

# Territorial NEWSLETTER Middle East & West Asia (MEWA)

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**Ravi Sehgal**

The United Arab Emirates' economic freedom score is 77.6, making its economy the 9th freest in the 2019 Index. Its overall score remains unchanged from 2018, with higher scores for property rights, judicial effectiveness, and government integrity offset by a sharp decline in fiscal health. The UAE is ranked 1st among 14 countries in the Middle East and North Africa region, and its overall score is above the regional and world averages. The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Economic diversification has reduced the oil and gas sector's portion of GDP to 30 percent.

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

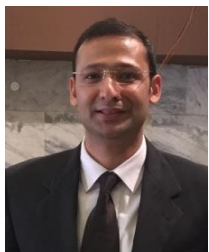


**Anoop  
Marwaha**

The current edition of the Newsletter focuses on the recent visit of Indian External Affairs Minister to United Arab Emirates. India and the UAE enjoy strong bonds of friendship, which are founded on millennia-old cultural, religious and economic interaction between the two regions. The UAE is the sixth-largest source of our oil imports and hosts a 3.3 million-strong Indian Community.

Further, it discusses the top engineering product bilaterally traded between India and countries of the MEWA region.

## Message from Chairman, Committee on Trade with GCC countries



**Mukul  
Khandelwal**

The growth in MEWA region has not been encouraging in terms of trade. The progress in relations can be measured by the value of exports to the region which is over USD 626 million for the month of November 2018 over November 2017. The growth though saw fall of over 4% for the same time period. Among the major importers in the region, with a value of USD 268 million, UAE remained the top importer for the Indian engineering goods. The panel wise analysis shows an average level of exports of Indian engineering goods to MEWA, with 8 out of top 15 panels registering positive growth in November 2018 as compared to November 2017

## 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.

## Visit of Indian External Affairs Minister to United Arab Emirates

1. The Indian External Affairs Minister of India lead a delegation of senior officials to the United Arab Emirates from 03-04 December, 2018 to co-chair the 12th session of the India-UAE Joint Commission Meeting for Economic and Technical Cooperation with Sheikh Abdullah bin Zayed Al Nahyan, Foreign Minister of the UAE.
2. India and the UAE enjoy strong bonds of friendship, which are founded on millennia-old cultural, religious and economic interaction between the two regions. In the recent past, with the exchange of visits at the highest-level, the relationship has been elevated to a Comprehensive Strategic Partnership. With nearly US\$ 50 billion bilateral trade, the two countries are one of the largest trade partners for each other and have made robust investments bilaterally. The UAE is the sixth-largest source of our oil imports and hosts a 3.3 million-strong Indian Community.
3. Along with the Foreign Minister of the UAE, EAM inaugurated a Gandhi-Zayed Digital Museum in Abu Dhabi to mark the celebrations of 150 years of Mahatma Gandhi's birth and centenary celebrations of the birth of Shaikh Zayed, founder of the modern UAE.

4. The following list of documents was signed during the visit.

S. No.	Name of MoU/Agreement	Signatory/Dignitary exchanging on Indian side	Signatory/Dignitary exchanging on UAE side
1.	Currency Swap Agreement	Ambassador of India to UAE	Dy. Governor of Central Bank of UAE
2.	MoU on Development Cooperation in Africa	Secretary (Economic Relations)	Assistant Minister of Foreign Affairs and International Cooperation

### India's latest trend in engineering exports to MEWA

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

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

MEWA	November 2017	November 2018	Growth (%)
UAE	279.66	267.80	-4.24
Saudi Arab	73.95	115.86	56.66
Bahrain	12.21	84.13	589.19
Qatar	54.63	39.02	-28.57
Oman	66.55	32.86	-50.62
<b>Total MEWA</b>	<b>627.13</b>	<b>625.77</b>	<b>-0.22</b>

Source: DGCI&S

UAE remained at the top for Indian engineering exports but with a negative growth of almost 4% in November 2018 over November 2017. The main engineering products exported to the country in November 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 November 2018**  
(Values in US\$ Million)

DGCI&S Engineering Panels	November 2017	November 2018	Growth (%)
Iron and Steel	134.67	99.53	-26.10
Ships Boats and Floating structures & parts	0.64	91.52	14139.74
Products of Iron & Steel	91.19	78.83	-13.56
Motor Vehicle/cars	48.96	62.18	27.01
Air condition and Refrigerators & parts	24.97	39.62	58.64
Industrial Machinery	48.52	29.19	-39.84

Electric Machinery	70.09	27.10	-61.34
Auto Components/Part	15.66	24.85	58.73
IC Engines and Parts	9.47	22.55	138.03
Aluminum and products	18.42	19.19	4.17
Machinery for ATMs	26.41	17.51	-33.69
Construction Machinery	8.03	16.02	99.45
Medical and Scientific Instruments	9.39	13.56	44.44
Copper and products	35.22	10.34	-70.64
Pumps of all types	8.65	8.16	-5.70

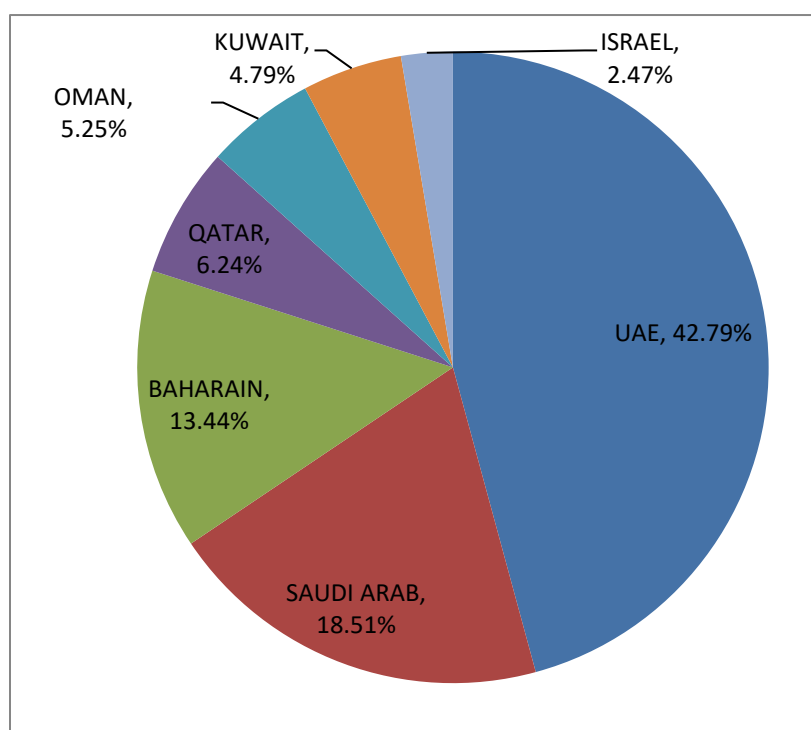
Note: Panels marked in yellow realized positive growth during November 2018

Source: DGCI&S

Analysis of top 15 engineering panels' exports as presented in Table 3 does not show a good situation for India's engineering exports to MEWA countries for the month under analysis. There are only eight panels in which exports from India have increased during November 2018 as compared to November 2017.

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

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



Source: DGCI&S

## Trade Barriers

**Table 4: Technical barriers to trade**

Member Imposing	Notification/ Date of In-Forcement	HS Code	Products Description
UAE	G/TBT/N/ARE/409; 20 March 2018	8422	Dishwasher
UAE	G/TBT/N/ARE/408; 28 March 2018	8450 and 8451	Washing Machines and Dryers
GCC Countries	G/TBT/N/ARE/407, G/TBT/N/BHR/518, G/TBT/N/KWT/400, G/TBT/N/OMN/35, G/TBT/N/QAT/517, G/TBT/N/SAU/104, G/TBT/N/YEM/120; 28 March 2018		Hazardous Substances in Electrical and Electronic Equipment
GCC Countries	G/TBT/N/ARE/406, G/TBT/N/BHR/517, G/TBT/N/KWT/399, G/TBT/N/OMN/349, G/TBT/N/QAT/516, G/TBT/N/SAU/1047, G/TBT/N/YEM/119 ; 23 April 2018	85	Electromagnetic Compatibility
Israel	G/TBT/N/ISR/1008; 12 March 2018	851610	Water Heaters
Israel	G/TBT/N/ISR/1009; 20 March 2018	853620, 853630, 853650, 853690, 853890	Miniature Automatic Circuit Breakers for A.C. Breakers

For any queries about this service, please feel free to contact us at [eepcho@eepcindia.net](mailto:eepcho@eepcindia.net), [srajagopalan@eepcindia.net](mailto:srajagopalan@eepcindia.net), [ddas@eepcindia.net](mailto:ddas@eepcindia.net).

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