

Engineering Exports and Imports Monitor

JANUARY 2022



Engineering the future

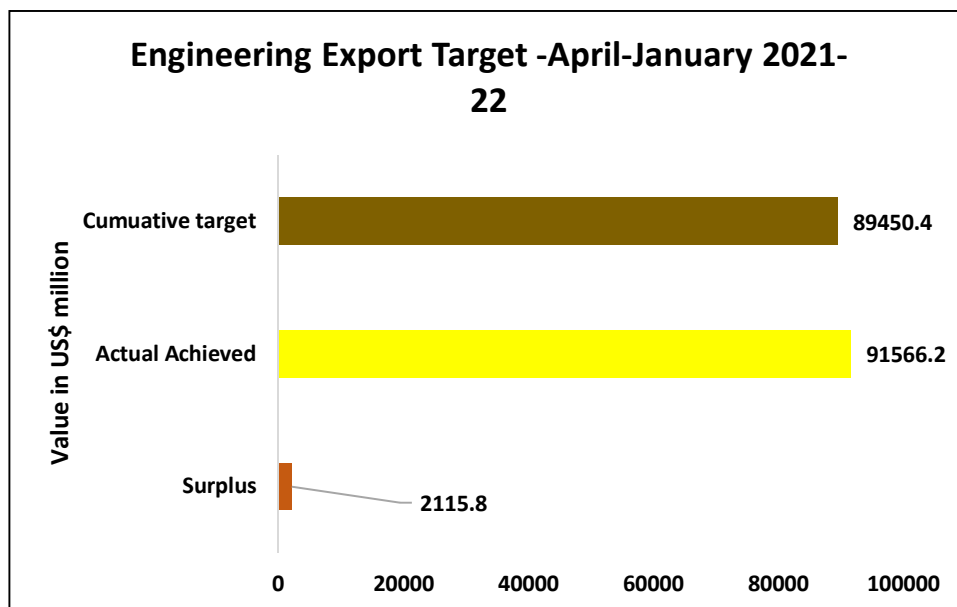
EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for January 2022
25th February 2021

Highlight

Engineering exports most likely to meet the target of USD 107 billion by the end of FY 2022

- Total merchandise 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 during April-January 2021-22 stood at USD 91566.2 million, which was a substantial 110 percent higher over the exports of April-January 2020-21 at USD 43595.9 million.
- Target during April-January 2021-22 has been over achieved to the extent of 85.3 percent. If we consider the target on a pro-rata basis, target for April-January was USD 89450.44 million while actual exports was USD 91566.21 million, leaving a surplus to the extent of USD 2115.8 million. The figure below depicts the present situation.
- **Figure 1: Engineering Export Target V/S Achieved for April-January 2021-22**



Overall Scenario

Merchandise trade

Merchandise exports continued to grow for the fourteenth straight month to January 2022

- ✚ Merchandise exports in January 2022 were USD 34.50 Billion, as compared to USD 27.54 Billion in January 2021, exhibiting a positive growth of 25.28 percent in dollar terms and 27.57 percent in Rupee terms. This was the fourteenth straight month when merchandise exports from India recorded year-on-year growth and eleventh straight month when exports were above USD 30 billion.
- ✚ The commodities/commodity groups that helped overall merchandise export to achieve such a high growth in January 2022 were Petroleum Products; Cotton yarn/fabs./made-ups, handloom products etc.; Plastic and Linoleum; Marine products; Organic & Inorganic Chemicals and Engineering goods among others.
- ✚ Commodity groups like Iron ore, Oil meals, and Oil seeds conceded declines in year-on-year exports during January 2022.
- ✚ Cumulative Merchandise exports for the period April-January 2021-22 was USD 335.88 Billion as against USD 228.92 Billion during the period April-January 2020-21, registering a positive growth of 46.73 percent in dollar terms and 46.69 percent in rupee terms.
- ✚ Merchandise imports in January 2022 were USD 51.93 Billion, which was an increase of 23.54 percent over imports of USD 42.03 Billion in January 2021. In rupee terms, the growth was 25.79 percent.
- ✚ Cumulative Merchandise imports for the period April-January 2021-22 was USD 495.75 Billion as against USD 304.79 Billion during the period April-January 2020-21, registering a positive growth of 62.65 percent in dollar terms and 62.80 percent in rupee terms.
- ✚ Merchandise trade deficit widened by 20.22 percent to USD 17.42 Billion in January 2022 from USD 14.49 Billion in January 2021. On a cumulative basis, deficit for April-January 2021-22 mounted by 110.72 percent to USD 159.87 Billion from USD 75.87 Billion in April-January 2020-21.

Engineering Trade

India's Engineering exports maintained its high growth trend in January 2022

- ✚ Engineering exports from India recorded 67.11 percent year-on-year growth in January 2022 by climbing up to USD 9,220.32 million from USD 5,517.58 million in January 2021.

- ✚ Cumulative engineering exports during April-January 2021-22 stood at USD 91,566.21 Million, registering 110 percent growth over the exports of April-January 2020-21 at USD 43,595.94 Million.
- ✚ **As per the Quick Estimates of Foreign Trade for January 2022 released by the Department of Commerce, Government of India**, the Share of engineering in total merchandise export was 26.67 percent in January 2022 as against 25.89 percent in December 2021 and 26.89 percent in November 2021. On a cumulative basis, the share was 27.08 percent during April-January 2021-22.
- ✚ As much as 32 out of 34 engineering panels witnessed positive year-on-year growth in exports during January 2022. Only 'Nickel and its products' and 'Ships, boats and floating structures' conceded decline in year-on-year exports during January 2022. On a cumulative basis however, all the 34 engineering panels recorded positive growth during April-January 2021-22 over the same period last fiscal.
- ✚ Exports rose year-on-year in 21 out of 25 top export destinations (country) during January 2022. Four countries that recorded negative growth were Singapore, Saudi Arabia, South Africa and Malaysia. On a cumulative basis, all the top 25 destinations recorded positive growth during April-January 2021-22 except Malaysia.
- ✚ Export to all the regions grew year-on-year in January 2022 other than Sub-Saharan Africa. In cumulative terms however, Increase in exports was witnessed in all regions during April-January 2021-22 over the same period last fiscal.

India's engineering imports increased by 14.5 percent year-on-year in January 2022

- ✚ India's Engineering imports during January 2022 were valued at US\$ 10514.78 million compared to US\$ 9180.59 million in January 2021 registering a positive growth of 14.5 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 January 2022 compared to January 2021
- ✚ The share of engineering imports in India's total merchandise imports has dropped during January 2022 in comparison to January 2021 which has been estimated at 20.2%

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

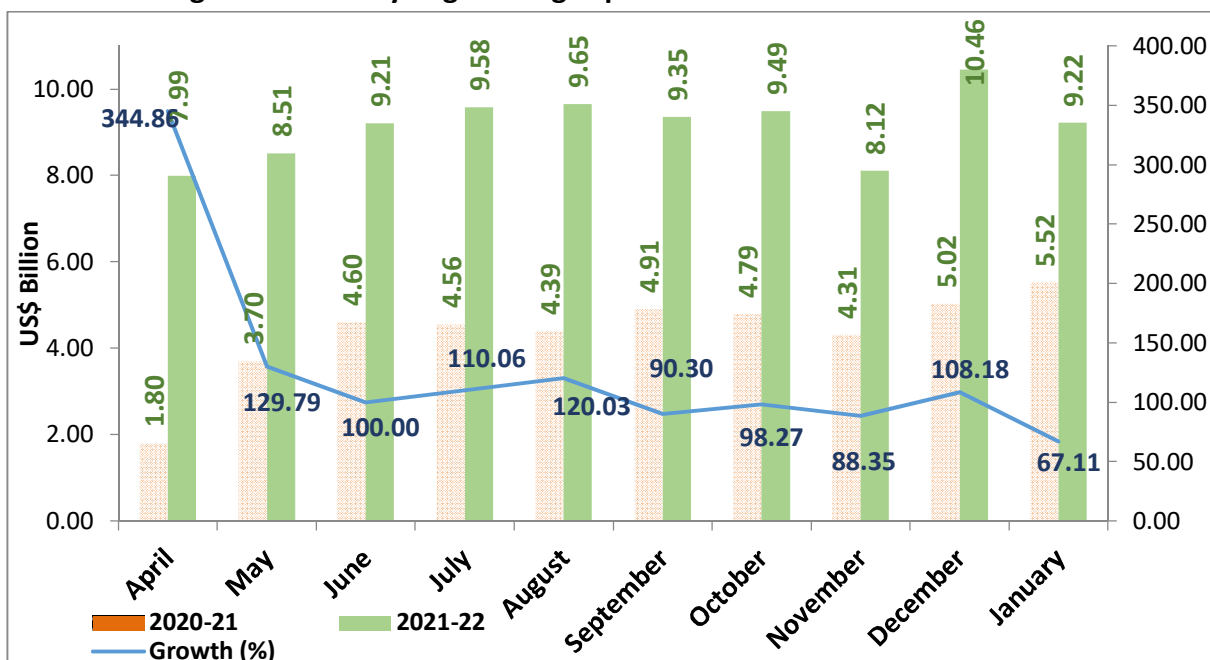
The monthly engineering figures for 2021-22 vis-à-vis 2020-21 are shown below as per the latest DGCIS estimates:

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

Month	2020-21	2021-22	Growth (%)
April	1797.11	7994.70	344.86
May	3701.77	8506.13	129.79
June	4602.70	9205.28	100.00
April-June	10101.58	25706.12	154.48
July	4559.23	9576.99	110.06
August	4386.00	9650.71	120.03
September	4913.66	9350.63	90.30
July-September	13858.90	28578.32	106.21
October	4785.93	9489.06	98.27
November	4309.10	8116.00	88.35
December	5022.84	10456.39	108.18
October-December	14117.87	28061.46	98.77
January	5517.58	9220.32	67.11
April-January	43595.94	91566.21	110.03

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 while both witnessed accelerated growth in October 2021. The scenario of September was repeated in November 2021 when both saw deceleration in growth. December 2021 saw acceleration in engineering export growth but decline in manufacturing output. A correlation is now at sight but data for last two months may establish it 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	344.86	196.0
May 2021	129.79	32.1

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
June 2021	100.00	13.2
July 2021	110.06	10.5
August 2021	120.03	11.1
September 2021	90.30	4.3
October 2021	98.27	3.1
November 2021	88.35	0.8
December 2021	108.18	-0.1
January 2022	67.11	N A

(Source: Department of Commerce and CSO)

Revised engineering exports for 2020-21 as compared to 2019-20

HS codes for engineering products are being finalized at this moment and hence, these comparison won't be effective until the new set of codes are available.

Impact of Exchange Rate

How did the exchange rate fare during January 2022 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 January 2022, 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

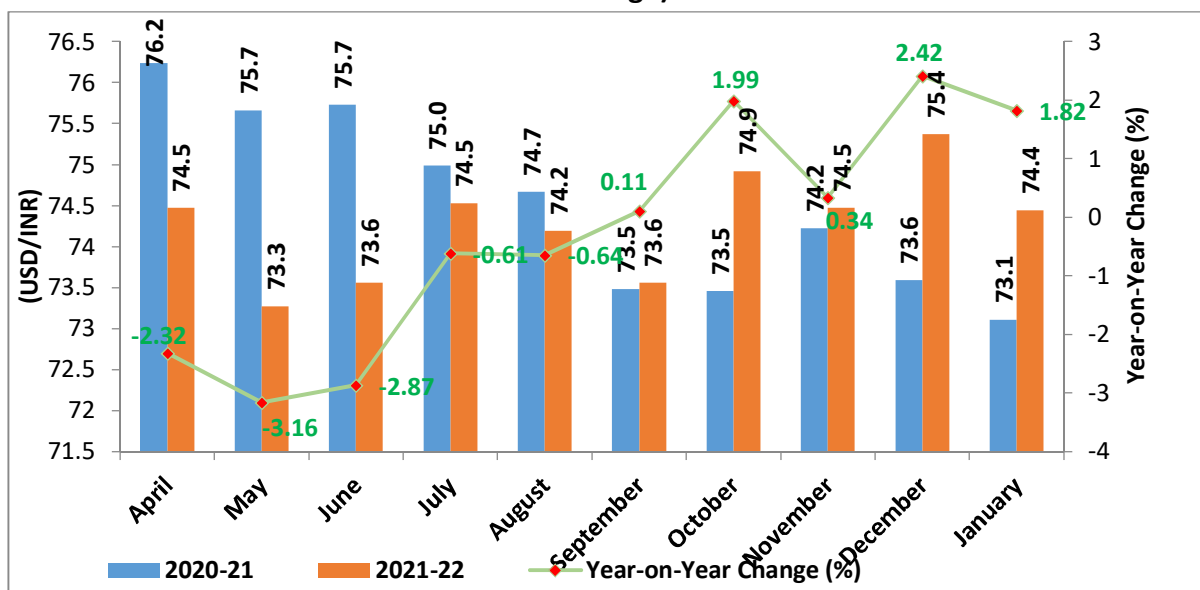
(As per latest data released by FBIL)

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
October	73.46	74.92	1.99	Depreciation	1.85	Depreciation

November	74.22	74.47	0.34	Depreciation	-0.60	Appreciation
December	73.59	75.37	2.42	Depreciation	1.21	Depreciation
January	73.11	74.44	1.82	Depreciation	-1.23	Appreciation

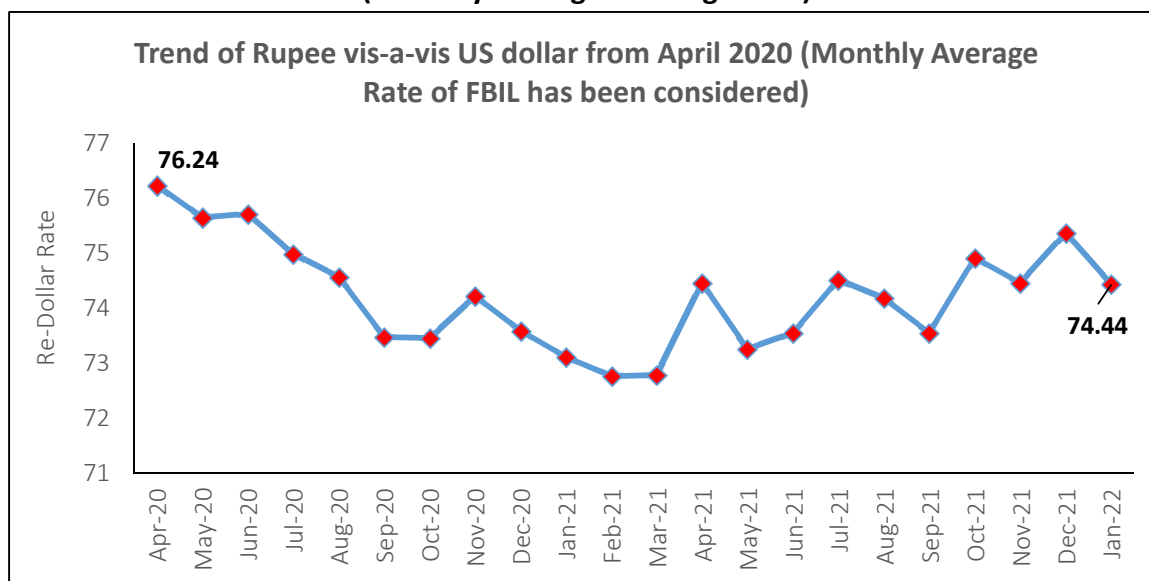
Source: FBIL, EEPC Research

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 in January 2022 appreciated vis-à-vis the US Dollar on a on a month-on-month basis but continued to depreciate for the fifth straight month on a year-on-year basis: The latest appreciation of rupee was led by softening of crude prices and weakening of US Dollar in the international currency market.

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

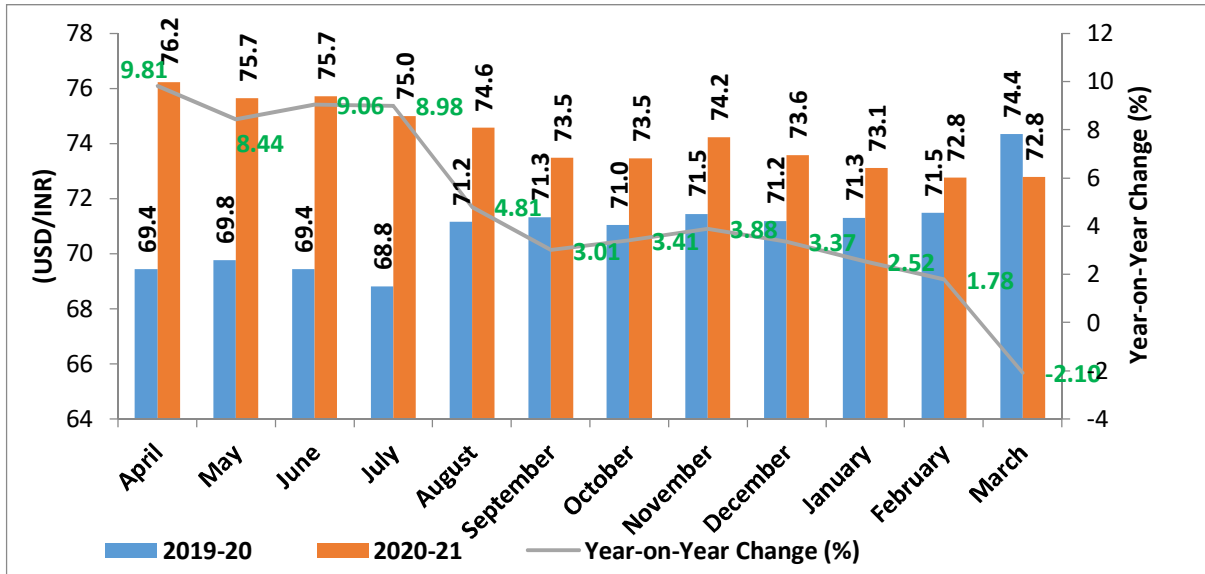
Table 4B: USD-INR average exchange rate in 2020-21

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

Source: RBI, FBIL

Rupee dollar trend during 2020-21: Economic lockdowns imposed across the globe to arrest the spread of Corona virus made the global economy virtually standstill and Rupee experienced a sudden slump in April 2020. However, rupee started strengthening vis-à-vis the greenback from May 2021 and ended the fiscal at 72.79 per US Dollar as economies across the world started stabilizing gradually.

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



Source: RBI, FBIL, EEP Research

3. Top 25 engineering export destinations in January 2022

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during January 2022 over January 2021. 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	January 2021	January 2022	Growth (%)	April-January 2021	April-January 2022	Growth (%)
USA	857.6	1624.5	89%	6651.1	13848.3	108%
CHINA	170.1	278.1	63%	2622.8	4865.0	85%
UAE	132.2	373.9	183%	1855.8	4609.8	148%
ITALY	167.6	264.5	58%	1064.8	3418.9	221%
GERMANY	183.4	324.5	77%	1585.1	3108.7	96%
NEPAL	259.9	278.3	7%	1272.2	2903.9	128%
TURKEY	105.7	424.6	302%	723.7	2719.5	276%
KOREA RP	106.0	271.0	156%	1128.2	2554.1	126%
U K	145.9	254.0	74%	1075.1	2468.7	130%
BANGLADESH	150.4	292.2	94%	1236.7	2363.9	91%
MEXICO	173.4	219.0	26%	1385.6	2283.0	65%
SINGAPORE	145.0	142.6	-2%	1926.1	2201.2	14%
VIETNAM	83.2	128.7	55%	1087.0	2128.5	96%
SOUTH AFRICA	533.4	162.7	-69%	1069.5	2086.3	95%
THAILAND	130.9	208.7	59%	952.5	2032.6	113%
BELGIUM	74.2	135.1	82%	531.9	2005.1	277%

Row Labels	January 2021	January 2022	Growth (%)	April-January 2021	April-January 2022	Growth (%)
INDONESIA	48.8	152.0	212%	651.8	1786.0	174%
SAUDI ARABIA	178.2	151.6	-15%	1005.4	1496.5	49%
JAPAN	75.2	139.4	85%	618.4	1471.1	138%
BRAZIL	99.8	143.7	44%	628.6	1470.9	134%
NETHERLAND	69.5	174.8	151%	600.0	1470.3	145%
SRI LANKA	43.7	440.5	907%	537.1	1445.5	169%
FRANCE	139.2	155.1	11%	835.2	1425.8	71%
SPAIN	68.4	121.7	78%	468.1	1245.5	166%
MALAYSIA	164.5	144.6	-12%	1519.8	1242.3	-18%
Total engineering exports to top 25 countries	4306.3	7005.9	63%	33032.6	68651.3	108%
Total engineering exports	5517.6	9220.3	67%	43595.9	91566.2	110%
Share (%)	78%	76%		76%	75%	

Source: DGCI&S

4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-January 2021-22 as opposed to April-January 2020-21.

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

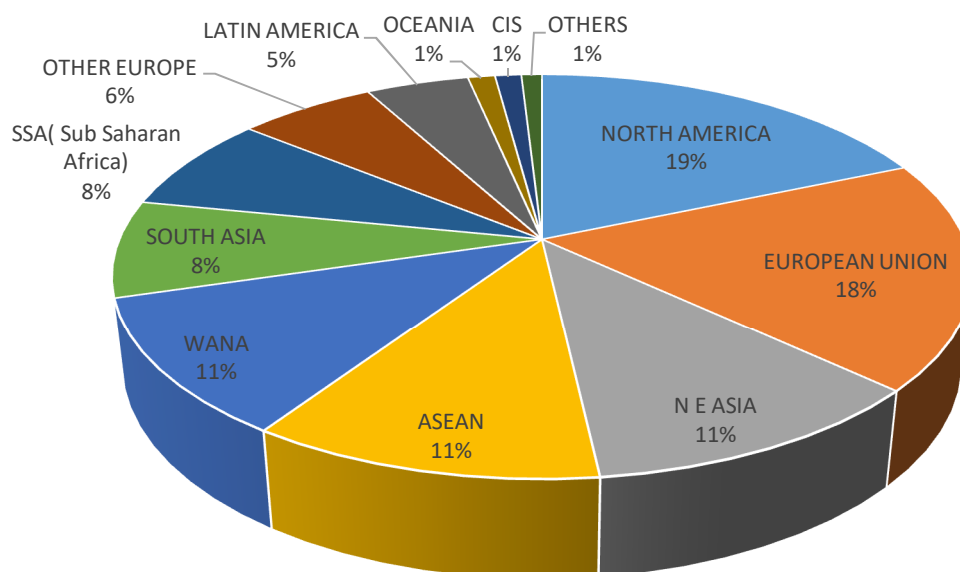
US\$ million

Region	January-2021	January-2022	Growth (%)	April-January 2020-21	April-January 2021-22	Growth (%)
NORTH AMERICA	1086.9	1929.0	77%	8534.8	17007.3	99%
EUROPEAN UNION	914.5	1550.2	70%	6846.1	16811.0	146%
N E ASIA	417.9	810.2	94%	5017.3	10325.9	106%
ASEAN	626.9	851.7	36%	6636.9	10241.5	54%
WANA	523.4	1021.9	95%	4757.3	10063.7	112%
SOUTH ASIA	477.1	1049.2	120%	3316.1	7109.5	114%
SSA (Sub Saharan Africa)	831.9	650.4	-22%	3646.7	7068.7	94%
OTHER EUROPE	273.0	718.8	163%	1951.0	5660.5	190%
LATIN AMERICA	242.8	377.0	55%	1771.3	4231.3	139%
OCEANIA	66.3	108.7	64%	567.1	1116.7	97%
CIS	55.9	129.1	131%	542.8	1082.5	99%
OTHERS	1.0	24.0	2326%	8.5	847.5	9840%
Grand Total	5517.6	9220.3	67%	43595.9	91566.2	110%

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-January 2021-22



Regional Highlights with respect to Engineering export Target achieved

a. North America

Cumulative export target for North America has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
North America	20.26	17.01	83.9%

Country wise export in North America	APR-JAN 2020-21 (US\$ Million)	APR-JAN 2021-22 (US\$ Million)	Growth %
CANADA	498.02	876.04	76
MEXICO	1358.63	2283.00	65
U S A	6651.11	13848.20	108
Total Exports	8534.76	17007.32	99

Source: DGCI&S

b. European Union (EU)

Cumulative export target for EU has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
EU	17.13	16.81	98.1%

Top 10 export destinations in EU	APR–JAN 2020-21 (US\$ Million)	APR–JAN 2021-22 (US\$ Million)	Growth %
ITALY	1064.83	3418.92	2.21
GERMANY	1585.11	3108.71	0.96
BELGIUM	531.89	2005.06	2.77
NETHERLAND	599.98	1470.27	1.45
FRANCE	835.22	1425.77	0.71
SPAIN	468.14	1245.55	1.66
POLAND	348.82	1196.70	2.43
GREECE	108.96	395.27	2.63
SWEDEN	168.81	370.08	1.19
PORTUGAL	124.72	328.88	1.64
Total exports	5836.48	14965.20	156.4%
Share of top 10 export destinations	85.3%	89.0%	

Source: DGCI&S

c. Other Europe

Cumulative export target for Other Europe has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
Other Europe	5.74	5.66	98.6%

Country wise export in other Europe	APR–JAN 2020-21 (US\$ Million)	APR–JAN 2021-22 (US\$ Million)	Growth %
TURKEY	723.70	2719.54	275.8
U K	1075.08	2468.71	129.6
SWITZERLAND	80.02	347.59	334.4
NORWAY	37.90	62.01	63.6
SERBIA	17.50	28.82	64.7

ALBANIA	5.64	9.89	75.4
MACEDONIA	2.37	7.30	208.1
BOSNIA-HRZGOVIN	2.70	6.65	145.9
MONTENEGRO	3.60	5.45	51.4
ICELAND	2.25	4.54	102.0
LIECHTENSTEIN	0.21	0.02	-92.8
Total exports	1950.97	5660.50	190.1

Source: DGCI&S

d. ASEAN

Cumulative export target for ASEAN has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
ASEAN	15.66	10.24	65.4%

Since Oceania accounts for very small share in India's export basket, we have included and given the exports figures of Australia and New Zealand in the following table along with ASEAN.

Top 10 export destinations in ASEAN+2	APR –JAN 2020-21 (US\$ Million)	APR–JAN 2021-22 (US\$ Million)	Growth %
SINGAPORE	1926.11	2201.23	14.3
VIETNAM	1087.02	2128.53	95.8
THAILAND	952.50	2032.63	113.4
INDONESIA	651.78	1786.02	174.0
MALAYSIA	1519.80	1242.33	-18.3
AUSTRALIA	478.65	1012.13	111.5
PHILIPPINES	288.93	694.01	140.2
MYANMAR	87.69	102.24	16.6
NEW ZEALAND	152.78	101.35	-33.7
BRUNEI	19.06	26.96	41.4
Total Exports	7203.27	11355.86	57.6

Source: DGCI&S

e. North East Asia

Cumulative export target for North East Asia has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
NE Asia	10.64	10.33	97.01%

Country-wise exports in NE Asia	APR –JAN 2020-21 (US\$ Million)	APR–JAN 2021-22 (US\$ Million)	Growth %
CHINA	3800.5	4532.8	19.3
SOUTH KOREA	1472.7	2267.4	54
JAPAN	657.4	1310.9	99.4
TAIWAN	508.9	874.2	71.8
HONG KONG	251	435.9	73.6
MACAO	8.1	11.3	39.6
MONGOLIA	2.5	2.3	-9.1
NORTH KOREA	0.1	0.1	6.2
Total Exports	6701.3	9434.8	40.8

Source: DGCI&S

f. South Asia

Cumulative export target for South Asia has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till April-Jan2021-22 (In USD Billion)	Percentage Achieved %
South Asia	9.76	7.10	72.7%

Country-wise exports in South Asia	APR –JAN 2020-21 (US\$ Million)	APR –JAN 2021-22 (US\$ Million)	Growth %
NEPAL	1272.16	2903.91	128.3%
BANGLADESH	1236.66	2363.85	91.1%
SRI LANKA	537.13	1445.49	169.1%
BHUTAN	127.02	247.51	94.9%
IRAN	59.66	43.81	-26.6%
AFGHANISTAN	54.75	36.83	-32.7%
MALDIVES	21.47	58.39	172.0%
PAKISTAN	7.24	9.71	34.1%
Total Exports	3316.09	7109.50	114.4%

Source: DGCI&S

g. Latin America and Caribbean (LAC)

Cumulative export target for LAC has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
LAC	4.57	4.23	92.6%

Top 10 export destinations in LAC	APR–JAN 2020-21 (US\$ Million)	APR–JAN 2021-22 (US\$ Million)	Growth %
BRAZIL	628.62	1470.93	134.0%
COLOMBIA	215.45	523.46	143.0%
CHILE	226.01	503.66	122.9%
PERU	136.74	300.30	119.6%
ARGENTINA	97.70	288.12	194.9%
GUATEMALA	66.17	198.67	200.2%
ECUADOR	54.01	129.70	140.1%
HONDURAS	33.61	92.88	176.3%
PARAGUAY	41.03	92.65	125.8%
DOMINIC REPUBLIC	27.82	85.09	205.8%
Total exports	1527.17	3685.46	141.3%
Share of top 10 export destination	86.2%	87.1%	

Source: DGCI&S

h. West Asia and North Africa (WANA)

- Exports to WANA

Cumulative export target for WANA has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
WANA	13.21	10.06	76.2%

Top 10 export destinations in WANA	APR –JAN 2020-21 (US\$ Million)	APR –JAN 2021-22 (US\$ Million)	Growth%
UAE	1855.81	4609.78	148.4%
SAUDI ARABIA	1005.37	1496.49	48.8%
EGYPT	357.70	1033.71	189.0%
OMAN	375.06	528.79	41.0%
QATAR	195.82	496.11	153.4%
ISRAEL	194.17	376.36	93.8%

IRAQ	103.04	238.50	131.5%
KUWAIT	138.20	233.24	68.8%
ALGERIA	114.05	209.07	83.3%
MOROCCO	84.24	184.62	119.1%
Total exports	4423.47	9406.68	112.7%
Share of top 10 countries export	93.0%	93.5%	

Source: DGCI&S

i. Sub-Saharan Africa (SSA)

- Exports to SSA

Cumulative export target for SSA has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till April-Jan 2021-22 (In USD Billion)	Percentage Achieved %
SSA	8.74	7.07	80.89%

Top 10 export destinations in SSA	APR –JAN 2020-21 (US\$ Million)	APR –JAN 2021-22 (US\$ Million)	Growth %
SOUTH AFRICA	1069.53	2086.25	164.08
NIGERIA	675.07	1211.67	28.30
KENYA	385.94	749.42	51.47
TANZANIA REP	179.33	436.81	78.54
GHANA	170.76	311.18	47.53
UGANDA	148.03	246.18	22.74
ETHIOPIA	57.18	215.22	-11.60
CONGO D. REP.	171.32	196.18	128.50
MOZAMBIQUE	55.72	151.77	96.63
GUINEA	58.98	134.11	59.82
Total Exports to CIS	3646.71	7068.73	66.36
Share of top 10 countries	81.49%	81.19%	

Source: DGCI&S

j. Commonwealth of Independent States (CIS)

Cumulative export target for CIS has been calculated based on the share percentage of the given region w.r.t all the region as a whole)

Region	Target Set for 2021-22 (in USD Billion)	Target Achieved till Apr-Jan 2021-22 (In USD Billion)	Percentage Achieved %
CIS	1.44	1.089	75.0%

Top 5 export destinations in CIS	APR –JAN 2020-21 (US\$ Million)	APR –JAN 2021-22 (US\$ Million)	Growth %
RUSSIA	404.31	789.84	95.36
UKRAINE	40.98	95.20	132.33
UZBEKISTAN	33.19	53.47	61.13
GEORGIA	13.30	49.81	274.60
TURKMENISTAN	7.71	47.41	514.61
Total Exports to CIS	542.84	1082.50	99.42
Share of Top 5 Countries	92.01%	95.68%	---

Source: DGCI&S

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of January 2022 vis-à-vis January 2021 as well as the cumulative exports during April-January 2021-22 vis-à-vis April-January 2020-21. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for January 2022 compared to January 2021 as well as April- January 2021-22 compared to April- January 2020-21

US\$ Million

		JANUARY, 2021	JANUARY , 2022	Growth %	APRIL'20 -JAN'21	APRIL'21 -JAN'22	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	663.3	1626.3	145.2	6614.6	19236.9	190.8
B	Products of Iron and Steel	477.5	790.2	65.5	3789.7	7059.6	86.3
Sub Total		1140.9	2416.5	111.8	10404.3	26296.4	152.7
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	120.5	168.5	39.8	776.7	2052.1	164.2
B	Aluminium and products	426.2	824.8	93.5	3389.1	8290.5	144.6
C	Zinc and products	57.4	89.6	56.1	440.1	745.3	69.4
D	Nickel and products	7.0	6.7	-3.4	34.5	75.2	118.0
E	Lead and products	24.6	44.9	82.4	220.5	416.9	89.1
F	Tin and products	0.5	1.5	199.2	5.0	15.4	208.5

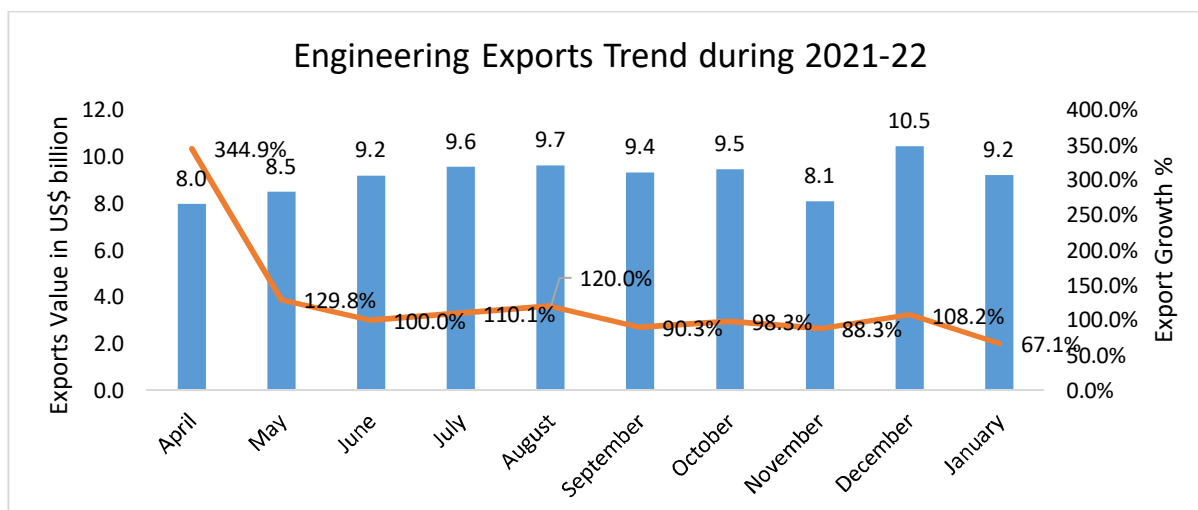
G	Other Non-Ferrous Metals	36.5	66.5	82.1	304.8	660.9	116.8
Sub Total		672.7	1202.5	78.8	5170.6	12256.4	137.0
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	29.7	48.4	62.8	298.3	494.8	65.9
B	IC Engines and Parts	150.0	309.4	106.3	1404.0	2730.0	94.4
C	Pumps of all types	54.4	100.8	85.1	519.9	1017.0	95.6
D	Air condition and Refrigerators	74.7	135.6	81.5	598.3	1160.0	93.9
E	Industrial Machinery for dairy, food processing , textiles etc	406.0	685.8	68.9	3109.8	6560.9	111.0
F	Machine Tools	31.7	57.8	82.3	235.6	562.2	138.6
G	Machinery for Injecting moulding, valves and ATMs	96.9	163.8	69.0	923.7	1574.9	70.5
Sub Total		843.6	1501.6	78.0	7089.5	14099.7	98.9
4	Electrical Machinery	578.0	959.8	66.1	4850.0	8243.9	70.0
5. Automobiles							
A	Motor Vehicle/cars	347.6	579.9	66.8	3183.7	6105.8	91.8
B	Two and Three Wheelers	112.3	243.2	116.6	1065.9	2457.5	130.6
C	Auto Components/Part	427.7	584.8	36.7	2757.0	5633.5	104.3
D	Auto Tyres and Tubes	167.0	245.6	47.0	1068.3	2392.5	124.0
Sub Total		1054.6	1653.4	56.8	8074.9	16589.3	105.4
6	Aircrafts and Spacecraft parts and products	81.2	81.6	0.6	798.4	932.1	16.8
7	Ships Boats and Floating products and parts	530.1	407.9	-23.1	2326.8	3196.1	37.4
8	Project Goods	0.0	0.2	439.1	1.2	3.6	205.9
9	Other Rubber Product Except Footwear	97.5	143.3	46.9	720.9	1399.9	94.2
10. Other engineering products							
A	Medical and Scientific instruments	99.4	139.5	40.4	821.8	1403.3	70.7
B	Railway Transport	5.8	10.5	82.3	64.6	319.3	393.9
C	Hand Tools & Cutting Tools	53.6	81.2	51.5	404.3	816.1	101.9
D	Bicycle & Parts	28.5	42.5	48.9	202.2	379.8	87.8

E	Cranes Lifts & Winches	34.7	55.6	60.4	265.1	534.9	101.7
F	Office Equipments	13.1	15.7	19.4	86.9	167.9	93.2
G	Other Construction Machinery	75.9	177.4	133.8	672.4	1732.1	157.6
H	Prime Mica & Mica Products	1.9	2.5	29.4	13.5	28.3	108.6
I	Other Misc. Items	206.1	328.4	59.4	1628.5	3167.4	94.5
Sub total		519.1	853.4	64.4	4159.4	8548.9	105.5
Total engineering exports		5517.6	9220.3	67.1	43595.9	91566.2	110.0

Source: DGCI&S

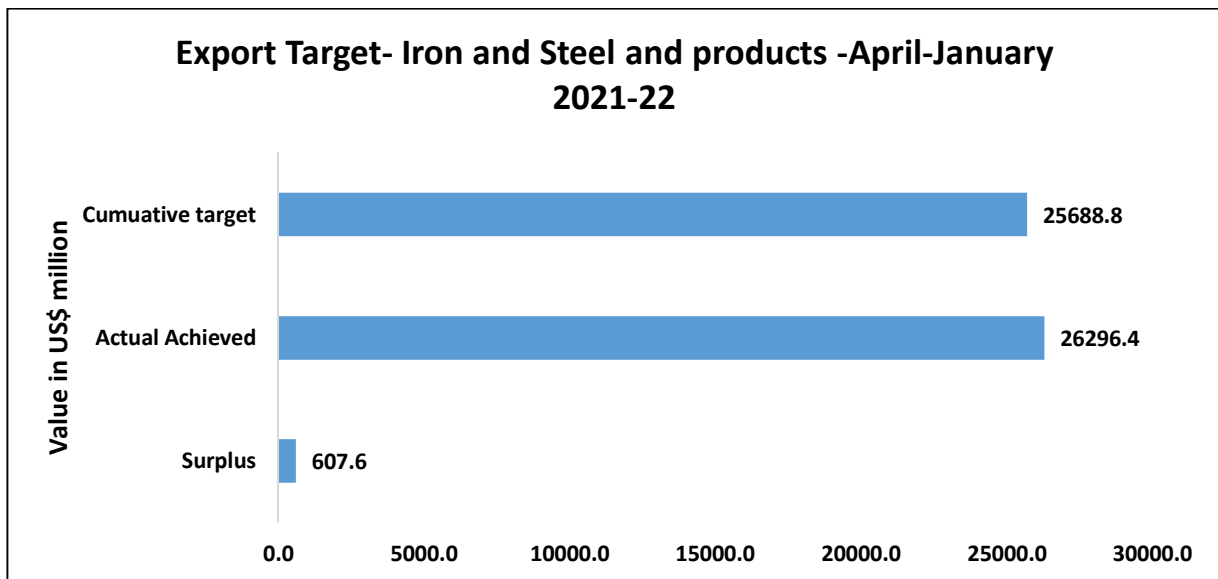
Brief snapshot of major engineering sector wise export target for 2021-22

Figure 5: Month-wise Engineering Export Trend for the Current FY

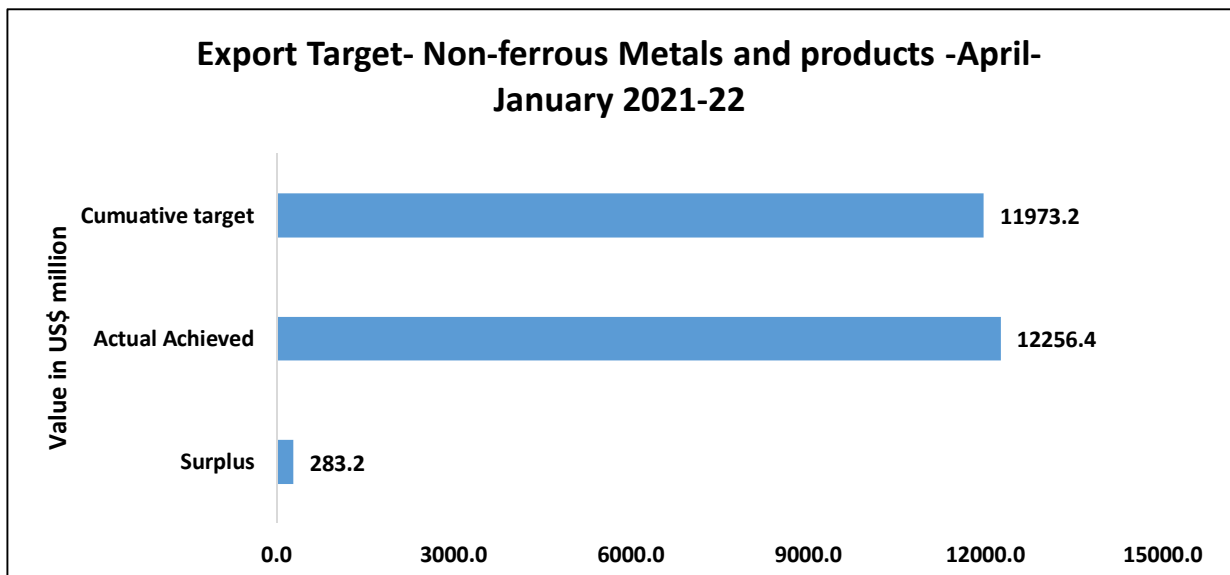


- a) Exports achieved 67% growth in the January 2022
- b) 32 of 34 engineering panels witnessed positive growth during Jan 2022

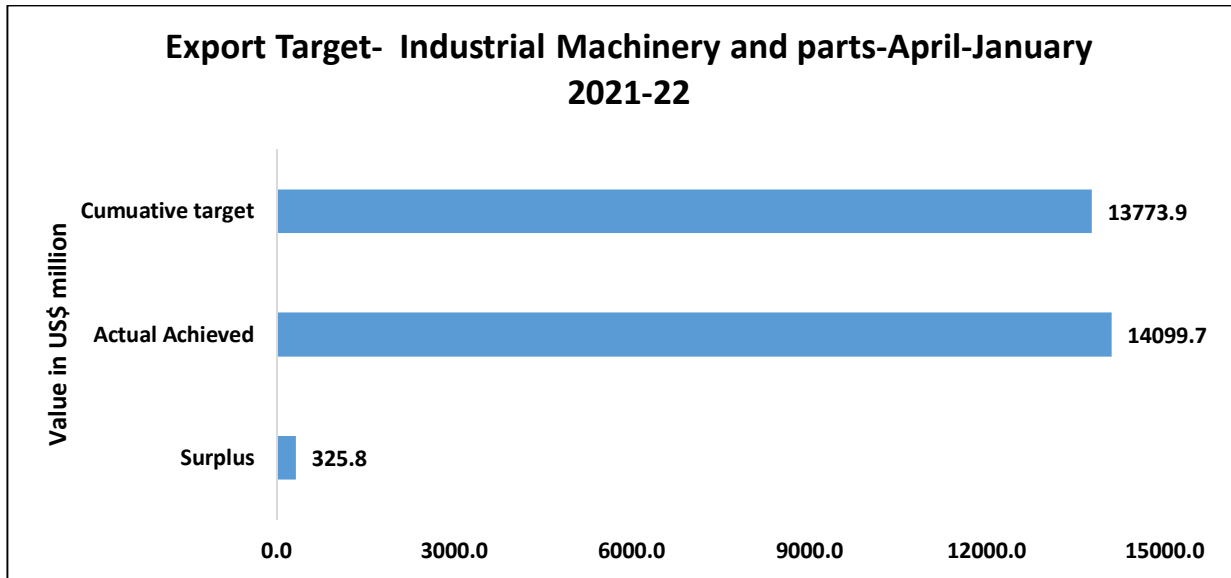
Panel-wise Export Target



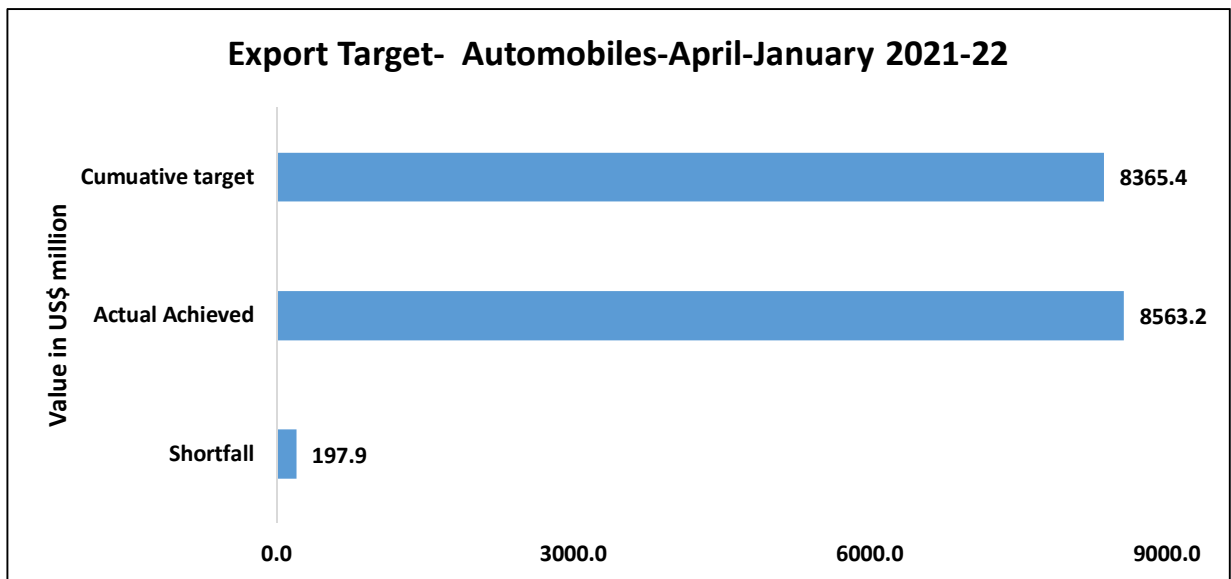
	<p>a) Exports for Iron and Steel and Products Achieved US\$ 26.3 billion during April-January 2021-22</p> <p>b) Surplus recorded to the tune of US\$ 607.6 million till April-January 2021-22 w.r.t. to target of US\$ 25.7 billion</p>	
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	<p>a) Exports Target for Non-Ferrous Metal and Products Achieved US\$ 12.3 billion during April-January 2021-22</p> <p>b) Surplus recorded to the tune of US\$ 283.2 million till April-January 2021-22 w.r.t. to target of US\$ 12.0 billion</p>	
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	<p>a) Exports Target for Industrial Machinery and Parts Achieved US\$ 14.1 billion during April-January 2021-22</p> <p>b) Surplus recorded to the tune of US\$ 325.8 million till April-January 2021-22 w.r.t. to target of US\$ 13.5 billion</p>	
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	<p>a) Exports Target for Automobiles Already Achieved US\$ 8.6 billion during April-January 2021-22</p> <p>b) Surplus recorded to the tune of US\$ 197.9 million till April-January 2021-22 w.r.t. to target of US\$ 8.4 billion</p>	
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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 December 2021. We have taken the major panels and computed the top importers to get an idea of the current trade pattern. (Tables 8)

Table 8: Export of Different Panels (US\$ Million)

PANEL	TOP 5 NATIONS	APR –JAN 2020-21	APR –JAN 2021-22	Growth (%)
Iron and Steel	ITALY	433.9	1813.1	318%
	CHINA P RP	1438.8	1336.6	-7%
	UAE	490.2	1310.9	167%
	BELGIUM	211.6	1298.8	514%
	VIETNAM SOC REP	626.2	1237.9	98%
Products of Iron and Steel	U S A	849.66	2117.80	149%
	GERMANY	193.16	371.36	92%
	U K	157.85	354.08	124%
	UAE	182.73	334.65	83%
	NETHERLAND	99.83	241.61	142%
Industrial Machinery	U S A	1150.1	2671.0	132%
	THAILAND	436.9	884.4	102%
	GERMANY	375.6	721.3	92%
	CHINA	324.1	692.1	114%
	BANGLADESH	292.7	500.1	71%
Automobiles (Motor Vehicles/Cars and Two and Three Wheelers)	SOUTH AFRICA	325.5	969.1	198%
	MEXICO	759.3	933.0	23%
	NIGERIA	231.3	502.8	117%
	NEPAL	162.8	473.6	191%
	SAUDI ARAB	313.6	428.8	37%
Non-Ferrous metals	CHINA P RP	527.7	2197.3	316%
	KOREA RP	769.0	1573.9	105%
	U S A	487.4	1071.8	120%
	TURKEY	23.2	700.5	2916%
	ITALY	48.4	415.6	760%
Electrical Machinery and Components	U S A	1535.7	2465.6	61%
	GERMANY	332.2	505.8	52%
	POLAND	98.6	426.6	332%

PANEL	TOP 5 NATIONS	APR –JAN 2020-21	APR –JAN 2021-22	Growth (%)
	U K	191.4	400.7	109%
	FRANCE	193.5	382.8	98%
Aircrafts and Space crafts	U S A	325.0	325.3	0%
	FRANCE	138.6	161.5	16%
	U K	32.3	88.5	174%
	SINGAPORE	70.2	64.0	-9%
	GERMANY	23.8	53.2	124%
Ships, Boats and Floating Structures and parts	UAE	159.7	999.9	526%
	SINGAPORE	998.5	623.0	-38%
	SRI LANKA DSR	146.7	479.4	227%
	MALAYSIA	168.6	362.0	115%
	INDONESIA	89.0	258.2	190%
Auto Components(including Auto Parts and Auto Tyres)	U S A	736.4	1800.5	144%
	GERMANY	224.6	455.8	103%
	BANGLADESH	224.2	413.7	84%
	BRAZIL	143.2	381.1	166%
	TURKEY	203.4	313.4	54%

Source: DGCI&S

- ✚ Italy, China and UAE were the top three importers of Indian Iron and Steel during April - January 2022 whereas USA, Germany and UK were the top three importers of India's 'Products of Iron & Steel' during the same period as compared to April - January 2021.
- ✚ USA was the largest importer of Indian 'Industrial machinery' during April- January 2021 in India's global import of the product group. Thailand and Germany were the two immediate followers of USA.
- ✚ South Africa, Mexico and Nigeria were top three importers of India's Automobiles during April- January 2021 in India's global exports respectively over the same period last fiscal.
- ✚ China, South Korea and USA were the top three importers of India's Non-ferrous metals and products' during April- January 2021 whereas USA, Germany and Poland were the three top importers of Indian Electrical Machinery & Components during the same period.
- ✚ USA, France and UK were the top three importers of India's 'Aircrafts and Spacecrafts' during April- January 2021 in India's total global exports of the product followed by Singapore and Germany.
- ✚ UAE, Singapore and Sri Lanka became the largest importer of ships, boats and floating structures followed by Malaysia and Indonesia. While for the auto components' product

group, USA remained the top importer in April- January 2021 followed by Germany, Bangladesh, Brazil and Turkey.

Analysis of India's engineering imports

India's Engineering imports during January 2021 were valued at US\$ 10514.78 million compared to US\$ 9180.59 million in January 2020 registering a positive growth of 14.5 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 January 2022 compared to January 2021.

The share of engineering imports in India's total merchandise imports has dropped during January 2022 in comparison to January 2021 which has been estimated at 20.2%.

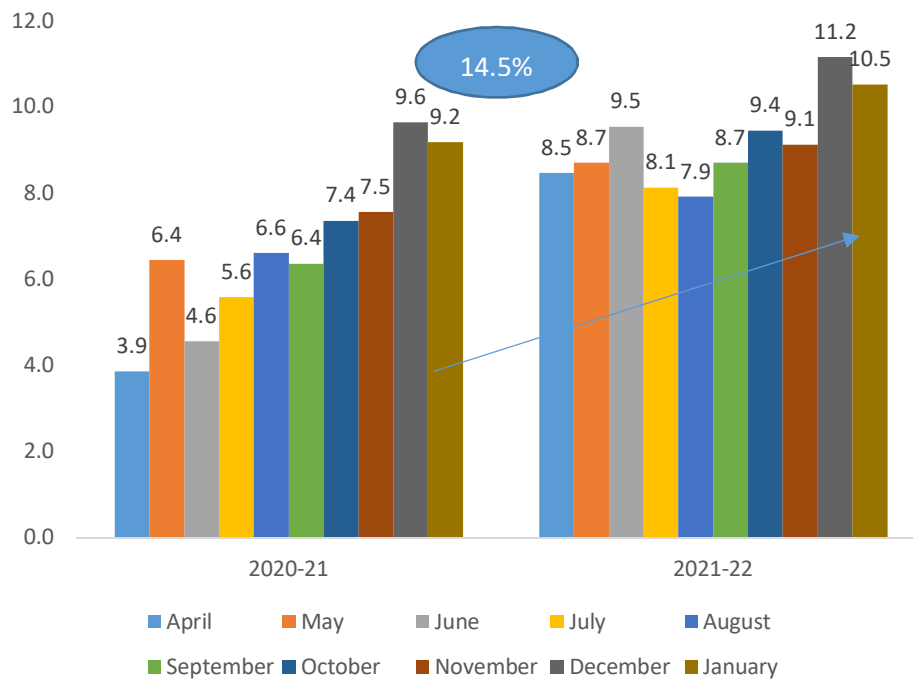
The monthly engineering import figures for fiscal April- January 2022 vis-a-vis April- January 2021 is depicted below as per the latest availability of figure:

Table 9: 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
November	7549.27	9121.54	20.8
December	9633.12	11150.29	15.7
January	9180.59	10514.78	14.5

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

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



Source: EEPC India analysis

Trend in Engineering Trade Balance

We now present the trend in two way yearly trade for the engineering sector for this current fiscal 2020-21 (April-January) depicted in the table below:

Table 10: Monthly Trend in Engineering Trade Balance for the current FY

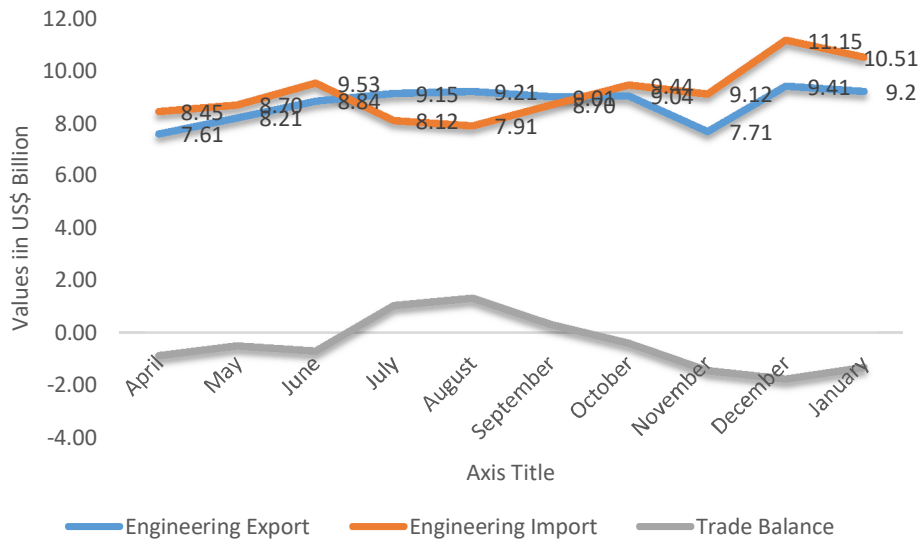
(US\$ Billions)

Trade Flow	April	May	June	July	August	September	October	November	December	January
Engineering Export	7.61	8.21	8.84	9.15	9.21	9.01	9.04	7.71	9.41	9.2
Engineering Import	8.45	8.70	9.53	8.12	7.91	8.70	9.44	9.12	11.15	10.51
Trade Balance	-0.85	-0.49	-0.70	1.03	1.30	0.31	-0.40	-1.42	-1.74	-1.29

Source: DGCIS, EEPC India Analysis

Figure 6 below depicts the yearly trend in engineering trade for this current fiscal 2020-21 (April-January)

Figure 7: Trend in Yearly Engineering Trade



Conclusion

India’s engineering export growth registered a 67 percent year-on-year in January 2022 following the comparatively dismal performance in last month. Engineering exports continued to remain at the USD 9 billion mark. Of the USD 107 billion target set for engineering exports in FY 2021-22, the industry has already achieved more than 85 percent. Given the fact that export generally exhibit an upward trend in the last quarter of any financial, engineering exports is expected to achieve its target within stipulated time.

India’s performance is a mirror image of the global trade recovery trends. Global trade in 2021 reached a record high figure of USD 28.5 trillion, which is almost 13 percent higher than even the pre-pandemic levels. As per UNCTAD, developing countries outperformed developed countries in the last quarter of 2021. UNCTAD further states that positive growth rates are expected to continue for trade in goods in 2022 however the rate might be slow. India has also jumped into this growth bandwagon with signing of a number of FTAs. However, there is a need to maintain caution while exploiting the opportunities presented by the post COVID world.

