

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



Africa is the interest of the world currently. Practically, every other nation is trying to attract and enter into African continent. Many of the African countries are now opening up and have started to engage more deeply with other economies of the world.

The Small and medium enterprises of the African countries have also started to progress by opening up more and they have been forthcoming in accepting the changes and developments taking place in the other developed and developing economies of the world. There is need for India to further explore the African market and establish a more dynamic and fruitful trade and business relationship with the continent.

T S Bhasin

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



In this seventh edition of the 'Newsletter on Africa', we have tried to summarize the India-Africa relation especially in the merchandise trade. We have analyzed both the exports from India to Africa and also the imports of India from Africa. Such analysis can help us set our targets in the time ahead.

This newsletter provides an insight on the top engineering product panels that is imported by African countries including Sub-Saharan and North Africa. Key news and tender information is also provided in the Newsletter.

Mahesh K. Desai

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



We are coming out with the seventh edition of the 'Newsletter on Africa'. As Africa is the new trade destination we have highlighted India's performance in the past year and how much we have been able to come closer to this continent in trade and investment.

As the African countries are taking steps forward towards developed and developing nations especially the SMEs we can be hopeful of strong bonding with the African

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economy. I hope the readers will benefit from this newsletter and help them grow.

S S Bhasin

## Basic Facts: Africa

**Area:** 11,668,599 Sq. km

**Population:** 1.1 billion

**GDP:** USD 2.39 trillion

**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.

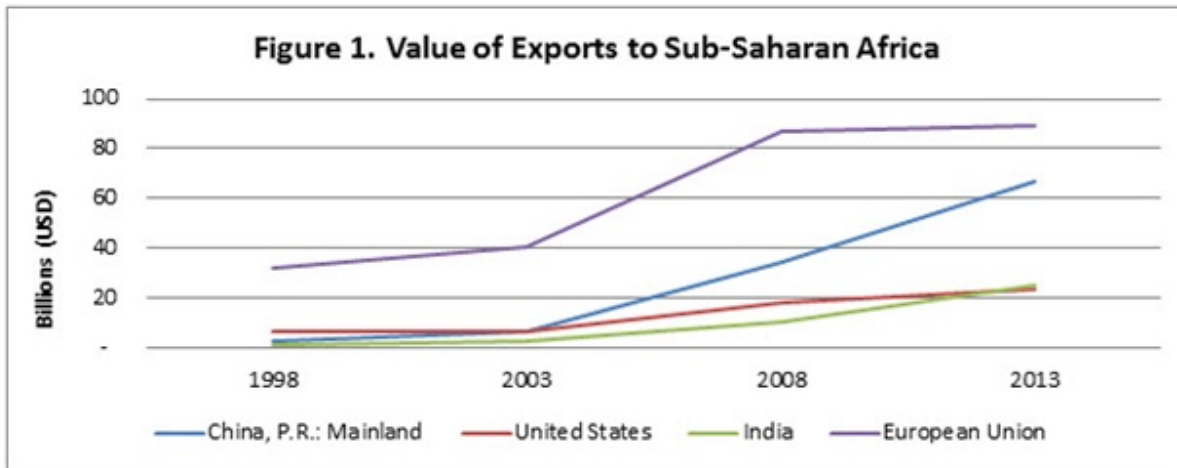
**Natural resources:** Diamonds, salt, gold, iron, cobalt, uranium, copper, bauxite, silver, petroleum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.

## India-Africa Trade overview

An overall analysis of India's trade with Africa in the year end is a good way to start the New Year. This analysis will help analyzing the performance in 2015 and also help in planning and setting new targets and goals for the coming year. In this we have made a comparison of India and its other competitors in Africa like china and the United States. Also we have seen the trade trend in the past year with emphasis on engineering trade that has taken place with Africa from both the imports as well as exports side.

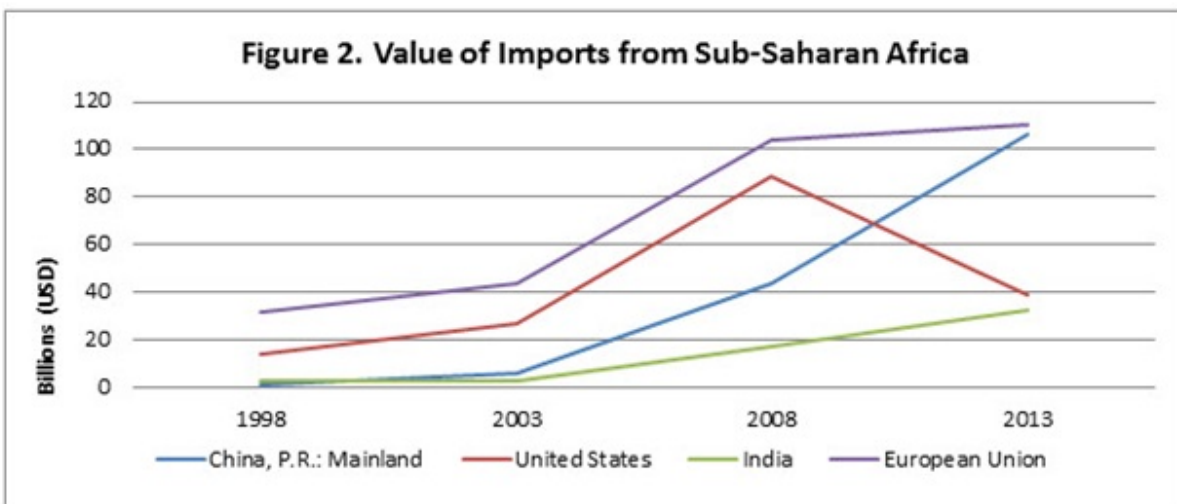
### Indo-African trade is growing but still lags behind other big players

The International Monetary Fund has determined that the value of India's exports (now largely high-end consumer goods) to Africa have increased by over 100 percent from 2008 to 2013 – meaning that India has now forged ahead of the United States in African markets. However, although they benefited from Africa's robust economic growth, India's gains do not quite compare to China's astronomical increase in exports to Africa (Figure 1).



Source: IMF DOTS.

The value of India’s imports from Africa also grew dramatically from 2008-2013 – by over 80 percent – compared to the sharp decline in the value of imports from sub-Saharan Africa to the United States. The decrease in U.S. imports from Africa was likely caused by the development of American hydraulic technology, which lessened U.S. dependence on African oil and gas—its major import from the continent (Figure 2).

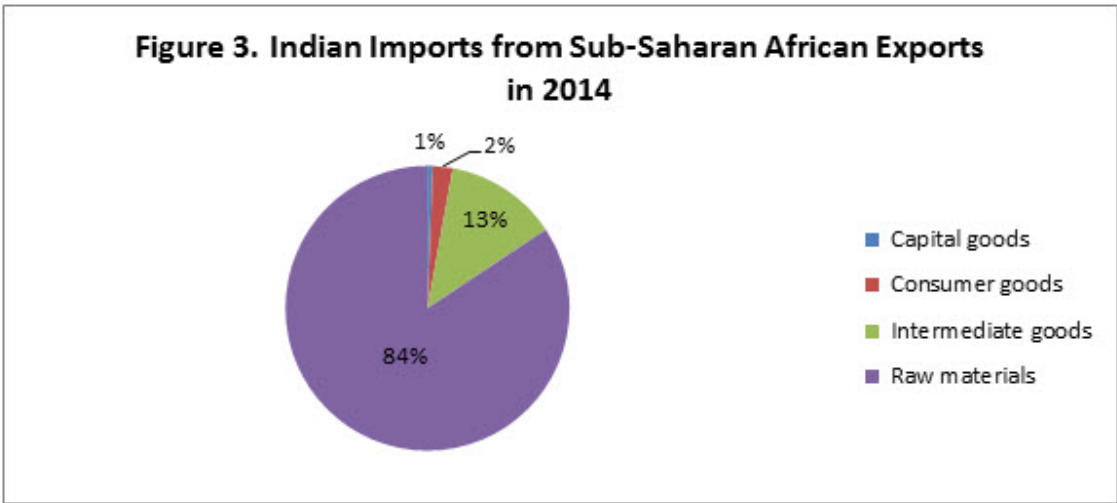


Source: IMF DOTS.

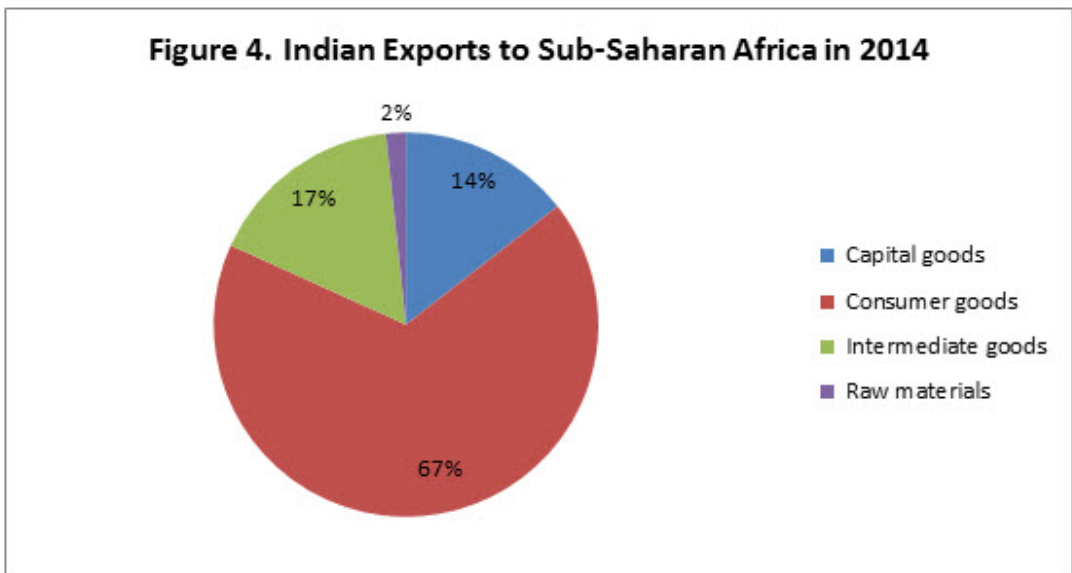
Raw materials still make up the lion’s share of African exports to India

Despite the impressive growth of increased trade relations between India and Africa, there is a substantial imbalance in the import-export relationship between the two countries. A vast majority of exports from Africa to India are raw materials such as crude oil, gold, raw cotton, and precious stones. Meanwhile, most exports from India to sub-Saharan Africa consist of high-end consumer goods such as automobiles, pharmaceuticals, and telecom equipment (Figure 3 and Figure 4). This imbalance does not necessarily align

with Africa's goals to diversify away from natural resource dependence, which is a common issue in Africa's trade relationships with China, the U.S., and the EU.



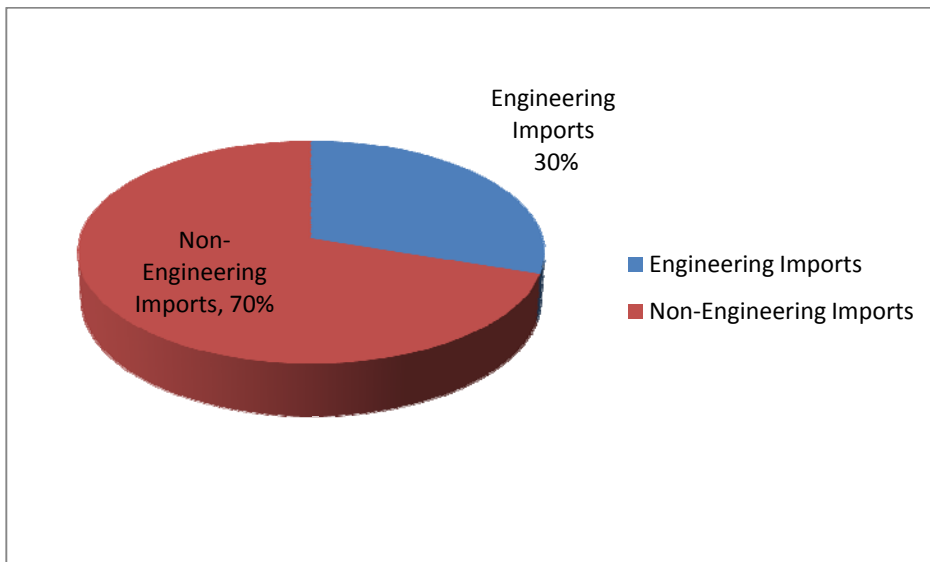
Source: World Bank WITS.



Source: World Bank WITS.

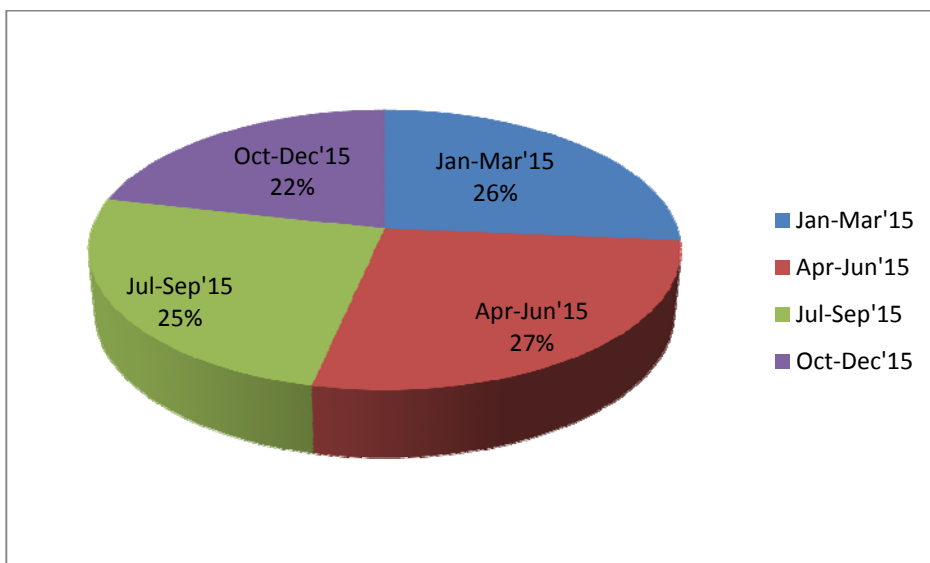
### Engineering Trade

The engineering exports contributed significantly to the total exports from India to Africa, though leaving a lot of scope from improvement and increasing the share of engineering trade in the overall exports from India to Africa (figure below).



Source: World Bank, Trademap.

The engineering exports for the year 2015 ended quite well. If we analyse seasonality in exports, we see the engineering exports to Africa has been the maximum for first (26%) and second quarter (27%) amounting for 53% of total engineering exports to Africa from India (figure below).

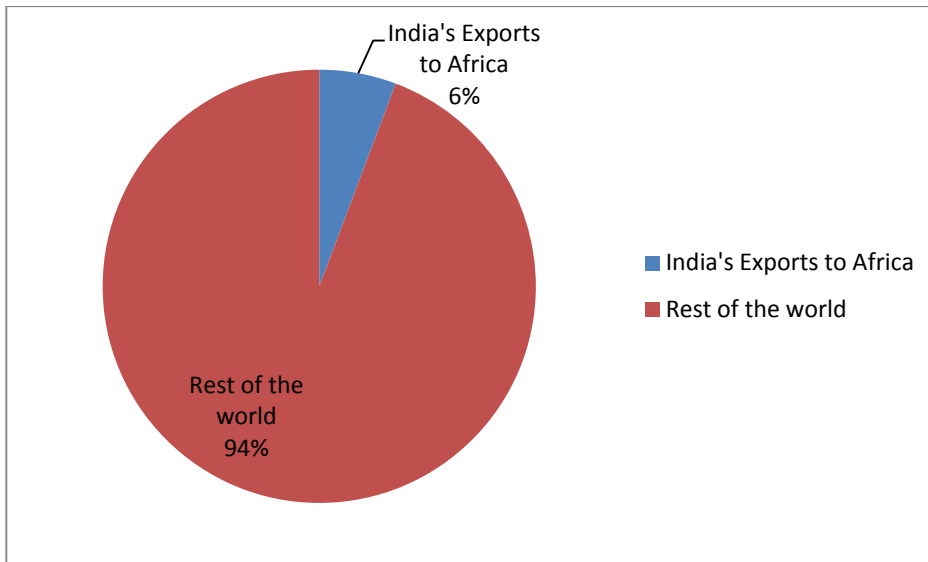


Source: DGCIS

From the export data one can observe that despite the fact that the share of engineering exports in India's total export to Africa is impressive (30%), still there is lot of scope when one considers China's export figure which is much higher. India has a lot of scope to increase its exports to Africa especially when African countries are opening more and also moving away from china. With the slowing of china, its impact in Africa having reduced, India needs to take advantage of this especially for products like Machinery, automobiles, agricultural machinery, etc.

## Monthly Trade Trend Analysis in Africa

India's total engineering exports to Africa for nine month period of April-December 2015-16 was USD 5.2 Billion (Approx) constituting a share of 6% approx of the total engineering exports from India. However, share of engineering export was relatively better at 11% during the eight month period April-November 2015-16.



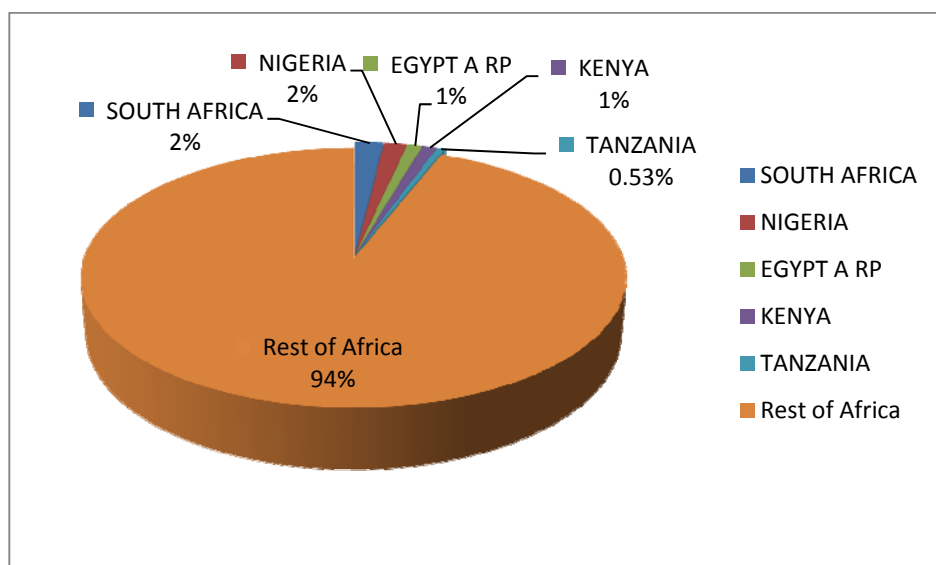
Source: DGCIS, Kolkatta

The top 5 African nations which had the highest demand for Indian engineering products during December 2015 in absolute values include:

Country	Export in December 2014 (USD million)	Export in December 2015 (USD million)	Growth (%)
<b>SOUTH AFRICA</b>	153.97	99.96	-35.08
<b>NIGERIA</b>	137.26	80.19	-41.58
<b>EGYPT A RP</b>	74.74	52.34	-29.96
<b>KENYA</b>	41.05	51.33	25.04
<b>TANZANIA</b>	39.82	27.25	-31.56

India's engineering exports to African countries saw some changes. Firstly, we had a new entry with Tanzania replacing Algeria which was at fifth position in November 2015. Second big change is in Kenya, Indian exports to Kenya not only increased in value but also in terms of growth percentage. Kenya which had a negative growth rate (-19.54) for the month of November 2015, experienced a positive rate of growth of 25% approx in December 2015.

On the basis of India's export data for Engineering Products of December 2015, the African countries which feature in the top 25 export destinations for India include South Africa, Nigeria. The figure below shows the share of country in Total Exports from India to Africa.



Source: DGCIS, Kolkatta

Top 15 engineering panels exported to Africa in December 2015 include:

Name of the Panel	India's export in December 2015 (USD million)	India's Export in December 2014 (USD million)	Growth (%)
Motor Vehicle/cars	117.11	238.76	-50.95
Industrial Machinery	76.39	80.28	-4.84
Products of Iron & Steel	57.39	60.80	-5.61
Electric Machinery	43.61	40.43	7.86
Two and Three Wheelers	39.06	46.23	-15.52
Iron and Steel	35.85	51.20	-29.99
Auto Components/Parts	29.02	34.27	-15.31
Aluminium and produc	26.08	27.21	-4.15
Other Construction M	16.12	15.59	3.44
Medical and Scientific Instruements	12.89	11.38	13.23

Name of the Panel	India's export in December 2015 (USD million)	India's Export in December 2014 (USD million)	Growth (%)
Machinery for ATMs	10.15	8.44	20.24
Aircrafts Spacecraf	10.11	0.92	1002.88
IC Engines and Parts	9.25	8.46	9.33
Bicycle & Parts	8.61	11.29	-23.71
Cranes Lifts	7.90	4.30	83.66

Source: DGCI&S, Government of India

### Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
<a href="#"><u>AUTOMECH FORMULA</u></a> Pan-Arab/African Vehicles, Buses, Motorcar Workshops, Automobile Spare Parts and Accessories Exhibition	10th -15th March 2016	<a href="#"><u>Cairo International Convention &amp; Exhibition Centre,</u></a> Cairo, Egypt	<a href="http://www.automech-formula.com/">http://www.automech-formula.com/</a>
<a href="#"><u>CAIRO INTERNATIONAL FAIR</u></a> Cairo International Fair - General Goods & Industrials Products	18th -28th March 2016	<a href="#"><u>Cairo International Convention &amp; Exhibition Centre,</u></a> Cairo, Egypt	<a href="http://www.toptradefairs.com/event/cairo-international-fair-2016/">http://www.toptradefairs.com/event/cairo-international-fair-2016/</a>
<a href="#"><u>EGYPT POOL - AQUATHERM</u></a> Trade Exhibition for Water Technology and Building Services Engineering	24th -26th March 2016	<a href="#"><u>Cairo International Convention &amp; Exhibition Centre,</u></a> Cairo, Egypt	<a href="http://www.aquathermeg.com/main.html">http://www.aquathermeg.com/main.html</a>
<a href="#"><u>INTERMODAL AFRICA</u></a> Intermodal Africa is the largest Ports, Shipping and Logistics Exhibition and Conference event on the African	7th -8th April 2016	<a href="#"><u>Mövenpick Ambassador Hotel Accra,</u></a> Accra, Ghana	<a href="http://www.transportevents.com/ForthcomingEventsdetails.aspx?EventID=EVE132">http://www.transportevents.com/ForthcomingEventsdetails.aspx?EventID=EVE132</a>



Events	Date	Venue	Link
continent			
<a href="#"><u>CIBEX EAST AFRICA</u></a> Construction, Infrastructure, Building & Energy Expo	3th -5th March 2016	<a href="#"><u>Kenyatta International Conference Center,</u></a> Nairobi, Kenya	<a href="http://www.cibexeastafrica.com/">http://www.cibexeastafrica.com/</a>
<a href="#"><u>ASIA-IO</u></a> Asian-malagasy Multisectoral Commerial Trade Show in Madagascar	17th -20th March 2016	<a href="#"><u>Forello Expo,</u></a> Antananarivo, Madagascar	<a href="http://asia-io.net/">http://asia-io.net/</a>
<a href="#"><u>POWER, STEEL &amp; HOUSING</u></a> Power, Steel & Housing Exhibition and Conference. POWER, STEEL & HOUSING is dedicated to Steel Production, Mines and Allied industries, Modern Homes, including Architecture, Building Materials, Electronics, Furniture and Appliances	22th -24th March 2016	<a href="#"><u>Calabar International Convention Centre (CICC), Calabar ,</u></a> Nigeria	<a href="http://www.powerandsteelexpo.com/">http://www.powerandsteelexpo.com/</a>

## News in Focus

### India's trade with Senegal rockets to over \$700 mn

As India seeks to intensify ties with Africa, trade between India and Senegal, totaled over \$700 million in the 2014-15 financial year.

trade between the two countries have grown steadily from 2010-11, when the total volume stood at \$425.48 million. Trade between the countries has been growing at over 25 percent annually. India's exports to Senegal during the financial year 2014-15 were valued at \$518.72 million and India's imports during the period were \$208.13 million

Link: [http://www.daijiworld.com/news/news\\_disp.asp?n\\_id=379253](http://www.daijiworld.com/news/news_disp.asp?n_id=379253)

## 'Trans-Pacific pact may impact exports'

The TPP (Trans-Pacific Partnership) which was signed in Auckland on 4th January 2016, became a point of discussion among several countries. Our Minister for commerce and industry also showed her concern and shared her views on the TPP partnership between the 12 countries.

Link: <http://www.thehindu.com/news/national/transpacific-pact-may-impact-exports-says-commerce-minister-nirmala-sitharaman/article8180054.ece>

## South Africa's startups are turning out to be the silver lining in a struggling economy

In recent South Africa's economy has faced a lot of disturbances leaving investors worried about the state of the government and its leadership. But in the midst of all the economic dreariness and bad news the local startup scenes of Johannesburg and Cape Town in particular have kept ticking along and might even play a role in reinvigorating investor confidence in Africa's most advanced economy in future.

Link: <http://qz.com/601736/theres-a-silver-lining-in-south-africas-startup-scene-even-as-the-economy-struggles/>

## Nigeria's supercar sellers hit by economic slow-down

Nigeria's wealthy elite would be hard pushed to find a clear road in this traffic-clogged city that would allow them to floor the pedal and get anywhere near approaching top speed.

But now sales of luxury sports cars have slumped as Africa's biggest economy and largest oil producer is battered by the fall in global crude prices.

Link: <http://www.bbc.com/news/world-africa-35444067>

### Tender Information in Africa

#### *Prior information Notices*

Title		Deadline
<u><a href="#">Generating electricity Assiut neonatal station steam capacity</a></u>	Egypt	20 <sup>th</sup> March 2016
<u><a href="#">the Establishment of a Framework Agreement for Bus</a></u>	Kenya	22nd February 2016

<u>Transportation Services</u>		
<u>Supply and replacement of parts for on-road and off-road vehicles, earthmoving and road construction</u>	South Africa	24 <sup>th</sup> February 2016
<u>Supply and delivery of new hydraulically operated, trailer mounted aerial platform hoist/cherry picker</u>	South Africa	25 <sup>th</sup> February 2016
<u>Supply of Vehicles and Vehicle tyres</u>	Ghana	24 <sup>th</sup> February 2016
<u>Supply of Air Conditioner/Generators Unit</u>	Ghana	24 <sup>th</sup> February 2016
<u>Supply of piston electro-compressor units for coupler circuit breakers operations directorate</u>	Morocco	23rd February 2016

For more contract notices, Please register with Tender info and follow the link:  
<http://www.tendersinfo.com/searchresult#>

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