

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) will continue to remain a region of strategic importance to India. This is because the region provides a near substitute for India's traditional markets, primarily that of Europe and the US. While it 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. Some countries in the region are showing increasing willingness to further deepen up and improve trade and business cooperation with India. India's participation in Big 5 Show 2016 can give a big fill-up. I hope that our members find this newsletter useful for taking business decisions.

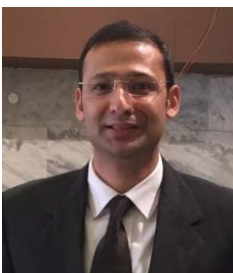
Message from Chairman, Committee on Trade with GCC countries



Ravi Sehgal

MEWA is a very important region for India in terms of trade and business opportunities. To explore the emerging opportunities, EEPC India will be participating in Big 5 Show 2016 scheduled from 21st-24th November 2016 in Dubai. The Big 5 Show is the top global trade fair for Construction & Infrastructure industry and the most efficient marketing instrument, bringing together manufacturers and users from a large number of countries. It brings together exhibitors and visitors and is helpful in gathering information on about emerging markets, from legislation to new products, as well as exclusive industry reports to help construction professionals make informed decisions. I hope, participation in the Show will be beneficial and will open up huge opportunities for Indian exporters and business houses.

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 August, 2016. However, there is some positive improvement compared to June 2016. Out of the top five, while two countries had realized a decline in import from India during June 2016 but for the month of August 2016 only UAE realized a negative growth rate. Saudi Arab which had experienced a negative growth rate in the month of June 2016 recorded a positive growth in August 2016. Kuwait and Oman continue to have positive growth, but the rate of growth has reduced in value for Kuwait and increased in value for Oman. I hope participation of Indian companies in The Big 5 Show 2016 will improve the situation in the coming period.

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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 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 PAVILION IN BIG FIVE, DUBAI (21st-24th November 2016)

EEPC India is organizing India Pavilion at The Big 5 Show 2016 in Dubai from 21st to 24th November 2016. The Big 5 Show continues to be the number one choice for construction professionals across the industry. The Show includes a wide array of products like construction tools, elevators & escalators, electrical systems, building interiors, HVAC, metal, steel & aluminum, plumbing & water technology, prefabricated buildings, safety & security and the list goes on. The Big 5 Show brings together exhibitors and visitors - both old and new - offering information about emerging markets, from legislation to new products, as well as exclusive industry reports to help construction professionals make informed decisions. It is the top global trade fair for Construction & Infrastructure industry and the most efficient marketing instrument, bringing together manufacturers and users from a large number of countries. During the previous The Big 5 Show 2015, exhibitors came from Europe (42%), Asia (22%), UAE (22%), GCC (excl. UAE) 9%, Africa (3%), America (2%) and other (1%).

The Big 5 Show presents an unparalleled width and depth of products and services throughout all areas of mechanical, electrical and plumbing (MEP) services; building interiors & finishes; building envelope & special construction; construction tools & building materials and smart building & designing technologies. This is what makes The Big 5 Show so attractive and draws the whole spectrum of user and related industries. The Show is one of the best platforms to find out more about the latest products and services, find new suppliers, source products and compare product alternatives. The Big 5 Show is organized by DMG Events, an international exhibitions and publishing company, DMG Events Middle East and Asia since 1995. With more than 40 market-leading exhibitions for the global energy, construction, coatings, hospitality and interior design industries, DMG Events organize many of the world's most important events.

The Big 5 Show 2016 will offer businesses the chance to meet face-to-face over 4000 exhibitors from more than 67 different countries from around the world. In India, USD 1 trillion investments in infrastructure sector are projected during 2012-17 and USD 650 billion investments in urban infrastructure is estimated over next 20 years. Construction sector in India will remain buoyant due to increased demand from real estate and infrastructure projects.

Further, India will become the world's third largest construction market by 2025, adding 11.5 million homes a year to become a USD 1 trillion a year market. The table below shows India's exports to UAE and UAE's import from world for the goods included in the panel for Buildings, Metal, etc which are part of the Big 5 Show. Participation in The Big 5 Show 2016 by Indian companies can significantly help them in increasing exports and cooperation with other companies participating in the Show.

India's export of Construction and Building industry to UAE
US\$ Million

Product code	Product label	India's exports to UAE			UAE's imports from world		
		2013	2014	2015	2013	2014	2015
8431	Machinery part (hd 84.25 to 84.30)	57.73	51.91	49.59	2,413.56	2,472.66	1,291.95
8479	Machines & mech appl having indiv functions, nes	19.77	54.43	37.39	585.86	709.19	718.46
8429	Self-propelld bulldozer, angledozer, grader, excavator,etc	29.33	30.59	29.39	1,022.82	1,011.08	615.71
8430	Moving/grading/scraping/boring machinery for earth	25.37	24.03	20.93	351.48	543.15	503.72
8426	Derricks; cranes; straddle carriers,&works trucks fitted with a crane	8.10	10.46	14.62	363.27	429.76	444.17
8474	Machinery for sorting/screening/washg;agglomeratg/shapg mineral produc	12.26	7.68	7.47	277.58	287.61	207.11
8428	Lifting/handling/loading/unloadg machinery (excl. lift/escalator/conve	3.25	3.89	3.30	406.21	394.94	449.12
8425	Pulley tackle & hoists other than skip hoists; winches&capstans; jacks	1.23	2.87	1.88	131.18	125.84	144.57
8427	Fork-lift trucks;other works trucks fitted with lifting/handling equip	0.63	0.91	0.70	151.89	207.39	209.31

Source: ITC Trade Data

Trade trend analysis: MEWA region

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

Country	Export in August 2016 (USD million)	Export in August 2015 (USD million)	Growth (%)
U A E	217.71	413.88	-47.40
SAUDI ARAB	111.19	104.38	6.53
BAHARAIN	59.07	11.09	432.76
KUWAIT	51.38	22.03	133.26
OMAN	37.04	32.67	13.38

Out of the top five, while two countries had realized a decline in import from India during June 2016 but for the month of August 2016 only UAE realized a negative growth rate, which had a positive growth rate in June 2016. Saudi Arab which had experienced a negative growth rate in the month of June 2016 recorded a positive growth in August 2016. Kuwait and Oman continue to have positive growth, but the rate of growth has reduced in value for Kuwait and increased in value for Oman. The big change seen in the month of August 2016 was a new entrant Bahrain at the 5th position which was previously occupied by Iran. Bahrain not only came in top five countries but with 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 eight panels in which exports from India have increased during August 2016 compared to August 2015, as compared to nine panels for the month of June 2016.

Name of the Panel	India's export in August 2016 (USD million)	India's Export in August 2015 (USD million)	Growth (%)
Products of Iron and Steel	54.31	38.90	39.60
Motor Vehicle/cars	47.39	34.61	36.94
Ships Boats and Floating Structures	45.82	0.04	122461.10
Iron and Steel	25.25	73.32	-65.56
Electric Machinery	23.72	18.94	25.26
Industrial Machinery	21.67	23.52	-7.89
Machinery for ATMs	21.64	13.39	61.56
Copper and products	20.40	16.09	26.77

Air condition and Refrigerators	16.40	17.28	-5.09
Construction Machinery	10.08	17.26	-41.59
Nuclear Reactors	9.97	4.78	108.44
Aircrafts and Spacecrafts	8.14	9.26	-12.11
Aluminium and products	6.92	13.80	-49.84
Medical and Scientific Instruments	5.92	6.14	-3.56
Auto Components/Part	5.59	3.74	49.53
Note: Panels marked in yellow realized positive growth during August 2016 Source: DGCI&S, Government of India			

News in Focus

UAE PMI signals cooling of private sector growth

Growth of the UAE's non-oil private sector eased in September, with business conditions improving at the weakest pace since June.'

The headline Emirates NBD UAE Purchasing Managers' Index (PMI) — a composite indicator of operating conditions in the non-oil private sector economy — slipped closer to the 50 or no-change mark for the second month running in September. Down from 54.7 in August, the latest reading of 54.1 was still consistent with a solid improvement in business conditions.

Link: <http://gulfnews.com/business/economy/uae-pmi-signals-cooling-of-private-sector-growth-1.1907572>

New business growth eases last month in Saudi Arabia

Saudi Arabia's non-oil private sector growth continued in September, but the rate of improvement in business conditions was much reduced compared to previous years. The main reason for this was slower growth of new business.

Emirates NBD Saudi Arabia PMI data for September showed that the rate of hiring eased, although output rose sharply.

Link: <http://gulfnews.com/business/economy/new-business-growth-eases-last-month-in-saudi-arabia-1.1907563>

Challenging times ahead for Mideast, North Africa: IMF

The Middle East and North Africa region is facing challenging times because of lower oil prices, the fallout from regional tensions and civil conflict, the International Monetary Fund said Tuesday.

The IMF said in its World Economic Outlook report that a modest recovery in oil prices was likely to have little impact on growth in Mena oil-exporting countries.

Link:<http://gulfnews.com/business/economy/challenging-times-ahead-for-mideast-north-africa-imf-1.1906961>

Some upcoming Exhibitions in MEWA

Events	Date	Venue	Link
<u>ISPRINT</u> Exhibition for Printing Industry and Cross Media Technologies	31st October-2nd November2 016	<u>TLV</u> <u>Convention</u> <u>Center - Tel</u> <u>Aviv</u> <u>Fairgrounds,</u> Tel Aviv, Israel	http://www.eventseye.com/fairs/f-isprint-10149-1.html
<u>ENERGY IRAQ</u> International Exhibition for Electrical Engineering, Lighting, Power Generation and Distribution for Iraq	24-27 October 2016	<u>Erbil</u> <u>International</u> <u>Fairground,</u> Erbil , Iraq	http://www.energyiraq-expo.com/Erbil/
<u>ENERGYTECH</u> International Renewable Energy Exhibition in Jordan	23-25 October 2016	<u>Hotel</u> <u>Intercontinental,</u> <u>Amman,</u> Amman , Jordan	http://www.eventseye.com/fairs/f-inter-build-jordan-13296-1.html
<u>INFRA OMAN</u> The Sultanate's most comprehensive Infrastructure & Industrial Projects Exhibition	10-12 October 2016	<u>Oman</u> <u>International</u> <u>Exhibition</u> <u>Centre, Muscat,</u> Oman	http://www.infraoman.com/
<u>IRAN INDUSTRY</u> International Exhibition of Industry & Automation. IRAN INDUSTRY will	25-28 October 2016	<u>Mashad Fair</u> <u>Grounds,</u> Mashad, Iran	http://en.iranfair.com/

Events	Date	Venue	Link
feature the latest in industrial machinery, electrical and industrial tools as well as Industrial automation			

Tender Information in MEWA

Title	Country	Deadline
<u>Medical & Engineering Specifications Of Ordinary Ambulance.</u>	Iraq	02 November 2016
<u>Establishment Of The Transfer Line 132 Kv Dual Circuit Tt To Feed The City Of Qurna Terminal Station 400 Kv.</u>	Iraq	31st October 2016
<u>Carrying Out 11kv & Lv Network Improvement And Interlink Works Of 2016 In Zone 3 (lot-3) In Dhofar Region On Turnkey Basis.</u>	Oman	25th October 2016
<u>Regular Electrical Supplies For The Directorate Branches</u>	Saudi Arabia	6th November 2016
<u>Provide Equipment,installation And Test And Setup Movable Post Of Borojerd City</u> Estimated Cost: IRR 7,936,000,000	Iran	23rd October 2016
<u>Supply Of Air Compressor Blade Rotary Type Sliding Vane.</u>	Iran	15th October 2016
<u>Hire Of 13 Salon Vehicles For The Ministry Of Labour And Social Development For Four Years.</u>	Bahrain	26th October 2016

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

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