

Territorial NEWSLETTER Europe

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



In this issue of the Territorial Newsletter on Europe, we focus on India's relationship with the Central and Eastern Europe. With India's traditional markets such as USA and Western Europe getting saturated, Eastern and Central Europe becomes very important for India. It is also significant given the fact that India has long had a stable and cordial relationship with the Central and Eastern European nations; however, the full potential of this relationship has never been utilized by both sides. Off late our government has been keen to resurge this relationship. Accordingly, the representatives of the two sides are interacting in several forums such as the India-Central Europe Business Forum.

Keeping in mind the growing importance of Central and Eastern Europe, we have kept exclusive sections on Central and Eastern Europe. We have also added a small section which focuses on one Central and East European country. In this edition we have focused on Turkey.

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

Anupam Shah

EU Territorial Committee Chairman's Note



In this second edition of the 'Newsletter on Europe', we focus on India's growing relationship with the Central and Eastern European Countries (CEE). We have kept special sections for India's overall relationship with the CEE region and we have also added a small section with focus on a country belonging to the CEE region. In this edition we have focused on Turkey. Apart from these sections, the sections on trade trends between India and EU and EFTA, exhibition information and tender information is also there.

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

Aman Chadha

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

Growing Focus on CEE Countries

India and the Central and Eastern European (CEE) countries had long been sharing a dynamic socio-political relationship. While the relationship has changed its discourse over the last few decades due to the changing

Definition of CEE countries:

Total Number of Countries: 30

Scandinavian/Nordic countries: Iceland, Norway, Denmark, Sweden, Finland

Baltic States: Estonia, Latvia, Lithuania

Visegrad states: Poland, Czech Republic, Slovakia, Hungary

Balkans: Bulgaria, Romania, Slovenia, Croatia, Serbia, Bosnia, Herzegovina, Macedonia, Montenegro, Albania

Alpine states: Austria, Switzerland, Liechtenstein

Mediterranean states: Greece, Cyprus, Malta, Turkey

Holy See: Vatican City

Source: *This is as per Ministry of External Affairs, Government of India*

political scenario in the CEE countries, it has remained stable. However, India's relationship with its Eastern and Central European partners has not been able to evolve as successfully as has been the case of India and Western Europe. This has been largely attributed to the ever-changing political discourse of the CEE region. Also, traditionally, Western European countries have been the major trading partners of the CEE countries.

In the recent years, India's foreign policy is showing renewed effort in establishing relationships with the CEE countries. Both India and the CEE countries have embarked in

the path of gradual economic reforms, progressive research and development and strengthening their political credentials in the global politics. With this background their partnership can be a key to development of both countries. While India can provide them huge market, the CEE countries can assist India in terms of technology innovation, skill development and smart manufacturing. Their assistance can also be crucial in the areas of infrastructure and waste management and the Indian government's flagship policies such as Digital India and Smart Cities.

The growing importance of the CEE region for India is evident in the government's 'Link West' Approach. Europe is a crucial aspect of this approach. While within Europe, India's greater focus is still on its Western European partners, without the cooperation of Central and Eastern Europe, the policy will not be able to yield the desired result. India has already started engaging in bilateral forums with the CEE countries. Between 2014 and 2015, several high profile visits from both sides have happened including the President's official state visits to Norway and Finland. India's importance in the CEE region is also evident from the individual country policies. For instance, Poland has launched 'GoIndia' which is launched by the government to help Polish companies build up contacts in India and set up promotional activities.

The potential of the relationship between India and the CEE region has mostly remained untapped. More of the bilateral initiatives are required from both sides to fully achieve the potential of this bilateral relationship.

India Central Europe Business Forum (ICEBF)

This year's ICBEF was held in Bangalore, Karnataka between October 5th and 6th. This year Poland was the partner country.

Focus sectors in engineering were: Auto and auto components, Renewable energy and clean technology, Environmental technology, Manufacturing and high technology, urban infrastructure

For more details on the event please visit <http://www.icebf.in/info.html>

Country Focus: Turkey

As per OECD, Turkey's growth weakened in early 2015 due to uncertainties associated with the upcoming elections and the difficult geo-political situation in the country. However, OECD maintains that the GDP growth is projected to pick up gradually over 2015 and 2016. Rather than private investment which last picked up in 2011, it is the strong government investment in infrastructural sectors that supported the economy to a large extent.

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 Turkey at category 4.

Trading with Turkey

Turkey is in a Customs Union with EU since the nineties. It is also expected to join the European Union soon.

Import tariffs: Customs Union common external tariff for industrial goods. Since its entry into WTO and the Customs Union with EU, the Turkish government has consistently worked on lowering of tariff rates and making trade more free. This effort is reflected in the lowering of duty rates for countries with which Turkey has FTAs. For example, for industrial products belonging to chapters 25 to 97, rate of duty for India, which is included in the list of developing countries with GSP, is 8%, whereas for South Korea, with which it already has a free trade agreement with Turkey, the rate is only 4%.

Customs surcharges: VAT. Certain capital goods, raw materials and imports by state-owned agencies are exempted

Import documentation: Commercial bill and a Bill of landing. For certain products Certificate of Origin required

Special Import Requirements: Products requiring after-sales service such as motor vehicles, electrical appliances, etc., a special import permit from Ministry of Industry and Trade. In order to obtain such a permit, importers must guarantee that they will provide service and spare-parts either by establishing offices or by signing agreements with existing service/parts firms. The penetration of maintenance facilities throughout the country depends on the type of the product. Particular product groups require a wide spread network of maintenance facilities in each of Turkey's seven geographic regions. Vehicles fall into this category. Existing import regime instructs an importer to provide services and also maintain necessary parts for at least 10 years, following the importation of the last vehicle.

Packaging and labeling: All packages, cases, and bales must bear shipping marks, numbers, dimensions, and the gross weight of the merchandise. Packages along with accompanying bills of lading for goods to be shipped through Turkey must be marked "In Transit." All goods entering Istanbul or any other entry port in Turkey (Ankara, Iskenderun, Izmir, Antalya, Mersin, Sinop, Samsun, and Trabzon) will be cleared through customs, and full payment of duty will be required unless the packages and bills of lading are marked "In Transit." Goods marked "In Transit" may be cleared for entry and reshipment.

Publication of Technical Regulations: The Turkish Standards Institute publishes all Turkish standards and directives.

For more details: <http://apps.export.gov/article?id=Turkey-Import-Requirements-and-Documentation>

For details on trading with Turkey, one can also contact the **Turkish India Chamber of Commerce (TICCI)** located in New Delhi, India. They will also be our partner association in IESS V to be held in Mumbai in November. Website: <http://www.ticci.in/>

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:

Table1: India's exports to top five EU nations

Country	Export in September 2014 (USD million)	Export in September 2015 (USD million)	Growth (%)
United Kingdom	306.42	198.84	-35.11
Germany	186.66	184.48	-0.96
Italy	153.60	122.72	-20.47
Turkey	118.04	116.55	-1.26
Belgium	50.93	95.43	87.35

Source: DGCI&S, Govt. of India

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

Some Trends in engineering exports to EU in September 2015

Exports of engineering products to EU in September 2015 declined by 12.25% compared to September 2014. In value terms, exports declined from USD 1212.81 million to USD 1064.20 million. During September 2015 EU's share in total Indian engineering exports remained at 22.55%

On the basis of the export data of September 2015, the EU countries which feature in the top 25 export destinations for India include UK, Germany, France, Italy, Turkey, Netherlands, Belgium and France although, UK, Germany, Italy, Turkey faced a fall in exports from India between September 2014 and September 2015.

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

Table2: Top 10 panels exported to EU in September 2015

Name of the Panel	Export in September 2014 (USD million)	Export in September 2015 (USD million)	Growth (%)
Products of iron and steel	174.25	146.73	-15.79
Motor vehicles and cars	77.10	135.01	75.10
Iron and steel	158.66	127.42	-19.69
Auto components and parts	113.22	105.27	-7.01
Electric machinery	103.43	101.76	-1.33
Aircraft and spacecraft	104.88	86.28	-17.73
Industrial machinery	64.00	70.09	9.52
IC engines and parts	110.05	61.16	-44.43
Medical and scientific instruments	27.58	25.80	-6.46

Source: DGCI&S, Govt. of India

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.

Table3: India's exports to EFTA region

Country	Export in September 2014 (USD million)	Export in September 2015 (USD million)	Growth (%)
Switzerland	16.40	15.71	-4.22
Norway	5.20	3.928	-24.47
Iceland	0.10	0.065	-35.37
Leichtenstein	0.005	0.06	1215.80

Source: DGCI&S, Govt. of India

Between September 2014 and September 2015, engineering exports to EFTA experienced a decline of 9.19%, from USD 21.70 million to USD 19.71 million.

Table4: Top 10 panels exported to EFTA in September

Name of the Panel	Export in September 2014 (USD million)	Export in September 2015 (USD million)	Growth (%)
Aircrafts and spacecrafts	3.52	4.26	21.17
Electric machinery	3.16	3.03	-4.19
Medical and scientific instruments	0.89	2.40	168.28
Industrial machinery	3.18	1.72	-45.79
Products of iron and steel	2.50	1.45	-41.81
Aluminium and its products	0.69	0.58	-15.51
Auto components and parts	0.46	0.48	3.45
Machinery for ATMs	0.10	0.40	290.63
Motor vehicles and cars	0.28	0.34	19.82

Source: DGCI&S, Govt. of India

News in Focus

Modi-Merkel Summit: India's Trade with Germany Well Below Potential, Modi Says At Bangalore Event

Prime Minister Narendra Modi, accompanied by German Chancellor Angela Merkel, reiterated his "Make in India" strategy and said a partnership with the European industrial giant would help boost that vision and raise trade between the two nations to its true potential.

Link: <http://www.ibtimes.com/modi-merkel-summit-indias-trade-germany-well-below-potential-modi-says-bangalore-2128351>

Kosovo Takes Steps to Join European Union

Kosovo took a step towards possible European Union membership on Tuesday, signing a trade and political pact with Brussels less than a decade after unilaterally declaring independence from Serbia.

Link: <http://www.reuters.com/article/2015/10/27/us-eu-kosovo-idUSKCN0SL1UW20151027>

Siddaramaiah woos Central European countries for investments

Karnataka Chief Minister Siddaramaiah on Monday urged investors from the Central European countries to look east, look towards India and his state during the second India - Central Europe Business Forum (ICEBF) on Monday.

Link: http://www.daijiworld.com/news/news_disp.asp?n_id=360229

Karnataka inks MoU with Hungary

Karnataka, which had been selected 'Partner state' for the India Central Europe Business forum (ICEBF), presented its strengths before the Central European countries at an event on Monday and the state is pitching for investments in defence and aerospace from the Central European countries.

Link: <http://www.thehindubusinessline.com/news/national/karnataka-inks-mou-with-hungary/article7727001.ece>

Upcoming Events in EEA

Date of the event	Name of the Event	Location	Industry
2-3 November	Loughborough Antennas & Propagation Conference	Loughborough, UK	Engineering
17-19 November	Aerospace Structural Impact Dynamics International Conference	Seville, Spain	Engineering
25-26 November	European Steam Turbine Users Conference	Birmingham, UK	Engineering

Tender Information in EEA

Contract Notices

TED Reference	Title	Link
380456-2015	Poland-Świerże Górne: Taps, cocks, valves and similar appliances	http://ted.europa.eu/udl?uri=TED:NOTICE:380456-2015:TEXT:EN:HTML&src=0
380434-2015	Germany-Cottbus: Electronic, electromechanical and electrotechnical supplies	http://ted.europa.eu/udl?uri=TED:NOTICE:380434-2015:TEXT:EN:HTML&src=0
380391-2015	Poland-Katowice: Coal or rock-cutting machinery	http://ted.europa.eu/udl?uri=TED:NOTICE:380391-2015:TEXT:EN:HTML&src=0
380390-2015	Poland-Katowice: Power distribution cables	http://ted.europa.eu/udl?uri=TED:NOTICE:380390-2015:TEXT:EN:HTML&src=0

TED Reference	Title	Link
380389-2015	France-Coquelles: Parts of locomotives or rolling stock	http://ted.europa.eu/udl?uri=TED:NOTICE:380389-2015:TEXT:EN:HTML&src=0
380388-2015	Poland-Katowice: Mobile hydraulic-powered mine roof supports	http://ted.europa.eu/udl?uri=TED:NOTICE:380388-2015:TEXT:EN:HTML&src=0
380385-2015	Lithuania-Vilnius: Parts of locomotives or rolling stock	http://ted.europa.eu/udl?uri=TED:NOTICE:380385-2015:TEXT:EN:HTML&src=0
380384-2015	France-Paris: Transformers	http://ted.europa.eu/udl?uri=TED:NOTICE:380384-2015:TEXT:EN:HTML&src=0
380382-2015	Italy-Urbino: Public-service buses	http://ted.europa.eu/udl?uri=TED:NOTICE:380382-2015:TEXT:EN:HTML&src=0
380380-2015	Czech Republic-Prague: Laser printers	http://ted.europa.eu/udl?uri=TED:NOTICE:380380-2015:TEXT:EN:HTML&src=0
380377-2015	Bulgaria-Sofia: Gas turbines	http://ted.europa.eu/udl?uri=TED:NOTICE:380377-2015:TEXT:EN:HTML&src=0
380375-2015	Bulgaria-Sofia: Electrical machinery, apparatus, equipment and consumables; lighting	http://ted.europa.eu/udl?uri=TED:NOTICE:380375-2015:TEXT:EN:HTML&src=0
380497-2015	Norway-Ås: Laboratory, optical and precision equipments (excl. glasses)	http://ted.europa.eu/udl?uri=TED:NOTICE:380497-2015:TEXT:EN:HTML&src=0
380496-2015	Norway-Trondheim: Workshop equipment	http://ted.europa.eu/udl?uri=TED:NOTICE:380496-2015:TEXT:EN:HTML&src=0
380493-2015	Norway-Tromsø: Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products	http://ted.europa.eu/udl?uri=TED:NOTICE:380493-2015:TEXT:EN:HTML&src=0
380491-2015	Norway-Trondheim: Microscopes	http://ted.europa.eu/udl?uri=TED:NOTICE:380491-2015: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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