

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**Ravi Sehgal**

India's ties with Africa can be traced to a strong, shared history based on the principles of South-South cooperation, people-to-people linkages and common development challenges. India is becoming an increasingly important economic partner for African countries. Further, to enhance relations in areas such as trade and investment, it is critical that the private sector especially the small and medium enterprises are involved. The positive aspect of India and Africa relations is the consideration of constraints faced in the delivery of the past decisions and policies, for which both have agreed to establish a regular formal monitoring mechanism to review the progress being made by the policies framed to bring both nations closer.

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 agreement signed between India and Seychelles to boost trade between the countries and also for Indian exporters to get a hold on the Indo-Pacific region. The agreement is expected to help India build a infrastructure base on Assumption Islands which has always remained in disputes. The main aim of the agreements signed is to provide assistance to Seychelles.

The newsletter also presents a brief analysis of trade pattern in engineering products between

India and Africa during December 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 29% for the month of December 2017 compared to December 2016. Also, engineering export to South Africa, the top importing destination for Indian engineering exports experienced a jump of over 13% for the month of December 2017 over December 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.

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



## India's increased influence in Indo-Pacific region: Agreement with Seychelles

India signed the agreement with Seychelles for the development, management, operation and maintenance of facilities on Assumption Island. The island is leased to India for the operation of a naval base and air strip by the Indian navy.

In a significant step to India's quest for influence in the Indo-Pacific region, India has signed an agreement with the Indian Ocean archipelago nation of Seychelles for the development, management, operation and maintenance of facilities on Assumption Island.

The island in Seychelles is leased to India for the operation of a naval base and air strip by the Indian navy.

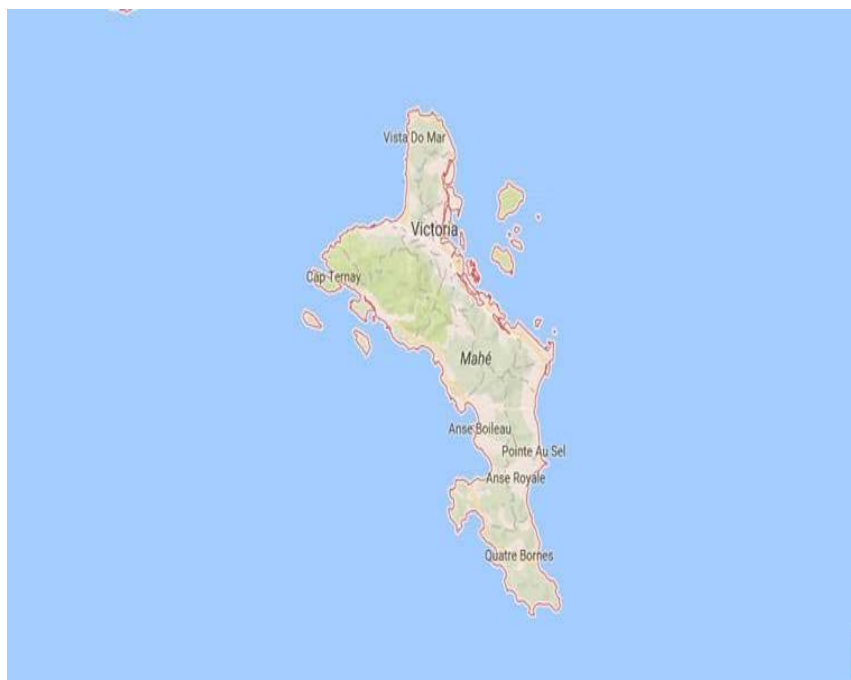
To seek access into the Indo-Pacific region the Foreign Secretary S Jaishankar and Seychelles Secretary of State Barry Faure signed an agreement. Through this agreement India seeks a future for Indian Ocean that lives up to the name of Sagar - an acronym that stands for Security And Growth for All in the Region. Sagar is an Indian initiative to have a



positive effect on sea-borne trade.

During his visit to the Seychelles in March 2015 the Indian Prime Minister said that India's goal was to seek a climate of trust and transparency, respect for international maritime rules and norms by all countries, sensitivity to each other's interests, peaceful resolution of maritime issues, and increase in maritime cooperation.

India and Seychelles have had cooperation in the field of defence and maritime security for many years, which has seen India helping to patrol the Seychelles waters and gifting several equipment to the Seychelles People's Defence Forces (SPDF). During PM's 2015 visit, India announced gifting of a second Dornier surveillance aircraft to the Seychelles Coast Guard to increase maritime security. India gifted Seychelles its first Dornier in 2013.



Concerned by Beijing's moves and increasing presence in Seychelles, India had sent Indian Foreign Secretary on an unannounced visit there in October last year, since Seychelles had said it would like to take a "relook" at the agreement between the two countries to build military infrastructure on Assumption Island. Officials in Seychelles had said the agreement did not have legal backing on their side.

## India and Seychelles bilateral trade relations

**Table 1: India's engineering goods trade with Seychelles**

	2016	2017
<b>Exports to South Africa</b>	19.2	17.74
<b>Imports from South Africa</b>	0.65	0.77
<b>Total trade with South Africa</b>	19.85	18.51

Source: Trademap, ITC

**Table 2: India's top engineering goods exported to Seychelles**

<b>Vehicles other than railway or tramway rolling stock, and parts and accessories thereof</b>
<b>Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof</b>
<b>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.</b>

## Articles of iron or steel

Source: Trademap, ITC

**Table 3: India's top engineering goods imported from Seychelles**

<b>Iron and steel</b>
<b>Aluminum and articles thereof</b>
<b>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.</b>
<b>Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof</b>
<b>Copper and articles thereof</b>

Source: Trademap, ITC

## India's latest trend in engineering exports to Africa

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

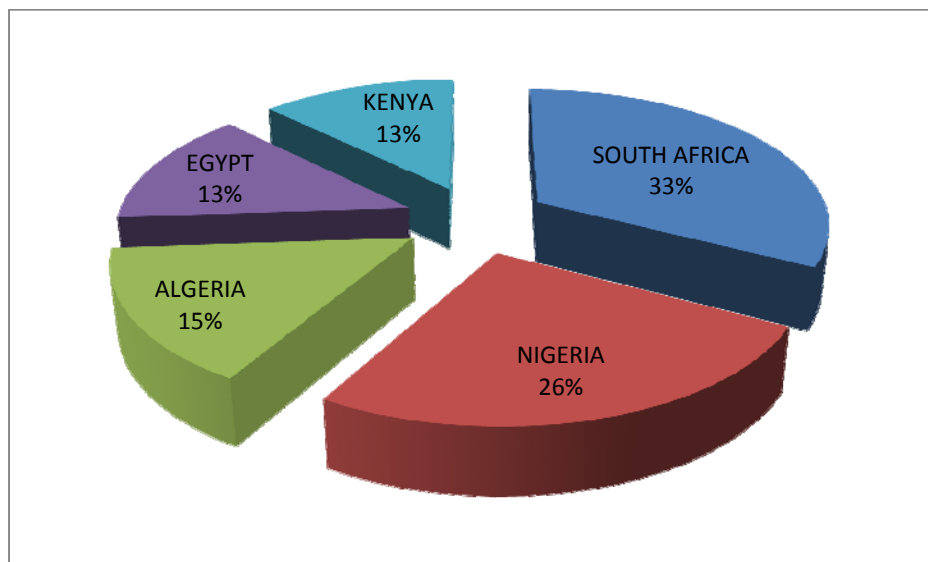
**Table 1: Engineering Exports to Africa (USD million)**

Africa	December 2016 (USD million)	December 2017 (USD million)	Growth (%)
<b>South Africa</b>	115.53	131.11	<b>13.49</b>
<b>Nigeria</b>	42.20	102.79	<b>143.60</b>
<b>Algeria</b>	40.32	61.97	<b>53.68</b>
<b>Egypt</b>	40.44	53.98	<b>33.49</b>
<b>Kenya</b>	52.96	50.70	<b>-4.27</b>
<b>Total Africa</b>	<b>526.50</b>	<b>678.87</b>	<b>28.94</b>

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in December 2017 as in December 2016 with a positive growth rate of over 13%. 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 December 2017. (Fig 1)

**Fig 1: India's engineering export share to African Countries (%) in December 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 December 2017 (US\$ Million)**

DGCI&S Engineering Panels	India's export in December 2016	India's export in December 2017	Growth (%)
<b>Motor Vehicle/cars</b>	132.62	199.72	<b>50.60</b>
<b>Products of Iron &amp; Steel</b>	47.17	87.63	<b>85.75</b>
<b>Industrial Machinery</b>	65.38	84.01	<b>28.50</b>
<b>Iron and Steel</b>	39.22	41.38	<b>5.52</b>
<b>Electric Machinery</b>	50.26	38.67	<b>-23.05</b>
<b>Two and Three Wheelers</b>	25.53	38.00	<b>48.87</b>
<b>Auto Components/Part</b>	24.69	26.50	<b>7.33</b>
<b>Construction Machinery</b>	16.54	18.59	<b>12.38</b>
<b>Air condition and Refrigerators &amp; Parts</b>	6.74	18.29	<b>171.25</b>
<b>Aluminium and products</b>	23.63	16.17	<b>-31.54</b>
<b>Nuclear Reactors</b>	10.26	16.05	<b>56.45</b>
<b>Medical and Scientific Instruments</b>	11.88	13.88	<b>16.77</b>

<b>IC Engines and Parts</b>	9.19	12.34	<b>34.25</b>
<b>Pumps of all types</b>	6.90	9.60	<b>39.05</b>
<b>Machinery for ATMs</b>	10.32	8.59	<b>-16.76</b>

Source: DGCI&S

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

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

Source: Trademap

## News in Focus

- **Sustainable financing for economic development-** Mobilizing Africa's resources

Half of the economies in sub-Saharan Africa will expand over the next five years at an average rate similar to or higher than the rate that prevailed in the heyday of the "Africa rising" narrative.

**Source:** [https://www.brookings.edu/research/sustainable-financing-for-economic-development/?utm\\_campaign=Africa%20Growth%20Initiative&utm\\_source=hs\\_email&utm\\_medium=email&utm\\_content=60231400](https://www.brookings.edu/research/sustainable-financing-for-economic-development/?utm_campaign=Africa%20Growth%20Initiative&utm_source=hs_email&utm_medium=email&utm_content=60231400)

- **Bitcoin Adoption Continues to Thrive Within Africa's Borders**

The digital currency bitcoin is trending in Africa according to many reports and Google's aggregated trend data. One particular group bitcoin is appealing to is African millennials, the columnist Catherine Byaruhanga from Uganda reports. For instance, a young resident from Kampala, Peace Akware, hopes her investment in bitcoin will grow enough for her to purchase a vehicle, and possibly even buy land some day.

**Source:** <https://news.bitcoin.com/bitcoin-adoption-continues-to-thrive-within-africas-borders/>

➤ **Zambia Supports AU in promoting investment in African countries**

Zambia's Ambassador to the United States (US) Ngosa Sibyakula says Zambia supports the African Union's stance to harness the efforts of people of African descent all over the world to invest in African countries.

Dr. Simbyakula said the African Union diaspora division serves as the focal point and hub for implementing the decision to invite and encourage the African diaspora to participate in the building and development of the African continent.

**Source:** <https://www.lusakatimes.com/2018/01/10/zambia-supports-au-promoting-investment-african-countries/>

**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](mailto:eepcho@eepcindia.net), [srajagopalan@eepcindia.net](mailto:srajagopalan@eepcindia.net), [ddas@eepcindia.net](mailto:ddas@eepcindia.net).*

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