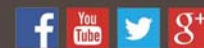


Territorial NEWSLETTER Latin America

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Chairman's Pen

I am pleased to note that an agreement on the expansion of India–Chile Preferential Trade Agreement (PTA) has recently been signed between India and Chile. This was done on 6th September, 2016 in a meeting held between Ms. Rita Teatota, Commerce Secretary, Government of India and Mr. Andrés Barbé González, Ambassador, Embassy of Chile.



T S Bhasin

In LAC region, Chile is one among the largest trading partners of India during 2015-16. India's exports to Chile are diverse which consist of transport equipment, drugs and pharmaceuticals, yarn of polyester fibres, tyres and tubes, manufacture of metals, articles of apparel, organic/inorganic and agro chemicals, textiles, readymade garments, plastic goods, leather products, engineering goods, imitation jewellery, sports goods and handicrafts. Major items of Import from Chile are copper ore and concentrates, iodine, copper anodes, copper cathodes,

molybdenum ores & concentrates, lithium carbonates & oxide, metal scrap, inorganic chemicals, pulp & waste paper, fruits & nuts excluding cashews, fertilizers and machinery.

Under the expanded PTA, Chile has offered concessions to India on 1798 tariff lines with Margin of Preference (MoP) ranging from 30%-100%. On the other hand, India has offered concessions to Chile on 1031 tariff lines at 8-digit level with MoP ranging from 10%-100%. India's export basket with Chile is diversified and keeping in view the wide variety of tariff lines offered by Chile, the expanded PTA would immensely benefit India.

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

LA Territorial Committee Chairman's Note



Pankaj Chadha

In this edition of the 'Newsletter on Latin America', we have discussed about Chile as a major market for Indian engineering exports. The newsletter also gives an insight on the top engineering product panels that is imported by LAC and compiles tender information and key news items on LAC.

We have the opportunity to expand our trade basket with Chile in order to strengthen our trade position in Latin American region. This could potentially be achieved through the expansion of India-Chile PTA. The subsequent issues will keep you updated on India's trade and business dynamics with the countries in Latin America and Caribbean region.

I am hopeful that the newsletter will give fruitful information to our readers.

Territorial
NEWSLETTER – Latin America

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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

Expansion of India-Chile PTA

An agreement on the expansion of India–Chile Preferential Trade Agreement (PTA) was signed between India and Chile in a meeting held between Ms. Rita Teaotia, Commerce Secretary and Mr. Andrés Barbé González, Ambassador, Embassy of Chile on 6th September, 2016.

A Preferential Trade Agreement (PTA) between India and Chile was earlier signed on March 8, 2006 and came into force with effect from August, 2007. In the original PTA concluded in March 2006, India's offer list to Chile consisted of 178 tariff lines the Margin of Preference (MoP) ranging from 10%-50% at 8-digit level and Chile's offer list to India consisted of 296 tariff lines with MoP ranging from 10% - 100% at 8-digit level.

Under the expanded PTA, Chile has offered concessions to India on 1798 tariff lines with Margin of Preference (MoP) ranging from 30%-100% and India has offered concessions to Chile on 1031 tariff lines at 8-digit level with MoP ranging from 10%-100%. India's export basket with Chile is diversified and keeping in view the wide variety of tariff lines offered by Chile, the expanded PTA would immensely benefit India.

Among the LAC countries, Chile was the third largest trading partner of India during 2015-16. India's bilateral trade with Chile stood at US\$ 2.64 billion with exports at US\$ 0.68 billion and imports at US\$ 1.96 billion respectively during 2015-16(P). India's exports to Chile are diverse which consist of transport equipment, drugs and pharmaceuticals, yarn of polyester fibres, tyres and tubes, manufacture of metals, articles of apparel, organic/inorganic and agro chemicals, textiles, readymade garments, plastic goods, leather products, engineering goods, imitation jewellery, sports goods and handicrafts. Major items of Import from Chile are copper ore and concentrates, iodine, copper anodes, copper cathodes, molybdenum ores & concentrates, lithium carbonates & oxide, metal scrap, inorganic chemicals, pulp & waste paper, fruits & nuts excluding cashews, fertilizers and machinery.

India has friendly relations with Chile. Chile has been cooperating with India at the International fora and expansion of India Chile PTA will enhance the trade and economic relations between the two countries. The expansion would be an important landmark in India-Chile relations and consolidate the traditional fraternal relations that have existed between India and LAC countries.

Bilateral Trade between India and Chile

India's overall trade with Chile expanded from \$586.65 million in 2005-06 to \$2093.35 million in 2007-08. However, trade has been fluctuating with the price of commodities, particularly copper. India's exports to Chile have gone up by almost three times since 2003-04.

India and Chile share a stable trade relationship, the bilateral trade showed a decrease from US\$ 3.65 billion in 2014-15 to US\$ 2.64 billion in 2015-16. India's import from Chile has significantly decreased from US\$ 3.10 billion in 2014-15 to US\$ 1.96 billion in 2015-16. India's exports to Chile in 2015-16 were US\$ 0.68 billion. There still remains a huge potential for further expansion of our exports.

Trend in India's Bilateral Trade with Chile (In Million USD)					
Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's Export to Chile	522.08	690	663.94	565.82	679.32
India's Import from Chile	2,133.27	2,992.31	2,507.87	3,080.63	1960.66
Total Trade with Chile	2,655.35	3,682.31	3,171.81	3,646.45	2639.98

Source: Ministry of Commerce, GOI

Top Ten Commodities of India's Export to Chile (In Million USD)					
S. No.	HS Code	Commodity	Value of Exports (2014-2015)	Value of Exports (2015-2016)	Growth (%)
1	87	Vehicles Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof.	149.83	160.35	7.02
2	73	Articles Of Iron Or Steel	7.69	70.75	820.6
3	76	Aluminum And Articles Thereof.	9.55	52.34	447.9
4	84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof.	16.61	26.62	60.29
5	85	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Image And Sound Recorders And Reproducers, And Parts.	11.79	14.5	22.99
6	72	Iron And Steel	20.96	13.23	-36.89
7	82	Tools Implements, Cutlery, Spoons And Forks, Of Base Metal; Parts Thereof Of Base Metal.	4.28	4.61	7.73
8	94	Furniture; Bedding, Mattresses, Mattress Supports, Cushions And Similar Stuffed Furnishing; Lamps And Lighting Fittings Not Elsewhere Specified Or Inc	3.45	3.3	-4.56
9	90	Optical, Photographic Cinematographic Measuring, Checking Precision, Medical Or Surgical Inst. And Apparatus Parts And Accessories Thereof;	2.69	2.88	6.93
10	83	Miscellaneous Articles Of Base Metal.	1.45	1.71	17.95

Source: DGCI&S, Kolkata

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

LAC	India's Export in September 2016 (USD Million)	MERCOSUR	India's Export in September 2016 (USD Million)
BRAZIL	60.56	BRAZIL	60.56
CHILE	31.64	ARGENTINA	14.14
PERU	30.22	PARAGUAY	6.53
COLOMBIA	27.76	URUGUAY	4.16
ARGENTINA	14.14	VENEZUELA	1.94
Total	164.33	Total	87.34

Export of engineering products from India to MERCOSUR has shown a growth of 23% in September, 2016 valued at 87.34 USD million as compared to 71.01 million USD in August, 2016. India's export to top five destinations of Latin America and Caribbean is valued at 164.33 million USD, which has shown a growth of 12% as compared to August, 2016. PTA with MERCOSUR has strengthened India's trade with the region. To further consolidate its position, India should enter into preferential trade agreements with other countries like Peru, Argentina, Ecuador, in the region.

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

Top panels export to MERCOSUR	Value in September 2015 (USD Million)	Value in September 2016 (USD Million)	Top panels export to LAC	Value in September 2015 (USD Million)	Value in September 2016 (USD Million)
IC Engines and Parts	3.32	17.10	Motor Vehicle/cars	68.92	77.94
Auto Components/Part	13.77	13.83	Two and Three Wheelers	39.73	27.12
Motor Vehicle/cars	7.19	7.90	Auto Components/Part	20.41	23.15
Iron and Steel	5.07	7.89	Iron and Steel	16.84	20.30
Industrial Machinery	8.50	7.74	IC Engines and Parts	4.10	19.21
Products of Iron	5.33	5.30	Industrial Machinery	14.05	14.44
Aluminum and products	11.15	4.68	Aluminum and products	23.93	14.31
Electric Machinery	5.41	4.46	Products of Iron	22.34	9.39
Medical and Scientific instruments	2.91	4.11	Electric Machinery	14.47	8.87
Two and Three Wheelers	6.92	2.88	Medical and Scientific instruments	5.37	6.66

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 September) reflects that the overall Indian exports have increased for both LAC and MERCOSUR region. For MERCOSUR it has gone up from 86.81 million USD to 87.34 million USD whereas for LAC, it has slightly declined from 261.72 million USD to 245.81 million USD from September 2015 to September 2016. 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>

Chile– Information Guide

Related to the information you can find attached brochure of Investment and also you can find some specific information in the following links:

http://www.bcentral.cl/en/	Central Bank of Chile
http://www.iccwbo.org/	International Chamber of Commerce

http://www.minrel.gov.cl/	Ministry of Foreign Affairs of Chile
www.prochile.gob.cl	Official Information Portal

News in Focus

LatAm to resume slow growth in 2017

Latin America's recession is expected to continue in 2016 with a 0.5% to 1% GDP contraction, but growth should resume in 2017, according to the OECD's latest *Latin America Economic Outlook*. The organisation explains that the region has not seen such a strong contraction since the early 1980s, and that even when GDP starts to grow again, it will be at too "modest" a rate, around 2% to 3% annually. Largely due to global factors such as commodity price drops, general slowdowns in economic and trade growth and a shift in China's consumption models, the recession is challenging Latin America's socio-economic progress, the report adds. Ultimately, the region's success will depend on its ability to include, educate and train young people for value-added jobs.

Link: <https://www.gtreview.com/news/americas/latam-to-resume-slow-growth-in-2017/>

Brazilian company Perto inaugurates its ATM production unit in Jaipur- Oct 2016

Perto is a reputed Brazilian company which supplies ATM and related products and services globally. They have been in India for sometime and have now established a plant to make the ATMs in Jaipur.

Link: <http://www.businesswithlatinamerica.com/>

Argentine IT company Globant expands its presence in India - October 2016

Globant has launched a new Development centre in Pune in October 2016. The centre will employ 1200 staff. It already has a presence in Bengaluru, where it had acquired an Indian firm Clarice Technologies. Investment of Globant in India is estimated as 25 million dollars

Link: <https://www.gtreview.com/news/americas/latam-to-resume-slow-growth-in-2017/>

Study Group to consider PTA/FTA with Peru

India has concluded a Joint Study Group report on the feasibility of such a trade agreement during the recent visit of a delegation to Lima, Peru on 26-28 September, 2016. Both sides have agreed to a time frame to carry forward the discussions for negotiating a trade agreement. With the finalization of the report, India will now seek internal approvals of the Government of India for going ahead with the negotiations on a trade agreement which would include trade in goods, trade in services and investment.

Link: <https://www.gtreview.com/news/americas/latam-to-resume-slow-growth-in-2017/>

India and Chile sign expanded PTA on 6 September at New Delhi

Under the expanded PTA, Chile has offered concessions to India on 1798 tariff lines with Margin of Preference (MoP) ranging from 30%-100% and India has offered concessions to Chile on 1031 tariff lines at 8-digit level with MoP ranging from 10%-100%.

In the original PTA concluded in March 2006, India's offer list to Chile consisted of 178 tariff lines the Margin of Preference (MoP) ranging from 10%-50% at 8-digit level and Chile's offer list to India consisted of 296 tariff lines with MoP ranging from 10% - 100% at 8-digit level.

Link: <https://www.gtreview.com/news/americas/latam-to-resume-slow-growth-in-2017/>

Hero Group plans to set up a motorcycle plant in Argentina September 2016

The Hero Group has made this announcement while talking about their upcoming launch of some new versions of their motor cycles in Argentina in January 2017. The group has already established a plant in Cali, Colombia.

Link: <https://www.gtreview.com/news/americas/latam-to-resume-slow-growth-in-2017/>

Upcoming Events in LAC

Date of the event	Name of the event	Location	Link
09.11 - 12.11 2016	AUTOMECHANIKA ARGENTINA South America's International Automotive Trade Fair from Design to Maintenance and Recycling	Buenos Aires	http://www.eventseye.com/fairs/trade-shows-by-location.html
08.11 - 10.11 2016	TEQ International Trade Show for Chemical and Process Industries, addressing Laboratory Equipment; Chemical & Biotechnological Processing; Pharma & Food Processing; Plant Components; Packing, Storage & Logistics; Measurement, Control & Automation; R&D	Rio de Janeiro	http://www.eventseye.com/fairs/trade-shows-by-location.html

Tender Information in LAC

Prior information Notices

TI ref No.	Title	Link
36123469	Supply And Delivery Of Heavy-duty Equipment, Belize	http://www.tendersinfo.com/details/36123469
36119541	Provision Of Frame Aluminum, Brazil	http://www.tendersinfo.com/details/36119541
36118551	Ring, Latch, Washer, And Wedge Bolt, Brazil	http://www.tendersinfo.com/details/36118551
36113914	Acquisition Of Various Types Of Electrical Materials (cables, Lamps, Circuit Breakers, Etc.), Brazil	http://www.tendersinfo.com/details/36113914

For more contract notices, Please follow the link:

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

EEPC India Latin America Territorial Newsletter

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