	3919.0	76.1

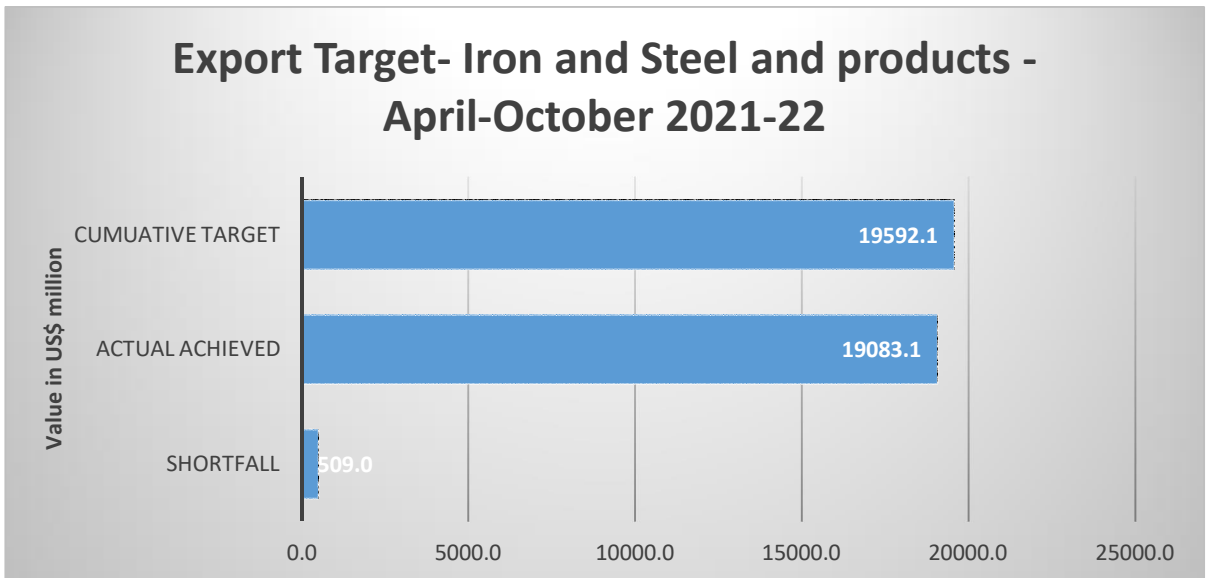
Engineering Panels		OCTOBER, 2020	OCTOBER, 2021	Growth	APRIL,2020 -OCT,2020	APRIL,2021 -OCT,2021	Growth%
Sub Total		1177.2	1445.0	22.8	5535.0	9706.6	75.4
6	Aircrafts and Spacecraft parts and products	104.1	125.6	20.7	644.5	648.5	0.6
7	Ships Boats and Floating products and parts	46.1	133.5	189.9	2712.8	2501.1	-7.8
8. Other engineering products							
A	Medical and Scientific instruments	159.4	175.6	10.2	895.3	1161.1	29.7
B	Railway Transport	8.8	22.2	153.9	55.1	144.2	161.7
C	Hand Tools & Cutting Tools	65.6	93.5	42.4	351.9	567.1	61.2
D	Electrodes Accumulators	4.0	5.1	27.8	22.2	31.6	42.5
E	Accumulator and Batteries	38.8	67.3	73.7	188.1	349.6	85.8
F	Bicycle & Parts	31.5	39.5	25.6	167.4	260.5	55.6
G	Cranes Lifts & Winches	41.6	74.9	79.9	223.3	380.3	70.3
H	Office Equipments	10.8	16.0	48.8	71.2	105.4	48.1
I	Other Construction Machinery	117.3	213.7	82.2	577.4	1156.3	100.2
J	Prime Mica & Mica Products	2.2	2.3	4.1	13.6	21.2	56.3
K	OTHER MISC. ITEMS	272.0	334.3	22.9	1402.5	2187.2	55.9
Sub total		751.8	1044.4	38.9	3968.1	6364.3	60.4
Total engineering exports		5923.3	9044.6	52.7	38324.7	60988.6	59.1

Source: DGCI&S

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

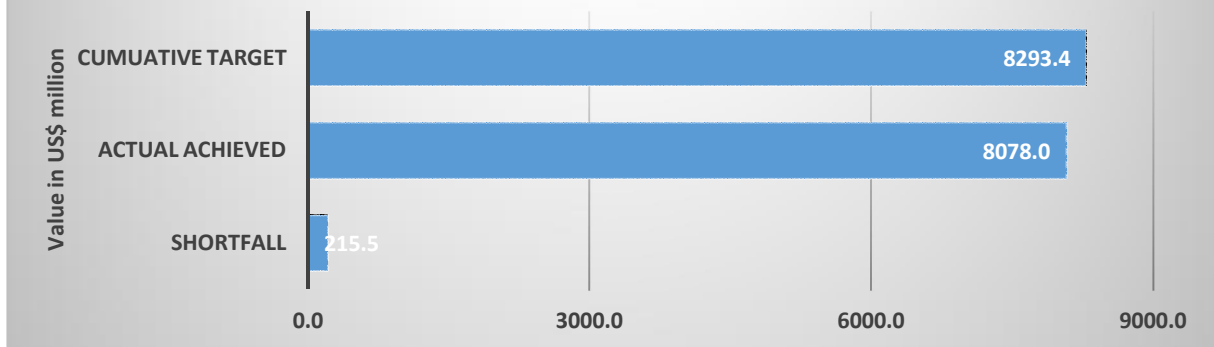


a) Exports achieved 53% growth in the seventh straight month
 b) All 33 engineering panels witnessed positive growth during Oct 2021



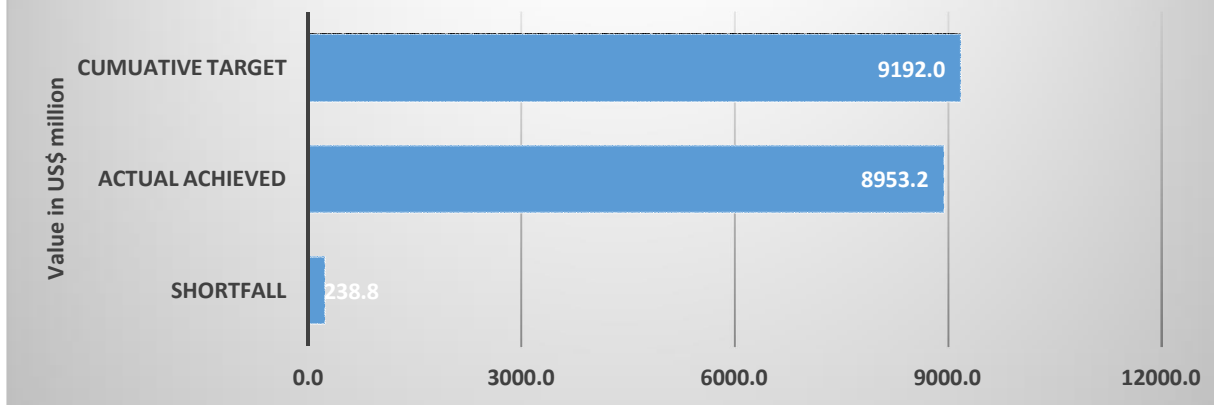
a) Exports Target for Iron and Steel and Products Already Achieved more than 90%
 b) Shortfall to the tune of US\$ 509 million witnessed till April-Oct 2021-22

Export Target- Non-ferrous Metals and products -April-October 2021-22



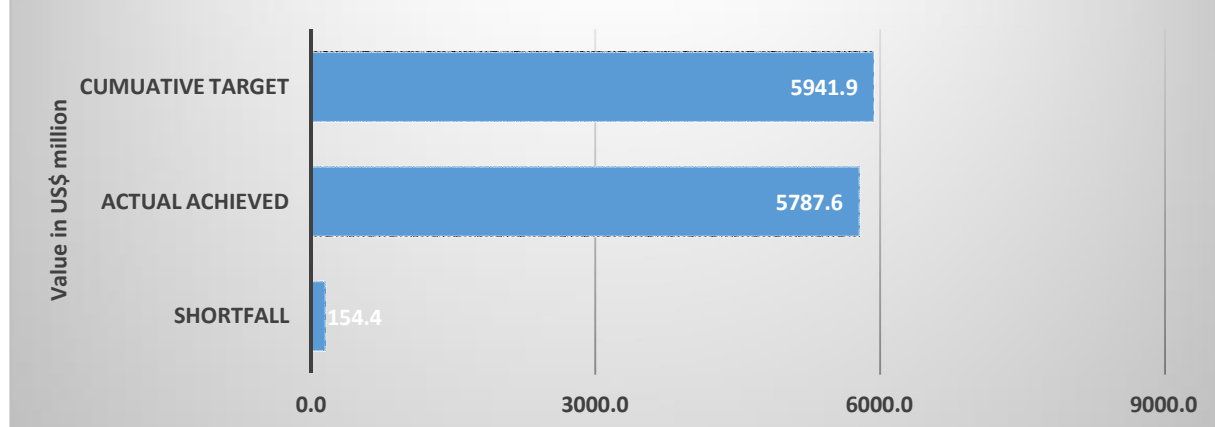
- a) Exports Target for Non-Ferrous Metal and Products Already Achieved more than 90%
- b) Shortfall to the tune of US\$ 215.5 million witnessed till April-Oct 2021-22

Export Target- Industrial Machinery and parts- April-October 2021-22



- a) Exports Target for Industrial Machinery and Parts Already Achieved more than 90%
- b) Shortfall to the tune of US\$ 238.8 million witnessed till April-Oct 2021-22

Export Target- Automobiles-April-October 2021-22



- a) Exports Target for Automobiles Already Achieved more than 90%
 b) Shortfall to the tune of US\$ 154.4 million witnessed till April-Oct 2021-22

Source: DGCI&S (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)

6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during October 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 8: Export of Iron & Steel
US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
ITALY	36.38	91.34	151.05	355.78	1467.94	312.60
BELGIUM	18.62	80.44	332.11	210.38	1171.41	456.81
CHINA	103.74	183.50	76.89	2189.29	1041.05	-52.45
VIETNAM	64.02	143.60	124.31	739.25	1014.66	37.26
U A E	52.57	188.59	258.75	477.25	866.61	81.58
High cumulative growth						
SOUTH AFRICA	3.53	64.43	1727.70	16.57	216.23	1204.89
SINGAPORE	1.21	19.98	1546.66	21.18	222.68	951.30

TURKEY	15.60	46.63	198.91	74.28	630.78	749.24
U K	2.23	28.76	1188.13	34.39	237.15	589.60
U S A	11.94	114.77	861.30	89.08	526.08	490.60
BELGIUM	18.62	80.44	332.11	210.38	1171.41	456.81
Sharp cumulative decline						
MYANMAR	0.12	3.30	2571.03	32.68	8.56	-73.79
CHINA	103.74	183.50	76.89	2189.29	1041.05	-52.45
ETHIOPIA	2.24	3.07	37.17	20.48	11.20	-45.32
BHUTAN	2.46	2.79	13.63	26.47	22.55	-14.79
FRANCE	2.24	4.43	98.03	32.15	29.98	-6.75

(Source: Department of Commerce, Government of India)

- ✚ Italy, Belgium and China were the top three importers of Indian Iron and Steel during April - October 2021 with market shares of 10.24 percent, 8.17 percent and 7.26 percent respectively.
- ✚ South Africa, Singapore and Turkey recorded a monumental growth of 1204.89, 951.30 and 749.24 percent respectively followed by U K, U S A and Belgium exhibiting growth of more than 400 percent in exports of Indian Iron and Steel during April- October 2021 compared to April- October 2020.
- ✚ Myanmar, China and Ethiopia experienced sharp downfall to the extent of more than 45 percent drop in exports during April- October 2021 compared to same period last fiscal.

Table 9: Export of Products of Iron & Steel

US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U S A	141.73	265.96	87.65	715.60	1381.52	93.06
GERMANY	31.57	41.03	29.96	166.53	256.22	53.86
U K	27.06	40.32	49.03	122.05	252.71	107.06
U A E	30.35	36.66	20.81	176.33	236.05	33.87
NETHERLAND	15.85	29.94	88.93	85.00	159.94	88.17
High cumulative growth						
U K	27.06	40.32	49.03	122.05	252.71	107.06
BELGIUM	10.33	18.36	77.73	56.13	112.31	100.10
U S A	141.73	265.96	87.65	715.60	1381.52	93.06
NETHERLAND	15.85	29.94	88.93	85.00	159.94	88.17
ITALY	15.29	25.16	64.57	92.91	154.42	66.20
GERMANY	31.57	41.03	29.96	166.53	256.22	53.86

Sharp cumulative decline						
ETHIOPIA	4.02	1.31	-67.49	24.17	6.58	-72.76
ALGERIA	1.04	0.44	-58.04	16.21	5.44	-66.42
EGYPT	2.95	4.07	38.20	50.62	18.69	-63.08
AFGHANISTAN	1.25	0.01	-99.56	12.52	5.32	-57.49
INDONESIA	3.20	3.81	19.06	51.05	32.49	-36.36

(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- October 2021 with 29.10 percent, 5.40 percent and 5.32 percent shares respectively in India's global import of the same.
- UK and Belgium experienced more than 100 percent growth followed by U S A and Netherland at 93.06 and 88.17 percent respectively in import of 'Products of Iron and Steel' during April- October 2021.
- Ethiopia, Algeria and Egypt conceded substantial decline in imports by more than 60% for the said product group from India during April- October 2021.

Table 10: Export of Industrial Machinery

US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U S A	162.59	268.95	65.41	904.50	1625.53	79.72
THAILAND	85.90	86.44	0.63	327.29	588.75	79.89
CHINA	58.31	70.01	20.06	317.54	489.03	54.01
GERMANY	62.27	71.32	14.54	316.08	464.66	47.01
SINGAPORE	33.06	44.01	33.11	160.44	321.22	100.21
High cumulative growth						
SOUTH AFRICA	11.08	21.38	93.03	55.81	116.90	109.45
SINGAPORE	33.06	44.01	33.11	160.44	321.22	100.21
NEPAL	29.15	39.77	36.43	117.50	230.84	96.46
JAPAN	10.53	14.47	37.35	63.66	122.46	92.35
INDONESIA	15.59	24.87	59.50	82.56	156.27	89.29
Sharp cumulative decline						
IRAN	3.83	1.12	-70.88	25.49	11.97	-53.04
OMAN	14.84	6.25	-57.85	87.04	57.79	-33.61
HUNGARY	3.07	1.86	-39.41	23.53	17.57	-25.33
MYANMAR	2.65	1.34	-49.47	16.52	12.46	-24.57
SUDAN	4.24	1.85	-56.44	24.26	21.75	-10.38

(Source: Department of Commerce, Government of India)

- USA was the largest importer of Indian 'Industrial machinery' during April- October 2021 with 18.16 percent share in India's global import of the product group. Thailand and China were the two immediate followers of USA with 6.58 percent and 5.46 percent shares respectively.
- South Africa exhibited maximum growth of more than 109 percent followed by Singapore, Nepal and Japan witnessing growth of more than 90 percent in imports of Industrial machinery from India during April- October 2021 over the same period last fiscal.
- Among the major importers, Iran recorded more than 50 percent year-on-year decline followed by Oman and Hungary in imports of Industrial machinery from India during April- October 2021 over the same period last fiscal.

Table 11: Automobiles
US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
MEXICO	155.00	81.91	-47.16	621.78	675.38	8.62
SOUTH AFRICA	61.21	98.83	61.47	265.55	666.01	150.81
NEPAL	50.15	59.43	18.50	127.74	343.49	168.89
NIGERIA	51.70	47.60	-7.92	205.49	315.40	53.49
SAUDI ARABIA	46.98	29.30	-37.63	237.91	255.69	7.47
High cumulative growth						
CHILE	20.24	25.40	25.47	74.83	249.58	233.51
COLOMBIA	19.14	39.27	105.16	73.60	230.17	212.73
NEPAL	50.15	59.43	18.50	127.74	343.49	168.89
SOUTH AFRICA	61.21	98.83	61.47	265.55	666.01	150.81
U A E	7.35	27.28	271.34	76.18	183.21	140.50
Sharp cumulative decline						
MYANMAR	0.85	0.00	-100.00	6.74	1.29	-80.82
U K	1.53	0.29	-81.28	53.65	12.84	-76.06
AFGHANISTAN	0.98	0.00	-100.00	6.04	2.27	-62.39
BRUNEI	5.48	1.62	-70.36	21.43	12.23	-42.91
CANADA	0.00	3.69	150948.54	30.94	21.43	-30.73

(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- October 2021 with 11.67, 11.51 and 5.93 percent share in India's global exports respectively over the same period last fiscal.

- Chile exhibited maximum growth of 233.51 percent followed by Colombia and Nepal at 212.73 percent and 168.89 percent respectively in imports of the product group from India during April- October 2021 over the same period last fiscal.
- Countries like Myanmar, UK and Afghanistan saw their imports of automobile lower by more than 60 percent during April- October 2021 compared to same period last fiscal.

Table 12: Export of Non-Ferrous metals
US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
CHINA	38.93	317.29	715.08	592.55	1756.49	196.43
KOREA	120.16	118.40	-1.46	859.31	974.38	13.39
U S A	73.88	135.64	83.59	391.53	729.73	86.38
TURKEY	3.74	3.95	5.79	21.11	411.15	1847.60
ITALY	9.83	33.65	242.13	30.95	306.29	889.73
High cumulative growth						
TURKEY	3.74	3.95	5.79	21.11	411.15	1847.60
ITALY	9.83	33.65	242.13	30.95	306.29	889.73
MEXICO	9.26	9.79	5.74	47.91	255.44	433.13
GREECE	0.51	93.17	18134.38	61.63	244.50	296.73
NETHERLAND	6.67	16.72	150.77	48.49	169.42	249.41
Sharp cumulative decline						
MALAYSIA	131.02	14.58	-88.87	929.57	108.77	-88.30
ETHIOPIA	5.26	1.24	-76.33	31.36	9.35	-70.20
ECUADOR	1.76	0.39	-77.83	10.01	4.23	-57.73
MALI	0.02	0.02	-13.11	7.41	3.31	-55.36
PERU	1.56	0.72	-53.86	7.96	4.60	-42.16

(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- October 2021 with 21.74 percent, 12.06 percent and 9.03 percent shares respectively in India's global import of the same.
- Turkey experienced massive growth of 1847.60 percent followed by Italy and Mexico at 889.73 percent and 433.13 percent respectively in import of Non-ferrous metals and products ' during April- October 2021.
- Malaysia and Ethiopia conceded substantial decline in imports by more than 70 percent followed by Ecuador, Mali and Peru for the said product group from India during April- October 2021 vis-à-vis same period last fiscal.

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

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U S A	159.66	230.14	44.15	1619.52	1575.25	-2.73
GERMANY	52.06	51.95	-0.21	404.89	353.38	-12.72
POLAND	19.72	48.45	145.70	61.69	322.30	422.49
U K	38.63	48.75	26.19	153.17	276.54	80.54
FRANCE	26.23	65.25	148.76	113.63	264.95	133.17
High cumulative growth						
POLAND	19.72	48.45	145.70	61.69	322.30	422.49
SAUDI ARABIA	5.92	7.12	20.13	35.92	108.06	200.81
FRANCE	26.23	65.25	148.76	113.63	264.95	133.17
JAPAN	5.19	54.30	946.68	106.64	201.46	88.92
BANGLADESH	18.36	10.33	-43.75	92.32	171.92	86.23
U K	38.63	48.75	26.19	153.17	276.54	80.54
Sharp cumulative decline						
NEW ZEALAND	0.39	6.54	1596.43	47.43	10.06	-78.79
HONG KONG	11.80	3.19	-72.93	86.44	24.12	-72.09
IRELAND	5.18	0.59	-88.67	34.12	12.78	-62.54
MYANMAR	3.03	0.71	-76.54	15.07	8.17	-45.78
RUSSIA	6.52	4.26	-34.73	35.83	24.49	-31.64

(Source: Department of Commerce and CSO)

-  USA, Germany and Poland were the three top importers of Indian Electrical Machinery and Components during April- October 2021 with market shares of 27.86 percent, 6.25 percent and 5.70 percent respectively.
-  Poland and Saudi Arabia recorded massive growth of 422.49 and 200.81 percent respectively followed by France, Japan, Bangladesh and UK exhibiting more than 80 percent growth in imports of India's Electrical Machinery and Components during April- October 2021 vis-a-vis April- October 2020.
-  New Zealand and Hong Kong experienced the sharp decline of more than 70% in its imports in April- October 2021 when compared to April- October 2020.

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

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U S A	36.99	27.67	-25.20	237.62	216.12	-9.05
FRANCE	17.29	15.20	-12.13	75.25	118.53	57.52
U K	8.50	9.61	13.04	45.35	60.65	33.74
SINGAPORE	16.16	8.64	-46.57	64.86	44.31	-31.69
GERMANY	3.05	5.39	76.68	24.81	34.06	37.31
High cumulative growth						
BRAZIL	0.05	32.74	61104.36	0.11	33.24	31526.37
CANADA	0.51	0.92	80.04	3.34	6.61	97.98
SWITZERLAND	1.09	5.02	359.82	6.85	12.07	76.26
FRANCE	17.29	15.20	-12.13	75.25	118.53	57.52
GERMANY	3.05	5.39	76.68	24.81	34.06	37.31
Sharp cumulative decline						
ALGERIA	0.00	0.00	-	3.39	0.00	-100.00
IRELAND	0.00	0.00	-100.00	10.17	0.92	-90.96
INDONESIA	0.02	0.02	-29.53	47.44	5.86	-87.65
U A E	5.11	0.38	-92.51	25.68	8.76	-65.91
THAILAND	1.20	0.42	-65.15	5.57	2.25	-59.60

(Source: Department of Commerce and CSO)

- 🚩 USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April- October 2021 with around 33.33, 18.28 and 9.35 percent shares respectively in India's total global exports of the product.
- 🚩 Brazil registered monumental growth of 31526.37 percent followed by Canada and Switzerland in import of the product group from India during April- October 2021 as compared with the same period last fiscal.
- 🚩 On the flipside, demand for India's 'Aircrafts & Spacecrafts' from Algeria, Ireland and Indonesia dropped more than 85 percent on a year-on-year basis during April- October 2021 when compared to April- October 2020.

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

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U A E	31.96	37.24	16.51	342.60	860.22	151.09
SINGAPORE	0.03	9.99	28528.75	970.32	498.53	-48.62
MALAYSIA	0.00	0.00	-	244.02	363.03	48.77
SOUTH AFRICA	0.00	0.00	-	0.00	257.80	-
INDONESIA	6.15	0.00	-100.00	385.05	246.82	-35.90
High cumulative growth						
U A E	31.96	37.24	16.51	342.60	860.22	151.09
MALAYSIA	0.00	0.00	-	244.02	363.03	48.77
NETHERLAND	0.00	0.02	-	15.75	22.56	43.18
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
PORTUGAL	0.00	0.00	-	141.63	64.39	-54.54
SRI LANKA	7.86	82.97	956.12	246.15	120.94	-50.87
SINGAPORE	0.03	9.99	28528.75	970.32	498.53	-48.62

(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 34.39 percent, 19.93 percent, 14.51 percent, 10.31 percent and 9.87 percent.
- ❖ Exports to UAE recorded substantial increase of more than 150 percent followed by Malaysia and Netherlands at 48.77 and 43.18 percent respectively in import of the product group from India during April- October 2021 as compared with the same period last fiscal.
- ✚ However, sharp decline of more than 50 percent was noticed in exports to Sri Lanka and Portugal from India during April- October 2021 as compared with the same period last fiscal. Whereas the exports dropped to zilch for Gibraltar and Malta.

Table 16: Export of Auto Components
US\$ Million

COUNTRY	OCTOBER 2020	OCTOBER 2021	Growth (%)	APRIL - OCTOBER 2020	APRIL - OCTOBER 2021	Growth (%)
Top Five Importers						
U S A	106.91	140.19	31.13	507.95	966.14	90.20
BANGLADESH	33.66	34.26	1.81	124.50	219.40	76.23
TURKEY	24.53	32.73	33.45	137.26	217.77	58.66
GERMANY	27.24	30.93	13.52	129.46	211.29	63.20
MEXICO	20.07	28.98	44.40	89.26	199.78	123.83
High cumulative growth						
MEXICO	20.07	28.98	44.40	89.26	199.78	123.83
U S A	106.91	140.19	31.13	507.95	966.14	90.20
BRAZIL	22.22	21.54	-3.05	88.30	163.92	85.64
BANGLADESH	33.66	34.26	1.81	124.50	219.40	76.23
GERMANY	27.24	30.93	13.52	129.46	211.29	63.20
Sharp cumulative decline						
CONGO	0.13	0.14	1.60	0.48	0.22	-55.15
MYANMAR	0.72	0.24	-67.30	10.36	5.55	-46.44
JORDAN	0.04	0.16	329.42	0.85	0.48	-43.78
CAMBODIA	0.07	0.03	-63.73	0.48	0.33	-30.79
AFGHANISTAN	0.22	0.01	-93.96	0.65	0.47	-27.53

(Source: Department of Commerce and CSO)

- + USA remained the top importer of auto components in April- October 2021 with a share of 24.65 percent. It is followed by Bangladesh, Turkey, Germany and Mexico with respective shares of 5.60 percent, 5.56 percent, 5.39 percent and 5.10 percent.

- + Mexico recorded maximum increase of more than 120 percent followed by USA, Brazil and Bangladesh in imports from April- October 2021 when compared to April- October 2020. However, all the four nations exhibited more than 75 % growth.

- + However, Congo, Myanmar and Jordan recorded significant decline of more than 40 percent in April- October 2021 when compared to April- October 2020.

Analysis of India's engineering imports

India's Engineering imports during October 2021 were valued at US\$ 9444.26 million compared to US\$ 7353.21 million in October 2020 registering a positive growth of 28.4 percent in dollar terms.

All the engineering panels barring transport equipment, 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 October 2021 compared to October 2020.

The share of engineering imports in India's total merchandise imports has dropped during October 2021 in comparison to October 2020 which has been estimated at 17.1%.

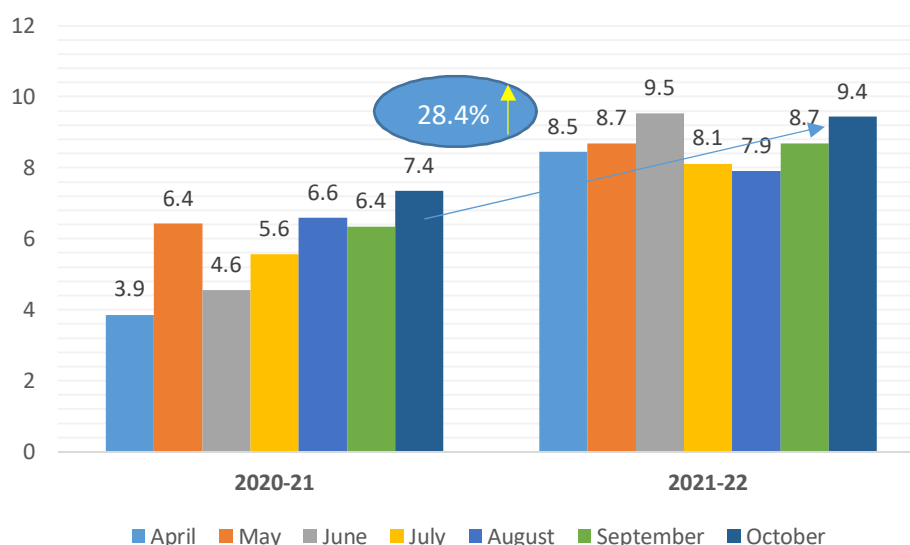
The monthly engineering import figures for fiscal April- October 2021 vis-a-vis April- October 2020 is depicted below as per the latest availability of figure:

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

Months	2020-21	2021-22	Growth (%)
April	3858.97	8454.25	119.1
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
October	7353.21	9444.26	28.4

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

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

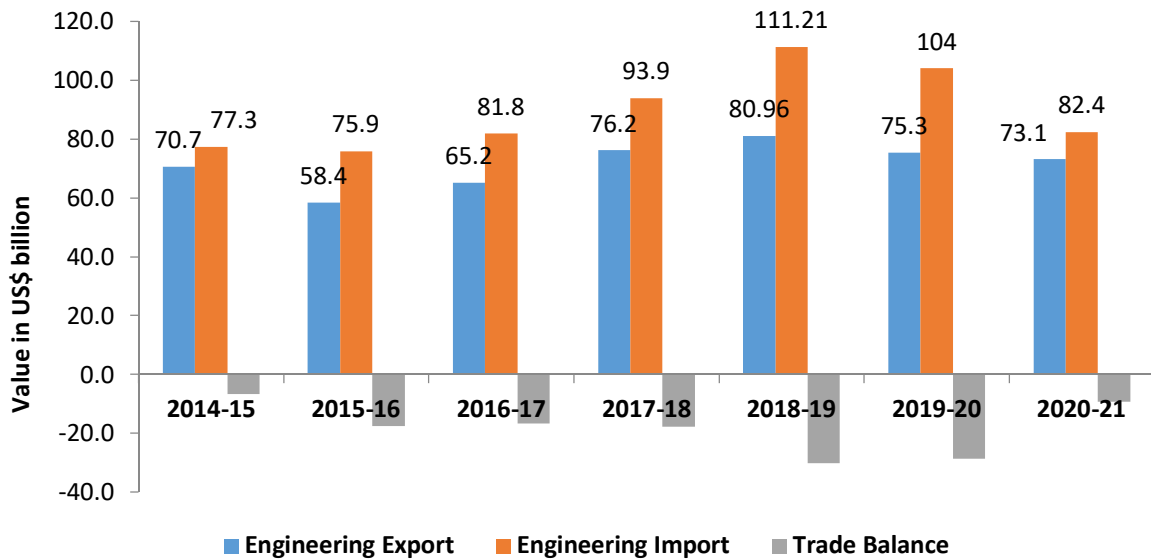
Table 18: Year-wise trend in engineering trade
(US\$ Billions)

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

Source: DGCI&S, EEPC India Analysis

Figure 6 below depicts the yearly trend in engineering trade from 2014-15 to 2019-20 as well as the latest concluding fiscal April-Mar 2020-21

Figure 6: Trend in Yearly Engineering Trade



To Conclude.....

Engineering exports is playing a very critical role in India's journey to achieve USD 400 billion exports by the end of FY 21-22. Already the community has reached 57% of the engineering export target of USD 107 billion. It needs to be mentioned here that in the last decade, engineering export's share in India's total merchandise exports has increased significantly from around 17% to 26%. This growth is majorly attributed to constant upgradation of value chain and exploration of new economies. However there is still significant scope of expansion in both areas. India's major export content is still in the range of low to medium value. The government must bring out policies that encourage more value addition such that India's presence in global high value exports increase. Further in case of least developed countries, India can also opt for investment-led trade in high value added products. This is especially true in this post pandemic era when many countries are looking at India as an alternative option to China. To grab this opportunity value addition in engineering exports is necessary. With the changed economic scenario in the post pandemic world, we urge the government to incentivise the industry for more efficiency and greater value addition.

