

# ENGINEERING EXPORT MONITOR

## November 2016



## **Analysis of Indian engineering exports during November 2016: December, 2016**

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### **Trend in overall trade**

India's merchandise exports grew for the third straight month in November at a much slower pace of 2.3% compared to the mammoth rise of 9.46% in the previous month. The exports touched US\$ 20 billion in November 2016 as compared to US\$ 19.56 billion in November 2015. The cumulative value of exports for the period April-November 2016-17 was US\$ 174.92 billion as against US\$ 174.74 billion registering a positive growth of 0.10 per cent in Dollar terms over the same period last year.

Merchandise imports rose by 10.4% to US\$ 33.02 billion during November 2016 compared to the level of imports valued at US\$ 29.9 billion in November 2015. Imports posted a rise for the second consecutive month, after declining continuously since December 2014. Cumulative value of imports for the period April-November 2016-17 was US\$ 241.10 billion as against US\$ 263.31 billion registering a negative growth of 8.44 per cent in Dollar terms over the same period last year.

The rise in exports for third straight month and rise in imports for second successive month largely refuted the assumption that demonetization could have reversed a nascent trade recovery.

Consequently, trade deficit widened to USD 13 billion in November 2016 from USD 10.3 billion in the year-ago month. Trade deficit rose for the second time in 11 months. The trade deficit for April-November, 2016-17 was estimated at US\$ 66.18 billion which was 25.28% lower than the deficit of US\$ 88.57 billion during April-November, 2015-16.

### **Engineering exports**

Engineering exports from India retained its growth momentum for the fourth consecutive straight month in November 2016 post negative growth observed in July 2016. The engineering exports rose slightly at a slower pace by 11.44% compared to the 12.31% rise in the previous month. Exports grew to the level of US\$ 4.81 billion in November 2016 compared to US\$ 4.32 billion level of engineering exports in November 2015. The share of engineering exports with respect to total merchandise exports was roughly 24.1 percent in November 2016 as against 21.7 percent during October 2016. Cumulative engineering exports increased barely by 0.58 percent for the first eight months of the current fiscal to USD 39.91 billion in Apr-Nov 2016-17 from USD 39.68

billion during Apr - Nov 2015-16. The monthly engineering figures for the first eight months of 2016-2017 vis-à-vis 2015-2016 are depicted below:

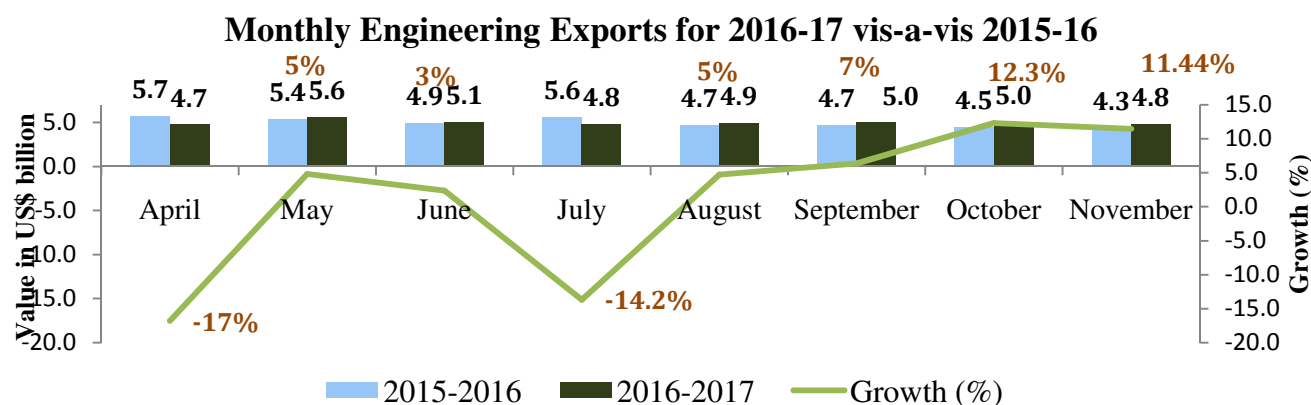
**Table1: Engineering Exports**  
(US\$ Million)

Months	2015-16	2016-17	Growth (%)
April	5676.59	4723.74	-16.78
May	5354.43	5613.84	4.84
June	4936.26	5053.84	2.38
<b>Quarter 1</b>	<b>15967.3</b>	<b>15391.4</b>	<b>-3.61</b>
July	5559.65	4769.15	-14.24
August	4653.93	4878.57	4.83
September	4699.73	5019.81	6.99
<b>Quarter 2</b>	<b>14913.31</b>	<b>14667.53</b>	<b>-1.60</b>
<b>October</b>	4475.58	5106.54	12.31
<b>November</b>	4321.78	4815.98	11.44
<b>April-November</b>	<b>39677.95</b>	<b>39908.69</b>	<b>0.58</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. In October, engineering exports recorded a sudden jump in growth but manufacturing just saw the reverse, a decline in production from feeble growth in September 2016. Overall IIP Index, the standard measure for industrial output, stood at 178.0 in October 2016 as against 179.4 in September and 175.4 in August 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>	-16.78	-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>	-14.24	-3.5
<b>August 2016</b>	4.83	-0.2
<b>September 2016</b>	6.99	0.9
<b>July - September 2016</b>	<b>-1.60</b>	<b>-0.9</b>
<b>October 2016</b>	12.31	-2.4
<b>November 2016</b>	11.44	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	4321.78*	-32.51*
	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>58720.16*</b>	<b>-17.03*</b>

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

## Impact of Exchange Rate

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

**Table 4: Average Exchange Rate**

November	Average Exchange Rate 1 USD to INR
2015	66.12
2016	67.63

*(Source: Calculated from RBI archive)*

**The official exchange rate of rupee vis-à-vis the US Dollar during November 2016 has depreciated by a sizeable 2.3 percent to that of the same month last year.**

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

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

Sl no.	Panel	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr-Nov 2016-17	Growth %
<b>1. Iron and Steel and Products made of Iron and Steel</b>							
A	Iron and Steel	380.97	637.06	67.2	3923.56	4517.78	15.1
B	Products of Iron and Steel	391.51	421.46	7.6	4098.38	3724.67	-9.1
<b>Sub Total</b>		<b>772.5</b>	<b>1058.5</b>	<b>37.0</b>	<b>8021.9</b>	<b>8242.5</b>	<b>2.7</b>
<b>2. Non-Ferrous Metals and Products made of Non-Ferrous Metals</b>							
A	Copper and products	167.6	217.45	29.7	1772.8	1511.1	-14.8
B	Aluminium and products	208.89	274.65	31.5	1713.7	1961.4	14.5
C	Zinc and products	49.07	69.64	41.9	403.8	257.4	-36.2
D	Nickel and products	58.97	12.16	-79.4	405.4	77.7	-80.8
E	Lead and products	11.75	21.67	84.4	127.1	101.6	-20.1
F	Tin and products	0.67	0.33	-50.7	40.6	3.7	-91.0
G	Other Non Ferrous Metals	29.2	29.21	0.0	282.3	286.2	1.4
<b>Sub Total</b>		<b>526.2</b>	<b>625.1</b>	<b>18.8</b>	<b>4745.7</b>	<b>4199.0</b>	<b>-11.5</b>
<b>3. Industrial Machinery</b>							
A	Industrial Machinery like Boilers, parts, etc	69.7	39.57	-43.2	427.72	451.23	5.5
B	IC Engines and Parts	178.69	126.88	-29.0	1406.53	1429.41	1.6
C	Pumps of all types	49.83	63.23	26.9	471.17	478.89	1.6

Sl no.	Panel	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr-Nov 2016-17	Growth %
D	Air condition and Refrigerators	63.59	61.78	-2.8	693.43	631.84	-8.9
E	Industrial Machinery for dairy, food processing, textiles etc	339.33	325.76	-4.0	3006.83	2941.1	-2.2
F	Machine Tools	43.78	31.97	-27.0	263.36	301.7	14.6
G	Machinery for Injecting moulding, valves and ATMs	86.13	93.81	8.9	825.32	808.6	-2.0
<b>Sub Total</b>		<b>831.1</b>	<b>743.0</b>	<b>-10.6</b>	<b>7094.4</b>	<b>7042.8</b>	<b>-0.7</b>
4	<b>Electrical Machinery</b>	<b>296.35</b>	<b>378.07</b>	<b>27.6</b>	<b>2442.14</b>	<b>2986.41</b>	<b>22.3</b>
<b>5. Auto and Auto Components</b>							
A	Motor Vehicle/cars	482.95	597.56	23.7	4411	4915.26	11.4
B	Two and Three Wheelers	129.31	123.49	-4.5	1206.16	1070.24	-11.3
C	Auto Components/Part	299.87	298.05	-0.6	2728.69	2760.82	1.2
<b>Sub Total</b>		<b>912.1</b>	<b>1019.1</b>	<b>11.7</b>	<b>8345.9</b>	<b>8746.3</b>	<b>4.8</b>
6	Aircrafts and Spacecraft parts and products	361.97	251.13	-30.6	2752.25	2060.89	-25.1
7	Ships Boats and Floating products and parts	152.66	281.21	84.2	2298.7	2446.4	6.4
<b>8. Miscellaneous Items</b>							
A	Medical and Scientific instruments	81.78	110.6	35.2	767.52	890.87	16.1
B	Railway Transport	5.37	5.39	0.4	52.2	106.11	103.3
C	Hand Tools & Cutting Tools	51.57	42.82	-17.0	432.31	426.5	-1.3
D	Electrodes Accumulators	2.81	3.24	15.3	28.52	27.47	-3.7
E	Accumulator and Batteries	14.28	15.32	7.3	127.67	145.59	14.0
F	Bicycle & Parts	23.28	19.4	-16.7	191.18	188.76	-1.3
G	Cranes Lifts & Winches	34.64	22.3	-35.6	253.74	270.53	6.6
H	Office Equipments	7.98	13.66	71.2	60.64	77.35	27.6
I	Other Construction Machinery	64.92	76.09	17.2	718.98	648.19	-9.8
J	Prime Mica & Mica Products	1.4	1.55	10.7	11.82	11.62	-1.7
K	OTHER MISC. ITEMS	180.96	149.47	-17.4	1332.45	1391.46	4.4
<b>Sub Total</b>		<b>469.0</b>	<b>459.8</b>	<b>-2.0</b>	<b>3977.0</b>	<b>4184.5</b>	<b>5.2</b>
<b>Grand Total</b>		<b>4321.78</b>	<b>4815.98</b>	<b>11.44</b>	<b>39677.95</b>	<b>39908.69</b>	<b>0.58</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 November 2016.
- ❖ Iron and steel exports fared positive growth by more than 67 percent in November 2016 vis-à-vis November 2015. Products of Iron and Steel exports have increased by 7.6 percent from USD 391.51 million in November 2015 to USD 421.46 million in November 2016. On the other hand the cumulative exports of Iron and Steel fared 15.1% growth during April- Nov 2016-17 vis-à-vis April-Nov 2015-16. Similarly the Cumulative exports of Products of Iron and Steel dropped by 9.1% in April–Nov 2016-17 vis-à-vis April–Nov2015-16.
- ❖ Among the 7 non-ferrous metals and products made of non-ferrous metals, 2 registered negative growth in November 2016. There has been a drastic fall in the exports of Nickel and Products falling by 79% and Tin and Products falling by 51% during November 2016 over November 2015. Most promisingly Lead and Products registered heavy rise in exports by 84% followed by Zinc and Products that witnessed massive growth in exports to the extent of 42%, even Aluminium and products witnessed growth in exports by 31.5% in November 2016 over November 2015.
- ❖ Electrical Machinery and equipments panel generated positive growth both monthly in November2016 by28% as well as cumulatively during April-Nov 2016-17 by 22.3% compared to the same period last fiscal.
- ❖ The exports scenarios of Aircrafts and Spacecraft have been very much volatile in the first eight months of the current fiscal 2016-17. The exports fell by 31% in November 2016 compared to the same period last fiscal. On the contrary, Ship, boats and floating bodies faced massive growth by 84 percent from US\$ 152.66 million in November 2015 to US\$ 281.21 million in November 2016.
- ❖ In the Industrial Machinery panel, Pumps and Valvesand Machinery for ATMs registered highest export growth of 27% and 9% respectively during November 2016 against November2015. Other sectors that witnessed negative growth include IC Engines falling by 29%, Machine Tools falling by 27%, Air condition and repair machinery falling by 3% and Nuclear Reactors falling by 43.2%, in the month of November 2016 compared to the same period last fiscal.
- ❖ Other panels like Motor vehicles/cars ,Medical & scientific equipments, Railway and Transport equipments, Office Equipments, Accumulator and Batteries registered positive growth among the panels in November 2016 vis-à-vis November 2015.



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

We now look at the export scenario of top 25 nations that have highest demand for Indian engineering products during November 2016 over November 2015 in Absolute Value, even though the growth rate in November is negative. Country wise cumulative figures for April-November 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	November, 2015	November, 2016	Growth (%)	Apr,2015 - Nov,2016	Apr,2016 - Nov,2017	Growth (%)
<b>U S A</b>	<b>505.8</b>	<b>496.3</b>	<b>-1.9</b>	<b>4636.1</b>	<b>4314.7</b>	<b>-6.9</b>
<b>UAE</b>	<b>202.5</b>	<b>169.5</b>	<b>-16.3</b>	<b>2779.3</b>	<b>2645.2</b>	<b>-4.8</b>
U K	160.6	167.1	4.1	1496.5	1610.4	7.6
MEXICO	130.0	179.8	38.3	1109.5	1591.8	43.5
MALAYSIA	120.2	423.5	252.2	1041.5	1524.9	46.4
<b>SINGAPORE</b>	<b>155.1</b>	<b>130.0</b>	<b>-16.2</b>	<b>1477.0</b>	<b>1411.9</b>	<b>-4.4</b>
NEPAL	43.2	148.1	242.7	838.3	1396.7	66.6
GERMANY	131.9	156.1	18.4	1350.7	1391.1	3.0
BANGLADESH	138.6	173.7	25.3	946.2	1237.3	30.8
ITALY	103.8	162.3	56.4	970.2	1170.2	20.6
TURKEY	97.6	126.2	29.2	835.4	1084.4	29.8
CHINA	191.0	257.1	34.6	1419.9	972.3	-31.5
<b>SRI LANKA</b>	<b>350.7</b>	<b>87.9</b>	<b>-74.9</b>	<b>1955.2</b>	<b>952.4</b>	<b>-51.3</b>
FRANCE	79.9	110.8	38.6	700.0	905.8	29.4
INDONESIA	73.8	94.3	27.7	531.6	875.9	64.8
<b>KOREA RP</b>	<b>101.0</b>	<b>91.9</b>	<b>-9.0</b>	<b>834.9</b>	<b>842.2</b>	<b>0.9</b>
SAUDI ARAB	95.8	99.1	3.4	861.5	786.2	-8.7
BELGIUM	43.0	86.4	100.8	463.9	664.6	43.3
SOUTH AFRICA	73.8	85.2	15.5	960.0	664.1	-30.8
SPAIN	44.9	84.5	88.4	465.0	599.7	29.0
<b>NETHERLAND</b>	<b>70.0</b>	<b>58.4</b>	<b>-16.4</b>	<b>627.8</b>	<b>573.7</b>	<b>-8.6</b>
THAILAND	54.0	68.6	27.0	556.0	555.9	0.0
VIETNAM	56.7	84.9	49.6	429.7	512.7	19.3
JAPAN	50.5	80.1	58.5	796.6	512.0	-35.7

<b>KUWAIT</b>	<b>25.4</b>	<b>62.6</b>	<b>146.4</b>	<b>173.7</b>	<b>434.7</b>	<b>150.2</b>
<b>Total of top 25</b>	<b>3100.0</b>	<b>3684.4</b>	<b>18.8</b>	<b>28256.7</b>	<b>29230.5</b>	<b>3.4</b>
<b>Share of top 25</b>	<b>71.7</b>	<b>76.5</b>		<b>71.2</b>	<b>73.2</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 November 2016, 19 out of the top 25 countries recorded year-on-year growth in engineering imports from India while the rest 6 conceded decline over the same month last year.
- ❖ Although USA ranked to be the top exporting destination for India's engineering products in November 2016, it registered negative growth both monthly and cumulatively Apr-Nov 2016-17 over the same period last fiscal.
- ❖ Like the previous month all European nations falling under the top 25 engineering export destinations like UK, Germany, Italy, Belgium, France and Spain, recorded positive growth during Apr-Nov 2016-17 over Apr-Oct 2015-16 as well as in November 2016 over November 2015. Only Netherlands recorded negative growth in both cases. Belgium topped the list registering highest growth both in November 2016 over November 2015 and also during Apr-Nov 2016-17.
- ❖ Among the ASEAN countries Malaysia recorded the highest growth in engineering imports from India in November 2016. While Indonesia recorded the highest growth cumulatively during Apr-Nov 2016-17.
- ❖ Out of 224 exports destinations of Indian engineering goods, top 25 nations accounted for 73.2 percent of India's total engineering exports during Apr-Nov 2016-17.
- ❖ Overall, India's engineering exports to its top 25 destinations registered a rise in growth of 18.8 percent in November 2016 over November 2015 which is higher than the increase in growth on cumulative basis. The increase in exports to top 25 countries is higher (18.8 percent) than the rise in total engineering exports (11.4 percent) during November 2016 over November 2015.

## **Regional Distribution of Engineering Exports**

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

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

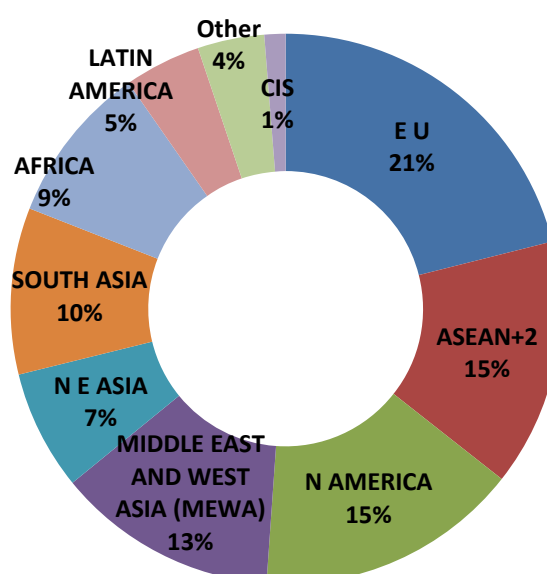
Region	November, 2015	November, 2016	Growth (%)	Apr,2015 - Nov,2016	Apr,2016 - Nov,2017	Growth (%)
E U	741.0	965.7	30.3	7275.5	8406.9	15.6
N AMERICA	668.2	702.9	5.2	6052.5	6177.9	2.1
ASEAN+2	562.1	893.6	59.0	4889.9	5810.7	18.8
MIDDLE EAST AND WEST ASIA (MEWA)	468.2	505.4	8.0	5598.9	5186.5	-7.4
SOUTH ASIA	580.6	441.2	-24.0	4018.1	3903.6	-2.8
AFRICA	447.0	407.6	-8.8	4581.6	3749.0	-18.2
N E ASIA	392.8	492.5	25.4	3502.9	2815.9	-19.6
LATIN AMERICA	214.8	196.3	-8.6	1930.8	1794.1	-7.1
Other	205.2	157.4	-28.3	1469.9	1572.2	6.3
CIS	41.8	53.2	27.2	357.8	491.9	37.5
<b>Total</b>	<b>4321.8</b>	<b>4805.8</b>	<b>11.2</b>	<b>39677.9</b>	<b>39898.4</b>	<b>0.6</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 \$ 162.6 million worth of engineering goods from India during Apr-Nov 2016-17 which has been grouped under Other category of regions.

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



(Source: EEPC India analysis)

- ❖ EU ranks as the region with highest shipment of engineering products from India during November 2016 with a share of more than 20% in total engineering exports.
- ❖ South Asia recedes its growth significantly registering a negative growth of 24 percent during November2016 over November2015.
- ❖ ASEAN+2 ranks second and recorded the highest growth of 59 percent during the November2016 over November2015.
- ❖ Exports to North America ranked third with a growth of more than 5 percent during November2016 over November2015.
- ❖ The negative cumulative growth is observed in case of North East Asia, Africa, MEWA and Latin America during Apr-Nov 2016-17 over the previous fiscal.

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

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

Export partners	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr-Nov 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>381.0</b>	<b>637.1</b>	<b>67.2</b>	<b>3923.6</b>	<b>4517.8</b>	<b>15.1</b>
<b>NEPAL</b>	10.1	38.9	285.5	313.2	362.1	15.6
<b>BELGIUM</b>	16.8	52.4	211.3	174.7	360.9	106.6
<b>ITALY</b>	24.2	59.6	145.9	258.0	344.3	33.5
<b>UAE</b>	18.4	26.3	42.4	226.5	267.5	18.1
<b>BANGLADESH</b>	17.3	32.1	85.9	141.1	264.0	87.0
<b>KOREA RP</b>	14.0	23.5	67.7	163.8	198.3	21.0
<b>SPAIN</b>	5.9	31.1	429.5	80.8	181.1	124.2
<b>CHINA</b>	22.0	40.9	85.9	102.3	146.4	43.1
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	70.6	18.6	-73.6	312.1	179.5	-42.5
<b>THAILAND</b>	5.1	9.9	94.4	91.6	89.8	-2.0
<b>JAPAN</b>	8.7	16.8	92.9	97.6	89.1	-8.7

Export partners	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr-Nov 2016-17	Growth %
<b>NETHERLAND</b>	6.6	10.4	57.3	105.3	77.3	-26.6
<b>IRAN</b>	6.9	20.7	201.0	276.7	67.6	-75.6
<b>GERMANY</b>	4.6	6.2	34.2	74.2	58.2	-21.5
<b>POLAND</b>	4.0	4.5	12.9	56.6	43.0	-24.1
<b>SAUDI ARAB</b>	3.2	7.3	126.3	50.7	38.5	-24.1

(Source: Department of Commerce, Government of India)

- ❖ Nepal once again tops the list as importer of India's Iron and Steel during April-November 2016-2017 importing 8.01 percent share followed by Belgium and Italy importing 7.9 percent and 7.6 percent respectively during Apr-Nov 2016-17.
- ❖ USA once again recorded a fall in growth by 42.5 percent year-on-year during the first eight months of the current fiscal.

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

US\$ Million

Export partners	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>391.51</b>	<b>421.46</b>	<b>7.65</b>	<b>4098.35</b>	<b>3724.63</b>	<b>-9.12</b>
<b>UAE</b>	29.5	29.7	0.45	331.8	350.4	5.60
<b>SAUDI ARAB</b>	15.6	29.8	91.12	183.9	225.1	22.40
<b>KUWAIT</b>	5.4	24.7	360.18	27.5	122.9	346.98
<b>ITALY</b>	9.2	11.2	21.38	102.3	114.1	11.49
<b>OMAN</b>	3.7	18.1	393.63	38.8	95.2	145.31
<b>FRANCE</b>	7.5	9.7	29.22	74.4	79.1	6.32
<b>BELGIUM</b>	5.1	5.8	12.70	54.8	61.8	12.66
<b>NEPAL</b>	3.1	4.2	36.40	29.0	56.0	93.54
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	84.0	87.7	4.40	847.6	742.4	-12.42
<b>GERMANY</b>	24.3	21.6	-10.90	241.4	227.2	-5.88
<b>U K</b>	18.0	16.3	-9.37	198.1	165.4	-16.51
<b>NETHERLAND</b>	12.8	12.2	-4.78	111.9	107.2	-4.22
<b>CANADA</b>	9.8	5.8	-41.28	96.4	80.9	-16.00
<b>SPAIN</b>	7.0	5.6	-20.75	70.3	53.8	-23.55

Export partners	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
AUSTRALIA	5.0	5.2	2.44	66.2	53.7	-18.96
SOUTH AFRICA	5.2	4.3	-18.47	45.9	42.5	-7.47

(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-Nov 2016-17 but conceded decline in imports by 12.4% over the same period last fiscal.
- ❖ UAE and Germany ranked second and third importing 9.4 percent and 6.1 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	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>831.0</b>	<b>743.0</b>	<b>-10.6</b>	<b>7094.4</b>	<b>7042.8</b>	<b>-0.7</b>
<b>TURKEY</b>	29.2	34.7	19.0	265.0	300.1	13.2
<b>BANGLADESH</b>	44.3	38.9	-12.0	239.7	284.7	18.8
<b>NEPAL</b>	8.8	22.1	152.3	116.4	194.7	67.2
<b>ITALY</b>	16.8	16.5	-1.3	169.0	179.4	6.2
<b>KUWAIT</b>	3.5	23.2	565.9	31.2	174.5	459.2
<b>MALAYSIA</b>	18.5	22.6	22.0	105.9	170.3	60.8
<b>INDONESIA</b>	17.3	20.5	18.2	133.9	150.2	12.1
<b>RUSSIA</b>	12.8	5.3	-58.3	60.8	146.5	141.2
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>U S A</b>	110.3	95.6	-13.4	1145.5	960.2	-16.2
<b>GERMANY</b>	33.1	28.2	-14.7	341.7	313.0	-8.4
<b>UAE</b>	33.5	33.0	-1.5	324.4	291.3	-10.2
<b>U K</b>	56.8	28.2	-50.4	348.6	258.1	-26.0
<b>CHINA</b>	21.6	28.7	32.8	235.6	229.1	-2.8
<b>SAUDI ARAB</b>	26.2	20.6	-21.2	240.3	154.2	-35.8
<b>NIGERIA</b>	16.4	8.8	-46.3	145.6	101.6	-30.2
<b>KENYA</b>	9.0	10.7	19.4	109.6	98.7	-10.0

(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-Nov2016-17.
- ❖ Germany and Turkey holds the second and third position respectively importing 4.4 percent and 4.3 percent respectively of India's total exports for Industrial Machinery during -Apr-Nov2016-17.

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

Export partners	Nov_15	Nov_16	Growth %	Apr-Nov 2015- 16	Apr-Nov 2016- 17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>612.25</b>	<b>721.05</b>	<b>17.77</b>	<b>5617.17</b>	<b>5985.48</b>	<b>6.56</b>
<b>MEXICO</b>	75.80	121.41	60.17	595.06	1032.42	73.50
<b>NEPAL</b>	8.72	34.65	297.33	125.43	332.19	164.85
<b>U K</b>	14.55	34.15	134.65	218.63	298.27	36.43
<b>BANGLADESH</b>	21.81	44.27	102.97	226.83	253.89	11.93
<b>ITALY</b>	32.29	26.78	-17.07	201.81	226.55	12.26
<b>SAUDI ARAB</b>	19.49	18.56	-4.81	108.41	146.44	35.09
<b>CHILE</b>	11.72	19.21	63.83	97.76	139.67	42.88
<b>PERU</b>	12.94	14.84	14.65	97.85	136.53	39.53
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>SOUTH AFRICA</b>	41.03	56.57	37.88	466.40	359.08	-23.01
<b>SRI LANKA</b>	46.03	39.21	-14.81	563.29	348.20	-38.18
<b>COLOMBIA</b>	21.86	18.54	-15.20	213.09	136.35	-36.01
<b>PHILIPPINES</b>	19.00	12.94	-31.88	137.42	126.02	-8.29
<b>VIETNAM</b>	29.65	32.12	8.35	133.18	125.16	-6.03
<b>NIGERIA</b>	31.88	13.40	-57.95	266.87	109.74	-58.88
<b>EGYPT</b>	14.41	8.40	-41.72	131.87	95.48	-27.59
<b>ALGERIA</b>	0.00	11.59		112.96	80.50	-28.74

(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 17.2 percent of India's total exports of Automobiles during Apr-Nov 2016-17.
- ❖ South Africa and Sri Lanka holds the 2<sup>nd</sup> and 3<sup>rd</sup> position respectively importing 6 percent and 5.8percent of India's total exports of Automobiles during the same period.

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

Export partners	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr- Nov 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>U S A</b>	35.79	58.62	63.79	379.58	387.21	2.01
<b>TAIWAN</b>	17.81	21.92	23.10	162.19	182.35	12.43
<b>SAUDI ARAB</b>	7.20	12.33	71.16	91.37	110.95	21.43
<b>ITALY</b>	1.94	25.50	1211.48	24.39	92.03	277.28
<b>INDONESIA</b>	2.48	20.11	709.42	67.07	80.01	19.29
<b>BANGLADESH</b>	6.63	15.24	129.81	44.34	76.84	73.30
<b>TURKEY</b>	8.93	2.99	-66.45	53.18	71.01	33.53
<b>GERMANY</b>	5.86	6.11	4.21	62.94	65.90	4.70
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>MALAYSIA</b>	82.49	90.81	10.09	552.71	518.32	-6.22
<b>KOREA RP</b>	68.74	41.93	-39.01	501.74	465.91	-7.14
<b>CHINA</b>	101.28	147.59	45.72	828.99	330.42	-60.14
<b>UAE</b>	23.55	25.75	9.33	323.60	308.54	-4.65
<b>SINGAPORE</b>	30.31	18.13	-40.18	318.39	263.31	-17.30
<b>MEXICO</b>	12.49	7.55	-39.54	133.77	132.47	-0.97
<b>U K</b>	11.00	10.12	-8.02	110.74	108.37	-2.14
<b>NEPAL</b>	3.77	8.47	124.54	76.76	63.99	-16.64

- ❖ Malaysia is the topmost importer for Non ferrous metals importing more than 12 percent of India's total export of Non Ferrous Metals during Apr-Nov2016-17.
- ❖ South Korea, USA and China ranks as the next three top importers of Non-ferrous metals importing 11.1 percent, 9.2 percent and 7.9 percent respectively during Apr-Nov2016-17 vis-a-vis Apr-Nov2015-16.



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

Export partners	Nov_15	Nov_16	Growth %	Apr-Nov 2015-16	Apr-Nov 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>296.35</b>	<b>378.07</b>	<b>27.58</b>	<b>2442.14</b>	<b>2986.40</b>	<b>22.29</b>
<b>U S A</b>	38.18	58.71	53.75	349.54	467.59	33.77
<b>U K</b>	11.43	17.78	55.55	144.84	208.64	44.05
<b>GERMANY</b>	16.08	27.51	71.07	158.25	177.42	12.11
<b>UAE</b>	14.12	11.87	-15.93	121.32	153.05	26.15
<b>TURKEY</b>	4.42	23.20	425.55	42.41	123.84	192.03
<b>JAPAN</b>	5.12	29.35	472.88	38.50	87.08	126.20
<b>BANGLADESH</b>	13.14	6.79	-48.30	69.60	81.45	17.04
<b>CHINA</b>	23.88	6.77	-71.65	69.45	75.50	8.71
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>FRANCE</b>	13.63	20.05	47.06	122.70	112.25	-8.52
<b>ITALY</b>	4.29	4.92	14.82	47.13	44.80	-4.93
<b>VIETNAM</b>	2.51	4.46	77.64	45.33	42.68	-5.86
<b>SAUDI ARAB</b>	11.10	3.25	-70.73	65.11	34.14	-47.56
<b>INDONESIA</b>	4.81	6.12	27.22	40.69	33.66	-17.29
<b>OMAN</b>	4.70	2.14	-54.55	36.89	30.75	-16.64
<b>NIGERIA</b>	3.51	3.45	-1.74	49.23	30.69	-37.65
<b>KENYA</b>	4.70	3.53	-24.88	43.76	28.62	-34.59

*(Source: Department of Commerce and CSO)*

- ❖ USA is the largest importer of Electrical Machinery and Equipments from India during Apr-Nov2016-17 importing 15.7 percent from India's global export of the product group.
- ❖ UK, Germany and UAE retained their respective positions importing 7percent, 5.9 percent and 5.1 percent respectively during Apr-Nov2016-17 vis-a-vis Apr-Nov2015-16.

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

Export partners	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
<b>SUBSTANTIAL CUMULATIVE GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>361.97</b>	<b>251.13</b>	<b>-30.62</b>	<b>2752.25</b>	<b>2060.89</b>	<b>-25.12</b>
<b>U S A</b>	30.53	44.95	47.22	323.48	376.57	16.41
<b>FRANCE</b>	10.62	40.04	276.98	74.81	190.21	154.28
<b>SINGAPORE</b>	3.09	46.35	1399.32	38.60	171.73	344.87
<b>CZECH REPUBLIC</b>	0.04	0.03	-29.19	152.44	171.18	12.29
<b>U K</b>	9.91	14.29	44.18	104.64	145.19	38.75
<b>SWITZERLAND</b>	2.35	1.42	-39.73	13.45	109.63	714.94
<b>TURKEY</b>	3.32	0.84	-74.58	8.71	99.79	1046.14
<b>BULGARIA</b>	0.00	0.00	-100.00	0.00	93.70	2408605.80
<b>HEAVY CUMULATIVE DECLINE COUNTRIES</b>						
<b>UAE</b>	0.36	1.43	298.40	722.00	150.00	-79.22
<b>GERMANY</b>	6.70	12.99	93.87	106.49	86.52	-18.75
<b>SRI LANKA</b>	267.43	0.13	-99.95	972.07	78.22	-91.95
<b>PHILIPPINES</b>	0.46	0.51	10.88	4.08	4.04	-0.90
<b>UKRAINE</b>	0.61	0.85	40.27	6.40	2.47	-61.47
<b>IRELAND</b>	0.00	0.06	4219.74	35.03	0.90	-97.42
<b>SEYCHELLES</b>	0.62	0.00	-100.00	0.74	0.62	-16.44
<b>NEPAL</b>	0.00	0.00	-75.88	0.38	0.35	-6.97

*(Source: Department of Commerce and CSO)*

- ❖ Exports of India's 'Aircraft &Spacecrafts' to USA grew in November2016 over November2015 and USA remained the largest importer of India's 'Aircraft &Spacecrafts' during Apr-Nov2016-17 with more than 18 percent share in India's global import of the same.
- ❖ France occupied the second place with 9.3 percent share registering positive cumulative growth. Singapore and Czech Republic ranked third and fourth with more than 8 percent share for both during Apr-Nov2016-17.

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

US\$ Million

Export partners	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>152.66</b>	<b>281.21</b>	<b>84.21</b>	<b>2298.71</b>	<b>2446.41</b>	<b>6.43</b>
<b>MALAYSIA</b>	0.00	247.66	13585781.13	190.61	502.05	163.38
<b>INDONESIA</b>	1.14	0.01	-99.50	1.14	233.32	20399.40
<b>SRI LANKA</b>	0.02	1.15	6237.05	59.60	134.00	124.85
<b>MALDIVES</b>	0.31	0.00	-100.00	0.68	2.59	280.09
<b>PAKISTAN</b>	1.44	0.00	-100.00	1.45	1.58	8.89
<b>DENMARK</b>	0.00	0.00		0.02	0.02	39.97
<b>MAURITIUS</b>	0.00	0.00		0.02	0.02	6.91
<b>NEPAL</b>	0.00	0.00		0.01	0.01	34.72
<b>HEAVY DECLINE COUNTRIES</b>						
<b>SINGAPORE</b>	32.41	30.85	-4.80	662.94	605.93	-8.60
<b>BAHARAIN</b>	0.00	0.00		122.62	45.81	-62.64
<b>U S A</b>	0.00	0.06	1162.45	0.32	0.15	-53.94
<b>PHILIPPINES</b>	0.00	0.01		0.02	0.02	-11.19
<b>EGYPT</b>	0.00	0.01		1.00	0.01	-98.73
<b>NETHERLAND</b>	0.00	0.00		43.27	0.01	-99.97
<b>JAPAN</b>	0.00	0.01		338.21	0.01	-100.00
<b>KUWAIT</b>	0.00	0.00		0.04	0.00	-90.15

*(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 Apr-Nov2016-17. These three nations accounted for over 76 percent of India's total global export of the product during these eight months. However, like before 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 almost nil during November 2016 but Indonesia still was the fourth largest importer of India's 'Ships, Boats and Floating Structures and Parts' during Apr-Nov2016-17.

**Table 16: Export of Auto Components**

US\$ Million

Export partners	Nov_15	Nov_16	Growth %	Apr- Nov 2015-16	Apr- Nov 2016-17	Growth %
<b>SUBSTANTIAL GROWTH COUNTRIES</b>						
<b>Export to World</b>	<b>299.87</b>	<b>298.05</b>	<b>-0.61</b>	<b>2728.70</b>	<b>2760.83</b>	<b>1.18</b>
<b>NEPAL</b>	1.19	9.04	656.99	57.61	138.57	140.55
<b>GERMANY</b>	12.94	12.36	-4.47	121.38	124.87	2.88
<b>BANGLADESH</b>	13.94	18.33	31.47	85.72	120.42	40.49
<b>MEXICO</b>	11.46	11.96	4.39	110.62	111.73	1.01
<b>INDONESIA</b>	11.66	7.33	-37.09	81.95	84.16	2.70
<b>SRI LANKA</b>	5.35	6.37	18.94	44.17	51.77	17.19
<b>SOUTH AFRICA</b>	3.05	3.05	-0.18	34.08	47.02	37.99
<b>CHINA</b>	5.73	6.05	5.60	45.73	46.15	0.90
<b>HEAVY DECLINE COUNTRIES</b>						
<b>U S A</b>	60.05	56.58	-5.78	593.29	504.80	-14.91
<b>TURKEY</b>	31.37	31.46	0.30	250.29	248.41	-0.75
<b>THAILAND</b>	13.37	12.70	-4.99	128.74	124.81	-3.05
<b>U K</b>	12.07	10.22	-15.29	125.65	99.25	-21.01
<b>BRAZIL</b>	10.47	10.49	0.18	115.08	92.89	-19.28
<b>JAPAN</b>	10.35	8.70	-15.97	79.74	77.75	-2.50
<b>ITALY</b>	7.98	6.59	-17.46	86.58	77.41	-10.59
<b>UAE</b>	11.06	8.19	-25.95	87.09	73.91	-15.14

*(Source: Department of Commerce and CSO)*

- ❖ USA remained the top export destination for India's 'Auto Components/Parts' for the first eight months of 2016-17 with 18.3 percent share in India's global export of the product.
- ❖ Turkey retains to be 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.

## Conclusion

Indian engineering exports seems to have started the recovery process after remaining subdued for the last one and a half years or so. Overseas shipment of Indian engineering products witnessed year-on-year growth for the fourth consecutive month to November 2016. The double digit growth achieved in the last two months helped Indian engineering exports to grow even on a cumulative basis for the first seven months of the current fiscal. Substantial rise in the exports of metals like Iron & Steel, Copper, Aluminium and sizeable growth of Motor vehicles and Ship boats were attributed to the

growth of overall engineering exports during November 2016. Region-wise analysis showed that significant growth in exports to EU, ASEAN+2 and in the North East Asia aided the double-digit growth of engineering exports in the reporting month.

We expect the upsurge in Indian engineering exports is likely to continue in the rest of the fiscal year as hardening of crude oil prices in the international market is not expected to see any reversal of trend at least in the near term. Other commodity prices have also been rising. Moreover, developed regions have escaped economic slowdown and now are expected to see a weak but steady growth going forward that will increase the demand from overseas. Forecast of a weakening rupee on the back of interest rate tightening in the US may also encourage exports from India.

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