

Territorial NEWSLETTER Europe

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



In this issue of the Territorial Newsletter on Europe, we have given spotlight on Czech Republic as part of our focus on India-CEE (Central and East Europe) relations. Czech Republic is a country in Central Europe sharing border with key European economies such as Germany, Poland, Slovakia and Austria. Due to its strategic location and natural resources it is of great importance for India. When, the country was formed from the erstwhile Czech Republic, India was one of the very first nations to recognize its identity. Through the next several a host of agreements have been signed between the two countries and Czech Republic remains a very valued partner of India in terms of trade and investment.

The main section carries excerpts from an interview with the His Excellency, Mr. Milan Hovorka, Ambassador of Czech Republic. The interview focused on sectors that could be of interest for mutual cooperation between the two nations.

I hope that this newsletter will be insightful for our readers and I hope they enjoy reading it.

T S Bhasin

EU Territorial Committee Chairman's Note



In this edition of the 'Newsletter on Europe', we focus on India's growing relationship with the Czech Republic, a country in Central Europe. The country has one of the most stable economy in Europe with a stable growth rate. The country is also strategically located between in Central Europe becoming a bridge between Western Europe and Eastern Europe and CIS countries and is a significant participant in the European value chain. With India, the country shares a very cordial diplomatic relationship as well as business ties. There is still much interest within Czech investors to invest in India. The newsletter features a section on interview conducted with the Ambassador of Czech Republic, H. E, Mr. Milan Hovorka.

We are hopeful that the information provided in the newsletter will be useful for our readers.

R P Jhalani

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NEWSLETTER – Europe

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EU Section: Basic Facts

Countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden, United Kingdom (UK), Turkey

Area: 4, 324, 782 Sq. km

Population: 511, 434, 812

GDP: USD 18.15 trillion

Climate: cold temperate; potentially subarctic in the north to temperate; mild wet winters; hot dry summers in the south

Natural resources: Iron ore, natural gas, petroleum, coal, copper, lead, zinc, bauxite, uranium, potash, salt, hydropower, timber

Country Focus- Czech Republic

Excerpts from the Conversation with Ambassador of Czech Republic, H. E, Mr. Milan Hovorka



In December, an EEPC was fortunate to interview Ambassador of Czech Republic, H.E Mr. Milan Hovorka. The interview was mainly oriented towards Czech Republic's engineering sector, the country's prospective areas of tie-ups with the Indian engineering sector and the country's participation in key Indian manufacturing policies such as 'Make in India' and 'Smart City'. Below is a brief excerpt from the interview.

During the interview, Mr. Hovorka pointed out that Czech Republic has a strong manufacturing sector with 1100 companies strongly integrated in European as well as global value chains. Presence of cutting edge innovative technology, skilled manpower and competitive pricing especially in sectors such as auto and auto components, aircrafts and aerospace technology, turbines, machine tools, waste water disposal and treatment makes Czech Republic one of the most sought after destination for trade and investment in Europe. In fact the country is the 7th major producer of machine tools in Europe and 14th in world.

In terms of their presence in Indian engineering sector, Mr. Hovorka stated that several Czech companies such as Skoda, Tatra and Zetor have already invested in areas such as automotive and machinery and have gained good reputations. He further stated that other potential areas for increased trade with Indian include railways, public transport systems and aviation technology.

Automotive, rolling stocks, heavy engineering, machine tools and moulding machines are some of the sectors which have the potential to see successful India-Czech joint ventures as per Mr. Hovorka. In fact various Czech companies such as Skoda, Doosan Skoda Power, Fans, Vítkovice Machinery Group, ZKL Bearings, Skoda Machine Tool, TS Plzen, VH Services, Papcel or ZPS Tajmac, etc. have been able to establish a robust presence and strong business relations in India. At this point the Ambassador further stated that for Indian industries wanting to be part of the global and European value chains, Czech Republic can be a very important gateway.

Czech Republic can offer the experience of the actually fastest growing economy in Europe, strong macroeconomic fundamentals, price competitive and skilled labour force, highly sophisticated infrastructure with excellent connectivity to neighbouring countries and excellent business environment with level playing field for both domestic and foreign businesses. Power engineering in all the three forms, classical, renewable and nuclear can be an important field for technology and SME collaborations between India and Czech Republic.

According to Mr. Hovorka, Make in India initiative can be instrumental in attracting FDI for India. Several foreign companies including Czech companies believe that Make in India initiative perfectly fits their intention to increase their commercial presence in India and they have or are planning several big investment projects under this banner.

On increasing India's trade with Czech Republic, Mr. Hovorka pointed out that while no specific target has been fixed for increasing the bilateral trade between the two countries, he feels that there is a strong need to reverse the declining trend of mutual trade between the two countries which have been seen in the last couple of years. This is especially true given the huge potential available in both the countries. He also feels that reaching the USD 2 billion mark for mutual trade should be achievable in the next five or six years. He further points out that to facilitate the endeavours of the companies in both sides which are ready to build mutually advantageous partnerships, the Czech Republic embassy in India has already worked towards expansion of staff.

In terms of participation of both countries in engineering fairs and exhibitions, Mr. Hovorka stated that, Czech companies are already taking part in a large number of engineering exhibitions and fairs. In 2016, Czech delegates are expected in a host of such events including International Mining Exhibition in Kolkata in February and two major events in Hyderabad and Goa focusing on civil aviation and defense and security sectors in March. Delegates are also expected from the sectors such as nuclear engineering, manufacturing, medical equipment, etc. in the later part of this year.

Mr. Hovorka finished his interview by stressing on the need of Indian companies to participate in Czech Republic's engineering events, to further strengthen the relationships between the two countries. ***He has welcomed India's participation as a partner country at the Brno International Engineering Fair in 2017.***

The EEPC India team is thankful to the Ambassador, Mr. Hovorka, for giving us this interview. The complete version of this interview will appear in the next edition of our magazine, IE².

Trade Trend Analysis- India-EU

The top 5 EU nations which had the highest demand for Indian engineering products during December 2015 in absolute values include:

Country	Export in December 2014 (USD million)	Export in December 2015 (USD million)	Growth (%)
Germany	190.56	188.65	-1.00
UK	212.27	180.17	-15.12
Turkey	134.18	124.21	-7.43
Italy	150.31	124.21	-17.83
France	112.25	103.14	-8.1

None of the top 5 countries experienced a rise in imports from India in December 2015 compared to December 2014..

Some Trends in engineering exports to EU in December 2015

Exports of engineering products to EU in December 2015 decreased by 16.36% compared to December 2014. In value terms, exports decreased from USD 1246.00 million to USD 1042.06 million. During December 2015 EU's share in total Indian engineering exports remained at 19.85%

On the basis of the export data of December 2015, the EU countries which feature in the top 25 export destinations for India include UK, Germany, France, Italy, Turkey, Netherlands, Belgium and France.

Top 10 panels exported to EU in December 2015 include

Name of the Panel	Export in December 2014 (USD million)	Export in December 2015 (USD million)	Growth (%)
Products of iron and steel	157.00	138.40	-11.84
Electric machinery	90.41	134.20	48.44
Iron and steel	181.81	115.87	-36.27
Auto components and parts	110.19	110.02	-0.16
Aircrafts and spacecrafts	150.79	96.25	-36.17
Industrial machinery	77.53	77.52	-12.02
Motor vehicles and cars	99.05	60.29	-39.13
IC engines and parts	73.70	58.59	-20.50
Medical and scientific instruments	29.77	32.44	8.98
Aluminium and its products	67.37	24.37	-63.82

European Free Trade Association (EFTA) Section: Basic Facts

Countries: Iceland, Liechtenstein, Norway, Switzerland.

Area: 5, 29, 600 Sq. km

Population: 13, 589, 956

GDP: USD 623.5 billion

Climate: cold temperate; potentially subarctic in the north to temperate; mild wet winters; hot dry summers in the south

Natural resources: Natural gas, petroleum, coal, metals

Trade Trend Analysis- India-EFTA

Country-wise exports of India to the EFTA region are given below. As is evident from the below figure exports to almost all EFTA countries have experienced a fall except Iceland.

Country	Export in December 2014 (USD million)	Export in December 2015 (USD million)	Growth (%)
Switzerland	19.75	12.35	-37.47
Norway	3.99	3.11	-22.08
Iceland	0.04	0.08	88.72
Leichtenstein	0.01	0.03	280.68

Between December 2014 and December 2015, engineering exports to EFTA experienced a decline of 26.02%, from USD 19.39 million to USD 14.34 million.

Top 10 panels exported to EFTA in December 2015 include

Name of the Panel	Export in December 2014 (USD million)	Export in December 2015 (USD million)	Growth (%)
Industrial Machinery	2.55	1.81	-14.28
Products of iron and steel	3.85	1.70	-29.25
Electrical machinery	1.47	1.59	7.58
Aircrafts and spacecrafts	2.34	1.41	-39.56
Medical and scientific instruments	0.73	1.09	47.98
Aluminium and its products	0.69	0.71	3.04
Motor vehicles and cars	0.35	0.50	41.68
Air conditioning and refrigeration machineries	0.27	0.49	80.36
Iron and steel	0.35	0.50	41.68

News in Focus

India willing to conclude balanced pact with European Union for proposed FTA

Commerce secretary Rita Teatota described Monday's meeting as "extremely positive". Since the talks stopped India has moved ahead on many issues such as permitting 49% FDI in insurance, 100% FDI in telecom and easing of foreign investments norms in the banking sector.

Link: http://articles.economictimes.indiatimes.com/2016-01-18/news/69870576_1_investment-agreement-india-and-eu-btia

India, France expresses commitment for early resumption of India-EU free trade agreement talks

India wants data security status, relaxations in movement of professionals, real market access in terms of sanitary and phyto-sanitary (norms related with plants and animals); and technical barriers to trade measures adopted in EU.

Link: <http://www.dnaindia.com/money/report-india-france-expresses-commitment-for-early-resumption-of-india-eu-free-trade-agreement-talks-2170192>

TPP Spurs EU to Make Up Lost Ground in Asia Trade Diplomacy

In anticipation of the failure of the WTO's Doha Round, European Union leaders had already ended, in 2006, the EU moratorium on bilateral trade talks and made concluding comprehensive trade and investment agreements with emerging and developed economies a top priority of EU commercial diplomacy.

Link: <http://www.worldpoliticsreview.com/articles/17843/tpp-spurs-eu-to-make-up-lost-ground-in-asia-trade-diplomacy>

Why the Transatlantic Trade and Investment Partnership Is More Important Than TPP

TTIP will be the West's last, best opportunity to set global rules as the emerging markets continue to gain ground.

Link: <http://thediomat.com/2016/01/why-the-transatlantic-trade-and-investment-partnership-is-more-important-than-tpp/>

The market that can't decide – is Europe good for business or not?

The country is divided on the referendum and the business community is too: is it better to face the disruption of Brexit or the restrictive embrace of the EU? Leading corporate figures take up the debate

Link: <http://www.theguardian.com/business/2016/feb/06/europe-good-business-not-market-cant-decide-in-out-referendum>

Upcoming Events in EEA

Date of the event	Name of the Event	Location	Industry
08-11 march	Underhall	Gothenburg, Sweden	Industrial equipment
09-11 March	Pneumaticon	Kielce, Poland	Pneumatics, Hydraulics, Drives and Controls
15-18 March	ESEF	Utrecht, Netherlands	European Subcontracting and Engineering Fair
13-18 March	Light+Building	Frankfurt/Main, Germany	Lighting, electrical and electronic engineering, furniture
17-20 March	WIN Automation	Istanbul, Turkey	Automation, Electrotech, Hydraulic & Pneumatic
17-19 March	<u>Subfornitura</u>	Parma, Italy	Subcontracted Industrial Processing
04-06 March	<u>com:bau</u>	Dornbirn, Austria	Architecture, Construction, Energy and Real Estate
04-06 March	LBA · Landes-Bau-Ausstellung Sachsen-Anhalt	Magdeburg, Germany	Building Technology, Machinery, Materials, Interior Construction

Tender Information in EEA

Contract Notices

TED Reference	Title	Link
42902-2016	Switzerland-Liestal: Firefighting vehicles	http://ted.europa.eu/udl?uri=TED:NOTICE:42902-2016:TEXT:EN:HTML&src=0
42890-2016	Norway-Gardermoen: Gritter vehicles	http://ted.europa.eu/udl?uri=TED:NOTICE:42890-2016:TEXT:EN:HTML&src=0
42888-2016	Norway-Gardermoen: Flatbed and Tipper trucks	http://ted.europa.eu/udl?uri=TED:NOTICE:42888-2016:TEXT:EN:HTML&src=0
42863-2016	Norway-Trondheim: Ultrasonic unit	http://ted.europa.eu/udl?uri=TED:NOTICE:42863-2016:TEXT:EN:HTML&src=0
42860-2016	Iceland-Reykjavik: Generator units	http://ted.europa.eu/udl?uri=TED:NOTICE:42860-2016:TEXT:EN:HTML&src=0
42859-2016	Iceland-Reykjavik: Runway lights	http://ted.europa.eu/udl?uri=TED:NOTICE:42859-2016:TEXT:EN:HTML&src=0
42718-2016	Romania-Ramnicu Valcea: Coal pulverising mills	http://ted.europa.eu/udl?uri=TED:NOTICE:42718-2016:TEXT:EN:HTML&src=0
42715-2016	Romania-Timisoara: Cranes	http://ted.europa.eu/udl?uri=TED:NOTICE:42715-2016:TEXT:EN:HTML&src=0
42714-2016	Czech Republic-Prague: Voltage limiters	http://ted.europa.eu/udl?uri=TED:NOTICE:42714-2016:TEXT:EN:HTML&src=0
42709-2016	Poland-Katowice: Coal or rock-cutting machinery	http://ted.europa.eu/udl?uri=TED:NOTICE:42709-2016:TEXT:EN:HTML&src=0
42706-2016	Netherlands-Arnhem: Electrical machinery, apparatus, equipment and consumables; lighting	http://ted.europa.eu/udl?uri=TED:NOTICE:42706-2016:TEXT:EN:HTML&src=0
42704-2016	Czech Republic-Prague: Electricity distribution and control apparatus	http://ted.europa.eu/udl?uri=TED:NOTICE:42704-2016:TEXT:EN:HTML&src=0
42700-2016	Italy-Milan: Meters	http://ted.europa.eu/udl?uri=TED:NOTICE:42700-2016:TEXT:EN:HTML&src=0
42698-2016	Netherlands-Haarlem: Rolling stock	http://ted.europa.eu/udl?uri=TED:NOTICE:42698-2016:TEXT:EN:HTML&src=0
42694-2016	France-Paris: Electricity meters	http://ted.europa.eu/udl?uri=TED:NOTICE:42694-2016:TEXT:EN:HTML&src=0
42691-2016	Slovenia-Krško: Taps, cocks, valves and similar appliances	http://ted.europa.eu/udl?uri=TED:NOTICE:42691-2016:TEXT:EN:HTML&src=0

For more contract notices and notice by country, Please register with EU Tenders Electronics Daily and follow the link: <http://ted.europa.eu/TED/browse/browseByBO.do>

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