

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

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Issue: December 2017

Chairman's Pen



**Tarvinder Singh
Bhasin**

India's ties with Africa are strong and building, this is due to the shared history based on the principles of South-South cooperation, people-to-people linkages and common development challenges between the two. India and African ties are strengthening further and for enhancing ties in areas such as trade and investment it is important that the private sector is actively involved. India is becoming an important economic partner for the African countries and economic growth is priority for India and the continent. The SMEs sector has a strong interest in driving relations with Africa and this can be seen from the increasing levels of trade and investment between the two.

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



Mahesh Desai

Newsletter highlights the recent GIBS forum, where India and South Africa discussed how to make their bilateral trade and investment relations better and stronger. In the forum the two countries discussed about the policy initiatives and other ways and schemes to make trade flourish more between India and South Africa. South Africa remains the top importing country in the African region for engineering exports by Africa.

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

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



Aakash Shah

India's engineering exports to the African continent witnessed a good jump with a positive growth rate of almost 50% for the month of November 2017 compared to November 2016. Also, engineering export to South Africa, the top importing destination for Indian engineering exports experienced a jump of over 30% for the month of November 2017 over November 2016 continuing the positive growth.

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.

Basic Facts: Africa

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



India-South Africa discuss bilateral relations at GIBS Forum 2017 in Johannesburg

India and South Africa share a history of good relations, both are members of various institution like BRICS, IBSA etc. Both countries have tried to strengthen their relations with time by adopting policies or giving certain incentives etc to each other's citizens especially in sector of trade and investment. Currently, South Africa is experiencing several economic issues and also its economy is experiencing a downfall. India has been helping South Africa in its economic and related activities.

South Africa has tried adopting many of its policies and measures from India and its fellow BRICS members to improve its economic situation. The BRICS nations have achieved an average GDP growth rate of eight percent in recent years and has also become a popular destination for foreign direct investment in the world, attracting foreign investors.

The GIBS (Gordon Institute of Business Science) Forum was held in November, 2017 in Johannesburg, South Africa. The Event was attended by the High Commissioner of India in Pretoria; Director, GIBS; Consul General of India in Johannesburg, Strategic Economic Advisor, Office of the MEC and the industry members of both countries.



Speaking at the Gordon Institute of Business Science Johannesburg on 2 November 2017, the High Commissioner of India to Pretoria, Ms. Ruchira Kamboj highlighted the progress made by India in the World Bank's Ease of Doing Business index. India jumped up by 30 positions. She also emphasized that the business environment in India has improved at the fifth fastest pace in the world and India today is among the top ten “improvers” globally, this improvement is measured on a scale of ten business parameter in which India has done better in eight parameters. Further she added that the country has jumped 53 places from 170 to 119 on Ease of Doing Business, leapt over to the fourth rank of protecting minority investors and has moved 15 places from 44 to 29 on Ease of Businesses. The reason for these jumps can be attributed to India's reforms and policies especially the taxation policy.

Potentially India can become one of the three largest economies in the world in the next 20 years and the third largest consumer economy by 2025. Much of this is due to the long-term economic prospects of the country backed by high savings and investment rates, a young population and integration into the global economy.

The High Commissioner also highlighted certain policies initiative and measures to promote growth between the countries. The Indian government had introduced a number of economic policy initiatives to boost growth and the county’s attractiveness as an investment destination. Some of these measures are:

- The Make in India initiative to encourage manufacturing activity to boost purchasing power and demand.
- Digital India to provide internet and Wi-Fi access to most of the Indian population and promote start-up businesses. The government offers a three-year tax waiver for start-ups to promote entrepreneurship.
- Invest India incentivizes foreign companies to invest in the country. 300 foreign companies are expected to invest a total of \$62 billion in 2017.

- The government's Smart Cities Mission is an urban renewal project with a \$9 billion budget to improve the infrastructure of Indian cities.

India and South Africa bilateral trade relations

India is South Africa's seventh largest trade partner and for Engineering sector India is the eight largest exporter to South Africa. Engineering exports from India account for three percent share of the total engineering imports of South Africa as compared to the top exporter china (25% share) and India's partner in many African projects, Japan (5% share).

India had identified sectors apart from engineering in which India has untapped market in South Africa. These sectors are tourism, ICT, energy and agri-processing as important industries for the country all of which South Africa has expertise in.

Table 1: India's engineering goods trade with South Africa

	2014	2015	2016
Exports to South Africa	2,094.67	1,400.19	1,045.77
Imports from South Africa	799.89	839.15	543.28
Total trade with South Africa	2,894.56	2,239.34	1,589.05

Source: Trademap, ITC

Table 2: India's top engineering goods exported to South Africa

Vehicles other than railway or tramway rolling stock, and parts and accessories thereof
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles.
Articles of iron or steel
Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof

Source: Trademap, ITC

Table 3: India's top engineering goods imported from South Africa

Iron and steel
Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof
Aluminum and articles thereof
Copper and articles thereof
Nickel and articles thereof

Source: Trademap, ITC

India's latest trend in engineering exports to Africa

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

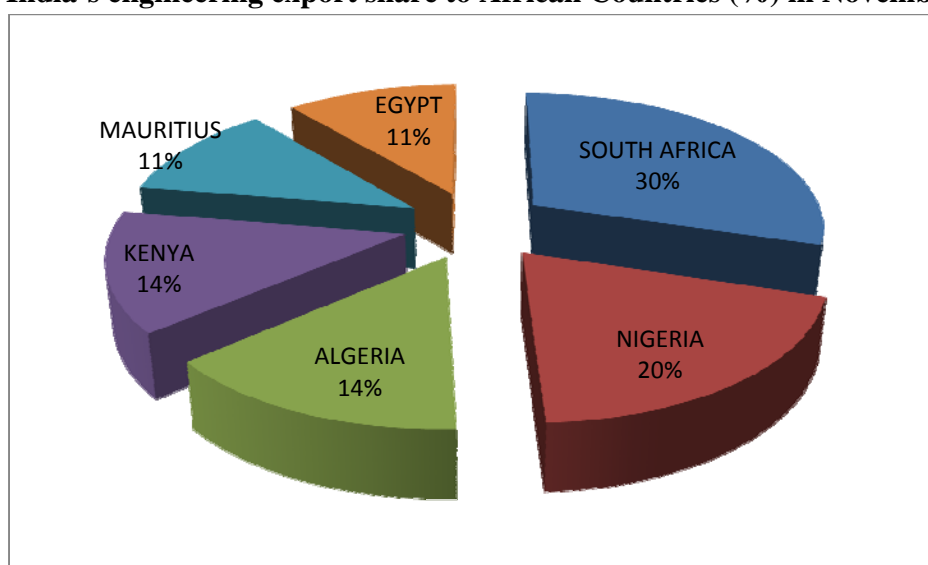
Table 1: Engineering Exports to Africa (USD million)

Africa	November 2017 (USD million)	November 2016 (USD million)	Growth (%)
South Africa	85.23	111.52	30.85
Nigeria	39.06	73.09	87.10
Algeria	38.48	53.98	40.28
Kenya	38.59	52.16	35.17
Mauritius	3.81	42.03	1,003.51
Total Africa	402.82	602.59	49.59

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in November 2017 as in November 2016 with a positive growth rate of over 30%. 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 November 2017. (Fig 1)

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



Source: DGCI&S

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

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

DGCI&S Engineering Panels	India's export in November 2017	India's export in November 2016	Growth (%)
Motor Vehicle/cars	105.78	171.37	62.01
Industrial Machinery	48.06	69.74	45.11
Iron and Steel	26.51	55.81	110.55
Products of Iron & Steel	29.85	45.74	53.21
Two and Three Wheelers	22.32	36.68	64.34
Ships Boats and Floating structures	0.00	36.54	1152588.52
Electric Machinery	44.33	30.05	-32.22
Auto Components/Part	18.44	24.73	34.11
Construction Machinery	10.27	18.76	82.67
Air condition and Refrigerator & parts	7.65	17.08	123.12
Medical and Scientific Instruments	15.83	11.20	-29.27
Aluminum and products	13.62	11.06	-18.84
Machinery for ATMs	5.74	8.92	55.30
IC Engines and Parts	5.89	8.53	44.76
Pumps of all types	5.96	6.61	10.78

Source: DGCI&S

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

➤ **Tunisia trade deficit widens year-on-year by 23.5%**

Tunisia's trade deficit widened by 23.5 per cent year-on-year in the first 11 months of 2017 to 14.362 billion Tunisian dinars (\$5.81 billion), a record level, central bank data showed. The deficit was 11.628 billion dinars in the same period last year. It widened after imports rose by 19.2 per cent, the data showed. Last month, the central bank ordered local lenders to stop financing imports of about 220 products — from fish to perfume — as the country tries to curb its trade deficit.

Source: <http://gulfnews.com/business/economy/tunisia-trade-deficit-widens-year-on-year-by-23-5-1.2148887>

➤ **Egypt picks five banks to manage its \$4b eurobond sale**

Egypt selected five banks to manage a eurobond sale of about \$4 billion, the finance minister said, as the nation taps cheaper funding sources to bridge its budget gap. With yields on local treasury bills above 17 per cent, Egypt is tapping international debt markets to help narrow its fiscal deficit by reducing interest expenses. It has raised \$7 billion from the sale of US dollar-denominated eurobonds this year.

Source: <http://gulfnews.com/business/economy/egypt-picks-five-banks-to-manage-its-4b-eurobond-sale-1.2148879>

➤ **Kenya set to build coast-to-center highway to boost Africa trade**

Kenya in October signed a \$620 million agreement to build a 530 km (329 mile) highway from its east coast to the center of the country, part of a campaign to boost its role as a regional trade hub.

A consortium including a unit of South Africa's Group Five and the Development Bank of Southern Africa with work with the state.

Source: <http://www.africanbusinesscentral.com/2017/12/07/kenya-set-to-build-coast-to-center-highway-to-boost-africa-trade/>

➤ **Sun, wind and water: Africa's renewable energy set to soar by 2022**

Strong demand is set to give a huge boost to renewable energy growth in Sub-Saharan Africa over the next five years, driving cumulative capacity up more than 70 percent, a senior international energy official said.

From Ethiopia to South Africa, millions of people are getting access to electricity from renewable energy sources as the continent turns to solar, wind and hydropower

Source: <http://www.africanbusinesscentral.com/2017/11/20/sun-wind-and-water-africas-renewable-energy-set-to-soar-by-2022/>

Trade Barriers

Table 4: Technical barriers to trade

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
Tanzania	G/TBT/N/TZA/117; 19 October 2017	8408	Inlet Air Cleaning Equipment For Internal Combustion Engines And Compressors
Tanzania	G/TBT/N/TZA/115; 19 October 2017	73141410	Industrial wire cloth for general purposes
Tanzania	G/TBT/N/TZA/114; 19 October 2017	732310	Iron and steel products
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
Khartoum International Fair	22nd- 29th January, 2018	Khartoum, Sudan	https://www.eventseye.com/fairs/f-khartoum-international-fair-20891-1.html
Uganda Trade Expo	16th- 18th January, 2018	Kampala, Uganda	https://www.eventseye.com/fairs/f-uganda-trade-expo-22660-1.html

Tender information in Africa

Table 6: Tender related information

Title	Deadline	Country	Link
Purchase Of Agricultural Equipment (TI Ref ID: 431157370)	30 January 2018	Tunisia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=431157370
Supply And Delivery Of Handling Equipment In Two Lots (TI Ref ID: 430911772)	22 January 2018	Morocco	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=430911772
Supply And Installation Of 2no 2mva Standby Generators And Associated Works At Jomo Kenyatta International Airport (TI Ref ID: 431160225)	31 January 2018	Kenya	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=431160225
Supply And Installation Of Air Conditioners To Rra (TI Ref ID: 431168021)	29 January 2018	Rwanda	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=431168021

For more information, please subscribe to EEPC 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, EEPC INDIA provides you numerous business opportunities at very competitive charges.

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