

Territorial NEWSLETTER Africa

EETPCINDIA
ENGINEERING THE FUTURE

Vanijya Bhavan (1st Floor)
International Trade Facilitation
Centre (ITFC)
1/1 Wood Street,
Kolkata - 700016
www.eetpcindia.org



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Chairman's Pen



Ravi Sehgal

The African continent represents a mosaic of 54 countries rich in cultural diversity and with abundant natural resources that support some of the fastest growing economies in the world. It is also the continent with greatest development challenges ahead. The ongoing sustainable development efforts must be interdisciplinary and recognise the environment as an essential element in combination with economic growth and governance in all poverty reduction strategies.

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



**Rohinton
Engineer**

This edition of Territorial Newsletter talks of the economic and commercial monthly report of Malawi and India. The report shows good and progressive relations between the two countries. The major export is of engineering goods to the country, whereas majority of the imports from the country comprise of agricultural products.

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

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



**Amrutlal B.
Bhimani**

India's engineering exports to the African continent experienced a jump in September 2018 as compared to the corresponding month in the last year, with a growth rate of over 16%. 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 26% and Nigeria was very impressive for the month of September 2018 over September 2017 with above 68% respectively.

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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NEWSLETTER – Africa

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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 And Commercial Report For The Month Of July 2018- MALAWI

1. Trends in India-Malawi Bilateral Trade (Trade Statistics India-Malawi, In US Million Dollars)

	Bilateral Trade (2017-2018)	Bilateral Trade (2017-18 June)	Trade April- June)	Bilateral Trade (2018-19 June)	Trade April- June)	% Change
Exports	199.60	66.74		43.32		-35.09%
Imports	16.45	2.18		5.33		144.31%
Total Trade	216.05	64.56		37.99		-41.16%

Source: www.commerce.gov.in

2. Top Ten Exports from India to Malawi (2017-18)

The main imports of Malawi from India are pharmaceuticals. Malawi as of 2017 imported 61% of its pharmaceuticals from India compared to the previous year's 55%. The scope for more market share of the pharmaceuticals is still there in Malawi. The other products include printed books, articles of iron and steel, plastic and articles thereof and electrical machinery. Below is the list of top 10 imports from India to Malawi in 2017.

Rank	HS Code	Description	Value in US\$ millions
1	30	Pharmaceutical products	106.2

2	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television.	29.6
3	84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	26.8
4	49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts.	24.8
5	87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	16.4
6	73	Articles of iron or steel	14.6
7	39	Plastics and articles thereof	7.8
8	25	Salt; Sulphur; earths and stone; plastering materials, lime and cement	6.2
9	72	Iron and steel	5.8
10	63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	4.6

Source: International Trade Centre (ITC)

3. Top 5 Export Items from Malawi to India 2017

SI No.	Commodity	Amount in millions of US\$	Share in Malawi export %
1	Edible vegetables and certain roots and tubers (HS Code: 07)	6.85	37
2	Oil seeds and oleaginous fruits, Miscellaneous grain, seeds and fruit (HS Code: 12)	3.30	8
3	Coffee, Tea, Mate and Spices (HS Code:09)	0.753	1
4	Commodities not elsewhere specified (HS Code: 99)	0.357	5
5	Cotton (HS Code: 41)	0.275	8

Source: International Trade Centre (ITC)

4. Top 5 Competitors of India's Top Exports to Malawi 2017 (Engineering)

SI No.	Commodity	Competitors	Amount (In millions of US\$)
1	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television. (HS Code: 85)	1. China	74.55
		2. India	29.64
		3. South Africa	25.26
		4. Austria	16.78
		5. Hong Kong, China	12.45
		6. United Arab Emirates	12.40

2	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof (HS CODE 84)	1.	China	75.62
		2.	South Africa	45.91
		3.	India	26.86
		4.	Austria	15.63
		5.	United Arab Emirates	13.70
		6.	Denmark	10.19
3	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof (HS Code: 87)	1.	Japan	62.01
		2.	South Africa	31.67
		3.	India	16.45
		4.	China	16.34
		5.	United Kingdom	12.80
		6.	United States of America	5.12

Source: International Trade Centre (ITC)

5. Information on Tender Notices of Interest to Indian Project Exporters

Information on Malawi tenders can be viewed on the website <http://www.hcililongwe.in/tenders.php>

India's latest trend in engineering exports to Africa

Countries with the highest demand for Indian engineering products during September 2018 in absolute values include:

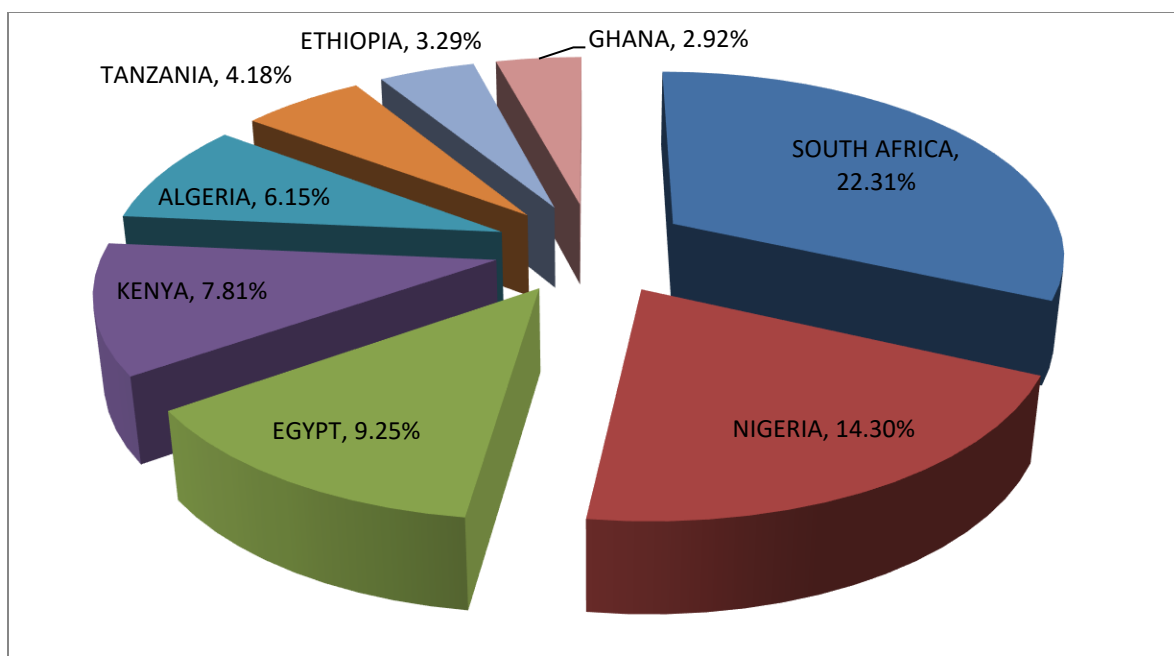
Table 1: Engineering Exports to Africa (USD million)

Africa	September 2017	September 2018	Growth (%)
South Africa	725.49	918.37	26.59
Nigeria	348.97	588.47	68.63
Egypt	491.80	380.67	-22.60
Kenya	228.11	321.61	40.99
Algeria	156.23	253.03	61.96
Total Africa	3523.34	4116.28	16.83

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in September 2018 as compared to September 2017 but with a positive growth rate of over 26%. 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 2018. (Fig 1)

Fig 1: India's engineering export share to African Countries (%) in August 2018



Source: DGCI&S

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

Table 2: Top 15 engineering panels exported to Africa in September 2018 (US\$ Million)

DGCI&S Engineering Panels	India's export in September 2017	India's export in September 2018	Growth (%)
Motor Vehicle/cars	876.04	1,017.66	16.17
Industrial Machinery	401.81	531.51	32.28
Products of Iron & Steel	256.23	383.48	49.66
Iron and Steel	319.30	284.20	-10.99
Two and Three Wheelers	193.04	272.49	41.16
Electric Machinery	207.80	249.93	20.27
Ships Boats and Floating structures and parts	319.05	226.94	-28.87
Auto Components/Part	162.27	168.44	3.80
Air condition and Refrigerators and parts	72.07	150.98	109.51
Construction Machinery	91.68	108.07	17.87
Aluminum and products	80.21	86.23	7.51
Medical and Scientific Instruments	77.14	80.36	4.17
IC Engines and Parts	49.89	64.26	28.79
Machinery for ATMs	54.70	54.23	-0.85
Pumps of all types	48.66	53.54	10.04

Source: DGCI&S

Table 3: Country wise and product wise India's engineering exports to Africa in September 2018

Country	Top products traded
South Africa	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Iron & Steel etc
Nigeria	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Articles of Iron & Steel etc
Kenya	Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, Iron & Steel etc
Egypt	Ships, boats and floating structures, Mechanical Machinery, Motor Vehicles & parts, Electrical Machinery, 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, Motor Vehicles & parts, Iron & Steel, Articles of Iron & Steel etc
Tanzania	Motor Vehicles & parts, Mechanical Machinery, Electrical Machinery, Articles of Iron & Steel etc
Senegal	Articles of Iron & Steel, Electrical Machinery, Mechanical Machinery, Motor Vehicles & parts, etc
Uganda	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>

For any queries about this service, please feel free to contact us at eecho@eepcindia.net, srajagopalan@eepcindia.net, ddas@eepcindia.net.

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Contact: Manila Sharma

Email: msharma@eepcindia.net

Phone no: 011-23711124