

Territorial NEWSLETTER North America

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



The North American economy is well defined and structured. Economic ties between India and North America have strengthened over the years. India - North America bilateral trade and investment is expected to grow rapidly. 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 exports with a CAGR of 16.02% in the last three years.

The US GSP extension news will likely benefit the domestic engineering sector. Export of engineering goods, which constitutes 24 per cent of the country's total exports and US being its biggest market, is expecting a quantitative jump. With consistent decline in engineering exports, the crucial entry of renewed GSP will boost demand by the US firms. As on July 2015, we perceive 8% jump on Indian engineering exports to USA.

In this second edition of the 'Newsletter on North America', we present a 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 second edition of the 'Newsletter on North America', we heartily welcome the extension of US GSP benefit by the US Government retrospectively from mid 2013. The engineering exports might see a turnaround from the second quarter itself. In the first quarter of the financial year, engineering exports stood at \$15.9 billion, out of which \$1.7 billion accounted for the US. This apprehends of a positive impact on the engineering export trade.

We present a brief insight on the top engineering product panels bilaterally traded with the region, in this second issue of the newsletter, and we also compile tender information and key news items on North America.

We are hopeful that the Newsletter 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.

Renewal of US GSP benefit

US renews GSP benefits for Indian exporters



Indian exports to witness 10% jump on US GSP

DUTY-FREE ENTRY

- US renews GSP benefits retrospectively from August 2013
- USGSP renewed till December 2017
- Textiles, engineering, chemical sectors to benefit
- USGSP expired in July 2013
- Exporters see rise in demand for Indian goods in the US

EEPC India heartily welcomes the extension of GSP benefit by the US government which has renewed retrospectively from August 2013. On June 29, 2015, the US President has signed the Trade Preferences Extension Act of 2015. Title II of the Act authorizes GSP through December 31, 2017 and makes GSP retroactive to July 31, 2013. As provided in the Act, duty-free treatment of GSP-eligible imports will become

effective 30 days after enactment (July 29, 2015). The scheme will be valid till 31st December, 2017.

U.S. trade preference programs such as the Generalized System of Preferences (GSP) provide opportunities for many of the world's poorest countries to use trade to grow their economies and climb out of poverty. GSP is the largest and oldest U.S. trade preference program. Established by the Trade Act of 1974, GSP promotes economic development by eliminating duties on up to 5,000 types of products when imported from one of 122 designated beneficiary countries and territories.

After an 18-month prolonged wait, the US government finally extended the generalised system of preferences (GSP) for Indian exporters retrospectively from August 2013, **enabling duty-free entry of 3,500 product lines. The move is expected to benefit exporters of textiles, engineering, gems and jewellery, and chemical products, among others, as their biggest market is the US.** The US GSP, which expired in July 2013, has been extended with retrospective effect from August 2013 till December 2017.

In the GSP a wide range of industrial and agricultural products originating in certain developing countries are given preferential access to American markets. This is given in the form of reduced or zero rates of customs duties. It was introduced by the US in 1976. During the United Progressive Alliance regime, then Commerce Minister Anand Sharma had taken up the matter strongly. This was the longest delay by the US in renewing the GSP.

The move is expected to increase the quantum of exports into the US markets. Exporters are also hopeful that with an increased demand in those markets, exporters can enjoy double benefits. This is going to boost exports to the US markets and we can expect merchandise exports to see a turnaround as our competitiveness will now increase.

India-North America Information Guide

The bilateral relations between India and North America have developed over the years in a significant way. India's dynamic abilities can power global growth and provide new opportunities for growth for North America. As regards our exports, the region is the second largest destination for Indian goods, behind only European Union (EU) during April-July 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

Events	Date	Venue	Link
Connecticut International Auto Show	20-22nd November 2015	Connecticut Convention Center, Hartford, Connecticut, USA	www.connautoshow.com
CWIEME Chicago	6-7th October	Donald E Stephens	http://www.coilwindingexpo.com/chicago

Events	Date	Venue	Link
	2015	Convention Center, Chicago	
GIE Expo 2015	21-23rd Oct, 2015	Kentucky Exposition Center, Louisville, USA	http://gie-expo.com/gieexpo/

Trade Trend Analysis in North America

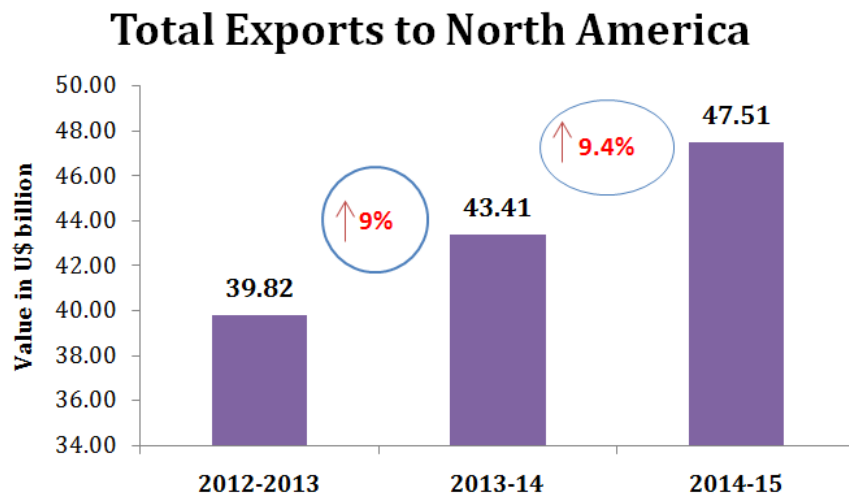
India share a positive trade balance with North America during April-May of the new fiscal of 2015-16, that has improved considerably over the years. The following table depicts India's Merchandised trade pattern with North America compared to the trade pattern with World.

Table1: India-North America Overall Trade Figures
US\$ million

Year	April-May 2015-16
India's Export to North America	7943.07
India's Total Export to World	43992.17
India's export share to North America World	18.1%
India's Import from North America	4113.79
India's Total Import from World	65905.89
India's Import Share from North America World	6.2%
Total Trade with North America	12056.86

Source: DGCI&S

Chart 1: Trend in Exports to North America (3 years)



Source: DGCI&S

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

Table 2: Engineering Exports to North America (country wise)

Country	Export in July 2014 (USD million)	Export in July 2015 (USD million)	Growth (%)
USA	631.84	680.74	7.74
Mexico	119.37	118.66	-0.60
Canada	60.42	47.51	-21.36

Table 3: Top 15 engineering panels exported to North America in July 2015 include:

DGCI&S Engineering Panels	India's export in July, 2014 (USD million)	India's export in July, 2015 (USD million)	Growth (%)
Medical and Scientific Instruments	17.84	20.66	15.77
Aircrafts Spacecrafts	41.59	102.32	146.03
Hand Tools Cutting	12.47	13.86	11.14
Machinery for ATMs	35.35	22.35	-36.78
Iron and Steel	90.43	44.49	-50.80
Air condition and Repair Machinery	11.44	13.25	15.80
Aluminium and products	42.10	46.02	9.29
Auto Components/Part	90.60	91.38	0.87
Products of Iron and Steel	155.90	140.77	-9.71
Copper and products	32.18	14.91	-53.68
Electric Machinery and Equipment	45.85	51.49	12.30
IC Engines and Parts	56.10	38.33	-31.67
Industrial Machinery	53.87	68.03	26.29
Motor Vehicle/cars	38.54	58.40	51.51
OTHER MISC. ITEMS	35.22	57.90	64.39

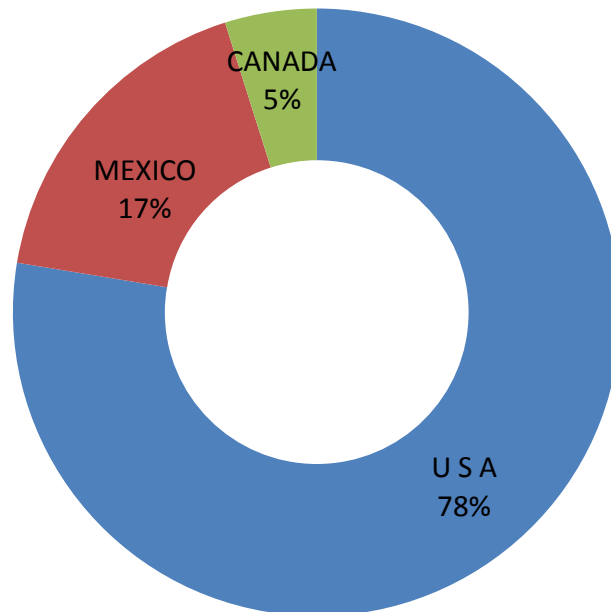
Source: DGCI&S

Engineering exports to North America, which is our biggest market, registered a growth post 2012-13, and regained massively enjoying 23% growth in 2014-2015.

North America ranks second where countries like USA have registered significant growth rates maintain the top most destination for Indian exports especially for items like Products of iron and Steel, auto Components/Parts, Industrial Machinery, Aircrafts and Spacecrafts, etc during April-July 2015-16.

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

Fig1: India's engineering export share to North American Countries (%) in April-July 2015-16



Source: DGCI&S

- **Trade with USA:** The USA is India's largest trading partner and foremost export destination. At present, it accounts for 11.4 per cent of India's eng exports.

Top products traded in USA: Top traded products to USA during April-July 2015-16 include Products of Iron and Steel, Auto and Auto parts, Industrial Machinery, Aircraft and Spacecrafts, Electric Machinery and Equipment, Iron and Steel, etc.

- **Trade with Mexico:** Mexico is India's 11th exporting destination for engineering products. At present, it accounts for 2.6 per cent of India's eng exports during April-July 2015-16.

Top products traded in Mexico: Top traded products to Mexico during April-July 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-July 2015-16.

Top products traded in Canada: Major exported products to Canada during April-July 2015-16 include Products of iron and Steel, Nuclear Reactors, Iron and Steel, Auto Components/Parts, IC Engines, Other Industrial Machinery, etc.

➤ **India, U.S. to sign tax pact**

India and the United States will sign a tax information sharing agreement, under a new U.S. law meant to combat offshore tax dodging by Americans, two Indian government sources and a source at the U.S. embassy said. Washington has so far signed pacts covering more than 80 tax jurisdictions to implement the Foreign Account Tax Compliance Act 2010, or FATCA, requiring financial institutions to share information about Americans' accounts worth more than \$50,000.

Last year, Prime Minister Narendra Modi joined leaders of G20 countries in Australia in agreeing to countries automatically exchanging tax information on a reciprocal basis by the end of 2018. Under the agreement, banks, mutual funds, insurance, pension and stock-broking firms will report their American client details to the tax department for sharing with the U.S., said a finance ministry official, who declined to be named.

Investors will have to provide correct information about their tax residency and financial assets that would be shared with U.S. tax authorities, he said.

The agreement could result in a fall in investments from small U.S investors into India's equity and debt markets for some time, but would help putting a fear of punishment among tax evaders, said another official.

Source: <http://www.reuters.com/article/2015/07/08/us-india-usa-tax-idUSKCN0P11H520150708>

➤ **India-US trade at \$103 billion, can reach \$500 billion**

The India-US bilateral trade in goods and services has crossed the elusive \$100 billion threshold and now stands at \$103 billion, US envoy Richard Verma said, adding that both countries still have a long way to traverse to reach the goal of \$500 billion.

Addressing the Center for Strategic and International Studies, Verma said the goal of \$500 billion is achievable. Both sides have restarted the trade policy forum, "which is bringing together Indian and American trade experts to address concerns across a variety of sectors", he said.

On intellectual property, a technical team of Indian experts will visit Washington for further discussions on how to improve IP protection. "We continue to look for ways to enhance the environment for innovation in a way that promotes our shared interests," he said.

Source: <http://timesofindia.indiatimes.com/business/india-business/India-US-trade-at-103-billion-can-reach-500-billion-US-envoy/articleshow/47566580.cms>

➤ **Mexico set to become the biggest export market for Indian carmakers this fiscal**

Mexico, one of the farthest countries from India, is set to become the biggest export market for Indian carmakers this fiscal, with one-fifth of all cars shipped out of the country expected to land in the Central American country some 12,000 nautical miles away.

Mexico, despite being a left hand drive market, is expected to overtake South Africa as the topmost overseas market for India-made cars this year, by importing about 1.3 lakh vehicles, industry insiders said.

Car exports to Mexico will increase by more than 50% to 1.32 lakh units in 2015-16, as against 82,000 vehicles for the same period last year.

Source: <http://economictimes.indiatimes.com/industry/auto/news/passenger-vehicle/cars/mexico-set-to-become-the-biggest-export-market-for-indian-carmakers-this-fiscal/articleshow/48521482.cms>

➤ **Volkswagen Ships 100,000th India-Made Car to Mexico**

Volkswagen India announced the shipment of the 100,000th India-made car to Mexico. The 100,000th car exported to Mexico was a red Volkswagen Vento and the model will take seven weeks to reach its destination.

Volkswagen started exporting its India-made cars to Mexico in late 2013 and company's Vento sedan has become one of the popular models in that market in less than two years. Volkswagen India currently exports the Volkswagen Polo and Vento to over 30 countries in Asia, Africa and North America.

"A Volkswagen built anywhere in the world meets the same quality standards. This is evident by the way the Volkswagen Vento and Polo have been accepted worldwide. With the success of our highest quality cars in a key market like Mexico, we can further increase our scope of export to other countries in the near future," said Carsten Goransch, Executive Director, Logistics, Volkswagen India Private Limited.

Source: <http://www.ibtimes.co.in/volkswagen-ships-made-india-100000th-car-mexico-644039>

➤ **USA offers to jointly make fighter jets with India**

Talking about the new developments in bilateral military ties, the American Ambassador here, Richard Verma, noted that India faces a critical shortage of front-line fighter aircraft for keeping India's air space safe. The US on Friday offered to produce fighter aircraft jointly with India to promote deeper military ties as it spoke about the Indian Air Force facing a "critical shortage" of front-line fighter jets. Talking about the new developments in bilateral military ties, the American Ambassador here, Richard Verma, noted that India faces a critical shortage of front-line fighter aircraft for keeping India's air space safe. "Defence cooperation can help to counter this challenge and I see no reason why the US and India can't produce fighter aircraft together," he said at the Observer Research Foundation in New Delhi.

Source: <http://indianexpress.com/article/india/india-others/usa-offers-to-jointly-make-fighter-jets-with-india/>

➤ **India, US 'working towards' achieving \$500-b trade target**

India-US bilateral trade crossed the \$100-billion mark in 2014 and the US is keen to work with India towards achieving an ambitious \$500 billion, US Ambassador to India Richard Verma has said.

The country, however, needs to resolve issues related to land acquisition and foreign direct investment if it wants to attract foreign investments in its proposed smart cities, the Ambassador said on Tuesday, speaking at an event organised by the American Chamber of Commerce.

The glitches

"We do not have clarity on financing for the many projects that need to be done. Land acquisition, foreign direct investment and other questions still remain unresolved.

"The expectation of large amounts of private sector finance, either domestic or foreign, will be a challenge. These concerns mean many projects may not be commercially viable at the outset," he said.

Source: <http://www.thehindubusinessline.com/economy/india-us-bilateral-trade-crosses-100bn-mark-in-2014/article7150441.ece>

➤ **Canada and India Highlight Growing Energy Relationship**

The Honourable Greg Rickford, Canada's Minister of Natural Resources, and Shri Dharmendra Pradhan, India's Minister of State (Independent Charge) Petroleum and Natural Gas, today met in Calgary, Alberta, Canada, for the 2nd India-Canada Ministerial Energy Dialogue to discuss enhancing energy cooperation between the two countries in the areas of oil, natural gas, clean energy, power transmission and skill development. They highlighted Canada and India's growing energy partnership, by strengthening government to government and business to business relationships, to help create jobs and long-term economic prosperity for both countries.

Canada is a secure, reliable and responsible producer and supplier of energy to the world and has the resources and expertise needed to support India's growing energy needs. In 2012, India was the fourth-largest energy consumer in the world. Recent International Monetary Fund studies showed that India is expected to be the fastest growing economy during 2014-25. In addition, according to the International Energy Agency's World Energy Outlook 2014, India's oil demand growth between 2013 & 2040 would be the highest in the world.

Indeed, the complementarity of energy interests between Canada and India has already resulted in substantive milestones conducive to building our bilateral energy relationship, including:

- In 2009, India received Canadian oil for the first time and in 2014, India received over 1 500 barrels of Canadian crude per day;
- Signed Expression of Intent in 2013 to collaborate between Alberta Petroleum Marketing Commission and Indian Oil Corporation Ltd;
- In March 2014, Indian Oil Corporation Ltd acquired 10 % participating interest in integrated LNG project - Pacific Northwest LNG proposed at Lelu Island, British Columbia; and
- On April 15, 2015, Canada welcomed the announcement of a contract to supply over seven million pounds of uranium to India over the next five years for the generation of electricity.

Source: <http://www.prnewswire.com/news-releases/canada-and-india-highlight-growing-energy-relationship-511685031.html>

Tender information in North America

Prior information Notices

Title	Deadline
Purchase of extractor type washers for the ycp program	27-Aug-15
Supply and delivery of one (1) new 2015/16 model ice resurfacer	28-Aug-15
Ifb No. 15-080 Truck, Tri-Axle Dump With Snow Package	22-Sep-15
Concrete ribbon and paver repairs for north morse circle	21-Sep-15
Provision of structural materials	30-Aug-15

Title	Deadline
Seal , outboard , upper	31-Aug-15
Abl spare parts	28-Aug-15
Install 100 kw natural gas backup power generator	8-Sep-15
Providing of Breach hammer	25-Aug-15
Supply Of Vulcan Spiral Conveyors	25-Aug-15
Package Surface Water Treatment Plant	17-Sep-15
Leak Detection and Valve Assessment	4-Sep-15
Vertical Inline Centrifugal Pump	27-Aug-15
Provision of Cartridge, assembly	18-Sep-15
Laser engraving system	25-Aug-15

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

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