

Territorial NEWSLETTER Middle East & West Asia (MEWA)

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



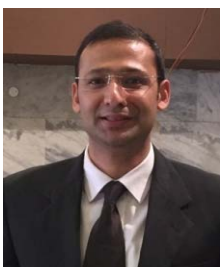
Ravi Sehgal

There have been a lot of groundbreaking events that point to the emerging diplomatic shape of the future Middle East and the India. Recently, Saudi Arabia had granted Air India approval to run direct flights from Delhi to Tel Aviv through Saudi airspace is indicative of critical changes in the Middle East and India's role in the region. India's role in the region is of paramount importance. As older relationships and partnerships changes and new actors emerge it is a prime time for a reorientation of India's "Look West" policy in context of modern day geopolitical realities. India's

role in the Middle East continues to be driven by its enormous economic presence in that region. It is on this basis that the country's leadership is beginning to develop a security presence to complement hard economic power.

I hope, this newsletter will be useful for our member and help them take informed decisions.

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



**Mukul
Khandelwal**

relation between India and MEWA region is reflected by the growth in trade and investment between the two. This growth is reflected in the export figures of the past financial year 2017-18, where the exports grew by more than 5% over the previous financial year 2016-17. The export of engineering products by India to MEWA was valued at around USD 8.6 billion in April-March 2017-18 as compared to USD 8.1 billion in April-March 2016-17. UAE remained the top importer of the region for the Indian engineering goods but with a positive growth rate of over 4%. The panel

wise analysis also shows more encouraging approach of the Indian engineering exports to MEWA, with 11 out of top 15 panels registering a positive growth in April-March 2017-18 compared to April-March 2016-17.

The current edition also presents a brief insight on the total trade pattern of the engineering sector in MEWA region. Further, it discusses the top engineering product bilaterally traded between India and countries of the MEWA region.

Basic Facts: Middle East & West Asia (MEWA)

Area: 5.4 mn Sq. km

Population: 222,571,725 (2016)

GDP: USD 2.7 trillion (2016)

Currency: Varies according to different countries

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

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.

Jordan King's visit to India

The King of the Hashemite Kingdom of Jordan, His Majesty King Abdullah II bin Al-Hussein visited India in March 2018. The King was accompanied by a business delegation. The Jordanian King's visit here comes nearly three weeks after Modi travelled to Jordan as part of his trip to West Asia, including Palestine.

During this visit, the two sides discussed the entire ambit of bilateral relations as well as regional and international issues of mutual interest.

The King also visited IIT Delhi to explore collaboration with Jordan technical institutes. The King also participated in a CEO Round-table followed by India-Jordan Business Forum jointly organized by FICCI, CII and ASSOCHAM.

Security dialogue was an important point of discussion between India and Jordan, and both countries are working to forge a defence framework agreement

On 1st March, His Majesty delivered a special address on 'Promoting Understanding and Moderation', organized by India Islamic Center at Vigyan Bhawan. Diplomats, representatives from Islamic institutions of all denominations, academicians, think-tanks and representatives from across the country attended the event. The King is known for his global initiative to fight radicalisation and terrorism. He is also the custodian of the Al-Aqsa mosque, the third holiest site in Islam, located in the Old City of Jerusalem.

India and Jordan have so far shared strong trading and business ties. Taking advantage of Jordan's strategic location and free trade agreements with United States, Europe and Gulf, Indian businesses have set up units in Jordan. India considers Jordan an "oasis of stability and harmony" in conflict-ridden West Asia and would like to deepen bilateral ties with the country. Both sides inked a number of agreements to expand cooperation in several key sectors including healthcare, IT, customs and will look to firm up a framework pact for defence and security cooperation. Modi and the King explored several ways of deepening trade ties. Twenty textile industries from India have invested around USD 300 million in Jordan.



Cabinet Decision February 28, 2018	India - Jordan Cooperation and Mutual Administrative Assistance in Customs Matters	
<ul style="list-style-type: none"> • Cabinet approves the signing and ratifying of agreement between India and Jordan on Cooperation and Mutual Administrative Assistance in Customs Matters • Impact- <ul style="list-style-type: none"> • Will help in the availability of relevant information for the prevention and investigation of Customs offences • Expected to facilitate trade and ensure efficient clearance of goods traded between the countries • Provide a legal framework for sharing of information and intelligence between the Customs authorities of the two countries and help in the proper application of Customs laws, prevention and investigation of Customs offences and the facilitation of legitimate trade 		

During the visit, the two sides signed several MoUs/Agreements in diverse areas of bilateral cooperation.

Name of MoUs/Agreements
MoU on Defence Cooperation
Visa waiver for diplomatic and official passport holders
Cultural Exchange Programme (CEP)
Manpower Cooperation Agreement
MoU for cooperation in the field of Health and Medicine between India and Jordan
MoU for setting up of the next generation Centre of Excellence (COE) in Jordan
MoU for long term supply of Rock Phosphate and Fertilizer/NPK
Customs Mutual Assistance Agreement
Twining Agreement between Agra and Petra (Jordan)
Cooperation between Indian Institute of Mass Communication (IIMC) and Jordan Media Institute (JMI)
MoU between Prasar Bharati and Jordan TV
MoU between University of Jordan (UJ) and ICCR regarding setting up of a Hindi Chair at the University

India's latest trend in engineering exports to MEWA

India engineering export with MEWA – country wise during March 2018 is depicted in the table below. Nations which had the highest demand for Indian engineering products during March 2018 in absolute values include:

Table2: Engineering Exports to MEWA

(Values in US\$ Million)

MEWA	March 2018	March 2017	Growth (%)	April-March 2017-18	April-March 2016-17	Growth (%)
UAE	325.20	386.44	-15.85	4,193.13	4,021.48	4.27
SAUDI ARAB	121.24	153.76	-21.15	1,271.68	1,231.44	3.27
QATAR	68.43	20.23	238.21	514.43	214.55	139.77
IRAN	50.26	71.75	-29.95	495.69	499.47	-0.76
OMAN	48.29	263.40	-81.66	613.02	745.43	-17.76
Total MEWA	753.23	1,018.58	-26.05	8,631.85	8,182.16	5.50

Source: DGCI&S

UAE remained at the top for Indian engineering exports registering a positive growth of over 4% in April-March 2017-18 over April-March 2016-17. The main engineering products exported to the country in March 2018 include Products of Iron and Steel, Auto Components/Parts, Electrical Machinery and Equipment, Industrial Machinery, Aircrafts and Space crafts, etc.

Table 3: Top 15 engineering panels exported to MEWA in March 2018
(Values in US\$ Million)

DGCI&S Engineering Panels	March 2018	March 2017	Growth (%)	April-March 2017-18	April-March 2016-17	Growth (%)
Iron and Steel	106.31	141.81	-25.03	1,214.28	843.15	44.02
Products of Iron & Steel	92.78	156.53	-40.73	1,195.83	1,390.99	-14.03
Motor Vehicle/cars	84.02	83.13	1.07	704.47	607.59	15.95
Ships Boats and Floating Structures	78.80	257.67	-69.42	1,187.73	1,396.36	-14.94
Electric Machinery	52.15	50.93	2.40	551.05	480.73	14.63
Copper and products	41.60	49.62	-16.17	691.85	519.63	33.14
Industrial Machinery	40.64	42.35	-4.05	495.44	435.82	13.68
Air condition and Refrigerator & Products	36.39	35.73	1.85	284.75	267.25	6.55
Machinery for ATMs	29.38	28.35	3.65	334.45	289.97	15.34
Aluminium and products	24.57	16.95	44.93	270.61	185.12	46.18
Aircrafts Spacecrafts & Parts	22.33	20.43	9.28	88.14	301.07	-70.72
Auto Components/Part	17.70	16.25	8.92	192.51	172.72	11.46
Medical and Scientific Instruments	13.32	14.19	-6.16	138.28	119.26	15.95
Pumps of all types	12.01	12.62	-4.84	144.21	139.72	3.21
Construction Machinery	10.46	13.98	-25.15	144.07	152.49	-5.52

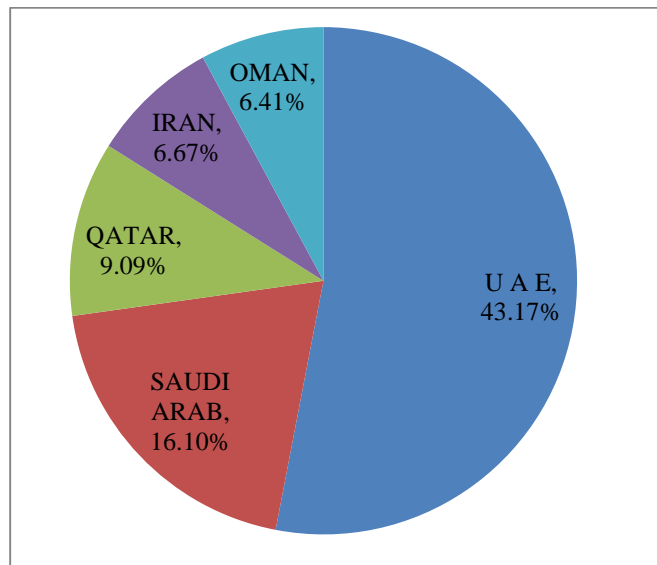
Note: Panels marked in yellow realized positive growth during March 2018

Source: DGCI&S

Analysis of top 15 engineering panels' exports as presented in Table 3 shows a good situation for India's engineering exports to MEWA countries. There are only seven panels in which exports from India have increased during March 2018 as compared to March 2017.

The following pie chart demonstrates share of different MEWA countries in India's total export during March 2018.

Fig 2: India's engineering export share to top importing MEWA Countries (%) in March 2018



Source: DGCI&S

News in Focus

❖ UAE, Japan discuss customs cooperation agreement

The UAE and Japan discussed the signing of an agreement to bolster technical and administrative cooperation in the field of customs. The two countries also held talks on the exchange of expertise and increasing joint trade.

Source:<https://gulfnews.com/business/economy/uae-japan-discuss-customs-cooperation-agreement-1.2219545>

❖ Companies that rushed into Iran now prepare to rush back out

In boardrooms and corner offices across Europe, executives are assessing the fallout of US President Donald Trump's decision to scrap the Iran nuclear deal, which threatens to choke off an investment boom that started after the country returned to the international fold two years ago.

Source:<https://gulfnews.com/business/companies/companies-that-rushed-into-iran-now-prepare-to-rush-back-out-1.2218873>

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