

Territorial NEWSLETTER Middle East & West Asia (MEWA)

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



**Tarvinder Singh
Bhasin**

India has become one of the critical trade and investment partner for the GCC region. An important component of this relation is the trade between SMEs of the region and India and also the millions of Indians working in the region. India-Middle East relations have centred around economic ties as the region is key to India's prosperity. India fulfills majority of the increasing demand for energy from the gulf countries. Also, with China moving towards Middle East market, the region becomes strategically important for India. West Asia has of late become new interest for India under its foreign policy. The region is being approached for investments and trade, market penetration is also targeted.

I hope, this newsletter will be useful for our member and help them take informed decisions.

Message from Chairman, Committee on Trade with GCC countries

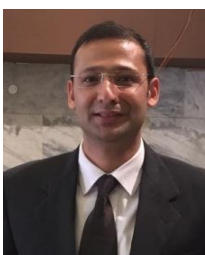


Ravi Sehgal

The MEWA region has become a focus region for India under its foreign policy. In context of this recently the 3rd Joint Ministerial Commission was held between Kuwait and India, attended by Indian MoS for External Affairs and Deputy Prime Minister. The agenda of the Commission was to discuss bilateral ties and cooperation in the areas of trade, investments and technology between the two countries. Kuwait has been a valuable trade partner to India in the region, with a total bilateral trade around US\$ 6 billion.

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**

Trade between India and MEWA has been on a growing path. The growth in relations has been both in terms of trade and investment. The progress in relations can be measured by the 55% growth in export of engineering products by India to MEWA which is valued at over USD 928 million in September 2017 as compared to September 2016. With a huge growth of over 114%, UAE remained the top importer of the region for the Indian engineering goods. The panel wise analysis also shows the encouraging approach of Indian engineering export to MEWA, with 11 out of top 15 panels registering positive growth in September 2017 compared to September 2016.

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

<https://www.countries-ofthe-world.com/world-currencies.html>

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.

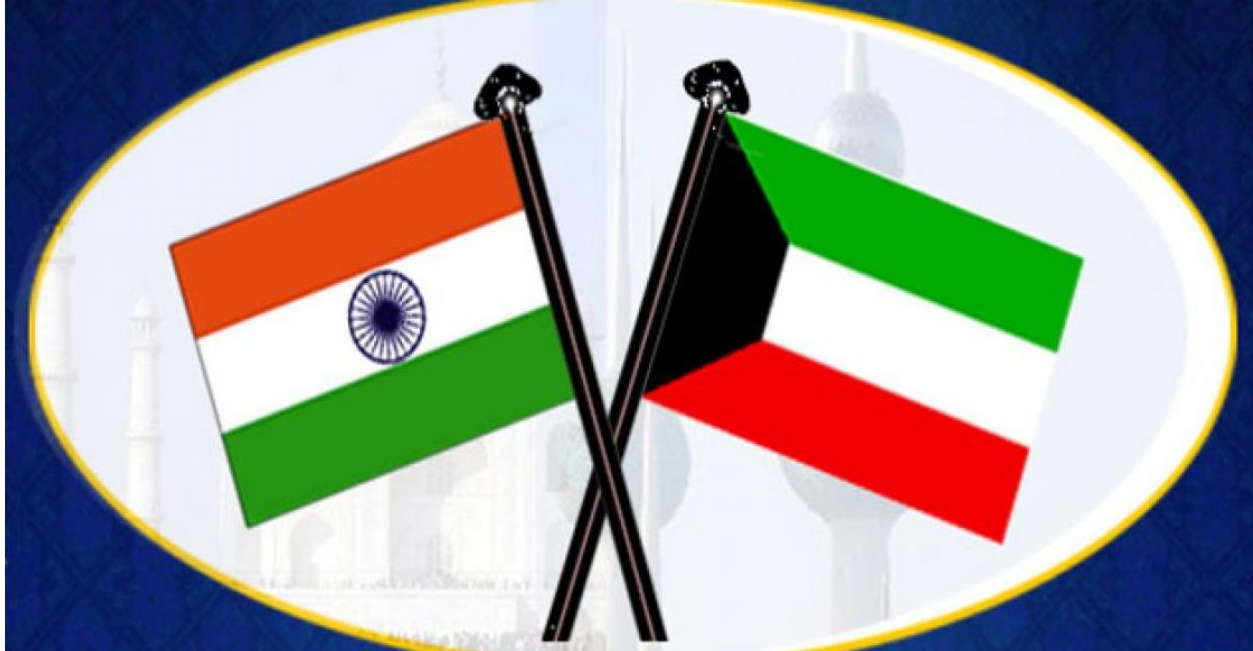


India–Kuwait Joint Ministerial Commission 3rd meeting

Indian Minister of State for External Affairs, attended the third India–Kuwait Joint Ministerial Commission meeting for Economic, Trade, Scientific and Technological Cooperation. This bilateral meeting was held on 18 to 20 September. Kuwaiti Deputy Prime Minister and Finance Minister Mr Anas Khaled Al-Saleh invited Indian Minister of State for External Affairs and it was his first official appointment to Kuwait. This meeting was a need of strengthening the trade chain between India and Kuwait. India is one of the largest trade partners of oil-rich Kuwait.

Kuwait has been one of the most valuable trading partner for India with a total trade of US\$ 5.95 billion in 2016-2017. Over 900,000 strong Indian community in Kuwait has been integrating to the growth of their host country. Numerous EPC companies are achieving progress and contributing to the development of Kuwait. As per 2016-17, Kuwait is also the seventh largest crude supplier to India.

Kuwait includes India in one of largest trading partners and is the source for 10-12% of India's oil imports. Before this bilateral meet, there were several states visits – Dr Zakir Husain had attended the meet in 1965 while Indira Gandhi in 1981 and Hamid Ansari in 2009. The Crown Prince and Prime Minister Sheikh Sabah Al-Salem Al-Sabah in 1964, the Emir Sheikh Sabah Al-Ahmed Al-Jaber Al-Sabah in 2006 and the Emir Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah in 1980 and 1983 (two times) had led the visits from Kuwait to India.



Aim of the visit was to review the entire gamut of bilateral relations between the two countries and set priorities for future cooperation.

The relations between India and Kuwait are marked by regular high-level visits. These visits have sustained the necessary momentum cementing mutually beneficial ties encompassing a wide range of political, commercial, energy.

Minister of State for External Affairs (MOS) co-chaired the 3rd JMC Meeting with the Kuwaiti Deputy Prime Minister and Finance Minister Mr. Anas Khaled Al-Saleh.

During the visit, MOS held meetings with Her Excellency Ms. Hind Al-Sabeeh, the Minister of Social Affairs and Labour & Minister of State for Economic Affairs and His Excellency Mr. Khaled Al-Jarallah, the Deputy Minister of Foreign Affairs. MOS also held interaction with Indian community in Kuwait.

Indian side expressed satisfaction that several Indian companies have been awarded EPC contracts worth more than US\$ 5 billion in Kuwait.

Kuwaiti side appreciated that over 9 lakh Indian expatriates have been contributing to the development of their host country. Indian side thanked Kuwaiti side for the humanitarian approach taken for early resolution of the problem faced by distressed Indian workers in Kharafi National and other Kuwaiti companies.

Engineering Trade

In the last few years, engineering exports from India to the country and the total trade with Kuwait have experienced a huge jump. The Indian exports to Kuwait increased by 136% approximately and total trade increased by 108%, respectively. This indicates the growing trade and economic relation between Kuwait and India.

Table 1: Engineering trade between India and Kuwait

Values in USD Million	2014	2015	2016
India's engineering exports to Kuwait	273.19	285.68	673.85
Growth (%)		4.57	135.88
India's engineering imports from Kuwait	144.68	85.42	99.37
Growth (%)		-40.96	16.33
India's engineering total trade with Kuwait	417.87	371.09	773.22
Growth (%)		-11.19	108.36

Source: Trademap

Table 2: Major Engineering products traded between India and Kuwait

Major Engineering Products exported by India to Kuwait	Major Engineering Products imported by India from Kuwait
Mechanical machinery	Aluminum and articles
Articles of Iron and steel	Iron and steel
Electrical machinery	Ships, Boats & floating structures

Source: Trademap

India's latest trend in engineering exports to MEWA

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

Table2: Engineering Exports to MEWA

(Values in US\$ Million)

MEWA	September 2016	September 2017	Growth (%)
U A E	252.92	542.36	114.44
SAUDI ARAB	103.99	119.67	15.08
OMAN	47.99	55.69	16.06
IRAN	40.19	50.33	25.23
KUWAIT	60.20	44.80	-25.58
Total MEWA	599.82	928.80	54.85

Source: DGCI&S

UAE remained at the top for Indian engineering exports registering a positive growth of over 114 % in September 2017 over September 2016. The main engineering products exported to the country in September 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 September 2017
(Values in US\$ Million)

DGCI&S Engineering Panels	September 2016	September 2017	Growth (%)
Ships Boats and Floating Structures	38.46	229.11	495.77
Products of Iron & Steel	105.91	132.59	25.20
Iron and Steel	59.96	105.94	76.66
Copper and products	49.41	95.19	92.66
Motor Vehicle/cars	62.41	57.70	-7.55
Electric Machinery	44.56	54.60	22.54
Industrial Machinery	34.46	40.70	18.12
Machinery for ATMs	22.24	34.01	52.89
Aluminum and products	13.08	21.52	64.57
Air condition and Refrigerator	22.21	20.09	-9.54
Aircrafts Spacecrafts & parts	27.62	13.80	-50.02
Auto Components/Part	14.11	13.37	-5.22
Medical and Scientific Instruments	9.04	12.86	42.18
Pumps of all types	9.17	11.90	29.82
Construction Machinery	10.27	10.94	6.50

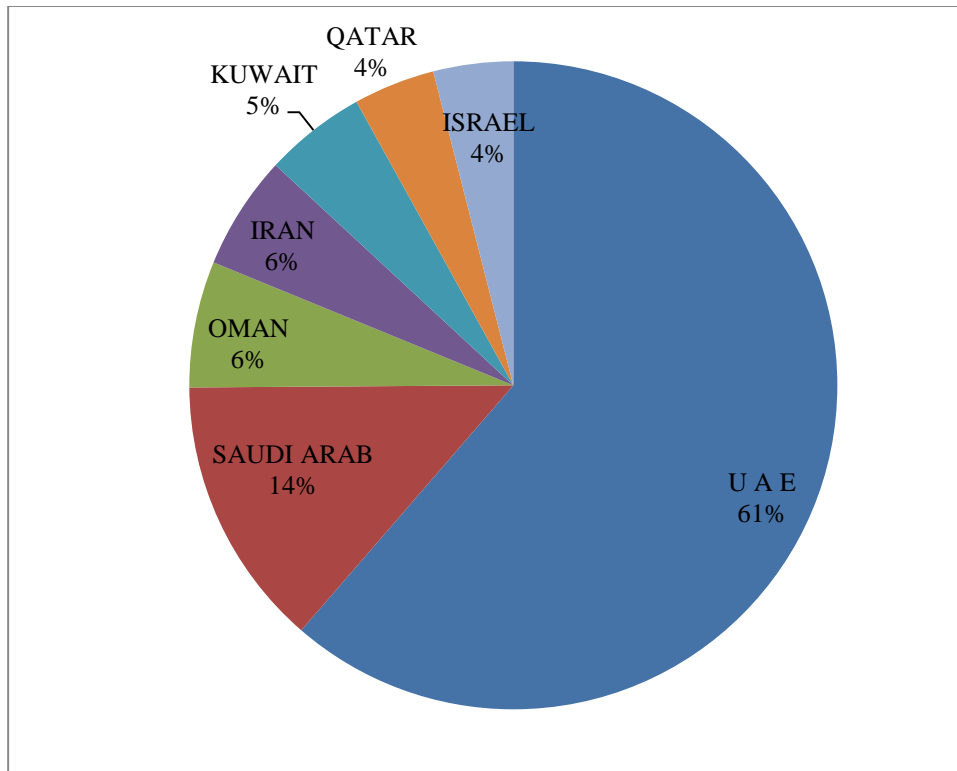
Note: Panels marked in yellow realized positive growth during September 2017

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 September 2017 as compared to September 2016.

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

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



Source: DGC&S

News in Focus

❖ Saudis launch \$500b Red Sea economic zone

Saudi Crown Prince Mohammad Bin Salman announced plans to build a new city on the Red Sea coast, promising a lifestyle not available in today's Saudi Arabia as he seeks to remake the kingdom in a time of dwindling resources. The project will be backed by more than \$500 billion from the Saudi government, the country's sovereign wealth fund and local and international investors.

Source: <http://gulfnews.com/business/economy/saudis-launch-500b-red-sea-economic-zone-1.2112130>

❖ UAE-Spain non-oil trade up 26.3% to \$2.4b in 2016

Non-oil bilateral trade between the UAE and Spain is up 26.3 per cent from \$1.9 billion (Dh6.97 billion) in 2011 to \$2.4 billion (Dh8.8 billion) in 2016. Spain's direct investments to the UAE also grew, with 45 commercial companies, 112 commercial agencies and 2,456 trademarks from Spain registered locally as of 2015.

Source: <http://gulfnews.com/business/economy/uae-spain-non-oil-trade-up-26-3-to-2-4b-in-2016-1.2112042>

❖ The return of Iran's opaque economic power structures

In refusing to continue signing off on a landmark international nuclear deal, US President Donald Trump has impacted Iranian business activity, and potentially provoked the state in to restarting its uranium enrichment programme. Trump's verbal attack on Iran, and his repudiation of the agreement formally known as the Joint Comprehensive Plan of Action (JCPOA), will have two key consequences: Firstly in Iran, and then also globally.

Source: <http://gulfnews.com/business/economy/the-return-of-iran-s-opaque-economic-power-structures-1.2109721>

❖ **Bahrain signs agreement for pavilion allocation at Expo 2020 Dubai**

President of Bahrain Authority for Culture and Antiquities (BACA) signed the agreement with Reem Bint Ebrahim Al Hashemi, Minister of State for International Cooperation and Director-General Expo 2020 Dubai Bureau. This followed directives from H.M. King Hamad Bin Eisa Al Khalifa and the royal assignment to organise the Bahrain’s participation in Expo 2020 Dubai.

Source: <http://gulfnews.com/business/economy/bahrain-signs-agreement-for-pavilion-allocation-at-expo-2020-dubai-1.2109790>

Upcoming Exhibitions in MEWA

Events	Date	Venue	Link
Erbil 5p	29th November - 02nd December, 2017	Erbil, Iraq	http://www.erbil5p.com/
Electricity	07th- 10th November, 2017	Eilat, Israel	https://www.electricity2017.com/
Saudi Autoshop	14th- 17th November, 2017	Riyadh, Saudi Arabia	http://www.eventseye.com/fairs/f-saudi-autoshop-23836-1.html
The Big 5 Show Dubai	20th- 23rd November, 2017	Dubai, UAE	https://www.thebig5.ae/
Iap - Auto Parts International Exhibition	13th- 16th November, 2017	Tehran, Iran	http://www.eventseye.com/fairs/f-iap-auto-parts-international-exhibition-18874-1.html

Tender information in MEWA

Title	Deadline	Country	Link
<u>Repairs And Spare Parts Supply 4 Diesel Oilwell E2000 Models. (TI Ref ID: 429189881)</u>	13 November 2017	Iran	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=429189881
<u>Supply, Installation, Testing And Operation Of The Cooling Water Cooler, Cooling Water And Associated Works Equipment At The Tura Building In Tas, Northern Emirates, Al Nahdah Building In Sharjah And Shindagha Division In Dubai (TI Ref ID: 42862063)</u>	16 November 2017	UAE	http://alliances.tendersinfo.com/eepc/awlog.php?action=details&id=42862063
<u>Supplying Materials For (distribution</u>	21 November	Iraq	http://alliances.tendersinfo.com/eepc/awlo

<u>And Power) Transformers Factory. (TI Ref ID: 429195354)</u>	2017		<a href="http://alliances.tendersinfo.com/eepc/awlo
g.php?action=details&id=429195354">g.php?action=details&id=429195354
<u>Maintenance Support Contract For Schneider Scada / Bms Systems At Qf Facilities On Call-off Basis For 3 Years With Option To Extend For 1 Year (TI Ref ID: 429100499)</u>	22 November 2017	Qatar	<a href="http://alliances.tendersinfo.com/eepc/awlo
g.php?action=details&id=429100499">http://alliances.tendersinfo.com/eepc/awlo g.php?action=details&id=429100499
<u>Supply Of Spare Parts And Materials For The Maintenance Of Boilers And Fuel Stations. (TI Ref ID: 42827588)</u>	23 November 2017	Saudi Arabia	<a href="http://alliances.tendersinfo.com/eepc/awlo
g.php?action=details&id=42827588">http://alliances.tendersinfo.com/eepc/awlo g.php?action=details&id=42827588

For more information, please subscribe to EEPc India's services on International/Global Tender Notifications, upcoming projects and many more. The service keeps you abreast with latest information on tender notices, pre-qualifications, regular corrigendum and procurement notices from government and private organizations all over the world. Through this service, EEPc INDIA provides you numerous business opportunities at very competitive charges.

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