

Territorial NEWSLETTER Latin America

EEPCINDIA
ENGINEERING THE FUTURE

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March 2019

Chairman's Pen



EEPC India has been outstanding in carrying the brand Indian Engineering in the world. It has played an important role in advocating key reforms initiated by the Government in the engineering fraternity.

EEPC India proudly announces the launch of India Pavilion at Expo Edifica from 2-5 October 2019 in Santiago, Chile. The show is the most important construction industry event with over 900 exhibitors and more than 40,000 professional visitors from all over the globe. The Expo is organized by the Chilean Chamber of Construction, and developed at the Espacio Riesco Convention Center. Since 1990, ExpoEdifica has brought together the most important players in the construction industry, consolidating throughout its successive versions as the best meeting point between the demand and supply of the sector and as a unique opportunity to generate strategic alliances and commercial contact networks, offering to the market the main innovations in constructive solutions of Chile and the world. It is an appropriate platform for showcasing machinery, equipments, cutting-edge technology and advances, supplies, construction machinery, and capital and intermediate goods & services to a wide market eager for development and industrial growth.

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

Ravi Sehgal

LA Territorial Committee Chairman's Note

Brazil maintains its position as the leading trade partner of India with US\$126.52 million. This newsletter provides an insight on the top engineering product panels that is imported by Latin American countries. The subsequent issues will keep you updated on India's trade and business dynamics with the countries in Latin America and Caribbean region.



Export of engineering products from India to MERCOSUR has realized a slight decline from US\$108.41 million in February 2018 to US\$104.24 million in February 2019 due to sharp decline in exports to Argentina & Paraguay; whereas India's export to top 5 Latin America and Caribbean countries have increased from US\$177.49 million in February 2018 to US\$179.28 million in February 2019.

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

Aman Chadha

Basic Facts: Latin America & Caribbean

Latin America and the Caribbean has seen remarkable socio-economic progress since the beginning of the century. The macroeconomic situation of individual countries has strengthened, living standards have improved, and poverty and inequality have declined. Yet large structural vulnerabilities remain and new ones have emerged. Many of these are linked to countries' transition to higher income and development levels. The Latin American and Caribbean region is a large market of 42 countries, with a population of 644 million people, regional GDP of US\$ 5.97 trillion (at current prices), per capita GDP over five times higher than that of India, and US\$ 1.93 trillion in merchandise trade, accounting for 6% of the world total. (2017)

Area: 19,197,000 Sq. km

Population: 642 million

GDP: USD 5.97 trillion

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

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

Caribbean	Aruba, Anguilla, Cayman Islands, British Virgin Islands, Cuba, Saint Lucia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Montserrat, Martinique
Central America	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela
Others	Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, , St. Kitts & Nevis, St. Vincent & Grenadines, Suriname, Trinidad & Tobago, Falkland Islands, Turks and Caicos

Source: CIA factbook

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.

Engineering products play an important role in shaping India-MERCOSUR trade and economic relations.

Its importance is reflected by the fact that out of 452 products in MERCOSUR offer list, 127 are from engineering sector. This accounts for 28.2% of the offer list.

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 2: India's Major 5 Export Destinations in MERCOSUR & LAC Regions for Engineering Products

Country (MERCOSUR)	February 2018 (USD Million)	February 2019 (USD Million)	Growth Rate
BRAZIL	71.06	86.75	0.22
ARGENTINA	27.48	10.28	-0.63
URUGUAY	3.38	3.60	0.07
PARAGUAY	6.34	3.28	-0.48
VENEZUELA	0.15	0.33	1.14

Country (LAC)	February 2018 (USD Million)	February 2019 (USD Million)	Growth Rate
BRAZIL	71.06	86.75	0.22
COLOMBIA	35.43	47.20	0.33
CHILE	31.57	21.78	-0.31
PERU	28.73	12.18	-0.58
ECUADOR	10.70	11.37	0.06

Source: DGCI&S

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whereas India's export to top 5 Latin America and Caribbean countries have increased from US\$177.49 million in February 2018 to US\$179.28 million in February 2019.

Table 3: Top 20 panels of Engineering Goods Exported to LAC & MERCOSUR by India

Top panels export to LAC	Value in February 2018 (USD Million)	Value in February 2019 (USD Million)	Top panels export to MERCOSUR	Value in February 2018 (USD Million)	Value in February 2019 (USD Million)
Auto Components/Part	39.03	43.96	Auto Components/Part	26.66	28.08
Motor Vehicle/cars	74.18	39.04	Aluminium and products	3.62	12.15
Two and Three Wheelers	35.88	27.74	Iron and Steel	19.26	11.93
Aluminium and products	11.46	20.16	Products of Iron	6.50	8.11
Iron and Steel	30.90	18.22	Industrial Machinery	7.29	6.62
Products of Iron	11.51	16.75	IC Engines and Parts	5.92	5.38
Industrial Machinery	14.81	14.45	Electric Machinery	4.54	4.98
IC Engines and Parts	8.75	10.47	Medical and Scientific instruments	4.40	4.48
Electric Machinery	8.25	9.56	Other Misc. Items	4.20	4.44
Medical and Scientific instruments	8.10	7.79	Other Construction Machinery	3.05	3.93
Other Misc. Items	6.78	6.42	Machinery for ATMs	0.98	2.69
Other Construction Machinery	4.48	4.93	Two and Three Wheelers	9.30	2.38
Hand Tools Cutting	2.78	3.93	Air condition and Refrigeration	2.46	2.29
Machinery for ATMs	2.14	3.49	Pumps of all types	1.72	1.82
Air condition and Refrigeration	3.05	2.54	Hand Tools Cutting	1.34	1.66
Pumps of all types	2.02	2.08	Other Non Ferrous Metals	1.10	0.61
Copper and products	1.49	0.99	Motor Vehicle/cars	3.66	0.57
Other Non Ferrous Metals	1.34	0.83	Electrodes Accumulator	0.06	0.49
Nuclear Reactors	2.56	0.82	Nuclear Reactors	0.43	0.31
Bicycle & Parts	0.95	0.65	Copper and products	0.49	0.26

The table above comprises of the top 20 exported engineering products to MERCOSUR and LAC. Comparative analysis of month by month data of subsequent years (2018 and 2019 for the month of February) reflects that the overall Indian exports have increased for both LAC and MERCOSUR region. More bilateral trade agreements with the Latin American 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-eepec-india.aspx?ms=73&page=Publications-of-EEPC-India>

Trade Queries Received For March 2019

FROM CHILE		
Company Name	Email	Product
M/s Mosaico	dbermudez@mosaico.cl	Bathroom faucets
M/s CZCORP S.A.	gerencia@czcorp.cl	Solenoid valves, pneumatic actuators
M/s Fresh Water Solutions	ignacionorambuena@freshwatersolutions.org	Machines to extract water from air
M/s Curtal	hvaldes@curtal.cl	Export of leather machinery

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