

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



India's relationship with African countries are surging ahead in all the directions including political, economic and multilateral spheres. This increase in strength in relations is reflected in India's recognition of the economic and political transformation of Africa in the recent years. Last year, there was a spurt in the number of countries going to the polls in Sub-Saharan Africa including Ivory Coast in the west to the Seychelles in the east; the Democratic Republic of Congo in central Africa and Zambia in southern Africa. At the same time, Africa has performed quite well economically.

Ravi Sehgal 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



This edition of Territorial Newsletter highlights the official visit of the Indian Minister of State for External affairs to Mozambique. During the visit the Indian MoS and his counter parts in the Mozambique ministry met and discussed the bilateral ties between the India and Mozambique. Also, on how the relations can be enhanced and help each other grow especially in the field of renewable energy like solar energy. India and Mozambique have agreed to work together to facilitate faster development of their respective economies.

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

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



India's engineering exports to the African continent experienced a decent increase with a positive growth rate of 4% for the month of January 2018 compared to January 2017. Also, the top engineering export destination saw a change after many months, with Nigeria being the largest importer of engineering goods with a positive growth rate of over 100%. South Africa, the top importing destination for Indian engineering exports was the second largest importer with a growth rate of 3% for the month of January 2018 over January 2017.

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.

Aakash Shah

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NEWSLETTER – Africa

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Basic Facts: Africa

Area: 11,668,599 Sq. km

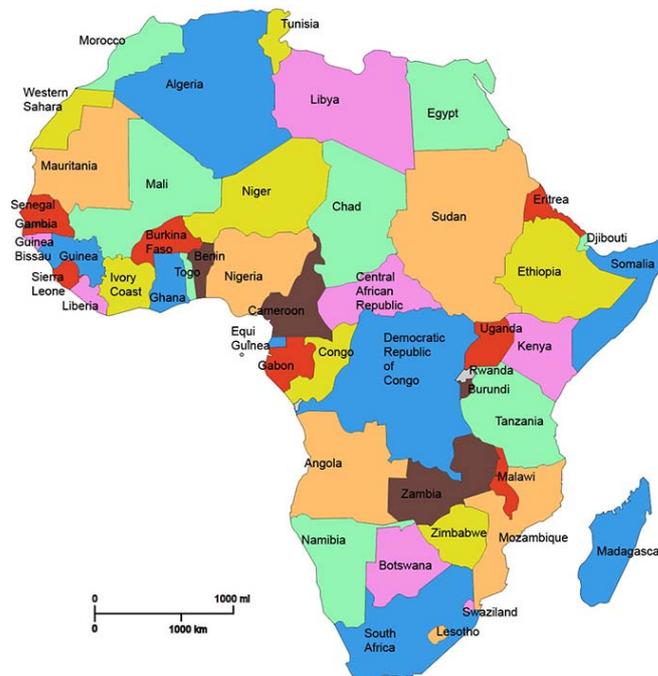
Population: 1.216 billion (2016)

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



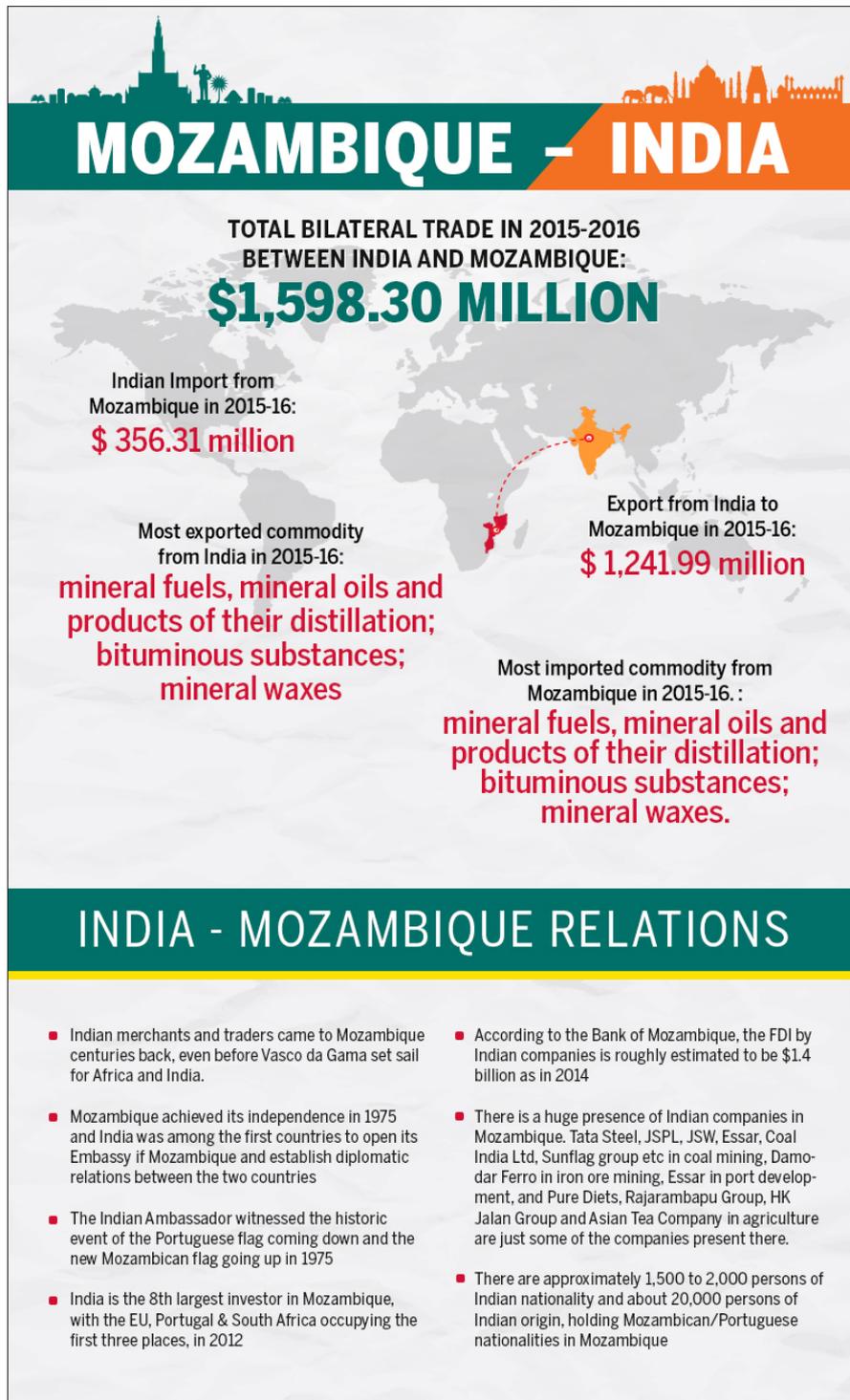
MoS, External Affairs, GoI visit to Mozambique

The Minister of State for External Affairs, Government of India, Gen(Retd) Vijay Kumar Singh, visited Mozambique on 12-13 February 2018. During his visit, Gen. Singh called on His Excellency President Filipe Nyusi, and had meetings with other Minister. On behalf of Government of India, Gen. Singh congratulated His Excellency President Filipe Nyusi for his recent success in opening the way for political reconciliation in Mozambique.

The Framework Agreement for Mozambique's accession to the International Solar Alliance was signed by H E Dr. Ernesto Max Tonela. Gen. Singh looked forward to welcoming President Nyusi for the first founding summit of the ISA, which will take place in New Delhi on 11 March 2018. Gen. Singh also reiterated an invitation to Dr. Tonela to participate in the 16th Ministerial Meeting of the International Energy Forum, being hosted in India on 10-12 April 2018.



Gen. Singh stressed on the potential of solar energy in a solar-rich country like Mozambique, and also expressed India's experience of rapid fall in prices of solar energy. The Government of Mozambique expressed its interest in expanding development of all forms of renewable energy, including solar, and requested India's support for expanding the solar-cell assembly plant that had been built earlier through Indian financial assistance.



India and Mozambique have agreed to work together to facilitate faster development of large Indian investments in coal and natural gas sectors in Mozambique. Gen. Singh thanked the Mozambique Government for the cooperation extended to Indian public and private companies in the coal-mining sector, and promised to encourage more Indian investment for strengthening the evacuation Infrastructure of coal. Mozambique side assured cooperation in establishment of thermal power plants for using the thermal coal being mined by Indian companies.

Government of Mozambique appreciated India for agreeing to defer repayments of India's past concessional lines of credit. They also discussed ways of utilizing previous concessional lines of credit extended by Government of India, particularly the USD 250 million credit offered for improving electricity Infrastructure in Maputo and Matola. The Government of Mozambique expressed appreciation for the assistance provided by India in recent

years, such as the grant of 10 million US Dollars to Ministry of Trade & Industry for purchase of wheat, the donation of essential medicines and medical equipment to Ministry of Health, the donation of transport and

armoured vehicles to the Ministry of Interior, and donation of bicycles and motorcycles to the National Institute of Statistics for use during the 2017 population Census.

The Mozambican Minister of Trade & Industry expressed the desire to see greater involvement of the Indian private sector in projects supported by India, through ‘smart partnerships’. In this context, the Mozambique side requested participation of Indian entities in the annual Mozambican private sector conference being organized in March 2018. Indian investment was especially requested in the four priority sectors of agriculture, energy, infrastructure and tourism.

India and Mozambique reviewed the state of defence cooperation, and agreed to accelerate the initiatives discussed earlier, with special emphasis on maritime security. On behalf of the Indian Government, Gen. Singh assured increase in training of Mozambican Armed Forces Personnel in India as well as assistance for upgrading equipment and Infrastructure of the FADM, including for upgrading the military medical facilities, for English training of FADM personnel, and for hydrographic surveying of Mozambique waters.

The visit allowed both countries to review the state of bilateral cooperation and to reiterate the warm and friendly ties between the Mozambican and Indian Governments and people.

India’s latest trend in engineering exports to Africa

India engineering export to countries in the African continent during January 2018 is depicted in the table below. Countries with the highest demand for Indian engineering products during January 2018 in absolute values include:

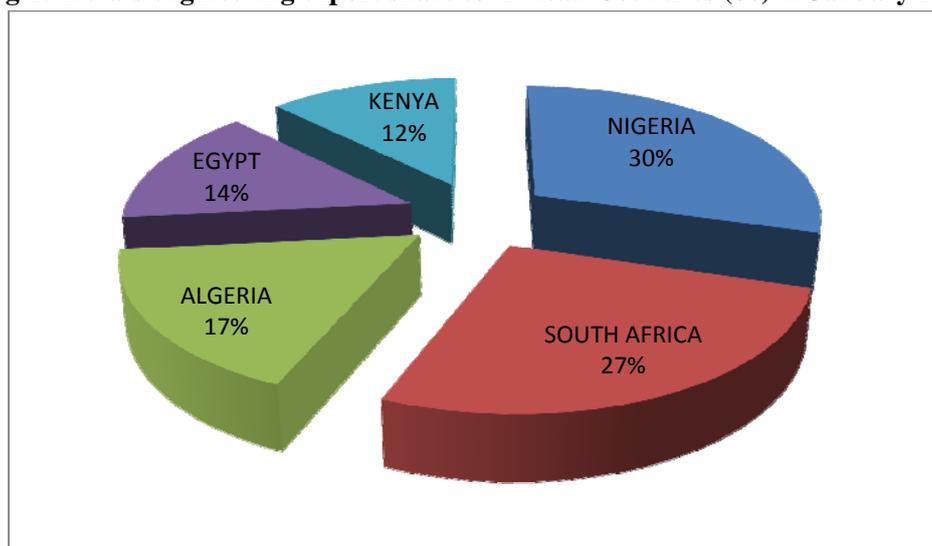
Table 1: Engineering Exports to Africa (USD million)

Africa	January 2017 (USD million)	January 2018 (USD million)	Growth (%)
Nigeria	40.04	89.59	123.76
South Africa	78.18	80.49	2.94
Algeria	27.75	51.76	86.53
Egypt	35.20	42.83	21.67
Kenya	41.59	37.76	-9.22
Total Africa	489.34	510.06	4.23

Source: DGCI&S

South Africa was the top importer for Indian engineering exports for last many months but a change is seen in January 2018 with Nigeria being the top importer with a positive growth rate of 124% in January 2018 as compared to January 2017. 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 January 2018. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in January 2018



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 January 2018 (US\$ Million)

DGCI&S Engineering Panels	India's export in January 2017	India's export in January 2018	Growth (%)
Motor Vehicle/cars	90.78	123.36	35.89
Industrial Machinery	54.09	66.10	22.20
Products of Iron & Steel	45.70	48.52	6.18
Electric Machinery	30.79	42.43	37.79
Two and Three Wheelers	28.63	42.29	47.72
Iron and Steel	35.47	35.31	-0.45
Auto Components/Part	22.63	23.93	5.76
Air condition and Refrigerators & parts	8.66	18.77	116.84
Nuclear Reactors	5.99	11.88	98.35
Construction Machinery	8.91	11.35	27.33
IC Engines and Parts	5.95	9.38	57.67
Medical and Scientific Instruments	9.04	8.23	-8.92
Machinery for ATMs	7.51	8.07	7.50

Aluminium and products	9.38	7.46	-20.46
Pumps of all types	6.09	7.13	17.09

Source: DGCI&S

Table 3: Country wise and product wise India's engineering exports to Africa in January 2018

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

➤ Inflation in Kenya drops in February but remains within the Central Bank's target range

Kenyan inflation dropped to 4.5% in February after rising to a five-month high of 4.8% in January. It therefore remained close to the mid-point of the Central Bank's medium-term target range of 2.5%–7.5%. Annual average inflation mirrored January's figure, coming in at 7.8%..

Source:<https://www.focus-economics.com/countries/kenya/news/inflation/inflation-drops-in-february-but-remains-within-the-central-banks>

➤ Angola Central Bank leaves main interest rate unchanged in February

The Central Bank's stance was expected, given elevated inflation in the country and the currency devaluation on 9 January. While inflation moderated from 26.3% in the previous month to 25.1% in January, consumer prices in January increased from 1.13% month-on-month to 1.39%. This suggests that price pressures remain elevated and it is too early to slash rates. On the other hand, raising rates to stem inflation would negatively impact economic activity and have a significant impact on the country's non-oil sector, weighing on economic growth and Angola's economic recovery.

Source:<https://www.focus-economics.com/countries/angola/news/monetary-policy/central-bank-leaves-main-interest-rate-unchanged-in-february/>

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

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

EEPC India Africa Territorial Newsletter

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