

Embassy of India, Zagreb



# Monthly Economic Newsletter

October, 2018

## PART I: INDIAN ECONOMY

### News Features

1. **India improved rank in World Bank's Doing Business Report:** The World Bank released its latest Doing Business Report on 31st Oct 2018. The report showed that India recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77<sup>th</sup> rank among 190 countries assessed by the World Bank. India's leap of 23 ranks in the Ease of Doing Business ranking is significant considering that last year India had improved its rank by 30 places, a rare feat for any large country of the size of India.



2. **Indian tourists among world's highest spenders abroad:** According to the latest research published by Colliers International, Indian tourists are among the world's highest spenders per visit made abroad, with visitor spend expected to increase from US\$ 23 billion in 2018 to US\$ 45 billion by 2022. According to UN World Tourism Organization (UNWTO), Indian outbound tourists will account for 22.5 million in 2018. This is expected to increase by 122% to reach over 50 million by 2022.



3. **Rapid growth in arrival of foreigners with e-visa:** Data released by the Home Ministry showed that the number of foreigners who visited India with e-visa has gone up from 447,000 in 2015 to 1.7 million in 2017. The figure for 2018 is 1.87 million till 31 Oct this year and it may touch two million mark by the end of the year. The e-visa facility now covers practically all the countries of the world, 166 as of now, and foreigners can arrive at any of the designated 26 airports and five seaports in India without interacting with any official before checking in at the immigration counter. It is also available for five categories i.e. tourist, business, medical, conference and medical attendant.



4. **Growth of Indian cotton textile exports:** According to the Cotton Textiles Export Promotion Council (Texprocil) data, India's cotton textile exports grew by 26% at US\$ 6.23 billion in the first six months of FY 2018-19. India held a special place in global textile trade as the second largest textile exporter in the world. Today, cotton yarn & fabric exports account for over 23% of India's total textiles and apparel exports.



## Main Economic Indicators

<b>Gross Domestic Product – GDP</b>				
Fiscal Year	2015-16	2016-17	2017-18	Est. 2018-19
Real GDP (% change, YoY)	8.2%	7.1%	6.7%	7.8%
GDP (US \$ billion), current prices	2251.1	2300	/	/

Source: Indian Central Statistics Office and Fitch

## Foreign Trade

<b>I. Merchandise Trade</b>		
Exports & Imports: (US \$ billion) (Provisional)	Oct 2018	Apr-Oct 2018
<b>Exports (including re-exports)</b>		
2017-18	22.89	168.64
2018-19	26.98	191.01
% Growth 2018-19/2017-18	<b>17.86</b>	<b>13.27</b>
<b>Imports</b>		
2017-18	37.50	259.92
2018-19	44.11	302.47
% Growth 2018-19/2017-18	<b>17.62</b>	<b>16.37</b>
<b>Trade balance</b>		
2017-18	-14.61	-91.28
2018-19	-17.13	-111.46
<b>II. Trade in Services</b>		
Exports & Imports: (US \$ billion) (Provisional)	Sep 2018	Apr-Sep 2018
<b>Exports (Receipts)</b>	16.38	101.07
<b>Imports (Payments)</b>	9.95	62.57
<b>Trade balance</b>	6.44	38.50

Source: RBI Press Release, dated 15<sup>th</sup> Nov 2018.

## Industry

According to Indian Central Statistics Office (CSO) data, industrial production, based on the Index of Industrial Production (IIP), expanded 4.5% year-on-year in Sep 2018, a tad higher than the 4.3% growth reported in Aug 2018 and unchanged from levels in Sep 2017.

## Foreign Direct Investment (FDI)

According to the Federation of Indian Chamber of Commerce and Industry, India is approaching towards USD 100 billion FDI inflow per annum by 2022 as volumes of foreign direct investment are increasing year after year. The annual FDI inflows in the country increased from USD 36 billion in 2013-14 to USD 62 billion in 2017-18. Make in India has been instrumental during the last four years to attract FDI reforms in the country. Despite the global challenges, the country was able to attract tremendous flow of investments.

## Inflation

Indian Central Statistics Office (CSO) data showed that India's wholesale price inflation rose to a four-month high of 5.28 percent in Oct 2018, mainly due to a spike in petrol and diesel prices, even as food prices softened. The Wholesale Price Index-based inflation stood at 5.13% in Sep 2018 and 3.68% in the Sep 2017.

## **PART II: INDIA-CROATIA ECONOMIC RELATIONS**

### News Features

- Minister's visit to India:** Ms. Marija Pejcinovic Buric, Croatian Minister of Foreign and European Affairs, visited India on 22 Oct 2018 and met with Ms. Sushma Swaraj, Indian Minister of External Affairs, with whom she discussed a number of issues, including strengthening of bilateral relationship and economic cooperation between the two countries. Both the leaders also signed the Cultural Exchange Programme for the period 2019-2022 and the Agreement on Gainful Occupation for Family Members of Members of Diplomatic Missions. Ms. Buric also met with Ms. Sumitra Mahajan, Speaker of Parliament.
- New Indian Ambassador to Croatia:** Mr. Arindam Bagchi joined as the next Ambassador of India to the Republic of Croatia. An officer of Indian Foreign Service, he has held different assignments in Spain, Peru, New York, Sri Lanka, as well as in New Delhi.
- Increase of Indian tourist arrivals to Croatia:** According to data published (09/11) by the Croatian Central Bureau of Statistics (DZS), in the period Jan-Sep 2018, Croatia had a total of 56,924 Indian tourist arrivals or 0.54% more than in the same period of 2017, with 125,198 overnight stays, 0.62% more than in the same period of 2017.



### Bilateral Trade

During the period Jan-Aug 2018 (for which local statistics are available) the total bilateral trade stood at Euro 97.48 million, i.e. India's exports worth Euro 89.98 million and India's imports worth Euro 7.50 million.

*Euro million*

Year	2014	2015	2016	2017	Jan-Aug 2018
Croatia's Exports	€ 13.50	€ 17.53	€ 11.05	€ 15.36	€ 7.50
Croatia's Imports	€ 88.19	€ 104.5	€ 100.60	€ 126.14	€ 89.98
Total Trade	€ 101.69	€ 122.03	€ 111.65	€ 141.50	€ 97.48

(Source: Croatian Central Bureau of Statistics)

<b>Trade Queries from India for Import/Export</b>			
<b>No.</b>	<b>Enquiry Originator</b>	<b>Product</b>	<b>Nature</b>
			<b>Import/Export</b>
1	Tessa Sanitary Ware	Tiles	Export
2	Deco Mica Ltd.	Laminate Products	Export
3	Blue Berry Tiles	Ceramic Tiles	Export
4	Shree Enterprises	Dehydrated Onion	Export

5	Unilab Microscope Mfg Co.	Medical Equipment	Export
6	Huechem Textiles Pvt. Ltd.	Men's Wear	Export
7	J&J Exports	Garment	Export
8	M.N.T. - Logistics	Tyres	Export
9	Packon Industries	Self-Adhesive Tapes	Export
10	Shreenathji Enterprise	Valves	Export
11	Reime Group	Automation Products	Export
12	KV Fire Chemicals	Fire Protection Equipment	Export
13	Shivani Detergents	Detergents	Export
14	Uni-Med India	Pharmaceuticals	Export
15	KS Diesels Exports	Sanitary Ware	Export

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

<b>No.</b>	<b>Organizer</b>	<b>Event / Tender</b>	<b>Date</b>	<b>City/State</b>
1	Messe Essen GmbH	India Essen Welding & Cutting	27-29 Nov 2018	Mumbai, Maharashtra
2	Confederation of Indian Industry (CII)	Agro Technology & Business Fair	01-04 Dec 2018	Chandigarh, Punjab
3	Economic Times – Edge   India Leadership Council (ILC)	Global Sports Show	13-14 Dec 2018	Mumbai, Maharashtra
4	Trade Promotion Council of India (TPCI)	INDUSFOOD	14-15 Jan 2019	Greater Noida, Uttar Pradesh
5	Ministry of Steel, Government of India	International Exhibition & Conference on Steel Industry – 'INDIA STEEL EXPO 2019'	22-24 Jan 2019	Mumbai, Maharashtra
6	Centre for Development of Stones (CDOS)	INDIA STONEMART 2019- International Stone Industry Exhibition	31 Jan-03 Feb 2019	Jaipur, Rajasthan
7	Electronics and Computer Software Export Promotion Council (ESC)	19 <sup>th</sup> edition of INDIASOFT 2019	04-05 Feb 2019	Hyderabad, Telengana
8	Department of Industrial Policy and Investment Promotion	Global Investors Summit 2019	23-24 Feb 2019	Indore, Madhya Pradesh
9	World Trade Centre (WTC) and All India Association of Industries (AIAI)	8 <sup>th</sup> Global Economic Summit 2019	06-08 Mar 2019	Mumbai, Maharashtra

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