

Territorial NEWSLETTER South Asia

Issue 17: Jul 2017

Chairman's Pen



T S Bhasin

Our engineering export to South Asia has been sluggish during the first four months of the ongoing fiscal primarily because of slackening of demand from Sri Lanka and Bhutan. However, Bangladesh has given us some reasons to smile with its 7.4% rise in year-on-year engineering import from India during this time period. In this declining trend, the 18th session of BIMSTEC held on 10 August 2017, came as a blessing in disguise for the South Asian nations. BIMSTEC, with five of its members from South Asia region, vowed for a stronger tie and deeper cooperation among the member nations. They agreed to enhance intra-regional trade and investment. Early finalization of BIMSTEC FTA can pave the way for greater cooperation.

I believe this newsletter will certainly enhance the knowledge base of our member exporters and will help them to take informed decisions.

SAARC Territorial Committee Chairman's Note



PR Venkatachalam

This is the seventeenth issue of our Newsletter on South Asia. In this issue, we have briefly discussed the shortcomings of The 18th session of the BIMSTEC Senior Officials' Meeting held in Kathmandu during Aug 2017. In that summit, the representatives of member nations recognised the importance of trade, energy and technology in regional cooperation and stressed the urgency for focusing on key areas like trade, investment, connectivity, energy and tourism for intra-regional development. An early finalization of BIMSTEC FTA is surely the need of the hour.

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 18th session of the BIMSTEC senior officials' meeting held in Kathmandu during Aug 2017 emphasized the need for an early inception of the BIMSTEC FTA.....

What's in News

- **Indian Businesses Urged to Invest in Nepal ...**
- **Bangladesh to Improve Four Land Ports Crucial to Trade with India...**
- **Bangladesh, India, Myanmar, Nepal to Set up Energy Cooperation Network...**
- **Multimodal Logistics Parks to Increase India's Logistics ...**

Tenders

More latest News from Tenders

Upcoming Events

Basic Facts South Asia

Grouping: South Asia Association for Regional Cooperation

Area: 5,099,611 km²

Population: 1,713,870,000

GDP: US\$9.9 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



18th Session of BIMSTEC recognize importance of an early commencement of FTA

The 18th session of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Senior Officials' Meeting and the 15th BIMSTEC Ministerial Meeting held in Kathmandu, Nepal, stressed the importance of cooperation in energy, technology, trade, and transport through a revitalized, more integrated, and stronger BIMSTEC process. BIMSTEC comprises seven countries namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand lying in the littoral and adjacent areas of the Bay of Bengal bringing together 1.5 billion people or 21% of the world's population. Five of the member nations of BIMSTEC are from South Asia. The Government of Nepal as the current chair of BIMSTEC hosted the Ministerial Meeting for the first time.

The Joint Statement issued at the Ministerial Meeting underscored the urgency to finalize the BIMSTEC Free Trade Area Agreement at the soonest possible time. The Meetings agreed to sign the memorandum of understanding for the establishment of a grid connection, expedite comments and observations on the BIMSTEC Framework Agreement on Transit, Transshipment and Movement of Vehicular Traffic and the

BIMSTEC Coastal Shipping Agreement, and conclude the memorandum of association to establish a technology transfer facility.

The joint statement issued after the 15th Ministerial Meeting of BIMSTEC said that the representative ministers of the member states emphasized on enhancing transport and communication as the key to regional integration and they agreed to expedite comments and observations on the BIMSTEC Framework Agreement on Transit, Transshipment and Movement of Vehicular Traffic (BIMSTEC Motor Vehicle Agreement) as well as the BIMSTEC Coastal Shipping Agreement with a view to negotiate and conclude these at the earliest.

The Honourable External Affairs Minister of India Smt. Sushma Swaraj in her opening remarks in the 15th BIMSTEC Ministerial Meeting mentioned that BIMSTEC had a combined GDP of over USD 2.85 trillion but immense unfulfilled potential for deeper economic integration still left within the member countries. She urged that along with the work on BIMSTEC FTA, the BIMSTEC Trade Facilitation Agreement and the BIMSTEC Agreement on Mutual Assistance on Customs Matters would fasten trade, and must be concluded at the earliest. This is mention-worthy in this context that India is the lead country for cooperation in four priority areas namely counter-terrorism and transnational crime, transport and communication, tourism and environment, and disaster management.

The Honourable Minister recognized enhanced connectivity as a vital tool to achieve common goals of growth, employment & prosperity of the BIMSTEC member nations. She felt the need to put in place the enabling soft infrastructure such as the Framework Agreement on Transit, Trans-shipment and movement of Vehicular Traffic; & the Agreement on Coastal Shipping at the earliest in order to achieve smoother cross-border flows of trade and people. Putting stress on energy as a vital component of regional development, she expressed her happiness on the finalization of The BIMSTEC MOU on Grid Interconnection that would facilitate regional energy trade. In this context, she referred to the massive programme undertaken in India in order to harness renewable energy that had been slowly transforming the energy landscape of the nation. She called for building a strong renewable energy partnership among the BIMSTEC member countries to tackle climate change together for a greener world tomorrow.

Mrs. Sushma Swaraj also brought into the notice wide range of initiatives adopted by India to mark the 20th anniversary of BIMSTEC. The series of initiatives involved a number of institutions, industry associations, and think-tanks as stakeholders in BIMSTEC and included high level multi-sectoral conferences; a trade and tourism expo; a start-up Summit to boost innovation by bringing start-ups from the region together; a business conclave to showcase ready-to invest projects; and festivals on our Buddhism heritage and for our youth. She was very much optimistic that these initiatives would not only promote trade, investments, innovation and people-to-people contacts, but would also enhance the visibility of "Brand BIMSTEC".

Mr. Shahidul Islam, Ambassador of Bangladesh to France, has been appointed as new Secretary General of BIMSTEC.

Source: <http://sasec.asia>; <http://bimstec.org>; Opening Remarks by Smt. Sushma Swaraj, External Affairs Minister of India at the 15th BIMSTEC Ministerial Meeting in Kathmandu.

Trend in India's Engineering Export to the South Asian Countries

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

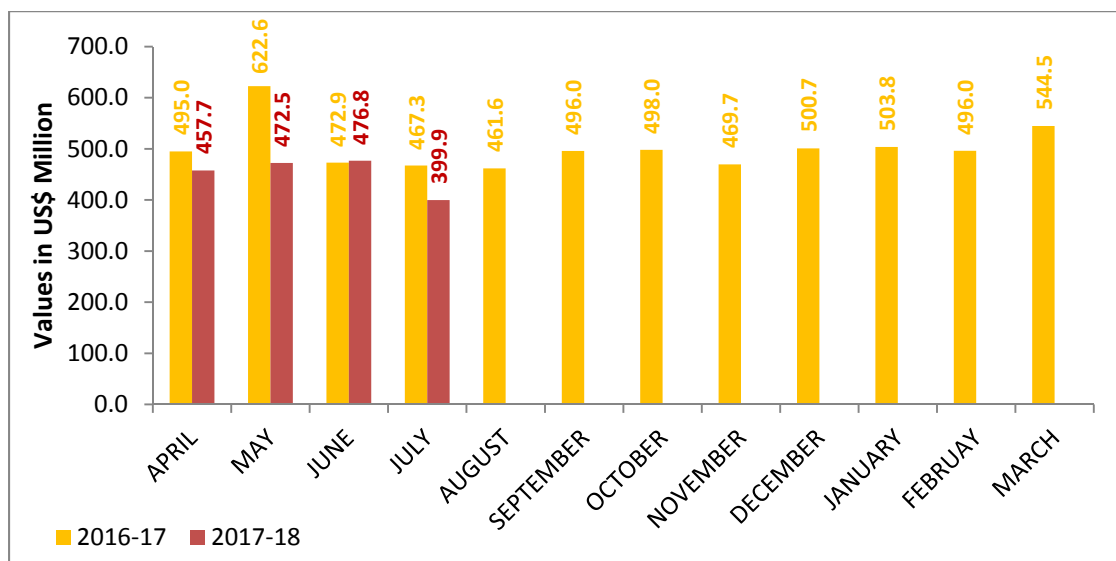
Country	Export in Jul 2016	Export in Jul 2017	Growth (%)	Exports in Apr-Jul 2016-17	Exports in Apr-Jul 2017-18	Growth (%)
BANGLADESH	153.54	142.02	-7.51	617.43	663.30	7.43
NEPAL	158.12	170.23	7.66	714.49	656.11	-8.17
SRI LANKA	105.38	66.00	-37.37	544.32	369.58	-32.10
BHUTAN	32.37	1.02	-96.84	113.09	50.34	-55.49
PAKISTAN	11.50	9.37	-18.50	46.47	45.87	-1.29

Source: DGCIS

Following a feeble year-on-year growth in India's engineering exports to South Asia in Jun 2017 after five months, exports again declined by 14.4% in July 2017 led by substantial drop in overseas shipment of India's engineering products to Sri Lanka and Bhutan. Top importer from the region Bangladesh also witnessed 7.5% decline in engineering imports from India but second largest importer Nepal registered 7.7% growth in the month concerned. Out of 7 South Asian nations, 4 recorded fall in year-on-year imports of Indian engineering during Jul 2017 while Afghanistan and Maldives saw growth in imports apart from Nepal.

Cumulative exports during Apr - Jul 2017-18 also declined by 11.8% due to of lower exports to Nepal, Sri Lanka and Bhutan. However, top importer Bangladesh recorded 7.4% growth in engineering imports from India during the same time period. Out of 7 South Asian nations, 4 recorded decline in cumulative engineering import from India in the first four months of 2017-18 but top importer Bangladesh saw 7.4% higher exports in comparison to the same period last year.

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



Source: DGCIS Data, EEPIC Research

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

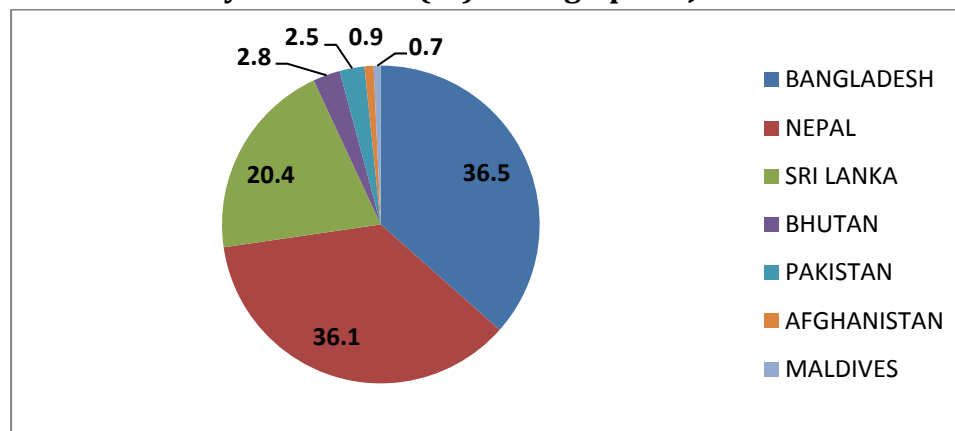
Top 10 panels exported to South Asia during April - Jul 2017-18 are listed below (Value of Exports measured in USD Million).

Panel	Export in Jul 2016	Export in Jul 2017	Growth (%)	Exports in Apr-Jul 2016-17	Exports in Apr-Jul 2017-18	Growth (%)
Iron and Steel	81.12	97.34	19.99	379.70	376.60	-0.82
Industrial Machinery for dairy, agriculture, food processing, textiles, paper, chemicals, etc	52.18	51.52	-1.26	216.72	243.84	12.52
Motor Vehicle/cars	90.16	47.16	-47.70	275.73	206.93	-24.95
Two and Three Wheelers	44.08	49.74	12.83	169.12	205.75	21.66
Auto Components/Parts	47.46	31.13	-34.40	164.27	130.89	-20.32
Products of Iron and Steel	15.98	14.98	-6.29	66.76	100.51	50.54
Electric Machinery and Equipment	26.23	15.42	-41.24	114.67	80.50	-29.79
Other Construction Machinery	12.12	12.38	2.15	76.48	74.12	-3.08
Aluminium and Products	11.74	21.31	81.54	46.14	63.52	37.68
Ships, Boats and Floating Structures	3.95	0.01	-99.75	131.63	48.52	-63.14

Source: DGCIS

Motor vehicles and Auto components conceded significant decline in exports to South Asia during July 2017. 'Iron and Steel' remained the highest exporting panel to the South Asian region during the ongoing fiscal with around 20% growth in exports during Jul 2017 and a feeble 0.8% decline during Apr - Jul 2017-18. The rate of decline dropped sizably from 6.4% during Apr - Jun and around 11% during Apr - May 2017-18. 'Industrial Machinery' replaced 'Motor Vehicles/cars' to become the second highest exporting engineering product group to South Asia during the first four months of fiscal 2017-18 with 12.5% growth while the later conceded a decline in exports by 25% during the same time period. Among the top 10 exporting panels to South Asian region, 5 witnessed decline in overseas shipment during Apr - Jul 2017-18 compared to the same period in last fiscal. Out of the total 33 engineering panels as classified by DGCI&S, 21 panels recorded year-on-year drop in exports to South Asia during Apr - Jul 2017-18.

Country-wise Share (%) during April - Jul 2017-18



Source: DGCIS Data, EEPIC Research

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

Bangladesh: Bangladesh has become the largest destination of India's engineering exports among South Asian nations during fiscal 2017-18 till date with 36.5% 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 36.1% 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 - Jul 2017-18 with a share of 20.4%.

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

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
SMM INDIA 2017	3-Oct-2017 to 5-Oct-2017	Bombay Convention & Exhibition Centre (BCEC) Highway, Goreagon (East), Mumbai - 400 063	http://www.eventseye.com/fairs/f-smm-india-12439-1.html
IME 2017	8-Nov-2017 to 11-Nov-2017	New Town Eco Park Major Arterial Road (South-East) Action Area II New Town, Kolkata	http://www.eventseye.com/fairs/f-ime-14171-1.html
POWER BANGLADESH 2017	26-Oct-2017 to 28-Oct-2017	International Convention City Bashundhara	http://www.eventseye.com/fairs/f-e-power-bangladesh-15474-1.html

		Kuril Bishwa Road Next to 300 ft. Purbachal Express Highway, Dhaka	
LANKAPACK 2017	27-Oct-2017 to 29-Oct-2017	BMICH (Bandaranaike Memorial International Conference Hall) Colombo 7 Bandaranayaka Sri Lanka	http://www.eventseye.com/fairs/f-lankapack-16454-1.html

News in Focus

South Asia

Indian Businesses Urged to Invest in Nepal at Business Forum

Nepal Prime urged Indian investors to look at opportunities in Nepal at an India-Nepal Business Forum held on 23 August 2017 in New Delhi, India. He highlighted gains in Nepal's governance—including its progressive constitution, laws and policies on foreign investment, public-private partnership, special economic zones, industrial enterprises, labor, mining, banking, and intellectual property—Nepal's duty-free access to the European market, and preferential market entry into the United States for over 60 products.

Link: <http://sasec.asia/index.php?page=news&nid=738&url=indian-businesses-urged-to-invest-nepal>

Bangladesh to Improve Four Land Ports Crucial to Trade with India

The Government of Bangladesh will develop four land ports as part of its initiatives to increase trade and commerce with India. Around \$85.2 million (Taka 6.9 billion) was approved by Bangladesh's Executive National Economic Council to improve the Sheola, Bhomra, and Ramgarh land ports in the districts of Sylhet, Satkhira, and Khagrachari, respectively. Another project will be undertaken to modernize security at Benapole land port.

Link: <http://sasec.asia/index.php?page=news&nid=733&url=bangladesh-to-improve-four-land-ports>

Bangladesh, India, Myanmar, Nepal to Set Up Energy Cooperation Network

Mr. Dharmendra Pradhan, Minister of State for Petroleum and Natural Gas, India, announced India's plans to set up an energy cooperation network with neighboring countries Bangladesh, Myanmar, and Nepal.

Link: <http://sasec.asia/index.php?page=news&nid=730&url=bangladesh-india-myanmar-nepal-energy-cooperation-network>

Multimodal Logistics Parks to Increase India's Logistics Competitiveness

India's Ministry of Road Transport and Highways (MoRTH) and State Governments plan to develop a network of 35 multimodal logistics parks (MMLPs) across the country over the next ten years to support the Government's aim of bringing down logistics cost, and increasing the country's manufacturing competitiveness.

Link: <http://sasec.asia/index.php?page=news&nid=739&url=multimodal-logistics-parks-india>

Tender Information in South Asian Countries

Location	Title	Deadline
India	Design, Engineering, manufacturing, Supply, Erection And Commissioning Of 45 Klpd Ethanol Plant For Kallakurich-ii Csm	25-Oct-2017
India	Annual And Regular Mtce Works In Main Turbine And Auxilliaries And Piping And Valves. Estimated Cost: INR 6,418,960	29-Sep-2017
Nepal	Providing Counter-party Construction Work And Various Work Including Electrical And Networking.	13-Oct-2017
Bangladesh	Electrical Items Holder Electrodes T-type Etc. Under Package =11 Items	05-Oct-2017
Bangladesh	Supply Of 500 Nos. 35-40w Led Lamp 7000 Nos. 15-18w Led Lamp 10000 Nos. Ceramics Holder. Estimated Cost: BDT 4,522,000	28-Sep-2017
India	Electrical Operation And Maintenance Contract Of Bathinda Terminal For The Period 2017 To 2019	29-Sep-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

Contact: Rajarshi Sarma Sarkar

Email: rsarkar@eepcindia.net

Phone no: 033-22890651