

China lets down Indian engineering exports; Nepal, Bangladesh give pleasant surprise

Amidst concerns for wide trade deficit with China, India's engineering exports are fast losing a huge Chinese market, falling by annualised 57 per cent in September 2016 reflecting subdued demand in some of the core sectors like non-ferrous metals, an EEPC India analysis has shown.

For the cumulative period of April-September ,2016, India's engineering exports to China dropped by a sharp 45 .per cent to USD 584.10 million over USD 1.06 billion in the first half of the previous fiscal. For September, 2016 the drop was even sharper at 57 per cent to USD 92.57 million from USD 216 million a year ago.

The sharpest decline in shipments to China was witnessed in non-ferrous metals, as much as 78 per cent from USD 631.17 million in April-September,2015-16 to USD 139 .50 million.

“ China as an export destination has been a disappointing story this year. This is reflective of continuous weaknesses in the core sectors of the economy, which is also somewhat a case in major economies,” Chairman of the EEPC India Mr T S Bhasin said.

However, the other two neighbouring countries of Nepal and Bangladesh really came as a big and surprise boost to India's engineering exports , helping the country in reversal of fortunes.

The engineering despatches to Bangladesh, on the back of a growing economy, went up by 21.22 per cent for September 2016 at USD 146 million from USD 121 million in the same month last year. For the first half of the current fiscal, these exports to this country have gone up by 33.70 per cent to USD 919 million from USD687 million.

Likewise, the engineering consignments to Nepal for September this fiscal went up by a huge 176.40 per cent to USD 178.55 million from USD 64.60 million.For the April-September period this fiscal the despatches have gone up by 40.71 per cent to USD 1.06 billion from USD 755 million in the first half of 2015-16.

Overall, the country's engineering exports moved up by 6.44 per cent from USD 4.7 billion in September 2015 to USD 5.0 billion in September 2016. The low base of the previous fiscal also is reflected in an uptick in performance this year, EEPC India noted.