

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Ravi Sehgal

That India is diversifying the ways in which it can enhance economic cooperation — and promote its diplomatic profile — in Africa is significant. Recently India has extended 152 lines of credit to the tune of almost \$8 billion to 44 African countries, for developing agriculture, infrastructure, clean energy, and manufacturing. Africa is looking to implement a free trade agreement which will protect and promote the economic interests of the continent as a regional bloc. India will be constructing convention centers across 21 African countries, beginning with Niger in Western Africa. This is the first time that India has expanded cooperation with Africa in the realms of this kind of infrastructure. Indian investment in Africa is also being ramped up, with over 140 Indian enterprises ranging from Wipro to Mahindra and Mahindra, investing over \$4 billion in South Africa alone.

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 visit of the President of the Republic of Seychelles to India. The visit will be a response to the invitation by the President of India. During the visit bilateral discussions will be held on the key areas of cooperation between the two countries ranging from agriculture, energy, tourism and policy research. Also a few agreements will be reviewed and new agreements would be signed during the visit of the President of Seychelles.

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

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



Aakash Shah

India's engineering exports to the African continent experienced a jump in May 2018 as compared to the corresponding month in the last year, with a growth rate of over 28%. 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 and Nigeria was very impressive for the month of May 2018 over May 2017, 21% and 165 % respectively.

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.



Indian President's visit to Seychelles

His Excellency Mr. Danny Faure, President of the Republic of Seychelles will be paying a State Visit to India from 22-27 June 2018 at the invitation of the President of India. He will be accompanied by a high level delegation comprising two Cabinet Ministers, four Secretaries of State and other senior officials of the Government of Seychelles. A business delegation will also be accompanying the President on the visit.



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

President Danny Faure will be accorded a ceremonial welcome including inspection of a Guard of Honour at the forecourt of the Rashtrapati Bhavan on 25 June morning. This will be followed by a visit to Rajghat to pay tributes to Mahatma Gandhi.

His official engagements include meeting with the President of India, delegation level talks with the Prime Minister, calls by the Vice President and the External Affairs Minister, and an address to the India-Seychelles Business Forum. The President of India will host a State Banquet in honour of the visiting dignitary.

#IndiaSeychelles:
Key Areas of Cooperation

- Air Services
- Tourism
- Trade & Commerce
- Healthcare
- Defence
- Science and Technology
- Information Technology
- Youth Affairs & Sports
- Police Research/Training
- Renewable Energy
- Agriculture
- Blue economy
- Cultural Exchange Programme

During the visit, the President of Seychelles will also be visiting the states of Gujarat, Goa and Uttarakhand.

The State Visit of President Faure is part of regular high level exchanges between India and Seychelles, and will accord an opportunity to review our wide-ranging bilateral cooperation including in the fields of defence and security and development partnership.

| S. No. | MoU/Agreement |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | MOU between the Government of the Republic of India and the Government of the Republic of Seychelles regarding Indian Grant Assistance for Implementation of Small Development Projects through Local Bodies, Educational and Vocational Institutions |
| 2 | Twinning Agreement on the Establishment of Friendship and Cooperation between the Corporation of the City of Panaji (Municipal Corporation) and the City of Victoria of the Republic of Seychelles |
| 3 | MOU between the Indian Computer Emergency Response Team (CERT-in), Ministry of Electronics and Information Technology, Republic of India and the Department of Information Communications Technology of the Republic of Seychelles on Cooperation in the area of Cyber Security |
| 4 | Cultural Exchange Programme between the Government of the Republic of India and the Government of the Republic of Seychelles for the years 2018-2022 |
| 5 | Technical Agreement on Sharing White Shipping Information between the Indian Navy and the National Information Sharing and Coordination Center of the Republic of Seychelles |
| 6 | MOU between the Foreign Service Institute of the Ministry of External Affairs of the Republic of India and the Department of Foreign Affairs of the Republic of Seychelles |

India's latest trend in engineering exports to Africa

India engineering export to countries in the African continent during May 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 May 2018 in absolute values include:

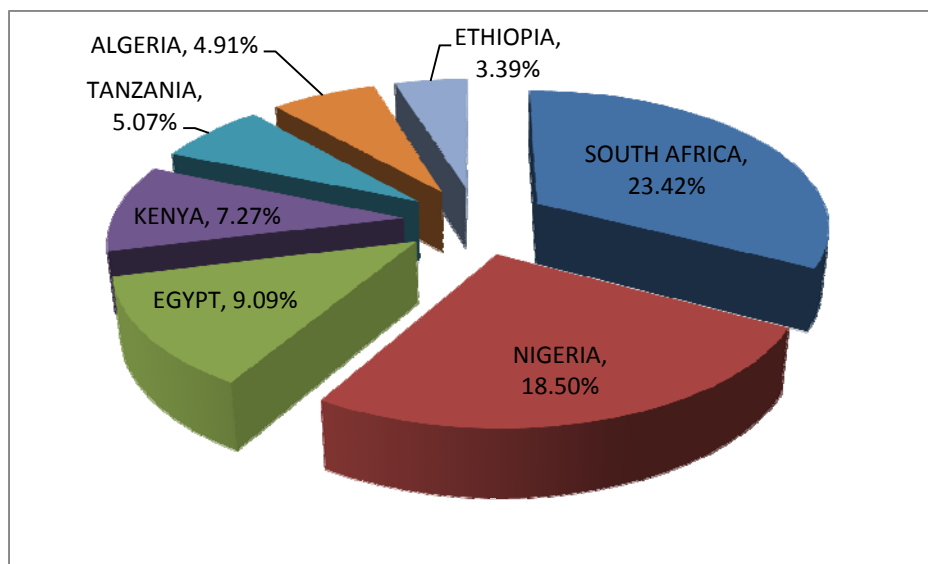
Table 1: Engineering Exports to Africa (USD million)

| Africa | May 2017 | May 2018 | Growth (%) |
|---------------------|----------|----------|---------------|
| South Africa | 117.65 | 142.96 | 21.51 |
| Nigeria | 42.62 | 112.90 | 164.91 |
| Egypt | 44.18 | 55.48 | 25.58 |
| Kenya | 40.53 | 44.39 | 9.51 |
| Tanzania | 21.84 | 30.95 | 41.69 |
| Total Africa | 477.85 | 610.33 | 27.73 |

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in May 2018 as in May 2017 with a positive growth rate of over 21%. 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 2018. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in May 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 May 2018 (US\$ Million)

| DGCI&S Engineering Panels | India's export in May 2017 | India's export in May 2018 | Growth (%) |
|----------------------------------------|----------------------------|----------------------------|------------|
| Motor Vehicle/cars | 138.60 | 164.46 | 18.66 |
| Industrial Machinery | 59.25 | 80.56 | 35.95 |
| Products of Iron & Steel | 41.20 | 59.12 | 43.49 |
| Two and Three Wheelers | 31.07 | 42.21 | 35.84 |
| Iron and Steel | 45.83 | 41.24 | -10.02 |
| Electric Machinery | 28.94 | 31.57 | 9.08 |
| Auto Components/Part | 23.43 | 30.26 | 29.14 |
| Air condition and Refrigerator & parts | 9.39 | 28.98 | 208.73 |

| | | | |
|-------------------------------------------|-------|-------|---------------|
| Construction Machinery | 15.76 | 17.32 | 9.90 |
| Aluminum and products | 10.23 | 14.40 | 40.74 |
| Medical and Scientific Instruments | 8.82 | 12.21 | 38.42 |
| IC Engines and Parts | 7.64 | 10.18 | 33.27 |
| Nuclear Reactors | 4.02 | 9.33 | 132.32 |
| Pumps of all types | 5.22 | 8.72 | 67.06 |
| Bicycle & Parts | 6.42 | 7.69 | 19.86 |

Source: DGCI&S

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

| Country | Top products traded |
|---------------------|----------------------------------------------------------------------------------------------------------------------------|
| South Africa | Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc |
| Nigeria | Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc |
| Kenya | Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc |
| Egypt | Ships, boats and floating structures, Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, 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, Motor Vehicles & parts, Iron & Steel, Articles of Iron & Steel etc |
| Tanzania | Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc |
| Senegal | Articles of Iron & Steel, Electrical Machinery, Mechanical Machinery, Motor Vehicles & parts, etc |
| Uganda | Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc |

News in Focus

➤ Sub-Saharan Africa's economic growth to quicken to 3.1% in 2018

Sub-Saharan Africa is on course for economic growth of 3.1% this year. Sub-Saharan African economies were hit hard by a crash in commodity prices which slowed growth, slashed government revenues and weakened several of the currencies on the continent. Growth was 1.5% in 2016, the lowest in more than two decades, before rising to an estimated 2.6% last year.

Source:<https://www.moneyweb.co.za/news/economy/sub-saharan-africas-economic-growth-to-quicken-to-3-1-in-2018/>

➤ **Africa’s big new free trade agreement, explained**

There is a new global trade player, the African Continental Free Trade Area, The AfCFTA will come into effect 30 days after ratification by the parliaments of at least 22 countries. Each country has 120 days after signing the framework to ratify.

This will be one of the world’s largest free-trade areas in terms of the number of countries, covering more than 1.2 billion people and over \$4 trillion in combined consumer and business spending if all 55 countries join. Here are four things you need to know about the AfCFTA

Source:https://www.washingtonpost.com/news/monkey-cage/wp/2018/03/29/the-countdown-to-the-african-continental-free-trade-area-starts-now/?noredirect=on&utm_term=.feab15f8cbf8

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 |

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