

Territorial NEWSLETTER Europe

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



In this issue of the Territorial Newsletter on Europe, we have given spotlight on Bulgaria. This is part of our focus on India-CEE (Central and East Europe) relations. Bulgaria is a country in South Eastern Europe with a very strategic location connecting Western and Eastern Europe and even the CIS countries. Due to its location and natural resources it is of great importance for India. India already has a cordial diplomatic relation with the country however there is scope of improvement in terms of trade and business interactions.

The main section carries excerpts from an interview with the Mr. Stefan Ionkov, First Secretary, Embassy of Bulgaria. The interview focuses on sectors that could be of interest for both India and Bulgaria. It also contains information on various facilities and incentives which can be obtained by businesses interested in investing in Bulgaria.

I hope that this newsletter will be insightful for our readers and I hope they enjoy reading it.

T S Bhasin

EU Territorial Committee Chairman's Note



In this edition of the 'Newsletter on Europe', we focus on India's growing relationship with the Bulgaria, a country in Europe's South Eastern part. The country has one of the most stable democracies in Europe with a stable growth rate. The country is also strategically located and is a part of the European value chain. Due to these advantages, it has the potential to become one of the key economic partners of India. The newsletter has a section on interview conducted with the First Secretary, Mr. Ionkov. The section states the various advantages that Indian businesses may get due to greater cooperation with Bulgaria.

We are hopeful that the information provided in the newsletter will be useful for our readers.

Aman Chadha

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EU Section: Basic Facts

Countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden, United Kingdom (UK), Turkey

Area: 4, 324, 782 Sq. km

Population: 511, 434, 812

GDP: USD 18.15 trillion

Climate: cold temperate; potentially subarctic in the north to temperate; mild wet winters; hot dry summers in the south

Natural resources: Iron ore, natural gas, petroleum, coal, copper, lead, zinc, bauxite, uranium, potash, salt, hydropower, timber

Country Focus- Bulgaria

Excerpts from the Conversation with First Secretary, Embassy of Bulgaria, Mr. Stefan Ionkov

In October, a team from EEPC went and met Mr. Stefan Ionkov, First Secretary and Head of Commercial and Economic Affairs Office of Bulgaria to India.

Bulgaria at a glimpse

Capital: Sofia

Location: South Eastern Europe, bordering Black Sea between Romania and Turkey

Border countries: Greece, Macedonia, Romania, Serbia, Turkey

GDP growth rate: 1.7% (2014)

Major industries: electricity, gas, water, food, beverages, tobacco, machinery and equipment, base metal, chemical products, coke, refined petroleum,

Major exports: Clothing, footwear, iron and steel, machinery and equipment, fuels

Major export partners: Germany, Italy, Turkey, Romania, Greece, France, Belgium

Major Imports: Machinery and equipment, metals and ores, chemicals and plastics, fuels, minerals and raw material

Major import partners: Russia, Germany, Romania, Greece, Spain

Currency: Euro

World Bank Doing Business Rank: 36 (2015)

Logistics Performance Indicator Rank: 47 (2014)

Ports and airports: 2 ports and 5 airports

Source: CIA factbook and World Bank

Mr Ionkov spoke at length about the various opportunities of collaboration between the Indian businesses and their Bulgarian counterparts. He stressed on the fact that due to its location, Bulgaria has a strategic advantage. It has proximity to both western European countries and the Central Asian countries. Moreover, the country is one of the most stable economies in the area with efficient governance. It also has one of the lowest budget deficits in the area.

Mr. Ionkov also stated that due to the stability in the country and facilities provided to the investors several big European companies have shifted their

manufacturing bases to Bulgaria. The country has also seen a lot of activities from various Asian economies especially China in the recent years.

Special incentives given to investors:

- a. Special Investment promotion Act which treats all investors irrespective of nationality as equal. Benefits given under the act depend on size of investment and the sector in which it is made and employability of the sector
- b. Lower expenditure on infrastructure such as electricity, labour cost, real estate price
- c. Lowest corporate tax (10%) in the whole of Europe
- d. One of lowest income taxes (10%) in Europe
- e. VAT at 20%
- f. One common duty free market in EU. Goods manufactured in

Possible areas of cooperation between the two countries:

Mr. Ionkov stated during the interview that like India, Bulgaria's industrial strength lies in its SMEs. The Small and Medium Enterprises Promotion Agency in Bulgaria deals with the internationalization of the Bulgarian SMEs. Bulgarian engineering industry is already a part of the large European value chain. Through their collaboration with the Bulgarian businesses, Indian SMEs can also be a part of that value chain. Bulgaria already imports lot of smaller items especially metallic parts from India which are later developed in value added products in Bulgaria. This is the area where collaboration can be worked upon. Some of the key sectors which can be taken for greater cooperation between Indian SMEs and their Bulgarian counterparts are

- a. Heavy electrical and electronic machinery and metallurgical machinery
- b. Agricultural and food processing machinery
- c. Automotive industry

Sectors where Bulgaria is interested in 'Make in India':

Mr. Ionkov was very impressed with the 'Make in India' campaign. There are two sectors where Bulgaria is particularly interested. The first one is defence. However, Mr. Ionkov stated that the FDI clause for the defence sector in India is still not favourable to foreign investors.

The other sector in which Bulgaria is interested is elevators and lifts. Mr. Ionkov mentioned here that Bulgaria has expertise in this field and can work in collaboration with an Indian business.

The OECD risk classification of its participants (ranks from 0 to 7, 7 being lowest), which indicated the credit risk available in the country, ranks Bulgaria at category 4.

During the interview, Mr. Ionkov invited EEPC India to participate in the International Technical Fair to be held between 26th September and 1st October, 2016 in Plovdiv, Bulgaria. The event will showcase products such as corrosion and abrasion, marine equipments, wire ropes and chains, boats and vessels and related equipments, tubing and piping, valves, etc. in the industrial products.

Trading with Bulgaria

Bulgaria is a member of EU and almost all of its non-tariff measures follow EU directives.

Restricted items of import to Bulgaria include

- a. Home computers are not accepted as personal effects and will be subject to customs duties and import taxes
- b. New electrical items and furniture are subject to duties and taxes Invoices required

Guns and ammunitions and knives and such weapons are prohibited from import unless prior permission is sought from the authorities.

For more information one can contact Bulgarian Customs Department.

Address:

'Rakovski "47

Sofia 1202, Bulgaria

Telephone: +359298594210

Website: <http://www.customs.bg/>

Trade Trend Analysis- India-EU

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

Country	Export in October 2014 (USD million)	Export in October 2015 (USD million)	Growth (%)
Germany	162.74	175.42	7.79
UK	167.95	172.73	2.85
Turkey	111.74	128.31	14.83
Italy	126.70	110.85	-12.51
Belgium	50.93	95.43	30.27

India's engineering exports to Belgium has garnered the maximum increase in October 2015 over October 2014.

Some Trends in engineering exports to EU in October 2015

Exports of engineering products to EU in October 2015 increased by 7.15% compared to October 2014. In value terms, exports increased from USD 935.38 million to USD 1002.27 million. During October 2015 EU's share in total Indian engineering exports remained at 11.32%

On the basis of the export data of October 2015, the EU countries which feature in the top 25 export destinations for India include UK, Germany, France, Italy, Turkey, Netherlands, Belgium and France.

Belgium has experienced the maximum growth rate in the October 2015 of over 87.35%.

Top 10 panels exported to EU in October 2015 include

Name of the Panel	Export in October 2014 (USD million)	Export in October 2015 (USD million)	Growth (%)
Products of iron and steel	151.87	143.96	-5.21
Motor vehicles and cars	63.35	113.36	78.95
Auto components and parts	104.64	111.64	6.68
Iron and steel	131.29	103.71	-21.00
Electric machinery	81.86	92.14	12.55
Industrial machinery	81.89	86.28	25.52
IC engines and parts	65.53	59.05	-9.88
Aircrafts, spacecrafts and parts	27.50	50.34	83.06
Medical and scientific instruments	23.78	29.85	12.14

European Free Trade Association (EFTA) Section: Basic Facts

Countries: Iceland, Liechtenstein, Norway, Switzerland.

Area: 5, 29, 600 Sq. km

Population: 13, 589, 956

GDP: USD 623.5 billion

Climate: cold temperate; potentially subarctic in the north to temperate; mild wet winters; hot dry summers in the south

Natural resources: Natural gas, petroleum, coal, metals

Trade Trend Analysis- India-EFTA

Country-wise exports of India to the EFTA region are given below. As is evident from the below figure exports to almost all EFTA countries have experienced a fall except Iceland.

Country	Export in October 2014 (USD million)	Export in October 2015 (USD million)	Growth (%)
Switzerland	17.50	12.24	-30.03
Norway	4.51	2.76	-38.65
Iceland	0.02	1.77	5943.16
Leichtenstein	0.15	0.001	-92.69

Between October 2014 and October 2015, engineering exports to EFTA experienced a decline of 23.91%, from USD 22.06 million to USD 16.78 million.

Top 10 panels exported to EFTA in October 2015 include

Name of the Panel	Export in October 2014 (USD million)	Export in October 2015 (USD million)	Growth (%)
Aircrafts and spacecrafts	1.97	3.45	74.57
Products of iron and steel	1.92	1.80	-6.24
Air condition and refrigeration	0.10	1.74	1548.37

Name of the Panel	Export in October 2014 (USD million)	Export in October 2015 (USD million)	Growth (%)
Electric machinery	5.72	1.43	-74.94
Industrial machinery	1.92	1.42	-25.76
Medical and scientific instruments	1.15	1.09	-5.02
Motor vehicles and cars	0.18	0.63	240.24
Iron and steel	1.97	0.47	-75.70
Aluminium and its products	1.17	0.37	-67.89

News in Focus

The coming trade storm: Tides are shifting, India must decide fast on a strategy to cope with post-TPP era

On 5 October, the nature of global trade was radically transformed. Twelve countries around the Pacific Rim signed the Trans-Pacific Partnership (TPP) - a free trade agreement covering 870 million people, 40% of global GDP, and accounting for \$2 trillion in merchandise trade.

Link: <http://economictimes.indiatimes.com/news/economy/foreign-trade/the-coming-trade-storm-tides-are-shifting-india-must-decide-fast-on-a-strategy-to-cope-with-post-tpp-era/articleshow/49855815.cms>

German Economy Slows While Weathering Risks from China to Greece

German economic growth slowed in the third quarter as companies battled the Greek crisis and a China-led slowdown in emerging markets.

Link: <http://www.bloomberg.com/news/articles/2015-11-13/german-economy-slows-while-weathering-risks-from-china-to-greece>

EU-Ukraine free trade 'set for 2016' - President Poroshenko

Ukraine's President Petro Poroshenko says the EU has confirmed that an EU-Ukrainian free trade zone will be launched on 1 January.

Link: <http://www.bbc.com/news/world-europe-34842246>

Eurozone GDP: Growth slows to just 0.3% - as it happened

Europe's economic recovery has faltered, with growth in the single currency region slowing to just 0.3% in the third quarter of the year

Link: <http://www.theguardian.com/business/live/2015/nov/13/eurozone-gdp-growth-figures-france-germany-greece-live>

Upcoming Events in EEA

Date of the event	Name of the Event	Location	Industry
03 – 06 December	Belex	Bursa, Turkey	International electrical, electronic, automation, illumination and communication fair
03-06 December	Bursa metal processing Technology Fair	Bursa, Turkey	Metal processing
03-06 December	Mould Eurasia	Bursa, Turkey	Mould technologies
03-06 December	Bursa Iron and Steel	Bursa, Turkey	Iron and steel, castings, non-ferrous metal, product and manufacturing machine
03-06 December	Bursa sheet metal processing technology fair	Bursa, Turkey	Sheet metal, pipe, profile processing technologies
12-14 January	Euroguss	Nuremberg, Germany	Die castings technology
26-29 January	Nortec	Hamburg, Germany	Manufacturing technology trade fair
27-28 January	Biogaz Europe	Nantes, France	Biogas and related technologies

Tender Information in EEA

Contract Notices

TED Reference	Title	Link
408515-2015	Italy-Rome: Railway equipment	http://ted.europa.eu/udl?uri=TED:NOTICE:408515-2015:TEXT:EN:HTML&src=0
408521-2015	Greece-Athens: Transformers	http://ted.europa.eu/udl?uri=TED:NOTICE:408521-2015:TEXT:EN:HTML&src=0
408520-2015	Ireland-Dublin: Telemetry equipment	http://ted.europa.eu/udl?uri=TED:NOTICE:408520-2015:TEXT:EN:HTML&src=0
408519-2015	France-Lucé: Electrical machinery, apparatus, equipment and consumables; lighting	http://ted.europa.eu/udl?uri=TED:NOTICE:408519-2015:TEXT:EN:HTML&src=0
408518-2015	Bulgaria-Sofia: Gas compressors	http://ted.europa.eu/udl?uri=TED:NOTICE:408518-2015:TEXT:EN:HTML&src=0

TED Reference	Title	Link
		518-2015:TEXT:EN:HTML&src=0
408514-2015	Bulgaria-Kovachevo: Parts of hydraulic power engines or motors	http://ted.europa.eu/udl?uri=TED:NOTICE:408514-2015:TEXT:EN:HTML&src=0
408513-2015	Germany-Oberderdingen: Low-floor buses	http://ted.europa.eu/udl?uri=TED:NOTICE:408513-2015:TEXT:EN:HTML&src=0
408511-2015	Bulgaria-Kovachevo: Parts of belt conveyors	http://ted.europa.eu/udl?uri=TED:NOTICE:408511-2015:TEXT:EN:HTML&src=0
408510-2015	Luxembourg-Strassen: Distribution equipment	http://ted.europa.eu/udl?uri=TED:NOTICE:408510-2015:TEXT:EN:HTML&src=0
408508-2015	France-Lyon: Hydro-electric plant construction work	http://ted.europa.eu/udl?uri=TED:NOTICE:408508-2015:TEXT:EN:HTML&src=0
408507-2015	Spain-Madrid: Furniture	http://ted.europa.eu/udl?uri=TED:NOTICE:408507-2015:TEXT:EN:HTML&src=0
408633-2015	Norway-Lillehammer: Medical equipments	http://ted.europa.eu/udl?uri=TED:NOTICE:408633-2015:TEXT:EN:HTML&src=0
408632-2015	Norway-Lillehammer: Trailers, semi-trailers and mobile containers	http://ted.europa.eu/udl?uri=TED:NOTICE:408632-2015:TEXT:EN:HTML&src=0
408620-2015	Norway-Vadsø: Electricity	http://ted.europa.eu/udl?uri=TED:NOTICE:408620-2015:TEXT:EN:HTML&src=0
408474-2015	France-Saint-Pierre: District heating	http://ted.europa.eu/udl?uri=TED:NOTICE:408474-2015:TEXT:EN:HTML&src=0
408122-2015	Greece-Athens: Mechanical spare parts except engines and engine parts	http://ted.europa.eu/udl?uri=TED:NOTICE:408122-2015:TEXT:EN:HTML&src=0

For more contract notices and notice by country, Please register with EU Tenders Electronics Daily and follow the link: <http://ted.europa.eu/TED/browse/browseByBO.do>

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