

Embassy of India, Zagreb



Monthly Economic Newsletter

February, 2017

PART I: INDIAN ECONOMY

News Features

1. **ISRO launches 104 satellites in a single mission to create world record:** India's space agency Indian Space Research Organisation successfully launched 104 satellites in a single mission, setting a world record of launching the most satellites at one go. Out of the 104, 101 are foreign satellites (96 of the US) as India seeks a bigger share of the \$300 billion global space industry.



2. **India's GDP growth rate for 2015-16 revised to 7.9%:** India's economy grew faster in 2015-16 than earlier estimated, which could result in slower growth in the current fiscal because of a higher base. Data released by the statistics department showed India's GDP grew 7.9% in 2015-16 against an earlier estimation of 7.6%. The statistics expected India's economic growth likely to decelerate to 7.1% in 2016-17.



3. **Global PE firms invested record US\$ 6.6 billion in realty sector last year:** International private equity firms invested record capital into India's real estate sector last year, but it is still just 1% of what they invested globally during the year. India attracted US\$ 6.6 billion of inflows into the property sector as against over US\$ 610 billion global capital inflows in 2016.



4. **India's January M&A and PE activity jumped 55%:** According to Grant Thornton's annual dealtracker report, India's mergers and acquisitions (M&A) and PE (private equity) activity last month rose by around 55% to US\$ 3.01 billion worth of transactions.



5. **India 2nd-largest LPG user in world:** India has become the second-largest domestic LPG (liquefied petroleum gas) consumer in the world due to the Central government's rapid rollout of clean fuel plan for poor households and fuel subsidy reforms. LPG consumption by households reached 19 million tonnes, registering an annual growth rate of 10%.



Main Economic Indicators

Gross Domestic Product – GDP					
Fiscal Year	2015-16	2016-17			
		Q1	Q2	Q3	Q4 (Forecast)

Real GDP (% change, YoY)	7.9	7.1	7.3	7.0	6.9
GDP (US \$ billion), current prices	2251.1	/			
GDP per capita (US \$), current prices	1718	/			

Source: World Bank WDI, Indian Central Bureau of Statistics and Fitch Ratings

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ Million) (Provisional)	Feb	Apr-Feb
Exports (including re-exports)		
2015-16	20.845,73	239.378,37
2016-17	24.490,27	245.413,05
% Growth 2016-17/2015-16	17.48	2.52
Imports		
2015-16	27.418,98	353.696,36
2016-17	33.386,57	340.698,43
% Growth 2016-17/2015-16	21.76	-3.67
Trade balance		
2015-16	-6.573,25	-114.317,99
2016-17	-8.896,30	-95.285,38
II. Trade in Services		
Exports & Imports: (US \$ Million) (Provisional)	Jan 2016-17	
Exports (Receipts)	13.570,00	
Imports (Payments)	8.409,00	
Trade balance	5.161,00	

Source: RBI Press Release dated 15th Mar 2017

Inflation

India's annual consumer price inflation accelerated by stronger-than-expected 3.65% in Feb 2017, mainly driven by food prices, after touching its lowest level in at least five years in Jan.

Industry

Industrial production bounced back in Jan 2017 expanding by 2.7% year-on-year mainly due to better performance by the capital goods segment, a barometer of investment activities. The indices of industrial production for mining, manufacturing and electricity sectors posted growth rates of 5.%, 2.3% and 3.9% in Jan. In total, nine out of the 22 industry groups in the manufacturing sector have shown positive growth during Jan 2017 on annual basis.

Foreign Direct Investment (FDI)

The sectors which have attracted maximum FDI in the Apr-Dec period of this fiscal year include services (US\$ 7.5 billion), trading (USD 2 billion), metallurgical industries (US\$ 1.25 billion), electrical equipment (US\$ 2 billion), telecommunications (US\$ 5.54 billion) and computer hardware & software (US\$ 1.81 billion). During the 9-month period of 2016-17, India attracted a total of US\$ 35.84 billion in foreign inflows.



PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Meeting with Minister of Economy, Entrepreneurship and Crafts Minister:** Ambassador met (09/2) with Deputy Prime Minister and Economy, Entrepreneurship and Crafts Minister Martina Dalic. "Out of box" measures were discussed to enhance business cooperation.



2. **Visit of Indian Minister for Commerce and Industry:** Indian Minister for Commerce and Industry Nirmala Sitharaman, visited (14-15/2) Croatia. During the visit, she met with Croatian Minister of Economy Ms. Martina Dalic and signed (14/2) 'Bilateral Economic Cooperation Agreement'. She also interacted with a cross-section of other dignitaries including Deputy Speaker of Parliament, Zeljko Reiner, Deputy Minister of Foreign Affairs, Marija Buric, Governor of Industrial Varazdin province, Mayor of Ludbreg, business leaders and academics. The occasion was also used to announce the establishment of the First India-Croatia Business Council (JBC) at a business dinner organized by Ambassador with participation of top Croatian and Indian business leaders, as well as academics to demonstrate linkages between business and research.



3. **Publicity about Indian State of Uttar Pradesh:** As part of Embassy's program of publicizing various Indian States a special supplement on Uttar Pradesh was taken out by the Embassy in the leading Croatian Daily "Jutarni List" (14/2), which covered features on the linkages between Croatia and UP, business and tourist opportunities in the State.



4. **Provincial Economic Outreach:** Ambassador visited Zadar, Sibenik (18-19/2), Opatija (24/2) and Rijeka (25/2) as part of provincial outreach programme and met with the Mayors, Directors of Tourist Boards, and business leaders to discuss economic possibilities.



6. **Internal meetings with business leaders:** During the month, Ambassador met with several business leaders in various fields, including medical equipment, energy, bio-diesel, etc. to discuss business opportunities.



7. **Business interview in Poslovni dnevnik:** Ambassador gave an interview to Poslovni dnevnik, business daily, (14/2) which covered wide ranging issues related to India's economic growth; India-Croatia economic relationship.

Bilateral Trade

During 2016 (for which local statistics are available) the total bilateral trade stood at Euro 111.65 million, i.e. India's exports worth Euro 100.60 million and India's imports worth Euro 11.05 million.

Croatia-India Bilateral Trade (Euro million)					
Year	2012	2013	2014	2015	2016
Croatia's Exports	€ 16.51	€ 6.82	€ 13.50	€ 17.53	€ 11.05
Croatia's Imports	€ 64.16	€ 72.67	€ 88.19	104.5	€ 100.60
Total Trade	€ 80.67	79,49	€ 101.69	€ 122.03	€ 111.65

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for Import/Export			
S. No.	Enquiry Originator	Product	Nature
			Import/Export
1	Ganesh Technocast	Engineering Products	Export
2	Shree Hari Textiles	Embroidered Fabrics	Export
3	Cesa International	Tiles & Polyester Staple Fibre	Export
4	H Care Products	Health Care Equipment	Export
5	Nabrose International	Tiles & Sanitary Ware	Export
6	Bhaskar Enterprises	Spices & Handicrafts	Export
7	Peregrine Overseas	Vegetables & Spices	Export
8	J. B. Chemicals	Pharmaceuticals	Export
9	Varun Radiators Pvt Ltd	Automobile Radiators & Condensers	Export
10	Can Exim International	Embroidered Curtains	Export
11	Shree Ram International	Metal Scrap	Export
12	Oscar Overseas	Baby Bedding Items	Export
13	Hymn Exim	Castor Oil Derivatives	Export
14	Hansal International	Spices, Fruits & Vegetables	Export
15	Ramdev Steel Engineering	Stainless Steel	Export
16	Surgi Safe	Orthopaedic Implants	Export
17	Suryansh Group	Pharmaceuticals	Export
18	UEE Unique Eco Exports	Paper	Export

PART III: UPCOMING EVENTS, FAIRS & CONFERENCES IN INDIA

No.	Organizer	Event	Date	City/State
1	State Government of Karnataka	International Healthcare Tourism Congress	3-4 Mar 2017	Bengaluru, Karnataka

2	State of Haryana	2nd Agri Leadership Summit	18-20 Mar 2017	Faridabad, Haryana
3	CAPEXIL	2 nd edition of CAPINDIA Show	21-22 Mar 2017	Mumbai, Maharashtra
4	The Federation of Indian Chambers of Commerce and Industry (FICCI)	Global R&D Summit 2017	6-7 Apr 2017	Bengaluru, Karnataka
5	Ministry of Commerce, Government of India	Global Exhibition on Services	17-20 Apr 2017	Greater Noida, Uttar Pradesh
6	The Federation of Indian Chambers of Commerce and Industry (FICCI)	Third Exhibition of India Steel	20-22 Apr 2017	Mumbai, Maharashtra
7	Ministry of Commerce, Government of India	Indian Pharmaceuticals and Healthcare Expo (IPHEX)	27-29 Apr 2017	Hyderabad, Telangana
8	Exhibitions India Group	3 rd Smart Cities India 2017	10-12 May 2017	New Delhi
9	Exhibitions India Group	2nd Transport India 2017 expo	10-12 May 2017	New Delhi
10	Ministry of New and Renewable Energy, Government of India	Renewable Energy World India	17-19 May 2017	New Delhi
11	Fairfest Media Limited	Travel & Tourism Fair (TTF)	7-9 Jul 2017	Kolkata, West Bengal
12	Confederation of Indian Industry (CII)	12 th International Railway Equipment Exhibition	11-13 Oct 2017	New Delhi
13	Messe Farankfurt	Automotive Engineering Show	9-11 Nov 2017	Chennai, Tamil Nadu

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