

Embassy of India, Zagreb



Monthly Economic Newsletter

February, 2019

PART I: INDIAN ECONOMY

News Features

1. **India's First semi high speed train:** The 'Make in India' effort of Indian Railways has culminated into India's first Semi High Speed Train, "Vande Bharat Express". It can run up to a maximum speed of 160 kmph and aims to provide a totally new travel experience to passengers. The Train will cover the distance between New Delhi and Varanasi in 8 hours. The total seating capacity is 1,128 passengers. In keeping with the vision of Prime Minister's vision of "Make in India", the major systems of the train have been designed and built in India.



2. **Air purifier market to touch US\$ 39 million by 2023:** The ASSOCHAM-TechSci Research joint study showed that India's residential air purifiers market is projected to grow at a CAGR of over 29% from the current US\$ 14.14 million to US\$ 38.99 million by 2023, backed by rapid urbanisation, increased purchasing power and deteriorating air quality. In addition, some other key factors expected to drive the market are growing technological advancements, aggressive marketing strategies by air purifier companies, increasing incidences of airborne diseases and aspiration to lead a healthier lifestyle.



3. **India to be 2nd-largest 5G market in 10 years:** According to the global telecom industry body GSM Association, India is expected to emerge as second-largest 5G market in 10 years. GSM Association projected that there will be 1.4 billion 5G connections globally by 2025, accounting for about 15% of the total market. By this point, almost half of connections in the US will be 5G, 30% will be 5G in China, and 5% in India. India will be the second-largest market from industry perspective.



4. **India's billionaire club to grow 37% in 5 years:** India's billionaire population is expected to grow 37% in the next five years, beating the global and Asian averages. In Asia, the number of billionaires is expected to grow 27%, while the number in North America is set to rise 17% and in Europe by 18%, between 2018 and 2023. India's wealth is expected to surge over the next five years, with the numbers of Ultra high-net-worth individuals (UHNWI) rising to 2,697," it said. The report also said India's UHNWIs will grow fastest globally over the next five years.



Main Economic Indicators

Gross Domestic Product – GDP				
Fiscal Year	2015-16	2016-17	2017-18	Est.
				2018-19
Real GDP (% change, YoY)	8.2%	7.1%	7.2%	7.3%
GDP (US \$ billion), current prices	2251.1	2300	/	/

Source: Indian Central Statistics Office and Moody's

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ billion)	Feb 2019	Apr-Feb 2018-19
(Provisional)		
Exports (including re-exports)		
2017-18	26.03	274.21
2018-19	26.67	298.47
% Growth 2018-19/2017-18	2.44	8.85
Imports		
2017-18	38.34	422.76
2018-19	36.26	464.00
% Growth 2018-19/2017-18	-5.41	9.75
Trade balance		
2017-18	-12.30	-148.55
2018-19	-9.60	-165.52
II. Trade in Services		
Exports & Imports: (US \$ billion)	Jan 2019	Apr-Jan 2018-19
(Provisional)		
Exports (Receipts)	17.75	167.43
Imports (Payments)	11.03	101.93
Trade balance	6.72	65.50

Source: RBI Press Release, dated 15th Mar 2019.

Industry

According to Indian Central Statistics Office (CSO) data, industrial growth as measured by the Index of Industrial Production (IIP) slipped to 1.7% in Jan 2019 from 2.4% in Dec 2018, manufacturing index was at 1.3% v/s 2.7% month-on-month.

Foreign Direct Investment (FDI)

According to the data from the Reserve Bank of India (RBI), Foreign Direct Investment (FDI) during the 2017-18 grew 18%, while Overseas Direct Investment (ODI) by Indian companies increased by 5%. Mauritius continued to be the largest source of FDI in India (19.7%) followed by the US, the UK, Singapore and Japan. In case of overseas investment by Indian companies, Singapore (17.5%) was the major destination, followed by the Netherlands, Mauritius and the US. Manufacturing sector had majority share in total FDI. 'Information and communication services' and 'financial and insurance activities' were other major recipients of FDI.

Inflation

Indian Central Statistics Office (CSO) data showed that Retail Inflation in India rose for the first time in four months as the year-on-year fall in food prices eased. CPI inflation stood at 2.57% in Feb 2019 compared to a revised 1.97% in Jan 2019.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Meeting with the Deputy Parliament Speaker:** Ambassador met (14/02) with the Deputy Parliament Speaker and President of MOST party, H.E. Mr. Božo Petrov. They discussed a number of issues, including economic cooperation between the two countries and ways of enhancing India-Croatia relations.



2. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited (18/02) the city of Dubrovnik and met with the Mayor of Dubrovnik, Mr. Mato Franković, County Prefect, Mr. Nikola Dobroslavić, and Director of Tourist Board, Ms. Romana Vlašić. They discussed business opportunities in tourism sector between the two countries. There is growing trend of Indian tourist arrivals to Croatia.



3. **Meetings with other business leaders:** During the month, meetings were held with several business leaders in sectors of tourism, film industry, media, etc.

4. **Increase of Indian tourist arrivals to Croatia:** According to data published (15/03) by the Croatian Central Bureau of Statistics (DZS), in Jan 2019, Croatia had a total of 331 Indian tourist arrivals or 25% more than in Jan 2018, with 1,308 overnight stays, 33% more than in Jan 2018.

Bilateral Trade

During the period Jan-Dec 2018 (for which local statistics are available) the total bilateral trade stood at Euro 137.35 million, i.e. India's exports worth Euro 126.33 million and India's imports worth Euro 11.02 million.

	<i>Euro million</i>				
Year	2014	2015	2016	2017	2018
Croatia's Exports	€ 13.50	€ 17.53	€ 11.05	€ 15.36	€ 11.02
Croatia's Imports	€ 88.19	€ 104.5	€ 100.60	€ 126.14	€ 126.33
Total Trade	€ 101.69	€ 122.03	€ 111.65	€ 141.50	€ 137.35

(Source: Croatian Central Bureau of Statistics)

Trade Queries from India for Import/Export attended by the Mission				
No.	Enquiry Originator	Product	Nature	Action Taken
			Import/Export	
1	Akara Exim Pvt. Ltd.	Incense Sticks	Export	List sent
2	Crossword Agro Industries	Spare Parts	Export	List sent
3	ALP International	Coir Products	Export	List sent
4	RS Exim India	Food Products	Export	List sent

5	Limitless Crafts	Kitchenware	Export	List sent
6	S H Hakeem International	Ayurvedic Products	Export	List sent
7	Girmount Overseas	Ceramic Tiles	Export	List sent
8	Markat For Home	Chemicals	Export	List sent
9	RK Agroexport Pvt. Ltd.	Coffee	Export	List sent
10	Worio International	Vegetables	Export	List sent
11	Almas Ceramic	Construction Material	Export	List sent
12	Emato International	Ceramic Tiles	Export	List sent
13	Brisk Exim	Cosmetics	Export	List sent
14	Eastern Global Impex	Ceramic Tiles	Export	List sent
15	Orderfresh	Food Products	Export	List sent
16	Rockwell Industries Limited	Eutectic Freezers	Export	List sent
17	Aayu Neemcare Biotech	Neem Oil	Export	List sent
18	Swastik Polymers	Fabrics	Export	List sent
19	Jivraj Tea Company	Tea	Export	List sent
20	Ozone Overseas	Glass Hardware	Export	List sent
21	Aremssy Services	Home Textiles	Export	List sent
22	Aarui Foods	Dehydrated Onion	Export	List sent
23	Rameswar Udyog	Yarn & Fabrics	Export	List sent
24	Shree Paras Traders	Aluminium Scrap	Export	List sent
25	Cathedral International	Decoration Items	Export	List sent
26	Pearlite Steel	Stainless Steel	Export	List sent

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

No.	Organizer	Event / Tender	Date	City/State
1	Pharmaceuticals Export Promotion Council of India (Pharmexcil)	International Exhibition of Pharma and Healthcare (iPHEX)	10-12 Apr 2019	Gandhinagar, Gujrat
2	Exhibitions India Group	Solar Rooftop Summit and Solar India Conference	22-24 May 2019	New Delhi
3	Exhibitions India Pvt. Ltd. and Co-organised by India Trade Promotion Organisation (ITPO)	Krishi and Wellness India 2019 Expo	06-08 Aug 2019	New Delhi
4	Indian Council of Food and Agriculture	2 nd edition of AgroWorld and FoodWorld 2019	05-08 Nov 2019	New Delhi

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