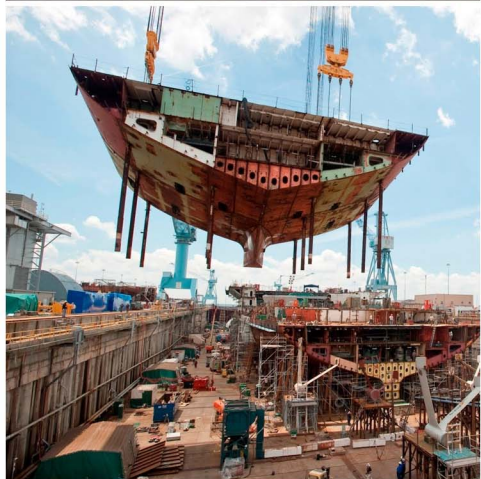




Engineering Exports Monitor

May 2015



Engineering the future

EEPCINDIA
ENGINEERING THE FUTURE

Analysis of Indian engineering exports during May 2015: June 17, 2015

Trend in overall trade

India's merchandise exports contracted for the sixth straight month, its longest trailing streak since 2009. During May 2015, overseas shipment from India declined 20.2 percent year-on-year to US\$ 22.35 billion from US\$ 28.0 billion during the same month of the previous year owing primarily to a slump in global demand and fall in the prices of crude oil. Even, the slowdown in China further added to the woes of the already slowing global economy.

India's merchandised imports during May, 2015 were valued at US \$32.75 billion which was 16.52 per cent lower in Dollar terms over the level of imports valued at US \$ 39.23 billion in May, 2014. The trade deficit also narrowed to a three-month low of \$10.4 billion in May 2015 from \$11.2 billion a year ago. It was nearly \$6.9 billion in February.

Engineering exports

The **exports of engineering products**, one of the essential groups of exported items from India sharing 24 per cent in May 2015 on India's total merchandise exports, registered 10.5 per cent drop in the growth rate to US\$ 5.4 billion in the month of May 2015 over May 2014. While, the cumulative value of engineering exports recorded a dip by 5.9 per cent to US\$ 11.04 billion in the current fiscal 2015-2016 from US\$ 11.72 billion the same period last year. The monthly engineering figures for 2015-2016 vis-à-vis 2014-2015 are depicted below:

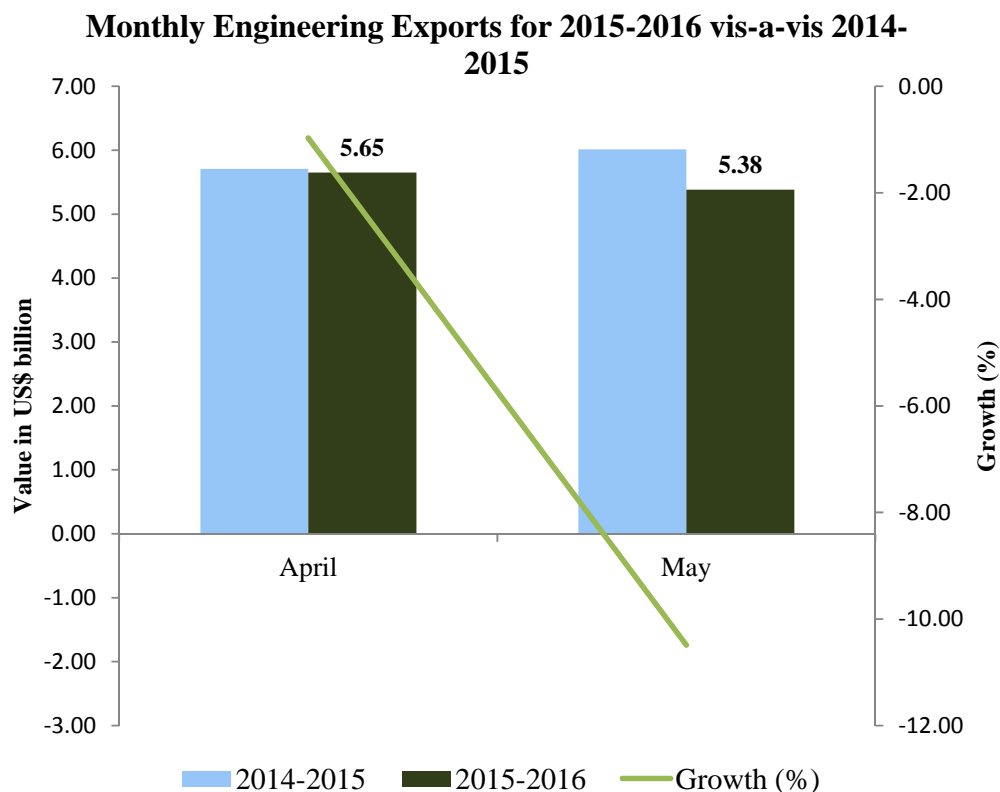
Table1: Engineering Exports
US\$ Million

Months	2014-15	2015-16	Growth (%)
April	5707.97	5652.49	-0.97
May	6013.26	5382.55	-10.49
April-May	11721.23	11035.04	-5.85

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports **for both 2014 and 2015**.

Figure1: Trends in Monthly Engineering Exports
US\$ Billion



(Source: EEPC India analysis)

Engineering sector has a sizeable share in Manufacturing and therefore, trend of manufacturing production reflects the trend of engineering production in India. Some correlation between manufacturing production growth and merchandise export growth is found as manufacturing sector contributes significantly to India’s engineering production as well as to exports. Hence, a brief analysis of industrial production, specially of manufacturing is effective in the context of engineering export analysis as manufacturing has around 75% weightage in India’s industrial production. Industrial output in April 2015 surprised the industry on the upside by witnessing 4.1% growth as against a slowdown to 2.5% in March 2015. However, the growth was firm at 4.9% in February 2015. IIP Index, the standard measure for industrial output, stood at 179.9 in Apr 2015 vs. 198.2 and 181.1 in February 2015. Despite a lower index value in April 2015 than that of March 2015, higher growth was achieved due to lower statistical base and seasonality. Cumulative industrial growth during the entire fiscal 2014-15 was recorded at 2.8% as against a contraction of 0.1% during the previous fiscal.

The growth rates in Engineering Exports and the Growth in Manufacturing in the country in the current fiscal in Table 1A below:

Table 1A: Engineering Exports Growth vis-a-vis Manufacturing Growth (2014-15)

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
April- March 2014-2015	14.7	2.3
April 2015	-0.97	5.1
May 2015	-10.49	NA

(Source: Department of Commerce and CSO)

Analysis of last fiscal's data showed that export growth remained positive for all months during the first half of fiscal 2014-15 but manufacturing production declined in July and August 2014. During the third quarter of 2014-15, however, we saw similarity between the trend of month-wise manufacturing and export growth. Both engineering export and manufacturing declined (negative growth) in October 2014 but then came back to growth in the next two months. Moreover, both export growth and manufacturing growth showed declining trend between November 2014 and January 2015. The similarity in trend then ended in February when export growth turned negative but manufacturing growth reached its ten month high. Again in March 2015, decline in exports doubled and manufacturing growth also more than halved as compared to February 2015. These figures necessarily established some correlation between manufacturing growth and engineering export growth. On a cumulative basis, manufacturing growth was recorded at 2.3% during fiscal 2014-15 as against a decline of 0.8% in the previous fiscal. Cumulative export growth, on the other hand recorded at 14.7% during fiscal 2014-15 over the previous fiscal. During the first month of fiscal 2015-16, however, engineering exports growth and manufacturing growth moved in opposite direction as depicted in the table above.

We also present the month wise corresponding **revised** engineering exports for 2014-15 as opposed to 2013-14.

Table 2: Revised Engineering Exports (2013-14)

USD Million

Quarter	Month	2013-14	2014-15	Growth Rate in Percent
Quarter 1	April	4529.32	5707.97*	26.02*
	May	4819.47	6013.26*	24.77*
	June	4229.72	5179.17	22.45
Quarter 2	July	4473.34	5498.34	22.91
	August	5264.51	6381.27	21.21
	September	5216.94	6280.51	20.39
Quarter 3	October	5552.78	5000.79	-9.94
	November	4874.85	6410.04	31.49
	December	5531.18	6697.8	21.09

Quarter	Month	2013-14	2014-15	Growth Rate in Percent
Quarter 4	January	6122.54	6716.26	9.70
	February	4971.59	4907.37	-1.29
	March	6040.14	5884.54	-2.58
	Total Exports	61626.38	70677.32*	14.69*

(*Revised figures as per latest estimates by DGCI&S)

Impact of Exchange Rate

How has the exchange rate been in May 2015 vis-a-vis May 2014? We look at the average exchange rate for May 2015 vis-a-vis May 2014. The below table provides the same:

Table 3: Average Exchange Rate

May	Average Exchange Rate 1 USD to INR
2014	59.5
2015	63.6

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during May 2015 has depreciated by 6.9 % to that of the same period last year.

Trends in Engineering Panel Exports

We begin by looking at the Engineering Panel wise exports for the month of May 2015 vis-a-vis May 2014 and cumulative exports for April-May 2015-16 vis-a-vis April-May 2014-15. The data is given in Table 4 below:

Table 4: Trends in Engineering panel Exports May 2015 and April- May 2015-16
US\$ Million

Sl no.	Panel	May, 2014	May, 2015	Growth %	April,2014 - May, 2014	April,2015 - May, 2015	Growth %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	800.6	528.0	-34.1	1497.8	1055.4	-29.5
B	Products of Iron and Steel	634.1	546.4	-13.8	1183.5	1149.7	-2.9
Sub Total		1434.7	1074.4	-25.1	2681.3	2205.1	-17.8
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	209.8	255.8	21.9	430.8	516.5	19.9

Sl no.	Panel	May, 2014	May, 2015	Growth %	April,2014 - May, 2014	April,2015 - May, 2015	Growth %
B	Aluminium and products	173.8	233.0	34.1	337.7	426.1	26.2
C	Zinc and products	5.4	41.9	677.0	20.9	113.1	441.5
D	Nickel and products	8.3	35.6	328.8	41.6	57.2	37.5
E	Lead and products	6.4	11.3	75.8	26.1	22.9	-12.0
F	Tin and products	0.5	2.0	343.5	11.7	4.4	-62.6
G	Other Non Ferrous Metals	41.2	38.9	-5.6	75.2	77.1	2.5
Sub Total		445.3	618.5	38.9	943.9	1217.3	29.0
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	35.4	43.0	21.5	85.6	99.1	15.8
B	IC Engines and Parts	171.2	155.5	-9.2	313.8	302.5	-3.6
C	Pumps of all types	65.8	66.9	1.7	122.6	132.0	7.6
D	Air condition and Refrigerators	109.4	91.2	-16.6	205.2	176.4	-14.0
E	Industrial Machinery for dairy, food processing , textiles etc	400.8	362.4	-9.6	793.7	771.8	-2.8
F	Machine Tools	33.7	32.6	-3.3	63.4	66.7	5.2
G	Machinery for Injecting moulding, valves and ATMs	113.1	103.1	-8.8	208.9	213.8	2.4
Sub Total		929.4	854.7	-8.0	1793.2	1762.3	-1.7
4.	Electrical Machinery	321.8	326.1	1.3	624.6	648.7	3.9
5. Auto and Auto Components							
A	Motor Vehicle/cars	526.3	511.8	-2.7	954.5	993.1	4.0
B	Two and Three Wheelers	156.2	156.7	0.3	286.5	279.4	-2.5
C	Auto Components/Part	396.8	361.1	-9.0	747.3	712.7	-4.6
Sub Total		1079.3	1029.6	-4.6	1988.3	1985.3	-0.2
6.	Aircrafts and Spacecraft parts and products	512.0	334.4	-34.7	1154.0	1265.9	9.7
7.	Ships Boats and Floating products and parts	799.5	646.4	-19.2	1504.8	986.2	-34.5
8. Miscellaneous Items							
A	Medical and Scientific instruments	107.7	92.9	-13.8	203.7	187.2	-8.1
B	Railway Transport	5.1	13.8	172.1	45.7	20.4	-55.4
C	Hand Tools & Cutting Tools	62.5	56.6	-9.5	120.6	113.0	-6.3

Sl no.	Panel	May, 2014	May, 2015	Growth %	April,2014 - May, 2014	April,2015 - May, 2015	Growth %
D	Electrodes Accumulators	3.2	3.7	16.6	5.8	6.4	9.4
E	Accumulator and Batteries	15.2	15.4	0.8	28.0	30.1	7.5
F	Bicycle & Parts	30.0	26.0	-13.4	58.8	48.4	-17.7
G	Cranes Lifts & Winches	24.8	46.0	85.8	50.4	72.7	44.3
H	Office Equipments	2.4	7.8	220.9	4.6	13.1	183.1
I	Other Construction Machinery	93.8	90.5	-3.5	186.2	196.2	5.4
J	Prime Mica & Mica Products	1.6	1.8	18.1	3.4	3.1	-8.8
K	OTHER MISC. ITEMS	144.9	144.1	-0.6	324.1	273.8	-15.5
Sub Total		491.2	498.5	1.5	1031.3	964.4	-6.5
Grand Total		6013.26	5382.55	-10.49	11721.23	11035.04	-5.85

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels- 16 panels recorded a positive growth and remaining 17 panels fared negative growth in the month of May 2015.
- ❖ Primary Iron and Steel exports has fallen by more than 25 per cent in May 2015 vis-à-vis May 2014. Products of Iron and Steel have dropped more in May 2015 vis-à-vis May 2014, than the cumulative fall during April, 2015-May 2015 vis-à-vis April, 2014-May 2014.
- ❖ All non ferrous metals like aluminium, copper, lead, nickel, zinc, tin, and products have witnessed rise in export growth in the month of May 2015. The highest growth is seen in the export of Zinc and products. Barring these non ferrous metals, the exports of other non-ferrous metals dropped by 5.6% in May 2015 vis-à-vis May 2014.
- ❖ Monthly exports of railway transports have been shown remarkable positive trends growing by 172.1 per cent, during May 2015 as against the same period last year. Similarly other panels like electrodes accumulators, cranes lifts & winches, office equipments, and prime mica & mica products have also registered substantial growth in May 2015 vis-à-vis May 2014.
- ❖ While the Aircrafts panel and ships, boats and floating products registered drop in exports in March 2015.

☑ **Top 25 Country Engineering Exports in Absolute Value (even though the growth rate may be negative)**

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during May 2015 over May 2014 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April – May 2015 has also been taken into concern to see the trend of India’s engineering exports in the current fiscal.

Table 5: Country wise Exports (2015-2016)
US\$ Million

Country	May, 2014	May, 2015	Growth %	April,2014 - May 2015	April,2015 - May, 2016	Growth %
USA	611.97	593.63	-3.00	1116.17	1228.37	10.05
UAE	617.78	264.42	-57.20	1246.17	876.63	-29.65
SRI LANKA	415.65	168.53	-59.45	621.03	816.38	31.46
CHINA	185.50	181.88	-1.95	361.76	424.42	17.32
SINGAPORE	444.73	240.78	-45.86	712.04	417.41	-41.38
U K	229.13	212.17	-7.40	432.56	378.40	-12.52
MALAYSIA	56.89	266.17	367.88	108.63	369.71	240.33
GERMANY	185.37	209.24	12.87	354.35	354.41	0.02
NORWAY	4.27	330.87	7645.68	8.79	335.33	3715.17
MEXICO	128.00	166.27	29.90	259.86	320.03	23.15
ITALY	151.21	117.02	-22.61	274.19	237.94	-13.22
SAUDI ARAB	142.97	112.64	-21.22	251.35	224.85	-10.54
BANGLADESH	122.19	114.70	-6.13	270.22	224.14	-17.05
SOUTH AFRICA	102.36	103.30	0.91	198.72	213.34	7.36
KOREA RP	131.30	114.40	-12.88	225.06	202.00	-10.24
TURKEY	107.07	105.54	-1.42	376.00	201.12	-46.51
NEPAL	117.51	94.47	-19.61	216.82	196.93	-9.17
NIGERIA	102.36	86.61	-15.38	202.03	187.98	-6.96
THAILAND	85.28	86.35	1.26	170.79	161.92	-5.19
CZECH REPUBLIC	11.64	140.01	1102.56	23.10	149.31	546.41
FRANCE	87.06	78.29	-10.07	175.15	148.40	-15.27

Country	May, 2014	May, 2015	Growth %	April,2014 - May 2015	April,2015 - May, 2016	Growth %
BRAZIL	68.42	76.94	12.45	139.23	145.05	4.18
INDONESIA	129.05	66.42	-48.54	285.38	135.19	-52.63
IRAN	83.68	61.42	-26.61	157.43	129.61	-17.67
BAHARAIN IS	10.57	20.71	95.92	16.59	128.64	675.34
Total of top 25	4331.97	4012.78	-7.37	8203.39	8207.50	0.05
Total Engineering Exports	6013.3	5382.6	-10.49	11721.23	11035.04	-5.85
Share of Top 25 in Total (%)	72.0	74.6		70.0	74.4	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

The country wise figures for February 2015 show interesting trends. These are:

- ❖ Out of the top 25 countries, 16 countries recorded negative growth in the month of May 2015.
- ❖ Top European export destinations for the Indian engineering exports like UK, Italy, Turkey and France conceded negative growth in May 2015 as well as during April -May 2015-16.
- ❖ The Indian engineering exports to USA, continues to be the highest in the reporting month despite there being no GSP.
- ❖ China once again recorded negative growth in May 2015. Due to fall in Chinese import demand for the seventh straight month in May.
- ❖ Out of 215 destinations for export of Indian engineering goods, the top 25 nations accounts for 74.4 per cent of the total during April- May 2015-16.
- ❖ The growth rate in the top 25 countries During April – May 2015-16, taken together recorded positively at 0.05 per cent higher than that of India's total engineering exports at (-)5.85 per cent.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April- May 2015-16 as opposed to April- May 2014-15. Like before we also look at the trend in May 2015 vis-à-vis May 2014. The Table below gives this picture:

Table 6: Region Wise Exports Trend
US\$ Million

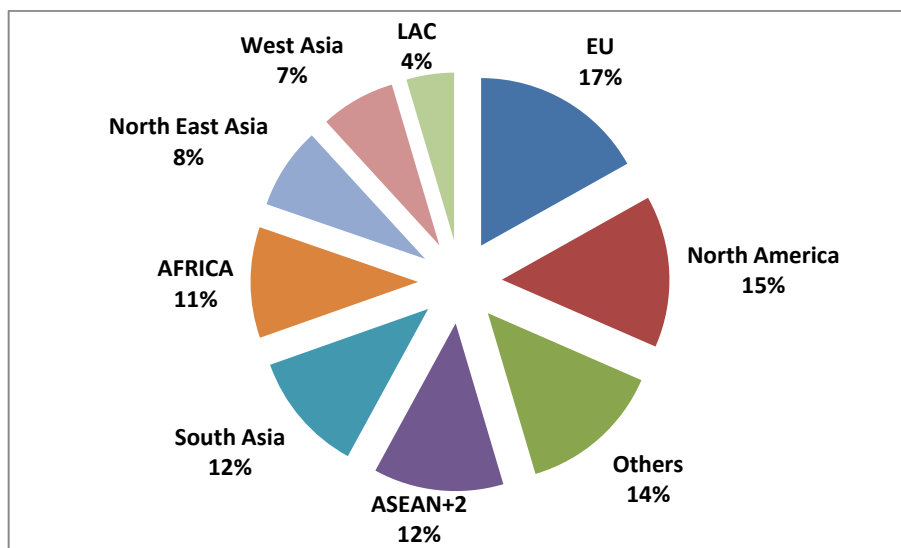
Region	May, 2014	May, 2015	Growth %	April,2014 - May 2015	April,2015 - May, 2016	Growth %
--------	-----------	-----------	----------	-----------------------	------------------------	----------

Region	May, 2014	May, 2015	Growth %	April,2014 - May 2015	April,2015 - May, 2016	Growth %
EU	1003.99	1075.68	7.14	1890.58	1862.73	-1.47
North America	790.34	793.18	0.36	1458.09	1619.43	11.06
Others	877.28	748.78	-14.65	1882.40	1531.05	-18.66
ASEAN+2	907.44	806.81	-11.09	1626.27	1384.42	-14.87
South Asia	669.87	392.85	-41.35	1139.30	1286.82	12.95
AFRICA	627.19	552.89	-11.85	1275.84	1180.41	-7.48
North East Asia	421.39	415.80	-1.33	817.36	872.13	6.70
West Asia	469.85	339.70	-27.70	1172.19	798.44	-31.88
LAC	245.92	262.95	6.92	459.20	505.64	10.11
Grand Total	6013.28	5388.64	-10.39	11721.23	11041.08	-5.80

(Source: Department of Commerce, Government of India)

Note: *Figures have been rounded off. Source: DGCI&S; **Myanmar has been included in ASEAN+2 and not in South Asia, since ASEAN is a formal economic grouping.

Figure 2: India's region wise exports during April- May 2015 -16



(Source: EEPC India analysis)

Note: Others also includes rest of Europe and CIS

- ❖ Engineering exports to EU ranks first in region wise exports during the cumulative period of April- May 2015-16.
- ❖ North America ranks second where countries like Canada and USA have registered significant growth rates especially for items like Industrial Machinery, IC Engines and Parts, Electric Machinery and equipments, and Auto Components/Part etc during this fiscal.
- ❖ South Asia and North East Asia have recorded positive cumulative exports during April- May 2015-16 as compared to April- May 2014-15. However they have recorded negative export performance for the month of May 2015. This fall of exports is due to the fall in exports to China, South Korea and other ASEAN countries like Singapore, Indonesia, Vietnam, Philippines, Myanmar, Lao and Brunei.

Major Product and Market Analysis

We now analyze the performance of some of the important products. We pick the major panels and seek the heavy growth and heavy declines in these panels **IN THE CURRENT FISCAL of 2015-2016** to give an idea about the trend that is about to emerge.

Table 7: Export of Iron & Steel
US\$ Million

Export partners	May_14	May_15	Growth %	Apr_ May 2014-- 15	Apr_ May 2015-- 16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	800.59	529.56	-33.85	1497.79	1056.95	-29.43
BANGLADESH	18.78	26.81	42.74	40.78	56.07	37.50
BELGIUM	18.85	31.24	65.72	38.89	42.73	9.87
MEXICO	5.42	6.34	17.02	9.48	12.63	33.29
NIGERIA	5.98	1.45	-75.81	11.18	11.67	4.43
MALAYSIA	5.05	3.41	-32.49	8.84	8.87	0.32
SUDAN	2.04	1.99	-2.38	3.95	7.46	89.04
MYANMAR	1.29	5.17	299.49	5.71	6.30	10.30
OMAN	1.33	3.97	197.99	2.57	5.49	114.03
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	73.34	41.78	-43.04	102.56	102.06	-0.49
IRAN	39.49	35.53	-10.02	79.23	78.00	-1.56
ITALY	40.78	31.04	-23.88	79.20	71.88	-9.24

Export partners	May_14	May_15	Growth %	Apr_ May 2014-- 15	Apr_ May 2015-- 16	Growth %
UAE	58.40	31.91	-45.36	116.33	56.65	-51.30
NEPAL	45.83	30.78	-32.83	80.98	52.46	-35.22
KOREA RP	52.34	25.01	-52.21	85.25	45.69	-46.40
THAILAND	20.70	18.03	-12.92	50.21	37.84	-24.65
INDONESIA	15.44	13.96	-9.56	32.79	29.02	-11.50

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 9.7 % of India's total export of Iron and Steel during April- May 2015-16.
- ❖ While Iran and Italy imports 7.4% and 6.8 % of India's total export of Iron and Steel respectively during the same period respectively.

Table 8: Export of products Iron & Steel

US\$ Million

Export partners	May_14	May_15	Growth %	Apr_ May 2014-- 15	Apr_ May 2015-- 16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	634.13	547.01	-13.74	1183.50	1150.29	-2.81
IRAQ	0.53	29.44	5445.10	1.26	91.79	7167.36
SAUDI ARAB	32.91	26.05	-20.87	52.22	53.88	3.18
MEXICO	2.51	31.59	1157.25	5.46	35.36	548.19
MALAYSIA	7.72	7.49	-2.99	11.64	24.29	108.79
NETHERLAND	9.68	12.07	24.72	17.94	23.91	33.28
PERU	0.19	4.25	2131.58	0.68	19.07	2707.56
AUSTRALIA	8.20	7.91	-3.52	15.78	17.88	13.31
SPAIN	7.01	8.63	23.09	13.96	16.00	14.59
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	117.10	104.07	-11.12	218.23	214.68	-1.62
UAE	101.70	67.24	-33.88	176.55	118.55	-32.85
GERMANY	40.60	29.54	-27.24	77.92	59.64	-23.46
U K	35.46	24.34	-31.37	65.58	47.65	-27.34
ITALY	27.43	14.41	-47.49	44.43	26.21	-41.01
CANADA	15.12	10.63	-29.68	30.21	23.45	-22.38
FRANCE	10.63	10.26	-3.45	21.31	18.13	-14.91
BELGIUM	8.75	7.39	-15.46	15.85	13.70	-13.54

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 18.7% of India's total export of Products of Iron and Steel during April- May 2015-16.
- ❖ While UAE and Iraq imports 10.3 % and 8 % of India's total export of Products of Iron and Steel respectively during the same period.

Table 9: Export of Industrial Machinery
US\$ Million

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	929.37	857.56	-7.73	1793.15	1765.15	-1.56
U S A	143.05	159.60	11.57	284.14	325.43	14.53
U K	30.04	50.21	67.16	56.02	84.76	51.32
CHINA	35.17	27.55	-21.67	59.94	60.85	1.51
SAUDI ARAB	32.25	27.14	-15.86	56.15	60.62	7.96
BANGLADESH	25.12	23.31	-7.20	51.60	54.58	5.79
NIGERIA	23.96	23.37	-2.47	42.42	43.22	1.89
BRAZIL	18.15	19.97	10.03	31.79	38.58	21.34
VIETNAM SOC REP	13.29	15.95	20.03	26.20	30.19	15.26
HEAVY CUMULATIVE DECLINE COUNTRIES						
UAE	56.50	44.07	-22.00	89.90	85.96	-4.39
GERMANY	42.93	41.80	-2.61	82.46	77.10	-6.49
TURKEY	38.09	29.37	-22.89	75.56	64.20	-15.04
ITALY	32.10	17.90	-44.25	56.84	38.97	-31.43
INDONESIA	22.14	18.38	-16.95	41.70	36.09	-13.47
THAILAND	27.35	17.72	-35.22	46.99	35.63	-24.18
SINGAPORE	26.60	15.05	-43.40	44.59	33.08	-25.81
NEPAL	16.47	11.80	-28.33	34.38	31.38	-8.74

(Source: Department of Commerce, Government of India)

- ❖ USA tops here importing 18.4 % of India's total exports for Industrial Machinery during April- May 2015-16.
- ❖ UAE and UK imports 4.9 % and 4.8 % of India's total exports for Industrial Machinery during April- May 2015-16.

Table 10: Export of Automobiles

US\$ Million

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	526.25	512.02	-2.70	954.48	993.29	4.07
SOUTH AFRICA	58.97	59.27	0.51	102.94	118.75	15.36
SRI LANKA	14.58	56.54	287.74	28.39	97.16	242.30
UAE	17.12	18.59	8.58	20.78	32.11	54.56
ITALY	10.78	14.82	37.44	19.68	31.72	61.15
EGYPT	1.72	8.62	401.46	1.72	31.58	1735.82
SPAIN	15.88	17.49	10.15	23.38	30.63	30.99
CHILE	5.92	9.53	61.05	12.68	22.94	80.84
NEPAL	7.22	9.94	37.62	12.97	20.00	54.21
HEAVY CUMULATIVE DECLINE COUNTRIES						
MEXICO	73.34	47.78	-34.86	149.10	111.02	-25.54
U K	44.46	29.97	-32.58	74.98	53.80	-28.25
ALGERIA	31.49	24.58	-21.93	69.59	40.78	-41.39
BANGLADESH	24.26	20.18	-16.84	43.61	29.07	-33.35
NIGERIA	16.89	13.28	-21.38	32.56	23.08	-29.11
AUSTRALIA	14.22	6.54	-54.02	35.70	13.92	-61.02
NETHERLAND	15.16	4.64	-69.38	20.48	13.54	-33.91
GERMANY	2.24	2.23	-0.42	10.57	7.19	-32.00

(Source: Department of Commerce, Government of India)

- ❖ In case of Motor vehicles South Africa tops the list importing 12% of India's total exports of Motor vehicles during April-March 2015-2016.
- ❖ Mexico and Sri Lanka holds the 2nd and 3rd position respectively importing 11.2 % and 9.8 % of India's total exports of Motor vehicles during the same period.

Table 11: Export of Non-Ferrous metals

US\$ Million

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to	404.19	580.04	43.51	868.70	1140.64	31.30

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
World						
CHINA	103.59	108.92	5.14	205.39	272.57	32.71
MALAYSIA	3.76	66.14	1658.76	9.46	107.66	1037.50
KOREA RP	52.64	57.22	8.71	89.97	100.47	11.67
U S A	29.63	33.04	11.51	56.71	78.48	38.39
MEXICO	12.58	35.16	179.50	33.72	75.53	123.97
TAIWAN	4.24	26.77	531.85	19.60	52.32	166.91
SAUDI ARAB	7.68	19.03	147.84	13.72	28.69	109.01
BRAZIL	4.23	15.76	272.51	7.69	20.26	163.57
HEAVY CUMULATIVE DECLINE COUNTRIES						
UAE	54.46	25.61	-52.98	112.03	66.59	-40.56
SINGAPORE	6.77	33.67	397.63	49.56	44.16	-10.89
COLOMBIA	6.29	5.45	-13.40	16.08	12.10	-24.75
U K	7.19	5.83	-18.96	12.78	12.06	-5.69
GERMANY	8.75	7.10	-18.87	15.31	11.89	-22.35
NIGERIA	6.70	5.20	-22.40	12.19	7.81	-35.93
NETHERLAND	3.12	3.48	11.43	6.01	5.89	-1.98
PERU	5.18	1.89	-63.58	7.84	5.76	-26.58

- ❖ China is the topmost importer for Non ferrous Metals importing around 24% of India's total export of Non Ferrous Metals during April-March 2015-2016.
- ❖ Malaysia and South Korea are the new entrants ranked second and third as importer of India's non-ferrous product with 9% share respectively during April-March 2015-2016.

Table 12: Export of Electrical Machinery and Components

US\$ Million

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	321.83	326.11	1.33	624.57	648.74	3.87
U S A	49.39	53.34	8.01	84.12	97.80	16.27
GERMANY	22.93	22.76	-0.73	41.13	41.88	1.81
NEPAL	4.28	6.48	51.36	9.60	17.29	80.12
JAPAN	5.20	12.15	133.63	9.40	16.45	75.06
ITALY	6.29	9.17	45.72	12.38	15.03	21.42
SINGAPORE	7.04	8.19	16.40	12.43	14.47	16.36
NIGERIA	3.92	4.45	13.54	8.65	14.23	64.53

CHINA	7.03	6.04	-14.03	12.27	13.45	9.61
HEAVY CUMULATIVE DECLINE COUNTRIES						
U K	19.21	27.14	41.27	42.80	40.33	-5.76
U A E	15.81	16.12	1.95	40.84	31.48	-22.92
FRANCE	18.27	15.56	-14.82	37.17	30.51	-17.93
SAUDI ARAB	9.36	9.45	1.00	17.57	16.85	-4.08
KENYA	9.35	4.45	-52.37	14.59	9.91	-32.05
OMAN	4.49	2.59	-42.47	10.10	9.01	-10.76
THAILAND	5.12	3.40	-33.63	11.16	7.57	-32.14
SRI LANKA	7.21	4.29	-40.56	9.16	7.03	-23.29

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-May 2015-16 with 15.08% share in India's global export of the product group.
- ❖ Germany replaced UK to hold the second position with 6.45% share.
- ❖ Exports to UK and UAE witnessed decline during April-May 2015-16 over the same period last fiscal despite being the third and fourth largest export destination for 'Electrical Machineries'.

Table 13: Export of Aircrafts & Spacecrafts
US\$ Million

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	511.98	334.39	-34.69	1153.97	1265.87	9.70
SRI LANKA	285.51	47.98	-83.20	431.54	611.06	41.60
U A E	15.43	10.32	-33.13	143.94	271.52	88.63
CZECH REPUBLIC	0.02	130.03	829083.59	0.02	130.03	561425.85
U S A	31.84	34.10	7.08	53.85	79.48	47.60
GERMANY	7.47	57.96	676.41	11.34	63.86	463.22
CHINA	0.10	4.18	4209.93	1.17	7.95	578.17
MALAYSIA	5.28	0.63	-88.12	5.71	7.60	33.08
KOREA	0.00	6.96	#DIV/0!	0.01	6.98	49692.96
HEAVY CUMULATIVE DECLINE COUNTRIES						
U K	24.16	13.66	-43.46	57.62	22.83	-60.39
FRANCE	11.62	8.36	-28.03	23.37	15.12	-35.29
RUSSIA	3.53	0.32	-90.89	21.18	11.77	-44.43

Export partners	May_14	May_15	Growth %	Apr-May 2014-15	Apr-May 2015-16	Growth %
SINGAPORE	9.03	5.50	-39.11	16.58	10.12	-38.96
ISRAEL	2.33	0.74	-68.35	6.71	1.90	-71.67
POLAND	1.64	0.82	-50.19	3.48	0.96	-72.36
SWEDEN	0.67	0.48	-29.03	1.04	0.88	-15.23
JAPAN	0.60	0.30	-50.01	0.65	0.48	-25.99

- ❖ In case of Aircrafts and Parts Sri Lanka continues to be the top export destination for India, importing 48.27% of India's total exports of Aircrafts and Parts during April-May 2015-16.
- ❖ United Arab Emirates remained the second largest importer of India's Aircrafts & parts during April-May 2015-16 with 21% share.
- ❖ UK and France, despite being the sixth and seventh largest export destination for India's Aircrafts and spacecrafts, recorded substantial decline during April-May 2015-16 over the same period last fiscal.

Table 14: Export of Ships, Boats and Floating Structures and parts

US\$ Million

Export partners	May_14	May_15	Growth %	April-May 2014-15	April-May 2015-16	Growth %
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	799.54	646.42	-19.15	1504.77	986.17	-34.46
MALAYSIA	0.00	159.55		0.02	162.32	944280.48
MALDIVES	0.00	0.37	21014.22	0.00	0.37	21014.22
KOREA	0.00	0.04		0.00	0.04	3335.52
ANGOLA	0.01	0.03	296.73	0.01	0.03	296.73
HEAVY DECLINE COUNTRIES						
SINGAPORE	368.66	151.39	-58.93	492.27	269.62	-45.23
UAE	249.64	6.46	-97.41	449.28	133.05	-70.39
ITALY	0.01	0.06	315.26	0.07	0.06	-14.57
NETHERLAND	2.35	0.06	-97.41	2.37	0.06	-97.43

(Source: Department of Commerce and CSO)

- ❖ Norway, Singapore, Malaysia are recorded as top export destination for India's export of Ships, Boats and Floating Structures and parts during April-May 2015. Contrastingly Singapore and UAE conceded negative cumulative and monthly

growth as well during the current fiscal 2015-16 compared to the same period last year.

- ❖ Malaysia recorded massive growth among top export destinations due to substantial surge in its import of Indian ships and boats during May 2015.

Table 15: Export of Auto Components

US\$ Million

Export partners	May_14	May_15	Growth %	April-May 2014-15	April-May 2015-16	Growth %
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	396.83	361.05	-9.02	747.32	712.72	-4.63
U S A	85.79	82.92	-3.34	160.76	163.61	1.78
BRAZIL	15.61	16.16	3.53	31.57	33.87	7.29
MEXICO	8.60	15.73	82.89	16.33	31.08	90.30
UAE	10.44	11.57	10.80	18.66	20.50	9.88
NIGERIA	4.44	2.88	-35.03	7.49	17.15	128.82
NEPAL	5.91	7.87	33.18	12.44	15.39	23.72
SOUTH AFRICA	4.82	3.72	-22.73	10.55	10.82	2.56
BELGIUM	4.85	4.78	-1.47	9.14	9.72	6.33
HEAVY DECLINE COUNTRIES						
TURKEY	36.16	26.47	-26.79	71.64	53.14	-25.83
U K	19.74	17.10	-13.35	37.59	34.40	-8.47
GERMANY	17.70	17.12	-3.25	34.69	30.86	-11.05
THAILAND	18.29	18.46	0.95	34.20	29.64	-13.34
ITALY	17.22	13.38	-22.30	31.66	24.70	-21.99
EGYPT	12.83	11.90	-7.27	23.55	23.16	-1.65
INDONESIA	19.07	9.51	-50.14	36.28	20.21	-44.29
BANGLADESH	18.90	12.03	-36.35	32.91	19.13	-41.88

(Source: Department of Commerce and CSO)

- ❖ USA remains the topmost destination for India's exports of Auto Components and Parts with over 23% share during May 2015.
- ❖ Brazil and Mexico holds the second and third position respectively but both were far below the exported value made to USA. India's auto component exports to Turkey conceded by 27% year-on-year decline during May 2015 compared to May 2014.

Conclusion

Trade data for May 2015 suggests both external and internal demand remain weak, reflecting not so pleasant news on the economic front. With more than 20% fall in merchandised exports and above 10% fall in engineering exports during May 2015, India's overseas shipment have been conceding a slowdown in the last few months. The dip in crude oil prices that has an impact on exports of petroleum products is believed to be one of the reasons for such a sharp and continuous fall.

Exporters have demanded a stimulus package stating that the continuous decline in exports due to shrinking of traditional markets, and now of emerging economies, could severely impact their businesses. Nothing short of a stimulus package would help Indian exporters regain their competitiveness across the major markets of Europe, the US, South-East Asia and Africa.

“The stimulus can be in the form of interest subvention, technology upgradation fund and fast refund of local taxes,” said Anupam Shah, Chairman, EEPC India.

Engineering sectors like Iron and Steel, Aircrafts, Ship and Boats, Auto components have been severely hit during May 2015 compared to the previous fiscal. Region-wise, slackening of demand from Europe, Africa and some of the regions of Asia contributed to this poor performance of engineering exports during the first two months of the current fiscal.

Let's now look at the positives. Indian manufacturing bounced back in fiscal 2014-15 that continued in April 2015 also. As engineering is a major component of manufacturing, the later has also experienced decent growth during the last fiscal. This is reflected by the recovery of capital goods sector and higher production growth of basic goods during the said fiscal. RBI has also reduced the policy rate three times in 2015 that may aid the industrial recovery following the monetary transmission of the same by commercial banks. A slew of reform measures by the incumbent govt. and initiatives like 'Make in India' will also help expanding the manufacturing industry in India. On the global front, Europe has been witnessing a weak but steady recovery and US is also not likely to dip in further recession. Demand from these two most developed regions are likely to increase from late second half of 2015 that may also drive up India's overseas shipment going forward.

In brief, despite the overall engineering export scenario looks somewhat gloomy at the current juncture, some silver lines are also at sight.

