

Analysis of Engineering Exports during July, 2014

August, 2014

Engineering exports for the first four of the current fiscal has shown considerable buoyancy though there is certainly an element of base effect in the export figures. Our engineering exports growth grew by 24.18% in the first four months over the same period in the last fiscal. Exports in the month of July 2014 grew by 23.21% over July 2013, with growth rate increasing slightly vis-a-vis the June 2014 growth but lower than the first two months of the current fiscal. This is despite the fact that industrial production growth fell to 3.4% in June 2014 vis-a-vis June 2013. The general index of industrial production at 170.5 in June 2014 is -2.47 lower than the May IIP index of 174.3. It may be mentioned that there was a revival in industrial production which grew by 4.7% in May 2014 over May 2013 and 4% during April-May 2014 helping in giving a push to engineering exports in 2014.

The trend in engineering exports is given in Table 1 below :

Table 1 : Engineering Exports (Value in USD Million)

Months	2013-14	2014-15	Growth(%)
April	4529.32	5715.79	26.20
May	4819.47	6018.47	24.88
June	4229.72	5171.82	22.27
July	4473.34	5511.46	23.21
April-July	18051.85	22417.54	24.18

(Source : Department of Commerce, GOI)

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

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

	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	11.00
	August	4582.7	5437.89	18.66	
	September	4549.74	5267.63	15.78	
Quarter 3	October	4110.99	5647.97	37.39	22.37
	November	4170.48	4836.99	15.98	
	December	4822.81	5551.13	15.10	
Quarter 4	January	4470.52	6116.78	36.82	10.96
	February	5163.11	4980.41	-3.54	
	March	5810.54	6039.35	3.94	
	Total Exports	56819.9	61930	8.99	

[*Revised figures as per latest estimates by DGCI&S]

Impact of Exchange Rate

Did the exchange rate also play a role in making our engineering exports competitive? We look at the average exchange rate for the period during April-July 2014 vis-a-vis April-July 2013. The below table provides the same:

April –July	Average Exchange Rate 1 USD to INR
2013	Rs 57.00941
2014	Rs 59.84745

(Source : Calculated from RBI archive)

The exchange rate was marginally favourable in the first four months of the current fiscal than the first four months of the last fiscal.

Trends in Engineering Panel Exports

We begin by looking at the Engineering Panel wise exports for month of July 2014 vis-a-vis July 2013 and cumulatively for the first four months. The data is given in Table 3 below:

Table 3 : Trends in Engineering panel Exports July 2014 and July 2013

(Value in US\$ Million)

Sl. No.	Panel	July, 2013	July, 2014	Growth (in %)	April,'13-July,'13	April,'14-July,'14	Growth (in %)
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	612.04	755.61	23.46%	2544.94	2951.98	15.99%
B	Products of Iron and Steel	564.47	643.86	14.06%	2135.36	2405.27	12.64%
Sub Total		1176.51	1399.47	18.95%	4680.3	5357.25	14.46%
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	96.86	314.02	224.20%	406.48	971.58	139.02%
B	Aluminium and products	142.65	190.45	33.51%	557.49	727.41	30.48%
C	Zinc and products made of zinc	32.8	17.19	-47.59%	119.38	52.62	-55.92%
D	Nickel and products	27.56	34.81	26.31%	168.35	123.48	-26.65%
E	Lead and products made of lead	10.74	11.32	5.40%	27.94	46.88	67.79%
F	Tin and products made of tin	4.24	0.29	-93.16%	30.42	14.01	-53.94%
G	Other Non Ferrous Metal	32.09	35.46	10.50%	125.81	141.84	12.74%
Sub Total		346.94	603.54	73.96%	1435.87	2077.82	44.71%
3. Industrial Machinery							
A	Nuclear Reactors	54.36	46	-15.38%	178.6	177.49	-0.62%
B	IC Engines and Parts	147.02	148.81	1.22%	557.33	624.6	12.07%
C	Pumps of all types	58.25	68.3	17.25%	217.97	255.23	17.09%
D	Air condition & Repair Machinery	80.62	96.02	19.10%	340.3	406.32	19.40%
E	Other industrial Machinery	344.61	426.14	23.66%	1327.16	1606.09	21.02%
F	Machine Tools	28.43	26.72	-6.01%	116.07	123.25	6.19%
G	Machinery for ATMs	97.24	105.79	8.79%	391.16	427.3	9.24%
Sub Total		810.53	917.78	13.23%	3128.59	3620.28	15.72%

4. Electric Machinery and Equipment		326.64	350.07		1203.91	1303.82	8.30%
5. Auto and Auto Parts							
A	Motor Vehicle/cars	587.4	599.13	2.00%	1794.51	2072.71	15.50%
B	Two and Three Wheelers	121.23	207.87	71.47%	451.92	628.58	39.09%
C	Auto Components/Parts	311.03	371.85	19.55%	1188.1	1479.55	24.53%
Sub Total		1019.66	1178.85	15.61%	3434.53	4180.84	21.73%
6. Aircrafts and Spacecraft		230.23	387.13	68.15%	767.8	1880.41	144.91%
7. Ships Boats and Floating bodies		102.07	148.97	45.95%	1643.27	1973.59	20.10%
8. Miscellaneous							
A	Medical and Scientific instruments	90.46	101.28	11.96%	366.86	405.14	10.43%
B	Railway Transport & Equipments	15.75	8.46	-46.29%	85.19	59.37	-30.31%
C	Hand Tools Cutting tools	54.95	66.9	21.75%	219.87	250.51	13.94%
D	Electrodes & Accumulators	3.41	3.31	-2.93%	13.14	11.98	-8.83%
E	Accumulator and Battery	14.89	16.76	12.56%	46.8	60.02	28.25%
F	Bicycle & Parts	31.06	29.21	-5.96%	108.21	116.56	7.72%
G	Cranes Lifts & Winches	21.82	25.97	19.02%	88.96	99.4	11.74%
H	Office Equipments	2.45	5.15	110.20%	10.42	13.76	32.05%
I	Other Construction Materials	86.61	125.91	45.38%	305.37	399.86	30.94%
J	Prime Mica & Mica Products	1.68	1.82	8.33%	6.91	6.78	-1.88%
K	Other misc items	137.68	140.88	2.32%	505.85	600.15	18.64%
Sub Total		460.76	525.65	14.08%	1757.58	2023.53	15.13%
GRAND TOTAL		4473.34	5511.46	23.21%	18051.85	22417.54	24.18%

(Source : Department of Commerce, GOI)

Top 25 Country Engineering Exports during April-July 2014 over April-July 2013 in Absolute Value (even though the growth rate may be negative)

We now look at the Top 25 Country wise export scenario during July 2014 over July 2013 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April-July 2014 vis-à-vis April-July 2013.

Table 5 : Country wise Exports (2014-2015)

(Value in US\$ Million)

COUNTRY	July, 2013	July, 2014	Growth (in %)	April, 2013 - July, 2013	April, 2014 - July, 2014	Growth (in %)
U S A	494.63	641.74	29.74	1887.63	2366.88	25.39
UAE	266.29	363.18	36.38	1580.98	2007.81	27.00
Sri Lanka	175.51	178.43	1.66	513.74	1045.93	103.59
Singapore	63.55	193.97	205.23	1214.21	1020.25	-15.97
U K	222.32	233.32	4.95	739.89	858.88	16.08
China	135.48	285.04	110.40	445.02	849.00	90.78

Germany	179.17	190.33	6.23	664.83	713.74	7.36
Turkey	81.89	155.13	89.44	309.20	638.01	106.34
Italy	98.07	128.19	30.71	482.09	545.50	13.15
Saudi Arabia	102.88	152.80	48.52	472.93	524.19	10.84
Mexico	76.71	119.30	55.51	261.47	504.53	92.96
Bangladesh	97.33	110.74	13.78	394.21	485.43	23.14
Oman	80.00	35.61	-55.49	217.15	475.37	118.92
Nepal	81.95	120.05	46.50	314.55	462.16	46.93
Indonesia	110.40	76.28	-30.91	306.51	440.44	43.70
South Korea	60.46	97.14	60.67	347.59	429.78	23.64
South Africa	152.38	130.26	-14.52	515.85	422.20	-18.15
Nigeria	92.49	108.72	17.56	343.78	420.89	22.43
Iran	52.16	177.51	240.35	208.66	419.21	100.91
Thailand	78.76	88.38	12.22	312.90	343.93	9.92
France	72.88	90.65	24.38	323.80	340.91	5.29
Jordan	6.59	11.04	67.55	27.23	340.38	1149.84
Netherland	86.63	71.49	-17.47	256.19	280.54	9.50
Brazil	61.26	71.25	16.31	266.18	274.13	2.99
Japan	72.15	68.25	-5.40	281.43	237.05	-15.77
Total of top 25	3001.94	3898.80	29.88	12688.01	16447.14	29.63
Total Engineering Exports	4473.34	5514.04	23.26	18051.82	22419.81	24.20
Share of Top 25 in Total (%)	67.11	70.71		70.29	73.36	

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-June 2014 as opposed to April-June 2013. Like before we also look at the trend in June 2014 vis-à-vis June 2013. The Table below gives this picture:

Table 6 : Region Wise Exports Trend—April-July 2013- April-July 2014

(Value in US\$ Million)

Region	July, 2013	July, 2014	Growth (in %)	April,2013 - July, 2013	April,2014 - July, 2014	Growth (in %)
AFRICA	711.47	699.06	-1.74	2561.35	2547.35	-0.55
ASEAN+2	460.41	578.50	25.65	2648.86	2707.55	2.22
CIS	68.65	118.60	72.77	232.47	329.51	41.74
EU	898.88	995.26	10.72	3349.39	3835.89	14.52
LAC	269.84	269.47	-0.14	920.30	950.96	3.33
North America	615.24	821.47	33.52	2296.33	3049.85	32.81
North East Asia	319.82	515.95	61.33	1262.18	1767.71	40.05
Others	279.97	374.59	33.80	1638.38	2106.85	28.59

Rest of Europe	121.00	210.58	74.04	438.55	775.89	76.92
South Asia	377.90	424.98	12.46	1318.57	2069.37	56.94
West Asia	350.16	505.58	44.39	1385.42	2278.88	64.49
Grand Total	4473.34	5514.04	23.26	18051.82	22419.81	24.20

(Source : DGCI&S)

Note : * *Figures have been rounded off.*

** *Myanmar has been included in ASEAN+2 and not in South Asia, since ASEAN is a formal economic grouping.*

