

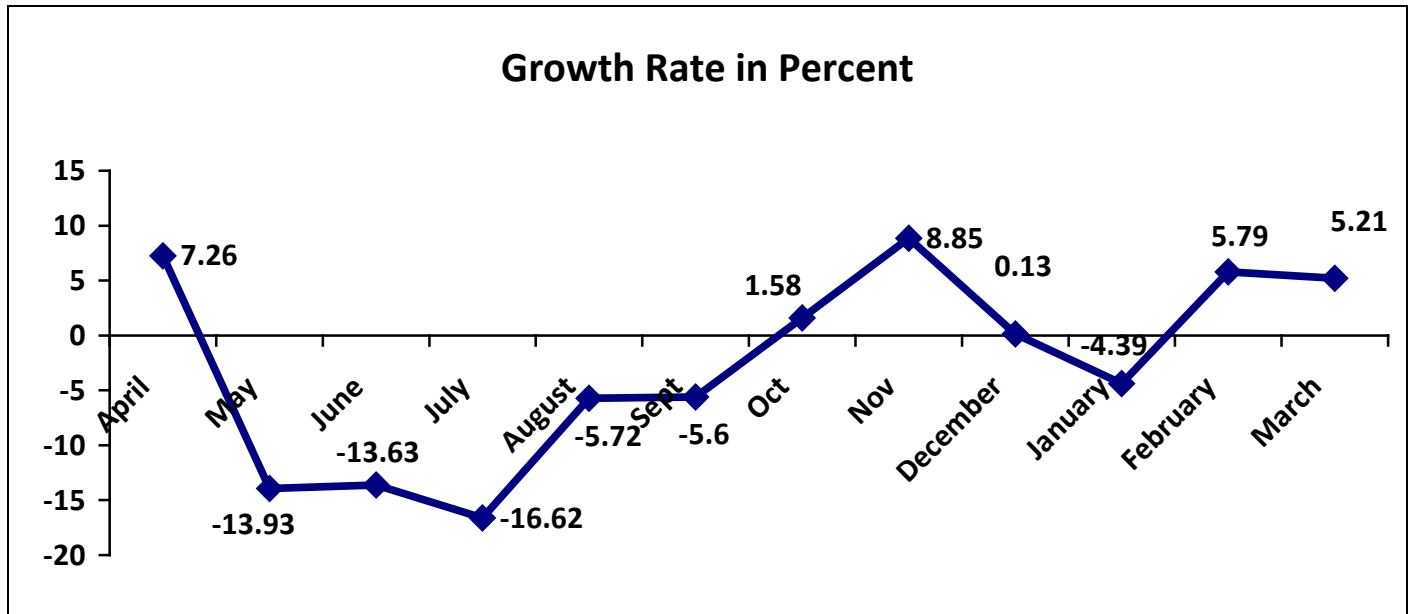
Analysis of Engineering Exports during 2012-13

April 22, 2013

Engineering Exports in 2012-13 fell by -3.19% to USD 56764.38 million from USD 58635.46 million achieved during 2011-12. It may be mentioned that this is much respectable figure and indicates that exports in the second half did much better than the first half of 2012-13. The following graph and tables tell the story of the yo-yoing of engineering exports in the last fiscal.

Graph 1: Trend in Month-wise Engineering Exports Growth Rate

During April 2012-March 2013



Source: Department of Commerce

Table 1 below looks at the absolute figures:

2012-13 vs 2011-12: Month Wise

Month	2011-12	2012-13	Growth Rate in Percent
April	4657.82	4995.78	7.26
May	5708.00	4912.62	-13.93

June	5374.29	4641.61	-13.63
July	5474.19	4564.11	-16.62
August	4863.75	4585.43	-5.72
September	4812.13	4542.58	-5.60
October	4042.96	4106.75	1.58
November	3840.14	4179.87	8.85
December	4809.22	4815.49	0.13
January	4640.57	4436.81	-4.39
February	4860.61	5142.23	5.79
March	5551.78	5841.11	5.21
Total Exports	58635.46	56764.38	-3.19

Source: Department of Commerce

Table 2 below looks at the engineering exports in terms of four quarters to find out which quarter performed the best:

Month	2011-12	2012-13	Growth Rate in Percent
April	4657.82	4995.78	7.26
May	5708.00	4912.62	-13.93
June	5374.29	4641.61	-13.63
First Quarter	15740.11	14550.01	-7.56
July	5474.19	4564.11	-16.62
August	4863.75	4585.43	-5.72
September	4812.13	4542.58	-5.60
Second Quarter	15150.07	13692.12	-9.62
October	4042.96	4106.75	1.58
November	3840.14	4179.87	8.85
December	4809.22	4815.49	0.13
Third Quarter	12692.32	13102.11	3.23
January	4640.57	4436.81	-4.39
February	4860.61	5142.23	5.79
March	5551.78	5841.11	5.21
Fourth Quarter	15052.96	15420.15	2.44
Total Exports	58635.46	56764.38	-3.19

Source: Department of Commerce

It is clear that the revival began to happen from the third quarter onwards. While the average growth rate was the highest in the third quarter of the last fiscal, it was more evenly balanced in the fourth quarter. Not surprisingly, the second half of the last fiscal performed better than the first half as is shown in Table 3 below:

Month	2011-12	2012-13	Growth Rate in Percent
April	4657.82	4995.78	7.26
May	5708.00	4912.62	-13.93
June	5374.29	4641.61	-13.63
July	5474.19	4564.11	-16.62
August	4863.75	4585.43	-5.72
September	4812.13	4542.58	-5.60
First Half	30890.18	28242.13	-8.57
October	4042.96	4106.75	1.58
November	3840.14	4179.87	8.85
December	4809.22	4815.49	0.13
January	4640.57	4436.81	-4.39
February	4860.61	5142.23	5.79
March	5551.78	5841.11	5.21
Second Half	27745.27	28522.25	2.80
Total Exports	58635.46	56764.38	-3.19

Source: Department of Commerce

Trends in Engineering Panel Exports

We now look at the Engineering Panel wise exports for the last two fiscal years. The data is given in Table 4 below:

Table 4: Trends in Engineering panel Exports

Engineering Panels		Value in USD Million		Grwth(%)	Value in USD Million		Growth %
		MARCH, 2012	MARCH, 2013		APRIL,2011 - MARCH,2012	APRIL,2012 - MARCH,2013	
1. Iron and Steel and Products made of Iron and Steel							
A.	Iron and Steel	675.07	978.25	44.91	8300.11	8093.41	-2.49
B.	Products of Iron	768.48	685.76	-10.76	7019.64	7386.96	5.23
Sub-Total		1443.56	1664.00	15.27	15319.75	15480.37	1.05
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A.	Copper and products	248.56	296.97	19.48	2916.35	2952.02	1.22
B.	Aluminium and produc	164.12	215.14	31.08	1524.78	1640.52	7.59
C.	Zinc and products ma	64.43	42.97	-33.31	759.41	452.85	-40.37
D.	Nickel and products	46.48	86.09	85.23	119.18	419.83	252.26
E.	Lead and products ma	15.15	19.54	28.98	188.52	116.35	-38.29
F.	Tin and products mad	1.64	0.40	-75.92	5.90	3.17	-46.24
G.	Other Non Ferrous Me	32.61	35.72	9.54	381.57	378.09	-0.91
Sub-Total		572.99	696.83	21.61	5895.72	5962.83	1.14

3. Industrial Machinery							
A.	"Nuclear Reactors In"	48.43	96.12	98.47	391.95	514.55	31.28
B.	IC Engines and Parts	149.44	130.83	-12.46	1563.41	1583.91	1.31
C.	Pumps of all types	49.92	61.52	23.22	562.60	567.67	0.90
D.	Air condition and Re	112.84	146.53	29.86	1090.17	1173.47	7.64
E.	Industrial Machinery	373.10	412.90	10.67	3814.94	3844.69	0.78
F.	Machine Tools	32.61	42.06	28.99	361.82	389.78	7.73
G.	Machinery for ATMs etc	112.82	124.89	10.70	1095.58	1260.20	15.03
Sub-Total		879.16	1014.84	15.43	8880.47	9334.27	5.11
4	Electric Machinery and Equipment	324.38	386.28	19.08	3396.73	3467.16	2.07
5. Auto and Auto Parts							
A.	Motor Vehicle/cars	537.09	534.34	-0.51	5086.80	5756.49	13.17
B.	Two and Three Wheelers	110.39	132.37	19.92	1314.89	1345.57	2.33
C.	Auto Components/Part	321.95	345.48	7.31	3349.36	3942.05	17.70
Sub-Total		969.42	1012.19	4.41	9751.04	11044.11	13.26
6	Aircrafts and Spacecraft	93.91	369.97	293.97	2275.16	2297.24	0.97
7	Ships Boats and Floating bodies	807.36	157.54	-80.49	8077.85	3822.55	-52.68
8. Miscellaneous							
A.	Medical and Scientific instruments	117.16	96.80	-17.38	1000.41	1136.55	13.61
B.	Railway Transport an	4.90	21.10	330.66	105.44	128.26	21.64
C.	Hand Tools & Cutting Tools	65.29	67.88	3.96	754.04	695.31	-7.79
D.	Electrodes & Accumulators	3.49	2.88	-17.42	37.80	42.17	11.55
E.	Accumulator and Batt	13.25	14.95	12.80	189.74	154.01	-18.83
F.	Bicycle & Parts	27.20	39.13	43.86	286.25	309.48	8.12
G.	Cranes Lifts & Winches	15.20	47.31	211.26	221.46	326.02	47.21
H.	Office Equipments	6.27	5.46	-12.96	59.96	51.23	-14.56
I.	Other Construction M	72.29	82.56	14.20	897.72	984.16	9.63
J.	Prime Mica & Mica Pr	1.75	1.71	-2.47	20.92	23.16	10.68
K.	OTHER MISC. ITEMS	134.18	159.68	19.00	1464.98	1505.51	2.77
Sub-Total		460.98	539.45	17.02	5038.74	5355.85	6.29
GRAND TOTAL		5551.78	5841.11	5.21	58635.46	56764.38	-3.19

Source: Department of Commerce

Broad Growth Pattern of Engineering Segments

A broad brush of the above data shows the following:

1. Out of the 33 engineering panels, 10 engineering panels recorded negative growths in the month of March 2013 while 8 engineering panels recorded negative growth during 2012-13 vis-à-vis 2011-12. This is highlighted in the yellow marked panels. This is indeed a

market improvement when nearly 20 engineering panels used to be in the red during most of 2012-13

2. It may be interesting to aggregate the engineering panels and see how trends can be discerned. This is done in Table 5 and 6 below:

Table 5: Trends in Principal Engineering Panels for March 2013

Principal Engineering Groups	Value in USD Million			Share in total in March-12 (%)	Share in total in March-13 (%)
	March-12	March 13	% Growth		
1. Iron and Steel and Products made of Iron and Steel	1443.56	1664.00	15.27	26.00	28.49
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals	572.99	696.83	21.61	10.32	11.93
3. Industrial Machinery	879.16	1014.84	15.43	15.84	17.37
4. Electric Machinery and Equipment	324.38	386.28	19.08	5.84	6.61
5. Auto and Auto Components	969.42	1012.19	4.41	17.46	17.33
6. Aircrafts, Spacecrafts and Parts	93.91	369.97	293.97	1.69	6.33
7. Ships, Boats and Floating Structures	807.36	157.54	-80.49	14.54	2.70
8. Miscellaneous	460.98	539.45	17.02	8.30	9.24
Total Engineering Exports	5551.76	5841.1	5.21	100.00	100.00

Table 3 shows interesting trends. These are:

- In the month of March, 2013, Iron and Steel sector (primary and products together) accounted for nearly 28% of India's total engineering exports, as opposed to 26% in March 2012. This is followed by the Auto Sector (~18%); Industrial Machinery (~16-17%); Non Ferrous metals (~11-12%) and Ships and floating structures, which was around 15% in March 2012 but its share fell to around 3% in March 2013 (yellow marked).
- Thus, out of the 8 principal groups, only 1 major group in the negative zone in March 2013 (marked in yellow), as opposed to 5 major groups in January 2013.
- Thus there are signs of recovery at the Principal Engineering panel levels.

Table 6 below looks at export trend of the above groups during the whole of 2012-13.

Table 6: Trends in Principal Engineering Panels for 2012-13

Principal Engineering Groups	Value in USD Million			Share in total in 2011-12	Share in total in 2012-13
	2011-12	2012-13	% Growth		
1. Iron and Steel and Products made of Iron and Steel	15319.75	15480.37	1.05	26.13	27.27
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals	5895.72	5962.83	1.14	10.05	10.50
3. Industrial Machinery	8880.47	9334.27	5.11	15.15	16.44
4. Electric Machinery and Equipment	3396.73	3467.16	2.07	5.79	6.11
5. Auto and Auto Components	9751.04	11044.11	13.26	16.63	19.46
6. Aircrafts, Spacecrafts and Parts	2275.16	2297.24	0.97	3.88	4.05
7. Ships, Boats and Floating Structures	8077.85	3822.55	-52.68	13.78	6.73
8. Miscellaneous	5038.74	5355.85	6.29	8.59	9.44
Total Engineering Exports	58635.46	56764.38	-3.19	100	100

Table 6 above shows that there have been shifts in shares of some of the major sectors during the current fiscal wherein exports are falling. Some of the highlights are:

- The share of ships and floating structures has fallen from ~14% in the last fiscal to 6.7% in the current fiscal;
- The share of auto sector has gone up by around 3%
- Out of 8 major segments, only one segment is in the red (marked in yellow). This is three less than April 2012-February 2013 period.

Top 25 Country Engineering Exports during 2012-13 over 2011-12 in Absolute Value (even though the growth rate may be negative)

We now look at the Top 25 Country wise export scenario during 2012-13 over 2011-12 in Absolute Value, even though the growth rate may be negative. The negative growth is marked in bold.

Country wise Export Performance (Engineering Goods)			
COUNTRY	All values in USD MN		Growth (%)
	2011-12	2012-13	
U S A	6947.03	6370.71	-8.30
UAE	3847.03	3720.39	-3.29
SINGAPORE	4890.24	3191.91	-34.73

CHINA	3399.66	2990.06	-12.05
U K	2208.02	2357.62	6.78
GERMANY	2224.56	2115.63	-4.90
SRI LANKA	1885.15	1698.91	-9.88
SOUTH AFRICA	1229.88	1593.60	29.57
ITALY	1526.74	1382.75	-9.43
SAUDI ARAB	1084.71	1370.12	26.31
THAILAND	817.62	1260.26	54.14
NETHERLAND	987.49	1238.39	25.41
INDONESIA	1603.53	1114.37	-30.51
KOREA RP	1055.93	1110.69	5.19
MALAYSIA	953.29	1091.05	14.45
BANGLADESH	718.58	1040.96	44.86
NIGERIA	1021.90	1030.84	0.87
TURKEY	851.79	877.73	3.04
EGYPT	438.85	856.20	95.10
FRANCE	790.04	815.85	3.27
MEXICO	519.60	794.96	52.99
BELGIUM	986.90	787.85	-20.17
BRAZIL	643.79	779.49	21.08
NEPAL	684.14	753.58	10.15
JAPAN	637.01	752.37	18.11
Total of Top 25	41953.48	41096.28	-2.04
Total Engg Exports**	58635.47	56763.38	-3.19
Share of Top 25 in Total	71.55	72.40	

Source: DGCI&S; **incomplete data

- Out of the top 25 countries in absolute value terms, 9 countries recorded negative growth during 2012-13 over 2011-12.
- USA, UAE, China, Singapore, Germany, Italy, Sri Lanka, Indonesia, and Belgium are key export destinations that are still in the negative zone in the current fiscal.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for 2012-13. The Table below gives this picture:

Table : Region Wise Exports Trend

	All values in USD MN	All values in USD MN
--	----------------------	----------------------

Region	2011-12	2012-13	Growth%
AFRICA	6711.89	7750.54	15.47
ASEAN+2	10856.21	8468.69	-21.99
CIS	633.53	949.37	49.85
EU	11106.26	10785.73	-2.89
LAC	2213.10	2810.25	26.98
North America	7965.87	7642.29	-4.06
North East Asia	5790.89	5493.24	-5.14
Others	4701.76	3809.85	-18.97
Rest of Europe	1346.69	1261.67	-6.31
South Asia	3585.07	3742.20	4.38
West Asia	3724.20	4049.55	8.74
Grand Total	58635.47	56763.38	-3.19

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.

The main highlights are as follows:

- Exports to EU and North America are recovering and the negative growth has fallen considerably.
- North East Asia, Rest of Europe, ASEAN+2 remain key areas of concern.
- EU and North America together account for 32.5% of total engineering exports

