

Territorial NEWSLETTER Europe

EETPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



T S Bhasin

Europe, particularly European Union, continues to remain one of the most important regions for India in terms of engineering exports. Its importance has not reduced much even after the BREXIT (exit of United Kingdom). It appears that the countries in the EU have now become more focused to conclude the ongoing free trade agreement between India and the EU. In the Trade and Investment Partnership Summit (TIPS) 2016 organised by the Europe-India Chamber of Commerce (EICC) in Brussels, member of the Cabinet of EU Trade Commissioner, Jolana Mungengova, highlighted that the EU and India are long-lasting partners and the EU remains committed to a broad and ambitious FTA with India. He also expressed the hope that the "stalemates" that have derailed negotiations would be overcome soon.

I also believe that stalemates in the ongoing negotiations will be soon resolved, and the two sides will move in the desired direction to benefit business communities of India and the EU. 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 first edition of the 'Newsletter on Europe', we analyze India's engineering export trend with the EU. I am happy to note that sustaining the September 2016 positive trend, all the top five countries – Germany, Italy, Turkey, France and Belgium – recorded positive growth in October 2016 in imports of engineering products from India, with Belgium again recording highest growth of over 73%. With regard to export in the top 15 panels, it is observed that 13 panels recorded positive growth during April-October 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

EU says committed to 'broad, ambitious' FTA with India

The European Union in a Trade and Investment Partnership Summit (TIPS) 2016 organised by the Europe-India Chamber of Commerce (EICC) in Brussels on November 8, 2016, has indicated that "EU remains highly committed to 'broad, ambitious' FTA with India". We, hereby, present excerpts from the TIPS as published by the Economic Times on November 8, 2016.

The European Union remains committed to a "broad and ambitious" free trade agreement (FTA) with India, but hopes that the "stalemate" on the issue would be resolved soon, a senior EU trade official said today.

Addressing the Trade and Investment Partnership Summit (TIPS) 2016 organised by the Europe-India Chamber of Commerce (EICC) in Brussels, Jolana Mungengova - member of the Cabinet of EU Trade Commissioner - expressed hope that the "stalemate" would be overcome soon.

"The EU and India are long-lasting partners and the EU remains committed to a broad and ambitious FTA with India," Mungengova said.

"While our bilateral negotiations remain at a stalemate for the time being, it does not mean nothing is being done to resume talks. Our objective is not to resume negotiations just for the sake of it. The goal is to resume negotiations so that the EU and India can have a real chance to make progress to conclude a trade agreement," she said.

Her views were echoed by other industry and policy experts at the summit. However some sounded a note of caution over the approach towards achieving a trade agreement.

"The entire issue of an FTA is a very contentious one. The EU has signed a landmark agreement with Canada, which could be a pointer to what is possible and what is difficult. It is important to note that every FTA also has to address a domestic political constituency...there must be a happy meeting point," said Swapan Dasgupta, Rajya Sabha MP and keynote speaker at the summit.

India and the EU have been working on signing an FTA since 2007 but an agreement remains elusive over key sticking points on both sides.

"We are here to build economic bridges," said Manjeev Singh Puri, Indian ambassador to the EU.

The EICC's TIPS annual conference was created with the aim of fostering bilateral trade, investment and economic relations between the EU and India. This year the theme of the summit revolved around 'Europe and India: Anchors of economic stability in today's chaotic times', given the backdrop of Britain's recent referendum in favour of an exit from the economic bloc.

Ravi Kumar Mehrotra, EICC chairman and Executive Chairman of the Foresight Group, noted "To meet the suffocating international challenges and the EU being a major economic player, the EU and India need to develop a much more comprehensive dialogue than they have done so far".

Shishir Bajoria, chairman of the Bajoria Group and EICC Director, who spearheaded the 'EU, Brexit and India: Changing Landscapes' session at the summit said "The instability following the Brexit referendum has had a negative impact on the fragile European recovery.

Sunil Prasad, EICC Secretary General, added, "TIPS should be seen in the context of India becoming the fastest growing major economy in the world and also in the context of an unpredictable economic and social environment in Europe and how both can face emerging global challenges".

Source: Excerpts from Economic Times, November 8, 2016, accessed on November 9, 2016, available at: <http://economictimes.indiatimes.com/news/economy/foreign-trade/eu-says-committed-to-broad-ambitious-fta-with-india/articleshow/55315141.cms>

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-subsidy	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 October 2016, the EU countries which feature in the top 25 export destinations for India include Germany, Italy, Turkey, France and Belgium. The top 5 EU nations which had the highest demand for Indian engineering products during October 2016 in absolute values include:

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

Country	Export in October 2015 (USD million)	Export in October 2016 (USD million)	Growth (%)
GERMANY	172.21	178.59	3.70
ITALY	111.34	151.79	36.33
TURKEY	128.34	149.21	16.27
FRANCE	89.83	94.66	5.38
BELGIUM	50.00	86.39	72.80

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 73% and over 36% 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-October 2016

During April-October 2016, iron & steel remained the most important items of export from India to EU in value terms. It recorded growth of more than 28% compared to its corresponding period April-October 2015. It is followed by motor vehicles/cars, products of iron & steel and others (see Table below).

Top 15 panels exported to EU during April-October 2016 are provided in Table below.

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

Name of the Panel	India's Export in October 2016 (USD million)	India's Export in October 2015 (USD million)	Growth (%)	Export in Apr-Oct 2015 (USD million)	Export in Apr-Oct 2016 (USD million)	Growth (%)
Iron and Steel	101.45	146.55	44.46	871.97	1,120.08	28.45
Motor Vehicle/cars	84.37	130.45	54.61	530.89	782.22	47.34
Products of Iron & Steel	116.51	112.44	-3.50	801.56	776.83	-3.09
Auto Components/Part	96.54	94.93	-1.67	609.34	623.98	2.40
Electric Machinery	74.30	94.17	26.74	513.97	611.02	18.88
Aluminium and products	18.07	78.07	331.96	139.19	253.61	82.20
Industrial Machinery	62.38	60.55	-2.93	435.92	459.73	5.46
IC Engines and Parts	46.54	47.48	2.03	377.92	349.00	-7.65
Aircrafts & Spacecrafts	31.67	42.16	33.14	399.36	663.36	66.11
Medical and Scientific instruments	21.98	19.92	-9.38	133.06	140.06	5.26
Machinery for ATMs	20.02	17.69	-11.66	107.31	117.85	9.81
Hand Tools Cutting	16.87	16.47	-2.41	107.61	115.93	7.73
Air condition and Refrigerators	12.72	16.16	27.04	90.66	91.53	0.96
Pumps of all types	12.36	13.37	8.20	75.73	83.87	10.75
Machine Tools	9.04	10.35	14.45	69.20	70.04	1.22

During April-October 2016, out of top 15 panels, 13 recorded positive growth, with highest growth achieved by Aluminium and products (82%). It is followed by Aircrafts & Spacecrafts (66%), and Motor Vehicle/cars (47%).

Positive sign is also recorded in monthly trade data. Data for October 2016 for top 15 panels shows that there are seven panels, in which growth was positive. And in some cases, such as Aluminium and products (332%) and Motor Vehicle/cars (54%), growth was significant.

News in Focus

Golden opportunity for UK, India to reforge trade ties: Fox

UK Secretary of State for International Trade Liam Fox offered support to India's ambitious Smart City programme, besides strengthening bilateral trade and investment to help the Indian economy to grow.

"It is important that we together challenge the protectionist sentiments that have been gaining traction across the world to remove those barriers that inhibit free and open trade, and to champion to see export and spread prosperity," he said at the India-UK Tech Summit here.

Link: <http://www.deccanherald.com/content/579957/golden-opportunity-uk-india-reforge.html>

Stubborn May Taught Hard Trade Lessons in India

Britain's Prime Minister Theresa May has discovered in India during her first bilateral visit outside Europe that she runs into the same blockages over free trade and movement of labor internationally as she does in her post-Brexit discussions with the European Union.

Link: <http://www.newsweek.com/stubborn-may-taught-hard-trade-lessons-india-518358>

Nigeria, EU Trade Volume Drops By €10 Billion

Nigeria's total trade with the European Union (EU) which stood at €9bn in 2014, accounting for 31 per cent of Nigeria's total trade, has dropped to €9bn in 2015.

Speaking at the pre-event press conference of the fifth EU-Nigeria business forum (EUNBF), held at the Eko Hotel, Lagos, the Head of Trade and Economic, EU, Mr Filippo Amato, said that the EU investment stock in Nigeria grew from €23.8bn in 2013 to €25.3bn in 2014.

Link: <http://allafrica.com/stories/201611071348.html>

Steelmakers brace for EU-China trade proposal

For China, it's a question of respect. For some European Union manufacturers, it's a matter of survival. And for EU policymakers, it's one of the hottest political potatoes around.

The European Commission in Brussels is set to propose legislation on Wednesday affecting billions of Euros in Chinese exports to the EU. The goal is to meet demands by China for equal treatment in trade cases and to assure EU companies such as steelmaker ArcelorMittal and solar-panel producer Solarworld that import tariffs are high enough to protect them from Chinese competitors.

Link: <http://www.chicagotribune.com/news/sns-wp-blm-eu-china-trade-e904b4b2-a513-11e6-ba46-53db57f0e351-20161107-story.html>

Tender Information in EU

Prior information Notices

Location	Date	Summary	Deadline
France	31-Oct-2016	Supply Of Metal Materials Smelting Furnaces	02-Dec-2016
Switzerland	31-Oct-2016	Equipment For Ventilation	07-Dec-2016
Netherlands	31-Oct-2016	Inspection And Maintenance Of Cathodic Protection, Over-voltage And Lightning Protection Systems	12-Dec-2016
Belgium	31-Oct-2016	Supply, Installation, Connection And Commissioning Of Escalators	21-Dec-2016
France	31-Oct-2016	Design, Implementation And Integration Of A Prototype Of Metal Powder Bed Additive Manufacturing System	05-Dec-2016
Germany	29-Oct-2016	Air Conditioning Systems In Accordance With Din 18379, Boiler System And Central Water Heating Systems According To Din 18380, Gas, Water And Drainage Systems In Accordance With Din 18381 (1837-16-b-eo-21).	06-Dec-2016
Germany	29-Oct-2016	Provision Of Hauptfeuerwache Karlsruhe, New Building, Elevator.	06-Dec-2016
Netherlands	29-Oct-2016	Supply Turnout Gear.	08-Dec-2016
Belgium	29-Oct-2016	Supply Tools, Consumables And Epi.	16-Dec-2016
France	29-Oct-2016	Design, Manufacturing And Commissioning Of ~ A New Generation Of Electric	12-Dec-2016

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

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