

ENGINEERING EXPORT MONITOR

February 2016



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

Trend in overall trade

India's merchandise exports fell for the fifteenth month running in February 2016 but it has been the smallest decline in more than a year raised hope for a revival. This time the exports dropped is 5.66 percent to US\$20.73 billion as against US\$21.98 billion from a year earlier. The fall was mainly attributed to subdued demand overseas, although the blow has been softened by a collapse in oil import bill and curb on gold imports. Cumulative exports for April 2015 –February 2016 plummeted 16.73 percent to US\$238.42 billion against US\$ 286.3 billion in the year ago period.

On the other hand, India's total merchandised imports also dropped in February 2016 by 5.03 per cent to US\$27.28 billion from US\$28.72 billion in February 2015. The country's cumulative imports during April 2015 –February 2016 was at US\$351.81 billion, registering a drop of 14.74 per cent from US\$ 412.60 billion in the corresponding period of the previous year.

The drop in imports narrowed down the trade deficit to US\$ 113.39 billion for April 2015 – February 2016, lower than the US\$126.29 billion in the same period of the previous fiscal.

Engineering exports

India's engineering exports that accounted for nearly 21.3% of merchandise export in February 2016, also toppled in tandem with the overall trend, but the fall was at a slower pace. India's engineering exports dropped by 11.07 percent to US\$4.42 billion in February 2016 from US\$4.97 billion in February 2015. However, the fall is a bit lower than the year-on-year fall in January 2016 and December 2015 by 28 and 30 percent respectively. 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 25-30% in the last four months till January 2016, which later improved in the month of February 2016.

Cumulative engineering exports from India conceded 17.33 percent fall during April 2015 –February 2016 to US\$53.68 billion from US\$64.94 billion during the same period of the previous fiscal.

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	5674.8	-0.58
May	6013.33	5345.9	-11.10
June	5205.21	4950.72	-4.89
Quarter 1	16926.58	15971.42	-5.64
July	5499.76	5601.05	1.84
August	6380.66	4659.26	-26.98
September	6329.07	4704.5	-25.67
Quarter 2	18209.49	14964.81	-17.82
October	5007.85	4486.18	-10.42
November	6403.45	4342.92	-32.18
December	6710.57	4689.19	-30.12
Quarter 3	18121.87	13518.29	-25.40
January	6,707.02	4806.33	-28.34
February	4975.32	4424.35	-11.07
April-February	64940.28	53686.25	-17.33

(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 twelve months of 2015.

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

Months	2014	2015	Growth (%)
January	1393000	1250000	-10.27
February	1288000	1190000	-7.61
March	1471000	1296000	-11.90
April	1444000	1257000	-12.95
May	1455000	1260000	-13.40
June	1437000	1331000	-7.38
July	1488000	1303000	-12.43
August	1355000	1188000	-12.32
September	1471000	1303000	-11.42

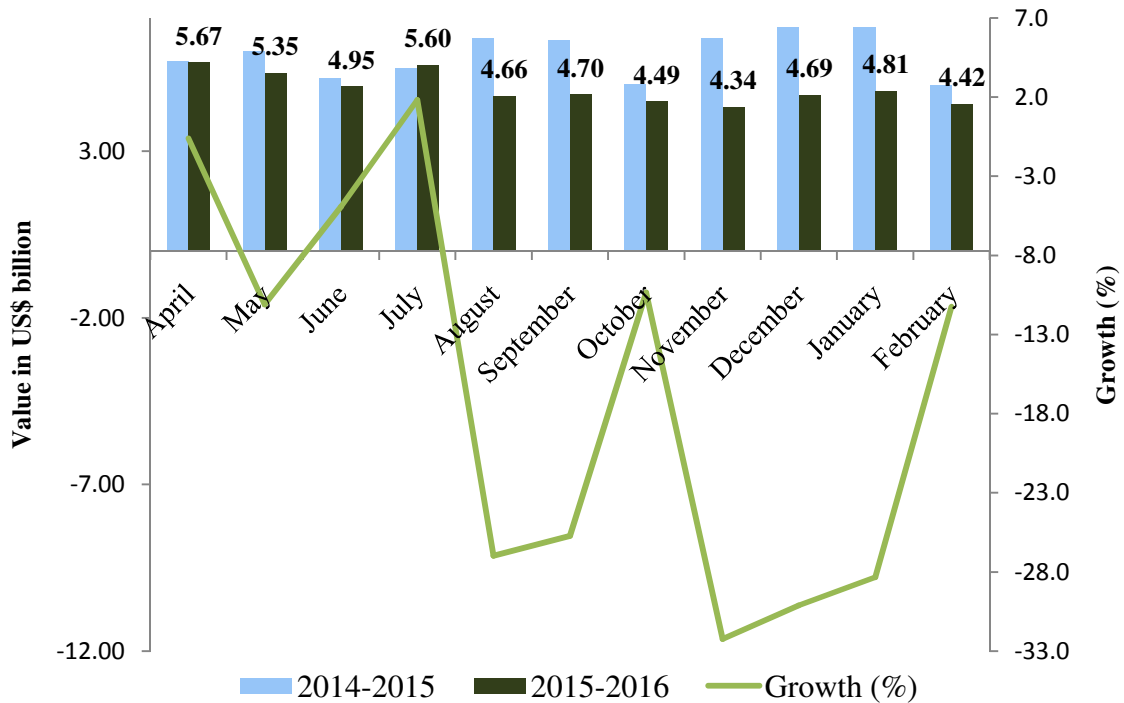
October	1496000	1315000	-12.10
November	1398000	1247000	-10.80
December	1385000	1264000	-8.74
Yearly	17081000	15204000	-10.99

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)

Engineering sector is an important segment of the broader Manufacturing sector as the contribution of engineering production in overall manufacturing output is quite significant. Now, as production and exports are directly correlated, some correlation between manufacturing production growth and merchandise export growth is very likely to exist. 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. The downfall in Indian engineering exports continued for the seventh straight month to February 2016 but the pace of declined moderated to 11.07 percent as against a much higher 28.34 percent fall in January 2016 and 29.31 percent in December 2015. In line with the sharp fall in engineering exports, India's manufacturing production also declined by 2.8% in

January 2016 and 2.2% (revised) in December 2015. November is the first month in 2015-16 to concede a decline in manufacturing production over the same period last year when manufacturing output declined by 4.7% from a double-digit growth in October 2015. Decline in exports moderated slightly in December 2015 when decline in manufacturing also moderated to 2.2 percent. However, manufacturing output declined at a faster pace in January 2016 while engineering exports witnessed slightly slower decline. Overall IIP Index, the standard measure for industrial output, stood at 186.3 in the first month of 2016 as against a revised 183.4 in December 2015 and 166.2 in November 2015. Cumulatively, industrial production during April-February 2015-16 grew at 2.7 percent, which was exactly the same as in 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	-4.89	5.2
Quarter 1	-5.64	3.7
July 2015	1.84	4.8
August 2015	-26.98	6.7
September 2015	-25.67	2.9
Quarter 2	-17.82	4.8
October 2015	-10.42	10.6
November 2015	-32.18	-4.7
December 2015	-30.12	-2.2
Quarter 3	-25.40	1.2
January 2016	-28.34	-2.8
February 2016	-11.07	N A

(Source: Department of Commerce and CSO)

An analysis of the engineering export and manufacturing growth 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 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 during the last three months of 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 December 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. January 2016 however saw a slower rate of decline in engineering exports coupled with a bigger fall in manufacturing growth.

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	6707.02*	9.55*
	February	4971.59	4975.32*	0.08*
	March	6040.14	5884.54	-2.58
	Total Exports	61626.38	70824.82*	14.93*

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

Impact of Exchange Rate

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

Table 5: Average Exchange Rate

February	Average Exchange Rate 1 USD to INR
2015	62.04
2016	68.24

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during February 2016 has depreciated by 10 percent to that of the same period last year.

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

Table 6: Trends in Engineering panel Exports February 2016 and April- February 2015-16

US\$ Million

Sl no.	Panel	February 2015	February , 2016	Growth percent	April, 2014 - February, 2015	April, 2015 - February, 2016	Growth percent
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	634.55	371.03	-41.53	7996.24	5092.26	-36.32
B	Products of Iron and Steel	567.47	459.59	-19.01	6900.63	5643.51	-18.22
Sub Total		1202.02	830.62	-30.90	14896.87	10735.77	-27.93
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	242.83	173.66	-28.48	3152.35	2313.67	-26.60
B	Aluminium and products	280.81	199.53	-28.94	2556.01	2373.98	-7.12
C	Zinc and products	81.43	10.75	-86.80	529.54	504.77	-4.68
D	Nickel and products	87.97	17.35	-80.28	802.12	487.80	-39.19
E	Lead and products	8.30	9.49	14.34	160.18	166.34	3.85
F	Tin and products	2.38	4.88	105.04	35.26	54.10	53.43
G	Other Non Ferrous Metals	36.13	35.45	-1.88	458.72	394.20	-14.07
Sub Total		739.85	451.11	-39.03	7694.18	6294.86	-18.19
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	46.14	58.78	27.39	551.00	597.73	8.48
B	IC Engines and Parts	166.20	142.70	-14.14	2189.46	1808.58	-17.40
C	Pumps of all types	53.64	54.56	1.72	705.31	642.30	-8.93
D	Air condition and Refrigerators	87.23	86.83	-0.46	1047.81	942.83	-10.02
E	Industrial Machinery for dairy, food processing , textiles etc	399.51	354.74	-11.21	4303.13	4169.57	-3.10
F	Machine Tools	33.79	25.98	-23.11	341.51	350.06	2.50
G	Machinery for Injecting	111.06	96.04	-13.52	1207.13	1143.44	-5.28

Sl no.	Panel	February 2015	February, 2016	Growth percent	April, 2014 - February, 2015	April, 2015 - February, 2016	Growth percent
	moulding, valves and ATMs						
	Sub Total	897.57	819.63	-8.68	10345.35	9654.51	-6.68
4	Electrical Machinery	309.31	362.04	17.05	3597.17	3505.35	-2.55
5. Auto and Auto Components							
A	Motor Vehicle/cars	475.13	549.83	15.72	6089.04	6049.91	-0.64
B	Two and Three Wheelers	128.33	132.68	3.39	1719.49	1629.50	-5.23
C	Auto Components/Part	365.23	350.50	-4.03	4061.62	3824.25	-5.84
	Sub Total	968.69	1033.01	6.64	11870.15	11503.66	-3.09
6	Aircrafts and Spacecraft parts and products	137.06	256.32	87.01	5844.08	3604.11	38.33
7	Ships Boats and Floating products and parts	272.11	142.90	-47.48	5099.48	2810.47	44.89
8. Miscellaneous Items							
A	Medical and Scientific instruments	91.48	93.06	1.73	1162.76	1071.62	-7.84
B	Railway Transport	6.90	5.15	-25.36	121.82	76.25	37.41
C	Hand Tools & Cutting Tools	57.87	46.32	-19.96	690.07	587.01	14.93
D	Electrodes Accumulators	3.31	3.03	-8.46	35.69	38.31	7.34
E	Accumulator and Batteries	16.65	16.53	-0.72	191.57	182.04	-4.97
F	Bicycle & Parts	30.80	25.98	-15.65	324.36	269.13	17.03
G	Cranes Lifts & Winches	22.52	63.32	181.17	297.35	375.22	26.19
H	Office Equipments	3.11	8.11	160.77	45.52	79.45	74.54
I	Other Construction Machinery	79.50	85.49	7.53	1070.85	999.79	-6.64
J	Prime Mica & Mica Products	1.43	1.07	-25.17	17.07	15.68	-8.14
K	OTHER MISC. ITEMS	135.14	167.44	23.90	1635.94	1868.75	11.32
K*	Discrepancy in Data		13.22			14.27	
	Sub Total	448.71	528.72	17.83	5593.00	5577.52	-0.28
	Grand Total	4975.32	4424.35	-11.07	64940.28	53686.25	17.33

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 20 panels (61 percent) of the engineering panels recorded a negative growth and remaining 13 panels fared positive growth in the month of February 2015.
- ❖ India's Primary Iron and Steel exports have fallen by more than 41 percent in February 2016 vis-à-vis February 2015, which is more than the cumulative fall during April 2015- February 2016 vis-à-vis April 2014- February 2015. Products of Iron and Steel have also dropped by more than 19 percent in February 2016 vis-à-vis February 2015, which is also higher than the cumulative fall during April 2015- February 2016 vis-à-vis April 2014- February 2015.
- ❖ Like before, Ship, boats and floating bodies again registered a drop in exports by more than 47 percent in February 2016 over February 2015.
- ❖ There has been a drastic fall in the exports of Zinc and Nickel falling by more than 86 percent and 80 percent respectively during February 2016 over February 2015. 5 out of 7 non ferrous metals and products panels witnessed decline in exports during February 2016 over February 2015.
- ❖ In the Industrial Machinery panel, the only product group to have registered export growth significantly high is Nuclear reactors and boilers during February 2016 against February 2015. All the other groups of this panel dropped in exports excluding Pumps and valves. Machine tools witnessed the highest decline in growth rates during February 2016 against February 2015.
- ❖ Unlike January 2015, Aircrafts & Spacecrafts registered significant rise in exports by 87 percent in February 2016 over February 2015.
- ❖ Other panels like Electric Machinery and equipments, Motor vehicles/cars , Two and three wheelers, Medical & scientific equipments, Cranes Lifts & winches Office equipments, and other miscellaneous items, 2016 vis-à-vis February 2011 registered positive growth among the panels.

☑ 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 February 2016 over February 2015 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April 2015- February 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	February, 2015	February, 2016	Growth percent	April - February 2014-2015	April- February 2015 -2016	Growth percent
U S A	692.74	504.96	-27.11	7139.09	6316.43	-11.52
UAE	281.79	249.93	-11.31	5484.49	3838.65	-30.01
SRI LANKA	151.09	271.34	79.59	3638.27	2636.00	-27.55
U K	212.31	184.95	-12.89	2438.84	2016.18	-17.33
GERMANY	162.77	172.61	6.04	1943.66	1900.82	-2.20
CHINA	241.35	138.05	-42.80	2837.26	1890.62	-33.36
SINGAPORE	204.57	108.52	-46.95	2382.92	1813.82	-23.88
MEXICO	133.49	197.69	48.09	1723.63	1658.80	-3.76
BANGLADESH	85.81	130.17	51.70	1292.77	1347.53	4.24
ITALY	135.82	130.47	-3.94	1526.07	1340.76	-12.14
MALAYSIA	107.75	72.73	-32.50	1816.22	1286.75	-29.15
SAUDI ARAB	142.29	114.75	-19.35	1626.35	1228.12	-24.49
SOUTH AFRICA	91.64	64.63	-29.48	1885.30	1226.73	-34.93
NEPAL	119.83	166.70	39.11	1318.01	1203.79	-8.67
KOREA RP	113.88	92.74	-18.56	1164.94	1194.47	2.53
TURKEY	132.79	128.90	-2.93	1560.65	1193.83	-23.50
JAPAN	81.00	59.69	-26.32	753.03	1009.71	34.09
FRANCE	66.86	90.64	35.58	923.28	971.27	5.20
NIGERIA	69.22	58.70	-15.19	1156.70	867.01	-25.04
NETHERLAND	74.90	66.14	-11.70	798.65	825.13	3.32
THAILAND	85.23	65.72	-22.90	946.80	765.79	-19.12
INDONESIA	61.93	73.23	18.24	1041.71	752.04	-27.81
IRAN	75.95	39.25	-48.33	1118.54	642.26	-42.58
SPAIN	59.00	57.62	-2.33	625.64	617.55	-1.29
BELGIUM	65.32	48.32	-26.02	638.45	609.03	-4.61
Total of top 25	3649.35	3288.45	-9.89	47781.30	39153.08	-18.06
Total Engineering Exports	4975.32	4424.35	-11.07	64940.28	53686.25	-17.33
Share of Top 25 in Total (%)	73.35	74.33		73.58	72.93	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

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

- ❖ Out of the top 25 countries, 18 countries recorded negative growth in the month of February 2016. Thus 7 countries recorded positive growth in the month of February 2016 over February 2015.
- ❖ Sri Lanka recorded the highest growth in exports by almost 80 percent in February 2016 compared to February 2015. However the cumulative growth from April -February 2015-16 over April-February 2014-15 were negative.
- ❖ Like before Indian engineering exports to USA, continued to be the highest in the reporting month, even though it recorded negative growth both in February 2016 as well as in cumulative growth April -February 2015-16.
- ❖ Among the European nations France and Germany Malaysia which recorded positive growth in February 2016 over February 2015. The highest decline in exports is noted in case of Belgium for the month concerned.
- ❖ Japan which recorded the highest growth last month, recorded negative growth in exports in February 2016 compared to February 2015, but registered highest cumulative growth during April -February 2015-16 over April-February 2014-15.
- ❖ Out of 221 destinations for export of Indian engineering goods, the top 25 nations accounts for 72.9 percent of the total during April-February 2015-16.
- ❖ The growth rate in the top 25 countries during April-February 2015-16, taken together recorded fall in exports by 18.1percent which is more than the fall in India's total engineering exports by 17.4 per cent.

Regional Distribution of Engineering Exports

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

Table 8: Region Wise Exports Trend
US\$ Million

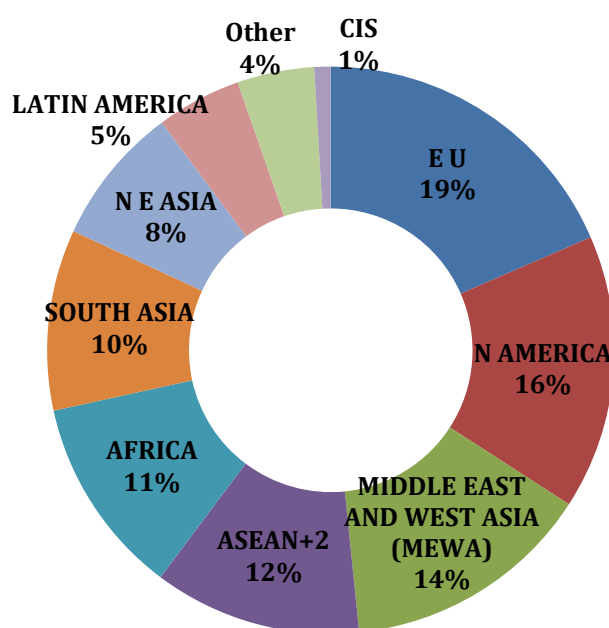
Region	February, 2015	February, 2016	Growth %	April - February 2014-2015	April-February 2015-2016	Growth %
E U	938.21	888.02	-5.35	11096.41	9916.84	-10.63
N AMERICA	860.29	743.51	-13.58	9367.07	8410.59	-10.21
MIDDLE EAST AND WEST ASIA (MEWA)	642.80	567.33	-11.74	10679.12	7656.07	-28.31
ASEAN+2	634.46	443.47	-30.10	8107.51	6358.42	-21.57
AFRICA	544.87	482.85	-11.38	7803.80	6085.51	-22.02
SOUTH ASIA	388.83	593.80	52.72	6526.65	5540.85	-15.10

N E ASIA	448.22	301.69	-32.69	4930.84	4261.20	-13.58
LATIN AMERICA	275.77	185.85	-32.61	3028.14	2600.65	-14.12
Other	207.79	179.32	-13.70	2559.84	2358.03	-7.88
CIS	34.09	38.52	13.00	840.79	498.09	-40.76
Grand Total	4975.32	4424.35	-11.07	64940.17	53686.25	-17.33

(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-February 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-February 2015-16 over the same period last fiscal.
- ❖ North America ranks second registering negative growth both during the cumulative period of April- February 2015-16 over April- February 2014-15 as well as during February 2016 vis-à-vis February 2015.
- ❖ Exports to ASEAN+2 and North East Asia recorded significant drop during February 2016 vis-à-vis February 2015.
- ❖ Exports to South Asia recorded significant positive growth during February 2016 vis-à-vis February 2015. Exports to CIS also increased in February 2016 over

February 2015 by about 13 percent. 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 February 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	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	634.6	371.6	-41.4	7996.3	5092.8	-36.3
CHINA	10.9	7.2	-33.7	108.5	143.2	32.0
KUWAIT	3.2	0.8	-74.7	29.7	34.6	16.3
DJIBOUTI	2.3	1.3	-44.6	21.9	22.4	2.4
BAHARAIN IS	2.4	2.6	9.0	10.8	14.5	34.1
SOMALIA	0.1	0.6	765.2	9.5	13.1	37.4
SENEGAL	0.5	0.8	65.9	9.4	9.9	5.7
FINLAND	0.7	1.0	43.5	5.5	8.2	49.8
MALDIVES	1.9	0.4	-79.5	5.7	8.0	41.6
HEAVY CUMULATIVE DECLINE COUNTRIES						
NEPAL	40.21	49.76	23.75	476.98	426.35	-10.61
U S A	62.27	20.07	-67.78	657.40	367.17	-44.15
ITALY	46.49	24.53	-47.24	494.77	350.68	-29.12
IRAN	46.27	8.85	-80.87	567.04	321.84	-43.24
UAE	43.90	14.52	-66.93	613.66	270.20	-55.97
KOREA RP	27.68	15.48	-44.06	301.04	224.18	-25.53
BELGIUM	29.59	17.10	-42.21	250.52	223.95	-10.61
BANGLADESH	10.24	31.69	209.54	233.88	199.45	-14.72

(Source: Department of Commerce, Government of India)

- ❖ Nepal tops the list importing 8.4percent of India's total export of Iron and Steel during April- February 2015-16, followed by USA importing 7.2 percent during the same period.
- ❖ Iran drops from its fourth position during April-February 2015-16 importing 6.3 percent, leaving Italy in third position which imports 6.9 percent of India's total export of Iron and Steel during the same period.

Table 10: Export of products Iron & Steel

US\$ Million

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_ Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	567.47	460.39	-18.9	6900.61	5644.29	-18.2
IRAQ	0.61	0.41	-32.3	44.87	178.35	297.5
NETHERLAND	11.03	15.22	38.0	116.35	161.02	38.4
OMAN	4.92	23.90	386.2	63.63	94.02	47.8
SPAIN	7.76	6.43	-17.1	88.50	91.84	3.8
PERU	8.84	3.99	-54.9	43.13	86.53	100.6
MEXICO	3.54	3.48	-1.6	62.28	82.82	33.0
BANGLADESH	2.48	4.12	66.1	27.76	78.04	181.2
SINGAPORE	3.59	3.06	-14.7	53.02	68.41	29.0
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	137.55	81.55	-40.7	1580.00	1179.83	-25.3
UAE	38.21	37.73	-1.2	657.66	455.46	-30.7
GERMANY	32.23	27.90	-13.4	423.37	331.15	-21.8
U K	26.97	20.76	-23.0	343.82	267.65	-22.2
SAUDI ARAB	54.40	27.88	-48.8	575.14	256.35	-55.4
ITALY	14.59	12.19	-16.4	189.95	139.90	-26.4
CANADA	12.37	10.37	-16.2	160.26	129.19	-19.4
FRANCE	9.36	9.10	-2.8	118.04	103.83	-12.0

(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- February 2015-16.
- ❖ While UAE and Germany imports 8.1percent and 5.9 percent 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	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_ Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	897.6	823.7	-8.2	10345.4	9658.5	-6.6
GERMANY	35.95	36.60	1.80	435.45	462.64	6.24
BANGLADESH	27.15	32.60	20.08	299.44	355.43	18.70

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SAUDI ARAB	25.28	25.71	1.67	282.01	350.52	24.29
FRANCE	13.41	16.94	26.34	139.10	175.08	25.87
SRI LANKA	11.68	17.57	50.50	109.02	165.34	51.67
VIETNAM SOC REP	9.12	11.06	21.29	132.49	159.96	20.74
KENYA	13.47	10.74	-20.29	128.97	145.07	12.49
NETHERLAND	9.75	9.60	-1.52	109.28	137.36	25.69
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	168.81	118.49	-29.81	1731.13	1531.39	-11.54
U K	65.28	32.00	-50.97	484.68	447.08	-7.76
UAE	38.54	32.26	-16.30	434.22	429.35	-1.12
TURKEY	42.79	43.49	1.64	430.03	387.27	-9.94
CHINA	26.71	23.43	-12.29	358.32	305.15	-14.84
ITALY	21.56	20.70	-4.00	299.03	232.58	-22.22
NIGERIA	20.57	14.68	-28.66	285.92	191.28	-33.10
INDONESIA	18.29	20.11	9.92	250.58	188.84	-24.64

(Source: Department of Commerce, Government of India)

- ❖ USA tops here importing 15.9 percent of India's total exports for Industrial Machinery during April- February 2015-16.
- ❖ Germany and UK moves to second and third position respectively importing 4.8 percent and 4.6 percent respectively of India's total exports for Industrial Machinery during April- February 2015-16.

Table 12: Export of Automobiles
US\$ Million

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	475.1	555.2	16.9	6089.0	6055.3	-0.6
MEXICO	38.5	133.2	245.9	700.6	887.3	26.7
SRI LANKA	34.9	16.4	-53.0	333.8	471.9	41.4
ITALY	20.5	42.2	105.9	163.9	280.0	70.9
SAUDI ARAB	23.0	30.9	34.2	184.0	204.8	11.3
VIETNAM SOC REP	9.6	0.2	-97.7	133.8	160.8	20.2
EGYPT	13.0	18.8	44.7	130.4	158.3	21.4

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SPAIN	13.0	12.8	-2.2	115.2	145.8	26.6
NEPAL	13.6	20.9	53.4	114.4	120.5	5.3
HEAVY CUMULATIVE DECLINE COUNTRIES						
SOUTH AFRICA	54.8	34.0	-38.0	713.2	588.1	-17.5
U K	20.7	32.7	57.4	321.7	279.7	-13.1
UAE	16.2	22.0	35.4	260.0	238.6	-8.2
BANGLADESH	9.8	12.6	28.7	198.7	175.2	-11.8
NIGERIA	14.6	8.5	-41.5	187.6	125.7	-33.0
ALGERIA	12.2	0.0	-100.0	279.0	112.9	-59.5
NETHERLAND	17.6	10.6	-39.7	127.0	105.9	-16.7
PERU	10.4	4.0	-61.8	107.2	94.2	-12.1

(Source: Department of Commerce, Government of India)

- ❖ In case of Motor vehicles Mexico assumes the top position importing 14.7 percent of India's total exports of Motor vehicles during April-February 2015-2016.
- ❖ South Africa and Sri Lanka holds the 2nd and 3rd position respectively importing 9.7 percent and 7.8 percent of India's total exports of Motor vehicles during the same period.

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

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	739.85	451.13	-39.02	7694.17	6294.91	-18.19
KOREA RP	68.58	55.32	-19.34	603.18	717.41	18.94
MALAYSIA	66.49	23.13	-65.21	377.83	672.75	78.06
U S A	55.08	40.02	-27.34	486.35	509.83	4.83
TAIWAN	6.92	4.81	-30.42	118.51	189.80	60.16
SAUDI ARAB	11.93	12.57	5.36	124.19	125.05	0.69
NEPAL	8.46	9.24	9.15	81.59	99.10	21.46
INDONESIA	4.39	2.91	-33.65	46.08	77.38	67.91
BRAZIL	3.84	3.19	-16.94	38.20	73.08	91.28
HEAVY CUMULATIVE DECLINE COUNTRIES						
CHINA	171.62	81.17	-52.70	1872.75	1102.17	-41.15

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_ Feb 2015--16	Growth %
UAE	62.85	46.05	-26.73	729.64	443.08	-39.27
SINGAPORE	37.87	22.83	-39.71	570.65	405.55	-28.93
MEXICO	50.20	14.62	-70.88	504.97	184.29	-63.50
U K	13.98	11.97	-14.37	170.34	153.52	-9.87
GERMANY	7.44	6.57	-11.78	111.42	84.14	-24.48
TURKEY	23.92	2.56	-89.29	130.07	70.60	-45.72
VIETNAM	4.78	0.91	-80.94	64.77	49.94	-22.89

(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-February 2015-2016.
- ❖ Republic of Korea and Malaysia imports 11.4 percent and 10.7percent respectively during April-February 2015-2016.

Table 14: Export of Electrical Machinery and Components

US\$ Million

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_ Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	309.31	362.40	17.16	3597.08	3505.78	-2.54
U S A	41.39	40.58	-1.96	465.17	480.79	3.36
SINGAPORE	7.43	29.62	298.89	82.02	119.29	45.43
JAPAN	4.18	11.90	184.55	54.20	102.48	89.10
BANGLADESH	3.62	12.98	258.37	59.40	96.76	62.90
CHINA	6.12	5.14	-15.98	76.26	94.60	24.06
TURKEY	4.01	22.90	471.48	40.77	73.31	79.81
ITALY	6.01	4.04	-32.69	58.84	61.68	4.83
VIETNAM SOC REP	5.23	3.74	-28.55	33.62	59.23	76.19
HEAVY CUMULATIVE DECLINE COUNTRIES						
GERMANY	21.41	29.39	37.22	228.87	226.37	-1.09
U K	29.79	14.08	-52.73	226.48	193.55	-14.54
FRANCE	14.61	15.28	4.58	187.24	177.54	-5.18
UAE	16.84	13.46	-20.09	197.75	171.06	-13.50
SAUDI ARAB	9.12	5.06	-44.50	91.74	82.69	-9.87
NIGERIA	5.36	3.22	-39.93	81.86	59.73	-27.04
OMAN	3.49	6.63	90.36	68.16	53.40	-21.65
NEPAL	6.42	5.15	-19.85	59.73	50.53	-15.40

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-February 2015-16 importing 13.7 percent from India's global export of the product group.
- ❖ Germany retains its second position during April-February 2015-16 importing 6.5 percent.
- ❖ Exports to UK and France witnessed decline during April-February 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	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	137.06	256.36	87.04	5844.10	3605.09	-38.31
GERMANY	8.16	7.19	-11.84	78.42	192.17	145.06
CZECH REPUBLIC	0.02	0.12	667.16	31.47	152.61	384.86
ISRAEL	5.56	5.08	-8.76	36.44	54.70	50.08
CANADA	0.57	4.64	716.03	9.86	15.38	56.04
ITALY	0.97	1.26	29.53	7.99	11.29	41.22
AFGHANISTAN TIS	0.00	0.00		0.00	10.95	2630989.30
AUSTRIA	0.59	0.64	8.10	3.59	7.27	102.68
UKRAINE	0.03	0.00	-100.00	2.80	6.71	139.12
HEAVY CUMULATIVE DECLINE COUNTRIES						
SRI LANKA	0.06	109.33	169166.02	1745.15	1308.14	-25.04
UAE	1.01	1.10	8.98	957.42	736.40	-23.09
U S A	61.83	44.66	-27.77	491.47	459.94	-6.41
U K	9.73	26.73	174.84	325.15	153.88	-52.67
FRANCE	8.49	16.89	98.95	156.23	130.92	-16.20
RUSSIA	3.28	1.55	-52.71	94.48	88.61	-6.21
SINGAPORE	3.06	16.35	433.86	323.60	80.46	-75.13
IRELAND	0.04	0.08	121.71	337.21	35.17	-89.57

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, Sri Lanka once again retains its top rank in importing 36.3 percent of India's total exports of Aircrafts and Parts during

April-February 2015-16. UAE ranks second importing 20.4 percent of India's global exports of Aircrafts during the same period.

- ❖ USA holds the third position importing 12.8 percent of India's Aircrafts & parts during April-February 2015-16.

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

US\$ Million

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_ Feb 2015--16	Growth %
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	272.11	142.90	-47.49	5099.47	2810.47	-44.89
JAPAN	25.07	0.00	-100.00	34.27	338.21	887.05
NORWAY	0.05	0.00	-96.63	25.94	328.27	1165.59
BAHARAIN IS	0.00	0.00		0.02	122.63	746280.48
NETHERLAND	0.00	0.02	481.17	2.58	43.37	1578.34
FRANCE	0.24	0.00	-100.00	0.47	7.39	1470.23
MALDIVES	0.00	0.00		0.00	1.32	75044.15
EGYPT A RP	0.00	0.00		0.46	1.00	117.29
U S A	0.00	0.42	16707.41	0.42	0.94	123.08
HEAVY DECLINE COUNTRIES						
SINGAPORE	117.05	0.05	-99.96	851.77	677.50	-20.46
UAE	24.02	34.62	44.13	1141.98	630	-44.83
MALAYSIA	0.00	0.00		856.95	190.62	-77.76
SOUTH AFRICA	0.00	0.00		657.31	147.06	-77.63
SRI LANKA	61.41	84.67	37.88	827.12	144.27	-82.56
QATAR	0.00	0.00		44.18	24.08	-45.50
INDONESIA	0.00	9.74		53.40	15.60	-70.79
ISRAEL	2.02	10.14	402.98	15.42	13.39	-13.17

(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-February 2015 sharing almost 70.2 percent of total export of this product group.
- ❖ UAE being one of the top four importers of this group importing 22.4 percent in India's global exports registered a positive monthly growth of 44.1 percent in February 2016 but negative cumulative growth of 44.8 percent.

Table 17: Export of Auto Components

US\$ Million

Export partners	Feb_15	Feb_16	Growth %	Apr-Feb 2014--15	Apr_Feb 2015--16	Growth %
SUBSTANTIAL GROWTH COUNTRIES						
Export to World	365.23	350.65	-3.99	4061.62	3824.41	-5.84
MEXICO	13.40	12.52	-6.54	105.34	151.74	44.05
UAE	12.60	14.54	15.38	116.84	128.40	9.90
JAPAN	8.38	11.18	33.39	105.78	116.97	10.58
NEPAL	8.40	20.13	139.67	81.18	97.02	19.52
SRI LANKA	5.61	5.83	3.95	47.82	62.27	30.22
COLOMBIA	3.57	3.79	6.03	36.04	45.97	27.54
NIGERIA	3.00	3.11	3.65	44.60	45.75	2.58
SPAIN	3.27	5.52	68.90	37.02	44.91	21.31
HEAVY DECLINE COUNTRIES						
U S A	83.76	66.52	-20.58	865.58	807.97	-6.66
TURKEY	36.56	34.08	-6.79	386.72	354.76	-8.27
THAILAND	18.88	15.84	-16.10	206.09	180.93	-12.21
GERMANY	14.68	16.26	10.80	180.03	169.30	-5.96
U K	16.76	13.31	-20.59	193.34	167.34	-13.45
BRAZIL	17.77	10.60	-40.35	187.61	150.60	-19.73
BANGLADESH	7.55	11.52	52.49	133.16	128.35	-3.61
ITALY	11.88	10.77	-9.34	139.08	119.79	-13.87

(Source: Department of Commerce and CSO)

- ❖ USA retains its top most import ranking from India covering 21.1 percent share in India's global exports of Auto Components/parts, witnessing a negative growth in February 2016 and during April-February 2015-16.
- ❖ Mexico ranking sixth in India's global exports of Auto Components/parts recorded a significant 44.1 percent year-on-year growth during April-February 2015-16.
- ❖ Turkey and Thailand holds the second and third position importing 9.3percent and 4.7 percent respectively of Indian auto component/parts, during April-February 2015-16.

Conclusion

Merchandise exports from India conceded year-on-year drop for the fifteenth straight month in February 2016 due to slackening of global demand. However, India's trade deficit narrowed in February as exports contracted at a slower pace.

In case of engineering goods, the export decline has been higher than that of the overall merchandise exports. However, as mentioned earlier, the pace of decline in engineering exports decelerated in February compared to the previous two months. Rising import price of steel in the engineering sector has hit the margins widely.

The fall in engineering exports in February 2016 is mainly driven by Non ferrous sectors like Zinc, Nickel, Copper and Aluminium products, Ships Boats and Floating Structures, Iron & Steel. Cumulatively Ships Boats and Floating Structures is the worst performer during April-Feb of the current fiscal while Aircrafts & Spacecrafts, Iron and Steel and Nickel products 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 April-February 2015-16, only seven recorded growth in imports from India. For the rest 18 countries, India saw lower overseas shipment.
