

Territorial NEWSLETTER Middle East & West Asia (MEWA)

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



T S Bhasin

MEWA (Middle East and West Asian Countries) continues to be a region of importance for India in all spheres, be it politically or economically for trade due to its traditional markets. India's trade with MEWA region for engineering products account for approximately 15% of India's total engineering exports. Some countries of the MEWA region are eager to increase and improve trade and business cooperation with India. EEPC India has been working on this direction and its participation in the upcoming Big 5 Show 2016 is a step forward in this direction. I hope that our members find this newsletter useful for taking business decisions.

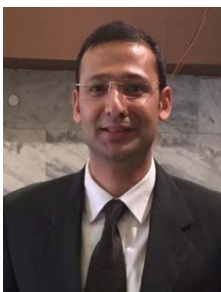
Message from Chairman, Committee on Trade with GCC countries



Ravi Sehgal

MEWA is increasingly becoming important region for India. This is reflected by the recent talks in the **India-UAE Business Forum in Dubai** on 20th October, 2016 between the Indian and the UAE governments for enhancement of the relations and creating business opportunities. Further, UAE is a major destination for the new start-ups and technology. Sensing the opportunities in trade and business potential and to further explore this region, EEPC India will be participating in Big 5 Show 2016 scheduled from 21st-24th November 2016 in Dubai. I hope EEPC India participation in the Big 5 Show 2016 will open up new trade and investment opportunities for its members.

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



Mukul Khandelwal

Oscillation in monthly export trend continued in the month of September, 2016. However, there is some positive improvement compared to September 2016, with India aiming for new destinations and increased export penetration in the MEWA region. Analysis shows that two countries Iran and Israel have made an entry in the top five India's engineering export destinations in the MEWA region. Interestingly, these countries never figured in the top five importers in the region. The two countries have replaced Kuwait and Bahrain in September 2016. Though Iran had a positive growth rate, but in terms of value of exports, Israel experienced not only a positive but also high growth rate during September 2016.

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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 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.

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 annual 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.**

India-UAE Business Forum, Dubai, UAE (20th October 2016)

India and the United Arab Emirates held a political and economic dialogue with the oil-rich Gulf nation UAE, looking to invest in the growing real estate sector besides ports and hydro-carbon related fields here. Led by road transport, highways and shipping minister Nitin Gadkari and minister of state foreign affairs MJ Akbar, the Modi government held detailed discussions with UAE's political leadership as well as local industry captains between October 18 and 20. UAE had announced that it will invest \$75 bn in the National Investment and Infrastructure Fund. "Oil-rich and cash-rich UAE is looking east as it plans to diversify its economy. The government in UAE feels that India is a natural partner with similar cultural traits, food habits and centuries-old trading ties. There is a natural synergy and the UAE leadership enjoys a level comfort with the biggest country in South Asia. India should try to cash in on the opportunity that currently exists there," explained an official source familiar with the developments in UAE.

The Gulf nation, in keeping with its core strengths in the real estate sector, development and expansion of ports and oil & associated sector, is eyeing to fund such projects. Two other areas that UAE investors are keen to explore are hospitality and healthcare in India. Also the government is hoping to attract funds from UAE for rapid expansion of next generation infrastructure, especially in railways, ports, roads, airports and industrial corridors and parks. The UAE India Economic Forum, co-supported by Invest India, held in Dubai on Oct 19-20 saw participation by top UAE investors besides investors from other Arab nations which would help to identify sectors for investments. There was also a special session on startups at this Forum.

The Minister of State for External Affairs of India, said it was a privilege to address the intellectual and business elite of India and UAE at our Economic Forum. India and UAE are united by a bridge as ancient as sea trade, as steadfast as the values, as powerful as the heritage and as vibrant as the friendship shared by the two nations. Further he added that, India-UAE can add a new dimension to India's economy and help turn the 21st century into an Asian era. The minister also praised India for its economic progress especially in the field of Foreign Direct Investment (FDI). He said that India has shown a growth of 44% in FDI Equity Inflow and 36% in overall FDI Inflow since the launch of Make in India Initiative. In 2015-16, for the first time India has witnessed FDI inflows of more than USD 50 billion. India has also overtaken China as world's top foreign direct investment (FDI) destination with US\$ 63 billion of FDI announced in 2015 including high-value project announcements across the coal, oil and natural gas, and renewable energy sectors. The World Bank has projected India's GDP growth at 7.6% for this financial year. Sectors such as smart cities, metro, railways,

energy, aviation, roads, bridges, shipping, defence, housing, water, telecom, healthcare, pharmaceuticals and automobiles are witnessing tremendous growth and investment in India and are further going to see numerous mega projects in the coming years, under the flagship 'Make in India' programme of the Government.

The forum also talked about the various start-ups coming up in the United Arab Emirates (UAE) and the investment opportunities for the business community in both the countries.

The trade relations between India and United Arab Emirates is given below:

India-UAE Bilateral Trade (In Million USD)					
Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's Export to UAE	35,925.52	36,316.65	30,520.42	33,028.08	30,290.01
Growth (%)		1.09	-15.96	8.22	-8.29
India's Import from UAE	36,756.32	39,138.36	29,019.82	26,139.91	19,445.68
Growth (%)		6.48	-25.85	-9.92	-25.61
Total Trade with UAE	72,681.84	75,455.01	59,540.24	59,167.99	49,735.69
Growth (%)		3.82	-21.09	-0.63	-15.94

Source: DGCIS, Kolkata

India-UAE Bilateral Engineering Trade (In Million USD)					
Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's Engineering Export to UAE	4845.81	4641.2	6067.42	6369.3	4868.8
Growth (%)		-4.22	30.73	4.98	-23.56
India's Engineering Import from UAE	2069.6	2428.42	2539.49	2428.7	1982.97
Growth (%)		17.34	4.57	-4.36	-18.35
Total Engineering Trade with UAE	6915.41	7069.62	8606.91	8798	6851.77
Growth (%)		2.23	21.75	2.22	-22.12

Source: DGCIS, Kolkata

Trade trend analysis: MEWA region

The top 5 MEWA nations with the highest demand for Indian engineering products during September 2016 in value terms is shown in Table 3.

Country	Export in September 2016 (USD million)	Export in September 2015 (USD million)	Growth (%)
U A E	252.90	221.68	14.09
SAUDI ARAB	104.04	114.69	-9.28
OMAN	48.05	33.76	42.32
ISRAEL	42.52	13.36	218.34
IRAN	40.61	50.97	-20.32

Out of the top five, while one country had realized a decline in import from India during August 2016 but for the month of September 2016 Saudi Arab and Iran have realized a negative growth rate. In September 2016 top five we have two new entrants replacing Kuwait and Bahrain i.e. Israel and Iran, though Iran with a negative growth rate. UAE which had experienced a negative growth rate in the month of August 2016 recorded a positive growth in September 2016. Oman continue to have positive growth, and also the rate of growth has increased more than three times in value for Oman. The big change seen in the month of September 2016 was two new entrant, Israel and Iran. Israel not only came in top five countries but also has the highest positive growth rate.

Analysis of top 15 engineering panels' exports as presented in Table 4 shows a good situation for India's engineering exports to MEWA. There are seven panels in which exports from India have increased during September 2016 compared to September 2015, as compared to eight panels for the month of August 2016.

Name of the Panel	India's Export in September 2016 (USD million)	India's Export in September 2015 (USD million)	Growth (%)
Products of Iron & Steel	85.27	118.37	-27.96
Iron and Steel	58.05	76.76	-24.37
Motor Vehicle/cars	57.04	68.19	-16.35
Copper and products	48.86	27.59	77.13
Electric Machinery	39.89	27.62	44.45
Ships, Boats and Floating Structures	38.47	18.50	107.96
Industrial Machinery	32.75	33.56	-2.42

Aircrafts & Spacecrafts and parts thereof	27.47	5.27	421.63
Air condition and Refrigerators	21.01	25.71	-18.28
Auto Components/Part	13.36	12.05	10.86
Machinery for ATMs	12.84	28.32	-54.67
Aluminum and products	12.59	20.70	-39.17
IC Engines and Parts	12.47	5.79	115.62
Construction Machinery	9.04	16.71	-45.87
Medical and Scientific Instruments	8.54	6.81	25.48
Note: Panels marked in yellow realized positive growth during August 2016 Source: DGCI&S, Government of India			

News in Focus

Saudi Arabia Inflation eases in September 2016

Consumer prices were flat in September compared to the previous month, following the 0.1% decrease recorded in August. September's reading mainly reflected that higher prices for clothing and for food and beverages were offset by lower prices for recreation and culture and for transport.

Inflation came in at 3.0% in September, which was below August's 3.3%.

Link: <http://www.focus-economics.com/countries/saudi-arabia/news/inflation/inflation-eases-in-september>

Annual fall in consumer prices softens in September 2016

In September, consumer prices decreased 0.1% from the previous month. The figure was up from August's 0.3% decrease.

Consumer prices fell 0.4% in annual terms in September, which was softer than August's 0.7% decrease and the weakest decline seen in seven months. The annual average variation in consumer prices was minus 0.7% in September, matching August's reading.

Link: <http://www.focus-economics.com/countries/israel/news/inflation/annual-fall-in-consumer-prices-softens-in-september>

Business and consumer confidence improve in September 2016, for Israel Economy

The business confidence index produced by the Central Bureau of Statistics (CBS) came in at 19.2 in September, which was above the previous month's reading of 18.2 points and marked the highest print on

record.

The consumer confidence index improved slightly from minus 15.0 in August to minus 14.5 in September, yet it remained firmly entrenched in negative territory.

Link:<http://www.focus-economics.com/countries/israel/news/economic-sentiment/business-and-consumer-confidence-improve-in-september>

Some upcoming Exhibitions in MEWA

Events	Date	Venue	Link
<u>ISFAHAN TERMOTECH</u> International Exhibition of Refrigerating, Heating and Air Conditioning Equipment and Installations	21-25 November 2016	<u>Isfahan</u> <u>International Exhibition Fairgrounds</u> , Isfahan, Iran	http://www.eventseye.com/fairs/f-isfahan-termotech-20985-1.html
<u>PMV LIVE</u> International trade show for heavy construction machinery, plant equipment and, commercial and construction vehicles	21-24 November 2016	<u>Dubai World Trade Centre</u> , Dubai , UAE	https://www.pmvlive.com/
<u>GCC MANUFACTURING EXCELLENCE & TECHNOLOGY SUMMIT</u> GCC Manufacturing Technology Summit. GCC Manufacturing Excellence & Technology Summit will explore the technological developments, address key issues and showcase innovative manufacturing strategies within all manufacturing disciplines	14-15 November 2016	<u>Sofitel Dubai The Palm Resort & Spa</u> , Dubai , UAE	http://www.gccmanufacturing.com/
<u>ELECTRICITY</u> International convention for Electrical Power, Air Conditioning and Energy Engineering in Israel	08-11 November 2016	<u>Eilat</u> , Israel	http://www.eventseye.com/fairs/f-electricity-23558-1.html

Events	Date	Venue	Link
<u>IRAN METAFO</u> Iron and Steel Industry and Products, Casting, Molding, Forging and Machine Works, Minerals & Mining Industry, Casting, Molding, Forging and Machine Works, Valves and Fluid Handling Instruments	16-19 November 2016	<u>Tehran</u> <u>Permanent</u> <u>Fairground,</u> Tehran , Iran	http://www.iranmetafo.com/en/

Tender Information in MEWA

Title	Country	Deadline
<u>Supply Of Pipes-metallic Pipes (carbon Steel & Stainless Steel)</u>	Kuwait	22nd November 2016
<u>Supply Of High Efficiency Air Filtering Devices</u>	Saudi Arabia	28th November 2016
<u>Design, Construction, Supply And Installation Of A New 132/11kv Substation</u>	UAE	14th November 2016
<u>Maintaining Lighting Poles At The North And Middle Areas Of Jeddah (municipality Of Abhar)</u>	Saudi Arabia	21st November 2016
<u>Supply Of Electrical And Mechanical Spare Parts For The Ministry In Riyadh</u>	Saudi Arabia	9th November 2016
<u>Supply Of Refrigerator (dup 3), Gas, Boiling Pan.</u>	Oman	14th November 2016
<u>Supply Of Storz Unipolar Diathermy Cables</u>	Oman	14th November 2016

For more contract notices, please register with Tender Info following the link:

<http://www.tendersinfo.com/searchresult#>

EIPC India

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