

# Territorial NEWSLETTER Middle East & West Asia (MEWA)

**EEPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**Tarvinder  
Singh Bhasin**

With India continuing to have heavy dependence on the MEWA region for its energy requirement, good trade and political relations with countries in the region is an imperative. The region accounts for 58 percent of India's oil and about 88 percent of liquefied natural gas requirements. The year 2017 has started on a positive note with regard to India's export to the region. Four out of five major export destinations registered impressive increase in their imports of engineering products from India. In April 2017, Israel has emerged as a major export destination, with exports increasing by more than seven times.

This issue of the newsletter also contains information on major developments, upcoming events and tenders. I hope, our members find it useful and informative.

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



**Ravi Sehgal**

This newsletter highlights the recent four day visit of Palestinian President Mahmoud Abbas to India. The visit acted as a curtain raiser for both the countries diplomatic relations. India has always played a proactive role in garnering support for the Palestinian cause at multilateral forums. Further, India has also been at the forefront of the capacity building process in the country.

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 the countries of the MEWA region.

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



**Mukul  
Khandelwal**

India's export of engineering products to the MEWA region is valued at over USD 741 million in April 2017. There is an increase of 24% from the previous year April 2016. This increase has been due to several reasons like significant increase in export of engineering products from India to Israel and other countries. Israel has emerged as a major trade partner for Indian engineering goods in the MEWA region for Indian engineering products.

EEPC India has also been contributing towards strengthening India's trade relations with the MEWA region by organizing and participating in events like INDEE Iran, Automechanika Dubai etc. 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>	<b>--</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.

## Cover story: India to support Palestine in achieving its developmental goals

Palestinian President Mahmoud Abbas arrived in New Delhi on May, 14th 2017 on a four-day visit to hold extensive talks with Prime Minister Narendra Modi on key bilateral, regional and international issues. Ahead of President Abbas' visit, India reiterated its "political support" to the Palestinian cause and said it continued to assist developmental projects there. A delegation-level discussion between President Abbas and Prime Minister Modi was held.

India and Israel share strong bilateral relations with robust security and defence ties, counter terrorism cooperation and growing collaboration in other fields including agriculture, IT and environment. Cultural contacts, educational exchanges and business ties have also grown significantly in recent years.

During his trip to India, Abbas also visited C-DAC (the Centre for Development of Advanced Computing) in Noida to forge cooperation between Palestine-India Techno Park, being built by India in Palestine, and the Indian IT industry.



The visit concluded with useful and detailed discussions that will add further strengthen the partnership. At the bilateral level, India is committed to be a useful development partner of Palestine. President Abbas and Indian Prime Minister agreed that both sides, through practical cooperation, will work together to build Palestine's economy and contribute to improving the lives of its people. We will continue to support the development and capacity-building efforts of Palestine. The agreements concluded reaffirmation of the intent to strengthen cooperation in this direction. **The two sides also signed five pacts to boost cooperation in information technology (IT), health and agriculture, among other areas.**

Emphasis had been on the areas of information technology, youth and skills development in the assistance provided by India. India is undertaking project assistance for a flagship Techno-park project in Ramallah. It will serve as an IT hub in Palestine offering a one-stop solution for all IT-related training and services.

The President of India, Shri Pranab Mukherjee and His Excellency Mr. Mahmoud Abbas, also met at Rashtrapati Bhavan. He also hosted a banquet in his honour.

The President said India attaches great importance to its bilateral relations with Palestine which have gained momentum and expanded in recent years. He expressed hope that this visit will take the two countries cooperation further and diversify their relations for the benefit of both the people. He also expressed happiness over the fact that most of the projects announced during President's visit in October 2015 to Palestine are taking

shape. The President said India's commitment to the Palestinian cause and its friendship with the people of Palestine have become an integral part of its time tested foreign policy.

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

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

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

MEWA	April 2016 (USD million)	April 2017 (USD million)	Growth (%)
U A E	331.26	283.16	-14.52
ISRAEL	19.78	146.42	640.31
SAUDI ARAB	102.05	124.02	21.53
IRAN	28.16	45.94	63.09
KUWAIT	36.31	37.79	4.08
<b>Total MEWA</b>	<b>600.00</b>	<b>741.73</b>	<b>23.62</b>

Source: DGCI&S

UAE remained at the top for Indian engineering exports though registering a negative monthly growth of 14 % in April 2017 over April 2016. The main engineering products exported to the country in April 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 April 2017**  
US\$ Million

DGCI&S Engineering Panels	April 2016 (USD million)	April 2017 (USD million)	Growth (%)
<b>Ships Boats and Floating Structures</b>	115.23	177.40	53.96
<b>Products of Iron &amp; Steel</b>	94.28	126.60	34.29
<b>Iron and Steel</b>	31.40	101.31	222.61
<b>Industrial Machinery</b>	42.23	48.56	14.98
<b>Electric Machinery</b>	34.91	45.99	31.75
<b>Copper and products</b>	48.16	37.45	-22.23
<b>Machinery for ATMs</b>	24.11	28.71	19.07
<b>Air condition and Refrigerators</b>	23.16	25.31	9.31
<b>Aluminum and products</b>	12.75	17.90	40.38
<b>Auto Components/Part</b>	13.33	17.42	30.68
<b>Motor Vehicle/cars</b>	32.94	14.99	-54.48
<b>Construction Machinery</b>	17.15	12.16	-29.09
<b>Medical and Scientific Instruments</b>	8.02	11.73	46.35
<b>Pumps of all types</b>	11.77	8.33	-29.20
<b>Aircrafts/Spacecrafts &amp; parts thereof</b>	18.94	8.33	-56.04

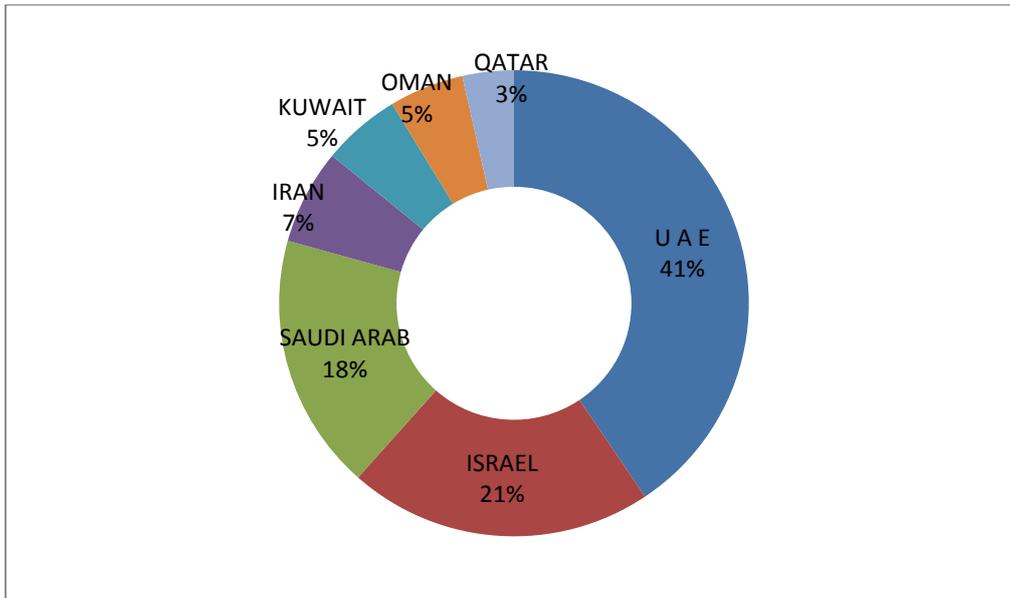
Note: Panels marked in yellow realized positive growth during April 2017

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 eleven panels in which exports from India have increased during April 2017.

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

**Fig 2: India's engineering export share to top seven MEWA Countries (%) in April 2017**



Source: DGCI&S

## News in Focus

### ❖ The countdown begins for Expo 2020 in Dubai

In its pursuit of human progress, the UAE has always participated in initiatives aimed at global economic development. When it comes to positive economic and cultural impact, few global events can rival the International Expo. Expos bring together governments, the private sector, international organisations, civil society, and the general public.

**Source:** <http://gulfnews.com/business/economy/the-countdown-begins-for-expo-2020-in-dubai-1.2038266>

### UAE, Saudi, Bahrain and Egypt cut ties with Qatar

Gulf states cut diplomatic ties with neighboring Qatar and kicked it out of a military coalition, less than a month after US President Donald Trump visited the region to cement ties with powerhouse Saudi Arabia.

In the region's most serious diplomatic crisis in years, Qatar's Gulf neighbours Riyadh, Bahrain and the United Arab Emirates as well as Egypt all announced they were severing ties with gas-rich Qatar.

**Source:** <http://www.arabianbusiness.com/uae-saudi-bahrain-egypt-cut-ties-with-qatar-676651.html>

#### ❖ **Kuwait Petroleum, Oman Oil form JV for \$7bn Duqm Refinery**

Kuwait Petroleum International and Oman Oil Company yesterday formed a 50/50 joint venture to develop the \$7bn Duqm Refinery and a petrochemicals complex in the Duqm Special Economic Zone.

The project will be 35 per cent financed by the two partners with the remainder to be raised from local and international banks, Oman Oil Company CEO Hilal al-Kharusi said, according to reports.

The Duqm facility will have a capacity of 230,000 barrels per day when completed in 2019 and Kuwait's oil minister Essam Al Marzouq indicated this could be fully met with oil from Kuwait although initially the country will provide 65 per cent.

**Source:** <http://gulfbusiness.com/kuwait-petroleum-oman-oil-form-jv-7bn-duqm-refinery/>

#### ❖ **Saudi to begin imposing tobacco, soft drinks tax in June**

Saudi Arabia has announced that selective taxes including those imposed on tobacco products and soft drinks will be implemented from June 10, according to a local report.

The date was revealed by the kingdom's General Authority of Zakat and Tax, local daily *Saudi Gazette* reported. The authority also confirmed that value added tax (VAT) will be imposed from January 1, 2018, the report stated.

The GCC General Secretariat decided during a meeting on May 23 to impose selective taxes of 100 per cent on tobacco products and energy drinks and a 50 per cent tax on soft drinks.

**Source:** <http://gulfbusiness.com/saudi-to-begin-imposing-tobacco-soft-drinks-tax-in-june/>

#### ❖ **Dubai to undertake new beautification projects across the city**

New beautification projects are set to be undertaken throughout Dubai as part of a new initiative by Brand Dubai – the creative arm of the Dubai Media Office – and developer Nakheel.

The projects are part of Brand Dubai's #DubaiSpeakstoYou initiative, which will also see the launch of unique art projects in the city.

In the first project under the MoU signed between Nakheel and Brand Dubai, the underside of the bridge leading to the east crescent on Palm Jumeirah has been converted to resemble a 'forest'.

**Source:** <http://gulfbusiness.com/dubai-to-undertake-new-beautification-projects-across-the-city/>

## Upcoming Exhibitions in MEWA

Events	Date	Venue	Link
AMTEX IRAN	11th- 14th July, 2017	Permanent Ground For Tabriz International Exhibition Co., <b>Iran</b>	<a href="http://www.eventseye.com/fairs/f-amtex-iran-15723-1.html">http://www.eventseye.com/fairs/f-amtex-iran-15723-1.html</a>
IGIME	11th- 14th July, 2017	Permanent Ground For Tabriz International Exhibition Co., <b>Iran</b>	<a href="http://www.eventseye.com/fairs/f-igime-15725-1.html">http://www.eventseye.com/fairs/f-igime-15725-1.html</a>

## Tender information in MEWA

Title	Deadline	Country	Link
<u>Implement Services With Light Vehicle, Exploitation Bus And Truck With Crane (TI Ref ID: 39909017)</u>	17 June 2017	Iran	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39909017">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39909017</a>
<u>Supply Of Forklift &amp; Reach Trucks. (TI Ref ID: 39895903)</u>	25 June 2017	Saudi Arab	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39895903">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39895903</a>
<u>Supply Of Spare Parts For The Conveyor Chain Chain (TI Ref ID: 39874583)</u>	13 June 2017	Israel	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39874583">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39874583</a>
<u>Supply And Installation Of A Water Cooler (chiller) To The Post Office In Be%er Sheva. (TI Ref ID: 39874584)</u>	20 June 2017	Israel	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39874584">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39874584</a>
<u>Provision Of Central Heating Equipment Maintenance In The Faculty Of Inspired. (TI Ref ID: 39850254)</u>	21 June 2017	Syria	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39850254">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39850254</a>
<u>The Design Supply And Fix Package Fit Out Consists Of Renovating Different Areas In Sharjah Mens College (TI Ref ID: 39759427)</u>	18 June 2017	UAE	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39759427">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39759427</a>
<u>Supply Of Spares For Battery Charges &amp; Breakers (TI Ref ID: 39908135)</u>	18 June 2017	Qatar	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39217190">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39217190</a>
<u>Design &amp; Constructing Workshop Building, Porta Cabins, And Fencing For Port Of Duqm (TI Ref ID: 39191018)</u>	18 June 2017	Oman	<a href="http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39191018">http://alliances.tendersinfo.com/eepc/awlog.php?action=details&amp;id=39191018</a>

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