

Territorial NEWSLETTER Africa

EETPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Ravi Sehgal

Sudan is in debt distress, with external debt an estimated 62% of GDP in 2018. Lifting of US sanctions is expected to normalize relations with creditors and speed negotiations of debt relief under the Heavily Indebted Poor Country Debt Relief Initiative. Inflation soared to an estimated 43% in 2018, driven by a sharp devaluation of the Sudanese pound and fiscal deficit monetization. Foreign currency scarcity and an overvalued official exchange rate triggered a parallel market emergency.

I believe this progress in trade and cooperation would continue and benefit people in both the regions. I also hope, our readers find this Newsletter useful

Message from Chairman, Committee on Trade with Central, Eastern & Southern Africa



**Rohinton
Engineer**

This edition of Territorial Newsletter talks of the economic and commercial monthly development of Sudan. Real GDP growth is projected to be 3.6% in 2019 and 3.8% in 2020, benefiting from a strong commitment to ongoing macroeconomic policy and structural reforms, including removing tax exemptions, reducing public spending, rationalizing imports while providing incentives to boost exports, a rebound in manufacturing, and high private consumption. Real GDP growth was an estimated 4.1% in 2018, up slightly from 3.3% in 2017. On the supply side, mining (growth of 6.3%), agriculture (3.7%), and manufacturing (1.5%) were the main contributors to growth.

The newsletter also presents a brief analysis of trade pattern in engineering products between India and Africa during March 2018.

Message from Chairman, Committee on Trade with Western & Northern Africa



**Amrutlal B.
Bhimani**

India's engineering exports to the African continent experienced a jump in March 2019 as compared to the corresponding month in the last year, with a growth rate of over 8%. Also, the top engineering export destination was occupied by Nigeria and South Africa to second largest importer of engineering goods. The rate of growth for South Africa was not impressive as it experienced a negative growth rate of over 11% and Nigeria was very impressive for the month of March 2019 over March 2018 with above 51% respectively.

Besides, this Newsletter also contains information on upcoming tenders from the African region along with factsheets on non-tariff barriers. I am hopeful that the Newsletter will give fruitful information to our readers.

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NEWSLETTER – Africa

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Basic Facts: Africa

Area: 11,668,599 Sq. km

Population: 1.216 billion (2016)

GDP: USD 3.3 trillion (2017)

Currency: US Dollar (\$)/ Canadian Dollar

Climate: Africa is the hottest continent on earth and 60% of the entire land surface consists of dry lands and deserts. Climate of Africa ranges from tropical to subarctic on its highest peaks. Its northern half is primarily desert, or arid, while its central and southern areas contain both savanna plains and very dense jungle regions.

Natural resources: Diamonds, salt, gold, iron, cobalt, uranium, copper, bauxite, silver, petrol eum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.



Economic and Commercial Report for the month of April 2019 - Sudan

Bilateral Exports-Imports in US \$ million from Jan- Dec

Year	India's Exports	India's Imports	Total
2014	880.27	655.81	1,536.08
2015	831.0	188.7	1,019.7
2016	753.23	166.21	919.44
2017	840.85	440.57	1,281.42
2018	795.45	707.12	1,502.57
Jan-Feb 2019	195.97	105.89	301.86

(Source: DGCIS)

2. Trade Promotional Activities organized and activities planned in the next six months:

- Convening of Joint Business Council for Further promotion of bilateral economic and commercial targets.
- Organization of India medical tourism in Sudan.
- Organization of Catalogue Shows of Indian companies in the capital Khartoum and other cities.

- Holding of 2nd session of Joint Working Group on Oil as the first one was held in 2010. It will provide an opportunity to review current bilateral cooperation in this field, OVL's investment of USD 2.3 billion in the undivided Sudan, pending OVL's dues and further opportunities for Indian companies.
- Coordination with Sudanese authorities for organizing road shows in India about trade and investment opportunities for Indian companies in Sudan.
- Coordinating visit of a multi-disciplinary composite delegation of Scientists and Experts from Agricultural and Allied sectors to Sudan.
- Indian Trade Chambers/Organizations have been invited to participate in following Sudan Trade Fairs/Exhibitions which will be held during 2019.
 - Water, Energy, Technology and Irrigation Exhibition (WETIX) Sudan (**June 2019**)
 - Khartoum First Exhibition of Hides and Leather Industries (**August 2019**)
 - Khartoum International Book Fair (**October 2019**)
 - Annual Sudan International Agriculture, Livestock & Food Business Forum & Exhibition (**November 2019**)
 - Sudan International Medical, Healthcare & Pharmaceutical Investment Conference & Trade Exhibition (**November 2019**)

4. **Analysis of Investment opportunities in Sudan:**

- From the World Bank's ease of doing business index for 2018, the global ranking of Sudan is 170 out of 190 countries. Sudan's position on the Corruption Perception Index of Transparency International came at 175 out of the 180 countries. These rankings provide bleak picture of Sudan and cause of concern. Despite these challenges, Sudan remains a country full of business and investment opportunities to be tapped. Potential investors from Gulf, Turkey, China, India have already entered into Sudan. According to Chambers and Partners, Sudan is a country of great economic potential. It has a strategic location, gold reserves, oil & gas fields, other mineral resources, and excellent irrigation and soil conditions. Transport is another promising area for investment as Sudan is Africa's third-largest country and bordering seven countries. The weakness in the transport network remains one of the greatest constraints to the economy. Investment opportunities in industry in Sudan include agro-processing, food, spinning and textiles, leather, chemicals, pharmaceuticals, oil and soap, engineering, building materials, printing and packaging. Sudan's National Investment Encouragement Act of 2013 promotes foreign direct investment (FDI) and prohibits discrimination against foreigners in investments. The act defines three types of investment projects: national, strategic and state. Sudan has put in place an open investment legislative framework with several laws and regulations that are modern and based on best practices.

13. **Some Important Economic & commercial developments:**

- The World Conference on Gum Arabic which was scheduled to take place in May 2019 was postponed to the second half of the October due to political developments.

- As per the Sudan Trade Point bulletin of 5 April 2019, the price of Sudanese white sesame has stabilized at around \$ 1,520 per metric ton in the world markets.
- Central Bureau of Statistics of Sudan on 17 April 2019 revealed that the inflation rate was recorded at 45.4 % in March of 2019 while it was 44.3% in February of 2019.
- Central Bank of Sudan on 28 April 2019 fixed SDG 45 for one dollar buying rate with an increase of 0.5 percent selling.

India's latest trend in engineering exports to Africa

India engineering export to countries in the African continent during March 2019 is depicted in the table below. Countries with the highest demand for Indian engineering products during March 2019 in absolute values include:

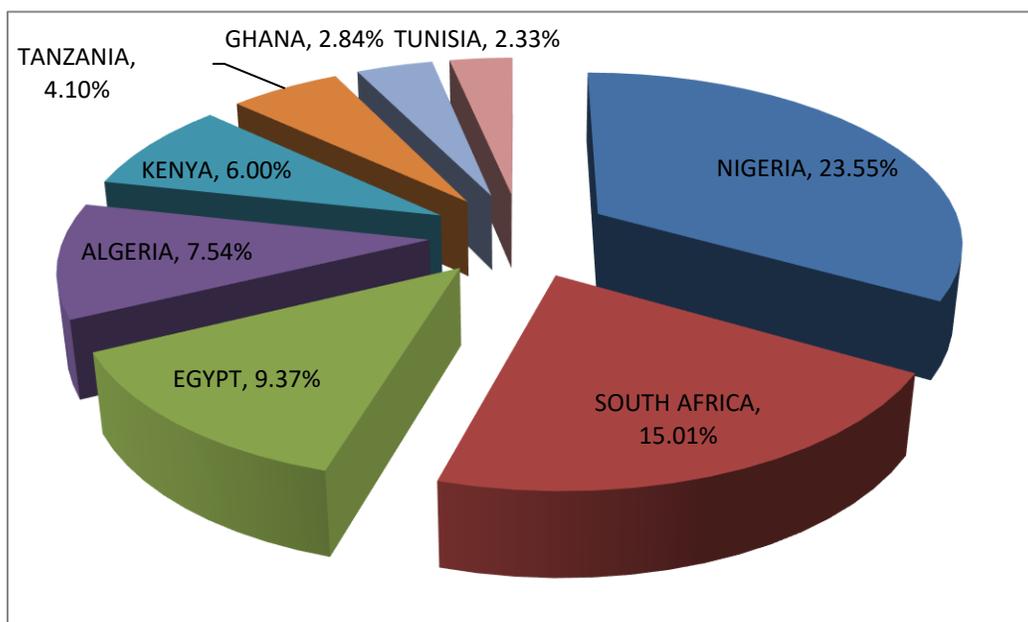
Table 1: Engineering Exports to Africa (USD million)

Africa	March 2018	March 2019	Growth (%)
Nigeria	118.58	179.63	51.48
South Africa	128.82	114.48	-11.13
Egypt	45.88	71.47	55.77
Algeria	54.71	57.52	5.14
Kenya	59.37	45.73	-22.97
Total Africa	706.76	762.69	7.91

Source: DGCI&S

Nigeria is the top importer for Indian engineering exports in March 2019 as compared to March 2018 with a positive growth rate of over 51%. The main engineering products exported to the country include Motor Vehicles and Parts, Industrial Machinery, Products of Iron and Steel, Electrical Machinery, Auto Components/Parts, etc. The following pie chart demonstrates share of top African countries in India's total export during March 2019. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in March 2019



Source: DGCI&S

Among top 15 panels, engineering exports from India decreased in case of five panels, ten panels recorded positive growth (Table 2).

Table 2: Top 15 engineering panels exported to Africa in March 2019 (US\$ Million)

DGCI&S Engineering Panels	India's export in March 2018	India's export in March 2019	Growth (%)
Motor Vehicle/cars	162.57	185.42	14.06
Industrial Machinery	92.87	105.04	13.10
Electric Machinery	56.72	60.69	6.99
Products of Iron & Steel	83.52	56.89	-31.88
Two and Three Wheelers	43.33	49.68	14.66
Nuclear Reactors, Industrial boilers etc	13.33	38.35	187.65
Aluminum and products	14.62	35.48	142.61
Air condition and Refrigerator & parts	22.26	35.26	58.38
Auto Components/Part	32.86	35.18	7.06
Iron and Steel	42.88	25.97	-39.43
Construction Machinery	15.95	20.70	29.74
Medical and Scientific Instruments	19.75	15.13	-23.39
IC Engines and Parts	19.36	13.65	-29.52
Pumps of all types	11.91	11.45	-3.80
Bicycle & Parts	9.37	11.33	20.93

Source: DGCI&S

Table 3: Country wise and product wise India's engineering exports to Africa in March 2019

Country	Top products traded
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South Africa	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Nigeria	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc
Kenya	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc
Egypt	Ships, boats and floating structures, Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc
Algeria	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Optical, Medical and scientific instruments etc
Ethiopia	Iron & Steel, Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery etc
Ghana	Mechanical Machinery, Motor Vehicles & parts, Iron & Steel, Articles of Iron & Steel etc
Tanzania	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc
Senegal	Articles of Iron & Steel, Electrical Machinery, Mechanical Machinery, Motor Vehicles & parts, etc
Uganda	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc

News in Focus

➤ What are the tariffs on trade with Africa?

Prime Minister Theresa May's trip to Africa has generated vigorous debate about how easy trade is between Africa and the EU and whether the UK can keep the same arrangements or even lower barriers. The European Union's critics sometimes invoke the presence of tariffs - effectively taxes on imported items - on African goods when they accuse it of being a protectionist club or racket.

Source: <https://www.bbc.com/news/business-45342607>

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