

Monthly Economic Analysis

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Macro Economic Developments

INDUSTRIAL GROWTH

Overall industrial growth crossed the 12% mark in July 2006. The IIP overall index achieved a growth of 12.4% in July 2006 as compared to a growth of 4.7% in the corresponding month of previous year. This sustained growth in the industry can largely be ascribed to the manufacturing sector, which posted a record growth of 13.3% in July 2006. The growth seen in the mining and electricity sectors also accelerated to 6.0% and 8.6% in the month of July this fiscal and this was a much improved performance over the negative growth of -1.9% and -0.9% recorded in the corresponding month of the previous fiscal.

In July 2006, as per the use-based classification of IIP, the basic goods sector clocked a strong YoY growth of 10.0% (3.4% YoY in July 2005). Capital goods and intermediate goods also grew by 15.4% (14.9%) and 7.9% (3.2%) respectively.

The same trend was seen during the April-July period of 2006-07. While basic goods and intermediate goods grew at a rate of 9.2% each, capital goods production grew by 19.9%. These figures are much higher when compared to the growth witnessed during April-July 2005-06 when the three sectors grew by 6.7%, 3.5% and 14.1% respectively.

Output of the consumer goods segment also shot up in July 2006 with the sector growing at a healthy 17.9% as against 4.5% growth seen in the corresponding month of previous year. Both the consumer durables and the consumer non-durables segments contributed equally to this growth with these two segments clocking a growth of 17.5% and 18.9% respectively. Nevertheless, growth in the consumer goods calculated for the period of April-July 2006-07 slightly slipped to 10.3% from 14.8% in same period of previous year due to a slowdown in the growth of consumer non-durables.

Out of the 17 items, 12 items have recorded a higher growth in July 2006 compared to the growth in the same month of 2005. The items that registered a higher growth in July 2006 vis-à-vis their growth in July 2005 included food products, wool, silk and manmade textiles, transport equipment, basic metals, textile products, non metallic minerals, machinery and equipments, basic chemicals, rubber, plastic and petroleum, paper products, metal products and wood products.

CORE INFRASTRUCTURE INDUSTRIES

Figures released by the Ministry of Commerce & Industry on the six core infrastructure industries for July 2006 suggest a healthy growth in the core sector industries. During the period of April – July 2006-07 the overall infrastructure industries grew at 7.0% against a 6.1% growth registered in the corresponding months of last year.

In July 2006, all the six-core infrastructure industries registered a strong growth. This is an indication of a pick up in demand for the infrastructure related products.

Cement, Petroleum refinery and power sectors posted a higher growth in July 2006 than what was seen in last year. These sectors grew at a rate of 13.3%, 12.6% and 8.6% respectively. Output of the other two segments namely crude petroleum and coal remained depressed during the last few months. However in July 2006, both these segments gathered steam and grew by 10.6% and 4.1% respectively.

TELECOMMUNICATIONS

The total number of telephones registered in the country has been going up at a fast clip. Infact by August 2006 the number of telephones registered, breaking all past records, touched 164 million. During the month of August 2006 the number of mobile phones registrations grew phenomenally by 5.90 million. However, we see a sharp drop in the subscription of landline phones to 40.8 million, a decline that resulted from TRAI's decision on the reclassification of WLL. Further, in the first five months of the current fiscal, the net addition to mobile and fixed line subscribers was 23.99 million, a figure much higher as compared to the additional 10.51 million users that were registered in the corresponding period of the last fiscal. The tele-density reached 14.80 in August 2006 as compared to 14.40 in July 2006.

AGRICULTURE AND MONSOON

The monsoon, which was below normal before the second week of June, has turned normal. This was due to the heavy rains witnessed in the months of August and September. Withdrawal of rainfall in the western region of the country has brought some relief to the crops.

The southwest monsoon data, for the period 1st June to 23rd August 2006, released in the last week of August reveals that actual rainfall received was slightly below the normal level. Data on distribution of rainfall shows that rainfall in the current year has been skewed and that by the third week of August 2006 while 24 subdivisions received normal rainfall the remaining 12 subdivisions received scanty / deficient rainfall.

Data available up to 21st August 2006-07 shows that this year there has been an increase in the area under cultivation by 10.42 lakh hectares compared to the area cultivated last year. In 2006-07, cultivated area expanded for rice by 16.1 lakh hectares maize, for maize by 4.2 lakh hectares, for cotton by 5.3 lakh hectares, for sugarcane by 1.6 lakh hectares, for soybean by 3.4 lakh hectares and for sunflower by 0.37 lakh hectares.

INFLATION TRENDS

Inflation has been contained below the 5.0% mark. The annual wholesale price index (WPI)-based inflation for the month of August 2007 was higher at 4.9% as against the rise of 3.1% seen in the previous year.

The increase in year-on-year inflation rate was mainly on account of higher prices of food articles, non-food articles and manufactured items.

On a disaggregated basis we witnessed the prices of food and non-food articles becoming dearer in July 2006 compared to the same month of last year.

The increase in the prices of food articles by 5.1% was on account of rise in the prices of pulses, condiments and spices. Among the non-food articles price of fibers was found to have risen significantly. The concern over the rising prices of vegetables was seen as waning with the price index for vegetables reversing its upward trend. Among the manufactured items, articles that were responsible for pushing up inflation included beverages and tobacco, textiles, wood and wood products, paper and paper products, rubber and plastic products, chemicals and non metallic mineral products.

MONETARY INDICATORS

Money supply as on 18th August 2006 continued to grow; M3 recorded the highest ever growth in the first five months of the current fiscal. In July it went up by 5.5% as against a 3% rise in the last year. Borrowings by both the government sector and the commercial sector spiked and these went up by 3.6% and 4.5% respectively. A phenomenal rise in the Foreign exchange assets was seen during the month of July 2006 with Foreign exchange assets going up by 12.7% as compared to a rise of 1.7% in the corresponding month of the previous year. Further, a rise in the non-monetary liabilities by 9.9 % against a 0.7% increase in the last year was also observed.

As on 25th August 2006, aggregate deposits went up by 6.0%, the highest ever rise in this fiscal. Mobilization of resources was observed with pick up in investments. Credit off take went up in the case of non-food credit. However, credit off take dipped sharply in the case of food credit during the month of July 2006.

STOCK MARKET TRENDS

The strong upward movement seen in the Sensex suggests a turnaround of investor sentiments with regard to the Indian stock market. The Sensex went up by 9.5 percentage points covering about 1700 points after the crash in May, with such a rise seen in the index after a 3-month hiatus. The S&P CNX Nifty too went up by 9.1 percentage points closing at 3435 points. FII's owed credit in pushing up the index, and it is hoped that the positive sentiment would be maintained in the coming trading sessions.

FISCAL TRENDS

The Gross tax collections are growing at a three-month average rate of 35%. In June 2006 total tax collected went up by 35% as against the tax collection rate in the corresponding month of previous year. The contribution of the taxes from the direct sources has been about 35% with the remaining routed from the indirect sources.

While collection from the income tax sources and customs increased at a higher rate than what was seen in the previous year, the rate of collection slowed in the case of corporation, excise and other taxes.

Revenue receipts stood at Rs 77336 crore, of which almost 82% was accounted for by tax revenue sources at Rs 63640 crore. Revenue expenditure stood at Rs 1,23,057 crore of which a major portion of almost 73 % was found captured by non-plan expenditure.

Revenue deficit has crossed 90% of the budget estimates and fiscal deficit has neared 60% of the estimated figure with both figures being much ahead of what was targeted.

FOREIGN TRADE

Sustained growth in merchandise trade was witnessed during the April-July period of 2006-07. Growth in Exports was maintained in the second consecutive month of the fiscal. Exports in July 2006 grew at 40% (in US Dollar terms) as against the rise of 26.8% in the last fiscal. Total imports also rose by 42% as compared to a growth of 33.2% in the same month of last fiscal.

Cumulatively, exports during April-July 2006-07 are estimated at \$37.7 billion, which is 34.0% higher than the level of US \$ 28.1 billion attained during the corresponding months of 2005. Performance improved on account of better export performance coming from gems and jewellery, chemicals and related products, engineering goods and textile products.

The Commerce Ministry hopes to accomplish export volume worth \$150 billion much before the target date of 2008-09 as spelt out in the new foreign trade policy.

Oil imports continued to increase faster for the third consecutive month of the current fiscal primarily on account of increase in crude oil prices. Oil imports grew by 32.8% this July 2006 as against a growth of 29.7% in the corresponding month of the previous year, while growth of non-oil imports lowered a bit to 20.4% compared to a growth of 31.8% seen in the last year.

Oil imports during April-July 2006-07 are valued at US \$18.5 billion, which is 43.23% higher than imports valued at US \$12.9 billion in the corresponding period

of last year. The spurt in import value owed more to the steep rise in the cost of imported crude oil.

Detailed numbers available for April 2006-07 show that exports growth of Agriculture and allied products at 15.7% in the 2005-06. In this category, the high valued items for exports that rose substantially were cotton that grew by 295.8 % and sugar and molasses by 1485% however, growth in exports of rice turned fell by 33.8%. Exports of ores and minerals went down by 1.8% against a 61% rise in the corresponding month of last year.

Manufactured products exports went up by 16.6% in April 2006-07 as compared to a 37.4% increase registered in last year. Under the manufactured category, only petroleum products grew faster at 32.6% and gems and jewelry at 16.4%, however, growth in engineering chemicals and textiles and chemicals slowed and leather and growth in handicrafts turned to a negative.

India's imports for April 2006 notched down in the first month . In April 2006-07 both the bulk and the non-bulk items slowed to 33.0% and 8.3% respectively. Total imports were at 18.3% in April 2006-07 against the growth of 56% in the corresponding month of last year. Import growth accelerated for a few commodities like petroleum products, sugar, pulses and coal during the month. Growth in Imports from all the major destinations have slowed compared to the growth in the last fiscal.

CAPITAL INFLOWS

In May 2006 total foreign investment fell with the total inflow touching a negative US \$ 2796 million against a positive US \$ 564 million seen in the corresponding month of last year. During the April-May period of 2006-07, however, we see total investment positioned better than what it was in the corresponding period of 2005-06 and this was largely on account of better inflows of portfolio investments in April 2006-07.

From April to May 2006-07, foreign direct investment was higher at \$1199 million compared to US \$ 922 million in the corresponding months of previous fiscal, and portfolio investments were stable at US \$377 million. Closer observation however reveals that there was a sharp and sudden fall in portfolio investments in the month of May 2006 as compared to strong portfolio inflows witnessed in April 2006. This fall could be ascribed to the pull out of the FIIs from the Indian stock market in the middle of May 2006. However, the inflows on account of ADRs/ GDRs continue to rise.

FOREIGN EXCHANGE RESERVES

The foreign exchange reserves rose to touch a record high of \$166.4 billion in July 2006-07 and reflect an accretion of US \$ 1.6 billion in a month's time. The increase in the foreign exchange reserves is attributed to the rise in Foreign Currency Assets to US\$ 159.1 billion, while Gold position stood at US \$ 6.5 billion and reserve position in the IMF stood at US \$ 767 million.

TRENDS IN EXCHANGE RATES

In August 2006 the Indian Rupee underwent minor fluctuations vis-à-vis USD and traded in a range of Rs 46.72/46.43. The monthly average in August 2006 shows weakness in the Indian Rupee vis-à-vis USD by just 0.1% as compared to the monthly average for July 2006. .

Volatility was more prominent in the case of Indian Rupee against the Euro in August 2006. During the month Indian Rupee traded at a high of Rs 59.9 and at a low of Rs 59.34 against the Euro. Monthly average calculated for the month of August shows Euro gaining ground against Indian Rupee by more than a percent, averaging at Rs 59.6 in August 2006 against Rs 59.0 in July 2006.

Lead Stories of the Month

High growth will be sustained

Following a 9.3% growth in the last quarter of 2005-06, the government expects high growth to be sustained this year with industry growing at 10.4 % in first quarter and inflation at less than 5% now.

According to the quarterly review of the economy tabled in Parliament, the fiscal deficit at Rs 777.40 billion up to June this year constituted 52.3 % of the budgeted fiscal deficit as compared to 36.1 % during the corresponding period of the previous year.

The growth in real GDP was estimated at 8.4 % in 2005-06. The overall industrial growth was 10.1% during April-June as compared to 10.4 % in the same period previous year.

Manufacturing registered double-digit growth of 11.2 % during the first three months of the current year. The point-to-point inflation, after peaking at 5.4 % on June 17, has come down to 4.8 % on August 5.

“The equity valuation as measured by Nifty and Sensex, is on a high. The economy performed satisfactorily in the first quarter of the current year,” the review noted.

Along with first quarterly report for 2006-07, the quarterly report of the last quarter 2005-06 tabled in Parliament puts the overall growth in January-March 6 at 9.3 % as compared to 8.6 % during the corresponding period in the previous year

Infrastructure growth shoots up

India's Infrastructure sector grew by a robust 9% in July this fiscal compared to 2.3% in the corresponding month of the previous year on account of strong performance in all six core industries.

The cumulative infrastructure output during April-July this fiscal increased to 7% as against 6.1% in the same period of 2005-06, mainly due to double-digit growth in petroleum refining and cement production.

According to official data, five of the six sectors - except steel - recorded improved performance during July this year compared to the year-ago period.

Crude oil output grew by 4.1% compared to a negative growth rate of 3.9% in the previous year, while refining throughput rose 12.6 % as against 3.6 % in July 2005.

In April-July 2006-07, crude oil production grew by 1.2% as against a decline of 1.6% in the same period last year. Refining throughput increased by a strong 12.1% compared to a negative growth of 2.8%.

Coal production increased 10.6% as against a negative 1.6 %, while electricity generation grew 8.6% from a negative 1.0% in July last year. Coal production grew by 8.3% during April-July 2006-07 compared to an increase of 5.3% during the same period of 2005-06.

Cement production rose by an impressive 13.3% compared to only 3.6%. Cement Production rose by 10.5% during April-July 2006-07 compared to an increase of 11.3% during the same period of the previous year.

Steel production has slowed down to 8.0% in July from 10.4 % a year ago. Finished Steel production grew by 7.1% during April-July 2006-07 compared to an increase of 12.7% during the same period of 2005-06.

Power generation registered an impressive growth of 8.6% in July 2006 as compared to a negative growth rate of 1% in the previous year. Power generation grew by 6.1% so far this fiscal as against 5.3 % last year.

India and Russia to augment economic relations

India and Russia are eying a trade target of \$10 billion between the two countries in the medium term. The trade target was discussed at the joint study group between India and Russia. The study group is to suggest ways of enhancing trade,

investment and economic co-operation between the two countries. Trade between Russia and India had been stagnant for sometime now and the effort is to increase these.

The first meeting of the JSG was held in Moscow in August and the Indian team was headed by the Indian commerce secretary, S.N. Menon, while the Russian delegation was led by Mikhail Dimitriyev, President of the Centre for Strategic Research of the Economic Development and Trade Ministry of the Russian Federation.

Bilateral trade between the two countries hovered around \$2 billion per annum. While there was close link between the erstwhile Soviet Union and India, these have weakened following 1991. While previously the trade was conducted mainly through government agencies, Russia's trade is now driven by private players.

Menon said if the hurdles are removed and new players step in, the bilateral trade could easily go up to \$20 billion mark.

According to Dmitriyev, the situation in Indo-Russian trade is similar to what it was in Sino-Russian trade five years back, when it was only \$5 billion. "Today our bilateral trade with China has crossed \$25-billion mark and is slated to reach \$30-billion. That is why we are now preparing a programme for India, similar to the one we had prepared for boosting trade with China," Dmitriyev said.

Agreeing with Menon, he said according to optimistic estimates the trade could grow to \$20 billion. The JSG, which has been sub-divided in three sectors— trade in goods and services, investment and economic co-operation over a wide field. The JSG would hold its next brainstorming session in India in October in order to complete its report by the January summit when President Vladimir Putin would be the chief guest at the Republic Day celebrations.

China keen to invest in India

China is keen to make investments in India, particularly in sectors like steel. Currently, China buys large volume of iron ore from India, apart from importing finished steel. This was stated by the Chinese Ambassador in India, Sun Yuxi. The Ambassador mentioned that China has large reserves of foreign exchange which could be utilized for such investments.

Some 2,000 Indian companies are currently operating in China, according to the Chinese Ambassador. On the other hand, over 50 Chinese companies have established their presence in India. More companies are showing interest in entering India.

Apart from investment, trade between the two countries has increased rapidly and was close to \$20 billion this year. The opening up of the Nathu La border post for trade has been a major confidence building measure between the two countries. While Indian exports are mainly commodities and ores, Chinese exports have mainly been manufactured items. Hence, there is an effort to diversify Indian exports to China and a number of measures are under consideration.

An area of great mutual interest is tourism. However, growth of tourism had been hampered by lack of direct flights between the two countries. Currently, Air India operates some flights via Hong Kong, while China Eastern Airlines offers flights between Delhi and Beijing. There are proposals for more flights between the two countries to ease shortage of airline seats. The visa regime between the countries is also being eased to allow greater flow of tourists.

China has also proposed to open a consulate office in Calcutta. India is also considering opening more consulate offices.

Boeing to invest \$118 mn in Nagpur

Boeing Company will invest \$118 million to set up a maintenance, repair and overhaul facility in Maharashtra as part of the US aerospace firm's India commitments, following the Rs 350 billion deal with Air India.

The venture, to be set up near Nagpur will serve as MRO facility to the Boeing family of airplanes for the entire South East Asia.

"The MRO will be set up in 25-50 acres of land belonging to the Airports Authority of India (AAI) will transfer the land to Maharashtra Airport development Authority, which is developing an international cargo hub in Nagpur," a top government official said. Boeing had received proposals from six Indian states including, West Bengal and Karnataka for the facility.

"Boeing requested their centre should be near the air strip in Nagpur. The MRO facility has been finalized by the industrial department of state government during Chief Minister Vilasrao Deshmukh's visit to Boeing Head Quarters in Chicago," the official said.

While announcing its largest ever deal for purchase of 68 aircraft with Air India, Boeing said it will set up the MRO facility in the country, besides offset deal worth Rs 85 billion, enabling the Indian firms to participate in aircraft development programme. Maharashtra Government has already cleared the international passenger and cargo hub project. Maharashtra Airport Development Corporation will hold 51 per cent stake in the venture while rest will be owned by AAI.

Indian IT majors outpacing global giants

IT giants like IBM, EDS, Accenture and Oracle are gearing up to take on the challenges posed by their Indian rivals.

A number of global research firms, including Goldman Sachs, Forrester, Gartner, AMR Research and Wachovia Securities have suggested in separate research reports that Indian IT majors are outpacing their rivals in the US as well as other low-cost countries like China.

While US tech services firms are likely to post an average operating profit growth of 7 per cent this year, the growth rate is pegged at 22 per cent for their Indian counterparts, Goldman Sachs said in a report.

The trend would continue through the next year as well with operating profit growth of US companies estimated a tad better at 9 per cent, as against the continued growth of 22 per cent in India, Goldman Sachs added.

The analysts at the US-based equity research major anticipate an average revenue growth of 30 per cent for the large-size Indian IT companies in 2006 and 2007, as against 8 per cent for their US rivals during the period under review.

The industry experts believe that the Indian IT companies, particularly those in the BPO space, have moved beyond being just low-cost service providers and are focussing more on efficiency and customer satisfaction.

Dana Stiffler of US-based AMR Research said in a recent report on Indian IT sector that the latest quarterly results of large India-based service providers show impressive performance across industries and all horizontal practice areas.

MTNL, BSNL tie-up to lay submarine cable

MTNL and BSNL have joined hands to lay a submarine cable system to connect India to South-East Asia and the Middle East, to provide international bandwidth for their own as well as other commercial requirements.

According to IT and Communications Minister Dayanidhi Maran, the ultimate intent of this cable system was to extend eventually to the US and Europe. Maran has urged the ambassadors of the Middle East countries to bring down the landing costs of submarine cable which will eventually lead to bringing down bandwidth prices.

The Minister, who inaugurated the Falcon submarine cable system recently, said in view of future bandwidth growth potential, all the operators are trying to have their own cable system to meet the future demand. "In this regard, the India-Sri Lanka submarine cable project by BSNL is on the verge of being launched," he said.

Aerostar Aviation ties-up with FSA

Aerostar Aviation, one of the leading company in Indian aviation sector has joined hands with Flight Safety Academy (USA). The tie-up intends to provide Commercial Pilot training to Indian students and will help in bridging the existing gap between the demand and supply of Commercial Pilots in India.

Flight Safety Academy is one of the world's largest Pilots Training Academy based out of Vero Beach Florida (USA) having 43 learning centers in Europe and America. The academy is equipped with 235 flight simulators of all types of aircraft from Boeing to Cessna series. With more than 1500 instructors and facility to provide training on 135 types of aircrafts, the training academy is the best and largest in the world.

In order to enlighten students, seminars would be held all over the country, across different schools and colleges. The students can apply online from where they will be short listed and will undergo an aptitude test for the final selection. The course fee will be around \$51,000, which can be paid in equal monthly instalments. Aerostar Aviation has tied up with various banks, to make the facility of loans easily available for the students.

According to Manav Singh, Managing Director, Aerostar Aviation: "The tie-up between Aerostar Aviation and Flight Safety International offers the Indian students a ground to fulfill their dreams. India is an important and growing aviation economy. This strategic alliance with Flight Safety will provide an opportunity to overcome the existing shortfall of pilots in the aviation industry".

The course intake will be 100 students in the first phase and the first batch will commence from November 2006. The training will be for 40 weeks in which students would need to clear their theory exams as well as finish 225 hours of flying with multi engine endorsement. The tie up will provide the students a platform to equip themselves with the best know-how of the industry. This is the first initiative taken up by any corporate to provide Commercial Pilot training to Indian students.

Bharti Airtel's 74% FDI cleared

The Foreign Investment Promotion Board has approved the increase in both direct and indirect Foreign Direct Investment in Bharti Airtel to 74%.

An FIPB statement said approval had been granted after clarifications regarding direct and indirect holding of Vodafone International Holdings BV and Vodafone Mauritius and in view of the revised aggregate foreign holding.

The Department of Telecom has changed the counting pattern to take into account both direct and indirect investment. There would be no dilution in stake by the Indian promoters.

Bharti Telecom continues to be the single largest shareholder in Bharti Airtel with 45.38% stake. Vodafone and Singtel have 5.62% and 15.60% direct stake in Bharti Airtel respectively, while FIIs hold 22% and rest is held by NRIs, OCBs, Indian MFs, Indian FIs, Indian insurance companies and banks etc.

Vodafone had last year picked up 10% stake in Bharti Enterprises, giving them 5.62% direct stake in Bharti Airtel with the rest as indirect. Singtel's total stake in the company stands at 31% with 15.60% directly held and the rest indirectly.

Since the government allowed increased FDI limit in telecom from 49% to 74%, it had made it clear that 74% ceiling would include all types of investment, direct or indirect.

Ericsson wins \$1 bn Airtel order

Swedish telecom group Ericsson has won an order worth about one billion US dollars from Bharti Airtel to expand and upgrade its mobile network.

A company statement said Ericsson had been awarded an estimated one-billion-dollar contract for expansion and upgradation of its GSM/GPRS network and managed services.

Under the three-year services agreement, Ericsson will design, develop and deploy Bharti's network, including capacity and coverage. After completion Bharti will be able to reach all towns and cities in 15 regions, the statement added.

India Inc high on M&A wave

India Inc is likely to witness a continuing surge in merger and acquisition activities after a record number of M&A deals in the first half of 2006 -- aggregating to more than \$25 billion.

On the back of upswing in both inbound and outbound cross-boarder mergers, M&A deals worth \$25.6 billion were executed during the first half of 2006, outsizing the M&A deals recorded in the entire 2005, global consultancy major PricewaterhouseCoopers has said in a report. Indian companies had recorded M&A deals worth \$8 billion in the first half of 2005 and \$23.6 billion in 2005.

According to the 10th edition of PWC Asia-Pacific M&A Bulletin, India has overtaken China and South Korea in the Asia Pacific region and lags only behind Japan and Australia in terms of the size of M&A deals.

Total M&A deals worth \$64.2 billion were recorded in Japan, followed by Australia at \$33.2 billion. South Korea recorded deals worth \$25.2 billion, followed by Chinese companies with deals worth \$21 billion.

Hong Kong, Malaysia, Singapore, Thailand, Indonesia and Philippines recorded M&A deals worth \$17.1 billion, \$9.1 billion, \$8.2 billion, \$6.6 billion, \$6.5 billion and \$1.7 billion, respectively.

PWC said M&A activity was expected to remain on an uptrend with cross border deals continuing to maintain their momentum, while significant deal activities were

likely in the auto ancillary, retail, real estate, hospitality, oil and gas and financial service segments.

Private equity will play a larger part in the corporate India's M&A activities going ahead, the consultancy firm said.

External Sector: Foreign Trade April - May

Region/Country	Export			Import		
	US \$ million		% change	US \$ million		% change
	2005	2006	2006	2005	2006	2006
World	15789.6	18532.8	17.37	22975.5	27260.5	18.65
Africa	1212.2	1229.5	1.42	806.7	862.9	6.96
Egypt	135.8	90.7	-33.23	39.5	34.3	-13.09
Kenya	126.2	127.5	1.07	10.0	9.3	-7.05
Mauritius	28.5	52.4	83.95	0.9	2.0	117.34
Nigeria	145.0	109.0	-24.81	15.5	11.2	-27.21
South Africa	253.6	299.2	18.00	510.1	521.4	2.23
America	3061.9	3646.4	19.09	1715.1	2247.1	31.02
Brazil	207.0	215.2	3.95	165.6	100.2	-39.50
Canada	159.5	175.1	9.77	167.6	140.1	-16.40
Mexico	56.3	76.4	35.61	12.3	20.1	62.67
USA	2433.1	2872.5	18.06	1261.4	1569.0	24.39
Asia (excl. Middle East)	5303.5	5908.1	11.40	5115.8	6569.6	28.42
Bangladesh	287.6	283.5	-1.43	16.0	32.6	103.28
China	1136.6	1095.8	-3.59	1456.8	2267.2	55.63
Hong Kong	684.1	675.2	-1.31	345.8	381.5	10.34
Indonesia	205.6	284.3	38.25	385.0	538.2	39.79
Japan	396.2	362.8	-8.44	520.0	743.3	42.93
Korea DPR (North)	5.9	70.0	1080.51		89.1	
Korea Republic (South)	259.1	271.2	4.67	652.4	651.1	-0.20
Malaysia	161.3	169.5	5.11	422.9	413.5	-2.23
Nepal	126.5	128.4	1.50	56.3	37.3	-33.75
Philippines	96.7	78.8	-18.54	40.7	29.4	-27.81
Singapore	1070.1	1239.9	15.87	521.5	563.1	7.99
Sri Lanka	284.3	413.8	45.54	89.0	100.7	13.10
Taiwan (Taipei)	124.5	129.4	3.96	244.4	222.4	-9.00
Thailand	164.3	211.8	28.87	189.7	250.5	32.09
Viet Nam	103.0	113.1	9.87	27.5	27.6	0.36

Middle East	2086.6	3063.4	46.81	1592.5	1537.4	-3.46
Iran	106.2	272.2	156.35	105.3	129.9	23.34
Iraq	20.1	48.6	141.30	0.5	0.4	-19.20
Israel	197.0	203.5	3.31	187.3	158.1	-15.58
Kuwait	76.2	111.0	45.61	46.6	48.7	4.32
Saudi Arabia	287.9	309.5	7.50	220.8	202.4	-8.36
UAE	1167.1	1716.1	47.04	834.8	666.3	-20.19
Europe	3974.4	4425.7	11.36	6484.9	5931.0	-8.54
European Union	3444.3	3866.0	12.24	3660.0	3902.6	6.63
Belgium	431.4	460.0	6.62	911.8	649.4	-28.78
Denmark	60.9	70.1	15.09	58.6	61.8	5.35
France	404.2	452.4	11.92	253.0	287.5	13.62
Germany	541.8	632.7	16.77	922.9	1115.8	20.91
Italy	394.1	482.9	22.55	264.5	351.3	32.81
Netherlands	302.3	316.3	4.61	206.8	154.4	-25.34
Spain	225.7	264.3	17.09	81.9	91.9	12.26
Sweden	45.9	49.5	7.67	181.1	279.3	54.23
UK	827.1	892.7	7.93	623.5	613.5	-1.61
Other European Countries	530.0	559.8	5.61	2824.9	2028.4	-28.20
Russia	123.7	115.1	-6.98	355.3	219.6	-38.19
Switzerland	78.0	69.9	-10.47	2136.3	1403.5	-34.31
Turkey	123.4	155.7	26.12	34.8	30.5	-12.40
Oceania	140.0	206.9	47.72	885.5	998.6	12.76
Australia	117.5	137.7	17.11	858.8	945.9	10.14