

Engineering Exports and Imports Monitor

December 2020



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports and imports for December 2020

19th January 2021

Overall Scenario

Merchandise trade

Exports grew for the second month in Fiscal 2020-21, albeit marginally

- ✚ Merchandise exports during December 2020 crawled up by 0.14 percent over the same period last fiscal. This is the second month after September in the ongoing fiscal when merchandise exports recorded year-on-year growth. Exports in December 2020 increased to US\$ 27.15 billion from US\$ 27.11 billion during December 2019. In rupee terms, the growth was higher at 3.52 percent.
- ✚ The commodities/commodity groups recorded positive growth during December 2020 vis-à-vis December 2019 included Other cereals (278.23%), Oil meals (196.92%), Iron ore (69.26%), Cereal preparations & miscellaneous processed items (47.14%), Jute mfg. including floor covering (21.93%), Handicrafts excl. hand-made carpet (21.78%) and Carpet (21.17%) among others. On the flipside, Petroleum products (-35.35%), Oil seeds (-31.62%), Leather & leather products (-17.73%), Coffee (-16.38%), RMG of all textiles (-15.05%), Man-made yarn/fabs./made-ups etc. (-14.56%) and Marine products (-14.25%) were among the losers in terms of year-on-year shipment.
- ✚ Cumulative exports for the period April-December 2020-21 however was still down by 15.73 percent in dollar terms and 10.83 percent in rupee terms over the same period last fiscal. In dollar terms, cumulative exports during the first nine months of 2020-21 stood at US\$ 200.80 billion as against US\$ 238.27 billion during the same period last fiscal.
- ✚ Imports in December 2020 were US\$ 42.59 Billion, registering an increase of 7.56 percent in Dollar terms over imports of USD 39.59 Billion in December 2019. In Rupee terms, imports rose by 11.18 percent in December 2020.
- ✚ Cumulative value of imports for the period April-December 2020-21 was US\$ 258.27 Billion as against USD 364.18 Billion during the period April-December 2019-20, registering a negative growth of 29.08 percent. In rupee terms, the decline was 24.97 percent.
- ✚ Trade deficit this time widened by 23.62 percent to US\$ 15.44 billion in Dec 2020 from US\$ 12.49 billion in December 2019. On a cumulative basis however, deficit declined by 54.36 percent to US\$ 57.47 billion during April-December 2020-21 from US\$ 125.91 billion during the same period last fiscal.

Engineering exports continued to decline for the third straight month to December 2020

- ✚ Unlike the broader merchandise export, engineering exports continued to decline year-on-year in December 2020. However, the rate of decline was much slower at 1.52 percent as compared to 8.90 percent in November 2020. Engineering exports in December 2020 stood at US\$ 6,629.37 million as against USD 6,731.46 million during the same month last fiscal.
- ✚ Cumulative engineering exports from India declined by 11.70 percent during the first nine months of 2020-21 as compared to the same period last fiscal. Engineering exports during April-December 2020-21 was recorded at US\$ 50,582.75 million as against US\$ 57,286.20 million during the same period last fiscal.
- ✚ Share of engineering in total merchandise exports rose to 24.42 percent in December 2020 from 23.69 percent in November and 23.24 percent in October 2020. This share was 23.84 percent in September, 25.42 percent in August, 27.12 percent in July 2020, 26.57 percent in June 2020 and 28.72 percent in May 2020. On a cumulative basis, the share of engineering in total merchandise exports was recorded at 25.19 percent.
- ✚ Out of 33 engineering panels, 18 panels recorded negative growth and 15 panels recorded positive growth in exports during December 2020 vis-à-vis December 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.
- ✚ 5 out of 25 countries recorded positive cumulative growth in engineering exports during April-December 2020 over April- December 2019. While 8 out of 25 countries recorded positive year on year growth in December 2020.

India's December engineering imports down by 5.5%

- ✚ India's Engineering imports during December 2020 were valued at US\$ 9343.0 million compared to US\$ 9883.2 million in December 2019 registering a negative growth of 5.5 percent in dollar terms.
- ✚ The share of engineering imports in India's total merchandise imports has increased during December 2020 in comparison to December 2019 which has been estimated at 21.9%.

Analysis of India's engineering exports

1. Engineering exports: Monthly trend

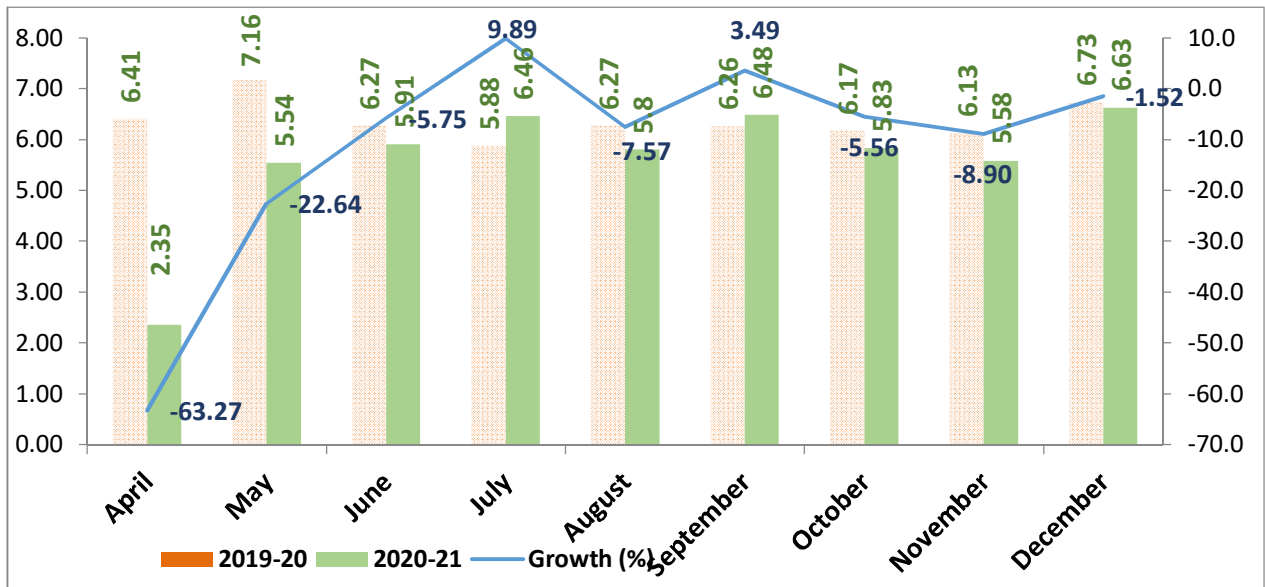
The monthly engineering figures for 2020-21 vis-à-vis 2019-20 are shown below as per the latest DGCIS estimates:

Table 1: Engineering Exports: Monthly trend 2020-21
(US\$ million)

Month	2019-20	2020-21	Growth (%)
April	6410.79	2354.83	-63.27
May	7159.43	5538.76	-22.64
June	6274.90	5913.98	-5.75
April-June	19845.12	13807.56	-30.42
July	5877.95	6459.54	9.89
August	6273.83	5798.91	-7.57
September	6257.50	6475.62	3.49
July-September	18409.28	18734.08	1.76
October	6171.31	5828.43	-5.56
November	6129.02	5583.30	-8.90
December	6731.46	6629.37	-1.52
October-December	19031.79	18041.11	-5.21
April-December	57286.2	50582.75	-11.70

Source: DGCIS, Govt. of India.

Figure 1: Monthly Engineering Exports in 2020-21 vis-à-vis 2019-20



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.

During fiscal 2019-20, engineering exports growth and manufacturing growth moved in the same direction in as many as nine out of twelve months, including March 2020. The first four months of Fiscal 2020-21 saw both of them moved in the same direction but the month of August saw the opposite. However, both moved in the same direction during September 2020 when both engineering exports and manufacturing output witnessed improvement over the month. The month of October however saw manufacturing output came back to growth path but engineering exports recorded negative growth while the month of November 2020 saw both of them moving in the same direction once again. The following table depicts the short-term trend of both manufacturing output and engineering exports.

Table 2: Engineering exports growth vis-à-vis manufacturing growth from April 2019

Months/ Year	Engg. Export Growth (%)	Manufacturing Growth (%)
April 2019	-7.70	2.5
May 2019	4.57	4.4
June 2019	-2.46	0.3
July 2019	-1.72	4.8
August 2019	-8.99	-1.6
September 2019	-6.27	-4.0
October 2019	1.63	-2.1
November 2019	8.00	3.0
December 2019	-1.05	-0.3
January 2020	-4.52	1.6
February 2020	8.90	3.1
March 2020	-42.52	-20.6
April 2020	-63.27	-66.6
May 2020	-22.64	-37.8
June 2020	-5.75	-17.0
July 2020	9.89	-11.4
August 2020	-7.57	-7.6
September 2020	3.49	-0.2
October 2020	-5.56	4.1
November 2020	-8.90	-1.7
December 2020	-1.52	N A

(Source: Department of Commerce and CSO)

We also present the month-wise **revised engineering exports for 2019-20** as compared to 2018-19.

Table 3: Revised engineering exports for 2019-20 (US\$ million)

Months	2018-19	2019-20	Growth (%)
April	7020.54	6410.79*	-8.69
May	6928.08	7159.43*	3.34
June	6512.31	6274.90*	-3.65
Quarter 1	20460.93	19845.12*	-3.01
July	6052.64	5877.95*	-2.89
August	6974.48	6273.83*	-10.05
September	6769.15	6257.50*	-7.56
Quarter 2	19796.27	18409.28*	-7.01
October	6151.93	6171.31*	0.32
November	5740.17	6129.02*	6.77
December	6905.63	6731.46*	-2.52
Quarter 3	18797.73	19031.79*	1.25
January	6295.94	6011.39	-4.52
February	6442.37	7015.51	8.90
March	9162.3	5266.90	-42.52
Quarter 4	21900.61	18293.80	-16.47
April-March	80955.54	75580.00*	-6.64

Source: DGCI&S * Revised data

Impact of Exchange Rate

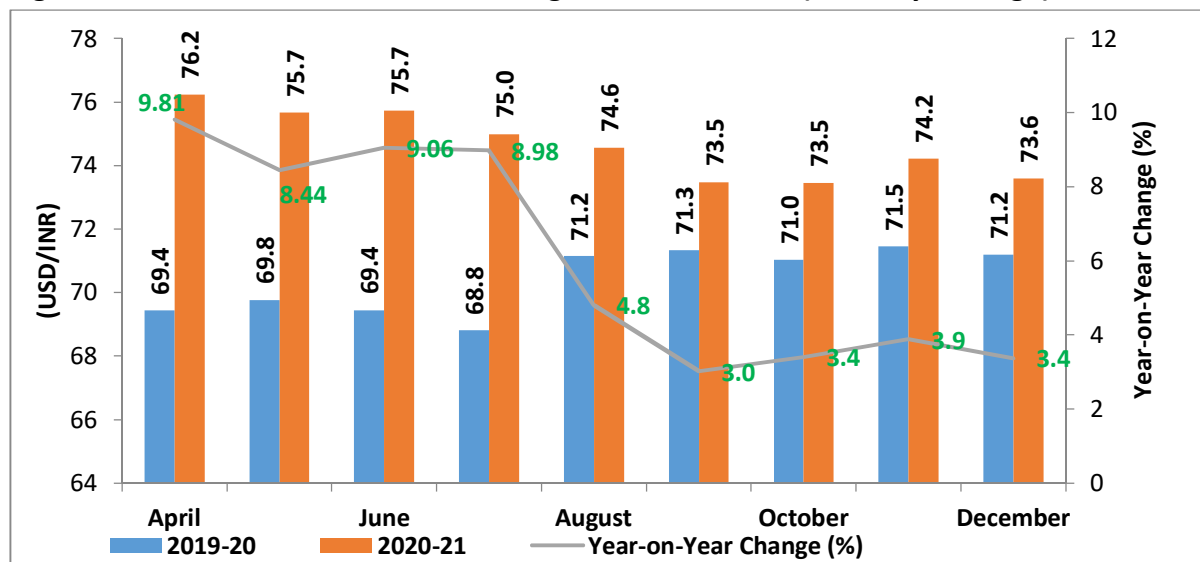
How did the exchange rate fare during December 2020 and what was the recent trend in Re-Dollar movement? In order to get a clearer picture of the recent Re-Dollar trend, not only we took the exchange rate of December 2020, but considered monthly average exchange rate of Rupee vis-à-vis the US Dollar for each month of fiscal 2019-20 against those of 2020-21 as mere one month figure does not reflect any trend. The tables and the charts below depict the short-term trend clearly:

Table 4A: USD-INR monthly average exchange rate in 2020-21
(As per latest data released by FBIL)

Monthly Average Exchange Rate (1 USD to INR)			Year-on-Year Change (%)	Direction
Month	2019-20	2020-21		
April	69.43	76.24	9.81	Depreciation
May	69.77	75.66	8.44	Depreciation
June	69.44	75.73	9.06	Depreciation

July	68.81	74.99	8.98	Depreciation
August	71.15	74.57	4.80	Depreciation
September	71.33	73.48	3.00	Depreciation
October	71.04	73.46	3.40	Depreciation
November	71.45	74.22	3.90	Depreciation
December	71.19	73.59	3.40	Depreciation

Figure2A: Movement of USD-INR Exchange Rate in 2020-21 (Monthly Average)



Source: RBI, FBIL, EEPC Research

Rupee continued to weaken vis-à-vis the US Dollar during December 2020 (monthly average of the exchange rate was taken) on a year-on-year basis but rate of depreciation was lower as compared to the previous month. However, on a monthly average basis, Rupee appreciated by 0.84 percent to 73.59 from 74.22 during November 2020. After a record low in April 2020, rupee continued to strengthen vis-à-vis the greenback and was broadly confined in the range of 75.0 – 73.5 per US Dollar during the last six months.

Outlook seems in favour of rupee: After sliding down to below 74.5 per US Dollar, Rupee started rising from Mid-November 2020 and strengthened to 73.05 by the end of December. High current account surplus during the first two quarters of the current fiscal and recent drop in oil prices is still favoring Rupee. The Pandemic-led sell off in the domestic capital market have stabilized and RBI, after building an all-time high foreign exchange reserve, is expected to intervene less in the currency market. These factors, coupled with the prospects of foreign inflows in the near term may lead to a gradual recovery of rupee at around 72 per US Dollar by the end of the ongoing fiscal.

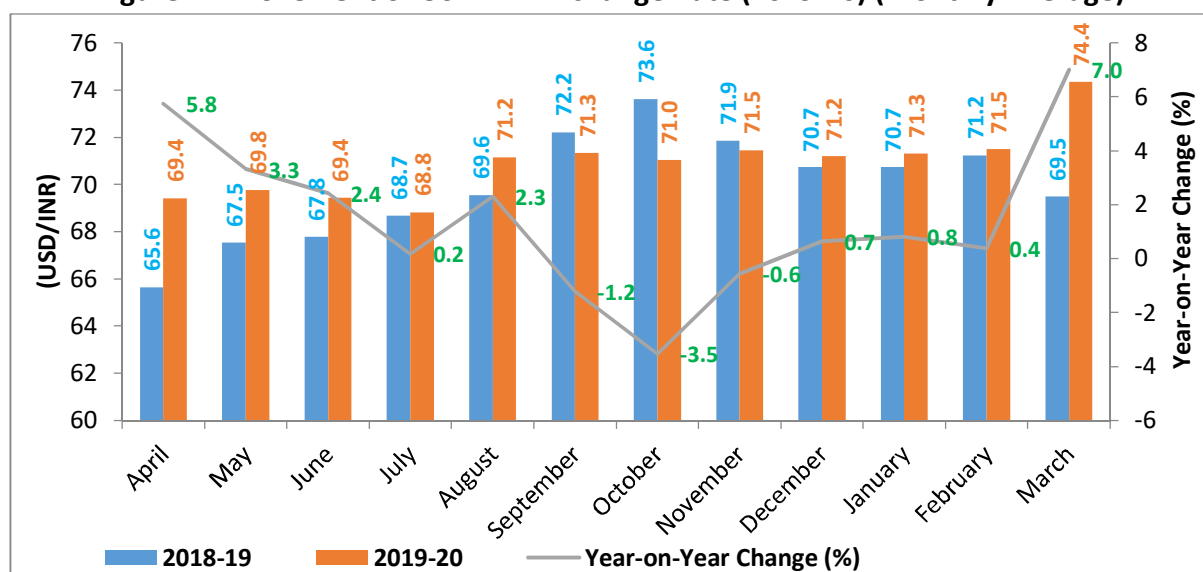
Rupee-Dollar Trend in 2019-20 vis-à-vis 2018-19

Table 4B: USD-INR average exchange rate in 2019-20

Month	Average Exchange Rate (1 USD to INR)		Year-on-Year Change (%)	Direction
	2018-19	2019-20		
April	65.64	69.42	5.76	Depreciation
May	67.53	69.77	3.32	Depreciation
June	67.79	69.44	2.43	Depreciation
July	68.69	68.81	0.17	Depreciation
August	69.55	71.15	2.30	Depreciation
September	72.21	71.33	-1.22	Appreciation
October	73.63	71.03	-3.53	Appreciation
November	71.85	71.45	-0.56	Appreciation
December	70.73	71.19	0.65	Depreciation
January	70.73	71.31	0.82	Depreciation
February	71.22	71.49	0.38	Depreciation
March	69.48	74.35	7.01	Depreciation
April – March (Monthly Avg.)	69.92	70.90	1.46	Depreciation

During 2019-20, Rupee depreciated over the US Dollar between April to August 2019 but at a narrowing rate over the month and then witnessed some appreciation in the next three months. December 2019 to February 2020 again saw marginal depreciation of rupee over the greenback but the month of March 2020 saw a record low of rupee as COVID-19 Pandemic started taking toll on investors' sentiment. The pictorial representation may provide a clearer picture.

Figure2B: Movement of USD-INR Exchange Rate (2019-20) (Monthly Average)



Source: RBI, FBIL, EEP Research

3. Top 25 engineering export destinations in December 2020

We now look at the export scenario of the top 25 nations that had highest demand for Indian engineering products during April- December 2020 over April- December 2019.

Table-5: Engineering exports country wise (April-December 2020)

US\$ million

Row Labels	Dec-19	Dec-20	Growth (%)	Apr-Dec, 2019	Apr-Dec, 2020	Growth (%)
U S A	1135.90	976.14	-14.06	8795.43	7392.98	-15.95
CHINA	255.44	225.15	-11.86	1701.71	3812.22	124.02
UAE	310.68	257.59	-17.09	3280.53	2372.76	-27.67
SINGAPORE	100.34	143.80	43.32	1835.77	2120.98	15.54
MALAYSIA	233.23	211.85	-9.17	1786.00	1893.27	6.01
GERMANY	250.05	236.12	-5.57	2294.29	1833.50	-20.08
SOUTH KOREA	163.98	140.07	-14.58	1482.72	1473.07	-0.65
NEPAL	215.04	285.56	32.79	1935.71	1406.66	-27.33
VIETNAM	145.29	143.58	-1.18	1408.66	1382.45	-1.86
MEXICO	212.14	208.21	-1.85	1804.78	1370.52	-24.06
BANGLADESH	231.24	194.44	-15.91	1824.41	1314.72	-27.94
SAUDI ARAB	161.71	297.83	84.17	1166.27	1267.22	8.66
U K	218.73	171.94	-21.39	1873.04	1206.98	-35.56
ITALY	167.80	186.74	11.29	1471.67	1169.86	-20.51
THAILAND	157.40	186.29	18.36	1179.05	1079.93	-8.41
INDONESIA	78.17	69.17	-11.51	946.01	1018.54	7.67
NIGERIA	183.21	133.81	-26.96	1299.00	852.16	-34.40
FRANCE	96.14	134.11	39.49	1019.60	850.40	-16.60
TURKEY	124.69	108.20	-13.22	838.78	769.66	-8.24
SRI LANKA	119.29	68.99	-42.16	947.22	710.77	-24.96
SOUTH AFRICA	139.15	117.70	-15.41	1195.25	701.64	-41.30
JAPAN	94.65	90.03	-4.89	770.08	657.34	-14.64
BRAZIL	105.61	109.48	3.67	781.47	656.74	-15.96
BELGIUM	90.37	87.30	-3.40	799.69	642.07	-19.71
NETHERLAND	63.89	113.46	77.60	636.17	612.44	-3.73
Total engineering exports to top 25 countries	5054.14	4897.57	-3.10	43073.29	38568.87	-10.46
Total engineering exports	6731.46	6629.37	-1.52	57286.20	50582.75	-11.70
Share (%)	75.08	73.88		75.19	76.25	

Source: DGCI&S

India's top 25 engineering export destinations: Some observations

- ✚ Like the previous month 5 out of 25 countries recorded positive cumulative growth in engineering exports during April- December 2020 over April- December 2019. While 8 out of 25 countries recorded positive year on year growth in December 2020.
- ✚ Once again USA has retained its top position of being the numero uno destination for India's engineering products during April- December 2020 over April-December 2019, although exports to USA fell down in both monthly as well as cumulative terms.
- ✚ While monthly exports to China, India's second largest export destination have recorded a negative growth, cumulative export has experienced a significant growth of more than 124%.
- ✚ Within the ASEAN region, monthly export growth recorded positive for Singapore and Thailand. Negative monthly export growth was noted in Malaysia, Indonesia and Vietnam. In cumulative terms though, exports to all the above mentioned ASEAN countries grew barring Thailand and Vietnam.
- ✚ Like before UAE retained its third position of largest export destination for Indian engineering sector although it recorded negative export growth both in cumulative and monthly terms.
- ✚ Two European nations- Italy and France, among India's top 25 engineering export destinations recorded significant positive monthly growth after a long time, while Netherland recorded a high positive monthly growth of more than 77%. All the European countries recorded a negative cumulative growth during April- December 2020 over April-December 2019.
- ✚ The share of India's engineering exports to its top 25 nations accounted for 76.2 percent of India's total engineering exports in April-December 2020. This significant high share is indicative of the dependence of India's engineering export on the traditional markets.

4. Region wise India's engineering exports

The following table depicts region wise India's engineering exports for April-December 2020 as opposed to April-December 2019.

Table 6: Region wise engineering exports in April-December 2020

US\$ million

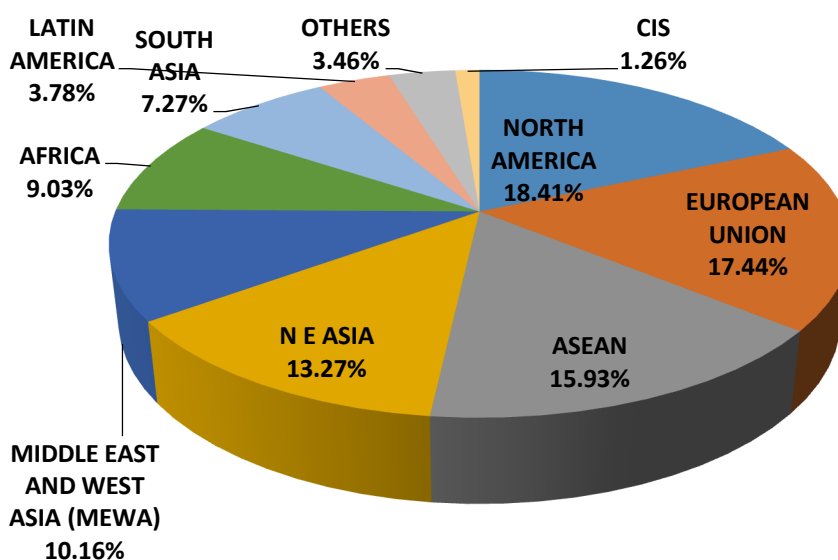
Region	Dec-19	Dec-20	Growth (%)	Apr-Dec, 2019	Apr-Dec, 2020	Growth (%)
NORTH AMERICA	1407.20	1262.00	-10.32	11244.90	9311.56	-17.19
EUROPEAN UNION	1182.70	1264.83	6.94	10853.54	8819.70	-18.74
ASEAN	840.85	821.29	-2.33	7937.01	8056.52	1.51
N E ASIA	599.42	538.18	-10.22	4687.45	6713.92	43.23

MIDDLE EAST AND WEST ASIA (MEWA)	758.24	754.84	-0.45	6438.76	5138.43	-20.20
AFRICA	724.01	698.68	-3.50	5824.55	4565.49	-21.62
SOUTH ASIA	603.46	582.43	-3.49	5107.89	3675.43	-28.04
LATIN AMERICA	319.66	379.83	18.83	2522.86	1910.52	-24.27
OTHERS	210.43	239.52	13.82	1911.03	1751.54	-8.35
CIS	85.50	87.78	2.67	758.23	639.63	-15.64
Grand Total	6731.46	6629.37	-1.52	57286.2	0	50582.75
						-11.70

Source: DGCI&S

Note: *Figures have been rounded off. Source: DGCI&S; **Myanmar has been included in ASEAN and not in South Asia, since ASEAN is a formal economic grouping.

Figure 3: Region-wise shares of India's engineering exports during April-December 2020



Source: Data from DGCI&S and EEPC India analysis

Region wise engineering exports: some observations

- North America ranked as the numero uno destination, as the region with highest shipment of engineering products from India during April-December 2020 over April-December 2019 with a share of 18.4% percent of total engineering exports.
- India's exports to EU and ASEAN ranked second and third in terms of global shipments of Indian engineering goods in April-December 2020 with a share of 17.4 percent and 15.9 percent of total engineering exports respectively.

- ✚ North East Asia ranked fourth in global shipments of Indian engineering goods in April-December 2020 with a share of 13.3 percent, which is lower in comparison to its last month share.
- ✚ Exports to EU, Latin America and CIS recorded positive monthly growth during December 2020 compared to that of last year, while the rest recorded negative monthly growth. In cumulative terms only North East Asia and ASEAN recorded positive growth.

5. Panel Wise Engineering Exports

We begin by looking at the Engineering Panel wise exports for the month of December 2020 vis-a-vis December 2019 as well as April-December 2020-21 vis-à-vis April-December 2019-20. The data is given in Table 7 below:

Table 7: Trends in engineering panel Exports for December 2020 compared to December 2019 as well as April-December 2020-21 vis-à-vis April-December 2019-20

US\$ Million						
Engineering Panels	December 2019	December 2020	Growth (%)	Apr-December 2019	Apr-December 2020	Growth (%)
Iron and Steel and Products made of Iron and Steel						
Iron and Steel	840.70	806.54	-4.06	7227.18	8537.65	18.1
Products of Iron and Steel	650.97	627.64	-3.58	5285.64	4490.81	-15.0
Sub Total	1491.67	1434.18	-3.85	12512.8	13028.5	4.12
Non-Ferrous Metals and Products made of Non-Ferrous Metals						
Copper and products	135.37	112.41	-16.96	708.30	888.56	25.45
Aluminium and products	524.51	519.14	-1.02	3884.96	4125.15	6.18
Zinc and products	45.86	71.35	55.59	406.10	538.57	32.62
Nickel and products	7.60	6.47	-14.9	82.15	38.12	-53.60
Lead and products	40.96	31.05	-24.19	295.73	260.12	-12.04
Tin and products	0.46	1.35	194.65	7.37	6.59	-10.49
Other Non-Ferrous Metals	47.82	57.03	19.25	409.45	373.13	-8.87
Sub Total	802.578	798.804	-0.47	5794.06	6230.25	7.53
Industrial Machinery						
Industrial Machinery like Boilers, parts, etc	73.35	52.24	-28.8	632.00	379.77	-39.9
IC Engines and Parts	238.73	263.44	10.3	1922.72	1689.51	-12.1
Pumps of all types	96.33	80.35	-16.58	739.78	617.22	-16.57

Engineering Panels	December 2019	December 2020	Growth (%)	Apr-December 2019	Apr-December 2020	Growth (%)
Air condition and Refrigerators	113.07	108.30	-4.2	1076.50	731.26	-32.1
Industrial Machinery for dairy, food processing , textiles etc	418.62	471.47	12.6	3753.98	3193.06	-14.9
Machine Tools	38.93	39.56	1.62	331.10	277.48	-16.19
Machinery for Injecting moulding, valves and ATMs	158.57	156.04	-1.6	1336.74	1134.58	-15.1
Sub Total	1137.59	1171.4	3.0	9792.83	8022.88	-18.07
Electrical Machinery	836.42	628.91	-24.81	6690.59	5718.32	-14.53
5. Automobiles and Auto components and Parts						
Motor Vehicle/cars	775.79	737.33	-5.0	5974.24	3610.27	-39.6
Two and Three Wheelers	178.53	240.64	34.8	1595.15	1314.20	-17.6
Auto Components/Part	460.95	534.45	15.94	4044.65	3212.76	-20.57
Sub Total	1415.279	1512.411	6.86	11614.05	8137.223	-29.94
Aircrafts and Spacecraft parts and products	137.16	108.81	-20.67	1082.61	871.07	-19.54
Ships Boats and Floating products and parts	134.22	135.30	0.80	3207.88	3042.52	-5.15
8. Other engineering products						
Medical and Scientific instruments	163.96	169.91	3.62	1334.02	1213.99	-9.00
Railway Transport	16.54	9.71	-41.33	217.79	71.94	-66.97
Hand Tools & Cutting Tools	64.06	73.92	15.39	570.91	486.78	-14.73
Electrodes Accumulators	4.45	4.12	-7.41	43.53	30.17	-30.68
Accumulator and Batteries	34.79	46.20	32.79	323.65	269.30	-16.79
Bicycle & Parts	31.10	37.37	20.16	297.59	234.98	-21.04
Cranes Lifts & Winches	56.45	52.34	-7.28	437.71	328.70	-24.90
Office Equipment	16.91	10.46	-38.17	143.94	91.18	-36.65
Other Construction Machinery	123.38	133.17	7.93	1072.34	819.97	-23.53

Engineering Panels	December 2019	December 2020	Growth (%)	Apr-December 2019	Apr-December 2020	Growth (%)
Prime Mica & Mica Products	3.15	2.05	-35.02	32.22	17.50	-45.67
OTHER MISC. ITEMS	261.73	300.31	14.74	2117.67	1967.5	-7.09
Sub Total	776.5	839.6	8.1	6591.4	5532.0	-16.1
Total engineering exports	6731.5	6629.4	-1.52	57286.2	50582.7	-11.7

Source: DGCI&S

Engineering ferrous and non-ferrous products with negative growth in December 2020

- Exports of Iron and Steel under Chapter 72: fell by 4.06% in December 2020
- Exports of Products of Iron and Steel under Chapter 73: fell by 3.58 in December 2020
- Exports of Copper and products under Chapter 74: fell by 16.96% in December 2020
- Exports of Aluminium and products under Chapter 76: fell by 1.02% in December 2020
- Exports of Nickel and products under Chapter 75: fell by 14.9% in December 2020 and 53.6% in April-December 2020-21
- Exports of Lead and products under Chapter 78: fell by 24.19% in December 2020 and 12.04% in April-December 2020-21

Indian engineering exports slipped for the third straight month in December 2020 declining by 1.5% (year-on-year) to US\$ 6629 million. On a broader perspective, India's merchandised exports in December 2020 were US\$27.15 billion, as compared to US\$25.11 billion in December 2019, exhibiting a growth of 0.14%. On the other hand, India's engineering exports witnessed a marginal drop in the third consecutive month in December 2020 from US\$ 6731.5 million in December 2019 to US\$ 6629.4 million in December 2020. In cumulative terms the first nine months recorded a decline to the extent of 11.7% from US\$ 57286.2 million in April-December 2019-20 to US\$ 50582.75 million in April-December 2020-21, given the fact that COVID still continues to impact global trade and economy negatively.

Out of 33 engineering panels, 18 panels recorded negative growth and 15 panels recorded positive growth in exports during December 2020 vis-à-vis December 2019. In cumulative terms, 29 out of 33 panels exhibited a year-on-year decline in exports, while remaining four panels exhibited positive growth.

Exports of iron and steel recorded negative growth to the extent of 4.06% in December 2020 compared to same period last year. With progressive unlocking of the economy and improving economic activities leading to better domestic demand, resulted in declining/moderation in exports in recent months. Furthermore, exports of products of

iron and steel also declined by 3.58% in December thereby resulting a decline in export of the total group by 3.85 percent. The total segment recorded a 4.12 percent jump in exports in cumulative terms.

- ✚ In case of non-ferrous metals, segments like Copper and products, Aluminium and products, Nickel and products and Lead and products witnessed decline in exports to the extent of 17%, 1%, 14.9% and 24.2% respectively during December 2020. While sectors like Zinc and products and Tin and products witnessed positive growth to the extent of 55.6% and more than 100% respectively in the month of December 2020.
- ✚ Within industrial machinery, overall there has been growth in monthly exports to the extent of 3% and fall in cumulative exports to the extent of 18.07% during April-December 2020-21. Negative export performance was noticed in segments including Industrial Machinery like Boilers (28.8%), Pumps and Valves (16.58%), air-condition and refrigeration machinery (4.2%), and other industrial machinery (1.6%) during December 2020 compared to same period last fiscal. Remaining segments witnessed positive growth. In cumulative terms, the growth was definitely negative to the extent of 18.07%, given the significant decline in exports witnessed in all the sub sectors during April-December 2020-21.
- ✚ The electrical machinery segment showed negative growth once again in December 2020, unlike the pattern observed in the previous months. In December, exports dropped by 24.81% while in cumulative terms the exports dropped by 14.53%, given the sharp decline in exports the sector faced in the last few months of the current fiscal.
- ✚ Surprisingly in the auto components and parts sector, exports of two and three wheelers and auto components parts witnessed positive growth to the extent of 34.8% and 15.94% respectively during December 2020 vis-à-vis December 2019. On the other hand, exports in the entire automobile sector remained positive in monthly exports and negative in cumulative terms mainly due to subdued demand in Motor vehicles and cars. Exports in Automobiles increased by 2.5% in December 2020 (on monthly basis) and dropped by 34.9% (on cumulative terms) during April-December 2020-21 compared to same period last fiscal.
- ✚ Exports of aircraft, spacecraft and parts exhibited negative growth both monthly by 20.67% in December 2020 and in cumulative terms to the extent of 19.54% respectively. On the other hand, exports of ships, boats and floating structures witnessed marginal increase to the extent of 0.80% from US\$ 134.22 million in December 2019 US\$ 135.30 million in December 2020 and in cumulative terms exports dropped by 5.15%.
- ✚ In the rest of the engineering segments, while there was decline in few sectors. Slight increase in exports was noticed in case of Medical Devices and Equipment (3.62%), while Hand Tools and Cutting Tools increased by 15.39%, Accumulators and Batteries increased by 32.79% , Bicycle and parts increased by 20.16% and Other Construction Machinery increased by 7.93% during December 2020 compared to December 2019. Prominent

panels like Railway Transport and Equipment, Electrodes and Accumulators, Cranes, Lifts and Winches, Office Equipment and Tools and Prime Mica products witnessed decline in exports during December 2020 vis-à-vis December 2019 to the extent of 41.33%, 7.41%, 7.28%, 38.17% and 35.02% respectively.

- **Data for ferrous and non-ferrous panels experiencing a decline in the month of December 2020 vis-à-vis December 2019**

Table 8A: Chapter 72: Iron and Steel					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	837.85	715.17	-14.6	469.05	-34.4
May	776.79	692.48	-10.9	1188.85	71.7
June	735.22	653.52	-11.1	1333.11	104.0
July	804.63	749.58	-6.8	1303.49	73.9
August	1053.2	907.29	-13.8	1015.03	11.9
September	843.61	933.49	10.7	924.20	-1.0
October	755.77	903.57	19.6	734.93	-19.0
November	710.91	831.35	16.9	726.12	-12.7
December	687.04	840.70	23.9	806.54	-4.1
January	816.34	735.75	-9.9		
February	802.61	637.73	-20.5		
March	906.93	627.05	-30.9		
April-March	9731.16	9260.74	-4.83		

Table 8B: Chapter 72: Iron and Steel					
Quantity in '000MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	1018.92	1006.43	-1.23	963.63	-4.25
May	887.02	941.31	6.12	2673.50	184.02
June	860.95	843.07	-2.08	2894.57	243.33
July	973.34	1087.12	11.69	2712.69	149.53
August	1390.90	1462.15	5.12	2006.77	37.25
September	1060.65	1561.15	47.22	1742.68	11.60
October	924.98	1525.53	64.93	1269.84	-16.76
November	874.52	1442.84	64.99		
December	888.97	1478.84	66.35		

January	1225.14	1140.40	-6.92		
February	1135.11	1164.30	2.57		
March	1264.93	1291.35	2.09		
April-March	15888.26	12476.34	-21.47		

Table 9A: Chapter 73: Products of Iron & Steel

Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	565.04	557.10	-1.1	101.74	-81.74
May	575.87	544.83	-5.3	375.08	-30.9
June	587.78	591.46	0.6	478.60	-18.8
July	539.72	592.28	10.5	528.83	-10.71
August	691.22	624.46	-9.3	542.10	-13.1
September	615.69	570.35	-7.36	653.69	4.8
October	569.97	592.72	3.99	618.65	15.1
November	533.39	572.77	7.38	543.76	-4.7
December	666.88	650.97	-2.07	627.64	-3.6
January	562.16	628.11	11.73		
February	539.59	590.07	9.35		
March	723.35	461.36	-36.2		
April-March	7259.37	7004.58	-3.51		

Table 9B: Chapter 73: Products of Iron & Steel

Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	265.95	264.77	-0.44	53.48	-79.80
May	295.46	247.80	-15.99	150.79	-39.15
June	288.75	292.80	1.60	234.20	-20.01
July	237.38	271.11	14.21	215.35	-20.54
August	327.95	284.78	-13.16	222.29	-21.95
September	293.51	259.36	-11.63	260.63	0.46
October	247.69	263.81	6.49	236.54	-10.33
November	241.06	267.61	11.01		
December	323.76	305.79	-5.55		
January	278.10	306.58	10.24		
February	276.80	306.94	10.89		

March	349.72	231.34	-33.85		
April-March	3426.18	3303.70	-3.57		

Table10A: Chapter 74: Copper and its products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	109.54	67.17	-38.7	28.72	-57.2
May	66.38	63.75	-4.0	128.57	101.7
June	69.23	56.46	-18.4	139.71	147.4
July	55.65	62.53	12.4	108.63	73.7
August	77.73	62.71	-19.3	93.24	48.7
September	95.89	87.55	-8.7	96.62	10.4
October	108.51	115.43	6.4	92.38	-20.0
November	113.36	56.63	-50.2	84.07	48.5
December	109.86	135.37	23.2	112.41	-17.0
January	75.44	83.10	10.2		
February	56.76	69.68	22.8		
March	128.83	57.88	-55.1		
April-March	1067.18	918.11	-13.97		

Table 10B: Chapter 74: Copper and its products					
Quantity in '000MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	15.12	7.32	-51.57	5.46	-25.40
May	7.34	7.21	-1.79	24.44	238.74
June	7.03	5.61	-20.10	23.22	313.34
July	6.44	7.68	19.26	18.75	143.91
August	9.35	6.81	-27.13	13.87	103.58
September	12.68	11.55	-8.93	13.31	15.18
October	15.35	15.92	3.75	12.85	-19.31
November	15.24	7.14	-53.15		
December	15.24	20.54	34.73		
January	43.82	8.80	-79.91		
February	36.40	5.93	-83.71		
March	45.00	15.99	-64.45		

April-March	511.49	134.57	-73.69		
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Table 11A: Chapter 76: Aluminium and its products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	410.14	407.19	-1.20	396.72	-2.6
May	512.52	375.44	-27.11	441.545	17.6
June	540.59	412.74	-24.01	474.78	15.0
July	473.28	399.75	-15.92	460.39	15.2
August	502.17	416.18	-17.47	444.43	6.8
September	492.31	484.86	-1.97	491.34	1.3
October	475.74	393.82	-17.69	446.96	13.5
November	467.29	470.46	0.37	449.86	-4.4
December	471.97	524.51	10.74	519.14	-1.0
January	437.08	461.33	5.55		
February	383.55	408.01	6.38		
March	519.83	487.94	-6.14		
April-March	4775.76	5703.34	19.42		

Table 11B: Chapter 76: Aluminium and its products					
Quantity in '000MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	163.31	178.10	9.06	224.15	25.86
May	179.50	166.61	-15.64	255.56	53.32
June	207.71	190.32	-8.38	262.20	37.77
July	185.54	179.80	-3.10	238.56	32.68
August	198.46	187.02	-5.76	218.71	16.97
September	202.27	223.95	10.72	229.89	2.65
October	200.96	184.74	-8.07	208.64	12.94
November	197.03	223.42	13.40		
December	195.44	245.11	25.41		
January	178.89	202.66	13.29		

February	152.94	178.03	16.41		
March	197.73	208.88	5.61		
April-March	2011.78	2337.85	16.21		

Table 12A: Chapter 75: Nickel and Products					
Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	6.1	4.14	-27.0	1.18	-71.54
May	6.72	35.23	424.3	2.96	-91.6
June	6.81	5.50	-19.2	6.55	19.1
July	6.08	4.80	-21.1	4.49	-6.26
August	7.47	4.92	-34.1	4.06	-17.5
September	5.24	7.33	39.9	4.31	-41.2
October	5.90	7.00	40.46	2.94	-58.0
November	3.88	4.91	26.58	5.05	-5.2
December	5.35	7.60	28.47	6.47	-14.9
January	2.75	6.24	127.22		
February	5.89	3.84	-34.8		
March	5.58	4.14	-25.8		
April-March	73.55	98.74	34.25		

Table 12B: Chapter 75: Nickel and Products					
Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	0.32	0.26	-17.65	0.08	-67.62
May	0.32	13.59	4049.51	0.15	-98.84
June	0.33	0.52	-15.92	0.60	15.35
July	0.28	0.43	9.28	0.43	1.23
August	0.35	0.43	-31.19	0.39	-8.21
September	0.30	0.43	43.57	0.22	-48.47
October	0.32	0.33	0.18	0.13	-59.47
November	0.25	0.25	-0.95		
December	0.22	0.33	50.19		

January	0.19	0.33	74.14		
February	0.24	0.35	46.36		
March	0.20	0.34	67.50		
April-	2.80	17.02	507.9		

Table 13A: Chapter 78: Lead and Products

Values in US\$ Million					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	27.35	30.1	10.1	8.71	-71.1
May	35.8	24.75	-30.9	40.89	65.2
June	32.68	19.5	-40.3	46.13	136.6
July	31.24	19.47	-37.7	22.13	13.7
August	33.04	38.90	17.7	22.13	-43.1
September	31.05	36.69	18.2	42.23	15.1
October	38.15	39.60	3.8	25.29	-36.1
November	28.69	45.76	59.5	21.10	-53.9
December	43.47	40.96	5.8	31.05	-24.2
January	38.05	25.66	-32.6		
February	25.52	23.25	-8.9		
March	37.86	26.57	-29.8		
April-	402.9	372.06	-7.65		

Table 13B: Chapter 78: Lead and Products

Quantities in '000 MT					
Month	2018-19	2019-20	Growth (%)	2020-21	Growth (%)
April	11.02	13.89	26.05	4.40	-68.32
May	14.68	11.92	-18.81	21.72	82.25
June	13.20	9.49	-28.04	24.83	161.38
July	12.34	9.42	-23.67	11.61	23.28
August	13.81	18.73	35.59	11.54	-38.37
September	13.81	17.10	23.84	21.64	26.52
October	17.25	18.13	5.12	12.74	-29.70
November	13.17	20.57	56.16		
December	20.65	18.71	-9.40		

January	14.00	17.89	27.74		
February	15.67	11.84	-24.43		
March	21.67	17.13	-20.92		
April-March	159.54	176.84	10.84		

This month also witnessed a Y-o-Y fall in exports of major ferrous and non-ferrous metals. The total decline was around 3% which was mainly led by over-supply in the global markets especially from the manufacturing giants which include China, Korea and Japan. Infact as per a latest reports, China’s steel export is set to further rise due to fall in their domestic demand.¹ However, experts have also predicted a recovery of metal demands globally in the next financial which makes the exporting community hopeful.

Figure 4: Slump in Exports of Iron and Steel in December 2020 v/s December 2019 (in USD Million)

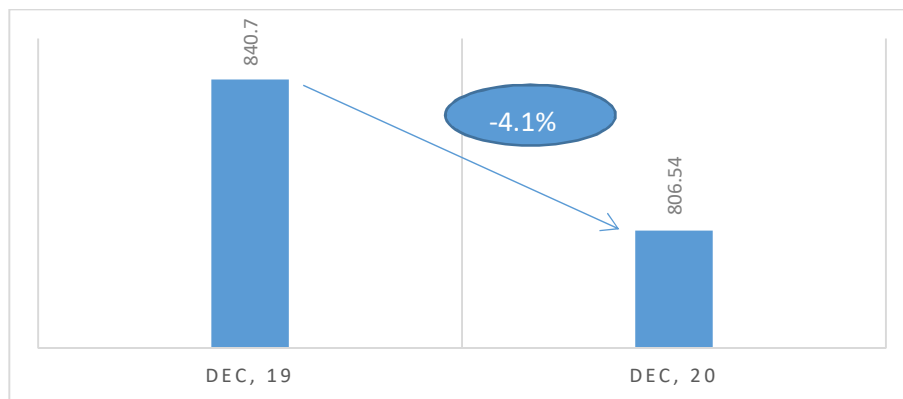


Figure 5: Slump in Exports of Products of Iron and Steel in December 2020 v/s December 2019 (in USD Million)

¹ <https://www.spglobal.com/platts/en/market-insights/latest-news/metals/121020-commodities-2021-chinas-steel-exports-set-to-rise-as-domestic-property-demand-falters>

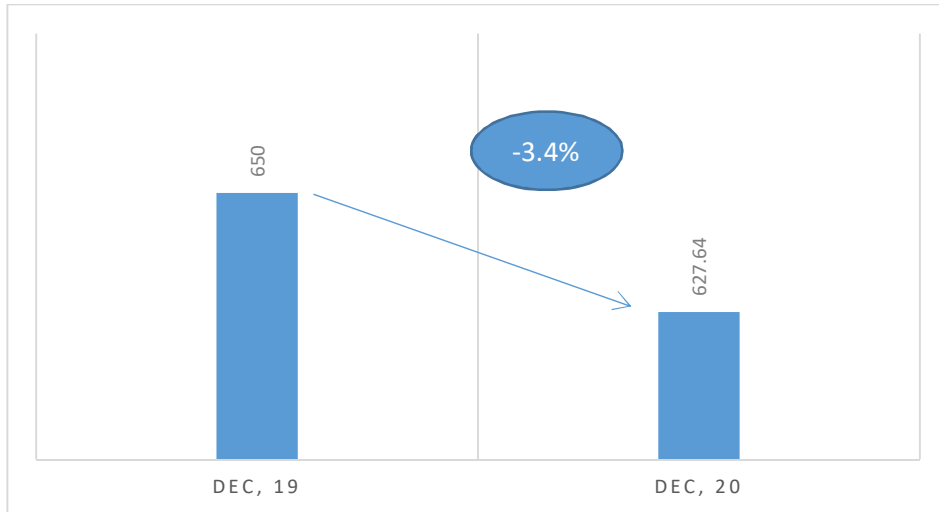


Figure 6: Slump in Exports of Copper and its Products in December 2020 v/s December 2019 (in USD Million)

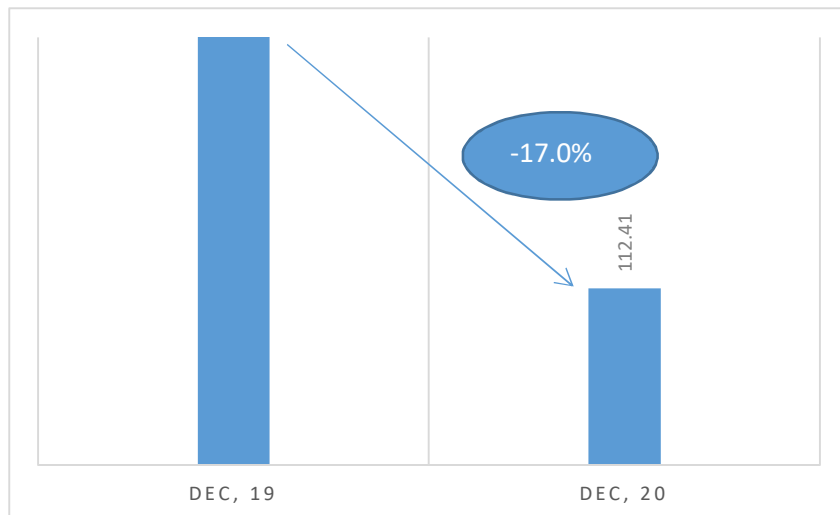


Figure 7: Slump in Exports of Aluminium and its Products in December 2020 v/s December 2019 (in USD Million)

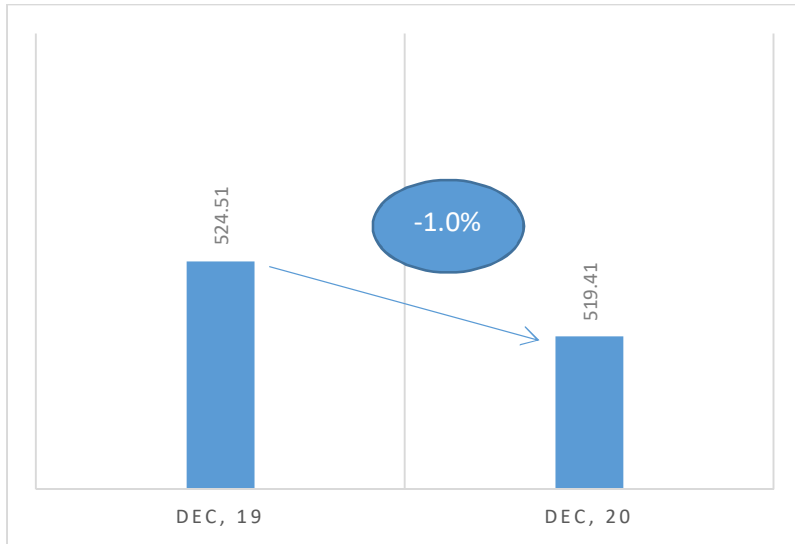


Figure 8: Slump in Exports of Nickel and its Products in December 2020 v/s December 2019 (in USD Million)

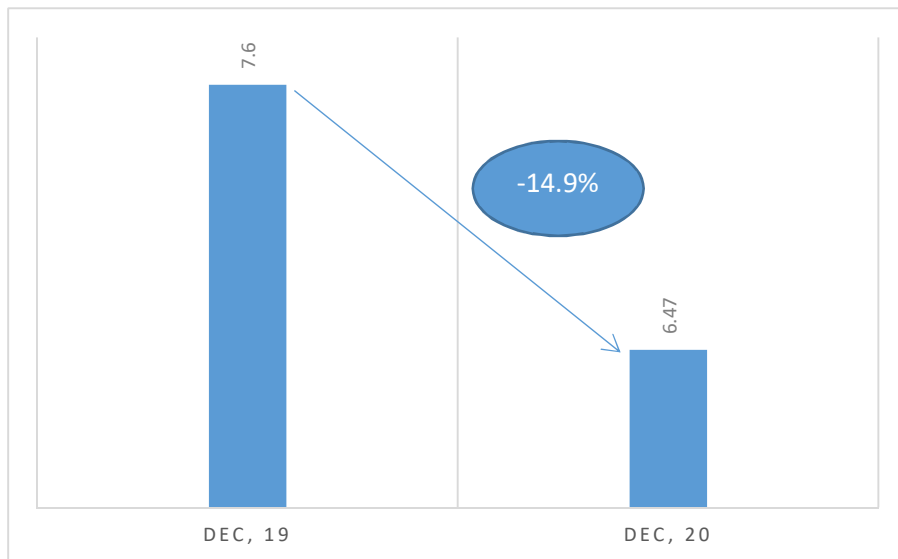
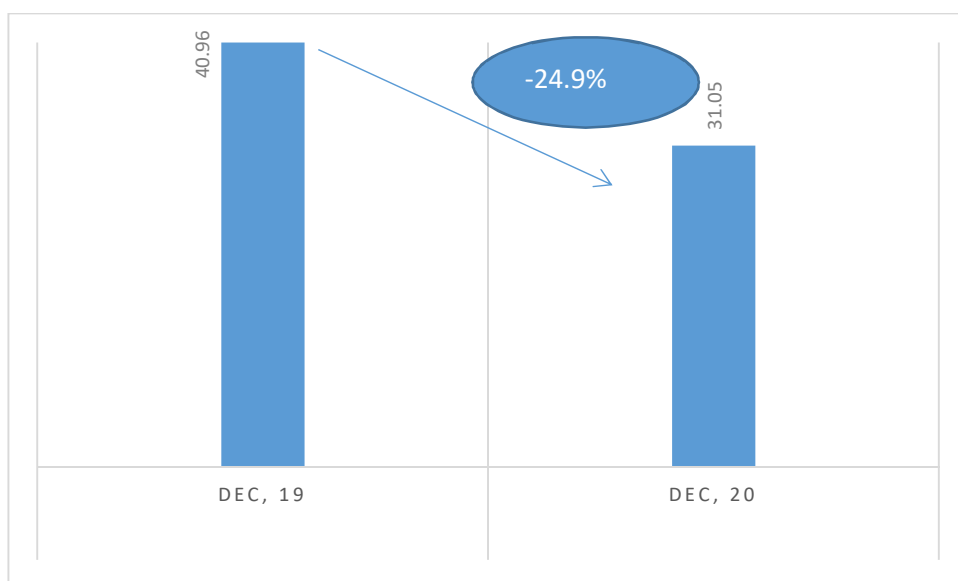


Figure 9: Slump in Exports of Lead and its Products in December 2020 v/s December 2019 (in USD Million)



6. Engineering panels – country-wise analysis

We now analyse the performance of some of the important products during December 2020. 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 14: Export of Iron & Steel
US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
CHINA	61.70	50.74	-17.77	451.78	2326.51	414.96
VIETNAM	70.53	47.47	-32.70	891.46	843.51	-5.38
U A E	62.61	51.43	-17.86	569.38	592.43	4.05
NEPAL	78.07	143.36	83.63	714.48	569.21	-20.33
ITALY	77.14	83.13	7.76	537.94	508.37	-5.50
High cumulative growth						
CHINA	61.70	50.74	-17.77	451.78	2326.51	414.96
KENYA	0.60	5.99	900.02	21.66	71.04	228.02
PHILIPPINES	25.16	6.10	-75.74	61.81	105.76	71.11
SAUDI ARABIA	4.61	16.09	249.05	67.86	96.83	42.70
THAILAND	31.20	26.20	-16.02	142.57	199.51	39.94
HONG KONG	0.11	0.14	29.84	63.48	87.53	37.89
Sharp cumulative decline						
MALAYSIA	12.53	10.92	-12.85	203.33	95.32	-53.12
BHUTAN	7.71	2.79	-63.84	61.75	30.86	-50.03
BANGLADESH	29.71	18.90	-36.37	262.98	153.58	-41.60
GERMANY	15.32	12.16	-20.64	118.36	78.24	-33.90

JAPAN	20.08	13.69	-31.80	148.51	99.96	-32.69
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(Source: Department of Commerce, Government of India)

- China, Vietnam and UAE were the three top three importers of Indian Iron and Steel during April 2020-December2020 with market shares of 27.25 percent, 9.88 percent and 6.94 percent respectively.
- China recorded a monumental growth of 414.96 percent followed by Kenya and Philippines exhibiting growth of 228.02 percent and 71.11 percent respectively in exports of Indian Iron and Steel during April -December 2020-21 compared to April - December 2019-20.
- Malaysia and Bhutan experienced sharp downfall to the extent of more than 50% in exports during April -December 2020-21 compared to same period last fiscal.

Table 15: Export of Products of Iron & Steel

US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
U S A	133.89	143.86	7.44	1213.89	987.17	-18.68
U A E	44.20	27.31	-38.21	317.26	227.87	-28.18
CANADA	15.84	13.34	-15.77	259.28	225.69	-12.95
GERMANY	35.07	31.93	-8.96	289.08	221.82	-23.27
SAUDI ARABIA	40.24	47.61	18.31	160.10	190.85	19.21
High cumulative growth						
ALGERIA	1.27	0.81	-36.49	7.72	21.69	181.05
EGYPT	3.43	3.21	-6.40	28.05	57.04	103.34
VIETNAM	2.26	5.29	134.24	17.91	28.09	56.80
OMAN	16.33	10.65	-34.77	87.70	134.96	53.89
GHANA	3.76	3.54	-5.79	29.14	35.96	23.42
Sharp cumulative decline						
PERU	6.85	1.65	-75.84	52.17	12.28	-76.46
NIGERIA	12.96	7.91	-38.96	99.21	56.95	-42.59
KUWAIT	4.41	3.99	-9.50	48.93	29.90	-38.88
MEXICO	8.07	8.83	9.33	65.53	45.25	-30.95
FRANCE	12.66	12.10	-4.38	115.59	82.62	-28.52

(Source: Department of Commerce, Government of India)

- USA, UAE and Canada were the top three importers of India's 'Products of Iron & Steel' during April -December 2020-21 with 21.98 percent, 5.07 percent and 5.03 percent shares respectively in India's global import of the same.

✚ Algeria experienced more than 181% growth followed by Egypt and Vietnam in import of 'Products of Iron and Steel' during April -December 2020-21.

✚ Peru and Nigeria conceded substantial decline in imports by more than 40% for the said product group from India during April -December 2020-21.

Table 16: Export of Industrial Machinery

US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
U S A	167.36	167.12	-0.14	1476.86	1240.60	-16.00
THAILAND	60.44	89.09	47.40	475.92	473.70	-0.47
GERMANY	50.17	59.15	17.89	444.01	428.06	-3.59
CHINA	42.94	57.35	33.56	432.58	420.42	-2.81
U A E	49.75	46.63	-6.27	379.70	348.32	-8.27
High cumulative growth						
BENIN	0.41	4.27	949.09	3.53	12.24	247.11
TOGO	0.34	1.66	387.10	3.27	10.71	227.94
KAZAKHSTAN	1.15	6.50	465.62	15.39	20.69	34.45
GUINEA	0.60	3.90	551.77	7.63	10.01	31.17
HUNGARY	3.76	2.25	-40.00	21.23	27.60	30.01
Sharp cumulative decline						
INDONESIA	21.30	17.67	-17.05	214.65	115.48	-46.20
RUSSIA	19.52	11.21	-42.59	231.23	135.38	-41.45
NIGERIA	49.91	33.50	-32.88	402.78	245.20	-39.12
BANGLADESH	50.56	52.17	3.19	455.75	295.12	-35.25
NEPAL	22.75	26.11	14.76	237.90	168.63	-29.12

(Source: Department of Commerce, Government of India)

✚ USA was the largest importer of Indian 'Industrial machinery' during April -December 2020-21 with 15.46 percent share in India's global import of the product group. Thailand and Germany were the two immediate followers of USA with 5.99 percent and 5.34 percent shares respectively.

✚ Benin was the top importer with substantial growth of 247.11 percent followed by Togo, witnessing growth of more than 225 percent in imports of Industrial machinery from India followed by Kazakhstan, Guinea and Hungary during April -December 2020-21 over the same period last fiscal.

✚ Among the major importers, Indonesia, Russia, Nigeria and Bangladesh exhibited decline of more than 35 percent in imports of Indian 'Industrial machinery' during April -December 2020-21.

Table 17: Automobiles
US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
MEXICO	129.13	105.47	-18.32	1097.89	790.17	-28.03
U S A	143.96	101.69	-29.36	738.42	479.07	-35.12
SAUDI ARABIA	65.10	126.54	94.38	493.55	403.75	-18.20
SOUTH AFRICA	91.73	63.99	-30.24	744.37	373.06	-49.88
NIGERIA	58.32	55.10	-5.52	403.14	308.04	-23.59
High cumulative growth						
EGYPT	2.87	18.09	530.35	16.97	87.54	415.92
ARGENTINA	2.40	9.91	313.89	12.88	34.72	169.46
AUSTRIA	0.21	9.60	4458.91	18.24	45.98	152.12
IRAQ	4.75	9.77	105.92	38.89	55.77	43.39
AUSTRALIA	4.52	5.66	25.35	33.22	46.35	39.54
Sharp cumulative decline						
SRI LANKA	24.77	0.60	-97.57	195.54	5.73	-97.07
SOUTH AFRICA	91.73	63.99	-30.24	744.37	373.06	-49.88
BANGLADESH	31.71	32.95	3.91	281.71	166.59	-40.86
U A E	49.64	39.47	-20.50	234.33	140.97	-39.84
NEPAL	30.22	36.40	20.45	334.10	204.73	-38.72
COLOMBIA	24.55	29.04	18.25	201.07	125.18	-37.74

(Source: Department of Commerce, Government of India)

Automobiles include Motor Vehicles/cars and Two and Three Wheelers

- ✚ Mexico, USA and Saudi Arabia were top three importers of India's Automobiles during April -December 2020-21 with 16.05, 9.73 and 8.20 percent share in India's global exports respectively over the same period last fiscal.
- ✚ Egypt recorded a substantial growth of 415.92% followed by Argentina and Austria with more than 100% growth in imports of the product group from India during April -December 2020-21 over the same period last fiscal.
- ✚ Sri Lanka saw substantial decline of 97% in imports of automobile followed by South Africa and Bangladesh which experienced the drop of more than 40% during April -December 2020-21 compared to same period last fiscal.

Table 18: Export of Non-Ferrous metals
US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
MALAYSIA	173.15	153.59	-11.30	942.69	1228.95	30.37
KOREA	107.93	81.87	-24.15	902.16	1023.53	13.45
CHINA	103.39	70.44	-31.86	362.47	710.29	95.96
U S A	66.51	81.60	22.69	708.79	549.80	-22.43
SINGAPORE	9.84	29.24	197.18	76.75	320.24	317.27
High cumulative growth						
GREECE	1.94	2.40	23.60	13.82	65.77	375.91
SINGAPORE	9.84	29.24	197.18	76.75	320.24	317.27
CHINA	103.39	70.44	-31.86	362.47	710.29	95.96
ETHIOPIA	3.74	7.62	103.88	28.57	44.11	54.38
CANADA	4.27	6.53	52.98	26.99	41.38	53.35
Sharp cumulative decline						
ITALY	9.12	10.89	19.43	87.23	51.12	-41.40
THAILAND	23.75	24.43	2.87	166.48	102.69	-38.32
NEPAL	15.58	15.51	-0.47	134.52	95.21	-29.22
JAPAN	13.03	18.32	40.64	126.98	91.35	-28.06
U S A	66.51	81.60	22.69	708.79	549.80	-22.43

(Source: Department of Commerce and CSO)

- ✚ Malaysia, Korea and China were the top three importers of India's Non-ferrous metals and products' during April -December 2020-21 with 19.73 percent, 16.43 percent and 11.40 percent shares respectively in India's global import of the same.
- ✚ Greece and Singapore experienced massive growth of 375.91% and 317.27% respectively followed by China at 95.96% in import of Non-ferrous metals and products during April -December 2020-21.
- ✚ Italy and Thailand conceded substantial decline in imports by more than 38% for the said product group from India during April -December 2020-21 vis-à-vis same period last fiscal.

Table 19: Export of Electrical Machinery and Components
US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
U S A	324.54	150.05	-53.76	1996.19	1905.80	-4.53
GERMANY	62.53	42.09	-32.70	667.05	473.74	-28.98

SINGAPORE	29.03	17.12	-41.01	363.18	250.77	-30.95
U A E	25.57	26.59	3.99	174.96	232.29	32.77
U K	55.39	22.22	-59.89	504.54	191.59	-62.03
High cumulative growth						
NEW ZEALAND	0.21	0.50	130.28	3.62	48.99	1255.13
HONG KONG	3.14	3.22	2.78	29.76	93.41	213.84
NETHERLAND	2.81	36.44	1196.51	39.71	79.20	99.47
VIETNAM	5.97	5.34	-10.52	50.86	93.41	83.65
JAPAN	18.48	6.98	-62.22	87.76	124.34	41.68
Sharp cumulative decline						
U K	55.39	22.22	-59.89	504.54	191.59	-62.03
NIGERIA	32.61	14.13	-56.67	183.04	89.78	-50.95
CHINA	14.60	11.68	-20.02	182.13	106.36	-41.60
SINGAPORE	29.03	17.12	-41.01	363.18	250.77	-30.95
GERMANY	62.53	42.09	-32.70	667.05	473.74	-28.98

(Source: Department of Commerce and CSO)

- USA, Germany and Singapore were the top three importers of Indian Electrical Machinery and Components during April 2020-December 2020 with market shares of 33.33 percent, 8.28 percent and 4.39 percent respectively.
- New Zealand recorded massive growth of 1255.13 % followed by Hong Kong and Netherland at 213.84% and 99.47% in imports of India's Electrical Machinery and Components during April -December 2020-21 vis-a-vis April -December 2019-20.
- UK experienced the sharp decline of more than 60% in imports during April - December 2020-21 when compared to April -December 2019-20. It is also the case for Nigeria and China which experienced more than 40% drop.

Table 20: Export of Aircrafts and Space crafts

US\$ million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
U S A	47.28	33.30	-29.57	385.30	298.82	-22.44
FRANCE	15.20	14.01	-7.80	129.34	143.16	10.69
SINGAPORE	18.10	8.19	-54.74	132.72	80.91	-39.04
U K	13.87	7.42	-46.51	125.25	60.32	-51.85
INDONESIA	0.14	0.09	-35.12	0.76	46.79	6045.28
High cumulative growth						
INDONESIA	0.14	0.09	-35.12	0.76	46.79	6045.28

IRELAND	0.28	0.68	142.06	1.94	10.84	458.09
U A E	0.58	0.26	-55.23	6.06	26.29	333.66
SWITZERLAND	0.52	7.43	1327.25	6.88	15.98	132.32
CANADA	1.29	17.48	1253.56	12.77	21.34	67.16
Sharp cumulative decline						
U K	13.87	7.42	-46.51	125.25	60.32	-51.85
MALAYSIA	3.88	2.03	-47.72	42.31	22.05	-47.89
SINGAPORE	18.10	8.19	-54.74	132.72	80.91	-39.04
GERMANY	8.00	4.61	-42.42	55.03	34.52	-37.27
U S A	47.28	33.30	-29.57	385.30	298.82	-22.44

(Source: Department of Commerce and CSO)

- ✚ USA, France and Singapore were the top three importers of India's 'Aircrafts and Spacecrafts' during April -December 2020-21 with around 34.30, 16.44 and 9.29 percent shares respectively in India's total global exports of the product.
- ✚ Indonesia is the top importer for the said product group with monumental growth of 6045.28% during April -December 2020-21. Also, Ireland and U A E registered substantial growth of 458.09% and 333.66% respectively in import of the product group from India during April -December 2020-21 as compared to the same period last fiscal.
- ✚ On the flipside, demand for India's 'Aircrafts &Spacecrafts' from UK, Germany, Malaysia and Singapore dropped by more than 35 percent year-on-year basis during April -December 2020-21 when compared to April -December 2019-20.

Table 21: Export of Ships, Boats and Floating Structures and parts
US\$ million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
SINGAPORE	0.00	26.28	-	815.86	1019.26	24.93
INDONESIA	0.20	12.98	6317.24	91.55	401.95	339.07
U A E	17.68	4.93	-72.10	990.33	374.28	-62.21
SRI LANKA	20.99	17.43	-16.94	195.46	263.05	34.58
MALAYSIA	0.00	0.00	-	191.34	247.64	29.42
High cumulative growth						
MALTA	0.00	0.00	-	0.01	114.92	1742938.24
PORTUGAL	0.00	0.00	-	0.01	143.50	985099.83
SAUDI ARABIA	0.00	57.62	-	4.71	198.59	4113.39
INDONESIA	0.20	12.98	6317.24	91.55	401.95	339.07

SRI LANKA	20.99	17.43	-16.94	195.46	263.05	34.58
Sharp cumulative decline						
CYPRUS	0.00	0.00	-	349.98	0.00	-100.00
LIBERIA	0.00	0.00	-	69.04	0.00	-100.00
NORWAY	0.00	0.00	-	58.33	0.00	-100.00
OMAN	64.99	0.00	-100.00	130.55	3.66	-97.20
U A E	17.68	4.93	-72.10	990.33	374.28	-62.21

(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.

- ❖ Singapore, Indonesia and UAE became the largest importer of ships, boats and floating structures in April -December 2020-21 followed by Sri Lanka and Malaysia. Their respective shares are 33.50 percent, 13.21percent, 12.30 percent, 8.65 percent and 8.14 percent.
- ❖ Though Malta and Portugal recorded negligible imports in December 2020 but the cumulative Imports to both the nations recorded meteoric increase as they had negligible import in April -December 2019-20. Saudi Arabia registered substantial growth of 4113.39% in import of the product group from India during April -December 2020-21 as compared with the same period last fiscal.
- ✚ However, sharp decline of more than 60 percent was noticed in exports to U A E from India during April -December 2020-21as compared with the same period last fiscal whereas the exports dropped to zilch for Cyprus, Liberia and Norway.

Table 22: Export of Auto Components
US\$ Million

COUNTRY	DECEMBER 2019	DECEMBER 2020	Growth (%)	APR-DEC 2019-20	APR-DEC 2020-21	Growth (%)
Top Five Importers						
U S A	92.82	118.75	27.93	895.00	726.76	-18.80
TURKEY	26.45	27.48	3.89	199.64	190.56	-4.55
GERMANY	25.01	29.58	18.26	195.38	182.68	-6.50
BANGLADESH	24.49	28.44	16.12	211.38	182.65	-13.59
VIETNAM	14.36	33.42	132.81	148.18	168.41	13.66
High cumulative growth						
CONGO	0.38	0.51	35.62	2.59	5.83	125.56
IRAQ	0.58	0.76	31.82	2.75	5.84	112.31
SLOVAKIA	1.01	2.03	101.59	7.99	13.49	68.84
UKRAINE	0.09	0.12	39.98	3.22	5.07	57.34
SLOVENIA	2.87	2.03	-29.41	10.22	15.44	51.09

Sharp cumulative decline						
U A E	11.92	7.98	-33.09	128.53	54.47	-57.62
INDONESIA	11.13	7.91	-28.89	92.49	43.39	-53.09
NEPAL	8.73	8.93	2.25	76.63	46.62	-39.17
BRAZIL	21.67	26.85	23.90	206.60	135.95	-34.20
JAPAN	12.35	11.48	-7.02	111.49	77.60	-30.39

(Source: Department of Commerce and CSO)

- USA remained the top importer of auto components in April -December 2020-21 with a share of 22.62 percent followed by Turkey, Germany, Bangladesh and Vietnam with respective shares of 5.93 percent, 5.69 percent, 5.69 percent and 5.24 percent.
- Congo and Iraq recorded increase of more than 110 percent followed by Slovakia, Ukraine and Slovenia in imports from April -December 2020-21 when compared to April -December 2019-20.
- U A E and Indonesia recorded significant decline of more than 50 percent April - December 2020-21 when compared to April -December 2019-20.

Analysis of India's engineering imports

India's Engineering imports during December 2020 were valued at US\$ 9343.0 million compared to US\$ 9883.2 million in December 2019 registering a negative growth of 5.5 percent in dollar terms. In cumulative terms, engineering imports recorded a decline to the extent of 29.7% from US\$ 78459.9 million in April-December 2019-20 to US\$ 55190.3 million in April-December 2020-21.

The major engineering panels, like iron and steel, non-ferrous metals, machine tools, and machinery, electrical equipments, witnessed an increase in import while sectors like transport equipment recorded a decline during December 2020 compared to December 2019.

The share of engineering imports in India's total merchandise imports has decreased during December 2020 in comparison to December 2019 which has been estimated at 21.9%.

The monthly engineering import figures for fiscal April- December 2020 vis-a-vis April-December 2019 is depicted below as per the latest availability of figure:

Table 23: Monthly engineering Imports during 2020-21 (US\$ Mn.)

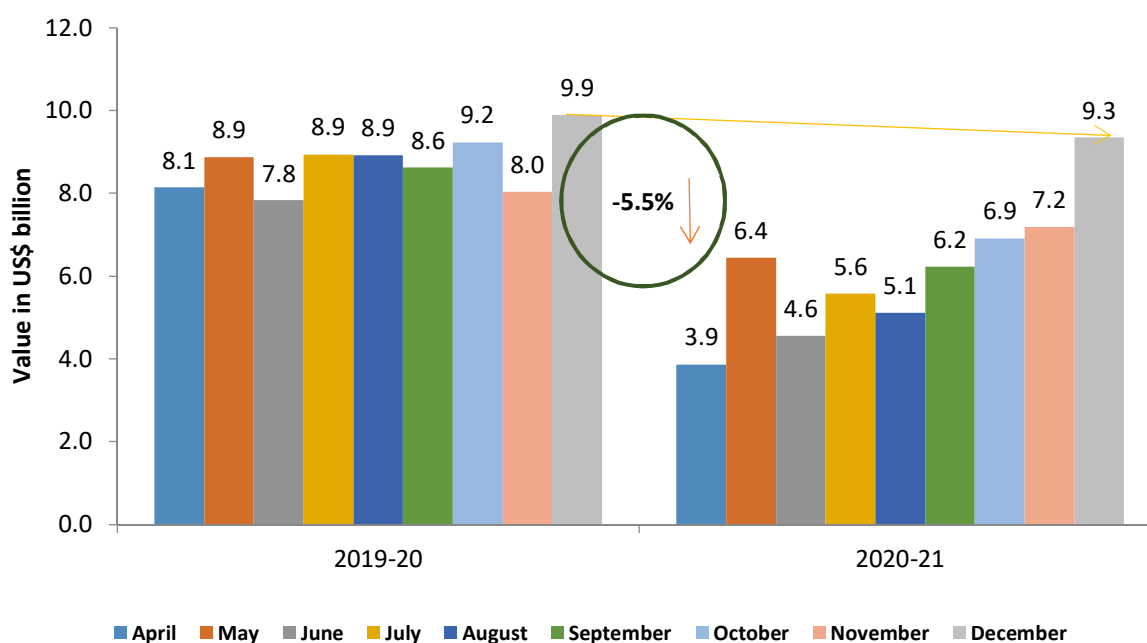
Months	2019-20	2020-21	Growth (%)
April	8143.84	3858.97	-52.6

May	8875.24	6433.42	-27.5
June	7827.95	4558.01	-41.8
July	8938.17	5571.34	-37.7
Aug	8917.11	5114.42	-42.6
Sep	8618.02	6218.92	-27.8
Oct	9228.91	6911.83	-25.1
Nov	8029.28	7178.30	-10.6
Dec	9883.20	9342.97	-5.5

The figure below depicts engineering imports for April-Dec 2020 compared to April-Dec 2019

Figure 10: Monthly Engineering Imports for April-Dec 2020 vis-a-vis April-Dec 2019

Monthly Engineering Imports for 2020-21 vis-a-vis 2019-20



Source: EEPC India analysis

We now present the trend in two way yearly trade for the engineering sector from 2014-15 to 2019-20 as well as the current fiscal 2020-21 depicted in the table below:

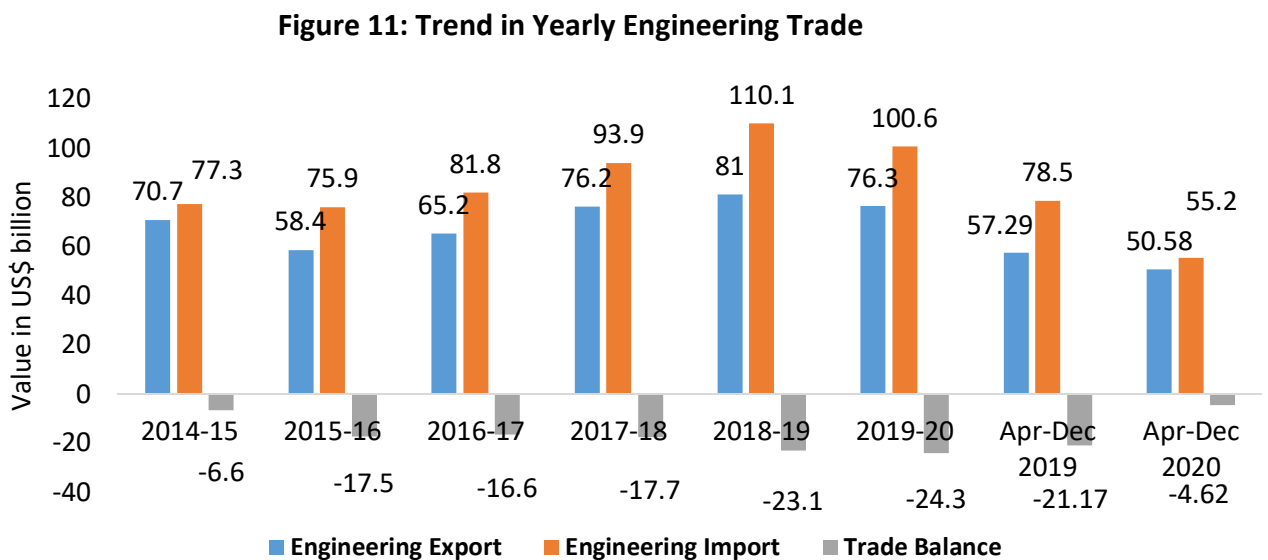
Table 24: Tear-wise trend in engineering trade

(US\$ Billions)

Trade Flow	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Growth (%)	Apr-Dec 2019	Apr-Dec 2020	Growth (%)
Engineering Export	70.7	58.4	65.2	76.2	81.0	76.3	-5.8	57.29	50.58	-11.70
Engineering Import	77.3	75.9	81.8	93.9	110.1	100.6	-8.7	78.5	55.2	-29.7
Trade Balance	-6.6	-17.5	-16.6	-17.7	-23.1	-24.3		-21.17	-4.61	

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 current fiscal April-Dec 2020-21



Conclusion

While this month witnessed a slow revival in total merchandise exports, engineering exports continued to experience a decline of -1.52% although the rate came down significantly

compared to the last months. The major ferrous and non-ferrous metal sectors continued to experience decline this month due to the global demand-supply imbalance. Experts have already predicted growing Chinese export in the coming months fuelled by a domestic demand slump. Indian engineering export community has to adequately prepare themselves to meet the competition. In this aspect assistance of Government would be key. The government need to ensure availability of raw materials at competitive price, proper export incentives and cheaper access to export finance. For instance, the scheme for making steel available at export parity price for the Indian MSMEs if properly implemented would go a long way in rationalising their production cost and at the same time reduce India's trade deficit. At the same time the Government has also speed up the process for determine industry-wise RoDTEP rates. As international organisations such as UNCTAD continue to forecast a frail recovery of global trade in the coming months, such steps would go a long way in reviving and shaping India's engineering exports in the long run.

