

# Territorial NEWSLETTER Africa

**EPCINDIA**  
ENGINEERING THE FUTURE

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**Issue: May 2018**

## Chairman's Pen



The ties between the two regions, India and Africa, date back to the ancient civilizations. Along with geographical proximity, there are factors such as the cultural connect, colonial past and development hurdles that are more or less common to both and thus bring each other much closer. Through cooperation if the opportunities of these two regions is utilized, then there cannot be anything bigger in the geopolitical world scenario today than this cooperation. There is a positive change observed within the African continent and their urge to economically diversify is visible. The development of Africa with respect to the growing middle class, reducing poverty and growing trend of globalization makes it an apt destination for India to engage in investments and trade with

**Ravi Sehgal** 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 first ever visit of an Indian President to the Kingdom of Swaziland. The visit was a response to the invitation by His Majesty of the Kingdom of Swaziland. During the visit two agreements was signed between the two countries. Also Indian government has offered a Line of Credit of USD 3 million in the field of Medical Equipments to the Kingdom of Swaziland.

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 fall in April 2018 as compared to the corresponding month in the last year, with a negative growth rate of 10%. 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 April 2018 over April 2017, 157% and 82 % respectively 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**

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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 Swaziland

The President of India, visited the Kingdom of Swaziland on 09-10 April 2018, on the invitation of His Majesty King Mswati-III. He was accompanied by First Lady, Mrs. Savita Kovind, Minister of State for Road Transport, Highways & Shipping, Chemicals & Fertilizers, and other senior officials.

The two leaders were accompanied by their delegations during the discussions, and also had a brief one-on-one interaction. Two bilateral Agreements were formalised in the presence of Indian President and His Majesty. A Memorandum of Understanding on Cooperation in Health Sector and an Agreement for exemption of visas for holders of diplomatic/service passports.



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In a special ceremony, The King conferred the highest honour of Swaziland, the Order of the Lion, on President Kovind, for acknowledging the contributions made by India for advancing Eswatini's (Swaziland's) development agenda, including through the new initiatives announced during the present visit. His Majesty expressed confidence that President Kovind's visit would set India-Swaziland relations on a new trajectory.. The Indian President commended the Swazi Members of Parliament on their efforts for advancing His Majesty's of transforming Swaziland into a developed country by 2022. Indian President also announced that

India would support construction of the new Parliament building of Swaziland through technical and financial assistance.

Indian President inaugurated the Information Technology Centre located in the Royal Science & Technology Park (RSTP). The IT Centre has been built through a concessional credit-line of 20 million US dollars from the Government of India to the Government of Swaziland. The Centre hosts the National Data Centre of the Kingdom of Swaziland and provides high-quality training and education in Information Technology. He also expressed his satisfaction at the successful completion of the Indian project in the RSTP, and announced that India would provide Swaziland a new credit-line of USD 10.4 million to help establish a ‘Disaster Recovery Site’ for the National Data Centre housed within the RSTP.

President Kovind’s interactions with Swaziland’s dignitaries clearly brought out the potential to deepen and expand the India-Swazi bilateral relationship in many areas. His Majesty expressed gratitude for the Indian donation of medicines and medical equipment worth USD 3 million to the Ministry of Health. His Majesty briefed President Kovind about the Kingdom’s plan to develop an **export-oriented Special Economic Zone**, which would offer Indian companies a favorable regulatory environment for their investments. Indian President welcomed this initiative and acknowledged that the Kingdom could offer potential advantages for Indian investors who wish to serve the regional market in Southern and Eastern Africa. He suggested that Swaziland should undertake a dedicated road-show in India to better publicise its investment opportunities among Indian businesses, including the facilities offered by the planned new SEZ.



His Majesty King Mswati-III of the Kingdom of Swaziland and His Excellency President Ram Nath Kovind of the Republic of India agreed that the present visit marks the beginning of a new era of cooperation between the two countries, and committed to maintain regular consultations and interactions at all levels and in all sectors.

### India’s latest trend in engineering exports to Africa

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

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

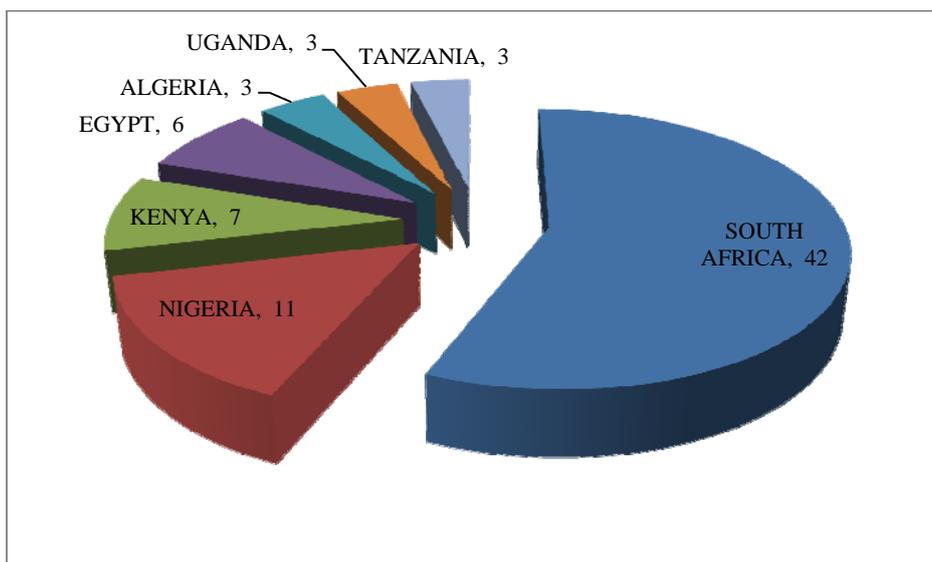
Africa	April 2018	April 2017	Growth (%)
<b>South Africa</b>	314.24	122.21	<b>157.13</b>
<b>Nigeria</b>	83.29	45.87	<b>81.58</b>
<b>Kenya</b>	49.02	44.53	<b>10.08</b>
<b>Egypt</b>	43.44	254.05	<b>-82.90</b>

<b>Algeria</b>	24.13	19.08	<b>26.47</b>
<b>Total Africa</b>	<b>741.9</b>	<b>824.08</b>	<b>-9.97</b>

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in April 2018 as in April 2017 with a positive growth rate of over 157%. 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 April 2018. (Fig 1)

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

DGCI&S Engineering Panels	India's export in April 2018	India's export in April 2017	Growth (%)
<b>Ships Boats and Floating Structures</b>	198.48	319.01	<b>-37.78</b>
<b>Motor Vehicle/cars</b>	131.32	104.52	<b>25.64</b>
<b>Industrial Machinery</b>	80.58	68.7	<b>17.29</b>
<b>Products of Iron &amp; Steel</b>	49.08	48.03	<b>2.19</b>
<b>Electric Machinery</b>	46.95	37.14	<b>26.41</b>
<b>Two and Three Wheelers</b>	45.53	33.22	<b>37.06</b>

<b>Iron and Steel</b>	33.79	59.89	<b>-43.58</b>
<b>Auto Components/Part</b>	25.37	24.56	<b>3.30</b>
<b>Air condition and Refrigerators &amp; parts</b>	16.98	11.04	<b>53.80</b>
<b>Construction Machinery</b>	14.44	13.52	<b>6.80</b>
<b>Medical and Scientific Instruments</b>	11.4	12.47	<b>-8.58</b>
<b>Pumps of all types</b>	9.18	9.48	<b>-3.16</b>
<b>Aluminum and products</b>	8.55	13.08	<b>-34.63</b>
<b>Machinery for ATMs</b>	8.55	6.76	<b>26.48</b>
<b>IC Engines and Parts</b>	8.05	8	<b>0.63</b>

Source: DGCI&S

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

Source: Trademap

## 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](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,	Hot water storage, Heating equipments

		902830	
Uganda	G/TBT/N/UGA/535	7321	Household steel equipments

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