

ENGINEERING EXPORT MONITOR

January 2016



Analysis of Indian engineering exports during January 2016: February 16, 2016

Trend in overall trade

India's merchandise exports in January 2016 tumbled for the fourteenth month in a row. This time the drop is 13.6 percent to US\$21.1 billion as against US\$24.4 billion during the same month last year. The fall was attributed to drop in the exports of major items such as petroleum and engineering following softening of prices and subdued demand overseas. Cumulative exports for April 2015 - January 2016 plummeted 17.65 percent to US\$217.7 billion against US\$264.3 billion in the year ago period.

On the other hand, India's total merchandised imports also dropped in January 2016 by 11 percent to US\$28.7 billion from US\$32.3 billion in January 2015 despite a rise in gold import. The country's cumulative imports during April 2015 - January 2016 was at US\$324.5 billion, registering a drop of 15.5 per cent from US\$383.8 billion in the corresponding period of the previous year.

The drop in imports narrowed down the trade deficit to US\$106.8 billion for April 2015 - January 2016, lower than the US\$119.6 billion in the same period of the previous fiscal.

Engineering exports

India's engineering exports that accounted for nearly 23% of merchandise export in January 2016, also toppled in tandem with the overall trend. India's engineering exports dropped by 28.07 percent to US\$4.824 billion in January 2016 from US\$6.707 billion in January 2015. However, the fall is a bit lower than the year-on-year fall in January 2015 at 29.3 percent. During the ongoing fiscal, India's engineering exports registered year-on-year growth only in the month of July 2015 while the decline was hovering around 30% in the last three months to January 2016.

Cumulative engineering exports from India conceded 17.8 percent fall during April 2015 - January 2016 to US\$49.284 billion from US\$59.965 billion during the same period of the previous fiscal. This cumulative fall in engineering exports was a bit higher than that of April - January 2015 at around 15 percent.

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	5674.80	-0.58
May	6013.33	5345.90	-11.10
June	5205.21	4947.80	-4.95
Quarter 1	16926.58	15968.50	-5.66
July	5499.76	5576.78	1.40
August	6380.66	4638.36	-27.31
September	6329.07	4704.47	-25.67
Quarter 2	18209.49	14919.61	-18.07
October	5007.85	4486.19	-10.42
November	6403.45	4342.40	-32.19
January	6710.57	4743.93	-29.31
Quarter 3	18121.87	13572.52	-25.10
January	6707.16	4824.34	-28.07
April - January	59965.10	49285.00	-17.81

(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	1394000	1249000	-10.40
February	1289000	1189000	-7.76
March	1470000	1295000	-11.90
April	1443000	1257000	-12.89
May	1454000	1259000	-13.41
June	1435000	1332000	-7.18
July	1488000	1303000	-12.43
August	1352000	1189000	-12.06
September	1474000	1305000	-11.47
October	1496000	1315000	-12.10
November	1400000	1247000	-10.93
December	1387000	1266000	-8.72

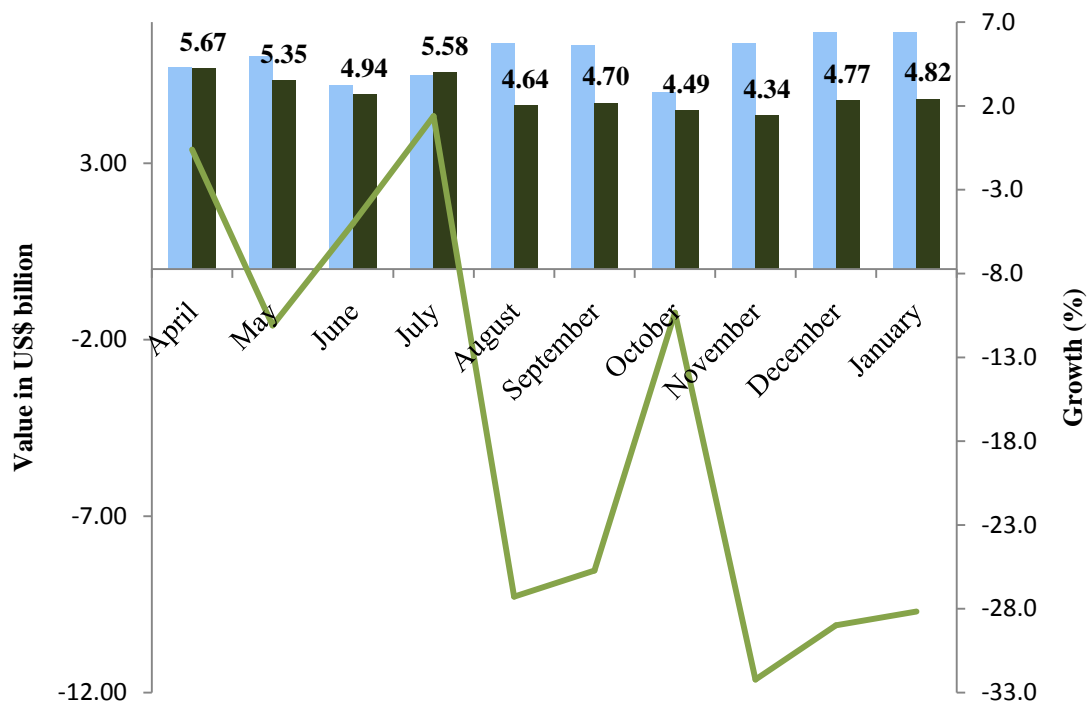
Months	2014	2015	Growth (%)
Yearly	17082000	15206000	-10.98

Source: WTO

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

Figure1: Trends in Monthly Engineering Exports
US\$ Billion

Monthly Engineering Exports for 2015-2016 vis-a-vis 2014-2015



(Source: EEPC India analysis)

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 sector 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 28.07 percent in January 2016, slightly better than the decline in January 2015 at 29.31 percent and November 2015 at 32.19 percent, the worst in 2015-16. In line with the considerable downfall in exports, India's manufacturing production also declined by 4.7 percent during November 2015 from a 10.6 percent growth in the previous month. November is the first month in 2015-16 when manufacturing saw a decline over the same period last year. Decline in exports moderated slightly in January

2015 when decline in manufacturing also moderated to 2.4 percent. Overall IIP Index, the standard measure for industrial output, stood at 183.4 in January 2015 as against a downwardly revised 166.2 in November 2015 and an upwardly revised 181.4 in October 2015. Cumulative industrial growth during April-January 2015 witnessed a higher 3.1% growth in comparison to 2.6% 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	-0.58	3.9
May 2015	-11.10	2.1
June 2015	-4.95	5.2
Quarter 1	-5.66	3.7
July 2015	1.40	4.8
August 2015	-27.31	6.7
September 2015	-25.67	2.9
Quarter 2	-18.07	4.8
October 2015	-10.42	10.6
November 2015	-32.19	-4.7
January 2015	-29.31	-2.4
Quarter 3	-25.10	1.2
January 2016	-28.07	N A

(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 the last three months to January 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. Then in January 2015, fall in exports moderated slightly while the pace of decline in manufacturing also slowed down to nearly half the rate of the previous month.

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*
	January	5531.18	6710.57*	21.32*
Quarter 4	January	6122.54	6707.16*	9.55*
	February	4971.59	4907.37	-1.29
	March	6040.14	5884.54	-2.58
	Total Exports	61626.38	70757.01*	14.82*

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

Impact of Exchange Rate

How has the exchange rate been in January 2016 vis-a-vis January 2015? We look at the average exchange rate for January 2016 vis-a-vis January 2015. The below table provides the same:

Table 5: Average Exchange Rate

January	Average Exchange Rate 1 USD to INR
2015	62.23
2016	67.25

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during January 2016 has depreciated by 8.1 percent to that of the same period last year.

We begin by looking at the Engineering Panel wise exports for the month of January 2016 vis-a-vis January 2015 and cumulative exports for April-January 2015-16 vis-a-vis April-January 2014-15. The data is given in Table 4 below:

Table 6: Trends in Engineering panel Exports January 2016 and April- January 2015-16
US\$ Million

Sl no.	Panel	January 2015	January, 2016	Growth percent	April, 2014 - January, 2015	April, 2015 - January, 2016	Growth percent
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	709.0	354.9	-49.9	7361.7	4684.9	-36.4
B	Products of Iron and Steel	664.3	567.9	-14.5	6333.2	5185.0	-18.1
Sub Total		1373.3	922.8	-32.8	13694.9	9869.8	-27.9
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	306.1	160.7	-47.5	2909.5	2139.9	-26.5
B	Aluminium and products	246.9	210.1	-14.9	2275.2	2172.2	-4.5
C	Zinc and products	78.7	38.1	-51.6	448.1	494.0	10.2
D	Nickel and products	135.5	32.9	-75.7	714.2	470.4	-34.1
E	Lead and products	11.5	13.6	17.9	151.9	156.9	3.3
F	Tin and products	0.4	8.2	1765.9	32.9	49.2	49.7
G	Other Non Ferrous Metals	44.1	39.3	-10.9	422.6	358.7	-15.1
Sub Total		823.1	502.8	-38.9	6954.3	5841.4	-16.0
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	54.3	48.1	-11.4	504.9	537.4	6.4
B	IC Engines and Parts	142.2	145.9	2.6	2023.3	1643.0	-18.8
C	Pumps of all types	77.3	55.8	-27.9	651.7	587.8	-9.8
D	Air condition and Refrigerators	87.9	81.2	-7.7	960.6	855.7	-10.9
E	Industrial Machinery for dairy, food processing , textiles etc	378.7	369.5	-2.4	3903.6	3820.8	-2.1
F	Machine Tools	34.3	26.0	-24.3	307.7	322.9	4.9
G	Machinery for Injecting moulding, valves and ATMs	111.7	115.8	3.6	1096.1	1046.5	-4.5
Sub Total		886.4	842.1	-5.0	9447.8	8814.1	-6.7
4	Electrical Machinery	349.7	332.1	-5.0	3287.9	3179.8	-3.3
5. Auto and Auto Components							
A	Motor Vehicle/cars	443.8	501.2	12.9	5613.9	5499.6	-2.0
B	Two and Three Wheelers	139.6	129.2	-7.5	1591.2	1496.8	-5.9
C	Auto Components/Part	367.0	362.9	-1.1	3696.4	3473.4	-6.0
Sub Total		950.4	993.3	4.5	10901.5	10469.9	-4.0
6	Aircrafts and Spacecraft parts and products	585.6	450.9	-23.0	5707.0	3388.3	-40.6
7	Ships Boats and Floating products and parts	1217.1	249.3	-79.5	4827.4	2665.1	-44.8

SI no.	Panel	January 2015	January, 2016	Growth percent	April, 2014 - January, 2015	April, 2015 - January, 2016	Growth percent
8. Miscellaneous Items							
A	Medical and Scientific instruments	103.3	103.6	0.4	1071.4	975.1	-9.0
B	Railway Transport	7.4	12.5	70.1	114.9	71.1	-38.1
C	Hand Tools & Cutting Tools	59.3	54.0	-8.9	632.2	540.8	-14.5
D	Electrodes Accumulators	3.4	3.5	2.6	32.4	35.3	9.0
E	Accumulator and Batteries	16.1	22.7	41.0	174.9	165.2	-5.6
F	Bicycle & Parts	28.7	28.4	-1.1	293.6	242.7	-17.3
G	Cranes Lifts & Winches	44.2	26.5	-40.0	274.8	311.9	13.5
H	Office Equipments	3.7	6.8	82.3	42.4	71.8	69.4
I	Other Construction Machinery	98.5	73.7	-25.1	991.4	913.6	-7.8
J	Prime Mica & Mica Products	1.5	1.4	-5.9	15.6	14.5	-7.4
K	OTHER MISC. ITEMS	155.5	197.8	27.2	1500.8	1714.7	14.2
Sub Total		521.6	531.0	1.8	5144.4	5056.7	-1.7
Grand Total		6707.2	4824.3	-28.1	59965.1	49285.0	-17.8

(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 January 2015.
- ❖ India's Primary Iron and Steel exports have fallen by more than 49percent in January 2016 vis-à-vis January2015,which is more than the cumulative fall during April 2015- January 2016 vis-à-vis April 2014-January 2015. Products of Iron and Steel have also dropped by more than 14 percent in January 2016 vis-à-vis January 2015,which is less than the cumulative fall during April2015- January 2016 vis-à-vis April 2014-January 2015.
- ❖ Like JanuaryShip, boats and floating bodies registered a significant fall in growth rate by almost 80 percentin January 2016 over January 2015.
- ❖ 5 out of 7 non ferrous metals and products panels witnessed decline in exports during January 2016over January 2015. The highest decline is seen in the exports of Nickel and products falling by more than 75 percent during January 2016 over January 2015, followed by Zinc and Copper falling by 51.6 percent and 47.5 percent respectively during January 2016. There has been an improvement in

exports of Tin and products in January 2016 over January 2015, which declined significantly in January 2015 over January 2014.

- ❖ Among the Industrial Machinery panel, products like Nuclear reactors and boilers, Pumps and valves, Air condition repair machinery, Industrial machinery for dairy, food processing, textiles etc and machine tools witnessed decline in growth rates during January 2016 against January 2015. The Industrial Machinery panel as a whole declined by 5 percent during the said period.
- ❖ Like January 2015, Aircrafts & Spacecrafts registered fall in exports by 23 percent in January 2016 over January 2015.
- ❖ Other panels like Electric Machinery and equipments, Two and three wheelers, Auto-components & parts, Hand tools cutting, Bicycle & parts, Cranes Lifts & winches, other Construction Machinery, and Prime Mica & Mica Products registered negative growth in January 2016 vis-à-vis January 2015.

☑ 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 January 2016 over January 2015 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April 2015–January 2016 have 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	January, 2015	January, 2016	Growth percent	April - January 2014-2015	April- January 2015 -2016	Growth percent
U S A	677.70	591.53	-12.71	6446.35	5814.48	-9.80
UAE	991.17	484.12	-51.16	5202.73	3589.36	-31.01
SRI LANKA	376.27	313.83	-16.59	3487.18	2367.62	-32.10
U K	196.98	174.34	-11.50	2226.54	1831.33	-17.75
GERMANY	169.78	215.35	26.84	1780.94	1755.75	-1.41
CHINA	194.89	124.05	-36.35	2595.91	1752.33	-32.50
SINGAPORE	168.32	130.01	-22.76	2178.36	1713.91	-21.32
MEXICO	153.06	146.16	-4.51	1590.15	1461.26	-8.11
BANGLADESH	111.15	155.63	40.02	1206.96	1225.15	1.51
MALAYSIA	830.88	78.22	-90.59	1708.47	1215.36	-28.86
ITALY	121.97	115.83	-5.03	1390.25	1210.33	-12.94

Country	January, 2015	January, 2016	Growth percent	April - January 2014-2015	April- January 2015 -2016	Growth percent
SOUTH AFRICA	88.32	77.47	-12.29	1793.66	1162.12	-35.21
SAUDI ARAB	154.55	105.97	-31.43	1484.05	1113.46	-24.97
KOREA RP	90.78	114.26	25.87	1051.06	1108.30	5.45
TURKEY	185.83	105.32	-43.32	1427.86	1064.99	-25.41
NEPAL	110.49	138.22	25.10	1198.18	994.27	-17.02
JAPAN	55.33	85.08	53.77	672.03	950.01	41.36
FRANCE	73.91	84.23	13.97	856.42	884.74	3.31
NIGERIA	76.16	57.64	-24.31	1087.48	808.17	-25.68
NETHERLAND	70.17	66.52	-5.20	723.75	759.11	4.89
THAILAND	83.09	67.88	-18.31	861.56	700.46	-18.70
INDONESIA	72.93	65.36	-10.39	979.78	678.85	-30.71
IRAN	93.22	40.60	-56.45	1042.59	602.94	-42.17
BELGIUM	64.12	39.05	-39.11	573.13	560.67	-2.17
SPAIN	52.56	44.00	-16.27	566.65	559.91	-1.19
Total of top 25	5263.63	3620.66	-31.21	44132.04	35884.86	-18.69
Total Engineering Exports	6707.17	4824.39	-28.07	59964.99	49285.05	-17.81
Share of Top 25 in Total (percent)	78.48	75.05		73.60	72.81	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

The country wise figures for January 2016 show interesting trends. These are:

- ❖ Out of the top 25 countries, 19 countries recorded negative growth in the month of January 2016. Thus 6 countries recorded positive growth in the month of January 2016 over January 2015 which is an improvement in comparison with January 2015 where only 3 countries recorded positive growth.
- ❖ Japan recorded the highest growth in exports by 53.8 percent in January 2016 compared to January 2015, as well as positive cumulative growth from April -January 2015-16.
- ❖ Malaysia which recorded significant positive growth in cumulative exports during April-January 2015 compared to April-January 2014 fell drastically in January 2016, as well as in cumulative export growth rate in April-January 2015-16.
- ❖ Germany which recorded negative growth in exports in January 2015 compared to January 2014 registered significant positive growth during January 2016 compared to January 2015.
- ❖ Like before Indian engineering exports to USA, continued to be the highest in the reporting month, even though it recorded negative growth both in January 2016 as well as cumulative growth April -January 2015-16.

- ❖ Out of 221 destinations for export of Indian engineering goods, the top 25 nations accounts for 72.8 percent of the total during April-January 2015-16.
- ❖ The growth rate in the top 25 countries during April-January 2015-16, taken together recorded fall in exports by 18.7percent which is more than the fall in India's total engineering exports by 17.8 per cent.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-January 2015-16 as opposed to April-January 2014-15. We also look at the trend in January 2016 vis-à-vis January 2015. The Table below gives this picture:

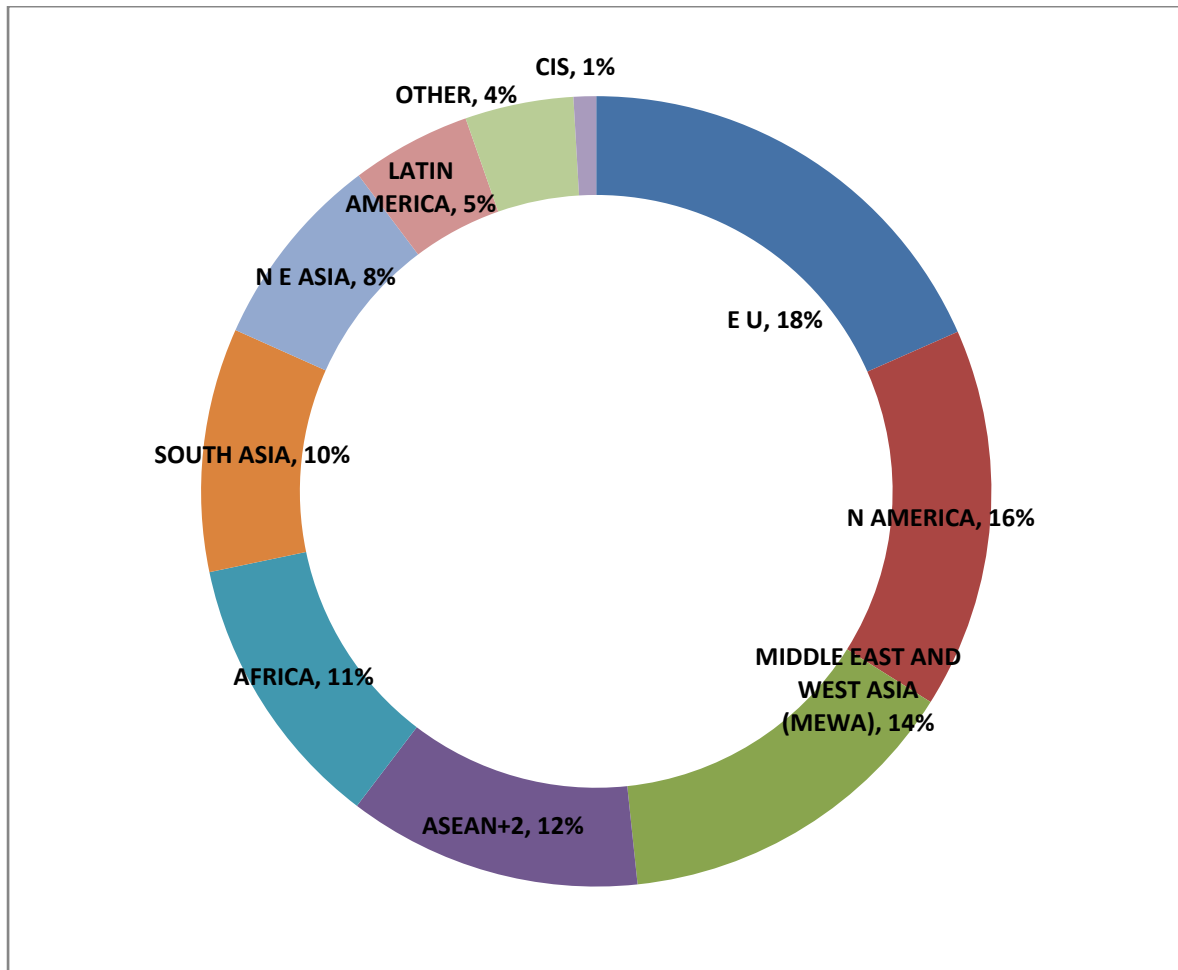
Table 8: Region Wise Exports Trend
US\$ Million

Region	January, 2015	January, 2016	Growth %	April -January 2014-2015	April-January2015 - 2016	Growth %
E U	949.65	873.55	-8.01	10158.26	9060.56	-10.81
N AMERICA	875.08	778.05	-11.09	8506.78	7670.33	-9.83
MIDDLE EAST AND WEST ASIA (MEWA)	1431.57	803.39	-43.88	10036.35	7089.21	-29.36
ASEAN+2	1324.78	490.14	-63.00	7473.05	5925.39	-20.71
AFRICA	584.78	455.47	-22.11	7258.93	5603.19	-22.81
SOUTH ASIA	626.95	630.41	0.55	6137.71	4913.01	-19.95
N E ASIA	353.18	334.55	-5.28	4482.62	3965.83	-11.53
LATIN AMERICA	242.27	204.74	-15.49	2752.38	2414.91	-12.26
Other	281.06	212.84	-24.27	2352.22	2188.16	-6.97
CIS	37.85	41.26	9.01	806.71	454.47	-43.66
Grand Total	6707.17	4824.39	-28.07	59964.99	49285.05	-17.81

(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-January 2015 -16



(Source: EEPC India analysis)

- ❖ Engineering exports to EU ranks first in region wise exports, irrespective of negative growth faced monthly as well as cumulatively from April-January 2015-16 over the same period last fiscal.
- ❖ North America ranks second registering negative growth both during the cumulative period of April- January 2015-16 over April- January 2014-15 as well as during January 2016 vis-à-vis January 2015.
- ❖ Exports to ASEAN+2 recorded significant drop during January 2016 vis-à-vis January 2015.

- ❖ Exports to only CIS and South Asia recorded positive growth during January 2016 vis-à-vis January 2015. However, these two regions witnessed year-on-year decline in exports during the first ten months of the current fiscal.

We now analyze the performance of some of the important products during January 2016. 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	January_15	January_16	Growth percent	Apr_January 2014--15	Apr_January 2015--16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	708.98	354.90	-49.94	7361.70	4684.87	-36.36
CHINA	13.73	11.18	-18.57	97.61	135.96	39.28
KUWAIT	1.77	1.79	1.26	26.51	33.78	27.42
DJIBOUTI	1.93	1.49	-22.71	19.56	21.13	8.01
SOMALIA	0.70	1.12	60.23	9.45	12.44	31.67
BAHARAIN IS	0.62	0.90	45.66	8.47	11.96	41.11
MADAGASCAR	0.61	1.35	121.21	11.51	11.68	1.52
SENEGAL	1.61	0.36	-77.60	8.87	9.08	2.37
MALAWI	1.19	0.20	-83.24	6.98	7.82	12.05
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	78.29	16.27	-79.22	595.13	347.11	-41.67
NEPAL	31.67	43.62	37.73	436.77	339.77	-22.21
ITALY	38.45	32.24	-16.14	448.29	326.15	-27.24
IRAN	45.12	9.41	-79.14	520.78	313.03	-39.89
UAE	70.33	13.46	-80.86	569.76	255.70	-55.12
KOREA RP	23.20	15.02	-35.27	273.36	208.69	-23.66
BELGIUM	26.85	9.54	-64.48	220.93	206.85	-6.37
BANGLADESH	20.03	16.27	-18.76	223.64	167.76	-24.99

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 7.4percent of India's total export of Iron and Steel during April- January 2015-16.
- ❖ Iran drops from its second position in the previous month, leaving Nepal in its place, which imports 7.3percent of India's total export of Iron and Steel during the same period

Table 10: Export of products Iron & Steel

US\$ Million

Export partners	January_15	January_16	Growth percent	Apr_January 2014--15	Apr_January 2015--16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	664.28	567.89	-14.51	6333.14	5184.95	-18.13
IRAQ	29.00	0.72	-97.53	44.26	177.94	302.05
NETHERLAND	11.85	16.98	43.28	105.32	145.80	38.43
SPAIN	8.44	7.87	-6.84	80.74	85.40	5.77
PERU	1.22	4.54	271.14	34.30	82.54	140.66
MEXICO	6.35	3.29	-48.19	58.74	79.34	35.06
BANGLADESH	1.29	15.11	1075.75	25.28	74.20	193.55
OMAN	5.71	22.79	298.94	58.71	70.12	19.42
SINGAPORE	3.74	3.22	-13.81	49.43	65.35	32.21
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	147.18	143.24	-2.68	1442.45	1098.33	-23.86
UAE	42.51	48.03	12.98	619.45	417.66	-32.58
GERMANY	40.78	30.04	-26.33	391.13	303.21	-22.48
U K	28.62	24.38	-14.81	316.85	246.90	-22.08
SAUDI ARAB	77.91	26.13	-66.46	520.74	228.45	-56.13
ITALY	13.50	13.88	2.82	175.36	127.71	-27.18
CANADA	14.86	10.73	-27.83	147.89	118.84	-19.64
FRANCE	10.40	9.80	-5.81	108.68	94.73	-12.83

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing more than 21percent of India's total export of Products of Iron and Steel during April- January 2015-16.
- ❖ While UAE and Germany imports 8.1percent and 5.8percent 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	January_15	January_16	Growth percent	Apr-January 2014-15	Apr-January 2015-16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	378.71	369.51	-2.43	3903.62	3820.82	-2.12
U S A	55.84	51.58	-7.63	529.85	596.09	12.50

Export partners	January_15	January_16	Growth percent	Apr-January 2014-15	Apr-January 2015-16	Growth percent
BANGLADESH	20.98	32.89	56.78	188.68	239.43	26.89
GERMANY	14.36	14.79	3.00	146.10	147.39	0.89
SAUDI ARAB	8.50	9.07	6.67	76.21	119.26	56.48
KENYA	5.38	7.92	47.38	78.14	94.58	21.04
SRI LANKA	5.63	10.58	87.99	49.06	91.89	87.31
MEXICO	8.67	5.52	-36.35	73.47	78.91	7.40
NETHERLAND	5.28	4.01	-24.01	51.79	74.97	44.76
HEAVY CUMULATIVE DECLINE COUNTRIES						
TURKEY	15.84	19.49	23.06	154.73	153.21	-0.98
UAE	16.61	12.29	-26.05	154.22	136.93	-11.21
INDONESIA	15.78	9.27	-41.25	106.55	104.69	-1.75
NEPAL	11.39	11.24	-1.35	128.67	100.20	-22.13
NIGERIA	10.85	6.63	-38.89	139.93	95.34	-31.86
CHINA	6.83	7.39	8.21	123.70	88.97	-28.08
VIETNAM	4.69	7.09	51.18	93.39	76.05	-18.57
ITALY	6.99	7.35	5.11	80.49	75.49	-6.21

(Source: Department of Commerce, Government of India)

- ❖ USA tops here importing 15.6percent of India’s total exports for Industrial Machinery during April- January 2015-16.
- ❖ Bangladesh and Germany imports 6.3 percent and 3.9 percent of India’s total exports for Industrial Machinery during April- January 2015-16.

Table 12: Export of Automobiles
US\$ Million

Export partners	January_15	January_16	Growth percent	Apr-January 2014-15	Apr-January 2015-16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	443.79	501.20	12.94	5613.92	5499.59	-2.04
MEXICO	70.62	91.47	29.52	662.10	754.16	13.90
SRI LANKA	41.54	24.79	-40.34	298.91	455.59	52.42
ITALY	10.80	15.97	47.87	143.35	237.78	65.87
SAUDI ARAB	8.97	25.04	179.18	160.96	173.94	8.06
VIETNAM	20.78	2.41	-88.41	124.19	160.64	29.35
EGYPT	13.21	16.37	23.93	117.41	139.58	18.88
SPAIN	8.13	4.02	-50.57	102.15	133.04	30.24
CHILE	7.47	7.02	-5.93	99.47	106.34	6.90
HEAVY CUMULATIVE DECLINE COUNTRIES						
SOUTH AFRICA	48.38	41.15	-14.96	658.36	554.19	-15.82
U K	15.53	18.64	20.05	300.98	247.11	-17.90
UAE	14.23	46.30	225.36	243.74	216.76	-11.07
BANGLADESH	15.26	12.12	-20.58	188.91	162.59	-13.93
NIGERIA	9.15	5.46	-40.39	173.01	117.14	-32.29
ALGERIA	30.72	0.00	-100.00	266.80	112.91	-57.68
NEPAL	9.83	17.91	82.19	100.78	99.26	-1.51
NETHERLAND	10.05	10.56	5.08	109.41	95.27	-12.93

(Source: Department of Commerce, Government of India)

- ❖ In case of Motor vehicles Mexico assumes the top position importing 13.7 percent of India's total exports of Motor vehicles during April-January 2015-2016.

- ❖ South Africa and Sri Lanka holds the 2nd and 3rd position respectively importing 10.1 percent and 8.3 percent of India's total exports of Motor vehicles during the same period.

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

Export partners	January_15	January _16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	823.11	502.80	-38.92	6954.32	5841.37	-16.00
KOREA RP	48.17	67.83	40.82	534.61	662.33	23.89
MALAYSIA	151.27	39.48	-73.90	311.35	649.62	108.65
U S A	50.61	45.18	-10.73	431.27	469.79	8.93
TAIWAN	17.68	10.20	-42.30	111.59	184.99	65.77
SAUDI ARAB	12.51	11.52	-7.85	112.26	112.48	0.20
NEPAL	8.15	9.18	12.58	73.12	87.35	19.45
INDONESIA	4.09	2.97	-27.28	41.69	74.46	78.61
BRAZIL	4.53	7.20	59.12	34.37	69.89	103.36
HEAVY CUMULATIVE DECLINE COUNTRIES						
CHINA	125.89	59.93	-52.39	1701.13	1021.00	-39.98
UAE	103.32	43.28	-58.12	666.79	397.01	-40.46
SINGAPORE	61.03	50.22	-17.72	532.78	382.73	-28.16
MEXICO	28.56	12.90	-54.83	454.77	169.67	-62.69
U K	16.75	14.24	-14.99	156.35	141.56	-9.46
GERMANY	8.77	6.42	-26.79	103.97	77.58	-25.39
TURKEY	11.15	2.24	-79.87	106.15	68.04	-35.91
VIETNAM	3.30	9.74	194.96	59.99	49.03	-18.27

(Source: Department of Commerce and CSO)

- ❖ China is the topmost importer for Non ferrous Metals importing 17.5 percent of India's total export of Non Ferrous Metals during April-January 2015-2016.
- ❖ Republic of Korea and Malaysia imports 11.3 percent and 11.1percent respectively during April-January 2015-2016.

Table 14: Export of Electrical Machinery and Components

US\$ Million

Export partners	January_15	January _16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	349.67	332.08	-5.03	3287.77	3179.75	-3.29
U S A	38.83	43.12	11.04	423.78	440.34	3.91
GERMANY	24.11	20.21	-16.16	207.45	225.15	8.53
BANGLADESH	2.37	9.59	304.90	55.78	91.26	63.62
JAPAN	4.20	24.08	472.66	50.02	90.59	81.12
SINGAPORE	4.72	5.85	24.01	74.60	89.94	20.57
CHINA	5.04	7.79	54.58	70.14	89.29	27.31
ITALY	6.11	5.59	-8.63	52.83	57.63	9.09
VIETNAM	2.86	6.27	119.45	28.39	55.49	95.47
HEAVY CUMULATIVE DECLINE COUNTRIES						
U K	19.71	20.77	5.41	196.68	179.57	-8.70
FRANCE	15.96	14.29	-10.46	172.63	162.29	-5.99
UAE	31.06	18.62	-40.03	180.91	157.85	-12.74
SAUDI ARAB	6.61	5.82	-11.85	82.63	77.64	-6.03
NIGERIA	5.94	2.99	-49.67	76.50	56.44	-26.22
OMAN	14.68	4.58	-68.78	64.67	46.76	-27.69
NEPAL	7.29	5.36	-26.49	53.31	45.42	-14.80
SRI LANKA	2.76	6.69	142.63	56.86	43.29	-23.86

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-January 2015-16 importing 13.8 percent from India's global export of the product group.
- ❖ Germany retains its second position during April-January 2015-16 importing 7.1 percent.
- ❖ Exports to UK and France witnessed decline during April-January 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	January_15	January _16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	585.64	450.92	-23.00	5707.03	3388.31	-40.63
GERMANY	6.44	68.10	958.01	70.26	184.49	162.58
CZECH REPUBLIC	0.01	0.03	247.11	31.46	152.49	384.72
ISRAEL	3.68	7.76	111.17	30.88	49.13	59.09
SWITZERLAND	1.25	10.44	735.74	23.95	25.31	5.67
AFGHANISTAN	0.00	0.00		0.00	10.95	2630989.30
CANADA	1.99	1.62	-18.79	9.29	10.74	15.62
ITALY	1.42	2.22	56.28	7.02	10.32	46.94
PORTUGAL	0.00	0.00		0.00	9.45	329403.24
HEAVY CUMULATIVE DECLINE COUNTRIES						
SRI LANKA DSR	88.20	226.64	156.96	1745.08	1198.81	-31.30
UAE	269.54	12.89	-95.22	956.41	735.26	-23.12
U S A	38.72	48.04	24.08	429.63	417.84	-2.75
U K	35.04	12.55	-64.18	315.43	133.42	-57.70

Export partners	January_15	January_16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
FRANCE	11.70	17.40	48.75	147.74	118.07	-20.08
RUSSIA	4.37	3.76	-14.06	91.20	86.37	-5.29
SINGAPORE	6.84	18.51	170.77	320.54	74.00	-76.91
IRELAND	49.41	0.06	-99.89	337.17	35.09	-89.59

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, Sri Lanka once again retains its top rank in importing 35.4 percent of India's total exports of Aircrafts and Parts during April-January 2015-16. UAE ranks second importing 21.7 percent of India's global exports of Aircrafts during the same period.
- ❖ USA holds the third position importing 12.3 percent of India's Aircrafts & parts during April-January 2015-16.

Table 16: Export of Ships, Boats and Floating Structures and parts
US\$ Million

Export partners	January_15	January_16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	1217.06	249.34	-79.51	4827.36	2665.10	-44.79
JAPAN	0.00	0.00		9.20	338.21	3576.21
NORWAY	0.00	0.00		25.89	328.27	1168.18
BAHARAIN IS	0.00	0.00		0.02	122.63	746280.48
NETHERLAND	0.18	0.01	-95.15	2.58	43.40	1581.21
FRANCE	0.00	0.06	2349.02	0.23	7.39	3048.05
MALDIVES	0.00	0.64		0.00	1.32	75044.15
EGYPT A RP	0.00	0.00		0.46	1.00	117.82
BANGLADESH PR	0.00	0.00		0.70	0.92	31.05
HEAVY DECLINE COUNTRIES						
SINGAPORE	54.94	14.46	-73.69	734.72	677.50	-7.79
UAE	365.91	226.73	-38.04	1117.96	595.44	-46.74
MALAYSIA	610.82	0.00	-100.00	856.95	190.62	-77.76
SOUTH AFRICA	0.00	0.01		657.31	147.06	-77.63
SRI LANKA	184.95	0.00	-100.00	765.71	59.60	-92.22
QATAR	0.00	0.00		44.18	24.08	-45.50

Export partners	January_15	January_16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
INDONESIA	0.00	4.72		53.40	5.85	-89.04
ISRAEL	0.00	2.06		13.41	3.27	-75.62

(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-January 2015 sharing almost 73 percent of total export of this product group.
- ❖ UAE being one of the top four importers of this group importing 22.3 percent in India's global exports experiences a sharp decline by 46.7 percent during April-January 2015-2016.

Table 17: Export of Auto Components

US\$ Million

Export partners	January_15	January_16	Growth percent	April-January 2014-15	April-January 2015-16	Growth percent
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	367.02	362.91	-1.12	3696.39	3473.42	-6.03
MEXICO	12.41	13.27	6.91	91.94	139.22	51.42
UAE	11.45	13.81	20.63	104.24	113.68	9.06
JAPAN	8.62	12.14	40.82	97.40	105.78	8.61
NEPAL	10.33	13.10	26.83	72.78	76.82	5.55
SRI LANKA	4.10	5.37	30.98	42.21	56.37	33.54
NIGERIA	3.54	5.49	55.11	41.59	42.63	2.50
COLOMBIA	3.64	3.47	-4.76	32.46	42.18	29.91
SPAIN	3.50	4.21	20.42	33.75	39.39	16.70
HEAVY DECLINE COUNTRIES						
U S A	81.54	74.01	-9.24	781.82	741.52	-5.16
TURKEY	40.08	34.57	-13.74	350.16	320.69	-8.42
THAILAND	18.58	17.08	-8.10	187.21	165.09	-11.82
U K	17.93	12.92	-27.97	176.57	153.94	-12.82
GERMANY	16.17	15.33	-5.18	165.36	153.06	-7.44
BRAZIL	15.47	11.82	-23.57	169.85	140.00	-17.57
BANGLADESH	10.48	15.07	43.90	125.61	116.83	-6.99
ITALY	12.65	9.80	-22.54	127.20	109.16	-14.18

(Source: Department of Commerce and CSO)

- ❖ USA retains its top most import ranking from India covering 21.3 percent share in India's global exports of Auto Components/parts, witnessing a negative growth in January 2016 and during April-January 2015-16.

- ❖ Countries like Mexico ranking seventh in India’s global exports of Auto Components/parts recorded a significant 51.4 percent year-on-year growth during April-January 2015-16.
- ❖ Turkey and Thailand holds the second and third position importing 9.2 percent and 4.8 percent respectively of Indian auto component/parts, during April-January 2015-16.

Conclusion

Merchandise exports from India conceded year-on-year drop for the fourteenth straight month in January 2016 due to slackening of demand from across the globe and softening of commodity prices, especially crude oil. However, this falling trend in exports is not unique to India. Major nations and regions across the globe also witnessed deceleration in export growth as per latest WTO statistics.

In case of engineering exports, the decline is higher than that of the overall merchandise exports. However, as mentioned earlier, the pace of decline in engineering exports decelerated in December 2015 and January 2016 after reaching its worst in November 2015. The fall in engineering exports in January 2016 is mainly driven by sectors like Ships Boats and Floating Structures, Iron & Steel, Non-ferrous metals like Nickel, Zinc, Copper, Cranes & lifts, Pumps. Cumulatively also Ships Boats and Floating Structures is the worst performer during the first ten months of the current fiscal while Nickel and products. Iron and Steel, Railway Transport, Aircrafts & Spacecrafts are the other sectors that has witnessed worst decline in exports during the said time period.

Among the top 25 importers of India's engineering exports during the first ten months of fiscal 2015-16, only five recorded growth in imports from India. For the rest 20 countries, India saw lower overseas shipment.

The global economy is still suffering from the ripple effect of economic slowdown in major developed regions and Indian engineering exports is unlikely to touch last year's level of US\$70 billion in the current fiscal. However, two major importers of Indian engineering products, Europe and the US are expected to see weak but steady recovery in 2016 which may lead to rise in engineering exports during the years to come.

