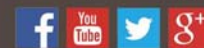


Territorial NEWSLETTER Latin America

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Latin America is a major trade destination for Indian exporters. To further boost trade and business relationships, the Governments of both sides have started negotiation for broadening trade horizons through expansion of India-MERCOSUR PTA. The success of the Expansion of India-MERCOSUR will lead to expanded list of tariff lines on which trade at preferential rate can occur. Beyond MERCOSUR, India's trade relation with Peru (an associate member of MERCOSUR) has also improved significantly over the last few years. Peru, in fact, has emerged as one of the important trade partners for India in the Latin America region.

Trade between the two countries is growing impressively and recorded a growth of 8.02% in 2015-16 and it is valued at USD 1.5 billion. India's import from Peru has significantly increased from US\$ 0.59 billion in 2014-15 to US\$ 0.82 billion in 2015-16. India's exports to Peru in 2015-16 were US\$ 0.70 billion. There still remains a huge potential for further expansion of our exports. EEPC India in its endeavors to promote engineering exports has recently organized INDEE in Peru. A glimpse of which can be seen in this newsletter.

I hope that this newsletter will be insightful for our readers and they would enjoy reading it.

Tarvinder Singh Bhasin

LA Territorial Committee Chairman's Note



India and Peru relationships are ever-growing in economic terms, a lot has been achieved and potential for more remains yet there. Mining is vital to Peru's development and is a significant contributor to its GDP and reducing poverty. This sector contributed in decline of poverty from around 42 per cent to around 24 per cent over the last decade. It is worth mentioning that Peru is in the top five rankings globally for production of important minerals and metals including lead, silver, zinc, tin, gold and copper. It holds fourth place in global mining exploration investment, which is estimated to account for 5 per cent of the global exploration market. New projects valued at more than US\$30 billion are expected to proceed over the next five years.

EEPC India has recently organized INDEE Peru, which is a flagship event and a great platform for engineering sector. In this edition, you will find a glimpse of the event. The subsequent issues will keep you updated on India's trade and business dynamics with the countries in Latin America and Caribbean region.

We are hopeful that the newsletter will give fruitful information to our readers.

Pankaj Chadha

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Basic Facts: Latin America & Caribbean

Area: 19,197,000 Sq. km

Population: 642 million

GDP: USD 5.15 trillion

Climate: mostly temperate; arid in southeast; sub-Antarctic in southwest

Natural resources: precious metals, sugar, rubber, grains, coffee, copper, and oil

India- A rising star in Peru market



The 35th edition of EEPC India's flagship event overseas, Indian Engineering Exhibition (INDEE) was successfully organized in Lima, Peru from 24 – 26 November 2016.

It is a matter of great pride that EEPC India has so far successfully organized 34 such exhibitions in 25 focus countries across five continents and turned to the Peruvian soil for the second time in the last two years. This time, 60 companies exhibited wide range of engineering products from sectors including Automotive Components, Tractor Parts, Bicycle Parts, Hand Tools, Garden Tools, Power Tools, Files, PU Foam Cutting & Processing Machines, CNC Machined Components, Castings, Forgings, Bearings, Sanitary Fittings, Builders' Hardware, Valves & Accessories, Tools for Mining Industry, Hoses, Steel Pipes & Tubes, Sewing Machines, Industrial Cleaning Machines, Millstones, Transformers & Fuses, Stainless Steel Houseware, Casting Machines, Industrial Magnets, Industrial Boilers, Diesel Engines etc.

The exhibition was inaugurated on 24th November 2016 and was attended by the following dignitaries.

Mr Carlos Valdez, Vice Minister – Communications, Government of Peru

HE Mr Sandeep Chakravorty, Ambassador of India in Peru

Mr T S Bhasin, Chairman, EEPC India

Mr Rohit Rao, President, INCHAM, Lima, Peru

Mr Mario Mongilardi, President, Lima Chamber of Commerce, Lima, Peru

Mr Pankaj Chadha, Vice Chairman, EEPC India

Mr Suranjan Gupta, Additional Executive Director, EEPC India

At the inauguration H.E. Mr Sandeep Chakravorty, Ambassador of India in Peru said that Peru is one of the fastest growing economies in Latin America due to its aggressive free trade strategies. With an increasing GDP growth rate over the years, along with stable currency exchange rates and low inflation rates in recent years, this has led to extensive economic growth and rapid industrial expansion in Peru. He said that Peru is very rich in minerals and offers huge potential for heavy investments from India along with exports of machinery and other engineering products. He was very optimistic on the future of Indo-Peruvian relationship and looked forward to INDEE Peru 2016 as paving the way for a stronger relations in trade and investments.

The Chairman of EEPC India, Mr. T. S. Bhasin said that India and Peruvian government have cordial relations and good cooperation dating back to several centuries. The Indian Diaspora in Peru is small in number but has been constantly growing due to increased presence of Indian companies in the region. The enhanced interest in increasing bilateral trade ties between India and Peru is primarily because of India's rise as a technological and economic power along with the strong growth of Peru's economy in the past decade. Peru's interest in enhancing bilateral ties with India is driven by a desire to maintain its presence in the Asian region, bolstered by Peru's Asia-Pacific Economic Cooperation (APEC) membership.

On this occasion, the Chief Guest – Mr. Carlos Valdez, Vice Minister of Communications, Government of Peru said that bilateral economic and commercial ties between India and Peru have been steadily improving and both the countries are hoping to increase their bilateral trade ties in the next three to four years by exploring the signing of a Free Trade Agreement (FTA).

The inauguration at Centro de Convenciones Jockey Plaza, Lima was also addressed by Mr. Rohit Rao, President, INCHAM, Lima and Mr. Mario Mongilardi, President, Lima Chamber of Commerce. Both these Chambers were Partners of EEPC India in this Show and major role was played by the Indian Embassy in Lima.

The three Day Exposition during 24 – 26 November, 2016, had very successful 263 number of Business to Business (B2B) Meeting sessions and two participating companies named M/s Stoker Concast Pvt Ltd, Saboo Millstones and Rex Sewing Machines India Pvt Ltd booked orders on the spot.

The healthy response was evident from all the exhibitors. As per the feedback forms of the exhibitors, 41 of the respondents collectively made 1099 contacts. Around 90% of the contacts made by the participants in INDEE Peru 2016 were new. The survey found only one or two respondents who disclosed about the orders booked by them but a decent US\$5.04 million amount of orders were booked by them during the exhibition. Similarly, as per the information provided by the exhibitors, a total of 167 enquiries were generated that amounted to around US\$33 million.

To celebrate the India – Peruvian Partnership during the Show and integrate the entrepreneurs from both the sides, a special India Evening was organized. The evening witnessed mesmerizing Bharat Natyam dance

performance by a Peruvian artiste. The Show was organized with the help of Indian Embassy and Indian Chamber (INCHAM) in Lima.

India's participation inspired a great deal of interest among trade and Industry visitors, not only from Peru but also from other neighboring countries. All the participating companies in "INDEE Peru 2016" expressed satisfaction with their participation and shown interest in participation in similar events organised by EEPC India in the near future.

Leading up to India Engineering Fair INDEE PERU 2016, the Indian Ambassador in Lima gave a number of interviews for promotion of the fair in news channels, print media and FM radio. This generated a lot of interested in the fair. With the initiative of the Embassy, 3 Indian automobile companies which are already present in Peru/ South America – Mahindra Motors, Bajaj Auto & Ashok Leyland – also participated in the fair by displaying their products. A special skype session was organized with selected visiting Indian companies with Bolivian businessmen through the Indian Chamber of Commerce in Santa Cruz, Bolivia CABINCO which was highly successful.

Ministry of Small, Micro and Medium Enterprises (MSME) also partnered with EEPC India in this exhibition and 10 companies participated in the Show through MSME.

India- MERCOSUR* section

MERCOSUR is a trading bloc in Latin America comprising Brazil, Argentina, Uruguay, Venezuela and Paraguay. MERCOSUR was formed in 1991 with the objective of facilitating the free movement of goods, services, capital and people among the four member countries. It is the third largest integrated market after the European Union (EU), North American Free Trade Agreement (NAFTA). India and MERCOSUR have signed a Preferential Trade Agreement (PTA) which came into effect on 1st June, 2009. The aim of this Agreement is to expand and strengthen the existing relations between MERCOSUR and India and promote the expansion of trade by granting reciprocal fixed tariff preferences.

India's bilateral trade with the LAC region has increased significantly from \$3.7 billion a decade ago to \$45 billion 2014-15; still it appears to be a small fraction of the potential. The total products in MERCOSUR offer list is 452 out of which 127 products are from engineering sector. This accounts for 28.2% of the offer list. This indicates the significance of engineering products in the export of India.

The major product segment in the offer list include-

- Non-ferrous metals and products
- Nickel & products
- Aluminum and products
- Hand tools & Cutting tools
- Other non-ferrous metals & products
- IC engines and parts
- Pumps of all types
- Industrial machinery for dairy, agriculture, textile, paper, chemicals, etc.
- Electric machinery & equipments
- Medical & Scientific instrument

Table 3: India's Major Export Destinations in LAC & MERCOSUR Regions for Engineering Products

LAC	India's Export in November 2016 (USD Million)	MERCOSUR	India's Export in November 2016 (USD Million)
BRAZIL	39.70	BRAZIL	39.70
COLOMBIA	29.57	ARGENTINA	13.38
PERU	28.95	PARAGUAY	5.73
CHILE	24.88	URUGUAY	3.02
ARGENTINA	13.38	VENEZUELA	0.42
Total	136.48	Total	62.25

Export of engineering products from India to MERCOSUR has shown a decrease in November, 2016 at 62.25 million USD as compared to 75.61 million USD in October, 2016 which is 1.29% of the total engineering export of India to the world in November 2016, whereas India's export to Latin America and Caribbean is valued at 136.48 million USD, constituting 4.08 % of its total export to world. Latin America's top 5 countries contribute to 69.31% of India's total engineering export to the region while MERCOSUR constitutes of 31.73% of the total export to LAC region. MERCOSUR's PTA with India has boosted trade and the expansion will definitely increase India's share in MERCOSUR's import basket.

Table 5: Top 10 panels of Engineering Goods Exported to LAC & MERCOSUR by India

Top panels export to LAC	Value in November 2015 (USD Million)	Value in November 2016 (USD Million)	Top panels export to MERCOSUR	Value in November 2015 (USD Million)	Value in November 2016 (USD Million)
Motor Vehicle/cars	61.34	59.24	Auto Components/Part	11.42	11.70
Two and Three Wheelers	31.30	29.97	Iron and Steel	5.00	8.56
Iron and Steel	19.29	23.49	Motor Vehicle/cars	4.77	7.03
Auto Components/Part	17.81	18.51	Aluminum and products	3.86	5.35
Industrial Machinery	12.69	12.68	Industrial Machinery	7.74	4.52
Aluminum and products	15.29	9.54	Products of Iron	2.86	3.73
Electric Machinery	6.94	7.76	Two and Three Wheelers	3.72	3.72
Medical and Scientific instruments	3.54	6.11	Medical and Scientific instruments	1.90	3.65
Products of Iron	17.61	5.84	Electric Machinery	2.35	2.91
IC Engines and Parts	4.20	4.19	IC Engines and Parts	3.01	2.52

The table above comprises of the top 10 exported engineering products to MERCOSUR and LAC. Comparative analysis of month by month data of subsequent years (2015 and 2016 for the month of November) reflects that the

overall Indian exports has increased for both LAC and MERCOSUR region. More trade agreements with the Latin American region countries could probably strengthen India's competitiveness in the region.

LAC-India – Information Guide

LA has a website –LA helpdesk which provide crucial information regarding any trade related query.

The link for the website is:

Source: <http://lanic.utexas.edu/la/region/business/index.html>

For all the business travel related information regarding Latin America can be found at the link below.

Source: <http://www.businesswithlatinamerica.com/travel.html>

For all investment and business set up information:

Source: <https://www.eepcindia.org/publications-eepc-india.aspx?ms=73&page=Publications-of-EEPC-India>

News in Focus

Latin America outlook for 2017

Latin America is projected to grow by 1.3% in 2017, according to the 14 December report of the UN Economic Commission for the region (ECLAC). This comes as a relief after the economic contraction of the region in the last two years, by 1.1% in 2016 and 0.5% in 2015. South America is expected to grow by 0.9%, Mexico by 1.9% (down from 2% in 2016) and Central America at 3.7% (up from 3.6%). Brazil, the largest economy of the region should see a growth of 0.4% (after the negative growth of 3.6% in 2016), Argentina 2.3% (from -2% in 2016), Colombia 2.7%, Peru 4% (highest in South America) and Chile 2%. Venezuela's contraction in 2017 will be 4.7%, better than the 9.7% in 2015. Dominican Republic will be the region's growth champion with 6.2%, followed by Panama- 5.9% and Nicaragua - 4.7%.

Link: <http://businesswithlatinamerica.blogspot.in/>

Latin America will resume GDP growth in 2017 after the recession of 2016

Latin America is projected to recover with 1.5% GDP growth in 2017 after the economic contraction of 0.9% in 2016, according to the 12 October report of ECLAC, the UN Commission for Latin America and Caribbean. The growth champion in 2016 is Dominican Republic with 6.5%, followed by Panama at 5.4%, Bolivia and Nicaragua at 4.5%, Costa Rica at 4.2% and Paraguay at 4%. Central America is expected to grow at 3.5%, Mexico at 2.1%, Colombia 2.3% and Chile 1.6%. Venezuela holds the top ranking for negative growth with -8%, followed by Brazil at -3.4%, Argentina at -1.8% and Ecuador at -2.5%.

In 2017, all the countries except Venezuela will show positive growth. Brazil will recover to a positive growth of 0.5%, Argentina 2.5% and Ecuador 0.2%. Dominican Republic, Panama, Nicaragua, Costa Rica and Bolivia will continue to grow over 4%. The ten South American countries will grow at 1.1% in 2017 after a negative growth of 2.2% in 2016. Even Venezuela will half its GDP contraction rate to 4%.

Link: <http://businesswithlatinamerica.blogspot.in/>

Upcoming Events in LAC

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Date of the event	Name of the event	Location	Link
05.12 - 07.12 2016	BUSWORD LATIN AMERICA Bus and Coach Industry International Expo	Medellin	http://www.eventseye.com/fairs/f-busword-latin-america-22887-1.html
07.03 - 10.03 2017	EXPOAGRO ARGENTINA International Open Air Farming Show with Machinery in Action	Buenos Aires	http://www.eventseye.com/fairs/f-expoagro-argentina-4504-1.html

Tender Information in LAC

Prior information Notices

TI ref No.	Title	Link
37008840	Rehabilitation Hydraulic System Gas Plant, Ecuador	http://www.tendersinfo.com/details/37008840
37012651	Acquisition Of Building Materials, Ecuador	http://www.tendersinfo.com/details/37012651
37012657	Acquisition Of Materials For Manufacturing, Chile	http://www.tendersinfo.com/details/37012657
37036203	Acquisition Of Construction Materials - Dideco, Chile	http://www.tendersinfo.com/details/37036203
37033034	Construction Of Civil Works, Chile	http://www.tendersinfo.com/details/37033034

For more contract notices, Please follow the link:

<http://www.tendersinfo.com/global-latin-america-tenders.php>

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