

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. All the recent hyperventilation of the Indian strategic community was really an exercise in vanity. Grand deductions were being made about why the United States canceled the much anticipated "2+2 talks" with India, set for July 6. It was meant to convey that even as the 2+2 was postponed, India will remain an important focus area for the United States.

US has maintained its top rank as India's top most export destination for engineering goods in 2017-18 as well as for the current April-May 2018-19. In fact 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 and to US\$ 74.49 billion in 2017-18. 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.

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 latest update on trade issues between India and US. The current edition presents a brief insight on the total trade pattern of the engineering sector in North America during the first two months of the new fiscal of 2018-19. 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

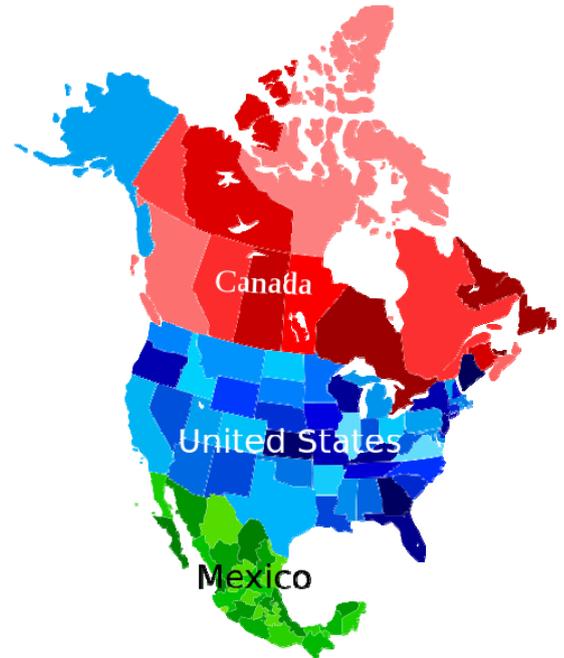
Population: 579 million (2016)

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.



Updates on India-US Trade Talk

India could withdraw the notification to levy additional duties on 29 US products from August 4 (the proposed date for duty increase), if both sides are able to resolve differences over tariffs before that date, after three rounds of talks with representatives of the US administration in New Delhi. The two sides will also come up with a white paper at a meeting next month in Washington on issues that can be resolved over six months to 3-4 years.

India is hopeful of resolving trade issues before August 4. From the US side, assistant US Trade Representative (USTR) for South and Central Asian Affairs Mark Linscott, assistant USTR for agricultural affairs and commodity policy Sharon Bomer Lauritsen, deputy USTR Brendan Lynch and officials from the high commission attended the meeting. From India, officials from the ministries of commerce and industry, external affairs, agriculture and animal husbandry were there.

India and the US have been involved in a tit-for-tat action over bilateral trade in the last few months. Washington has challenged India's export subsidies and tariffs. New Delhi has, meanwhile, questioned the US tariffs on steel and aluminium and last week raised the effective duty on \$240 million worth US imports.

However, it dropped Harley Davidson bikes from the list which as per the official, was done to keep total increase in tariff in line with the total duty hike by the US. "We have countries where, as an example India, they charge up as much as 100% tariff. We want the tariffs removed," US President Donald Trump had said earlier this week. The two

countries plan to follow a two-track approach to iron out trade issues. The first is to resolve immediate concerns in the short to medium term and the other pertains to expanding bilateral trade in long run.

Trade Talk



Notification to levy additional duties on US goods from Aug 4 may be taken back

India hopeful of resolving differences before that

Untitled-2

3 ROUNDS OF TALKS HELD WITH REPRESENTATIVES OF THE US ADMINISTRATION IN NEW DELHI

India's exports to the US in 2017-18 stood at \$47.9 billion, while imports were \$26.7 billion. The trade balance is in favour of India. We are hopeful of the fact that the impending tariff hike will get sorted out.

India's latest trend in engineering exports to North America

India engineering export with North America – country wise during the month of May for the new fiscal of 2018 is depicted in the table below. Nations which had the highest demand for Indian engineering products during April-May for the current fiscal 2018-19 in absolute values include:

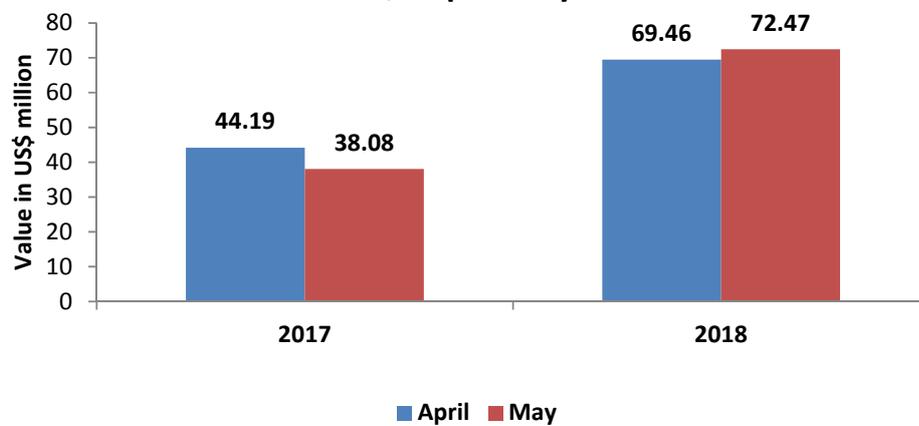
Table2: Engineering Exports to North America
Value in USD million

North America	April-May 2017 (USD million)	April-May 2018 (USD million)	Growth (%)
USA	1556.4	1863.9	20%
Mexico	479.6	498.4	4%
Canada	82.3	141.9	73%
Total	2118.3	2504.2	18%

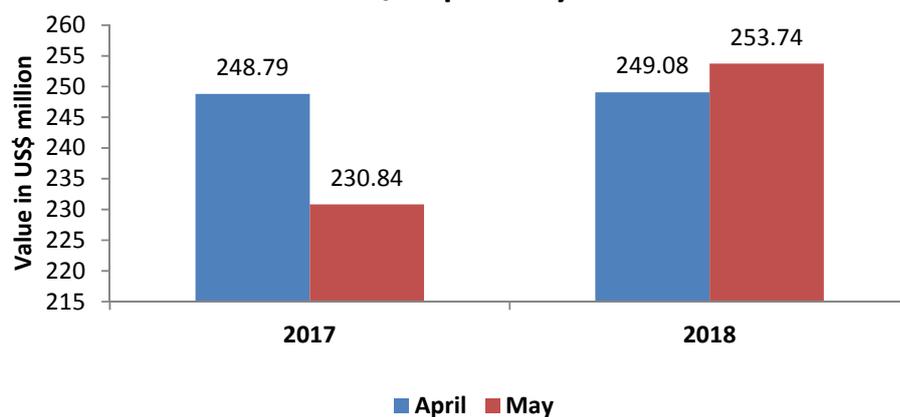
Source: DGCI&S

Fig 2: Trend in Total Engineering Export in North America- Country wise during April-May 2018 v/s April-May 2017
Month wise

India's Engg Exports to Canada during April-May 2018 v/s April-May 2017



India's Engg Exports to Mexico during April-May 2018 v/s April-May 2017



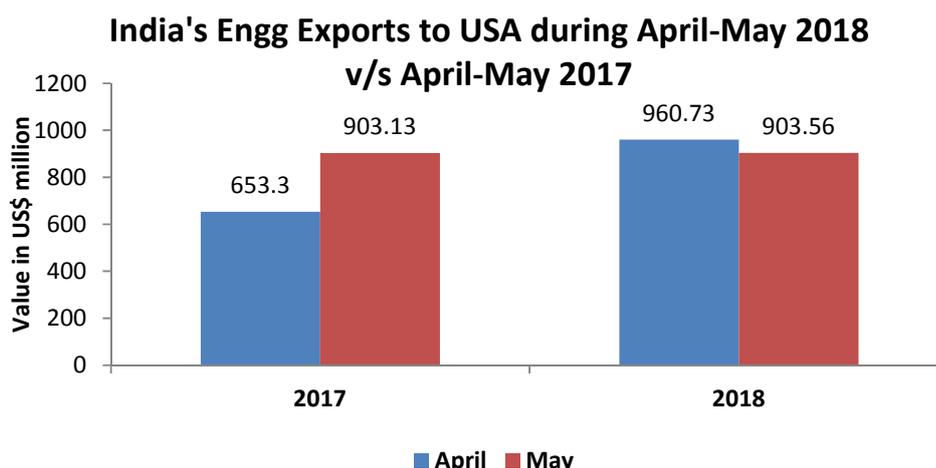


Table 3: Top 15 engineering panels exported to North America in April-May 2018 vis-à-vis April-May 2017
US\$ Million

DGCI&S Engineering Panels	April-May 2017 (USD million)	April-May 2018 (USD million)	Growth (%)
Motor Vehicle/cars	326.36	507.98	56%
Electric Machinery and Equipment	162.86	316.81	95%
Products of Iron and Steel	288.45	304.76	6%
Auto Components/Parts	199.36	241.57	21%
Aluminium and products	83.38	192.07	130%
Other Industrial Machinery	117.48	190.71	62%
Other Miscellaneous Items	105.20	122.70	17%
Aircraft and Spacecraft	85.71	100.21	17%
Iron and Steel	124.91	81.29	-35%
IC Engines and Parts	89.10	76.88	-14%
Machinery for ATMs	55.54	69.86	26%
Medical and Scientific Instruments	39.61	48.19	22%
Pumps of all types	34.91	40.17	15%
Other Construction Machinery	17.91	37.45	109%
Copper and products	25.64	26.12	2%

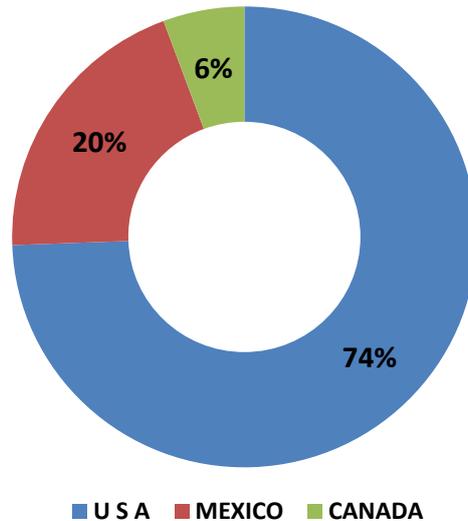
Source: DGCI&S

After EU, Indian engineering exports to North America ranked 2nd during May 2018 of the current fiscal 2018-19. USA remained at the top for Indian engineering exports with imports of over US\$ 903.56 million. The main engineering products exported to the country include Products of Iron and Steel, Electrical machinery and Equipment, Motor Vehicles/Cars, Auto Components/Parts, Other Industrial Machinery, Aluminium and products, etc during May 2018.

The following pie chart demonstrates share of different North American countries in India's total export during May 2018.

Fig3: India's engineering export share to North American Countries (%) during April- May 2018

APRIL-MAY 2018



Source: DGCIS

Country wise India's engineering exports to North America in May 2018

1. USA

Indian engineering exports to USA, continues to be the highest during May 2018. At present, it accounts for over 74.4% of India's total engineering export to North America (and 13.4% of India's global engineering exports).

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

2. Mexico

Mexico once again ranked as the 4th largest export destination for engineering products during April-May 2018, quite similar to the trend maintained in the last fiscal of 2017-18. At present, it accounts 19.9% of India's total engineering export to North America (and 3.6 per cent of India's global engineering exports) during April-May 2018.

Top products traded in Mexico: Motor vehicles/cars, Aluminium and products, Auto components and parts, Iron and Steel, Electrical machinery and Equipment, Products of Iron and Steel, Other industrial machinery, Other Miscellaneous Items, etc.

3. Canada

Canada accounts for 5.7% of India's total engineering exports to North America (and 1% of India's global engineering exports) during April-May 2018.

Top products traded in Canada: Products of Iron and steel, Motor Vehicles and cars, Electrical machinery and Equipment, Auto components/parts, Other Miscellaneous, Iron and Steel, Machinery for ATMS, etc.

News in Focus

Territorial
NEWSLETTER – North America

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❖ IMF suggests 3 steps to India to sustain high growth rate

To sustain its high growth rate, India should carry out banking sector reforms, continue with fiscal consolidation and simplify GST as well as renew impetus to reforms of key markets, the IMF suggested recently.

India's growth accelerated to 7.7 per cent in the fourth quarter of Financial Year (FY) 2017-18. That was up from 7 per cent in the previous quarter, IMF Communications Director Gerry Rice told reporters at a news conference.

"We expect the recovery to continue in FY 2018-19. Growth is projected at 7.4 per cent in FY 2018-19 and actually 7.8 per cent in FY 19-20, respectively," Rice said.

In order to sustain the high growth rate, Rice suggested three steps for India to follow.

To revive bank credit and enhance the efficiency of credit provision by accelerating the cleanup of bank and corporate balance sheets and enhancing the governance of public sector banks, he said.

India should continue fiscal consolidation and lower elevated public debt levels supported by simplifying and streamlining the goods and services tax (GST) structure, he said.

"And thirdly, over the medium-term, renew impetus to reforms of key markets, for example, labour and land, as well as improving the overall business climate would be crucial to improving competitiveness and again, maintaining that very high level of growth in India," Rice said.

Source: https://www.business-standard.com/article/pti-stories/imf-suggests-3-steps-to-india-to-sustain-high-growth-rate-118062900409_1.html

❖ India hopes for US, Russia to better ties at Helsinki Meet

India is cautiously wishful about the Trump-Putin summit in Helsinki on July 16 which could lead to a thaw in US Russia ties, enabling New Delhi to further its strategic partnership with both Moscow and Washington.

While the summit is unlikely to dilute CAATSA (Countering America's Adversaries Through Sanctions Act), which codifies all Obama-era sanctions and introduce new ones, there are hopes of a deal or understanding between the two sides to improve relations.

While India and Russia expanded their hydrocarbon and nuclear energy partnership since 2014, sanctions on Russia enabled China to enhance its economic portfolio with Moscow, impacting strategic balance in the Eurasian region. Meanwhile, international sanctity of CAATSA that is looming large over India's proposed purchase of S-400 missile systems from Russia has been marked by scepticism in certain quarters. This is one of the key irritants in Indo-US ties.

The Indian government has been unwilling to yield to US pressure to curtail its military ties with Russia and Prime Minister Narendra Modi travelled to Sochi for an informal summit with President Vladimir Putin in May to further strategic partnership including purchase of key defence system amid impending sanctions.

A reduction in tensions between the US and Russia will benefit India that has wide-ranging ties with both powers and is weathering a storm in the current geopolitical environment, people familiar with the issue said. The US continues to be a partner for India in the Indo-Pacific to ensure stability in the region. While India will continue to

fulfil its commitments vis-à-vis Russia, a positive trajectory in the US-Russia partnership may act as a deterrent in further enhancement in Sino-Russian ties.

Source: <https://economictimes.indiatimes.com/news/defence/india-hopes-for-us-russia-to-better-ties-at-helsinki-summit/articleshow/64802269.cms>

Factsheets on Antidumping Duty and Countervailing Duty Investigations of Imports

- ❖ On February 12, 2018, the Department of Commerce (Commerce) announced the initiation of AD investigations of imports of large diameter welded pipe from Canada, China, Greece, India, Korea, and Turkey and CVD investigations of imports of large diameter welded pipe from China, India, Korea, and Turkey.
Source: <https://enforcement.trade.gov/download/factsheets/factsheet-multiple-large-diameter-welded-line-pipe-ad-cvd-initiations-021218.pdf>

- ❖ 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
HANNOVER MESSE USA	September 2018	Chicago, USA	https://hannovermesseusa.com/
ATX Midwest Automation Technology Expo	31 Oct- 1st Nov 2018	Minneapolis, USA	http://atxminn.designnews.com/
Aircraft Interiors Expo Americas	25th-27th Sep 2018	Boston Convention & Exhibition Center, Boston, MA, United States	http://www.aircraftinteriorsexpo-us.com/

IMTS International Manufacturing Technology Show	10-15 th September, 2018	Chicago, USA	https://www.imts.com/
Semicon West	10 th July-12 th July, 2018	San Francisco, USA	http://www.semiconwest.org/
ALUMINUM USA	Oct 2019	Nashville, US	http://www.aluminum-us.com/

Tender information in North America

Table 8: Tender related information

Title	Deadline	Country	Link
Underbridge Inspection Truck (ubit)	3 rd August 2018	United States	http://www.tendersinfo.com/details/435968622?desc=Underbridge-Inspection-Truck-(ubit)
Steering Gear	20 th July 2018	United States	http://www.tendersinfo.com/details/435968572?desc=Steering-Gear
New One-ton Extended Cab Truck With Dump Body - 94-f-3-18/19	1 st August 2018	United States	http://www.tendersinfo.com/details/435965956?desc=New-One-ton-Extended-Cab-Truck-With-Dump-Body--94-f-3-18/19
Towing Services For County Owned Vehicles & Equipment	9 th August 2018	United States	http://www.tendersinfo.com/details/435965949?desc=Ifb-#18-571,-Towing-Services-For-County-Owned-Vehicles--Equipment
Shaft Compressor Ro In Repair/modification	23 rd Aug 2018	United States	http://www.tendersinfo.com/details/435966780?desc=Shaft-Compressor-Ro-In-Repair/modification-Of
Manifold Hydraulic	28 th August 2018	United States	http://www.tendersinfo.com/details/435015465

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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