

Territorial NEWSLETTER Europe

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



T S Bhasin

India is the EU's 9th trading partner, accounting for 2.2% of EU's overall trade with the world (2015), after South Korea (2.6%) and ahead of Brazil (1.9%). The value of EU exports to India grew from €21.3 billion in 2005 to €38.1 billion in 2015, with engineering goods, gems and jewelry, other manufactured goods and chemicals ranking at the top. The value of EU imports from India also increased from €19.1 billion in 2005 to €39.4 billion in 2015, with at the top textiles and clothing, chemicals and engineering goods. Trade in services almost tripled in the past decade, increasing from €5.2 billion in 2002 to €14 billion in 2015. EU investment stocks in India amounted to €38.5 billion in 2014, increasing from €34.7 billion in the previous year.

India and EU are collaborating multilaterally, with Germany being one of such collaborators. India and Germany are deepening their collaboration in the area of skill development. German technical assistance are being used to encourage industry-institute partnerships between Indian and German organizations.

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 trade related measures taken by the EU member countries against exports from India.

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 2016 has sustained the positive trend, all the top five countries – UK, Italy, Germany, France and Belgium – recorded positive growth in November 2016 in imports of engineering products from India. With regard to export in the top 15 panels, it is observed that 9 panels recorded positive growth during April-November 2016 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 couple of 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 and European Union- it's time to Mitarbeit!!

The EU is the world's biggest trader, accounting for 16.5% of the world's imports and exports. Free trade among its members was one of the EU's founding principles, and it is committed to liberalizing world trade as well.

The EU is the world's largest exporter of manufactured goods and services, and is the biggest import market for more than one hundred countries. It is also the world's largest single market area, with more than 500 million consumers, as well as the world's largest foreign direct investor and recipient of foreign direct investment

India is one of the growing economies that will reshape the global economy in the twenty-first century. Europe is the world's largest trading power for India. Both sides are involved in key negotiations to boost trade and investment at the World Trade Organization (WTO) and bilaterally through an ambitious Free Trade Agreement. At 1.25 billion, India is the second most populous state and largest democracy in the world. With an annual GDP growth rate in excess of 7.5 % for over a decade it is now in the world's top ten largest economies (4th by PPP).

Our bilateral trade has more than doubled in the last decade, making the European Union India's number one trade and investment partner. Two-way trade in goods between the EU and India reached €77.3 billion in 2015, translating into €11 million per day. If we add services, total trade now exceeds €100 billion per year, translating into €75 million per day.

Moreover, in addition to being the main destination for Indian outward Foreign Direct Investment (FDI), the EU is also India's most important source of inward FDI - after Mauritius - with almost €5 billion of EU outward investment to India in 2014. Investment from India destined for the EU was over €1 billion. At the end of 2014, the total stock of Indian FDI in the EU was €6.7 billion and the total stock of EU FDI in India was €38.5 billion.

Although it is far from the closed market that it was twenty years ago, India still maintains substantial tariff and non-tariff barriers that hinder trade with the EU. The EU and India hope to increase their trade in both goods and services - as well as investment - through the negotiations for a free trade agreement (better known as Broad-based Trade and Investment Agreement - BTIA) that was launched in 2007.

In October 2015, the European Commission presented 'Trade for All', a renewed trade and investment strategy which takes stock of the crucial developments in world's economy during the last few years. The strategy foresees a responsible approach responding to new economic realities in line with the EU's foreign policy.

The new strategy will make trade agreements more effective and create more opportunities, thus supporting jobs in Europe. The new strategy is also a direct response to the intense debate on trade negotiations currently under way in the EU – including the Transatlantic Trade and Investment Partnership (TTIP) that is being negotiated with the United States.

India is an important trade and investment partner for the EU, combining a sizable and growing market with one of the fastest growing economies in the world - arguably the fastest among the big economies. The signing of the FTA will definitely boost bilateral trade in a multidimensional way.

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

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 (certain)	India	Anti-dumping	Measures in force	Investigation ongoing
2. 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=&scountry=all&proceed=all&status=all&measures=all&measure_type=all&search=ok&c_order=cstat&c_order_dir=Up

Trade Trend Analysis in the EU

On the basis of the export data of November 2016, the EU countries which feature in the top 25 export destinations for India include UK, Italy, Germany, France and Belgium. The top 5 EU nations which had the highest demand for Indian engineering products during November 2016 in absolute value are shown in Table 2.

Table 2: Country wise trend in engineering exports from India to EU

Country	Export in November 2015 (USD million)	Export in November 2016 (USD million)	Growth (%)
U K	160.61	167.14	4.07
ITALY	103.75	162.25	56.39
GERMANY	131.85	156.14	18.42
FRANCE	79.93	110.78	38.60
BELGIUM	43.01	86.39	100.85

As demonstrated by the table above, in all the five countries, exports of engineering products from India realized positive growth, with Belgium and Italy recording growth nearly 100% and over 56% 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 2016

During April-November 2016, iron & steel remained the most important items of export from India to EU in value terms. It recorded growth of more than 43% compared to its corresponding period April-November 2015. It is followed by motor vehicles/cars, products of iron & steel and electric machinery (see Table 3 below).

Table 3: Top 15 Engineering Panels exported from India to EU region

Name of the Panel	India's Export in November 2015 (USD million)	India's Export in November 2016 (USD million)	Growth (%)	Export in Apr-Nov 2015 (USD million)	Export in Apr-Nov 2016 (USD million)	Growth (%)
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Iron and Steel	78.98	194.20	145.88	896.39	1282.24	43.04
Motor Vehicle/cars	82.76	117.91	42.47	801.12	1129.14	40.94
Products of Iron	105.05	100.67	-4.17	1065.61	999.72	-6.18
Electric Machinery	62.81	95.19	51.56	672.03	789.80	17.53
Aircrafts Spacecraft	32.04	75.63	136.04	520.74	770.44	47.95
Auto Components/Part	57.81	56.75	-1.84	561.52	551.91	-1.71
Aluminum and products	11.66	54.89	370.63	138.46	275.38	98.90
IC Engines and Parts	75.23	46.49	-38.20	510.04	414.97	-18.64
Other Misc. Items	35.36	43.39	22.70	357.45	452.24	26.52
Industrial Machinery	49.91	42.92	-14.00	436.69	434.54	-0.49
Medical and Scientific instruments	22.85	33.26	45.52	197.43	250.82	27.04
Machinery for ATMs	18.43	17.48	-5.17	165.91	151.52	-8.68
Hand Tools Cutting	16.06	14.27	-11.11	139.09	143.28	3.02
Pumps of all types	8.73	11.29	29.25	90.80	97.35	7.22
Other Non Ferrous Metals	11.00	10.23	-7.01	114.89	111.34	-3.10

During April-November 2016, out of top 15 panels, 9 recorded positive growth, with highest growth achieved by Aluminium and Products (98%). It is followed by Aircrafts & Spacecrafts (47%), and Iron and Steel (43%).

Positive sign is also recorded in monthly trade data. Data for November 2016 for top 15 panels shows that there are eight panels, in which growth was positive. And in some cases, such as Aluminum and products (370%) and Iron and Steel (145%), growth was significant.

News in Focus

UK eager to have free trade agreement with India: Nirmala Sitharaman

The UK is "eager" to have a free trade agreement (FTA) with India as the pact is expected to further boost economic ties between the two. "Yes, they are eager to have an FTA. They certainly look at India as one of the potential FTA partners. We are also happy to engage with them," Commerce and Industry Minister Nirmala Sitharaman told reporters here. She added that India is conscious of the fact that after triggering Article 50, the UK needs 24 full months before they actually exit the European Union(EU).

Link:http://economictimes.indiatimes.com/articleshow/55296325.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Negotiations for India-European Union Free Trade Agreement to resume

The negotiations for India-European Union Free Trade Agreement is likely to be resumed soon, Martin Ney, Germany's ambassador to India has said. "It will be sensible to have a new up to date investment protection agreement between EU and India in place. This has to be done within the FTA framework," Ney said during an event on Indo-Germany economic ties. Germany is also holding talks with the Indian government over creation of a fast track system to resolve investment related issues faced by the German companies in India. Ney will meet the Department of Industrial Policy and Promotion (DIPP) next week for strengthening this system.

Link: http://economictimes.indiatimes.com/articleshow/54428652.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

EU-India Science, Technology and Innovation Cooperation Days 2016

Under the framework of the India-EU S&T cooperation agreement, the seventh edition of the EU-India Science Technology and Innovation (STI) Cooperation Days was inaugurated by **Prof. K. Vijay Rahavan**, Secretary, Department of Biotechnology on behalf of Ministry of Science and Technology, Government of India and **H.E. Mr. Tomasz Kozlowski**, Ambassador of the European Union to India on 21 September 2016 at the National Institute of Oceanography, Goa, India. The event was organized jointly by the Ministry of Science and Technology (DST, DBT and CSIR) and the European Commission (Directorate-General for Research and Innovation).

Link: <http://ec.europa.eu/research/iscp/index.cfm?pg=india>

India joins forces with EU for Skill India Mission

In a major push for Prime Minister Narendra Modi's 'Skill India' mission, skill development experts from across India and Europe have joined hands to find ways in which Europe can contribute in providing skill training to Indian youth entering the job market every year. Keen about the opportunities that India presents, these major skill development institutions and training companies discussed potential areas of collaboration and challenges facing them at the two-day India International Skill Development Summit and Exhibition which kicked off in the national capital on Monday.

Link: <http://indianexpress.com/article/india/india-news-india/india-joins-forces-with-eu-for-skill-india-mission/>

Tender Information in EU

Prior information Notices

Location	Date	Summary	Deadline
Belarus	04-Jan-2017	Services On The Maintenance Of Internal Engineering Networks And Facilities (water Supply And Drainage Systems, Heating And Heating Systems, Electrical Systems, Instrumentation And Automation, Ventilation And Air Conditioning Systems)	17-Jan-2017
Germany	04-Jan-2017	New Building Parking Lot At The Cathedral; Facade Construction..	14-Feb-2017

Location	Date	Summary	Deadline
Belarus	04-Jan-2017	Selection Of Engineering Company To Perform The Functions Of The Customer, The Developer, Providing Engineering Services For The Integrated Management Of Construction Activities Of The Project And Construction Work To The Implementation Of Technical Super.	18-Jan-2017
Belarus	04-Jan-2017	Refrigerating Equipment (including Repairs To Cooling Chambers, Installation And Installation Of Equipment), Repair And Maintenance Of Equipment.	25-Jan-2017
France	04-Jan-2017	Accompanying Services For The Design Of The Project To Improve The Quality Management System Of The Ap-hp Pharmaceutical Establishment.	31-Jan-2017
Lithuania	04-Jan-2017	The Supplies And Computer Equipment Repair Purchase.	11-Jan-2017
Germany	05-Jan-2017	Extended Shell Construction Work For The New Building Of A Commercial Building Offakamp 9b / 11b, 22529 Hamburg	16-Feb-2017
France	05-Jan-2017	Maintenance, Checking, Troubleshooting And Total Guarantee Of Individual Gas Boilers And Controlled Mechanical Ventilations..	03-Feb-2017
Belarus	05-Jan-2017	Engineering Company To Perform The Functions Of The Customer, The Developer, Providing Engineering Services For The Integrated Management Of Construction Activities Of The Project And Construction Work To The Implementation Of Technical Supervision, Performance.	18-Jan-2017
Poland	05-Jan-2017	Supply Of Medical Devices - Orthopedic Implants And Prosthesis.	11-Jan-2017

For more contract notices, please follow the link: <http://www.tendersinfo.com/searchresult>

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