

ENGINEERING EXPORT MONITOR

May 2016



Analysis of Indian engineering exports during May 2016: June 16, 2016

Trend in overall trade

India's merchandise exports continued to slump for the 18th month in a row to May 2016 due to slackening of demand from across the globe. However the extent of fall moderated over the month. Exports dropped by 0.79 percent in May 2016 to US\$ 22.17 billion from US\$22.35 billion during May 2015. Cumulative exports for April-May 2016-17 declined by 3.74 percent to US\$ 42.73 billion from US\$ 44.40 billion during April-May 2015-16.

Imports also dropped and at a higher 13.16 percent rate during May 2016 to US\$ 28.44 billion while it was US\$ 32.75 billion in May 2015. Cumulative value of imports dropped by 18.15 percent for the period April-May 2016-17 to US\$ 53.85 billion from US\$ 65.80 billion during the same period last fiscal.

Trade deficit during May 2016 narrowed down to USD 6.27 billion from USD 10.4 billion in the same month last year.

Engineering exports

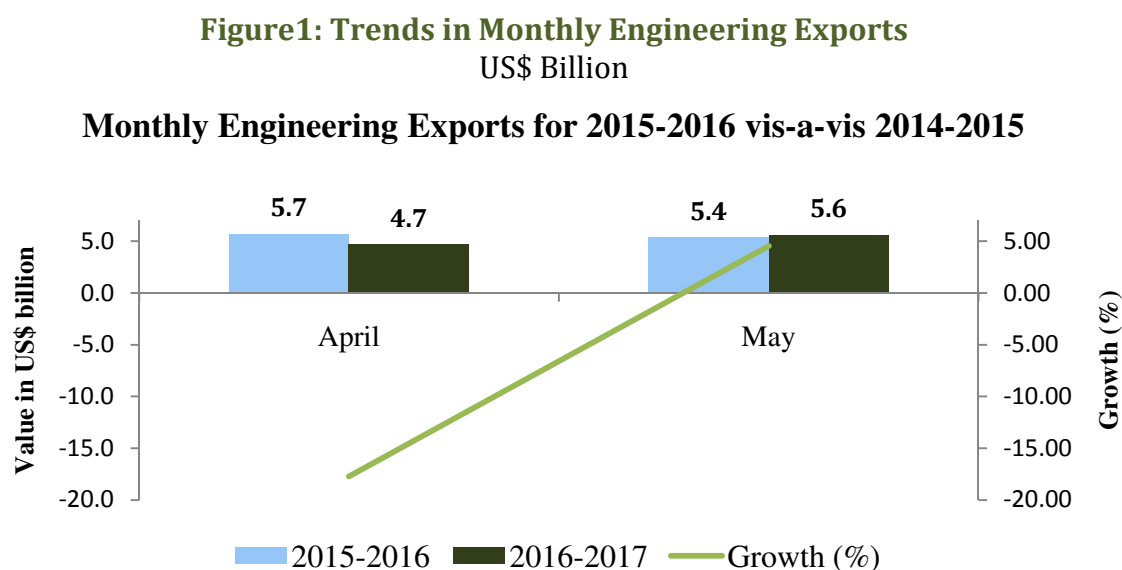
Defying the trend of overall merchandise export, Indian engineering exports recorded 4.5 percent growth during May 2016 over the same period last year and the share of engineering exports with respect to total merchandise exports also increased to 25.2 percent in May 2016 from 24 percent in May 2015. However, cumulative engineering exports during the first two months of fiscal 2015-16 dropped by 6.9 percent to US\$ 10.26 billion in April-May 2016 from US\$ 11.03 billion in April-May 2015. The monthly engineering figures for the first two months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

Table1: Engineering Exports
(US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5674.5	4667.8	-17.7
May	5353.6	5596.1	4.5

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports for 2015 and 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 has been arrested in May 2016 after 8 months. During fiscal 2015-16, November was the first month in 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. However, in March 2016, manufacturing output again declined while rate of decline in exports was largely flat over the month. April 2016 saw a higher decline in engineering exports accompanied by a bigger fall in manufacturing production. Overall IIP Index, the standard measure for industrial output, stood at 176.4 in April 2016 as against a downwardly revised 198.7 in March 2016 and 184.6 in February 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	-11.21	-1.0
April-March 2015-16	-16.93	2.0
April 2016	-17.74	-3.1
May 2016	4.52	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. During April 2016, fall in engineering exports accelerated while decline in manufacturing was also higher over Mar 2016.

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	5674.53*	-0.59*
	May	6013.33	5353.58	-11.10
	June	5205.21	4950.74	-4.89

Quarter	Month	2014-15	2015-2016	Growth Rate in Percent
Quarter 2	July	5499.76	5578.87	1.44
	August	6380.66	4659.26	-26.98
	September	6329.07	4704.5	-25.67
Quarter 3	October	5007.85	4486.18	-10.42
	November	6403.45	4342.94	-32.18
	December	6710.57	4689.19	-30.12
Quarter 4	January	6707.02	4757.43	-29.07
	February	4975.32	4419.95	-11.16
	March	5829.71	5175.65	-11.22
	Total Exports	70769.99	58785.11*	-16.92*

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

Impact of Exchange Rate

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

Table 5: Average Exchange Rate

May	Average Exchange Rate 1 USD to INR
2015	63.80
2016	66.91

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during May 2016 has depreciated by 4.8 percent to that of the same period last year.

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

Table 6: Trends in Engineering panel Exports for May 2016 and April- May 2016-17
US\$ Million

Sl no.	Panel	May 2015	May, 2016	Growth percent	April, 2015 - May 2016	April, 2016 - May 2017	Growth percent
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	522.2	505.3	-3.2	1068.0	833.6	-21.9
B	Products of Iron and Steel	538.6	448.5	-16.7	1146.5	891.7	-22.2
Sub Total		1060.8	953.8	-10.1	2214.5	1725.3	-22.1

Sl no.	Panel	May 2015	May, 2016	Growth percent	April, 2015 - May 2016	April, 2016 - May 2017	Growth percent
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	256.4	164.9	-35.7	517.2	309.0	-40.3
B	Aluminium and products	232.5	186.0	-20.0	433.7	332.4	-23.4
C	Zinc and products	41.9	12.7	-69.6	113.1	29.5	-73.9
D	Nickel and products	35.6	9.6	-72.9	57.2	18.8	-67.1
E	Lead and products	11.2	7.1	-36.3	22.9	18.1	-21.0
F	Tin and products	2.0	0.2	-88.2	4.4	0.8	-80.8
G	Other Non Ferrous Metals	39.4	35.3	-10.4	77.7	70.6	-9.2
Sub Total		619.0	415.9	-32.8	1226.1	779.3	-36.4
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	46.4	46.8	0.8	102.5	125.8	22.7
B	IC Engines and Parts	162.0	271.8	67.8	326.1	407.3	24.9
C	Pumps of all types	67.1	50.4	-24.8	132.1	110.5	-16.4
D	Air condition and Refrigerators	90.9	79.6	-12.4	176.1	165.6	-5.9
E	Industrial Machinery for dairy, food processing, textiles etc	362.6	353.9	-2.4	772.4	699.9	-9.4
F	Machine Tools	33.2	33.5	0.9	67.2	74.4	10.7
G	Machinery for Injecting moulding, valves and ATMs	104.9	89.7	-14.5	215.7	198.9	-7.8
Sub Total		867.0	925.7	6.8	1792.1	1782.3	-0.5
4	Electrical Machinery	312.3	376.6	20.6	635.1	692.3	9.0
5. Auto and Auto Components							
A	Motor Vehicle/cars	515.1	547.1	6.2	998.9	1064.4	6.6
B	Two and Three Wheelers	156.8	150.5	-4.0	279.6	270.0	-3.4
C	Auto Components/Part	362.4	340.7	-6.0	711.4	669.6	-5.9
Sub Total		1034.3	1038.3	0.4	1989.9	2004.0	0.7
6	Aircrafts and Spacecraft parts and products	304.7	293.2	-3.8	1208.4	535.2	-55.7
7	Ships Boats and Floating products and parts	663.6	1077.4	62.4	1003.9	1724.0	71.7
8. Miscellaneous Items							
A	Medical and Scientific instruments	93.2	100.8	8.2	187.0	206.8	10.6
B	Railway Transport	13.8	21.5	55.4	20.4	27.8	36.6
C	Hand Tools & Cutting Tools	54.4	48.7	-10.5	110.8	100.5	-9.3
D	Electrodes Accumulators	4.1	3.5	-14.3	6.7	7.0	3.4

Sl no.	Panel	May 2015	May, 2016	Growth percent	April, 2015 - May 2016	April, 2016 - May 2017	Growth percent
E	Accumulator and Batteries	15.8	17.7	12.4	30.3	32.3	6.4
F	Bicycle & Parts	25.6	23.0	-10.3	48.3	48.3	-0.1
G	Cranes Lifts & Winches	46.3	31.0	-32.9	73.0	74.2	1.6
H	Office Equipments	7.8	9.6	22.4	13.2	16.4	23.8
I	Other Construction Machinery	89.2	99.0	11.0	195.0	188.6	-3.3
J	Prime Mica & Mica Products	1.8	1.5	-19.0	3.1	3.2	1.6
K	OTHER MISC. ITEMS	140.0	158.8	13.5	270.2	316.6	17.2
Sub Total		492.0	515.2	4.7	958.1	1021.5	6.6
Grand Total		5353.6	5596.1	4.5	11028.1	10263.9	-6.9

(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 May 2016.
- ❖ Products of Iron and Steel exports have fallen by more than 16 percent in May 2016 vis-à-vis May 2015, which is less than the cumulative fall of 22.2 percent during April -May 2016-17 vis-à-vis April-May 2015-16. Primary Iron and Steel have also dropped by 3.2 percent in May 2016 vis-à-vis May 2015, which is less than the cumulative fall during April -May 2016-17 vis-à-vis April-May 2015-16.
- ❖ Like the month of April, Aircraft and Spacecraft have contracted in May 2016 falling by 3.8 percent to that of May 2015, but the fall is relatively less compared to the previous month. On the contrary, Ship, boats and floating bodies registered a growth in exports by more than 62 percent in May 2016 vis-à-vis May 2015.
- ❖ All the 7 non-ferrous metals and products made of non-ferrous metals registered negative growth in May 2016. There has been a drastic fall in the exports of Tin, Nickel and Zinc and products thereof falling by more than 88 percent, 72 percent and 69 percent respectively during May 2016 over May 2015.
- ❖ In the Industrial Machinery panel, IC Engines and parts registered significant export growth of more than 67 percent during May 2016 against May 2015. Other sectors which showed marginal positive growth includes Industrial Machinery like Boilers, parts, etc, and Machine tools in the month of May

2016 over that of 2015. In the Industrial Machinery panel, 3 out of 7 panels witnessed positive growth in the month of May 2016 vis-à-vis same period last fiscal.

- ❖ Other panels like Motor vehicles/cars , Medical & scientific equipments, Railway and Transport equipments, Accumulator and Batteries ,Office equipments, Other Construction Machinery, and other miscellaneous items, registered positive growth among the panels in May 2016 vis-à-vis May 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 May 2016 over May 2015 in Absolute Value, even though the growth rate may be negative. Country wise cumulative figures for April-May 2016-2017 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 (2016-2017)
US\$ Million

COUNTRY	May 2015	May, 2016	Growth percent	April, 2015 - May 2016	April, 2016 - May 2017	Growth percent
UAE	263.8	677.9	157.0%	876.7	1009.0	15.1%
U S A	575.5	493.2	-14.3%	1200.5	995.8	-17.0%
SINGAPORE	237.8	453.1	90.6%	413.7	675.1	63.2%
MALAYSIA	261.3	94.9	-63.7%	364.7	393.6	7.9%
U K	203.9	190.5	-6.6%	370.2	372.0	0.5%
MEXICO	166.2	169.4	1.9%	319.9	361.9	13.1%
SRI LANKA	168.5	212.3	25.9%	816.4	352.3	-56.8%
GERMANY	206.4	169.3	-18.0%	351.6	338.9	-3.6%
NEPAL	99.8	190.7	91.2%	227.4	338.3	48.8%
BANGLADESH	114.8	165.8	44.4%	224.4	306.8	36.7%
INDONESIA	61.9	243.3	293.0%	130.6	304.2	133.0%
ITALY	116.4	130.1	11.8%	237.7	253.2	6.5%
TURKEY	105.5	110.6	4.8%	201.1	218.1	8.5%
SAUDI ARAB	112.4	92.3	-17.9%	224.7	194.3	-13.5%
FRANCE	76.5	98.9	29.2%	146.2	191.1	30.7%
CHINA	182.2	95.8	-47.4%	424.7	186.8	-56.0%
KOREA RP	99.6	85.8	-13.9%	187.1	166.0	-11.3%
RUSSIA	14.5	121.9	741.6%	46.4	154.3	232.5%
NETHERLAND	64.2	76.3	18.9%	126.9	140.7	10.9%

COUNTRY	May 2015	May, 2016	Growth percent	April, 2015 - May 2016	April, 2016 - May 2017	Growth percent
SOUTH AFRICA	103.1	75.4	-26.9%	213.2	137.1	-35.7%
SPAIN	67.4	65.3	-3.1%	115.8	121.1	4.6%
BELGIUM	66.9	62.8	-6.2%	114.0	121.0	6.1%
THAILAND	85.9	57.6	-32.9%	161.3	114.5	-29.0%
VIETNAM	48.1	70.9	47.3%	85.9	109.0	26.9%
JAPAN	55.2	52.5	-4.8%	109.9	108.9	-93.0%
Total of top 25	3557.6	4256.5	19.6%	7691.0	7664.3	-0.3%
Share of top 25	66.5%	76.1%		69.7%	74.7%	

Note: Red font indicates negative monthly and cumulative growth

There is a country named as "unspecified" which imported US \$ 155.72 million worth of engineering goods from India during April-May 2016-17 which has not been incorporated among the top 25.

(Source: Department of Commerce, Government of India)

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

- ❖ During the month of May 2016, 13 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 12 conceded decline over the same month last year.
- ❖ Russia was the nation to see highest growth in engineering imports from India during the second month of fiscal 2016-17 followed by Indonesia. Both the countries also recorded positive cumulative growth for April 2016-May 2017 over the same period last fiscal.
- ❖ UAE ranked up from its position to be the top exporting destination for India's engineering products, recording positive growth both in May 2016 as well as in during April 2016-May 2017.
- ❖ Among the European nations Italy, France and Netherlands achieved growth in engineering imports from India during May 2016 while UK, Germany, Spain, and Belgium, conceded decline in the same. On a cumulative basis, France registered the highest growth to grow by 30.7% during April 2016-May 2017 over the same period last fiscal.
- ❖ Among the ASEAN countries Indonesia recorded the highest growth in engineering imports from India both in May 2016 as well as in during April 2016-May 2017. Singapore ranked as the top importer of engineering goods from India among the ASEAN nations during May 2016 over May 2015.

- ❖ Out of 212 exports destinations of Indian engineering goods, top 25 nations accounted for more than 74 percent of India's total engineering exports during April-May 2016-17.
- ❖ Overall, India's engineering exports to its top 25 destinations recorded a significant hike of 19.6 percent in May 2016 over May 2015. However there is a dip in growth on cumulative basis. The increase in exports to top 25 countries is higher (19.6 percent) than the increase in total engineering exports (4.5 percent) during May 2016 over May 2015.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-May 2016-17 as opposed to April-May 2015-16. We also look at the trend in May 2016 vis-à-vis May 2015. The Table below gives this picture:

Table 8: Region Wise Exports Trend
US\$ Million

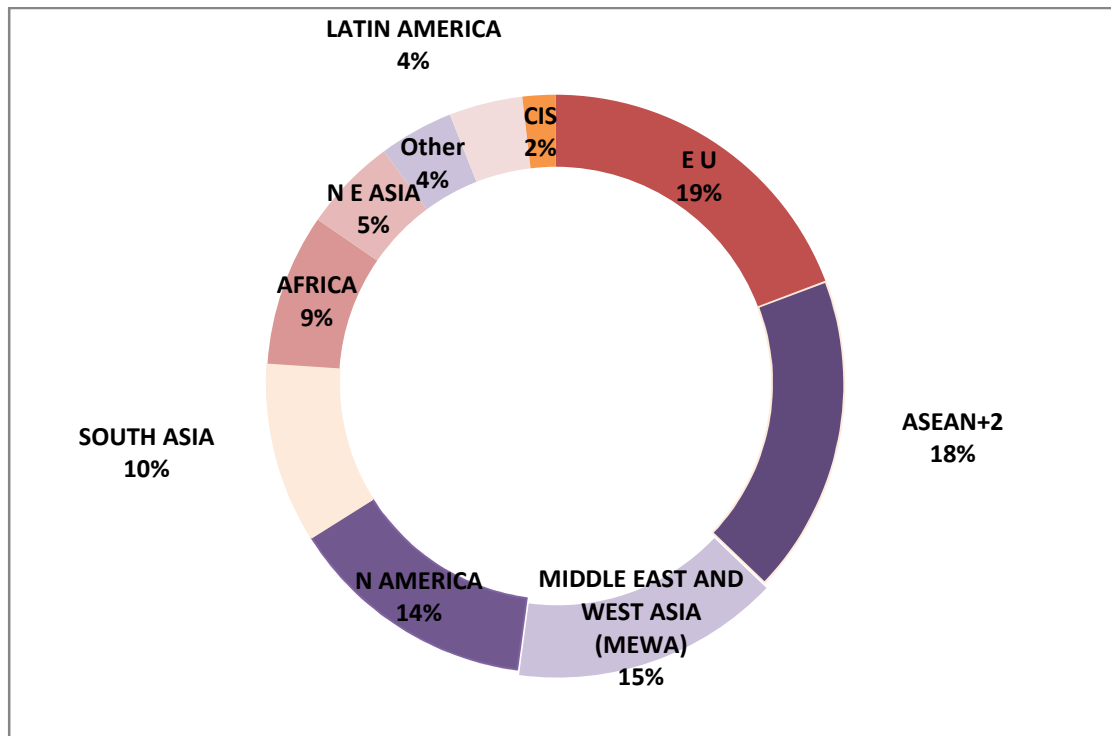
Region	May, 2015	May, 2016	Growth %	April -May 2015-2016	April-May 2016-2017	Growth %
E U	1059.9	1084.0	2.3%	1846.8	1977.8	7.1%
ASEAN+2	792.7	1049.2	32.4%	1369.4	1830.6	33.7%
MIDDLE EAST AND WEST ASIA (MEWA)	603.4	940.8	55.9%	1675.0	1540.7	-8.0%
N AMERICA	774.7	699.3	-9.7%	1591.1	1427.9	-10.3%
SOUTH ASIA	414.1	584.2	41.1%	1341.0	1032.9	-23.0%
AFRICA	554.1	457.9	-17.3%	1182.9	872.9	-26.2%
N E ASIA	392.6	273.8	-30.3%	848.9	540.5	-36.3%
Other	474.9	139.4	-70.6%	595.5	428.4	-28.1%
LATIN AMERICA	264.1	230.3	-12.8%	507.3	422.6	-16.7%
CIS	23.1	136.6	491.2%	70.0	189.0	170.1%
Total	5353.5	5595.5	4.5%	11028.1	10263.3	-6.9%

(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.

There is a country named as “unspecified” which imported US \$ 155.72 million worth of engineering goods from India during April-May 2016-17 which has been grouped under Other category of regions.

Figure 2: India’s region wise exports during April-May 2016 -17



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India at 19.4% during the May 2016 with a growth of 2.3% over the same period previous fiscal.
- ❖ ASEAN+2 ranks second registering high positive growth both during the cumulative period of April- May 2016-17 over the previous fiscal and during May 2016.
- ❖ MEWA ranks third with a growth of more than 16 percent during the May 2016 over May 2015.
- ❖ North America drops down to fourth position ranks registering negative growth both during the cumulative period of April- May 2016-17 over the previous fiscal and during May 2016.
- ❖ Exports to CIS nations saw significant increase both on a monthly basis at 491.2 percent and cumulatively at 170.1 percent.

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

Table 9: Export of Iron & Steel

US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	522.2	505.3	-3.2	1068.0	833.6	-21.9
NEPAL	36.4	59.3	62.9	76.5	90.5	18.3
BANGLADESH	26.8	56.0	108.9	56.1	72.4	29.0
BELGIUM	31.2	23.4	-25.2	42.7	49.0	14.6
INDONESIA	9.6	18.9	95.9	24.7	28.2	14.3
MALAYSIA	3.4	22.7	566.2	8.9	25.8	190.5
VIETNAM SOC REP	6.0	19.1	217.1	11.3	22.9	103.0
ETHIOPIA	5.4	10.2	90.0	15.6	22.4	43.4
TAIWAN	10.1	12.5	23.5	20.2	21.5	6.7
HEAVY CUMULATIVE DECLINE COUNTRIES						
ITALY	31.0	29.1	-6.2	71.9	59.3	-17.6
UAE	31.9	26.8	-15.9	56.7	43.0	-24.2
U S A	41.8	23.2	-44.4	102.0	38.1	-62.6
KOREA RP	17.9	13.8	-22.7	38.5	26.9	-30.2
JAPAN	11.7	9.9	-15.8	24.6	16.7	-32.2
NETHERLAND	14.6	8.7	-40.3	29.0	16.4	-43.2
TURKEY	10.3	9.0	-12.4	22.7	15.6	-31.4
THAILAND	18.0	7.6	-57.6	37.8	13.9	-63.4

(Source: Department of Commerce, Government of India)

- ❖ Nepal tops the list as importer of India's Iron and Steel during May 2016 importing 10.9 percent share followed by Bangladesh and Italy importing 8.7 percent and 7.1 percent respectively during April-May 2016-2017.
- ❖ USA dropped to sixth position, recording a fall in growth by 63 percent during April-May 2016-17 vis-à-vis same period last fiscal.

Table 10: Export of products Iron & Steel

US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015—16	Apr-May 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	538.5	448.5	-16.7	1146.5	891.6	-22.2
SAUDI ARAB	26.0	34.7	33.6	53.8	65.8	22.3
ITALY	14.4	14.1	-2.5	26.3	28.8	9.6
NETHERLAND	12.0	14.2	18.3	23.9	26.3	10.2
KUWAIT	2.1	11.4	441.9	4.2	22.9	446.0
FRANCE	10.1	8.7	-14.2	18.0	18.5	3.0
BELGIUM	7.2	7.8	8.2	13.5	15.0	10.9
CHINA	4.7	5.5	18.2	11.5	11.8	2.5
BANGLADESH	2.4	3.9	62.2	5.1	10.8	109.7
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	103.2	84.8	-17.8	213.9	166.0	-22.4
UAE	66.8	49.3	-26.2	118.1	85.2	-27.8
GERMANY	29.4	27.0	-8.3	59.4	56.5	-4.9
U K	23.9	20.3	-14.8	47.1	40.3	-14.5
CANADA	10.6	12.4	17.7	23.4	22.4	-4.3
SPAIN	8.6	6.7	-22.1	16.0	13.0	-18.4
AUSTRALIA	7.9	6.0	-23.9	17.8	11.6	-35.2
MALAYSIA	3.3	2.5	-24.5	20.1	11.1	-45.1

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing more than 18.6 percent of India's total export of Products of Iron and Steel during April-May 2016-17 compared to the same period last fiscal.
- ❖ UAE and Saudi Arabia ranked second and third importing 9.6 percent and 7.4 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	May_15	May_16	Growth %	Apr-May 2015—16	Apr-May 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016- -17	Growth %
Export to World	867.0	925.7	6.8	1792.1	1782.3	-0.5
RUSSIA	4.3	99.4	2234.6	9.2	102.6	1009.9
GERMANY	41.8	46.4	11.0	77.1	83.4	8.1
TURKEY	29.4	34.6	17.9	64.2	75.6	17.8
BANGLADESH	23.3	39.2	67.7	54.6	75.6	38.3
ITALY	17.9	25.8	44.2	39.0	46.9	20.2
NEPAL	12.8	21.8	70.2	32.9	44.8	36.1
FRANCE	15.4	23.6	53.8	29.5	38.8	31.3
SINGAPORE	16.8	21.0	25.0	35.9	38.2	6.3
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	160.4	109.4	-31.8	331.5	237.2	-28.4
UAE	44.1	32.7	-25.9	85.9	76.8	-10.6
U K	50.6	32.7	-35.5	85.2	66.3	-22.2
CHINA	27.5	27.5	-0.2	64.0	53.9	-15.8
SAUDI ARAB	27.3	19.3	-29.1	60.8	50.4	-17.2
BRAZIL	23.1	29.5	28.0	41.7	41.1	-1.3
NIGERIA	23.4	11.6	-50.3	43.2	27.1	-37.4
THAILAND	17.9	15.0	-16.2	35.8	26.8	-25.3

(Source: Department of Commerce, Government of India)

- ❖ USA once again tops the chart importing 13.3 percent of India's total exports for Industrial Machinery during April-May 2016-17.
- ❖ Russia and Germany holds the second and third position respectively importing 5.8 percent and 4.7 percent respectively of India's total exports for Industrial Machinery during April-May 2016-17.

Table 12: Export of Automobiles
US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016- -17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	515.1	547.1	6.2	998.9	1064.4	6.6
MEXICO	47.8	109.3	128.8	111.0	239.0	115.3
U K	29.9	28.7	-4.3	53.8	67.6	25.7

ITALY	14.8	29.5	99.0	31.6	54.3	71.8
NEPAL	9.9	23.4	135.6	20.0	40.5	102.5
GERMANY	2.2	13.7	525.1	7.1	36.3	407.1
NETHERLAND	4.6	18.8	305.4	13.5	33.1	144.7
VIETNAM	6.9	24.5	255.4	17.1	31.5	84.8
CHILE	9.5	13.9	45.9	22.9	24.4	6.5
HEAVY CUMULATIVE DECLINE COUNTRIES						
SOUTH AFRICA	59.3	39.2	-33.9	121.4	65.1	-46.4
SRI LANKA	56.5	19.5	-65.6	97.2	31.3	-67.7
SPAIN	17.5	15.2	-13.3	30.6	29.6	-3.4
BANGLADESH	20.2	12.2	-39.8	29.1	22.5	-22.6
UAE	18.6	10.9	-41.4	32.1	20.5	-36.0
EGYPT	8.6	9.7	12.0	31.6	19.0	-39.9
PHILIPPINES	7.2	12.4	71.9	17.5	16.8	-4.1
AUSTRALIA	6.5	8.5	30.6	13.9	11.9	-14.5

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

- ❖ In case of Automobiles Mexico assumes the top position importing 22.5 percent of India's total exports of Automobiles during April-May 2016-17.
- ❖ UK and South Africa holds the 2nd and 3rd position respectively importing 6.3 percent and 6.1 percent of India's total exports of Automobiles during the same period.

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

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016-- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	619.0	415.9	-32.8	1226.1	779.3	-36.4
UAE	27.83	53.86	93.50	71.01	99.03	39.45
SINGAPORE	33.76	42.79	26.75	44.68	68.74	53.85
BANGLADESH	3.21	7.41	130.63	11.45	20.38	77.93
CHILE	0.19	3.47	1707.99	0.33	10.46	3037.36
NETHERLAND	4.46	4.60	2.94	7.65	9.30	21.69
FRANCE	2.90	3.23	11.44	6.39	6.96	8.84
AUSTRALIA	1.80	4.79	166.13	3.77	6.94	84.09

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr_ May 2016-- 17	Growth %
ITALY	3.20	4.38	36.68	6.38	6.72	5.31
HEAVY CUMULATIVE DECLINE COUNTRIES						
KOREA RP	56.77	52.47	-7.57	100.20	97.32	-2.87
U S A	38.05	37.85	-0.52	89.06	76.24	-14.40
CHINA	109.18	34.35	-68.54	273.06	65.30	-76.09
U K	15.03	15.82	5.26	29.56	28.27	-4.35
MALAYSIA	66.51	24.82	-62.69	108.59	27.43	-74.74
SAUDI ARAB	20.27	8.59	-57.61	31.23	19.51	-37.54
NEPAL	12.07	7.99	-33.79	25.35	16.84	-33.58
MEXICO	35.32	7.87	-77.73	75.79	15.79	-79.17

(Source: Department of Commerce and CSO)

- ❖ UAE is the topmost importer for Non ferrous Metals importing 12.7 percent of India's total export of Non Ferrous Metals during April-May 2016-17.
- ❖ Republic of Korea and USA imports 12.5 percent and 9.8 percent respectively during April-May 2016-17.

Table 14: Export of Electrical Machinery and Components

US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr_ May 2016--17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	312.33	376.61	20.58	635.14	692.34	9.01
U K	20.49	24.90	21.52	33.68	39.92	18.52
BANGLADESH	3.91	13.62	248.28	6.34	34.66	446.66
MALAYSIA	2.74	21.14	672.35	8.90	26.82	201.48
TURKEY	2.34	15.31	553.92	5.84	19.15	228.11
PHILIPPINES	1.23	9.38	660.17	7.84	18.08	130.44
ALGERIA	0.62	8.84	1326.19	1.02	15.68	1443.98
SINGAPORE	6.31	7.78	23.29	12.61	13.82	9.57
CHINA	6.05	5.93	-1.97	13.44	13.78	2.50
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	50.98	46.10	-9.58	95.44	87.37	-8.46
GERMANY	21.75	17.70	-18.62	40.86	36.36	-11.02
UAE	16.23	16.91	4.23	31.68	31.59	-0.28

Export partners	May_15	May_16	Growth %	Apr-May 2015—16	Apr_May 2016--17	Growth %
FRANCE	15.49	14.09	-9.05	30.44	28.10	-7.69
NEPAL	6.71	7.38	9.99	17.58	13.67	-22.28
SAUDI ARAB	9.46	6.23	-34.13	16.86	11.46	-32.05
JAPAN	5.50	4.32	-21.50	9.78	9.51	-2.76
ITALY	9.18	4.70	-48.83	15.04	9.40	-37.50

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-May 2016-17 importing 12.6 percent from India's global export of the product group.
- ❖ UK and Germany moves to second and third position during April-May 2016-17 importing 5.8 and 5.3 percent respectively.

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

Export partners	May_15	May_16	Growth %	Apr-May 2015—16	Apr_May 2016--17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	304.66	292.73	-3.9	1208.43	534.71	-55.8
U S A	21.81	47.91	119.7	52.02	88.35	69.9
FRANCE	7.27	23.94	229.5	13.65	48.11	252.5
SINGAPORE	2.77	18.12	554.9	5.45	36.44	569.0
U K	12.66	17.11	35.2	21.74	28.30	30.2
RUSSIA	0.32	6.75	1994.8	11.77	21.57	83.3
ISRAEL	0.67	6.85	921.6	1.83	14.80	706.4
TURKEY	0.16	4.53	2782.6	0.25	8.90	3531.7
NETHERLAND	3.11	4.36	40.1	5.68	7.83	37.8
HEAVY CUMULATIVE DECLINE COUNTRIES						
SRI LANKA	47.98	0.22	-99.5	611.06	77.13	-87.4
CZECH REPUBLIC	130.03	42.91	-67.0	130.03	43.18	-66.8
GERMANY	56.59	8.13	-85.6	62.48	17.60	-71.8
UAE	10.29	0.61	-94.1	271.49	11.30	-95.8
CHINA	4.18	2.72	-34.9	4.77	3.45	-27.6
PHILIPPINES	0.41	0.38	-7.2	0.96	0.80	-17.3
HONG KONG	1.26	0.29	-76.9	1.68	0.32	-81.2

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016-- 17	Growth %
UKRAINE	0.00	0.12		0.87	0.16	-82.2

(Source: Department of Commerce and CSO)

- ❖ In case of Aircrafts and Parts, USA ranks second after Bulgaria during April-May 2016-17 importing 17.5 and 16.5 percent of India's total exports of Aircrafts and Parts respectively. Sri Lanka ranks third importing 14.4 percent of India's global exports of Aircrafts during the same period.
- ❖ France slips to fourth position importing 9 percent of India's Aircrafts & parts during April-May 2016-17.

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

US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015— 16	Apr-May 2016-- 17	Growth %
Export to World	663.58	1077.35	62.4	1003.94	1723.96	71.7
SUBSTANTIAL GROWTH COUNTRIES						
UAE	6.42	444.19	6817.2	133.64	559.45	318.6
SINGAPORE	151.38	337.33	122.8	269.60	466.69	73.1
MALAYSIA	159.55	0.00	-100.0	162.30	240.88	48.4
SRI LANKA	0.00	126.10		0.00	126.10	34405853.5
PHILIPPINES	0.00	0.03		0.02	0.05	172.5
HEAVY DECLINE COUNTRIES						
OMAN	0.00	0.00		0.03	0.00	-85.8
POLAND	0.03	0.00	-86.9	0.03	0.00	-86.9
ANGOLA	0.03	0.00	-100.0	0.03	0.00	-93.8
BAHARAIN IS	0.00	0.00		92.11	0.00	-100.0
MALDIVES	0.37	0.00	-100.0	0.37	0.00	-100.0
MARSHALL ISLAND	17.55	0.00	-100.0	17.55	0.00	-100.0
NORWAY	328.26	0.00	-100.0	328.27	0.00	-100.0

(Source: Department of Commerce and CSO)

- ❖ UAE is the top exporting country for India's Ships, Boats and Floating Structures and Parts followed by Singapore and Malaysia. These three nations accounted for around 73.5% of total Indian export of the product during April-May 2016-17.

- ❖ Indonesia moved to fourth position importing 9.9% of India's global exports of Ship and Boats during the same period.

Table 17: Export of Auto Components

US\$ Million

Export partners	May_15	May_16	Growth %	Apr-May 2015—16	Apr_ May 2016--17	Growth %
Export to World	362.38	340.70	-6.0	711.39	669.58	-5.9
SUBSTANTIAL GROWTH COUNTRIES						
TURKEY	26.55	29.17	9.8	53.22	59.15	11.1
NEPAL	7.96	26.14	228.6	15.49	43.70	182.1
GERMANY	17.19	15.87	-7.7	30.93	31.31	1.2
INDONESIA	9.55	12.63	32.2	20.26	23.99	18.4
BANGLADESH	12.07	12.46	3.2	19.17	22.54	17.6
JAPAN	9.49	9.90	4.3	18.07	18.76	3.8
SPAIN	3.70	5.98	61.6	7.29	12.05	65.5
FRANCE	4.97	5.34	7.5	9.62	10.65	10.6
HEAVY DECLINE COUNTRIES						
U S A	82.92	58.17	-29.9	163.56	123.35	-24.6
THAILAND	18.48	14.73	-20.3	29.66	29.21	-1.5
MEXICO	15.76	13.73	-12.8	31.11	27.65	-11.1
U K	17.13	12.90	-24.7	34.44	26.30	-23.6
ITALY	13.56	11.07	-18.3	24.87	23.12	-7.1
BRAZIL	16.18	10.60	-34.5	33.89	20.19	-40.4
EGYPT	11.92	11.99	0.6	23.18	19.19	-17.2
U A E	11.61	7.65	-34.1	20.59	15.21	-26.1

(Source: Department of Commerce and CSO)

- ❖ USA retains its top most import ranking for India's Auto Components/Parts covering around 18.4 percent share in India's global exports of the same. However, the leader again witnessed a negative growth in April-May 2016-17.
- ❖ 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-May 2016-17 over the same period last year.

Conclusion

India's merchandise exports in May 2016 were valued at \$22.17 billion -- down by 0.79 percent in dollar terms against \$22.35 billion in the same month of last year, registering a decline for the 18th straight month. Cumulatively, for the April-May 2016-17, exports were down by 3.74 percent in dollar terms at \$42.73 billion against \$44.4 billion. This fall in exports is due to the slackening of demand from all over the world.

Contrary to the trend of overall merchandise export, the engineering goods recorded a positive growth in exports by 4.5 percent to US\$ 5.6 billion during the second month of fiscal 2016-2017. The rise in engineering exports in May 2016 is mainly driven by sectors like ships and boats increasing by 62.4 percent, IC engines and parts increasing by 67.8 percent and railway transport equipments increasing by 55.4 percent.

Among the top 25 importers of India's engineering exports 13 countries recorded positive growth during May 2016 while the remaining 12 countries recorded negative growth in imports from India. Countries like UAE, USA and Singapore are the top three export destinations during May 2016. The growth in exports to top 25 countries is 19.6 percent which is significantly higher than the growth in total engineering exports at 4.5 percent during May 2016 over May 2015.