

# ENGINEERING EXPORT MONITOR

## September 2016



## **Analysis of Indian engineering exports during September 2016: October 19, 2016**

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### **Trend in overall trade**

India's merchandise exports has shown sign of revival registering a growth of 4.62 per cent touching US\$ 22.9 billion in September 2016 than the level of US\$ 21.9 billion during September, 2015. After posting a fall in the preceding two months, the 4.6 per cent rise points to revival in India's exports. The cumulative value of exports for the period April-September 2016-17 was US\$ 131.4 billion as against US\$ 133.7 billion registering a negative growth of 1.74 per cent in dollar terms over the same period last year.

Merchandise imports fell by just 2.5 per cent to US\$ 31.2 billion in September 2016 as against US\$ 32.03 billion in September 2015. Cumulative value of imports for the period April-September 2016-17 was US\$ 174.41 billion as against US\$ 202.27 billion registering a negative growth of 13.8 per cent in Dollar terms over the same period last year.

Consequently, trade deficit narrowed to US\$ 8.3 billion in September 2016 from USD 10.2 billion in the year-ago month. Trade deficit contracted on a y-o-y basis for nine months straight. During April-September 2016, India's trade deficit stood at USD 43 billion, 37.3 per cent lower than the year-ago period.

### **Engineering exports**

India's engineering exports retained its positive track successively for two months back to back, reversing the negative growth observed in July 2016. The engineering exports moved up to the extent of 6.44 percent from US\$ 4.7 billion in September 2015 to US\$ 5.0 billion in September 2016. The share of engineering exports with respect to total merchandise exports was roughly 21.9 percent in September 2016 as against 22.8 percent during August 2016. Cumulative engineering exports continued to decline as engineering exports for the first six months of the current fiscal dropped by 2.75 percent to USD 30.03 billion in Apr-Sep 2016-17 from USD 30.88 billion during Apr - Sep 2015-16. The monthly engineering figures for the first five months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

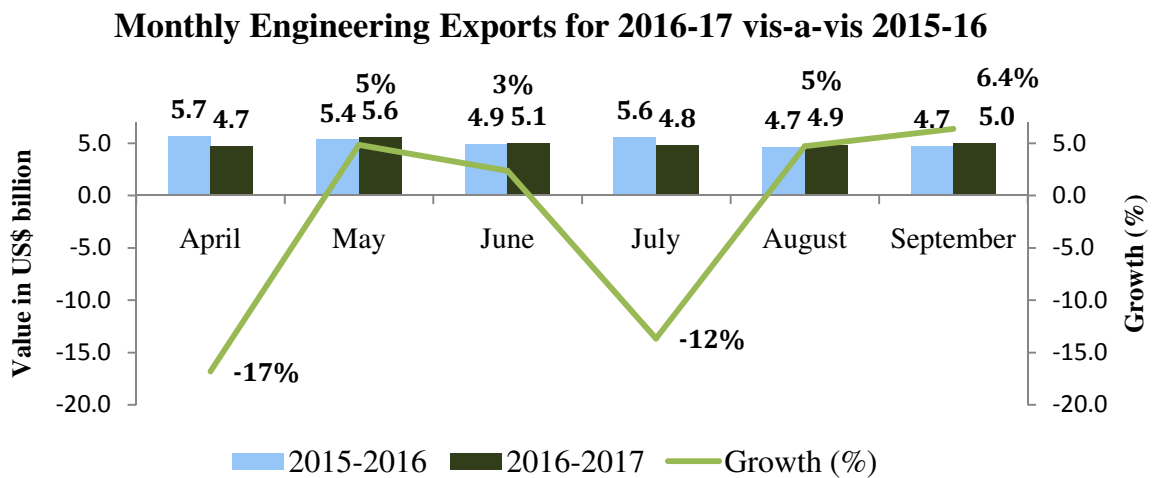
**Table1: Engineering Exports**  
(US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5676.59	4722.61	-16.81
May	5354.43	5613.37	4.84
June	4936.26	5053.13	2.37
<b>Quarter 1</b>	<b>15967.3</b>	<b>15389.4</b>	<b>-3.62</b>
July	5559.65	4768.81	-14.22
August	4653.93	4871.89	4.70
September	4699.73	5002.17	6.44
<b>Quarter 2</b>	<b>14913.31</b>	<b>14642.87</b>	<b>-1.81</b>
<b>April-September</b>	<b>30880.59</b>	<b>30032.28</b>	<b>-2.75</b>

(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)

Engineering sector is an important component of the broader manufacturing sector and the share of engineering production in overall manufacturing output is quite significant. Now, as production and exports are directly correlated, some correlation between manufacturing production growth and engineering 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 during the next three months, both engineering exports and manufacturing production moved in the same direction. During May and June 2016, both engineering exports and manufacturing bounced back to year-on-year growth while in July 2016, both of them slipped to negative growth. The month of August 2016 again witnessed engineering exports and manufacturing production moving in the opposite direction. Overall IIP Index, the standard measure for industrial output, stood at 175.3 during August 2016 as against 176.0 and 182.8 respectively in the previous two months.

The growth rates in Engineering Exports and the Growth in Manufacturing in the country in the current fiscal in Table 2 below:

**Table 2: Engineering Exports Growth vis-à-vis Manufacturing Growth (2015-16)**

Months/ Year	Engg. Exports Growth (%)	Manufacturing Growth (%)
<b>April-March 2015-16</b>	<b>-16.93</b>	<b>2.0</b>
<b>April 2016</b>	-16.81	-3.6
<b>May 2016</b>	4.84	0.7
<b>June 2016</b>	2.37	0.7
<b>April - June 2016</b>	<b>-3.62</b>	<b>-0.8</b>
<b>July 2016</b>	-14.22	-3.5
<b>August 2016</b>	4.68	-0.3
<b>September 2016</b>	6.44	N. A.
<b>July - September 2016</b>	<b>-1.81</b>	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 pace of decline in export growth slowed down in June and manufacturing growth also strengthened. Exports registered marginal growth during July 2015 but growth of manufacturing production decelerated. Export growth and manufacturing growth moved in opposite direction in August and September 2015 but the last three months of 2015 saw both of them moving in the same direction. 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.

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

**Table 3: Revised Engineering Exports (2015-16)**  
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	4653.93*	-27.06*
	September	6329.07	4699.73*	-25.74*
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
	<b>Total Exports</b>	<b>70769.99</b>	<b>58751.92*</b>	<b>-16.98*</b>

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

## Impact of Exchange Rate

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

**Table 4: Average Exchange Rate**

September	Average Exchange Rate 1 USD to INR
2015	66.44
2016	67.02

(Source: Calculated from RBI archive)

The official exchange rate of rupee vis-à-vis the US Dollar during September 2016 has depreciated by 0.9 percent to that of the same month last year.

We begin by looking at the Engineering Panel wise exports for the month of September 2016 vis-a-vis September 2015. The data is given in Table 5 below:

**Table 5: Trends in Engineering panel Exports for September 2016 and April-September 2016-17**  
US\$ Million

Sl no.	Panel	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	456.61	617.39	35.2	3162.92	3294.58	4.2
B	Products of Iron and Steel	532.07	491.15	-7.7	3238.87	2806.33	-13.4
<b>Sub Total</b>		<b>988.7</b>	<b>1108.5</b>	<b>12.1</b>	<b>6401.8</b>	<b>6100.9</b>	<b>-4.7</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	232.1	219.24	-5.5	1435.24	1124.58	-21.6
B	Aluminium and products	206.08	300.84	46.0	1301.69	1406.86	8.1
C	Zinc and products	66.82	37.64	-43.7	311.73	125.18	-59.8
D	Nickel and products	44.67	3.96	-91.1	322.09	63.47	-80.3
E	Lead and products	24.95	12.11	-51.5	96.79	62.1	-35.8
F	Tin and products	0.94	0.33	-64.9	6.98	2.91	-58.3
G	Other Non Ferrous Metals	33.05	36.9	11.6	218.08	218.06	0.0
<b>Sub Total</b>		<b>608.6</b>	<b>611.0</b>	<b>0.4</b>	<b>3692.6</b>	<b>3003.2</b>	<b>-18.7</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	42.88	56.93	32.8	292.8	343.1	17.2
B	IC Engines and Parts	182.29	169.32	-7.1	1054.79	1121.93	6.4
C	Pumps of all types	53.06	56.33	6.2	367.82	349.88	-4.9
D	Air condition and Refrigerators	95.19	77.3	-18.8	536.96	493.71	-8.1
E	Industrial Machinery for dairy, food processing, textiles etc	389.8	372.88	-4.3	2296.28	2216.49	-3.5
F	Machine Tools	30.13	28.39	-5.8	190.77	235.63	23.5



Sl no.	Panel	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
G	Machinery for Injecting moulding, valves and ATMs	116.89	105.21	-10.0	636.93	610.06	-4.2
<b>Sub Total</b>		<b>910.2</b>	<b>866.4</b>	<b>-4.8</b>	<b>5376.4</b>	<b>5370.8</b>	<b>-0.1</b>
4	Electrical Machinery	<b>297.92</b>	<b>394.17</b>	<b>32.3</b>	<b>1835.81</b>	<b>2215.93</b>	<b>20.7</b>
<b>5. Auto and Auto Components</b>							
A	Motor Vehicle/cars	667.22	689.51	3.3	3350.78	3639.27	8.6
B	Two and Three Wheelers	161.97	138.33	-14.6	938.3	806.83	-14.0
C	Auto Components/Part	329.16	361.31	9.8	2084.08	2096.13	0.6
<b>Sub Total</b>		<b>1158.4</b>	<b>1189.2</b>	<b>2.7</b>	<b>6373.2</b>	<b>6542.2</b>	<b>2.7</b>
6	Aircrafts and Spacecraft parts and products	<b>138.72</b>	<b>171.91</b>	<b>23.9</b>	<b>2269.71</b>	<b>1454.67</b>	<b>-35.9</b>
7	Ships Boats and Floating products and parts	<b>121.99</b>	<b>40.6</b>	<b>-66.7</b>	<b>1935.48</b>	<b>2161.5</b>	<b>11.7</b>
<b>8. Miscellaneous Items</b>							
A	Medical and Scientific instruments	95.14	111.9	17.6	580.69	654.73	12.8
B	Railway Transport	4.03	12.64	213.6	39.85	78.55	97.1
C	Hand Tools & Cutting Tools	52.18	54.11	3.7	326.5	330.47	1.2
D	Electrodes Accumulators	4.85	2.64	-45.6	22.29	21.43	-3.9
E	Accumulator and Batteries	14.29	17.73	24.1	100.52	110.31	9.7
F	Bicycle & Parts	22.98	24.39	6.1	143.1	145.3	1.5
G	Cranes Lifts & Winches	26.31	31.83	21.0	176.69	210.77	19.3
H	Office Equipments	4.58	10.47	128.6	45.99	54.26	18.0
I	Other Construction Machinery	85.51	74.15	-13.3	574.73	496.99	-13.5
J	Prime Mica & Mica Products	1.32	1.24	-6.1	9.02	8.79	-2.5
K	OTHER MISC. ITEMS	164.03	279.32	70.3	976.31	1071.48	9.7
<b>Sub Total</b>		<b>475.2</b>	<b>620.4</b>	<b>30.6</b>	<b>2995.7</b>	<b>3183.1</b>	<b>6.3</b>
<b>Grand Total</b>		<b>4699.73</b>	<b>5002.17</b>	<b>6.44</b>	<b>30880.59</b>	<b>30032.28</b>	<b>-2.75</b>

(Source: Department of Commerce, Government of India)

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 17 panels (51.5 percent) of the engineering panels recorded a positive growth and remaining 16 panels fared negative growth in the month of September 2016.
- ❖ Iron and steel exports fared positive growth by more than 35 percent in September 2016 vis-à-vis September 2015. Products of Iron and Steel exports have dropped by 7.7 percent from USD 532.1 million in September 2015 to USD 491.15 million in September 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–September 2016-17 vis-à-vis April-September 2015-16. **The impact of Minimum Import Price on the Steel sector is clearly visible. While primary steel exports have increased, products made of steel have shown declines. Clearly, the steel sector exports have come at the cost of user of steel sector exports!**
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 5 registered negative growth in September 2016. There has been a drastic fall in the exports of Nickel, Tin and Lead products falling by more than 91 percent, 65 percent and 51 percent respectively during September 2016 over September 2015. Zinc and Copper products also registered negative growth by 44 percent and 5 percent respectively during September 2016 vis-à-vis September 2015. Most promisingly Aluminium and products witnessed massive growth in exports by 46 percent in September 2016 over September 2015.
- ❖ Electrical Machinery and equipments panel generated positive growth both in September 2016 by 32 percent as well as in positive cumulative growth by 21 percent during April-September 2016-17 compared to the same period last fiscal.
- ❖ The exports scenario of Aircrafts and Spacecraft jumped to positive track moving up by 24 percent in September 2016 compared to the same period last fiscal. Unlike facing positive export growth in the first quarter, the sector showed negative performance both in July falling by more than 58 percent as well as in the month of August, but then returning to positive track in September. On the contrary, Ship, boats and floating bodies faced massive deterioration by 67 percent from US\$ 121.99 million in September 2015 to US\$ 40.6 million in September 2016.
- ❖ In the Industrial Machinery panel, Nuclear reactors registered highest export growth of 33 percent during September 2016 against September 2015. Other sectors that witnessed negative growth include Air condition and repair machinery falling by 19 percent, Machinery of ATMs falling by 10 percent, Machine tools and Industrial machinery falling by 6 percent and 4.3 percent respectively in the month of September 2016 compared to the same period last fiscal. On the other hand, Pumps and Valves moved up by 6.2 in the month of September 2016 over that of 2015.



- ❖ Other panels like Motor vehicles/cars , Auto components/Parts, Medical & scientific equipments, Railway and Transport equipments, Office Equipments, Accumulator and Batteries, Bicycle and Parts, Cranes, lifts and winches registered positive growth among the panels in September 2016 vis-à-vis September 2015.

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

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during September 2016 over September 2015 in Absolute Value, even though the growth rate in September is negative. Country wise cumulative figures for April-September 2016-2017 have also been taken into concern to see the trend of India's engineering exports in the current fiscal.

**Table 6: Engineering Exports Country wise (2016-2017)**  
US\$ Million

COUNTRY	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>USA</b>	<b>558.15</b>	<b>550.18</b>	<b>-1.43</b>	<b>3577.11</b>	<b>3214.75</b>	<b>-10.13</b>
UAE	221.68	252.9	14.085	2345.27	2168.92	-7.52
U K	185.32	216.93	17.05	1164.30	1237.99	6.33
MEXICO	148.24	230.94	55.79	834.38	1196.87	43.45
SINGAPORE	172.83	77.07	-55.41	1106.53	1186.79	7.25
NEPAL	64.60	178.55	176.40	754.87	1062.19	40.71
GERMANY	185.27	170.63	-7.90	1046.60	1056.98	0.99
MALAYSIA	84.09	185.07	120.10	852.21	974.88	14.39
BANGLADESH	120.81	146.45	21.22	687.55	919.28	33.70
ITALY	122.24	160.83	31.56	755.16	856.28	13.39
TURKEY	116.74	139.59	19.58	609.47	809.62	32.84
SRI LANKA	<b>154.16</b>	<b>113.68</b>	<b>-26.26</b>	<b>1467.36</b>	<b>752.57</b>	<b>-48.71</b>
FRANCE	76.73	203.49	165.18	530.20	701.22	32.26
INDONESIA	74.36	93.11	25.21	394.61	685.18	73.63
KOREA	101.16	119.85	18.47	613.30	645.77	5.29
<b>SAUDI ARAB</b>	<b>114.69</b>	<b>104.04</b>	<b>-9.28</b>	<b>656.56</b>	<b>602.72</b>	<b>-8.20</b>
<b>CHINA</b>	<b>215.90</b>	<b>92.57</b>	<b>-57.12</b>	<b>1060.40</b>	<b>584.10</b>	<b>-44.92</b>
BELGIUM	95.31	96.59	1.34	370.88	491.73	32.59
<b>SOUTH AFRICA</b>	<b>103.53</b>	<b>81.13</b>	<b>-21.64</b>	<b>785.70</b>	<b>474.53</b>	<b>-39.60</b>
NETHERLAND	73.06	71.92	-1.56	436.01	439.06	0.70

COUNTRY	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>SPAIN</b>	<b>58.83</b>	<b>74.22</b>	<b>26.15</b>	<b>360.82</b>	<b>429.57</b>	<b>19.05</b>
<b>THAILAND</b>	<b>62.41</b>	<b>78.15</b>	<b>25.23</b>	<b>448.19</b>	<b>388.68</b>	<b>-13.28</b>
<b>JAPAN</b>	<b>63.42</b>	<b>70.59</b>	<b>11.30</b>	<b>680.42</b>	<b>370.57</b>	<b>-45.54</b>
<b>VIETNAM</b>	<b>61.87</b>	<b>98.27</b>	<b>58.83</b>	<b>307.10</b>	<b>366.43</b>	<b>19.32</b>
<b>BRAZIL</b>	<b>54.56</b>	<b>60.56</b>	<b>11.00</b>	<b>357.35</b>	<b>297.48</b>	<b>-16.75</b>
<b>Total of top 25</b>	<b>3289.97</b>	<b>3667.32</b>	<b>11.47</b>	<b>22202.36</b>	<b>21914.18</b>	<b>-1.30</b>
<b>Share of top 25</b>	<b>70.00</b>	<b>73.32</b>		<b>71.90</b>	<b>72.97</b>	

*Note: Red font indicates negative monthly and cumulative growth*

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

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

- ❖ During the month of September 2016, 17 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 8 conceded decline over the same month last year.
- ❖ Nepal was the nation to see highest growth in engineering imports from India during the September 2016 followed by France. Both the countries also recorded significant positive cumulative growth for Apr-Sep 2016-17 over the same period last fiscal.
- ❖ USA ranked to be the top exporting destination for India's engineering products, even though it recorded negative growth in September 2016 as well as during Apr-Sep 2016-17.
- ❖ Interestingly, Brexit does not seem to have had a negative impact on Indian exports. Rather the impact has been favourable.
- ❖ All other European nations falling under the top 25 engineering export destinations like Germany, Italy, Belgium, Netherlands, France and Spain, recorded positive growth during Apr-Sep 2016-17 over Apr-Sep 2015-16. But Germany and Netherlands recorded negative growth in September 2016 over September 2015. France topped the list registering highest growth in September 2016.
- ❖ Like the previous month, among the ASEAN countries Malaysia recorded the highest growth in engineering imports from India in September 2016 and Indonesia recorded the highest growth cumulatively during Apr-Sep 2016-17.
- ❖ Out of 220 exports destinations of Indian engineering goods, top 25 nations accounted for almost 73 percent of India's total engineering exports during Apr-Sep 2016-17.

- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth of 11.5 percent in September 2016 over September 2015 which is higher than the dip in growth on cumulative basis. The increase in exports to top 25 countries is higher (11.5 percent) than the rise in total engineering exports (6.4 percent) during September 2016 over September 2015.

## Regional Distribution of Engineering Exports

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

**Table 7: Region Wise Exports Trend**  
US\$ Million

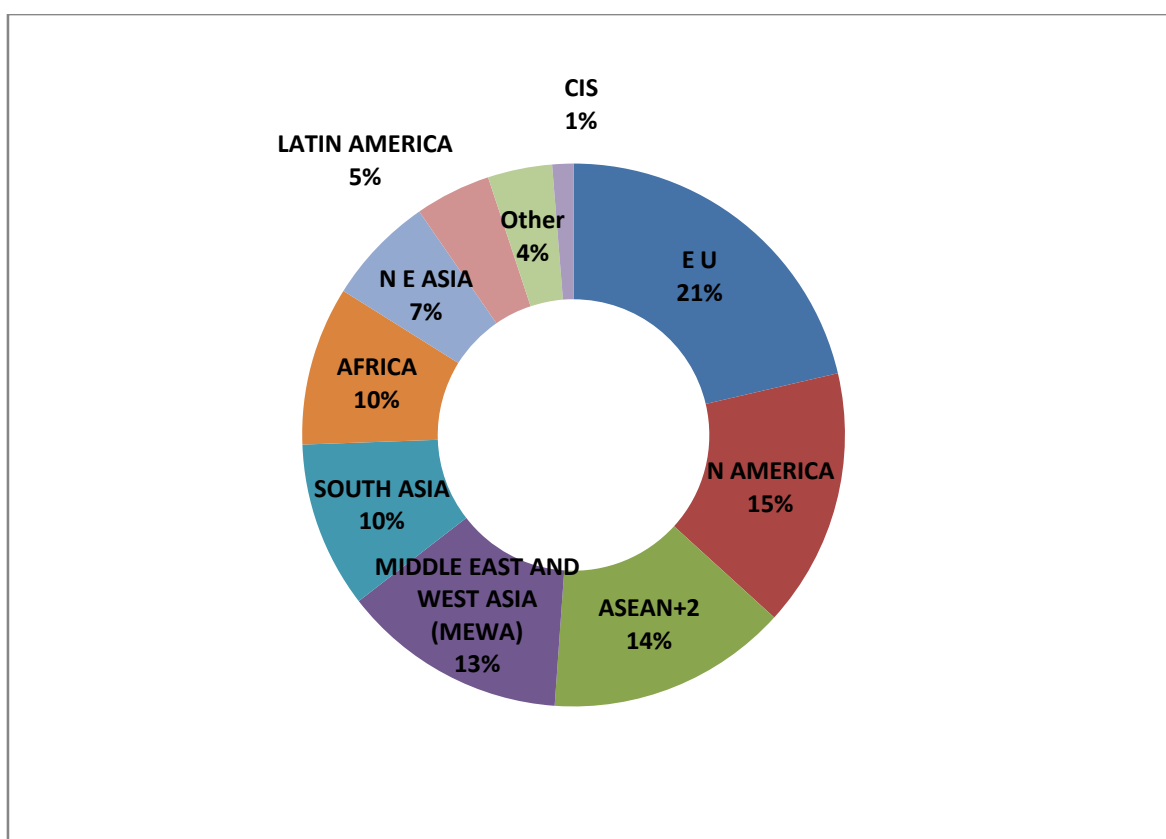
Region	September, 2015	September, 2016	Growth %	April – September 2015	April-September 2016	Growth %
<b>E U</b>	954.88	1147.61	20.18	5629.09	6410.69	13.88
<b>N AMERICA</b>	745.84	815.99	9.41	4645.29	4623.61	-0.47
<b>ASEAN+2</b>	563.89	665.28	17.98	3747.62	4311.66	15.05
<b>MIDDLE EAST AND WEST ASIA (MEWA)</b>	579.49	598.62	3.30	4556.96	4032.64	-11.51
<b>SOUTH ASIA</b>	372.00	467.16	25.58	3101.16	2975.33	-4.06
<b>AFRICA</b>	582.35	484.25	-16.85	3630.41	2841.40	-21.73
<b>N E ASIA</b>	424.14	361.37	-14.80	2718.26	1950.08	-28.26
<b>LATIN AMERICA</b>	263.00	248.23	-5.61	1477.93	1354.67	-8.34
<b>Other</b>	145.02	168.90	16.46	1108.90	1155.73	4.22
<b>CIS</b>	69.11	44.65	-35.40	264.95	376.32	42.03
<b>Total</b>	4699.74	5002.06	6.43	30880.57	30032.13	-2.75

*(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 \$ 2171.6 million worth of engineering goods from India during Apr-Sep 2016-17 which has been grouped under Other category of regions.

**Figure 2: India's region wise exports during Apr-Sep 2016-17**



*(Source: EEPC India analysis)*

- ❖ EU as always ranks as the region with highest shipment of engineering products from India during September 2016 with a share of almost 23 % in total engineering exports.
- ❖ North America ranks second registering significant positive growth during September 2016 over September 2015.
- ❖ ASEAN +2 ranks third and recorded growth of more than 17 percent during the September 2016 over September 2015.
- ❖ N E Asia recorded negative monthly and cumulative growth for period of Apr-Sep 2016-17 over the previous fiscal.
- ❖ Exports to CIS nations recorded the highest in cumulative growth of 42 percent during Apr-Sep 2016-17 over the previous fiscal.

We now analyze the performance of some of the important products during September 2016. We pick the major panels and seek the heavy growth and heavy

declines in these panels in September 2016 to give an idea about the trend that is about to emerge.

**Table 8: Export of Iron & Steel**

US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>456.6</b>	<b>617.4</b>	<b>35.2</b>	<b>3162.9</b>	<b>3294.5</b>	<b>4.2</b>
<b>BELGIUM</b>	36.2	60.0	65.7	140.5	264.2	88.1
<b>ITALY</b>	21.1	46.1	118.2	211.2	250.0	18.4
<b>BANGLADESH</b>	23.0	31.4	36.3	107.9	211.9	96.4
<b>UAE</b>	28.1	39.4	40.3	185.5	200.9	8.3
<b>KOREA RP</b>	22.8	32.1	40.6	127.4	140.5	10.3
<b>SPAIN</b>	9.0	26.4	193.5	67.3	130.9	94.5
<b>INDONESIA</b>	15.1	20.1	32.6	67.8	100.3	47.9
<b>VIETNAM SOC REP</b>	3.9	36.0	835.2	43.5	98.1	125.4
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>NEPAL</b>	16.3	38.2	134.7	288.2	271.0	-6.0
<b>U S A</b>	19.8	16.9	-14.5	225.2	140.0	-37.8
<b>JAPAN</b>	15.1	13.6	-9.7	77.7	59.3	-23.7
<b>NETHERLAND</b>	13.9	8.7	-37.7	88.2	58.7	-33.4
<b>SRI LANKA</b>	13.6	12.6	-7.2	55.7	54.2	-2.6
<b>THAILAND</b>	4.7	13.6	189.5	81.4	48.6	-40.3
<b>GERMANY</b>	10.0	9.1	-9.5	61.0	44.4	-27.1
<b>IRAN</b>	29.6	8.6	-71.0	252.8	39.5	-84.4

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

- ❖ Nepal once again tops the list as importer of India's Iron and Steel during April-September 2016-2017 importing 8.2 percent share followed by Belgium and Italy importing 8 percent and 7.6 percent respectively during Apr-Sep 2016-17.
- ❖ USA recorded a fall in growth by 38 percent year-on-year during the first six months of the current fiscal.

**Table 9: Export of Products of Iron & Steel**

US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr- Sep 2015-16	Apr- Sep 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>532.07</b>	<b>491.15</b>	<b>-7.69</b>	<b>3238.85</b>	<b>2806.30</b>	<b>-13.4</b>
<b>UAE</b>	32.1	32.3	0.55	270.3	286.3	5.93
<b>SAUDI ARAB</b>	21.9	25.4	16.09	144.6	171.1	18.33
<b>ITALY</b>	12.3	15.0	21.66	81.4	88.5	8.65
<b>KUWAIT</b>	4.4	20.8	373.92	18.1	78.6	334.08
<b>FRANCE</b>	10.0	10.8	8.11	58.0	58.8	1.44
<b>OMAN</b>	4.4	16.6	275.97	31.1	54.9	76.64
<b>BELGIUM</b>	6.7	7.6	13.94	43.5	46.6	7.21
<b>NEPAL</b>	1.4	3.8	179.38	24.8	43.3	74.32
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	105.6	112.2	6.30	661.5	557.3	-15.75
<b>GERMANY</b>	34.0	32.9	-3.31	185.1	176.2	-4.77
<b>U K</b>	27.9	23.1	-17.44	153.5	125.6	-18.23
<b>NETHERLAND</b>	16.2	13.4	-16.86	82.8	80.7	-2.56
<b>CANADA</b>	11.8	10.5	-11.14	75.6	67.8	-10.35
<b>SPAIN</b>	9.3	7.3	-21.50	54.7	40.8	-25.40
<b>AUSTRALIA</b>	9.5	8.1	-14.23	52.9	39.7	-24.81
<b>SOUTH AFRICA</b>	6.9	5.3	-23.34	34.9	33.2	-4.79

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

- ❖ USA tops the list importing 19.9 percent of India's total export of Products of Iron and Steel during Apr-Sep 2016-17 but conceded decline in imports over the same period last fiscal.
- ❖ UAE and Germany ranked second and third importing 10.2 percent and 6.3 percent of India's total export of Products of Iron and Steel respectively during the same period.



**Table 10: Export of Industrial Machinery**  
US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr- Sep 2015- 16	Apr- Sep 2016- 17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>910.24</b>	<b>866.36</b>	<b>-4.8</b>	<b>5376.35</b>	<b>5370.82</b>	<b>-0.1</b>
<b>TURKEY</b>	40.26	38.40	-4.6	204.08	232.91	14.1
<b>BANGLADESH</b>	27.89	31.47	12.8	159.53	214.72	34.6
<b>NEPAL</b>	8.45	28.83	241.3	99.83	140.49	40.7
<b>ITALY</b>	23.57	24.01	1.8	132.12	138.94	5.2
<b>RUSSIA</b>	4.25	8.08	90.1	38.79	134.95	247.9
<b>MALAYSIA</b>	15.68	15.98	1.9	76.98	121.25	57.5
<b>SINGAPORE</b>	22.00	14.06	-36.1	106.30	114.56	7.8
<b>KUWAIT</b>	3.63	20.50	464.5	24.22	110.78	357.5
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	149.77	118.72	-20.7	892.88	733.10	-17.9
<b>GERMANY</b>	48.07	36.41	-24.3	268.13	247.23	-7.8
<b>UAE</b>	46.70	38.19	-18.2	246.01	223.86	-9.0
<b>U K</b>	29.16	33.83	16.0	260.88	199.07	-23.7
<b>CHINA</b>	26.83	29.98	11.8	188.65	168.16	-10.9
<b>SAUDI ARAB</b>	29.77	14.31	-51.9	180.10	120.43	-33.1
<b>THAILAND</b>	15.43	19.18	24.3	104.36	98.78	-5.3
<b>VIETNAM SOC REP</b>	18.52	25.59	38.1	100.15	98.57	-1.6

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

- ❖ USA once again tops the chart importing 13.6 percent of India's total exports for Industrial Machinery during Apr-Sep 2016-17.
- ❖ Germany and Turkey holds the second and third position respectively importing 4.6 percent and 4.3 percent respectively of India's total exports for Industrial Machinery during -Apr-Sep 2016-17.

**Table 11: Export of Non-Ferrous metals**  
US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>608.62</b>	<b>611.02</b>	<b>0.40</b>	<b>3692.58</b>	<b>3003.18</b>	<b>-18.67</b>
<b>KOREA RP</b>	59.76	68.74	15.03	356.68	377.93	5.96
<b>SAUDI ARAB</b>	9.16	17.87	95.09	75.52	91.03	20.53
<b>BANGLADESH</b>	7.64	8.95	17.20	34.52	52.97	53.44
<b>GERMANY</b>	7.74	7.87	1.79	48.65	52.47	7.85
<b>OMAN</b>	4.47	11.18	149.89	31.04	48.42	56.00
<b>ITALY</b>	2.93	12.11	313.39	19.83	45.19	127.90
<b>TURKEY</b>	7.04	8.88	26.10	37.24	43.35	16.40
<b>JAPAN</b>	4.88	9.39	92.40	35.09	37.84	7.85
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>MALAYSIA</b>	48.34	113.10	133.94	432.75	358.68	-17.12
<b>U S A</b>	54.05	49.88	-7.71	295.04	271.87	-7.85
<b>UAE</b>	31.77	34.80	9.54	265.61	249.72	-5.98
<b>SINGAPORE</b>	26.24	15.74	-40.01	248.87	208.43	-16.25
<b>CHINA</b>	157.26	21.58	-86.28	631.17	139.50	-77.90
<b>TAIWAN</b>	15.39	41.90	172.23	136.57	128.84	-5.66
<b>MEXICO</b>	7.65	38.15	398.58	114.25	109.44	-4.21
<b>U K</b>	13.38	13.56	1.31	86.33	85.22	-1.28

- ❖ South Korea is the topmost importer for Non ferrous metals importing 12.6 percent of India's total export of Non Ferrous Metals during Apr-Sep 2016-17.
- ❖ Malaysia, USA and UAE ranks as the next three top importers of Non-ferrous metals importing 11.9 percent, 9.1 percent and 8.3 percent respectively during Apr-Sep 2016-17 vis-a-vis Apr-Sep 2015-16.

**Table 12: Export of Electrical Machinery and Components**  
US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr-Sep 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>297.92</b>	<b>394.17</b>	<b>32.31</b>	<b>1835.81</b>	<b>2215.93</b>	<b>20.71</b>
<b>U S A</b>	40.06	53.25	32.92	270.93	331.97	22.53
<b>U K</b>	23.20	43.88	89.12	117.12	173.90	48.48
<b>GERMANY</b>	18.07	20.19	11.76	121.82	122.23	0.34
<b>UAE</b>	14.28	25.03	75.26	90.62	121.03	33.55
<b>TURKEY</b>	13.68	24.86	81.80	33.07	85.96	159.93
<b>FRANCE</b>	14.72	13.87	-5.75	90.73	80.48	-11.30
<b>BANGLADESH</b>	8.19	8.30	1.44	34.16	64.64	89.23
<b>CHINA</b>	5.25	8.91	69.55	36.21	60.32	66.59
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>FRANCE</b>	14.72	13.87	-5.75	90.73	80.48	-11.30
<b>ITALY</b>	5.61	4.90	-12.61	37.57	35.21	-6.30
<b>VIETNAM</b>	4.96	13.08	163.48	33.26	33.13	-0.41
<b>SAUDI ARAB</b>	5.11	3.41	-33.24	46.66	27.13	-41.84
<b>OMAN</b>	3.22	2.57	-20.15	26.11	25.22	-3.42
<b>THAILAND</b>	5.97	4.39	-26.44	24.84	23.56	-5.16
<b>NIGERIA</b>	6.49	3.82	-41.09	41.72	21.84	-47.67
<b>KENYA</b>	5.95	4.19	-29.65	33.20	21.74	-34.52

*(Source: Department of Commerce and CSO)*

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during Apr-Sep 2016-17 importing 15 percent from India's global export of the product group.
- ❖ UK, Germany and UAE ranks as the next three top importers of Electrical machinery and Equipment importing 7.8 percent, 5.5 percent and 5.5 percent respectively during Apr-Sep 2016-17 vis-a-vis Apr-Sep 2015-16.

**Table 13: Export of Aircrafts &Spacecrafts**  
US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr- Sep 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>138.72</b>	<b>171.91</b>	<b>23.92</b>	<b>2269.70</b>	<b>1454.68</b>	<b>-35.91</b>
U S A	30.68	42.77	39.43	254.44	271.29	6.62
CZECH REPUBLIC	22.12	0.03	-99.88	152.39	171.14	12.31
FRANCE	8.93	17.15	92.15	52.68	128.48	143.88
U K	12.58	11.53	-8.35	82.92	109.15	31.64
SINGAPORE	6.51	25.16	286.59	21.93	106.72	386.55
TURKEY	0.52	8.46	1521.30	1.46	93.58	6330.47
ISRAEL	3.99	27.19	580.76	27.42	55.23	101.41
RUSSIA	22.79	4.20	-81.59	40.93	48.15	17.61
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
SRI LANKA	0.02	0.18	965.07	704.63	77.95	-88.94
GERMANY	8.66	10.54	21.69	91.81	67.92	-26.02
UAE	1.14	0.21	-81.44	721.01	51.06	-92.92
PHILIPPINES	0.50	0.61	21.27	3.09	3.05	-1.34
UKRAINE	0.54	0.13	-76.19	5.79	0.91	-84.23
HONG KONG	0.10	0.03	-73.37	2.21	0.85	-61.70
IRELAND	0.88	0.11	-87.15	35.02	0.56	-98.39
NEPAL	0.03	0.00	-90.54	0.35	0.33	-4.86

*(Source: Department of Commerce and CSO)*

- ❖ Exports of India's 'Aircraft &Spacecrafts' to USA grew in September 2016 over September 2015 and USA remained the largest importer of India's 'Aircraft &Spacecrafts' during Apr-Sep 2016-17 with more than 18 percent share in India's global import of the same.
- ❖ Czech Republic retained the second place with 11.8 percent share registering positive growth. France and UK ranked third and fourth with their respective shares of 8.8 and 7.5 percent in India's global exports of the product.
- ❖ UAE conceded significant decline in imports both in monthly and cumulative basis.

**Table 14: Export of Ships, Boats and Floating Structures and parts**

US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr- Sep 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>121.99</b>	<b>40.60</b>	<b>-66.72</b>	<b>1935.49</b>	<b>2161.50</b>	<b>11.68</b>
<b>UAE</b>	18.50	38.47	107.94	211.77	760.29	259.01
<b>SINGAPORE</b>	71.84	0.14	-99.80	515.95	573.65	11.18
<b>MALAYSIA</b>	0.00	0.01		190.61	254.39	33.46
<b>INDONESIA</b>	0.00	0.00		0.00	233.32	
<b>SRI LANKA</b>	31.65	0.01	-99.95	59.58	130.07	118.32
<b>NIGERIA</b>	0.00	0.00		0.00	4.04	
<b>MALDIVES</b>	0.00	1.47		0.37	2.60	601.52
<b>PAKISTAN IR</b>	0.00	0.00		0.00	1.58	
<b>GABON</b>	0.00	0.00		0.00	1.10	
<b>HEAVY DECLINE COUNTRIES</b>						
<b>BAHARAIN IS</b>	0.00	0.00		92.11	45.81	-50.26
<b>U S A</b>	0.00	0.04		0.32	0.14	-56.36
<b>POLAND</b>	0.00	0.00		0.03	0.03	-1.83
<b>SOUTH AFRICA</b>	0.00	0.01		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 during the first six months of fiscal 2016-17. These three nations accounted for over 73 percent of India's total global export of the product during April-September 2016-17.
- ❖ Indonesia's import of India's 'Ships, Boats and Floating Structures and Parts' was nil during the first half of fiscal 2015-16 but during fiscal 2016-17, Indonesia's import of the same product accounted for USD233.32 million. During the first half of the current fiscal, Indonesia became the fourth largest importer of India's 'Ships, Boats and Floating Structures and Parts'.

**Table 15: Export of Auto Components**

US\$ Million

Export partners	Sep_15	Sep_16	Growth %	Apr-Sep 2015-16	Apr- Sep 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>329.16</b>	<b>361.31</b>	<b>9.77</b>	<b>2084.08</b>	<b>2096.14</b>	<b>0.58</b>
<b>NEPAL</b>	4.81	16.04	233.54	55.62	116.74	109.91
<b>GERMANY</b>	16.21	14.53	-10.38	92.46	96.20	4.05
<b>BANGLADESH</b>	10.65	16.77	57.42	61.84	85.33	37.99
<b>INDONESIA</b>	9.91	13.04	31.54	56.92	66.86	17.45
<b>JAPAN</b>	10.19	10.60	4.03	56.68	57.93	2.19
<b>SRI LANKA</b>	5.91	9.08	53.67	32.03	38.11	19.00
<b>SOUTH AFRICA</b>	5.06	5.96	17.83	26.04	37.40	43.65
<b>SPAIN</b>	4.11	6.04	47.17	20.98	34.09	62.46
<b>HEAVY DECLINE COUNTRIES</b>						
<b>U S A</b>	71.45	65.06	-8.94	459.93	379.52	-17.48
<b>TURKEY</b>	34.73	35.18	1.30	182.85	180.05	-1.53
<b>THAILAND</b>	16.75	17.00	1.54	99.56	93.61	-5.98
<b>MEXICO</b>	12.35	14.33	16.03	87.56	86.76	-0.91
<b>U K</b>	15.82	11.63	-26.50	98.13	77.83	-20.69
<b>BRAZIL</b>	12.41	12.51	0.77	91.94	69.68	-24.20
<b>ITALY</b>	10.42	9.84	-5.64	67.88	60.87	-10.32
<b>EGYPT</b>	7.93	9.37	18.11	59.21	55.41	-6.42

*(Source: Department of Commerce and CSO)*

- ❖ USA remained the top export destination for India's 'Auto Components/Parts' for the first half of fiscal 2016-17 with 18 percent share in India's global export of the product. Turkey was the second largest importer during the same time period but both of them conceded year-on-year decline in imports of India's 'Auto component/parts' in the said time period.
- ❖ Nepal was the largest exporter to witness growth in year-on-year import of India's 'Auto Components/Parts' followed by Germany and Bangladesh. Overall, Nepal was the third largest importer of the product during Apr - Sep 2016-17.

## Conclusion

The engineering exports moved up by 6.44 percent from US\$ 4.7 billion in September 2015 to US\$ 5.0 billion in September 2016 largely on account of a low base. The impact of Minimum Import Price is clearly visible while there seems to be some improvement in external demand. Region wise, exports to Africa, Latin America and North East Asia are critically ill while CIS seems to have not fully recovered as the September figures are in the red.



Thus, overall, the trend of Indian engineering export has been sporadic during the current fiscal. After a double-digit year-on-year decline in July 2016, the export trend came back to positive track both in August and September. This upbeat trend of export may continue in the coming months if commodity prices, especially the price of crude oil continue to rise in the international market. A weakening rupee may further add to this comfort for the exporters.

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