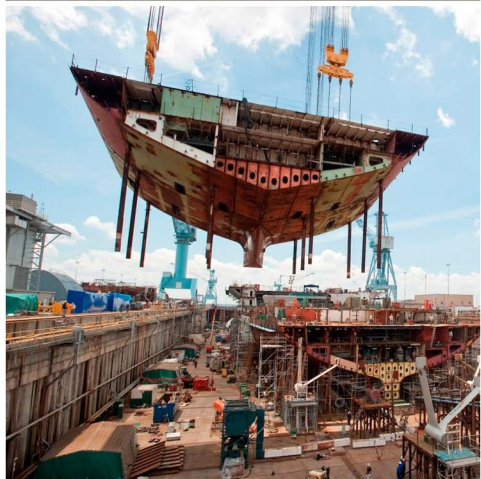


# Engineering Exports Monitor

February 2015



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

## Analysis of Indian engineering exports during February 2015: March 17, 2015

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### Trend in overall trade

India's **merchandise trade deficit** narrowed to a 17-month low of US \$6.85 billion in February 2015 as compared to US \$ 8.3 billion in February 2014. The merchandised exports declined by 15 per cent touching at USD 21.55 billion in February 2015 as compared to the same month a year ago. During the 11 month period April 2014 - February 2015, India's cumulative merchandised exports were US \$286.58 billion as against US\$ 284.07 billion registering a growth of 0.88 per cent in Dollar terms over the same period last year. The overall export performance was dismal, irrespective of a drop in the value of the rupee since February 1, 2015.

Meanwhile, **merchandise imports** fell by 15.6 per cent in Dollar terms to USD 28.39 billion in February on a y-o-y basis. While the cumulative value of imports for the period April-February 2014-15 was US \$ 411.8 billion registering a growth of 0.71 per cent in Dollar terms compared to the same period last year.

Double digit decline in consecutive months, coupled with poor performance of the top exporting sectors, are likely to drag down shipments, even as exporters continue their long wait for the government to unveil the new Foreign Trade Policy (FTP).

### Engineering exports

**Exports of engineering products**, one of the essential groups of exported items from India sharing 23 per cent in February 2015 on India's total merchandise exports, fared 0.9 per cent fall in growth rate to US\$ 4.93 billion in the month of February 2015 over February 2014. While, the cumulative value of engineering exports recorded a growth of 16.6 per cent in the eleven months (April- February) of 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

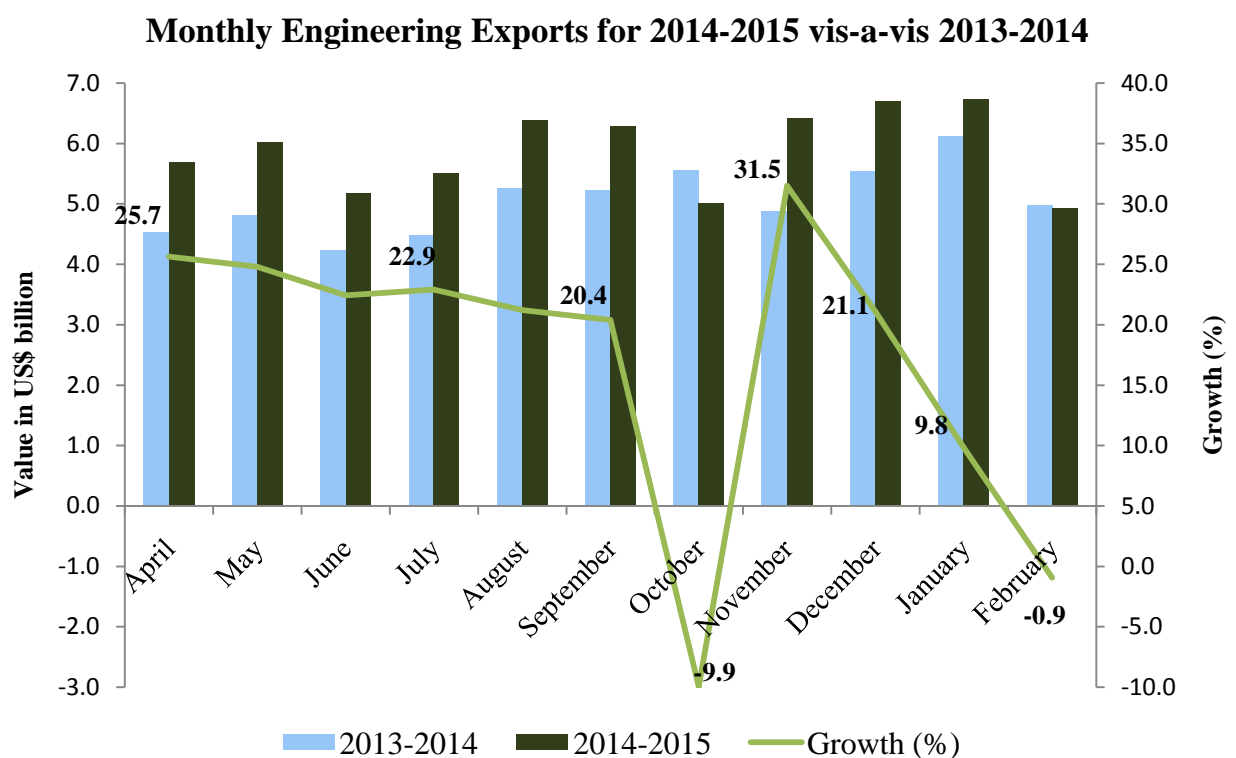
Months	2013-14	2014-15	Growth (%)
<b>April</b>	4529.32	5691.2	25.7
<b>May</b>	4819.47	6013.91	24.8
<b>June</b>	4229.72	5179.17	22.4
<b>Quarter 1</b>	13578.5	16884.3	24.3
<b>July</b>	4473.34	5498.33	22.9

<b>August</b>	5264.51	6379.68	21.2
<b>September</b>	5216.94	6280.51	20.4
<b>Quarter 2</b>	14954.8	18160.1	21.4
<b>October</b>	5552.78	5000.77	-9.9
<b>November</b>	4874.85	6409.79	31.5
<b>December</b>	5531.18	6696.62	21.1
<b>Quarter 3</b>	15958.8	18107.2	13.1
<b>January</b>	6122.55	6724.6	9.8
<b>February</b>	4971.59	4925.26	-0.9
<b>April-February</b>	<b>55586.24</b>	<b>64801.43</b>	<b>16.6</b>

(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, production of manufacturing sector has been found somewhat correlated to merchandise export and therefore a brief analysis of industrial production is mention worthy in the context of engineering export analysis. Industrial output achieved decent growth during the three months to January 2015 after a contraction in October. However, pace of growth declined to 2.6% in January 2015 from 3.9% in November and

3.2% in December 2014. IIP Index, the standard measure for industrial output, stood at 188.7 during the month of January 2015 as against 185.3 (revised) a month ago. Cumulative growth during April-January 2014-15 recorded at 2.5% as against a mere 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 (%)
<b>April</b>	25.7	3.0
<b>May</b>	24.8	5.9
<b>June</b>	22.4	2.9
<b>Quarter 1</b>	<b>24.3</b>	<b>3.93</b>
<b>July</b>	22.9	-0.3
<b>August</b>	21.2	-1.3
<b>September</b>	20.4	2.7
<b>Quarter 2</b>	<b>21.4</b>	<b>0.39</b>
<b>October</b>	-9.9	-5.6
<b>November</b>	31.5	3.1
<b>December</b>	21.1	3.8
<b>Quarter 3</b>	<b>13.1</b>	<b>0.46</b>
<b>January</b>	9.8	3.3
<b>February</b>	-0.9	N A
<b>April- February</b>	<b>16.6</b>	<b>1.7 (Apr-Jan FY15)</b>

*(Source: Department of Commerce and CSO)*

Figures in the above table shows that export growth remained positive for all months during the first six months 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 but again bounced back from November 2014. However, while export growth recorded a declining trend during November 2014 to January 2015, manufacturing growth was sporadic. Revision of IIP data showed higher manufacturing growth in December 2014 than that of in November but then slowdown down in January 2015. It can be inferred that a positive relation exist between engineering export and manufacturing production, which was also logically acceptable. Cumulative manufacturing growth was recorded at 1.7% during April-January 2014-15 as against a decline of 0.3% during the same period last year. Cumulative export growth during April – February 2014-15 was recorded at 16.6% vis-a-vis April-February 2013-2014.

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	6039.35	3.94	
	<b>Total Exports</b>	<b>56819.9</b>	<b>61625.59*</b>	<b>8.5*</b>	

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

## Impact of Exchange Rate

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

**Table 3: Average Exchange Rate**

February	Average Exchange Rate 1 USD to INR
2014	Rs 60.94
2015	Rs62.69

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during February 2015 has depreciated by 2.9% 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 February 2015 and April- February 2015**  
US\$ Million

Sl no.	Panel	February, 2014	February, 2015	Growth %	April, 2013 - February, 2014	April, 2014 - February, 2015	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	715.0	631.9	-11.6	8344.1	7989.6	-4.2
B	Products of Iron and Steel	569.7	569.7	0.0	6101.9	6911.4	13.3
Sub Total		<b>1284.6</b>	<b>1201.6</b>	<b>-6.5</b>	<b>14446.0</b>	<b>14901.0</b>	<b>3.1</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	257.8	242.9	-5.8	2526.6	3151.6	24.7
B	Aluminium and products	182.4	287.2	57.4	1713.9	2570.4	50.0
C	Zinc and products	23.0	81.5	254.9	407.6	529.6	29.9
D	Nickel and products	41.7	88.0	111.3	410.8	802.2	95.3
E	Lead and products	18.2	8.3	-54.3	179.1	160.2	-10.6
F	Tin and products	0.4	2.4	487.8	80.3	35.3	-56.1
G	Other Non Ferrous Metals	33.8	36.0	6.4	378.1	458.0	21.1
Sub Total		<b>557.3</b>	<b>746.3</b>	<b>33.9</b>	<b>5696.4</b>	<b>7707.3</b>	<b>35.3</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	41.9	46.4	10.6	504.8	551.0	9.2
B	IC Engines and Parts	162.3	166.3	2.5	1591.5	2313.0	45.3
C	Pumps of all types	51.9	54.0	4.0	626.1	705.6	12.7
D	Air condition and Refrigerators	96.1	86.5	-10.0	1027.1	1046.3	1.9
E	Industrial Machinery for dairy, food processing, textiles etc	361.6	399.1	10.4	3831.0	4305.6	12.4
F	Machine Tools	24.7	30.3	22.9	300.3	337.8	12.5
G	Machinery for Injecting moulding, valves and ATMs	94.1	110.2	17.1	1122.2	1206.0	7.5
Sub Total		<b>832.6</b>	<b>892.8</b>	<b>7.2</b>	<b>9003.0</b>	<b>10465.1</b>	<b>16.2</b>
<b>4</b>	<b>Electrical Machinery</b>	<b>305.1</b>	<b>308.4</b>	<b>1.1</b>	<b>3332.7</b>	<b>3600.4</b>	<b>8.0</b>

Sl no.	Panel	February, 2014	February, 2015	Growth %	April, 2013 - February, 2014	April, 2014 - February, 2015	Growth %
<b>5. Auto and Auto Components</b>							
<b>A</b>	Motor Vehicle/cars	562.5	470.0	-16.4	5502.9	6084.2	10.6
<b>B</b>	Two and Three Wheelers	127.2	128.3	0.8	1376.7	1719.2	24.9
<b>C</b>	Auto Components/Part	349.4	364.1	4.2	3564.2	4060.4	13.9
Sub Total		<b>1039.1</b>	<b>962.3</b>	<b>-7.4</b>	<b>10443.8</b>	<b>11863.8</b>	<b>13.6</b>
<b>6</b>	<b>Aircrafts and Spacecraft parts and products</b>	<b>211.4</b>	<b>156.1</b>	<b>-26.1</b>	<b>4126.1</b>	<b>5730.4</b>	<b>38.9</b>
<b>7</b>	<b>Ships Boats and Floating products and parts</b>	<b>235.4</b>	<b>205.9</b>	<b>-12.5</b>	<b>3473.2</b>	<b>4926.5</b>	<b>41.8</b>
<b>8. Miscellaneous Items</b>							
<b>A</b>	Medical and Scientific instruments	92.5	89.4	-3.4	1044.2	1161.2	11.2
<b>B</b>	Railway Transport	9.9	6.9	-30.0	165.0	121.9	-26.1
<b>C</b>	Hand Tools & Cutting Tools	57.6	60.6	5.3	643.4	698.5	8.6
<b>D</b>	Electrodes Accumulators	2.6	3.3	26.0	35.0	35.6	1.9
<b>E</b>	Accumulator and Batteries	15.9	16.4	2.7	150.7	191.3	26.9
<b>F</b>	Bicycle & Parts	28.8	30.5	6.0	310.8	324.0	4.2
<b>G</b>	Cranes Lifts & Winches	24.7	22.7	-7.9	271.1	297.6	9.8
<b>H</b>	Office Equipments	1.9	3.1	66.3	27.5	45.5	65.8
<b>I</b>	Other Construction Machinery	127.4	78.6	-38.3	917.4	1069.9	16.6
<b>J</b>	Prime Mica & Mica Products	1.9	1.4	-24.5	17.5	17.1	-2.4
<b>K</b>	OTHER MISC. ITEMS	143.0	138.9	-0.9	1482.7	1644.5	-0.9
Sub Total		<b>506.1</b>	<b>451.8</b>	<b>-10.7</b>	<b>5065.1</b>	<b>5607.1</b>	<b>10.7</b>
<b>Grand Total</b>		<b>4971.6</b>	<b>4925.3</b>	<b>-0.9</b>	<b>55586.2</b>	<b>64801.4</b>	<b>16.6</b>

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

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels- 20 panels recorded a positive growth and remaining 13 panels fared negative growth in the month of February 2015.
- ❖ Primary Iron and Steel exports have fallen by 12 per cent in February 2015 while Products of Iron and Steel remained the same in February 2015 vis-à-vis February 2014.

- ❖ Non ferrous Metals like Lead and products have witnessed almost 54.3 per cent fall in export growth in the month of February 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 maintained a positive cumulative growth of 24.7 per cent during April- February 2014-2015 compared to the same period last year. It is to be mentioned that sectors like Tin and products have been very much volatile during the current fiscal 2014-2015 maintaining a highly positive monthly growth in Feb 2015 vis-à-vis Feb 2014, yet it recorded a negative cumulative growth of 56 per cent during April-February 2015.
- ❖ Cumulative and monthly exports of railway transports have been showing negative trends considerably over 26 per cent and 30 per cent respectively, during April-February 2015 and February 2015 as against the same period last year.
- ❖ Engineering panels like Tin, Zinc, Nickel, Aluminum and their products from the Non ferrous sector, Machine tools and office equipments have recorded a handsome export growth in February 2015 compared to February 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 February 2015 over February 2014 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April – February 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	February, 2014	February, 2015	Growth %	April,2013 - February, 2014	April,2014 - February, 2015	Growth %
USA	517.76	697.11	34.64	5514.97	7136.25	29.40
UAE	545.54	283.29	-48.07	4555.33	5486.82	20.45
SRI LANKA	145.71	151.13	3.72	1865.33	3638.22	95.04
CHINA	260.16	241.45	-7.19	3222.04	2836.44	-11.97
U K	217.51	213.38	-1.90	2274.97	2441.81	7.33
SINGAPORE	96.90	206.40	113.01	2722.14	2387.11	-12.31
GERMANY	165.78	163.87	-1.15	1840.32	1942.25	5.54



Country	February, 2014	February, 2015	Growth %	April,2013 - February, 2014	April,2014 - February, 2015	Growth %
<b>SOUTH AFRICA</b>	100.48	91.88	-8.56	1352.11	1885.66	39.46
<b>MALAYSIA</b>	59.72	107.71	80.38	834.57	1826.33	118.83
<b>MEXICO</b>	145.37	133.00	-8.50	1130.98	1723.09	52.35
<b>SAUDI ARAB</b>	105.28	142.33	35.18	1490.44	1618.81	8.61
<b>TURKEY</b>	103.84	132.64	27.73	1063.44	1560.57	46.75
<b>ITALY</b>	116.58	135.58	16.29	1425.49	1527.56	7.16
<b>BANGLADESH</b>	106.52	92.19	-13.46	1123.16	1307.01	16.37
<b>NEPAL</b>	87.05	104.14	19.63	951.81	1287.60	35.28
<b>KOREA RP</b>	135.39	113.66	-16.05	1074.15	1174.13	9.31
<b>NIGERIA</b>	91.07	69.29	-23.92	1057.77	1156.76	9.36
<b>IRAN</b>	66.68	73.92	10.86	678.52	1116.52	64.55
<b>INDONESIA</b>	66.86	62.25	-6.90	825.91	1042.21	26.19
<b>THAILAND</b>	68.29	86.13	26.12	965.18	947.71	-1.81
<b>FRANCE</b>	88.16	67.21	-23.76	897.42	922.20	2.76
<b>NETHERLAND</b>	73.18	75.32	2.92	946.36	799.73	-15.49
<b>OMAN</b>	51.75	35.21	-31.96	623.83	769.03	23.28
<b>JAPAN</b>	59.93	78.02	30.18	761.29	740.56	-2.72
<b>BRAZIL</b>	57.04	74.30	30.28	772.77	739.73	-4.28
<b>Total of top 25</b>	<b>3532.55</b>	<b>3631.41</b>	<b>2.80</b>	<b>39970.32</b>	<b>48014.10</b>	<b>20.12</b>
<b>Total Engineering Exports</b>	<b>4971.57</b>	<b>4925.29</b>	<b>-0.93</b>	<b>55586.23</b>	<b>64801.27</b>	<b>16.58</b>
<b>Share of Top 25 in Total (%)</b>	<b>71.05</b>	<b>73.73</b>		<b>71.91</b>	<b>74.09</b>	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

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

- ❖ Out of the top 25 countries, 12 countries recorded negative growth in the month of February 2015.
- ❖ Top European export destinations for the Indian engineering exports like UK, Germany and France conceded negative growth in February 2015 but cumulative growth for April 2014– February 2015 remained positive.
- ❖ China once again recorded negative growth in February 2015. Cumulative exports of to China for Industries Iron and Steel, Aircrafts, Spacecrafts and Parts, Ships, Boats and Floating Structures, and Motor Vehicle/cars, etc recorded heavy fall in April – February 2015 against April- February 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 74.09 per cent of the total during April- February 2015.
- ❖ During April – February 2015, growth rate in the top 25 countries taken together is somewhat higher at 20.12 per cent than that of India’s total engineering exports at 16.58 per cent.
- ❖ South Asian countries like Singapore and Thailand which are good export destinations for Indian export recorded 12.31 per cent and 1.81 per cent decline in engineering imports from India during April – February 2015.

## Regional Distribution of Engineering Exports

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

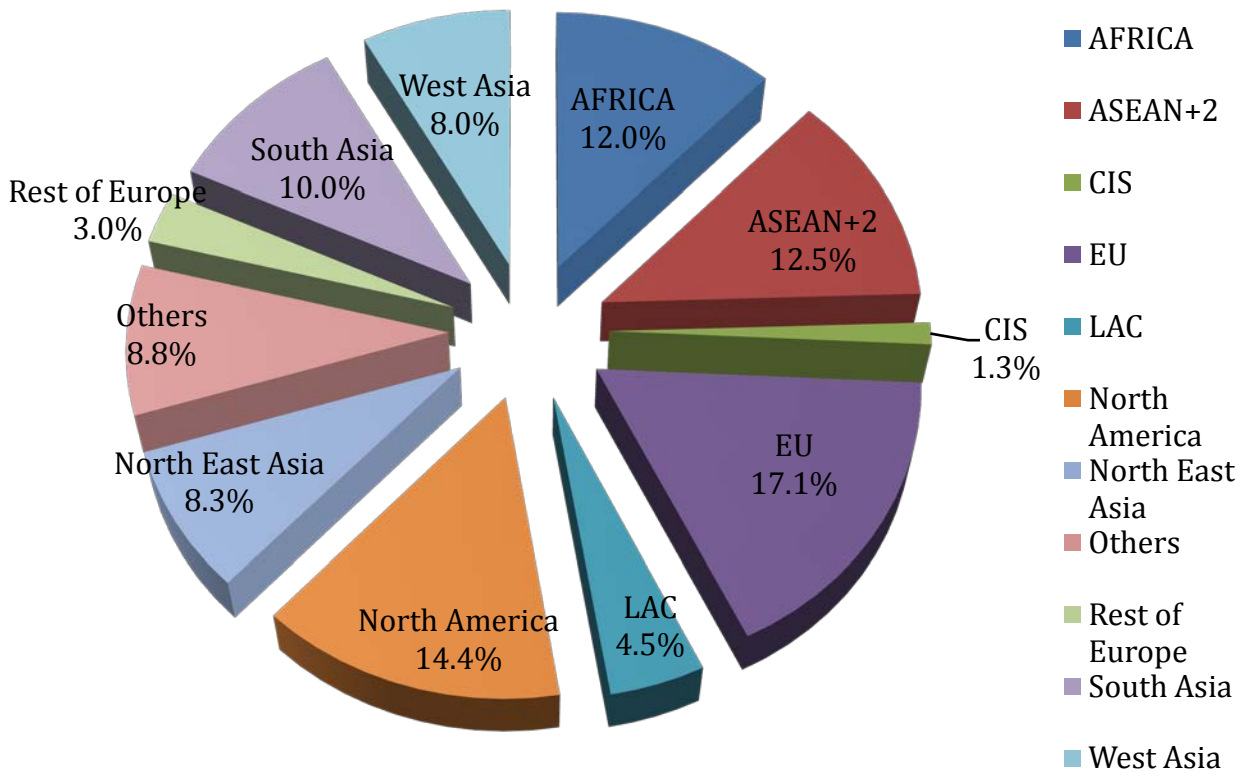
**Table 6: Region Wise Exports Trend**  
US\$ Million

Region	February, 2014	February, 2015	Growth %	April,2013 - February, 2014	April,2014 - February, 2015	Growth %
<b>AFRICA</b>	611.92	542.95	-11.27	7,179.68	7,775.03	8.29
<b>ASEAN+2</b>	519.27	612.31	17.92	7,414.57	8,098.92	9.23
<b>CIS</b>	55.41	34.09	-38.48	653.69	824.83	26.18
<b>EU</b>	920.38	943.14	2.47	10,201.07	11,102.30	8.83
<b>LAC</b>	249.72	270.84	8.46	2,695.91	2,922.35	8.40
<b>North America</b>	694.51	864.38	24.46	7,049.66	9,363.11	32.82
<b>North East Asia</b>	525.14	479.40	-8.71	5,727.97	5,406.19	-5.62
<b>Others</b>	553.04	293.85	-46.87	4,694.46	5,672.63	20.84
<b>Rest of Europe</b>	132.37	161.56	22.06	1,397.41	1,953.84	39.82
<b>South Asia</b>	362.63	363.72	0.30	4,180.03	6,494.76	55.38
<b>West Asia</b>	347.19	359.06	3.42	4,391.76	5,187.32	18.11
<b>Grand Total</b>	<b>4971.57</b>	<b>4925.29</b>	<b>-0.93</b>	<b>55586.23</b>	<b>64801.27</b>	<b>16.58</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- February 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- February 2015.
- ❖ Engineering exports to North American countries like Canada and USA have registered positive growth rates especially for items like Industrial Machinery, Iron and Steel, Auto Components/Part etc.
- ❖ The cumulative exports to Africa during April- February 2015 as against April- February 2014 registered a positive growth. However the monthly exports in February 2015 recorded a fall in growth by 11.27% compared to February 2014.
- ❖ The cumulative exports made to North East Asia have fallen by 5.62% during April- February 2015 as compared to April- February 2014. This fall is on account of the fall in exports to China and Japan. Exports to Japan have fallen in case of Electric Machinery and Equipment and Aircrafts, Spacecrafts and Parts, during April- February 2015.

## Major Product and Market Analysis

We now analyze the performance of some of the important products during the period April-February 2015. We pick the major panels and seek the heavy growth and heavy declines in these panels **IN THE FIRST ELEVEN MONTHS OF THE CURRENT FISCAL** to give an idea about the trend that is emerging.

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

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
Export to World	714.99	631.93	8344.10	7989.62	-4.25
U S A	40.32	61.94	501.23	657.07	31.09
UAE	58.64	43.55	475.98	613.35	28.86
IRAN	29.95	44.13	260.26	564.91	117.05
ITALY	33.82	46.49	442.84	494.78	11.73
NEPAL	30.72	27.86	359.48	450.60	25.35
JAPAN	19.61	38.59	246.67	247.77	0.45
BANGLADESH	26.94	10.24	219.71	233.93	6.47
INDONESIA	14.59	8.55	184.93	210.91	14.05
HEAVY CUMULATIVE DECLINE COUNTRIES					
KOREA	64.73	20.72	400.40	303.38	-24.23
THAILAND	13.35	19.56	342.14	255.38	-25.36
BELGIUM	28.96	29.55	321.40	250.48	-22.06
TAIWAN	28.43	16.44	272.15	216.84	-20.32
SAUDI ARAB	16.35	4.05	282.18	212.32	-24.76
NETHERLAND	17.08	15.89	210.70	177.46	-15.78
TURKEY	15.07	12.78	173.46	144.67	-16.60
VIETNAM	10.22	13.12	351.89	114.83	-67.37

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

- ❖ USA tops the list importing 8% of India's total export of Iron and Steel during April- February 2014-15.
- ❖ While UAE and Iran imports 7.7% and 7.1 % 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	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
<b>Export to World</b>	<b>569.65</b>	<b>569.70</b>	<b>6101.85</b>	<b>6911.35</b>	<b>13.27</b>
<b>U S A</b>	<b>107.97</b>	<b>137.33</b>	<b>1204.46</b>	<b>1576.28</b>	<b>30.87</b>
<b>SAUDI ARAB</b>	<b>23.39</b>	<b>54.51</b>	<b>231.49</b>	<b>575.71</b>	<b>148.70</b>
<b>GERMANY</b>	<b>36.08</b>	<b>32.45</b>	<b>381.41</b>	<b>423.59</b>	<b>11.06</b>
<b>U K</b>	<b>29.37</b>	<b>27.27</b>	<b>338.71</b>	<b>344.19</b>	<b>1.62</b>
<b>ITALY</b>	<b>14.35</b>	<b>14.59</b>	<b>173.05</b>	<b>190.03</b>	<b>9.82</b>
<b>IRAN</b>	<b>2.01</b>	<b>2.77</b>	<b>47.35</b>	<b>119.45</b>	<b>152.26</b>
<b>FRANCE</b>	<b>9.55</b>	<b>9.51</b>	<b>114.58</b>	<b>118.33</b>	<b>3.27</b>
<b>NETHERLAND</b>	<b>9.70</b>	<b>11.34</b>	<b>110.72</b>	<b>116.90</b>	<b>5.58</b>
HEAVY CUMULATIVE DECLINE COUNTRIES					
<b>U ARAB EMTS</b>	<b>66.42</b>	<b>38.90</b>	<b>721.13</b>	<b>658.58</b>	<b>-8.67</b>
<b>CANADA</b>	<b>13.25</b>	<b>12.53</b>	<b>177.84</b>	<b>160.77</b>	<b>-9.60</b>
<b>BRAZIL</b>	<b>6.06</b>	<b>5.69</b>	<b>87.18</b>	<b>76.52</b>	<b>-12.23</b>
<b>CHINA P RP</b>	<b>7.60</b>	<b>5.89</b>	<b>71.28</b>	<b>70.56</b>	<b>-1.01</b>
<b>OMAN</b>	<b>6.67</b>	<b>4.92</b>	<b>79.07</b>	<b>63.63</b>	<b>-19.52</b>
<b>MEXICO</b>	<b>3.98</b>	<b>3.54</b>	<b>126.88</b>	<b>62.31</b>	<b>-50.89</b>
<b>SINGAPORE</b>	<b>4.93</b>	<b>3.64</b>	<b>56.17</b>	<b>53.07</b>	<b>-5.50</b>
<b>BENIN</b>	<b>7.30</b>	<b>5.47</b>	<b>64.47</b>	<b>48.92</b>	<b>-24.13</b>

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

- ❖ USA tops the list importing 22.8% of India's total export of Products of Iron and Steel during April- February 2014-15.
- ❖ While UAE and Saudi Arabia imports 9.5 % and 8.3% of India's total export of Iron and Steel respectively during the same period.

**Table 9: Export of industrial machinery**

US\$ Million

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
<b>Export to World</b>	<b>738.50</b>	<b>782.60</b>	<b>7880.83</b>	<b>9259.14</b>	<b>17.49</b>
<b>U S A</b>	<b>110.09</b>	<b>133.26</b>	<b>1014.52</b>	<b>1373.71</b>	<b>35.40</b>

UAE	20.27	30.54	247.65	493.32	99.20
U K	32.82	59.98	273.34	429.93	57.29
TURKEY	37.97	41.69	341.94	424.50	24.14
GERMANY	33.72	31.53	369.73	382.31	3.40
CHINA	24.84	22.47	262.48	303.80	15.74
BANGLADESH	24.36	26.31	235.62	292.21	24.02
ITALY	18.28	18.63	195.47	269.73	37.99
HEAVY CUMULATIVE DECLINE COUNTRIES					
SAUDI ARAB	19.83	22.25	267.64	233.75	-12.66
IRAN	29.22	13.98	272.76	177.43	-34.95
JAPAN	5.37	8.93	150.27	146.17	-2.73
KENYA	10.70	13.05	136.86	125.17	-8.54
SOUTH AFRICA	12.89	10.05	125.51	122.49	-2.40
ALGERIA	12.19	12.31	122.68	116.28	-5.22
EGYPT	10.82	9.09	112.31	107.21	-4.54
NETHERLAND	11.96	8.72	119.50	100.47	-15.92

(Source: Department of Commerce, Government of India)

- ❖ USA tops here importing 14.8 % of India's total exports for Industrial Machinery during April- February 2014-15.
- ❖ Similarly, UAE and UK imports 5.3 % and 4.6% of India's total exports for Industrial Machinery during April- February 2014-15.

**Table 10: Export of Automobiles**

US\$ Million

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
Export to World	562.46	470.01	5502.89	6084.16	10.56
MEXICO	63.65	38.51	449.42	700.61	55.89
SRI LANKA	21.96	34.94	213.49	333.86	56.39
ALGERIA	14.68	12.44	264.70	279.24	5.49
UAE	34.82	16.31	162.76	260.05	59.77
BANGLADESH	15.08	9.80	172.66	198.73	15.10
NIGERIA	16.50	14.63	160.55	187.64	16.87
SAUDI ARAB	15.93	23.00	118.56	183.96	55.17
ITALY	10.12	20.51	122.35	163.87	33.93
HEAVY CUMULATIVE DECLINE COUNTRIES					
SOUTH AFRICA	55.44	54.83	773.83	713.19	-7.84
U K	58.96	20.83	572.00	321.82	-43.74

AUSTRALIA	9.41	8.43	187.14	153.51	-17.97
CHILE	23.00	13.19	162.86	112.65	-30.83
ISRAEL	6.32	1.08	72.05	55.50	-22.98
LEBANON	9.18	2.42	64.17	54.06	-15.75
TANZANIA	3.31	1.69	36.33	34.09	-6.14
INDONESIA	5.35	3.77	57.45	31.20	-45.69

(Source: Department of Commerce, Government of India)

- ❖ In case of Motor vehicles South Africa tops the list importing 11.7% of India's total exports of Motor vehicles during April-February 2014-2015.
- ❖ Mexico and Sri Lanka holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 11.5% and 5.5 % of India's total exports of Motor vehicles during the same period.

**Table 11: Export of Non-Ferrous metals**

US\$ Million

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
Export to World	523.46	710.40	5318.29	7249.29	36.31
CHINA	176.58	171.45	1849.17	1870.97	1.18
UAE	34.94	61.39	354.54	710.95	100.53
KOREA	53.24	68.40	437.03	601.53	37.64
SINGAPORE	24.38	37.76	379.58	569.03	49.91
MEXICO	43.12	50.16	217.12	503.25	131.79
U S A	27.03	50.86	311.75	432.96	38.88
MALAYSIA	14.10	66.18	101.43	372.47	267.23
BULGARIA	4.74	20.01	16.10	133.43	728.77
HEAVY CUMULATIVE DECLINE COUNTRIES					
VIETNAM	10.03	4.74	66.87	63.51	-5.02
NIGERIA	4.70	3.03	79.23	56.34	-28.89
SRI LANKA	4.04	3.41	42.25	40.49	-4.15
KENYA	2.23	4.48	42.26	40.30	-4.65
INDONESIA	3.56	3.92	41.65	40.20	-3.49
BRAZIL	4.59	3.45	40.43	33.71	-16.63
SOUTH AFRICA	1.06	1.57	28.84	23.75	-17.67
OMAN	2.16	1.91	37.09	23.01	-37.96

- ❖ China is the top most importer for Non ferrous Metals importing 25.8 % of India's total export of Non Ferrous Metals during April- February 2014-15.

- ❖ While UAE and Korea imports 9.8% and 8.3% of India's total export of Non ferrous Metals respectively during the same period.

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

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
<b>Export to World</b>	<b>305.11</b>	<b>308.42</b>	<b>3332.68</b>	<b>3600.25</b>	<b>8.03</b>
U S A	43.90	41.39	430.91	466.83	8.34
GERMANY	19.27	21.60	219.06	227.85	4.01
U K	16.20	29.78	200.67	226.46	12.85
UAE	25.62	16.81	173.56	197.71	13.91
FRANCE	22.80	14.74	184.40	187.25	1.55
SAUDI ARAB	6.83	9.14	83.16	91.77	10.35
SINGAPORE	3.59	7.43	58.19	82.03	40.96
NIGERIA	2.47	5.33	67.12	81.83	21.93
HEAVY CUMULATIVE DECLINE COUNTRIES					
THAILAND	5.10	7.17	65.23	62.28	-4.52
ITALY	6.01	6.01	64.28	58.96	-8.28
JAPAN	4.32	4.18	60.00	54.20	-9.68
KENYA	5.36	5.83	56.44	54.18	-4.01
BRAZIL	1.94	2.15	100.37	48.96	-51.22
SOUTH AFRICA	4.59	2.81	80.72	44.40	-44.99
NETHERLAND	3.25	3.92	54.26	43.71	-19.43
AUSTRALIA	2.75	3.77	41.78	37.51	-10.21

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during Apr-February 2014-15 with 13 % share in India's global import of the product group. Germany 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-February 2014-2015 over the same period last year. Its share is recorded at 1.4 % and 1.3 % respectively.

**Table 13: Export of Aircrafts & Parts**  
US\$ Million

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
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SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
<b>Export to World</b>	<b>211.37</b>	<b>156.13</b>	<b>4126.13</b>	<b>5730.35</b>	<b>38.88</b>
<b>SRI LANKA</b>	0.03	0.06	791.25	1745.15	120.56
<b>U S A</b>	23.61	64.12	338.89	484.65	43.01
<b>IRELAND</b>	0.00	0.04	2.33	337.21	14349.51
<b>SINGAPORE</b>	4.57	4.84	312.91	328.96	5.13
<b>U K</b>	7.43	10.12	110.43	325.26	194.54
<b>TURKEY</b>	0.18	0.20	33.22	254.75	666.78
<b>ROMANIA</b>	0.00	0.00	1.01	137.51	13574.97
<b>INDONESIA</b>	0.19	0.00	3.48	120.80	3366.55
HEAVY CUMULATIVE DECLINE COUNTRIES					
<b>UAE</b>	127.20	1.11	932.06	830.30	-10.92
<b>FRANCE</b>	18.75	8.67	191.73	155.18	-19.06
<b>CHINA</b>	0.23	5.69	408.21	143.82	-64.77
<b>NETHERLAND</b>	8.83	1.88	153.13	46.74	-69.48
<b>ISRAEL</b>	3.43	5.44	42.39	38.34	-9.55
<b>CZECH REPUBLIC</b>	0.00	0.02	74.94	31.47	-58.00
<b>MALAYSIA</b>	0.16	0.64	86.77	21.67	-75.03
<b>POLAND</b>	1.55	0.40	9.75	8.63	-11.51

- ❖ In case of Aircrafts and Parts Sri Lanka continues to be the top importer, importing more than 30% of India's total exports of Aircrafts and Parts during April- February 2014-2015.
- ❖ Ireland emerged as the fourth largest export destination with a notable surge in exports during April – February 2014-15 over the year ago period.

**Table 14: Export of Ships, Boats and Floating Structures and parts**  
US\$ Million

Export partners	Feb_14	Feb_15	Apr_Feb 2013--14	Apr_Feb 2014--15	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES					
<b>Export to World</b>	<b>235.44</b>	<b>205.92</b>	<b>3473.18</b>	<b>4926.48</b>	<b>4.18</b>
<b>UAE</b>	<b>127.43</b>	<b>24.06</b>	<b>973.71</b>	<b>1142.02</b>	<b>1.73</b>
<b>MALAYSIA</b>	<b>0.00</b>	<b>0.00</b>	<b>0.03</b>	<b>856.96</b>	<b>290463.64</b>
<b>SRI LANKA</b>	<b>66.80</b>	<b>61.41</b>	<b>283.01</b>	<b>827.12</b>	<b>19.23</b>
<b>SOUTH AFRICA</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>	<b>657.31</b>	<b>300003.53</b>
<b>OMAN</b>	<b>19.91</b>	<b>0.00</b>	<b>158.26</b>	<b>352.41</b>	<b>12.27</b>
<b>ISRAEL</b>	<b>0.00</b>	<b>2.02</b>	<b>0.49</b>	<b>15.42</b>	<b>301.71</b>

<b>KUWAIT</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>9.56</b>	<b>16107.63</b>
<b>NIGERIA</b>	<b>0.00</b>	<b>0.02</b>	<b>0.07</b>	<b>8.30</b>	<b>1124.65</b>
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>					
<b>SINGAPORE</b>	<b>20.82</b>	<b>117.17</b>	<b>1484.30</b>	<b>850.70</b>	<b>-4.27</b>
<b>INDONESIA</b>	<b>0.00</b>	<b>0.00</b>	<b>65.66</b>	<b>53.40</b>	<b>-1.87</b>
<b>QATAR</b>	<b>0.00</b>	<b>0.00</b>	<b>268.79</b>	<b>44.18</b>	<b>-8.36</b>
<b>LIBERIA</b>	<b>0.00</b>	<b>0.00</b>	<b>59.52</b>	<b>28.98</b>	<b>-5.13</b>
<b>THAILAND</b>	<b>0.00</b>	<b>0.01</b>	<b>14.85</b>	<b>14.28</b>	<b>-0.39</b>
<b>NETHERLAND</b>	<b>0.00</b>	<b>0.00</b>	<b>8.60</b>	<b>2.58</b>	<b>-7.00</b>
<b>BELGIUM</b>	<b>0.07</b>	<b>0.01</b>	<b>32.31</b>	<b>2.04</b>	<b>-9.37</b>
<b>FRANCE</b>	<b>0.00</b>	<b>0.50</b>	<b>1.83</b>	<b>0.74</b>	<b>-5.96</b>

- ❖ UAE continues as the top export destination for India's export of Ships, Boats and Floating Structures and parts during April- February 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

<b>Export partners</b>	<b>Feb_14</b>	<b>Feb_15</b>	<b>Apr_Feb 2013--14</b>	<b>Apr_Feb 2014--15</b>	<b>Growth %</b>
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>					
<b>Export to World</b>	<b>349.44</b>	<b>364.06</b>	<b>3564.22</b>	<b>4060.42</b>	<b>13.92</b>
<b>U S A</b>	<b>72.64</b>	<b>83.63</b>	<b>726.75</b>	<b>865.45</b>	<b>19.09</b>
<b>TURKEY</b>	<b>28.90</b>	<b>36.56</b>	<b>291.81</b>	<b>386.72</b>	<b>32.53</b>
<b>THAILAND</b>	<b>18.85</b>	<b>18.88</b>	<b>165.84</b>	<b>206.09</b>	<b>24.27</b>
<b>BRAZIL</b>	<b>15.42</b>	<b>17.76</b>	<b>169.32</b>	<b>187.60</b>	<b>10.79</b>
<b>INDONESIA</b>	<b>10.29</b>	<b>13.05</b>	<b>118.72</b>	<b>170.10</b>	<b>43.28</b>
<b>BANGLADESH PR</b>	<b>8.20</b>	<b>7.52</b>	<b>74.25</b>	<b>133.13</b>	<b>79.29</b>
<b>EGYPT A RP</b>	<b>14.06</b>	<b>11.15</b>	<b>109.99</b>	<b>118.10</b>	<b>7.37</b>
<b>U ARAB EMTS</b>	<b>8.36</b>	<b>12.55</b>	<b>89.07</b>	<b>116.84</b>	<b>31.17</b>
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>					
<b>U K</b>	<b>21.18</b>	<b>16.56</b>	<b>224.44</b>	<b>193.21</b>	<b>-13.92</b>
<b>GERMANY</b>	<b>15.11</b>	<b>14.67</b>	<b>183.89</b>	<b>180.00</b>	<b>-2.11</b>
<b>ITALY</b>	<b>16.80</b>	<b>11.87</b>	<b>167.10</b>	<b>139.07</b>	<b>-16.77</b>
<b>FRANCE</b>	<b>6.27</b>	<b>3.81</b>	<b>68.63</b>	<b>57.38</b>	<b>-16.39</b>

<b>SOUTH AFRICA</b>	<b>6.71</b>	<b>4.16</b>	<b>62.76</b>	<b>51.77</b>	<b>-17.51</b>
<b>MALAYSIA</b>	<b>4.43</b>	<b>3.92</b>	<b>52.31</b>	<b>37.62</b>	<b>-28.08</b>
<b>POLAND</b>	<b>2.99</b>	<b>2.77</b>	<b>37.42</b>	<b>34.35</b>	<b>-8.20</b>
<b>SWEDEN</b>	<b>2.26</b>	<b>1.93</b>	<b>27.67</b>	<b>24.39</b>	<b>-11.86</b>
<b>U K</b>	<b>21.18</b>	<b>16.56</b>	<b>224.44</b>	<b>193.21</b>	<b>-13.92</b>

- ❖ USA is the largest importer of Auto Components and Parts from India with more than 21% share in India’s global export during April-February 2014-2015.
- ❖ Turkey holds the second position with 9.5% share in India’s global export of auto components and parts during the same time period.

## Conclusion

After witnessing a slower growth in January 2015, India’s engineering exports fell by 0.9% in February 2015 over the same month last year. Some of the key engineering segments, which normally drive exports, have taken a hit in the month of February 2015: iron and steel exports; motor cars, aircraft parts and shipping components, to name a few. It needs to be emphasized that the exchange rate scenario is relatively favourable vis-a-vis last year but the falling global commodity prices in general have resulted in dampening external demand for a range of engineering products.

It needs to be noted that engineering exports are increasingly becoming more responsive to income changes as compared to price changes. UNCTAD has estimated that a 1% decline in global GDP growth leads to 1.88% decline in India’s growth of exports, while a 10% reduction in prices will lead to only a 5.4% increase in exports. In fact, manufactured exports in general have remained weak in the past two years, owing to weak growth in our export markets. This means that increasing exports will require much higher price competitiveness than ever before, if global growth remains muted. With the global trade landscape set to become more competitive with the emergence of mega trade pacts like the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership, increasing competitiveness will be key to export growth.

It is here that the domestic manufacturing growth remains a problem area. Manufacturing growth, though decent in January 2015, was lower than that of the revised figure of December. What is therefore required are clear policy signals, further lowering of repo rates and an early announcement of the new Foreign Trade policy to revive the dip that has been witnessed in the last month.

