

Territorial NEWSLETTER Africa

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ENGINEERING THE FUTURE

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Chairman's Pen



**Tarvinder Singh
Bhasin**

India's investment and trade into African continent is expanding continuously. This expansion of relations between India and Africa is based on the South-South cooperation and common developmental challenges that both sides face. Apart from trade, India has also undertaken significant investment initiatives in recent years to strengthen its strategic partnership with the African continent. India has become one of the largest investors in Africa. Africa is going strong on the economic front, though there are challenges faced that act as hindrance for the development of its people. India can assist and help Africa come over these challenges.

I believe this upswing 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

highlights the recent visit of the Indian President to three west African countries: Djibouti and Ethiopia in October 2017. During this visit the Indian President met the president of the African countries and signed some agreements including a trade agreement with Ethiopia to boost trade and investment between the two countries.

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

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



Aakash Shah

India's engineering exports to the African continent witnessed a strong positive growth rate of over 21% for the month of September 2017 compared to September 2016. Interestingly, engineering export to South Africa, the top importing destination for Indian engineering exports continued to reflect impressive growth of over 37% for the month of September 2017 over September 2016.

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

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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 maiden visit to Djibouti and Ethiopia, October 2017

President Shri Ram Nath Kovind, paid a State Visit to Djibouti and Ethiopia from 3-6 October, 2017. This was the first visit abroad by President after assuming his office. The visit to Djibouti from October 3-4, 2017 was at the invitation of the President of Djibouti H.E. Mr. Ismail Omar Guelleh. This was the first ever visit at the level of Head of State or Government from India to the Republic of Djibouti since the establishment of diplomatic relations between the two countries.

Contemporary bilateral relations with Djibouti are marked by mutual respect and understanding on various bilateral, regional and multilateral issues. India and Djibouti bilateral trade stood at US\$284.54 million in 2016-17. India, within the rubric of South-South Cooperation, has extended lines of credit amounting to US \$ 49.13 million to the Government of Djibouti for construction of a cement plant.

During the wide-ranging talks both sides acknowledged the long-standing excellent bilateral relations between India and Djibouti and re-affirmed the mutual desire to deepen economic, commercial, technical, educational, scientific and cultural cooperation between the two countries with the Djiboutian counterpart. Indian President made specific reference to areas of common concern and interest such as terrorism; renewable energy and particularly Djibouti's support for membership of the International Solar Alliance; maritime cooperation in the Indian Ocean Region; and technical and capacity building assistance by India to enhance employment opportunities for Djibouti's young people. Underlining the potential for deepening relations in the economic arena, the Djiboutian Government called for greater role for India in the economic development in Djibouti, with a focus on small and medium scale industries. Djibouti also appreciated Lines of credit/grants extended by India towards this purpose.

The two leaders welcomed the launch of International Solar Alliance (ISA) as a common platform for cooperation among solar resource rich countries, and expressed their commitment to work closely to deepen bilateral and regional cooperation in this arena.

During the visit An agreement to establish regular political consultations between India and Djibouti, at the level of the Foreign Office, was signed in the presence of the two Presidents.

Table 1: Engineering trade between India and African countries- Djibouti and Ethiopia

Country	2015	2016	Growth
	(US\$ Mn)	(US\$ Mn)	(%)
Djibouti			
Import	0.26	0.55	116.47
Export	44.95	45.08	0.29
Total Trade	45.21	45.63	0.94
Ethiopia			
Import	1.11	0.07	-93.41
Export	335.92	420.96	25.31
Total Trade	337.03	421.03	24.92

The President of India, Shri Ram Nath Kovind reached Ethiopia on 5th October 2017, the President visited the Presidential Palace in Addis Ababa and led delegation-level talks with his counterpart, President Mulatu Teshome. The talks covered a gamut of developmental and trade themes. President Kovind mentioned India's willingness to positively consider support for power transmission projects in Ethiopia, as well as announced specific assistance in the areas of healthcare, education and agriculture. The two Presidents witnessed the signing of two bilateral agreements – the first on Trade Facilitation and the second related to the Information Communication and Media sector.

Later, the Indian President graced and addressed the India-Ethiopia Business Dialogue, organized to commemorate the 12th Anniversary of the India Business Forum in Addis Ababa, Ethiopia on October 5, 2017. Bilateral partnership between India and Ethiopia which rests on civilizational ties and cultural bonds now cover all areas of mutual and contemporary relevance. India is amongst the top trade, investment and development partner of Ethiopia. Ethiopia continues to be the largest recipient of India's concessional Lines of Credit in Africa.

The Indian President said that Ethiopia and India have been trading with each other for centuries. Trade relations between Ethiopia and India have flourished from the 1st century AD. Today the economic relationship covers trade, private investment, concessional loans for infrastructure projects and development assistance, largely for capacity building.

The President said that India is now among the top three foreign investors in Ethiopia. Indian investment has made a mark in textiles and garments, engineering, plastics, water management, consultancy and ICT, education, pharmaceuticals and healthcare. Indian investments in Ethiopia have had a significant presence in

manufacturing and value addition to local resources. They have created jobs in this country and contributed to the prosperity of Ethiopian families. He congratulated the Indian Business Forum for playing a lead role in encouraging Indian investment and promoting trade and commerce between India and Ethiopia.

Table 2: List of Agreements signed during state visit of Indian President to Ethiopia

Name of Agreement	Signatory from India	Signatory from Ethiopia
Trade Agreement between the Government of the Federal Democratic Republic of Ethiopia and the Government of the Republic of India.	Mr. Dnyaneshwar M. Mulay, Secretary, Ministry of External Affairs, Government of India	H.E. Mr. Ayana Zewdie, State Minister of Trade
Agreement between the Government of the Federal Democratic Republic of Ethiopia and the Government of the Republic of India on Cooperation in the field of Information, Communication and Media.	Mr. Anurag Srivastava, Ambassador of India to Ethiopia and Djibouti	H.E. Dr. Ngeri Lencho, Minister of Government Communication Affairs Office

India's latest trend in engineering exports to Africa

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

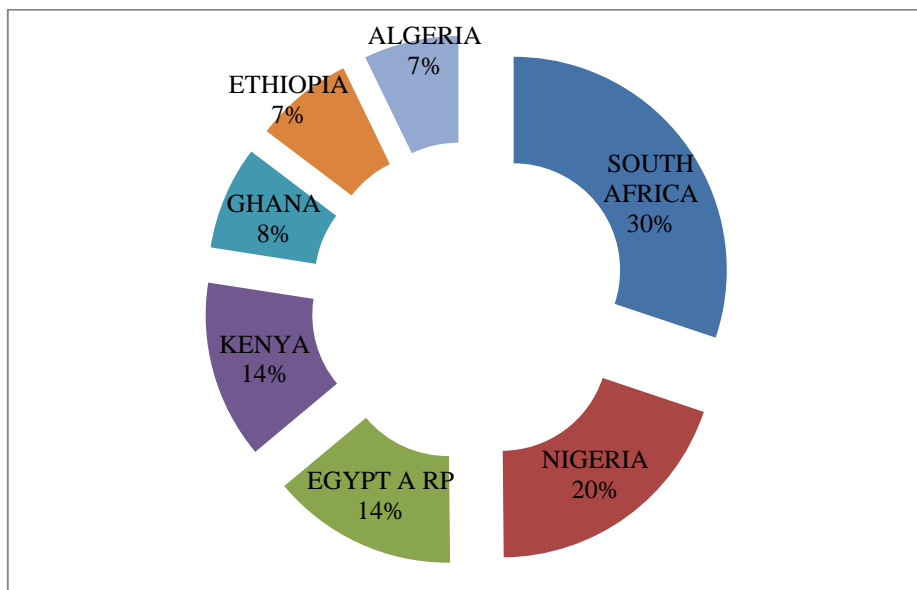
Table 1: Engineering Exports to Africa (USD million)

Africa	September 2016 (USD million)	September 2017 (USD million)	Growth (%)
South Africa	81.20	111.90	37.81
Nigeria	40.34	73.11	81.25
Egypt	45.40	52.32	15.24
Kenya	53.36	50.19	-5.94
Ghana	23.68	29.19	23.29
Total Africa	481.10	583.50	21.28

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in September 2017 as in September 2016 with a continued high and positive growth rate of nearly 38%. 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 September 2017. (Fig 1)

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



Source: DGCI&S

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

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

DGCI&S Engineering Panels	India's export in September 2016	India's export in September 2017	Growth (%)
Motor Vehicle/cars	118.97	133.97	12.60
Industrial Machinery	58.81	75.72	28.76
Products of Iron & Steel	45.88	50.83	10.79
Iron and Steel	32.88	48.18	46.54
Electric Machinery	44.72	44.54	-0.38
Two and Three Wheelers	23.85	37.26	56.20
Auto Components/Part	27.50	32.83	19.38
Construction Machinery	10.93	18.57	69.94
Medical and Scientific Instruments	16.48	15.90	-3.55
Air condition and Refrigerators	9.11	14.85	63.02
Aluminum and products	21.84	14.60	-33.16
Machinery for ATMs	4.32	10.21	136.20
Bicycle & Parts	7.23	10.20	40.98
IC Engines and Parts	8.10	10.13	25.11
Pumps of all types	5.69	9.49	66.94

Source: DGCI&S

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

➤ **Morocco can be the keystone of India-Japan partnership for Africa**

China's growing investments in Morocco are wide-ranging – from building smart cities to establishing collaborative ventures in automotive manufacturing, aerospace, electronic information, textiles, etc. In contrast, India's economic engagement with Morocco continues to be dominated by the trade in phosphates. This needs to change if India is to fully realise the potential of its relationship with Morocco.

Source: <https://blogs.timesofindia.indiatimes.com/talkingturkey/team-up-morocco-can-be-the-keystone-of-india-japan-partnership-for-africa/>

➤ **Zambia happy with Africa's 9 trillion dollars expenditure towards infrastructure development**

Zambia has expressed happiness with Africa's annual expenditure of nine trillion dollars towards infrastructure development. Zambia's High Commissioner to South Africa Mr. Emmanuel Mwamba says Africa's investment in infrastructure will significantly impact positively on realizing its potential.

Mr. Mwamba was speaking at the Roundtable discussion on Economic Diplomacy held at the Standard Bank in Rosebank, Johannesburg, South Africa attended by several dignitaries and Chief Executive Officers from different private and public-sector.

Source: <https://www.lusakatimes.com/2017/10/08/zambia-happy-africas-9-trillion-dollars-expenditure-towards-infrastructure-development/>

➤ **Invest in Ghana- A stable springboard into West Africa**

After yet another peaceful election, Ghana continues to uphold its reputation in Africa as one of the continent's few strong and politically stable democracies. Ghana's recent peaceful democratic transition has reignited investor confidence in the country, especially with the new government's pro-business stance.

Source:<https://www2.deloitte.com/za/en/pages/deloitte-africa/articles/invest-in-ghana-a-stable-springboard-into-west-africa.html>

➤ **With fast-growing youth population, Africa boasts enormous market potential – UN deputy chief**
 "The continent's large and growing population represents enormous market potential, especially with growing urbanization contributing to rapid growth in consumption by households and businesses," said Deputy Secretary-General Amina J. Mohammed in her keynote address to the event, titled 'Regional and Economic Integration in Africa: How to Effectively Involve Africa's Youth across National Borders.'

Yet, despite this potential, she continued, intra-African trade represents only about 13 per cent of Africa's total trade.

Source:<https://www.tralac.org/news/article/12289-with-fast-growing-youth-population-africa-boasts-enormous-market-potential-un-deputy-chief.html>

Trade Barriers

Table 4: Technical barriers to trade

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
Botswana	G/TBT/N/BWA/58; 26 January 2017	8201, 8202, 8203, 8204, 8205, 8467, 8509	Electric tools; Hand-operated tools
Botswana	G/TBT/N/BWA/59; 26 January 2017	8535, 8536, 8537, 8538	Insulating gases, Switches, disconnectors, fuse combinations
Botswana	G/TBT/N/BWA/59; 26 January 2017	820, 820840, 842481, 8432, 8433, 8435, 8436, 8701	Household and electronic equipments, Horticultural equipments
Kenya	G/TBT/N/KEN/542; 20 January 2017	8506, 8541	Solar energy engineering
Kenya	G/TBT/N/KEN/546; 20 January 2017	8546, 8547	Insulating materials
South	G/TBT/N/ZAF/196;	7303, 7304, 7305, 7322, 8403, 8415, 842840,	Hot water storage, Heating equipments

Africa	29th March 2017	8516, 902810, 902820, 902830	
Uganda	G/TBT/N/UGA/535;	7321	Household steel equipments

Upcoming Exhibitions in Africa

Table 5: List of Exhibitions

Events	Date	Venue	Link
MACTECH	16th- 19th November, 2017	Cairo, Egypt	http://www.mactech.com.eg/
Ethiopia Trade Expo	08th- 11th November, 2017	Addis Ababa, Ethiopia	http://www.eventseye.com/fairs/f-ethiopia-trade-expo-17709-1.html
East Afripack	21st- 23rd November, 2017	Nairobi, Kenya	http://www.eventseye.com/fairs/f-east-afripack-18155-1.html
Midest Maroc	08th- 11th November, 2017	Casablanca, Morocco	https://www.midest-maroc.com/#
Buildexpo Africa	15th-17th November, 2017	Kigali, Rwanda	http://expogr.com/rwanda/buildexpo/
Tanzania Trade Show	24th-26th November, 2017	Dar-Es-Salaam, Tanzania	http://www.growexh.com/tanzaniatradeshow/

Tender information in Africa

Table 6: Tender related information

Title	Deadline	Country	Link
Acquisition And Commissioning Of Agricultural Equipment For Agricultural Cooperatives In The Province Of Khayalifra (TI Ref ID: 429196740)	16 November 2017	Mozambique	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429196740
Supply Of Spare Parts For Different Vehicles (TI Ref ID: 429232462)	11 November 2017	Ethiopia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429232462

Supply And Installation Of Marine Parts And Forklift Trucks (TI Ref ID: 429233024)	17 November 2017	Ghana	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429233024
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 EEPC 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, EEPC INDIA provides you numerous business opportunities at very competitive charges.

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