

Territorial NEWSLETTER Middle East & West Asia (MEWA)

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



**Tarvinder Singh
Bhasin**

Fostering good economic and political relationships with countries in the MEWA region has always been a priority for India. In the recent periods, this has received further boost. Some focus initiatives in the recent past have been made by India towards this end. The visit of the Hon'able Prime Minister of India, Narendra Modi, to five countries in the MEWA region is just one evidence of the growing ties. These include Iran, Israel, Qatar, Saudi Arabia, and United Arab Emirates. EEPC India has also been contributing towards improving economic ties between India and countries in the MEWA region. I am pleased to share with our members that EEPC India will be participating in the International Exhibition in Oman in October 2017.

Our members should take full advantage of the show and explore more opportunities in the region.

Message from Chairman, Committee on Trade with GCC countries



Ravi Sehgal

momentum with the upturnment or sanctions on Iran, but regional disturbance has again surfaced. This time it's the boycotting of Qatar by other regional countries affecting the economic growth process of the region. I hope the issue will be soon resolved. With India maintaining good relationship with all the countries, EEPC India's upcoming Indian Pavilion in the 7th International Exhibition for Design & Build in Oman could be a good opportunity for Indian exporters and help them explore newer markets.

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.

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



**Mukul
Khandelwal**
Basic Facts:

opportunities for Indian business community. Export of engineering products by India to MEWA is valued at over USD 567 million in July 2017, with a minor decline of 0.24% as compared to July 2016. UAE continued to be the top importer of the region for the Indian engineering goods but with a negative growth rate of 0.9%. The panel wise analysis shows a mixed picture for Indian engineering export to MEWA, with only 7 out of top 15 panels registering a positive growth in July 2017 compared to July 2016. The reason for this can be boycotting of Qatar, as it is among the top importers of Indian engineering goods in the region.

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.

India ready to explore Omani Market

Over the past four decades, the eight countries of West Asia's Gulf region, the GCC countries, i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE), and Iraq and Iran, cumulatively became India's preeminent oil and gas suppliers; and together, they also emerged as India's leading trade partner in the past decade. Though there are deep and fundamental differences of opinion on many regional geopolitical issues, leaders on both sides consciously decided to set them aside and build solid bilateral relationships on the basis of mutual advantage and benefit particularly in the economic, energy, and anti-piracy, anti-terrorism and intelligence cooperation domains. Path-breaking and visionary declarations envisaging cooperation in multiple fields have been signed between India and these countries. Substantive relations with Israel have grown strongly though remaining publicly low profile.

India has excellent relationships simultaneously with Israel, Iran, Iraq, Qatar, Palestine, Saudi Arabia and the UAE. There have been two particularly significant developments in the recent era – one relating to Israel and the other to the UAE.

Oman's foreign minister was the first foreign dignitary to visit India after the Modi government was sworn in. Oman has been India's most consistent friend and supporter amongst Arab countries. Modi is likely to visit Oman when an agreement of strategic significance could be signed. Oman has been a key pillar of India's West Asia Policy. Both states celebrated the 60th anniversary of their diplomatic relations in 2015. Ministerial-level engagements with the important Persian Gulf state have increased in the past three years.

During Indian External Affairs visit to Oman in February 2015, both sides agreed to expand economic relations and flagged radicalization as a major threat. Indian Defence Minister also paid a three-day visit to Oman in May 2016. Four memorandums of understanding (MoUs) in the domain of defence and security were signed between the countries during his visit. These included a MoU on defence cooperation, a MoU between the Coast Guards of the two countries to prevent crime at sea, a MoU on maritime issues and a protocol between their respective air forces on Flight Safety information Exchange.

Bilateral economic ties have witnessed some significant developments in last few years. Currently, there are around 3000 joint ventures between Indian and Omani partners with a total investment of around \$7.5 billion. The India-Oman Joint Investment Fund, a private equity fund backed by the State General Reserve Fund of Oman (SGRF) and State Bank of India (SBI) began operations in 2011 and the initial seed capital of \$100 million has been utilised. Bilateral trade however in last few years has seen a drop. In 2014-15, total bilateral trade dropped to \$4,131.69 million from \$5,763.45 million in 2013-14. It further decreased to \$3,865.50 million in 2015-16, largely the result of falling oil prices.

India does not have enough energy resources to serve its current or future energy requirements. The rapidly growing energy demand has contributed to the need for long term energy partnerships with countries like Oman. India has also been considering to construct an underwater natural gas pipeline via Oman, the Middle East to India Deepwater Pipeline (MEIDP) — also known as the Iran-Oman-India pipeline. The project sought to bring Iranian natural gas to India via Oman. But it has been very slow in materializing due to various obstacles such as lack of suitable technology, previous sanctions on Iran and objections from Pakistan.

Oman's Duqm Port is situated in the middle of international shipping lanes connecting East with the West Asia. India needs to engage with Oman and take initiatives to utilise opportunities arising out of the Duqm Port industrial city.

The Omani economy is also struggling with low oil and gas prices. To come out of this situation, Oman intends to develop its other economic sectors, such as transport, shipping, agriculture, mining, tourism, and logistics. Oman's Supreme Council for Planning came out with its 9th development plan (2016-2020) to reduce the Sultanate's economic reliance on oil by 50 percent. This presents an opportunity for Indian business to increase its share in the Omani market.

Current Indo-Omani ties are dominated by the defence relations. India needs to broaden areas of cooperation with this crucial Gulf state, which has enormous business opportunities in shipping, transport, infrastructure building, mining, logistics and tourism.

EEPC India- India Pavilion at the 7th International Exhibition for Design & Build

EEPC India's is organising an India Pavilion in the 7th International Exhibition for Design & Build during 23rd - 25th October, 2017 at Oman Convention & Exhibition Centre, Muscat, Sultanate of Oman. Focus sector of the exhibition include the following.

<ul style="list-style-type: none"> • Bathroom Fittings • Builders' Hardware • Polymer Coatings • Power, Hand, Hydraulic Tools • Sealants and Adhesives • CNC Machinery for Marble • Cutting, Polishing & Handling Tools • Grinding Machinery • Aluminium Extrusions • Construction System & Technology • Doors and Windows 	<ul style="list-style-type: none"> • Engineering & Design Services • Metal & Aluminium Products • Modular Steel Systems • Steel Bars, Tubes and Sheets • Steel Fabrication Works • Steel Floors, Walls and Roofs • Structural Steel Frames • Woodworking Machinery • Lighting and Electronic Equipment 	<ul style="list-style-type: none"> • Heating, Ventilation & Air Conditioning (HVAC) • Mechanical, Electrical and Plumbing (MEP) Services • Garden Furniture, Accessories, Gates and Fences, and Irrigation Systems • Roofing and Flooring, Smart Home Solutions • Waste Management & Recycling
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The show will be attended by Architects, Builders, Contractors, Engineers, Trade Delegations, Facility Professionals, Purchase & Production Houses, Associations, Exporters/Importers, Interior Designers, House Developers, Landscape Professionals and much more.

The Home & Building Show is a hub of design and construction where the key manufacturers, suppliers, products, design and technologies all meet under one roof. From residential complexes to commercial spaces, innovation and excellence have set new standards for high-quality materials, aesthetic design and superior technology.

International Exhibition for Design & Build 2017 could be a good opportunity for Indian exporters and help them explore newer markets.

Link: <https://www.eepcindia.org/event/oman-2017/>

India's latest trend in engineering exports to MEWA

India engineering export with MEWA – country wise during July 2017 is depicted in the table below. Nations which had the highest demand for Indian engineering products during July 2017 in absolute values include:

Table2: Engineering Exports to MEWA
(Values in US\$ Million)

MEWA	July 2016 (USD million)	July 2017 (USD million)	Growth (%)
U A E	240.78	238.62	-0.90
Saudi Arab	94.44	99.86	5.73
Kuwait	60.66	45.24	-25.42
Qatar	18.84	36.64	94.54
Oman	39.53	34.02	-13.95
Total MEWA	568.65	567.27	-0.24

Source: DGCI&S

UAE remained at the top for Indian engineering exports registering a negative growth of 0.9 % in July 2017 over July 2016. The main engineering products exported to the country in July 2017 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 July 2017
US\$ Million

DGCI&S Engineering Panels	July 2016 (USD million)	July 2017 (USD million)	Growth (%)
Iron and Steel	66.25	100.16	51.18
Products of Iron & Steel	110.00	85.08	-22.66
Copper and products	48.20	57.47	19.24
Motor Vehicle/cars	41.89	45.35	8.27
Electric Machinery	55.04	32.48	-40.99
Aluminum and products	21.26	31.89	49.99
Industrial Machinery	47.52	30.39	-36.05
Machinery for ATMs	22.47	26.41	17.51
Air condition and Refrigerators	19.58	16.53	-15.55
Auto Components/Part	16.13	13.82	-14.34
Medical and Scientific Instruments	9.42	11.55	22.53
Construction Machinery	11.16	8.88	-20.40
Pumps of all types	17.06	8.87	-48.02
Aircrafts Spacecrafts & parts	5.57	6.62	19.00
IC Engines and Parts	7.41	6.26	-15.48

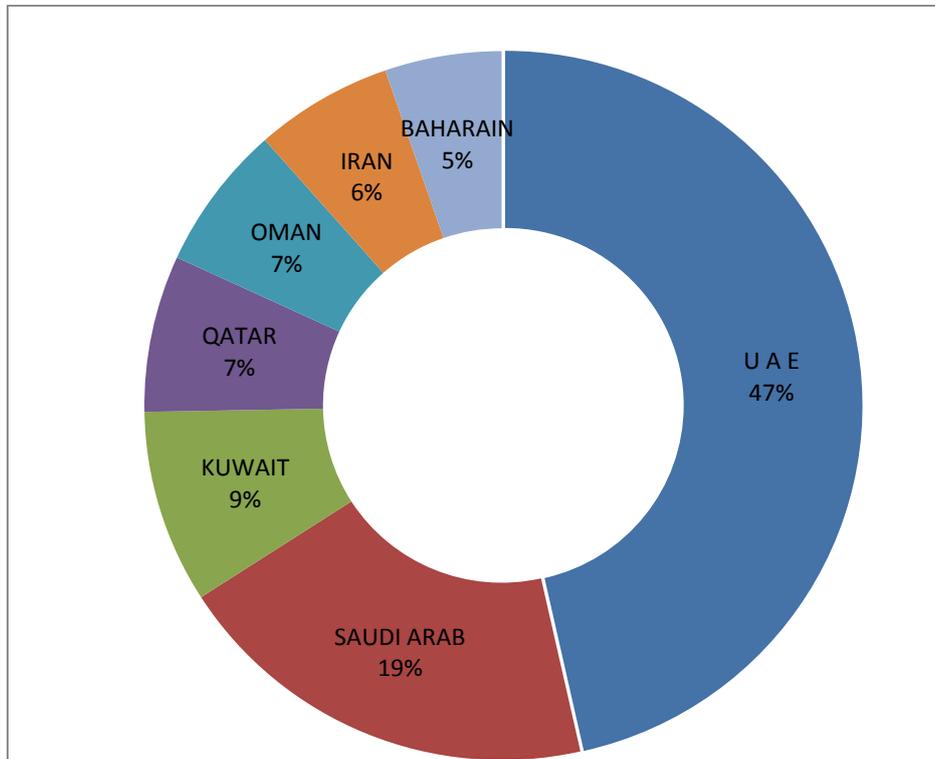
Note: Panels marked in yellow realized positive growth during July 2017

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 seven panels in which exports from India have increased during July 2017 as compared to July 2016.

The following pie chart demonstrates share of different MEWA countries in India's total export during July 2017.

Fig 2: India's engineering export share to top importing MEWA Countries (%) in July 2017



Source: DGCI&S

News in Focus

❖ UAE says to increase all fuel prices in September

The UAE's Ministry of Energy has announced an increase in prices of all types of fuel for September. In a tweet, the ministry said the per litre price for Super 98 will be AED2.01, up from AED1.89 in August while the price of Special 95 will be AED1.90 per litre, up from AED1.78 and E Plus-91 will rise to AED1.83, up from AED1.71.

Source: <http://www.arabianbusiness.com/377616-uae-says-to-increase-all-fuel-prices-in-september>

❖ Machinery makers eye Sharjah Plastics Show

Machinery makers eye sharjah plastics show led by India, foreign interest rising at Plastivision Arabia 2017.

The rapid expansion of the GCC's downstream industry is a key factor that is generating global interest in a plastics exhibition and conference in Sharjah. Organized by Expo Centre Sharjah in association with All India

Plastics Manufacturers Association (AIPMA), the 4th Plastivision Arabia 2017 has already seen some of the leading players from across the world confirming their presence.

Source: <http://middleeast-business.com/machinery-makers-eye-sharjah-plastics-show/>

❖ **Saudis could get \$21b non-oil boost in 2018, BofA Says**

Saudi Arabia’s non-oil revenue could surge by about 80 billion riyals (\$21.3 billion) next year, according to Bank of America Merrill Lynch, boosting the kingdom’s efforts to reduce the economy’s reliance on crude. The increase would be driven by the implementation of value-added taxation, a tax on luxury products and higher fees imposed on expatriates’ dependents, London-based economist Jean-Michel Saliba wrote in the report. The kingdom has already introduced a tax on soft drinks and tobacco this year.

Source: <http://gulfnews.com/business/economy/saudis-could-get-21b-non-oil-boost-in-2018-bofa-says-1.2078447>

❖ **UAE-US non-oil trade over Dh111.1b in 2016: Minister of Economy**

Non-oil trade between the UAE and the USA hit more than Dh111.1 billion — \$30.3 billion- by the end of 2016, including free zone trade, against \$27.8 billion in 2015, said Sultan Bin Saeed Al Mansouri, Minister of Economy. “UAE-USA economic relations are based on mutual trust, respect and common interest, and they are progressively growing for the higher good of both countries,” added the minister at a meeting with the US Ambassador to UAE, Barbara Leaf, and her accompanying delegation, in the presence of top executives from the Ministry of Economy.

Source: <http://gulfnews.com/business/economy/uae-us-non-oil-trade-over-dh111-1b-in-2016-minister-of-economy-1.2078446>

❖ **Dubai Chamber eyes Latin America, India to boost trade**

The Dubai Chamber of Commerce and Industry is aiming to capitalise on economic growth in emerging markets, with plans to open representative offices there to boost trade ties. The Chamber said it is planning to explore what it describes as “untapped business potential” in markets across Asia, Latin America, Africa, and the CIS (Commonwealth of Independent States) region.

Source: <http://gulfnews.com/business/economy/dubai-chamber-eyes-latin-america-india-to-boost-trade-1.2080406>

Upcoming Exhibitions in MEWA

Events	Date	Venue	Link
Iraq Hvac Expo	14th- 17th September, 2017	Erbil, Iraq	http://www.eventseye.com/fairs/f-iraq-hvac-expo-21004-1.html
Erbil Building	27th- 30th September, 2017	Erbil, Iraq	http://www.eventseye.com/fairs/f-erbil-building-16257-1.html
The Big 5 Kuwait	25th- 27th September, 2017	Mishref, Kuwait	http://www.eventseye.com/fairs/f-the-big-5-kuwait-21112-1.html
Yummex Middle East	18th- 20th September, 2017	Dubai, UAE	http://www.eventseye.com/fairs/f-yummex-middle-east-16760-1.html
Gulf Glass	25th- 27th September, 2017	Dubai, UAE	http://www.eventseye.com/fairs/f-gulf-glass-9805-1.html

Tender information in MEWA

Title	Deadline	Country	Link
<u>Provision Of Maintenance And Repair Services Including Supply Of Spare Parts To Unhcr Vehicle Fleet (armoured & Standard) At Kri, Iraq Reference Number: Hcr/irqer/2017/sup/itb/054 (TI Ref ID: 41841933)</u>	24 September 2017	Iraq	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41841933
<u>Purchase Of Man D2842 Lze Marine Diesel Engine (TI Ref ID: 41830157)</u>	25 September 2017	Israel	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41830157
<u>Supply Of Solid Waste Hand Tools & Equipment (TI Ref ID: 41808198)</u>	15 September 2017	Lebanon	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41808198
<u>Supply Installation And Commissioning Of 4 Nos. 20 Kw Ups. (TI Ref ID: 41852432)</u>	25 September 2017	Qatar	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41852432
<u>Replacement Of Air Conditioning Units For Residential Region (TI Ref ID: 41865689)</u>	18 September 2017	Saudi Arabia	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=41865689

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