

Analysis of Engineering Exports during November, 2013

December 11, 2013

Though the engineering sector has been continuously performing rapidly from the second quarter of 2013-14, where the exports has been very impressive as compared to the previous quarter of 2012-13, yet the engineering exports made in November 2013 has abruptly shrunk in from 8% in October 2013 to (-)14.6% in November 2013. The expansion in the growth rate post August 2013 relentlessly sustained till October 2013, leaping from a growth rate of 14.7% in August 2013 to the same period last year, to 36.3% in October 2013 vis-a-vis October 2012. The cumulative growth rate of engineering exports registered a positive growth rate of 5.6% from April to November 2013-14 in contrast to a growth rate of (-) 16.8% over the same period last year. This performance in terms of growth rate and absolute figures are recorded by the engineering sector in the first eight months of the current fiscal as shown in the Table below:

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

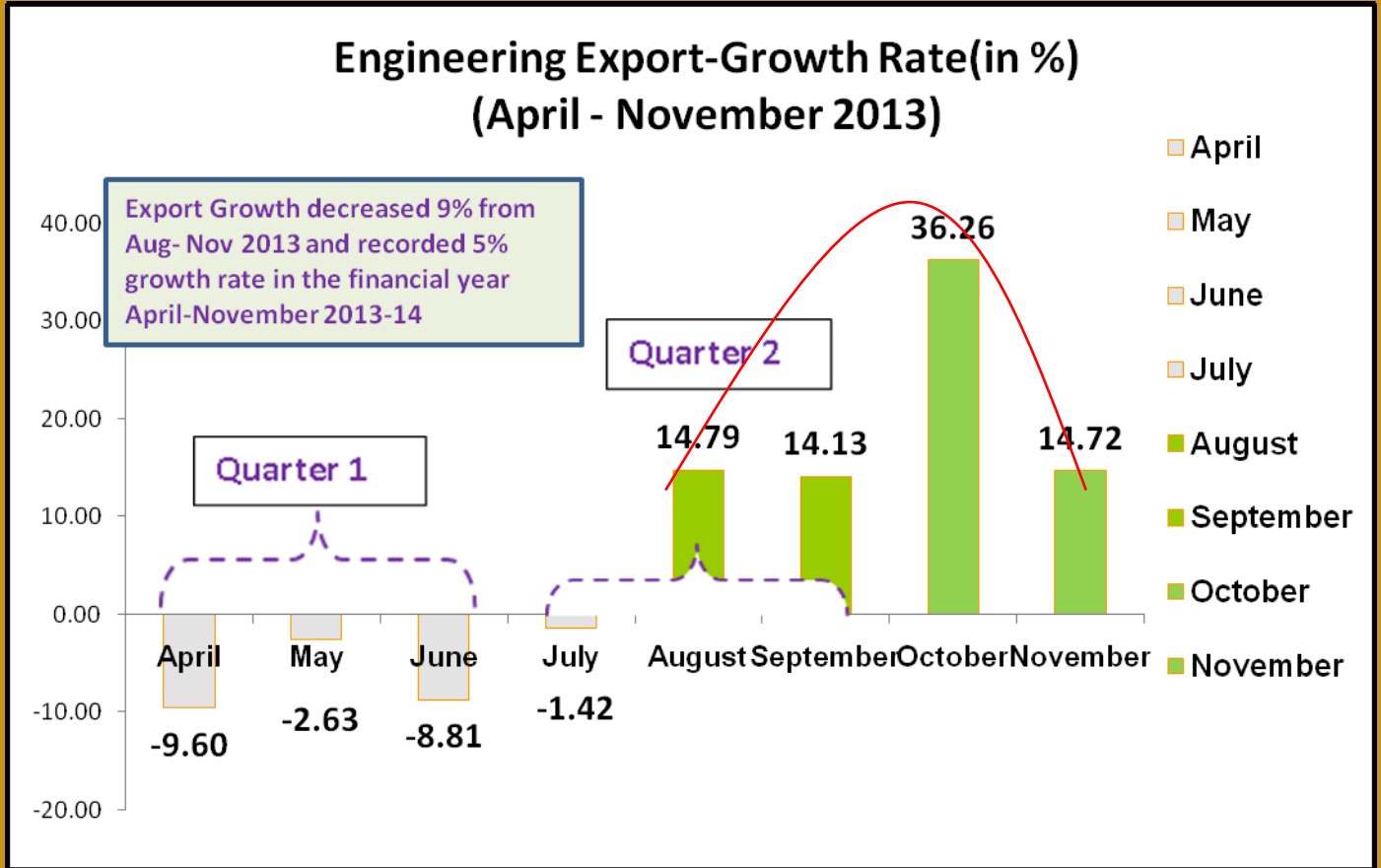
Table 1: Engineering Exports in USD Million					
	Month	2012-13	2013-14	Growth Rate in Percent	Growth Rate in Quarters
Quarter 1	April	5013.75	4532.31	-9.60	-6.99
	May	4932.33	4802.81	-2.63	
	June	4654.72	4244.52	-8.81	
Quarter 2	July	4539.17	4474.6	-1.42	9.19
	August	4582.7	5260.3	14.79	
	September	4549.4	5192.31	14.13	
Quarter 3	October	4111.32	5601.89	36.26	
	November	4170.11	4783.99	14.72	
	Total Exports	36553.5	38892.73	6.40	

(Source : Department of Commerce)

Table 2 : Engineering Exports in USD Million

	Month	2012-13	Growth Rate in Percent over previous month	2013-14	Growth Rate in Percent over previous month
Quarter 1	April	5013.75	N.A.	4532.31	N.A.
	May	4932.33	-1.62	4802.81	5.97
	June	4654.72	-5.63	4244.52	-11.62
Quarter 2	July	4539.17	-2.48	4474.6	5.42
	August	4582.7	0.96	5260.3	17.56
	September	4549.4	-0.73	5192.31	-1.29
Quarter 3	October	4111.32	-9.63	5601.89	7.89
	November	4170.11	1.43	4783.99	-14.60
	Total Exports	36553.5	N.A.	38892.73	N.A.

Graph 1: Trend in Month-wise Engineering Exports Growth Rate
During April 2013-November 2013



(Source : Department of Commerce)

☑ Trends in Engineering Panel Exports

We begin by looking at the Engineering Panel wise exports for month of November 2013 vis-a-vis November 2012 as also for the first eight months of the current fiscal. The data is given in Table 3 below:

Table 3: Trends in Engineering panel Exports: October 2013 and April-October 2013

Engineering Panels		Value in USD Million		Growth (%)	Value in USD Million		Growth %
		November, 2012	November, 2013		April,2012 - November,2012	April,2013 - November,2013	
1. Iron and Steel and Products made of Iron and Steel							
A.	Iron and Steel	562.19	868.99	54.57	4912.20	5879.15	19.68
B.	Products of Iron	559.65	526.58	-5.91	5003.19	4373.48	-12.59
Sub-Total		1121.84	1395.57	24.40	9915.39	10252.63	3.40
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A.	Copper and products	223.35	314.87	40.98	1860.39	1597.49	-14.13
B.	Aluminium and products	109.21	159.32	45.88	979.00	1167.18	19.22
C.	Zinc and products ma	36.54	48.37	32.38	280.82	296.60	5.62
D.	Nickel and products	18.96	22.23	17.25	160.20	280.09	74.84
E.	Lead and products ma	6.77	19.85	193.21	61.35	121.08	97.36
F.	Tin and products mad	0.26	25.95	9880.77	2.09	77.17	3592.34
G.	Other Non Ferrous Metals	27.35	29.21	6.80	248.91	273.37	9.83
Sub-Total		422.44	619.8	46.72	3592.76	3812.98	6.13
A.	"Nuclear Reactors In"	32.14	42.22	31.36	294.66	339.13	15.09
B.	IC Engines and Parts	120.16	112.71	-6.20	1070.41	1060.79	-0.90
C.	Pumps of all types	41.26	54.44	31.94	371.06	446.39	20.30
D.	Air condition and Re	76.38	82.13	7.53	731.22	704.24	-3.69
E.	Industrial Machinery	290.94	315.67	8.50	2482.08	2728.17	9.91
F.	Machine Tools	26.82	25.19	-6.08	246.57	217.97	-11.60
G.	Machinery for ATMs etc	98.96	93.41	-5.61	822.59	806.44	-1.96
Sub-Total		686.66	725.77	5.70	6018.59	6303.13	4.73

4	Electric Machinery and Equipment	233.74	296.33	26.78	2198.71	2414.85	9.83
5. Auto and Auto Parts							
A.	Motor Vehicle/cars	520.90	483.10	-7.26	3792.51	3966.07	4.58
B.	Two and Three Wheelers	110.98	130.01	17.15	869.50	979.36	12.63
C.	Auto Components/Part	255.65	310.40	21.42	2678.22	2520.47	-5.89
Sub-Total		887.53	923.51	4.05	7340.23	7465.9	1.71
6	Aircrafts and Spacecraft	165.67	198.95	20.09	1479.37	2519.98	70.34
7	Ships Boats and Floating bodies	242.72	212.99	-12.25	2520.83	2382.2	-5.50
8. Miscellaneous							
A.	Medical and Scientific instruments	73.77	87.22	18.23	735.23	755.48	2.75
B.	Railway Transport an	8.03	4.50	-43.96	74.22	130.24	75.48
C.	Hand Tools & Cutting Tools	52.07	55.43	6.45	455.74	476.77	4.61
D.	Electrodes & Accumulators	3.51	2.85	-18.80	26.39	25.72	-2.54
E.	Accumulator and Battery	10.36	13.03	25.77	105.27	102.26	-2.86
F.	Bicycle & Parts	21.06	25.97	23.31	178.45	219.84	23.19
G.	Cranes Lifts & Winches	28.74	21.83	-24.04	201.84	199.99	-0.92
H.	Office Equipments	3.89	2.79	-28.28	34.54	23.55	-31.82
I.	Other Construction M	105.07	70.38	-33.02	655.66	601.84	-8.21
J.	Prime Mica & Mica Pr	1.66	1.54	-7.23	16.06	13.06	-18.68
K.	OTHER MISC. ITEMS	101.35	125.53	23.86	1004.22	1192.31	18.73
Sub-Total		409.51	411.07	0.38	3487.62	3741.06	7.27
GRAND TOTAL		4170.11	4783.99	14.72	36553.5	38892.73	6.40

(Source : Department of Commerce)

The following trends can be discerned:

1. Out of the 33 engineering panels, engineering panels recorded negative growths in the month of November 2013 compared to 6 such panels in the month of October 2013. (Panels with negative growth rates in the month of November 2013 compared to the same of the previous fiscal are shown in the Table below).

Table 4: Engineering panel with Negative Export Growth Rates: November 2013 -November 2012

PANEL	Nov-12	Nov-13	Growth (%)
Products of Iron	559.65	526.58	-5.91
IC Engines and Parts	120.16	112.71	-6.20
Machine Tools	26.82	25.19	-6.08
Machinery for ATMs etc	98.96	93.41	-5.61
Motor Vehicle/cars	520.9	483.1	-7.26
Ships Boats and Floating bodies	242.72	212.99	-12.25
Railway Transport	8.03	4.5	-43.96
Electrodes & Accumulators	3.51	2.85	-18.80
Cranes Lifts & Winches	28.74	21.83	-24.04
Office Equipments	3.89	2.79	-28.28
Other Construction Machinery	105.07	70.38	-33.02
Prime Mica & Mica Products	1.66	1.54	-7.23

2. The Railway transport sector has shown a heavy deterioration in the growth rates between November 2013 and November 2012. This sector has started showing a decelerating trend massively from the month of April 2013 to May 2013 falling more than 70%, later on there has not been any sign of improvement.
3. Office Equipments and Other construction machinery sector have also been included in the negative growth panel list registering a fall in growth rate of 28% and 33% respectively. The construction machinery sector has been facing fluctuating demand in the present fiscal of 2013-14.
4. The Iron and Steel sector has been continuously pushing ahead with a perpetual positive growth track as compared to the previous fiscal of 2012-13. Infact the growth scale has moved up extensively post July 2013 reaching a growth of 42% in November 2013 of the present fiscal.
5. There are signs of heavy resurgence in the non ferrous sector specifically in Tin and Lead products, Copper and Aluminium, all of which recorded positive growth in the present fiscal compared to the previous one. On the other hand Pumps and Valves, Electric Machinery and Nuclear Reactors have also experienced positive export growth in the present fiscal of 2013-14 as compared to the previous one. (Panels with positive growth rates are shown in the Table below).

Table 5 : Engineering panel with Positive Export Growth Rates: November 2013 -November 2012

PANEL	Nov-12	Nov-13	Growth (%)
Iron and Steel	562.19	868.99	54.57
Copper and products	223.35	314.87	40.98
Aluminium and products	109.21	159.32	45.88
Zinc and products ma	36.54	48.37	32.38
Nickel and products	18.96	22.23	17.25
Lead and products ma	6.77	19.85	193.21
Tin and products mad	0.26	25.95	9880.77
Other Non Ferrous Metals	27.35	29.21	6.80
"Nuclear Reactors "	32.14	42.22	31.36
Pumps of all types	41.26	54.44	31.94
Air condition and Re	76.38	82.13	7.53
Industrial Machinery	290.94	315.67	8.50
Electric Machinery and Equipment	233.74	296.33	26.78
Two and Three Wheelers	110.98	130.01	17.15
Auto Components/Part	255.65	310.4	21.42
Aircrafts and Spacecraft	165.67	198.95	20.09
Medical and Scientific instruments	73.77	87.22	18.23
Hand Tools & Cutting Tools	52.07	55.43	6.45
Accumulator and Battery	10.36	13.03	25.77
Bicycle & Parts	21.06	25.97	23.31
OTHER MISC. ITEMS	101.35	125.53	23.86

☑ Top 25 Country Engineering Exports during April-October 13 over April- October 12 in Absolute Value (even though the growth rate may be negative)

We now look at the Top 25 Country wise export scenario during April-November 2013 over April-November 2012 in Absolute Value, even though the growth rate may be negative. The negative growth is marked in red font in Table 6. Country wise exports for month of November 2013 vis-a-vis November 2012 are also added in the table.

Table 6: Country wise Exports (April-October 2013)

Country wise Export Performance (Engineering Goods) (Value in Million US \$)					
COUNTRY	NOVEMBER, 2012	NOVEMBER, 2013	APRIL,2012 - NOVEMBER,2012	APRIL,2013 - NOVEMBER,2013	Growth %
U S A	514.52	474.92	4305.69	3909.95	-9.19
U ARAB EMTS	294.59	370.90	2388.60	3139.09	31.42
CHINA P RP	235.89	353.90	2035.98	2064.03	1.38
SINGAPORE	96.75	107.29	1997.39	1955.28	-2.11
U K	287.48	200.48	1574.33	1625.79	3.27
SRI LANKA	105.12	204.91	1132.02	1342.21	18.57
GERMANY	148.18	142.50	1399.37	1316.68	-5.91
SOUTH AFRICA	95.43	122.87	1060.70	1041.46	-1.81
ITALY	94.67	121.34	833.20	1012.59	21.53
SAUDI ARAB	106.05	128.92	875.09	941.52	7.59
BANGLADESH	67.74	91.28	703.63	790.34	12.32
TURKEY	61.41	105.83	581.57	766.67	31.83
KOREA RP	67.26	84.47	651.49	739.57	13.52
THAILAND	110.89	84.58	718.72	735.97	2.40
NIGERIA	78.01	94.31	667.85	733.23	9.79
NETHERLAND	54.32	66.35	786.05	714.72	-9.07
MEXICO	98.27	117.07	498.61	688.02	37.99
MALAYSIA	52.72	66.01	427.23	636.78	49.05
FRANCE	59.66	68.05	518.38	630.93	21.71
INDONESIA	67.71	61.24	671.71	614.56	-8.51
NEPAL	74.57	67.49	477.50	577.01	20.84
BRAZIL	63.73	71.86	539.31	568.30	5.38
JAPAN	64.90	80.01	485.42	568.08	17.03
BELGIUM	61.92	80.40	468.11	494.44	5.62
KENYA	36.74	53.26	392.56	466.42	18.81
Total of top 25	2998.54	3420.23	26190.52	28073.64	
Total Engineering Exports	4170.11	4783.99	36553.5	38892.73	
Share of Top 25 in Total (%)	71.91	71.49	71.65	72.18	

- Out of the top 25 countries in absolute value terms, 19 countries recorded positive growth during April- November 2013 as opposed to April-November 2012. Thus, only 6 countries recorded negative growth during this period. In comparison, 7 countries recorded negative growth during April-October 2013 over April- October 2012.
- USA consistently remains our top engineering export destination. Even though the growth rate continues to be negative, similar to the previous month, October 2013. The slowdown that occurred during the month of June incurring a negative 2.34 % export growth recovered in July and continued to be positive till September 2013. In October 2013 the growth rate turned negative again with 5.12 % and further falling to (-) 9.2% in November 2013.
- Iran and Kenya are the two countries that compete to remain among the top 25 countries. In April- November 2013 Kenya has dropped in removing Iran from the top 25 countries.
- The growth rate in the top 25 countries for both periods (April- November 2013 to April- November 2012) has improved significantly and has recorded a positive growth of 7.2 percent. While the exports growth in the total engineering exports between April- November 2013 and April-November 2012 is 6.4 %. This implies that the top 25 countries have done slightly better than the rest of the world. The percentage share of top 25 in total exports has increased from 71.65 in April- November 2013 to 72.18 in April- November 2013.

☑ **Regional Distribution of Engineering Exports**

We now look at the Regional Distribution of Engineering Exports for April-November 2013 as opposed to April-November 2012. The Table 7 below gives this picture:

Table 7 : Region Wise Exports Trend—April-November 2013

Region wise Export Performance (Value in Million US \$)					
REGION	Apr-Nov-12	Apr-Nov-13	Growth %	Share in total in 2012 (%)	Share in total in 2013(%)
AFRICA	5107.292	5217.894	2.17	13.98	13.43
ASEAN+2	4972.725	5299.738	6.58	13.61	13.64
CIS	576.5736	462.9657	-19.70	1.58	1.19
EU	6876.886	7260.245	5.57	18.83	18.69
LAC	1816.73	1911.983	5.24	4.97	4.92
North America	5103.829	4887.809	-4.23	13.97	12.58
North East Asia	3611.289	3855.442	6.76	9.89	9.92
Others	2455.742	3209.122	30.68	6.72	8.26
Rest of Europe	855.037	1032.685	20.78	2.34	2.66
South Asia	2485.084	2864.627	15.27	6.80	7.37
West Asia	2663.359	2850.075	7.01	7.29	7.34
Grand Total	36524.55	38852.59	6.37	100.00	100.00

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.

Table 8: Region Wise Exports Trend—October 2013 and October 2012

Region wise Export Performance (Value in Million US \$)			
Region	Nov 2012	Nov 2013	Growth %
AFRICA	522.89	624.19	19.37
ASEAN+2	450.63	519.91	15.37
CIS	58.44	46.88	-19.79
EU	856.23	844.65	-1.35
LAC	227.82	235.98	3.58
North America	645.12	619.66	-3.95
North East Asia	407.75	609.35	49.44
Others	309.96	378.15	22.00
Rest of Europe	100.03	133.68	33.64
South Asia	263.54	374.03	41.93
West Asia	327.69	391.85	19.58
Grand Total	4170.11	4778.34	14.59

The main highlights are as follows:

- Out of 11 regions, all are positive in the first eight months of the current fiscal except CIS and North America.
- EU, ASEAN+2, Africa, North America and North East Asia are the top importing regions for India in November 2013. They share more than 72% of the total exports made by India.
- In the month of November 2013, North East Asia, South Asia and Rest of Europe have achieved high growth impetus as compared to November 2012.

☑ To Conclude...

The above analysis exhibits that engineering exports is once again falling under the negative export growth trap in November 2013 as compared to October 2013, though there have been variation in performance within the engineering sectors. There has been some improvements panel wise and country wise, as compared to October 2013.

