

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

Vanijya Bhavan (1st Floor)
International Trade Facilitation
Centre (ITFC)
1/1 Wood Street,
Kolkata - 700016
www.eepcindia.org



Issue: August 2017

Chairman's Pen



**Tarvinder Singh
Bhasin**

a big way as a trade and investment hub, India's focus on Africa as a development partner has become more prominent over the last few years. Truly, India-Africa partnership provides limitless opportunities to the business community of both regions. These opportunities exist not only in terms of trade but also investment. India's private sector has been at the forefront of growing Africa-India ties, nearly a fifth of Indian outflows of investment went to Africa. India is the fifth largest country investing in Africa, with investments amounting to \$54 billion in the past 20 years, comprising of 19.2% of Africa's foreign direct investment. In terms of trade also, India's trade with the African continent has increased over the years. I hope this upswing 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



Mahesh Desai

Territorial Newsletter highlights India's increasing trade with the African continent. African continent possesses a lot of opportunities to be tapped by the Indian SMEs especially in the field of electricity and power. Electricity, Power and Energy has come to be the booming sector with AfDB investing \$12 to \$34 billion by 2025-26 in the continent.

This is expected to leverage \$45-50 billion investment from the private sector.

The newsletter also presents a brief analysis of trade pattern in engineering products between India and Africa during July 2017.

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



Aakash Shah

continent witnessed a decline for the month of July 2017 compared to July 2016. Engineering exports from India to Africa achieved a negative growth of over 11% in July 2017 over July 2016. Interestingly, engineering export to South Africa, the top importing destination for Indian engineering exports continued to reflect impressive growth of over 20% for the month of July 2017 over July 2016.

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.

Territorial
NEWSLETTER – Africa

EPCINDIA
ENGINEERING THE FUTURE
www.eepcindia.org



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, petroleum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.



India-Africa set for a US\$ 117 billion trade in 2020-21, as per report

India and Africa relations have come a long way and the reason could be attributed to the increased importance of African countries in India's bilateral trade relations. With India diversifying its global trade and moving towards developing countries and continents, Africa has emerged an important partner for India for trade and investment in this process.

India's relation have been mostly enhanced by its interaction with the continent based on the South-South cooperation and common developmental challenges. Also India has taken a number of initiatives to facilitate economic relations with Africa. The launch of Focus Africa Programme by the Government of India in 2002 was one such initiative in the past. The objective of the programme was to identify and strengthen trade ties with the African countries by increasing bilateral trade and investment.

Then came the major initiative to revive the relations with the continent in face of the IAFS (India-Africa Forum Summits) in 2008. The summit is held since 2008, the recent IAFS was held in October, 2015 in New Delhi. The Summit brought 41 African heads of state and government to India with a view to strengthening the friendship and engagement between the two regions.

To promote development partnership and facilitate various projects financing and other projects of mutual interests, line of credits are offered to African countries. The Lines of Credit has been growing and the outcome of increasing lines of credit to African region is expected to diversify India's bilateral and regional engagements with the continent.



India-Africa Bilateral Trade

India's bilateral trade with African countries is likely to touch \$117 billion by 2020-21 with improved economic ties and strong business opportunities, according to a report by PHD Chamber of Commerce and Industry. Indian exports to the African continent are expected to grow to \$70 billion by 2021-22 from \$24 billion in 2015-16 and on the other hand Imports from Africa too are likely to increase to \$47 billion by 2021-22 from \$27 billion in 2015-16 as per the report.

Bilateral trade between India and Africa increased almost five-fold between 2005-06 and 2015-16, and stood at US\$ 52 billion in March 2016-17. India's exports to Africa increased from US\$ 14 billion in 2007-08 to US\$ 23 billion in 2016-17, registering an impressive compound annual growth rate of 5.6 per cent. Indian imports from Africa, on the other hand, increased from US\$ 20 billion in 2007-08 to US\$ 28 billion in 2016-17, registering compound annual growth rate of 3.4 per cent.

India-Africa Engineering Trade

Engineering trade between Africa and India has also seen a rise with the development in bilateral relations between the India and Africa. Currently, the engineering trade stands at US\$ 7.8 billion in 2016. While engineering exports account for US\$ 6.1 billion; US\$ 1.7 billion of engineering goods is imported by India from the continent.

Investment

Indian investment in Africa has increased significantly, spreading across several sectors. India's key investment destinations in Africa include Ethiopia, Egypt, Ghana, Kenya, Mauritius, Mozambique, Nigeria, South Africa, Sudan and Tanzania. The number of destinations of Indian overseas investment in Africa has increased with Uganda, Zambia, Zimbabwe, Liberia, Mali and Rwanda becoming the new countries attracting investments from India.

Conclusion

India has a lot to explore in the African continent especially in sectors like Power, Renewable energy, Agricultural Machinery etc. India needs to take advantage of this and try to increase its access to the continent by adopting various measures and initiatives. One is with consistent expansion in trade, diversification and

widening of products also need to be focused on while trading with African nations in the coming years. Also efforts should be made to streamline trade procedures, enhance maritime connectivity and develop robust logistics infrastructure to reduce trade costs and to strengthen trade ties between India and Africa.

India's latest trend in engineering exports to Africa

India engineering export to countries in the African continent during July 2017 is depicted in the table below. Countries with the highest demand for Indian engineering products during July 2017 in absolute values include:

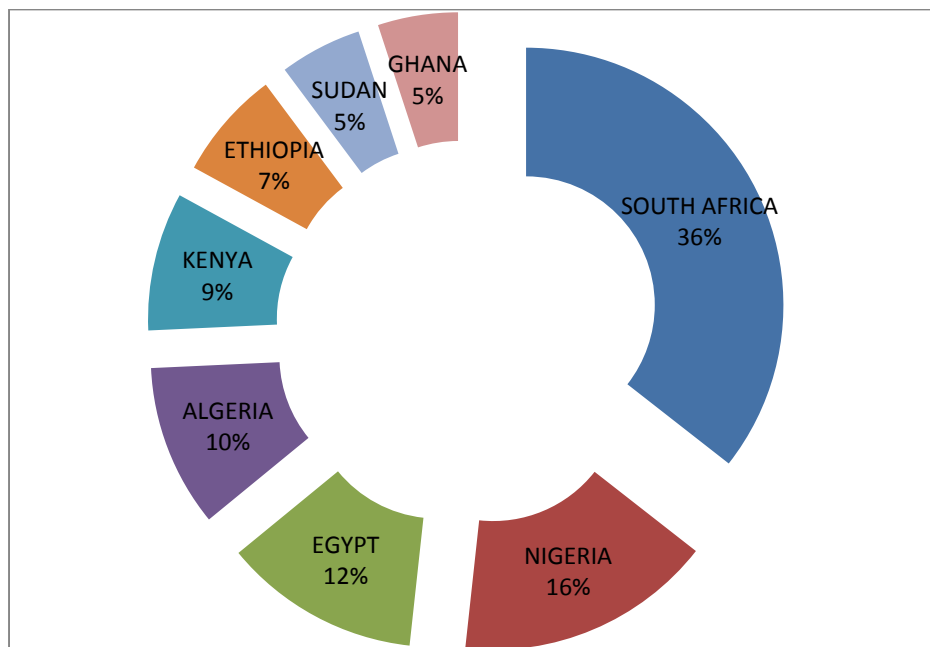
Table 1: Engineering Exports to Africa (USD million)

Africa	July 2017 (USD million)	July 2016 (USD million)	Growth (%)
South Africa	111.52	92.47	20.61
Nigeria	50.69	51.99	-2.49
Egypt	38.71	47.67	-18.79
Algeria	31.98	41.96	-23.78
Kenya	27.27	34.00	-19.79
Total Africa	460.55	520.12	-11.45

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in July 2017 as in July 2016 with a continued high and positive growth rate of nearly 21%. 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 July 2017. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in July 2017



Source: DGCI&S

Among top 15 panels, engineering exports from India decreased in case of three panels, twelve panels recorded negative growth (Table 2).

Table 2: Top 15 engineering panels exported to Africa in July 2017 (US\$ Million)

DGCI&S Engineering Panels	India's export in July 2017	India's export in July 2016	Growth (%)
Motor Vehicle/cars	149.47	122.98	21.54
Industrial Machinery	60.66	59.79	1.46
Products of Iron & Steel	38.21	40.47	-5.58
Iron and Steel	32.92	45.53	-27.71
Two and Three Wheelers	28.06	34.32	-18.23
Auto Components/Part	26.23	29.82	-12.06
Electric Machinery	19.49	45.71	-57.36
Construction Machinery	14.91	11.88	25.49
Aluminum and products	11.21	23.54	-52.36
Medical and Scientific Instruments	10.92	12.88	-15.19
Air condition and Refrigerators	9.40	10.01	-6.11
IC Engines and Parts	6.56	12.78	-48.70
Machinery for ATMs	6.09	8.50	-28.40
Pumps of all types	6.02	10.50	-42.62
Bicycle & Parts	5.58	8.05	-30.65

Source: DGCI&S

Table 3: Country wise and product wise India's engineering exports to Africa in July 2017

Country	Top products traded
South Africa	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Nigeria	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Kenya	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc
Egypt	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of 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, Iron & Steel, Motor Vehicles & parts, Articles of Iron & Steel etc
Tanzania	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Senegal	Motor Vehicles & parts, Mechanical Machinery, Articles of Iron & Steel, Electrical Machinery, etc
Uganda	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc

Source: Trademap

News in Focus

➤ AfDB and African Ambassadors Host 2nd Japan-Africa Business Forum in Tokyo

The 2nd Japan-Africa Business Forum was held in Tokyo on 25-26 July 2017 on the theme 'Investment and Business Opportunities with Africa'. The Forum was organized by the Bank's Asia External Representation Office and African Diplomatic Corps (ADC) in Tokyo, in collaboration with Japan International Cooperation Agency (JICA), Japan External Trade Organization (JETRO) and United Nations Industrial Development Organization (UNIDO).

Source: <http://allafrica.com/stories/201708040898.html>

➤ Empowering the Other Half of Africa's Economy

Although projections by the consultancy McKinsey anticipate that by 2040, Africa will have the world's largest labor force, with more than 1.1 billion people of working age, more than 60% of Africa's current population still survive on less than \$2 a day. It is obvious that while many Africans have benefited from political emancipation – the legacy of Nyerere's generation – poverty remains a significant obstacle. Unleashing the employment potential of African women is the best way to overcome it.

Source: <https://www.project-syndicate.org/commentary/african-growth-economic-opportunities-women-by-graca-machel-2017-08>

➤ India must constantly revise its Africa plans and strategies

African countries have emerged as attractive investment destinations for Indian private sector and public sector companies. According to figures from the World Investment Report 2016, India was the eighth largest investor in Africa in 2014. However, there are few empirical studies on the subject. Taking note of the remarkable growth of Indian investments in Africa and Africa's growing importance in India's economic diplomacy programme, Observer Research Foundation, in collaboration with the Department for International Development, organised a round table discussion on "Promoting Indian Investments in Africa for African Development".

Source: <http://www.orfonline.org/research/india-must-constantly-revise-its-africa-plans-and-strategies/>

➤ Conference on "South-South Cooperation: India-Africa partnerships for food security and capacity building"

The main focus of the conference is to understand the tangible outcome of India-Africa partnerships in the agriculture and agri-processing sectors over the past decade, the anxieties, limitations and challenges. Themes of research encompass new approaches, practices, opportunities, anxieties and challenges in the ongoing collaborative activities in agriculture and allied sectors, in the two geographies under study.

Source: <https://zasb.unibas.ch/news/newsdetails/article/11912/cfp-south-south-cooperation-india-africa-partnerships-mumbai-12-14012018/>

Trade Barriers

Table 4: Technical barriers to trade

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
Botswana	G/TBT/N/BWA/58; 26 January 2017	8201, 8202, 8203, 8204, 8205, 8467, 8509	Electric tools; Hand-operated tools
Botswana	G/TBT/N/BWA/59; 26 January 2017	8535, 8536, 8537, 8538	Insulating gases, Switches, disconnectors, fuse combinations
Botswana	G/TBT/N/BWA/59; 26 January 2017	820, 820840, 842481, 8432, 8433, 8435, 8436, 8701	Household and electronic equipments, Horticultural equipments
Kenya	G/TBT/N/KEN/542; 20 January 2017	8506, 8541	Solar energy engineering
Kenya	G/TBT/N/KEN/546; 20 January 2017	8546, 8547	Insulating materials
South Africa	G/TBT/N/ZAF/196; 29th March 2017	7303, 7304, 7305, 7322, 8403, 8415, 842840, 8516, 902810, 902820, 902830	Hot water storage, Heating equipments
Uganda	G/TBT/N/UGA/535;	7321	Household steel equipments

Upcoming Exhibitions in Africa

Table 5: List of Exhibitions

Events	Date	Venue	Link
Electra Mining Africa	12th- 14th September, 2017	Gaborone, Botswana	https://www.electramining.co.bw/
Automech Formula	20th- 23rd September, 2017	Cairo, Egypt	http://www.eventseye.com/fairs/f-automech-formula-201-1.html
Lighting Tech Egypt	25th- 26th September, 2017	Cairo, Egypt	http://www.eventseye.com/fairs/f-lighting-tech-egypt-23379-1.html

Kenya Trade Show	15th- 147th September, 2017	Nairobi, Kenya	http://www.eventseye.com/fairs/f-kenya-trade-show-20461-1.html
Automechanika Johannesburg	27th- 30th September, 2017	Johannesburg , South Africa	http://www.eventseye.com/fairs/f-automechanika-johannesburg-13284-1.html

Tender information in Africa

Table 6: Tender related information

Title	Deadline	Country	Link
Supply Of Material, Installation And Comminssioning Of Irrigation System (TI Ref ID: 41870249)	21 September 2017	South Africa	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41870249
Acquisition Of Two Tractors (TI Ref ID: 41839409)	26 September 2017	Senegal	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41839409
Supply Of Motor Vehicles, Spare Parts, And Related Supplies (TI Ref ID: 41880508)	18 September 2017	Namibia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41880508
Supply, Delivery And Installation Of Elevators (TI Ref ID: 41876426)	20 September 2017	Zambia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41876426
Supply Of Different Machines- dirty, Graduation, Loader, Roller (TI Ref ID: 41868196)	15 September 2017	Ethiopia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41868196
Supply Of Electrical Items (bulbs,	15 September	Ghana	http://alliances.tendersinfo.com/eepc/aw

Cables, Switches Etc) (TI Ref ID: 41876487)	2017		log.php?action=details&id=41876487
Supply And Installation Of Air Handling And Control Units At The Reserve Bank Of Malawi Blantyre Branch In Blantyre (TI Ref ID: 41881254)	28 September 2017	Malawi	http://alliances.tendersinfo.com/eepc/aw_log.php?action=details&id=41881254

For more information, please subscribe to EEPIC India's services on International/Global Tender Notifications, upcoming projects and many more. The service keeps you abreast with latest information on tender notices, pre-qualifications, regular corrigendum and procurement notices from government and private organizations all over the world. Through this service, EEPIC INDIA provides you numerous business opportunities at very competitive charges.

For any queries about this service, please feel free to contact us at eepcho@eepcindia.net, srajagopalan@eepcindia.net, ddas@eepcindia.net.

<p>EEPC India Africa Territorial Newsletter Contact: Manila Sharma Email: msharma@eepcindia.net Phone no: 011-23711124</p>
