

Territorial NEWSLETTER North America

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Chairman's Pen



Boosting trade ties and enhancing regional security has been the focus of the hour after the first strategic and commercial dialogue that took place in Washington recently between India and the US.

Economic ties between India and North America have strengthened over the years. The region is the second largest destination of India's exports highlighting significance of the region in India's export basket. Exports to the region account for nearly 15% of our global engineering exports.

Export of engineering goods, which constitutes 21.15 per cent of the country's total exports and US being its biggest market, is experiencing a deteriorating trend post July. But we are hopeful that with consistent decline in engineering exports, the crucial entry of renewed GSP will boost demand by the US firms.

In this third edition of the 'Newsletter on North America', we present a brief note which I hope will be insightful for our readers and I hope they enjoy reading it.

Anupam Shah

Message from Chairman, Committee on Trade with North America



In this third edition of the 'Newsletter on North America- Volume III', we heartily welcome the Strategic and Commercial Dialogue between India and the US held in Washington recently. We present a brief insight on the total trade pattern in North America during the first quarter of 2015-16. We also top discuss the top engineering product bilaterally traded between the countries of the region. In this third issue of the newsletter, and we also compile the tender related information, upcoming exhibition, key news items and factsheets of Anti Dumping Duty Investigations for the region

We are hopeful that the note will give fruitful information to our readers.

R. P. Sehgal

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Basic Facts: North America

Area: 24.71 million Sq. km

Population: 565,265,000 (2013)

GDP: USD 20,281,301 (2013)

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; the large variety includes coal, iron ore, bauxite, copper, natural gas, petroleum, mercury, nickel, potash, and silver.

US-India bilateral investment treaty (BIT)

September was an eventful month for US bilateral economic relations: The United States and India held their inaugural Strategic and Commercial Dialogue (S&CD) on September 22, and Chinese President Xi Jinping made his first state visit on September 25. There were hopes that both events could produce some kind of progress toward a bilateral investment treaty (BIT).

Framework

The main aim of the Bilateral Investment Treaty is to facilitate greater foreign direct investment (FDI) in each other's markets through the removal of barriers and strengthen investor protections in India. Indeed, the investment environments of India can be challenging.

Indian FDI in the United States has been nearly US\$8 billion (6 percent of India's total). The stock of US FDI in India was US \$28 billion in 2014, just 0.6 percent of the US total. The increase in two-way FDI compared to just a decade ago is notable. But the low percentages indicate that both bilateral pairs are underperforming in potential two-way FDI.

The following table depicts the FDI stocks between US and India:

Table 1: FDI stock between the United States and India

Particulars	2004			2014		
	US\$ billions	% of total outward FDI of source	% of total inward FDI of host	US\$ billions	% of total outward FDI of source	% of total inward FDI of host
US FDI stock in India	7.7	0.4	20.1	28.0	0.6	11.1
Indian FDI stock in US	0.6	8.1	0.0	7.8	6.0	0.2
Addendum	US\$ billions	% share global FDI				
Global FDI in India	38	0.3				
Global FDI in US	2,161	19.1				

There is need for greater integration between US-India via a comprehensive trade and investment agreement, whether bilaterally or regionally. But this cooperation undoubtedly has a longer term outlook. Successfully negotiating the BITs with India would serve as a stepping stone towards this end.

US-India BIT

India has concluded 82 BITs, including with EU member states, ASEAN, and Japan. India's BIT negotiations—including with the United States—were put on hold in early 2013 as India conducted an internal review of its model BIT. An update of its 1993 template was widely welcomed. However, the draft released in March 2015 for public comment hardly serves as a constructive baseline for moving forward with the US talks, as several serious gaps remain, not just with the US standard, but with common BIT practice more generally.⁴ Notable among these is an extremely narrow definition of investment as an “enterprise” in the host state with “real and substantial business operations” in India, which excludes, among other things, portfolio investment, intangible assets, and importantly, intellectual property rights. In addition, India's model BIT excludes the most favored nation provision and pre-establishment treatment for foreign investors, has weaker environment and labor obligations, and places limits on recourse to investor-state dispute settlement (ISDS).

The US-India BIT talks began in 2009 but soon stalled. In January 2015, Presidents Obama and Modi reaffirmed their commitment to make progress and effectively sanctioned resuming the talks. But positive rhetoric will not be enough to bridge the wide gap that remains between the two countries' approaches to standards, as evident from India's draft model.

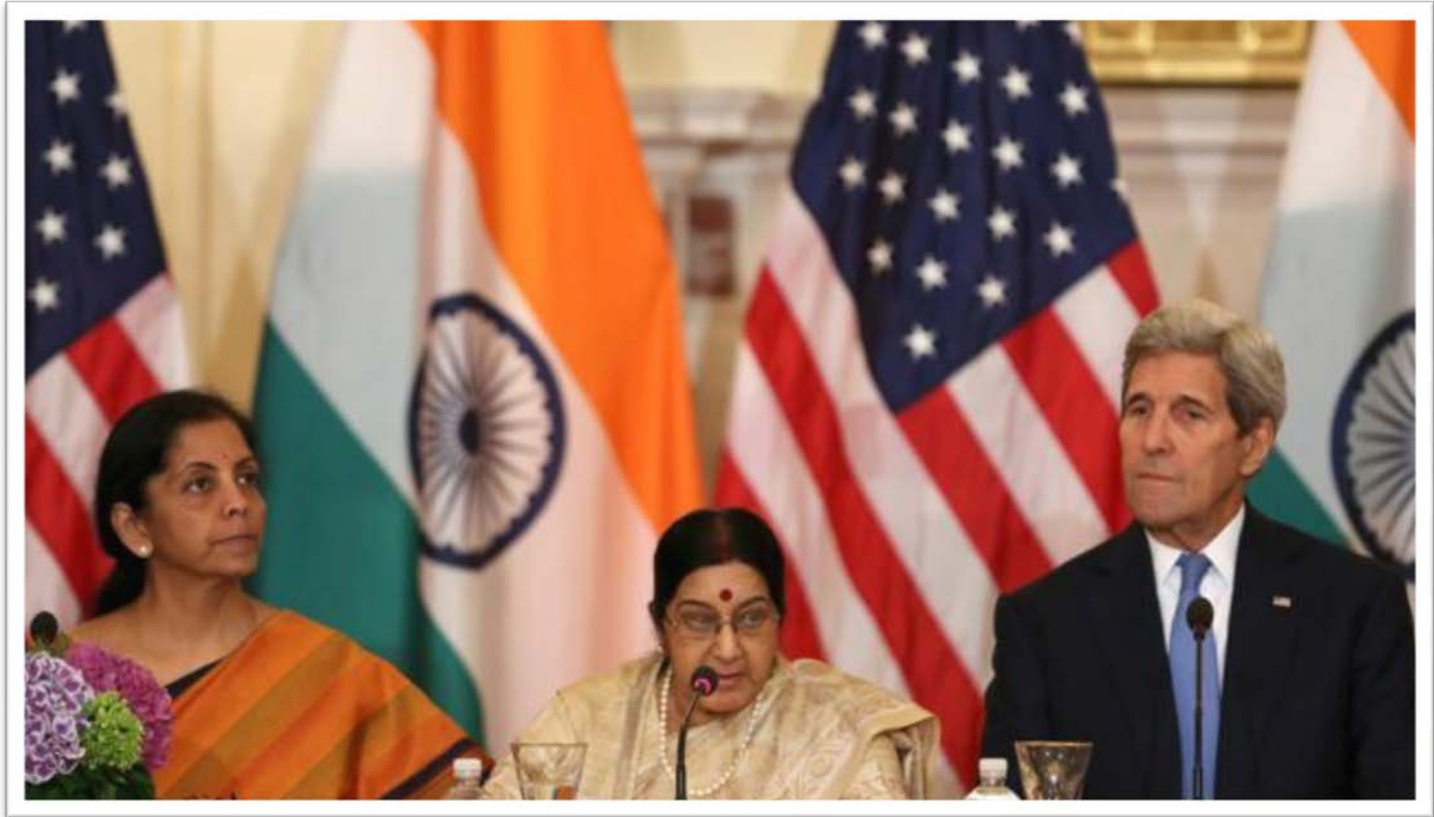


Fig: 1: US Secretary of State John Kerry (R) listens to India's Minister of Commerce and Industry Nirmala Sitharaman (L) and External Affairs Minister Sushma Swaraj (C) at the US-India Strategic & Commercial Dialogue plenary session at the State Department in Washington September 22, 2015. (REUTERS)

Major US concerns in the BIT talks also include India's use of local content requirements, forced technology transfer, and level of IP protection. Moreover, a number of Indian sectors of interest remain partially restricted to FDI, including civil aviation, banking and insurance, broadcasting, and depositories. For the Indian side, major concerns include differences relating to environment and labor standards and approaches to ISDS.⁶ Top priorities for India are provisions on FDI in services and visa reform that would facilitate the movement of Indian skilled workers to the US.

The United States and India held bilateral discussions on progress toward a BIT in March 2015. In practice, formal negotiations cannot resume until India finalizes its BIT review—no hard timeline has been set. Thus the US-India S&CD was not expected to produce concrete progress toward the BIT; indeed, the joint statement made no mention of the talks, reflecting the reality that near-term prospects are dim. An economic cooperation factsheet issued by the United States referred only to plans “to continue discussions to assess the prospects for a high standard BIT.”

India-North America Information Guide

The bilateral relations between India and North America have developed over the years in a significant way. As regards our exports, the region is the second largest destination for Indian goods, behind only European Union (EU) during April-August 2015-16. Exports to the region account for nearly 15% of our global 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.

Upcoming Exhibitions in North America

Table 2: Upcoming exhibitions in North America

Events	Date	Venue	Link
North American International Auto Show	11-24th January 2016	COBO Center, Detroit, Michigan	http://www.naias.com/2016-show/overview.aspx
Automotive Testing Expo North America	20-22nd October 2015	The Suburban Collection Showplace, Novi, MI, USA	http://www.testing-expo.com/usa/index.php
FABTECH 2015	9-12th November, 2015	McCormick Place Chicago, IL, USA	http://www.fabtechexpo.com

Trade Trend Analysis in North America

India shares a positive trade balance with North America during April-July of the new fiscal of 2015-16. The following table depicts India's Merchandised trade pattern with North America compared to the trade pattern with World.

Table3: India-North America Overall Trade Figures

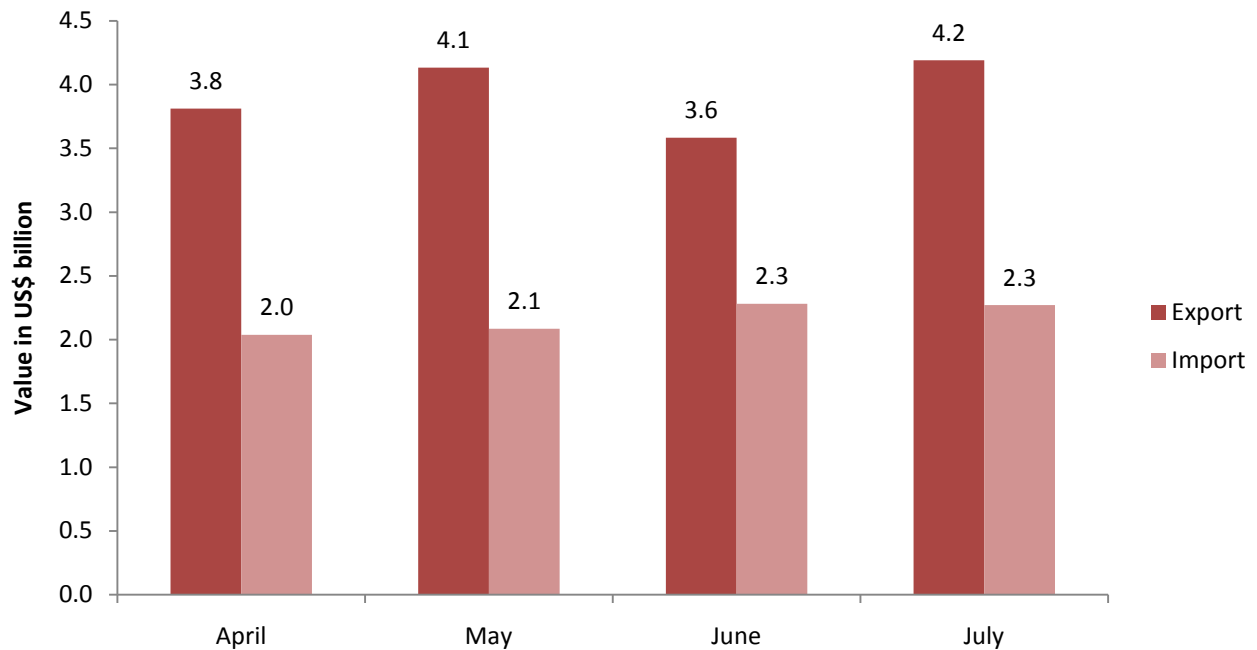
US\$ Million

Year	April-July 2015-16
India's Export to North America	15,697.74
India's Total Export to World	88,302.56
India's export share to North America w.r.t. World	17.77%
India's Import from North America	8,652.50
India's Total Import from World	134,773.19
India's Import Share from North America w.r.t World	6.42%

Year	April-July 2015-16
Total Trade with North America	24,350.24

Source: DGCI&S

Chart 1: Trend in Total Trade in North America during 2015-16(month wise)



Source: DGCI&S

The top nations which had the highest demand for Indian engineering products during July 2015 in absolute values include:

Table 4: Engineering Exports to North America (country wise)

North America	August 2014 (USD million)	August 2015 (USD million)	Growth (%)	April -August 2014-2015	April-August 2015 -2016	Growth (%)
USA	670.7	580.2	-13.5	3028.7	3025.6	-0.1
Mexico	147.9	132.4	-10.5	652.4	686.3	5.2
Canada	46.64	40.25	-13.7	224.84	194.80	-13.4
Total	865.2	752.9	-13.0	3905.9	3906.7	0.02

Table 5: Top 15 engineering panels exported to North America in August 2015 include:

DGCI&S Engineering Panels	India's export in August 2014(USD million)	India's export in August 2014 (USD million)	Growth (%)
Products of Iron and Steel	172.0	127.3	-26.0
Auto Components/Part	89.9	87.3	-2.9
Motor Vehicle/cars	72.4	73.6	1.7
Industrial Machinery	53.6	69.1	28.7

Other misc. Items	38.5	52.8	37.0
Electric Machinery	49.2	48.4	-1.7
Iron and Steel	76.4	45.0	-41.1
Aircrafts and Spacecrafts	39.5	39.0	-1.2
IC Engines and Parts	46.0	38.1	-17.1
Aluminium and products	56.1	36.0	-35.8
Machinery for ATMs	34.6	21.5	-37.8
Medical and Scientific Instruments	19.2	18.3	-4.8
Copper and products	28.2	14.3	-49.4
Pumps of all types	18.1	12.7	-29.7
Hand Tools and Cutting Tools	12.7	12.4	-1.8

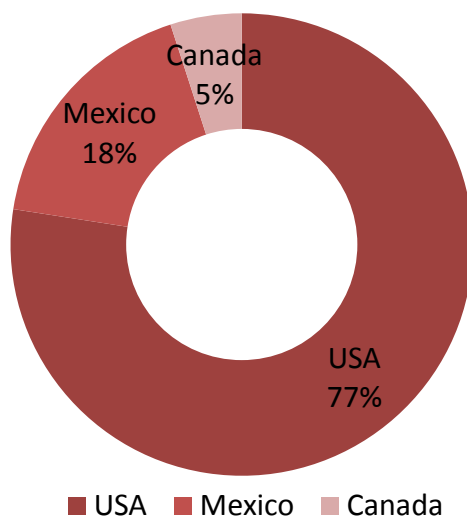
Source: DGCI&S

Engineering exports to North America, ranks second among the region wise top engineering exports from India during April-August 2015-16.

Countries like USA maintained its top rank for Indian engineering exports though it registered a dip in exports both monthly and cumulatively by 13.5 % in August 2015 and 0.1% during April-August 2015-16 respectively. The main engineering products exported to the country includes Products of iron and Steel, Auto Components/Parts, Industrial Machinery, Aircrafts and Spacecrafts, etc during April-August 2015-16.

The following pie chart demonstrates highest engineering export share to USA followed by Mexico and Canada during April-July 2015-16.

Fig2: India's engineering export share to North American Countries (%) in April-August 2015-16



Source: DGCI&S

- **Trade with USA:** Indian engineering exports to USA, continues to be the highest during the month of August. At present, it accounts for 11.6 per cent of India's eng exports.
- **Top products traded in USA:** Top traded products to USA during April-August 2015-16 include Products of Iron and Steel, Auto and Auto parts, Industrial Machinery, Electrical Machinery and Equipment, Aircraft and Spacecrafts, Iron and Steel, etc.
- **Trade with Mexico:** Mexico is India's 9th exporting destination for engineering products. At present, it accounts for 2.6 per cent of India's eng exports during April-August 2015-16.
- **Top products traded in Mexico:** Top traded products to Mexico during April-August 2015-16 include Motor Vehicles/cars, Aluminium products, Auto Components and Parts, Products of Iron and Steel, Industrial Machinery, Two and Three Wheelers, Iron and Steel, etc.
- **Trade with Canada:** India's engg. trade with Canada is also mention worthy. It maintains a similar economy like India and is often called as India-like country. At present, it accounts for 0.7 per cent of India's eng exports during April-August 2015-16.
- **Top products traded in Canada:** Major exported products to Canada during April-August 2015-16 include Products of iron and Steel, Nuclear Reactors, Auto Components/Parts, Iron and Steel, Other Industrial Machinery, etc.

News in Focus

❖ Text of PM Modi's statement after meeting with Obama

Prime Minister Narendra Modi on Monday met US President Barack Obama in New York and sought American support to complete the UN reform process "within a fixed time frame." Here's the full text of PM Modi's address at the joint press briefing with Obama:

President Obama, Members of the media,

It is a great pleasure to meet President Obama in New York. Thank you for hosting this meeting.

I deeply value your friendship and your vision and commitment for the relationship between our two countries.

We have achieved significant progress in our bilateral cooperation and international partnership.

I was in Silicon Valley over the weekend. I experienced the strength of American innovation and enterprise that provide the foundation of American success.

I also saw the driving force of our relationship - youth, technology and innovation; and, the natural partnerships of Indian and Americans in advancing human progress.

California also reminds us that India and the United States are part of the dynamic Asia Pacific Region.

Amid the problems that the world faces today and the global challenges that we see ahead, our partnership is of great significance for us and our world.

We can apply innovation and technology for achieving Sustainable Development Goals, including combating climate change and conserving Nature.

Source: <http://timesofindia.indiatimes.com/india/Text-of-PM-Modis-statement-after-meeting-with-Obama/articleshow/49143708.cms>

❖ **US CEOs seek faster reforms; PM promises speedier decisions**

Top American CEOs have sought "additional steps" to speed up economic reforms in India, to which Prime Minister Narendra Modi promised to fast-track the decision-making process as he asked them to take advantage of the huge opportunities of investing in the country.

"Please continue to do more what you are doing. May be slightly faster," the 42 CEOs of American companies with collective networth of USD 4.5 trillion, told the Prime Minister."By and large the mood was very upbeat. There is general consensus that the Prime Minister is effecting change in India.

Source: <http://www.deccanherald.com/content/502774/us-ceos-seek-faster-reforms.html>

❖ **PM Modi to Silicon Valley: Digital India “unmatched in history”**

In the first major official engagement on the West Coast, on the second leg of his US trip, Prime Minister Narendra Modi told CEOs of tech majors in Silicon Valley that the Digital India initiative was an “enterprise for transformation”.

The Prime Minister also announced a plan to expand WiFi coverage across 500 railway stations in India, in collaboration with Google. There were separate announcements of a \$150-million fund from Qualcomm to foster start-ups and cloud services by Microsoft, and a suggestion to Apple on manufacturing in India.

Source: <http://indianexpress.com/article/technology/tech-news-technology/pm-modi-silicon-valley-google-microsoft-ceo-dinner/>

❖ **India, US to deepen security ties; increase trade to \$500 billion**

The two countries have decided to further deepen their security and economic cooperation and increase bilateral trade five-fold to \$500 billion. US Secretary of State John Kerry and External Affairs Minister Sushma Swaraj co-chaired the first India-US Strategic and Commercial Dialogue that ended with the important takeaway of a joint

statement on combating terrorism, reinforcing commercial ties and securing access to US inward investment and technology.

The dialogue also helped the two countries move towards the goal of making their ties the defining relationship of the 21st century and increase bilateral trade from \$100 billion to \$500 billion a year.

Source: <http://economictimes.indiatimes.com/news/defence/india-us-to-deepen-security-ties-increase-trade-to-500-billion/articleshow/49072842.cms>

CVD/AD matters: Recent petitions filed with USITC

Table 6: CVD/ AD Matters

Docket No.	Received	Type	Commodity
3087	9/30/15	701 & 731 Petition	Welded Stainless Pressure Pipe from India
3082	8/11/15	701 & 731 Petition	Hot-Rolled Steel Flat Products
3080	7/28/15	701 & 731 Petition	Cold-Rolled Steel Flat Products
3079	7/21/15	701 & 731 Petition	Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes
3069	6/3/15	701 & 731 Petition	Corrosion-Resistant Steel Products from China, India, Italy, Korea and Taiwan

Source: http://www.usitc.gov/petitions_and_complaints

Factsheets on Antidumping Duty and Countervailing Duty Investigations of Imports

- ✓ On August 18, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain cold-rolled steel flat products from Brazil, China, India, Korea, and Russia and AD investigations of imports of the same merchandise from Japan, the Netherlands, and the United Kingdom.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-cold-rolled-steel-flat-products-ad-cvd-initiation-081815.pdf>

- ✓ On June 24, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of corrosion-resistant steel products from China, India, Italy, Korea, and Taiwan.

Source: <http://enforcement.trade.gov/download/factsheets/factsheet-multiple-corrosion-resistant-steel-products-ad-cvd-init-062415.pdf>

Tender information in North America

Prior information Notices:

Table 7: Tender information in North America

Title	Deadline
Fork Lift	16-Oct-2015
Vancouver landfill gas system upgrades	03-Nov-2015
Supply and install new burners, fuel supply lines	05-Nov-2015
Clean air duct system	22-Oct-2015
Provide Milling Machines	26-Oct-2015
Supply and delivery of various plow blades and bolts	23-Oct-2015
Bracket - Mounting, Trans Accumulator, B400r Gen 4 Trans	09-Oct-2015
Compressors for MCSO Laundry Facility	09-Oct-2015
Provision of Surface Grinders	14-Oct-2015
Supply delivery of air compressor packages - long spruce limestone gen. Stns.	28-Oct-2015
Computer Mounting Brackets For Vehicles	14-Oct-2015
Harnss chassis fwd	23-Oct-2015
Brake shoe set	23-Oct-2015
Accelerometer	23-Oct-2015
Provision of Vehicle requirements	29-Oct-2015

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

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