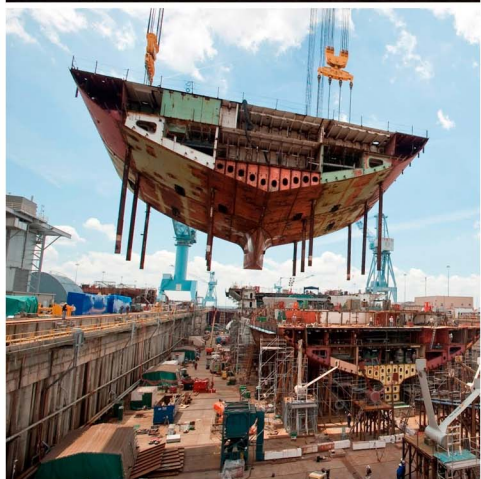


# Engineering Exports Monitor

December 2015



*Engineering the future*

**EEPCINDIA**  
ENGINEERING THE FUTURE

## Analysis of Indian engineering exports during December 2015: January 19, 2016

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### Trend in overall trade

India's merchandise exports once again registered a decline with 14.75 per cent fall in dollar terms to US\$ 22.3 billion in December 2015 from US\$ 26.15 billion during December, 2014. Cumulative value of exports for the period April-December 2015-16 was US\$ 196.60 billion as against US\$ 239.93 billion over the same period last year registering a negative growth of 18.06 per cent in Dollar terms.

India's total merchandised imports during December also fell by 3.88 per cent to US\$33.96 billion, over the level of imports valued at US\$ 35.33 billion in December, 2014. Cumulative value of imports for the period April-December 2015-16 was US\$ 295.81 billion as against US\$ 351.61 billion registering a negative growth of 15.87 per cent in Dollar terms over the same period last year.

*The trade deficit for April-December, 2015-16 was estimated at US\$ 99.21 billion which was lower than the deficit of US\$ 111.68 billion during April-December, 2014-15.*

### Engineering exports

India's engineering exports which accounts for over 21 percent of India's total exports in December 2015 once again registered a fall of 29 percent to US\$ 4765.51 million from US\$ 6710.57 million during December 2014. The engineering export figures post first quarter of the new fiscal 2015-16, was marginally positive during July 2015, but the fall in exports in the remaining two quarters has been uniformly negative by more than 25 percent excluding the month of October.

Consequently, the cumulative value of engineering exports during April-December 2015-16 recorded a dip by over 14.9 percent to US\$ 45.32 billion from US\$ 53.26 billion the same period last year. The monthly and cumulative engineering figures for 2015-2016 vis-à-vis 2014-2015 are depicted below:

**Table1: Engineering Exports**  
US\$ Million

Months	2014-15	2015-16	Growth (%)
April	5708.04	5673.65	-0.60
May	6013.33	5345.71	-11.10
June	5205.21	4944.61	-5.01
<b>Quarter 1</b>	<b>16926.58</b>	<b>15963.97</b>	<b>-5.69</b>
July	5499.76	5576.28	1.39
August	6380.66	5519.66	-13.49
September	6329.07	4701.29	-25.72
<b>Quarter 2</b>	<b>18209.49</b>	<b>15797.23</b>	<b>-13.25</b>
October	5007.85	4427.24	-11.59
November	6403.45	4362.91	-31.87
December	6710.57	4765.51	-28.99
<b>Quarter 3</b>	<b>18121.87</b>	<b>13555.66</b>	<b>-25.20</b>
<b>April-December</b>	<b>53257.94</b>	<b>45316.86</b>	<b>-14.91</b>

(Source: Department of Commerce, Government of India)

## World Exports

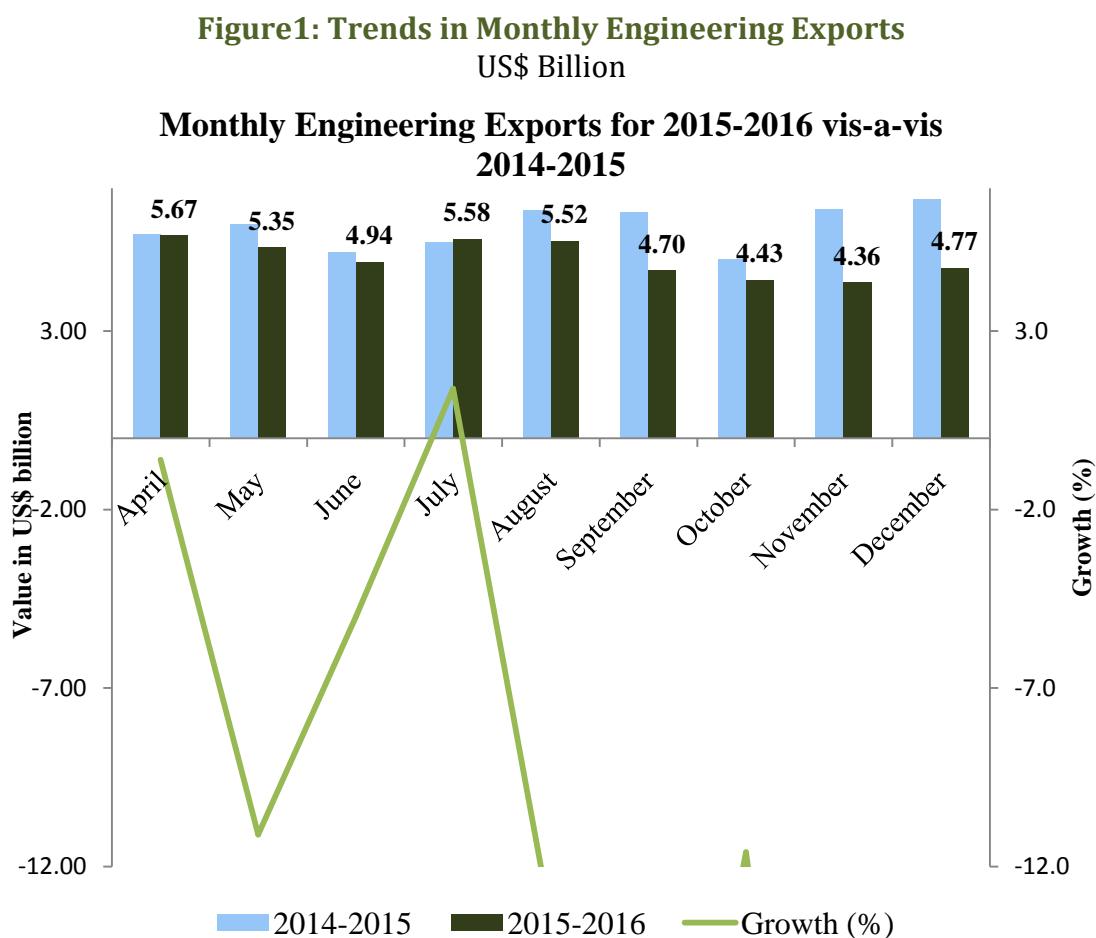
How has the world exports trend been in the current annual year vis-à-vis 2014? Table 2 shows the decline that has been witnessed in the first ten months of 2015.

**Table 2: World Exports 2015 Vs 2014**  
(Values in USD Million)

Months	2014	2015	Growth (%)
January	1393000	1251000	-10.19
February	1288000	1190000	-7.61
March	1470000	1296000	-11.84
April	1443000	1257000	-12.89
May	1454000	1261000	-13.27
June	1436000	1331000	-7.31
July	1488000	1304000	-12.37
August	1355000	1188000	-12.32
September	1470000	1304000	-11.29
October	1495000	1317000	-11.91
<b>January-October</b>	<b>14292000</b>	<b>12699000</b>	<b>-11.15</b>

Source: WTO

Figure 1 below depicts the monthly trend in engineering exports for both 2014 and 2015.



Manufacturing sector contains engineering goods as an important component to it as the contribution of engineering sector in overall manufacturing is quite significant. Therefore, it is quite natural that some correlation between manufacturing production growth and merchandise export growth exist as manufacturing sector contributes significantly to India's engineering production as well as to exports. Hence, a broad analysis of industrial production, especially of manufacturing is effective in the context of engineering export analysis as manufacturing has over 75% weightage in India's industrial production. Indian engineering exports declined by 31.2% during Nov 2015, the worst in 2015-16 and much sharper decline than October 2015 at 11.6%. In line with the downfall in exports, India's manufacturing production also declined by 4.4% during Nov 2015 from a 10.6% growth in the previous month and a feeble 2.9% growth in September 2015. This is the first month in 2015-16 when manufacturing saw a decline over the same period last year. Overall IIP Index, the standard measure for industrial output, stood at 166.6 in November 2015 as against an upwardly revised 181.4 in October 2015 and 178.4 in September 2015. Cumulative industrial growth during April-

November 2015 witnessed a higher 3.9% growth in comparison to 2.5% during the same period last fiscal.

The growth rates in Engineering Exports and the Growth in Manufacturing in the country in the current fiscal in Table 1A below:

**Table 3: Engineering Exports Growth vis-a-vis Manufacturing Growth (2015-16)**

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
April 2015	-0.60	3.9
May 2015	-11.10	2.1
June 2015	-5.01	5.2
Quarter 1	<b>-5.69</b>	<b>3.7</b>
July 2015	1.39	4.8
August 2015	-13.49	6.7
September 2015	-25.72	2.9
Quarter 2	<b>-13.25</b>	<b>4.8</b>
October 2015	-11.59	10.6
November 2015	-31.87	-4.4
December 2015	-28.99	N A
Quarter 3	<b>-25.20</b>	

*(Source: Department of Commerce and CSO)*

An analysis of the export and manufacturing data for the ongoing fiscal also established some correlation between the two. India's engineering exports conceded bigger decline during May 2015 in comparison to the previous month while manufacturing growth also decelerated. The fall in export growth decreased in June and manufacturing growth also strengthened. Exports registered marginal growth during July 2015 but growth of manufacturing production decelerated. Then export growth and growth of manufacturing sector moved in opposite direction in August and September 2015. In August, the export recorded a massive decline but manufacturing growth was recorded at three-year high probably due to festive season in India while in September, decline in exports was lower but manufacturing growth slowed down. However, both moved in the same direction in October and November 2015. Decline in engineering exports decelerated in October and manufacturing growth reached its several years' high. November 2015 just saw the reverse. Engineering exports declined to its highest pace of the current fiscal while manufacturing production declined for the first time in 2015-16.

We also present the month wise corresponding **revised** engineering exports for 2014-15 as opposed to 2013-14.

**Table 4: Revised Engineering Exports (2013-14)**  
USD Million

Quarter	Month	2013-14	2014-15	Growth Rate in Percent
Quarter 1	April	4529.32	5708.04*	26.02*
	May	4819.47	6013.33*	24.77*
	June	4229.72	5205.21*	23.06*
Quarter 2	July	4473.34	5499.76*	22.95*
	August	5264.51	6380.66*	21.20*
	September	5216.94	6329.07*	21.32*
Quarter 3	October	5552.78	5007.85*	-9.81*
	November	4874.85	6403.45*	31.36*
	December	5531.18	6710.57*	21.32*
Quarter 4	January	6122.54	6716.26	9.70
	February	4971.59	4907.37	-1.29
	March	6040.14	5884.54	-2.58
	<b>Total Exports</b>	<b>61626.38</b>	<b>70766.11*</b>	<b>14.83*</b>

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

### Impact of Exchange Rate

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

**Table 5: Average Exchange Rate**

December	Average Exchange Rate 1 USD to INR
2014	63.32
2015	66.42

(Source: Calculated from RBI archive)

**The official exchange rate of rupee vis-à-vis the US Dollar during December 2015 has depreciated by 5 % to that of the same period last year.**

We begin by looking at the Engineering Panel wise exports for the month of December 2015 vis-a-vis December 2014 and cumulative exports for April-December 2015-16 vis-a-vis April-December 2014-15. The data is given in Table 4 below:

**Table 6: Trends in Engineering panel Exports December 2015 and April- December 2015-16**  
US\$ Million

Sl no.	Panel	December 2014	December, 2015	Growth %	April, 2014 - December, 2014	April, 2015 - December, 2015	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	782.74	396.21	-49.38	6652.71	4326.76	-34.96
B	Products of Iron and Steel	679.61	498.94	-26.58	5668.88	4612.60	-18.63
<b>Sub Total</b>		<b>1462.35</b>	<b>895.15</b>	<b>-38.79</b>	<b>12321.59</b>	<b>8939.36</b>	<b>27.45</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	320.38	206.76	-35.46	2603.45	1978.72	-24.00
B	Aluminium and products	313.06	249.77	-20.22	2028.33	1962.64	-3.24
C	Zinc and products	91.26	52.15	-42.86	369.44	455.91	23.41
D	Nickel and products	75.11	32.24	-57.08	578.69	437.60	-24.38
E	Lead and products	25.50	16.11	-36.82	140.34	143.24	2.07
F	Tin and products	1.49	0.43	-71.14	32.44	41.02	26.45
G	Other Non Ferrous Metals	78.95	37.49	-52.51	378.52	319.94	-15.48
<b>Sub Total</b>		<b>905.75</b>	<b>594.95</b>	<b>-34.31</b>	<b>6131.21</b>	<b>5339.07</b>	<b>-12.92</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	61.58	62.11	0.86	450.60	490.16	8.78
B	IC Engines and Parts	280.81	130.07	-53.68	1881.09	1450.58	-22.89
C	Pumps of all types	79.55	62.53	-21.40	574.38	533.41	-7.13
D	Air condition and Refrigerators	96.93	86.39	-10.87	872.65	779.30	-10.70
E	Industrial Machinery for dairy, food processing, textiles etc	424.79	448.23	5.52	3524.91	3453.01	-2.04
F	Machine Tools	29.58	31.50	6.49	273.38	293.87	7.50
G	Machinery for Injecting moulding, valves and ATMs	115.17	107.12	-6.99	984.34	931.39	-5.38
<b>Sub Total</b>		<b>1088.41</b>	<b>927.95</b>	<b>-14.74</b>	<b>8561.35</b>	<b>7931.72</b>	<b>-7.35</b>
<b>4</b>	<b>Electrical Machinery</b>	<b>308.12</b>	<b>361.41</b>	<b>17.30</b>	<b>2938.19</b>	<b>2865.91</b>	<b>-2.46</b>
<b>5. Auto and Auto Components</b>							
A	Motor Vehicle/cars	734.95	590.38	-19.67	5170.12	4997.65	-3.34
B	Two and Three Wheelers	163.98	164.13	0.09	1451.60	1369.94	-5.63
C	Auto Components/Part	372.80	383.01	2.74	3329.37	3109.89	-6.59
<b>Sub Total</b>		<b>1271.73</b>	<b>1137.52</b>	<b>-10.55</b>	<b>9951.09</b>	<b>9477.48</b>	<b>-4.76</b>
<b>6</b>	<b>Aircrafts and Spacecraft</b>	<b>991.68</b>	<b>224.03</b>	<b>-77.41</b>	<b>5121.38</b>	<b>3022.02</b>	<b>-40.99</b>

Sl no.	Panel	December 2014	December, 2015	Growth %	April, 2014 - December, 2014	April, 2015 - December, 2015	Growth %
	parts and products						
7	Ships Boats and Floating products and parts	160.39	105.10	-34.47	3610.31	3241.58	-10.21
<b>8. Miscellaneous Items</b>							
A	Medical and Scientific instruments	102.28	103.54	1.23	968.15	868.98	-10.24
B	Railway Transport	13.12	6.43	-50.99	107.57	58.72	-45.41
C	Hand Tools & Cutting Tools	65.18	55.56	-14.76	572.92	487.27	-14.95
D	Electrodes Accumulators	3.43	3.14	-8.45	28.96	31.58	9.05
E	Accumulator and Batteries	17.89	15.00	-16.15	158.81	142.63	-10.19
F	Bicycle & Parts	30.89	24.06	-22.11	264.83	214.57	-18.98
G	Cranes Lifts & Winches	29.09	31.93	9.76	230.60	285.66	23.88
H	Office Equipments	3.09	4.42	43.04	38.68	65.07	68.23
I	Other Construction Machinery	96.47	96.28	-0.20	892.86	811.82	-9.08
J	Prime Mica & Mica Products	1.23	1.26	2.44	14.11	13.08	-7.30
K	OTHER MISC. ITEMS	159.47	177.78	11.48	1345.33	1520.34	13.01
<b>Sub Total</b>		<b>522.14</b>	<b>519.40</b>	<b>-0.52</b>	<b>4622.82</b>	<b>4499.72</b>	<b>-2.66</b>
<b>Grand Total</b>		<b>6710.57</b>	<b>4765.51</b>	<b>-28.99</b>	<b>53257.94</b>	<b>45316.86</b>	<b>-14.91</b>

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

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 22 panels (67 percent) of the engineering panels recorded a negative growth and remaining 11 panels fared positive growth in the month of December 2015.
- ❖ India's Primary Iron and Steel exports have fallen by more than 49 per cent in December 2015 vis-à-vis December 2014, which is more than the cumulative fall during April- December 2015 vis-à-vis April- December 2014. Products of Iron and Steel have also dropped by more than 26 percent in December 2015 vis-à-vis December 2014, which is also more than the cumulative fall during April- December 2015 vis-à-vis April- December 2014.
- ❖ Like November Ship, boats and floating bodies again registered a significant fall in growth rate by more than 34 percent in December 2015 over December 2014.



- ❖ All non ferrous metals and products witnessed decline in exports during December 2015 over December 2014. The highest decline is seen in the exports of Tin and products falling by more than 71 percent during December 2015 over December 2014, followed by Nickel and other non-ferrous metals falling by 57.08 percent and 52.51 percent respectively during December 2015. The decline in exports of Tin and products is shocking as it was the only non ferrous metal to have registered a positive growth in November 2015 over November 2014.
- ❖ Among the Industrial Machinery panel, products like IC engines and parts, Pumps and valves, Air condition repair machinery and machinery for ATMs witnessed decline in growth rates during December 2015 against December 2014. The Industrial Machinery panel as a whole declined by 14.7 percent during the said period.
- ❖ Like the previous month Aircrafts & Spacecrafts showed massive fall in exports by more than 77 percent in December 2015 over December 2014.
- ❖ Other panels like Motor vehicles, Railway transport, Hand tools cutting, Bicycle & parts, Accumulator and batteries, and Electrodes accumulators, registered negative growth in December 2015 vis-à-vis December 2014.

**☑ Top 25 destinations for Indian 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 December 2015 over December 2014 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April – December 2015 has also been taken into concern to see the trend of India’s engineering exports in the current fiscal.

**Table 7: Engineering Exports Country wise (2015-2016)**  
US\$ Million

Country	December, 2014	December, 2015	Growth %	April - December 2014-2015	April- December 2015 -2016	Growth %
<b>U S A</b>	725.62	583.39	-19.60	5768.65	5228.06	-9.37
<b>UAE</b>	620.66	312.53	-49.65	4211.56	3095.89	-26.49
<b>SRI LANKA</b>	484.13	98.66	-79.62	3110.91	2053.82	-33.98
<b>U K</b>	212.27	180.17	-15.12	2029.55	1677.30	-17.36

Country	December, 2014	December, 2015	Growth %	April - December 2014-2015	April- December 2015 -2016	Growth %
CHINA	400.05	203.83	-49.05	2401.02	1626.90	-32.24
SINGAPORE	202.94	93.23	-54.06	2010.04	1592.76	-20.76
GERMANY	190.57	188.66	-1.00	1611.17	1546.83	-3.99
MEXICO	215.80	205.28	-4.88	1437.09	1314.95	-8.50
MALAYSIA	133.07	93.79	-29.52	877.60	1136.95	29.55
ITALY	150.31	124.19	-17.38	1268.28	1094.20	-13.73
BANGLADESH	120.52	122.63	1.75	1095.80	1068.65	-2.48
SOUTH AFRICA	153.97	99.96	-35.08	1705.34	1059.40	-37.88
SAUDI ARAB	183.66	145.68	-20.68	1329.50	1007.23	-24.24
KOREA RP	95.21	145.04	52.33	960.28	993.78	3.49
TURKEY	134.18	124.22	-7.43	1242.03	959.81	-22.72
JAPAN	57.65	68.66	19.10	616.69	881.54	42.95
NEPAL	127.45	69.85	-45.19	1087.69	849.70	-21.88
FRANCE	112.25	103.15	-8.11	782.52	804.30	2.78
NIGERIA	137.26	80.19	-41.58	1011.33	750.34	-25.81
NETHERLAND	99.46	63.88	-35.78	653.58	649.18	-0.67
THAILAND	91.14	71.58	-21.47	778.47	638.62	-17.97
INDONESIA	130.32	65.52	-49.72	906.85	617.76	-31.88
IRAN	120.84	55.80	-53.82	949.37	562.80	-40.72
BELGIUM	63.14	57.38	-9.12	509.01	521.50	2.45
SPAIN	67.75	50.40	-25.61	514.09	515.89	0.35
<b>Total of top 25</b>	<b>5030.22</b>	<b>3407.64</b>	<b>-32.26</b>	<b>38868.41</b>	<b>32248.17</b>	<b>-17.03</b>
<b>Total Engineering Exports</b>	<b>6710.57</b>	<b>4765.05</b>	<b>-28.99</b>	<b>53257.82</b>	<b>45316.44</b>	<b>-14.91</b>
<b>Share of Top 25 in Total (%)</b>	<b>74.96</b>	<b>71.51</b>		<b>72.98</b>	<b>71.16</b>	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

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

- ❖ Out of the top 25 countries, 22 countries recorded negative growth in the month of December 2015. Only 3 countries recorded positive growth in the month of December 2015 which is deterioration in comparison with November 2015 where 5 countries recorded positive growth.
- ❖ South Korea recorded the highest growth in exports by 52.3% in December 2015 compared to December 2014, as well as positive cumulative growth from April - December 2015-16.

- ❖ Indonesia which recorded the highest growth in exports in November 2015 compared to November 2014 fell drastically in monthly as well as in cumulative export growth rate in December 2015.
- ❖ All the European export destinations for the Indian engineering exports among the top 25, registered negative growth during December 2015 compared to December 2014.
- ❖ Like before Indian engineering exports to USA, continued to be the highest in the reporting month, even though it recorded negative growth both in December 2015 as well as April -December 2015-16.
- ❖ Out of 221 destinations for export of Indian engineering goods, the top 25 nations accounts for 71.2 percent of the total during April- December 2015-16.
- ❖ The growth rate in the top 25 countries during April- December 2015-16, taken together recorded fall in exports by 17 per cent which is more than the fall in India's total engineering exports by 14.9 per cent.

## Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April- December 2015-16 as opposed to April- December 2014-15. We also look at the trend in December 2015 vis-à-vis December 2014. The Table below gives this picture:

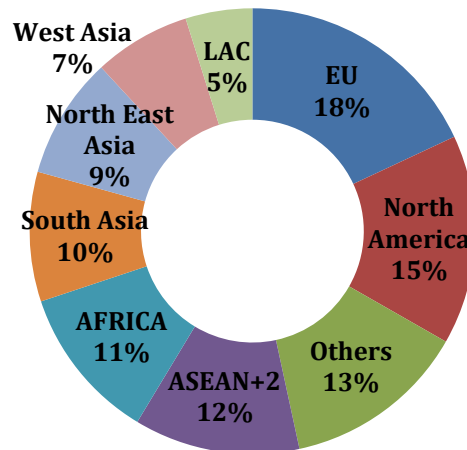
**Table 8: Region Wise Exports Trend**  
US\$ Million

Region	December, 2014	December, 2015	Growth %	April - December 2014-2015	April- December 2015 -2016	Growth %
EU	1120.54	929.30	-17.07	9208.61	8174.77	-11.23
North America	981.87	836.00	-14.86	7631.70	6897.26	-9.62
Others	964.70	524.18	-45.66	6731.91	6049.87	-10.13
ASEAN+2	742.87	504.99	-32.02	6148.26	5452.06	-11.32
AFRICA	742.72	536.57	-27.76	6651.36	5098.34	-23.35
South Asia	763.68	327.26	-57.15	5510.86	4262.18	-22.66
North East Asia	617.40	468.12	-24.18	4528.16	4004.35	-11.57
West Asia	449.96	361.78	-19.60	4393.22	3183.19	-27.54
LAC	326.83	276.84	-15.30	2453.72	2194.41	-10.57
<b>Grand Total</b>	<b>6710.57</b>	<b>4765.05</b>	<b>-28.99</b>	<b>53257.82</b>	<b>45316.44</b>	<b>-14.91</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- December 2015 -16**



(Source: EEPC India analysis)

Note: Others also includes rest of Europe and CIS

- ❖ Engineering exports to EU ranks first in region wise exports, irrespective of negative growth faced monthly as well as cumulatively from April-December 2015 over April-December 2014. Like the month of November 2015, where engineering exports to EU fell in comparison to November 2014, it has again severely fallen in December 2015 viz-a-viz December 2014.
- ❖ North America ranks second registering negative growth both during the cumulative period of April- December 2015-16 over April- December 2014-15 as well as during December 2015 vis-à-vis December 2014.
- ❖ Exports to South Asia recorded significant drop during December 2015 vis-à-vis December 2014.
- ❖ Exports to LAC recorded considerable negative growth during December 2015 vis-à-vis December 2014. However, the pace of decline decelerated by more than half as compared to the previous month from 33.03% in November 2015 to 15.3%.

We now analyze the performance of some of the important products during December 2015. We pick the major panels and seek the heavy growth and heavy declines in these panels **IN THE CURRENT FISCAL of 2015-2016** to give an idea about the trend that is about to emerge.

**Table 9: Export of Iron & Steel**  
US\$ Million

Export partners	December_14	December_15	Growth %	Apr_ December 2014--15	Apr_ December 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>782.74</b>	<b>396.21</b>	<b>-49.38</b>	<b>6652.71</b>	<b>4326.77</b>	<b>-34.96</b>
<b>BELGIUM</b>	27.37	22.31	-18.48	194.08	196.99	1.50
<b>CHINA</b>	7.01	17.05	143.25	83.88	124.78	48.75
<b>KUWAIT</b>	2.11	2.45	16.07	24.75	31.99	29.28
<b>DJIBOUTI</b>	2.23	0.44	-80.37	17.63	19.64	11.38
<b>SOMALIA</b>	1.12	0.78	-30.71	8.75	11.31	29.38
<b>BAHARAIN IS</b>	0.79	0.80	2.16	7.86	11.06	40.75
<b>PARAGUAY</b>	1.81	1.73	-3.91	8.59	8.84	2.96
<b>SENEGAL</b>	1.27	0.71	-44.55	7.26	8.72	20.06
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	56.69	18.73	-66.96	516.83	330.87	-35.98
<b>IRAN</b>	86.85	26.95	-68.97	475.65	303.62	-36.17
<b>ITALY</b>	61.50	35.88	-41.65	409.84	293.91	-28.29
<b>NEPAL</b>	48.37	11.43	-76.36	405.10	279.32	-31.05
<b>UAE</b>	45.42	15.84	-65.13	499.43	242.30	-51.48
<b>KOREA RP</b>	15.76	17.41	10.45	250.15	194.16	-22.38
<b>BANGLADESH</b>	20.65	10.32	-50.05	203.61	151.46	-25.61
<b>U S A</b>	56.69	18.73	-66.96	516.83	330.87	-35.98

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

- ❖ USA tops the list importing 7.6 % of India's total export of Iron and Steel during April- December 2015-16.
- ❖ Iran retains its second position like the previous month, importing 7 % of India's total export of Iron and Steel respectively during the same period respectively.

**Table 10: Export of products Iron & Steel**

US\$ Million

Export partners	December_14	December_15	Growth %	Apr_December 2014--15	Apr_December 2015--16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>679.61</b>	<b>498.66</b>	<b>-26.63</b>	<b>5668.86</b>	<b>4612.29</b>	<b>-18.64</b>
<b>IRAQ</b>	0.67	0.37	-44.88	15.26	177.22	1061.59
<b>NETHERLAND</b>	10.47	16.40	56.62	93.47	128.61	37.59
<b>PERU</b>	11.04	8.49	-23.14	33.07	78.00	135.84
<b>SPAIN</b>	8.26	7.10	-14.00	72.30	77.50	7.20
<b>MEXICO</b>	12.00	4.81	-59.90	52.39	76.04	45.14
<b>SINGAPORE</b>	4.62	4.13	-10.71	45.69	62.12	35.95
<b>BANGLADESH</b>	2.09	8.38	300.74	23.99	58.73	144.79
<b>CHILE</b>	0.38	11.77	2967.10	5.48	52.79	862.67
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	170.64	106.09	-37.83	1295.27	955.35	-26.24
<b>UAE</b>	64.06	37.86	-40.90	576.94	369.70	-35.92
<b>GERMANY</b>	40.25	31.04	-22.88	350.35	273.04	-22.07
<b>U K</b>	29.52	23.81	-19.36	288.23	222.47	-22.82
<b>SAUDI ARAB</b>	69.57	18.27	-73.75	442.83	202.19	-54.34
<b>ITALY</b>	15.46	11.52	-25.48	161.86	113.83	-29.68
<b>CANADA</b>	12.19	11.75	-3.64	133.02	108.12	-18.72
<b>FRANCE</b>	10.83	10.00	-7.65	98.27	84.90	-13.61

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

- ❖ USA tops the list importing more than 20% of India's total export of Products of Iron and Steel during April- December 2015-16.
- ❖ While UAE and Germany imports 8 % and 5.9 % of India's total export of Products of Iron and Steel respectively during the same period.

**Table 11: Export of Industrial Machinery**  
US\$ Million

Export partners	December_14	December_15	Growth %	Apr-December 2014-15	Apr-December 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>1088.40</b>	<b>927.95</b>	<b>-14.74</b>	<b>8561.34</b>	<b>7931.71</b>	<b>-7.35</b>
<b>GERMANY</b>	42.99	45.39	5.58	361.71	386.89	6.96
<b>UAE</b>	39.55	40.54	2.51	351.23	365.51	4.07
<b>SAUDI ARAB</b>	32.39	58.76	81.43	231.00	299.07	29.47
<b>BANGLADESH</b>	32.58	34.77	6.73	242.19	274.43	13.31
<b>FRANCE</b>	13.11	16.75	27.83	110.42	142.35	28.91
<b>VIETNAM</b>	9.98	12.37	24.03	114.76	137.23	19.58
<b>SRI LANKA</b>	10.73	18.00	67.70	86.72	131.09	51.16
<b>KENYA</b>	12.93	14.35	10.94	106.37	123.98	16.55
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	193.12	144.49	-25.18	1405.75	1283.62	-8.69
<b>U K</b>	42.83	28.46	-33.55	389.32	345.20	-11.33
<b>TURKEY</b>	40.83	40.87	0.10	345.16	306.09	-11.32
<b>CHINA</b>	36.61	26.39	-27.93	303.79	257.45	-15.26
<b>ITALY</b>	26.05	21.60	-17.07	253.17	190.67	-24.69
<b>NIGERIA</b>	22.54	18.63	-17.33	247.43	164.27	-33.61
<b>INDONESIA</b>	31.72	17.99	-43.28	205.44	151.92	-26.05
<b>THAILAND</b>	20.94	18.60	-11.18	175.48	151.60	-13.61

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

- ❖ USA tops here importing 16.2 % of India's total exports for Industrial Machinery during April- December 2015-16.
- ❖ Germany and UAE imports 4.9% and 4.6% of India's total exports for Industrial Machinery during April- December 2015-16.

**Table 12: Export of Automobiles**  
US\$ Million

Export partners	December_14	December_15	Growth %	Apr-December 2014-15	Apr-December 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>734.95</b>	<b>590.38</b>	<b>-19.67</b>	<b>5170.12</b>	<b>4997.66</b>	<b>-3.34</b>
<b>MEXICO</b>	62.67	121.70	94.21	591.48	662.69	12.04
<b>SRI LANKA</b>	47.72	27.33	-42.74	257.36	430.80	67.39
<b>ITALY</b>	17.67	21.56	22.05	132.55	221.81	67.34
<b>VIETNAM</b>	22.65	25.84	14.09	103.41	158.23	53.02
<b>SPAIN</b>	13.80	8.97	-34.96	94.03	129.03	37.23
<b>EGYPT</b>	28.49	13.22	-53.61	104.20	123.23	18.26
<b>CHILE</b>	15.93	10.31	-35.30	92.00	99.31	7.95
<b>PHILIPPINES</b>	15.89	12.56	-20.97	79.88	88.72	11.06
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SOUTH AFRICA</b>	103.62	47.75	-53.91	609.98	513.06	-15.89
<b>U K</b>	27.78	12.21	-56.06	285.45	228.69	-19.89
<b>UAE</b>	51.93	21.91	-57.81	229.51	170.19	-25.85
<b>BANGLADESH</b>	17.97	9.71	-45.97	173.65	150.47	-13.35
<b>SAUDI ARAB</b>	19.13	40.82	113.42	151.99	148.90	-2.03
<b>ALGERIA</b>	30.64	0.00	-100.00	236.08	112.91	-52.17
<b>NIGERIA</b>	18.66	12.58	-32.61	163.86	111.69	-31.84
<b>NETHERLAND</b>	13.72	8.79	-35.94	99.35	84.70	-14.75

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

- ❖ In case of Motor vehicles Mexico assumes the top position replacing South Africa, importing 13.3% of India's total exports of Motor vehicles during April-December 2015-2016.
- ❖ South Africa and Sri Lanka holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 10.3 % and 8.6 % of India's total exports of Motor vehicles during the same period.



**Table 13: Export of Non-Ferrous metals**  
US\$ Million

Export partners	December_14	December_15	Growth %	April-December 2014-15	April-December 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>905.75</b>	<b>594.95</b>	<b>-34.31</b>	<b>6131.21</b>	<b>5339.07</b>	<b>-12.92</b>
<b>MALAYSIA</b>	79.31	55.79	-29.66	160.08	610.14	281.16
<b>KOREA RP</b>	56.94	92.02	61.63	486.44	594.58	22.23
<b>U S A</b>	51.36	45.01	-12.38	380.66	424.96	11.64
<b>TAIWAN</b>	10.89	12.59	15.64	93.91	174.79	86.12
<b>SAUDI ARAB</b>	11.39	9.51	-16.44	99.76	100.96	1.20
<b>NEPAL</b>	8.09	5.38	-33.50	64.97	79.02	21.62
<b>INDONESIA</b>	7.21	2.20	-69.53	37.60	71.41	89.92
<b>THAILAND</b>	5.62	4.11	-26.86	41.29	63.31	53.34
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>CHINA</b>	186.74	132.09	-29.27	1575.24	960.53	-39.02
<b>UAE</b>	65.74	30.07	-54.26	563.46	353.70	-37.23
<b>SINGAPORE</b>	45.66	14.15	-69.02	471.75	332.53	-29.51
<b>MEXICO</b>	87.76	22.89	-73.92	426.21	156.66	-63.24
<b>U K</b>	16.17	16.51	2.11	139.60	127.32	-8.79
<b>GERMANY</b>	8.05	8.22	2.11	95.20	71.17	-25.25
<b>TURKEY</b>	25.35	12.67	-50.03	95.00	65.93	-30.60
<b>VIETNAM SOC REP</b>	4.09	8.81	115.65	56.69	39.30	-30.68

*(Source: Department of Commerce and CSO)*

- ❖ China is the topmost importer for Non ferrous Metals importing 18% of India's total export of Non Ferrous Metals during April-December 2015-2016.
- ❖ Malaysia and Korea Republic retains their positions importing 11.4% and 11.1% respectively during April-December 2015-2016.

**Table 14: Export of Electrical Machinery and Components**

US\$ Million

Export partners	December_14	December_15	Growth %	April-December 2014-15	April-December 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>308.12</b>	<b>361.36</b>	<b>17.28</b>	<b>2938.09</b>	<b>2865.87</b>	<b>-2.46</b>
<b>U S A</b>	42.00	42.28	0.66	384.94	397.54	3.27
<b>GERMANY</b>	23.29	46.60	100.12	183.35	212.18	15.72
<b>SINGAPORE</b>	4.71	7.93	68.51	69.88	84.05	20.28
<b>BANGLADESH</b>	4.40	12.04	173.58	53.41	81.74	53.04
<b>CHINA</b>	7.57	7.28	-3.95	65.09	81.31	24.91
<b>JAPAN</b>	5.03	10.82	115.19	45.81	79.37	73.27
<b>ITALY</b>	3.68	4.97	35.15	46.72	52.09	11.51
<b>VIETNAM</b>	2.16	3.78	74.96	25.53	49.13	92.45
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U K</b>	19.18	13.99	-27.06	176.97	158.85	-10.24
<b>FRANCE</b>	17.23	20.65	19.86	156.67	147.83	-5.64
<b>UAE</b>	15.42	12.82	-16.87	149.85	138.89	-7.31
<b>SAUDI ARAB</b>	8.74	6.74	-22.86	76.02	71.85	-5.49
<b>NIGERIA</b>	5.78	4.20	-27.31	70.56	53.45	-24.26
<b>OMAN</b>	3.94	5.41	37.23	49.99	42.31	-15.36
<b>NEPAL</b>	6.87	1.89	-72.54	46.02	40.75	-11.46
<b>SRI LANKA</b>	3.22	5.49	70.83	54.10	36.57	-32.40

*(Source: Department of Commerce and CSO)*

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-December 2015-16 importing 14% from India's global export of the product group.
- ❖ Germany retains the second position growing massively by 100% during December 2015 and by 15% during April-December 2015-16 importing 7.4 % share in India's global export..
- ❖ Exports to UK and France witnessed decline during April-December 2015-16 over the same period last fiscal despite being the third and fourth largest export destination for 'Electrical Machineries'.

**Table 15: Export of Aircrafts & Spacecrafts**  
US\$ Million

Export partners	December_14	December_15	Growth %	April-December 2014-15	April-December 2015-16	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>1150.6</b>	<b>472.7</b>	<b>-58.9</b>	<b>4129.7</b>	<b>2891.0</b>	<b>-30.0</b>
<b>UAE</b>	174.47	0.45	-99.74	686.87	722.25	5.15
<b>CZECH REPUBLIC</b>	0.01	0.02	163.65	31.45	152.46	384.76
<b>GERMANY</b>	9.29	9.60	3.26	63.83	116.19	82.05
<b>ISRAEL</b>	3.52	6.10	73.34	27.20	43.74	60.80
<b>AFGHANISTAN</b>	0.00	9.75		0.00	10.95	2630989.30
<b>PORTUGAL</b>	0.00	9.45		0.00	9.45	329403.24
<b>CANADA</b>	0.98	1.33	35.93	7.30	9.07	24.25
<b>ITALY</b>	1.00	1.82	82.80	5.60	8.10	44.60
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SRI LANKA</b>	363.11	0.10	-99.97	1656.88	972.17	-41.33
<b>USA</b>	41.34	48.01	16.14	390.92	375.55	-3.93
<b>UK</b>	22.63	36.66	62.04	280.39	173.21	-38.23
<b>FRANCE</b>	45.74	29.32	-35.90	136.04	104.44	-23.23
<b>RUSSIA</b>	9.86	19.44	97.12	86.83	82.62	-4.85
<b>SINGAPORE</b>	61.50	25.37	-58.75	313.70	64.41	-79.47
<b>IRELAND</b>	47.13	0.00	-99.99	287.76	35.03	-87.83
<b>NETHERLAND</b>	23.57	2.17	-90.79	42.80	28.51	-33.40

*(Source: Department of Commerce and CSO)*

- ❖ In case of Aircrafts and Parts, Sri Lanka once again retains its top rank in importing 32.2 % of India's total exports of Aircrafts and Parts during April-December 2015-16. UAE ranks second importing 24% of India's global exports of Aircrafts during the same period.
- ❖ USA holds the third position importing 12.43% of India's Aircrafts & parts during April-December 2015-16.

**Table 16: Export of Ships, Boats and Floating Structures and parts**

US\$ Million

Export partners	December_14	December_15	Growth %	April-December 2014-15	April-December 2015-16	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>160.39</b>	<b>105.10</b>	<b>-34.47</b>	<b>3610.30</b>	<b>3241.57</b>	<b>-10.21</b>
<b>UNSPECIFIED**</b>	0.00	0.00		10.53	885.92	8311.51
<b>JAPAN</b>	0.00	0.00		9.20	338.21	3576.21
<b>NORWAY</b>	0.00	0.00		25.89	328.27	1168.18
<b>BAHARAIN IS</b>	0.00	0.00		0.02	122.63	746280.48
<b>FRANCE</b>	0.00	0.00		0.23	3.76	1519.82
<b>EGYPT</b>	0.45	0.00	-99.46	0.46	1.00	117.42
<b>BANGLADESH</b>	0.00	0.00		0.70	0.92	31.05
<b>MALDIVES</b>	0.00	0.00		0.00	0.68	38756.95
<b>HEAVY DECLINE COUNTRIES</b>						
<b>SINGAPORE</b>	41.52	0.11	-99.73	679.79	663.10	-2.45
<b>UAE</b>	118.39	100.30	-15.28	752.05	360.88	-52.01
<b>MALAYSIA</b>	0.00	0.00		246.13	190.70	-22.52
<b>SOUTH AFRICA</b>	0.00	0.00		657.31	147.05	-77.63
<b>SRI LANKA</b>	0.00	0.01		580.76	59.60	-89.74
<b>QATAR</b>	0.00	0.00		44.18	24.08	-45.50
<b>KAZAKHSTAN</b>	0.00	0.00		4.24	2.86	-32.56
<b>NIGERIA</b>	0.00	1.65		8.28	1.67	-79.87

*(Source: Department of Commerce and CSO)*

- ❖ Singapore, UAE, Japan and Norway are India's top export destinations in Ships, Boats and Floating Structures and parts during April-December 2015 sharing almost 52% of total export of this product group.
- ❖ UAE being one of the top five importers of this group importing 11.2% in India's global exports experiences a sharp decline by 52% during April-December 2015-2016.
- ❖ **The DGCIS data shows that exports to an unspecified country has grown dramatically largely because of low base. We need to find out more with respect to this destination.**

**Table 17: Export of Auto Components**

US\$ Million

Export partners	December_14	December_15	Growth %	April-December 2014-15	April-December 2015-16	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>372.80</b>	<b>383.01</b>	<b>2.74</b>	<b>3329.37</b>	<b>3109.90</b>	<b>-6.59</b>
<b>MEXICO</b>	12.05	15.45	28.30	79.53	126.07	58.53
<b>UAE</b>	11.08	12.64	14.08	92.79	99.78	7.54
<b>JAPAN</b>	9.48	14.20	49.69	88.78	93.94	5.81
<b>NEPAL</b>	5.40	6.72	24.26	62.45	64.44	3.18
<b>SRI LANKA</b>	6.58	6.81	3.52	38.11	50.98	33.78
<b>BELGIUM</b>	4.98	5.48	9.89	45.42	45.51	0.19
<b>COLOMBIA</b>	3.13	12.06	284.95	28.82	38.71	34.29
<b>SPAIN</b>	3.74	5.44	45.27	30.25	35.17	16.26
<b>HEAVY DECLINE COUNTRIES</b>						
<b>U S A</b>	81.54	74.11	-9.12	700.28	667.33	-4.71
<b>TURKEY</b>	36.68	36.17	-1.39	310.08	286.29	-7.67
<b>THAILAND</b>	18.11	19.29	6.54	168.63	148.02	-12.22
<b>U K</b>	18.67	15.23	-18.42	158.64	140.28	-11.57
<b>GERMANY</b>	17.29	16.31	-5.66	149.19	137.65	-7.73
<b>BRAZIL</b>	17.06	13.09	-23.30	154.38	128.16	-16.98
<b>BANGLADESH</b>	10.33	16.03	55.15	115.13	101.74	-11.63
<b>ITALY</b>	11.43	12.74	11.41	114.55	99.31	-13.30

*(Source: Department of Commerce and CSO)*

- ❖ USA retains its top most import ranking from India covering almost 22% share in India's global exports of Auto Components/parts, witnessing a meagre positive 2.5% growth in December 2015 while recording (-) 6.6% during April-December 2015-16.

- ❖ Countries like Mexico ranking seventh in India's global exports of Auto Components/parts recorded a significant 59% year-on-year growth during April-December 2015-16.
- ❖ Turkey and Thailand holds the second and third position importing 9.2% and 4.8% respectively of Indian auto component/parts, during April-December 2015-16.

## Conclusion

India merchandised exports fell for the thirteenth month in December 2015, owing to a global slowdown and a decline in commodity prices, further widening the trade deficit.

Moreover, India's engineering exports also suffered a setback since July 2015. The double digit fall in engineering exports by 29% in December 2015 compared to December 2014, is worrying factor for the engineering sector, as it is the largest contributor to India's export basket. The sharp 29% fall in engineering exports during December 2015 was driven mainly by sectors like Aircrafts and Spacecrafts, Tin and products, Nickel and products, IC Engines and Parts, Railway Transport and Iron and Steel.

Out of the top 25 countries, 22 countries recorded negative growth in the month of December 2015 while only 3 recorded positive growth. The cumulative exports to all the regions during April-December 2015-16 have also registered negative growth. Exports to all the regions have also recorded negative growth during December 2015 with South Asia and ASEAN+2 being the worst hit. Country wise, South Korea and Japan recorded highest growth in engineering imports from India during December 2015 while Sri Lanka and Singapore conceded highest declines. Exports to USA and China dropped by 19.6% and 49% respectively during the month concerned.

It is likely that exports in engineering products will slip below the US\$ 70 billion mark that was attained in the last fiscal of 2014-15, despite 5-7 per cent depreciation of the rupee against the US dollar.

