

# Territorial NEWSLETTER South Asia

**EETPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



**T S Bhasin**

BBIN MVA is the most talked-about name among the think-tanks of the South Asian nations at present. Signed with the long-desired objective of facilitating cross-border-movement of goods, services and people, this landmark Motor Vehicle Agreement among Bangladesh, Bhutan, India and Nepal is believed to be the beginning of the process of strengthening regional integration in the South Asian

region which is probably the most prominent bottleneck to economic development in this region.

Despite some threats, this MVA is expected to become a successful model for regional economic integration in South Asia that will ultimately address the disintegration problem to a large extent.

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**

The 23<sup>rd</sup> issue of our newsletter on South Asia has been published and in this issue, we have highlighted the extracts of the 'National Policy Dialogue' on economic integration in India-Nepal-Bhutan-Bengaladesh region where the importance of the Motor Vehicle Agreement has been discussed. This agreement, as per the think-

tanks of South Asian nations, will be instrumental in negating 'Economic Disintegration' in this promising region of the world.

Like our previous issues, an analysis of Indian engineering exports for April - January 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

*Bangladesh, Nepal, Bhutan and the richest economy India have entered into a landmark Motor Vehicles Agreement (MVA) with an objective to provide maximum possible people-to-people contact...*

## What's in News

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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



## BBIN Motor Vehicles Agreement will Facilitate Regional Integration in South Asia

Four nations from South Asia namely Bangladesh, Nepal, Bhutan and the richest economy India (termed as the BBIN group of countries in the Bay of Bengal region) have entered into a landmark Motor Vehicles Agreement (MVA) with an objective to provide maximum possible people-to-people contact and augment economic interaction by facilitating cross border movement of goods and people.

With support from the UK's Department for International Development and the US State Department, Jaypur-based non-Profit NGO CUTS International is implementing this multi-country, multi-year project, looking at local level infrastructure needs and development implications of trade, transport and transit connectivity between and among these countries, with a focus on possible implementation challenges to the BBIN Motor Vehicles Agreement (BBIN MVA). According to CUTS, this BBIN MVA will be a game-changer for regional cooperation in South Asia and that requires a number of enablers for its effective implementation.

a National Policy Dialogue was organized on "Enabling and Inclusive Policy and Political Economy Discourse for Trade, Transport and Transit Facilitation in and among Bangladesh, Bhutan, India, Myanmar and Nepal -

Facilitating Implementation and Stakeholder Buy-in in the Bay of Bengal Region” in New Delhi on 27th February, 2018 where eminent speakers from govt. as well as private sector delivered their view on how this MVA can be implemented and what factors should be stressed upon.

A study by CUTS stressed on the fact that along with the soft and hard infrastructural bottlenecks, political nuances also pose challenges towards the implementation of the BBIN MVA. In accordance with the result of the study, a model of better local buy-in was suggested by CUTS in order to address these issues by highlighting their gains that can reaped through this Agreement and other related initiatives.

One senior level official from the Central Board of Excise & Customs, Government of India opine that with the help of the Electronic Cargo Tracking System and a better conformity assessment system, which are in place in India, the BBIN MVA would become a successful model for regional cooperation. He also spoke about other important initiatives such as rail connectivity for people-to-people contacts between India and Bangladesh, development of Border Haats, as a tool to foster better bilateral as well as regional cooperation.

Official from UK’s Department for International Development stated that the success of the BBIN MVA and other such initiatives would depend on the level of private sector engagement and the strength of institutional arrangements for regional cooperation such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation could play a vital role. Trade and Technology Unit Chief at the US Embassy in New Delhi emphasized that the implementation of the World Trade Organisation’s Trade Facilitation Agreement will help these countries to better implement the BBIN MVA and other connectivity initiatives.

Official from the World Bank looking after the South Asian region added a new aspect by underscoring the importance of women’s participation in economic activities for comprehensive and socially inclusive development and stressed on successful women participation in cross-border trade.

Among the other factors pointed out by the set of speakers, developing corridors and critical hubs that are of geographic and strategic importance to the region, local level capacity building, etc. had been mentioned as major priorities among others. One speaker from World Customs Organisation underlined the importance of following the implementations of various provisions of WTO Trade Facilitation Agreements in order to overcome procedural challenges to “trading across borders” .

The BBIN MVA was signed in June 2016 and the protocols for seamless movement of both passenger and cargo vehicles are being developed. Bhutan is yet to confirm it and expected to do so later this year, while the other three countries have finalized and initialed the protocols for the movement of passenger vehicles. Those for the movement of cargo vehicles have also been drafted and will be finalized after a few more rounds of trial runs. The implementation of the Agreement is expected to begin in the second half of 2018.

**Source:**

*Press Release by CUTS International,*

Link: [http://www.cuts-international.org/bbinmva/pdf/Press\\_Release\\_BBIN\\_Motor\\_Vehicles\\_Agreement\\_will\\_be\\_a\\_game-changer\\_for\\_regional\\_cooperation-feb27-2018.pdf](http://www.cuts-international.org/bbinmva/pdf/Press_Release_BBIN_Motor_Vehicles_Agreement_will_be_a_game-changer_for_regional_cooperation-feb27-2018.pdf)

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

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

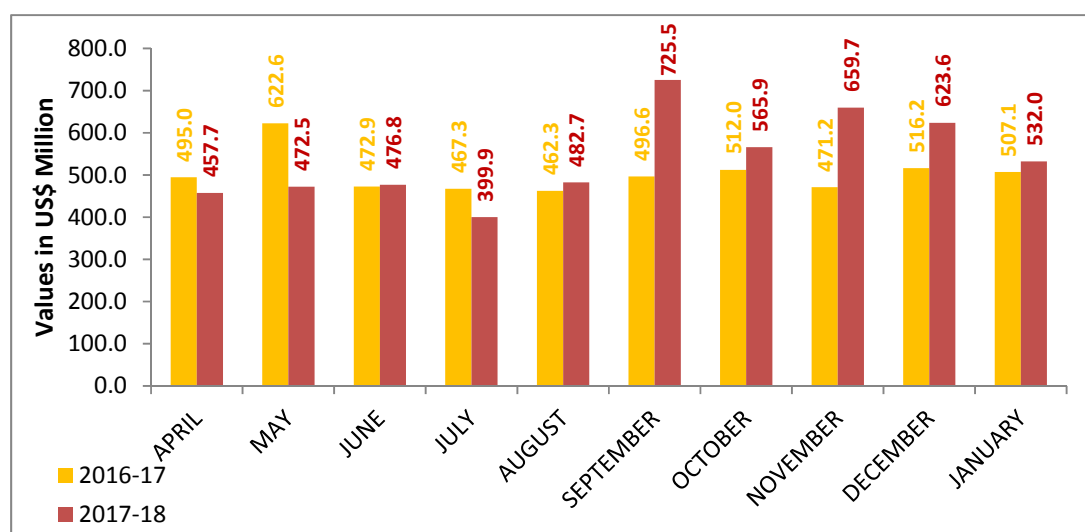
Country	Export in Jan 2017	Export in Jan 2018	Growth (%)	Exports in Apr-Jan 2016-17	Exports in Apr-Jan 2017-18	Growth (%)
NEPAL	191.99	182.12	-5.14	1814.11	1968.37	8.5
BANGLADESH	175.97	211.28	20.07	1625.01	1950.26	20.01
SRI LANKA	107.30	88.3	-17.71	1168.81	1171.00	0.19
BHUTAN	13.96	24.00	71.99	231.45	172.59	-25.43
PAKISTAN	9.64	15.82	64.09	109.59	145.07	32.38

Source: DGCIS

Despite securing year-on-year growth for the sixth consecutive month to Jan 2018, India's engineering exports to South Asia witnessed a much slower 4.9% year-on-year growth during Jan 2018 in comparison to 20.8% in Dec 2017 and 40% in Nov 2017. Nepal recorded decline in imports for the second straight month and this time it was accompanied by Sri Lanka. Bangladesh again came up as the largest importer in the South Asian region with 20.07% year-on-year growth in imports of Indian engineering products. Other than Nepal and Sri Lanka, all South Asian nations registered year-on-year increase in engineering imports from India during the said month.

On a cumulative basis, engineering exports to South Asia achieved year-on-year growth for the fifth time in a row and but with a deceleration in growth. Engineering exports during Apr - Jan 2017-18 saw 10.4% growth which was noticeably low to the 20.02% growth recorded during Apr - Dec 2017-18. Despite decline in import for two months in-a-row to Jan 2018, Nepal was still the largest importer of Indian engineering products in the South Asian region on a cumulative basis followed by Bangladesh and Sri Lanka. Apart from Bhutan, all other South Asian nations witnessed year-on-year growth in engineering imports from India on a cumulative basis during the first ten months of fiscal 2017-18.

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



Source: DGCIS Data, EEP Research

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

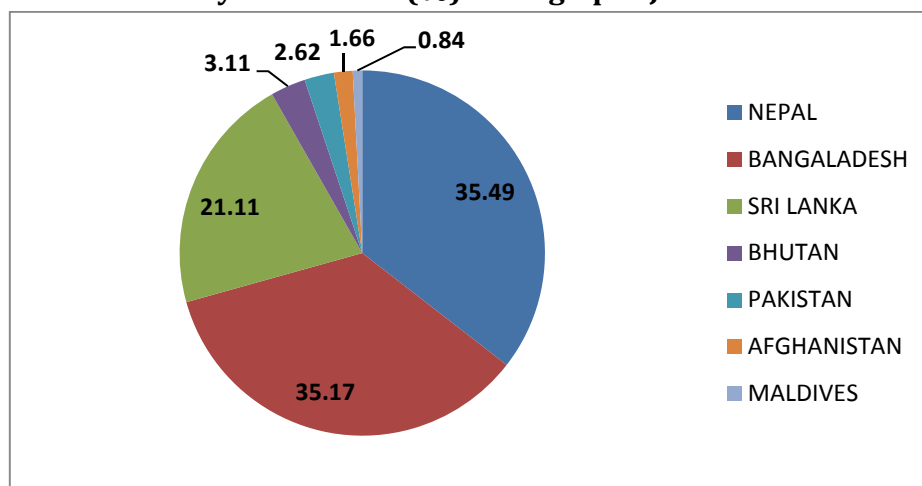
Top 10 engineering panels exported to South Asia during Apr - Jan 2017-18 are listed below (Value of Exports measured in USD Million)

Panel	Export in Jan 2017	Export in Jan 2018	Growth (%)	Exports in Apr-Jan 2016-17	Exports in Apr-Jan 2017-18	Growth (%)
Iron and Steel	97.72	121.80	24.64	970.79	1209.38	24.58
Industrial Machinery	61.57	62.92	2.20	595.35	692.85	16.38
Motor Vehicle/cars	68.61	68.23	-0.55	742.20	658.88	-11.23
Two and Three Wheelers	43.08	44.46	3.20	475.00	569.09	19.81
Auto Components/Parts	37.68	40.63	7.83	390.98	387.26	-0.95
Products of Iron and Steel	18.24	35.61	95.29	201.99	315.75	56.32
Other Construction Machinery	29.09	33.27	14.37	203.02	290.11	42.89
Electric Machinery and Equipments	22.19	26.64	20.07	264.35	254.49	-3.73
Aluminium and its products	19.48	11.15	-42.75	132.19	205.30	55.31
Ships Boats and Floating Structures	25.63	12.90	-49.69	182.54	170.03	-6.85

Source: DGCIS

Product group-wise analysis showed that the scenario of Indian engineering exports to South Asia remained the same in comparison to the previous month. 'Iron and Steel' remained the top exporting engineering product group to the South Asian region during the first ten months of the ongoing fiscal with 24.58% year-on-year growth. 'Industrial machinery' was the immediate follower of 'Iron and Steel' with a 16.38% year-on-year growth during the same time period. In the automobile sector, 'Two and three wheelers' achieved 19.81% growth but 'Motor vehicles' and 'Auto components and parts' again conceded declines in exports to South Asia for the first ten months of fiscal 2017-18. Among the top 10 engineering panels exported to South Asian region, 4 witnessed year-on-year decline in overseas shipment during the period concerned. Out of the total 33 engineering panels as classified by DGCI&S, 23 panels recorded year-on-year growth in exports.

### Country-wise Share (%) during Apr - Jan 2017-18



Source: DGCIS Data, EEPIC Research

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

**Nepal:** Nepal was the top exporting destination for Indian engineering products during Apr - Jan 2017-18 dropped to second position during the said time period with 35.49% share.

Top exported Products: Iron and Steel, Other Construction Machinery, Motor Vehicle/Cars, Industrial Machinery, Two & three wheelers.

**Bangladesh:** Bangladesh dropped to second position in importing engineering products from India among all south Asian nations during Apr - Jan 2017-18 with 35.15% share.

Top exported Products: Industrial Machinery, Motor Vehicle/cars, Two and Three Wheelers, Auto Component/Parts, Iron and Steel.

**Sri Lanka:** Sri Lanka was the third largest export destination for India's engineering exports in the South Asian region during Apr - Jan 2017-18 with a share of 21.11%.

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

### 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
DIEMOULD INDIA 2018	11-Apr-2018 To 13-Apr-2018	Bombay Convention & Exhibition Centre (BCEC) Highway, Goreagon (East) Mumbai - 400 063, India	<a href="https://www.eventseye.com/fairs/f-diemould-5829-1.html">https://www.eventseye.com/fairs/f-diemould-5829-1.html</a>
3RD SOLAR INDIA 2018 EXPO	23-May-2018 to 25-May-2018	Pragati Maidan, New Delhi, India	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/3rdSolar_58642">https://www.jetro.go.jp/j-messe/tradefair_en/3rdSolar_58642</a>
5th India International MSME Expo and Summit	21-Jun-2018 to 23-Jun-2018	Pragati Maidan, New Delhi, India	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/5thIndia_58390">https://www.jetro.go.jp/j-messe/tradefair_en/5thIndia_58390</a>
ACMEE 2018 - 13th International Machine Tools Exhibition	21-Jun-2018 to 25-Jun-2018	Chennai Trade Centre, Chennai, India	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/ACMEE2018_55336">https://www.jetro.go.jp/j-messe/tradefair_en/ACMEE2018_55336</a>
MEDITEX	3-May-2018	Bangabandhu	<a href="https://www.eventseye.com/fairs/f-meditex-">https://www.eventseye.com/fairs/f-meditex-</a>

BANGLADESH 2018

to  
5-May-2018

International Conference  
Centre (BICC) , Agargaon  
Sher-E-Bangla Nagar  
Dhaka - 1207, Bangladesh

[bangladesh-9677-1.html](#)

## News in Focus

### South Asia

#### Global Investors Summit Calls for Strengthening of ASEAN-South Asia Ties

Assam Chief Minister Sarbananda Sonowal called for the strengthening of business and economic ties among Association of Southeast Asian Nations (ASEAN) and South Asian countries. He noted the strong historic and cultural ties among the countries and urged Southeast Asian countries to take advantage of investment opportunities in Assam in northeast India.

**Link:** <https://www.sasec.asia/index.php?page=news&nid=827&url=global-investors-summit-asean-south-asia>

#### India still to play role in Lanka Port

India continues to remain in fray to play a role in the strategically located Colombo Port in the Indian Ocean Region, notwithstanding the Sri Lanka's decision to drop plans to privatise the port's East Container Terminal (ECT).

**Link:** <https://economictimes.indiatimes.com/news/international/world-news/india-still-to-play-role-in-lanka-port/articleshow/63359686.cms>

#### Bangladesh and India Focus on Deepening Bilateral Trade in Commerce Secretary-level Talk

Bangladesh and India held a Commerce Secretary-level meeting on 7-8 February 2018 in Dhaka, Bangladesh. The meeting was led by Mr. Shubhashish Bose, Secretary, Ministry of Commerce, Government of Bangladesh, and Ms. Rita Teatota, Secretary, Ministry of Commerce, Government of India. The discussions focused on issues concerning bilateral trade and economic relations, which including infrastructure upgrading at border trading points; expansion of border haats (markets); identification and resolution of non-tariff issues affecting bilateral trade; regional connectivity under the Bangladesh-Bhutan-India-Nepal (BBIN) Motor Vehicle Agreement; and ease of investment.

**Link:** <https://www.sasec.asia/index.php?page=news&nid=829&url=ban-ind-commerce-sec-talk>

#### Paperless Trade Proposed for Facilitation of Nepal Trade via Vizag Port

A meeting between the Government of Nepal's Ministry of Commerce (MoC), Ministry of Foreign Affairs (MoFA), Visakhapatnam (Vizag) port authorities, and the Government of India discussed the possibility of implementing paperless trade procedures at Vizag port to facilitate Nepal's third country trade. In follow up to this, the Government of Nepal also held a meeting with its stakeholders on 18 February 2018.

**Link:** <https://www.sasec.asia/index.php?page=news&nid=832&url=paperless-trade-vizag-mulled>

## Tender Information in South Asian Countries

Location	Title	Deadline
INDIA	Operation And Maintenance Watch And Ward Of Twells Pumping Machinery And Op Of Chlorine Dosing System At Various Installations In Various Sectors Colonies And Villages Ut Chandigarh Under The Charge Of Sde Mcph 11 Chd. Estimated Cost: INR 25,923,629	02-Apr-2018
BANGLADESH	Supply And Installation Of 03sets 10kva Electric Transformer And 03sets Submersible Pump-motor Capacity -15400 Igph Hp-15 With Others Aceesories In Kachua Pourashava District- Chandpur At Site Of 1 Karaish Munshibari Jame Mosquenorth Side 2 Near Tajul Is	02-Apr-2018
INDIA	Hiring Of 04 Nos. 03 Ton Capacity Diesel Forklift Truck. Estimated Cost: INR 6,706,298	09-Apr-2018
INDIA	Annual Rate Contract For Construction Of Hand Pump Bore (approachable/un-approachable By Percussion/rotary/calex/rig By Any Suitable Rig As Per Starta And Providing, Installation Of India Mark Ii Hand Pump Various Lacion In Jodhpur City. Estimated Cost: INR 10,000,000	02-Apr-2018

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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