

# ENGINEERING EXPORT MONITOR

## October 2016



# Analysis of Indian engineering exports during October 2016: November 17, 2016

## Trend in overall trade

India's merchandise exports grew for the second month in a row and picked up significantly in October 2016 touching US\$ 23.5 billion than the level of US\$ 21.46 billion during October, 2015. In consonance with the revival exhibited by exports last month, during October 2016 exports have shown a positive growth of 9.6% in Dollar terms, which is more than double compared to 4% rise in last month. The cumulative value of exports for the period April-October 2016-17 was US\$ 154.91 billion as against US\$ 155.18 in October 2015-16, registering a negative growth of 0.17 per cent in Dollar terms.

Merchandise imports rose by 8.11% to US\$ 33.67 billion during October 2016 as against US\$ 31.15 billion in October 2015. Imports posted a rise for the first time since December 2014. Cumulative value of imports for the period April-October 2016-17 was US\$ 208.1 billion as against US\$ 233.42 billion registering a negative growth of 10.85 per cent in Dollar terms over the same period last year.

Consequently, trade deficit widens in October this year at \$10.16 billion witnessing a 4.8% rise, compared to US \$9.69 billion the same month last year. The trade deficit for April-October, 2016-17 was estimated at US\$ 53.17 billion which was 32.04% lower than the deficit of US\$ 78.24 million during April-October, 2015-16.

## Engineering exports

Signalling a clear reversal of the earlier continuous decline, Indian engineering exports, retained its growth momentum for the third consecutive month reversing the negative growth observed in July 2016. The engineering exports moved up sharply to the extent of 14.10 percent from US\$ 4.5 billion in October 2015 to US\$ 5.11 billion in October 2016. The share of engineering exports with respect to total merchandise exports was roughly 21.7 percent in October 2016 as against 21.9 percent during September 2016. Cumulative engineering exports decline barely by 0.54 percent for the first seven months of the current fiscal to USD 35.17 billion in Apr-Oct 2016-17 from USD 35.36 billion during Apr - Oct 2015-16. The monthly engineering figures for the first seven months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

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

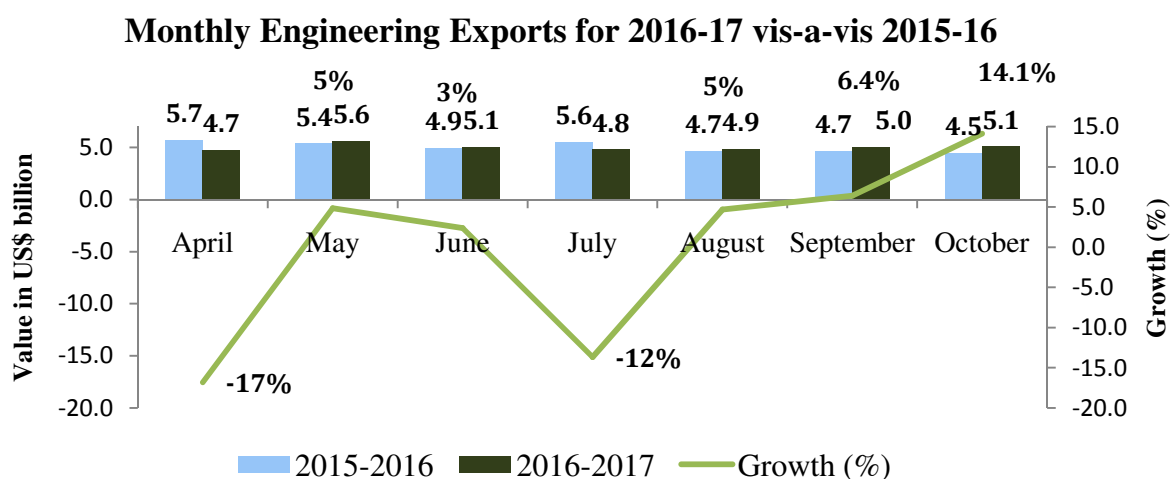
Months	2015-16	2016-17	Growth (%)
April	5676.59	4723.74	-16.79
May	5354.43	5613.84	4.84
June	4936.26	5053.84	2.38

Months	2015-16	2016-17	Growth (%)
<b>Quarter 1</b>	<b>15967.3</b>	<b>15391.4</b>	<b>-3.61</b>
July	5559.65	4769.15	-14.22
August	4653.93	4878.57	4.83
September	4699.73	5019.81	6.81
<b>Quarter 2</b>	<b>14913.31</b>	<b>14667.53</b>	<b>-1.65</b>
<b>October</b>	<b>4475.58</b>	<b>5106.54</b>	<b>14.10</b>
<b>April-October</b>	<b>35356.17</b>	<b>35165.49</b>	<b>-0.54</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. In the month of August and September 2016 also both moved in the same direction. In August, engineering exports came back to growth path and accelerated further in September. Manufacturing output, on the other hand saw a lower decline in August and then witnesses growth in September. Overall IIP Index, the standard measure for industrial output, stood at 179.5 in September 2016 as against 175.4 in August and 176.0 in July 2016.

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>	-16.79	-3.6
<b>May 2016</b>	4.84	0.7
<b>June 2016</b>	2.38	1.0
<b>April - June 2016</b>	<b>-3.61</b>	<b>-0.6</b>
<b>July 2016</b>	-14.22	-3.5
<b>August 2016</b>	4.83	-0.2
<b>September 2016</b>	6.81	0.9
<b>July - September 2016</b>	<b>-1.65</b>	-0.9
<b>October 2016</b>	14.10	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	4475.58*	-10.63*
	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>58741.32*</b>	<b>-17.0*</b>

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

## Impact of Exchange Rate

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

**Table 4: Average Exchange Rate**

October	Average Exchange Rate 1 USD to INR
2015	64.82
2016	66.71

(Source: Calculated from RBI archive)

**The official exchange rate of rupee vis-à-vis the US Dollar during October 2016 has depreciated massively by 2.9 percent to that of the same month last year.**

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

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

Sl no.	Panel	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	379.67	628.91	65.6	3542.59	3937.79	11.2
B	Products of Iron and Steel	468	495.97	6.0	3706.87	3302.69	-10.9
<b>Sub Total</b>		<b>847.7</b>	<b>1124.9</b>	<b>32.7</b>	<b>7249.5</b>	<b>7240.5</b>	<b>-0.1</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	169.99	169.37	-0.4	1605.23	1293.95	-19.4
B	Aluminium and products	203.15	282.69	39.2	1504.84	1688.15	12.2
C	Zinc and products	42.97	62.61	45.7	354.7	187.8	-47.1
D	Nickel and products	24.3	2.07	-91.5	346.39	65.54	-81.1
E	Lead and products	18.59	17.81	-4.2	115.38	79.91	-30.7
F	Tin and products	32.94	0.43	-98.7	39.92	3.34	-91.6
G	Other Non Ferrous Metals	34.99	38.46	9.9	253.07	256.49	1.4
<b>Sub Total</b>		<b>526.9</b>	<b>573.4</b>	<b>8.8</b>	<b>4219.5</b>	<b>3575.2</b>	<b>-15.3</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	65.22	64.2	-1.6	358.02	408.76	14.2
B	IC Engines and Parts	173.05	177.13	2.4	1227.84	1299.67	5.9
C	Pumps of all types	53.52	66.86	24.9	421.34	416.74	-1.1
D	Air condition and Refrigerators	92.88	75.42	-18.8	629.84	569.19	-9.6
E	Industrial Machinery for dairy, food processing, textiles etc	371.22	396.94	6.9	2667.5	2612.41	-2.1
F	Machine Tools	28.81	33.31	15.6	219.58	269.11	22.6
G	Machinery for Injecting moulding, valves and ATMs	102.26	104.6	2.3	739.19	715.36	-3.2
<b>Sub Total</b>		<b>887.0</b>	<b>918.5</b>	<b>3.6</b>	<b>6263.3</b>	<b>6291.2</b>	<b>0.4</b>
4	Electrical Machinery	<b>309.98</b>	<b>388.22</b>	<b>25.2</b>	<b>2145.79</b>	<b>2613.75</b>	<b>21.8</b>



Sl no.	Panel	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>5. Auto and Auto Components</b>							
A	Motor Vehicle/cars	577.27	679.46	17.7	3928.05	4315.31	9.9
B	Two and Three Wheelers	138.55	139.76	0.9	1076.85	946.75	-12.1
C	Auto Components/Part	344.74	366.43	6.3	2428.82	2462.98	1.4
<b>Sub Total</b>		<b>1060.6</b>	<b>1185.7</b>	<b>11.8</b>	<b>7433.7</b>	<b>7725.0</b>	<b>3.9</b>
6	Aircrafts and Spacecraft parts and products	120.57	376.7	212.4	2390.28	1829.76	-23.4
7	Ships Boats and Floating products and parts	210.56	4.71	-97.8	2146.04	2165.91	0.9
<b>8. Miscellaneous Items</b>							
A	Medical and Scientific instruments	105.05	124.41	18.4	685.74	782.12	14.1
B	Railway Transport	6.98	22.12	216.9	46.83	100.72	115.1
C	Hand Tools & Cutting Tools	54.24	52.96	-2.4	380.74	383.47	0.7
D	Electrodes Accumulators	3.42	2.76	-19.3	25.71	24.22	-5.8
E	Accumulator and Batteries	12.87	20.23	57.2	113.39	130.57	15.2
F	Bicycle & Parts	24.8	24.17	-2.5	167.9	169.39	0.9
G	Cranes Lifts & Winches	42.41	37.63	-11.3	219.1	248.2	13.3
H	Office Equipments	6.67	9.65	44.7	52.66	63.95	21.4
I	Other Construction Machinery	79.33	72.49	-8.6	654.06	570.45	-12.8
J	Prime Mica & Mica Products	1.4	1.29	-7.9	10.42	10.07	-3.4
K	OTHER MISC. ITEMS	175.18	166.77	-4.8	1151.49	1240.97	7.8
<b>Sub Total</b>		<b>512.4</b>	<b>534.5</b>	<b>4.3</b>	<b>3508.0</b>	<b>3724.1</b>	<b>6.2</b>
<b>Grand Total</b>		<b>4475.58</b>	<b>5106.54</b>	<b>14.10</b>	<b>35356.17</b>	<b>35165.49</b>	<b>-0.54</b>

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

Some factors that need to be noted are:

- ❖ Out of 33 engineering panels, 19 panels (57.6 percent) of the engineering panels recorded a positive growth and remaining 14 panels fared negative growth in the month of October 2016.
- ❖ Iron and steel exports fared positive growth by more than 65 percent in October 2016 vis-à-vis October 2015. Products of Iron and Steel exports have increased by 6 percent from USD 468 million in October 2015 to USD 495.97 million in October 2016. On the other hand the cumulative exports of Iron and Steel fared 11.2% growth during April- Oct 2016-17 vis-à-vis April-Oct 2015-16. Similarly the Cumulative exports of Products of Iron and Steel have

dropped by 10.9% in April–October 2016-17 vis-à-vis April–October 2015-16.

- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 4 registered negative growth in October 2016. There has been a drastic fall in the exports of Tin and Products falling by 99%, Nickel and products falling by 92% during October 2016 over October 2015. Lead and Copper products also registered negative growth by 4.2% and 0.4% respectively during October 2016 vis-à-vis October 2015. Most promisingly Zinc and Products witnessed massive growth in exports to the extent of 46%, even Aluminium and products witnessed growth in exports by 39% in October 2016 over October 2015.
- ❖ Electrical Machinery and equipments panel generated positive growth both monthly in October 2016 by 25.2% as well as cumulatively during April-Oct 2016-17 by 22% compared to the same period last fiscal.
- ❖ The exports scenario of Aircrafts and Spacecraft jumped up sharply by 212% in October 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 and moved up sharply in October by more than 100%. On the contrary, Ship, boats and floating bodies faced massive deterioration by 98 percent from US\$ 210.56 million in October 2015 to US\$ 4.71 million in October 2016.
- ❖ In the Industrial Machinery panel, Pumps and Valves and Machine Tools registered highest export growth of 25% and 16% respectively during October 2016 against October 2015. Other sectors that witnessed negative growth include Air condition and repair machinery falling by 19%, Nuclear Reactors falling by 1.6%, in the month of October 2016 compared to the same period last fiscal. On the other hand, Industrial machinery, IC Engines and Machinery for ATMs recorded growth in exports during October 2016 over that of 2015.
- ❖ Other panels like Motor vehicles/cars , Two and Three Wheelers, Auto components/Parts, Medical & scientific equipments, Railway and Transport equipments, Office Equipments, Accumulator and Batteries registered positive growth among the panels in October 2016 vis-à-vis October 2015.

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



We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during October 2016 over October 2015 in Absolute Value, even though the growth rate in October is negative. Country wise cumulative figures for April-October 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	OCTOBER, 2015	OCTOBER, 2016	Growth (%)	APRIL,2015 - OCTOBER, 2015	APRIL,2016 - OCTOBER,2016	Growth (%)
U S A	553.22	606.85	9.69	4130.32	3821.43	-7.48
UAE	231.45	306.84	32.58	2576.72	2475.90	-3.91
MEXICO	145.17	272.80	87.92	979.55	1469.67	50.04
U K	171.55	218.89	27.60	1335.85	1456.17	9.01
<b>SINGAPORE</b>	<b>215.31</b>	<b>97.55</b>	<b>-54.69</b>	<b>1321.85</b>	<b>1283.12</b>	<b>-2.93</b>
NEPAL	40.23	153.46	281.47	795.10	1240.73	56.05
GERMANY	172.21	178.59	3.70	1218.81	1235.62	1.38
MALAYSIA	69.05	127.30	84.36	921.26	1101.79	19.60
BANGLADESH	120.06	148.42	23.62	807.61	1067.69	32.20
ITALY	111.34	151.79	36.33	866.50	1007.96	16.33
TURKEY	128.34	149.21	16.27	737.81	958.78	29.95
<b>SRI LANKA</b>	<b>137.18</b>	<b>111.83</b>	<b>-18.48</b>	<b>1604.54</b>	<b>864.41</b>	<b>-46.13</b>
FRANCE	89.83	94.66	5.38	620.03	795.89	28.36
INDONESIA	63.18	97.53	54.38	457.79	781.82	70.78
KOREA RP	120.62	105.41	-12.61	733.92	750.36	2.24
<b>CHINA</b>	<b>168.44</b>	<b>138.88</b>	<b>-17.55</b>	<b>1228.85</b>	<b>722.03</b>	<b>-41.24</b>
<b>SAUDI ARAB</b>	<b>109.11</b>	<b>84.48</b>	<b>-22.57</b>	<b>765.67</b>	<b>687.22</b>	<b>-10.25</b>
SOUTH AFRICA	100.53	104.24	3.69	886.23	578.77	-34.69
BELGIUM	50.00	86.39	72.80	420.88	578.11	37.36
<b>NETHERLAND</b>	<b>121.84</b>	<b>80.99</b>	<b>-33.53</b>	<b>557.86</b>	<b>520.52</b>	<b>-6.69</b>
SPAIN	59.33	85.90	44.79	420.15	515.42	22.67
THAILAND	53.72	99.05	84.38	501.91	487.71	-2.83
<b>JAPAN</b>	<b>65.71</b>	<b>61.14</b>	<b>-6.95</b>	<b>746.12</b>	<b>432.07</b>	<b>-42.09</b>
VIETNAM	65.89	61.80	-6.21	372.99	428.70	14.93
KUWAIT	25.83	77.51	200.10	148.33	370.82	150.00
<b>Total of top 25</b>	<b>3189.13</b>	<b>3701.52</b>	<b>16.07</b>	<b>25156.63</b>	<b>25632.69</b>	<b>1.89</b>
<b>Share of top 25</b>	<b>71%</b>	<b>72%</b>		<b>71%</b>	<b>73%</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:

- ❖ In October 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.
- ❖ USA ranked to be the top exporting destination for India's engineering products in October 2016, registering significant positive growth. However it recorded negative cumulative growth for Apr-Oct 2016-17 over the same period last fiscal.
- ❖ Like the previous month, Nepal registered the highest growth in engineering imports from India during the October 2016 followed by Kuwait. Both the countries also recorded significant positive cumulative growth for Apr-Oct 2016-17 over the same period last fiscal.
- ❖ All European nations falling under the top 25 engineering export destinations like UK, Germany, Italy, Belgium, France and Spain, recorded positive growth during Apr-Oct 2016-17 over Apr-Oct 2015-16 as well as in October 2016 over October 2015. Only Netherlands recorded negative growth in both cases. Belgium topped the list registering highest growth in October 2016.
- ❖ Among the ASEAN countries Thailand recorded the highest growth in engineering imports from India in October 2016 as well as the highest growth cumulatively during Apr-Oct 2016-17 .
- ❖ Out of 224 exports destinations of Indian engineering goods, top 25 nations accounted for 72 percent of India's total engineering exports during Apr-Oct 2016-17.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth of 16.1 percent in October 2016 over October 2015 which is higher than the increase in growth on cumulative basis. The increase in exports to top 25 countries is higher (16.1 percent) than the rise in total engineering exports (14.1 percent) during October 2016 over October 2015.

## **Regional Distribution of Engineering Exports**

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

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

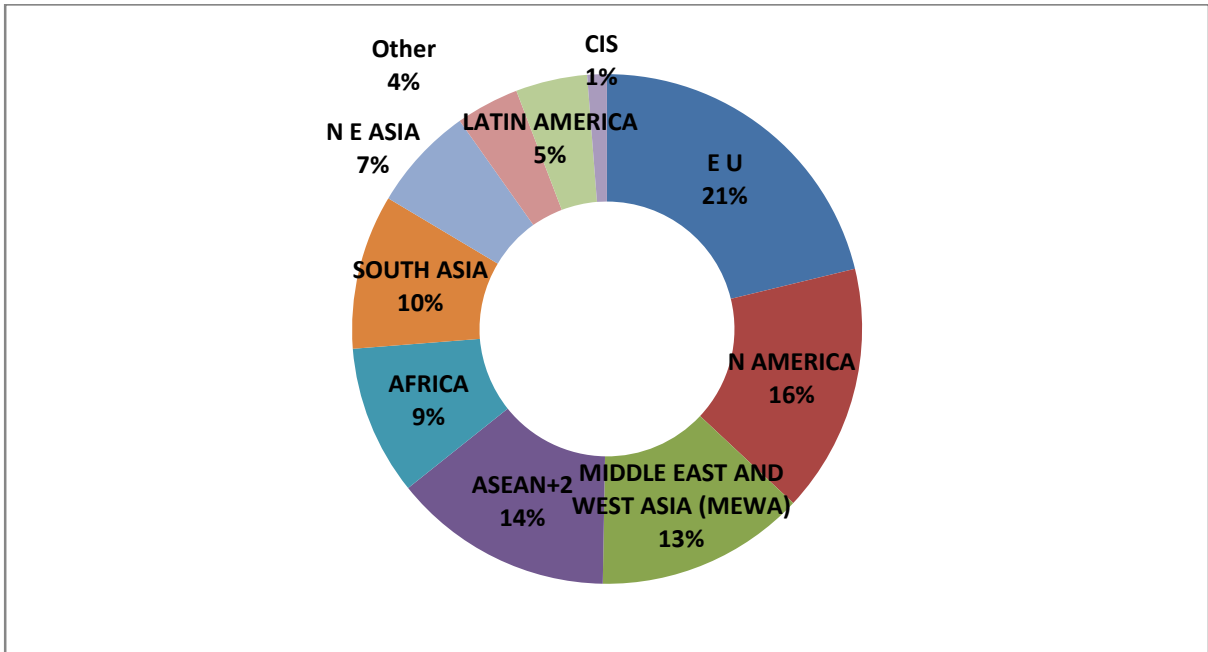
Region	OCTOBER, 2015	OCTOBER, 2016	Growth (%)	APRIL,2015 - OCTOBER,2015	APRIL,2016 - OCTOBER,2016	Growth (%)
<b>E U</b>	905.43	1051.12	16.09	6534.52	7461.34	14.18
<b>N AMERICA</b>	739.01	912.31	23.45	5384.29	5535.70	2.81
<b>ASEAN+2</b>	580.20	610.47	5.22	4327.82	4919.97	13.68
<b>MIDDLE EAST AND WEST ASIA (MEWA)</b>	573.75	647.71	12.89	5130.71	4680.34	-8.78
<b>SOUTH ASIA</b>	336.31	435.37	29.45	3437.48	3445.40	0.23
<b>AFRICA</b>	504.16	503.51	-0.13	4134.57	3341.89	-19.17
<b>N E ASIA</b>	391.80	382.24	-2.44	3110.07	2330.80	-25.06
<b>LATIN AMERICA</b>	238.10	242.02	1.64	1716.03	1596.60	-6.96
<b>Other</b>	155.80	259.87	66.80	1264.70	1415.17	11.90
<b>CIS</b>	51.04	61.92	21.32	315.99	438.17	38.67
<b>Total</b>	<b>4475.59</b>	<b>5106.53</b>	<b>14.10</b>	<b>35356.16</b>	<b>35165.38</b>	<b>-0.54</b>

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

Note: \*Figures have been rounded off. Source: DGCI&S; \*\*Myanmar has been included in ASEAN+2 and not in South Asia, since ASEAN is a formal economic grouping.

There is a country named as “unspecified” which imported US \$ 162.5 million worth of engineering goods from India during Apr-Oct 2016-17 which has been grouped under Other category of regions.

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



(Source: EEPC India analysis)

- ❖ EU as always ranks as the region with highest shipment of engineering products from India during October 2016 with a share of more than 20% in total engineering exports.
- ❖ South Asia ranks first registering significant positive growth of almost 30 percent during October 2016 over October 2015.
- ❖ North America ranks second and recorded growth of more than 23 percent during the October 2016 over October 2015.
- ❖ Once again exports to CIS nations recorded the highest in cumulative growth of more than 38 percent during Apr-Oct 2016-17 over the previous fiscal.
- ❖ The negative monthly growth of North East Asia and Africa is far less than the negative growth during Apr-Oct 2016-17 over the previous fiscal.

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

**Table 8: Export of Iron & Steel**  
US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr- Oct 2015-16	Apr- Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>379.7</b>	<b>628.9</b>	<b>65.6</b>	<b>3542.6</b>	<b>3937.8</b>	<b>11.2</b>
<b>NEPAL</b>	15.0	35.6	137.8	303.1	322.4	6.4
<b>BELGIUM</b>	17.4	44.3	154.6	157.9	308.5	95.4
<b>ITALY</b>	22.6	34.8	53.7	233.8	284.7	21.8
<b>UAE</b>	22.5	40.4	79.4	208.0	241.2	16.0
<b>BANGLADESH</b>	16.0	20.5	28.1	123.9	232.4	87.6
<b>KOREA RP</b>	22.4	34.3	53.2	149.8	174.8	16.7
<b>MEXICO</b>	4.6	79.6	1629.8	39.5	150.1	280.3
<b>SPAIN</b>	7.6	19.1	151.0	74.9	150.0	100.3
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	16.3	20.9	28.2	241.5	160.9	-33.4
<b>THAILAND</b>	5.2	31.4	507.2	86.6	80.0	-7.6
<b>JAPAN</b>	11.2	13.0	16.5	88.9	72.3	-18.6
<b>NETHERLAND</b>	10.5	8.2	-22.2	98.7	66.9	-32.2
<b>GERMANY</b>	8.6	7.6	-11.6	69.6	52.0	-25.2
<b>IRAN</b>	17.0	7.4	-56.5	269.8	46.9	-82.6
<b>POLAND</b>	5.5	6.0	9.5	52.7	38.5	-26.9
<b>SAUDI ARAB</b>	5.3	2.3	-56.8	47.5	31.2	-34.3

(Source: Department of Commerce, Government of India)

- ❖ Nepal once again tops the list as importer of India's Iron and Steel during April-October 2016-2017 importing 8.2 percent share followed by Belgium and Italy importing 7.8 percent and 7.2 percent respectively during Apr-Oct 2016-17.
- ❖ USA recorded a fall in growth by 33.4 percent year-on-year during the first seven months of the current fiscal.

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

US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr- Oct 2015-16	Apr- Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>468.00</b>	<b>495.97</b>	<b>5.98</b>	<b>3706.84</b>	<b>3302.65</b>	<b>-10.90</b>
<b>UAE</b>	31.98	34.42	7.63	302.30	320.74	6.10

Export partners	Oct_15	Oct_16	Growth %	Apr- Oct 2015-16	Apr- Oct 2016-17	Growth %
SAUDI ARAB	23.68	23.63	-0.20	168.28	195.26	16.03
ITALY	11.61	14.35	23.59	93.05	102.84	10.52
KUWAIT	4.03	19.65	387.32	22.14	98.25	343.78
OMAN	4.02	22.11	450.35	35.12	77.05	119.40
FRANCE	8.98	10.48	16.76	66.97	69.31	3.50
BELGIUM	6.20	9.33	50.43	49.69	55.94	12.57
NEPAL	1.07	5.45	409.20	25.90	51.49	98.80
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
U S A	102.07	96.72	-5.24	763.56	653.98	-14.35
GERMANY	32.11	29.72	-7.42	217.17	205.94	-5.17
U K	26.53	23.53	-11.31	180.08	149.07	-17.22
NETHERLAND	16.28	14.02	-13.93	99.12	94.72	-4.43
CANADA	11.00	7.44	-32.35	86.58	75.19	-13.15
AUSTRALIA	8.32	8.76	5.30	61.19	48.50	-20.74
SPAIN	8.60	7.37	-14.30	63.34	48.19	-23.91
SOUTH AFRICA	5.81	5.01	-13.74	40.68	38.21	-6.06

(Source: Department of Commerce, Government of India)

- ❖ USA tops the list importing 19.89 percent of India's total export of Products of Iron and Steel during Apr-Oct 2016-17 but conceded decline in imports over the same period last fiscal.
- ❖ UAE and Germany ranked second and third importing 9.7 percent and 6.2 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	Oct_15	Oct_16	Growth %	Apr- Oct 2015-16	Apr- Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>886.96</b>	<b>918.46</b>	<b>3.6</b>	<b>6263.31</b>	<b>6291.26</b>	<b>0.4</b>
<b>TURKEY</b>	31.74	32.69	3.0	235.83	265.62	12.6
<b>BANGLADESH</b>	35.96	33.27	-7.5	195.48	247.98	26.9
<b>NEPAL</b>	7.84	24.08	207.1	107.67	165.58	53.8
<b>ITALY</b>	20.06	24.00	19.7	152.19	162.64	6.9



Export partners	Oct_15	Oct_16	Growth %	Apr- Oct 2015- 16	Apr- Oct 2016- 17	Growth %
<b>KUWAIT</b>	3.50	39.25	1019.8	27.72	150.04	441.3
<b>MALAYSIA</b>	10.38	26.42	154.4	87.37	147.69	69.0
<b>RUSSIA</b>	9.21	6.10	-33.8	48.00	141.06	193.9
<b>SINGAPORE</b>	17.07	15.10	-11.6	123.37	130.24	5.6
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	142.27	130.62	-8.2	1035.15	863.81	-16.6
<b>GERMANY</b>	40.47	37.46	-7.4	308.60	284.79	-7.7
<b>UAE</b>	44.83	35.66	-20.5	290.84	259.57	-10.8
<b>U K</b>	31.00	30.76	-0.8	291.88	229.80	-21.3
<b>CHINA</b>	25.39	31.17	22.8	214.04	199.41	-6.8
<b>SAUDI ARAB</b>	34.05	13.67	-59.9	214.14	133.62	-37.6
<b>THAILAND</b>	14.14	18.25	29.1	118.50	117.00	-1.3
<b>NIGERIA</b>	16.71	13.93	-16.6	129.16	92.78	-28.2

(Source: Department of Commerce, Government of India)

- ❖ USA once again tops the chart importing 13.7 percent of India's total exports for Industrial Machinery during Apr-Oct 2016-17.
- ❖ Germany and Turkey holds the second and third position respectively importing 4.5 percent and 4.2 percent respectively of India's total exports for Industrial Machinery during -Apr-Oct 2016-17.

**Table 11: Export of Automobiles**  
US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr- Oct 2015- 16	Apr- Oct 2016- 17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>715.82</b>	<b>819.22</b>	<b>14.44</b>	<b>5004.91</b>	<b>5262.06</b>	<b>5.14</b>
<b>MEXICO</b>	100.99	141.06	39.67	519.26	911.05	75.45
<b>NEPAL</b>	5.95	41.67	600.32	116.71	297.53	154.94
<b>U K</b>	28.60	41.21	44.09	204.07	264.13	29.43
<b>BANGLADESH</b>	20.15	41.46	105.72	205.02	209.63	2.25
<b>ITALY</b>	27.05	31.51	16.47	169.52	199.77	17.85
<b>SAUDI ARAB</b>	15.32	15.64	2.03	88.91	127.89	43.83
<b>PERU</b>	11.76	16.58	40.99	84.90	121.69	43.33
<b>SPAIN</b>	18.61	25.44	36.69	110.38	120.85	9.49

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SRI LANKA</b>	87.75	51.55	-41.25	517.26	308.99	-40.26
<b>SOUTH AFRICA</b>	51.41	64.16	24.81	425.37	302.47	-28.89
<b>COLOMBIA</b>	29.66	21.50	-27.51	191.23	117.82	-38.39
<b>PHILIPPINES</b>	20.14	14.55	-27.76	118.42	113.08	-4.51
<b>NIGERIA</b>	32.88	12.48	-62.05	234.99	96.34	-59.00
<b>VIETNAM</b>	28.19	12.81	-54.58	103.54	93.04	-10.14
<b>EGYPT</b>	8.41	14.00	66.36	117.46	87.10	-25.85
<b>FRANCE</b>	9.09	10.86	19.57	71.16	70.97	-0.27

*(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 17.3 percent of India's total exports of Automobiles during April-Oct 2016-17.
- ❖ Sri Lanka and South Africa holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 5.9 percent and 5.7 percent of India's total exports of Automobiles during the same period.

**Table 12: Export of Non-Ferrous metals**  
US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>526.94</b>	<b>573.43</b>	<b>8.82</b>	<b>4219.52</b>	<b>3575.16</b>	<b>-15.27</b>
<b>TAIWAN</b>	7.82	31.68	305.21	144.38	160.43	11.11
<b>MEXICO</b>	7.04	15.57	121.28	121.29	125.01	3.07
<b>SAUDI ARAB</b>	8.65	7.59	-12.20	84.17	98.62	17.16
<b>TURKEY</b>	7.01	24.95	255.93	44.25	68.26	54.26
<b>ITALY</b>	2.62	21.81	731.83	22.45	66.82	197.65
<b>BANGLADESH</b>	3.18	8.75	174.68	37.71	61.72	63.68
<b>GERMANY</b>	8.44	7.29	-13.55	57.09	59.76	4.69
<b>OMAN</b>	1.89	6.75	257.59	32.93	55.17	67.55
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>MALAYSIA</b>	37.47	69.38	85.17	470.22	427.82	-9.02
<b>KOREA RP</b>	76.31	47.00	-38.41	432.99	424.14	-2.04
<b>U S A</b>	48.74	56.71	16.34	343.78	328.57	-4.43
<b>UAE</b>	34.44	33.11	-3.86	300.05	282.84	-5.74
<b>SINGAPORE</b>	39.22	36.75	-6.28	288.08	245.18	-14.89
<b>CHINA</b>	96.53	43.33	-55.11	727.70	182.83	-74.88
<b>U K</b>	13.41	13.04	-2.77	99.74	98.26	-1.48
<b>INDONESIA</b>	7.74	11.82	52.64	64.59	59.91	-7.25

- ❖ Malaysia is the topmost importer for Non ferrous metals importing almost 12 percent of India's total export of Non Ferrous Metals during Apr-Oct 2016-17.
- ❖ South Korea, USA and UAE ranks as the next three top importers of Non-ferrous metals importing 11.9 percent, 9.2 percent and 7.9 percent respectively during Apr-Oct 2016-17 vis-a-vis Apr-Oct 2015-16.

**Table 13: Export of Electrical Machinery and Components**  
US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>309.98</b>	<b>388.21</b>	<b>25.24</b>	<b>2145.79</b>	<b>2613.74</b>	<b>21.81</b>
<b>U S A</b>	40.42	77.25	91.11	311.35	409.18	31.42
<b>U K</b>	16.30	23.26	42.73	133.41	196.51	47.30
<b>GERMANY</b>	20.34	28.61	40.63	142.16	150.78	6.06
<b>UAE</b>	16.57	20.42	23.24	107.20	141.46	31.96
<b>TURKEY</b>	4.92	14.68	198.43	37.99	100.64	164.92
<b>BANGLADESH</b>	22.29	10.22	-54.13	56.45	74.87	32.62
<b>CHINA</b>	9.37	8.40	-10.34	45.58	68.72	50.78
<b>SINGAPORE</b>	6.36	7.66	20.47	48.31	63.41	31.25
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>FRANCE</b>	18.33	11.62	-36.62	109.06	92.10	-15.55
<b>ITALY</b>	5.27	4.67	-11.25	42.84	39.88	-6.90

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
VIETNAM	9.56	5.14	-46.28	42.83	38.73	-9.56
SAUDI ARAB	7.35	3.76	-48.89	54.01	30.90	-42.78
OMAN	6.07	3.43	-43.53	32.18	28.64	-11.00
INDONESIA	3.17	6.51	105.16	35.88	27.52	-23.30
NIGERIA	4.00	5.41	35.32	45.72	27.24	-40.42
KENYA	5.86	3.34	-43.08	39.06	25.09	-35.76

(Source: Department of Commerce and CSO)

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during Apr-Oct 2016-17 importing 15.7 percent from India's global export of the product group.
- ❖ UK, Germany and UAE retains their respective positions importing 7.5 percent, 5.8 percent and 5.4 percent respectively during Apr-Oct 2016-17 vis-a-vis Apr-Oct 2015-16.

**Table 14: Export of Aircrafts & Spacecrafts**  
US\$ Million

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr-Oct 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>120.57</b>	<b>376.70</b>	<b>212.42</b>	<b>2390.27</b>	<b>1829.77</b>	<b>-23.45</b>
U S A	38.51	63.94	66.04	292.95	335.00	14.35
CZECH REPUBLIC	0.01	0.01	-31.55	152.40	171.15	12.30
FRANCE	11.51	22.28	93.63	64.19	150.88	135.07
U K	11.81	28.78	143.72	94.73	137.92	45.60
SINGAPORE	13.58	20.80	53.23	35.51	126.15	255.26
SWITZERLAND	3.20	85.02	2557.86	11.10	108.21	874.61
TURKEY	3.93	5.40	37.45	5.38	98.94	1738.00
ISRAEL	2.40	12.32	414.34	29.82	67.52	126.47
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
U A E	0.63	97.37	15446.77	721.64	148.42	-79.43
SRI LANKA	0.01	0.14	1246.44	704.64	78.09	-88.92
GERMANY	7.98	5.53	-30.77	99.79	73.41	-26.44
PHILIPPINES	0.52	0.48	-8.25	3.61	3.53	-2.34
UKRAINE	0.00	0.70	43128.89	5.79	1.62	-72.11

Export partners	Oct_15	Oct_16	Growth %	Apr-Oct 2015-16	Apr- Oct 2016-17	Growth %
HONG KONG	0.13	0.59	339.86	2.34	1.44	-38.60
IRELAND	0.00	0.28		35.02	0.84	-97.59
NEPAL	0.03	0.02	-24.58	0.38	0.35	-6.29

(Source: Department of Commerce and CSO)

- ❖ Exports of India's 'Aircraft &Spacecrafts' to USA grew in October 2016 over October 2015 and USA remained the largest importer of India's 'Aircraft &Spacecrafts' during Apr-Oct 2016-17 with more than 18 percent share in India's global import of the same.
- ❖ Czech Republic retained the second place with 9 percent share registering positive cumulative growth. France and UAE ranked third and fourth with more than 8 percent share for both during Apr-Oct 2016-17.  
UK recorded significant increase in imports both in monthly and cumulative basis.

**Table 15: Export of Ships, Boats and Floating Structures and parts**

US\$ Million

Export partners	Oct -15	Oct -16	Growth %	Apr - Oct 2015-16	Apr - Oct 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>210.56</b>	<b>4.71</b>	<b>-97.76</b>	<b>2146.05</b>	<b>2165.91</b>	<b>0.93</b>
<b>UAE</b>	18.50	0.03	-99.84	230.27	760.29	230.17
<b>MALAYSIA</b>	0.00	0.00		190.61	254.39	33.46
<b>INDONESIA</b>	0.00	0.00		0.00	233.32	
<b>SRI LANKA</b>	0.00	2.79		59.58	132.86	123.00
<b>NIGERIA</b>	0.00	0.00		0.00	4.04	
<b>MALDIVES</b>	0.00	0.00		0.37	2.60	601.52
<b>PAKISTAN</b>	0.01	0.00	-100.00	0.01	1.58	15590.00
<b>GABON</b>	0.00	0.00		0.00	1.10	
<b>HEAVY DECLINE COUNTRIES</b>						
<b>SINGAPORE</b>	114.58	1.60	-98.61	630.53	575.20	-8.77
<b>BAHARAIN</b>	30.52	0.00	-99.99	122.62	45.81	-62.64
<b>U S A</b>	0.00	0.03		0.32	0.12	-63.67
<b>NETHERLAND</b>	43.27	0.08	-99.81	43.27	0.10	-99.77

(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 April - October 2016-17. These three nations accounted for over 73 percent of India's total global export of the product during these seven months. However, Imports by Singapore dropped during the time period.

- ❖ Indonesia's import of India's 'Ships, Boats and Floating Structures and Parts' was nil during the first seven months of fiscal 2015-16 but during fiscal 2016-17, Indonesia's import of the same product accounted for USD233.32 million. The import was also nil during October 2016 but Indonesia still was the fourth largest importer of India's 'Ships, Boats and Floating Structures and Parts' during April - October 2016-17.

**Table 16: Export of Auto Components**

US\$ Million

Export partners	Oct -15	Oct -16	Growth %	Apr - Oct 2015-16	Apr - Oct 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	344.74	366.43	6.29	2428.83	2462.97	1.41
<b>NEPAL</b>	0.80	12.33	1448.00	56.41	128.93	128.54
<b>GERMANY</b>	15.98	16.41	2.64	108.44	112.65	3.88
<b>BANGLADESH</b>	9.94	16.76	68.63	71.78	102.09	42.23
<b>MEXICO</b>	11.60	13.01	12.15	99.16	99.77	0.62
<b>INDONESIA</b>	13.36	9.97	-25.39	70.29	76.82	9.30
<b>SRI LANKA</b>	6.79	7.21	6.19	38.82	45.38	16.88
<b>SOUTH AFRICA</b>	4.99	6.58	31.92	31.02	43.99	41.79
<b>BELGIUM</b>	5.23	6.36	21.54	36.69	40.19	9.54
<b>HEAVY DECLINE COUNTRIES</b>						
<b>USA</b>	73.31	69.07	-5.79	533.24	448.71	-15.85
<b>TURKEY</b>	36.07	36.90	2.29	218.92	216.95	-0.90
<b>THAILAND</b>	15.81	18.40	16.38	115.37	112.04	-2.88
<b>UK</b>	15.46	11.11	-28.13	113.59	88.98	-21.67
<b>BRAZIL</b>	12.67	12.71	0.26	104.61	82.39	-21.24
<b>ITALY</b>	10.72	10.14	-5.41	78.59	71.01	-9.64
<b>JAPAN</b>	12.71	11.09	-12.75	69.39	69.15	-0.35
<b>UAE</b>	12.80	12.87	0.58	76.03	65.70	-13.59

*(Source: Department of Commerce and CSO)*

- ❖ USA remained the top export destination for India's 'Auto Components/Parts' for the first seven months of 2016-17 with 18.2 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 third largest overall and the largest importer to witness growth in year-on-year import of India's 'Auto Components/Parts' during April - October 2016-17 followed by Germany and Bangladesh.

## Conclusion



The engineering exports scaled up sharply for the third consecutive month by 14.1 percent from US\$ 4.5 billion in October 2015 to US\$ 5.0 billion in October 2016. Exports of Iron and Steel, Aircraft and Spacecraft and Railway Instruments scaled high and heavy demand for those products was observed across the globe during October 2016. Region wise analysis of engineering exports revealed that the 14.1 percent growth in October 2016 was attributed to substantially higher shipments to North America, European Union and MEWA region that accounted for around 50 percent of Indian engineering exports during the month. South Asia also saw significantly higher imports of Indian engineering products in October 2016 over the year ago period while exports to ASEAN+2 registered a decent growth.

Despite a sporadic trend during the ongoing fiscal, Indian engineering exports registered year-on-year growth in the last three months to October 2016. This upbeat export trend seen in the last three months is expected to continue going forward as commodity prices, especially the price of crude oil has been on the rise in the international market. Apprehension of a weakening rupee may be another reason to cheer for the domestic exporters.

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