

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



Trade is the key to long-term, sustainable economic growth and development in sub-Saharan Africa. Africa's GDP and its internal trade expanded fourfold over the past two decades, indicating that intra-African trade is more resilient than with other regions of the world, mainly because manufactured goods are less affected by price shocks which affect primary products that constitute over 50% of trade between the continent and other countries. Africa and India both recognize that the development of micro, small and medium-scale enterprises is a necessary first step towards industrialization. In the area of science and technology, Africa and India share the common objective of enhancing collaborative research, strengthening science and technology institutions.

**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



Newsletter covers the visit of the Indian Prime Minister to two of the African nations- Rwanda and Uganda. This was the first ever visit by Indian Prime Minister in the recent times. The President of the two African nations had visited India earlier on several occasions one of them being Vibrant Gujarat. During the visit several MoUs were signed between India and the two nations, also ways to enhance the bilateral relations was discussed by the leaders of the African nations and Indian Prime Minister.

**Rohington  
Engineer**

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

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



India's engineering exports to the African continent experienced a jump in June 2018 as compared to the corresponding month in the last year, with a growth rate of over 14%. Also, the top engineering export destination was again occupied by South Africa and Nigeria to second largest importer of engineering goods. The rate of growth for South Africa was not impressive as it experienced a negative growth rate of over 1% but that of Nigeria was very impressive for the month of June 2018 over June 2017 with almost 46% respectively.

**Amrutlal B.  
Bhimani**

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



## Indian Prime Minister's visit to Uganda and Rwanda

Indian Prime Minister undertook a state visit to Uganda and Rwanda on the invitation of the President of the respective African countries from 23<sup>rd</sup> - 25<sup>th</sup> July 2018. The Indian Prime Minister was accompanied by a high-level delegation including senior officials of the Government of India.

The Indian Prime Minister first visited Rwanda from 23<sup>rd</sup> - 24<sup>th</sup> July 2018. The two leaders had met before in India when the Rwanda President had visited India to participate in the Vibrant Gujarat and in 2018 for the Founding Conference of International Solar Alliance respectively. The Indian Prime Minister programme included bilateral delegation level talks, interaction with the Indian community and addressing the business community.

During the talks, both leaders reviewed the entire range of bilateral cooperation and expressed satisfaction at the relations between Rwanda and India in the overall context of Strategic Partnership. Indian Prime Minister highlighted the fact that Rwanda was the first of the new resident Indian Missions to be opened in Africa in 2018. He also appreciated speedy signing and ratification of ISA Treaty by Rwanda. He also expressed admiration for the remarkable growth and transformation of Rwanda. He also complemented him for the important role played by him as African Union Chair in finalizing the African Continental Free Trade Area Agreement that has been signed by 44 countries. He expressed hope that his leadership will guide the African

Union in furthering economic integration of the Continent. He indicated India's willingness to continue to strengthen relations with African Union.

Rwanda has benefitted from projects implemented under the Indian Lines of Credit through EXIM Bank, of nearly \$ 400 million (Hydropower, Agriculture, Skill Development, Infrastructure), several grant projects (VTC, Solar Electrification) and from training and scholarship programs (ITEC, ICCR, IAFS). The Rwanda President expressed his desire to replicate some of India's initiatives for Digital Inclusion in Rwanda. The Indian Prime Minister suggested long-term business visa and work permit for Indians and President Kagame assured that he would look into the matter to facilitate easier travel for Indian investors to Rwanda.

Both the leaders reiterated their commitment to increase bilateral trade and investment and to consider exploring cooperation in the energy, health and education sectors. The leaders reiterated their commitment to intensify their cooperation in the United Nations and other multilateral Institutions in order to address current global challenges such as climate change and to foster international and regional peace and security, sustainable development.

#### **List of MoUs/Documents signed between India and Rwanda during visit of Prime Minister to Rwanda**

MoU on Defence Co-operation.

Bilateral Trade Agreement.

MoU on Dairy Co-operation between ICAR (National Dairy Research Institute), India and Rwanda Agriculture and Animal Resources Development Board, Kigali.

MoU between Central Leather Research Institute (CLRI), India and National Industrial Research and Development Agency (NIRDA), Rwanda.

MoU on Cultural Exchange

Amendment to the MoU on Cooperation in Agriculture and Animal Resources

LoC agreements of US\$ 100 million for development of Industrial Parks and expansion of Kigali SEZ.

LoC agreements of US \$ 100 million for financing components of its Agriculture Project Schemes.

The Indian Prime Minister also visited Uganda from 24<sup>th</sup> - 25<sup>th</sup> July 2018. This was the first visit by an Indian Prime Minister in 21 years. During the visit, bilateral discussions with Uganda President Museveni was held at State House, Entebbe on Wednesday 24th July 2018.

Indian Prime Minister's program included an address to the Ugandan Parliament, which was telecast live in India and many African countries. During the discussions, Indian Prime Minister and Ugandan President underlined the traditionally warm and close ties between Uganda and India. Both sides agreed that bilateral relations have tremendous potential and reaffirmed the mutual desire to strengthen political, economic, commercial, defence, technical, educational, scientific and cultural cooperation. Ugandan President praised the contribution of the 30,000-strong Indian Diaspora towards Uganda's national development and economic growth. India appreciated the significant role played by Uganda for economic integration and maintenance of peace and stability in the Region.

The Ugandan and Indian side reaffirmed the commitment to reinforce and build upon the successes and achievements of existing bilateral cooperation. They emphasized on the importance of trade and economic ties

between the two countries. The two leaders noted the current level of bilateral trade and expressed the desire to enhance and diversify the trade basket including addressing the trade imbalance and to facilitate trade between the two countries. The talks also pressed upon the need for enhanced private sector investment in a wide range of important sectors, underlining there was great potential for enhancement and expansion of mutual trade relations.

The leaders agreed on the need to closely engage with regional and international issues of mutual interest and concern. They reiterated their commitment to intensify their cooperation in the United Nations and other multilateral organizations in order to address current global challenges such as climate change and to foster international and regional peace and security, as well as sustainable development. The leaders emphasized the need for regular convening of bilateral mechanisms to review the overall state of bilateral relations, and for the expeditious implementation of the economic and development cooperation projects.

<b>List of MoUs signed between India and Uganda during visit of Prime Minister to Uganda</b>
MoU on Defence Cooperation.
MoU on Visa exemption for Diplomatic and official passport holders.
MoU on Cultural Exchange Programme.
MoU on Material Testing Laboratory.

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

India engineering export to countries in the African continent during June 2018 is depicted in the table below. The table also shows the export performance in the continent by India for the last FY2017-18. Countries with the highest demand for Indian engineering products during June 2018 in absolute values include:

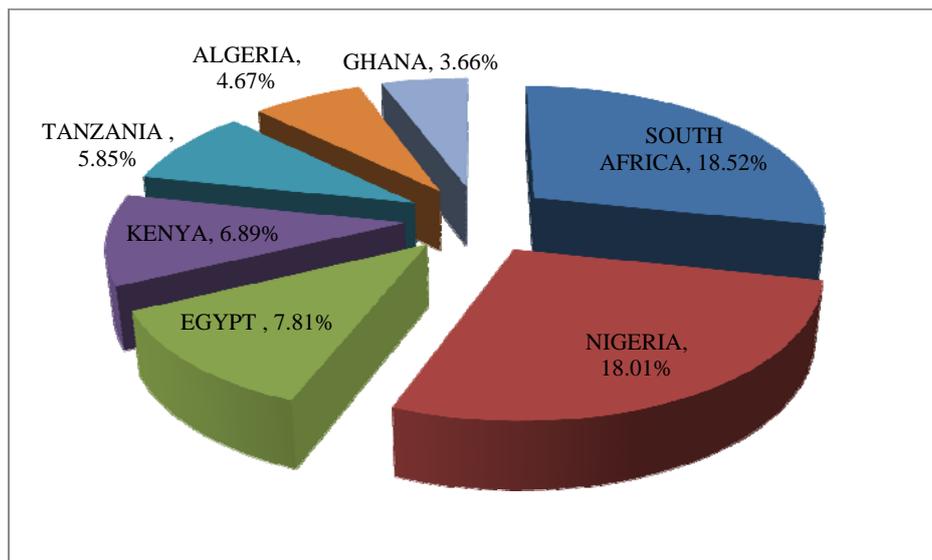
**Table 1: Engineering Exports to Africa (USD million)**

Africa	June 2017	June 2018	Growth (%)
<b>South Africa</b>	136.85	119.68	-12.55
<b>Nigeria</b>	79.98	116.38	45.52
<b>Egypt</b>	46.36	50.49	8.92
<b>Kenya</b>	35.17	44.49	26.52
<b>Tanzania</b>	20.36	37.79	85.65
<b>Total Africa</b>	<b>564.25</b>	<b>646.13</b>	<b>14.51</b>

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in June 2018 as compared to June 2017 but with a negative growth rate of over 12%. 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 June 2018. (Fig 1)

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



Source: DGCI&S

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

**Table 2: Top 15 engineering panels exported to Africa in June 2018 (US\$ Million)**

DGCI&S Engineering Panels	India's export in June 2017	India's export in June 2018	Growth (%)
<b>Motor Vehicle/cars</b>	173.39	143.76	<b>-17.08</b>
<b>Industrial Machinery</b>	70.46	86.21	<b>22.36</b>
<b>Products of Iron &amp; Steel</b>	36.90	63.57	<b>72.28</b>
<b>Two and Three Wheelers</b>	25.87	44.05	<b>70.26</b>
<b>Iron and Steel</b>	49.71	38.71	<b>-22.12</b>
<b>Electric Machinery</b>	41.52	32.85	<b>-20.89</b>
<b>Air condition and Refrigerator</b>	13.61	31.69	<b>132.85</b>
<b>Auto Components/Part</b>	24.52	27.65	<b>12.76</b>
<b>Ships Boats and Floating structures</b>	0.02	24.92	<b>105003.56</b>
<b>Construction Machinery</b>	14.78	21.12	<b>42.85</b>
<b>Aircrafts Spacecrafts &amp; parts</b>	1.43	19.83	<b>1291.03</b>
<b>Aluminum and products</b>	9.62	14.73	<b>53.16</b>
<b>Medical and Scientific Instruments</b>	12.43	12.74	<b>2.51</b>
<b>IC Engines and Parts</b>	8.43	11.51	<b>36.62</b>
<b>Pumps of all types</b>	9.67	8.47	<b>-12.43</b>

Source: DGCI&S

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

Country	Top products traded
<b>South Africa</b>	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
<b>Nigeria</b>	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc
<b>Kenya</b>	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc

<b>Egypt</b>	Ships, boats and floating structures, Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, 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, Motor Vehicles & parts, Iron & Steel, Articles of Iron & Steel etc
<b>Tanzania</b>	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc
<b>Senegal</b>	Articles of Iron & Steel, Electrical Machinery, Mechanical Machinery, Motor Vehicles & parts, etc
<b>Uganda</b>	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc

## News in Focus

### ➤ Continent's free trade deal a game-changer for Africa

South Africa has joined more than 50 African states in signing the African Continental Free Trade Area (AfCTFA) agreement, which is aimed at facilitating a single market for goods and services on the continent. The Presidency said the Africa Continental Free Trade Area and Peace and Security was introduced by the former chairperson of the African Union Commission, Dr Nkosazana Dlamini Zuma, at the AU Summit held in Sandton in June 2015.

**Source:** <https://www.iol.co.za/capetimes/news/continents-free-trade-deal-a-game-changer-for-africa-15795779>

### ➤ African Union leaders set to meet to review free trade, crises

African Union (AU) leaders met in Mauritania for a two-day summit focusing on free trade, tackling corruption and dealing with the continent's humanitarian and security crises. The theme of the meeting, which was held in Mauritania's capital, Nouakchott, is Winning the Fight against Corruption: A Sustainable Path to Africa's Transformation.

Currently, African countries only conduct about 16 percent of their business with each other, the smallest amount of intra-regional trade compared with Latin America, Asia, North America and Europe.

**Source:** <https://www.aljazeera.com/news/2018/06/african-union-leaders-set-meet-review-free-trade-crisis-180630162936927.html>

## Trade Barriers

**Table 4: Technical barriers to trade**

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
Uganda	G/TBT/N/UGA/839; 16 April 2018	94, 8304, 7321, 870911.	Surgical Instruments and Materials

Botswana	G/TBT/N/BWA/82; 25 June 2018	853620	Low voltage switchgear and control gear
Botswana	G/TBT/N/BWA/91; 26 June 2018	8467	Hand-Held Motor-Operated Electric Tools
Tanzania	G/TBT/N/TZA/158 ; 23 April 2018	820110030	Shovels
Egypt	G/TBT/N/EGY/189; 21 February 2018	841920	Large Steam Sterilizers

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