

February, 2018

PART I: INDIAN ECONOMY

News Features

1. **Tea export at 36 years high:** India achieved the highest tea exports during the calendar year 2017 after 36 years, pegged at 240.68 million kgs. The previous record was in 1981 when the total tea exports reached 241.25 million kgs. The exports increased by 18.23 million kgs (8.20%) during 2017 vis-a-vis 2016. The total value of the exports in US\$ was 726.76 million, an increase of 61.60 million US\$ (9.26%) as compared to 2016. Tea exports to countries like Egypt, Iran, China, UAE and Sri Lanka have shown a significant increase in 2017.

2. **M&A deals worth US\$ 54.7 billion in 2017:** Corporate India's merger and acquisition deal value stood at US\$ 54.7 billion in 2017, and telecommunications, technology and financial service were the top three sectors in terms of deal value. According to Mergermarket (global deal-tracking firm) report, as many as 379 M&A deals were announced in 2017, a slight decrease compared in 2016, which saw 421 deals valued at US\$ 59.7 billion.

3. India remained fastest growing domestic aviation market in 2017: India remained the world's fastest growing domestic aviation market for the third straight year in 2017 as economic and network expansion bolstered the sector, according to IATA. Globally, Revenue Passenger Kilometres (RPKs), a measure of passenger volumes, rose by 7.6% in 2017, registering "above-trend growth" that was ahead of the ten- year average rate of 5.5%. Such growth rates were driven

mainly by the comparatively strong rates of economic expansion seen in the country, as well as stimulus from additional city pairs being offered.

4. India's defence budget broke into world's top 5: According to the 'Military Balance 2018' report by the International Institute for Strategic Studies (IISS), India's defence budget broke into the world's top five. India overtook the UK as the fifth-largest defence spender in the world in 2017 at US\$ 52.5 billion, up from US\$ 51.1 billion in 2016. The report took note of the Indian government's 'Make in India' policy,



which aims to strengthen the defence-industrial base through measures such as "reforming







the cap on FDI" and that the country is one of the top troop contributors to UN peacekeeping operations.

5. **India plans massive natural gas expansion:** India's push to more than double the share natural gas has in its energy mix by 2022 will require a huge increase in imports and the construction of more LNG terminals. India has four terminals to receive LNG and imports around 20 million tonnes of the super-chilled fuel a year. But over the next seven year the Indian government plans to build another 11 terminals. That



would raise India's LNG import capacity to more than 70 million tonnes per year in the coming seven years, in what would be one of the fastest gas import expansions since China embarked on its huge gasification programme in 2017.

Main Economic Indicators

Gross Domestic Product – GDP				
Fiscal Year	2015-16	2016-17	2017-18	
riscai teai			Forecast	
Real GDP (% change, YoY)	8.2%	7.1%	6.7%	
GDP (US \$ billion), current prices	2251.1	2300	/	
GDP per capita (US \$), current prices	1718	/		

Source: Indian Central Statistics Office

Foreign Trade

I. Merchandise Trade				
Exports & Imports: (US \$ Million)	Fah	Awa Tak		
(Provisional)	Feb	Apr-Feb		
Exports (including re-exports)				
2016-17	24726.71	246550.17		
2017-18	25834.36	273730.91		
% Growth 2017-18/2016-17	4.48	11.02		
Imports				
2016-17	34248.44	344408.90		
2017-18	37813.57	416865.64		
% Growth 2017-18/2016-17	10.41	21.04		
Trade balance				
2016-17	-9521.73	-97858.73		
2017-18	-11979.21	-143134.73		
II. Trade in Services				
Exports & Imports: (US \$ Million)	ler	1 0047		
(Provisional)	Jan	2017		
Exports (Receipts)	16	16337		
Imports (Payments)	9	9847		
Trade balance	6	6490		

Source: RBI Press Release dated 15th Mar 2018

Industry

According to Indian Central Statistics Office (CSO) data, the index of industrial production rose 7.5% in Jan 2018 over Jan 2017 due to the strong manufacturing.

Foreign Direct Investment (FDI)

India attracted US \$ 208.99 billion FDI during Apr 2014 to Dec 2017 period. The main sectors that received maximum FDI include services, computer software and hardware, telecommunications, construction, trading and automobile. Foreign investments are considered crucial for India as it needs around 1 trillion dollars for overhauling its infrastructure sector such as ports, airports and highways to boost growth. To attract inflow of foreign investments, the central government announced several measures including liberalisation of FDI policy and improvement in business climate.

Inflation

Indian Central Statistics Office (CSO) data showed that the Wholesale Price Index (WPI), based inflation rate fell to a six-month low of 2.84% in Jan 2018, from 3.58% in Dec 2017, on the back of lower prices of food and petroleum. The Consumer Price Inflation (CPI) rate also fell to 5.07% in Jan 2018, from 5.21% in Dec 2017.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Provincial Economic Outreach:** As part of provincial outreach, Ambassador visited (01/02) city of Makarska and met with the Mayor of Makarska, Jure Brkan and Deputy Mayor Drazen Nemicic, and held discussion on building bilateral partnerships, as well as holding of a major 'Indian Day' event (planned for 16-22/03), comprising of peace tree planting, cultural, economic and academic segments. Ambassador also offered skill training to Makarska officials in various fields under Indian Technical and



Economic Cooperation Programme (ITEC). Ambassador visited Split (19/02) and met with County Perfect of Splitsko-Dalmatinska County, Blazenko Boban & Deputy Mayor of Split, Nino Vela and discussed possibilities in expanding economic cooperation. Sectors identified were IT, shipbuilding, tourism, etc.

2. **Presentation on 'Indian Economy':** Ambassador visited (02/02) Zadar and made a presentation on 'India Surging Ahead' in collaboration with Zadar Chamber of Economy. Representatives of various companies from Zadar County, including Zadar Port Authority, Zadar Airport, Marketing Board of Zadar, attended the event. The sectors identified were IT, shipbuilding, tourism, start-ups, film production, etc. He also invited business community to participate in the India-Europe 29 Business Forum with special



focus on this region. Ambassador also attended the popular annual Tuna, Fish and Wine Festival (90% of tuna is exported to Japan; very small amount is also exported to India).

4. **Meetings with Government Officials:** Ambassador met (07/02) with Minister of Environment and Energy, Tomislav Coric and discussed climate change and cooperation in renewable energy. Ambassador met (15/02) with Minister of Agriculture, Tomislav Tolusic and discussed possibility of availing IT solutions from India for Croatian precision farming sector.

3. **Participation at Viroexpo 2018:** The Embassy participated in the 23rd International Fair of Business, Crafts and Agriculture "Viroexpo 2018" in Virovitica on 23-25 Feb 2018 by taking a promotional stall. Over 700 exhibitors from tourism, agriculture and hospitality sectors participated at the Fair, which was attended by around 28,000 people. It was a good networking opportunity with businessmen from the food sector.





4. **Meetings with business leaders:** During the month, meetings were held with several business leaders in sectors of tourism, pharma, IT, gastronomy, agriculture, biodiesel, etc.

Bilateral Trade

During the period Jan-Dec 2017 (for which local statistics are available) the total bilateral trade stood at Euro 141.50 million (+26.73%), i.e. India's exports worth Euro 126.14 million (+25.38%) and India's imports worth Euro 15.36 million (+39%).

Croatia-India Bilateral Trade (Euro million)					
Year 2013 2014 2015 2016 2017					
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 15.36
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 126.14
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 141.50

Trade Queries from India for Import/Export					
No.	Enquiny Originator	Dre dust	Nature		
NO.	Enquiry Originator	quiry Originator Product			
1	Bhavani Industries	Stainless Steel	Export		
2	Anand International	Stationery Products	Export		
3	Jagdish Enterprise	Vegetables	Export		
4	SSS Exports	Coco Pith	Export		
5	Metal Grace	Kitchenware	Export		
6	Arya Crafts & Engineering	Valves	Export		
7	Satya Fabrics	Fabrics	Export		
8	Pansari Industries	Spices Ex			
9	Nimetler Technologies Pvt. Ltd.	Orthopedic Parts	Export		
10	MS Value International	Agro Products	Export		
11	Mohan Mutha Group	Food Products Exp			
12	J D Jones & Co. Pvt. Ltd.	Valves Expo			
13	Gayatri Global	Agro Products Export			
14	Flair Writing Industries	Plastic Packaging	Export		

(Source: Croatian Central Bureau of Statistics)

15	Dhanraj Enterprise	Peanuts	Export
16	Asia Pacific Ceramic	Tiles & Sanitary Ware	Export

Trade Queries from Croatia for Import/Export				
No.	Enquiry Originator	Product	Nature	
110.		Trouble	Import/Export	
1	Smit Commerce	Sanitary	Export	

PART III: UPCOMING EVENTS, FAIRS, CONFERENCES & TENDERS IN INDIA

No.	Organizer	Event / Tender	Date	City/State
1	Ministry of Commerce & Industry	Elecrama - 2018	10-14 Mar 2018	New Delhi
2	Ministry of Commerce & Industry	Indian Pharmaceuticals and Healthcare Expo - iPHEX	08-10 May 2018	New Delhi
3	Ministry of Commerce and Industry, Services Export Promotion Council (SEPC), India Trade Promotion Organisation (ITPO) and the Confederation of Indian Industry (CII)	4 th edition of the Global Exhibition on Services (GES)	15-18 May 2018	Mumbai, Maharashtra
4	Exhibitions India Group	4th Smart Cities India Expo	23-25 May 2018	New Delhi
5	International Trade and Exhibitions India	International Exhibition on Engineering and Manufacturing (Tech India)	29-31 Aug 2018	New Delhi
6	IED Communications Ltd.	Automation Expo	29 Aug-01 Sep 2018	Mumbai, Maharashtra
7	MMI India Pvt. Ltd.	India Lab Expo	06-08 Sep 2018	Hyderabad, Telengana
8	GlobeTech Media Solutions	Globe-Tech Engineering Expo	14-16 Sep 2018	Pune, Maharashtra
9	Good Governance India Foundation	15th Municipalika Exhibition and Conference on Smart & Sustainable City Solutions	19-21 Sep 2018	Mumbai, Maharashtra
10	Department of Chemicals and Petrochemicals	India Chem	04-06 Oct 2018	Mumbai, Maharashtra
11	Messe Essen GmbH	India Essen Welding & Cutting	27-29 Nov 2018	Mumbai, Maharashtra

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