

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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**Issue: March 2019**

## Chairman's Pen



Sudan sits at the crossroads of Sub-Saharan Africa and the Middle East, and is bordered by seven countries. The secession of South Sudan induced multiple economic shocks. The most important and immediate shock was the loss of the oil revenue that accounted for more than half of Sudan's government revenue and 95% of its exports. This has reduced economic growth, and resulted in double-digit consumer price inflation, which, together with increased fuel prices, triggered violent protests in September 2013. Continuous food price hikes were also the immediate cause of demonstrations that started in December 2018.

**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



This edition of Territorial Newsletter talks of the economic and commercial monthly development of Sudan. Sudan's economic freedom score is 47.7, making its economy the 166th freest in the 2019 Index. Its overall score has decreased by 1.7 points, with sharply lower scores for fiscal health and trade freedom outweighing an increase in government integrity. Sudan is ranked 41st among 47 countries in the Sub-Saharan Africa region, and its overall score is well below the regional and world averages.

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

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



India's engineering exports to the African continent experienced a jump in April-February 2019 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 impressive as it experienced a growth rate of over 17% and Nigeria was very impressive for the month of April-February 2019 over April-February 2018 with above 52% 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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## 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, petrol eum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.



## Economic & Commercial Report for December 2018 & January 2019 - SUDAN

### India's Exports to Sudan in Million US \$:

Source: DGCIS, Kolkata

2013	2014	2015	2016	2017	2018 [Jan-Dec.]
783.36	880.27	831.0	753.23	840.85	794.1

### India's Imports from Sudan Million US \$

Source: DGCIS, Kolkata

2013	2014	2015	2016	2017	2018 [Jan-Dec.]
315.76	655.81	188.7	166.21	440.57	707.1

### **Trade Promotional Activities organized and activities planned in the next six months:**

- Made in Sudan [During Ramdan in 2019(May-June)]
- WETIX Sudan (June 2019)
- Khartoum First Exhibition of Hides and Leather Industries (August 2019)

- [Khartoum International Book Fair](#) (October 2019)
- Annual Sudan International Agriculture, Livestock& Food Business Forum & Exhibition (November 2019)
- Sudan International Medical, Healthcare & Pharmaceutical Investment Conference & Trade Exhibition (November 2019)
  - Mission will organize Catalogue Shows of Indian Companies in major cities of Sudan during 2019.

**Trade and Commercial Delegation from India to Sudan:**

At the invitation of the Sudanese Government, a three member Indian delegation from the National Small Industries Corporation Ltd. (NSIC) visited Sudan from 23-30 December, 2019 to conduct a feasibility study to set up NSIC incubator for budding entrepreneurs in the capital city of Khartoum on commercial basis.

**Trade and Commercial Delegation from Sudan to India:**

4-member delegation from Sudanese Government/private sector participated in ADVANTAGE Health Care India - 2018 from 4- 6 December 2018 at India Expo Center and Mart, Greater Noida

2-member delegation from Ministry of Industry & Trade and M/s Giad Industrial Group participated in India Steel Expo2019 from 22 to 24 January 2019 at Bombay Exhibition Centre, Mumbai, India.

Analysis of global exports & imports of Sudan, especially with respect to products of export and import interest to India:

**i. Major items of Export of Sudan :**

Plenty of resources and raw materials are available in Sudan which may be in the interest of Indian companies.

**ii. Major destinations of Sudan Exports:**

UAE, China, Saudi Arabia, Egypt, India, Ethiopia.

**iii. Major items of Import are:**

Machinery & Equipment, Manufacturing Goods, Food Stuffs, Petroleum Products especially diesel, Wheat, Chemicals, pharmaceutical, Transport Equip, Textile.

**iv. Major sources of Sudan Imports are:**

China, India, Saudi Arabia, United Arab Emirates, Russia, Egypt, Turkey Germany, Oman.

**Market Prospects in respect of major items of Indian export interest:**

India is a significant trade partner of Sudan, and will remain in the years to come. Because of US sanctions, Sudan has not been explored by foreign companies and countries fully. Sudanese market demand is still very high and there are opportunities for Indian companies for doing business for the items mentioned 5(iii).

**Major items of Indian export interest:**

Textiles & readymade garments, pharmaceuticals, agricultural machinery, transport equipment, food stuffs (sugar, non-basmati rice), manufactured goods, agrochemicals, electronic machinery, software, agricultural inputs like hybrid seeds.

**Indian investment in Sudan** (company wise and sector wise), and performance of existing Indian subsidiaries/joint ventures /collaborations, if any, in Sudan:

- Total Indian investments in Sudan up December 2018 amounted to more than US\$ 432.2 million with 82 investment projects including 49 industrial projects, 21 service projects as well as 12 agricultural projects.(As per National Investment Authority of Sudan)

Status of ongoing major investments by Indian PSUs/Pvt. Sector in Sudan, and proposed Indian Investments in Sudan:

- ONGC Videsh Ltd (OVL) has invested over US\$ 2.3 billion in undivided Sudan. Currently, it has share in productive Block 1, 2 & 4 in Sudan.

**Position of Sudan on WTO related issues**, and with respect to other important multilateral fora. Recent important changes in policy and the public opinion in these areas:

Sudan is not a member of WTO. After lifting of US sanctions, it has intensified its efforts to become a member of WTO.

**Some Important Economic & commercial developments:**

South Sudan on 19 December 2018 exported one million barrels of oil from its Toma South Oilfield via Sudan's ports. Oil Minister of Sudan, Eng. Azhari Abdel Qader, said the two countries are negotiating with a Russian company to build a refinery on the Red Sea for benefit of both countries.

Sudan's inflation rate has increased to 72.94% in December 2018 compare to 68.93 in November 2018, reported by the Central Bureau of Statistics.

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

Countries with the highest demand for Indian engineering products during April-February 2019 in absolute values include:

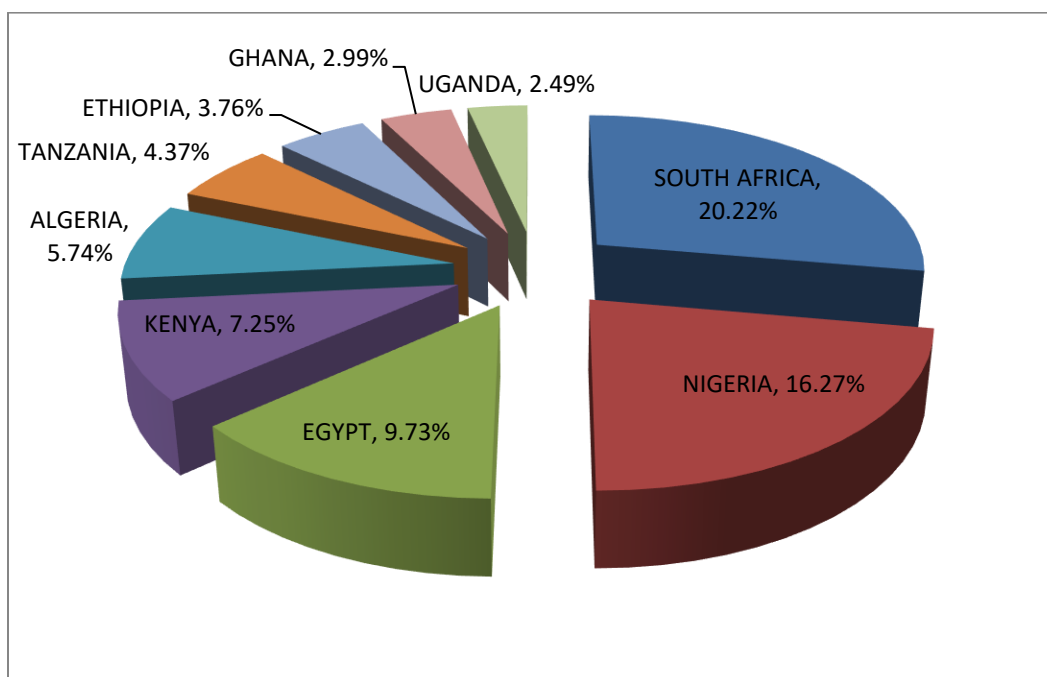
**Table 1: Engineering Exports to Africa (USD million)**

Africa	April 2017- February 2018	April 2018 February 2019	Growth (%)
<b>South Africa</b>	1226.41	1439.40	17.37
<b>Nigeria</b>	759.15	1158.44	52.60
<b>Egypt</b>	712.97	692.69	-2.85
<b>Kenya</b>	450.78	516.39	14.56
<b>Algeria</b>	374.59	408.34	9.01
<b>Total Africa</b>	<b>6228.32</b>	<b>7118.18</b>	<b>14.29</b>

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in April-February 2019 as compared to April-February 2018 but with a positive growth rate of over 20%. 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 2019. (Fig 1)

**Fig 1: India's engineering export share to African Countries (%) in February 2019**



Source: DGCI&S

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

**Table 2: Top 15 engineering panels exported to Africa in February 2019 (US\$ Million)**

DGCI&S Engineering Panels	India's export in April 2017-February 2018	India's export in April 2018 February 2019	Growth (%)
Motor Vehicle/cars	1580.45	1647.91	4.27
Industrial Machinery	746.23	947.25	26.94
Products of Iron & Steel	518.21	663.23	27.98
Two and Three Wheelers	369.27	511.01	38.38
Electric Machinery	390.76	465.84	19.21
Iron and Steel	520.87	451.78	-13.26
Auto Components/Part	280.09	315.92	12.79
Air condition and Refrigerator & part	159.11	261.68	64.47
Ships Boats and Floating structures & parts	105.32	248.62	136.06
Construction Machinery	171.38	204.05	19.07
Aluminum and products	127.41	187.92	47.49
Medical and Scientific Instruments	131.28	146.75	11.78
Nuclear Reactors, Industrial Boilers etc	81.45	129.73	59.29
IC Engines and Parts	97.10	121.46	25.09
Machinery for ATMs	91.94	104.94	14.14

Source: DGCI&S

**Table 3: Country wise and product wise India's engineering exports to Africa in February 2019**

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

### ➤ What are the tariffs on trade with Africa?

Prime Minister Theresa May's trip to Africa has generated vigorous debate about how easy trade is between Africa and the EU and whether the UK can keep the same arrangements or even lower barriers.

The European Union's critics sometimes invoke the presence of tariffs - effectively taxes on imported items - on African goods when they accuse it of being a protectionist club or racket.

Source: <https://www.bbc.com/news/business-45342607>

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