

Embassy of India, Zagreb



Monthly Economic Newsletter

January, 2019

PART I: INDIAN ECONOMY

News Features

1. **Media and entertainment industry to touch US\$ 52.68 billion by 2022:** According to the Associated Chambers of Commerce and Industry of India (ASSOCHAM) study, the Indian media and entertainment industry is estimated to touch US\$ 52.68 billion by 2022 led by increasing disposable income, population and content consumption across the formats. Besides the traditional media such as TV and cinema, new-age digital platforms such as over-the-top (OTT) services will play a key role. TV, cinema and OTT collectively account for 46% of the overall growth in the Indian entertainment and media industry.



2. **India to account for 40% of global rail travel by 2050:** According to the International Energy Agency report, Indian railways will have a share of 40% of the total global rail activity and save around US\$ 64 billion on fuel bills by 2050. The report also stated that the annual investment in rail infrastructure will increase to US\$ 330 billion by 2050 globally.



3. **Tourism generated US\$ 234 billion revenue in 2018:** According to the Indian Ministry of Culture and Tourism, in 2018 India generated US\$ 234 billion revenue from the tourism sector, registering a growth of over 19%. This revenue was contributed by 87% domestic and 13% foreign tourists. The top ten revenue generating monuments during 2015-18 were Taj Mahal, Agra Fort, Qutub Minar, Red Fort, Humayun's Tomb, Sun Temple Konark, Group of monuments Mamallapuram and Ellora Caves.



4. **India plans to launch a national centre for artificial intelligence:** The Government of India is planning to launch a National Centre for Artificial Intelligence. The centre is expected to be operational by Jul 2019. The centre will look at how AI can be used in health care, education, and agriculture from a public systems delivery perspective. According to a recent report by Accenture, AI has the potential to add US\$ 957 billion, or 15% of current gross value added, to India's economy by 2035.



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)	Jan 2019	Apr-Jan 2018-19
(Provisional)		
Exports (including re-exports)		
2017-18	25.41	248.18
2018-19	26.36	271.80
% Growth 2018-19/2017-18	3.74	9.52
Imports		
2017-18	41.08	384.42
2018-19	41.09	427.73
% Growth 2018-19/2017-18	0.01	11.27
Trade balance		
2017-18	-15.67	-136.25
2018-19	-14.73	-155.93
II. Trade in Services		
Exports & Imports: (US \$ billion)	Dec 2018	Apr-Dec 2018-19
(Provisional)		
Exports (Receipts)	17.93	149.69
Imports (Payments)	11.38	90.91
Trade balance	6.55	65.35

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

Industry

According to Indian Central Statistics Office (CSO) data, industrial growth as measured by the Index of Industrial Production (IIP) grew by 2.4 % in Dec 2018, after recording a 17 -month low growth due to poor show from the manufacturing sector.

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 India's annual retail inflation increased 2.05% in Jan 2019. Data also showed that the lower inflation in fuel made India's wholesale price inflation (WPI) cool to 2.76% in Jan 2019 from 3.8% in Dec 2018.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Meeting with the President of Croatian Chamber of Economy:** Ambassador met (24/01) with the President of Croatian Chamber of Economy, Mr. Luka Burilović and Vice President for International Affairs and EU, Mr. Ivan Barbarić. They discussed a number of issues, including economic cooperation between the two countries. Ambassador also encouraged them to attend major international fairs in India.



2. **Meeting with representatives of Lider:** Ambassador met (11/01) with Ms. Bojana Božanić, Director of Lider, business magazine and Ms. Nataša Dević, Event Manager with whom he discussed potential Indian participation at Smart City Conference which is going to be held in Zagreb in 2019.

3. **Meetings with other business leaders:** During the month, meetings were held with several business leaders in sectors of event management, hospitality, media, etc.

4. **Increase of Indian tourist arrivals to Croatia:** According to data published (08/02) by the Croatian Central Bureau of Statistics (DZS), in 2018, Croatia had a total of 64,444 Indian tourist arrivals or 15.60% more than in 2017, with 141,837 overnight stays, 14.15% more than in 2017.

Bilateral Trade

During the period Jan-Nov 2018 (for which local statistics are available) the total bilateral trade stood at Euro 127.57 million, i.e. India's exports worth Euro 118.25 million and India's imports worth Euro 9.32 million.

Euro million

Year	2014	2015	2016	2017	Jan-Nov 2018
Croatia's Exports	€ 13.50	€ 17.53	€ 11.05	€ 15.36	€ 9.32
Croatia's Imports	€ 88.19	€ 104.5	€ 100.60	€ 126.14	€ 118.25
Total Trade	€ 101.69	€ 122.03	€ 111.65	€ 141.50	€ 127.57

(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	Swift Exports	Defence Equipment	Export	List sent
2	Form Worio International	Vegetables & Spices	Export	List sent
3	V.S.M. Global	Vegetables	Export	List sent

4	Eastman Industries Ltd.	Tractor Parts	Export	List sent
5	Balaji Wafers Pvt. Ltd.	Spices	Export	List sent
6	Rockwell Industries	Home Appliances	Export	List sent
7	Romero Overseas Pvt. Ltd.	Sports Wear	Export	List sent
8	Divine Industries	Skin Care Products	Export	List sent
9	Neel Wire Industries	Stitching Wire	Export	List sent

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

No.	Organizer	Event / Tender	Date	City/State
1	World Trade Centre (WTC) and All India Association of Industries (AIAI)	8 th Global Economic Summit 2019	06-08 Mar 2019	Mumbai, Maharashtra
2	Pharmaceuticals Export Promotion Council of India (Pharmexcil)	International Exhibition of Pharma and Healthcare (iPHEX)	10-12 Apr 2019	Gandhinagar, Gujrat
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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