



June, 2017

PART I: INDIAN ECONOMY

News Features

1. **Indian spices export peaked to a new high:** Indian spices and spice products surged to a record export worth of US\$ 2.6 billion in 2016-17. It registered an increase of 6% in dollar terms and 12% in volume from 2015-16. India surpassed all previous export records and fulfilled the increasing international demand for its quality spices in the face of tough competition in global markets.



2. **India's coffee exports grew 11.51% in Apr:** India's coffee exports grew by 11.5% year-on-year to US\$ 92.42 million in Apr this fiscal on account of strong demand in the global markets. India accounts for about 4.5% of the world coffee production and its major export destinations include Italy, Germany, Greece, Belgium, Spain and Switzerland.



3. **Internet users to double to 829 million by 2021:** According to Cisco Visual Networking Index (VNI) Forecast, internet users in India will double by 2021 to 829 million from 373 million in 2016, driven by digital transformation. This means roughly 59% of the Indian population will use the internet. Also, there would be two billion networked devices in 2021 up from 1.4 billion in 2016.



4. **20 Indian firms in top 100 companies in Asia300 ranking:** According to the Nikkei Asian Review's second annual Asia 300 Power Performers Ranking, 20 Indian firms have been named in the top 100. Indian IT service provider HCL Technologies came in at the second place, followed by Zee Entertainment Enterprises and Tata Consultancy Services at the third and fourth place respectively. The Asia300 list consists of a total of 327 companies in India, China, Hong Kong, South Korea, Taiwan and six other Southeast Asian nations. The Nikkei ranked them based on average growth in sales and profit, profitability, capital efficiency and financial soundness.



5. **Digital economy to reach US\$ 1 trillion in 4 years:** The government projected that Indian digital economy will become US\$ 1 trillion by 2022 from around US\$ 450 billion at present. The Ministry of Electronics and Information Technology projected IT and ITeS sector to grow to US\$ 350 billion, while Telecom and e-commerce are projected to grow to US\$ 150 billion each. The Ministry also identified digital



payments, Make in India, Start-Up India, Skill India among the key drivers of the digital economy.

6. Commerce & Industry Ministry launched Startup India Hub:

The Commerce & Industry Ministry on 20 Jun 2017 launched the Startup India Virtual Hub, an online platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other. Startup India Virtual Hub is an effort to create a marketplace where all the stakeholders can interact, exchange knowledge, and enable each other to grow. It will streamline the lifecycle of existing and potential startups, helping them access the right resources at the right time.



7. Positive growth registered in tourist visits during 2016:

According to Market Research Division of Ministry of Tourism, during 2016 number of domestic tourist visits to India grew by 12.68% year-on-year, while number of foreign tourist visits grew by 5.92% year-on-year.



Main Economic Indicators

Gross Domestic Product – GDP			
Fiscal Year	2015-16	2016-17	2017-18 Forecast
Real GDP (% change, YoY)	7.9%	7.1%	7.5%
GDP (US \$ billion), current prices	2251.1	/	
GDP per capita (US \$), current prices	1718	/	

Source: World Bank, Indian Central Bureau of Statistics, Fitch Ratings and Moody's

Foreign Trade

Implementation of Goods and Services Tax (GST) from 1 Jul 2017 would help reduce cascading effects of multiple taxes, lower cost and make exports more competitive. Indian exports have been on an upward trend in last few months with export of US\$ 275 billion in 2016-17 and a target of US\$ 325 billion to achieve in 2017-18.

Inflation

Data released by the Commerce Ministry and Central Statistics Office (CSO) showed that inflation rate based on the new series of Wholesale Price Index (WPI) fell to a five-month low of 2.17% in May, mainly because of a sharp drop in prices of vegetables.

Industry

According to Central Statistics Office (CSO) data, index of eight core industries rose 3.6% in May, compared with a 2.8% gain in April. For April-May, the first two months of this fiscal year, the cumulative growth was 3.2%. The core sector index gauges output of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity. It has a 40.27% weight in the index of industrial production (IIP).

Foreign Direct Investment (FDI)

The sectors that have attracted higher FDI inflows in India are services, telecommunication, construction activities and computer software and hardware. The Commerce and Industry Ministry will soon come out with the Standard Operating Procedure (SOP) for clearance of foreign investment proposals as the government dismantled the Foreign Investment

Promotion Board (FIPB). The dismantling was part of a series of government efforts taken since 2014 to attract FDI in India. The country received greenfield investment proposals worth US\$ 63 billion in 2016, outdoing the US and China for the second consecutive year.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Registration of first Indian-Croatian Business Council:** The setting up of the first Council was announced during the visit of Indian Minister of Commerce and Industry, Ms. Nirmala Sitharaman (14/2). This was officially registered (30/6). Council comprises of business entities from both sides, as well as academics to highlight the linkage between business and research.



2. **IDY 2017:** International Day of Yoga (IDY) 2017 was held in 25 cities across Croatia (18-24/6). Apart from promoting holistic health, it also had positive implications for touristic and business exchanges.



3. **Ayurveda promotion:** Some major events during the month included presentation (10/6) on Panchkarma by visiting Indian Dr. Biju Madhvan and a two-day (28-29/6) Ayurvedic Conference 'Ancient Knowledge of Ayurveda' by visiting Indian doctors Dr. Srinivasa G. Acharya, Dr. Muralidhar R. Ballal and Dr. Venkata N. Joshi.



4. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited (13/6) City of Sisak and Sisak-Moslavina County and met with Kristina Ikić Baniček, Mayor, Ivo Žinić, County Prefect, Brankica Grd, Director of Sisak Chamber of Economy and Boris Mesarić, President of Sisak Chamber of Economy to discuss economic possibilities. He also visited the facilities of Applied Ceramics (semiconductor industry), Gavrilović meat processing factory, and held discussions with the CEOs of the companies for possible collaboration between the two countries.



Bilateral Trade

During the period Jan-Apr 2017 (for which local statistics are available) the total bilateral trade stood at Euro 48.01 million (+6.78%), i.e. India's exports worth Euro 42.80 million (+5.70%) and India's imports worth Euro 5.21 million (+16.55%).

Croatia-India Bilateral Trade (Euro million)					
Year	2013	2014	2015	2016	Jan-Apr 2017
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 5.21
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 42.80
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 48.01

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for Import/Export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Someshwar Metal Pvt. Ltd.	Wires	Export
2	Wake Group	Spices	Export
3	Jay Enterprise	Agro Products	Export
4	Kumbh Design Inc.	IT	Export
5	Samaritan International	Vegetables	Export
6	Charak Pharma Pvt. Ltd.	Pharmaceuticals	Export
7	Bhargav Exim	Lathe Machines	Export
8	Rushi Worldwide Impex	Leather	Export
9	ABS Foods Ltd.	Spices & Vegetables	Export
10	Surgi Safe	Orthopaedical Implants	Export
11	Jetway Exports	Food & Textile	Export
12	Gloria Exports	Jaggery Products	Export
13	STC India Pvt. Ltd.	Appetizers & Mouth Fresheners	Export
14	Sidakcare	Medical Equipment	Export

PART III: UPCOMING EVENTS, FAIRS & CONFERENCES IN INDIA

No.	Organizer	Event	Date	City/State
1	Fairfest Media Limited	Travel & Tourism Fair (TTF)	7-9 Jul 2017	Kolkata, West Bengal
2	Radiaant Expositions Ltd.	India International Fashion Jewelry & Accessories Show	11-14 Aug 2017	Mumbai, Maharashtra
3	UBM with the support of Ministry of New and Renewable Energy, Government of India	Renewable Energy India Expo	20-22 Sep 2017	Greater Noida, Uttar Pradesh
4	Department of Telecommunications (DoT), Government of India	India Mobile Congress 2017" (IMC 2017)	27-29 Sep 2017	New Delhi
5	Confederation of Indian Industry (CII)	12 th International Railway Equipment Exhibition	11-13 Oct 2017	New Delhi
6	Ministry of Food Processing Industries (MoFPI)	World Food India 2017	3-5 Nov 2017	New Delhi
7	Messe Frankfurt	Automotive Engineering Show	9-11 Nov 2017	Chennai, Tamil Nadu
8	India Trade Promotion Organisation (ITPO)	India International Trade Fair	14-27 Nov 2017	New Delhi
9	Indian Water Resources Society (IWRS) and Department of Water Resources Development	International Conference on "SUSTAINABLE TECHNOLOGIES FOR	16-19 Feb 2018	Roorkee, Uttarakhand

	and Management (DWRDM)	INTELLIGENT WATER MANAGEMENT		
10	India Trade Promotion Organisation (ITPO)	India International Leather Fair & Textstyles	26-28 Feb 2018	Kolkata, West Bengal

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