

Territorial NEWSLETTER Africa

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Africa contains an enormous wealth of mineral resources, including some of the world's largest reserves of fossil fuels, metallic ores, and gems and precious metals. This richness is matched by a great diversity of biological resources that includes the intensely lush equatorial rainforests of Central Africa and the world-famous populations of wildlife of the eastern and southern portions of the continent. Although agriculture (primarily subsistence) still dominates the economies of many African countries, the exploitation of these resources became the most significant economic activity in Africa in the 20th century.

Ravi Sehgal 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



**Rohington
Engineer**

This edition of Territorial Newsletter covers the 9th session of India-Tanzania Joint Commission on Trade, Scientific and Technical Cooperation was held in October under the chairmanship of Indian External Affairs Minister and Minister of Foreign Affairs & East African Cooperation of Tanzania was held on 15-16 October 2018. The Joint Commission reviewed the entire spectrum of bilateral relations covering Government-to-Government relations, strong business ties and cooperation in various fields between the two countries

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 August 2018 as compared to the corresponding month in the last year, with a growth rate of over 39%. 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 not impressive as it experienced a negative growth rate of over 2% but that of Nigeria was very impressive for the month of August 2018 over August 2017 with above 47% 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, petroleum and cocoa beans, woods and tropical fruits. Much of its natural resources are undiscovered or barely harnessed.



India and Tanzania Ninth Session of Joint Commission Meeting



The 9th session of India-Tanzania Joint Commission on Trade, Scientific and Technical Cooperation was held in October under the chairmanship of Indian External Affairs Minister and Minister of Foreign Affairs & East African Cooperation of Tanzania was held on 15-16 October 2018. The Joint Commission reviewed the entire spectrum of bilateral relations covering Government-to-Government relations, strong business ties, impressive development

partnership cooperation in fields like educational, healthcare, culture, academic and diaspora linkages between the two countries.

The Commission expressed satisfaction on the healthy trend in trade and investment relations, scientific cooperation, culture & academic exchanges and well-developing development partnership between the two countries. India is the largest trading partner of Tanzania comprising 18% of its foreign trade and is among the top five investing countries in Tanzania, and these ties are developing well. Tanzania invited greater Indian investment and business linkages in areas such as agro-products, manufacturing, mining, tourism.

India's credit commitments of over USD 1 billion in development projects in Tanzania in the field of water infrastructure were appreciated by the Government of Tanzania. Energy, infrastructure and mining were noted as promising sectors in terms of development of natural gas, mineral reserves such as gold and precious stones, power generation & distribution, road, railways and airport projects being taken up by the Government of Tanzania. In the light of Tanzania's membership of the International Solar Alliance, the two countries also expect to take up a solar power project in Tanzania in the near future.

The two Governments agreed to consider bilateral agreements in areas such as investment treaty, customs cooperation, blue economy, extradition treaty, mutual legal assistance, cyber-security and cooperation in geology and mineral resources. The understandings and decisions of the Joint Commission were concluded in the form of Agreed Minutes of the Joint Commission signed by the two Ministers. During the Joint Commission, the two countries signed an MOU on cooperation between Foreign Service Institute of India and the Center for Foreign Relations, Dar es Salaam and exchanged an MOU for cooperation between National Research Development Cooperation and the Tanzanian Industrial R&D organizations.

The visiting Minister addressed officials and scholars at the Indian Council of World Affairs, New Delhi on Tanzania's perspectives on relations with India. He also visited the National Maritime Foundation for exchanges on maritime linkages and developments.

Sl. No.	Name of the MOU/Agreement/Treaty	Signed on the Indian side by	Signed on the Tanzanian side by
1	Memorandum of Understanding between the Foreign Service Institute (FSI), Ministry of External Affairs, Republic of India and Centre for Foreign Relations, (CFR), Ministry of Foreign Affairs and East African Cooperation (MFAEAC), United Republic of Tanzania.	Shri J.S.Mukul; Dean Foreign Service Institute, Ministry of External Affairs	Ambassador Ramadhan Muombwa Mwinyi; Deputy Permanent Secretary, Ministry of Foreign Affairs and East African Cooperation (MFAEAC)
2	MoU between Tanzania Industrial Research and Development Organization (TIRDO), Dar es Salaam, Tanzania and National Research Development Corporation, (NRDC) New Delhi, India.	Dr. Hanumanthu Purushotham, Chairman and Managing Director, National Research Development Corporation	Ambassador Ramadhan M. Mwinyi, Deputy Permanent Secretary, Ministry of Foreign Affairs and East African Cooperation (MFAEAC)

India's latest trend in engineering exports to Africa

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

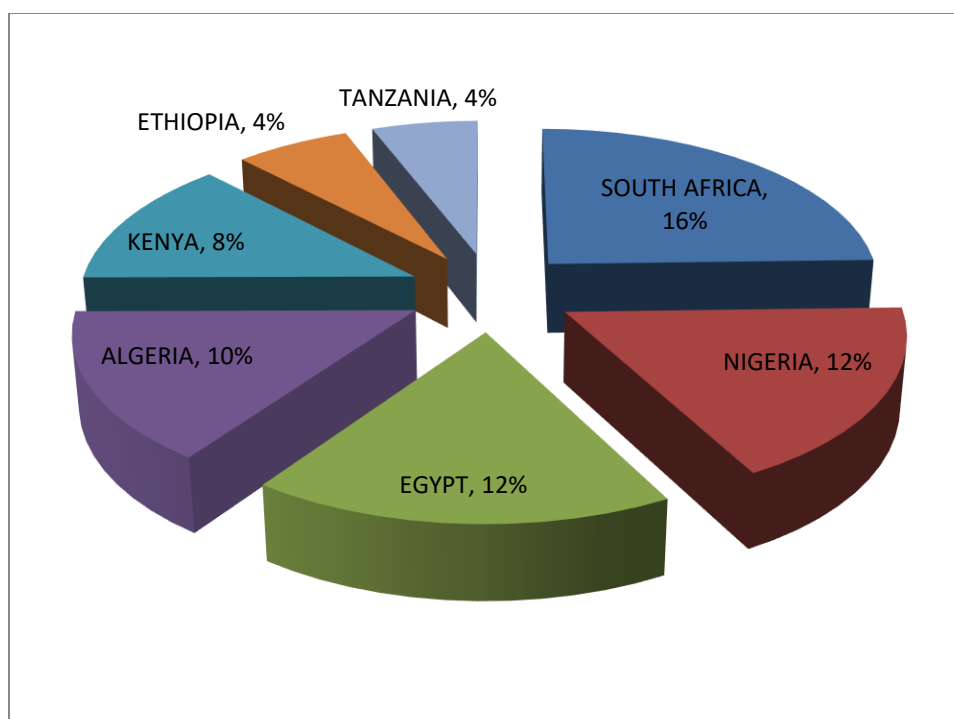
Table 1: Engineering Exports to Africa (USD million)

Africa	August 2018	August 2017	Growth (%)
South Africa	111.74	114.78	-2.65
Nigeria	80.30	54.44	47.50
Egypt	79.99	54.93	45.61
Algeria	68.70	25.48	169.62
Kenya	58.69	29.06	101.94
Total Africa	690.71	497.24	38.91

Source: DGCI&S

South Africa remains the top importer for Indian engineering exports in August 2018 as compared to August 2017 but with a negative growth rate of over 2%. 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 August 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 two panels, thirteen panels recorded positive growth (Table 2).

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

DGCI&S Engineering Panels	India's export in August 2018	India's export in August 2017	Growth (%)
Motor Vehicle/cars	182.17	129.65	40.51
Industrial Machinery	91.50	60.31	51.72
Products of Iron and Steel	80.34	39.60	102.91
Iron and Steel	56.98	59.78	-4.68
Electric Machinery	46.09	31.24	47.52
Two and Three Wheelers	39.56	29.02	36.30
Auto Components/Part	28.86	28.78	0.29
Air condition and Refrigerators and parts	23.22	12.91	79.91
Construction Machinery	20.85	13.27	57.14
Medical and Scientific Instruments	13.65	14.01	-2.54
IC Engines and Parts	12.91	8.12	58.99
Machinery for ATMs	12.23	8.97	36.41
Aluminum and products	11.69	10.11	15.58
Pumps of all types	9.73	8.41	15.66
Bicycle & Parts	9.30	6.73	38.32

Source: DGCI&S

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

➤ **South African Trade Minister Rob Davies condemns US trade war actions**

The South African Minister of Trade and Industry, Dr Rob Davies, told the BRICS Business Council meeting in Durban South Africa that the US was creating global economic turbulence by ignoring long standing world trade rules and imposing unilateral actions.

Davies was speaking during the investments opportunities session on the first day of the sixth annual meeting of the BRICS Business Council in Durban.

Source: http://thebricspost.com/south-african-trade-minister-rob-davies-condemns-us-trade-war-actions/#.Wkq_NUzaM8

Trade Barriers

Table 4: Technical barriers to trade

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
Uganda	G/TBT/N/UGA/839; 16 April 2018	94, 8304, 7321, 870911.	Surgical Instruments and Materials
Botswana	G/TBT/N/BWA/82; 25 June 2018	853620	Low voltage switchgear and control gear
Botswana	G/TBT/N/BWA/91; 26 June 2018	8467	Hand-Held Motor-Operated Electric Tools
Tanzania	G/TBT/N/TZA/158 ; 23 April 2018	820110030	Shovels
Egypt	G/TBT/N/EGY/189; 21 February 2018	841920	Large Steam Sterilizers

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