

# Territorial NEWSLETTER Middle East & West Asia (MEWA)

**EEPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**Ravi Sehgal**

The UAE enjoys a strategic location between Asia, Europe and Africa. Thousands of Chinese businesses use Dubai as a hub for trading in Africa. Indian traders use the emirate to access the world. Latin Americans see the country as a launching platform into South Asia. Western nationals use Dubai as a hub for the Middle East. The UAE maintains strong financial reserves and has a durable banking sector, which makes it safe for investment. International Monetary Fund forecasts that the gross official reserves of the UAE would grow from USD 76.8 billion in 2015 to USD 118.4 billion in 2020. The current account surplus would grow from USD 17.6 billion in 2015 to USD 33.4 billion by 2020.

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

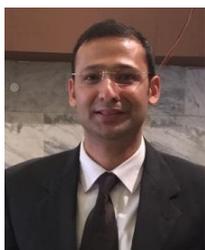


**Anoop  
Marwaha**

The current edition of the Newsletter focuses on Indian Ambassador to the UAE Navdeep Suri shares his thoughts on India-UAE relations. The bilateral relationship has matured and transformed into a comprehensive strategic partnership as both countries continue to explore deeper cooperation in new areas. The deepening of energy ties was a highlight of last year, as the relationship transformed from a buyer-seller relationship to that of a strategic partnership in energy security.

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 694 million for the month of September 2018 over September 2017. The growth though saw a fall of over 24% for the same time period. Among the major importers in the region, with a value of USD 282 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 6 out of top 15 panels registering positive growth in September 2018 as compared to September 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.

## Indian Ambassador to the UAE, H.E. Navdeep Suri, shares his thoughts on India-UAE relations

I would say that relations between India and the UAE are going through a golden era. They are at their best ever. The bilateral relationship has matured and transformed into a comprehensive strategic partnership as both countries continue to explore deeper cooperation in new areas. The deepening of energy ties was a highlight of last year, as the relationship transformed from a buyer-seller relationship to that of a strategic partnership in energy security, with the Abu Dhabi National Oil Company (ADNOC) delivering the crude oil for storage in Mangalore Strategic reserve and a consortium of Indian oil companies acquiring 10 per cent stake in Lower Zakum Offshore oil field in Abu Dhabi. ADNOC and Saudi Aramco signed a framework agreement with Indian oil companies to set up a \$44 billion refinery in Maharashtra during the visit of Sheikh Abdullah bin Zayed Al Nahyan, UAE Minister of Foreign Affairs and International Cooperation, to India in June 2018.

Defence has also emerged as a strong area of cooperation between both the countries. Our first bilateral naval exercise was held in March 2018 and another Indian Coast Guard Ship, VIKRAM visited the UAE in December 2018 and carried out joint exercises with the UAE CoastGuard. Mohammed Ahmed Al Bowardi, UAE Minister of State for Defence Affairs visited India in October 2018 and met our Defence Minister Mrs Nirmala Sitharaman. During the visit of Bowardi, both countries discussed the possibility of joint defence production and identified new areas of cooperation.

Our bilateral cooperation also grew stronger in traditional areas of trade, culture and people to people relations. India maintained its position as the second largest trading partner of UAE with \$50 billion bilateral trade in 2017-18. To boost trade further, India and the UAE signed a currency swap agreement in December 2018. India was designated as the Guest of Honour country at Abu Dhabi Music & Art Festival 2018, during which the best of Indian culture was showcased to a global audience. The 4th International Day of Yoga celebrations saw enthusiastic participation from thousands of people of all nationalities living in UAE.

India and the UAE also signed a MoU for cooperation in the field of Manpower during the visit of PM Modi and are exploring the possibility of linking their respective e-platforms for benefit and welfare of Indian workers coming to the UAE. Both countries are now working to explore cooperation in regional and global fora, India and the UAE also signed a MoU for development cooperation in Africa in December 2018 during the visit of Mrs Sushma Swaraj, External Affairs Minister of India to the UAE in December 2018.

I am happy to say that the Government of the UAE has also recognized our Embassy's efforts to strengthen the dynamic bilateral relationship. We were delighted to receive a special award from His Highness Sheikh Abdullah bin Zayed Al Nahyan, Minister of Foreign Affairs and International Cooperation, for outstanding contribution to strengthening relations with the UAE.

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

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

**Table2: Engineering Exports to MEWA**

(Values in US\$ Million)

MEWA	September 2017	September 2018	Growth (%)
UAE	542.19	282.17	-47.96
Saudi Arab	119.62	120.64	0.85
Oman	55.69	77.78	39.68
Kuwait	44.81	50.85	13.47
Qatar	35.95	49.53	37.78
<b>Total MEWA</b>	<b>918.80</b>	<b>694.45</b>	<b>-24.42</b>

Source: DGCI&amp;S

UAE remained at the top for Indian engineering exports but with a negative growth of almost 48% in September 2018 over September 2017. The main engineering products exported to the country in September 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 September 2018**

(Values in US\$ Million)

DGCI&S Engineering Panels	September 2017	September 2018	Growth (%)
Iron and Steel	105.93	93.69	-11.56
Products of Iron & Steel	132.71	90.03	-32.16
Motor Vehicle/cars	57.69	80.20	39.03
Air condition and Refrigerators and parts	20.26	73.09	260.79
Ships Boats and Floating structures and parts	229.11	53.55	-76.63
Electric Machinery	54.49	45.03	-17.37
Industrial Machinery	40.71	39.33	-3.39
Auto Components/Part	13.39	28.66	114.02
Copper and products	95.20	27.38	-71.24
Machinery for ATMs	34.55	23.94	-30.72
Aluminum and products	21.52	20.22	-6.06
Pumps of all types	11.70	15.83	35.23
Nuclear Reactors, Industrial boilers etc	9.42	11.04	17.20
Medical and Scientific Instruments	13.09	10.85	-17.07
Construction Machinery	10.35	10.47	1.13

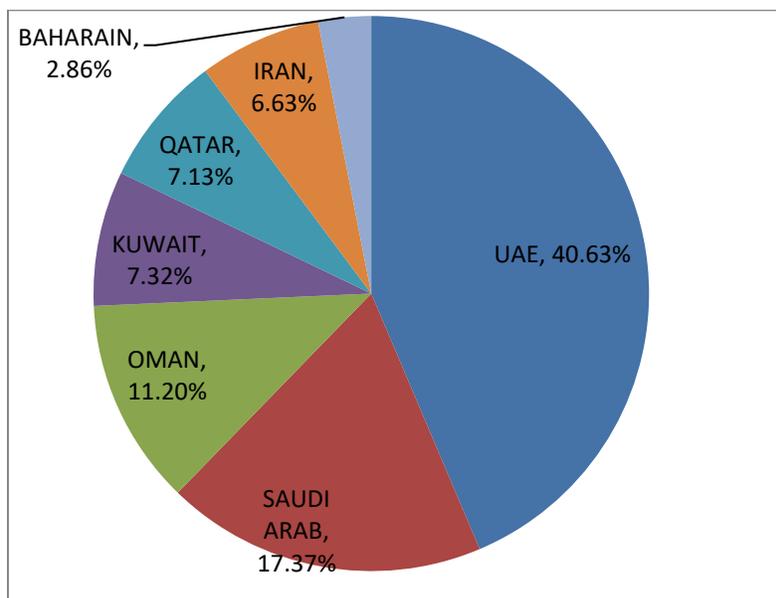
Note: Panels marked in yellow realized positive growth during September 2018

Source: DGCI&amp;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 six panels in which exports from India have increased during September 2018 as compared to September 2017.

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

**Fig 2: India's engineering export share to top importing MEWA Countries (%) in September 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 ;	85	Electromagnetic Compatibility

	23 April 2018		
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 [eecho@eepcindia.net](mailto:eecho@eepcindia.net), [srajagopalan@eepcindia.net](mailto:srajagopalan@eepcindia.net), [ddas@eepcindia.net](mailto:ddas@eepcindia.net).*

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