

Analysis of Engineering Exports during February, 2014

March 14, 2014

The last couple of months have seen the engineering sector exports growing both over the last year as well over the previous month. This was happening despite falling industrial production but a favourable exchange rate environment. Lately, however, EEPC India members have been repeatedly stressing that they are facing a huge cash crunch due to non-payment of tax refunds like duty drawback, excise rebates and are also not being able to utilize their duty credit scrips for payment of excise.

This cash cum credit crunch- in a high interest rate regime- has taken its toll on engineering exports. Engineering exports fell by -3.05% in February 2014 over February 2013 while it fell by -18.3% over January 2014. It may, however, be noted that the January 2014 exports grew by 37% as our exports touched USD 6.1 billion and hence the base affect exacerbated the month on month growth rate. The redeeming feature is that cumulatively for the 11 month period engineering exports grew by 10.18% (USD 56.2 billion) over last 11 month period of 2012-13.

The export performance in terms of growth rate and absolute figures recorded by the engineering sector in the first 11 months of the current fiscal is shown in the Table below :

Table 1 : 2013-14 vs 2012-13: Month Wise

| Table 1: Engineering Exports in USD Million | | | | | |
|--|----------------------|-----------------|-----------------|-------------------------------|--------------------------------|
| | Month | 2012-13 | 2013-14 | Growth Rate in Percent | Growth Rate in Quarters |
| Quarter 1 | April | 5013.53 | 4620.49 | -7.84 | -5.68 |
| | May | 4931.95 | 4859.6 | -1.47 | |
| | June | 4654.7 | 4294.2 | -7.74 | |
| Quarter 2 | July | 4538.8 | 4598.25 | 1.31 | 11.75 |
| | August | 4582.7 | 5436.09 | 18.62 | |
| | September | 4549.74 | 5246.18 | 15.31 | |
| Quarter 3 | October | 4110.99 | 5643.15 | 37.27 | 22.75 |
| | November | 4170.48 | 4834.46 | 15.92 | |
| | December | 4822.81 | 5549.26 | 15.06 | |
| Quarter 4 | January | 4470.52 | 6114.3 | 36.77 | |
| | February | 5163.11 | 5005.54 | -3.05 | |
| | Total Exports | 51009.33 | 56201.52 | 10.18 | |

(Source : Department of Commerce)

Graph 1 below shows the graphical trend in engineering exports growth rate during the 11 months of 2013-14. It clearly shows the yo-yoing of export growth during the year.

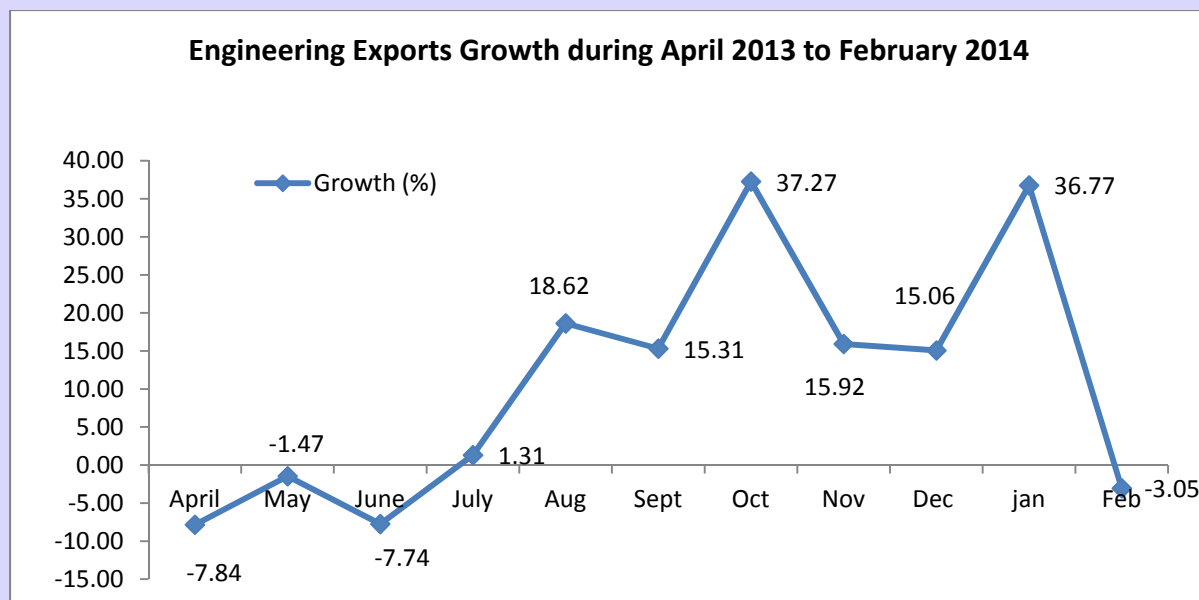


Table 2 : Trends in Engineering panel Exports February 2014 and April- Feb 2013-2014

| Engineering Panels | | Value in USD Million | | Growth (%) | Value in USD Million | | Growth % |
|--|--------------------------|----------------------|----------------|---------------|-----------------------------|------------------------------|--------------|
| | | February, 2013 | February, 2014 | | April, 2012 – February 2013 | April, 2013 – February, 2014 | |
| 1. Iron and Steel and Products made of Iron and Steel | | | | | | | |
| A. | Iron and Steel | 826 | 708.79 | 14.19% | 7104.50 | 8315.70 | 17.05% |
| B. | Products of Iron | 556.71 | 566.87 | 1.83% | 6719.67 | 6083.93 | -9.46% |
| Sub-Total | | 1382.71 | 1275.66 | -7.74% | 13824.17 | 14399.63 | 4.16% |
| 2. Non-Ferrous Metals and Products made of Non-Ferrous Metals | | | | | | | |
| A. | Copper and products | 222.44 | 257.84 | 15.91% | 2655 | 2526.73 | -4.83% |
| B. | Aluminium and products | 152.08 | 182.68 | 20.12% | 1417.65 | 1713.03 | 20.84% |
| C. | Zinc and products | 38.62 | 22.95 | 40.57% | 411.3 | 407.51 | -0.92% |
| D. | Nickel and products | 75.88 | 41.31 | 45.56% | 334.3 | 417.96 | 25.03% |
| E. | Lead and products | 14.3 | 18.18 | 27.13% | 96.96 | 177.49 | 83.05% |
| F. | Tin and products | 0.17 | 0.29 | 70.59% | 2.98 | 80.19 | 2590.94% |
| G. | Other Non Ferrous Metals | 31.39 | 32.96 | 5.00% | 342.67 | 375.64 | 9.62% |
| Sub-Total | | 534.88 | 556.21 | 3.99% | 5260.86 | 5698.55 | 8.31% |

| 3. Industrial Machinery | | | | | | | |
|--------------------------------|---|----------------|----------------|---------------|-----------------|-----------------|----------------|
| A. | Nuclear Reactors and Industrial machinery | 43.14 | 41.05 | -4.84% | 419.04 | 500.24 | 19.38% |
| B. | IC Engines and Parts | 212.37 | 125.34 | 40.98% | 1562.76 | 1478.71 | - 5.38% |
| C. | Pumps of all types | 49.09 | 52.23 | 6.40% | 506.88 | 626.28 | 23.56% |
| D. | Air condition and Re | 108.33 | 95 | 12.30% | 1033.62 | 1025.99 | -0.74% |
| E. | Other Industrial Machinery | 300.88 | 356.03 | 18.33% | 3434 | 3817.42 | 11.17% |
| F. | Machine Tools | 35.33 | 22.92 | 35.13% | 348.19 | 297.5 | -14.56% |
| G. | Machinery for ATMs etc | 105.77 | 93.37 | 11.72% | 1137.48 | 1120.04 | -1.53% |
| Sub-Total | | 854.91 | 785.94 | -8.07% | 8441.97 | 8866.18 | 5.02% |
| 4 | Electric Machinery and Equipment | 265.55 | 319.13 | 20.18% | 3026.69 | 3383.01 | 11.77% |
| 5. Auto and Auto Parts | | | | | | | |
| A. | Motor Vehicle/cars | 470.74 | 573.49 | 21.83% | 5222.33 | 5492.76 | 5.18% |
| B. | Two and Three Wheelers | 117.47 | 127.27 | 8.34% | 1213.17 | 1376.72 | 13.48% |
| C. | Auto Components/Part | 296.41 | 351.79 | 18.68% | 3596.31 | 3561.06 | -0.98% |
| Sub-Total | | 884.62 | 1052.55 | 18.98% | 10031.81 | 10430.54 | 3.97% |
| 6 | Aircrafts and Spacecraft | 178.9 | 270.78 | 51.36% | 1916.39 | 4902.82 | 155.84% |
| 7 | Ships Boats and Floating bodies | 586.28 | 236.22 | 59.71% | 3681.63 | 3332.43 | -9.48% |
| 8. Miscellaneous | | | | | | | |
| A. | Medical and Scientific instruments | 100.49 | 97.82 | -2.66% | 1040.65 | 1050.27 | 0.92% |
| B. | Railway Transport an | 13.71 | 9.89 | 27.86% | 107.16 | 165.01 | 53.98% |
| C. | Hand Tools & Cutting Tools | 53.9 | 60.89 | 12.97% | 627.32 | 647.09 | 3.15% |
| D. | Electrodes & Accumulators | 3.01 | 2.67 | 11.30% | 39.49 | 34.59 | -12.41% |
| E. | Accumulator and Battery | 15.23 | 13.53 | 11.16% | 141.35 | 143.96 | 1.85% |
| F. | Bicycle & Parts | 39.42 | 30.94 | 21.51% | 270.15 | 312.45 | 15.66% |
| G. | Cranes Lifts & Winches | 26.07 | 22.96 | 11.93% | 278.7 | 267.94 | -3.86% |
| H. | Office Equipments | 3.5 | 2.22 | 36.57% | 45.79 | 31.22 | -31.82% |
| I. | Other Construction Materials | 106.4 | 126.05 | 18.47% | 905.11 | 914.43 | 1.03% |
| J. | Prime Mica & Mica Pr | 1.8 | 1.66 | -7.78% | 21.54 | 17.24 | -19.96% |
| K. | OTHER MISC. ITEMS | 111.73 | 140.42 | 25.68% | 1348.55 | 1604.16 | 18.66% |
| Sub-Total | | 475.26 | 509.05 | 7.11% | 4825.81 | 5188.36 | 7.51% |
| GRAND TOTAL | | 5163.11 | 5005.54 | -3.05% | 51009.33 | 56201.52 | 10.18% |

(Source : Department of Commerce)

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

Table 3 : Country wise Exports (April-February 2014)

(Value in Million US \$)

| Country | Feb, 2013 | Feb, 2014 | Growth % | April, 2012 - Feb, 2013 | April, 2013 - Feb, 2014 | Growth % |
|-------------------------------------|----------------|----------------|--------------|-------------------------|-------------------------|--------------|
| U S A | 487.61 | 526.91 | 8.06 | 5835.03 | 5526.02 | -5.30 |
| UAE | 337.14 | 545.75 | 61.87 | 3321.31 | 4559.92 | 37.29 |
| CHINA | 177.48 | 260.37 | 46.70 | 2759.07 | 3222.71 | 16.80 |
| SINGAPORE | 480.23 | 100.32 | -79.11 | 2986.75 | 2756.67 | -7.70 |
| SRI LANKA | 163.64 | 145.71 | -10.96 | 1466.59 | 2414.77 | 64.65 |
| U K | 170.44 | 220.37 | 29.30 | 2151.20 | 2278.05 | 5.90 |
| GERMANY | 168.57 | 167.97 | -0.36 | 1928.96 | 1837.57 | -4.74 |
| SAUDI ARABIA | 110.21 | 106.08 | -3.75 | 1227.87 | 1488.12 | 21.20 |
| ITALY | 128.76 | 115.53 | -10.27 | 1231.03 | 1419.03 | 15.27 |
| SOUTH AFRICA | 104.61 | 100.21 | -4.21 | 1388.42 | 1350.28 | -2.75 |
| MEXICO | 73.16 | 145.96 | 99.50 | 718.71 | 1129.57 | 57.17 |
| BANGLADESH | 88.59 | 106.39 | 20.09 | 955.73 | 1120.15 | 17.20 |
| SOUTH KOREA | 84.25 | 135.21 | 60.48 | 906.17 | 1070.37 | 18.12 |
| TURKEY | 70.25 | 108.34 | 54.23 | 785.04 | 1066.98 | 35.91 |
| NIGERIA | 97.16 | 89.59 | -7.79 | 913.51 | 1047.28 | 14.64 |
| THAILAND | 175.62 | 68.46 | -61.02 | 1104.82 | 962.20 | -12.91 |
| NEPAL | 62.54 | 85.33 | 36.44 | 704.14 | 948.60 | 34.72 |
| NETHERLAND | 219.87 | 72.38 | -67.08 | 1149.19 | 929.56 | -19.11 |
| FRANCE | 85.22 | 86.10 | 1.03 | 725.45 | 924.96 | 27.50 |
| MALAYSIA | 212.78 | 64.11 | -69.87 | 895.19 | 838.61 | -6.32 |
| INDONESIA | 105.27 | 67.38 | -35.99 | 1003.60 | 827.59 | -17.54 |
| JAPAN | 62.87 | 73.10 | 16.28 | 659.98 | 774.65 | 17.38 |
| BRAZIL | 54.94 | 57.08 | 3.89 | 706.93 | 772.90 | 9.33 |
| BELGIUM | 72.19 | 60.20 | -16.61 | 700.72 | 702.19 | 0.21 |
| IRAN | 70.72 | 64.11 | -9.34 | 434.79 | 664.07 | 52.73 |
| Total of top 25 | 3864.12 | 3572.95 | -7.54 | 36660.20 | 40632.82 | 10.84 |
| Total Engineering Exports | 5163.11 | 5001.43 | -3.13 | 51009.38 | 56165.45 | 10.11 |
| Share of Top 25 in Total (%) | 74.84% | 71.44% | | 71.87% | 72.34% | |

☑ Regional Distribution of Engineering Exports

Table 4 : Region Wise Exports Trend—April-February 2014

(Value in Million US \$)

| Country | Februar, 2013 | February, 2014 | Growth % | April, 2012 – February, 2013 | April, 2013 – February, 2014 | Growth % |
|--------------------|------------------|-------------------|---------------|---------------------------------|---------------------------------|---------------|
| AFRICA | 580.39 | 612.14 | 5.47 | 6911.83 | 7159.20 | 3.58 |
| ASEAN+2 | 1154.68 | 527.36 | -54.33 | 7580.06 | 7435.74 | -1.90 |
| CIS | 99.27 | 54.55 | -45.05 | 843.87 | 675.38 | -19.97 |
| EU | 1040.88 | 920.43 | -11.57 | 9771.41 | 10172.86 | 4.11 |
| LAC | 220.57 | 250.44 | 13.54 | 2473.90 | 2759.26 | 11.53 |
| North America | 599.75 | 704.34 | 17.44 | 6980.42 | 7058.47 | 1.12 |
| North East Asia | 372.08 | 539.03 | 44.87 | 4910.59 | 5740.80 | 16.91 |
| Others | 343.52 | 550.86 | 60.36 | 3407.61 | 4652.86 | 36.54 |
| Rest of Europe | 87.73 | 138.47 | 57.84 | 1148.69 | 1422.17 | 23.81 |
| South Asia | 333.14 | 351.94 | 5.64 | 3356.10 | 4701.79 | 40.10 |
| West Asia | 331.10 | 351.86 | 6.27 | 3624.90 | 4386.91 | 21.02 |
| Grand Total | 5163.11 | 5001.43 | -3.13 | 51009.38 | 56165.45 | 10.11 |

