

# ENGINEERING EXPORT MONITOR

## April 2016



## Analysis of Indian engineering exports during April 2016: May 16, 2016

---

### Trend in overall trade

India's merchandise exports for the new fiscal 2016-2017 fell by 6.74 percent US\$ 20.569 billion in April 2016 from US\$ 22.055 billion in the same month of the previous year signalling a decline for the 17th straight month. The trend of falling exports has been in tandem with other major world economies.

On the other hand, Imports during April 2016 were valued at US\$ 25.414 billion which was 23.10 per cent lower in dollar terms compared to the level of imports valued at US\$ 33.047 billion in April 2015.

The trade deficit for April 2016, in the case of merchandise, was estimated at US\$ 4.845 billion which is lower than the deficit of US\$ 10.992 billion during April 2015.

### Engineering exports

The share of India's engineering exports with respect to overall exports has come down from 26% in April 2015 to 22.4% in April 2016. The engineering export figures dropped by over 18 percent from US\$ 5.7 billion in April 2015 to US\$ 4.6 billion in April 2016. The monthly engineering figures for the first month of 2016-2017 vis-à-vis 2015-2016 are depicted below:

**Table 1: Engineering Exports**  
(US\$ Million)

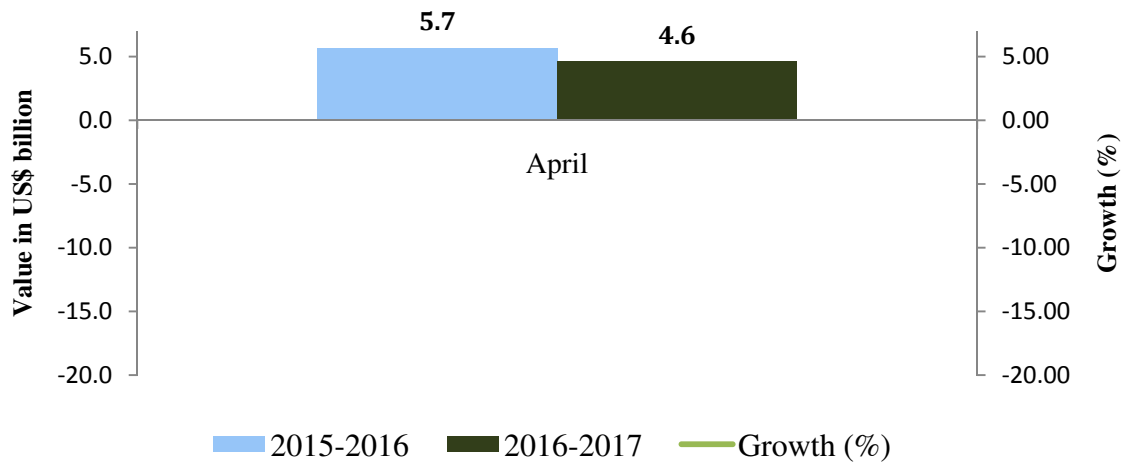
| Months | 2015-16 | 2016-17 | Growth (%) |
|--------|---------|---------|------------|
| April  | 5674.5  | 4599.8  | -18.9      |

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

Figure 1 below depicts the monthly trend in engineering exports for 2015 and 2016

**Figure1: Trends in Monthly Engineering Exports**  
US\$ Billion

**Monthly Engineering Exports for 2016-2017 vis-a-vis 2015-2016**



*(Source: EEPC India analysis)*

The share of engineering production in overall manufacturing output is quite significant as engineering sector is an important segment of the broader Manufacturing sector. 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 ninth consecutive month to April 2016 and the pace of decline also accelerated to 18.9% in the last month after some moderation in February and March 2016. In line with the moderation in decline in engineering exports, India's manufacturing production also came back to growth path in February 2016 however feeble after decline in previous three months. However, in March 2016, manufacturing output again declined while rate of decline in exports was largely flat over the month. November is the first month in 2015-16 to concede a decline in year-on-year manufacturing production when engineering export suddenly dropped by around 30 percent. Decline in exports moderated slightly in December 2015 when decline in manufacturing also moderated. However, manufacturing output declined at a faster pace in January 2016 while engineering exports witnessed slightly slower decline. The month of February witnessed a substantial slowdown in the pace of year-on-year decline in engineering exports and manufacturing also came to growth path. Overall IIP Index, the standard measure for industrial output, stood at 207.7 in March 2016 as against 194.1 in February 2016 and 195.1 in January 2016. Cumulatively, industrial production during fiscal 2015-16 grew at 2.4 percent, which was a bit lower than that of the previous fiscal at 2.8 percent.

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 (%) |
|---------------------|--------------------------|--------------------------|
| March 2016          | 11.22                    | -1.2                     |
| April-March 2015-16 | <b>16.93</b>             | <b>2.4</b>               |
| April 2016          | 18.9                     | N.A                      |

(Source: Department of Commerce and CSO)

An analysis of the engineering export and manufacturing growth data for the last 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. 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 when engineering exports declined to its highest pace of the last fiscal and 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. The month of February reflected the link between these two when engineering export growth declined significantly and manufacturing bounced back to growth. In the last month of fiscal 2015-16, decline in manufacturing was largely the same over the month but manufacturing growth again came back to negative.

We also present the month wise corresponding **revised** engineering exports for 2015-16 as opposed to 2014-15.

**Table 4: Revised Engineering Exports (2014-15)**

USD Million

| Quarter   | Month | 2014-15 | 2015-2016 | Growth Rate in Percent |
|-----------|-------|---------|-----------|------------------------|
| Quarter 1 | April | 5708.04 | 5674.5*   | -0.59*                 |
|           | May   | 6013.33 | 5345.9    | -11.10                 |
|           | June  | 5205.21 | 4950.74   | -4.89                  |
| Quarter 2 | July  | 5499.76 | 5578.87   | 1.44                   |

| Quarter          | Month                | 2014-15         | 2015-2016        | Growth Rate in Percent |
|------------------|----------------------|-----------------|------------------|------------------------|
|                  | <b>August</b>        | 6380.66         | 4659.26          | -26.98                 |
|                  | <b>September</b>     | 6329.07         | 4704.5           | -25.67                 |
| <b>Quarter 3</b> | <b>October</b>       | 5007.85         | 4486.18          | -10.42                 |
|                  | <b>November</b>      | 6403.45         | 4342.94          | -32.18                 |
|                  | <b>December</b>      | 6710.57         | 4689.19          | -30.12                 |
| <b>Quarter 4</b> | <b>January</b>       | 6707.02         | 4757.43          | -29.07                 |
|                  | <b>February</b>      | 4975.32         | 4419.95          | -11.16                 |
|                  | <b>March</b>         | 5829.71         | 5175.65          | -11.22                 |
|                  | <b>Total Exports</b> | <b>70769.99</b> | <b>58785.11*</b> | <b>-16.93*</b>         |

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

## Impact of Exchange Rate

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

**Table 5: Average Exchange Rate**

| April | Average Exchange Rate 1 USD to INR |
|-------|------------------------------------|
| 2015  | 62.39                              |
| 2016  | 66.43                              |

(Source: Calculated from RBI archive)

**The official exchange rate of rupee vis-à-vis the US Dollar during April 2016 has depreciated by 6.5 percent to that of the same period last year.**

We begin by looking at the Engineering Panel wise exports for the month of April 2016 vis-a-vis April 2015. The data is given in Table 6 below:

**Table 6: Trends in Engineering panel Exports for April 2016 vis-à-vis April 2015**  
US\$ Million

| Sl no.   | Panel                      | April 2015     | April, 2016   | Growth %      |
|--|----------------------------|----------------|---------------|---------------|
| <b>1. Iron and Steel and Products made of Iron and Steel</b>         |                            |                |               |               |
| <b>A</b>   | Iron and Steel             | 545.77         | 338.94        | -37.90        |
| <b>B</b>   | Products of Iron and Steel | 607.96         | 444.93        | -26.82        |
| <b>Sub Total</b>   |                            | <b>1153.73</b> | <b>783.87</b> | <b>-32.06</b> |
| <b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b> |                            |                |               |               |
| <b>A</b>   | Copper and products        | 260.81         | 144.07        | -44.76        |

| Sl no.                             | Panel  | April 2015    | April, 2016   | Growth %      |
|------------------------------------|--|---------------|---------------|---------------|
| <b>B</b>                           | Aluminium and products   | 201.23        | 146.74        | -27.08        |
| <b>C</b>                           | Zinc and products  | 71.2          | 16.8          | -76.40        |
| <b>D</b>                           | Nickel and products  | 21.59         | 9.21          | -57.34        |
| <b>E</b>                           | Lead and products  | 11.68         | 10.94         | -6.34         |
| <b>F</b>                           | Tin and products   | 2.34          | 0.6           | -74.36        |
| <b>G</b>                           | Other Non Ferrous Metals                                       | 38.3          | 35.15         | -8.22         |
| <b>Sub Total</b>                   |  | <b>607.15</b> | <b>363.51</b> | <b>-40.13</b> |
| <b>3. Industrial Machinery</b>     |  |               |               |               |
| <b>A</b>                           | Industrial Machinery like Boilers, parts, etc                  | 56.12         | 79.17         | 41.07         |
| <b>B</b>                           | IC Engines and Parts   | 164.11        | 135.48        | -17.45        |
| <b>C</b>                           | Pumps of all types   | 65.04         | 59.75         | -8.13         |
| <b>D</b>                           | Air condition and Refrigerators                                | 85.22         | 85.96         | 0.87          |
| <b>E</b>                           | Industrial Machinery for dairy, food processing , textiles etc | 409.8         | 346.09        | -15.55        |
| <b>F</b>                           | Machine Tools  | 33.95         | 40.81         | 20.21         |
| <b>G</b>                           | Machinery for Injecting moulding, valves and ATMs              | 110.79        | 108.42        | -2.14         |
| <b>Sub Total</b>                   |  | <b>925.03</b> | <b>855.68</b> | <b>-7.50</b>  |
| <b>4</b>                           | <b>Electrical Machinery</b>                                    | <b>322.81</b> | <b>313.95</b> | <b>-2.74</b>  |
| <b>5. Auto and Auto Components</b> |  |               |               |               |
| <b>A</b>                           | Motor Vehicle/cars   | 483.86        | 517.33        | 6.92          |
| <b>B</b>                           | Two and Three Wheelers   | 122.72        | 119.5         | -2.62         |
| <b>C</b>                           | Auto Components/Part   | 349.01        | 328.89        | -5.76         |
| <b>Sub Total</b>                   |  | <b>955.59</b> | <b>965.72</b> | <b>1.06</b>   |
| <b>6</b>                           | <b>Aircrafts and Spacecraft parts and products</b>             | <b>903.77</b> | <b>164.82</b> | <b>-81.76</b> |
| <b>7</b>                           | <b>Ships Boats and Floating products and parts</b>             | <b>340.35</b> | <b>646.67</b> | <b>90.00</b>  |
| <b>8. Miscellaneous Items</b>      |  |               |               |               |
| <b>A</b>                           | Medical and Scientific instruments                             | 93.8          | 105.8         | 12.79         |
| <b>B</b>                           | Railway Transport  | 6.53          | 6.32          | -3.22         |
| <b>C</b>                           | Hand Tools & Cutting Tools                                     | 56.42         | 51.76         | -8.26         |
| <b>D</b>                           | Electrodes Accumulators  | 2.67          | 3.48          | 30.34         |
| <b>E</b>                           | Accumulator and Batteries                                      | 14.58         | 14.52         | -0.41         |
| <b>F</b>                           | Bicycle & Parts  | 22.71         | 25.16         | 10.79         |
| <b>G</b>                           | Cranes Lifts & Winches   | 26.7          | 43.35         | 62.36         |
| <b>H</b>                           | Office Equipments  | 5.39          | 6.78          | 25.79         |
| <b>I</b>                           | Other Construction Machinery                                   | 105.82        | 89.47         | -15.45        |



| Sl no.             | Panel                      | April 2015     | April, 2016    | Growth %      |
|--------------------|----------------------------|----------------|----------------|---------------|
| J                  | Prime Mica & Mica Products | 1.28           | 1.68           | 31.25         |
| K                  | OTHER MISC. ITEMS          | 130.2          | 157.29         | 20.81         |
| <b>Sub Total</b>   |                            | <b>466.10</b>  | <b>505.61</b>  | <b>8.48</b>   |
| <b>Grand Total</b> |                            | <b>5674.53</b> | <b>4599.83</b> | <b>-18.94</b> |

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

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 21 panels (64 percent) of the engineering panels recorded a negative growth and remaining 12 panels fared positive growth in the month of April 2015.
- ❖ India's Primary Iron and Steel exports have fallen by more than 38 percent during the first month of the current fiscal of 2015-2016. Products of Iron and Steel have also dropped by more than 27 percent in April 2016 vis-à-vis April 2015.
- ❖ Like in the month of February and March 2016, Aircraft and Spacecraft have contracted for the third straight month in April 2016 falling by 82 percent to that of the previous fiscal. On the contrary, Ship, boats and floating bodies registered a growth in exports by more than 90 percent in April 2016 vis-à-vis April 2015, similar to that of the previous month.
- ❖ There has been a drastic fall in the exports in all the Non Ferrous panels during April 2016, out of which sectors like Zinc and products, Tin and products and Nickel and witnessed maximum decline by 76%, 74% and 57% respectively during April 2016 over April 2015.
- ❖ In the Industrial Machinery panel, the products in the group that registered significant export growth includes Machinery like Boilers and Machine Tools that have grown to the extent of 41 and 20 percent respectively during April 2016 against April 2015. Sectors like IC Engines and Machinery for food processing registered decline in exports by 17 and 15 percent respectively during April 2016 over that of 2015. In the Industrial Machinery panel, 4 out of 7 panels witnessed negative growth in the month of April 2016 vis-à-vis same period last fiscal. The panels include IC Engines, Pumps and Valves of all types, Machine for ATMS and Industrial Machinery for dairy products, etc.
- ❖ Among all the panels, significant heavy growth is observed in sectors like Cranes and Winches growing by 62 percent from US\$26.7 million in April 2015 to US\$ 43.35 million in April 2016. Other sectors include Medical and Scientific Instruments, Electrodes and Accumulators, Mica and Products, Office Equipments, etc.

☑ **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 April 2016 over April 2015 in Absolute Value, even though the growth rate may be negative.

**Table 7: Engineering Exports Country wise For April 2016 over April 2015**  
US\$ Million

| COUNTRY                          | APRIL, 2015    | APRIL, 2016    | Growth percent |
|----------------------------------|----------------|----------------|----------------|
| <b>USA</b>                       | 625.03         | 502.16         | -19.66         |
| <b>UAE</b>                       | 612.94         | 330.96         | -46.00         |
| <b>MALAYSIA</b>                  | 103.45         | 298.75         | 188.78         |
| <b>SINGAPORE</b>                 | 175.89         | 221.94         | 26.18          |
| <b>MEXICO</b>                    | 153.76         | 192.54         | 25.22          |
| <b>U K</b>                       | 166.24         | 181.50         | 9.18           |
| <b>GERMANY</b>                   | 145.15         | 169.53         | 16.80          |
| <b>NEPAL</b>                     | 127.61         | 145.62         | 14.11          |
| <b>BANGLADESH</b>                | 109.64         | 141.06         | 28.66          |
| <b>ITALY</b>                     | 121.32         | 123.06         | 1.43           |
| <b>TURKEY</b>                    | 95.57          | 107.56         | 12.54          |
| <b>CHINA</b>                     | 242.56         | 102.66         | -57.68         |
| <b>SAUDI ARAB</b>                | 112.23         | 101.99         | -9.12          |
| <b>FRANCE</b>                    | 69.70          | 92.28          | 32.41          |
| <b>KOREA RP</b>                  | 87.50          | 80.25          | -8.29          |
| <b>NETHERLAND</b>                | 62.72          | 64.43          | 2.73           |
| <b>SRI LANKA</b>                 | 647.85         | 63.35          | -90.22         |
| <b>INDONESIA</b>                 | 68.69          | 62.95          | -8.36          |
| <b>SOUTH AFRICA</b>              | 110.05         | 61.65          | -43.98         |
| <b>BELGIUM</b>                   | 47.18          | 58.28          | 23.52          |
| <b>THAILAND</b>                  | 75.40          | 56.88          | -24.57         |
| <b>JAPAN</b>                     | 54.70          | 56.32          | 2.96           |
| <b>SPAIN</b>                     | 48.47          | 55.83          | 15.19          |
| <b>PHILIPPINES</b>               | 46.32          | 54.83          | 18.36          |
| <b>EGYPT</b>                     | 72.27          | 42.47          | -41.23         |
| <b>Total of top 25</b>           | <b>4182.24</b> | <b>3368.82</b> | <b>-19.45</b>  |
| <b>Total Engineering Exports</b> | <b>5674.55</b> | <b>4599.85</b> | <b>-18.94</b>  |



| COUNTRY                      | APRIL,<br>2015 | APRIL,<br>2016 | Growth<br>percent |
|------------------------------|----------------|----------------|-------------------|
| Share of top 25 in Total (%) | 73.70          | 73.24          |                   |

*Note: Red font indicates negative monthly.*

*\*There is a category called 'unspecified' under the destinations importing US\$ 155 million , ranks no 8<sup>th</sup> , but which has not been included here under the top 25 export destinations.*

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

The country wise engineering export figures for April 2016 show the following facts:

- ❖ During the month of April 2016, 15 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 10 conceded decline over the same month last year.
- ❖ Malaysia which ranked third among the top 25 engineering export destinations registered the highest growth in engineering imports from India with more than 188 percent during the month of April 2016 over April 2015. France which recorded negative growth in the previous month, recovered with a positive growth of 32.4 percent.
- ❖ USA like before continued to be the top exporting destination for India's engineering products, even though it recorded negative growth in April 2016 .
- ❖ Almost all the European nations coming under the top 25 engineering export destinations registered positive growth in engineering imports from India during April 2016 against April 2015.
- ❖ Sri Lanka which started deteriorating in import growth last month, dropped further down in April 2016 to more than 90 per cent.
- ❖ Out of 208 exports destinations of Indian engineering goods, top 25 nations accounted for more than 73 percent of India's total engineering exports in April 2016.
- ❖ Overall, India's engineering exports to its top 25 destinations recorded a fall in April 2016 over April 2015. The decline in exports to top 25 countries is higher at 19.4 percent than the decline in total engineering exports during the same time period.

## Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April 2016 as opposed to April 2015. The Table below gives this picture:

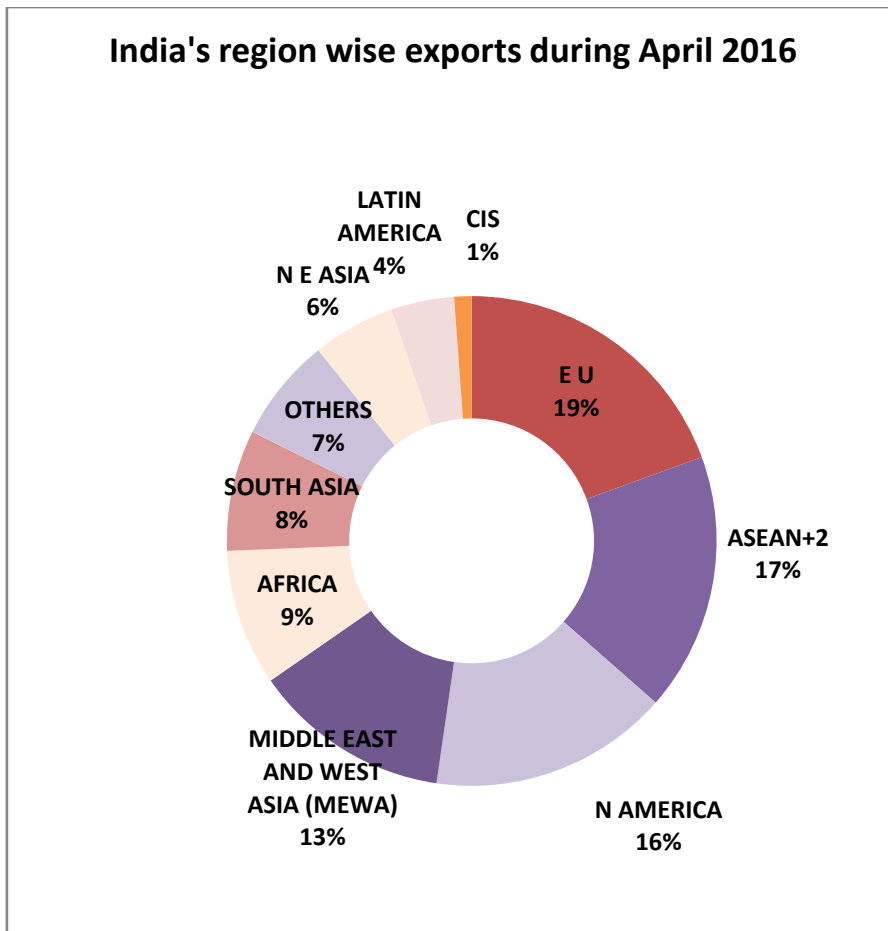
**Table 8: Region Wise Exports Trend**  
US\$ Million

| Region                                  | APRIL, 2015    | APRIL, 2016    | Growth        |
|---|----------------|----------------|---------------|
| <b>E U</b>                              | 786.91         | 893.71         | 13.57         |
| <b>ASEAN+2</b>                          | 576.71         | 784.01         | 35.95         |
| <b>N AMERICA</b>                        | 816.40         | 728.11         | -10.81        |
| <b>MIDDLE EAST AND WEST ASIA (MEWA)</b> | 1071.61        | 599.64         | -44.04        |
| <b>AFRICA</b>                           | 628.88         | 414.99         | -34.01        |
| <b>SOUTH ASIA</b>                       | 926.96         | 367.69         | -60.33        |
| <b>OTHERS</b>                           | 165.51         | 316.01         | 90.93         |
| <b>N E ASIA</b>                         | 411.44         | 250.77         | -39.05        |
| <b>LATIN AMERICA</b>                    | 243.23         | 192.42         | -20.89        |
| <b>CIS</b>                              | 46.89          | 52.49          | 11.95         |
| <b>Grand Total</b>                      | <b>5674.55</b> | <b>4599.85</b> | <b>-18.94</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-April 2015 -16**



*(Source: EEPC India analysis)*

- ❖ EU is the region with highest shipment of engineering products from India registering a positive growth of 13.6 percent in April 2016 over April 2015.
- ❖ ASEAN+2 ranks second registering a significant positive growth of almost 36 percent in April 2016 over the same month last fiscal.
- ❖ Exports to CIS nations which recorded a dip in March 2016, started to recover in April 2016 recording a positive monthly growth of almost 12 percent over April 2015.
- ❖ Exports to South Asia which recorded highest growth during March 2016, recorded the highest negative growth in April 2016 over April 2015.

We now analyze the performance of some of the important products during April 2016. We pick the major panels and seek the heavy growth and heavy declines in these panels in April 2016 to give an idea about the trend that is about to emerge.

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

| Export partners                         | Apr_15        | Apr_16        | Growth %      |
|---|---------------|---------------|---------------|
| SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES |               |               |               |
| <b>Export to World</b>                  | <b>545.77</b> | <b>338.94</b> | <b>-37.90</b> |
| <b>BELGIUM</b>                          | 11.49         | 25.62         | 122.96        |
| <b>CHINA</b>                            | 11.83         | 13.16         | 11.23         |
| <b>ETHIOPIA</b>                         | 10.23         | 12.16         | 18.83         |
| <b>RUSSIA</b>                           | 2.83          | 4.46          | 57.48         |
| <b>GHANA</b>                            | 1.51          | 4.31          | 185.34        |
| <b>PAKISTAN</b>                         | 1.68          | 4.22          | 151.68        |
| <b>PERU</b>                             | 2.58          | 3.13          | 21.22         |
| <b>ECUADOR</b>                          | 2.72          | 2.79          | 2.56          |
| HEAVY CUMULATIVE DECLINE COUNTRIES      |               |               |               |
| <b>NEPAL</b>                            | 40.11         | 30.83         | -23.14        |
| <b>ITALY</b>                            | 40.85         | 30.13         | -26.22        |
| <b>BANGLADESH</b>                       | 29.26         | 16.33         | -44.20        |
| <b>UAE</b>                              | 24.74         | 16.12         | -34.85        |
| <b>U S A</b>                            | 60.29         | 14.94         | -75.22        |
| <b>KOREA</b>                            | 20.68         | 13.11         | -36.61        |
| <b>INDONESIA</b>                        | 15.06         | 11.34         | -24.72        |
| <b>TAIWAN</b>                           | 10.04         | 9.00          | -10.30        |

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

- ❖ Nepal tops the list as importer of India's Iron and Steel during April 2016 with 9.1 percent share followed by Italy and Belgium importing 8.9 percent and 7.6 percent respectively during the same period.
- ❖ USA dropped from its previous rank to sixth position, recording a fall in growth of 75.2 percent.

**Table 10: Export of products Iron & Steel**  
US\$ Million

| Export partners                         | Apr_15 | Apr_16 | Growth % |
|---|--------|--------|----------|
| SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES |        |        |          |

|                        |   |        |        |
|------------------------|---|--------|--------|
| <b>Export to World</b> | 607.96                                    | 444.93 | -26.82 |
| <b>SAUDI ARAB</b>      | 27.84                                     | 31.10  | 11.72  |
| <b>ITALY</b>           | 11.81                                     | 14.68  | 24.33  |
| <b>NETHERLAND</b>      | 11.84                                     | 12.06  | 1.86   |
| <b>KUWAIT</b>          | 2.10                                      | 11.56  | 450.04 |
| <b>FRANCE</b>          | 7.87                                      | 9.84   | 25.07  |
| <b>CHINA</b>           | 6.88                                      | 9.70   | 40.94  |
| <b>BELGIUM</b>         | 6.31                                      | 7.18   | 13.85  |
| <b>BANGLADESH</b>      | 2.71                                      | 6.82   | 151.86 |
|                        | <b>HEAVY CUMULATIVE DECLINE COUNTRIES</b> |        |        |
| <b>U S A</b>           | 110.7                                     | 81.057 | -26.78 |
| <b>UAE</b>             | 51.301                                    | 35.918 | -29.99 |
| <b>GERMANY</b>         | 30.046                                    | 29.526 | -1.73  |
| <b>U K</b>             | 23.276                                    | 19.942 | -14.32 |
| <b>CANADA</b>          | 12.817                                    | 9.9515 | -22.36 |
| <b>MALAYSIA</b>        | 16.795                                    | 8.5395 | -49.16 |
| <b>SPAIN</b>           | 7.3696                                    | 6.3191 | -14.25 |
| <b>SOUTH AFRICA</b>    | 6.8599                                    | 5.7441 | -16.27 |

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing more than 18 percent of India's total export of Products of Iron and Steel during April 2016 over April 2015.
- ❖ UAE and Saudi Arabia ranked second and third importing 8.1 percent and 7 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

| <b>Export partners</b> | <b>Apr_15</b> | <b>Apr_16</b> | <b>Growth %</b> |
|------------------------|---------------|---------------|-----------------|
|                        |               |               |                 |

| SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES |              |               |               |
|---|--------------|---------------|---------------|
| <b>Export to World</b>                  | <b>409.8</b> | <b>346.09</b> | <b>-15.55</b> |
| <b>NEPAL</b>                            | 13.93        | 14.39         | 3.32          |
| <b>GERMANY</b>                          | 13.84        | 14.20         | 2.61          |
| <b>INDONESIA</b>                        | 9.24         | 9.68          | 4.83          |
| <b>ITALY</b>                            | 6.54         | 8.25          | 26.19         |
| <b>SRI LANKA</b>                        | 6.09         | 7.73          | 26.77         |
| <b>VIETNAM</b>                          | 6.22         | 6.75          | 8.50          |
| <b>SINGAPORE</b>                        | 5.43         | 5.74          | 5.61          |
| <b>SOUTH AFRICA</b>                     | 5.47         | 5.71          | 4.37          |
| HEAVY CUMULATIVE DECLINE COUNTRIES      |              |               |               |
| <b>U S A</b>                            | 73.01        | 36.77         | -49.63        |
| <b>BANGLADESH</b>                       | 23.55        | 21.85         | -7.22         |
| <b>TURKEY</b>                           | 17.44        | 17.31         | -0.76         |
| <b>UAE</b>                              | 16.79        | 16.54         | -1.45         |
| <b>SAUDI ARAB</b>                       | 13.70        | 9.46          | -30.95        |
| <b>NIGERIA</b>                          | 10.08        | 8.03          | -20.36        |
| <b>CHINA</b>                            | 9.68         | 7.69          | -20.59        |
| <b>KENYA</b>                            | 9.85         | 7.62          | -22.72        |

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

- ❖ USA once again tops the chart importing 10.6 percent of India's total exports for Industrial Machinery during April 2016.
- ❖ Bangladesh and Turkey holds the second and third position respectively importing 6.3 percent and 5 percent respectively of India's total exports for Industrial Machinery during April 2016.

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

| Export partners                         | Apr_15        | Apr_16        | Growth      |
|---|---------------|---------------|-------------|
| SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES |               |               |             |
| <b>Export to World</b>                  | <b>483.86</b> | <b>517.33</b> | <b>6.92</b> |
| <b>MEXICO</b>                           | 63.24         | 129.64        | 105.01      |
| <b>U K</b>                              | 23.82         | 38.91         | 63.34       |
| <b>ITALY</b>                            | 16.79         | 24.81         | 47.74       |
| <b>GERMANY</b>                          | 4.96          | 22.58         | 355.09      |

|   |       |       |        |
|---|-------|-------|--------|
| <b>NEPAL</b>                              | 10.09 | 17.13 | 69.77  |
| <b>SPAIN</b>                              | 13.14 | 14.41 | 9.72   |
| <b>NETHERLAND</b>                         | 8.89  | 14.31 | 60.89  |
| <b>SAUDI ARAB</b>                         | 5.57  | 11.40 | 104.63 |
| <b>HEAVY CUMULATIVE DECLINE COUNTRIES</b> |       |       |        |
| <b>SOUTH AFRICA</b>                       | 62.13 | 25.86 | -58.37 |
| <b>SRI LANKA</b>                          | 40.63 | 11.89 | -70.72 |
| <b>CHILE</b>                              | 13.41 | 10.52 | -21.57 |
| <b>UAE</b>                                | 13.52 | 9.65  | -28.63 |
| <b>EGYPT</b>                              | 22.95 | 9.32  | -59.38 |
| <b>VIETNAM</b>                            | 10.18 | 7.06  | -30.66 |
| <b>COLOMBIA</b>                           | 7.85  | 5.31  | -32.30 |
| <b>PHILIPPINES</b>                        | 10.32 | 4.41  | -57.25 |

*(Source: Department of Commerce, Government of India)*  
*(Note: Automobiles sector includes Motor vehicles)*

- ❖ In case of Automobiles Mexico assumes the top position importing 25.1 percent of India's total exports of Automobiles during April 2016 over April 2015.
- ❖ UK and South Africa holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 7.5 percent and 5 percent of India's total exports of Automobiles during the same period.

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

| <b>Export partners</b>                         | <b>Apr_15</b> | <b>Apr_16</b> | <b>Growth</b> |
|--|---------------|---------------|---------------|
| <b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b> |               |               |               |
| <b>Export to World</b>                         | <b>607.2</b>  | <b>363.5</b>  | <b>-40.1</b>  |
| <b>UAE</b>                                     | 43.2          | 45.2          | 4.6           |
| <b>KOREA RP</b>                                | 43.4          | 44.9          | 3.3           |
| <b>SINGAPORE</b>                               | 10.9          | 26.0          | 137.7         |
| <b>BANGLADESH</b>                              | 8.2           | 13.0          | 57.4          |
| <b>OMAN</b>                                    | 3.1           | 7.5           | 142.1         |
| <b>CHILE</b>                                   | 0.1           | 7.0           | 4841.1        |
| <b>GERMANY</b>                                 | 6.2           | 6.8           | 10.8          |
| <b>BRAZIL</b>                                  | 5.2           | 5.8           | 10.8          |
| <b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>      |               |               |               |



| Export partners | Apr_15 | Apr_16 | Growth |
|-----------------|--------|--------|--------|
| U S A           | 51.0   | 38.3   | -24.9  |
| CHINA           | 163.9  | 31.0   | -81.1  |
| U K             | 14.5   | 12.5   | -14.3  |
| SAUDI ARAB      | 11.0   | 10.9   | -0.4   |
| NEPAL           | 13.3   | 8.8    | -34.0  |
| MEXICO          | 40.5   | 7.9    | -80.4  |
| TAIWAN          | 25.6   | 5.9    | -76.8  |
| JAPAN           | 8.9    | 5.2    | -41.1  |

(Source: Department of Commerce and CSO)

- ❖ UAE is the topmost importer for Non ferrous Metals importing 12.43 percent of India's total export of Non Ferrous Metals during April 2016.
- ❖ Republic of Korea and USA imports 12.3 percent and 10.5 percent respectively during April 2016.

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

US\$ Million

| Export partners                                | Mar_15        | Mar_16        | Growth %     |
|--|---------------|---------------|--------------|
| <b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b> |               |               |              |
| <b>Export to World</b>                         | <b>322.81</b> | <b>313.95</b> | <b>-2.74</b> |
| <b>BANGLADESH</b>                              | 2.43          | 21.04         | 765.60       |
| <b>U K</b>                                     | 13.19         | 15.02         | 13.87        |
| <b>PHILIPPINES</b>                             | 6.61          | 8.54          | 29.22        |
| <b>CHINA</b>                                   | 7.40          | 7.85          | 6.17         |
| <b>ALGERIA</b>                                 | 0.40          | 6.83          | 1628.73      |
| <b>JAPAN</b>                                   | 4.28          | 5.19          | 21.34        |
| <b>VIETNAM SOC REP</b>                         | 3.39          | 4.49          | 32.33        |
| <b>CONGO P REP</b>                             | 0.85          | 4.41          | 421.12       |
| <b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>      |               |               |              |
| <b>U S A</b>                                   | 44.46         | 41.23         | -7.28        |
| <b>GERMANY</b>                                 | 19.12         | 18.63         | -2.56        |
| <b>UAE</b>                                     | 15.45         | 14.68         | -5.00        |
| <b>FRANCE</b>                                  | 14.95         | 14.01         | -6.28        |
| <b>NEPAL</b>                                   | 10.88         | 6.16          | -43.38       |
| <b>SINGAPORE</b>                               | 6.30          | 6.04          | -4.16        |
| <b>MALAYSIA</b>                                | 6.16          | 5.68          | -7.77        |

| Export partners | Mar_15 | Mar_16 | Growth % |
|-----------------|--------|--------|----------|
| SAUDI ARAB      | 7.40   | 5.23   | -29.38   |

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April 2016 importing 13.1 percent from India's global export of the product group.
- ❖ Germany slips to third position after Bangladesh during April 2016 importing 5.9 percent.

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

| Export partners                                | Mar_15 | Mar_16 | Growth % |
|--|--------|--------|----------|
| <b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b> |        |        |          |
| <b>Export to World</b>                         | 903.8  | 164.8  | -81.76   |
| <b>U S A</b>                                   | 30.2   | 40.4   | 33.71    |
| <b>FRANCE</b>                                  | 6.4    | 23.9   | 275.04   |
| <b>SINGAPORE</b>                               | 2.7    | 18.3   | 583.36   |
| <b>RUSSIA</b>                                  | 11.4   | 14.8   | 29.52    |
| <b>U K</b>                                     | 9.1    | 11.2   | 22.99    |
| <b>GERMANY</b>                                 | 5.9    | 9.5    | 60.85    |
| <b>ISRAEL</b>                                  | 1.2    | 7.9    | 580.45   |
| <b>TURKEY</b>                                  | 0.1    | 4.4    | 4869.87  |
| <b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>      |        |        |          |
| <b>UAE</b>                                     | 261.2  | 10.5   | -95.97   |
| <b>PHILIPPINES</b>                             | 0.5    | 0.4    | -24.87   |
| <b>SRI LANKA</b>                               | 563.1  | 0.3    | -99.95   |
| <b>POLAND</b>                                  | 0.1    | 0.1    | -19.94   |
| <b>BELGIUM</b>                                 | 0.1    | 0.1    | -31.81   |
| <b>AUSTRALIA</b>                               | 0.8    | 0.1    | -93.40   |
| <b>UKRAINE</b>                                 | 0.9    | 0.0    | -95.46   |
| <b>HONG KONG</b>                               | 0.4    | 0.0    | -94.37   |

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, USA emerged as the top most destinations during April 2016 importing 24.5 percent of India's total exports of Aircrafts and Parts.

France ranks second importing 14.5 percent of India's global exports of Aircrafts during the same period.

- ❖ Singapore holds the third position importing 11.1 percent of India's Aircrafts & parts during April 2016.

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

US\$ Million

| Export partners                     | Apr_15        | Apr_16        | Growth %     |
|-------------------------------------|---------------|---------------|--------------|
| <b>Export to World</b>              | <b>340.35</b> | <b>646.67</b> | <b>90.00</b> |
| <b>SUBSTANTIAL GROWTH COUNTRIES</b> |               |               |              |
| <b>MALAYSIA</b>                     | 2.74          | 240.88        | 8683.61      |
| <b>SINGAPORE</b>                    | 118.23        | 129.36        | 9.42         |
| <b>PHILIPPINES</b>                  | 0.02          | 0.02          | 12.82        |
| <b>SRI LANKA</b>                    | 0.00          | 0.004         | 1118.68      |
| <b>HEAVY DECLINE COUNTRIES</b>      |               |               |              |
| <b>UAE</b>                          | 127.22        | 115.26        | -9.40        |
| <b>OMAN</b>                         | 0.03          | 0.001         | -95.79       |
| <b>BAHARAIN</b>                     | 92.11         | 0             | -100         |
| <b>NORWAY</b>                       | 0.01          | 0             | -100         |

*(Source: Department of Commerce and CSO)*

- ❖ Malaysia is the top exporting country for India's Ships, Boats and Floating Structures and Parts followed by Singapore and UAE. These three nations accounted for around 75% of total indian export of the product during April 2016.
- ❖ However, among the top exporters, UAE recorded negative growth during April 2016 over the same period last year.

**Table 17: Export of Auto Components**

US\$ Million

| Export partners                     | Apr_15        | Apr_16        | Growth %     |
|-------------------------------------|---------------|---------------|--------------|
| <b>Export to World</b>              | <b>349.01</b> | <b>328.89</b> | <b>-5.76</b> |
| <b>SUBSTANTIAL GROWTH COUNTRIES</b> |               |               |              |
| <b>TURKEY</b>                       | 26.67         | 29.99         | 12.48        |
| <b>NEPAL</b>                        | 7.54          | 17.51         | 132.34       |
| <b>GERMANY</b>                      | 13.74         | 15.46         | 12.53        |
| <b>THAILAND</b>                     | 11.18         | 14.48         | 29.52        |
| <b>ITALY</b>                        | 11.32         | 12.04         | 6.41         |

| Export partners                | Apr_15 | Apr_16 | Growth % |
|--------------------------------|--------|--------|----------|
| INDONESIA                      | 10.71  | 11.36  | 6.15     |
| BANGLADESH PR                  | 7.09   | 10.09  | 42.20    |
| JAPAN                          | 8.59   | 8.86   | 3.17     |
| <b>HEAVY DECLINE COUNTRIES</b> |        |        |          |
| U S A                          | 80.64  | 65.18  | -19.17   |
| MEXICO                         | 15.35  | 13.92  | -9.35    |
| U K                            | 17.30  | 13.39  | -22.60   |
| BRAZIL                         | 17.71  | 9.59   | -45.83   |
| U ARAB EMTS                    | 8.98   | 7.62   | -15.16   |
| EGYPT A RP                     | 11.26  | 7.20   | -36.01   |
| CHINA P RP                     | 6.37   | 4.98   | -21.80   |
| BELGIUM                        | 4.94   | 4.72   | -4.51    |

(Source: Department of Commerce and CSO)

- ❖ USA retains its top most import ranking for India's Auto Components/Parts covering around 20 percent share in India's global exports of the same. However, the leader again witnessed a negative growth in April 2016.
- ❖ Among the top importers of India's auto components/parts, Turkey, with a share of 9 percent in India's total global exports, achieved growth in April 2016 over April 2015.

## Conclusion

**India's merchandise exports in April 2016 were valued at \$20.57 billion -- down 6.74 percent in dollar terms against \$22.05 billion in the like month of last year, signalling a decline for the 17th straight month.** Cumulatively, for the fiscal year 2015-16, exports were down 15.85 percent in dollar terms at \$261.14 billion against \$310.34 billion. The massive fall in the crude oil prices over the past year has brought down the import bill.

On exports front, the engineering goods recorded a massive decline in exports by almost 19% to US\$ 4.6 billion during the first month of April 2016-2017. The fall in engineering exports in April 2016 is mainly driven by sectors like Aircraft and Spacecraft falling by 81% and other Non-Ferrous sectors like Zinc, Tin and Nickel, products, and, Iron & Steel products.

However, in certain segments there are green shoots of recovery and most importantly, among the top 25 importers of India's engineering exports 15 countries recorded positive growth during the April 2016 while the remaining 10 countries recorded negative growth in imports from India. Countries like USA, UAE and Malaysia are the top three export destinations during April 2016. It may be mentioned that the past trend has been that often top 20 countries in the top 25 were in the negative zone.

Having said this, it may be too early to draw any hasty conclusion and we need to see at least two more months to get a general feel of the underlying trends in the current fiscal.

\*\*\*\*\*