

# Territorial NEWSLETTER Middle East & West Asia (MEWA)

**EEPCINDIA**  
ENGINEERING THE FUTURE

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



Volume I, Issue XII: January 2017

## Cover Story

*Strengthening Economic integration between Iran and India is the need of hour and INDEE Iran by EEPC India is a good initiative in this direction: Mr. Hossein Bamiri, Commercial Consular, Embassy of Islamic Republic of Iran.*

## What's in News

- Inflation rises in UAE
- Saudi Arab shift focus to non-oil business activities
- Israel experience a fall in its exports
- And more....

## Tenders

More latest News from Tenders

## Upcoming Events

### Chairman's Pen



**T S Bhasin**

Among the MEWA countries, Iran holds a place of great prominence for India as it can potentially serve as a gateway to several other countries in the region. I am pleased to inform our members that EEPC India is organizing INDEE Iran from 1<sup>st</sup> to 3<sup>rd</sup> February. More than 100 companies from India will be participating in the event. This will be a great opportunity for Indian companies to showcase their products and will also help them penetrate other markets in the region.

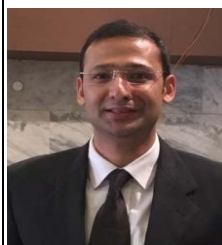
### Message from Chairman, Committee on Trade with GCC countries



**Ravi Sehgal**

organized by EEPC India has great potential in fostering better trade and economic relationship between India and Iran. The event will provide scope for collaboration and cooperation between business communities of the two countries. In this Newsletter, we present an interview with Dr Hossein Bamiri, Commercial Counselor, Embassy of Islamic Republic of Iran in India. The Newsletter contains trade analysis, besides providing information on forthcoming event and tenders.

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



**Mukul Khandelwal**

India's total export to engineering products to the MEWA region was valued at over USD 593 million in December 2016. This is an increase by USD 88 million compared to USD 505 million in November 2016. The increase is probably because of increased economic ties with MEWA countries especially Iran and improvement in demand for engineering products in other MEWA countries. We hope, our members find this Newsletter useful and informative.



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

## 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 19% of total exports from India to the world. In case of engineering products, the share is approximately 15% of India's total engineering exports. The region has witnessed a growth of over 2% in engineering exports over the last three years (2012 to 2015). 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 \$5.1 billion in 2015. Export has increased at the rate of 3% approx during the period 2012 to 2015. **Five major export items from India in 2015 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 2015. Exports of engineering products to Saudi Arabia decreased at the rate of 1% during the period 2012 to 2015. **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 26% during the period 2012 to 2015. **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 \$524 million in 2015. However, it was better than several other countries in the region. The rate of growth in export of engineering products from India for the three year period 2012 to 2015 was negative, about -7.5%. **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 \$431 million in 2015. During the three year period 2012 to 2015, engineering exports from India increased at the rate of nearly 13%. **Some major export items from India to Qatar include Ships Boats & Floating Structures; Machinery; Articles of Iron & Steel; Electric & Electronic Equipments; and Vehicles.**

## **Iran sees India as a good partner- Dr. Hossein Bamiri, Commercial Attaché, Embassy of the Islamic Republic of Iran, New Delhi**

Dr. Hossein Bamiri is the Commercial Attaché of the Embassy of the Islamic Republic of Iran, New Delhi. EEPC India team had an interaction with Dr. Bamiri on major areas of cooperation between India and Iranian business communities.

Excerpts from the interview are delineated below:



**Dr. Hossein Bamiri,  
Commercial Attaché,  
Embassy of the Islamic Republic of Iran, New Delhi**

**EEPC Team: Brief on Iran engineering trade. Which are your focus sectors?**

**Dr. Hossein Bamiri:** In Iran engineering and manufacturing are all under goods and engineering includes mainly services and contracts. Contracts include construction of roads, airports, civil and IT industry, gas, oil wells and power. Due to Iran being under sanctions for over a decade, it was a hard time for business people in Iran. However, it has proved to be a blessing for Iran as it helped realize its true potential to fulfill its development needs. Now Iran has very large and experienced companies which are well known globally in the field of power plants, construction, oil and gas. These companies can compete with the other companies of the world and also now these companies have started handle projects with its neighboring region like the CIS countries, Dubai, Somalia, Mali, Syria, Pakistan, Venezuela and India. Yearly exports of the engineering companies at present is around USD 2 billion, but here engineering includes only services of all kind like engineering, health and tourism.

**EEPC Team: How do Iran perceive India as a trading partner especially with respect to engineering sector?**

**Dr. Hossein Bamiri:** India is the fifth largest importer of Iran and we share good relation with India. Relations with India holds back to thousands of years and India is our oldest partner and not only because it is our business partner but also culturally. Previously Indian and Iranian companies used to participate in tenders like rivals but now they can participate as partners and not only with each other but also in their respective regions. The Iranian and Indian engineering companies can sign contract with each other and try and capture markets which are difficult to capture. India can have access to the CIS countries and Asian countries, in Iraq which shares its border with Iran. Similarly India can help Iran capture market in Africa where India has a better access. And these partnership can help both nations in the future. Also as EEPC India is carrying out INDEE in Iran in Tehran, the same can be done by the Iranian side with the help of EEPC India.

**EEPC Team: Which are the sectors which you feel, Indian companies can cooperate with Iran companies for ventures?**

**Dr. Hossein Bamiri :** In field of industry like cement, gas plant Indian companies can work with the Iranian companies through JVs. Road construction and oil companies is governed by government. But in Industry there are no sanction and lots of scope for investment as it is privately driven. Indian companies can also help in the installation of various gas and power plants in Iran. EEPC India should be in touch with the Iran Engineering Association for boosting engineering trade with Iran.

**EEPC Team: Since 60% of EEPC India members are SMEs, and since SMEs contribute immensely to the Indian engineering exports, which are the potential sectors where EEPC members can have successful technological collaboration with Iran engineering companies?**

**Dr. Hossein Bamiri:** Iran is different in respect to defining the engineering industry. The Indian SMEs in engineering can be successful by investing and forging alliances with Iranian industries like cement, power etc. Industry like gas, civil, construction have lot of scope for small and medium enterprises and these requires greater interaction between companies in India and Iran. This can be done by organizing and participation in various exhibitions. EEPC India can get Indian delegates and participate in various exhibition in Iran which are highly advertised not only nationally but also internationally.

**EEPC Team: Make in India has become a major initiative of the Government of India. Where does Iran fit into the programme? Which are the sectors where they can invest in?**



**Dr. Hossein Bamiri:** Under this initiative Iran can help India in the field of gas and oil. In the field of Medical equipment and medicine industry Iran and India is a different market. The raw materials available for the equipment industry are different in both countries, they can collaborate with each other and work. Iran can help India in the field of eye surgery, as Iran is number one in the world for eye surgery. Also in beauty surgery Iran is well known in the world. Iranian countries can come and operate in India through JVs with Indian company, as we see India as an attractive market for medical equipments industry. India can also help in setting up refineries in cooperation with Iranian companies. India can also use its technology in Iran's plastic industry as there is a lot of raw material in Iran for plastic industry. Another area of cooperation between Iran and India can be Home appliances like heaters, radiators, generators etc. Earlier Iran used to import from CIS countries but now Iran domestically produce and export and have Italy, China our competitors. India can collaborate with the Iranian companies like Masood etc.

But to enter into partnership both the companies should know about each other well to avoid any fraud and cheating at later stage. This is essential and important for both the countries' companies.

**EEPC Team: Whether a target for bilateral trade between the two countries has been set up in recent years? What steps have they taken in augmenting trade relations with India?**

**Dr. Hossein Bamiri:** During the sanction, in 2013-14 India's trade with Iran was USD 5 billion excluding the oil. But with the tightening of sanction the trade reduce and Iran expected a lot of trade to happen post the lifting up of sanction with India. Iran expects to import many products from India instead of the European nations. Earlier much of the trade happened with the EU nations but since EU imposed sanctions on Iran, India is seen as a attractive trade partner. The Iranian companies are willing to do business with Indian companies as there has never been any problem between the two nations. But unfortunately, trade with India reduced post sanction.

We are going for the fourth session of the Preferential Trade Agreement (PTA) with India by the end of Iranian calendar or the beginning of the Iranian new year. This fourth session with India is a crucial one in finalizing the trade agreement. In the past the three session have been concluded of which two sessions were held in India and one in Iran. This PTA would help enhancing trade between the two countries.

**EEPC Team: Role of banking system in developing trade between India and Iran?**

**Dr. Hossein Bamiri:** The reduced trade between India and Iran can be attributed to the poor banking facility. Banking is an issue hindering trade between the two countries, more Indian banks approximately 10-15 banks should come up in Iran. Investment is also not possible without proper functioning of the banks, as without banks only small and minimum amount if trade can take place and no big business is possible. Cyber crime problems like email and account hacking is also a problem faced by the Iranian companies while trading in India due to lack of systematic banking facility. Also Iranian banks should be allowed to operate in India to facilitate trade between India and Iran.

### Trade trend analysis: MEWA region

India's total export to engineering products to the MEWA region was valued at over USD 593 million in December 2016. This is an increase by USD 88 million compared to USD 505 million in November 2016. The increase is probably because of increased economic ties with MEWA countries especially Iran and improvement in demand for engineering products in other MEWA countries.

Overall, the top 5 MEWA nations with the highest demand for Indian engineering products during December 2016 in value terms is shown in Table 2.

Table 2: Top five countries in MEWA region for Indian exports			
Country	Export in December 2016 (USD million)	Export in December 2015 (USD million)	Growth (%)
<b>U A E</b>	226.72	319.17	<b>-28.97</b>
<b>SAUDI ARAB</b>	100.70	145.68	<b>-30.88</b>
<b>KUWAIT</b>	61.45	28.70	<b>114.08</b>
<b>IRAN</b>	57.51	55.43	<b>3.75</b>
<b>OMAN</b>	56.21	44.38	<b>26.65</b>

The analysis shows a decreased export situation when compared to year on year growth. Though when one compares exports with the preceding month (November 2016), there appears to be an improvement in the overall engineering exports to MEWA countries. Out of the top five, one country had realized a decline in import from India during November 2016, but for December 2016 two countries experienced negative growth rate, namely UAE and Saudi Arab. Saudi Arab experienced a positive growth rate of over 3% in the previous month (November 2016).

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 eleven panels in which exports from India have increased during December 2016 compared to December 2015. When compared to the preceding month, November 2016, there is a increase in exports considering there were only seven panels with positive growth in the month of November 2016.

Name of the Panel	India's Export in December 2016 (USD million)	India's Export in December 2015 (USD million)	Growth (%)
<b>Products of Iron &amp; Steel</b>	<b>110.56</b>	87.08	<b>26.96</b>
<b>Iron and Steel</b>	<b>66.90</b>	52.80	<b>26.71</b>
Motor Vehicle/cars	63.06	100.01	<b>-36.95</b>
<b>Electric Machinery</b>	<b>45.97</b>	36.91	<b>24.53</b>
<b>Copper and products</b>	<b>39.71</b>	26.33	<b>50.82</b>
Industrial Machinery	38.77	67.81	<b>-42.82</b>
<b>Air condition and Refrigerators</b>	<b>26.89</b>	20.94	<b>28.45</b>
<b>Machinery for ATMs</b>	<b>25.73</b>	20.19	<b>27.43</b>
<b>Aluminum and products</b>	<b>18.69</b>	13.85	<b>34.98</b>
Construction Machinery	15.24	25.42	<b>-40.03</b>
Auto Components/Part	13.65	16.83	<b>-18.87</b>
<b>Pumps of all types</b>	<b>11.96</b>	8.51	<b>40.56</b>
<b>Medical and Scientific Instruments</b>	<b>11.65</b>	10.46	<b>11.37</b>
<b>Aircrafts &amp; Spacecrafts</b>	<b>11.40</b>	6.43	<b>77.46</b>
Nuclear Reactors	11.29	14.13	<b>-20.10</b>

Note: Panels marked in yellow realized positive growth during December 2016  
Source: DGCI&S, Government of India

## News in Focus

### Inflation edges up in United Arab Emirates

Consumer prices in the UAE increased 0.05% from the previous month, down from September's 1.11% increase. According to the National Bureau of Statistics, prices for medical care increased the most in October, followed by education. Conversely, transportation registered the largest decrease

**Link:** <http://www.focus-economics.com/countries/united-arab-emirates/news/inflation/inflation-edges-up-in-october>



## Non-oil business activity rises in Saudi Arab

The Purchasing Managers' Index (PMI) sponsored by Emirates NBD and produced by IHS Markit rose from October's 53.2 to 55.0 in November. October's print had represented the lowest value since records began in August 2009. As a result, the index remains comfortably above the 50-threshold that indicates expansion in business activity in the non-oil producing private sector..

**Link:**<http://www.focus-economics.com/countries/saudi-arabia/news/pmi/non-oil-business-activity-rises-in-november-from-octobers-record-low>

## Israel's Exports fall at softer rate in November

Israeli exports totaled USD 4.5 billion in November, which was up from October's USD 3.5 billion. Exports declined 3.6% from the same month of the previous year, which was a softer drop than the 22.5% plunge observed in October.

**Link:** <http://www.focus-economics.com/countries/israel/news/trade/exports-fall-at-softer-rate-in-november>

## Saudi Arabia: Inflation hits nearly one-year low in November

Inflation came in at 2.3% in November, below October's 2.6%. The reading represented the lowest print so far this year. Annual average inflation remained stable for the third consecutive month at 3.5% in November, a nearly three-year high.

**Link:**<http://www.focus-economics.com/countries/saudi-arabia/news/inflation/inflation-hits-nearly-one-year-low-in-november>

### Some upcoming Exhibitions in MEWA

Events	Date	Venue	Link
<b><u>PROJECT IRAQ</u></b> International Trade Exhibition for Construction Technology, Building Materials and Equipment	08 - 11 February 2017	<u>Erbil</u> <u>International</u> <u>Fairground</u> , Erbil , Iraq	<a href="http://project-iraq.com/Erbil/">http://project-iraq.com/Erbil/</a>

Events	Date	Venue	Link
<p><b><u><a href="#">LSIE - LIFE SCIENCE INDUSTRY EVENT</a></u></b>  <b>International event including professional exhibition &amp; conferences, designed for the Life Science &amp; Medial Industries. LSIE will showcase the R&amp;D stages, in Israeli Life Sciences industry, world renowned for its innovation, ingenuity &amp; creativity</b></p>	06 - 07 February 2017	<p><u><a href="#">TLV Convention Center - Tel Aviv Fairgrounds,</a></u> Tel Aviv, Israel</p>	<p><a href="http://www.stier.co.il/LSIE/index_en.asp">http://www.stier.co.il/LSIE/index_en.asp</a></p>
<p><b><u><a href="#">LIGHTING AT MIDDLE EAST ELECTRICITY</a></u></b>  <b>Largest Lighting Showcase in the Middle East</b></p>	14th - 16th February 2017	<p><u><a href="#">Dubai World Trade Centre,</a></u> Dubai , UAE</p>	<p><a href="http://www.middleeastelectricity.com/en/Home/">http://www.middleeastelectricity.com/en/Home/</a></p>
<p><b><u><a href="#">IRAN AGRI SHOW</a></u></b>  <b>International exhibition of agriculture, machinery, factors, mechanization</b></p>	22nd - 25th February 2017	<p><u><a href="#">Mashad Fair Grounds,</a></u> Mashhad, Iran</p>	<p><a href="http://www.eventseye.com/fairs/f-iran-agri-show-12425-1.html">http://www.eventseye.com/fairs/f-iran-agri-show-12425-1.html</a></p>
<p><b><u><a href="#">WOODEX</a></u></b>  <b>International Exhibition of Accessories &amp; Furniture Machinery Equipment &amp; Related Industries</b></p>	15th - 18th February 2017	<p><u><a href="#">Tehran Permanent Fairground,</a></u> Tehran, Iran</p>	<p><a href="http://www.woodexpo.ru/en-GB">http://www.woodexpo.ru/en-GB</a></p>
<p><b><u><a href="#">IRAN RENEWABLE ENERGY &amp; ENERGY SAVING EXHIBITION</a></u></b>  <b>International Renewable Energy &amp; Energy Saving Exhibition in Iran</b></p>	25th - 28th February 2017	<p><u><a href="#">Tehran Permanent Fairground,</a></u> Tehran, Iran</p>	<p><a href="http://www.eventseye.com/fairs/f-iran-renewable-energy-energy-saving-exhibition-22179-1.html">http://www.eventseye.com/fairs/f-iran-renewable-energy-energy-saving-exhibition-22179-1.html</a></p>

### Tender Information in MEWA

Title	Country	Deadline
<p><b><u><a href="#">Preparation Of Science Laboratories Equipment And Instruments For The New Projects.</a></u></b></p>	Bahrain	15th February 2017

<b><u>Reconstruction And Repair Of Elevators Boiler.</u></b>	Iran	8th February 2017
<b><u>Provision Of Material Supply, Equipment Testing For Heavy Oil Transportation.</u></b>	Iraq	13th February 2017
<b><u>Engineering, Procurement, Installation And Commissioning Of Doha Depot Security System.</u></b>	Qatar	23rd February 2017
<b><u>Provide And Install Injection Pumps Pharmaceutical Unnecessary Intensive Care Unit At The Hospital.</u></b>	Syria	7th February 2017

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: Ms. Manila Sharma

Email: [msharma@eepcindia.net](mailto:msharma@eepcindia.net)

Phone no: 011-2331 4171