

Territorial NEWSLETTER

ASEAN + 5

EPCINDIA
ENGINEERING THE FUTURE

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The Association of Southeast Asian Nations + China, Japan, Korea, Australia and New Zealand

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Chairman's Pen



T S Bhasin

In this issue of the newsletter on ASEAN+5, we focus on the outcome from the recent visit of the Malaysian Prime Minister H.E. Datuk Seri Najib Tun Razak in the first week of April, 2017 and the developments that emerged from this. Seven agreements for mutual cooperation were signed, including one between MIGHT Technology Malaysia and AP Economic Development Board for setting up 4th Generation Technology Park in AP. The signing of MoU's and pacts between Malaysia and India is expected to enhance overall competitiveness and business connectivity between the two nations. Further, both the sides have identified infrastructure as one of the key sectors for investment and have assured to expand trade and capital flows between the two nations. With Malaysia having a large percentage of population of Indian origin, it is potentially an ideal destination for Indian investors. At the trade front, Malaysia is India's 11th largest trading partner, accounting for 2.2% of the country's total trade.

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

Message from Chairman, Committee on Trade with ASEAN countries



P K Shah

Over the past two years under the guidance of our Prime Minister Shri Narendra Modi, India has sought new and more action oriented initiatives towards ASEAN. But sadly enough the results have not been forthcoming. To emerge as a big player in the Asian region, India must expedite its efforts to increase trade with the rest of Asia, especially with ASEAN nations. So, coming of the Malaysian Prime Minister on the eve of 60 years of diplomatic relations and signing of several pacts is promising. These could boost our trade with Malaysia further. The two nations already have built a thriving economic partnership. In the coming periods, this is expected to improve further for the benefit of people and business communities in the two countries.

In this issue of newsletter we also highlight the India's engineering exports scenario to the ASEAN+5 countries in the last concluding fiscal 2016-17.

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

India-Malaysia vows to strengthen strategic and trade ties

Recent visit of the Malaysian Prime Minister Datuk Seri Najib Tun Razak to India led to wide ranging talks between Prime Minister Narendra Modi and his Malaysian counterpart which encompassed further trade ties. This visit took place as the two nations are celebrating 60 years of diplomatic relations.

The two nations inked seven pacts, including those related to air services and cooperation in development of a fertilizer plant in Malaysia with off-take of surplus urea by India.

The Malaysian PM maintained that the bilateral ties have not yet been realized their full potential and hoped that these new pacts will boost the engagement between the two countries in various sectors. He identified and stressed infrastructure as one of the key sectors for investment and assured to expand trade and capital flows between the two nations.

According to External Affairs Ministry, during the visit of Malaysian Prime Minister, projects worth USD five billion were discussed apart from inking of several business deals.

The visiting Prime Minister said the relations between India and Malaysia are multi-dimensional. He affirmed that the two countries can collaborate in a wide variety of fields and that his country would like to achieve target of USD 15 billion bilateral trade by 2020.

At present Malaysia is India's third largest trading partner in ASEAN. Bilateral trade between Malaysia and India stood at US\$12.8 billion in 2015-16, as against USD 16.9 billion in 2014-15.

The Malaysian PM invited more Indian investors to leverage on Malaysia's strategic location to strengthen their presence in the ASEAN region and beyond. He said when the Regional Comprehensive Economic Partnership (RCEP) will be concluded in the near future, Malaysia would be an ideal location for Indian investors to set up regional establishments or use the country as a launch pad to penetrate the ASEAN market, the seventh largest economy in the world. He assured that Malaysia's highly diversified economy, strong manufacturing foundation and solid infrastructure opened the enormous potential for further cooperation between both countries.

On the start of his six-day official visit, the Malaysian PM expressed to Indian investors that "Our country can be your gateway for ASEAN and beyond. I urge all of you to take advantage of the wealth of opportunities offered by Malaysia".

The Malaysian PM also highlighted that Malaysia has introduced the Principle Hub scheme. This is to make it more attractive for global companies to better allocate their resources and be well-positioned to leverage on the country's competitive location in ASEAN and the Asia-Pacific region. The world's first Digital Free Trade Zone jointly launched by Malaysian PM and Jack Ma, the founder and executive chairman of Alibaba Group is a national initiative which is a part of Malaysia's National e-Commerce strategy roadmap which promises to offer a conducive environment for digital companies to carry out their businesses.

The Malaysian PM invited Indian investors to take advantage of the new growth in his country. He also said economic and trade relations between Malaysia and India had grown from strength to strength, increasing more than four-fold from 2003 to 2015, boosted by healthy, close political and business exchanges at the highest level.

He said the Malaysia-India relationship was further strengthened by bilateral and multilateral agreements such as the Malaysia-India Comprehensive Economic Cooperation Agreement and the ASEAN-India Free Trade Area. He further stressed that as a resilient nation with growth of 4.2% last year, Malaysia remains an attractive destination for foreign direct investments (FDI). FDI in the manufacturing, services and primary sectors approved by the Malaysian Investment Development Authority (Mida) in 2016 has increased by 63.4% from a year earlier.

The Malaysian PM highlighted the latest ranking of the BAV Consulting and the Wharton School of the University of Pennsylvania, which in their 2017 report, ranked Malaysia as the best country to invest in.

He hoped that Malaysia-India economic trade and cooperation will be taken to new heights with joint efforts from both the nations.

Trade Analysis & Statistics

India's total engineering exports to ASEAN+5 – country wise during April-March of 2016-17 – stood at US\$ 14.6 billion. Top 5 nations which had the highest demand for Indian engineering products during April-March of 2016-17 in absolute values include:

Values in US\$ million

COUNTRY	APRIL, 2015 - MARCH, 2016	APRIL, 2016 - MARCH, 2017	Growth (%)
SINGAPORE	1890.0	2809.7	48.7
MALAYSIA	1339.2	2395.5	78.9
CHINA	2057.3	1980.6	-3.7
KOREA	1289.8	1599.6	24.0
INDONESIA	859.3	1425.8	65.9

Source: DGCI&S, Government of India

- ❖ In March 2017 engineering exports stood at US \$ 1794.2 million which is 23.5% of the total global engineering exports of India during the same;
- ❖ Vietnam topped the list for Indian engineering exports for monthly basis in March 2017 and recorded huge positive growth in March 2017 over March 2016 among the 15 countries.
- ❖ Singapore topped the list for cumulative exports during April- March 2016-17 over the same period last fiscal and the main engineering products exported to the country include Ships, boats and floating structures, Copper and products, Aircrafts and spacecrafts, Electrical Machinery & Equipments, and Industrial machinery etc. during April- March 2016-17;
- ❖ India's engineering exports to ASEAN+5 in March 2017 increased by almost 100% compared to March 2016

A comparison of top 5 nations which had the highest demand for Indian engineering products during April-March of 2015-16 and its subsequent change in April-March of 2016-17 is shown in the pie chart below:

Fig 1: Change in Total Engineering Export among the top ASEAN+5 during 2015-16 viz-a-viz 2016-17

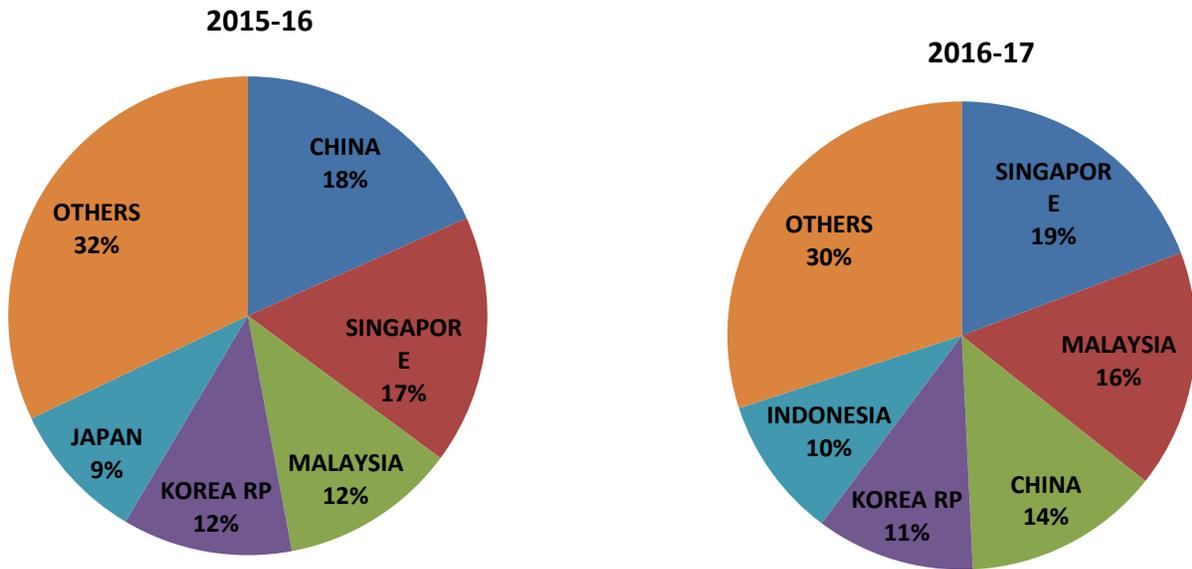
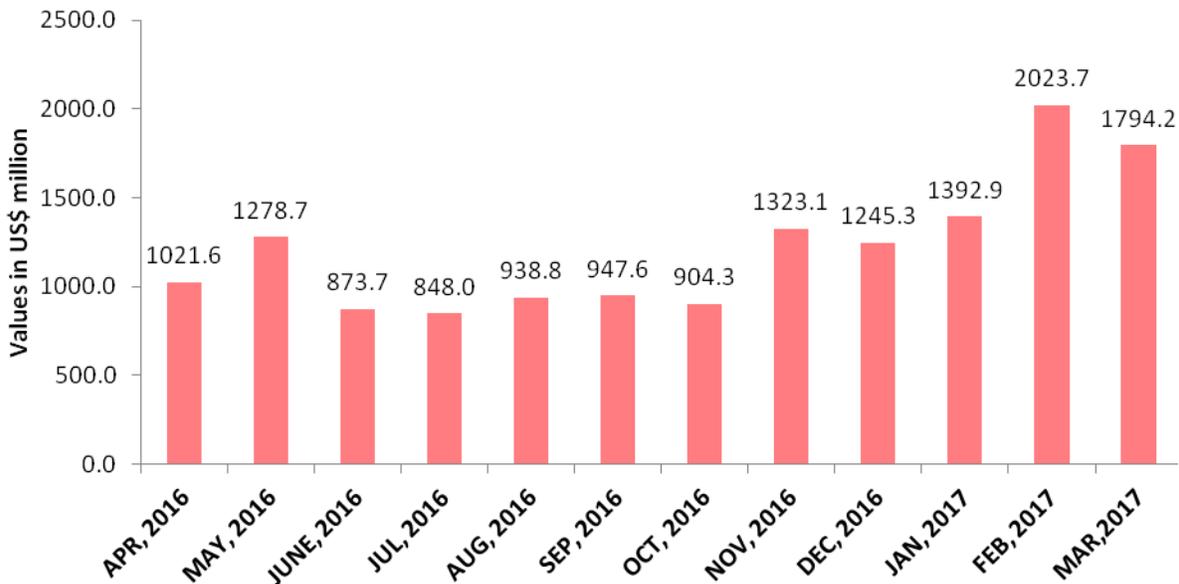


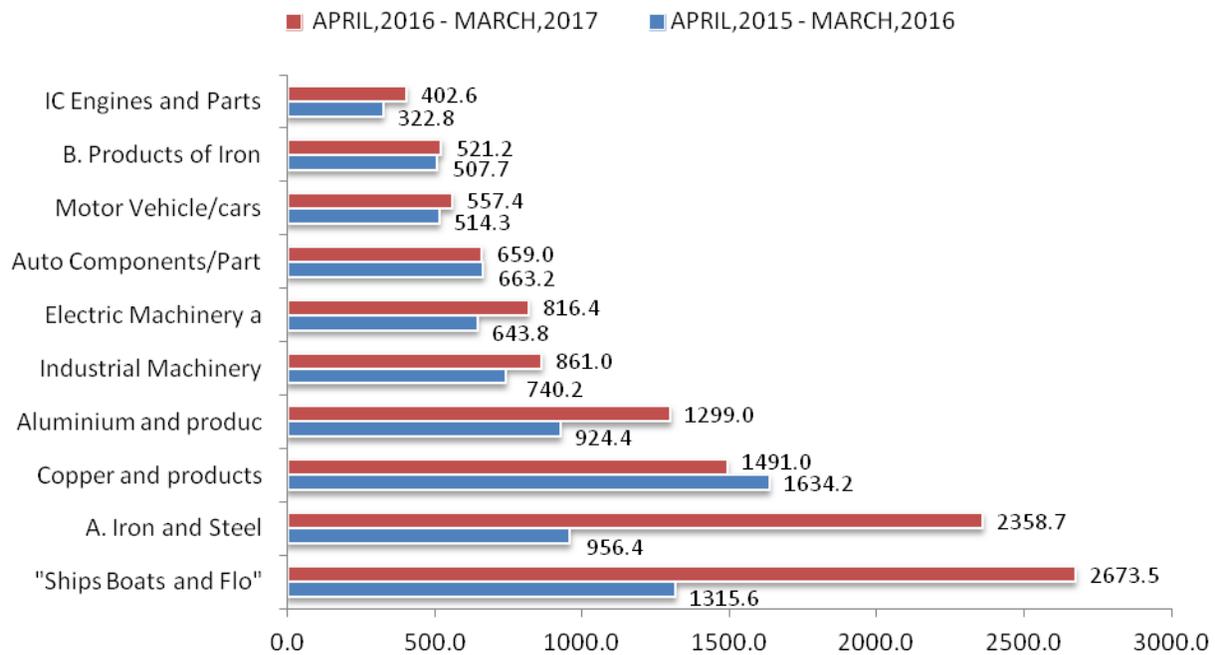
Fig 2: Trend in Total Engineering Export in ASEAN+5 during 2016-17 (Month wise)



Source: DGCI&S, Government of India

Top 10 engineering panels exported to ASEAN+5 during April-March of 2016-17 viz-a-viz April-March of 2015-16 are provided in bar diagram.

Fig 3: Top 10 engineering panels exported to ASEAN+5 in April-March 2016-17 viz-a-viz April-March 2015-16



Source: DGCI&S, Government of India

News in Focus

❖ RCEP put on fast track to fend off US

ASEAN and Japan have vowed to speed up talks on the Regional Comprehensive Economic Partnership (RCEP) pact, fearing that US protectionist trade stance may bring negative impacts. Commerce Minister Apiradi Tantraporn yesterday said ASEAN economic ministers and Japan's leader have agreed to work for an early establishment of the RCEP and conclude the pact's negotiations by the end of this year.

Mrs Apiradi was speaking after returning from the ASEAN Economic Ministers (AEM) Roadshow to Japan 2017, held on April 6-9.

Read more: <http://www.bangkokpost.com/business/news/1231224/rcep-put-on-fast-track-to-fend-off-us>

❖ ASEAN trade chief, Japan's Abe agree on high-level RCEP

ASEAN economic ministers and Japan Prime Minister Shinzo Abe have agreed to come up with high quality Regional Comprehensive Economic Partnership (RCEP), which the Philippines has been pushing to substantially conclude the free trade deal during its hosting of the ASEAN Summit this year.

Trade and Industry Secretary Ramon M. Lopez, chair of the ASEAN Economic Ministers Meeting, led the region's ministers to a meeting with Abe and Japan Trade Minister Hiroshige Seko in Tokyo.

Read more: <http://business.mb.com.ph/2017/04/07/asean-trade-chief-japans-abe-agree-on-high-level-rcep/>

❖ **India Stands in the Way of China's Free Trade Ambitions**

A China-backed trade deal meant to cement the Beijing's dominance in Asia has veered off course because India is hesitant to open its borders to cheap Chinese goods.

Without the participation of India, the third-largest Asian economy, the free-trade zone China hoped to create might still happen, but it won't carry the same economic heft, depriving Beijing of the chance to set the trade rules for the region.

Read more: <http://foreignpolicy.com/2017/04/07/india-stands-in-the-way-of-chinas-free-trade-ambitions/>

❖ **Vietnam applauds India's "Act East" policy**

In his speech delivered at the "Act East" dialogue in New Delhi on April 5, Dung suggested the two sides enhance physical, digital and cultural connectivity and people-to-people exchange in order to strengthen the India-ASEAN strategic partnership as well as accelerate the deployment of the "Act East" policy, in which ASEAN is identified as a nucleus and a centre of "Indian Dream" in an Asian century.

According to the diplomat, the two sides need to facilitate projects and seek public-private partnership as the India-Mekong Economic Corridor, the India-Myanmar-Laos-Vietnam-Cambodia expressway, the expanded India-Myanmar -Thailand expressway will expand transport connectivity and contribute to lifting two-way trade and investment.

Read more: <http://english.vietnamnet.vn/fms/government/176039/vietnam-applauds-india-s--act-east--policy.html>

❖ **Australian PM revives bilateral trade talks with India**

Australian Prime Minister Malcolm Turnbull, while on a three-day visit to New Delhi and Mumbai, has agreed to push for bilateral trade with India but indicated slow progress on the discussion amid concerns about "the right timing for a bilateral deal with the country".

Turnbull was of the view that it is difficult to enter India's market comprising a population of 1.3 billion people for farm exports from Australia. He also raised concerns about the opportunities available in Australia for skilled workers from India. According to him, the country will allow this only when there is genuine shortage of skills paving way for skilled persons from the overseas markets.

Turnbull said that Australia is looking at India with a fresh perspective for the proposed bilateral Comprehensive Economic Cooperation Agreement (CECA) after he met his Indian counterpart Narendra Modi.

Read more: <https://www.thedollarbusiness.com/news/australian-pm-revives-bilateral-trade-talks-with-india/49929>

❖ **Australia set to supply uranium to India**

Australia will begin uranium exports to India as soon as possible, says Australian Prime Minister Malcolm Turnbull.

This follows talks with Indian Prime Minister Narendra Modi during Mr Turnbull's four-day visit – his first to India since he assumed office in September 2015.

Read more: <http://www.dynamicexport.com.au/export-market/articles-export-markets/Australia-set-to-supply-uranium-to-India/>

❖ **Australian PM, in India, pushes bilateral, regional trade agenda**

India and Australia agreed on Monday to revive stalled talks on a bilateral trade deal but, on a visit to New Delhi, Australian Prime Minister Malcolm Turnbull conceded that chances of an early breakthrough were slim.

Instead, Turnbull said he was prioritizing an Asia-Pacific forum that includes China, amid concerns over access to India's market of 1.3 billion people for farm exports from Australia and opportunities for skilled Indian workers there.

After meeting Indian counterpart Narendra Modi, the Australian leader said that the two had agreed to make a fresh push on a proposed bilateral Comprehensive Economic Cooperation Agreement (CECA).

Read more: <http://in.reuters.com/article/us-india-australia-idINKBN17C122>

❖ **WTO steel row: Why the hurry, India asks Japan**

India has objected to Japan's request to the World Trade Organisation (WTO) to put in place early time frames for a "prompt" resolution of its dispute against India's penal duties on steel imports.

New Delhi has argued that there is no rationale for treating this dispute any more urgently than other WTO disputes it was involved in and the same standard should be applied to all disputes.

"Japan may be in a hurry as the safeguard duties are to be removed next year and it wants a resolution before that. But that is not a valid reason for changing timelines," an official told BusinessLine.

Read more: <http://www.thehindubusinessline.com/economy/policy/wto-steel-row-why-the-hurry-india-asks-japan/article9616178.ece>

❖ **India to block Japan's request for WTO dispute panel on steel penal duties**

India will block Japan's request for a dispute settlement panel at the World Trade Organisation (WTO) against penal duties on steel imports imposed by New Delhi, a government official has said.

Tokyo's request will be taken up for consideration by the Dispute Settlement Body of the World Trade Organisation in its meeting on Tuesday.

“We are definitely going to block the request. Our argument is that India has not flouted any norms while imposing safeguard duties on certain categories of steel,” the official said.

Read more: <http://www.thehindubusinessline.com/economy/india-to-block-japans-request-for-wto-dispute-panel-on-steel-penal-duties/article9593103.ece>

❖ **India on stronger footing to resist IPR framework at RCEP**

India will be on a stronger wicket to oppose the stringent IPR framework being pushed by some members at the next negotiating round of the Regional Comprehensive Economic Partnership (RCEP) in Kobe, Japan, following the collapse of the US-led Trans Pacific Partnership (TPP) it was modelled on.

“There will be a sense of urgency among RCEP members in Kobe next week to complete the round soon with the failure of the TPP, but the pressure will be relatively less on India to give its consent to the draft IPR agreement, for the same reason,” an official told BusinessLine.

Read more: <http://www.thehindubusinessline.com/economy/india-on-stronger-footing-to-resist-ipr-framework-at-rcep/article9557719.ece>

❖ **India proposes smallest duty cuts for China, highest for ASEAN in RCEP pact**

India has offered least tariff concessions to Chinese goods under the proposed free trade agreement between 16 Asia-Pacific countries including China and Australia.

The highest duty cuts have been offered to imports from ASEAN under the Regional Comprehensive Economic Partnership (RCEP) trade agreement.

Read more: <http://economictimes.indiatimes.com/news/economy/foreign-trade/india-proposes-smallest-duty-cuts-for-china-highest-for-asean-in-rcep-pact/articleshow/57545481.cms>

❖ **India should give bigger priority to ASEAN: Former diplomat**

India is "underestimating" the value of the ASEAN and should give priority to the regional grouping as it could provide a "strategic balance" amidst growing geopolitical rivalry between the US and China, according to an Indian-origin former Singaporean diplomat.

"India is underestimating the value of ASEAN (Association of Southeast Asian Nations) for its long-term interest. It should give a bigger priority to ASEAN," said Kishore Mahbubani, who served in the Singaporean

Foreign Services from 1971 to 2004, becoming the country's Permanent Representative to the United Nations.

Read more: <http://economictimes.indiatimes.com/news/politics-and-nation/india-should-give-bigger-priority-to-asean-former-diplomat/articleshow/57553824.cms>

❖ **China's Maritime Silk Road fuelling Indian anxiety**

The Belt and Road Initiative is China's most ambitious and complex transport corridor project to date. The Maritime Silk Road (MSR) initiative makes up the sea arm of the project — encompassing vast swathes of economic geography and visualising the new maritime infrastructure connecting the Far East to Western Europe. The strategic implications for those countries involved in the MSR initiative are significant. This is especially true for India, which is situated directly in the middle of the MSR's path.

Read more: <http://www.eastasiaforum.org/2017/03/04/chinas-maritime-silk-road-fuelling-indian-anxiety/>

❖ **India – CLMV ties set to grow**

A wind and solar power system in Khanh Hoa Province. Renewable energy is one of the sectors in which India, Cambodia, Laos, Myanmar and Viet Nam can boost co-operation. VNA/VNS Photo Ho Cau (VNA/VN/ANN) Hung was speaking at the fourth India – CLMV business conclave held in Jaipur City in the Indian state of Rajasthan on Monday, where he said India could support CLMV through its investments in manufacturing, business, services and infrastructure, as well as inter-regional trade, technical training and capacity improvement.

Read more: <https://energyinfrapost.com/india-clmv-ties-set-grow/>

❖ **Commerce Minister says trade initiatives to develop strong India-CLMV vertical within the ASEAN market at the 4th India – CLMV Business Conclave**

Commerce and Industry Minister Smt..NirmalaSitharaman has said that trade with the CLMV countries grew from USD 1.5 bn to more than USD 10 bn in the last 10 years and expressed hope that India will be able to partner in more trade initiatives with these countries to develop a strong India-CLMV vertical within the ASEAN market. In her inaugural address at the the 4th India – CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) Business Conclave in Jaipur today she invited both the Government and business community of these countries to actively partner in India's initiative to strengthen manufacturing capacities, and stated that in India there is a good scope for improving trade in sectors like health and wellbeing, manufacturing, agriculture, fisheries, skilling among others.

Read more: <http://investinindia.com/news/commerce-minister-says-trade-initiatives-develop-strong-india-clmv-vertical-within-asean-market>

Business opportunities

Location	Title	Deadline
Australia	Supply And Delivery Of Transformer Cable Downloads (TI Ref ID: 39053012)	24 May 2017
Cambodia	Supply Package Type Transformer (ppt) 04 (7 Lots Pack 2) Electricity To 14 Provinces.	24 May 2017
China	Integrated Project Of Utility Power Systems	22 May 2017
Philippines	Supply And Delivery Of One (1) Unit Six Tonner Truck And One (1) Unit Ten Tonner Truck	26 May 2017
Thailand	Providing Electric Minibus Rental,	21 May 2017
Thailand	Purchase Of Parts For "siemens" Steam Turbine And Generator Medium Overhaul (354 Items) For Chana Combined Cycle Power Plant Block 2.	21 May 2017
Thailand	Procurementof Spare Parts For Compressor Knorr W450 / 150-4 Of Gea Diesel Locomotives - 1	23 May 2017
Singapore	Supply, Delivery, Installation And Commissioning Of One (1) Unit Of Helios Superconducting Dipole Power Supply To Singapore Synchrotron Light Source	25 May 2017
Philippines	Supply & Delivery Of Mechanical Parts For 600kw, Perkins Gensets Of Kalamansig Dpp	18 May 2017
Malaysia	Supply & Delivery Of Overhead Line Accessories.	17 May 2017

For more contract notices, Please register with Tender info and follow the link: <http://www.tendersinfo.com/> and search for respective countries.

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