

# Territorial NEWSLETTER Europe

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**T S Bhasin**

The bilateral trade between India and Europe is far below the potential. It is the right time to invite companies and investors from the European Union to explore the investment opportunities in India's manufacturing sector to make in India and cater to global markets. There are numerous areas like infrastructure development, clean and renewable energy, smart cities and many more where European investors will find compelling business opportunities. India is receiving good level of cooperation from European Union for 'Smart Cities' project of the Government. Such types of collaborations in other important sectors are anticipated.

There are clear indications that both EU and India are willing to expedite the ongoing FTA negotiations. Signing of FTA will definitely be fruitful to Indian exporters. This edition of Europe newsletter, besides analyzing trend in engineering trade, also includes a section on major trade destinations in Europe for Indian business communities.

I hope that our readers will enjoy reading this newsletter.

## EU Territorial Committee Chairman's Note



**R P Jhalani**

In this edition of the 'Newsletter on Europe', we analyze India's engineering export trend with the EU. It is noteworthy that November 2017 has sustained the positive trend, all the top five countries – UK, Italy, Germany, France and Belgium – recorded positive growth in November 2017 in imports of engineering products from India. With regard to export in the top 20 panels, it is observed that 18 panels recorded positive growth during April-November 2017 period. Overall trend seems to be quite positive for India, though it is difficult to consider it a sign of turnaround.

While the real trend will become visible in the next few months, 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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## Basic Facts: EU

**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

## India, EU hold discussions on proposed free trade agreement

Prime Minister Narendra Modi and the top leadership of the European Union deliberated on a range of key issues to boost overall ties between India and the 28-nation bloc. The two sides reviewed a full spectrum of their ties at the 14th summit with a focus on ramping up two-way trade and investment. European Council President Donald Franciszek Tusk, and European Commission chief Jean-Claude Juncker were part of the high-level EU delegation.

Senior officials of India and European Union (EU) held discussions on the long-stalled free trade pact and expressed willingness to address issues in a time-bound manner, the department of commerce said today. The chief negotiators of India and EU held discussions here on the proposed free trade agreement, officially dubbed as Bilateral Trade and Investment Agreement (BTIA), the department said in a series of tweets.

"Apart from the overall discussion on the way forward, respective leads engaged productively to address issues in their tracks. Both sides expressing their willingness to work in a time-bound manner," it added. The negotiations for the pact have been held up since May 2013 as both the sides are yet to bridge substantial gaps on crucial issues.

Launched in June 2007, the negotiations for the proposed BTIA have witnessed many hurdles with both sides having major differences on key issues like intellectual property rights, duty cut in automobile and spirits, and liberal visa regime. The two sides have to iron out differences related to movement of professionals. Besides demanding significant duty cuts in automobiles, the EU wants tax reduction in wines, spirits and dairy products, and a strong intellectual property regime.

On the other hand, India is asking for 'data secure nation' status to be granted by the EU. The country is among the nations not considered data secure by the EU. The matter is crucial as it will have a bearing on Indian IT companies wanting market access. Two-way trade between India and the EU dipped to USD 88.4 billion in 2015-16 from USD 98.5 billion in the previous fiscal.

For more information:

[//economictimes.indiatimes.com/articleshow/61662790.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/61662790.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Trade Trend Analysis in the EU

On the basis of the export data of November 2017, the EU countries which feature in the top 25 export destinations for India include UK, Italy, Germany, Belgium & France. The top 5 EU nations which had the highest demand for Indian engineering products during November 2017 in absolute value are shown in Table 2.

Country	Export in November, 2016	Export in November, 2017	Export in April,2016 - November,2016	Export in April,2017 - November,2017	Growth (%)
U K	166.06	329.36	1625.75	1924.44	98.34
ITALY	161.67	278.19	1171.07	1646.49	72.07
GERMANY	156.28	273.49	1397.55	1987.12	75.00
BELGIUM	86.40	125.60	664.43	833.71	45.38
FRANCE	110.97	113.98	793.54	966.28	2.71

As demonstrated by the table above, in all the five countries, exports of engineering products from India realized positive growth, with UK and Germany recording growth nearly 98% and over 75% respectively. Though this is certainly a positive sign, but very difficult to consider it as a turnaround. Real trend might be visible in next three month periods.

#### **Panel wise cumulative trend in engineering exports to EU during April-November 2017**

During April-November 2017, Electric machinery remained the most important items of export from India to EU in value terms. It recorded growth of 63% compared to its corresponding period April-November 2016. It is followed by Iron & Steel, aluminium products and bicycle & parts (see Table 3 below).

Name of the Panel	India's Export in November 2016 (USD million)	India's Export in November 2017 (USD million)	Growth (%)	Export in Apr-Nov 2016 (USD million)	Export in Apr-Nov 2017 (USD million)	Growth (%)
Iron and Steel	193.83	358.97	85.20	1281.85	2049.31	59.87
Electric Machinery	95.32	222.67	133.60	810.85	1319.02	62.67
Products of Iron	100.18	135.19	34.95	997.87	1089.92	9.22
Aircrafts Spacecrafts	76.34	132.59	73.70	784.54	636.66	-18.85
Auto Components/Part	56.75	97.99	72.66	552.18	681.15	23.36
Industrial Machinery	42.63	73.43	72.24	434.97	523.56	20.37
IC Engines and Parts	46.53	73.31	57.56	414.70	593.25	43.05
Motor Vehicle/cars	117.91	59.10	-49.88	1130.20	784.65	-30.57
Aluminum and products	53.92	56.54	4.87	274.15	424.78	54.95

<b>Other Misc. Items</b>	42.83	55.36	29.25	332.34	423.05	27.29
<b>Medical and Scientific instruments</b>	33.60	50.68	50.84	254.20	368.30	44.88
<b>Machinery for ATMs</b>	17.24	24.73	43.44	151.28	188.21	24.41
<b>Air condition and Refrigeration</b>	8.24	20.31	146.61	92.73	118.61	27.90
<b>Hand Tools Cutting</b>	14.07	18.78	33.50	142.25	153.93	8.21
<b>Pumps of all types</b>	11.24	17.22	53.15	97.21	138.86	42.84
<b>Other Construction Machinery</b>	8.06	16.56	105.44	105.61	121.40	14.95
<b>Machine Tools</b>	8.64	14.48	67.66	80.46	95.70	18.94
<b>Other Non Ferrous Metals</b>	10.40	12.70	22.08	111.35	119.37	7.20
<b>Copper and products</b>	6.69	9.82	46.85	74.26	77.18	3.93
<b>Bicycle &amp; Parts</b>	4.31	8.67	101.11	40.36	63.07	56.28

During April-November 2017, out of top 20 panels, 18 have recorded positive growth. Positive sign is also recorded in monthly trade data. Data for November 2017 for top panels shows that there are nineteen panels, in which growth was positive.

## EU-India – Information Guide

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

EU has a website – EU Export 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 given below:

[http://www.exporthelp.europa.eu/thdapp/display.htm;jsessionid=2AB732F02EE24ACB09D625E3F11BD3E6?page=au%2fau\\_AboutUs.html&docType=main&languageId=en](http://www.exporthelp.europa.eu/thdapp/display.htm;jsessionid=2AB732F02EE24ACB09D625E3F11BD3E6?page=au%2fau_AboutUs.html&docType=main&languageId=en)

The European Investment Bank also supports a large number of projects in India in assisting the SMEs and Mid-caps in various fields. Till September 2016, the bank has granted a loan to the tune of Euro 1.5 billion. To have more information on the various projects supported by the bank, please go to the below link:

<http://www.eib.org/projects/loans/regions/ala/in.htm>

## Some ongoing trade related investigations by EU against India

**Table 1: Ongoing EU's Investigations against India**

1. Stainless steel bars	India	Anti-dumping	Measures in force	Investigation ongoing
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(certain)

2. Stainless steel wires          India          Anti-dumping          Measures in force          Investigation ongoing  
(SSW)

Source:

[http://trade.ec.europa.eu/tdi/completed.cfm?number=&prod=steel&code=&scountry=all&proceed=all&status=all&measures=all&measure\\_type=all&search=ok&c\\_order=cstat&c\\_order\\_dir=Up](http://trade.ec.europa.eu/tdi/completed.cfm?number=&prod=steel&code=&scountry=all&proceed=all&status=all&measures=all&measure_type=all&search=ok&c_order=cstat&c_order_dir=Up)

**EEPC India Europe Territorial Newsletter**

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