

ENGINEERING EXPORT MONITOR

June 2016



Analysis of Indian engineering exports during June 2016: July 18, 2016

Trend in overall trade

India's merchandise exports bounced back in June 2016 with 1.27 percent growth after 18-months of consecutive declines. Merchandise exports rose to USD22.57 billion during the reporting month from USD22.29 billion in the same month last year. However, no reversal in declining trend was observed in the cumulative figure that declined by 2.07 percent in Dollar terms to USD 65.31 billion during April - Jun 2016-17 as against US\$ 66.69 billion during the same period last year.

Merchandise imports however continued to decline at 7.33 percent to USD 30.69 billion in June 2016 from USD 33.12 billion during the same month last year. Cumulative value of imports for the period April-June 2016-17 declined by a even higher 14.53 percent to USD 84.55billion as against US\$ 98.92billion during the same period last year.

The trade deficit narrowed down 25.0 percent to USD 8.12 billion in June 2016 from USD 10.83 billion in June 2015. Cumulative trade deficit also declined to USD 19.23 billion for April-June, 2016-17 as against USD 32.23billion during the same period last fiscal.

Engineering exports

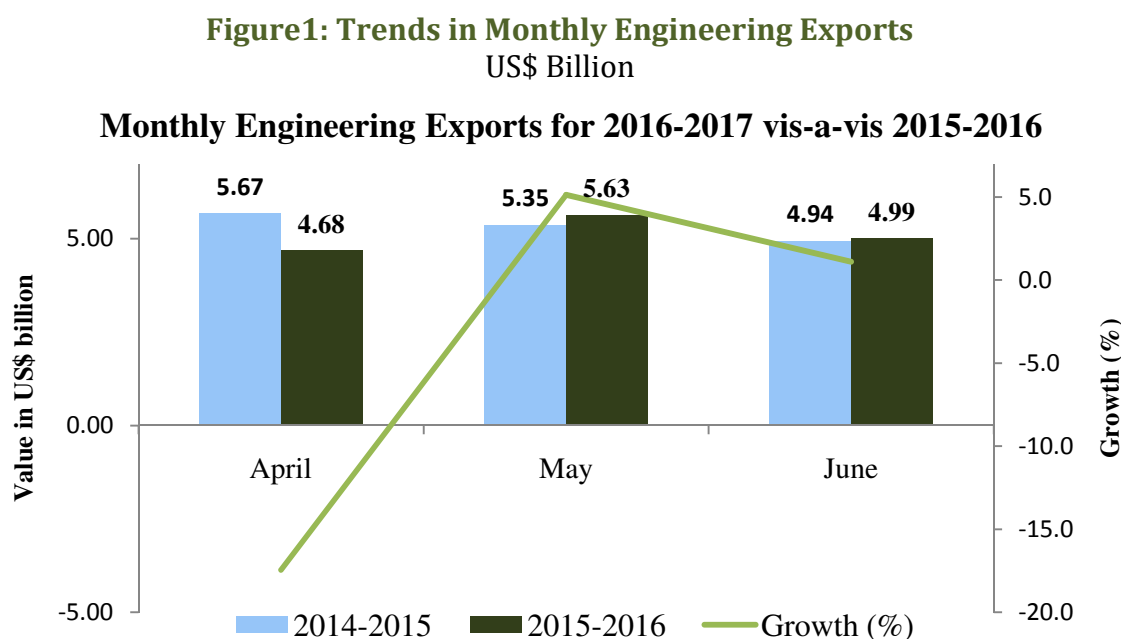
Indian engineering exports achieved year-on-year growth for the second consecutive month to June 2016 but this time the growth is mere 1.12 percent as against 5.14 percent in the previous month. The share of engineering exports with respect to total merchandise exports was largely unchanged at 22.12 percent in June 2016 as against 22.16 percent during June 2015. Cumulative engineering exports continued to decline as engineering exports for the first three months of the current fiscal dropped by 4.15 percent to USD 15.30 billion from USD 15.97 billion during Apr - Jun 2015-16. The monthly engineering figures for the first three months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

Table1: Engineering Exports
(US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5675.05	4681.87	-17.5
May	5353.44	5628.65	5.14
June	4938.73	4993.90	1.12

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports for 2015-16 and 2016-17



(Source: EEPC India analysis)

The share of engineering production in overall manufacturing output is quite significant as engineering sector is an important segment of the broader Manufacturing sector. 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 has been arrested in May 2016 after 8 months and growth continued in June 2016. During fiscal 2015-16, November was the first month in to concede 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. However, in March 2016, manufacturing output again declined while rate of decline in exports was largely flat over the month. April 2016 saw a higher decline in engineering exports accompanied by a bigger fall in manufacturing production but in May 2016, both engineering exports and manufacturing bounced back to year-on-year growth. Overall IIP Index, the standard measure for industrial output, stood at 181.6 in May 2016 as against a downwardly revised 175.5 in April and 198.7 in March 2016.

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)

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
March 2016	-11.21	-1.0
April-March 2015-16	-16.93	2.0
April 2016	-17.5	-3.7
May 2016	5.14	0.7
June 2016	1.12	N A

(Source: Department of Commerce and CSO)

An analysis of the engineering export and manufacturing growth data for the last 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. 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 when engineering exports declined to its highest pace of the last fiscal and 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 decline in engineering export slowed down significantly and manufacturing bounced back to growth. In the last month of fiscal 2015-16, decline in manufacturing was largely the same over the month but manufacturing growth again went back to negative. During April 2016, fall in engineering exports accelerated while decline in manufacturing was also higher over Mar 2016. Finally in May 2016, both engineering export and manufacturing production came back to growth path.

We also present the month wise corresponding **revised** engineering exports for 2015-16 as opposed to 2014-15.

Table 4: Revised Engineering Exports (2014-15)
USD Million

Quarter	Month	2014-15	2015-2016	Growth Rate in Percent
Quarter 1	April	5708.04	5675.05*	-0.58*
	May	6013.33	5353.44*	-10.97*
	June	5205.21	4938.73	-5.12*
Quarter 2	July	5499.76	5578.87	1.44
	August	6380.66	4659.26	-26.98
	September	6329.07	4704.5	-25.67
Quarter 3	October	5007.85	4486.18	-10.42
	November	6403.45	4342.94	-32.18
	December	6710.57	4689.19	-30.12
Quarter 4	January	6707.02	4757.43	-29.07
	February	4975.32	4419.95	-11.16
	March	5829.71	5175.65	-11.22
	Total Exports	70769.99	58781.19*	-16.94*

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

Impact of Exchange Rate

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

Table 5: Average Exchange Rate

June	Average Exchange Rate 1 USD to INR
2015	63.86
2016	67.30

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during June 2016 has depreciated by 5.4 percent to that of the same month last year.

We begin by looking at the Engineering Panel wise exports for the month of June 2016 vis-a-vis June 2015. The data is given in Table 6 below:

**Table 6: Trends in Engineering panel Exports for June 2016 and April- June 2016-17
US\$ Million**

Sl no.	Panel	June 2015	June, 2016	Growth percent	April, 2015 - June 2016	April, 2016- June 2017	Growth percent
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	486.5	567.1	16.6	1554.5	1401.4	-9.9
B	Products of Iron and Steel	486.6	490.1	0.7	1635.0	1380.2	-15.6
Sub Total		973.1	1057.2	8.6	3189.5	2781.6	-12.8
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	244.7	189.3	-22.6	761.9	498.3	-34.6
B	Aluminium and products	263.1	231.0	-12.2	696.8	561.7	-19.4
C	Zinc and products	35.4	12.7	-64.1	148.5	42.3	-71.5
D	Nickel and products	45.9	11.4	-75.2	103.0	30.2	-70.7
E	Lead and products	17.2	9.3	-46.0	40.1	27.4	-31.7
F	Tin and products	0.4	0.7	100.0	4.7	1.6	-67.0
G	Other Non Ferrous Metals	34.9	36.8	5.3	112.6	107.5	-4.5
Sub Total		641.6	491.2	-23.4	1867.7	1268.9	-32.1
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	40.7	43.7	7.4	142.4	169.8	19.2
B	IC Engines and Parts	165.3	181.9	10.0	490.2	592.1	20.8
C	Pumps of all types	67.2	57.4	-14.7	199.3	167.9	-15.8
D	Air condition and Refrigerators	93.2	86.1	-7.6	269.3	252.5	-6.2
E	Industrial Machinery for dairy, food processing, textiles etc	364.9	381.2	4.5	1137.1	1080.9	-4.9
F	Machine Tools	28.6	30.0	4.6	95.8	104.6	9.2
G	Machinery for Injecting moulding, valves and ATMs	99.5	99.8	0.2	315.3	299.1	-5.1
Sub Total		859.6	879.9	2.4	2649.4	2666.8	0.7
4	Electrical Machinery	293.3	370.2	26.2	927.9	1062.0	14.5
5. Auto and Auto Components							
A	Motor Vehicle/cars	470.8	519.9	10.4	1469.7	1592.1	8.3
B	Two and Three Wheelers	164.6	131.6	-20.0	444.1	401.6	-9.6
C	Auto Components/Part	344.2	345.8	0.5	1056.3	1016.0	-3.8
Sub Total		979.5	997.2	1.8	2970.2	3009.6	1.3
6	Aircrafts and Spacecraft parts and products	229.4	417.9	82.2	1438.4	953.2	-33.7
7	Ships Boats and Floating products and parts	416.8	275.9	-33.8	1420.7	2012.3	41.6
8. Miscellaneous Items							
A	Medical and Scientific instruments	99.1	108.7	9.6	286.1	314.8	10.0

Sl no.	Panel	June 2015	June, 2016	Growth percent	April, 2015 - June 2016	April, 2016- June 2017	Growth percent
B	Railway Transport	4.9	5.8	18.9	25.2	33.9	34.2
C	Hand Tools & Cutting Tools	52.1	53.0	1.8	162.9	173.0	6.2
D	Electrodes Accumulators	3.2	3.7	17.1	9.9	11.2	13.1
E	Accumulator and Batteries	15.5	20.4	31.4	45.8	52.7	14.9
F	Bicycle & Parts	25.4	25.0	-1.5	73.7	73.3	-0.6
G	Cranes Lifts & Winches	25.4	38.0	49.7	98.3	112.7	14.7
H	Office Equipments	11.4	9.2	-19.0	24.6	25.5	3.9
I	Other Construction Machinery	95.1	74.1	-22.0	290.1	265.9	-8.4
J	Prime Mica & Mica Products	1.6	1.7	12.3	4.7	4.9	5.1
K	OTHER MISC. ITEMS	211.9	164.6	-22.3	482.1	482.4	0.1
Sub Total							
		545.4	504.3	-7.5	1503.4	1550.1	3.1
Grand Total							
		4938.7	4993.9	1.1	15967.2	15304.4	-4.2

(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 positive growth and remaining 13 panels fared negative growth in the month of June 2016.
- ❖ Iron and steel exports have increased by more than 16 percent in June 2016 vis-à-vis June 2015. Products of Iron and Steel have also increased by 0.7 percent in June 2016 vis-à-vis June 2015. However the cumulative exports of both have dropped with fall in products of iron and steel being more than the fall in exports of iron and steel in April -June 2016-17 vis-à-vis April-June 2015-16.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 5 registered negative growth in June 2016. There has been a drastic fall in the exports of Nickel and Zinc and products thereof falling by more than 75 percent and 64 percent respectively during June 2016 over June 2015.
- ❖ Electrical Machinery and equipments panel generated positive growth both in June 2016 as well as in cumulative growth during April-June 2016-17.
- ❖ The exports scenario of aircrafts and ships has got reversed in June 2016. Unlike the month of May, Aircraft and Spacecraft have registered a growth in June 2016 of more than 82 percent to that of June 2015. On the contrary,

Ship, boats and floating bodies dropped in exports by more than 33 percent in June 2016 vis-à-vis June 2015.

- ❖ In the Industrial Machinery panel, IC Engines and parts registered highest export growth of 10 percent during June 2016 against June 2015. Other top two sectors which showed positive growth includes Industrial Machinery like Boilers, parts, etc, and Machine tools in the month of June 2016 over that of 2015. In the Industrial Machinery panel, 2 out of 7 panels witnessed negative growth in the month of June 2016 vis-à-vis same period last fiscal.
- ❖ Other panels like Motor vehicles/cars , Medical & scientific equipments, Railway and Transport equipments, Electrodes, Accumulator and Batteries, Cranes, lifts and winches, and Prime mica and products registered positive growth among the panels in June 2016 vis-à-vis June 2015.

☑ Top 25 destinations for Indian Engineering Exports in Absolute Value (even though the growth rate June be negative)

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during June 2016 over June 2015 in Absolute Value, even though the growth rate in June is negative. Country wise cumulative figures for April-June 2016-2017 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 (2016-2017)
US\$ Million

COUNTRY	June 2015	June, 2016	Growth percent	April, 2015 - June 2016	April, 2016-June 2017	Growth percent
USA	568.1	542.4	-4.5	1768.6	1539.0	-13.0
UAE	283.5	449.2	58.5	1160.2	1458.3	25.7
SINGAPORE	275.5	198.9	-27.8	689.1	874.0	26.8
UK	197.1	193.1	-2.0	568.0	565.1	-0.5
MEXICO	115.4	189.6	64.3	435.3	551.6	26.7
NEPAL	137.0	168.6	23.1	364.2	508.2	39.5
GERMANY	154.4	166.0	7.6	505.9	505.3	-0.1
MALAYSIA	185.3	59.8	-67.7	550.0	466.6	-15.2
BANGLADESH	104.9	143.7	37.0	329.3	450.5	36.8
SRI LANKA	251.9	86.5	-65.7	1068.3	438.7	-58.9
TURKEY	89.3	212.1	137.6	290.4	430.3	48.2
INDONESIA	63.2	124.2	96.4	193.8	428.2	121.0
ITALY	118.7	133.9	12.8	356.4	386.8	8.5

COUNTRY	June 2015	June, 2016	Growth percent	April, 2015 - June 2016	April, 2016-June 2017	Growth percent
FRANCE	139.9	104.5	-25.4	286.1	295.6	3.3
SAUDI ARAB	102.6	99.0	-3.4	327.2	293.3	-10.4
CHINA	153.5	94.4	-38.5	578.3	281.2	-51.4
KOREA RP	101.3	98.9	-2.3	288.4	263.6	-8.6
BELGIUM	51.7	97.6	88.5	165.8	218.6	31.8
SOUTH AFRICA	246.1	78.3	-68.2	459.3	215.4	-53.1
NETHERLAND	57.5	68.7	19.4	184.4	209.6	13.6
CZECH REPUBLIC	8.2	140.6	1607.2	157.5	209.5	33.0
RUSSIA	28.3	53.8	90.4	74.7	208.2	178.7
SPAIN	43.8	70.1	60.0	159.6	191.2	19.8
THAILAND	73.9	59.9	-18.9	235.1	174.4	-25.8
JAPAN	49.1	62.0	26.5	158.9	170.7	7.4
Total of top 25	3600.2	3695.9	2.7	11355.0	11333.7	-0.2
Share of top 25	72.9	74.0		71.1	74.1	72.9

Note: Red font indicates negative monthly and cumulative growth

There is a country named as "unspecified" which imported US \$ 155.72 million worth of engineering goods from India during April-June 2016-17 which has not been incorporated among the top 25.

(Source: Department of Commerce, Government of India)

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

- ❖ During the month of June 2016, 14 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 11 conceded decline over the same month last year.
- ❖ Czech Republic was the nation to see highest growth in engineering imports from India during the June 2016 followed by Turkey. Both the countries also recorded positive cumulative growth for April 2016-June 2017 over the same period last fiscal.
- ❖ USA ranked to be the top exporting destination for India's engineering products, even though recording negative growth both in June 2016 as well as in during April 2016-June 2017.
- ❖ Among the European nations Germany, Italy, Belgium, Netherlands and Spain, achieved growth in engineering imports from India during June 2016 while UK and France conceded decline in the same. Belgium registered the highest growth in June 2016 at 88.5 percent over June 2015 as well as cumulative basis during Apr-June 2016-17 at 31.8 percent over Apr-June 2015-16.

- ❖ Among the ASEAN countries Indonesia once again recorded the highest growth in engineering imports from India both in June 2016 as well as in during April 2016-June 2017. Like the previous month, Singapore ranked as the top importer of engineering goods from India among the ASEAN nations during June 2016 over June 2015.
- ❖ Out of 212 exports destinations of Indian engineering goods, top 25 nations accounted for more than 74 percent of India's total engineering exports during April-June 2016-17.
- ❖ Overall, India's engineering exports to its top 25 destinations recorded a hike of 2.7 percent in June 2016 over June 2015. However there is a dip in growth on cumulative basis. The increase in exports to top 25 countries is higher (2.7 percent) than the increase in total engineering exports (1.1 percent) during June 2016 over June 2015.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-June 2016-17 as opposed to April-June 2015-16. We also look at the trend in June 2016 vis-à-vis June 2015. The Table below gives this picture:

Table 8: Region Wise Exports Trend
US\$ Million

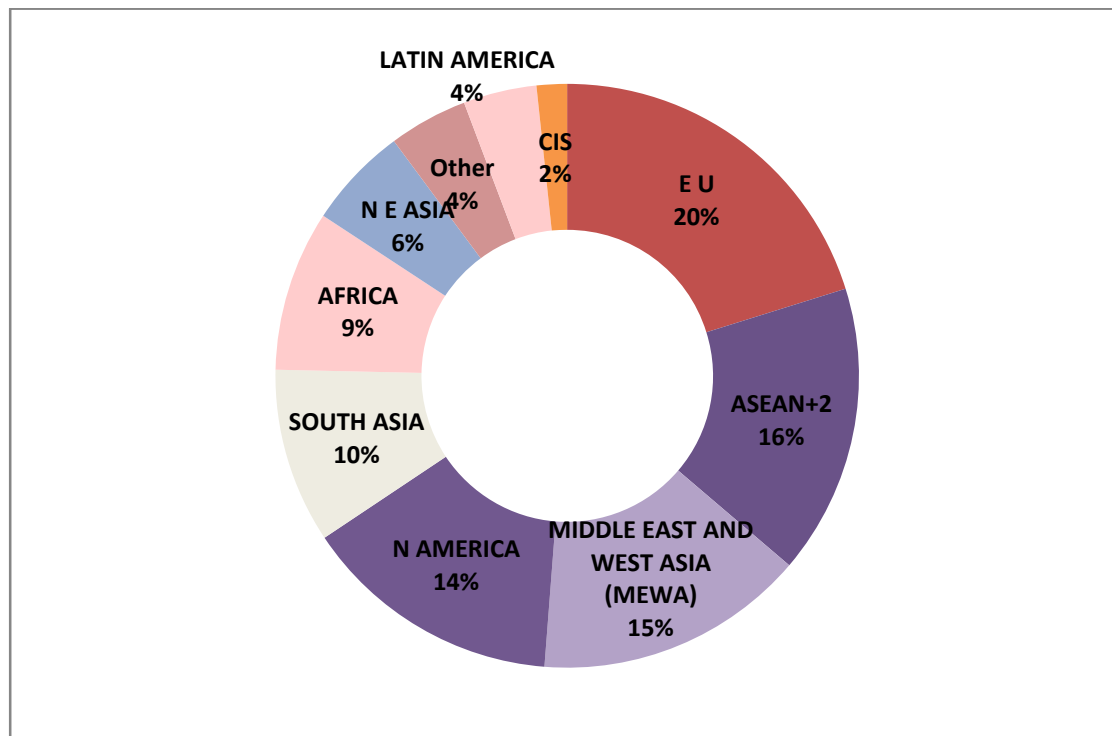
Region	June, 2015	June, 2016	Growth %	April -June 2015-2016	April-June 2016-2017	Growth %
E U	913.5	1109.6	21.5	2760.9	3087.4	11.8
ASEAN+2	756.6	616.0	-18.6	2125.9	2459.7	15.7
MIDDLE EAST AND WEST ASIA (MEWA)	585.4	756.4	29.2	2260.4	2297.2	1.6
N AMERICA	719.8	773.1	7.4	2310.9	2201.7	-4.7
SOUTH ASIA	525.7	414.6	-21.1	1866.6	1481.7	-20.6
AFRICA	695.5	491.7	-29.3	1878.3	1364.6	-27.3
N E ASIA	371.9	323.0	-13.2	1220.8	862.0	-29.4
Other	118.3	241.4	104.1	713.8	669.8	-6.2
LATIN AMERICA	216.9	199.8	-7.9	724.2	622.2	-14.1
CIS	35.3	68.4	93.9	105.3	257.5	144.6
Total	4938.7	4993.9	1.1	15967.2	15303.9	-4.2

(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.

There is a country named as “unspecified” which imported US \$ 155.69 million worth of engineering goods from India during April-June 2016-17 which has been grouped under Other category of regions.

Figure 2: India’s region wise exports during April-June2016 -17



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India at 22.2 % during the June 2016 with a growth of 21.5% over the same period previous fiscal.
- ❖ ASEAN+2 ranks second registering high positive growth both during the cumulative period of April- June2016-17 over the previous fiscal and during June 2016.
- ❖ MEWA ranks third but registered a negative growth of more than 18 percent during the June 2016 over June 2015.
- ❖ North America drops down to fourth position registering positive monthly growth but negative cumulative growth for period of April- June2016-17 over the previous fiscal.

- ❖ Like the previous month exports to CIS nations saw significant increase both on a monthly basis at 93.9percent and cumulatively at 144.6percent.

We now analyze the performance of some of the important products during June 2016. We pick the major panels and seek the heavy growth and heavy declines in these panels in June 2016 to give an idea about the trend that is about to emerge.

Table 9: Export of Iron & Steel
US\$ Million

Export partners	Jun_15	Jun_16	Growth %	Apr-Jun 2015—16	Apr_Jun 2016--17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	486.51	567.11	16.57	1,554.49	1,401.35	-9.85
NEPAL	43.43	32.31	-25.62	119.91	123.05	2.62
BELGIUM	23.72	59.87	152.45	66.44	108.85	63.83
BANGLADESH	7.12	22.83	220.82	63.20	95.19	50.62
UAE	29.26	47.76	63.24	85.91	90.71	5.59
TURKEY	11.15	36.07	223.45	33.85	51.61	52.48
TAIWAN	20.56	24.42	18.76	40.73	45.93	12.77
INDONESIA	12.18	14.48	18.92	36.88	42.72	15.84
SPAIN	11.07	21.85	97.43	30.88	41.71	35.10
HEAVY CUMULATIVE DECLINE COUNTRIES						
ITALY	47.05	43.78	-6.95	118.94	102.79	-13.58
U S A	29.53	34.09	15.44	131.57	72.19	-45.13
KOREA RP	20.58	13.26	-35.57	59.12	40.17	-32.05
ETHIOPIA	17.22	10.40	-39.58	32.84	32.79	-0.14
SRI LANKA DSR	9.10	6.54	-28.19	29.98	27.69	-7.63
CHINA P RP	12.52	14.72	17.56	35.46	26.62	-24.95
NETHERLAND	14.18	9.84	-30.61	43.15	26.29	-39.08
JAPAN	12.56	8.80	-29.96	37.16	25.46	-31.49

(Source: Department of Commerce, Government of India)

- ❖ Nepal tops the list as importer of India's Iron and Steel during June 2016 importing 8.8 percent share followed by Belgium and Italy importing 7.7 percent and 7.3 percent respectively during April-June 2016-2017.

- ❖ Bangladesh this time pushed down to fourth place. USA recorded a fall in growth by 45.1 percent year-on-year during the first three months of the current fiscal.

Table 10: Export of Products of Iron & Steel

US\$ Million

Export partners	Jun_15	Jun_16	Growth %	Apr-Jun 2015-16	Apr_Jun 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	486.60	490.09	0.72	1635.01	1380.15	-15.59
SAUDI ARABIA	25.61	35.51	38.66	79.41	101.32	27.60
ITALY	14.04	15.07	7.37	40.29	43.85	8.86
NETHERLAND	12.89	12.22	-5.18	36.76	38.53	4.81
CANADA	11.47	15.15	32.17	34.84	37.52	7.71
KUWAIT	2.89	10.52	263.58	7.09	33.46	371.58
OMAN	4.18	17.89	327.96	13.44	28.07	108.85
FRANCE	9.42	9.40	-0.28	27.43	27.94	1.84
BELGIUM	7.53	7.59	0.85	21.02	22.55	7.31
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	111.62	87.03	-22.03	325.48	252.98	-22.27
UAE	34.86	67.89	94.73	152.93	152.49	-0.29
GERMANY	28.31	28.55	0.84	87.75	85.07	-3.05
U K	24.91	20.64	-17.14	72.06	60.93	-15.43
SPAIN	8.94	7.11	-20.48	24.90	20.10	-19.26
AUSTRALIA	9.61	6.11	-36.49	27.45	17.68	-35.60
QATAR	5.11	5.82	13.89	16.87	16.59	-1.68
SOUTH AFRICA	4.41	4.88	10.61	17.38	15.71	-9.56

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 18.3 percent of India's total export of Products of Iron and Steel during April-Jun 2016-17 but conceded decline in imports over the same period last fiscal.
- ❖ UAE and Saudi Arabia ranked second and third importing 11 percent and 7.3 percent of India's total export of Products of Iron and Steel respectively during the same period. While Saudi Arabia recorded growth in imports from India, UAE conceded decline in imports.

Table 11: Export of Industrial Machinery

US\$ Million

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016-- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	859.56	879.93	2.37	2649.45	2666.80	0.65
GERMANY	42.19	39.03	-7.48	119.31	122.38	2.57
RUSSIA	10.58	14.93	41.08	19.83	117.55	492.93
TURKEY	29.06	41.66	43.35	93.07	117.28	26.01
BANGLADESH	26.21	36.40	38.85	80.84	111.94	38.48
NEPAL	19.69	23.57	19.66	52.50	68.78	30.99
ITALY	21.20	21.28	0.37	60.20	68.13	13.19
FRANCE	12.41	15.89	28.03	41.95	55.14	31.45
MALAYSIA	15.22	17.44	14.61	45.86	53.22	16.06
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	126.96	132.53	4.39	458.80	370.21	-19.31
UAE	38.52	36.47	-5.31	124.40	113.25	-8.97
U K	57.40	36.79	-35.91	142.62	103.12	-27.70
CHINA	26.81	31.60	17.86	90.82	85.52	-5.83
SAUDI ARAB	28.45	16.50	-42.00	89.24	66.86	-25.08
BRAZIL	13.60	12.27	-9.77	55.26	53.38	-3.39
SINGAPORE	19.64	12.74	-35.11	53.90	52.49	-2.61
INDONESIA	15.24	13.97	-8.38	51.36	50.14	-2.38

(Source: Department of Commerce, Government of India)

- ❖ USA once again tops the chart importing 13.9 percent of India's total exports for Industrial Machinery during April-June 2016-17.
- ❖ Germany and Russia holds the second and third position respectively importing 4.6 percent and 4.4 percent respectively of India's total exports for Industrial Machinery during April-June 2016-17.

Table 12: Export of Automobiles
US\$ Million

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016-- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	470.81	519.89	10.42	1469.74	1592.07	8.32
MEXICO	42.42	102.16	140.86	153.43	341.13	122.33
U K	9.40	30.60	225.63	63.15	98.11	55.35
ITALY	5.18	20.07	287.22	36.80	74.37	102.12
NEPAL	12.47	29.64	137.76	32.48	70.15	115.95
VIETNAM	1.33	16.48	1142.75	18.40	48.01	161.01
NETHERLAND	0.39	12.71	3199.00	13.92	45.84	229.26
GERMANY	2.07	8.08	289.78	9.22	44.33	380.75
SPAIN	0.43	11.34	2512.69	31.06	40.92	31.75
HEAVY CUMULATIVE DECLINE COUNTRIES						
SOUTH AFRICA	54.50	40.23	-26.19	175.88	105.28	-40.14
SRI LANKA	57.82	21.84	-62.22	154.98	53.18	-65.68
BANGLADESH	26.15	19.80	-24.30	55.22	42.29	-23.40
EGYPT	10.80	10.04	-7.09	42.38	29.01	-31.53
UAE	34.40	6.35	-81.55	66.49	26.88	-59.57
PHILIPPINES	10.02	5.11	-48.97	27.56	21.94	-20.40
AUSTRALIA	9.76	5.42	-44.44	23.67	17.32	-26.83
NIGERIA	12.54	8.41	-32.94	35.62	15.43	-56.69

(Source: Department of Commerce, Government of India)
(Note: Automobiles sector includes Motor vehicles)

- ❖ In case of Automobiles Mexico assumes the top position importing 21.4 percent of India's total exports of Automobiles during April-June 2016-17.
- ❖ South Africa and UK holds the 2nd and 3rd position respectively importing 6.6 percent and 6.2 percent of India's total exports of Automobiles during the same period.

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

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016-- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	641.58	491.23	-23.43	1867.69	1268.89	-32.06
UAE	40.2	51.6	28.4	111.2	150.7	35.5
SINGAPORE	58.5	67.2	15.0	103.2	135.9	31.8
U K	13.5	15.1	12.0	43.1	43.4	0.8
BANGLADESH	4.3	6.8	59.3	15.7	27.2	72.9
GERMANY	8.2	9.2	11.3	23.3	24.1	3.4
OMAN	1.4	9.3	583.9	14.9	19.4	30.4
NETHERLAND	3.5	4.6	31.5	11.1	13.9	24.7
ITALY	2.6	4.1	54.8	9.0	10.8	19.8
HEAVY CUMULATIVE DECLINE COUNTRIES						
KOREA RP	61.30	63.10	2.94	161.50	159.10	-1.49
U S A	49.3	41.5	-15.9	138.4	117.8	-14.9
CHINA P RP	85.1	14.9	-82.5	358.2	80.2	-77.6
MEXICO	12.7	32.9	158.6	88.5	48.7	-45.0
MALAYSIA	120.6	11.2	-90.7	229.1	38.2	-83.3
SAUDI ARAB	11.4	16.0	39.6	42.7	35.4	-17.0
TAIWAN	28.1	20.6	-26.9	80.4	35.2	-56.2
NEPAL	15.7	8.1	-48.4	41.0	25.0	-39.2

(Source: Department of Commerce and CSO)

- ❖ South Korea is the topmost importer for Non ferrous Metals importing 12.5 percent of India's total export of Non Ferrous Metals during April-June 2016-17.
- ❖ UAE and Singapore imports 11.9 percent and 10.7 percent respectively during April-June 2016-17.

Table 14: Export of Electrical Machinery and Components
US\$ Million

Export partners	June_15	June_16	Growth %	Apr-June 2015—16	Apr_ June 2016--17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	293.34	370.23	26.21	927.88	1061.96	14.45
U S A	46.33	55.65	20.10	141.47	143.43	1.38
U K	19.33	23.77	22.99	53.01	63.61	20.00
UAE	15.26	16.43	7.71	46.98	47.97	2.11
BANGLADESH	4.75	8.69	82.99	11.09	43.34	290.92
MALAYSIA	3.15	12.41	293.30	12.01	39.23	226.74
TURKEY	3.24	19.37	498.43	9.08	38.53	324.54
SINGAPORE	6.69	17.76	165.25	19.11	30.05	57.28
PHILIPPINES	2.02	5.29	162.16	9.86	23.45	137.79
HEAVY CUMULATIVE DECLINE COUNTRIES						
GERMANY	20.98	20.79	-0.91	61.84	57.25	-7.42
FRANCE	15.49	13.10	-15.43	45.92	40.72	-11.34
NEPAL	6.76	10.28	52.04	24.34	23.99	-1.45
ITALY	5.66	7.88	39.13	20.71	17.25	-16.70
SAUDI ARAB	7.50	3.66	-51.24	24.37	15.11	-37.97
JAPAN	5.69	4.04	-28.97	15.48	13.56	-12.40
VIETNAM SOC REP	4.96	4.00	-19.21	18.18	13.00	-28.49
GERMANY	20.98	20.79	-0.91	61.84	57.25	-7.42

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-June 2016-17 importing 13.5 percent from India's global export of the product group.
- ❖ UK and Germany retains their previous positions during April-June 2016-17 importing 6 and 5.4 percent respectively.

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

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016-- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	229.42	417.94	82.18	1438.36	952.68	-33.77
CZECH REPUBLIC	0.01	127.90	1042552.80	130.04	171.08	31.56
U S A	38.72	45.26	16.90	90.70	133.61	47.31
FRANCE	9.27	28.38	206.22	22.92	76.49	233.78
TURKEY	0.07	65.23	96311.29	0.31	74.13	23604.50
SINGAPORE	2.00	11.96	499.31	7.44	48.40	550.26
RUSSIA	3.14	21.27	576.41	14.92	42.80	186.95
ISRAEL	6.01	3.97	-33.92	7.85	18.78	139.35
MAURITIUS	0.03	15.79	59955.98	0.05	15.99	29904.19
HEAVY CUMULATIVE DECLINE COUNTRIES						
SRI LANKA	93.16	0.41	-99.56	704.22	77.54	-88.99
UAE	0.62	38.41	6132.70	272.11	49.77	-81.71
U K	25.03	14.52	-41.98	47.45	42.81	-9.78
GERMANY	7.48	10.41	39.19	69.96	28.02	-59.94
PHILIPPINES	0.45	0.54	20.09	1.41	1.33	-5.41
HONG KONG	0.06	0.29	345.05	1.74	0.60	-65.33
UKRAINE	0.07	0.08	12.43	0.95	0.24	-74.89
SAUDI ARAB	0.07	0.17	159.07	0.73	0.20	-72.62

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, USA ranks second after Czech Republic during April-June 2016-17 importing 14 percent and 18 percent of India's total exports of Aircrafts and Parts respectively. Bulgaria ranks third importing 9.8 percent of India's global exports of Aircrafts during the same period.
- ❖ Sri Lanka slips to fourth position importing 8.1 percent of India's Aircrafts & parts during April-June 2016-17.

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

US\$ Million

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016--17	Growth %
Export to World	416.79	275.87	-33.81	1420.73	2012.34	41.64
SUBSTANTIAL GROWTH COUNTRIES						
UAE	44.37	147.10	231.53	178.01	706.43	296.84
SINGAPORE	162.18	62.97	-61.18	431.78	529.59	22.65
MALAYSIA	28.32	0.01	-99.96	190.61	254.39	33.46
SRI LANKA	27.93	0.00	-100.00	27.93	126.10	351.45
HEAVY DECLINE COUNTRIES						
EGYPT	1.00	0.02	-98.37	1.00	0.02	-98.37
SOUTH AFRICA	147.05	0.01	-100.00	147.05	0.01	-100.00
ROMANIA	0.01	0.00	-50.21	0.01	0.00	-50.21
PHILIPPINES	0.00	0.00		0.02	0.00	-92.88
POLAND	0.00	0.00		0.03	0.00	-96.80
OMAN	0.00	0.00		0.03	0.00	-99.25
ANGOLA	0.00	0.00		0.03	0.00	-100.00

(Source: Department of Commerce and CSO)

- ❖ UAE is the top exporting country for India's Ships, Boats and Floating Structures and Parts followed by Singapore and Malaysia. These three nations accounted for more 74 percent of total Indian export of the product during April-June 2016-17.
- ❖ Indonesia retained its fourth position importing 11.6 percent of India's global exports of Ship and Boats during the same period.

Table 17: Export of Auto Components

US\$ Million

Export partners	June_15	June_16	Growth %	Apr- June 2015— 16	Apr_ June 2016--17	Growth %
Export to World	344.15	345.75	0.47	1056.33	1016.00	-3.82
SUBSTANTIAL GROWTH COUNTRIES						
TURKEY	29.82	27.60	-7.45	83.22	86.84	4.35
NEPAL	12.70	17.99	41.63	28.19	61.69	118.81
GERMANY	14.45	17.02	17.75	45.38	48.29	6.39
BANGLADESH	10.32	14.25	38.13	29.49	36.79	24.79
INDONESIA	8.66	8.74	0.83	28.92	32.73	13.17
JAPAN	9.26	9.19	-0.74	27.33	28.01	2.49

SPAIN	2.89	5.43	87.75	10.76	17.48	62.43
SOUTH AFRICA	3.74	7.80	108.35	11.93	16.92	41.84
HEAVY DECLINE COUNTRIES						
U S A	79.90	62.51	-21.77	243.46	185.90	-23.64
MEXICO	15.50	17.04	9.95	46.61	44.66	-4.19
THAILAND	15.55	14.92	-4.06	45.21	44.12	-2.40
U K	15.28	13.77	-9.89	49.72	40.18	-19.19
ITALY	10.86	10.18	-6.24	35.73	33.31	-6.78
BRAZIL	14.75	12.34	-16.33	48.64	32.54	-33.11
U ARAB EMTS	11.94	11.53	-3.43	32.53	26.76	-17.75
EGYPT A RP	9.66	7.30	-24.41	32.84	26.49	-19.33

(Source: Department of Commerce and CSO)

- ❖ USA retains its top most import ranking for India's Auto Components/Parts covering 18.3 percent share in India's global exports of the same in April-June 2016-17.
- ❖ Among the top importers of India's auto components/parts, Turkey, with a share of 9 percent in India's total global exports, achieved growth in April-June 2016-17 over the same period last year.

Conclusion

India's merchandise exports registered year-on-year growth for the first time after eighteen months. This 1.27% growth was attributed to increase in overseas shipment of Indian engineering products, drugs & pharmaceuticals, organic & inorganic chemicals, rice, plastic & linoleum, electronic goods, marine products and handicrafts (excluding handmade carpet).

Indian engineering exports also witnessed year-on-year growth for the second consecutive month to Jun 2016 indicating feeble possibility of trend reversal. The growth in engineering exports were attributed to higher exports of 'Aircrafts & Spacecrafts', Electric Machinery, Iron & Steel, Motor Vehicles, IC engines and Industrial Machinery among others. On the other hand, Ship boats, Copper products and Two & three wheelers recorded decline in year-on-year exports during June 2016.

However, the growth was much less than that of the previous month. Major global economies have showed some early signs of revival and are expected to see weak but steady growth in the years ahead. Moreover, commodity prices have started to move northward with crude oil price reached around USD 50 level in June 2016. These factors may lead to restoration of Indian engineering exports somewhere near to the 2014-15 level.

Among the top 25 importers of India's engineering exports, 14 countries recorded positive growth during June 2016 while the remaining 11 countries recorded negative growth in imports from India. Countries like USA, UAE and Turkey are the top three export destinations during June 2016. The growth in exports to top 25 countries is 2.7 percent which is higher than the growth in total engineering exports at 1.1 percent during June 2016 over June 2015.
