

# Territorial NEWSLETTER Middle East & West Asia (MEWA)

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



T S Bhasin

I heartily welcome members of EPC India and other readers to the first Newsletter covering Middle East and West Asia (MEWA). This Newsletter covers thirteen countries, namely Bahrain, Jordan, Iran, Iraq, Israel, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen.

Publication of this Newsletter is based on request received from our members to cover this region. This region has significant importance for India as far as export is concerned. There are six countries from the region than rank in India's top 20 export destination. These include UAE, Saudi Arabia, Qatar, Iran, Kuwait and Iran. I hope that our members find it useful.

## Message from Chairman, Committee on Trade with GCC countries

Middle East and West Asia (MEWA), consisting of 13 countries is a potential land of opportunities for Indian exporters. The region is emerging a global focus for trade and investments. With a population of over 220 million and GDP of nearly three trillion, the region accounts for a very share in India's total export and imports. India exported goods worth \$46 billion to only two countries (UAE and Saudi Arabia) in 2014, accounting for a share of about 15% in total exports. Similarly, import data for 2014 shows that four major countries in the MEWA region – Saudi Arabia, UAE, Qatar, Iraq and Kuwait – accounted for more than \$90 billion (about 24%) of India's overall imports. I hope readers will find this Newsletter



Ravi Sehgal

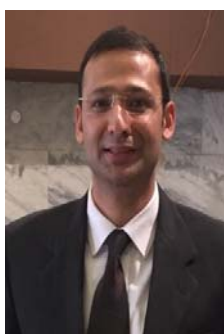
insightful and supportive for their business decisions relating to MEWA region.

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## Message from Chairman, Committee on Trade with West Asia other than GCC countries



Mukul Khandelwal

The abbreviation 'MEWA' covering six countries in GCC (Middle East) and seven countries in West Asia is being introduced to cover countries in the region beyond GCC and to present trade and investment potential that exist in the region. India's trade and cooperation with MEWA countries is quite impressive. Analysis of data for the period 2012 to 2014 show that many countries in the region witnessed positive growth in the range of 13% to 66% in imports of engineering products from India. In recent times there has been a negative growth due to general slowdown in global market including global melt down in oil prices. The trend might reverse soon and the region will soon become crucial for our exporters. The Newsletter also contains information regarding events and exhibitions in the region. I hope information provided would be beneficial for our readers.

### Basic Facts: Middle East & West Asia (MEWA)

MEWA is a region covering a geographical area of 5.4 million square kilometer and has a GDP of over \$2.7 trillion. While Saudi Arabia is the largest country in the region in terms of geographical area and GDP, Iran has the largest population and has a share of 35% of total population of the region. Basic facts about the region are presented in Table 1.

Table 1: MEWA Basic Facts

Country	Area (KM <sup>2</sup> )	Population	GDP 2012 (USD billion)	Currency
Bahrain	665	1,234,596	30.4	Bahraini Dinar
Jordan	92,300	6,318,677	30.9	Jordanian Dinar
Iran	1,648,195	78,868,711	548.6	Iranian Riyal
Iraq	438,317	33,635,000	216.1	Iraqi Dinar
Israel	20,770	7,653,600	257.6	Israeli New Shekel
Kuwait	17,820	3,566,437	184.5	Kuwaiti Dinar
Lebanon	10,452	4,228,000	42.5	Lebanese Pound
Oman	212,460	2,694,094	78.3	Omani Riyal
Qatar	11,437	1,696,563	192.4	Qatari Riyal
Saudi Arabia	2,149,690	27,136,977	733.9	Saudi Riyal
Syria	185,180	23,695,000	n/a	Syrian Pound
UAE	82,880	8,264,070	383.8	UAE Dirham
Yemen	527,970	23,580,000	35.1	Yemeni Riyal
<b>Total (MEWA)</b>	<b>5,398,136</b>	<b>222,571,725</b>	<b>2734.1</b>	--

## Climate

The basic climate of the **Middle East** is hot and dry, although winters are mild with a little rain. To the north of the desert are the great steppes. This area has extremes of temperature and rain in winter and spring. Rest of the area has rainfall between March and November and sometimes floods from March to May. Summers are long and hot and winters mild and wet along the Mediterranean coast. The coastal areas are humid but have a steady breeze to compensate.

**Western Asia** is primarily arid and semi-arid, and can be subject to drought, but it also contains vast expanses of forest and fertile valleys. The region consists of grasslands, rangelands, deserts, and mountains. Water shortages are a problem in many parts of West Asia, with rapidly growing populations increasing demands for water, while salinization and pollution threaten water supplies. Major rivers, including the Tigris and Euphrates, provide sources for irrigation water to support agriculture.

### Natural resources

Most countries in the region are known for huge oil and gas reserves. Countries like Jordan have reserves of potash and phosphates, which is used in the production of fertilizer.

### MEWA region at a glance

**MEWA**, as a region, accounts for about 20% of total exports from India to the world. In case of engineering products, the share is approximately 16% of India's total engineering exports. The region has witnessed a growth of over 16% in engineering exports over the last three years (2012 to 2014). However, India's export growth across countries is not uniform. India's export has performed relatively better in some countries in the region. **Country-wise trend in exports for top five countries with export value of over \$500 million is briefly delineated below.**

**UAE:** UAE is India's largest export destination in engineering products in the MEWA region. Total export of engineering products from India to UAE was valued at over \$6.3 billion in 2014. Export has increased at the rate of 16.4% during the period 2012 to 2014. **Five major export items from India in 2014 include Aircrafts Spacecrafts & Parts; Ships Boats & Floating Structures; Articles of Iron & Steel; Electric & Electronic Equipments; and Machinery.**

**Saudi Arabia:** Saudi Arabia is India's second largest export destination in engineering products in the MEWA region. India exported engineering goods worth \$2 billion to Saudi Arabia in 2014. Exports of engineering products to Saudi Arabia increased at the rate of 13% during the period 2012 to 2014. **Five major export items from India to Saudi Arabia in 2014 were Machinery; Articles of Iron & Steel; Electric & Electronic Equipments; Vehicles; and aircraft Spacecrafts & parts.**

**Islamic Republic of Iran:** Iran appears to be the best country for India in terms of rate of growth in exports of engineering products from India. Exports of engineering products to Iran increased at the rate of 66% during the period 2012 to 2014. **Some major export items from India to Iran include Iron & Steel; Machinery; Electric & Electronic Equipments; and Vehicles.**

**Oman:** Exports of engineering products to Oman increased at relatively lower pace compared to Iran and UAE. It was valued at \$862 million in 2014. However, it was better than several other countries in the region (see Table 2). The growth was positive for the three year period 2012 to 2014. The rate of growth in export of engineering products from India was about 13%. **Some major export items from India to Oman include Ships Boats & Floating Structures; Machinery; Electric & Electronic Equipments; Articles of Iron & Steel; and Vehicles.**

**Qatar:** Export of engineering goods from India to Qatar touched almost \$700 million in 2014. During the three year period 2012 to 2014, engineering exports from India increased at the rate of nearly 29%. **Some major export items from India to Qatar include Ships Boats & Floating Structures; Machinery; Articles of Iron & Steel; Electric & Electronic Equipments; and Vehicles.**

**Table 2: Major Engineering Products Exported from India to MEWA Countries**

Country Name	Major Engineering products imported from India	CAGR (%)
United Arab Emirates	Aircrafts Spacecrafts & Parts, Ships Boats & Floating Structures, Articles of Iron & Steel, Electric & Electronic Equipments, Machinery	16.36
Saudi Arabia	Machinery, Articles of Iron & Steel, Electric & Electronic Equipments, Vehicles, aircraft Spacecrafts & parts	13.08
Iran, Islamic Republic of	Iron & Steel, Machinery, Electric & Electronic Equipments, Vehicles	65.89
Oman	Ships Boats & Floating Structures, Machinery, Electric & Electronic Equipments, Articles of Iron & Steel, Vehicles	12.55
Qatar	Ships Boats & Floating Structures, Machinery, Articles of Iron & Steel, Electric & Electronic Equipments, Vehicles	55.14
Israel	Electric & Electronic Equipments; Vehicles; Machinery; Optical, Technical & Medical apparatus; Aircrafts, Spacecrafts & parts.	27.31
Jordan	Aircrafts Spacecrafts & Parts, Vehicles, Articles of Iron & Steel, Machinery, Electric & Electronic Equipments	50.65
Kuwait	Electric & Electronic Equipments, Machinery, Articles of Iron & Steel, Vehicles, Ships boats & Floating structures	-12.27
Iraq	Machinery, Electric & Electronic Equipments, Articles of Iron & Steel, Vehicles	-42.07
Bahrain	Machinery, Articles of Iron & Steel, Electric & Electronic Equipments, Articles of Aluminum, Vehicles	-19.6
Yemen	Electric & Electronic Equipments, Machinery, Articles of Iron & Steel, Optical, Technical & Medical apparatus, Vehicles	27.35
Lebanon	Vehicles, Machinery, Articles of Iron & Steel, Electric & Electronic Equipments, Optical, Technical & Medical apparatus	-1.64
Syrian Arab Republic	Machinery, Electric & Electronic Equipments, Articles of Iron & Steel, Vehicles, Articles of Copper	-14.4
<b>Total MEWA</b>		<b>16.08</b>

## Trade trend analysis: MEWA region

The top 5 MEWA nations with the highest demand for Indian engineering products during January 2016 in absolute values is shown in Table 3.

Country	Export in January 2016 (USD million)	Export in January 2015 (USD million)	Growth (%)
<b>U A E</b>	484.12	991.17	<b>-51.16</b>
<b>SAUDI ARAB</b>	105.97	154.55	<b>-31.43</b>
<b>OMAN</b>	46.29	57.24	<b>-19.13</b>
<b>IRAN</b>	40.60	93.22	<b>-56.45</b>
<b>KUWAIT</b>	37.88	15.41	<b>145.84</b>

Out of the top five, four countries realized a decline in export from India during January 2016 compared to corresponding period in 2015. Exports to Iran, probably because of economic sanctions by the UN and global slowdown, appears to be worst affected. It is however expected that with the withdrawal of economic sanctions on Iran, exports from India could make significant gains. Decline in Indian exports to UAE was also significant as it declined by more than 50%. On the other hand, Kuwait exhibits a positive growth.

Analysis of top 15 engineering panels exports as shown in Table 4 reveal the impact of general slowdown on India's engineering exports. There are only three panels in which exports from India have increased during January 2016 compared to January 2015.

Name of the Panel	India's export in January 2016 (USD million)	India's Export in January 2015 (USD million)	Growth (%)
<b>Ships Boats and Floating structures</b>	228.79	365.97	<b>-37.48</b>
<b>Products of Iron &amp; Steel</b>	126.93	176.86	<b>-28.23</b>
<b>Motor Vehicle/cars</b>	<b>98.77</b>	<b>40.15</b>	<b>146.00</b>
<b>Copper and products</b>	43.89	61.10	<b>-28.16</b>
<b>Industrial Machinery</b>	40.77	41.34	<b>-1.37</b>
<b>Electric Machinery</b>	38.07	72.53	<b>-47.51</b>
<b>Iron and Steel</b>	31.79	149.39	<b>-78.72</b>
<b>Aircrafts Spacecrafts</b>	23.38	273.35	<b>-91.45</b>
<b>Air condition and Refrigerators</b>	23.18	24.37	<b>-4.88</b>
<b>Auto Components/Part</b>	<b>19.09</b>	<b>16.00</b>	<b>19.35</b>



<b>Machinery for ATMs</b>	<b>17.98</b>	<b>15.88</b>	<b>13.18</b>
<b>Aluminum and products</b>	13.20	24.61	<b>-46.34</b>
<b>Pumps of all types</b>	10.30	14.35	<b>-28.26</b>
<b>Medical and Scientific Instruments</b>	10.21	11.04	<b>-7.53</b>
<b>Construction Machinery</b>	10.18	28.18	<b>-63.87</b>
Note: Panels marked in yellow realized positive growth during January 2016 Source: DGCI&S, Government of India			

## News in Focus

### India, UAE will scale new heights in investments

The UAE and India have always enjoyed a strong bond and trade plays an important role in this bilateral relationship. The dynamic land of the UAE is an old ally of India for trade, culture and tourism. Similarly, India's contribution to the growth of the Gulf nation has been recognized by the UAE. Both countries have always had a strong bilateral relationship and it would definitely see a boost in the days to come.

The visit in August by Prime Minister Narendra Modi to the Gulf country has set a new milestone to improve investment ties between the UAE and India.

**Link:** <http://www.khaleejtimes.com/nation/uae-india-ties/india-uae-will-scale-new-heights-in-investments>

### India's L&T Capital to offer HNI services in GCC

India-based L&T Capital Markets Limited (LTCML), a subsidiary of L&T Financial Services has launched its wealth management services division in Dubai, UAE catering to high net worth individuals (HNI) in the GCC.

The firm has been operating in the Dubai International Financial Centre (DIFC) as a Representative Office.

The Dubai Financial Services Authority (DFSA) has now granted an upgrade to its existing license from a Representative Office to a Category 4 license whereby, LTCML, DIFC Branch will be regulated by DFSA to offer wealth management solutions by way of arranging deals in credit and investments.

**Link:** <http://the-mea.co.uk/news/india%E2%80%99s-lt-capital-offer-hni-services-gcc>

### GCC banks may face double squeeze due to low oil prices: Moody's

Banks for members of the Gulf Cooperation Council, which includes Saudi Arabia, face pressure from low oil prices despite government support, Moody's said.

Crude oil prices continue to hold near 10-year lows as markets favor the supply side. A rally sparked by talks of a production freeze from members of the Organization of Petroleum Exporting Countries faltered by the end of last week after U.S. data showed oil inventories at historically high levels.

Moody's Investors Service reported Monday the banks for GCC members might get squeezed by dual pressures from low oil prices and dwindling options for governments looking to arrest the slide.

**Link:** <http://www.albawaba.com/business/gcc-banks-may-face-double-squeeze-due-low-oil-prices-moodys-808898>

### Gulf States Not Willing To Cut Production Despite Asset Depletion

The oil exporting countries of the Gulf Cooperation Council (GCC) are likely to report twin deficits due to the downturn in oil prices and a supply glut that could expand, but even as assets are being depleted at an alarming rate none is in enough trouble to cut production.

According to the National Bank of Abu Dhabi (NBAD)'s 2016 Global Investment Outlook, the region faces "significant asset depletion" as it will have to further adjust to low oil prices, which the report estimates will remain between \$25 and \$45 for the remainder of the year.

**Link:** <http://oilprice.com/Energy/Energy-General/Gulf-States-Not-Willing-To-Cut-Production-Despite-Asset-Depletion.html>

### Some upcoming Exhibitions in MEWA

Events	Date	Venue	Link
<b><u>ERBIL AUTOSHOW</u></b> International Automobile, Automotive, Commercial Vehicles and Spare Parts Exhibition	03-06 Mar 2016	Erbil International Fairground, Erbil, Iraq	<a href="http://www.eventseye.com/fairs/f-erbil-autoshow-16196-1.html">http://www.eventseye.com/fairs/f-erbil-autoshow-16196-1.html</a>
<b><u>KUWAIT MEDICA CONFERENCE &amp; EXHIBITION</u></b> International Exhibition & Conference for Medical, Pharmaceutical, Dental, Laboratory Equipment and Hospitals Services	20-22 Mar 2016	Crowne Plaza Kuwait, Kuwait City, Kuwait	<a href="http://www.eventseye.com/fairs/f-kuwait-medica-conference-exhibition-15162-1.html">http://www.eventseye.com/fairs/f-kuwait-medica-conference-exhibition-15162-1.html</a>
<b><u>THE BIG SHOW</u></b> International Exhibition of Building Materials, Construction Equipment and Interior Furnishings	28 -31 Mar 2016	Oman International Exhibition Center, Muscat , Oman	<a href="http://www.eventseye.com/fairs/f-the-big-show-14751-1.html">http://www.eventseye.com/fairs/f-the-big-show-14751-1.html</a>
<b><u>MIDDLE EAST ELECTRICITY</u></b> Power & Electricity Exhibition	1 -3 Mar 2016	Dubai World Trade Centre, Dubai, UAE	<a href="http://www.eventseye.com/fairs/f-middle-east-electricity-6072-1.html">http://www.eventseye.com/fairs/f-middle-east-electricity-6072-1.html</a>

### Tender Information in MEWA

<b>Title</b>	<b>Country</b>	<b>Deadline</b>
<b>Purchase 20 Movable Diesel Generator 12 To 15 Kw</b>	Iran	05 March 2016
<b>Supply of PCA Pump AC Adaptors Electric Adapter</b>	Saudi Arabia	09 March 2016
<b>Purchase of Air Filter - Battery</b>	Kuwait	03 March 2016
<b>Tenders are invited for Optima batteries for robot injury</b>	Israel	08 March 2016
<b>Procurement of Space Vehicle towing</b>	Israel	09 March 2016
<b>Providing Engineers for the Commissioning of Transmission Primary Substation</b>	Qatar	17 March 2016
<b>Purchase Lab's Equipment Of High-frequency Circuits</b>	Iran	02 March 2016

For more contract notices, please register with Tender Info following the link:

<http://www.tendersinfo.com/searchresult#>

## **EEPC India**

**Middle East & West Asia (MEWA) Territorial Newsletter**

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