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Chairman's Pen



The effective engagement between India and African region depends on various imperatives that come from our shared historical and cultural links. The relative complimentary strength and capacities of India and Africa make them natural economic and commercial partners. India provides a stable and profitable market to the goods and services of Africa. Africa has the potential to contribute to India's energy requirements. There is a common approach by both the nations in meeting developmental challenges and sustainable growth. The major issues African countries confront are healthcare, food security, climate change, sanitation, water, energy, poverty and resource constraints. Still, much remains for India to achieve and

Ravi Sehgal tap in Africa.

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



This edition of Territorial Newsletter highlights the official visit of the Indian President to Madagascar. During the visit the Indian President and his counter parts in the Madagascar met and discussed the bilateral ties between the India and Madagascar. Also, the two leaders signed two MoUs during the visit. They also discussed on how to make the bilateral relations more strong and affective, encouraging more trade and investment in both the countries.

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

Mahesh Desai

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



India's engineering exports to the African continent experienced a good jump with a positive growth rate of 24% for the month of February 2018 compared to February 2017. Also, the top engineering export destination was again taken over by South Africa bringing Nigeria to second largest importer of engineering goods with a positive growth rate of over 9%. Nigeria, the top importing destination for Indian engineering exports was the second largest importer with a growth rate of 79% for the month of February 2018 over February 2017.

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.

Aakash Shah

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 Madagascar

The President of India, is on a State Visit to Madagascar accompanied by a delegation comprising Minister of State for - Health & Family Welfare and four Members of Parliament along with other senior Government officials at the invitation the President of the Republic of Madagascar. Both the Presidents jointly inaugurated the Center on Geoinformatics Applications for Rural Development (CGARD), set up in Antananarivo with India's assistance. The Center's cutting-edge technologies related to remote sensing, geo-informatic information system (GIS) and GPS, can be applied in several sectors: fishing, agriculture, cartography, natural disaster management, scientific research, etc.

During the discussions, both the Leaders acknowledged the long-standing excellent bilateral relations between Madagascar and India and re-affirmed the mutual desire to strengthen economic, commercial, technical, educational, scientific and cultural cooperation between the two countries. The Malagasy side appreciated the support provided by the Government of India in education/capacity building of students, professionals and institutions which have been one of the strongest pillars of bilateral partnership between the two countries.

Both the countries emphasized the need for enhanced private sector investments from India to Madagascar in a wide range of important sectors also for enhancement and expansion of mutual trade relations. The Madagascar President expressed his keenness to provide incentives to investors in Madagascar including simplification of business visas to Indian businesspersons on a reciprocal basis.

The two Leaders welcomed the signing of the Memorandum of Understanding on Defense Cooperation and the Amended Air Services Agreement between the two countries. The President of Madagascar thanked the Indian President for the positive consideration of the LOC request of USD 80.72 million for the agricultural development and farm mechanization project. He particularly expressed his gratitude for the decision of Government of India to grant Category I terms and conditions for the Indian LoCs for Madagascar..

The Madagascar President also welcomed the Government of India's decision to grant assistance of 1000 Metric Tonnes of Rice, Bhabhatron-II Cancer therapy medicine, gift of medicines (approx. 100 tonnes), one hundred thousand NCERT text books computers, video projector, sound and office equipment to CENI. President of India handed over a cheque for US\$ 2 million to BNGRC, the National Office for Management of Risk and Disaster Relief, as India's contribution for disaster relief.

This State visit marks the beginning of a new era of cooperation between Madagascar and India and an important step in the revitalization of bilateral relations. President of India thanked President of Madagascar for the warm hospitality extended to him and his delegation during their stay in Madagascar and extended an invitation to him to visit India.

List of MoUs/Agreements signed during the State visit of President to Madagascar

S.No.	MoU/Agreement	Purpose
1.	MoU on Cooperation in the Field of Defence	The purpose of the MoU is to establish a framework to strengthen the existing bilateral relationship through defence co-operation and to promote co-operative activities in the field of defence.
2.	MoU on Cooperative Marketing Arrangements.	The purpose of the MoU is to make addition to the existing Air-Service Agreement for cooperative marketing arrangements.

India's latest trend in engineering exports to Africa

India engineering export to countries in the African continent during February 2018 is depicted in the table below. Countries with the highest demand for Indian engineering products during February 2018 in absolute values include:

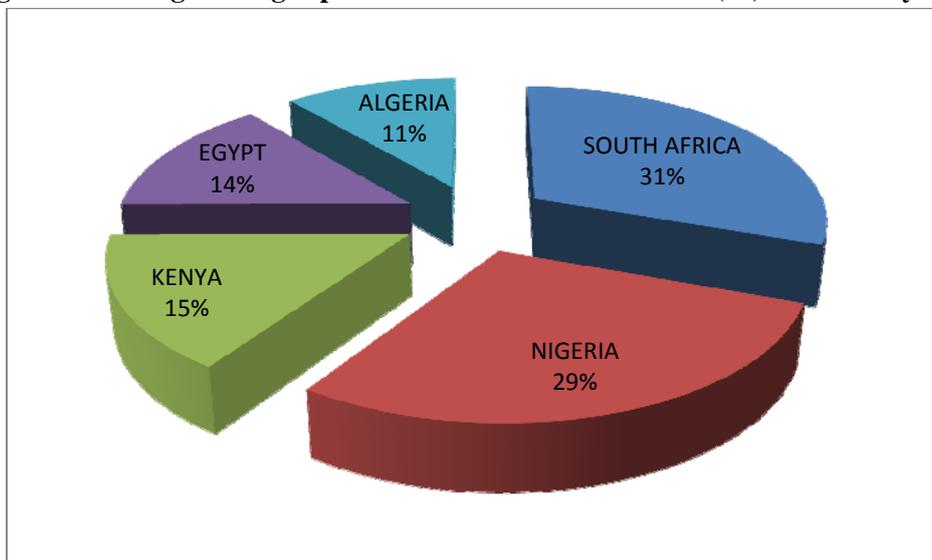
Table 1: Engineering Exports to Africa (USD million)

Africa	February 2018 (USD million)	February 2017 (USD million)	Growth (%)
South Africa	95.82	87.66	9.31
Nigeria	90.57	50.62	78.92
Kenya	48.67	45.99	5.83
Egypt	43.76	35.13	24.54
Algeria	34.92	12.72	174.53
Total Africa	544.73	437.67	24.46

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in February 2018 as in February 2017 with a positive growth rate of over 9%. 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 February 2018. (Fig 1)

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



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 February 2018 (US\$ Million)

DGCI&S Engineering Panels	India's export in February 2018	India's export in February 2017	Growth (%)
Motor Vehicle/cars	133.91	82.12	63.06
Industrial Machinery	74.78	57.58	29.88
Products of Iron & Steel	40.36	42.95	-6.03
Electric Machinery	39.29	30.73	27.86
Iron and Steel	37.51	47.68	-21.32
Two and Three Wheelers	36.71	31.90	15.09
Auto Components/Part	26.49	19.28	37.42
Air condition and Refrigerators & parts	21.02	8.66	142.62
Construction Machinery	14.68	13.11	12.01
Nuclear Reactors	13.40	5.87	128.52

Medical and Scientific Instruments	13.16	12.16	8.21
Aluminium and products	11.01	20.80	-47.06
Cranes Lifts & Winc	10.54	4.21	150.25
IC Engines and Parts	9.57	6.70	42.75
Pumps of all types	9.19	7.32	25.64

Source: DGCI&S

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

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

➤ **South Africa:** Improving economic outlook gives Central Bank margin to cut rate in March
 he latest monetary decision comes against a backdrop of an improved outlook for both inflation and growth. Inflation reached an almost three-year low of 4.0% in February (January: 4.4%) and remains well within the SARB's target range of 3.0%–6.0%. Despite a VAT increase from 14.0% to 15.0% on 1 April, the SARB left its inflation forecast for 2018 unchanged at 4.9% as a stronger currency will keep a lid on inflation

Source: <https://www.focus-economics.com/countries/south-africa/news/monetary-policy/improving-economic-outlook-gives-central-bank-margin-to>

➤ **Ghana:** BoG cuts policy rate amid easing inflationary pressures
 nflation has broadly trended down since the previous MPC meeting at the end of January. Headline inflation fell notably to 10.6% in February, from 11.8% in December (January: 10.6%). As a result, inflation ticked down,

approaching the Bank’s medium-term inflation target of 8.0% plus or minus 2.0%. Meanwhile, core inflation, which excludes volatile items such as energy and utility, dropped from 12.6% in December to 11.3% in February, signaling moderating underlying inflation pressures. As a result, inflation expectations remained well-anchored towards the Bank’s medium-term target..

Source: <https://www.focus-economics.com/countries/ghana/news/monetary-policy/bog-cuts-policy-rate-amid-easing-inflationary-pressures/>

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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EEPC India Africa Territorial Newsletter

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