

Territorial NEWSLETTER North America

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen....

India's economic and trade relationship with North America (consisting of USA, Canada and Mexico), particularly United States, is undergoing a transformational change. This transformation became more prominent over the last two years with the coming in power of a new government in India in 2014. This two year periods witnessed significant deepening of trade and business relationship as the region became one of the largest destinations of India's exports.

Significant development at the engineering trade front has also been realized. India's engineering exports to the region accounts for 15.7% to India's total engineering exports during April-October 2016-17. Overall, engineering products have a share of over 22.5% in India's total export, and US is its biggest market.

During the recent months (April-October 2016-17), however, India's export of engineering products to the region, particularly US and Canada, has experienced a decline; while exports to Mexico realized a massive jump close to 50%. We expect that with global demand picking up, the declining trend to USA and Canada will be reversed just like Mexico, in the coming period.

This 'Newsletter on North America' presents a brief note on the current trade trend between India and North America. I hope this will be insightful for our readers and they will enjoy reading it.

Tarvinder Singh Bhasin

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Message from Chairman, Committee on Trade with North America



This fifteenth edition of Territorial Newsletter for North America encapsulates latest clippings on the newly elected US President. The current edition also presents a brief insight on the total trade pattern of the engineering sector in North America during the April-October of the fiscal 2016-17. 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

Basic Facts: North America

Area: 24.71 million Sq. km

Population: 576,163,467 (2015)

GDP: USD 20,834.888 billion (2014)

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.

Brief News on the Newly elected President in US- President Donald Trump

November 26, 2016: Mr. Donald John Trump was elected the 45th president of the United States on 8th November 2016 defeating Hilary Clinton in the Presidential election campaign and claimed an establishment-stunning victory for America.

Congratulating Mr Donald Trump on his historic victory, EEPIC India Chairman Mr T S Bhasin said the US is among the largest trading partner for India and the engineering exporters would

like to lap up the opportunities promised in new investment in building the American infrastructure.

Mr Trump has stated clearly that his focus would be to spend huge funds on building the US infrastructure like highways, airports etc. That would generate great demand for engineering exports in areas like steel, machinery and high technology domains. The Indian industry would certainly look forward to be a partner in that great endeavour of the next US President. Mr. **Bhasin** further said while the engineering exports to the US had been slowing, but that was in sync with the rest of the globe. With the new administration, “we expect a great recovery in the US economy, which is great news for India”.

President Elect Mr Donald Trump’s plan to infuse massive stimulus to ramp up the physical American infrastructure through fiscal expansion would be a big positive for the Indian engineering exports to the US with increased demand expected for items such as steel and iron, according to an analysis by the EEPC India.

The US, the largest destination for India’s engineering exports, has witnessed a sharp drop in the shipments for quite some time now. Such exports to the US dropped by over 10 per cent to USD 3.2 billion during April-September 2016-17 from USD 3.5 billion in the same period last year.

Such a fall came about on the back of a big drop of 37.8 per cent in shipments of India’s iron and steel to USD 140 million during the first half of the current fiscal from USD 225 million in the year ago period.

“The Trump plan for a massive fiscal stimulus includes building of ports, airports and the entire construction sector which should see a big rise in demand for iron and steel. Though the Republican candidate had suggested, during the election campaign, a big tariff hike on imports from China, India does not expect any such punitive measure,” Chairman of the EEPC India, Mr T S Bhasin has said.

Experts and analysts believe that the Republicans are expected to support the next President in the Congress in his proposal for a larger spend on job creation through infrastructure building. The employment creation was one of the main election planks of the Trump campaign.

Cumulative engineering exports to all the destinations declined by 2.75 percent to USD 30.03 billion in Apr-Sep 2016-17 from USD 30.88 billion during Apr - Sep 2015-16. However, the fall to the US has been much bigger by double digit.

India-North America Information Guide

India’s relationship with North America is growing strong and diverse over the years in a significant way. As regards India’s overall exports, the region has consistently been the one of the top export destinations for Indian engineering goods with India exporting US\$ 5.36 billion to North America. India’s exports to North America ranks second just after European Union (EU) exporting US\$ 7.46 billion during April-October 2016-17. Exports to the region account for nearly 16% of our global engineering exports. Exports to North America represent a diversified phenomenon as it includes different trade patterns with the three countries (USA, Mexico and Canada) of the region.

Trade Trend Analysis in North America

India engineering export with North America – country wise during April-October of the fiscal of 2016-17 is depicted in the table below. Nations which had the highest demand for Indian engineering products during the first seven months of the new fiscal 2016-2017 in absolute values include:

Table1: Engineering Exports to North America (country wise)
(Value in USD million)

| North America | April-October 2015-16 (USD million) | April-October 2016-17 (USD million) | Growth (%) |
|---------------|--|--|-------------|
| USA | 4130.32 | 3821.43 | -7.48 |
| Mexico | 979.55 | 1469.67 | 50.04 |
| Canada | 274.42 | 244.6 | -10.87 |
| Total | 5384.3 | 5535.7 | 2.81 |

Source: DGC&S

Chart 1: Trend in Total Engineering Export in North America during 2016-17
(month wise)

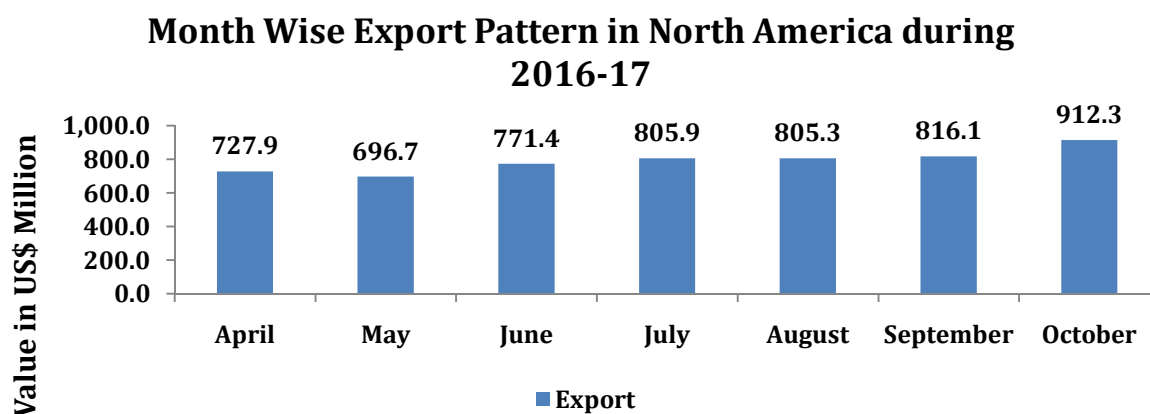


Table 2: Top 15 engineering panels exported to North America in April-October 2016-17

| DGC&S Engineering Panels | India's export in April-October 2015-16 (USD million) | India's export in April-October 2016-17 (USD million) | Growth (%) |
|----------------------------------|--|--|------------|
| Motor Vehicle/cars | 469.9 | 871.3 | 85.4 |
| Products of Iron and Steel | 918.2 | 756.3 | -17.6 |
| Auto Components/Part | 651.5 | 581.4 | -10.8 |
| Electric Machinery and Equipment | 340.0 | 434.7 | 27.8 |
| Industrial Machinery | 506.9 | 385.6 | -23.9 |
| Aircrafts and Spacecrafts | 300.9 | 348.0 | 15.7 |
| OTHER MISC. ITEMS | 334.0 | 342.0 | 2.4 |

| DGCI&S Engineering Panels | India's export in April-October 2015-16 (USD million) | India's export in April-October 2016-17 (USD million) | Growth (%) |
|------------------------------------|--|--|------------|
| Iron and Steel | 295.7 | 328.9 | 11.2 |
| Aluminium and products | 315.8 | 299.1 | -5.3 |
| IC Engines and Parts | 250.2 | 247.5 | -1.1 |
| Machinery for ATMs | 177.5 | 165.2 | -6.9 |
| Medical and Scientific Instruments | 127.2 | 144.5 | 13.6 |
| Copper and products | 96.1 | 89.1 | -7.4 |
| Hand Tools Cutting | 84.9 | 77.0 | -9.3 |
| Pumps of all types | 100.2 | 65.0 | -35.2 |

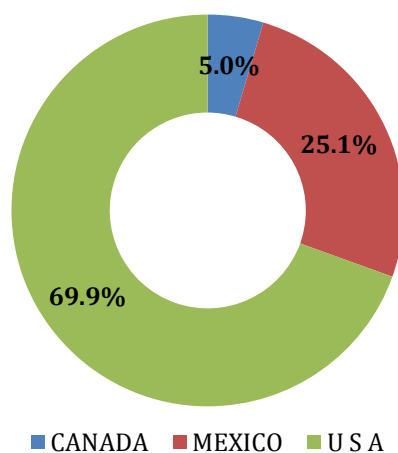
Source: DGCI&S

Indian Engineering exports to North America rank second during April-October of the current fiscal 2016-17, after European Union, while ASEAN and Middle East and West Asia (MEWA) ranks third and fourth during the same time period.

USA remained at the top for Indian engineering exports registering positive monthly growth by 9.7% in October 2016 vis-à-vis October 2015. The main engineering products exported to the country include Products of Iron and Steel, Auto Components/Parts, Electrical Machinery and Equipment, Aircrafts and Spacecrafts, Industrial Machinery, Other Misc Items, etc during April- October 2016-17.

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

Fig1: India's engineering export share to North American Countries (%) in April- October 2016-17



Source: DGCI&S

- **Trade with USA:** Indian engineering exports to USA, continues to be one of the highest during April-October 2016-17. At present, it accounts for 11 per cent of India's eng exports.

Top products traded in USA: Top traded products to USA during April-October 2016-17 include Products of Iron and Steel, Auto Components/Parts, Electrical Machinery and Equipment, Aircrafts and Spacecrafts, Industrial Machinery, Other Misc Items, etc.

- **Trade with Mexico:** Mexico is presently India's 3rd largest export destination for engineering products moving up from the 8th rank during the last fiscal 2015-16. At present, it accounts for 4.2 per cent of India's eng exports during April-October 2016-17.

Top products traded in Mexico: Top traded products to Mexico during April-September 2016-17 include Motor Vehicles/cars, Iron and Steel, Aluminium and products, Auto Components and Parts, Industrial Machinery, Two and Three Wheelers, etc.

- **Trade with Canada:** India's engineering trade with Canada accounted for 0.7 per cent of India's engineering exports in April-October 2016-17.

Top products traded in Canada: Major exported products to Canada in April-October 2016-17 include Products of Iron and Steel, Auto Components/Parts, Other Misc Items , Iron and Steel, Machinery for ATMs, Electrical Machinery and Equipment, etc.

News in Focus

- **President Trump may move closer to India to balance China**

The India-US relations will become an important part under the leadership of President-elect Donald to balance China, but it will have limited impact on Beijing. As per recent news, with the purpose of stabilising the external situation and straightening out problems at home, the Trump administration will seek an improving relationship with India.

To sum up, US-Indian relations during Trump's term will have a limited impact on China. The intensive US-India security cooperation during the Obama administration will be changed due to Trump's adjustment in diplomacy, easing off the pressure on China," it said.

Source: <http://timesofindia.indiatimes.com/india/Trump-may-move-closer-to-India-to-balance-China-Chinese-media/articleshow/55835821.cms>

- **India - US Cooperation to continue-says Consul General**

The United States Consul General in Hyderabad Katherine Hadda said the cooperation between USA and India will continue positively and trade and tourism will only enhance.

Ms. Hadda was speaking for a select gathering from the city to watch the results of the US Presidential elections. Both the countries have common issues to deal with and worked together on issues like environment and climate, she said referring to the climate agreement signed at Paris.

There is an increasing cooperation in various sectors like renewable energy, aerospace, healthcare, and in security cooperation in the Asia-Pacific, she said adding that her job was to push the cooperation further. She also said that since 2017 was recognised as the year of promoting tourism between the USA and India, they expect a lot of Indians visiting the U.S.

Replying to questions on the problems faced by Indian students from fake universities, she said that the Consulate was providing authentic information to aspiring students using various platforms and they could make use of it. At the same time American students are also being encouraged to study in India.

On the election campaign and results, she said that individuals have different social and economic philosophies but as a nation they believe in choosing the Government that works for them.

Several events were organised during the breakfast meeting including selfie contest and quiz on US Presidents. Winners were given prizes. Senior officers from the Government and prominent people from the civil society were invited.

Source: <http://www.thehindu.com/news/cities/Hyderabad/India-US-cooperation-will-continue-Consul-General/article16441470.ece>

CVD/AD matters: Recent petitions filed with USITC

Table 4: CVD/AD Petitions

| Docket No. | Received | Type | Commodity |
|------------|----------|--------------------|---|
| 3176 | 9/20/16 | 701 & 731 Petition | Steel Concrete Reinforcing Bar |
| 3168 | 8/16/16 | 337 Complaint | Personal Transporters |
| 3161 | 6/30/16 | 701 & 731 Petition | Finished Carbon Steel Flanges |
| 3150 | 5/23/16 | 337 Complaint | Semiconductor Devices and Semiconductor Device Packages |
| 3148 | 5/18/16 | 337 Complaint | Personal Transporters, Components Thereof, and Packaging and Manuals Therefor |
| 3144 | 4/26/16 | 337 Complaint | Carbon and Alloy Steel Products |
| 3142 | 4/18/16 | Other | Primary Unwrought Aluminum |
| 3138 | 4/11/16 | 337 Complaint | Passenger Vehicle Automotive Wheels |
| 3136 | 4/8/16 | 701 & 731 Petition | Carbon and Alloy Steel Cut-to-Length Plate |
| 3129 | 3/22/16 | 337 Complaint | Motorized Self-Balancing Vehicles |
| 3124 | 2/24/16 | 332 Request | Unwrought and Wrought aluminum products |
| 3121 | 2/12/16 | 701 & 731 Petition | Stainless Steel Sheet and Strip |

| | | | |
|------|----------|--------------------|---------------------------|
| 3112 | 1/8/16 | 337 Complaint | Surgical Stapler Devices |
| 3108 | 12/16/15 | 701 & 731 Petition | Large Residential Washers |

Source: [http://www.usitc.gov/petitions and complaints](http://www.usitc.gov/petitions_and_complaints)

Country wise Anti-dumping matters in the last five years (2010-2015) against India

Table 5: Country wise Anti Dumping (AD) Cases against India

| Country initiating AD investigation | Case ID | Case_Code | Product | Initiating Date | Dumping Date | Injury decision date |
|-------------------------------------|-------------|-------------|---|-----------------|--------------|----------------------|
| Canada | CAN-AD-373 | CAN-AD-372 | Certain Carbon Steel Welded Pipe | 05/14/2012 | 08/13/2012 | 07/13/2012 |
| Canada | CAN-AD-401 | CAN-AD-400 | Certain Oil Country Tubular Goods | 07/21/2014 | 12/03/2014 | 09/19/2014 |
| Canada | CAN-AD-410 | CAN-AD-410 | Certain Hot-rolled Carbon Steel Plate and High-strength Low-alloy Steel Plate | 6/10/2015 | 9/8/2015 | 8/10/2015 |
| Mexico | MEX-AD-305 | MEX-AD-305 | Carbon Steel Tubing with Longitudinal Seams | 12/24/2014 | MI | MI |
| USA | USA-AD-1191 | USA-AD-1191 | Circular Welded Carbon-Quality Steel Pipe | 11/03/2011 | 06/01/2012 | 12/16/2011 |
| USA | USA-AD-1213 | USA-AD-1213 | Certain Steel Threaded Rod | 07/03/2013 | 02/18/2014 | 11/05/2013 |
| USA | USA-AD-1215 | USA-AD-1215 | Certain Oil Country Tubular Goods | 07/10/2013 | 02/25/2014 | 08/22/2013 |
| USA | USA-AD-1251 | USA-AD-1251 | Certain Steel Nails | 06/04/2014 | . | 07/18/2014 |
| USA | USA-AD-1275 | USA-AD-1274 | Certain Corrosion-Resistant Steel Products | 06/09/2015 | MI | 07/24/2015 |
| USA | USA-AD-1285 | USA-AD-1283 | Cold-Rolled Steel Flat Products | 08/03/2015 | MI | 09/17/2015 |
| USA | USA-AD-1298 | USA-AD-1298 | Welded Stainless Steel Pressure Pipe | 10/07/2015 | MI | 11/20/2015 |

India's Safe Guard initiating matters since last five years (2010-2015)

Table 6: Safe Guard Matters of India

| Safe Guard Initiating Country | PRODUCT | PET_DATE | WTO_INIT_DATE |
|-------------------------------|--|----------|---------------|
| India | Seamless Pipes, Tubes and Hollow Profiles of Iron or Non-Alloy Steel | MI | 04/22/2013 |
| India | Cold Rolled Flat Products of Stainless Steel of Chromium Type (400 series) | MI | 09/19/2014 |
| India | Not-Alloyed Ingots of Unwrought Aluminium | MI | 04/07/201 |

| | | | |
|--------------|---|----|------------|
| | | | 4 |
| India | Hot-rolled Flat Products of Non-alloy and Other Alloy Steel in Coils of a width of 600 mm or more | MI | 09/07/2015 |
| India | Hot-rolled Flat Sheets and Plates (excluding hot rolled flat products in coil form) | MI | 12/7/2015 |

Source: <http://econ.worldbank.org/>

Factsheets on Antidumping Duty and Countervailing Duty Investigations of Imports

- ✓ On October 25, 2016, the United States International Trade Commission (USITC) determined that a U.S. industry is materially injured by reason of imports of welded stainless steel pressure pipe from India that the U.S. Department of Commerce (Commerce) has determined are subsidized and sold in the United States at less than fair value.

Source: https://www.usitc.gov/press_room/news_release/2016/er102511676.htm

- ✓ On September 23, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of welded stainless pressure pipe from India.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-india-welded-stainless-pressure-pipe-ad-cvd-final-092316.pdf>

- ✓ On September 2, 2016, the United States International Trade Commission (USITC) announced its determinations in its antidumping and countervailing duty investigations concerning imports of cold-rolled steel flat products from Brazil, India, Korea, Russia, and the United Kingdom that the U.S. Department of Commerce (Commerce) has determined are sold in the United States at less than fair value and subsidized by the governments of Brazil, India, Korea, and Russia.

Source: https://www.usitc.gov/press_room/news_release/2016/er090211649.htm

- ✓ On July 21, 2016, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of finished carbon steel flanges from India, Italy, and Spain, and a countervailing duty (CVD) investigation of imports of finished carbon steel flanges from India.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-steel-flanges-ad-cvd-initiation-072116.pdf>

- ✓ On May 25, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of corrosion-resistant steel products (CORE) from China, India, Italy, Korea; its

affirmative final determination in the AD investigation of imports of CORE from Taiwan; and its negative final determination in the CVD investigation of imports of CORE from Taiwan.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-corrosion-resistant-steel-products-ad-cvd-final-052516.pdf>

Upcoming Exhibitions in North America

Table 7: List of Exhibitions

| Events | Date | Venue | Link |
|--|---|---|---|
| 2017 IPC APEX EXPO | 12-16 th February 2017 | San Diego Convention Center, California | http://www.ipcapexexpo.org/html/default.htm |
| ATX West-Automation Technology Expo | 9th-11th Feb, 2017 | Anaheim, USA | http://anaheim.ubmcanon.com/automation |
| Conexpo | 7 th -11 th March, 2017 | Los Angeles Convention Center, USA | http://www.conexpoconagg.com/ |

Tender information in North America

Table 7: Tender related information

| Title | Deadline | Country | Link |
|---|----------------------|---------------|---|
| Battery Operated Hydraulic Cutter & Spreaded | 5 Jan 2017 | USA | http://www.tendersinfo.com/details/36714441?desc=Battery-Operated-Hydraulic-Cutter--Spreaded |
| Provision Of Flange,clutch Drive | 05-Feb-2017 | USA | http://www.tendersinfo.com/details/36712924?desc=Provision-Of-Flange,clutch-Drive |
| Automotive Replacement Parts, One Hour Delivery | 23 Dec 2016 | USA | http://www.tendersinfo.com/details/36712225 |
| Aftermarket Vehicle Equipment, United states | 11 Jan 2017 | USA | http://www.tendersinfo.com/details/36711523 |
| Provision Of Stem Trailer | 6 Jan 2017 | USA | http://www.tendersinfo.com/details/36605803 |
| Rotary Screw Air Compressor | 13 Jan 2017 | USA | http://www.tendersinfo.com/details/36704484 |
| Tie Rod Assembly | 27th Dec 2016 | USA | http://www.tendersinfo.com/details/36704906 |
| One (1) 6-ton Single Axle Cab And | 21 Dec 2016 | Canada | http://www.tendersinfo.com/details/ |

| Title | Deadline | Country | Link |
|-------------------------|-------------|---------|---|
| Chassis With Dump Box | | | 36693230 |
| Portable Vehicle Scales | 22 Dec 2016 | Canada | http://www.tendersinfo.com/details/36693074 |

For more contract notices, Please register with Tender info and follow the link:
<http://www.tendersinfo.com/searchresult#>

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