

Territorial NEWSLETTER Europe

EETPCINDIA
ENGINEERING THE FUTURE

Vanijya Bhavan (1st Floor)
International Trade Facilitation
Centre (ITFC)
1/1 Wood Street,
Kolkata - 700016
www.eetpcindia.org



Issue -March, 2018

Chairman's Pen



Ravi Sehgal

India and Europe both are taking initiative to bridge the gaps present and have taken steps in the same direction like in the field of investment. India's investment is likely to increase in Europe especially in Eastern Europe in the IT industry mostly. With these increased investments, it is expected that the difference in revenue of the Indian IT sector from Europe (presently, 25%) when compared to US's 50-60% of the revenues will narrow down if this trend persists. This is in line with the Government of India's approach to support increased investment by the Indian industries in Europe.

Moreover, India and Malta discussed ways to strengthen their relationship during the India-Europe 29 forum. The bilateral ties have grown stronger and even the relations due to reopening to resident mission in Malta by India.

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 respect to Europe. It is noteworthy that February 2018 has sustained the positive trend, four out of the top five countries – Germany, UK, Italy, Turkey and Belgium – recorded positive growth in February 2018 in imports of engineering products from India except Italy. With regard to export, in the top 20 panels, it is observed that 18 panels recorded positive growth during April, 2017- February, 2018 period with phenomenal growth in Ship boats and floating structures and parts during this period in comparison to the same period in previous year. 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

EETPCINDIA
ENGINEERING THE FUTURE
www.eetpcindia.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

Indian Government supports Investment in Europe

Indian industry is investing significantly in European countries and the Indian Government is committed to support the Indian industry's effort to increase investment in Europe. Even the European businesses are looking positively towards Indian business. During the India- Europe 29 forum, the scope of bilateral partnership between India and Czech Republic came into focus especially in the area of Energy development. It was highlighted that the skilled and highly qualified workforce, investment protection laws would act as factors in attracting the Indian Investments to the country.

Even Malta recommended the Indian industry's to increase their investment in Malta as this would help the industry by providing them with easier access to European and African markets. Pharma manufacturing, education, healthcare, consultancy, renewal energy, financial services, events, biotechnology research, knowledge-based industries among other sectors were mentioned especially as the sectors that could be of interest to the Indian investors. An initiative at this path has been started at the cultural front with Indian films being shot in Malta and courses on Sanskrit grammar being held in University of Malta.

Not just this the Indian IT industries have set up their development centre in Europe especially Eastern and Central Europe. This would help the companies in catering to their clients in Europe along with tapping the engineering and the tech talent in countries like Poland, Romania, Bulgaria, Hungary and Ireland as Eastern Europe has been conventionally strong in engineering, science and math skills. In last one year at least 20 centres have been set up in the former mentioned countries. This trend is expected to continue further.

Trade Trend Analysis in Europe

On the basis of the export data of February 2018, the top 5 European nations which had the highest demand for Indian engineering products are- Germany, UK, Italy, Turkey and Belgium and 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 February, 2017	Exports in February, 2018	Growth (in %)	Exports in April,2016 - February,2017	Exports in April,2017 - February,2018	Growth (in %)
Germany	202.84	292.50	44.20	1986.36	2885.52	45.27
U K	197.43	209.20	5.96	2240.69	2579.21	15.11
Italy	215.80	193.51	-10.33	1775.72	2227.16	25.42
Turkey	111.88	181.09	61.87	1433.83	1565.48	9.18
Belgium	136.41	160.87	17.93	1056.90	1271.29	20.28

Source: DGCI&S

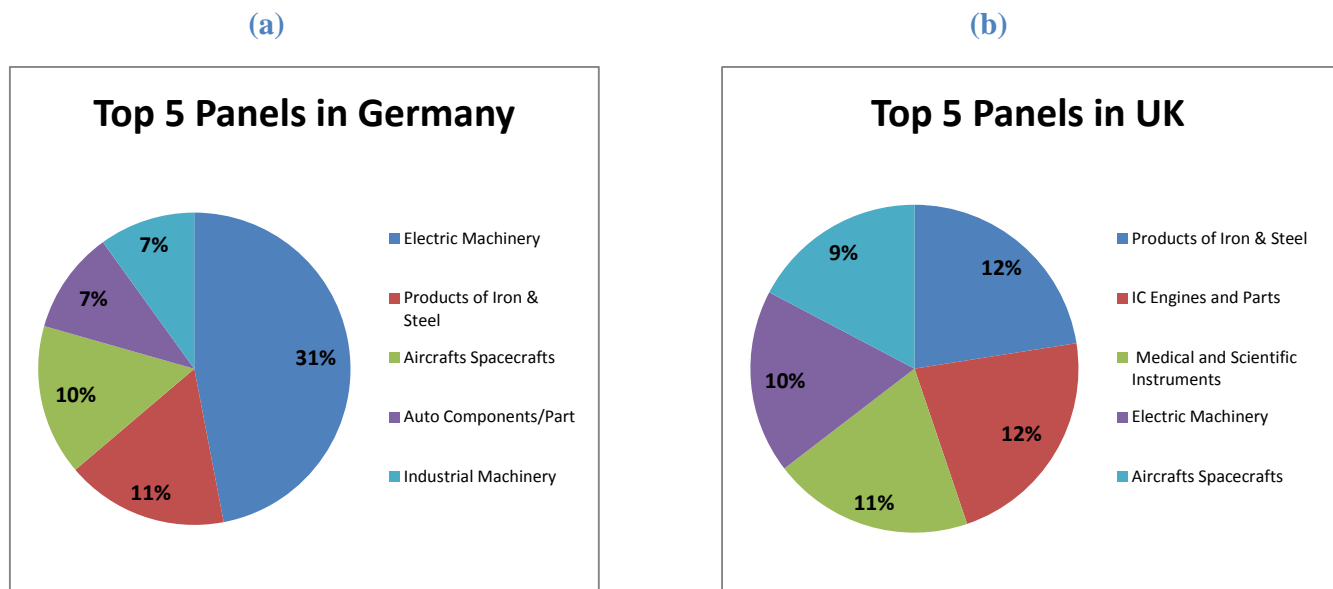
As demonstrated by the table above, in all the five countries, exports of engineering products from India realized positive growth in February 2018 with Turkey recording the highest growth of nearly 61% except Italy with a negative growth rate of 10.33% with respect to February 2017; whereas all the 5 countries show positive growth over April, 2017 to February, 2018 when compared to similar period last year.

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

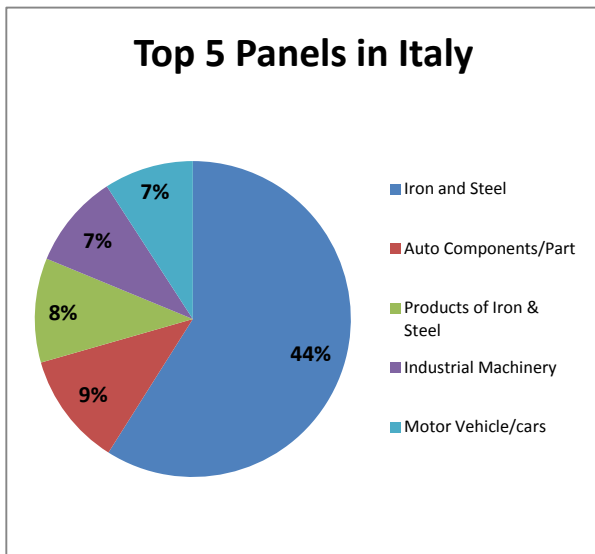
Considering the top 5 export destinations of India in Europe namely Germany, UK, Italy, Turkey and Belgium, and then analyzing the top panels exported from India to these destinations for February 2018, we observe that Products of Iron& Steel, Industrial Machinery, Auto Components/Parts, Iron and Steel and Electric Machinery is the most traded panels across these countries.

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

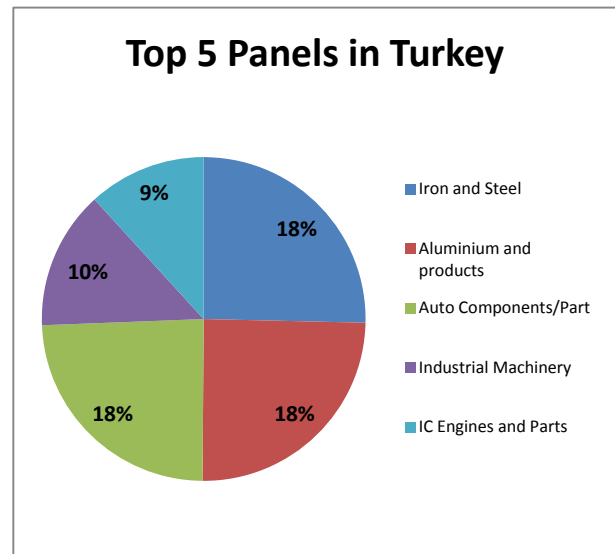
Figure 1: Top 5 Panels in major export destinations of India in February, 2018



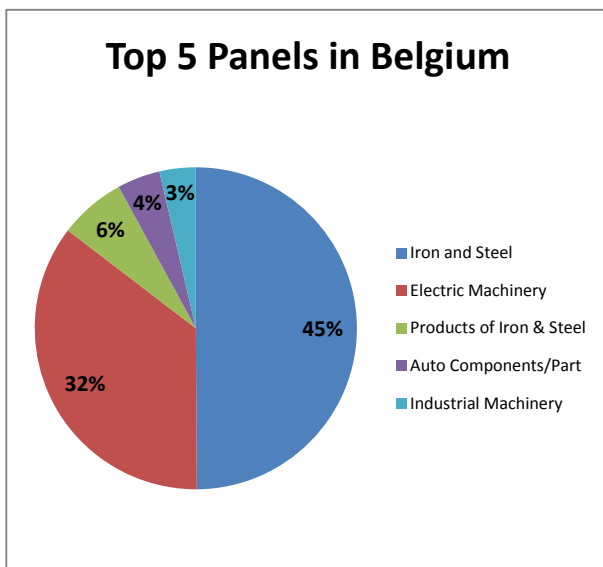
(c)



(d)



(e)



Source: DGCI&S

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

During February, 2018 Iron and Steel was the most significant items of export from India to Europe in value terms amounting to USD 306.41 million. It recorded growth of 4.63% compared to its corresponding period February, 2017. It is followed by Electric Machinery, Products of Iron & Steel, Auto Components/Part and Industrial Machinery with respective growth rate of 82.72%, 18.70%, 35.79% and 54.31% compared to February, 2017 (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 February, 2017	Exports in February, 2018	Growth (in %)	Exports in April,2016 - February, 2017	Exports in April,2017 - February,2018	Growth (in %)
Iron and Steel	292.84	306.41	4.63	2222.65	3043.89	36.95
Electric Machinery	143.67	262.52	82.72	1354.82	2238.83	65.25
Products of Iron & Steel	129.57	153.80	18.70	1440.74	1607.17	11.55
Auto Components/Part	101.20	137.42	35.79	1105.45	1350.60	22.18
Industrial Machinery	69.70	107.56	54.31	808.95	950.90	17.55
Aircrafts Spacecrafts & Parts	149.70	82.88	-44.64	1364.53	827.80	-39.33
Aluminium and products	55.20	80.84	46.45	525.16	820.00	56.14
IC Engines and Parts	63.41	77.41	22.08	722.63	972.65	34.60
Motor Vehicle/cars	163.94	77.13	-52.95	1672.66	1112.66	-33.48
Medical and Scientific instruments	40.68	47.95	17.88	395.01	560.02	41.77
Air condition and Refrigerators & Parts	13.13	34.89	165.70	150.12	255.20	70.00
Machinery for ATMs	24.66	29.29	18.77	234.52	293.71	25.24
Ships Boats and Floating structures & Parts	0.00	25.69		0.36	109.54	29950.62
Pumps of all types	14.19	21.16	49.08	163.30	216.47	32.56
Construction Machinery	18.23	21.09	15.66	155.94	211.22	35.45
Hand Tools Cutting	17.59	20.68	17.59	200.77	222.15	10.65
Non Ferrous Metals	14.72	18.04	22.57	160.45	176.33	9.90
Machine Tools	10.09	13.98	38.49	118.45	144.55	22.03
Copper and products	9.03	11.73	29.98	113.18	117.72	4.02
Bicycle & Parts	7.60	11.01	44.81	62.66	98.00	56.40

Source: DGCI&S

During April, 2017- February, 2018 out of top 20 panels, 18 have recorded positive growth except for Aircrafts Spacecrafts & Parts and Motor Vehicle/cars which recorded a negative growth rate of nearly 39% and 33% respectively. Similarly, in data for February, 2018 for top panels shows that the former mentioned two panels show negative growth rate of around 44% and 52% respectively when compared to data for February, 2017. Ship boats and floating structures and parts is worth mentioning due to its exceptional growth for April, 2017- February, 2018 when compared to April, 2016- February, 2017.

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/>

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 January 2018, 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. Moreover, in March 2018, EIB has proposed to loan €150 million to finance small and medium-scale capital investments in renewable energy and energy efficiency for development of renewable energy projects undertaken by private sector enterprises in India, and thus reducing gas pollution and greenhouse gas emissions. 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
--------------------------------	-------	--------------	-------------------	-----------------------

Source:

http://trade.ec.europa.eu/tdi/completed.cfm?number=&prod=steel&code=&country=all&proceed=all&status=all&measures=all&measure_type=all&search=ok&c_order=cstat&c_order_dir=Up

EEPC India Europe Territorial Newsletter

Contact: Monica Sharma

Email: monicasharma@eepcindia.net

Phone no: 011-2331 4171