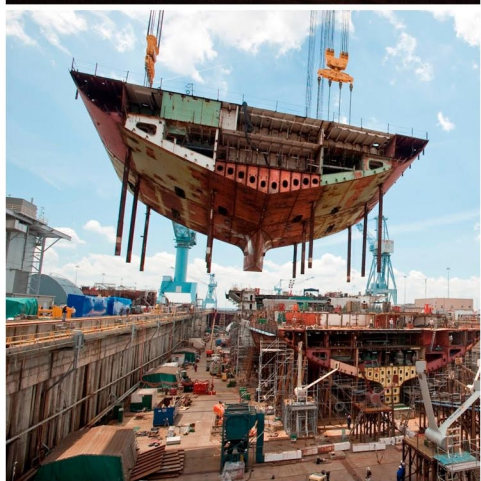


**Engineering Exports
Monitor**
March 2015



Analysis of Indian engineering exports during March 2015: April 20, 2015

Trend in overall trade

The precipitate drop in India's **merchandise exports** by 21.1% from US\$ 30.34 billion in March 2014 to US \$23.95 billion in March 2015 reflects sluggish demand in the world economy into a long-term period of low growth and over valuation of Indian rupee with an attempt to control inflation. The big decline in India's exports in March was driven by petroleum products, gems and jewellery, chemicals and engineering goods sector.

Moreover, India's **Cumulative value of exports** to the rest of the world also slipped by - 1.23% year-over-year to US \$310.53 billion in April- March 2014-2015 from US \$314.42 billion over the same period last year, falling short of the targeted US\$ 340 billion.

India's **merchandised imports** during March, 2015 were valued at US \$ 35.74 billion which was 13.44% lower in Dollar over the level of imports valued at US \$ 41.29 billion in March 2014.

While India's overall **merchandise trade deficit** for April-March, 2014-15 was estimated at US \$ 137.01 billion, which was higher than the deficit of US \$ 135.8 billion during April-March, 2013-14.

Thus the continuous slowdown in demand in the global markets and liquidity problem has, in a major way, been responsible for the double digit negative growth in exports during the last quarter of the fiscal year 2014-15. Moreover, at least two major economies – the European Union and Japan – are busy depreciating their currencies, making exports to these destinations tougher than ever. A falling euro and yen also makes their exports more competitive in available markets. In short the global slowdown and currency wars will likely queer the pitch for the export market including India.

Engineering exports

The **exports of engineering products**, one of the essential groups of exported items from India sharing 25 per cent in March 2015 on India's total merchandise exports, registered 2.6 per cent fall in growth rate to US\$ 5.88 billion in the month of March

2015 over March 2014. While, the cumulative value of engineering exports recorded a growth of 14.7 per cent, crossing US\$ 70 billion in the current fiscal over the same period last year The monthly and quarterly engineering figures for 2014-2015 vis-à-vis 2013-2014 are depicted below:

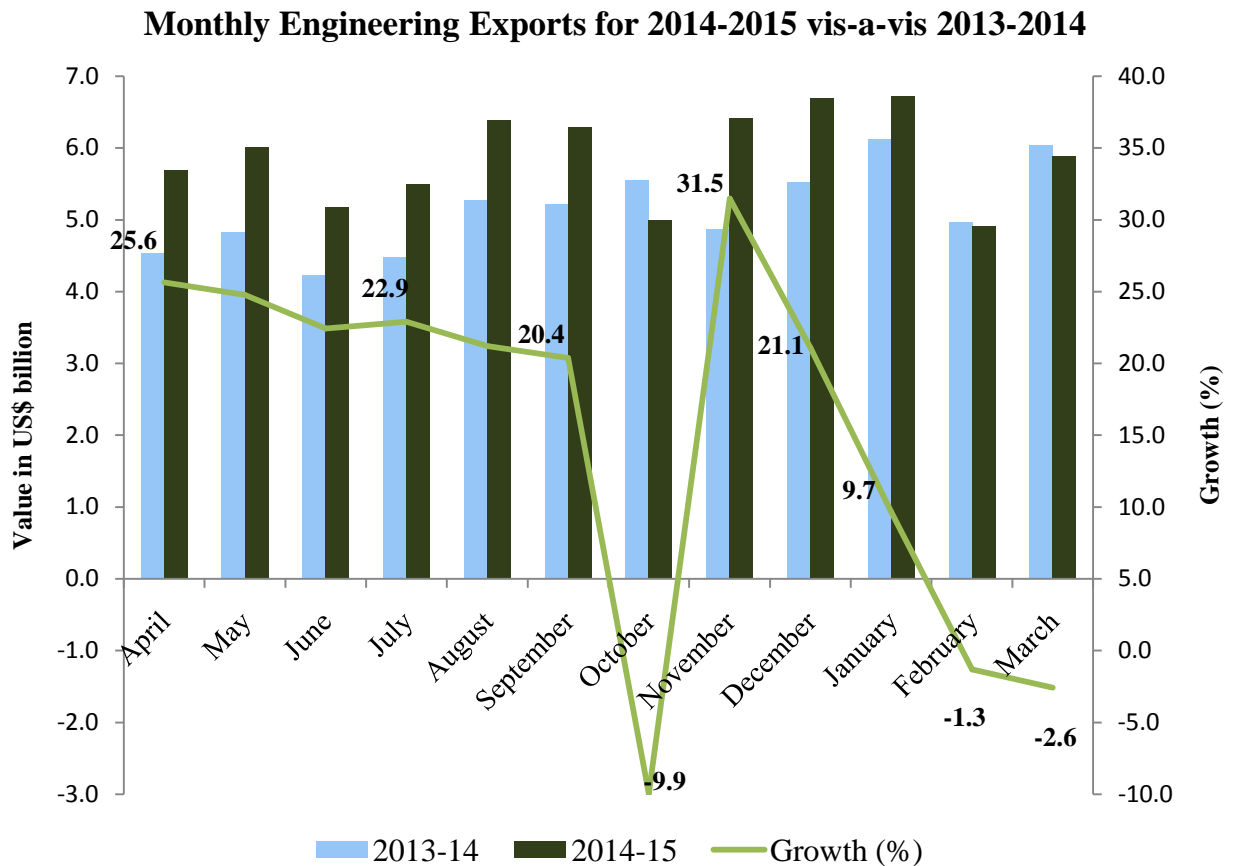
Table1: Engineering Exports
US\$ Million

Months	2013-14	2014-15	Growth (%)
April	4529.32	5691.03	25.6
May	4819.47	6013.91	24.8
June	4229.72	5179.17	22.4
Quarter 1	13578.5	16884.1	24.3
July	4473.34	5498.34	22.9
August	5264.51	6381.27	21.2
September	5216.94	6280.51	20.4
Quarter 2	14954.8	18160.1	21.4
October	5552.78	5000.79	-9.9
November	4874.85	6410.04	31.5
December	5531.18	6697.8	21.1
Quarter 3	15958.8	18108.6	13.5
January	6122.54	6716.26	9.7
February	4971.59	4907.37	-1.3
March	6040.14	5884.54	-2.6
April- March	61626.38	70661.17	14.66

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports for both 2013 and 2014.

Figure1: Trends in Monthly Engineering Exports
US\$ Billion



(Source: EEPC India analysis)

In India, There exists some correlation between manufacturing production and merchandise export as manufacturing sector contributes significantly to India’s merchandise export, especially engineering. Therefore, a brief analysis of industrial production is effective in the context of engineering export analysis. Industrial output witnessed higher growth in February 2015 at 5% from a slower 2.8% in January 2015 and 3.2% in December 2014. IIP Index, the standard measure for industrial output, stood at 181.3 during the month of February 2015 as against 189.1 (revised) a month ago. Cumulative growth during April-February 2014-15 recorded at 2.8% as against a contraction of 0.1% during the corresponding period of the previous year.

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	Engg. Exports Growth (%)	Manufacturing Growth (%)
April	25.6	3.0
May	24.8	5.9
June	22.4	2.9
Quarter 1	24.3	3.93
July	22.9	-0.3
August	21.2	-1.3
September	20.4	2.7
Quarter 2	21.4	0.39
October	-9.9	-5.6
November	31.5	4.7
December	21.1	3.8
Quarter 3	13.5	0.96
January	9.7	3.4
February	-1.3	5.2
March	-2.6	NA
Quarter 4	2.2	NA
April- March	14.7	2.2 (Apr-Feb FY15)

(Source: Department of Commerce and CSO)

Figures in the above table shows that export growth remained positive for all months during the first half of fiscal 2014-15 but manufacturing production declined in two months. 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. Thus, it can be inferred that manufacturing growth and engineering export growth are somewhat correlated. On a cumulative basis, manufacturing growth was recorded at 2.2% during April-February 2014-15 as against a decline of 0.7% during the same period last year. Cumulative export growth, on the other hand recorded at 14.7% during fiscal 2014-15 (April 2014 – March 2015) over the previous fiscal.

We also present the quarter wise corresponding **revised** engineering exports for 2013-14 as opposed to 2012-13.

Table 2: Revised Engineering Exports (2013-14)
USD Million

Quarter	Month	2012-13	2013-14	Growth Rate in Percent	Growth Rate in Quarters
Quarter 1	April	5013.53	4529.32*	-9.66	-7.02
	May	4931.95	4819.47*	-2.28	
	June	4654.7	4229.72*	-9.13	
Quarter 2	July	4538.8	4473.34*	-1.44	9.37
	August	4582.7	5264.51*	14.88	
	September	4549.74	5216.94*	14.66	
Quarter 3	October	4110.99	5552.78*	35.07	21.78
	November	4170.48	4874.85*	16.89	
	December	4822.81	5531.18*	14.69	
Quarter 4	January	4470.52	6122.54*	37.0	10.9
	February	5163.11	4971.59*	-3.71	
	March	5810.54	6040.14*	3.94	
	Total Exports	56819.9	61626.38*	8.5*	

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

Impact of Exchange Rate

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

Table 3: Average Exchange Rate

March	Average Exchange Rate 1 USD to INR
2014	Rs 61.05
2015	Rs62.49

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during March 2015 has depreciated by 2.4% to that of the same period last year. The RBI is maintaining a tight monetary policy to meet its target of keeping inflation under control.

Trends in Engineering Panel Exports

We begin by looking at the Engineering Panel wise exports for the month of February 2015 vis-a-vis February 2014 and cumulatively for the first eleven months. The data is given in Table 4 below:

Table 4: Trends in Engineering panel Exports March 2015 and April- March 2014-2015
US\$ Million

Sl no.	Panel	March, 2014	March, 2015	Growt h %	April,2013 - March, 2014	April,2014 - March, 2015	Growt h %
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	867.84	668.16	-23.0	9211.94	8650.51	-6.1
B	Products of Iron and Steel	678.56	658.7	-2.9	6780.41	7565.5	11.6
Sub Total		1546.4	1326.86	-14.2	15992.4	16216	1.4
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	328.54	267.62	-18.5	2855.1	3419.01	19.8
B	Aluminium and products	229.36	302.62	31.9	1943.25	2858.62	47.1
C	Zinc and products	27.83	78.53	182.2	435.4	608.07	39.7
D	Nickel and products	26.58	95.24	258.3	437.4	897.36	105.2
E	Lead and products	15.56	13.04	-16.2	194.7	173.22	-11.0
F	Tin and products	0.07	2.5	3471.4	80.38	37.76	-53.0
G	Other Non Ferrous Metals	36.96	40.41	9.3	415.03	498.55	20.1
Sub Total		664.9	799.96	20.3	6361.26	8492.59	33.5
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	58.34	53.09	-9.0	563.1	604.39	7.3
B	IC Engines and Parts	178.86	207.14	15.8	1770.37	2396.58	35.4
C	Pumps of all types	64.77	69.21	6.9	690.89	774.72	12.1
D	Air condition and Refrigerators	137.06	118.63	-13.4	1164.12	1166.18	0.2
E	Industrial Machinery for dairy, food processing , textiles etc	444.01	464.77	4.7	4275.03	4768.11	11.5
F	Machine Tools	31.18	32.98	5.8	331.52	374.99	13.1
G	Machinery for Injecting moulding, valves and ATMs	122.02	151.21	23.9	1244.21	1357.92	9.1
Sub Total		1036.24	1097.03	5.9	10039.2	11442.9	14.0
4	Electrical Machinery	349.0	403.0	15.5	3681.7	3999.9	8.6
5. Auto and Auto Components							
A	Motor Vehicle/cars	645.05	595.26	-7.7	6147.94	6685.15	8.7
B	Two and Three Wheelers	144.77	144.58	-0.1	1521.45	1863.87	22.5

Sl no.	Panel	March, 2014	March, 2015	Growth %	April, 2013 - March, 2014	April, 2014 - March, 2015	Growth %
C	Auto Components/Part	407.54	375.77	-7.8	3971.75	4436.55	11.7
	Sub Total	1197.36	1115.61	-6.8	11641.1	12985.6	11.5
6	Aircrafts and Spacecraft parts and products	456.69	325.87	-28.6	4582.82	6183.05	34.9
7	Ships Boats and Floating products and parts	251.67	253.56	0.8	3724.84	5179.94	39.1
8. Miscellaneous Items							
A	Medical and Scientific instruments	116.77	118.13	1.2	1160.97	1280.79	10.3
B	Railway Transport	12.96	11.73	-9.5	177.96	133.63	-24.9
C	Hand Tools & Cutting Tools	67.71	65.92	-2.6	711.13	758.48	6.7
D	Electrodes Accumulators	2.93	2.91	-0.7	37.9	38.6	1.8
E	Accumulator and Batteries	19.26	20.65	7.2	169.94	212.21	24.9
F	Bicycle & Parts	37.87	30.99	-18.2	348.66	354.99	1.8
G	Cranes Lifts & Winches	37.69	44.45	17.9	308.74	342.19	10.8
H	Office Equipments	2.27	8.78	286.8	29.73	54.3	82.6
I	Other Construction Machinery	91.26	106.23	16.4	1008.63	1176.68	16.7
J	Prime Mica & Mica Products	1.62	2.4	48.1	19.1	19.47	1.9
K	OTHER MISC. ITEMS	147.52	150.44	2.0	1630.27	1789.86	9.8
	Sub Total	537.86	562.63	4.6	5603.03	6161.2	10.0
	Grand Total	6040.12	5884.54	-2.6	61626.4	70661.2	14.7

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels- 19 panels recorded a positive growth and remaining 14 panels fared negative growth in the month of March 2015.
- ❖ Primary Iron and Steel exports as well as Products of Iron and Steel both have fallen by 23 per cent and 3 per cent respectively in March 2015 vis-à-vis March 2014.
- ❖ Non ferrous Metals like Lead and products have witnessed almost 16.2 per cent fall in export growth in the month of March 2015. On the other hand

export of Copper and products have been patchy in the current fiscal of 2014-2015 reaching its peak during September 2014 and then decelerating recording a dip in consecutive months of January and February 2015 by 6.3 per cent and 5.8 per cent respectively, but again regained the momentum and grew by 10.5 per cent in comparison to the previous month.

- ❖ Cumulative and monthly exports of railway transports have been showing negative trends dropping by 25 per cent and 9.5 per cent respectively, during April-March 2015 and March 2015 as against the same period last year. While the Aircrafts panel registered a drop in exports by 29 per cent in March 2015, although it maintained a positive cumulative export growth of 35 per cent during April- March 2015.
- ❖ Engineering panels like Tin, Nickel, Aluminum, and Zinc from the Non ferrous sector, IC Engines, Machine Tools, Electrical machinery have recorded a handsome export growth in March 2015 compared to March 2014.

☑ 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 March 2015 over March 2014 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April – March 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 (2014-2015)
US\$ Million

Country	March, 2014	March, 2015	Growth %	April,2013 - March, 2014	April,2014 -March, 2015	Growth %
USA	659.79	694.85	5.31	6174.76	7831.13	26.82
UAE	516.78	398.57	-22.87	5072.11	5883.71	16.00
SRI LANKA						
DSR	225.64	112.73	-50.04	2090.97	3751.04	79.39
CHINA	309.71	284.03	-8.29	3531.75	3121.27	-11.62
U K	199.80	208.29	4.25	2474.78	2648.83	7.03
SINGAPORE	211.78	102.78	-51.47	2933.93	2492.35	-15.05
GERMANY	198.45	169.61	-14.53	2038.77	2113.60	3.67
MALAYSIA	65.98	251.93	281.86	900.55	2078.29	130.78
SOUTH AFRICA	128.93	111.69	-13.37	1481.04	1997.04	34.84
MEXICO	238.96	190.71	-20.19	1369.94	1913.77	39.70
SAUDI ARAB	161.88	160.67	-0.75	1652.32	1777.95	7.60
TURKEY	112.06	179.00	59.74	1175.50	1739.65	47.99

Country	March, 2014	March, 2015	Growth %	April,2013 - March, 2014	April,2014 -March, 2015	Growth %
ITALY	156.64	170.89	9.10	1582.13	1698.70	7.37
NEPAL	102.61	139.27	35.73	1054.42	1441.72	36.73
BANGLADESH	148.85	120.41	-19.11	1272.01	1412.97	11.08
KOREA RP	123.59	148.02	19.77	1197.74	1313.02	9.62
IRAN	83.71	130.58	55.99	762.23	1249.13	63.88
NIGERIA	101.62	90.76	-10.69	1159.39	1247.53	7.60
FRANCE	111.15	200.16	80.08	1008.57	1123.55	11.40
INDONESIA	78.18	72.95	-6.69	904.09	1114.86	23.31
THAILAND	103.07	64.95	-36.98	1068.24	1012.32	-5.23
NETHERLAND	76.75	64.97	-15.34	1023.11	863.80	-15.57
OMAN	38.77	41.01	5.77	662.60	810.03	22.25
BRAZIL	76.80	76.22	-0.75	849.57	808.99	-4.78
JAPAN	73.06	65.74	-10.03	834.36	784.49	-5.98
Total of top 25	4304.54	4250.78	-1.25	44274.86	52229.75	17.97
Total Engineering Exports	6040.12	5884.53	-2.58	61626.36	70661.51	14.66
Share of Top 25 in Total (%)	71.27	72.24		71.84	73.92	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

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

- ❖ Out of the top 25 countries, 15 countries recorded negative growth in the month of March 2015.
- ❖ Germany one of the top European export destinations for the Indian engineering exports conceded negative growth in March 2015 but cumulative growth for April 2014– March 2015 remained positive.
- ❖ China once again recorded negative growth in March 2015. Cumulative exports to China for Industries like Iron and Steel, Aircrafts, Spacecrafts and Parts, Ships, Boats and Floating Structures, and Motor Vehicle/cars, etc recorded heavy fall in April – March 2015 as against April- March 2014.
- ❖ The Indian engineering exports to USA, continues to be the highest in the reporting month despite there being no GSP.
- ❖ Out of 225 destinations for export of Indian engineering goods, the top 25 nations accounts for 72.24 per cent of the total during April- March 2015.

- ❖ During April – March 2015, growth rate in the top 25 countries taken together is higher at 17.97 per cent than that of India’s total engineering exports at 14.66 per cent.
- ❖ Singapore and Netherland which are good export destinations for Indian export recorded more than 15 per cent decline in engineering imports from India during April – March 2015.

Regional Distribution of Engineering Exports

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

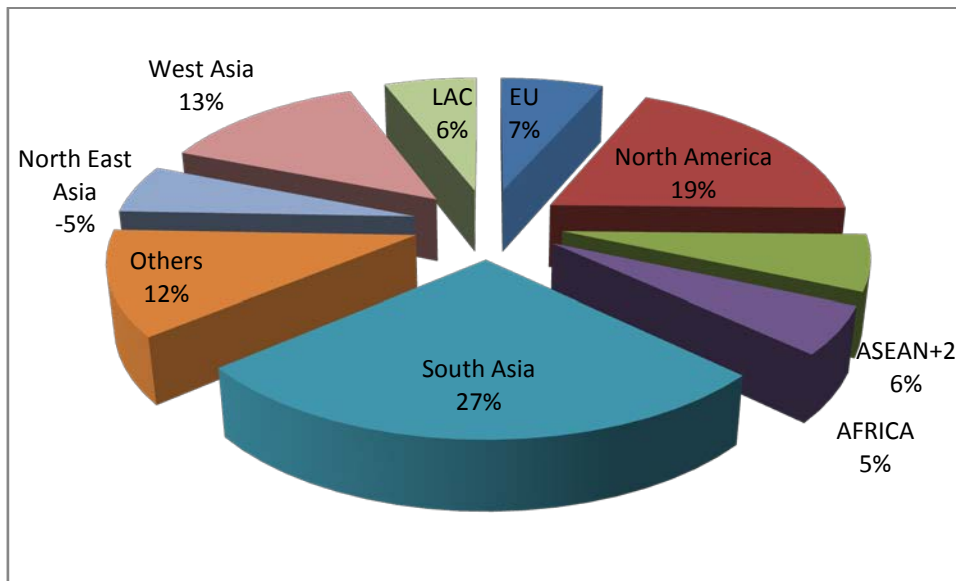
Table 6: Region Wise Exports Trend
US\$ Million

Region	March, 2014	March, 2015	Growth %	April,2013 - March, 2014	April,2014 - March, 2015	Growth %
EU	1033.37	1080.55	4.57	11234.45	12181.58	7.78
North America	948.82	938.79	-1.06	7998.49	10302.56	22.36
ASEAN+2	684.33	650.10	-5.00	8098.90	8749.62	7.44
AFRICA	756.29	698.72	-7.61	7935.97	8473.46	6.34
South Asia	503.08	388.20	-22.83	4683.11	6899.15	32.12
Others	783.14	734.40	-24.32	7528.71	9182.55	13.89
North East Asia	591.31	556.33	-5.92	6319.28	5932.40	-6.52
West Asia	437.37	529.24	21.01	4829.13	5716.85	15.53
LAC	302.43	308.20	1.91	2998.34	3223.34	6.98
Grand Total	6040.12	5884.53	-2.58	61626.36	70661.51	14.66

(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
(Percentage)**



(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- March 2015.
- ❖ 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, Iron and Steel, and Auto Components/Part etc during this fiscal.
- ❖ The cumulative exports to Africa during April- March 2015 as against April- March 2014 registered a positive growth. However the monthly exports in March 2015 recorded a fall in growth by 7.61% compared to March 2014.
- ❖ North East Asia is the only region to have recorded negative cumulative exports during April- March 2015 as compared to April- March 2014. This fall of exports by 6.52% is due to the fall in exports to China and Japan. Exports of Iron and Steel, and Products of Iron and Steel, have declined in case of Japan and China during April- March 2015.

Major Product and Market Analysis

We now analyze the performance of some of the important products during the period April- March 2015. We pick the major panels and seek the heavy growth and heavy

declines in these panels **IN THE CURRENT FISCAL of 2014-2015** to give an idea about the trend that is emerging.

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

Export partners	March_14	March_15	Growth %	Apr_ March 2013-- 14	Apr_ March 2014-- 15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	867.84	668.16	-23.01	9211.94	8650.51	-6.09
U S A	80.55	41.46	-48.53	581.78	698.85	20.12
IRAN	29.92	87.29	191.79	290.18	654.34	125.49
UAE	51.02	27.75	-45.60	527.00	641.45	21.72
ITALY	61.68	61.97	0.48	504.52	556.74	10.35
NEPAL	35.21	41.83	18.78	394.69	504.72	27.88
INDONESIA	18.98	14.56	-23.29	203.91	224.94	10.31
SPAIN	14.82	12.45	-15.96	171.50	188.76	10.06
SRI LANKA	14.40	14.56	1.14	145.72	166.19	14.05
HEAVY CUMULATIVE DECLINE COUNTRIES						
KOREA RP	42.21	16.34	-61.29	442.61	317.37	-28.29
BELGIUM	31.19	28.13	-9.83	352.59	278.65	-20.97
THAILAND	40.20	9.34	-76.76	382.34	264.73	-30.76
JAPAN	28.20	19.33	-31.47	274.87	245.20	-10.79
BANGLADESH	25.44	9.81	-61.43	245.16	243.75	-0.58
TAIWAN	20.43	16.79	-17.84	292.58	233.63	-20.15
SAUDI ARAB	26.07	20.77	-20.31	308.25	233.09	-24.38
NETHERLAND	21.69	15.57	-28.22	232.39	193.03	-16.94

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 8.1% of India's total export of Iron and Steel during April- March 2014-15.
- ❖ While Iran and UAE imports 7.6% and 7.4 % 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	March_14	March_15	Growth %	Apr_March 2013--14	Apr_March 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	678.56	658.70	-2.93	6780.41	7565.57	11.58
U S A	120.37	127.55	5.97	1324.83	1703.53	28.58
SAUDI ARAB	32.58	33.11	1.62	264.07	608.32	130.36
GERMANY	41.75	36.21	-13.27	423.16	459.59	8.61
ITALY	17.60	14.58	-17.18	190.65	204.58	7.31
NETHERLAND	9.96	12.02	20.72	120.68	128.38	6.37
IRAN	1.78	2.68	50.72	49.13	122.13	148.59
IRAQ	8.91	75.99	752.98	103.88	120.86	16.34
BELGIUM	8.09	7.50	-7.32	99.73	103.37	3.66
HEAVY CUMULATIVE DECLINE COUNTRIES						
UAE	68.29	41.33	-39.48	789.42	699.13	-11.44
U K	32.46	26.83	-17.34	371.17	370.64	-0.14
CANADA	16.26	14.57	-10.38	194.10	174.83	-9.93
FRANCE	31.94	9.21	-71.16	146.52	127.25	-13.16
BRAZIL	9.23	6.45	-30.10	96.41	82.97	-13.94
CHINA	9.68	7.49	-22.59	80.96	78.02	-3.63
OMAN	5.46	5.96	9.25	84.52	69.60	-17.66
MEXICO	45.86	4.09	-91.09	172.74	66.37	-61.58

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 22.5% of India's total export of Products of Iron and Steel during April- March 2014-15.
- ❖ While Saudi Arabia and Germany imports 8 % and 6.1% 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	Mar_14	Mar_15	Growth %	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to	1036.24	1097.04	5.87	10039.26	11442.76	13.98

Export	Mar_14	Mar_15	Growth %	Apr-Mar	Apr-Mar	Growth
World						
U S A	139.18	195.17	40.22	1401.34	1926.56	37.48
U K	29.83	32.93	10.39	354.05	517.60	46.19
UAE	37.76	42.50	12.55	353.18	476.66	34.96
GERMANY	49.53	37.28	-24.75	470.91	472.73	0.39
TURKEY	41.74	41.54	-0.48	396.28	471.57	19.00
CHINA	42.20	35.44	-16.02	357.92	393.75	10.01
BANGLADESH	27.70	33.78	21.95	270.10	333.20	23.36
ITALY	23.61	21.94	-7.06	247.88	321.05	29.52
HEAVY CUMULATIVE DECLINE COUNTRIES						
SAUDI ARAB	37.66	40.13	6.57	383.88	322.15	-16.08
IRAN	41.56	22.59	-45.65	329.50	206.16	-37.43
SOUTH AFRICA	15.15	12.59	-16.92	161.76	150.00	-7.27
KENYA	15.66	17.29	10.45	159.04	146.40	-7.95
EGYPT	12.70	16.15	27.21	131.83	128.01	-2.90
NETHERLAND	13.47	9.12	-32.27	141.41	118.40	-16.27
KOREA RP	10.66	10.02	-5.95	118.06	115.91	-1.82
OMAN	10.41	7.94	-23.73	127.44	93.27	-26.81

(Source: Department of Commerce, Government of India)

- ❖ USA tops here importing 16.8 % of India's total exports for Industrial Machinery during April- March 2014-15.
- ❖ Similarly, UK and UAE imports 4.5 % and 4.2 % of India's total exports for Industrial Machinery during April- March 2014-15.

Table 10: Export of Automobiles

US\$ Million

Export partners	Mar_14	Mar_15	Growth %	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	645.05	595.26	-7.72	6147.94	6684.57	8.73
MEXICO	88.44	87.17	-1.43	537.85	787.78	46.47
SRI LANKA	22.38	36.29	62.13	235.87	370.07	56.90
UAE	25.08	21.37	-14.78	187.84	281.38	49.80
BANGLADESH	37.29	18.15	-51.32	209.95	216.89	3.30
SAUDI ARAB	26.60	24.09	-9.43	145.16	208.05	43.33
NIGERIA	17.97	14.97	-16.69	178.52	202.61	13.49

Export	Mar_14	Mar_15	Growth	Apr-Mar	Apr-Mar	Growth
ITALY	13.42	36.16	169.58	135.77	200.03	47.33
EGYPT	5.78	26.47	358.09	110.15	156.86	42.40
HEAVY CUMULATIVE DECLINE COUNTRIES						
SOUTH AFRICA	79.52	69.84	-12.18	853.36	783.03	-8.24
U K	25.77	14.49	-43.77	597.76	336.26	-43.75
ALGERIA	36.46	20.06	-44.98	301.16	299.11	-0.68
AUSTRALIA	22.89	10.21	-55.38	210.03	163.71	-22.05
CHILE	18.00	13.05	-27.51	180.86	125.70	-30.50
LEBANON	2.84	4.56	60.62	67.01	58.62	-12.51
ISRAEL	5.31	1.93	-63.70	77.36	57.42	-25.77
TANZANIA REP	3.85	2.48	-35.55	40.18	36.58	-8.96

(Source: Department of Commerce, Government of India)

- ❖ In case of Motor vehicles Mexico tops the list importing 11.8% of India's total exports of Motor vehicles during April-March 2014-2015, replacing South Africa.
- ❖ Sri Lanka and UAE holds the 2nd and 3rd position respectively importing 5.5 % and 4.2 % of India's total exports of Motor vehicles during the same period.

Table 11: Export of Non-Ferrous metals
US\$ Million

Export partners	Mar-14	Mar-15	Growth (%)	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth (%)
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	435.54	497.34	14.19	4417.99	5633.84	27.52
CHINA	187.59	183.91	-1.96	1949.73	2037.65	4.51
UAE	35.36	37.42	5.83	317.21	680.58	114.55
SINGAPORE	20.73	20.75	0.08	389.31	573.97	47.43
MALAYSIA	4.46	94.78	2024.81	103.45	466.00	350.44
U S A	15.24	24.42	60.25	188.12	229.48	21.99
MEXICO	40.38	3.00	-92.57	105.21	144.53	37.38
U K	11.63	11.31	-2.72	130.76	141.44	8.17
SAUDI ARAB	5.42	6.99	28.84	75.42	87.07	15.44
HEAVY CUMULATIVE DECLINE COUNTRIES						
KOREA RP	11.22	16.99	51.43	152.14	144.76	-4.85
TAIWAN	13.47	9.24	-31.46	104.99	80.73	-23.10
GERMANY	6.47	3.80	-41.26	69.54	65.68	-5.54
NETHERLAND	2.17	2.43	12.19	32.99	26.10	-20.88

OMAN	3.44	1.93	-43.90	39.00	23.98	-38.50
EGYPT	7.41	1.04	-85.94	37.24	20.41	-45.20
ITALY	1.59	1.22	-23.47	19.04	18.37	-3.53
RUSSIA	2.03	1.31	-35.82	19.63	12.87	-34.41

- ❖ China is the topmost importer for Non ferrous Metals importing around 36% of India's total export of Non Ferrous Metals during 2014-15.
- ❖ UAE and Singapore ranked second and third as importer of India's non-ferrous product with 12% and 10% share respectively in 2014-15.

Table 12: Export of Electrical Machinery and Components
US\$ Million

Export partners	Mar_14	Mar_15	Growth %	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	349.02	403.02	15.47	3681.70	3999.76	8.64
U S A	42.76	47.07	10.09	473.67	512.24	8.14
U K	17.35	42.24	143.43	218.02	268.72	23.25
GERMANY	22.24	24.12	8.48	241.29	253.02	4.86
UAE	16.66	24.47	46.87	190.22	222.18	16.80
FRANCE	20.62	20.69	0.34	205.02	208.06	1.48
SAUDI ARAB	8.92	10.75	20.45	92.08	102.53	11.34
SINGAPORE	5.57	6.07	9.01	63.76	88.10	38.18
NIGERIA	3.98	4.82	21.21	71.10	86.66	21.89
HEAVY CUMULATIVE DECLINE COUNTRIES						
CHINA	14.97	8.35	-44.17	86.41	84.63	-2.06
THAILAND	4.41	5.61	27.12	69.64	67.89	-2.51
ITALY	6.67	5.68	-14.90	70.95	64.52	-9.07
KENYA	7.28	3.69	-49.28	63.72	57.87	-9.18
BRAZIL	2.96	1.85	-37.46	103.33	50.81	-50.83
MALAYSIA	12.10	4.17	-65.56	54.94	49.48	-9.93
SOUTH AFRICA	6.16	4.50	-26.93	86.88	48.90	-43.71
NETHERLAND	5.23	2.91	-44.33	59.49	46.56	-21.72

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-March 2014-15 with 12.8 % share in India's global import

of the product group. UK rose to second position with nearly half of USA's import.

- ❖ Among the largest nations, Brazil and South Africa witnessed significant decline in growth during April-March 2014-2015 over the same period last year.

Table 13: Export of Aircrafts & Parts

US\$ Million

Export partners	Mar-14	Mar-15	Growth %	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	456.69	325.87	-28.65	4582.82	6183.15	34.92
SRI LANKA	140.23	0.02	-99.99	931.48	1745.17	87.35
UAE	128.35	111.48	-13.14	1060.41	1068.90	0.80
U S A	81.05	49.01	-39.54	419.95	540.28	28.65
U K	8.14	25.16	209.28	118.57	350.30	195.45
SINGAPORE	4.97	11.05	122.32	317.88	342.48	7.74
IRELAND	2.07	0.05	-97.40	4.41	337.27	7551.78
TURKEY	0.59	47.95	8013.14	33.81	302.70	795.19
ROMANIA	0.01	0.00	-100.00	1.01	137.51	13453.04
HEAVY CUMULATIVE DECLINE COUNTRIES						
FRANCE	14.05	14.39	2.48	205.77	170.58	-17.10
CHINA	2.99	15.53	419.49	411.19	159.35	-61.25
NETHERLAND	2.06	2.05	-0.50	155.19	48.79	-68.56
ISRAEL	3.00	4.50	50.13	45.38	42.85	-5.58
SWITZERLAND	14.31	3.34	-76.66	43.06	35.74	-16.99
CZECH REPUBLIC	0.01	0.02	141.88	74.95	31.49	-57.98
MALAYSIA	1.75	5.08	190.82	88.52	26.75	-69.78
CANADA	0.56	1.36	141.76	14.07	11.16	-20.66

- ❖ In case of Aircrafts and Parts Sri Lanka continues to be the top importer, importing more than 28% of India's total exports of Aircrafts and Parts during April- March 2014-2015.
- ❖ UAE and USA holds the 2nd and 3rd position respectively importing 17.3 % and 8.7 % of India's total exports Aircrafts and Parts during the same period.

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

US\$ Million

Export partners	Mar_14	Mar_15	Growth %	Apr-Mar 2013-14	Apr-Mar 2014-15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	251.67	253.56	0.75	3724.84	5179.83	39.06
UAE	94.92	39.43	-58.46	1068.64	1181.44	10.56
MALAYSIA	0.00	78.13		0.03	935.09	3169463.99
SRI LANKA	1.06	0.00	-99.99	284.07	827.12	191.17
SOUTH AFRICA	0.00	0.00		0.02	657.31	3000050.02
OMAN	0.04	0.04	5.12	158.29	352.45	122.66
FRANCE	0.00	115.02		1.83	115.76	6229.28
ISRAEL	0.00	0.00		0.49	15.43	3017.50
KUWAIT	0.00	0.00		0.01	9.56	161076.30
HEAVY CUMULATIVE DECLINE COUNTRIES						
SINGAPORE	130.35	20.17	-84.52	1614.66	870.87	-46.06
INDONESIA	0.00	0.00		65.66	53.40	-18.67
QATAR	0.00	0.00		268.79	44.18	-83.56
LIBERIA	0.00	0.00		59.52	28.98	-51.31
THAILAND	0.00	0.00		14.85	14.28	-3.86
NETHERLAND	0.06	0.16	176.80	8.66	2.74	-68.35
BELGIUM	0.06	0.00	-100.00	32.37	2.04	-93.71
RUSSIA	0.00	0.20		1.05	0.64	-39.26

- ❖ UAE continues as the top export destination for India's export of Ships, Boats and Floating Structures and parts importing more than 22% during April- March 2014-2015.
- ❖ Malaysia recorded massive growth among top export destinations due to substantial surge in its import during the current fiscal.

Table 15: Export of Auto Components

US\$ Million

Export partners	March_14	March_15	Growth %	Apr_March 2013--14	Apr_March 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	407.54	375.77	-7.79	3971.76	4437.11	11.72
U S A	81.01	87.54	8.06	807.75	953.01	17.98
TURKEY	35.97	32.72	-9.02	327.78	419.45	27.97
THAILAND	19.36	10.60	-45.24	185.19	216.69	17.01
BRAZIL	20.56	17.60	-14.42	189.88	205.21	8.07
INDONESIA	14.07	14.38	2.19	132.79	184.38	38.85
BANGLADESH	16.57	7.76	-53.17	90.83	140.91	55.14
EGYPT	15.03	11.94	-20.53	125.02	130.11	4.07
UAE	81.01	87.54	8.06	807.75	953.01	17.98
HEAVY CUMULATIVE DECLINE COUNTRIES						
U K	22.31	15.65	-29.88	246.75	209.02	-15.29
GERMANY	19.48	14.55	-25.31	203.37	194.56	-4.33
ITALY	17.46	12.50	-28.40	184.56	151.57	-17.87
CHINA	8.87	7.09	-20.04	89.97	89.96	-0.01
FRANCE	7.16	5.02	-29.92	75.79	62.40	-17.67
SOUTH AFRICA	6.73	4.19	-37.69	69.49	55.97	-19.47
MALAYSIA	3.49	2.68	-23.10	55.80	40.30	-27.77
POLAND	3.93	2.56	-34.98	41.35	36.85	-10.87

- ❖ USA is the largest importer of Auto Components and Parts from India with more than 21.5% share in India's global export during April-March 2014-2015.
- ❖ Turkey holds the second position and Thailand holds third position with 9.5% and 4.9% share respectively in India's global export of auto components and parts during the same time period.

Conclusion

Overseas shipment of engineering goods from India declined for the second consecutive month in March 2015 and this time the decline was higher at 2.6% as against a revised 1.3% in February 2015. In fact, engineering exports for the month of March 2015 was only better to October 2014 when it declined by 9.9%. Some of the key engineering

segments, which normally drive exports, have taken a hit in the month of March 2015: iron and steel exports, aircraft parts and auto components, to name a few. Clearly, demand from overseas declined substantially as economic situation in the US and some parts of Europe suddenly turned gloomy due to weak economic data for some leading indicators. Currency situation also turned slightly unfavourable for the exporters as policymakers in EU and Japan decided to keep interest rate at record low resulting in depreciation of their currency. Indian rupee as a result strengthened against those currencies of late that led to lose of exports to those regions. Fall in global commodity prices also took its toll on engineering exports. As a result, engineering exports fulfilled the targeted volume but overall merchandise exports failed to meet the target for 2014-15.

Now, manufacturing has become the focus point of the incumbent govt. Economic situation in India has also changed for better with a slew of reform measure by the govt. and move towards lower interest rate regime by the Indian apex bank. The newly released foreign trade policy contains several measures that also seem to boost exports in the fiscal ahead. On the global front, slow but steady recovery is expected in 2015-16 despite some weaknesses. Indian engineering products will regain its demand from nations across the world once the global economy starts steady recovery. Merchandise export therefore is expected to improve in the months to come

