

Embassy of India, Zagreb



Monthly Economic Newsletter

March, 2019

PART I: INDIAN ECONOMY

News Features

1. **Logistics market to reach US\$ 215 billion by 2020:** The market size of the Indian logistics sector is seen climbing to US\$ 215 billion by 2020, logging 10.5% compounded annual growth rate over 2017. The logistics sector earned the 'infrastructure' status in 2017 when its market size was estimated at US\$ 160 billion. A study by the India Brand Equity Foundation (IBEF) pegs annual investments in the logistics sector to reach \$500 billion by 2025.



2. **SpiceJet became first Indian low-cost airline to join IATA:** SpiceJet joined global airlines' grouping IATA as a member, becoming the first Indian low-cost carrier to get the membership. The International Air Transport Association (IATA) represents more than 290 airlines, including Air India, Jet Airways and Vistara. The membership will help SpiceJet, which has ambitious expansion plans, to have codeshares and agreements with other carriers.



3. **Automakers invested around US\$ 491 million in Indian start-ups in 2018:** According to market intelligence firm Venture Intelligence, automobile manufacturers invested around US\$ 491 million in 2018 in Indian automobile industry start-ups, led by Essel Green Mobility's investment of US\$ 300 million into Bengaluru-based on-demand AC bus service provider Zipgo. In 2018, Taiwanese two-wheeler manufacturer Kwang Yang Motor, known as Kymco, invested US\$ 65 million in Gurugram-based electric two-wheeler maker Twenty-Two Motors, while auto major Mahindra and Mahindra invested US\$ 40 million in self-drive car company Zoomcar.



4. **India seeks bids for US\$ 5 billion in transmission lines to fuel renewables growth:** The Government of India is set to launch transmission line tenders worth US\$ 5 billion, starting in Jun 2019. The process will be undertaken in phases, to achieve the 175 gigawatts (GW) renewable energy capacity in India by 2022. India pledged to achieve 40% contribution from clean energy by 2040 and will require large investments in its energy infrastructure to do the same. Bids for 16 GW will be processed in Jun 2019 and for another 38 GW by Mar 2020.



5. **IT services sector may register growth up to 9%:** According to the Indian National Association of Software and Services Companies (NASSCOM) report, the IT services sector is estimated to clock a flat growth of up to 9% in the fiscal year 2019-20. The growth will be at par with the 9.1% growth achieved by the sector in the previous fiscal year.



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) (Provisional)	Mar 2019	Apr-Mar 2018-19
Exports (including re-exports)		
2017-18	29.32	305.53
2018-19	32.55	331.02
% Growth 2018-19/2017-18	11.02	9.06
Imports		
2017-18	42.82	465.58
2018-19	43.44	507.44
% Growth 2018-19/2017-18	1.44	8.99
Trade balance		
2017-18	-13.51	-162.05
2018-19	-10.89	-176.42
II. Trade in Services		
Exports & Imports: (US \$ billion) (Provisional)	Feb 2019	Apr-Jan 2018-19
Exports (Receipts)	16.58	187.85
Imports (Payments)	9.81	114.10
Trade balance	6.78	73.75

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

Industry

According to Indian Central Statistics Office (CSO) data, industrial growth as measured by the Index of Industrial Production (IIP) rose to 2.1% in Feb 2019 from 1.7% in Jan 2019. The eight core industries, including coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity, are responsible for almost 41% of the weight of items included in the Index of Industrial Production (IIP).

Foreign Direct Investment (FDI)

India emerged as one of the fastest growing economies in the world and an attractive investment destination driven by economic reforms and a large consumption base. It was the fastest growing major economy in 2017-18 with its GDP growing 7.2% and reaching US\$ 2.47 trillion. It is expected to grow at 7.3% in 2018-19. A host of factors enabled this growth, which includes a highly developed financial system, infrastructure requirements and proactive government regimes. Domestic and foreign investments both have had made an impact on the country's growth. Between Apr 2000 and Dec 2018, India received equity inflows of US\$ 409.15 billion through FDI. Foreign Portfolio/Institutional Investors (FPI/FII) invested around US\$ 171.81 billion in India between FY2002-18. Proceeds through Initial Public Offers (IPO) in India reached US\$ 5.5 billion in 2018 and US\$ 0.9 billion in Q1 2018-19.

Inflation

Indian Central Statistics Office (CSO) data showed wholesale price inflation rate increased to 3.2% year on year in Mar 2019, up from 2.9% in Feb 2019. Inflation in food articles hardened with steep rise in prices of vegetables during Mar 2019.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Visit of Indian President to Croatia:** Hon'ble President of India H.E. Mr. Ram Nath Kovind, visited (25-28/03) Croatia. During the visit, he met with Croatian President Kolinda Grabar-Kitarović and Croatian PM Andrej Plenković. They discussed bilateral issues and possibilities of deepening economic cooperation, especially in the areas of trade, investment and tourism. A 35-member business delegation consisting of members from Associated Chambers of Commerce and Industry of India (ASSOCHAM), Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Industry (CII) also visited Croatia on the occasion. The India-Croatia Business Forum and B2B meetings were held in coordination with the Croatian Chamber of Economy (CCE). The occasion was also used for signing 3 Memorandums of Understanding (MoU) between Croatian Chamber of Economy and FICCI, ASSOCHAM, CII.



2. **Viroexpo Fair 2019:** The Embassy participated in the 24th International Business, Crafts and Agriculture Fair "Viroexpo 2019" in Virovitica on 15-17 March 2019 by taking a promotional stall. Over 600 exhibitors from tourism, agriculture and hospitality sectors participated at the Fair, which was attended by 31,170 people. The tourist & business brochures from different Indian States were presented and disseminated.



3. **Place2Go International Tourism Fair:** The Embassy participated in the International Tourism Fair "Place2Go 2019" in Zagreb on 15-17 March 2019. There were 200 exhibitors and was attended by 14,700 visitors from various stakeholders from tourism, transport and hospitality sectors. Tourist brochures from different Indian States were presented which attracted a lot of interest.



4. **Meetings with other business leaders:** During the month, meetings were held with several business leaders in sectors of hospitality, media, railway & infrastructure, etc.

5. **Increase of Indian tourist arrivals to Croatia:** According to data published (12/04) by the Croatian Central Bureau of Statistics (DZS), in the period Jan-Feb 2019, Croatia had a total of 806 Indian tourist arrivals or 39% more than in Jan-Feb 2018, with 2,627 overnight stays, 22% more than in the same period 2018.

Bilateral Trade

During Jan 2019 (for which local statistics are available) the total bilateral trade stood at Euro 15.69 million, i.e. India's exports worth Euro 13.49 million and India's imports worth Euro 2.20 million.

Euro million

Year	2015	2016	2017	2018	Jan 2019
Croatia's Exports	€ 17.53	€ 11.05	€ 15.36	€ 11.02	€ 2.20
Croatia's Imports	€ 104.5	€ 100.60	€ 126.14	€ 126.33	€ 13.49
Total Trade	€ 122.03	€ 111.65	€ 141.50	€ 137.35	€ 15.69

(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	Marutinandan Fasteners LLP	Fasteners	Export	List sent
2	Umasree Texplast Group	Woven Bags	Export	List sent
3	SD Herbs	Herbal Products	Export	List sent
4	Enlighten Living Pvt. Ltd.	Home Textile	Export	List sent
5	NKP Pharma Pvt. Ltd.	Pharmaceuticals	Export	List sent
6	Hezal Tradelink Pvt.Ltd.	Bio-degradable Bags	Export	List sent
7	Shree Paras Traders	Aluminium Scrap	Export	List sent
8	Jabs International Pvt. Ltd.	Spices	Export	List sent
9	Gem Granites	Granite	Export	List sent
10	Aradhya Colour	Food Colours	Export	List sent
11	Cemlin Ceramic	Ceramic Tiles	Export	List sent
12	Nanotrends	Rice & Onion	Export	List sent
13	Top Travel&Tours Pvt. Ltd.	Travel Agencies	Export	List sent
14	Aqua Gold	Jewellery	Export	List sent
15	Shree Ram Gold Arts	Jewellery	Export	List sent
16	Formosa Synthetics Pvt. Ltd.	Woven Bags	Export	List sent

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

No.	Organizer	Event / Tender	Date	City/State
1	Exhibitions India Group	Solar Rooftop Summit and Solar India Conference	22-24 May 2019	New Delhi
2	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
3	Indian Council of Food and Agriculture	2 nd edition of AgroWorld and FoodWorld 2019	05-08 Nov 2019	New Delhi

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