

# Territorial NEWSLETTER South Asia

**EPCINDIA**

ENGINEERING THE FUTURE

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## Chairman's Pen



T S Bhasin

The 37th INDEE is going to be held in Bangladesh from 2nd to 4th November 2017. This maiden INDEE in Bangladesh has made it the 27th nation to be covered under our flagship programme. More than 100 companies will participate in the said INDEE to display the engineering brilliance of India before the global customers. Bangladesh meanwhile has come up as India's top exporting destination for engineering products among the South Asian nations by replacing Nepal in this fiscal. Therefore the time is apt to look for a deeper relation with Bangladesh and I am quite hopeful that this INDEE will turn out to be a great success for both the nations.

I believe this newsletter will certainly enhance the knowledge base of our member exporters focusing on South Asian region and will help them to take informed decision in business.

## SAARC Territorial Committee Chairman's Note



PR Venkatachalam

Our maiden INDEE in Bangladesh is a couple of days away and we all are quite optimistic about the success of our 37th INDEE like the previous ones. Meanwhile, in the eighteenth issue of our newsletter on South Asia, we have provided a brief discussion on the 'India Country Partnership Strategy 2014-2018' of ADB where ADB plans to raise its annual lending to India to a maximum of US\$ 4 billion to support the country to accelerate inclusive economic transformation toward upper middle-income status.

Like our previous issues, an analysis of Indian engineering exports for Apr - Jul of fiscal 2017-18 is also presented in this newsletter from both country-wise and DGCI&S panel-wise perspective. Other sections include News section, upcoming events in South Asian regions and tenders.

## Cover Story

*The Asian Development Bank (ADB) has endorsed the new phase of India CPS 2018-2022. Under this new phase of the strategy, ADB plans to raise its annual lending to India to a maximum of US\$ 4 billion to support the country.....*

## What's in News

- *Nepal Prime Minister Discusses Connectivity, Trade Enhancement ...*
- *Freight Train Service to Run for Dhaka-Kolkata ...*
- *India Commerce and Industry Minister and ADB President Discuss ...*
- *Better Trade Facilitation to Reduce Trade Costs by Up to 9% Annually...*

## Tenders

*More latest News from Tenders*

## Upcoming Events

Territorial  
NEWSLETTER – South Asia

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## Basic Facts South Asia

### Grouping: South Asia Association for Regional Cooperation

**Area:** 5,099,611 km<sup>2</sup>

**Population:** 1,713,870,000

**GDP:** US\$2.9 trillion

**Countries:** Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

**Climate:** The climate of South Asia can be divided into three basic kinds: tropical, dry, and temperate

**Natural Resources:** Rich agricultural land, minerals, energy resource



## India Country Partnership Strategy 2018-2022 by Asian Development Bank

After the India Country Partnership Strategy (CPS) 2013-2017, The Asian Development Bank (ADB) has endorsed the new phase of India CPS 2018-2022. Under this new phase of the strategy, ADB plans to raise its annual lending to India to a maximum of US\$ 4 billion to support the country to accelerate inclusive economic transformation toward upper middle-income status. The aim of CPS is to support the government's goal of faster, inclusive, and sustainable growth accompanied by rapid economic transformation and job creation.

India has been growing at an average rate of more than 7% since the last couple of years barring the last fiscal and has got its entry in the roster of world's fastest growing large economies. The country has also more than halved its poverty rate since 2004 to 21.9% and has achieved most of the Millennium Development Goals. Now, in order to accelerate such positive trends the country requires to create more high quality jobs, since half of India's workforce is based around agriculture, which is still marked by low productivity

and incomes. Infrastructure continues to be a major bottleneck, in which ADB has identified an investment shortfall of \$230 billion a year. Other critical challenges include how to close the persistent gap between advanced and lagging regions where most of the poor are concentrated, environmental degradation exacerbated by the impacts of climate change, and building capacity within the country's institutions.

As per the information published by the South Asia Sub-regional Economic Cooperation (SASEC), The ADB-India CPS focuses on three main pillars of activity:

- Enhancing economic competitiveness to create employment and increase well-paid jobs. Under this pillar, ADB will help expand infrastructure networks for transport, energy, and urban centers along economic corridors, enhance corridor business environment, and address skill shortages to support industrialization
- Improving access to infrastructure and services by addressing infrastructure bottlenecks in lagging regions, improving municipal services for the urban poor, and supporting rural investments to close the income gap with cities. This will be supported by more efficient public sector management
- Addressing climate change and improving climate resilience by promoting sustainable natural resource use, higher renewable energy consumption, green corridors on high-voltage transmission lines, and ensuring climate proofing in infrastructure projects.

The website of ADB provides the following information in relation to India CPS 2018-2022

About 85% of lending will be focused on transport, energy, and urban infrastructure and services. Other finance will be aimed at public sector management, agriculture, natural resources and rural development, as well as skills development and urban health.

Under the CPS, ADB will continue to prioritize private sector development and support the government in reviving private financing of infrastructure projects, including through public-private partnerships. ADB's private sector operations will consider support for transport, power, urban infrastructure (including sewerage and solid waste management), affordable housing, manufacturing, health, and education, among other sectors.

Along with the country specific programmes, ADB's regional cooperation and integration operations will be substantially enhanced, building on the South Asia Subregional Economic Cooperation (SASEC) Vision launched by its Finance Ministers in New Delhi in April 2017. Assistance will focus on transport connectivity, energy trade, trade and investment facilitation for intra-SASEC and global value chain integration, and building synergies between economic corridors.

Source: <https://www.adb.org>; <http://sasec.asia>;

## Trend of India's Engineering Export with the South Asian Nations

### India's engineering exports to Top 5 South Asian countries during April - Aug 2017-18 (All values in USD million)

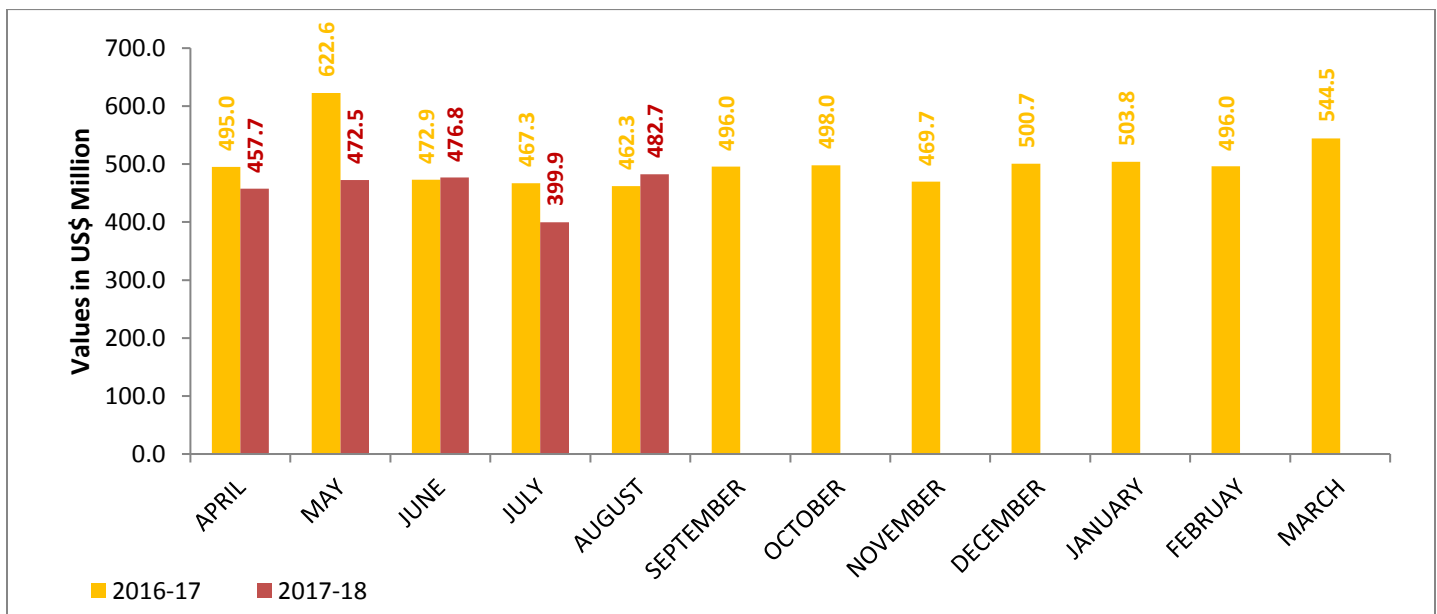
| Country    | Export in Aug 2016 | Export in Aug 2017 | Growth (%) | Exports in Apr-Aug 2016-17 | Exports in Apr-Aug 2017-18 | Growth (%) |
|------------|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| BANGLADESH | 152.02             | 196.47             | 29.24      | 769.44                     | 876.54                     | 13.92      |
| NEPAL      | 175.03             | 162.16             | -7.35      | 889.37                     | 832.62                     | -6.38      |
| SRI LANKA  | 94.59              | 91.38              | -3.40      | 638.91                     | 470.89                     | -26.30     |
| BHUTAN     | 22.88              | 10.66              | -53.40     | 135.97                     | 77.35                      | -43.12     |
| PAKISTAN   | 9.40               | 13.37              | 42.28      | 55.04                      | 60.02                      | 9.05       |

Source: DGCIS

India's engineering exports to South Asia came back to growth path once again in Aug 2017 after conceding a decline in the previous month on a year-on-year basis. Overseas shipment of India's engineering products to Sri Lanka and Bhutan continued to decline but Sri Lanka saw minute decline in Aug 2017 over the same month last year. The growth in Aug 2017 was mainly attributed to nearly 30% growth in engineering exports to Bangladesh, the top importer of Indian engineering products from the region. However, the second largest importer Nepal conceded 7.35% decline in imports during the month concerned. Out of 7 South Asian nations, 4 recorded drop in year-on-year imports of Indian engineering products during Aug 2017 while Maldives and Pakistan managed year-on-year growth along with Bangladesh.

Cumulative exports during Apr - Aug 2017-18 declined by 6.65% due to lower demand from Nepal, Sri Lanka and Bhutan. However, top importer Bangladesh recorded around 14% growth in engineering imports from India during the same time period. Out of 7 South Asian nations, 3 recorded decline in cumulative engineering import from India in the first five months of 2017-18.

### Month-wise Trend in Total Engineering Export to South Asia (Apr - Aug 2017-18)



Source: DGCIS Data, EEPC Research

## Panel-wise trend in engineering exports to South Asia during April - Aug 2017-18

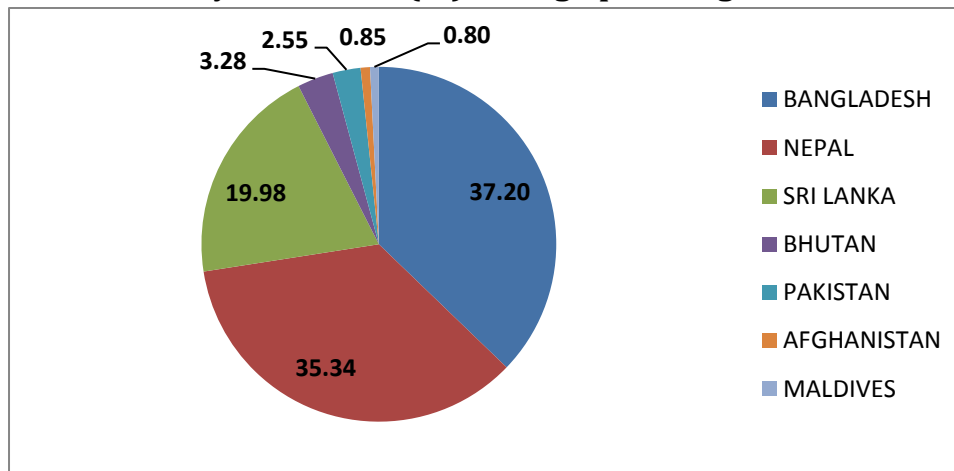
Top 10 engineering panels exported to South Asia during April - Aug 2017-18 are listed below (Value of Exports measured in USD Million)

| Panel   | Export in Aug 2016 | Export in Aug 2017 | Growth (%) | Exports in Apr-Aug 2016-17 | Exports in Apr-Aug 2017-18 | Growth (%) |
|---|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| Iron and Steel                                      | 97.00              | 110.80             | 14.22      | 476.69                     | 494.66                     | 3.77       |
| Industrial Machinery                                | 54.00              | 55.52              | 2.81       | 270.08                     | 306.23                     | 13.38      |
| Two and Three Wheelers                              | 48.44              | 60.99              | 25.89      | 217.56                     | 271.68                     | 24.87      |
| Motor Vehicle/cars                                  | 76.63              | 52.74              | -31.18     | 352.37                     | 270.09                     | -23.35     |
| Auto Components/Parts                               | 37.27              | 41.97              | 12.63      | 201.53                     | 178.09                     | -11.63     |
| Products of Iron and Steel                          | 28.52              | 18.29              | -35.87     | 95.28                      | 124.13                     | 30.28      |
| Electric Machinery and Equipments                   | 30.92              | 24.34              | -21.27     | 145.47                     | 108.30                     | -25.55     |
| Other Construction Machinery                        | 10.84              | 17.34              | 60.01      | 87.32                      | 94.08                      | 7.74       |
| Aluminium and products                              | 11.68              | 24.06              | 105.93     | 57.82                      | 89.16                      | 54.21      |
| Air condition and Refrigeration Machinery and Parts | 10.09              | 11.25              | 11.48      | 55.33                      | 54.18                      | -2.07      |

Source: DGCIIS

'Iron and Steel' remained the highest exporting engineering product to the South Asian region during the ongoing fiscal but with a feeble 3.8% year-on-year growth in the first five months of the ongoing fiscal. Industrial machinery is the immediate follower of Iron and Steel with a higher 13.4% year-on-year growth during the same time period. In the automobile sector, two and three wheeler achieved a solid 25% growth but Motor vehicles and Auto components conceded significant decline in exports to South Asia during the ongoing fiscal as on date. Among the top 10 exporting panels to South Asian region, 4 witnessed decline in overseas shipment during Apr - Aug 2017-18 in comparison to the same period last fiscal. Out of the total 33 engineering panels as classified by DGCI&S, 16 panels recorded year-on-year drop in exports to South Asia during the first five months of 2017-18.

### Country-wise Share (%) during April - Aug 2017-18



## Major Importers of India's engineering products to South Asia during April - Aug 2017-18

**Bangladesh:** Bangladesh has become the largest destination of India's engineering exports among South Asian nations during Apr - Aug 2017-18 with 37.2% share in total engineering exports to the region.

Top exported Products: Industrial Machinery, Iron and Steel, Two & three wheelers, Motor Vehicle/cars, Auto Components/Parts.

**Nepal:** Nepal was the second largest importer of Indian engineering products during the said time period with 35.34% share.

Top exported Products: Iron and Steel, Motor Vehicle/cars, Industrial Machinery, Two and Three Wheelers, Other construction machinery.

**Sri Lanka:** Sri Lanka witnessed substantial decline in imports and slipped to third position among the 7 South Asian importers of Indian engineering products during Apr - Aug 2017-18 with a share of 20%.

Top exported Products: Two and Three Wheelers, Motor Vehicle/cars, Iron and Steel, Ships, Boats and Floating Structures, products of Iron and Steel.

### Anti-dumping measures

- At present, no anti-dumping case on Engineering product being investigated by Nepal, Bangladesh or Sri Lanka, the top three importers of Indian engineering products in South Asian region, against India as per the WTO website.
- On the other hand the WTO website shows no anti-dumping case is being investigated by India at present on imports of engineering products from those three nations.

### Upcoming exhibitions in South Asian Countries

| Events                                     | Date                       | Venue  | Link  |
|--|----------------------------|--|---|
| IITF - INDIA INTERNATIONAL TRADE FAIR 2017 | 14-Nov-2017 to 27-Nov-2017 | Pragati Maidan<br>Near Delhi Zoological Park, Mathura Road<br>Delhi, India             | <a href="http://www.eventseye.com/fairs/f-iitf-india-international-trade-fair-11452-1.html">http://www.eventseye.com/fairs/f-iitf-india-international-trade-fair-11452-1.html</a> |
| AGRO Bangladesh 2017                       | 23-Nov-2017 to 25-Nov-2017 | Kuril Bishwa Road<br>Next to 300 ft.<br>Purbachal Express Highway, Dhaka<br>Bangladesh | <a href="http://www.eventseye.com/fairs/f-agro-bangladesh-23499-1.html">http://www.eventseye.com/fairs/f-agro-bangladesh-23499-1.html</a>   |
| INTERSOLAR INDIA 2017                      | 5-Dec-2017 to 7-Dec-2017   | Bombay Convention & Exhibition Centre (BCEC)<br>Highway, Goreagon                      | <a href="http://www.eventseye.com/fairs/f-intersolar-india-14714-1.html">http://www.eventseye.com/fairs/f-intersolar-india-14714-1.html</a>                                       |

| Events                   | Date                     | Venue   | Link  |
|--------------------------|--------------------------|---|---|
|                          |                          | (East)<br>Mumbai - 400 063  |   |
| EIMA AGRIMACH INDIA 2017 | 7-Dec-2017 to 9-Dec-2017 | Indian Agricultural Research Institute<br>Pusa Campus<br>New Delhi, India | <a href="http://www.eventseye.com/fairs/f-eima-agrimach-india-16284-1.html">http://www.eventseye.com/fairs/f-eima-agrimach-india-16284-1.html</a> |

## News in Focus

### South Asia

#### Nepal Prime Minister Discusses Connectivity, Trade Enhancement with Bangladesh Prime Minister and Sri Lanka President

Nepal Prime Minister Sher Bahadur Deuba met with heads of state of South Asian Association for Regional Cooperation (SAARC) countries, including Bangladesh, Sri Lanka, Afghanistan, and Pakistan, on the sidelines of the United Nations General Assembly (UNGA) Meeting in New York, USA. As current SAARC chair, Nepal Prime Minister Deuba highlighted the need to continue deepening regional cooperation and connectivity, and host another SAARC Summit

Link: <https://www.sasec.asia/index.php?page=news&nid=756&url=nepal-pm-discusses-connectivity-trade-with-saarc>

#### Freight Train Service to Run for Dhaka-Kolkata

In an effort to increase bilateral trade between Bangladesh and India - currently running at about \$6 billion - the Governments of both countries will launch a container train service running from Dhaka, Bangladesh to Kolkata, India, using a broad-gauge connection through Darshana, Bangladesh, to Gede, India. Trial runs are set to begin in October 2017.

Link: <https://www.sasec.asia/index.php?page=news&nid=755&url=freight-train-dhaka-kolkata>

#### India Commerce and Industry Minister and ADB President Discuss Promotion of India's Manufacturing and Export

Mr. Suresh Prabhu, Commerce and Industry Minister, India, discussed ways to increase competitiveness of India's manufacturing and exports with Mr. Takehiko Nakao, President, Asian Development Bank (ADB), on the sidelines of the 5th East Asia Summit Economic Ministers' Meeting on 11 September 2017 in Manila, Philippines.

Link: <https://www.sasec.asia/index.php?page=news&nid=758&url=promoting-india-manufacturing-and-export->

#### Better Trade Facilitation to Reduce Trade Costs by Up to 9% Annually

The simplification, modernization, and harmonization of export and import processes could reduce trade costs by up to 9% in Asia and the Pacific, according to the report Trade Facilitation and Better Connectivity for an Inclusive Asia and Pacific. Reducing trade costs by 9% would result in \$219 billion in savings annually.

Link: <https://www.sasec.asia/index.php?page=news&nid=745&url=better-trade-facilitation>

## Tender Information in South Asian Countries

| Location   | Title   | Deadline    |
|------------|---|-------------|
| INDIA      | Supply, Installation, Testing And Commissioning Of Automated Breaker Testing Facility For Testing Of Breakers Upto 400 Amps For Infrastructure Development Of Owc At Naval Dockyard                       | 17-Nov-2017 |
| INDIA      | Supply And Installation Of Switching Device On Each Street Light Pole At Different Wards Under The Dhupguri Municipality Area At Dhupguri In The District Of Jalpaiguri.<br>Estimated Cost: INR 3,171,181 | 13-Nov-2017 |
| BANGLADESH | Enlistment Of Contractor For Construction, Rehabilitation/civil Construction Of 33/11 Kv Substation/electrical Overhead Line And Transportation & Supply Works.   | 14-Nov-2017 |
| INDIA      | Supply Of Hiring Of Vehicles For Field & Hq Duties Of Latur Telecom District. Estimated Cost: INR 4,600,000   | 16-Nov-2017 |

For more tender notices, Please register with Tenderinfo and follow the link: <http://www.tendersinfo.com> and search for South Asia.

### EEPC India South Asia Territorial Newsletter

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