

Chairman's Pen



India and African ties are strengthening with the ongoing India Africa forum summit being held in New Delhi. India and Africa had in the past also share a good trade and investment relations. This forum summit by the Ministry of commerce and Ministry of external affairs is a step to further strengthen these ties and take the relations between the two to another level.

This summit will be of great help to our exporters and traders for getting an access to Africa. I hope that this will bring in transformational changes in the trade and investment relationship between India and Africa. I further hope that this will lead to measures towards trade and investment facilitation leading to increased outreach for

Indian exporters in Africa. I hope that this newsletter will be insightful for our readers they will enjoy reading it.

Anupam Shah

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



In this fourth edition of the 'Newsletter on Africa', we focus on how India can take advantage of the slowing Chinese economy. China has an important hold in African continent but with Chinese economy deteriorating its hold in Africa, India can make use of this opportunity and increase its access to Africa. With the India-Africa forum summit this access has become easy and attractive for both India and Africa.

The newsletter gives an insight on the top engineering product panels that is imported by African countries including Sub-Saharan and North Africa. Sections on key news items and tender information are also included.

I hope that readers will find this newsletter useful.

Mahesh K. Desai

Basic Facts: Africa

Area: 11,668,599 Sq. km

Population: 1.1 billion

GDP: USD 2.39 trillion

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.

China's Slowdown, India's Opportunity

As China is confronting property market challenges, overcapacity in industries, debt burden and financial risks, the recent slowdown in the economy and the devaluation of the Chinese currency has heightened major concerns for the various economies across the globe, including Africa.

Over the past decades, China has been a major and the largest trading partner of Africa, with bilateral trade amounting to \$220 billion in 2014. However, the dramatic slowdown of the Chinese economy has left the African region looking vulnerable.

The past few months have seen a significant deterioration in Africa's trade balance with China. In fact, the lower forecast growth rate of 3.1% of China depicts the fragile picture affecting the dynamics of Sino-African relationship.

Zambia—which has the large community of Chinese immigrants, having established successful businesses in the retail and the construction industries, followed by South Africa—is most exposed to the Chinese economic slowdown. With the devaluation of the yuan, South African stock markets suffered from heavy losses with the fall in the value of the rand by almost 8%. In addition to the damage caused on the rand, the impact of the slowdown on the South African steel industry, which found it difficult to compete against cheaper Chinese steel exports. Moreover, Chinese firms are finding themselves increasingly at odds with their African hosts over environmental and labor issues.

The slowdown may bring benefits to the Indian economy. The India-Africa Forum Summit (IAFS) in October will be a testing time for India to seek a proactive and meaningful engagement to make the best of the times. IAFS will be an occasion to harness this opportunity and a meaningful strategic engagement beneficial to both the countries. Though not as strong as China, India's Commerce with Africa has seen considerable progress over the years. In 2013, the trade between

Both the regions stood at \$70 billion. Nigeria and Angola account for more than a quarter of India's oil and gas imports. India's private sector has established a significant presence in South Africa, Kenya, Tanzania and Mauritius, which has led to strong entrepreneurial ties in sectors such as retail services, mining and commodities trading.

In light of Africa's increasing dependency on and trouble with Chinese actors, African leaders are beginning to look beyond China in an attempt to diversify. Considering that the demand for African resources will get affected from the Chinese slowdown, India and the long-standing presence of Indian businesses in the continent can help Africa deal with the losses. Compared to China, the Indian economy is expected to grow more rapidly, at 7.5%, and offers a large consumer market. With growing energy demands and Make-in-India, further engagement with Africa is possible.

India's trade with Africa increased by 10 fold from around USD 7 billion in FY2004 to about USD 70 billion in FY2013. The reason could be attributed to the increased importance of African countries in India's bilateral trade relations. With the increasing diversification of India's global trade towards emerging and developing countries, Africa has emerged as an important partner for India for trade and commerce during the recent years. Indian investment in Africa has increased significantly, notably in agriculture, infrastructure, telecoms and mining. Cumulative investments across Africa stand nearly USD 50 billion in the recent times. India's key investment destinations in Africa include Ethiopia, Egypt, Ghana, Kenya, Mauritius, Mozambique, Nigeria, South Africa, Sudan and Tanzania. So far, the number of destinations of Indian overseas investment in Africa has increased with Uganda, Zambia, Zimbabwe, Liberia, Mali and Rwanda. There has been growing importance of line of credits to African countries in a view to promote development partnership and facilitate various projects financing and other projects of mutual interests. The outcome of the increasing lines of credit to African region is expected to diversify India's bilateral and regional engagements with them.

India's key export items to Africa includes mineral fuels, vehicles, pharmaceuticals, electrical and electronic equipments, nuclear reactors, iron & steel and plastic and articles etc. South Africa is India's largest export market in Africa, accounting for about 19-20 percent in India's exports to Africa. It is a leading market in Africa for India's exports of petroleum oils, vehicles, pharmaceuticals and a major market for electrical equipments and machinery. South Africa is also an important market for India's exports of organic chemicals, articles of iron & steel and plastic and articles. The other major export markets in Africa are Nigeria, Egypt, Kenya, Tanzania and Mauritius.

India's key import items from Africa includes crude oil and mineral fuels, pearls and precious stones, unwrought gold or semi-manufactured gold, iron & steel, inorganic chemicals, aluminum & articles, etc. The major import partners for India in the African region are Nigeria followed by South Africa, Angola, Egypt, Algeria and Morocco.

In order to enhance our partnership with new initiatives for the mutual benefit of India and Africa, an investment-led trade approach and tackling trade challenges on both sides must be addressed, which could aid in sustaining trade driven growth for both the economies, going forward.

Some upcoming Exhibitions in Africa

Events	Date	Venue	Link
PROJEX AFRICA Future Building and Construction Trade Fair. Projex Africa if focused on the Present and the Future of the Building Material Industries in	02-05 November 2015	Cairo International Convention & Exhibition Centre, Cairo, Egypt	http://www.projexafrica.com/

Events	Date	Venue	Link
Egypt and Africa			
<u>AIRTECH</u> International Exhibition for Compressed Air Technology and Accessories	26-29 November 2015	<u>Cairo International Convention & Exhibition Centre,</u> Cairo, Egypt	http://www.airtech-eg.com/
<u>GLOBAL SOURCES ELECTRONICS SHOW JOHANNESBURG</u> Global Sources Electronics Show. At the Global Sources Electronics Show in Johannesburg, you'll find Computer products, Consumer electronics, Electronic accessories, Home appliance, In-car electronics & GPS, Security products & Telecom products and more	12-14 November 2015	<u>Expo Centre Johannesburg,</u> Johannesburg , South Africa	http://www.globalsources.com/TRADESHOW/GLOBALSOURCES-EXHIBITIONS/JOHANNESBURG.HTM
<u>EAST AFRICA INTERNATIONAL TRADE EXHIBITION</u> Multisector Products International Fair	25-27 November 2015	<u>Mlimani Conference Centre,</u> Dar Es Salaam, Tanzania	http://www.expogr.com/tanzania/general/
<u>POWER NIGERIA</u> Nigerian Energy Industry International Trade Show	03-05 November 2015	<u>Eko Hotel & Convention Centre,</u> Lagos , Nigeria	http://www.power-nigeria.com/en/Home/
<u>WORLD LIFT EXPO</u> Elevator & Escalator Industry Exhibition in Kenya. World Lift Expo showcases Passenger Lifts, Gondola Elevators and Ropeway Conveyer, Parking and Services Elevators, Escalators and Sidewalks, Hospitals Lifts, etc	24-26 November 2015	<u>Kenyatta International Conference Center,</u> Nairobi, Kenya	http://nexgenexhibitions.com/worldliftexpo/

Events	Date	Venue	Link
MED PORTS Ports, Shipping and Logistics Exhibition and Conference event	25-26 November 2015	Sheraton Casablanca Hotel & Towers, Casablanca, Morocco	http://www.transporevents.com/ForthcomingEventsdetails.aspx?EventID=EVE120

Trade Trend Analysis in Africa

The total Indian Exports to Africa for 2015-16 (April-September) was 3611.70 USD Million constituting a share of 12% approx the total exports of India.

The top 5 African nations which had the highest demand for Indian engineering products during September 2015 in absolute values include:

Country	Export in September 2014 (USD million)	Export in September 2015 (USD million)	Growth (%)
SOUTH AFRICA	99.74	103.25	3.52
NIGERIA	110.74	85.50	-22.79
EGYPT A RP	59.41	57.59	-3.06
KENYA	51.09	55.21	8.06
CONGO D. REP.	5.09	39.92	685.00

India's engineering exports to Egypt which had experienced the maximum increase in May 2015 over May 2014 of 33.26% and then experienced a fall in August 2015 from August 2014 recording negative growth of 4.02%, the trend continues for September 2015 over September 2014. Egypt experienced a negative growth of 3.02%. Congo D. Rep. is a new entry in the top 5 replacing Ethiopia which was at number 5 for August 2015 with a massive growth of 685% over September 2014.

On the basis of India's export data for Engineering Products of September 2015, the African countries which feature in the top 25 export destinations for India include South Africa, Nigeria and Egypt.

Top 10 engineering panels exported to Africa in September 2015 include

Name of the Panel	India's export in September 2014 (USD million)	India's Export in September 2015 (USD million)	Growth (%)
Motor Vehicle/cars	153.00	167.49	9.47
Industrial Machinery	73.75	74.32	0.77
Two and Three Wheeler	45.85	53.25	16.15
Products of Iron	73.83	48.18	-34.75
Iron and Steel	56.64	46.30	-18.24
Electric Machinery	41.36	34.77	-15.93
Auto Components/Part	30.11	23.73	-21.17
Aluminum and product	25.66	22.52	-12.23

Name of the Panel	India's export in September 2014 (USD million)	India's Export in September 2015 (USD million)	Growth (%)
Other Construction	18.55	15.28	-17.66
Medical and Scientific	14.61	12.40	-15.16
"Machinery for ATMs"	8.22	11.22	36.39
Air condition and Re	10.41	11.17	7.33
Bicycle & Parts	13.35	8.99	-32.62
IC Engines and Parts	7.40	8.53	15.29
OTHER MISC. ITEMS	7.41	8.41	13.52

Source: DGCI&S, Government of India

News in Focus

Mauritius in talks to review India tax treaty

Mauritius is in talks to review a tax treaty that has made this island of just 1.3 million people the biggest single source of foreign direct investment in India, a nation of 1.3 billion people. The Double Taxation Avoidance treaty, signed in 1983, has been a cornerstone of Mauritius' rise as a financial centre and its diversification away from the Indian Ocean Island's traditional businesses.

Link: <https://in.finance.yahoo.com/news/mauritius-talks-review-india-tax-124843901.html>

Africa creates TFTA - Cape to Cairo free-trade zone

African leaders have agreed to create the continent's largest free-trade zone, covering 26 countries in an area from Cape Town to Cairo.

The deal, signed in Egypt, is intended to ease the movement of goods across member countries which represent more than half the continent's GDP.

Link: <http://www.bbc.com/news/world-africa-33076917>

Zambia launches safeguard investigation and imposes a provisional measure on "Flat-Rolled Products of Iron, Non-Alloy Steel, Trailers and Semi-Trailers"

Zambia notified the WTO's Committee on Safeguards that it initiated on 10 July 2015 a safeguard investigation on "Flat-Rolled Products of Iron, Non-Alloy Steel, Trailers and Semi-Trailers", and that it imposed a "safeguard measure provisional in nature and will last for 180 days from 10th July 2015 to 10th January 2016

Link: <http://africabusiness.com/2015/10/07/zambia-6/>

Indo-Africa summit to focus on maritime economic issues

When the heads of states of the African region meet Indian leaders in New Delhi, besides other sectors, 'Blue Economy' will be one of the major areas where India will be focussing. Africa has a long coastline, which is subject to global threat like piracy and the Indian Navy has played a very significant role on the east coast of Africa in guarding the trade routes, in securing the coastlines, even helping African nations organizing international events by providing naval security.

Link: <http://www.financialexpress.com/article/economy/indo-africa-summit-to-focus-on-maritime-economic-issues/153721/>

Tender Information in Africa

Prior information Notices

Title		Deadline
Purchase of Vehicles	Nigeria	9 th November 2015
Proposals On Energy. Renewable Energy And Energy Efficiency	Zimbabwe	30 th November 2015
Rent Without Purchase Option, Light Commercial Vehicles	Morocco	9 th November 2015
Installation of Generator & Procurement and Installation of 500 KVA 11/0.415KV Transformer	Nigeria	4 th November 2015
Supply of four generators	Cameroon	12 th November 2015
Supply and Installation of emergency standby generators for the City of Cape Town	South Africa	3 rd November 2015
Bids for the supply of equipment, machineries, tools and accessories for welding and metal fabrication	Ethiopia	7 th November 2015
Supply and delivery of electric motors; Harare Power Station.	Zimbabwe	3 rd November 2015
Supply Of Four Wheel Drive (4WD) Standard Station Wagon Motor Vehicle	Tanzania	4 th November 2015
Supply Of Motor Vehicles & Motor Cycles	Tanzania	5 th November 2015
Supply of 24 stock items in Tsumeb: wire, pumps, valves,	Namibia	29 th October 2015

Title	Deadline
tools, safety clothing, pipes, paint, paper, packing, gas and fuel, chemicals, bushes, bearings, batteries, plastic bags, etc	

For more contract notices, Please register with Tender info and follow the link:

<http://www.tendersinfo.com/searchresult#>

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