

# Territorial NEWSLETTER Europe

**EEPCINDIA**  
ENGINEERING THE FUTURE

Vaniya Bhavan (1st Floor)  
International Trade Facilitation  
Centre (ITFC)  
1/1 Wood Street,  
Kolkata - 700016  
[www.eepcindia.org](http://www.eepcindia.org)



Issue -June, 2018

## Chairman's Pen



**Ravi Sehgal**

Netherlands joins the list of EU nations which are keen on expansion of bilateral trade with India. The visit of the PM of Netherlands imparted a novel architecture to existing Indo-Dutch relations with the inclusion of collaborations in the areas which are in vogue. The launch of Indo-Dutch StartupLink, a two-year pilot programme that will help Dutch start-ups gain better market access and find the right Indian partner for collaboration, bilateral research cooperation in sectors such as affordable medical devices, space sector, Big Data and Internet of Things (IoT) and PhD fellowship programs supported by India at the universities in Netherlands are the few initiatives among others which will serve as an accoutrement towards paving the way forward for this newly planned architecture. The Advanced Manufacturing industry in the Netherlands was identified by the Dutch government as the umbrella sector for all technological, “smart” solutions for manufacturing industries. AM being the largest top sector in the Netherlands over the past couple of years offers tremendous opportunities to Indian exporters in variegated areas ranging from trade to joint R&D cooperation in an array of sectors such as Printing, Healthcare, Automotive, Advanced Instrumentation, Space, Mechatronics, High Tech Materials, and ICT.

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 May 2018 has sustained the positive trend, four out of the top five countries – Germany, Belgium, UK and France recorded positive growth in May 2018 in imports of engineering products from India. Italy is the only country where the demand for Indian Engineering products has receded. With regard to export, in the top 20 panels, it is observed that 17 panels recorded positive growth during April - May, 2018 period. Overall trend seems to be quite positive for India.

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

Territorial  
NEWSLETTER – Europe

**EEPCINDIA**  
ENGINEERING THE FUTURE  
[www.eepcindia.org](http://www.eepcindia.org)



## 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

## Visit of Prime Minister of the Netherlands to India (May 24-25, 2018)

At the invitation of Prime Minister Narendra Modi, Prime Minister of the Netherlands Mr. Mark Rutte paid an Official Visit to India on 24-25 May 2018. The two Leaders held wide ranging and constructive discussions on a wide variety of regional and international issues. Prime Minister Rutte was accompanied by the Minister of Agriculture, Nature and Food Quality, the Minister for Healthcare and Sport, the Minister for Foreign Trade and Development, and the Minister of Infrastructure and Water Management, the mayor of the city of The Hague and a large trade mission. The Leaders called for expansion of ongoing collaboration in the fields of agriculture and food processing, water, technology, smart city development, cyber space, health care, clean energy and finance. The Leaders also welcomed the opening of a new Dutch Consulate General in Bengaluru.

The two Leaders recognized that the ongoing transformation needs to be shaped by appropriate policies and institutions, guided by responsible leadership and rules based international order. The Leaders called for the need to reinvigorate global economic growth, and achieve higher and more sustainable growth rates accompanied by improved income and wealth distribution so as to reduce social exclusion, involuntary migration, and unemployment, particularly among the youth.

### S&T and Health Cooperation

The Leaders recalled their previous meetings in Delhi and The Hague in 2015 and 2017 respectively. The Leaders commended the 10th anniversary of the Indo-Dutch collaboration in Science, Technology and Innovation (STI). They appreciated the increased focus on public private partnerships, and the linking of ecosystems to help drive innovation. With a mission-oriented, impact-focused approach the cooperation is aimed at addressing common societal challenges and open new markets in areas such as water, health, agriculture, and high-tech systems and IT. India also welcomed the Netherlands as the Partner Country for the TechSummit in 2019.

The two Leaders acknowledged the successful bilateral research cooperation between India's Department of Science and Technology, Department of Bio-technology and Ministry of Electronics and Information Technology with the Netherlands Organization for Scientific Research (NWO) and the Netherlands Enterprise Agency (RVO). They recommended the organizations to structure their cooperation in sectors such as affordable medical devices, urban water systems, Big Data and Internet of Things (IoT). The Leaders called for further collaboration between

the nations in the space sector and underlined the importance of space technology as an area of focus for finding solutions to deal with challenges in areas such as food security and climate change.

### Cooperation in the fields of Water, Agriculture and Urban Development

Innovation, technology and governance being key-ingredients in Indo-Dutch water cooperation, the respective institutions of the two countries have joined hands in several projects including a waste2wealth approach to solid waste and waste water in the Hindon Basin; in assisting leather industries in Kanpur and Unnao to adopt eco-friendly technologies; and in conservation of water through efficient agriculture practices in the sugarcane industry of Uttar Pradesh. The Leaders welcomed the intensifying of Indo-Dutch collaboration in the field of agriculture. They commended the successful operationalization of the first Indo-Dutch Centre of Excellence (CoE) in Vegetables in Baramati, Maharashtra. The Leaders called for early completion of works in the remaining CoEs.

India appreciated and welcomed the Dutch desire to further strengthen cooperation in boosting productivity of apples; manufacturing food processing equipment; breeding high-yielding vegetable seeds; providing capacity building and training to dairy farmers; cooperating in the areas of bovine genetics and food safety; and supporting sustainable and climate resilient agriculture to mitigate water shortages and end the practice of stubble burning. Both sides have noted the finalization of a concrete joint action plan under the MoU on Technical Cooperation in the Field of Spatial Planning, Water Management and Mobility Management with focus on smart city development. The Leaders noted with satisfaction the MoU signed between the State of Maharashtra and the City of Amsterdam in the area of sustainable urban development, including waste2energy.

### Economy, Trade & Investment, and Connectivity

The Leaders also called for responsible and calibrated monetary, fiscal and social security policies to improve the global economic and financial governance architecture, reduce excessive global imbalances, and promote inclusive growth. They underlined the role of entrepreneurship, innovation and connectivity as the drivers of growth and called for investments in physical, digital and social infrastructure to enable the current and future generations to have a purposeful life.

The Leaders acknowledged the role of the private sector in boosting trade and investment relations and underlined the opportunities for intensive Indo-Dutch collaborations under Government of India's flagship initiatives such as Make in India and StartUp India. Highlighting the role of youth in enhancing future collaboration in innovation and startups, the Leaders welcomed the launch of the StartUpLink initiative by Invest India and the Netherlands Embassy in Delhi. The initiative seeks to provide startups easy access to mentorship, partners, tools, services and key information for success in India and the Netherlands.

The Leaders reaffirmed the crucial role of the rules-based multilateral trading system, and the importance of enhancing free, fair, and open trade for achieving sustainable growth and development. They reaffirmed their commitment to work together with all members of the WTO, which would reaffirm the centrality of the rules-based multilateral trading system and its importance for open and inclusive global trade. The Leaders welcomed the holding of the Informal WTO Ministerial Meeting in New Delhi on 19-20 March 2018, which provided an opportunity for WTO member countries to engage in free and frank discussions on several issues.

The Leaders reaffirmed their support for the strategic partnership between the European Union and India, based on shared principles and values, as well as a commitment to a rules-based international order. They agreed that India and the EU should deepen their cooperation on multilateral and security issues, as well as on economic, trade and climate change issues and welcomed the outcome of the 14th EU-India summit held in New Delhi on 6th October 2017. They expressed support to the efforts of both sides to re-engage actively towards timely

relaunching of negotiations for a comprehensive and mutually beneficial EU-India Broad Based Trade and Investment Agreement (BTIA) and agreed to explore opportunities for further cooperation that will be generated by the next EU-India Summit.

India and the Netherlands acknowledged the importance of connectivity in today's globalised world. They underlined that connectivity initiatives must be based on key principles of international norms, good governance, rule of law, openness, transparency; follow social and environmental standards, principles of financial responsibility, accountable debt-financing practices; and must be pursued in a manner that respects sovereignty and territorial integrity.

The Leaders underlined the importance of stepping-up connectivity between both countries by the sea route. They agreed that the untapped potential for direct port-to-port contacts as well as cooperation in the area of port infrastructure development and shipping should be further explored.

With growing India-EU trade, the Leaders underlined the significant role that Netherlands can play as India's 'Gateway to Europe'. India is the 5th largest source of FDI into the Netherlands and the Netherlands is the 4th largest source of FDI for India. Both sides also agreed to consider putting in place a reciprocal Fast Track Mechanism to resolve issues confronted by businesses and to promote greater two-way bilateral investments.

### Climate Change

The Leaders reaffirmed their commitment to combat climate change, strengthen resilience and reduce vulnerability to climate change, in line with the Paris Agreement. They committed to fully implement the Agreement under the framework of the United Nations Framework Convention on Climate Change (UNFCCC) as a part of an irreversible global process at combating climate change for the benefit of all humanity. India welcomed the signing of the Framework Agreement of the International Solar Alliance by the Netherlands. The two Prime Ministers urged research institutions and industry to collaborate, including in third countries, to promote greater use of solar technologies through the International Solar Alliance that will also benefit the Caribbean parts of the Kingdom of the Netherlands.

### People-to-People exchanges, Culture, Education and Training

The Netherlands hosts the second largest Indian Diaspora in Europe. In this context, both Prime Ministers welcomed the strengthening of direct air connectivity between India and the Netherlands. The Prime Ministers noted with satisfaction that the number of daily direct flights between the two countries has risen from 1 in 2015 to 5 today; largely owing to the partnership between KLM and Jet Airways. They also agreed that a liberal visa regime is in the interest of promoting greater people-to-people contacts and forging stronger business links.

The Leaders also welcomed the growing number of Indian students and professionals in the Netherlands. They welcomed the PhD fellowship programs supported by India's Science and Engineering Research Board (SERB) at the University of Maastricht, Technical University of Delft, Erasmus University Medical Center, VrijeUniversiteit, and Rijksuniversiteit Groningen in the Netherlands.

They also welcomed the signing of a MoU between the Foreign Service Institutes of the two countries. The MoU will provide for exchange of information of structure and content of training programmes for diplomats; identification of experts in mutually decided areas; and promote contacts and exchange of diplomats, faculty members and experts.

## **Trade Trend Analysis in Europe**

On the basis of the export data of May 2018, the top 5 European nations which had the highest demand for Indian engineering products are- Germany, Belgium, UK, Italy and France 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 May, 2017	Exports in May, 2018	Growth (%)	Exports in April,2017 - May, 2017	Exports in April,2018 - May, 2018	Growth (%)
<b>GERMANY</b>	208.47	261.03	25.22	450.15	556.64	23.66
<b>BELGIUM</b>	96.94	253.23	161.23	213.55	386.26	80.88
<b>U K</b>	218.68	228.63	4.55	450.66	422.50	-6.25
<b>ITALY</b>	246.98	201.84	-18.28	463.62	403.98	-12.86
<b>FRANCE</b>	120.05	121.71	1.38	257.67	222.07	-13.82

Source: DGCIS&S

As demonstrated by the table above, four of the five countries, exports of engineering products from India realized positive growth in May 2018 whereas Italy faced a negative growth rate of -18.28 %. Belgium recorded the highest growth among all, approx. 161% in May 2018 when compared to May 2017.

The cumulative growth figures show positive trend only for the two countries, Germany and Belgium from period, April- May 2018 against the same period last year. Belgium showed the highest growth of more than 80 % followed by Germany at 23.66%.

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

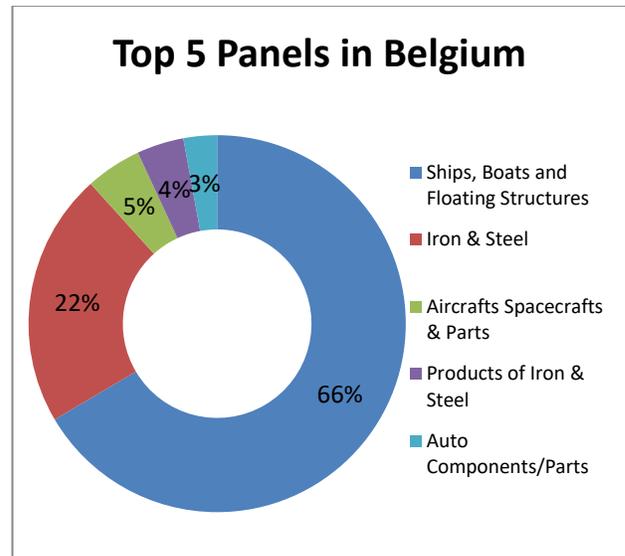
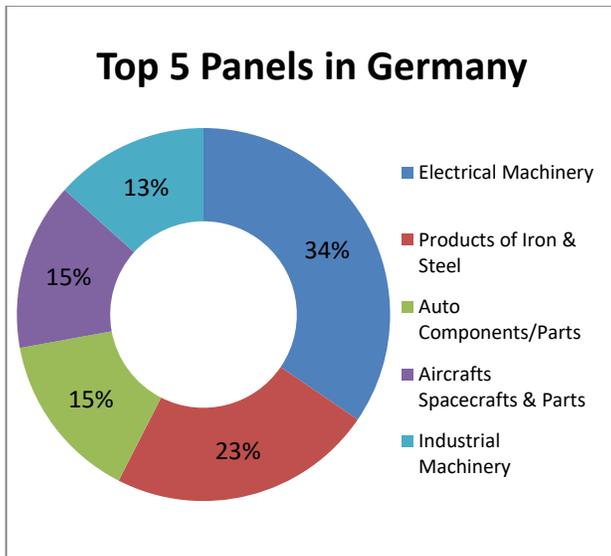
Considering the top 5 export destinations of India in Europe namely Germany, Belgium, UK, Italy and France and then analyzing the top panels exported from India to these destinations for May 2018, we observe that Products of Iron& Steel, Auto Components/Parts, Aircrafts Spacecrafts & Parts, Motor Vehicle/cars, and Electrical 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 May, 2018

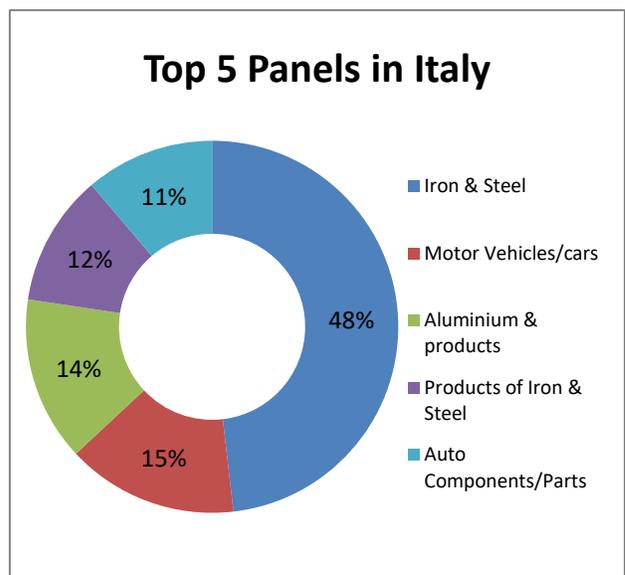
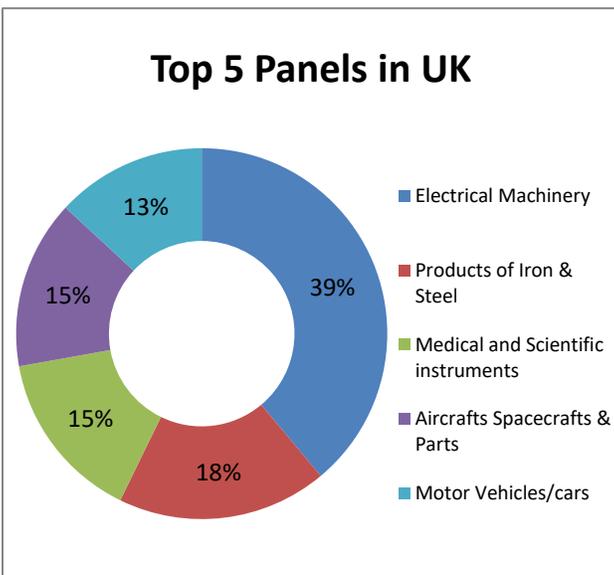
(a)

(b)

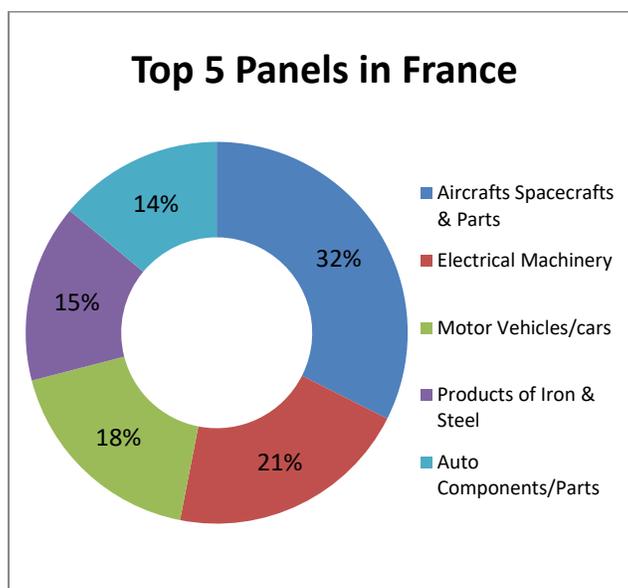


(c)

(d)



(e)



Source: DGCI&amp;S

### Panel wise cumulative trend in engineering exports to Europe during May, 2018

During May 2018, Iron and Steel was the most important item of export from India to Europe in value terms. It is followed by Electrical Machinery, Ships Boats and Floating Structures, Products of Iron & Steel and Aluminium and products with positive growth. Ships Boats and Floating Structures show maximum positive growth of 42840% followed by Aluminium and products at 133% (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 May, 2017	Exports in May, 2018	Growth (%)	Exports in April, 2017 - May, 2017	Exports in April, 2018 - May, 2018	Growth (%)
Iron and Steel	281.24	212.85	-24.32	559.01	473.84	-15.24
Electrical Machinery	110.98	178.59	60.92	299.14	427.16	42.80
Ships Boats and Floating Structures	0.36	152.65	42840.15	0.36	152.66	41917.87
Products of Iron & Steel	127.64	146.29	14.61	249.78	296.01	18.50
Aluminium and products	54.52	127.10	133.10	135.19	209.83	55.21
Auto Components/Parts	75.30	100.25	33.14	151.26	198.19	31.02
Aircrafts Spacecrafts & Parts	61.33	84.93	38.48	129.29	146.74	13.49
Motor Vehicles/cars	138.31	82.25	-40.53	299.36	106.28	-64.50
Industrial Machinery	60.03	79.06	31.69	116.53	163.99	40.73
IC Engines and Parts	84.31	52.71	-37.48	152.39	99.57	-34.66
Medical and Scientific instruments	41.25	39.31	-4.70	76.33	78.51	2.86
Construction Machinery	10.81	31.26	189.13	20.85	51.17	145.37

<b>Machinery for ATMs</b>	20.78	25.61	23.21	43.15	53.08	23.02
<b>Air condition and Refrigerators &amp; Parts</b>	10.21	22.64	121.75	22.18	49.29	122.29
<b>Hand Tools Cutting</b>	17.47	21.08	20.68	38.75	41.05	5.94
<b>Pumps of all types</b>	15.81	18.71	18.33	33.71	37.99	12.72
<b>Non Ferrous Metals</b>	14.21	17.52	23.26	29.15	33.45	14.77
<b>Machine Tools</b>	9.53	14.26	49.52	23.38	27.48	17.52
<b>Two and Three Wheelers</b>	12.16	12.48	2.57	22.88	25.26	10.40
<b>Copper and products</b>	8.92	11.82	32.50	17.95	22.03	22.72

Source: DGCIS&S

During April, 2018- May, 2018, 17 out of top 20 panels have recorded positive growth with Ships Boats and Floating Structures showing the maximum growth of 41918% whereas Motor Vehicle/cars descending the most by -64.5%. For the data of May, 2018, 16 out of top 20 panels recorded positive growth with Ships Boats and Floating Structures showing maximum growth followed by Construction Machinery. Motor Vehicle/cars recorded the maximum decline of -40.53%.

## News in Focus

### **Drawn by engineering talent and market size, foreign start-ups make a beeline for India**

Foreign start-ups, especially from matured markets like Europe, are making a beeline to India, drawn by the country's core technical talent and its huge market potential.

*Read Full story:* <https://www.thehindubusinessline.com/news/drawn-by-engineering-talent-and-market-size-foreign-start-ups-make-a-beeline-for-india/article24049210.ece>

### **Euro up; Italy tries to allay investor concerns**

The euro crawled off a six and a half month low against the dollar on Monday, catching its breath after Italy's president tried to allay investor worries about political unrest.

*Read Full story:* <https://www.thehindubusinessline.com/markets/forex/euro-up-italy-tries-to-allay-investor-concerns/article24010223.ece>

### **'Brexit will change Indo-Dutch trade dynamics'**

Cora van Nieuwenhuizen, Minister for Infrastructure and Water Management, The Netherlands, says that trade between her country and India will change with the UK leaving the European Union.

*Read Full story:* <https://www.thehindubusinessline.com/news/world/brexit-will-change-indo-dutch-trade-dynamics/article23993568.ece>

### **India, EU officials take stock of long stalled FTA negotiations**

Senior officials of India and EU held detailed discussions on the long stalled negotiations for a proposed free trade agreement and updated each other on their positions.

Read Full story: <https://www.indiatoday.in/pti-feed/story/india-eu-officials-take-stock-of-long-stalled-fta-negotiations-1240014-2018-05-23>

### **Domestic auto industry seeks cars to be left out of FTA with EU**

With the resumption of long-stalled negotiations on free trade pact between India and the EU gaining ground, domestic automobile industry wants cars to be kept out of the agreement.

Read Full story: <https://www.indiatoday.in/pti-feed/story/domestic-auto-industry-seeks-cars-to-be-left-out-of-fta-with-eu-1232610-2018-05-13>

### **Euro firm as Italy worries ease; dollar holds upper hand on yen**

The euro was supported by signs of stability in Italian politics and the dollar maintained an uptrend against the yen after a strong US jobs report sparked bets of three more US rate hikes by the end of year.

Read Full story: <https://economictimes.indiatimes.com/markets/forex/euro-firm-as-italy-worries-ease-dollar-holds-upper-hand-on-yen/articleshow/64457404.cms>

### **India and EU give WTO lists of U.S. goods for potential tariff retaliation**

India and the EU have given the WTO lists of the U.S. products that could incur high tariffs in retaliation for U.S. President Donald Trump's global tariffs on steel and aluminium,

Read Full story: <https://in.reuters.com/article/usa-trade-eu-india/india-and-eu-give-wto-lists-of-u-s-goods-for-potential-tariff-retaliation-idINKCN1IJ28E>

### **Race is on to set up Europe's electric car charging network**

The idea is to break electric cars out of the early adopter niche, in which they are charged slowly overnight at home and used for short commutes.

Read Full story: <https://www.indiatoday.in/auto/auto-news/story/race-is-on-to-set-up-europe-s-electric-car-charging-network-1234118-2018-05-15>

## **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 given below:

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

## Trade Barriers

### [G/TBT/N/EU/577 TBT notification issued by EU on New motor vehicles of all categories](#)

This proposal for a Regulation envisages vehicles to be equipped with advanced safety features, such as advanced emergency braking, lane-keeping assistance, pedestrian and cyclists' detection systems for trucks, etc. The main objectives of the proposal are to increase the protection of vehicle occupants and road users, to improve upon the shortage of in-depth accident data by mandating Event Data Recorders (EDRs) and to simplify the EU legislation.

**EEPC India Europe Territorial Newsletter**

Contact: Tanu Aggarwal

Email: [taggarwal@eepcindia.net](mailto:taggarwal@eepcindia.net)

Phone no: 011-2331 4171