

# ENGINEERING EXPORT MONITOR

## March 2016



## **Analysis of Indian engineering exports during March 2016: April 19, 2016**

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### **Trend in overall trade**

India's merchandise exports continued to decline for the sixteenth straight month in March 2016. This time the exports contracted 5.5 percent in March to US\$22.72 billion as against US\$24.03 billion from a year earlier. The Indian exports continued to perform poorly mainly due to subdued global economic growth and still-depressed commodity prices. Cumulative value of exports for the period April-March 2015-16 was US\$ 261.14 billion as against US\$ 310.34 billion registering a negative growth of 15.85 per cent in Dollar terms over the same period last year.

On the other hand, India's total merchandised imports during March, 2016 were valued at US\$ 27.79 billion which was 21.56 per cent lower in Dollar terms over the level of imports valued at US\$ 35.43 billion in March, 2015. The country's cumulative value of imports for the period April-March 2015-16 was US\$ 379.6 billion as against US\$ 448.03 billion registering a negative growth of 15.28 per cent in Dollar terms over the same period last year.

*India's trade deficit narrowed to over a five year low of US\$ 5.07 billion in March 2016 as against US\$ 11.4 billion in the same period of the previous fiscal. The drop in imports has been faster than the export slowdown narrowing down the trade deficit to US\$ 118.46 billion for April-March 2015- 2016, lower than the US\$137.69 billion during April-March, 2014-15.*

### **Engineering exports**

India's engineering exports that accounted for nearly 23% of merchandise export in March 2016 also shrank in tandem with the overall trend, falling at a higher rate than the contraction of the overall merchandised exports. India's engineering exports dropped by 11.2 percent to US\$ 5.17 billion in March 2016 from US\$ 5.83 billion in March 2015. However, the fall is a bit lower than the year-on-year fall in January 2016 and December 2015 by 29 and 30 percent respectively. During the ongoing fiscal, India's engineering exports registered year-on-year growth by 1.4% only in the month of July 2015 while the decline was hovering around 25-30% in the last four months till January 2016, which later improved for the two consecutive months of February and March 2016. Cumulative engineering exports from India conceded 16.93 percent fall during

April-March 2015-16 and failed to touch the US\$ 60 billion mark even amidst such a global economic downturn. The Cumulative exports dropped to US\$ 58.78 billion during April-March 2015-16 from US\$70.77 billion during the same period of the previous fiscal.

The monthly and cumulative 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	5708.04	5674.8	-0.58
May	6013.33	5345.9	-11.10
June	5205.21	4950.74	-4.89
<b>Quarter 1</b>	<b>16926.58</b>	<b>15971.44</b>	<b>-5.64</b>
July	5499.76	5578.87	1.44
August	6380.66	4659.26	-26.98
September	6329.07	4704.5	-25.67
<b>Quarter 2</b>	<b>18209.49</b>	<b>14942.63</b>	<b>-17.94</b>
October	5007.85	4486.18	-10.42
November	6403.45	4342.94	-32.18
December	6710.57	4689.19	-30.12
<b>Quarter 3</b>	<b>18121.87</b>	<b>13518.25</b>	<b>-25.40</b>
January	6,707.02	4757.43	-29.07
February	4975.32	4419.95	-11.16
March	5829.71	5175.65	-11.22
<b>Quarter 4</b>	<b>17512.05</b>	<b>14353.03</b>	<b>-18.04</b>
<b>April-March</b>	<b>70769.99</b>	<b>58785.97</b>	<b>-16.93</b>

(Source: Department of Commerce, Government of India)

## World Exports

How has the world exports trend been in the current annual year vis-à-vis 2015? Table 2 shows the decline that has been witnessed in the first couple of months of the new calendar year of 2016.

**Table 2: World Exports 2016 Vs 2015**  
(Values in USD Million)

Months	2015	2016	Growth (%)
January	1250000	1103000	-11.76
February	1190000	1106000	-7.06

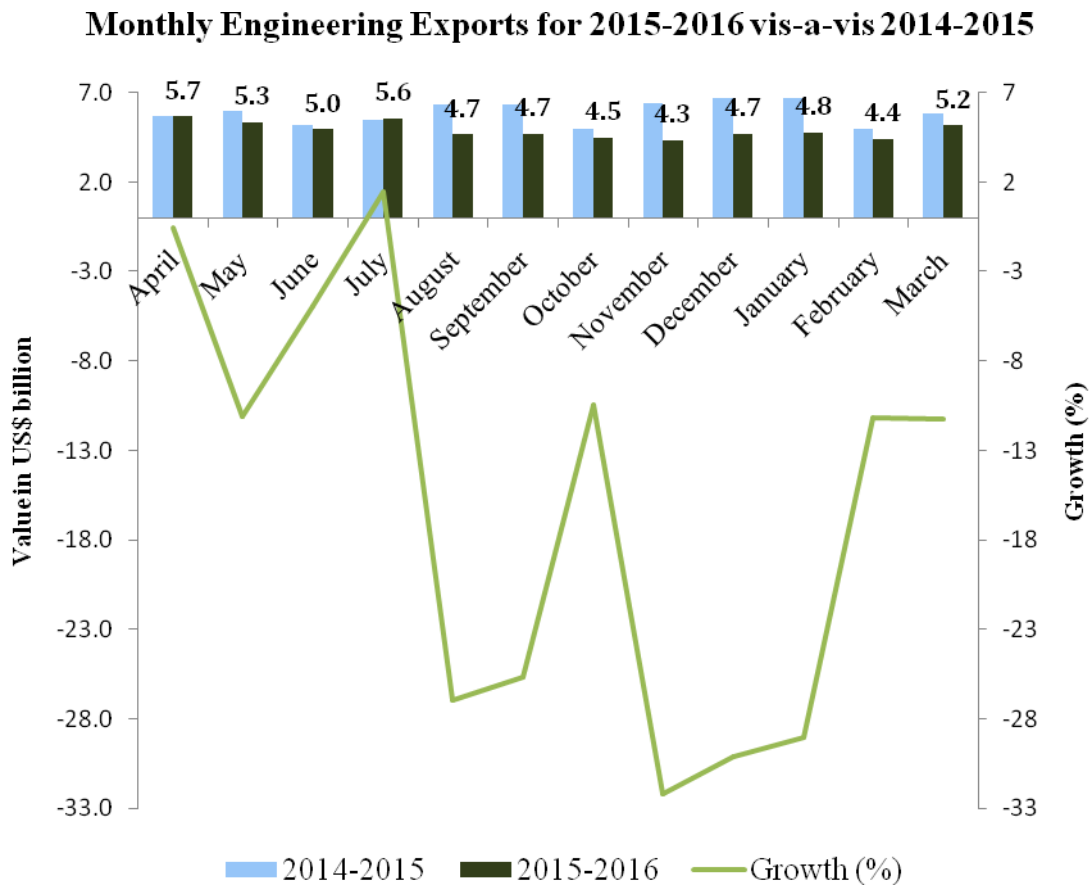
Months	2015	2016	Growth (%)
March	1296000	N.A.	
<b>Total</b>	<b>3736000</b>	<b>2209000</b> <b>(till Feb 2016)</b>	

Source: WTO

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 is an important segment of the broader Manufacturing sector as the contribution of engineering production in overall manufacturing output is quite significant. Now, as production and exports are directly correlated, some correlation between manufacturing production growth and merchandise export growth is very likely to exist. Hence, a broad analysis of industrial production, especially of manufacturing sector is effective in the context of engineering export analysis as manufacturing has over 75% weightage in India's industrial production. The downfall in Indian engineering exports continued for the eighth straight month to March 2016 but the pace of decline moderated to 11.22 percent from around 30% during three

successive months to January 2016. In fact, moderation started from February 2016. In line with the moderation in decline in engineering exports, India's manufacturing production also came back to growth path in March 2016, however feeble after decline in previous three months. November is the first month in 2015-16 to conceded a decline in year-on-year manufacturing production when engineering export suddenly dropped by around 30 percent. Decline in exports moderated slightly in December 2015 when decline in manufacturing also moderated. However, manufacturing output declined at a faster pace in January 2016 while engineering exports witnessed slightly slower decline. The month of February witnessed a substantial slowdown in the pace of year-on-year decline in engineering exports and manufacturing also came to growth path. Overall IIP Index, the standard measure for industrial output, stood at 194.1 in February 2016 as against a revised 195.1 a month ago and a lower 192.5 in December 2015. Cumulatively, industrial production during April-February 2015-16 grew at 2.6 percent, which was a bit lower than the same period last year at 2.8%.

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

**Table 3: Engineering Exports Growth vis-a-vis Manufacturing Growth (2015-16)**

<b>Months/ Year</b>	<b>Engg. Exports Growth (%)</b>	<b>Manufacturing Growth (%)</b>
<b>April 2015</b>	-0.58	3.9
<b>May 2015</b>	-11.10	2.1
<b>June 2015</b>	-4.89	5.2
<b>Quarter 1</b>	<b>-5.64</b>	<b>3.7</b>
<b>July 2015</b>	1.44	4.8
<b>August 2015</b>	-26.98	6.7
<b>September 2015</b>	-25.67	2.9
<b>Quarter 2</b>	<b>-17.94</b>	<b>4.8</b>
<b>October 2015</b>	-10.42	10.6
<b>November 2015</b>	-32.18	-4.7
<b>December 2015</b>	-30.12	-2.2
<b>Quarter 3</b>	<b>-25.40</b>	1.2
<b>January 2016</b>	-29.07	-2.8
<b>February 2016</b>	-11.16	0.7
<b>March</b>	-11.22	N A
<b>Quarter 4</b>	<b>-18.04</b>	N A

*(Source: Department of Commerce and CSO)*

An analysis of the engineering export and manufacturing growth data for the ongoing fiscal also established some correlation between the two. India's engineering exports conceded bigger decline during May 2015 in comparison to the previous month while manufacturing growth also decelerated. The fall in export growth decreased in June and manufacturing growth also strengthened. Exports registered marginal growth during

July 2015 but growth of manufacturing production decelerated. Then export growth and growth of manufacturing moved in opposite direction in August and September 2015. In August, the export recorded a massive decline but manufacturing growth was recorded at three-year high probably due to festive season in India while in September, decline in exports was lower but manufacturing growth slowed down. However, both moved in the same direction during the last three months of 2015. Decline in engineering exports decelerated in October and manufacturing growth reached its several years' high. November 2015 just saw the reverse. Engineering exports declined to its highest pace of the current fiscal while manufacturing production declined for the first time in 2015-16. Then in December 2015, fall in exports moderated slightly while the pace of decline in manufacturing also slowed down to nearly half the rate of the previous month. January 2016 however saw a slower rate of decline in engineering exports coupled with a bigger fall in manufacturing growth. The month of February reflected the link between these two when engineering export growth declined significantly and manufacturing bounced back to growth.

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

**Table 4: Revised Engineering Exports (2013-14)**  
USD Million

Quarter	Month	2013-14	2014-15	Growth Rate in Percent
Quarter 1	April	4529.32	5708.04*	26.02*
	May	4819.47	6013.33*	24.77*
	June	4229.72	5205.21*	23.06*
Quarter 2	July	4473.34	5499.76*	22.95*
	August	5264.51	6380.66*	21.20*
	September	5216.94	6329.07*	21.32*
Quarter 3	October	5552.78	5007.85*	-9.81*
	November	4874.85	6403.45*	31.36*
	December	5531.18	6710.57*	21.32*
Quarter 4	January	6122.54	6707.02*	9.55*
	February	4971.59	4975.32*	0.08*
	March	6040.14	5829.71*	-3.48
	<b>Total Exports</b>	<b>61626.38</b>	<b>70769.99*</b>	<b>14.84*</b>

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



## Impact of Exchange Rate

How has the exchange rate been in March 2016 vis-a-vis March 2015? We look at the average exchange rate for March 2016 vis-a-vis March 2015. The below table provides the same:

**Table 5: Average Exchange Rate**

March	Average Exchange Rate 1 USD to INR
2015	62.67
2016	66.60

*(Source: Calculated from RBI archive)*

**The official exchange rate of rupee vis-à-vis the US Dollar during March 2016 has depreciated by 6.3 percent to that of the same period last year.**

We begin by looking at the Engineering Panel wise exports for the month of March 2016 vis-a-vis March 2015 and cumulative exports for April-March 2015-16 vis-a-vis April-March 2014-15. The data is given in Table 4 below:

**Table 6: Trends in Engineering panel Exports March 2016 and April- March 2015-16**  
US\$ Million

Sl no.	Panel	March 2015	March , 2016	Growth percent	April, 2014 - March 2015	April, 2015 - March 2016	Growth percent
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	669.96	393.96	-41.20	8666.20	5486.32	-36.69
B	Products of Iron and Steel	662.20	552.55	-16.56	7562.83	6174.81	-18.35
<b>Sub Total</b>		1332.16	946.51	-28.95	16229.03	11661.13	-28.15
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	267.92	225.52	-15.83	3420.27	2539.15	-25.76
B	Aluminium and products	303.35	264.36	-12.85	2859.36	2638.28	-7.73
C	Zinc and products	78.53	22.27	-71.64	608.07	527.05	-13.32
D	Nickel and products	95.19	8.21	-91.38	897.31	492.97	-45.06
E	Lead and products	13.02	15.20	16.74	173.20	181.54	4.82
F	Tin and products	2.48	3.12	25.81	37.74	57.22	51.62
G	Other Non Ferrous Metals	40.56	38.26	-5.67	499.28	432.62	-13.35
<b>Sub Total</b>		801.05	576.94	-27.98	8495.23	6868.83	-19.14
<b>3. Industrial Machinery</b>							

Sl no.	Panel	March 2015	March , 2016	Growth percent	April, 2014 - March 2015	April, 2015 - March 2016	Growth percent
A	Industrial Machinery like Boilers, parts, etc	52.88	82.98	56.92	603.88	680.81	12.74
B	IC Engines and Parts	208.54	182.62	-12.43	2398.00	2013.31	-
C	Pumps of all types	67.92	64.02	-5.74	773.23	706.36	-8.65
D	Air condition and Refrigerators	120.52	103.31	-14.28	1168.33	1046.81	-
E	Industrial Machinery for dairy, food processing , textiles etc	466.09	462.60	-0.75	4769.22	4632.76	-2.86
F	Machine Tools	33.12	39.54	19.38	374.63	390.26	4.17
G	Machinery for Injecting moulding, valves and ATMs	137.27	115.24	-16.05	1344.40	1258.91	-6.36
Sub Total		1086.34	1050.31	-3.32	11431.69	10729.22	-6.14
4	Electrical Machinery	368.8	341.0	-7.5	3966.0	3825.8	-3.5
<b>5. Auto and Auto Components</b>							
A	Motor Vehicle/cars	595.00	666.37	11.99	6684.04	6721.28	0.56
B	Two and Three Wheelers	144.57	141.62	-2.04	1864.06	1771.04	-4.99
C	Auto Components/Part	376.94	387.13	2.70	4438.56	4213.16	-5.08
Sub Total		1116.51	1195.12	7.04	12986.66	12705.48	-2.17
6	Aircrafts and Spacecraft parts and products	315.09	163.12	-48.23	6159.17	3731.84	-
7	Ships Boats and Floating products and parts	253.14	296.21	17.01	5352.62	3104.12	-
<b>8. Miscellaneous Items</b>							
A	Medical and Scientific instruments	113.57	118.53	4.37	1276.33	1188.59	-6.87
B	Railway Transport	11.73	21.67	84.74	133.55	97.92	-
C	Hand Tools & Cutting Tools	65.65	53.00	-19.27	755.72	639.94	-
D	Electrodes Accumulators	2.92	3.70	26.71	38.61	42.59	10.31
E	Accumulator and Batteries	21.21	20.05	-5.47	212.78	202.25	-4.95
F	Bicycle & Parts	29.80	28.89	-3.05	354.16	297.59	-
G	Cranes Lifts & Winches	44.36	49.10	10.69	341.71	424.41	24.20
H	Office Equipments	8.75	9.81	12.11	54.27	89.26	64.47
I	Other Construction Machinery	106.48	92.15	-13.46	1177.33	1095.98	-6.91
J	Prime Mica & Mica Products	2.42	1.46	-39.67	19.49	17.14	-
K	OTHER MISC. ITEMS	149.70	201.10	34.34	1785.64	2056.31	15.16
Sub Total		556.59	599.46	7.70	6149.59	6151.98	0.04
Grand Total		<b>5829.71</b>	<b>5175.65</b>	<b>-11.22</b>	<b>70769.99</b>	<b>58785.97</b>	<b>-16.9</b>



Sl no.	Panel	March 2015	March , 2016	Growth percent	April, 2014 - March 2015	April, 2015 - March 2016	Grow th percent
							3

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 20 panels (61 percent) of the engineering panels recorded a negative growth and remaining 13 panels fared positive growth in the month of March 2015.
- ❖ India's Primary Iron and Steel exports have fallen by more than 41 percent in March 2016 vis-à-vis March 2015, which is more than the cumulative fall of 37 percent during April -March 2015-16 vis-à-vis April-March 2014-15. Products of Iron and Steel have also dropped by more than 16 percent in March 2016 vis-à-vis March 2015, which is slightly better than the cumulative fall during April -March 2015-16 vis-à-vis April-March 2014-15 unlike the previous month of February.
- ❖ Like in the month of February, Aircraft and Spacecraft have contracted for the second straight month in March falling by 48 percent to that of the previous fiscal. On the contrary, Ship, boats and floating bodies registered a growth in exports by more than 17 percent in March 2016 vis-à-vis March 2015, overcoming its sharp fall in the previous month of February 2016.
- ❖ There has been a drastic fall in the exports of Nickel and Zinc products falling by more than 91 percent and 71 percent respectively during March 2016 over March 2015 quite similar to the month of February. Infact 5 panels out of 7 non ferrous metals and products panels witnessed decline in exports during March 2016 over March 2015.
- ❖ In the Industrial Machinery panel, the only product in the group that registered significant export growth after Machine Tools is Nuclear reactors and boilers that have grown to the extent of 57 percent during March 2016 against March 2015. Sectors like Machine Tools that registered highest decline in February, expanded in the month of March 2016 over that of 2015 by 19 percent. In the Industrial Machinery panel, 5 out of 7 panels witnessed negative growth in the month of March 2016 vis-à-vis same period last fiscal. The panels include IC Engines, Pumps and Valves of all types, Air Conditioning and Repair Machinery, Machine for ATMS and Industrial Machinery for dairy products, etc.
- ❖ Among all the panels, significant heavy growth is observed in the Railway Transport Equipments sector growing by 87 percent from US\$11.73 million in March 2015 to US\$ 21.67 million in March 2016. But unlikely, the cumulative export growth for this panel perceived a drop in exports by 27 percent during April-March 2015-16 vis-à-vis April-March 2014-15.

- ❖ Other panels like Motor vehicles/cars , Auto Components and parts, Ships and Boats, Medical & scientific equipments, Railway and Transport equipments, Cranes Lifts & winches Office equipments, and other miscellaneous items, registered positive growth among the panels in March 2016 vis-à-vis March 2015.

**☑ Top 25 destinations for Indian 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 March 2016 over March 2015 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April 2015–March 2016 have also been taken into concern to see the trend of India's engineering exports in the current fiscal.

**Table 7: Engineering Exports Country wise (2015-2016)**  
US\$ Million

Country	March, 2015	March, 2016	Growth percent	April - March 2014-2015	April- March 2015 -2016	Growth percent
<b>U S A</b>	691.60	581.05	-15.98%	7830.69	6897.91	-11.91%
<b>U A R A B E M T S</b>	391.83	388.20	-0.93%	5876.32	4222.66	-28.14%
<b>S R I L A N K A</b>	112.70	124.25	10.25%	3750.96	2760.30	-26.41%
<b>U K</b>	186.81	201.62	7.93%	2625.65	2210.86	-15.80%
<b>G E R M A N Y</b>	166.92	184.69	10.65%	2110.58	2085.09	-1.21%
<b>C H I N A P R P</b>	282.72	170.37	-39.74%	3119.98	2061.42	-33.93%
<b>S I N G A P O R E</b>	101.63	103.91	2.24%	2484.55	1895.07	-23.73%
<b>M E X I C O</b>	190.71	232.92	22.14%	1914.34	1891.72	-1.18%
<b>B A N G L A D E S H</b>	120.41	179.95	49.45%	1413.18	1528.38	8.15%
<b>I T A L Y</b>	169.49	146.05	-13.83%	1695.56	1486.96	-12.30%
<b>N E P A L</b>	141.22	182.62	29.31%	1459.23	1388.49	-4.85%
<b>S A U D I A R A B</b>	160.74	136.71	-14.95%	1787.08	1364.90	-23.62%
<b>T U R K E Y</b>	178.82	148.30	-17.07%	1739.47	1341.96	-22.85%
<b>M A L A Y S I A</b>	252.05	56.42	-77.62%	2068.27	1341.13	-35.16%
<b>K O R E A R P</b>	148.02	111.80	-24.47%	1312.96	1312.83	-0.01%
<b>S O U T H A F R I C A</b>	111.39	74.26	-33.34%	1996.70	1301.19	-34.83%
<b>J A P A N</b>	58.77	79.59	35.43%	811.80	1070.19	31.83%
<b>F R A N C E</b>	199.23	99.67	-49.97%	1122.51	1069.44	-4.73%
<b>N I G E R I A</b>	90.80	77.55	-14.59%	1247.49	944.73	-24.27%
<b>N E T H E R L A N D</b>	65.09	85.77	31.77%	863.74	910.92	5.46%
<b>I N D O N E S I A</b>	73.00	128.45	75.97%	1114.71	880.65	-21.00%
<b>T H A I L A N D</b>	64.94	73.04	12.46%	1011.74	838.91	-17.08%

Country	March, 2015	March, 2016	Growth percent	April - March 2014-2015	April- March 2015 -2016	Growth percent
<b>SPAIN</b>	61.42	68.03	10.77%	687.06	685.66	-0.20%
<b>IRAN</b>	130.54	39.82	-69.49%	1249.08	682.07	-45.39%
<b>BELGIUM</b>	66.77	58.01	-13.12%	705.23	667.08	-5.41%
<b>Total of top 25</b>	<b>4217.59</b>	<b>3733.05</b>	<b>-11.49%</b>	<b>51998.89</b>	<b>42840.54</b>	<b>-17.61%</b>
<b>Share of top 25</b>	<b>72.35%</b>	<b>72.13%</b>		<b>73.48%</b>	<b>72.88%</b>	

*Note: Red font indicates negative monthly and cumulative growth*

*(Source: Department of Commerce, Government of India)*

The country wise engineering export figures for March 2016 show the following facts:

- ❖ During the month of March 2016, 12 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 13 conceded decline over the same month last year.
- ❖ Indonesia was the nation to see highest growth in engineering imports from India at 76 percent during the final month of fiscal 2015-16 followed by Bangladesh at around 50 percent. However, cumulative results for entire fiscal 2105-16 showed decline in the same for Indonesia while Bangladesh enjoyed growth on a cumulative basis also.
- ❖ USA continued to be the top exporting destination for India's engineering products, even though it recorded negative growth both in March 2016 as well as in entire fiscal 2015-16.
- ❖ Among the European nations UK, Germany Spain and Netherland achieved growth in engineering imports from India during March 2016 while France, Belgium, Italy and turkey conceded decline in the same. On a cumulative basis, only Netherland managed to grow by 5.46% during fiscal 2015-16.
- ❖ Sri Lanka was with highest export growth in the last month but recoded just 10.25 percent growth in march 2016.
- ❖ Japan was the country with highest cumulative growth for the last completed fiscal at 31.83 percent while Iran recorded highest decline in shipment from India at 45.4 percent.
- ❖ Out of 223 exports destinations of Indian engineering goods, top 25 nations accounted for nearly 73 percent of India's total engineering exports during April-March 2015-16.
- ❖ Overall, India's engineering exports to its top 25 destinations also recorded a dip both monthly as well as cumulative basis. The decline in exports to top 25

countries was higher at 17.6 percent then decline in total engineering exports during the same time period.

## Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-March 2015-16 as opposed to April-March 2014-15. We also look at the trend in March 2016 vis-à-vis March 2015. The Table below gives this picture:

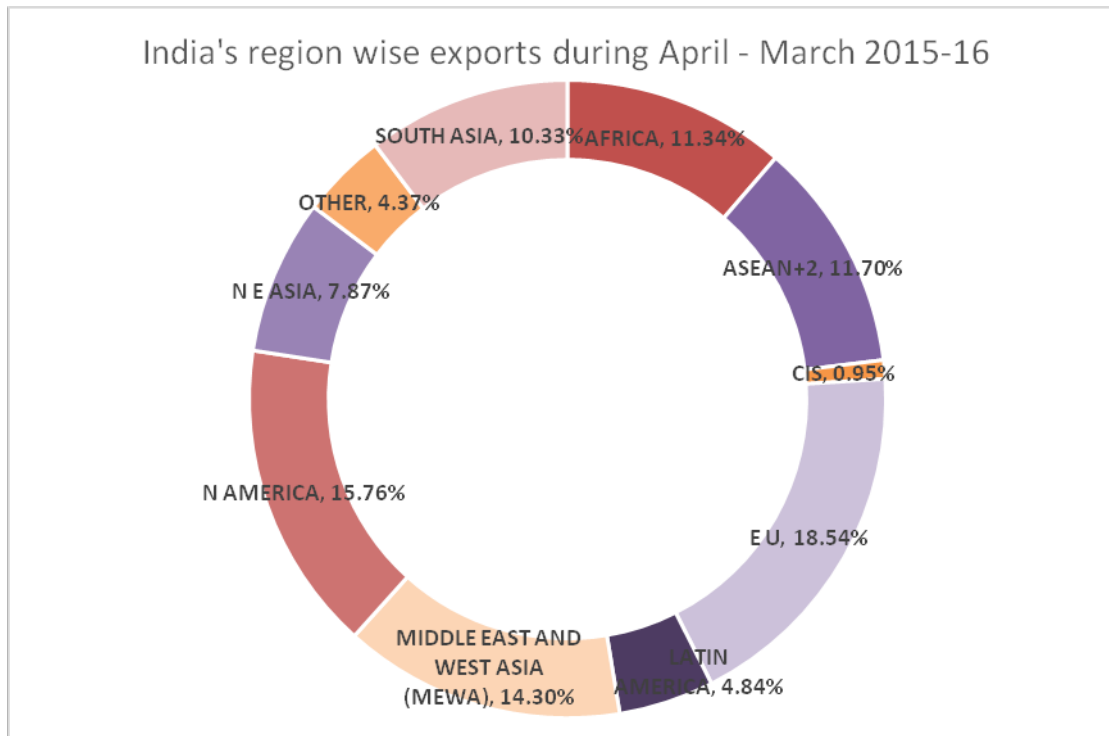
**Table 8: Region Wise Exports Trend**  
US\$ Million

Region	March, 2015	March, 2016	Growth %	April -March 2014-2015	April-March 2015 -2016	Growth %
AFRICA	700.45	581.22	-17.02%	8504.25	6667.28	-21.60%
ASEAN+2	649.08	543.93	-16.20%	8756.59	6877.81	-21.46%
CIS	107.05	59.14	-44.75%	947.84	557.22	-41.21%
E U	1053.22	993.96	-5.63%	12149.63	10901.74	-10.27%
LATIN AMERICA	308.22	245.51	-20.34%	3336.36	2846.06	-14.70%
MIDDLE EAST AND WEST ASIA (MEWA)	920.20	759.62	-17.45%	11599.32	8407.46	-27.52%
N AMERICA	935.49	855.99	-8.50%	10302.56	9266.99	-10.05%
N E ASIA	502.87	375.57	-25.32%	5433.71	4624.85	-14.89%
Other	254.22	235.53	-7.35%	2814.16	2566.88	-8.79%
SOUTH ASIA	398.92	525.18	31.65%	6925.45	6069.67	-12.36%
<b>TOTAL</b>	<b>5829.71</b>	<b>5175.65</b>	<b>-11.22%</b>	<b>70769.88</b>	<b>58785.98</b>	<b>-16.93%</b>

(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-March 2015 -16**



*(Source: EEPC India analysis)*

- ❖ EU is the region with highest shipment of engineering products from India at 18.5% during the last fiscal despite a decline in the same over the same period previous fiscal.
- ❖ North America ranks second registering negative growth both during the cumulative period of April- March 2015-16 over the previous fiscal and during March 2016.
- ❖ Exports to CIS nations saw significant drop both on a monthly basis at 44.75 percent and cumulatively at 41.21 percent .
- ❖ Exports to South Asia recorded highest growth during March 2016 over the same month last fiscal.

All ten specified regions saw lower imports of Indian engineering products during the last fiscal (2015-16) over the previous fiscal.

We now analyze the performance of some of the important products during March 2016. 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 9: Export of Iron & Steel**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014-15	Apr_Mar 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>669.96</b>	<b>400.94</b>	<b>-40.15</b>	<b>8666.21</b>	<b>5493.30</b>	<b>-36.61</b>
<b>CHINA</b>	9.82	7.86	-19.90	118.32	151.03	27.65
<b>KUWAIT</b>	1.85	1.17	-36.57	31.60	35.77	13.20
<b>GREECE</b>	1.63	5.84	258.61	29.50	32.59	10.48
<b>DJIBOUTI</b>	0.76	0.42	-45.27	22.65	22.83	0.82
<b>BAHARAIN</b>	1.61	1.10	-31.45	12.43	15.62	25.64
<b>SOMALIA</b>	1.22	0.92	-24.42	10.74	14.00	30.33
<b>SENEGAL</b>	0.40	1.22	204.46	9.76	11.12	13.89
<b>FINLAND</b>	0.59	0.74	26.12	6.08	8.97	47.47
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>NEPAL</b>	41.89	48.65	16.13	518.87	474.56	-8.54
<b>ITALY</b>	61.97	37.09	-40.15	556.74	387.77	-30.35
<b>U S A</b>	41.44	17.38	-58.07	698.84	384.54	-44.97
<b>IRAN</b>	87.29	8.15	-90.67	654.34	329.99	-49.57
<b>UAE</b>	27.85	16.31	-41.45	641.51	286.51	-55.34
<b>BELGIUM</b>	28.13	20.33	-27.72	278.65	244.28	-12.33
<b>SOUTH KOREA</b>	16.34	16.87	3.28	317.37	241.03	-24.05
<b>BANGLADESH</b>	9.81	24.42	148.91	243.69	223.88	-8.13

*(Source: Department of Commerce, Government of India)*

- ❖ Nepal tops the list as importer of India's Iron and Steel during April- March 2015-16 with 8.63 percent share followed by Italy and USA importing 7.05 percent and 7 percent respectively during the same period.
- ❖ China only achieved a year-on-year growth in imports of India's iron & steel among the top ten importers.

**Table 10: Export of products Iron & Steel**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014-15	Apr_Mar 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>662.20</b>	<b>552.55</b>	<b>-16.56</b>	<b>7562.81</b>	<b>6174.80</b>	<b>-18.35</b>
<b>IRAQ</b>	75.99	0.17	-99.77	120.86	178.52	47.72
<b>NETHERLAND</b>	12.02	14.68	22.16	128.37	175.69	36.87
<b>OMAN</b>	5.93	24.34	310.13	69.57	118.36	70.14



Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014-15	Apr_Mar 2015-16	Growth %
SPAIN	7.34	7.36	0.27	95.84	99.19	3.49
PERU	35.82	6.62	-81.51	78.95	93.15	17.98
MEXICO	4.08	4.91	20.24	66.36	87.73	32.19
BANGLADESH	3.57	5.08	42.36	31.32	83.11	165.35
CHILE	0.25	3.48	1317.42	7.63	70.77	827.33
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	127.50	93.37	-26.77	1707.50	1273.30	-25.43
UAE	41.20	54.01	31.11	698.86	509.41	-27.11
GERMANY	36.21	32.23	-11.00	459.58	363.22	-20.97
SAUDI ARAB	33.13	39.25	18.50	608.27	295.60	-51.40
U K	26.81	22.95	-14.40	370.63	290.58	-21.60
ITALY	14.58	14.59	0.07	204.53	154.51	-24.45
CANADA	14.57	12.69	-12.94	174.83	141.90	-18.84
FRANCE	9.20	9.17	-0.31	127.24	113.01	-11.18

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing more than 20 percent of India's total export of Products of Iron and Steel during April- March 2015-16.
- ❖ While UAE and Germany imports 8.24 percent and 5.9 percent of India's total export of Products of Iron and Steel respectively during the same period.

**Table 11: Export of Industrial Machinery**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
<b>Export to World</b>	<b>1086.3</b>	<b>1050.3</b>	<b>-3.3</b>	<b>11431.70</b>	<b>10729.25</b>	<b>-6.1</b>
GERMANY	37.3	38.9	4.2	472.79	507.96	7.4
UAE	42.5	42.3	-0.6	476.75	484.10	1.5
BANGLADESH	33.8	53.2	57.6	333.20	409.42	22.9
SAUDI ARAB	40.2	31.1	-22.7	322.24	381.60	18.4
FRANCE	14.2	16.1	12.9	153.31	191.82	25.1
SRI LANKA	17.6	26.3	48.9	126.65	191.61	51.3
VIETNAM SOC REP	12.2	19.0	56.2	144.66	178.96	23.7
KENYA	17.3	14.9	-13.9	146.25	159.95	9.4
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	195.9	149.4	-23.7	1926.98	1680.69	-12.8
U K	32.2	39.3	21.9	516.91	486.28	-5.9

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>TURKEY</b>	42.3	44.9	6.3	472.29	432.03	-8.5
<b>CHINA</b>	35.4	28.0	-21.0	393.73	333.13	-15.4
<b>ITALY</b>	22.0	24.0	9.2	321.02	256.58	-20.1
<b>NIGERIA</b>	31.9	18.3	-42.6	317.79	209.57	-34.1
<b>INDONESIA</b>	25.4	19.7	-22.6	276.02	208.52	-24.5
<b>THAILAND</b>	17.5	21.2	21.6	232.38	206.73	-11.0

(Source: Department of Commerce, Government of India)

- ❖ USA once again tops the chart importing 15.7 percent of India's total exports for Industrial Machinery during April- March 2015-16.
- ❖ Germany and UK moves remain second and third position respectively importing 4.7 percent and 4.5 percent respectively of India's total exports for Industrial Machinery during April- March 2015-16.

**Table 12: Export of Automobiles**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>739.6</b>	<b>808.0</b>	<b>9.3</b>	<b>8548.1</b>	<b>8492.3</b>	<b>-0.7</b>
<b>MEXICO</b>	91.8	155.5	69.4	851.1	1125.0	32.2
<b>SRI LANKA</b>	51.4	33.4	-35.1	590.8	710.9	20.3
<b>ITALY</b>	36.2	37.2	2.7	201.6	319.4	58.4
<b>NEPAL</b>	27.5	36.4	32.3	243.2	244.3	0.4
<b>SAUDI ARAB</b>	24.1	26.0	7.9	208.3	231.2	11.0
<b>EGYPT</b>	31.7	18.9	-40.4	197.7	203.1	2.7
<b>VIETNAM SOC REP</b>	13.2	11.6	-11.7	149.1	173.5	16.3
<b>SPAIN</b>	17.4	22.9	31.7	134.5	169.9	26.3
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SOUTH AFRICA</b>	69.9	33.0	-52.8	784.2	622.6	-20.6
<b>NIGERIA</b>	21.5	29.2	35.6	427.2	362.9	-15.0
<b>U K</b>	14.6	38.2	161.5	342.0	323.6	-5.4
<b>BANGLADESH</b>	28.8	29.5	2.4	358.4	323.1	-9.8
<b>COLOMBIA</b>	32.9	19.1	-41.9	386.7	317.7	-17.8

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
UAE	23.5	12.4	-47.0	313.1	268.6	-14.2
PHILIPPINES	11.9	16.9	42.3	202.1	200.1	-1.0
PERU	10.2	12.3	19.9	149.8	141.7	-5.4

(Source: Department of Commerce, Government of India)

(Note: Automobiles sector includes Motor vehicles and Two and Three Wheelers)

- ❖ In case of Automobiles Mexico assumes the top position importing 13.2 percent of India's total exports of Automobiles during April-March 2015-2016.
- ❖ Sri Lanka and South Africa holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 8.4 percent and 7.3 percent of India's total exports of Automobiles during the same period.

**Table 13: Export of Non-Ferrous metals**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
<b>Export to World</b>	<b>801.07</b>	<b>576.94</b>	<b>-28.0</b>	<b>8495.24</b>	<b>6868.83</b>	<b>-19.1</b>
KOREA RP	108.04	65.50	-39.4	711.22	782.83	10.1
MALAYSIA	109.32	25.60	-76.6	487.15	698.33	43.3
U S A	54.16	43.52	-19.6	540.51	553.32	2.4
TAIWAN	14.38	14.31	-0.5	132.89	204.12	53.6
SAUDI ARAB	11.95	17.83	49.3	136.14	142.88	5.0
NEPAL	9.76	9.03	-7.5	91.34	108.15	18.4
KENYA	6.83	17.79	160.4	56.45	85.57	51.6
INDONESIA	3.82	2.80	-26.7	49.90	80.17	60.7
HEAVY CUMULATIVE DECLINE COUNTRIES						
CHINA	189.41	107.41	-43.3	2062.16	1209.60	-41.3
UAE	48.18	49.55	2.8	777.82	489.63	-37.1
SINGAPORE	26.16	10.34	-60.5	596.81	415.90	-30.3
MEXICO	39.69	24.76	-37.6	544.67	209.05	-61.6
U K	14.40	13.17	-8.6	184.74	166.68	-9.8
TURKEY	6.24	27.02	333.2	136.31	97.62	-28.4
GERMANY	7.46	9.21	23.5	118.88	93.34	-21.5

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>BANGLADESH</b>	19.56	8.46	-56.7	76.97	75.72	-1.6

(Source: Department of Commerce and CSO)

- ❖ China is the topmost importer for Non ferrous Metals importing 17.6 percent of India's total export of Non Ferrous Metals during April-March 2015-2016.
- ❖ Republic of Korea and Malaysia imports 11.4 percent and 10.2percent respectively during April-March 2015-2016.

**Table 14: Export of Electrical Machinery and Components**

US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>368.8</b>	<b>341.0</b>	<b>-7.5</b>	<b>3965.9</b>	<b>3825.9</b>	<b>-3.5</b>
<b>U S A</b>	46.5	46.7	0.4	511.7	527.9	3.2
<b>SINGAPORE</b>	6.1	10.0	63.3	88.1	127.9	45.2
<b>BANGLADESH</b>	5.8	13.5	133.6	65.2	110.3	69.2
<b>CHINA</b>	8.4	6.4	-23.8	84.6	101.0	19.4
<b>JAPAN</b>	4.6	9.5	107.9	58.8	93.1	58.5
<b>TURKEY</b>	7.1	10.1	42.9	47.9	83.4	74.3
<b>ITALY</b>	5.7	5.4	-5.4	64.5	67.1	4.0
<b>VIETNAM SOC REP</b>	4.8	5.1	6.1	38.4	64.3	67.5
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>GERMANY</b>	24.1	20.8	-13.8	253.0	247.1	-2.3
<b>U K</b>	21.8	17.1	-21.8	248.3	204.2	-17.7
<b>FRANCE</b>	20.7	17.7	-14.6	207.9	194.7	-6.4
<b>UAE</b>	17.7	20.7	16.6	215.5	189.4	-12.1
<b>SAUDI ARAB</b>	10.7	6.9	-36.1	102.5	89.6	-12.6
<b>NIGERIA</b>	4.8	6.2	29.6	86.7	66.2	-23.7
<b>NEPAL</b>	7.4	8.2	11.2	67.1	59.1	-12.0
<b>OMAN</b>	5.2	5.0	-5.0	73.4	58.4	-20.5

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-March 2015-16 importing 13.8 percent from India's global export of the product group.
- ❖ Germany retains its second position during April-March 2015-16 importing 6.5 percent.
- ❖ Exports to UK and France witnessed decline during April-March 2015-16 over the same period last fiscal despite being the third and fourth largest export destination for 'Electrical Machineries importing 5.3 and 5.1 percent respectively.

**Table 15: Export of Aircrafts & Spacecrafts**  
US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>315.09</b>	<b>163.12</b>	<b>-48.23</b>	<b>6159.18</b>	<b>3731.84</b>	<b>-39.41</b>
<b>GERMANY</b>	9.1	11.1	21.0	87.6	196.8	124.8
<b>CZECH REPUBLIC</b>	0.0	0.8	5402.1	31.5	153.5	387.3
<b>RUSSIA</b>	3.6	17.9	398.8	98.1	106.5	8.6
<b>ISRAEL</b>	3.6	4.7	29.5	40.1	59.3	48.1
<b>CANADA</b>	1.3	2.4	75.8	11.2	17.7	58.4
<b>ITALY</b>	0.7	0.8	22.2	8.7	12.1	39.7
<b>AFGHANISTAN TIS</b>	0	0		0.0	10.9	2630989.3
<b>AUSTRIA</b>	0.6	0.6	7.5	4.2	7.9	89.6
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SRI LANKA</b>	0.0	0.2	694.5	1745.2	1308.4	-25.0
<b>UAE</b>	111.5	0.4	-99.7	1068.9	724.4	-32.2
<b>U S A</b>	46.8	51.4	9.8	538.3	511.2	-5.0
<b>U K</b>	25.1	18.1	-28.0	350.3	171.4	-51.1
<b>FRANCE</b>	13.7	24.5	78.7	170.0	153.8	-9.5
<b>SINGAPORE</b>	8.3	14.3	71.9	331.9	93.1	-71.9
<b>NETHERLAND</b>	2.1	2.3	9.3	48.8	35.9	-26.4
<b>IRELAND</b>	0.1	0.0	-65.0	337.3	35.2	-89.6

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, Sri Lanka once again retains its top rank in importing 35.13 percent of India's total exports of Aircrafts and Parts during

April-March 2015-16. UAE ranks second importing 19.4 percent of India's global exports of Aircrafts during the same period.

- ❖ USA holds the third position importing 13.7 percent of India's Aircrafts & parts during April-March 2015-16.

**Table 16: Export of Ships, Boats and Floating Structures and parts**

US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014--15	Apr_Mar 2015--16	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>253.1</b>	<b>296.2</b>	<b>17.01</b>	<b>5352.6</b>	<b>3104.1</b>	<b>-42.01</b>
<b>JAPAN</b>	0.0	0.0		34.3	338.2	887.05
<b>NORWAY</b>	0.0	0.0		25.9	328.3	1165.59
<b>BAHARAIN IS</b>	0.0	0.0		0.0	122.6	746280.48
<b>INDONESIA</b>	0.0	68.6		53.4	84.2	57.62
<b>NETHERLAND</b>	0.1	17.1	11755.99	2.7	60.4	2115.55
<b>UNSPECIFIED</b>	0.0	1.0		10.5	10.6	0.37
<b>MALDIVES</b>	0.0	0.0		0.0	1.3	75052.44
<b>EGYPT A RP</b>	0.0	0.0		0.5	1.0	118.73
<b>HEAVY DECLINE COUNTRIES</b>						
<b>UAE</b>	39.4	152.3	286.56	1181.4	782.3	-33.78
<b>SINGAPORE</b>	20.1	25.2	25.17	871.9	702.7	-19.41
<b>MALAYSIA</b>	78.1	0.0	-100.00	935.1	190.6	-79.62
<b>SRI LANKA</b>	0.0	31.2		827.1	175.4	-78.79
<b>SOUTH AFRICA</b>	0.0	0.0		657.3	147.1	-77.63
<b>QATAR</b>	0.0	0.0		44.2	24.1	-45.50
<b>ISRAEL</b>	0.0	0.0		15.4	11.3	-26.51
<b>FRANCE</b>	115.0	0.0	-100.00	115.5	7.3	-93.65

*(Source: Department of Commerce and CSO)*

- ❖ UAE, Singapore, Japan and Norway are India's top export destinations in Ships, Boats and Floating Structures and parts during April-March 2015 sharing almost 69.3 percent of total export of this product group.
- ❖ UAE being one of the top four importers of this group importing 25.2 percent in India's global exports registered a positive monthly growth of 286 percent in March 2016 but negative cumulative growth of 33.78 percent.



**Table 17: Export of Auto Components**

US\$ Million

Export partners	Mar_15	Mar_16	Growth %	Apr-Mar 2014-15	Apr_Mar 2015-16	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	376.94	387.13	2.70	4438.56	4213.17	-5.08
<b>MEXICO</b>	15.01	16.24	8.23	120.34	167.98	39.58
<b>BANGLADESH</b>	7.77	17.99	131.60	140.93	146.39	3.88
<b>U ARAB EMTS</b>	12.49	10.41	-16.67	129.33	139.03	7.50
<b>JAPAN</b>	8.30	9.96	19.99	114.08	126.96	11.28
<b>NEPAL</b>	12.19	22.16	81.80	93.37	119.45	27.93
<b>SRI LANKA</b>	6.87	7.28	5.85	54.69	69.73	27.49
<b>FRANCE</b>	5.03	6.13	21.94	62.41	62.68	0.44
<b>SPAIN</b>	3.05	6.07	99.30	40.07	50.98	27.25
<b>HEAVY DECLINE COUNTRIES</b>						
<b>U S A</b>	87.83	71.85	-18.20	953.41	879.83	-7.72
<b>TURKEY</b>	32.06	36.10	12.61	418.79	390.89	-6.66
<b>THAILAND</b>	10.78	16.24	50.62	216.87	197.24	-9.05
<b>GERMANY</b>	14.58	18.43	26.38	194.62	187.77	-3.52
<b>U K</b>	15.77	13.75	-12.80	209.10	181.06	-13.41
<b>BRAZIL</b>	17.60	11.93	-32.21	205.21	162.53	-20.80
<b>INDONESIA</b>	14.39	12.83	-10.88	184.39	132.58	-28.10
<b>ITALY</b>	12.42	12.27	-1.19	151.49	132.06	-12.82

*(Source: Department of Commerce and CSO)*

- ❖ USA retains its top most import ranking from India covering around 21 percent share in India's global exports of Auto Components/parts, witnessing a negative growth in March 2016 as well as during April-March 2015-16.
- ❖ Mexico ranking sixth in India's global exports of Auto Components/parts recorded a significant 40 percent year-on-year growth during April-March 2015-16.

Turkey and Thailand holds the second and third position importing 9.3 percent and 4.7 percent respectively of Indian auto component/parts, during April-March 2015-16.

## Conclusion

Merchandise exports from India conceded year-on-year drop for the sixteenth straight month in March to US\$22.72 billion, while imports fell to \$27.79 billion during the month. India's trade deficit narrowed to over a five-year low of \$5.07 billion in March, with imports declining sharply by 21.6 per cent year-on-year as against a decline of 5.5 per cent of exports. Imports of oil and gold — the two highest constituents of India's

import bill — registered a sharp decline in March, falling by 35.30 per cent and 80.5 per cent, respectively.

On exports front, the engineering goods recorded a sharp dip in exports by 11.22% to US\$ 5.2 billion. However, as mentioned earlier, the pace of decline in engineering exports decelerated both in February and March compared to the previous months of December and January.

The fall in engineering exports in March 2016 is mainly driven by Non ferrous sectors like Zinc, Nickel, Copper and Aluminium products, Aircraft and Space craft, Iron & Steel. Cumulatively Ships Boats and Floating Structures is the worst performer after Nickel products during April-March of the current fiscal while Aircrafts & Spacecrafts, Iron and Steel are the other sectors that has witnessed worst decline in exports during the said time period.

Among the top 25 importers of India's engineering exports during the April-March 2015-16, only three recorded growth in imports from India. For the rest 22 countries, India saw lower overseas shipment.

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