

Territorial NEWSLETTER Europe

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Ravi Sehgal

Indian engineering, apart from Central and Eastern Europe has now made the indelible footprints in the parts of Northern Europe. The diligent efforts of Indian Government fused with that of EEPC INDIA, complemented with relentless hard work from Indian engineering exporters have come to fruition with Denmark and Sweden hauling the trade ties with India. Denmark sharing a dias with India as a partner country for Vibrant Gujarat Global Summit-2019 and Sweden stressing on the need for EU-India free trade agreement augmented with veteran Swedish automotive components maker, SKF, reckoning India as their future growth market globally, prognosticate the burgeoning India- Scandinavia trade. In the wake of credit rating agencies lowering the growth forecasts of some of the major economies in the euro zone, Indian exporters shall exploit India's new Scandinavian trade allies. Sweden being synonymous with innovation and R&D in Industry 4.0 has on offer tremendous opportunities in terms of novel disruptive technological knowledge to maneuver the ongoing smart manufacturing revolution. I urge, Indian exporters to collaborate with Swedish companies to catch up with the latest technologies and embrace the Industry 4.0 which in turn will aid them to remain robust in the next radical change, galloping towards the manufacturing sector.

I hope that our readers will enjoy reading this newsletter.

Territorial Chairman's Message



R P Jhalani

In this edition of the 'Newsletter on Europe', we analyze India's engineering export trend with the Europe. It is noteworthy that though March, 2019 has failed to sustain the positive trend in the EU region, but three out of the top five countries – Italy, UK, Germany, France and Belgium – recorded positive growth in March, 2019 in imports of engineering products from India. With regards to exports in the top 20 panels, it has been observed that 15 panels recorded positive growth during April, 2018 - March, 2019 period compared to April, 2017 - March, 2018.

I am hopeful that the Newsletter will give fruitful information to our readers and help them in taking informed business decisions.

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NEWSLETTER – Europe

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Basic Facts: EU

Area: 4, 324, 782 Sq. km

Population: 511.50 million (2016)

GDP: USD 18.31 trillion (2016)

Currency: Euro

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

India-Italy and India-Netherlands Foreign Office Consultations

India-Italy Foreign Office Consultations

The 7th Foreign Office Consultations between India and Italy was held on 4th April, 2019 in New Delhi. The Indian side was led by Secretary (West), Ministry of External Affairs, Mr. A. Gitesh Sarma; and the Italian side was led by Director General of Global Affairs of the Ministry of Foreign Affairs of Italy, Mr. Luca Sabbatucci.

These Consultations provided an opportunity to review the follow-up actions taken after the visit of Prime Minister of Italy, Mr. Giuseppe Conte in October 2018 as well as the entire range of bilateral relations, including political, defence, scientific, economic and commercial ties. They also exchanged views on regional and multilateral issues, including cooperation in the United Nations and other international organizations.

Both sides took note of the growing economic and commercial relations and discussed steps to further facilitate their growth, including through strengthening the existing institutional mechanisms. In the light of the robust exchange of people between the two countries, both sides agreed to establish a regular Consular Dialogue.

India-Netherlands Foreign Office Consultations

Foreign Office Consultations between India and the Netherlands were held on 11th April, 2019 in New Delhi. The Indian Side was led by Mr. A. Gitesh Sarma, Secretary (West), Ministry of External Affairs and the Dutch side was led by Ms. Johanna (Yoka) Brandt, Secretary General, Ministry of Foreign Affairs.

India and the Netherlands share a multifaceted relationship. Both countries used this opportunity to review the entire gamut of bilateral relations, including political, economic, commercial, scientific and cultural cooperation. The two sides also exchanged views on regional and multilateral issues, including cooperation at United Nations and other international fora.

India welcomed the participation of the Netherlands as the Partner Country for the 25th edition of the CII-DST Tech Summit scheduled to be held in New Delhi in October 2019. Both Sides underlined the importance of sustaining exchanges at all levels, including high level.

Trade Trend Analysis in Europe

On the basis of the export data of March, 2019, the top 5 European nations which had the highest demand for Indian engineering products are- Italy, UK, Germany, France and Belgium with their respective trade values are shown in Table 1.

Table 1: Top 5 Engineering Export Destinations from India to Europe (Values in USD Million)

Country	Exports in March, 2018	Exports in March, 2019	Growth (%)	Exports in April, 2017 - March, 2018	Exports in April, 2018 - March, 2019	Growth (%)
ITALY	234.77	297.60	26.76	2462.27	2352.65	-4.45
U K	276.18	283.42	2.62	2854.01	2803.67	-1.76
GERMANY	327.74	271.75	-17.08	3213.84	3244.87	0.97
FRANCE	114.56	146.81	28.15	1422.59	1403.39	-1.35
BELGIUM	135.51	110.13	-18.73	1406.74	1615.69	14.85

Source: DGCI&S

As demonstrated by the table above, three of the top five countries exhibited the positive growth rate for exports of engineering products from India in March, 2019 when compared to March, 2018. The growth was highest in case of France, approx. 28% followed by Italy at 26.76%.

The cumulative growth figures show positive trend for only two of the five countries for the period, April, 2018 – March, 2019 against the same period last year. Belgium showed the highest growth of 14.85 % followed by Germany at approx. 1%.

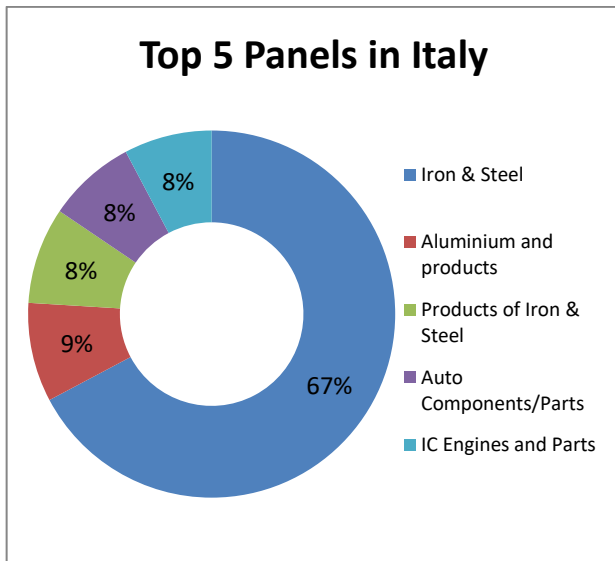
Panel wise trend in Top 5 Engineering Export Destinations for India in Europe

Considering the top 5 export destinations of India in Europe namely Italy, UK, Germany, France and Belgium, and then analyzing the top panels exported from India to these destinations for March, 2019, we observe that Products of Iron& Steel, Auto Components/Parts, Iron and Steel, Motor Vehicle/cars, Industrial machinery and Electric machinery are the most traded panels across these countries.

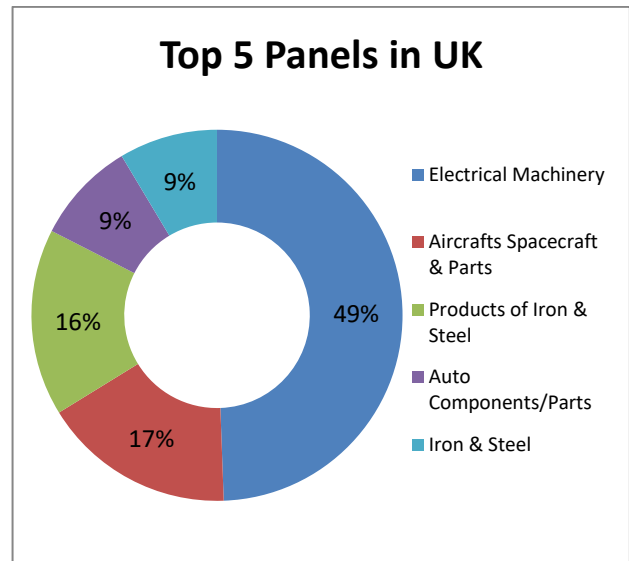
Share of top 5 panels exported in the major destinations are depicted below in Figure 1.

Figure 1: Top 5 Panels in major export destinations of India in Europe in March, 2019

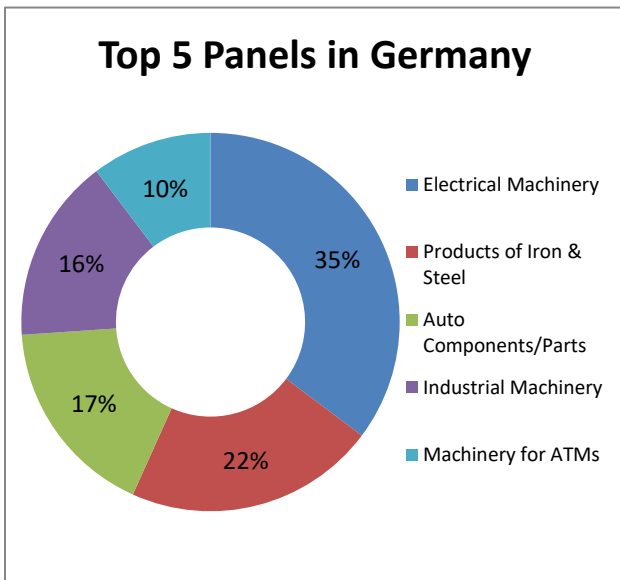
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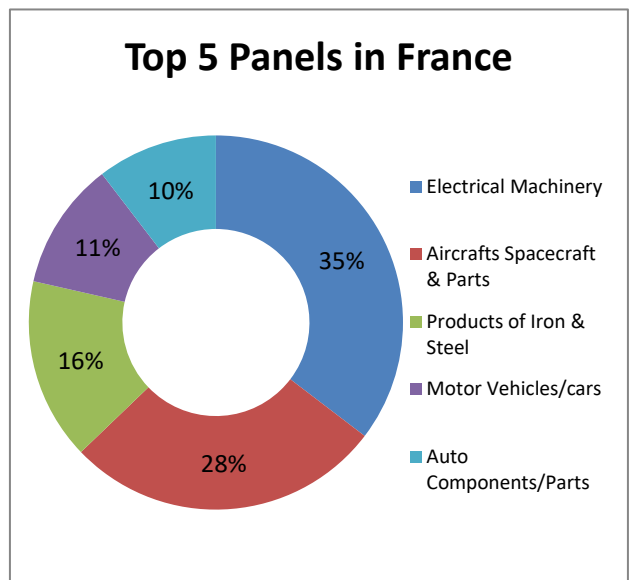
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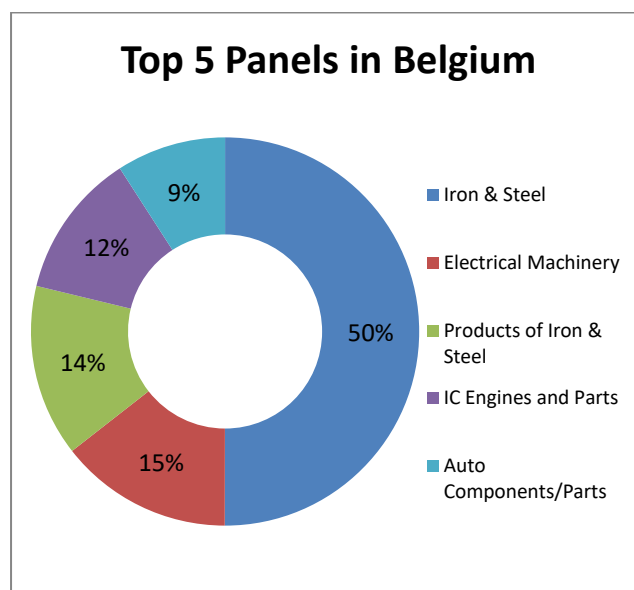
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(d)



(e)



Source: DGC&S

Panel wise cumulative trend in engineering exports to Europe during March, 2019

During March, 2019, Iron & Steel was the most important items of export from India to Europe in value terms though recorded a negative cumulative growth rate of 17% for the period April, 2018 - March, 2019 as compared to its corresponding period last year. It is followed by Electrical Machinery, Products of Iron & Steel, Auto Components/Parts and Industrial Machinery with positive growth for the period April, 2018 - March, 2019 compared to April, 2017 - March, 2018 (see Table 2 below).

Table 2: Top 20 Engineering Panels exported from India to Europe (Values in USD Million)

Name of the Panel	Exports in March, 2018	Exports in March, 2019	Growth (%)	Exports in April, 2017 - March, 2018	Exports in April, 2018 - March, 2019	Growth (%)
Iron and Steel	318.41	294.74	-7.43	3143.35	2606.06	-17.09
Electrical Machinery	244.12	262.29	7.44	2284.43	2645.18	15.79
Products of Iron & Steel	168.94	168.54	-0.23	1712.68	1884.96	10.06
Auto Components/Parts	112.49	112.84	0.31	1121.49	1202.54	7.23
Industrial Machinery	90.81	93.67	3.15	867.70	979.02	12.83
IC Engines and Parts	58.32	68.73	17.85	854.02	801.02	-6.21
Aircrafts Spacecrafts & Parts	79.32	67.86	-14.45	870.40	675.44	-22.40
Motor Vehicles/Cars	95.66	62.76	-34.39	1133.75	746.14	-34.19
Aluminium & products	75.79	62.47	-17.57	671.53	946.04	40.88
Machinery for ATMs	31.18	43.48	39.47	305.62	363.25	18.86
Medical and Scientific instruments	49.61	35.85	-27.75	570.70	446.69	-21.73
Construction Machinery	31.22	25.69	-17.71	203.00	262.61	29.36
Air condition and	29.12	25.58	-12.17	213.13	275.98	29.49

Refrigerators & Parts						
Hand Tools Cutting	22.27	22.85	2.60	236.90	269.64	13.82
Pumps of all types	21.02	20.18	-3.99	214.84	229.78	6.96
Non Ferrous Metals	18.04	16.72	-7.32	187.57	196.10	4.55
Machine Tools	16.17	15.00	-7.24	151.58	171.45	13.11
Two & Three Wheelers	12.10	13.68	13.07	110.20	113.53	3.02
Copper & products	11.96	12.92	7.97	121.35	132.95	9.56
Bicycle & Parts	11.90	10.80	-9.24	107.44	129.66	20.69

Source: DGCI&S

During April, 2018 - March, 2019, 15 out of top 20 panels have recorded positive growth with Aluminium & products showing the maximum growth of 40.88% whereas Motor Vehicle/cars descending the most by -34.19%. Whereas in data for March, 2019, only 12 out of top 20 panels recorded negative growth with Motor Vehicles/Cars declining the most by -34.39% followed by Medical and Scientific instruments at -27.75%. On the contrary trend, Machinery for ATMs recorded the remarkable positive growth of 39.47%.

News in Focus

UK's exit from European Union not to hit Indian investments: Official

"UK exiting EU will hardly make any adverse impact on trade commitments, investments and trade facilitation on Indian investments in the EU," Tomasz Kozlowski said.

Full story: <https://economictimes.indiatimes.com/news/economy/foreign-trade/uks-exit-from-european-union-not-to-hit-indian-investments-official/articleshow/68743723.cms>

Sweden stresses on need for EU-India free trade agreement

Sweden has stressed on the need for a free trade agreement (FTA) between India and the European Union for ease of doing business for companies that want "predictability".

Read Full story: <https://www.thehindubusinessline.com/todays-paper/tp-news/article26812421.ece>

NIIF, Europe's ROADIS to invest up to \$2 b in road sector

ROADIS, European transport infrastructure operator, and the National Investment and Infrastructure Fund (NIIF), will invest up to \$2 billion of equity in road projects through a common platform, according to a joint statement issued on Wednesday.

Read Full story: <https://www.thehindubusinessline.com/companies/niif-europes-roadis-to-invest-up-to-2-b-in-road-sector/article26722904.ece>

Brussels pushes EU leaders to play public tender card against China

The EU executive is urging EU leaders this week to get tough on trade with Beijing and use their 2.4 trillion euro (\$2.7 trillion) market in public tenders as leverage to pressure countries such as China to open up.

Read Full story: <https://in.reuters.com/article/us-eu-china/brussels-pushes-eu-leaders-to-play-public-tender-card-against-china-idINKCN1R1104>

European shares get going on trade push, China factory cheer

European shares kicked off the 2nd quarter on an upbeat note on Monday with all major sectors higher following a surprise recovery in China's factory data and signs of progress in trade talks between the two economies.

Read Full story: <https://economictimes.indiatimes.com/markets/stocks/news/european-shares-get-going-on-trade-push-china-factory-cheer/articleshow/68668397.cms>

European stocks close at five-month high amid trade and Brexit optimism

European shares closed at their highest level in five months on Friday as investors cheered positive signs on U.S.-China trade talks and UK lawmakers' vote to request a delay in a potentially chaotic exit from the EU

Read Full story: <https://in.reuters.com/article/us-europe-stocks/european-stocks-close-at-five-month-high-amid-trade-and-brexit-optimism-idINKCN1QW152>

EU would impose import duties on UK right after a no-deal Brexit

European Union will impose import duties if UK crashes out of the EU without an agreement in place. This has increased political pressure on UK Prime Minister Theresa May.

Read Full story: <https://www.indiatoday.in/world/story/european-union-to-impose-import-duties-no-deal-brexit-1493493-2019-04-04>

S&P lowers euro zone growth forecast to 1.1%

Credit rating agency S&P Global cut its 2019 euro zone growth forecast to 1.1 % from 1.6 %. The lowering of its forecasts came following a slowdown in major economies.

Read Full story: <https://economictimes.indiatimes.com/markets/stocks/news/rating-agency-sp-chops-euro-zone-growth-forecasts/articleshow/68613329.cms>

EU launches WTO cases against India, Turkey

The EU has launched two World Trade Organization disputes against India over import duties on IT products and against Turkey over measures affecting pharmaceutical producers.

Read Full story: <https://in.reuters.com/article/us-eu-trade-wto/eu-launches-wto-cases-against-india-turkey-idINKCN1RE111>

EU-India – Information Guide

India enjoys trade preferences with EU under generalized scheme of preference.

EU has a website – EU Trade helpdesk which provide crucial information on export opportunities provided to the exporters. The website has detailed information on definite product codes which include:

- ❖ Specific requirements for exporting to EU including public health, labeling, etc.
- ❖ Internal taxes (VAT and Excise duties) applicable in the EU countries
- ❖ Relevant laws, national authorities and border inspection posts

The link for the website is: <http://trade.ec.europa.eu/tradehelp/>

Trade Barriers

[G/TBT/N/EU/653 TBT notification issued by EU on Electrical and electronic equipment](#)

This draft Commission Delegated Directive concerns an application specific and temporary exemption from the RoHS 2 (Directive 2011/65/EU) substance restrictions. The Draft Commission Delegated Directive amending, for the purposes of adapting to scientific and technical progress, Annex III to Directive 2011/65/EU of the European Parliament and of the Council as regards an exemption for lead in solders used in certain combustion engines.

EEPC India Europe Territorial Newsletter

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