

Territorial NEWSLETTER Middle East & West Asia (MEWA)

EEPCINDIA
ENGINEERING THE FUTURE

Vaniya Bhavan (1st Floor)
International Trade Facilitation
Centre (ITFC)
1/1 Wood Street,
Kolkata - 700016
www.eepcindia.org



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Chairman's Pen



T S Bhasin

MEWA (Middle East and West Asian Countries) region is gaining importance in today's world. The government is keen to do business with the MEWA countries and is finding ways to get access to the region.

EEPC India is taking a facilitatory step towards achieving this. This is in the form of organizing an India Pavilion in the JIMEX, Amman, Jordan 2016. The event is expected to assist members get access to information on doing business with the MEWA countries. JIMEX, Amman, Jordan is one of the largest expo focusing on diverse engineering

products and various countries especially from Asia and Africa participate in this. I hope that our members find this newsletter useful for taking business decisions.

Message from Chairman, Committee on Trade with GCC countries

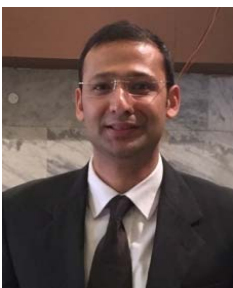


Ravi Sehgal

MEWA region is one of the emerging regions for trade and business opportunities. In this third issue of our newsletter on MEWA region, we have focused on upcoming India Pavilion in the JIMEX, Amman, Jordan 2016. Last year at the JIMEX 2015, EEPC India had organized India Pavilion. The response and the outcome were overwhelming.

In this issue of our Newsletter, we have tried to analyze trade in engineering goods (specifically sectors covered in JIMEX). Further the newsletter also contains information on various events, exhibition and tenders in the region.

Message from Chairman, Committee on Trade with West Asia other than GCC countries



**Mukul
Khandelwal**

India's export of engineering products to MEWA region, a market of over \$2.7 trillion, is presently constrained because of several reasons. Out of the top five countries in the region, three realized a decline in export from India during March 2016 compared to corresponding period in 2015. Exports to Iran, probably because of economic sanctions by the UN and global slowdown, continues to be worst affected.

I hope that Indian Pavilion at JIMEX 2016, being organized by EEPC India, will help significantly boost engineering exports to the region. This perception is based on the outcome of EEPC India's participation in the JIMEX 2015 and its importance for the MEWA region.

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Basic Facts: Middle East & West Asia (MEWA)

MEWA is a region covering a geographical area of 5.4 million square kilometer and has a GDP of over \$2.7 trillion. While Saudi Arabia is the largest country in the region in terms of geographical area and GDP, Iran has the largest population and has a share of 35% of total population of the region. Basic facts about the region are presented in Table 1.

Table 1: MEWA Basic Facts

Country	Area (KM ²)	Population	GDP 2014 (USD billion)	Currency
Bahrain	665	1,234,596	33.9	Bahraini Dinar
Jordan	92,300	6,318,677	35.8	Jordanian Dinar
Iran	1,648,195	78,868,711	425.3	Iranian Riyal
Iraq	438,317	33,635,000	223.5	Iraqi Dinar
Israel	20,770	7,653,600	305.7	Israeli New Shekel
Kuwait	17,820	3,566,437	163.6	Kuwaiti Dinar
Lebanon	10,452	4,228,000	45.7	Lebanese Pound
Oman	212,460	2,694,094	81.8	Omani Riyal
Qatar	11,437	1,696,563	210.1	Qatari Riyal
Saudi Arabia	2,149,690	27,136,977	753.8	Saudi Riyal
Syria	185,180	23,695,000	n/a	Syrian Pound
UAE	82,880	8,264,070	399.5	UAE Dirham
Yemen	527,970	23,580,000	36.0	Yemeni Riyal
Total (MEWA)	5,398,136	222,571,725	2714.7	--

Climate

The basic climate of the **Middle East** is hot and dry, although winters are mild with a little rain. To the north of the desert are the great steppes. This area has extremes of temperature and rain in winter and spring. Rest of the area has rainfall between March and November and sometimes floods from March to May. Summers are long and hot and winters mild and wet along the Mediterranean coast. The coastal areas are humid but have a steady breeze to compensate.

Western Asia is primarily arid and semi-arid, and can be subject to drought, but it also contains vast expanses of forest and fertile valleys. The region consists of grasslands, rangelands, deserts, and mountains. Water shortages are a problem in many parts of West Asia, with rapidly growing populations increasing demands for water, while salinization and pollution threaten water supplies. Major rivers, including the Tigris and Euphrates, provide sources for irrigation water to support agriculture.

Natural resources

Most countries in the region are known for huge oil and gas reserves. Countries like Jordan have reserves of potash and phosphates, which is used in the production of fertilizer.

MEWA region at a glance

MEWA, as a region, accounts for about 20% of total exports from India to the world. In case of engineering products, the share is approximately 16% of India's total engineering exports. The region has witnessed a growth of over 16% in engineering exports over the last three years (2012 to 2014). However, India's export growth across countries is not uniform. India's export has performed relatively better in some countries in the region. **Country-wise trend in exports for top five countries with export value of over \$500 million is briefly delineated below.**

UAE: UAE is India's largest export destination in engineering products in the MEWA region. Total export of engineering products from India to UAE was valued at over \$6.3 billion in 2014. Export has increased at the rate of 16.4% during the period 2012 to 2014. **Five major export items from India in 2014 include Aircrafts Spacecrafts & Parts; Ships Boats & Floating Structures; Articles of Iron & Steel; Electric & Electronic Equipments; and Machinery.**

Saudi Arabia: Saudi Arabia is India's second largest export destination in engineering products in the MEWA region. India exported engineering goods worth \$2 billion to Saudi Arabia in 2014. Exports of engineering products to Saudi Arabia increased at the rate of 13% during the period 2012 to 2014. **Five major export items from India to Saudi Arabia in 2014 were Machinery; Articles of Iron & Steel; Electric & Electronic Equipments; Vehicles; and aircraft Spacecrafts & parts.**

Islamic Republic of Iran: Iran appears to be the best country for India in terms of rate of growth in exports of engineering products from India. Exports of engineering products to Iran increased at the rate of 66% during the period 2012 to 2014. **Some major export items from India to Iran include Iron & Steel; Machinery; Electric & Electronic Equipments; and Vehicles.**

Oman: Exports of engineering products to Oman increased at relatively lower pace compared to Iran and UAE. It was valued at \$862 million in 2014. However, it was better than several other countries in the region (see Table 2). The growth was positive for the three year period 2012 to 2014. The rate of growth in export of engineering products from India was about 13%. **Some major export items from India to Oman include Ships Boats & Floating Structures; Machinery; Electric & Electronic Equipments; Articles of Iron & Steel; and Vehicles.**

Qatar: Export of engineering goods from India to Qatar touched almost \$700 million in 2014. During the three year period 2012 to 2014, engineering exports from India increased at the rate of nearly 29%. **Some major export items from India to Qatar include Ships Boats & Floating Structures; Machinery; Articles of Iron & Steel; Electric & Electronic Equipments; and Vehicles.**

Indian Pavilion at JIMEX 2016 in Jordan expected to boost engineering exports

Indian Pavilion at JIMEX 2016, being organized by EEPC India, is expected to significantly boost engineering exports to the region. This perception is based on the outcome of EEPC India's participation in the JIMEX 2015 and its importance for the MEWA region.

JIMEX 2016 is the 13th International Machines and Electro-mechanical Exhibition held in Amman, Jordan. The Exhibition is supported by Jordan Engineers Association. It focuses on Machinery, Electricity, Automation, Energy, Safety and Security, Renewable Energy, Water Technologies, Fire-Fighting, H-VAC and Refrigeration. JIMEX is a benchmark and the only event for machinery and electricity under one roof in Jordan meeting the needs of the Jordanian and Middle East markets with strong regional and international appeal.

Amman is the gateway to nearby markets like Syria, Iraq, Palestine and others because of Jordan's strategic location, open relationships with neighboring countries and business friendly laws for foreign investors. According to the Heritage Foundation's Index of Economic Freedom, Jordan has the third freest economy in the Middle East and North Africa, behind only Bahrain and Qatar, and the 32nd freest in the world. Jordan ranked as having the 35th best infrastructure in the world, according to the World Economic Forum's Index of Economic Competitiveness. The Kingdom scored higher than many of its peers in the Persian Gulf and Europe like Kuwait, Israel and Ireland. The growth is evident from the fact that India's engineering exports to Jordan is increasing every year and India's share in Jordan's total engineering imports has also gone up to 6.4 %. This shows Jordan as a very promising market for Indian engineering products.

Last JIMEX Jordan was held in May 2015. JIMEX 2015 was organized with participation of more than 170 exhibitors representing more than 550 international trade marks with attendance of more than 10000 businessmen and trade visitors.

We have analyzed the aftereffects of the Expo on engineering trade with the participant country. To analyze the impact of India's presence in the exhibition on India's exports for the particular sector to the participant countries, we consider the following comparison:

- a. Cumulative export data for the panel for months of June to December, 2014 compared to cumulative data for June to December, 2015

Analysis of data shows that compared to the cumulative exports for June to December 2014, cumulative exports during June to December 2015 experienced an increase by 6.58% (Table 1). Growth in export of air condition and refrigerator was quite impressive at nearly 30%.

Table 1: Cumulative Exports of India to Jordan for the various sectors and panels showcased in the exhibition (value in USD million)

Panel	Cumulative exports June to December 2014	Cumulative exports June to December 2015	Growth (%)
Air condition and Refrigerator	1.59	2.06	29.30
Industrial Machinery	3.25	3.54	9.17
Electric Machinery	2.20	1.89	-13.73
Total	7.03	7.50	6.58

Trade trend analysis: MEWA region

Table 3: Top five countries in MEWA region for Indian exports

Country	Export in March 2016 (USD million)	Export in March 2015 (USD million)	Growth (%)
U A E	388.20	391.83	-0.93
SAUDI ARAB	136.71	160.74	-14.95
OMAN	61.00	41.01	48.76
KUWAIT	49.49	22.52	119.75
IRAN	39.82	130.54	-69.49

Out of the top five, three countries realized a decline in export from India during March 2016 compared to corresponding period in 2015. Exports to Iran, probably because of economic sanctions by the UN and global slowdown, continues to be worst affected in March 2016. A positive change in the top five countries is also seen. Oman which recorded a negative growth rate in the month of January 2016 grew at a positive rate in March 2016.

Analysis of top 15 engineering panels' exports as presented in Table 4 shows a positive path of recovery in India's engineering exports. There are seven panels in which exports from India have increased during March 2016 compared to March 2015.

Table 4: Top 15 Engineering Panels exported from India to MEWA region

Name of the Panel	India's export in March 2016 (USD million)	India's Export in March 2015 (USD million)	Growth (%)
Ships Boats and Floating Structures	153.00	39.45	287.86
Products of Iron & Steel	138.56	177.09	-21.76
Motor Vehicle & Cars	61.42	79.34	-22.59

Copper and products	60.06	29.46	103.84
Industrial Machinery	54.59	44.53	22.60
Electric Machinery	42.19	48.20	-12.47
Iron and Steel	35.46	147.07	-75.89
Air condition and Refrigerators	30.37	37.18	-18.32
Machinery for ATMs	25.89	27.00	-4.10
Auto Components & Part	17.36	17.33	0.20
Construction Machinery	15.07	24.14	-37.56
Aluminum and products	14.84	21.40	-30.67
Nuclear Reactors	12.74	7.32	74.08
Pumps of all types	10.50	11.60	-9.45
Medical and Scientific Instruments	9.95	14.20	-29.95
Note: Panels marked in yellow realized positive growth during March 2016 Source: DGCI&S, Government of India			

News in Focus

Saudi Arabia agrees on plan to cut reliance on oil

Saudi Arabia's cabinet has agreed on a broad-based economic reform plan, known as Vision 2030, revealing how the oil-reliant state plans to diversify its economy over the next 14 years.

The deputy crown prince said that the country was building up its public investment fund to become a major player in global markets. He said Saudi Arabia was restructuring its housing ministry to increase the supply of affordable housing, and creating a "green card" system within five years to give expatriates long-term residence.

Link: <http://www.aljazeera.com/news/2016/04/saudi-arabia-announces-major-economic-reforms-160425120839989.html>

Crude power: The oil game uncovered

In an attempt to tackle the global oil crisis, OPEC and non-OPEC oil producers held an extraordinary oil summit in Doha, Qatar's capital.

With the oil price still low and the market heavily oversupplied, 20 oil and energy ministers were trying to find a consensus on a way forward. But they failed to do so, and the summit turned out to be more about regional rivalries than about finding a solution to low oil prices.

Link: <http://www.aljazeera.com/programmes/countingthecost/2016/04/crude-power-oil-game-uncovered-160424061941330.html>

Turkey and Iran agree to strengthen economic ties

Turkey's President Recep Tayyip Erdogan and his Iranian counterpart Hassan Rouhani have agreed to strengthen economic ties and cooperate in the fight against "terrorism".

Their meeting in Turkish capital Ankara came a day after Iran was accused of supporting armed groups and interfering in the affairs of Middle Eastern countries, including Syria and Yemen, at a summit of Muslim heads of state in Istanbul.

In a joint press conference on, Erdogan said Turkey and Iran must collaborate to narrow their differences in order to tackle violence and sectarianism in the region.

"It is above all in our own countries' interest to strengthen our political dialogue and reduce our differences of opinion to a minimum," Erdogan said.

"We have to work together to overcome the problems of terrorism and sectarianism and the related humanitarian crises that are shaking our region," he added.

Link: <http://www.aljazeera.com/news/2016/04/turkey-iran-agree-strengthen-economic-ties-160416155434319.html>

Saudi Arabia, Egypt agree to build bridge over Red Sea

King Salman of Saudi Arabia has said that an agreement has been reached with Egypt to build a bridge over the Red Sea connecting the two countries.

The monarch made the announcement in televised on the second day of his visit to Cairo - after meeting Egyptian President Abdel Fattah el-Sisi, and before representatives of the two countries began signing investment deals.

Link: <http://www.aljazeera.com/news/2016/04/saudi-arabia-egypt-announce-bridge-red-sea-160409032158790.html>

Some upcoming Exhibitions in MEWA

Events	Date	Venue	Link
<u>IRAQ MEDICARE</u> International Total Healthcare Exhibition & Conference serving Iraq & the Kurdistan Region	23-25 May 2016	<u>Erbil</u> <u>International</u> <u>Fairground</u> , Erbil, Iraq	http://www.iraqmedicare.com/Erbil/home.php
<u>IATI BIOMED</u> National Life Science & Technology Week	24-26 May 2016	<u>TLV Convention</u> <u>Center - Tel Aviv</u> <u>Fairgrounds</u> , Tel Aviv, Israel	http://kenes-exhibitions.com/biomed2016/

Events	Date	Venue	Link
<p><u>JIMEX</u> International Machines & Electro-Mechanical Exhibition. JIMEX is the only event for machinery, electricity, energy. Renewable energy and water, HVAC & R under one roof in Jordan</p>	16-19 May 2016	<p><u>Amman International Motor Show - AIMS</u>, Amman , Jordan</p>	http://jimex.weebly.com/
<p><u>ELEVATORS & ACCESS CONTROL</u> Building Access & Mobility Solutions Expo in Dubai. Elevators & Access Control is the ideal platform for suppliers of elevators and escalators, as well as access control systems, to showcase their products and technologies to a large and relevant audience</p>	23-25 May 2016	<p><u>Dubai World Trade Centre</u>, Dubai, UAE</p>	https://www.middleeastelevators.com/
<p><u>HARDWARE & TOOLS MIDDLE EAST</u> Middle East Hardware & Tools Trade Event</p>	23-25 May 2016	<p><u>Dubai World Trade Centre</u>, Dubai, UAE</p>	http://www.hardwaretoolsme.com/frankfurt/5/for-visitors/for-visitors.aspx

Tender Information in MEWA

Title	Country	Deadline
<u>Delivery of Three Monitoring Stations</u>	Israel	9 June 2016
<u>Modifications to overhead Power Lines Part-2 for Batinah Expressway-Package 5</u>	Oman	26 May 2016
<u>Supply and Installations VFFS Packaging Machines</u>	UAE	25 May 2016
<u>Providing Creation and Delivery of Materials Warehouses National Guard.</u>	Kuwait	14 June 2016

<u>Supply and Installation of Systems and Surveillance Cameras and Video Calling.</u>	Saudi Arab	1 June 2016
<u>Installation of (11 Kv) Switchgear Panel and Laying of (11kv) under Ground Cable to Feed Power.</u>	Oman	25 May 2016
<u>Supply of Surgical Items (Cath Lab Adult)</u>	Oman	29 May 2016

For more contract notices, please register with Tender Info following the link:

<http://www.tendersinfo.com/searchresult#>

EEPC India

Middle East & West Asia (MEWA) Territorial Newsletter

Contact: Suresh P Singh, Ms. Manila Sharma

Email: ssingh@eepcindia.net, msharma@eepcindia.net

Phone no: 011-2331 4171

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