

April 2018

Chairman's Pen



Global trade of late has started witnessing a new era where instead of becoming liberal, the developed world has been turning conservative gradually with a view to save their domestic industries from cheaper and surplus imports. The US recently decided to impose high tariffs on imports of Steel and Aluminium which is under further prosecution. An imminent tariff-war seems inevitable at this juncture that may severely affect global exports especially from the emerging countries like India.

Inspite of the protectionist measures, US remains the top most export destination for engineering goods in 2017-18. Infact trade has transformed U.S.-India relations. Total trade has increased from US\$ 61.4 billion in 2012-13 to US\$ 64.52 billion in 2016-17. In the past years from 2012-2014, U.S. foreign direct investment in India has grown 500 percent. Today the two countries are working to fix bad trade deals and negotiating new ones.

Recently, US, Japan and India held a tri lateral meeting in New Delhi enhances cooperation in the areas of connectivity and infrastructure development; counter-proliferation; counter-terrorism; maritime security, and many more. This edition also briefs on the upcoming trade exhibitions in North America. I hope this will be insightful for our readers and they will enjoy reading it.

Ravi Sehgal

Message from Chairman, Committee on Trade with North America



This edition of Territorial Newsletter for North America emphasised on the tri-lateral meeting between India, Japan and US discussing on regional and global issues of mutual interest.

The current edition presents a brief insight on the total trade pattern of the engineering sector in North America during the full fiscal 2017-18. Further, it discusses the top engineering product bilaterally traded between the countries of the region.

Upcoming tenders from the region along with key news items and factsheets of Anti-Dumping Duty matters is compiled and presented for the benefit of our members. I am hopeful that the Newsletter will give fruitful information to our readers.

Anupam Shah

North America: Canada, Mexico, and the United States

The North America trade bloc had its genesis in the North American Free Trade Agreement (NAFTA) signed by Canada, Mexico, and the United States. The agreement came into force on January 1, 1994.

Area: 24.71 million Sq. km

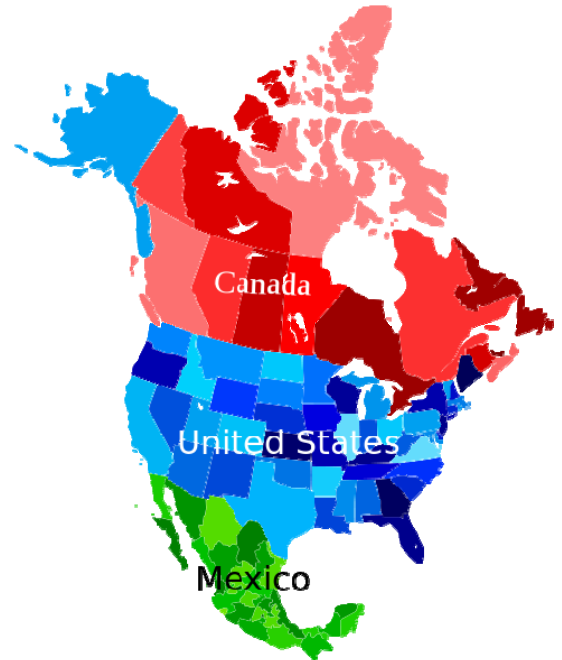
Population: 579 million (2016)

GDP: USD 21,638.602 billion (2016)

Currency: US Dollar (\$) / Canadian Dollar

Climate: North America includes all of the mainland and related offshore islands lying north of the Isthmus of Panama which connects it with South America. It has a variety of climate, from the dry, bitter cold of the Arctic to the steamy heat of the tropics. The North American tundra, the vast treeless plain of the far north, has temperature rises above freezing for only a short period each summer. In the far south there are low-lying areas which are always hot and rainy.

Natural resources: North America produces most of the world's corn, meat, cotton, soybeans, tobacco, and wheat, along with a variety of other food and industrial raw material crops. Mineral resources are also abundant; particularly coal, iron ore, bauxite, copper, natural gas, petroleum, mercury, nickel, potash, and silver.



India, Japan and US hold 9th trilateral meeting

The **9th India-Japan-US trilateral meeting was held in New Delhi** and was represented by senior diplomats at Joint Secretary/Director General/Assistant Secretary level in New Delhi on 4 April 2018.

Background: The India-Japan-US trilateral was launched in December 2011 when Hillary Clinton was US Secretary of State. For first several rounds, the trilateral was held at director or assistant secretary level. It was elevated to ministerial level in 2015. The last ministerial dialogue was also held in New York in September 2017.

Now, the basic objectives of the 9th trilateral meeting are exploring practical steps to enhance cooperation in the areas of connectivity and infrastructure development, counter-proliferation; counter-terrorism; maritime security, maritime domain awareness and HA-DR. Plans to continue to collaborate to promote increased connectivity in the **Indo-Pacific**.

All sides agreed to remain engaged and strengthen cooperation in support for a free, open, prosperous, peaceful and inclusive Indo-Pacific region through partnership with countries in the region.

The sides also discussed on global and regional issues of mutual interest and focused on connectivity, counter-terrorism and other regional and global issues of common concern and to hold consultations on regional and global issues of mutual interest.

The trilateral emphasized on importance of keeping the sea lanes open, over India's concern about maintaining freedom of navigation in South China Sea and western Pacific Ocean.

India's latest trend in engineering exports to North America

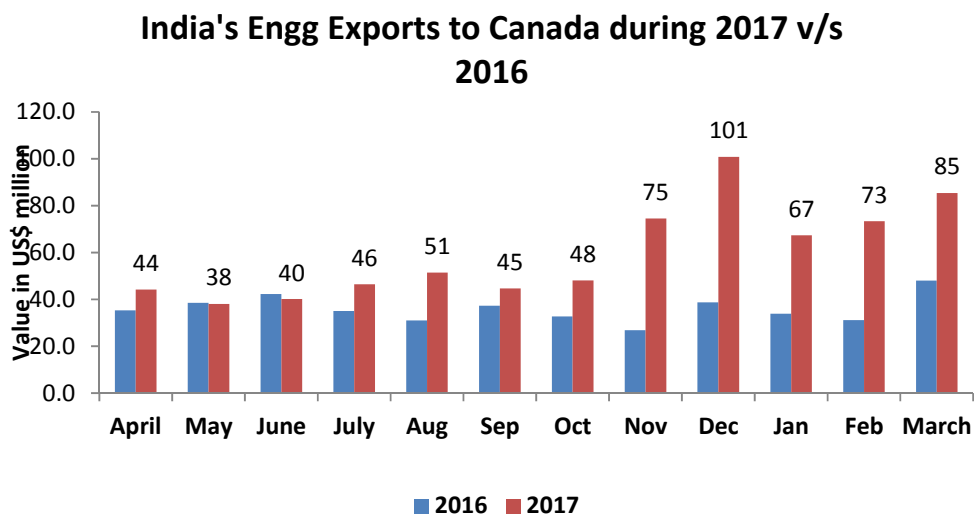
India engineering export with North America – country wise during April-March of the fiscal of 2017-18 is depicted in the table below. Nations which had the highest demand for Indian engineering products during April-March of the current fiscal 2017-18 in absolute values include:

Table2: Engineering Exports to North America
Value in USD million

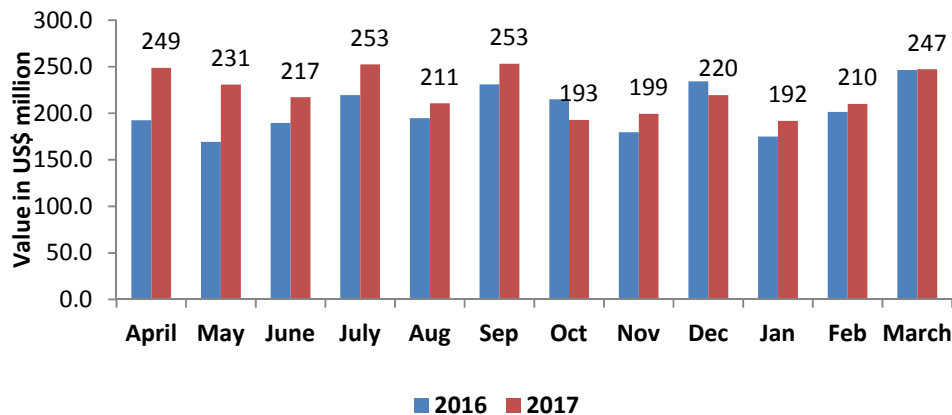
North America	April-March 2016-17 (USD million)	April-March 2017-18 (USD million)	Growth (%)
USA	7115.9	10268.4	44.3
Mexico	2449.1	2674.8	9.2
Canada	430.7	714.4	65.9
Total	9995.7	13657.6	36.6

Source: DGCI&S

Fig 2: Trend in Total Engineering Export in North America- Country wise during 2017 v/s 2016
Month wise



India's Engg Exports to Mexico during 2017 v/s 2016



India's Engg Exports to USA during 2017 v/s 2016

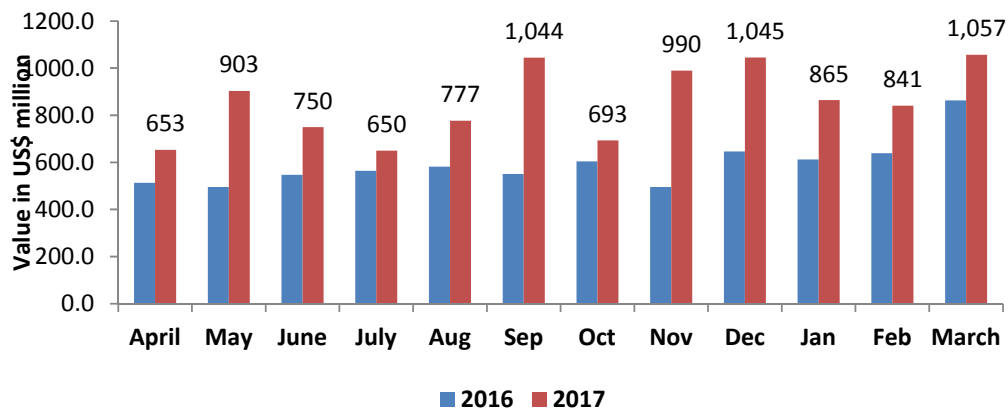


Table 3: Top 15 engineering panels exported to North America in April-March 2017-18
US\$ Million

DGCI&S Engineering Panels	India's export in April-March 2016-17	India's export in April-March 2017-18	Growth (%)
Motor Vehicle/cars	1574.82	2426.26	54.1
Products of Iron and Steel	1438.84	1918.33	33.3
Auto Components/Parts	1036.67	1335.98	28.9
Electric Machinery and Equipment	843.40	1268.21	50.4
Aluminium and products	535.06	889.25	66.2
Industrial Machinery and parts	680.26	853.49	25.5
Other Misc Parts	597.47	721.58	20.8
Aircrafts & Spacecrafts	636.16	650.70	2.3
Iron and Steel	505.10	544.72	7.8
IC Engines and Parts	427.85	464.84	8.6
Ships, Boats and Floating Bodies	2.42	443.72	18233.7
Machinery for ATMs	290.33	395.79	36.3
Medical and Scientific Instruments	251.43	258.40	2.8

DGCI&S Engineering Panels	India's export in April-March 2016-17	India's export in April-March 2017-18	Growth (%)
Pumps of all types	144.97	236.10	62.9
Copper and products	148.23	163.38	10.2

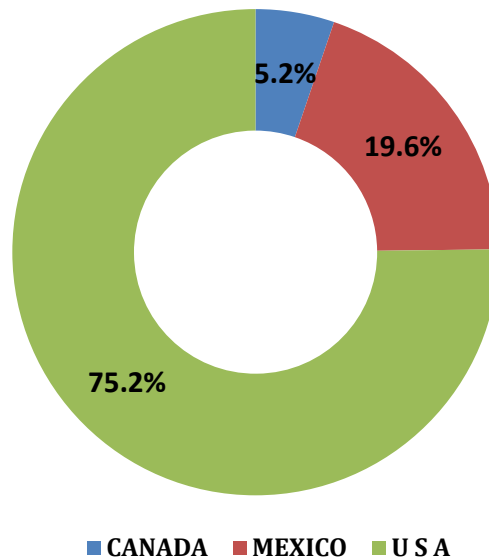
Source: DGCI&S

After EU, Indian engineering exports to North America ranked 2nd during April-March of the current fiscal 2017-18. USA remained at the top for Indian engineering exports with imports of over US\$ 10 billion. The main engineering products exported to the country include Products of Iron and Steel, Electrical Machinery and Equipment, Auto Components/Parts, Other Industrial Machinery, Aluminium and products, Motor vehicles/Cars, etc during April-March 2017-18.

The following pie chart demonstrates share of different North American countries in India's total export during April-March 2016-17.

Fig3: India's engineering export share to North American Countries (%) in April-March 2017-18

APRIL,2017 - MARCH,2017



Source: DGCI&S

Country wise India's engineering exports to North America in April-March 2017-18

1. USA

Indian engineering exports to USA, continues to be the highest during April-March 2017-18. At present, it accounts for over 75.2% of India's total engineering export to North America (and 13.5% of India's global engineering exports).

Top products traded in USA: Products of Iron and Steel, Electrical Machinery and Equipment, Auto Components/Parts, Other Industrial Machinery, Aluminium and products, Motor vehicles/Cars etc.

2. Mexico

Mexico ranked 6th largest export destination for engineering products during the current fiscal April-March 2017-18. At present, it accounts 19.6% of India's total engineering export to North America (and 3.5 per cent of India's global engineering exports) during April-March 2017-18.

Top products traded in Mexico: Motor vehicles/cars, Auto components and parts, Aluminium and products, Iron and Steel, Other industrial machinery, Two and Three wheelers, etc.

3. Canada

Canada accounts for 5.2% of India's total engineering exports to North America (and 0.9% of India's global engineering exports) during April-March 2017-18.

Top products traded in Canada: Products of iron and steel, Auto components/parts, Motor Vehicles and cars, Other Misc Item, Aluminium and products, Iron and steel, etc.

News in Focus

- ❖ **US industry is getting injured from imports of large diameter welded pipe from Canada, China, Greece, India, Korea and Turkey**

As per latest reports U.S. industry there is a reasonable indication that a U.S. industry is materially injured or threatened with material injury by reason of imports of large diameter welded pipe from Canada, China, Greece, India, Korea, and Turkey that are allegedly sold in the United States at less than fair value and subsidized by the governments of China, India, Korea, and Turkey.

Chairman Rhonda K. Schmittlein, Vice Chairman David S. Johanson, and Commissioners Irving A. Williamson and Meredith M. Broadbent voted in the affirmative.

As a result of the Commission's affirmative determinations, the U.S. Department of Commerce will continue with its antidumping and countervailing duty investigations, with its preliminary countervailing duty determinations due on or about April 16, 2018, and its antidumping duty determinations due on or about June 29, 2018.

The Commission's public report *Large Diameter Welded Pipe from Canada, China, Greece, India, Korea, and Turkey* (Inv. Nos. 701-TA-593-596 and 731-TA-1401-1406 (Preliminary), USITC Publication 4768, March 2018) will contain the views of the Commission and information developed during the investigations.

Source: https://www.usitc.gov/press_room/news_release/2018/er030511913.htm

- ❖ **US announces steel and aluminium exclusion process**

The U.S. Department of Commerce announced recently its procedures for excluding products from the recently announced tariffs on steel and aluminum product imports. "These procedures will allow the Administration to further hone these tariffs to ensure they protect our national security while also minimizing undue impact on downstream American industries," said Secretary Ross. Secretary Ross, in

consultation with other Administration officials, will evaluate exclusion requests, taking into account national security considerations. In that evaluation, the Secretary will consider whether a product is produced in the United States of a satisfactory quality or in a sufficient and reasonably available amount.

Background:

On March 8, 2018, President Trump exercised his authority under Section 232 of the Trade Expansion Act of 1962 to impose a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports, with exemptions for Canada and Mexico, in order to protect our national security. The President's Section 232 decisions are the result of investigations led by the Commerce Department, after review and comment by other relevant Federal agencies. Customs and Border Protection will begin collecting the tariffs on March 23, 2018.

In his proclamation establishing the tariffs under Section 232, the President authorized the Secretary of Commerce, in consultation with other appropriate federal agency heads, to provide relief from the additional duties for any steel or aluminum articles determined "not to be produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality and is also authorized to provide such relief based upon specific national security considerations. Such relief shall be provided for any article only after a request for exclusion is made by a directly affected party located in the United States."

Source: <https://www.commerce.gov/news/press-releases/2018/03/us-department-commerce-announces-steel-and-aluminum-tariff-exclusion>

❖ India should engage with key trading partners if global trade war escalates: ASSOCHAM

India should engage bilaterally with its key trading partners to promote exports if the world witnesses an escalation of trade war, industry chamber ASSOCHAM recently said.

It said that higher level of imports than exports will not provide the country much space to retaliate at the time of increasing trade war as most of the Indian imports are unavoidable.

"So, the best course would be to keep engaged with the major trading partners, without aligning ourselves too much into a single bloc. Wherever, our exports are affected, we must engage bilaterally and use the channel of the World Trade Organisation in a rule based manner," the chamber said in a statement.

India, it said, may end up the current fiscal with a hefty import bill of USD 450 billion against exports of about USD 300 billion.

Almost one-fourth of the imports will be only on account of crude and other related items, besides imports of essential commodities such as plastics and fertiliser for which the country does not have an immediate domestic capacity, it added.

Further, it said that India should be watchful about a sudden jump in steel imports as the US has imposed heavy duties on steel.

Source:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-should-engage-with-key-trading-partners-if-global-trade-war-escalates->

Factsheets on Antidumping Duty and Countervailing Duty Investigations of Imports

- ❖ On February 13, 2018, U.S. Department of Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Large Diameter Welded Pipe from Canada, Greece, China, India, Korea, and Turkey
Source: <https://www.commerce.gov/news/press-releases/2018/02/us-department-commerce-initiates-antidumping-duty-and-countervailing>
- ❖ On January 17, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of stainless steel flanges from China and India.
Source: <https://enforcement.trade.gov/download/factsheets/factsheet-multiple-stainless-steel-flanges-cvd-prelim-011718.pdf>
- ❖ On December 5, 2017, the Department of Commerce (Commerce) announced its affirmative final determinations in the countervailing duty (CVD) investigations of imports of cold-drawn mechanical tubing from the People's Republic of China (China) and India.
Source: <https://enforcement.trade.gov/download/factsheets/factsheet-multiple-cold-drawn-mechanical-tubing-cvd-final-120517.pdf>

Source: <https://www.trade.gov/press/press-releases/>

Upcoming Exhibitions in North America

Table 7: List of Exhibitions

Events	Date	Venue	Link
ALUMINUM USA	Oct 2019	Nashville, US	http://www.aluminum-us.com/
Aircraft Interiors Expo Americas	25th-27th Sep 2018	Boston Convention & Exhibition Center, Boston, MA, United States	http://www.aircraftinteriorsexpo-us.com/
INTERPHEX	17 th -19 th April, 2018	Jacob K. Javits Convention Center, New York, United States	http://www.interphex.com/
Semicon West	10 th July-12 th July, 2018	San Francisco, USA	http://www.semiconwest.org/

Fabtech Mexico	2 nd -4 th May 2018	Mexico City	www.fabtechmexico.com
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Tender information in North America

Table 8: Tender related information

Title	Deadline	Country	Link
Supply Of Parts Kit, Vehicular	31 st May 2018	United States	http://www.tendersinfo.com/details/434654668?desc=Supply-Of-Parts-Kit,-Vehicular
Supply Of Weigh-in-motion-scales	25 May 2018	United States	http://www.tendersinfo.com/details/434654679?desc=Supply-Of-Weigh-in-motion-scales
Supply Of Valve, Pressure Equal	31 st May 2018	United States	http://www.tendersinfo.com/details/434654671?desc=Supply-Of-Valve,-Pressure-Equal
Supply Of Fender	31 st May 2018	United States	http://www.tendersinfo.com/details/434654667?desc=Supply-Of-Fender,-Vehicular
Boiler Replacement	31 st may 2018	United States	http://www.tendersinfo.com/details/434654609
Maintenance Of Vehicles	01 June 2018	Mexico	http://www.tendersinfo.com/details/434654563
Supply Of Pump, Airlift	31 st May 2018	United States	http://www.tendersinfo.com/details/434653868

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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