

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

Vanijya Bhavan (1st Floor)
International Trade Facilitation
Centre (ITFC)
1/1 Wood Street,
Kolkata - 700016
www.eepcindia.org



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Chairman's Pen



**Tarvinder
Singh Bhasin**

Growth prospects in Africa has improved with rising global commodity prices and demand. Growth in Sub-Saharan Africa is forecast to pick up to 2.6 percent in 2017 and it might increase to 3.2 percent in 2018. The African continent appears to be now more conducive for growth and development. For India, Mauritius is a very important trade and investment partner. India has also been trying to further improve its trade and investment relations with Mauritius as reflected from the recent visit of Mauritius Prime Minister to India in May 2017. This was first overseas visit of the Mauritius Prime Minister after taking the responsibility.

EEPC India has also been continuously working towards strengthening trade and investment relationships between India and Africa including Mauritius. We hope, our readers find this Newsletter useful.

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



Mahesh Desai

Africa highlights major outcomes from the recent visit of the Mauritius Prime Minister Mr. Pravind Kumar Jugnauth to India. During the three days visit, several issues and areas of cooperation between the two nations were discussed. A number of MoUs were also signed in his visit. The Prime Minister of Mauritius expressed his interest in building deeper trade and economic ties with India.

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

between India and Africa during May 17.

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



Aakash Shah

positive note with the trend of increased exports to the African continent continuing for the month of May 2017 also. Engineering exports from India to Africa achieved a growth of over 5% in May 2017 compared to May 2016. Interestingly, engineering export to South Africa, the top importing destination for Indian engineering exports, saw impressive growth of over 56% in May 2017 as compared to May 2016.

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

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.



Mauritius and India moving ahead with Mauritius Prime Minister's visit to India

The Mauritius Prime Minister Mr. Pravind Kumar Jugnauth was on a visit to India in May 2017. The Mauritian PM's visit to India is part of continuing engagement with the Government of Mauritius at the highest level and reflect special ties between the two countries.

India and Mauritius share good political, economic and trade relations. Indian Prime Minister welcomed the Mauritius Prime Minister Pravind Jugnauth and his delegation to India. This was his first overseas visit after taking on the new responsibility as Prime Minister of Mauritius earlier this year. This visit reflected the depth of ties that have endured and enhanced over two centuries between the two countries.



The discussions between Prime Minister of the two countries have been warm and productive, which gave a robust agenda for cooperation. It also underscored the commonality of our values, interests and efforts. The visit was another leap in the bilateral agenda of the two countries. As frontline states of the Indian Ocean, the two Prime Minister agree that it is their responsibility to ensure collective maritime security around coasts and in EEZs. They agreed that effective management of conventional and non-conventional threats in the Indian Ocean is essential to pursue economic

opportunities; protect the livelihood of communities, and provide security to their people. And, for this India-Mauritius cooperation is very important.

The conclusion of the bilateral Maritime Security Agreement strengthened scope for mutual cooperation and capacities building and it also strengthened scope for wide-ranging cooperation in hydrography for a secure and peaceful maritime domain. India is supporting the National Coast Guard of Mauritius in augmenting its capacity through Project Trident. India has also taken a decision to renew the life of the Coast Guard Ship Guardian that was provided to Mauritius, under a grant assistance programme.

| The list of MoUs signed during the visit |
|---|
| <ul style="list-style-type: none">• Memorandum of Understanding Between Government of the Republic of India and Government of the Republic of Mauritius for Setting up of Civil Services College in Mauritius |
| <ul style="list-style-type: none">• Agreement on Maritime Security |
| <ul style="list-style-type: none">• Memorandum of Understanding between Council of Scientific and Industrial Research, India and Mauritius Oceanography Institute, Mauritius for Research and Education in Marine Sciences and Technology |
| <ul style="list-style-type: none">• Dollar Credit Line Agreement Between SBM Mauritius Infrastructure Development Co. Ltd and Export-Import Bank of India |
| <ul style="list-style-type: none">• Submission of Instrument of Ratification of International Solar Alliance by Mauritius |

India is participating actively in the ongoing development activities in Mauritius. An agreement on a 500 million US dollars Line of Credit from India to Mauritius, signed in discussion is a good example of India's strong and continuing commitment towards the development of Mauritius. It will also help in the implementation of priority projects. India will extend full support for the timely execution of projects identified between the countries. Projects will vitalize the economy of Mauritius and will mark a qualitative transformation in the relations of countries. Skill development cooperation with Mauritius was also an active part of interaction under India's multiple capacity building programme with Mauritius.

Another area of attention was the importance of renewable energy. The signing and ratification of the framework agreement on International Solar Alliance by Mauritius has opened up new vistas of regional partnership for both countries in this field.



Engineering Trade

During 2016, engineering exports from India to Mauritius increased by an impressive 41%, compared to 2015. Overall, engineering trade between the two countries increased to \$87 million realizing a growth of nearly 31% in comparison to the preceding year 2015. This is reflective of the growing trade and economic relation between India and Mauritius.

| Values in USD Million | 2014 | 2015 | 2016 |
|--|-------|--------------|--------------|
| India's engineering exports to Mauritius | 55.43 | 51.09 | 72.10 |
| Growth (%) | | -7.82 | 41.12 |
| India's engineering imports from Mauritius | 16.85 | 15.70 | 15.08 |
| Growth (%) | | -6.82 | -3.96 |
| India's engineering total trade with Mauritius | 72.28 | 66.79 | 87.18 |
| Growth (%) | | -7.59 | 30.52 |

Source: Trademap

| Major Engineering Products exported by India to Mauritius | Major Engineering Products imported by India from Mauritius |
|---|---|
| Aircraft, spacecraft, and parts thereof | Optical, Medical & Scientific Instruments |
| Automobiles | Iron and steel |
| Mechanical machinery | Aluminum and articles |

Source: Trademap

India's latest trend in engineering exports to Africa

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

Table 1: Engineering Exports to Africa (USD million)

| Africa | May 2017 (USD million) | May 2016 (USD million) | Growth (%) |
|---------------------|------------------------|------------------------|---------------|
| South Africa | 117.65 | 75.41 | 56.02 |
| Egypt | 44.10 | 52.65 | -16.25 |
| Nigeria | 42.62 | 48.69 | -12.47 |
| Kenya | 40.58 | 45.46 | -10.74 |
| Ethiopia | 32.75 | 43.06 | -23.94 |
| Total Africa | 476.78 | 454.09 | 5.00 |

Source: DGCI&S

South Africa is the top importer for Indian engineering exports in May 2017 vis-à-vis May 2016 after a long time, with a very high positive growth rate. 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 May 2017.

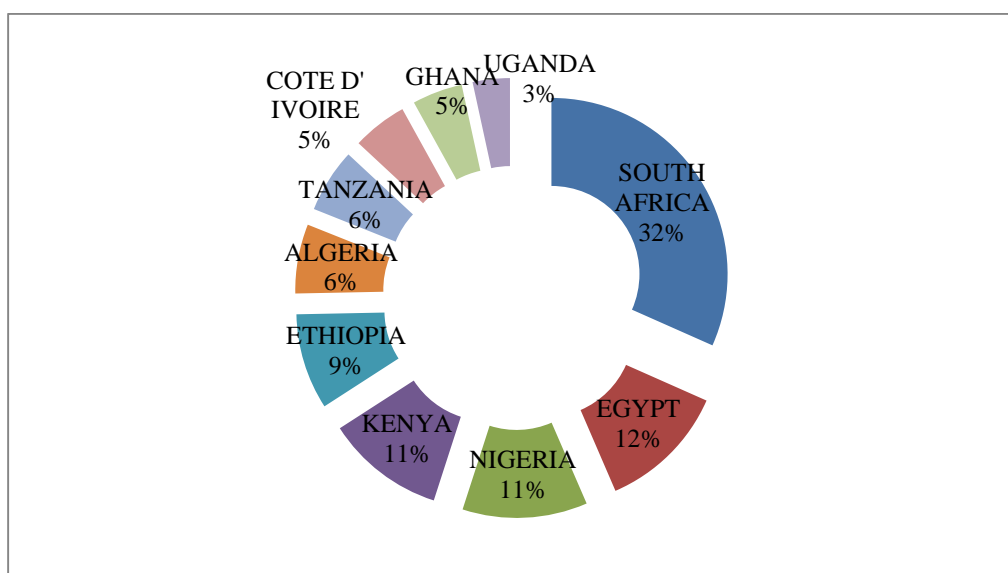
Among top 15 panels, while six recorded positive growth, engineering exports from India declined in case of nine panels (Table 2).

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

| DGCI&S Engineering Panels | India's export in May 2017 | India's export in May 2016 | Growth (%) |
|------------------------------------|----------------------------|----------------------------|------------|
| Motor Vehicle/cars | 138.61 | 80.02 | 73.22 |
| Industrial Machinery | 59.18 | 62.90 | -5.91 |
| Iron and Steel | 44.77 | 38.43 | 16.51 |
| Products of Iron & Steel | 40.78 | 34.97 | 16.63 |
| Two and Three Wheelers | 30.91 | 43.50 | -28.93 |
| Electric Machinery | 29.78 | 39.73 | -25.04 |
| Auto Components/Part | 23.44 | 27.35 | -14.31 |
| Construction Machinery | 15.69 | 12.56 | 25.00 |
| Aluminum and products | 10.15 | 9.54 | 6.38 |
| Air condition and Refrigerators | 9.32 | 10.54 | -11.59 |
| Medical and Scientific Instruments | 9.20 | 11.90 | -22.68 |
| IC Engines and Parts | 7.69 | 18.96 | -59.44 |
| Bicycle & Parts | 6.36 | 7.57 | -16.03 |
| Machinery for ATMs | 5.86 | 5.45 | 7.52 |
| Pumps of all types | 5.22 | 6.49 | -19.55 |

Source: DGCI&S

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



Source: DGCI&S

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

➤ **The IMF is back in Africa- Falling commodity prices mean that loans are needed**

ZAMBIANS have good reason to distrust the IMF. In the 1990s, under the fund's guidance, their government cut spending, scrapped subsidies, liberalised the exchange rate and privatised over 200 state-run firms. This "structural adjustment" was painful: employment shrivelled and, by the end of the decade, income per person had shrunk by 8%. In the words of Binwell Sinyangwe, a novelist, "they were the years of money first or else no friendship".

Source: <http://www.economist.com/news/finance-and-economics/21723402-falling-commodity-prices-mean-loans-are-needed-imf-back-africa>

➤ **Light Manufacturing in Africa**

Africa's experience with manufacturing has been mixed. Despite bursts of growth in the 1960s and mid- 1980s, Africa currently has less formal manufacturing than any region of the world. However, opportunities still exist for Africa to grow its manufacturing industry. For Africa to break into the market in low-end, labour intensive manufacturing, there are several interdependent challenges to overcome. The meeting brought together over 40 industry experts and senior officials from key government ministries, departments and agencies from selected African countries, development partners, civil society organisations, academia and the media to discuss these challenges.

Source: <http://acetforafrica.org/highlights/light-manufacturing-in-africa/>

➤ **The future of tech is in 'cities across Africa**

Silicon Valley's days leading the tech revolution may be coming to an end, according to one optimistic observer who believes the future of technology lies much further abroad than San Francisco.

The future of tech will be written in Lagos, Nairobi, Kampala and cities across Africa. It is believed that Africa is going to emerge as a very significant player in the global tech scene.

Source: <http://www.cnbc.com/2017/06/16/jeremy-johnson-andela-ceo-future-of-tech-is-africa.html>

➤ **Africa-EU Partnership: Council adopts conclusions for a renewed impetus**

The Council adopted conclusions on a renewed impetus for the Africa-EU partnership. The conclusions state that the EU has a genuine strategic interest in deepening and strengthening its longstanding partnership with Africa. The Council welcomes the adoption of the joint communication by the High Representative and the Commission for a renewed impetus of the Africa-EU partnership..

Source: <http://www.consilium.europa.eu/en/press/press-releases/2017/06/19-conclusions-africa-eu-partnership/>

➤ **Middle East and Africa set for 22% annual growth**

Around 40GW of newwind power will be installed in the Middle East and Africa (MEA) by 2026, at an average growth rate of 22%.

The rapid growth of wind in the region will be aided by costs falling around 15% by 2022 caused by good wind resources, greater experience from other regions, and best practices in the value chain.

Source: <http://www.windpowermonthly.com/article/1437006/middle-east-africa-set-22-annual-growth>

Trade Barriers

Table 4: Technical barriers to trade

| Member Imposing | Notification/ Date of In-Forcement | HS Code | Products Description |
|-----------------|-------------------------------------|--|---|
| Botswana | G/TBT/N/BWA/58; 26 January 2017 | 8201, 8202, 8203, 8204, 8205, 8467, 8509 | Electric tools; Hand-operated tools |
| Botswana | G/TBT/N/BWA/59; 26 January 2017 | 8535, 8536, 8537, 8538 | Insulating gases, Switches, disconnectors, fuse combinations |
| Botswana | G/TBT/N/BWA/59; 26 January 2017 | 820, 820840, 842481, 8432, 8433, 8435, 8436, 8701 | Household and electronic equipments, Horticultural equipments |
| Kenya | G/TBT/N/KEN/542; 20 January 2017 | 8506, 8541 | Solar energy engineering |
| Kenya | G/TBT/N/KEN/546; 20 January 2017 | 8546, 8547 | Insulating materials |
| 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 |
|---|-------------------------|-------------------------|---|
| Buildint Kenya | 13th- 15th July,2017 | Nairobi, Kenya | http://www.eventseye.com/fairs/f-buildint-kenya-20236-1.html |
| Salon De L'auto D'occasion De Casablanca | 01st- 09th July,2017 | Casablanca, Morocco | http://www.eventseye.com/fairs/f-salon-de-l-auto-d-occasion-de-casablanca-22071-1.html |
| Nipexpo - Nigeria Power Expo | 18th- 20th July,2017 | Abuja, Nigeria | http://www.eventseye.com/fairs/f-nipexpo-nigeria-power-expo-18687-1.html |
| Kzn Industrial Technology Exhibition | 25th- 28th June,2017 | Durban, South Africa | http://www.eventseye.com/fairs/f-kzn-industrial-technology-exhibition-16051-1.html |

Tender information in Africa**Table 6: Tender related information**

| Title | Deadline | Country | Link |
|---|-----------------|--------------|---|
| <u>Supply And Delivery Of Farm Machinery, Implements And Equipment In Free State For 36 Months (TI Ref ID: 40516566)</u> | 07 July 2017 | South Africa | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40516566 |
| <u>Supply Of Motor Vehicles And Motorcycle Spares Parts, Tube, Tyres And Batteries Etc. (TI Ref ID: 40513394)</u> | 14 July 2017 | Uganda | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40513394 |
| <u>Supply Of Crusher For The Crushing And Grinding Line Of Talcum Materials With A Thickness Of 5 Microns (TI Ref ID: 40510266)</u> | 17 July 2017 | Egypt | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40510266 |
| <u>Supply Of 250kw And 150 Kw Generators Invites Sealed Bids From Eligible Bidders For The Procurement (TI Ref ID: 40516999)</u> | 14 July 2017 | Ethiopia | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40516999 |

| | | | |
|--|--------------|------------|---|
| Supply And Installation Of Split Air Conditioners System For Industrial Premises Of Fes Operations Division Plants (TI Ref ID: 40491371) | 18 July 2017 | Morocco | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40491371 |
| Purchase Accessories For Cars And Motorcycles (TI Ref ID: 40469170) | 13 July 2017 | Mozambique | http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=40469170 |

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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Contact: Manila Sharma

Email: msharma@eepcindia.net

Phone no: 011-23711124