

ENGINEERING EXPORT MONITOR

July 2016



Analysis of Indian engineering exports during July 2016: August 17, 2016

Trend in overall trade

India's merchandise exports resumed the declining trend in July 2016 after rising marginally in June 2016 for the first time in nineteen months. Merchandise exports during July 2016 were valued at US\$ 21.69 billion which was 6.84 percent lower in dollar terms than the level of US\$ 23.28 billion during July 2015. The Cumulative value of exports during April-July 2016-17 was US\$ 87 billion as against US\$ 90.27 billion during the same period last year that declined by 3.62 percent in Dollar terms.

Merchandise imports however continued to decline sharply by 19.03 percent to USD 29.45 billion in July 2016 from USD 36.37 billion during the same month last year. Cumulative value of imports for the period April-July 2016-17 declined by 16.33 percent to USD 113.99 billion as against US\$ 136.25 billion during the same period last year.

Consequently, trade deficit narrowed to USD 7.8 billion in July 2016 from USD 13.1 billion in the year-ago month. A much steeper fall in imports vis-a-vis exports, led to this y-o-y contraction in trade deficit. Trade deficit is at the lowest level in the past six months. Cumulative trade deficit also declined to USD 26.99 billion for April-July, 2016-17 as against USD 45.98 billion during the same period last fiscal.

Engineering exports

After rising for the consecutive two months of May and June 2016, Indian engineering exports slipped yet again in July contracting by 12.11 percent as against a positive growth by 2.57 percent in the previous month. The share of engineering exports with respect to total merchandise exports was largely unchanged at 22.5 percent in July 2016 as against 23.9 percent during July 2015. Cumulative engineering exports continued to decline as engineering exports for the first four months of the current fiscal dropped by 5.82 percent to USD 20.27 billion in Apr-July 2016-17 from USD 21.53 billion during Apr - July 2015-16. The monthly engineering figures for the first four months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

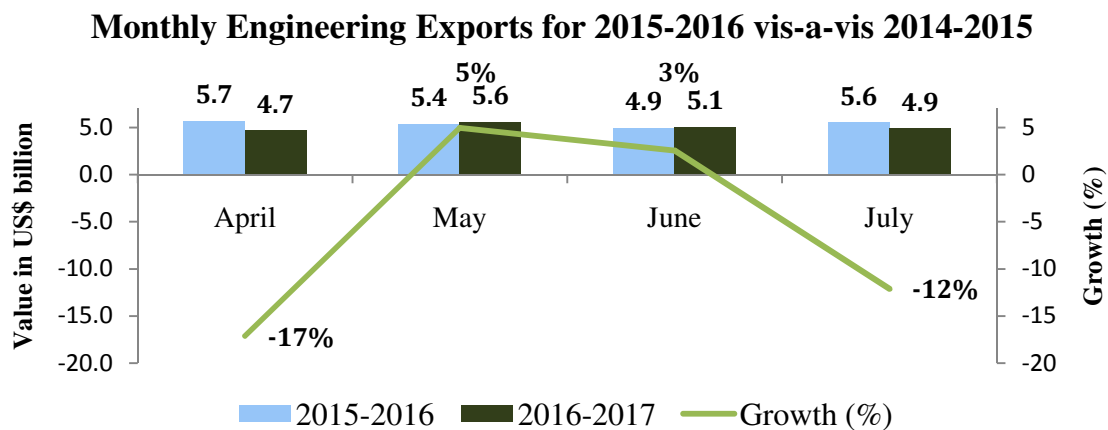
Table1: Engineering Exports
(US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5676.57	4704.28	-17.13
May	5354.44	5621.15	4.98
June	4936.26	5063.23	2.57
Quarter 1	15967.3	15388.7	-3.62
July	5559.65	4886.14	-12.11
April-July	21526.92	20274.8	-5.82

(Source: Department of Commerce, Government of India)

Figure 1 below depicts the monthly trend in engineering exports for 2015-16 and 2016-17

Figure1: Trends in Monthly Engineering Exports
US\$ Billion



(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 and growth continued in June 2016. During fiscal 2015-16, November was the first month 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 but in May 2016, both engineering exports and manufacturing bounced back to year-on-year growth. In June 2016 again, engineering exports dropped by manufacturing growth accelerated. Overall IIP Index, the standard measure for industrial output, stood at 183.0 in June 2016 as against 181.7 in May 2016 and 175.5 in April 2016.

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-March 2015-16	-16.93	2.0
April 2016	-17.13	-3.7
May 2016	4.98	0.6
June 2016	2.57	0.9
July 2016	-12.11	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 decline in engineering export slowed down 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 went back to negative. April and May 2016 saw both moving in the same direction but not in June 2016. During April 2016, fall in

engineering exports accelerated while decline in manufacturing was also higher over the month while both engineering export and manufacturing production came back to growth path in May 2016. In June engineering exports witnessed slower growth but manufacturing growth accelerated over the month.

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	5676.57*	-0.55*
	May	6013.33	5354.44*	-10.96*
	June	5205.21	4936.26*	-5.17*
Quarter 2	July	5499.76	5559.65*	1.09*
	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	58762.02*	-16.97*

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

Impact of Exchange Rate

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

Table 5: Average Exchange Rate

July	Average Exchange Rate 1 USD to INR
2015	63.38
2016	67.06

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during July 2016 has depreciated by 5.8 percent to that of the same month last year.

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

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

Sl no.	Panel	July 2015	July, 2016	Growth percent	April, 2015 - July 2016	April, 2016- July 2017	Growth percent
1. Iron and Steel and Products made of Iron and Steel							
A	Iron and Steel	620.7	559.3	-9.9	2175.3	1994.4	-8.3
B	Products of Iron and Steel	580.0	480.5	-17.2	2215.5	1860.7	-16.0
Sub Total		1200.8	1039.8	-13.4	4390.7	3855.1	-12.2
2. Non-Ferrous Metals and Products made of Non-Ferrous Metals							
A	Copper and products	227.6	199.3	-12.4	989.6	697.6	-29.5
B	Aluminium and products	200.5	258.9	29.1	897.3	819.3	-8.7
C	Zinc and products	40.1	26.2	-34.6	188.6	68.5	-63.7
D	Nickel and products	77.4	27.1	-65.0	180.4	57.3	-68.2
E	Lead and products	15.2	12.8	-16.0	55.3	40.1	-27.4
F	Tin and products	0.9	0.4	-53.8	5.6	2.0	-64.9
G	Other Non Ferrous Metals	36.9	38.3	3.7	149.6	146.0	-2.4
Sub Total		598.6	562.9	-6.0	2466.4	1830.9	-25.8
3. Industrial Machinery							
A	Industrial Machinery like Boilers, parts, etc	60.0	52.3	-12.9	202.4	213.4	5.4
B	IC Engines and Parts	186.2	152.4	-18.2	676.4	744.2	10.0
C	Pumps of all types	60.4	69.2	14.6	259.8	237.3	-8.6
D	Air condition and Refrigerators	88.2	81.1	-8.0	357.5	333.6	-6.7
E	Industrial Machinery for dairy, food processing , textiles etc	403.2	386.5	-4.2	1541.3	1469.6	-4.7
F	Machine Tools	34.5	49.2	42.6	130.4	176.1	35.1
G	Machinery for Injecting moulding, valves and ATMs	100.3	103.2	2.9	415.7	404.4	-2.7
Sub Total		932.9	893.9	-4.2	3583.5	3578.5	-0.1
4	Electrical Machinery	322.1	406.2	26.1	1250.1	1469.1	17.5
5. Auto and Auto Components							
A	Motor Vehicle/cars	603.3	644.3	6.8	2073.0	2246.2	8.4
B	Two and Three Wheelers	160.9	138.6	-13.9	605.1	540.1	-10.7
C	Auto Components/Part	360.8	464.4	28.7	1417.2	1481.5	4.5

Sl no.	Panel	July 2015	July, 2016	Growth percent	April, 2015 - July 2016	April, 2016- July 2017	Growth percent
Sub Total		1125.0	1247.3	10.9	4095.3	4267.7	4.2
6	Aircrafts and Spacecraft parts and products	458.6	189.9	-58.6	1897.0	1135.7	-40.1
7	Ships Boats and Floating products and parts	395.4	21.1	-94.7	1813.1	2033.4	12.2
8. Miscellaneous Items							
A	Medical and Scientific instruments	107.0	118.3	10.6	393.6	434.3	10.3
B	Railway Transport	5.2	13.9	168.3	30.4	60.3	98.5
C	Hand Tools & Cutting Tools	59.4	51.3	-13.6	222.5	224.8	1.0
D	Electrodes Accumulators	3.3	4.1	22.2	13.2	15.4	16.2
E	Accumulator and Batteries	23.5	18.8	-20.2	69.3	71.5	3.1
F	Bicycle & Parts	23.8	24.2	1.7	97.7	97.2	-0.5
G	Cranes Lifts & Winches	26.0	28.9	11.4	124.3	151.3	21.8
H	Office Equipments	8.4	9.3	10.3	33.0	34.8	5.5
I	Other Construction Machinery	97.7	72.4	-25.9	387.8	341.2	-12.0
J	Prime Mica & Mica Products	1.4	1.3	-7.0	6.1	6.2	2.1
K	OTHER MISC. ITEMS	170.7	182.7	7.0	653.0	667.3	2.2
Sub Total		526.4	525.0	-0.3	2030.9	2104.4	3.6
Grand Total		5559.7	4886.1	-12.1	21526.9	20274.8	-5.8

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 15 panels (45 percent) of the engineering panels recorded a positive growth and remaining 18 panels fared negative growth in the month of July 2016.
- ❖ Iron and steel exports fared negative growth by more than 9 percent in July 2016 vis-à-vis July 2015. Products of Iron and Steel exports have also dropped by 17 percent from USD 589 million in July 2015 to USD 480.5 million in July 2016. Similarly the cumulative exports of both have dropped with fall in products of iron and steel being more than the fall in exports of iron and steel in April –July 2016-17 vis-à-vis April-July 2015-16.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 5 registered negative growth in July 2016. There has been a drastic fall in the exports of Nickel and Tin and products falling by more than 65 percent and 53 percent respectively during July 2016 over July 2015. Zinc and products

also registered negative growth by 35 percent during July 2016 vis-à-vis July 2015.

- ❖ Electrical Machinery and equipments panel generated positive growth both in July 2016 by 26 percent as well as in positive cumulative growth by 17.5 percent during April-June 2016-17 compared to the same period last fiscal.
- ❖ The exports scenario of Aircrafts and Spacecraft has got reversed in July 2016. Unlike facing positive export growth in the first quarter, the sector slipped down in July 2016 by more than 58 percent to that of July 2015. On the contrary, Ship, boats and floating bodies continue to decline for the second consecutive month in July by more than 94 percent compared to the same period last fiscal.
- ❖ In the Industrial Machinery panel, Machine Tools registered highest export growth of 43 percent during July 2016 against July 2015. Other top two sectors which showed positive growth includes Pumps and Value moving up by 15 percent and Other Machinery for ATMS moving up by 3 percent in the month of July 2016 over that of 2015. In the Industrial Machinery panel, 4 out of 7 panels witnessed negative growth in the month of July 2016 vis-à-vis same period last fiscal.
- ❖ Other panels like Motor vehicles/cars , Auto components/Parts, Medical & scientific equipments, Railway and Transport equipments, Electrodes, Accumulator and Batteries, Bicycle and Parts, Cranes, lifts and winches, Office Equipments and Other Miscellaneous items registered positive growth among the panels in July 2016 vis-à-vis July 2015.

☑ Top 25 destinations for Indian Engineering Exports in Absolute Value (even though the growth rate July be negative)

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during July 2016 over July 2015 in Absolute Value, even though the growth rate in July is negative. Country wise cumulative figures for April-July 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	July 2015	July, 2016	Growth percent	April, 2015 - July 2016	April, 2016-July 2017	Growth percent
U S A	671.72	657.75	-2.08	2440.34	2197.90	-9.93
UAE	549.48	240.05	-56.31	1709.71	1697.94	-0.69
SINGAPORE	136.45	108.88	-20.20	825.58	982.31	18.98
U K	191.98	215.58	12.29	759.95	780.89	2.76
MEXICO	118.39	219.67	85.55	553.74	771.22	39.28
GERMANY	167.60	199.71	19.16	673.53	704.99	4.67
NEPAL	185.76	152.07	-18.14	551.42	680.50	23.41
BANGLADESH	132.33	153.45	15.96	461.61	617.03	33.67
MALAYSIA	115.86	131.87	13.82	665.90	598.40	-10.14
TURKEY	97.94	132.15	34.93	388.30	562.52	44.87
SRI LANKA	118.88	105.40	-11.34	1187.18	544.33	-54.15
ITALY	129.32	129.67	0.27	485.69	516.75	6.39
INDONESIA	65.96	72.44	9.82	259.76	500.39	92.63
CHINA	112.02	117.12	4.56	690.78	399.30	-42.20
KOREA RP	130.19	127.99	-1.69	418.61	396.03	-5.39
SAUDI ARAB	110.29	94.48	-14.34	437.50	387.49	-11.43
FRANCE	83.73	85.65	2.29	369.87	381.21	3.07
SOUTH AFRICA	121.68	92.33	-24.12	580.94	307.66	-47.04
BELGIUM	57.79	88.22	52.65	223.58	306.80	37.22
NETHERLAND	96.55	82.65	-14.40	280.96	292.27	4.02
SPAIN	76.55	69.63	-9.04	236.18	261.17	10.58
JAPAN	398.03	73.48	-81.54	556.96	244.19	-56.16
THAILAND	81.63	65.17	-20.16	316.76	239.45	-24.41
RUSSIA	31.67	26.48	-16.38	106.37	230.70	116.89
CZECH REPUBLIC	9.25	13.58	46.91	166.79	223.07	33.74
Total of top 25	3991.06	3455.50	-13.42	15348.02	14824.51	-3.41
Share of top 25	71.79	70.72		71.30	73.12	

Note: Red font indicates negative monthly and cumulative growth

(Source: Department of Commerce, Government of India)

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

- ❖ During the month of July 2016, 12 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 13 conceded decline over the same month last year.

- ❖ Mexico was the nation to see highest growth in engineering imports from India during the July2016 followed by Belgium. Both the countries also recorded positive cumulative growth for April 2016-July2017 over the same period last fiscal.
- ❖ USA ranked to be the top exporting destination for India's engineering products, even though recording negative growth both in July2016 as well as in during April 2016-July2017.
- ❖ All the European nations falling under the top 25 engineering export destinations like UK, Germany, Italy, Belgium, Netherlands, France and Spain, recorded positive growth during Apr-July2016-17 over Apr-July2015-16. Belgium once again registered the highest growth in July2016 at 52.7 percent over July2015 as well as cumulative basis during Apr-July2016-17 at 37.2 percent over Apr-July2015-16.
- ❖ Among the ASEAN countries Malaysia recorded the highest growth in engineering imports from India in July2016 and Indonesia recorded the highest growth cumulatively during April 2016-July2017.
- ❖ Out of 220 exports destinations of Indian engineering goods, top 25 nations accounted for more than 73 percent of India's total engineering exports during April-July 2016-17.
- ❖ Overall, India's engineering exports to its top 25 destinations recorded a fall in growth of 13.4 percent in July2016 over July2015 which is higher than the dip in growth on cumulative basis. The decline in exports to top 25 countries is higher (13.4 percent) than the fall in total engineering exports (12.1 percent) during July2016 over July2015.

Regional Distribution of Engineering Exports

We now look at the Regional Distribution of Engineering Exports for April-July2016-17 as opposed to April-July2015-16. We also look at the trend in July 2016 vis-à-vis July 2015. The Table below gives this picture:

Table 8: Region Wise Exports Trend
US\$ Million

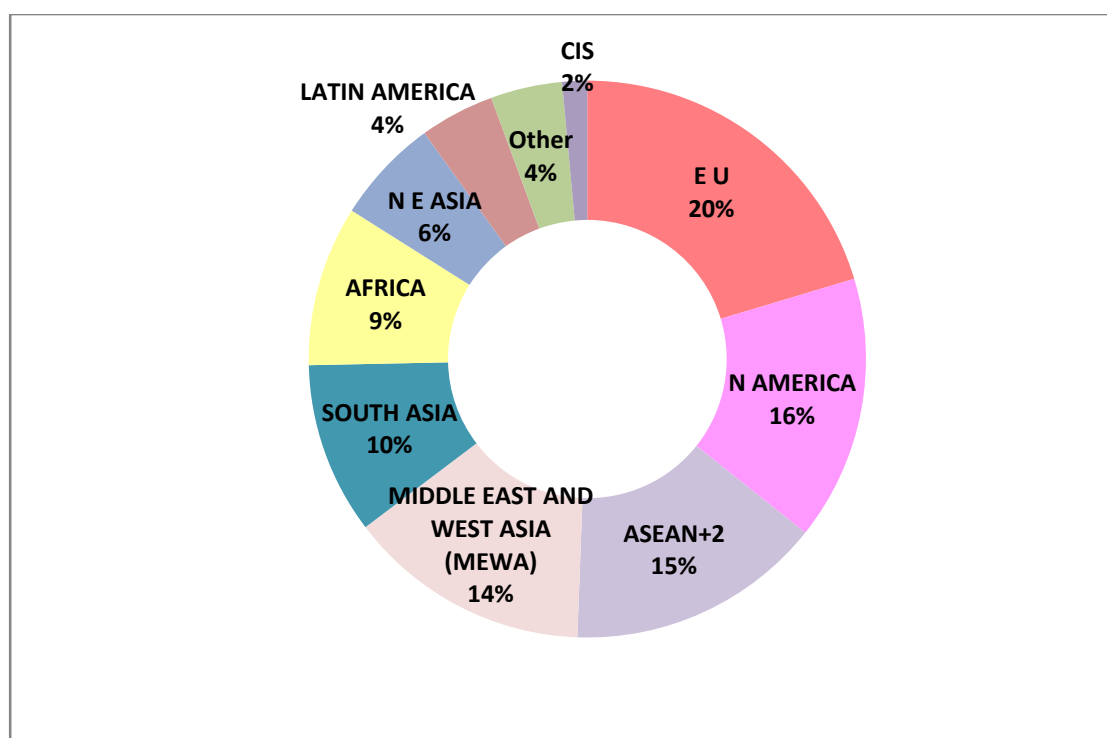
Region	July, 2015	July, 2016	Growth %	April -July 2015-2016	April-July 2016-2017	Growth %
E U	939.68	1035.89	10.24	3700.63	4124.41	11.45
N AMERICA	837.25	912.55	8.99	3148.17	3115.37	-1.04
ASEAN+2	570.21	546.35	-4.18	2696.15	3014.29	11.80
MIDDLE EAST AND WEST ASIA (MEWA)	972.46	567.83	-41.61	3232.81	2859.93	-11.53
SOUTH ASIA	466.64	460.30	-1.36	2335.76	2020.51	-13.50
AFRICA	628.82	520.50	-17.23	2507.13	1885.37	-24.80
N E ASIA	714.46	371.69	-47.98	1935.73	1238.01	-36.04
LATIN AMERICA	252.89	254.37	0.58	977.11	876.68	-10.28
Other	123.35	174.45	41.42	834.20	843.68	1.14
CIS	53.88	42.16	-21.75	159.15	295.80	85.86
Total	5559.66	4886.09	-12.12	21526.85	20274.05	-5.82

(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 \$ 155.20 million worth of engineering goods from India during April-July 2016-17 which has been grouped under Other category of regions.

Figure 2: India's region wise exports during April-July2016 -17



(Source: EEPC India analysis)

- ❖ EU as always ranks as the region with highest shipment of engineering products from India during July2016 with a share of 21.2% in total engineering exports.
- ❖ North America ranks second registering significant positive growth during July2016 over July 2015.
- ❖ MEWA ranks third but registered a negative growth of more than 41 percent during the July2016 over July2015.
- ❖ ASEAN+2 drops down to fourth position registering negative monthly growth but significant positive cumulative growth for period of April- July 2016-17 over the previous fiscal .
- ❖ Exports to CIS nations recorded significant increase in growth of 85.9 percent on cumulative basis during April- July 2016-17 over the previous fiscal.

We now analyze the performance of some of the important products during July2016. We pick the major panels and seek the heavy growth and heavy declines in these panels in July2016 to give an idea about the trend that is about to emerge.

Table 9: Export of Iron & Steel

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr-July 16-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	620.74	559.25	-9.91	2175.25	1994.35	-8.32
BELGIUM	21.70	44.81	106.48	88.15	153.66	74.33
BANGLADESH	7.97	42.49	432.98	71.17	137.89	93.75
UAE	38.57	40.70	5.54	124.47	131.41	5.57
INDONESIA	9.75	24.07	146.70	46.63	66.87	43.39
SPAIN	15.91	22.83	43.49	46.79	64.54	37.95
TURKEY	8.47	11.87	40.11	42.32	63.48	50.01
TAIWAN	11.60	11.62	0.16	52.33	57.55	9.97
VIETNAM	6.58	9.50	44.40	33.84	57.44	69.74
HEAVY CUMULATIVE DECLINE COUNTRIES						
NEPAL	86.12	29.42	-65.84	206.06	169.94	-17.53
ITALY	41.92	32.72	-21.96	160.86	135.51	-15.76
U S A	36.09	23.47	-34.97	167.66	95.64	-42.96
KOREA RP	24.02	34.07	41.85	83.14	79.36	-4.54
CHINA	12.09	15.79	30.54	47.56	42.86	-9.87
NETHERLAND	16.91	13.44	-20.51	60.06	39.73	-33.85
JAPAN	13.73	9.11	-33.67	50.89	34.57	-32.07
SRI LANKA	4.99	5.47	9.55	34.97	33.16	-5.18

(Source: Department of Commerce, Government of India)

- ❖ Nepal once again tops the list as importer of India's Iron and Steel during April-July 2016-2017 importing 8.5 percent share followed by Belgium and Bangladesh importing 7.7 percent and 6.9 percent respectively during April-July 2016-2017.
- ❖ USA recorded a fall in growth by 43 percent year-on-year during the first four months of the current fiscal.

Table 10: Export of Products of Iron & Steel

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr-July 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	580.02	480.54	-17.15	2215.43	1860.65	-16.01
UAE	40.30	58.68	45.61	193.24	210.87	9.13
SAUDI ARAB	23.86	18.66	-21.82	103.27	119.98	16.18
ITALY	14.19	15.68	10.49	54.48	59.54	9.28
NETHERLAND	15.59	15.57	-0.09	52.35	53.93	3.01
KUWAIT	3.56	15.24	327.59	10.66	48.69	356.86
FRANCE	9.81	9.95	1.43	37.24	37.88	1.70
OMAN	7.17	4.60	-35.77	20.61	32.65	58.46
BELGIUM	8.23	9.26	12.46	29.25	31.78	8.68
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	119.98	94.58	-21.17	445.45	347.41	-22.01
GERMANY	31.94	30.55	-4.36	119.69	115.52	-3.48
U K	26.90	21.34	-20.69	98.96	82.17	-16.97
CANADA	15.51	11.32	-26.98	50.34	48.84	-2.98
SPAIN	10.36	7.20	-30.45	35.26	27.30	-22.56
AUSTRALIA	7.37	7.39	0.25	34.82	25.06	-28.05
CHINA	6.38	5.38	-15.73	22.96	22.89	-0.32
SOUTH AFRICA	5.28	6.25	18.39	22.65	21.96	-3.08

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 18.7 percent of India's total export of Products of Iron and Steel during April-July 2016-17 but conceded decline in imports over the same period last fiscal.
- ❖ UAE and Saudi Arabia ranked second and third importing 11.3 percent and 6.4 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	July_15	July_16	Growth %	Apr- July 2015- 16	Apr- July2016- 17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	932.89	893.86	-4.18	3583.47	3578.51	-0.14
GERMANY	40.73	50.97	25.14	160.05	173.30	8.28
TURKEY	34.06	40.87	20.01	127.13	158.26	24.48
BANGLADESH	25.87	32.18	24.35	106.71	144.17	35.10
RUSSIA	11.54	4.91	-57.50	31.37	122.46	290.41
ITALY	23.43	22.47	-4.09	83.63	90.78	8.55
NEPAL	26.00	19.09	-26.59	78.79	88.24	11.99
BRAZIL	12.47	17.76	42.48	67.72	71.15	5.06
MALAYSIA	8.15	17.25	111.61	54.01	70.49	30.52
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	139.82	122.53	-12.37	598.62	492.38	-17.75
UAE	38.90	31.11	-20.03	163.31	144.47	-11.53
U K	31.62	30.71	-2.89	174.24	133.98	-23.10
CHINA	34.83	26.70	-23.33	125.65	112.25	-10.66
SAUDI ARAB	29.58	21.17	-28.42	118.82	88.04	-25.91
SINGAPORE	15.38	14.46	-6.02	69.29	66.42	-4.13
INDONESIA	18.08	12.87	-28.83	69.44	62.99	-9.28
THAILAND	17.37	16.53	-4.80	72.84	60.57	-16.84

(Source: Department of Commerce, Government of India)

- ❖ USA once again tops the chart importing 13.8 percent of India's total exports for Industrial Machinery during April-July2016-17.
- ❖ Germany and Turkey holds the second and third position respectively importing 4.8 percent and 4.4 percent respectively of India's total exports for Industrial Machinery during April-July2016-17.

Table 12: Export of Automobiles

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr-July 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	764.2	782.9	2.4	2678.1	2786.2	4.0
MEXICO	64.9	142.6	119.6	238.8	501.7	110.1
NEPAL	20.5	43.1	110.4	71.5	157.3	119.8
U K	42.2	30.7	-27.2	106.6	129.9	21.9
ITALY	21.3	22.1	3.5	58.7	97.0	65.2
NETHERLAND	20.7	19.2	-7.1	34.7	65.1	87.8
PERU	12.4	19.4	56.6	46.8	63.0	34.7
CHILE	11.6	23.0	98.5	47.3	59.7	26.3
GERMANY	3.3	13.7	316.2	12.6	58.4	362.5
HEAVY CUMULATIVE DECLINE COUNTRIES						
SRI LANKA	73.7	57.2	-22.3	281.6	157.7	-44.0
SOUTH AFRICA	79.6	45.1	-43.3	255.9	150.7	-41.1
BANGLADESH	32.9	26.2	-20.4	120.7	102.1	-15.4
COLOMBIA	25.2	16.4	-35.2	104.4	65.7	-37.1
PHILIPPINES	17.5	14.9	-14.6	69.2	64.3	-7.1
NIGERIA	38.0	19.8	-47.9	131.5	62.0	-52.8
EGYPT	14.1	13.3	-5.7	64.9	46.1	-29.1
UAE	9.2	9.5	2.5	80.3	38.6	-52.0

(Source: Department of Commerce, Government of India)

(Note: Automobiles sector includes Motor vehicles and Two Three Wheelers)

- ❖ In case of Automobiles Mexico attains the top position importing 18 percent of India's total exports of Automobiles during April-July 2016-17.
- ❖ Sri Lanka and Nepal holds the 2nd and 3rd position respectively importing 5.7 percent and 5.6 percent of India's total exports of Automobiles during the same period.

Table 13: Export of Non-Ferrous metals

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr-July 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	598.6	562.9	-6.0	2466.4	1830.9	-25.8
UAE	45.68	32.43	-29.0	156.89	183.10	16.7
GERMANY	9.77	11.68	19.5	33.07	35.77	8.1
BANGLADESH	7.26	8.58	18.1	22.99	35.76	55.6
OMAN	9.21	11.40	23.7	24.12	30.84	27.8
TURKEY	8.03	15.62	94.6	22.96	27.70	20.6
GHANA	1.79	8.03	349.9	4.06	18.12	346.6
NETHERLAND	5.83	4.12	-29.3	16.97	18.01	6.1
ITALY	3.31	6.36	92.0	12.34	17.43	41.2
HEAVY CUMULATIVE DECLINE COUNTRIES						
KOREA RP	83.21	71.05	-14.6	244.71	229.51	-6.2
U S A	57.64	49.77	-13.7	196.00	167.62	-14.5
SINGAPORE	63.41	26.69	-57.9	166.57	162.64	-2.4
MALAYSIA	79.55	88.16	10.8	308.70	126.33	-59.1
CHINA	34.02	34.68	1.9	392.23	114.72	-70.8
MEXICO	7.05	17.75	151.7	95.57	66.47	-30.4
TAIWAN	18.44	24.65	33.7	98.82	58.92	-40.4
U K	15.35	14.88	-3.1	58.42	58.30	-0.2

(Source: Department of Commerce and CSO)

- ❖ South Korea is the topmost importer for Non ferrous Metals importing 12.5 percent of India's total export of Non Ferrous Metals during April-July 9.2 percent respectively during April-July 2016-17.

Table 14: Export of Electrical Machinery and Components

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr- July 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	322.06	406.24	26.14	1250.11	1469.12	17.52
U S A	47.61	56.92	19.57	189.08	200.44	6.01
U K	17.89	29.63	65.59	70.90	93.12	31.35
UAE	15.75	32.14	104.07	62.73	80.02	27.56
TURKEY	3.58	14.77	312.33	12.66	53.30	321.08
BANGLADESH	11.56	7.79	-32.67	22.65	51.12	125.69
MALAYSIA	6.95	5.58	-19.64	18.95	44.76	136.15
CHINA	8.03	18.12	125.63	26.40	38.68	46.50
JAPAN	5.22	24.29	364.95	20.70	37.84	82.82
HEAVY CUMULATIVE DECLINE COUNTRIES						
GERMANY	22.23	19.11	-14.02	84.07	76.35	-9.19
FRANCE	14.58	12.08	-17.13	60.50	52.80	-12.73
ITALY	6.04	8.61	42.47	26.75	25.85	-3.37
SAUDI ARAB	9.97	4.91	-50.78	34.34	20.04	-41.64
OMAN	5.19	3.70	-28.70	19.31	16.19	-16.15
VIETNAM SOC REP	4.83	2.99	-38.11	23.01	15.99	-30.50
NIGERIA	6.20	1.97	-68.26	30.05	13.39	-55.43
INDONESIA	4.08	3.89	-4.68	24.77	13.25	-46.49

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during April-July 2016-17 importing 13.6 percent from India's global export of the product group.
- ❖ UK, UAE and Germany ranks as the next three top importers of Electrical machinery and Equipment importing 6.3 percent, 5.4 percent and 5.2 percent respectively during April-July 2016-17 vis-a-vis April-July 2015-16.

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

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr- July 2016-17	Growth %
SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES						
Export to World	458.41	189.93	-58.57	1894.82	1135.69	-40.06
CZECH REPUBLIC	0.01	0.01	1.28	130.05	171.09	31.55
FRANCE	11.39	17.99	57.92	34.31	94.46	175.32
BULGARIA	0.00	0.00	----	0.00	93.70	----
TURKEY	0.12	5.95	4734.81	0.44	80.08	18275.64
U K	9.83	26.37	168.35	57.28	69.18	20.78
SINGAPORE	4.92	19.17	289.84	12.36	67.56	446.67
RUSSIA	2.11	3.37	59.87	17.03	42.23	148.06
ISRAEL	6.35	4.56	-28.30	14.20	19.96	40.57
HEAVY CUMULATIVE DECLINE COUNTRIES						
U S A	95.19	48.45	-49.10	185.89	182.34	-1.91
SRI LANKA	0.22	0.18	-15.45	704.44	77.73	-88.97
U ARAB EMTS	305.40	0.59	-99.81	577.51	50.48	-91.26
GERMANY	7.47	20.18	170.28	77.43	48.23	-37.70
PHILIPPINES	0.54	0.52	-3.62	1.95	1.86	-4.91
UKRAINE	4.31	0.41	-90.38	5.26	0.65	-87.59
HONG KONG	0.13	0.03	-76.66	1.88	0.64	-66.14
IRELAND	0.01	0.24	2223.07	34.15	0.30	-99.14

(Source: Department of Commerce and CSO)

- ❖ USA became the largest importer of India's 'Aircraft & Spacecrafts' during Apr-July 2016-17 with 16 percent share in India's global import of the same. However, it conceded negative growth in imports of the product from India.
- ❖ Czech Republic was down to second place with 15 percent share registering positive growth. France and Bulgaria ranked third and fourth with their respective shares of 8.3 and 8.2 percent in India's global exports of the product.
- ❖ Two of the largest importers of India's Aircrafts and Spacecrafts last fiscal, Sri Lanka and UAE conceded significant decline in imports that justified the sharp 40 percent drop in overall exports of the product during Apr-July 2016-17.

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

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr- July 2016-17	Growth %
Export to World	395.37	21.08	-94.67	1813.13	2033.44	12.15
SUBSTANTIAL GROWTH COUNTRIES						
UAE	15.26	0.03	-99.79	193.27	706.46	265.53
SINGAPORE	12.33	16.86	36.77	444.11	546.45	23.04
MALAYSIA	0.00	0.00		190.61	254.39	33.46
INDONESIA	0.00	0.00		0.00	233.32	
SRI LANKA	0.00	3.96		27.93	130.05	365.62
HEAVY DECLINE COUNTRIES						
FRANCE	3.72	0.00	-100.00	3.72	1.76	-52.84
U SA	0.13	0.06	-49.78	0.13	0.12	-6.50
EGYPT	0.00	0.00		1.00	0.02	-98.32
PHILIPPINES	0.00	0.01		0.02	0.01	-28.22
SOUTH AFRICA	0.00	0.00		147.05	0.01	-99.99

(Source: Department of Commerce and CSO)

- ❖ UAE remained the top importing country for India's Ships, Boats and Floating Structures and Parts followed by Singapore and Malaysia as in the previous month. These three nations accounted for around 74 percent of total Indian export of the product during April-July 2016-17.
- ❖ Indonesia retained its fourth position importing 11.5 percent of India's global exports of Ship and Boats during the same period against no export during the same period last fiscal.

Table 17: Export of Auto Components

US\$ Million

Export partners	July_15	July_16	Growth %	Apr-July 2015-16	Apr_July 2016-17	Growth %
Export to World	360.80	464.37	28.71	1417.18	1481.47	4.54
SUBSTANTIAL GROWTH COUNTRIES						
U S A	74.09	158.66	114.15	317.54	344.66	8.54
TURKEY	31.53	29.36	-6.87	114.75	116.24	1.30
NEPAL	14.38	20.71	44.03	42.61	82.74	94.19
GERMANY	16.56	18.03	8.90	61.94	66.36	7.14
BANGLADESH PR	10.98	17.91	63.04	40.47	54.71	35.18
INDONESIA	9.48	10.28	8.38	38.40	43.00	11.98
JAPAN	8.93	10.01	12.16	36.25	38.04	4.91
SOUTH AFRICA	4.57	6.81	49.19	16.49	23.73	43.88
HEAVY DECLINE COUNTRIES						
THAILAND	17.15	17.32	1.01	62.36	61.45	-1.46
MEXICO	14.94	15.28	2.27	61.56	59.94	-2.63
U K	16.45	14.06	-14.55	66.17	54.35	-17.86
BRAZIL	16.48	13.59	-17.50	65.12	46.13	-29.16
ITALY	10.30	9.23	-10.45	46.03	42.17	-8.39
EGYPT	10.63	11.10	4.38	43.47	37.67	-13.34
UAE	12.19	10.69	-12.29	44.72	37.43	-16.30
CHINA	6.47	5.86	-9.41	25.01	21.22	-15.13

(Source: Department of Commerce and CSO)

- ❖ USA remained the top export destination for India's Auto Components/Parts covering 23.3 percent share in India's global exports of the same in April-July 2016-17.
- ❖ Turkey was the immediate follower of USA with 8 percent share in India's global export of the product group but with a feeble growth during April-July 2016-17.

Conclusion

India's merchandise exports slipped yet again in July 2016 by 6.84 percent, after rising marginally for the first time in eighteen months in June due to decline in shipments of engineering goods and petroleum products. Declining exports as well as in imports narrowed the trade deficit in July to \$7.76 billion as against \$13.09 in the year-ago period.

Indian engineering exports also witnessed sharp fall in year-on-year growth by 12.11 percent after recording positive growth for two consecutive months of May and June 2016. The negative trend in engineering exports attributed due to slow shipment of 'Ship and Boats', 'Aircrafts & Spacecrafts', 'Iron & Steel and Products', 'Nickel' and 'Tin' Products, IC engines, Two and Three Wheelers, and Other Construction Machinery others. On the other hand, Railway Transport, Machine Tools, Electrical Machinery and Equipment, Auto Components/Parts, Aluminium Products and others recorded positive year-on-year export growth during July 2016.

The latest figures of India's export as well as engineering exports failed to establish any definite trend as exports declined again on a year-on-year basis after registering growth in previous two months. However, the situation does not look so gloomy as it has been in the beginning of the year. Major global economies have showed some early signs of revival and are expected to see weak but steady growth in the years ahead. Commodity prices have started to move northward and inflation in the developed region are well managed. Demand from across the world is most likely to increase in the moth ahead that may lead to higher exports going forward.

Among the top 25 importers of India's engineering exports, 12 countries recorded positive growth during July 2016 while the remaining 13 countries recorded negative growth in imports from India. Countries like USA, UAE and Singapore are the top three export destinations during July 2016. The decline in exports to top 25 countries is 13.4 percent which is more than the fall in total engineering exports at 12.1 percent during July 2016 over July 2015.
