

Territorial NEWSLETTER Europe

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



India and Europe have a historical relationship. Presently, Europe has two major trade groupings: one being EU or European Union and the other being EFTA or European Free Trade Association. The two trade blocs are virtually integrated through two agreements – Agreement on European Economic Area (EEA); and a set of bilateral agreements with Switzerland. Diplomatic relations between India and European Union, consisting of 28 countries in Western Europe, date back to the early 1960s. EU remains India's largest trading partner, with bilateral trade valued around USD 75.8 Billion during the FY 2014-15.

EU is also one of the largest sources of FDI for India. The European Free Trade Association (EFTA) consists of Iceland, Liechtenstein, Norway and Switzerland. EFTA is recently garnering prominence with respect to trade with India.

Keeping in mind the interests of our members exporting to the whole Europe, in this issue we focus on India's trade relations with both EU and EFTA.

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 both EU and EFTA. We present a note on the India Business Climate Survey, 2014-15 done by the Swedish Chamber of Commerce in India to understand how the European businesses perceive the Indian business climate. This is important also in the context of India's almost unchanged rankings in the current World Bank Doing Business Report. The newsletter also gives an insight on the engineering trade trends between Europe and India. We have made separate sections for EU and EFTA.

We are hopeful that the information provided in the newsletter will be useful give to 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

The India Business Climate Survey, 2014-15 by the Swedish Chamber of Commerce – Excerpts from the Survey

The recent Business Climate Survey, 2014-15 launched by the Swedish Chamber of Commerce, India has exhibited a vast change in perception of doing business in India since the last survey done in 2013. The survey which is done annually and takes the feedback of almost 110 Swedish companies present in India brings to light the experience of doing business in India by the Swedish business community.

Currently there are a number of Swedish companies in India in sectors such as IT/Telecom, Automotive, Engineering Products, Defense, Service Sector, etc. The companies include big brands such as Volvo, Ericsson, SAAB, Tetra Pak, Sandvik and Scania. The Swedish business community generates about 1, 50, 000 direct jobs in India.

According to the survey, since the launch of the 'Make in India' programme in September 2014, the Indian government has set priority in reforming the doing business environment in India. Already initiatives have been taken which according to the companies surveyed have been quite effective. As against only 51% positive feedback in 2013-14, almost 90% companies in 2014-15 feel that India's investment climate has become more favourable. Presently major hubs of Swedish companies in India are in Delhi NCR, Bangalore, Pune and Mumbai. However, as per the survey almost 55% of the companies are planning to invest and expand in states such as Orissa, West Bengal, Maharashtra and AP/ Telengana. Though the general feedback of the survey was very positive, Swedish businesses in India felt that tax and customs regulations, cumbersome bureaucracy and unavailability of skilled labourers are some longstanding issues that need to be addressed on a priority basis to increase India's trade and investment. In a recent event in Kolkata, Anna Ferry, Counsellor, Head of Section Trade & Economic Affairs, Embassy of Sweden in India, also mentioned about the report and further added that Swedish companies fit well in initiatives such as 'Make in India' and Smart City.

EU-India – Information Guide

The Seconded European Standardization Expert in India (SESEI) project has been launched by a host of European standardization authorities such as The European Committee of Standardization (CEN), European Committee for Electro-technical Standardization (CENELEC), European Telecommunication Standards Institute (ETSI), Director General for Enterprise and Industry – European Commission and European Free Trade Association (EFTA). The project aims to establish European Standardization Expert in India to propagate the interests of European standardization community. The project mainly operates under the following terms of reference

- a. Increasing market intelligence to update the European standardization community on the standards and regulations in India
- b. Increase the visibility of European standardization community in India
- c. Cooperation with their Indian counterparts in developing harmonized standardization and making the business community aware of European standardization
- d. Support activities to increase transparency and better compliance with IPR rules

Under the project several events are held and the officials also participate in several initiatives to spread awareness regarding the European standardization communities. Recently they participated in National Summit on 100 Smart Cities in India

Through the project one can register in the upcoming webinar to be held on 9th October, 2015. The half an hour webinar will explain how standards can support regulation, what are the specificities of the links between standards and regulation at European level. For more information please visit <http://eustandards.in/news-events/events/>

Trade Trend Analysis- India-EU

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

Country	Export in June 2014 (USD million)	Export in June 2015 (USD million)	Growth (%)
United Kingdom	191.11	197.24	3.21
Germany	169.43	156.52	-7.62
France	74.76	141.34	89.06
Italy	143.15	117.81	-17.07
Turkey	106.44	89.14	-16.25

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

Some Trends in engineering exports to EU in June 2015

Exports of engineering products to EU in June 2015 declined by 7.7% compared to June 2014. In value terms, exports declined from USD 1053.48 million to USD 972.03 million. During June 2015 EU's share in total Indian engineering exports remained at 19.69%

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

France which had conceded a negative growth in May 2015 has experienced the maximum growth rate in the June 2015 of over 89%.

Top 10 panels exported to EU in June 2015 include

Name of the Panel	Export in June 2014 (USD million)	Export in June 2015 (USD million)	Growth (%)
Iron and Steel	176.73	144.08	-18.47
Products of iron and steel	148.78	134.10	-9.87
Auto components/parts	107.31	95.73	-10.79
Electric machinery	85.45	88.16	3.17
IC engines and parts	74.61	86.87	16.43
Industrial machinery	61.37	66.47	8.30
Aircraft and spacecraft	69.30	50.04	-27.79
Motor vehicles and cars	97.71	25.79	-73.60
Medical and scientific instruments	26.70	24.60	-7.85

Excerpts from the 14th Joint Economic Commission (JEC) Meeting between India and Austria

The 14th JEC meeting between India and Austria was held in Vienna, Austria between 31st August and 1st September. This follows the 13th JEC which was held in September 2013 in New Delhi. This year the Indian delegation was led by Ms. Anita Praveen, Joint Secretary, Department of Commerce and Industry and had representatives from Department of Commerce, Department of Industrial Policy and Promotion (DIPP) and EEPC India. EEPC India was represented by Mr. Saikat Dutta.

The Austrian side was led by Ms. Bernadette Marianne Gierlinger, Vice Minister for Foreign Economic Policy and European Integration and had members from Austrian government as well as industry.

The meeting started with a review protocol of 13th session of the India-Austria JEC that took place in 2013. The review of the bilateral trade showed that there has been an increase in bilateral trade since the last JEC by 0.4%. However, the growth has not been very symmetrical since the 10.4% rise in India's exports to Austria has been offset by 8.4% decline in Austria's exports to India. India stressed on the need to diversify the trade basket and also set target to increase bilateral trade to 3 billion USD in the next 5 years. Both countries agreed to expand bilateral cooperation by facilitating linkages between trade bodies and associations on either side. Review of bilateral investment showed that since the last JEC in 2013, Austrian direct investment in Indian increased by 27.6% at 305 million EUR whereas, Indian investment in Austria also increased by 11.5% to 126 million EUR.

Further both countries agreed to cooperate in the following areas of the engineering sector:

- a. Automotive

- b. Iron and steel
- c. Infrastructure related to energy, road, rail, shipping and traffic management
- d. Renewable energy and energy efficiency

Both countries also agreed to cooperate in areas of SME promotion through joint ventures, technology transfer, contract manufacturing possibilities, mergers and strategic business partnerships in various manufacturing and infrastructure related sector. There was also renewed stress on skill development with both countries sharing current best practices.

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 June 2014 (USD million)	Export in June 2015 (USD million)	Growth (%)
Switzerland	21.08	9.84	-53.32
Norway	28.91	3.39	-88.24
Iceland	0.039	0.143	267.84
Leichtenstein	0.031	0.016	-45.77

Between June 2014 and June 2015, engineering exports to EFTA experienced a sharp decline -73.23%, from USD 50.06 million to USD 13.40 million. During June 2015 EU's share in total Indian engineering exports remained at 0.27%

Top 10 panels exported to EFTA in June 2015 include

Name of the Panel	Export in June 2014 (USD million)	Export in June 2015 (USD million)	Growth (%)
Industrial machinery	5.00	2.52	-49.59
Electric machinery	5.03	1.84	-63.44
Products of iron and steel	1.91	1.05	-45.17

Aircrafts and spacecrafts	2.97	0.83	-71.90
Aluminium and its products	0.75	0.71	-25.92
Machinery for ATMs	0.91	0.68	8.30
Iron and steel	1.47	0.58	-60.56
Medical and scientific instruments	0.60	0.51	-15.41
Air-condition machinery	0.22	0.49	119.00

India-EFTA engagement

Realizing the importance of enhanced trade, India and the EFTA representatives signed a Record of Understanding to set up a Joint Study Group in 2006. The first meeting of the group was held in 2007. Consequently, the last meeting of the group was held in November 2013 in New Delhi. The two partners are in talks to launch a free trade agreement. However, like India-EU FTA talks, the progress of this FTA is also stalled due to the IPR regime issues in India.

Major Investors from the EFTA region include:

Switzerland: ABB (Asea Brown Boveri) (manufacturers of electrical equipment), Sulzer (industrial machinery and pumps), Rieter (textile machinery), Electrowatt (power technology). Major Swiss banks namely, UBS and Credit Swiss have set up operations in India.

Norway: There are nearly 40 medium and small Norwegian companies engaged in joint enterprises in India, with Indian partners. Several Norwegian companies are established in India for example, Aker Kvaerner (engineering), Barbership management, Fred Olsen and Odfjell (maritime solutions), DnV (technical testing), Hydro (aluminum), SNPower (electricity). Several joint ventures have been established within sectors such as welding equipment, tools and turbine parts.

Iceland: In recent years, Icelandic companies have shown growing interest in investing in India.

Indian companies present in EFTA: There are a number of Indian companies present in EFTA, notably: TATA AG, Birla AG, Ramco, Infosys, Wipro, and Tata Consultancy Services.

News in Focus

Germany in favour of Resuming India-EU Trade Talks

Germany, Europe's largest economy, is hopeful that the stalled talks on the long-pending Free Trade Agreement between India and the European Union will resume soon and the two parties will be able to thrash out sticky issues. This was stated by the newly appointed German ambassador to India, Martin Ney.

Link: http://articles.economictimes.indiatimes.com/2015-09-03/news/66178431_1_india-eu-trade-talks-chief-negotiators-gvk-biosciences

Netherlands Keen to Invest in India, Says Dutch PM Mark Rutte

Dutch companies are keen to invest in India, particularly in sectors like water management, waste management, agriculture, infrastructure, smart cities, banking and pension funds, Netherlands' Prime Minister Mark Rutte said

Link: <http://www.dnaindia.com/money/report-netherlands-keen-to-invest-in-india-says-dutch-pm-mark-rutte-2092720>

The WTO Trade Facilitation Agreement gets the EU Parliament's green light

The deal involving all members of the World Trade Organization (WTO) is expected to simplify and modernise customs procedures around the world, help small businesses access new export opportunities and play a significant role in increasing developing countries' involvement in global value chains.

Link: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1362>

India-EFTA trade pact: Norway confident of progress in talks

Norway is hopeful of progress in talks between India and EFTA member countries on a trade and economic partnership agreement, visiting Norwegian Minister for European Union Affairs Vidar Helgesen has said.

Link: <http://www.thehindubusinessline.com/news/hopeful-of-progress-in-trade-talks-with-india-says-norwegian-minister-helgesen/article7122869.ece>

EEA EFTA Comment on planned EU strategy for goods and services

On 16 July 2015, Iceland, Liechtenstein and Norway submitted a joint comment to the European Commission's forthcoming strategy for goods and services. The EEA EFTA States emphasise their commitment to a well-functioning Single Market as a key driver in boosting economic growth and jobs throughout Europe.

Link: <http://www.efta.int/EEA/news/EEA-EFTA-Comment-planned-EU-strategy-goods-and-services-60626>

EFTA Bulletin looks into the past, present and future of the EEA

The 2015 edition of the EFTA Bulletin focuses on the EEA Agreement from a historical perspective, explains the process of incorporating EU legal acts into the Agreement and outlines current and future challenges for the EEA.

Link: <http://www.efta.int/EEA/news/EFTA-Bulletin-looks-past-present-and-future-EEA-60621>

Upcoming Events in EEA

Date of the event	Name of the Event	Location	Industry
10 th November to 13 th November 2015	Elmia Subcontractor Northern Europe's Leading Trade Show For Subcontractors In The	Jönköping, Sweden	Automobile & Transportation Machinery & Industrial

	Manufacturing Industry		
20 th October to 23 rd October, 2015	Ceramitec Munich	Munich, Germany	Machinery and Industrial, Metals, Metallurgy and Minerals
20 th October to 22 nd October, 2015	Vi International Exhibition of Equipments and Technology for Pharma Industry: PHARMA TechExpo	Kyiv, Ukraine	Health and Medical
30 th September to 1 st October, 2015	TCT Show + Personalize 2015	Birmingham, UK	Machinery and Industrial

Tender Information in EEA

Contract Notices

TED Reference	Title	Link
324373-2015	Switzerland-Sedrun: Parts of heat pumps	http://ted.europa.eu/udl?uri=TED:NOTICE:324373-2015:TEXT:EN:HTML&src=0
324356-2015	Switzerland-Bellinzona: Electromechanical equipment	http://ted.europa.eu/udl?uri=TED:NOTICE:324356-2015:TEXT:EN:HTML&src=0
324355-2015	Switzerland-Frauenfeld: Firefighting equipment installation work	http://ted.europa.eu/udl?uri=TED:NOTICE:324355-2015:TEXT:EN:HTML&src=0
324348-2015	Norway-Alta: Mechanical shovels, excavators and shovel loaders, and mining machinery	http://ted.europa.eu/udl?uri=TED:NOTICE:324348-2015:TEXT:EN:HTML&src=0
324332-2015	Former Yugoslav Republic of Macedonia-Skopje: Transport equipment and auxiliary products to transportation	http://ted.europa.eu/udl?uri=TED:NOTICE:324332-2015:TEXT:EN:HTML&src=0
324275-2015	France-Paris: Fire-detection systems	http://ted.europa.eu/udl?uri=TED:NOTICE:324275-2015:TEXT:EN:HTML&src=0
324237-2015	France-Lyon: Generating sets	http://ted.europa.eu/udl?uri=TED:NOTICE:324237-2015:TEXT:EN:HTML&src=0
324232-2015	Germany-Brunswick: Tramline	http://ted.europa.eu/udl?uri=TED:NOTICE:324232-2015:TEXT:EN:HTML&src=0
324231-2015	Germany-Borkum: Electric buses	http://ted.europa.eu/udl?uri=TED:NOTICE:324231-2015:TEXT:EN:HTML&src=0
324229-2015	Germany-Dortmund: Buses and coaches	http://ted.europa.eu/udl?uri=TED:NOTICE:324229-2015:TEXT:EN:HTML&src=0
324228-2015	Sweden-Stockholm: Electric motors, generators and transformers	http://ted.europa.eu/udl?uri=TED:NOTICE:324228-2015:TEXT:EN:HTML&src=0
324227-2015	Denmark-Copenhagen: Cycles with auxiliary motors	http://ted.europa.eu/udl?uri=TED:NOTICE:324227-2015:TEXT:EN:HTML&src=0
324226-2015	Greece-Athens: Parts for electrical motors and generators	http://ted.europa.eu/udl?uri=TED:NOTICE:324226-2015:TEXT:EN:HTML&src=0
324225-2015	Poland-Jastrzębie-Zdrój: Coal or rock-	http://ted.europa.eu/udl?uri=TED:NOTICE:324225-2015:TEXT:EN:HTML&src=0

TED Reference	Title	Link
	cutting machinery	225-2015:TEXT:EN:HTML&src=0
324222-2015	France-Nantes: Railway-track construction materials and supplies	http://ted.europa.eu/udl?uri=TED:NOTICE:324222-2015:TEXT:EN:HTML&src=0
324217-2015	Hungary-Békéscsaba: Public-service buses	http://ted.europa.eu/udl?uri=TED:NOTICE:324217-2015: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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