

Issue: November 2017

Chairman's Pen



**Tarvinder Singh
Bhasin**

India is making strides towards strengthening its partnership with African countries. The relationship has progressed from the earlier phase to a more mutually beneficial partnership. India's engagement with African countries is on three levels - bilateral, regional and multilateral. The relationship of India with African countries has become more structured and institutionalised. There has been a number of high-level visits from the African continent including the trade ministers of the continent to India in the last couple of years. These visits were reciprocated by Indian leaders to African countries with Indian Prime Minister and President visiting the African countries.

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 recent estimates made by the African Development Bank regarding the growth and performance of the African countries economy. All the regions of the continent are expected to record positive growth rate as per the estimates predicted by ADB. African continent is expected to overcome its difficult times and move on the path of growth and development.

The newsletter also presents a brief analysis of trade pattern in engineering products between India and Africa during November 2017.

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



Aakash Shah

India's engineering exports to the African continent witnessed a decline with a negative growth rate of 11% for the month of October 2017 compared to October 2016. Also, engineering export to South Africa, the top importing destination for Indian engineering exports experienced a fall of over 19% for the month of October 2017 over October 2016 after a continued positive growth in the previous period.

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.

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.



Good economic growth performance for the African continent predicted by African Development Bank

Africa's GDP growth is expected to grow at 3.0% in 2017 up from 2.2 in 2016 and is projected to expand at the rate of 3.7% in 2018, as per the African development Bank.

However, the continent's averages compare favorably with Global economic growth projections of 3.5% and 3.6% GDP growth in 2017 and 2018, respectively.



The projection of Africa's economic growth is due to factors like recovery of the global economy and bottoming out of the commodity price bust. Also, steady domestic demand and public investments in infrastructure in the continent has also contributed to sustain growth in many countries of the African continent. Fiscal and current account deficits are expected to narrow due to strong export performance and higher government revenues of the African continent.

In regional terms, East Africa remains the fastest growing region, with an estimated growth of 5.1% in 2016 and projected to grow at 5.4% and 5.8% in 2017 and 2018 respectively. Growth in the Eastern Africa region is mainly driven by strong domestic demand and high public infrastructure spending.

North Africa recorded the second highest growth rate of 3.1% in 2016 attributed much to the recovery of Egypt with output growth of 4.3% followed by Algeria at 3.3%. The northern region is expected to grow by 3.1% and 3.6% in 2017 and 2018 respectively. North African country Morocco is expected to grow at 4.5% in 2017 and at 3.9% in 2018. However, political uncertainties and reduced oil production in Libya continue to affect growth in the North Africa region. Libya is expected to stay in the negative growth category in 2017 and 2018 with a growth of -4.9% and -3.9%.

Growth in Southern Africa remains moderately warm at 0.9% in 2016, down from 1.6% in 2015. Projected improvements in South African economy is expected to boost the Southern Africa regional growth from 0.3% growth in 2016 to 2.0% to 2.3% in 2017 and 2018 respectively attributed to increased mining output following moderate rise in commodity prices.



Central and West African regions, largely dominated by oil producers, growth there was severely constrained at 0.5% and 0.4%, respectively in 2016. In West Africa, the economic recession in Nigeria offset the strong gains made in the other countries of the region like Sierra Leone, Togo, Cote d'Ivoire and Senegal, the latter two being the region's fastest growing economies. Nigeria accounts for 72.4% of the region's overall GDP but contracted by -1.5% in 2016 against an average expansion of 6% for the other four economies, which collectively account for about 10% of regional GDP.

Central Africa on the other hand was mainly slowed down by poor performance in Equatorial Guinea and Chad which contracted by -7.3% and -6.4% followed by Republic of Congo which shrunk by -2.4%. Central Africa republic is expected to record improvements in growth in 2017 and 2018 of 1.6% and 3.1% in the two respective years.

Table 1: India's engineering goods export to Africa (region-wise)

Exports by India of Engineering Goods	2014	2015	2016
Central Africa	498.44	564.95	368.84
North Africa	1,589.38	1,349.98	1,261.31
West Africa	2,474.60	1,903.15	1,637.88
South Africa	2,804.56	1,848.46	1,287.18
East Africa	1,444.04	1,334.60	1,079.02

Source: Trademap

Table 2: India's engineering goods import from Africa (region-wise)

Imports by India of Engineering Goods	2014	2015	2016
Central Africa	39.74	40.46	7.81
North Africa	103.83	103.05	73.91
West Africa	326.78	448.72	302.11
South Africa	1,112.00	1,262.08	1,240.54
East Africa	46.87	37.02	27.04

Source: Trademap

Table 3: India's engineering goods total trade with Africa (region-wise)

Total Trade by India of Engineering Goods	2014	2015	2016
Central Africa	538.18	605.41	376.65
North Africa	1,693.22	1,453.03	1,335.22
West Africa	2,801.38	2,351.87	1,939.99
South Africa	3,916.55	3,110.54	2,527.72
East Africa	1,490.91	1,371.61	1,106.06

Source: Trademap

India's latest trend in engineering exports to Africa

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

Table 1: Engineering Exports to Africa (USD million)

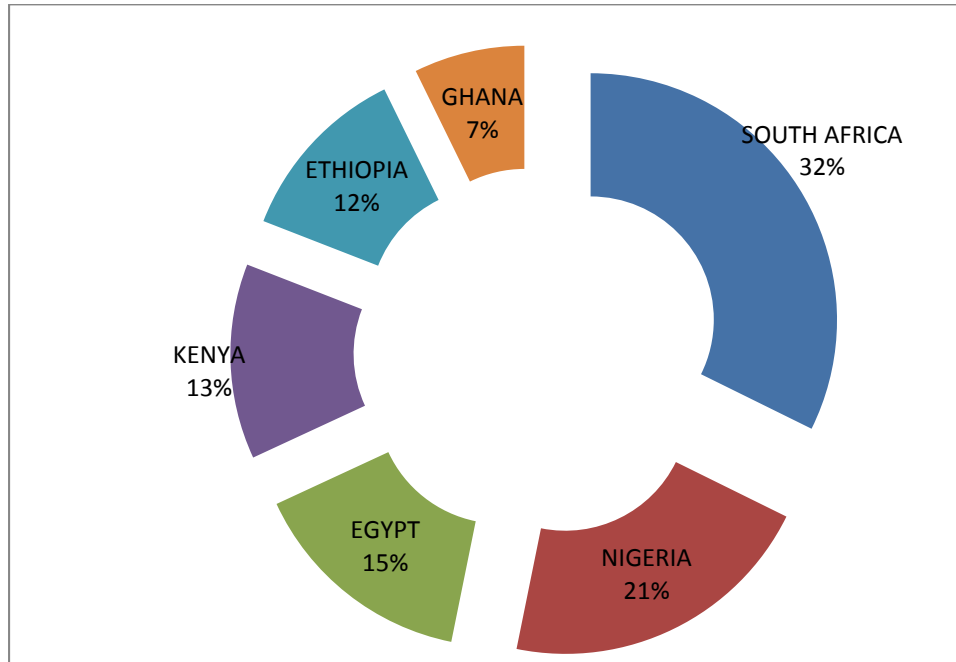
Africa	October 2016 (USD million)	October 2017 (USD million)	Growth (%)
South Africa	104.29	83.77	-19.68
Nigeria	46.73	54.16	15.91
Egypt	48.73	38.69	-20.61
Kenya	48.77	33.22	-31.89
Ethiopia	29.88	30.65	2.60
Total Africa	493.17	437.74	-11.24

Source: DGCIS&S

South Africa remains the top importer for Indian engineering exports in October 2017 as in October 2016 but with a negative growth rate of nearly 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 October 2017. (Fig 1)

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



Source: DGCIS

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

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

DGCIS Engineering Panels	India's export in October 2016	India's export in October 2017	Growth (%)
Motor Vehicle/cars	127.29	102.94	-19.13
Industrial Machinery	62.13	51.11	-17.74
Iron and Steel	36.26	47.79	31.81
Products of Iron & Steel	42.79	36.39	-14.96
Two and Three Wheelers	28.22	34.00	20.48
Electric Machinery	42.65	33.52	-21.41
Auto Components/Part	23.42	17.38	-25.81
Construction Machinery	11.82	16.51	39.63
Air condition and Refrigerators & parts	8.65	11.47	32.60
Aluminum and products	19.37	11.04	-42.99
Medical and Scientific Instruments	17.94	10.51	-41.44
IC Engines and Parts	7.42	7.95	7.18
Pumps of all types	8.30	7.23	-12.91
Hand Tools Cutting	4.04	5.96	47.59
Nuclear Reactors	5.93	5.01	-15.51

Source: DGCI&S

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

➤ Smart city initiatives in Africa

African countries are presently in the early stages of their urbanization process. Though Africa was the least urbanized region in the world in 2015—only 40 percent of sub-Saharan Africa's population lived in cities—it is now the second-fastest urbanizing region in the world (behind Asia). Population experts predict that by 2020, Africa will be on top. Given this rapid growth, now is the time for African policymakers to incorporate smart cities into their urbanization strategies.

Source:https://www.brookings.edu/blog/africa-in-focus/2017/11/01/smart-city-initiatives-in-africa/?utm_campaign=Global%20Economy%20and%20Development&utm_source=hs_email&utm_medium=email&utm_content=58140601

➤ Chinese investment takes hold in Africa

Chinese businesses are starting to look at Africa as a market for goods rather than just a golden goose for natural resources. Experts are upbeat about the outlook for the relationship between China and Africa, refuting some of the more common complaints about exploitation

Source:<http://www.accaglobal.com/lk/en/member/member/accounting-business/2017/11/insights/africa-china.html>

➤ **Africa will take China's place as the next factory of the world**

At some point of time China's GDP grew thirtyfold, and 750 million people were lifted out of poverty—the most ever achieved in a single period in the history of the world. China went from being poorer than Kenya, Lesotho, and Nigeria to rivaling the United States for the title of largest economy in the world. But now the table seems to be turned the other way.

Source: <https://qz.com/1120730/africa-will-be-the-next-factory-of-the-world/>

➤ **When it comes to trade, Africa really should be a country**

African countries are forging ahead to complete negotiations for a continental free trade area between 55 countries by early next year. The idea, adopted by the African Union in 2012, is to create a single market which includes the free movement of goods, services and people. The integrated African market covers 1.2 billion people and a combined GDP of over USD\$3.5 trillion.

Source: <https://qz.com/1131203/forget-brexit-trump-nafta-africa-wants-its-own-continental-free-trade-agreement-says-harvards-calestous-juma/>

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

Upcoming Exhibitions in Africa

Table 5: List of Exhibitions

Events	Date	Venue	Link
Pack 2 Pack Morocco	08th- 10th December, 2017	Casablanca, Morocco	https://www.eventseye.com/fairs/f-pack-2-pack-morocco-21910-1.html
Fidak	16th- 31st December, 2017	Dakar, Senegal	https://www.eventseye.com/fairs/f-fidak-7096-1.html

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

Title	Deadline	Country	Link
Procurement Of Tractors And Mowers (TI Ref ID: 429764034)	13 December 2017	Mauritius	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429764034
Supply Of Auto Parts. Tires And Washing For Gsb Gafsa. (TI Ref ID: 429704401)	15 December 2017	Tunisia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429704401
Replacement Of Generator Current Transformers(cts) And Voltage Transformers(vts) On Units 3 - 6 At Duvha Power Station (TI Ref ID: 429817982)	19 December 2017	South Africa	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429817982
Supply Of Electrical Fittings & Accessories (TI Ref ID: 429236436)	17 November 2017	Kenya	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429236436
Repair, Maintenance And Installation Of Airconditioners And Refrigeration Equipment For A Period Of 3 Years (TI Ref ID: 429234407)	27 November 2017	South Africa	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429234407

For more information, please subscribe to EEPIC 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, EEPIC INDIA provides you numerous business opportunities at very competitive charges.

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