

Territorial NEWSLETTER Europe

EETPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Ravi Sehgal

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. Similarly, EIB signed an agreement with Yes Bank for financing solar and wind energy projects. 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.

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 Europe. It is noteworthy that December 2017 has sustained the positive trend, four out of the top five countries – Germany, UK, Italy, France and Belgium – recorded positive growth in December 2017 in imports of engineering products from India except Belgium. With regard to export in the top 20 panels, it is observed that 18 panels recorded positive growth during April- December 2017 period. Overall trend seems to be quite positive for India.

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.

Basic Facts: EU

Territorial
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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-UK Joint Economic and Trade Committee Meet

Some of the top issues discussed by the Indian side during the India-UK Joint Economic and Trade Committee (JETCO) meeting in London on 11th January, 2018 are work visa restriction by UK and non-tariff barriers for exports including the quality standards and also on attracting investments from the country. UK's merchandise trade with India has outperformed the EU Three- France, Germany and Italy.

A Joint Working Committee was set up during last JETCO meeting in New Delhi for discussing and resolving trade related issues. The Joint Working Committee finding's emphasized upon the growing strength of the bilateral trading relationship, as signaled by the rising trade between the two countries over the past decade, and identified a range of barriers to trade. They also mentioned some areas of collaboration where improvement can be made by addressing the non-tariff barriers.

The business-led Joint Working Groups on 'Technological Collaboration, Advanced Manufacturing and Engineering' and 'Smart Cities' also met in the confines of the JETCO. The Joint Working Groups on 'Technological Collaboration, Advanced Manufacturing and Engineering' was chaired by Mr Rhydian Poutney, General Manager Renishaw, and Dr Gopichand Katragadda, Group CTO Tata Sons and the later by Mr. David Whittleton, Deputy Chairman, Arup. They discussed the opportunities existing for both the countries and barriers that prevent such opportunities from being realized and what possible steps should be taken by the government regarding the same. They discussed about the future areas of collaboration and areas of technological innovation like in digital manufacturing and also agreed to widen the scope to cover wider urban infrastructure.

Further the next JETCO meeting will be held in late 2018 in New Delhi. Both countries are presently looking forward to the upcoming Commonwealth Heads of Government Meeting in April 2018 with an aim to boost intra-Commonwealth trade. Both the countries are committed to work towards deepening the partnership and trade relations to exploit the trading potential to the maximum.

Trade Trend Analysis in Europe

On the basis of the export data of December 2017, the European countries which feature in the top 25 export destinations for India include Germany, UK, Italy, France and Belgium. The top 5 European nations which had the highest demand for Indian engineering products during December 2017 in absolute value are shown in Table 1.

Table 1: Country wise trend in engineering exports from India to EU (*Values in USD Million)

Country	Exports in December, 2016	Exports in December, 2017	Growth (in %)
Germany	214.74	303.99	41.56
U K	234.53	262.04	11.73
Italy	202.35	211.09	4.32
France	109.80	155.03	41.19
Belgium	146.15	142.16	-2.73

Source: DGCI&S

As demonstrated by the table above, in all the five countries, exports of engineering products from India realized positive growth with Germany and UK recording growth nearly 41% and over 11% respectively except Belgium with a negative growth rate of 2.73%.

Panel wise cumulative trend in engineering exports to EU during April-December 2017

During April-December 2017, Electric machinery remained the most important items of export from India to Europe in value terms. It recorded growth of 63% compared to its corresponding period April-December 2016. It is followed by Iron & Steel, aluminium products and bicycle & parts (see Table 2 below).

Table 2: Top 20 Engineering Panels exported from India to EU region

Name of the Panel	India's Export in December 2016 (USD million)	India's Export in December 2017 (USD million)	Growth (%)	Export in Apr-Dec 2016 (USD million)	Export in Apr-Dec 2017 (USD million)	Growth (%)
Iron and Steel	256.99	297.89	15.91	1635.20	2492.39	52.42
Electric Machinery	144.36	198.49	37.49	1102.77	1649.84	49.61
Products of Iron & Steel	138.34	163.36	18.09	1179.56	1293.06	9.62
Auto Components/Part	103.50	151.40	46.28	908.61	1079.87	18.85
Motor Vehicle/cars	211.62	121.94	-42.38	1407.82	950.14	-32.51
Aircrafts Spacecrafts & Parts	87.23	117.45	34.64	1081.81	790.52	-26.93
Industrial Machinery	81.19	113.06	39.24	668.98	755.83	12.98
IC Engines and Parts	65.49	94.94	44.96	600.22	821.28	36.83
Aluminium and	51.20	87.53	70.97	398.83	631.31	58.29

products						
Medical and Scientific instruments	40.60	65.89	62.29	315.53	467.04	48.02
Air condition and Refrigerators & Parts	13.41	30.96	130.86	125.98	182.00	44.46
Machinery for ATMs	21.52	28.43	32.10	188.66	232.66	23.32
Pumps of all types	18.25	21.72	19.02	134.20	176.73	31.69
Hand Tools Cutting	18.38	21.64	17.77	165.18	180.10	9.03
Non Ferrous Metals	15.27	17.27	13.08	130.38	140.73	7.94
Construction Machinery	9.68	16.86	74.25	127.67	165.25	29.43
Machine Tools	11.73	16.36	39.54	97.89	118.03	20.57
Bicycle & Parts	6.96	11.67	67.78	49.37	75.54	53.00
Copper and products	9.85	11.19	13.61	88.95	93.30	4.89
Two and Three Wheelers	1.80	9.89	450.36	45.09	88.49	96.25

Source: DGCI&S

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

EU-India – Information Guide

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 given below:

<http://trade.ec.europa.eu/tradehelp/>

The European Investment Bank (EIB) has a rapidly growing portfolio with its largest ever loan in India. The €500 million loan for sustainable transport in India will be used to finance the construction of a new line and 96 new trains on the Bangalore Metro. In December 2017, EIB also signed an agreement with the private sector Yes Bank to finance solar and wind energy projects, with the EIB contributing US\$ 200 million. 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 3: Ongoing EU's Investigations against India

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

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