

Embassy of India, Zagreb



# Monthly Economic Newsletter

October, 2019

## PART I: INDIAN ECONOMY

### News Features

1. **MoU between Sikkim and Croatia:** President of the Croatian Chamber of Agriculture, Mr. Mladen Jakopović, led a 6-member Croatian delegation at the International Conference and Fair of Biodynamic Agriculture in India, held in New Delhi on 07-09 Nov 2019. Mr. Sc. Diana Posavec, Director of Centre "Dr. Rudolf Steiner", was introduced to the latest trends in biodynamic agriculture and organic farming in the world. During the visit, Memorandum of Understanding was signed between Croatian Centre "Dr. Rudolf Steiner" and SIKKIM IFFCO ORGANICS LIMITED (IFFCO) to promote organic biodynamic farming in Sikkim State of India.



2. **India to set up 100 new airports by 2024:** In order to revive economic growth in Asia's 3rd largest economy, India is planning to start 100 additional airports by 2024. With economic activity at a six-year low and probability of further slowdown looming, to revive the growth and achieve a target of making India a US\$ 5 trillion economy by 2025, Prime Minister Narendra Modi is keen to enhance infrastructure projects. To compete for investments amid global trade tensions, Government of India cut the corporate tax rates last month, putting India on par with some of the lowest in Asia. Proposal by India's think tank also includes enhancing the number of locally trained pilots to 600 a year and double the domestic aircraft fleet to 1,200 during the period.



2. **India emerged as the third largest ecosystem for start-ups:** As per the Hurun Global Unicorn List 2019, with the 21 unicorns, India emerged as the third largest ecosystem for more successful start-ups right behind the China and US but ahead of Britain and Israel. In India, payment solution platform, One97 communication (US\$ 10 billion), is leading the bunch followed by cab aggregator Ola Cabs (US\$ 6 billion), online educator Byjus (US\$ 6 billion) and travel-stay finder OYO Rooms (US\$ 5 billion). These young companies, only seven years old on an average, are the world's most exciting start-ups, leading a new generation of disruptive technology.



3. **India jumped to 63rd position in World Bank's ease of doing business rankings:** India is placed at 63rd position among the 190 countries in the World Bank's 'Ease of Doing Business 2020' report, 14 places higher than the last time. The country has improved its performance in six of the ten parameters used for ranking. The improved parameters include starting a business, dealing with construction permits, trading across borders, resolving insolvency, paying taxes and



getting electricity. According to the report, 'Doing Business' analyses regulation in 12 areas of business activity in 190 economies that encourages efficiency and supports freedom to do business.

### 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%	7.2%	7.2%
GDP (US \$ billion), current prices	2251.1	2300	/	/

Source: Indian Central Statistics Office and Moody's

### Foreign Trade

<b>I. Merchandise Trade</b>		
Exports & Imports: (US \$ billion)	Oct 2019	Apr - Oct 2019-20
(Provisional)		
<b>Exports (including re-exports)</b>		
2018-19	26.67	190.15
2019-20	26.38	185.95
% Growth 2019-20/2018-19	<b>-1.11</b>	<b>-2.21</b>
<b>Imports</b>		
2018-19	44.68	306.31
2019-20	37.39	280.67
% Growth 2019-20/2018-19	<b>-16.31</b>	<b>-8.37</b>
<b>Trade balance</b>		
2018-19	-18.00	-116.15
2019-20	-11.01	-94.72
<b>II. Trade in Services</b>		
Exports & Imports: (US \$ billion)	Sep 2019	Apr–Sep 2019-20
(Provisional)		
<b>Exports (Receipts)</b>	17.54	107.06
<b>Imports (Payments)</b>	11.10	68.10
<b>Trade balance</b>	6.44	38.96

Source: RBI Press Release, dated 16<sup>th</sup> November 2019

### Industry

According to Indian Central Statistics Office (CSO) data, India's factory output growth, measured by the Index of Industrial Production (IIP), contracted 4.3% in September 2019 over a year ago. Slowdown was mainly due to poor performance in the manufacturing sector.

### Foreign Direct Investment (FDI)

According to the Ministry of Commerce and Industry data, FDI into India grew by 28% to \$16.33 billion during the quarter April-June. Sectors which attracted maximum foreign inflows during April-June include services (\$2.8 billion), computer software and hardware (\$2.24 billion), telecommunications (\$4.22 billion), and trading (\$1.13 billion), the commerce and industry ministry data showed. India received FDI worth \$286 billion in past five years.

## Inflation

Indian Central Statistics Office (CSO) data showed that the retail inflation accelerated to 4.62% in October 2019, compared with 3.99% in September 2019, largely due to a continued rise in food prices.

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

### News Features

1. **150<sup>th</sup> anniversary of Mahatma Gandhi:** On the occasion of 150<sup>th</sup> birth anniversary of Mahatma Gandhi, Croatian PM Andrej Plenković and the Mayor of Zagreb, Milan Bandić unveiled (02/10) Gandhi's bust at Bundek lake. Gifting of the bust was announced by the Indian President, Ram Nath Kovind during his visit to Croatia in March 2019. Embassy's employees including the Ambassador, in cooperation with Hrvatske šume, also commemorated Gandhi's anniversary by planting trees at Medvednica.



2. **Meeting with HBOR representatives:** Ambassador met (09/10) with representatives of Croatian Bank for Reconstruction and Development (HBOR) and discussed possibilities in expanding economic cooperation.

3. **Meeting with Croatian film industry:** Ambassador met (10/10) with Mr. Sergej Stanojkovski, Director of Avventura Film Festival and discussed possibilities in expanding cooperation in film industry between the two countries including organization of India Film Festival in Croatia later this year.

4. **Increase of Indian tourist arrivals to Croatia:** According to data published (14/11) by the Croatian Central Bureau of Statistics (DZS), in the period Jan-Sep 2019, Croatia had a total of 60,971 Indian tourist arrivals or 7.11% more than in Jan-Sep 2018, with 135,646 overnight stays, 8.35% more than in the same period 2018.

### Bilateral Trade

During the period Jan-Aug 2019 (for which local statistics are available) the total bilateral trade stood at Euro 108.44 million, i.e. India's exports worth Euro 79.64 million and India's imports worth Euro 28.80 million.

Year	2015	2016	2017	2018	Jan - Aug 2019
Croatia's Exports	€ 17.53	€ 11.05	€ 15.36	€ 11.02	€ 28.80
Croatia's Imports	€ 104.5	€ 100.60	€ 126.14	€ 126.33	€ 79.64
Total Trade	€ 122.03	€ 111.65	€ 141.50	€ 137.35	€ 108.44

(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	Ayatty Overseas Services LLP	Woven Sacks and Bags	Export	List sent

2	Abhinandan Steels	Kitchen Ware	Export	List sent
3	Finstone Granito Pvt. Ltd.	Tiles	Export	List sent
4	R.B. Interantional	Fruits & Vegetables	Export	List sent
5	Survey Field Work	Garments	Export	List sent
6	Continental Hygiene Concepts	Hospitality Equipment	Export	List sent
7	Marx Exports	Metal Parts	Export	List sent
8	Precious Exim	Spices	Export	List sent
9	C.C. Exports	Vegetables & Spices	Export	List sent
10	Arroz Exim	Sanitary Ware & Tiles	Export	List sent
11	Solar Universe India	Solar Products	Export	List sent
12	Nisha Valves	Valves	Export	List sent
13	Royalty of India	Home Textile	Export	List sent
14	Hrr Enterprises	Stationary Products	Export	List sent
15	Vivek5exim	Cashew Nuts	Export	List sent
16	Jill Tradelink	Cotton & Yarn	Export	List sent
17	Tirupati Minerals & Metals	Manganese Oxide	Export	List sent
18	Universal Organics	Animal Feed	Export	List sent
19	Emerald International Exim	Spices	Export	List sent
20	OneWorld International	Fashion Jewellery	Export	List sent
21	Nakoda International	Stainless Steel Pipes	Export	List sent
22	Advitya Impex	Engineering Goods	Export	List sent
23	Kaypee Polyfab Pvt. Ltd.	Woven Bags	Export	List sent
24	Chandan Distributors	Herbal Products	Export	List sent
25	Nisha Valves	Valves	Export	List sent
26	SK Import & Export	Rice	Export	List sent
27	Coffee Board of India	Coffee	Export	List sent
28	Devdoot Textiles Pvt. Ltd.	Fabrics	Export	List sent

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

No.	Organizer	Event / Tender	Date	City/State
1	India Trade Promotion Organization	India International Trade Fair	14-27 Nov 2019	New Delhi
2	Confederation of Indian Industry (CII)	5 <sup>th</sup> edition of the India-Europe 29 Business Forum (IE29BF)	20-21 Nov 2019	New Delhi

3	Chartered Institute of Logistics and Transport (CILT)	CILT India Expo 2019	21-22 Nov 2019	New Delhi
4	Ministry of Information and Broadcasting, Government of India in collaboration with the State Government of Goa and the Indian Film Industry.	International Film Festival of India	20-28 Nov 2019	Goa
5	Ministry of Commerce and Industry, Government of India	Global Exhibition on Services	26-28 Nov 2019	Bengaluru, Karnataka
6	Federation of Indian Chambers of Commerce and Industry	15 <sup>th</sup> Higher Education Summit 2019	27-29 Nov 2019	New Delhi
7	Ministry of Textiles & Solapur Garment Manufacturers Association	4 <sup>th</sup> Uniform & Garment Manufacture Fair	17-19 Dec 2019	Mumbai, Maharashtra
8	Enxpo Infomedia Pvt. Ltd.	2 <sup>nd</sup> Global Sigma Summit 2020	09-11 Jan 2020	New Delhi
9	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	14 <sup>th</sup> edition of World Electricity Forum 'Elecrama'	18-22 Jan 2020	Greater Noida, Uttar Pradesh
10	International Union of Geological Sciences (IUGS)	36 <sup>th</sup> International Geological Congress (IGC)	02-08 Mar 2020	New Delhi
11	Engineering Export Promotion Council (EEPC)	International Engineering Sourcing Show (IESS)	04-06 Mar 2020	Coimbatore, Tamil Nadu

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**Compiled by**

**Mario Stančin**

**Marketing Executive  
Embassy of India**

*\*\*The new General Data Protection Regulation (GDPR) has come into effect on 25 May 2018. To help us comply with its requirements we need to confirm that you would still like to receive our newsletters. If you do not wish to continue to receive our newsletters, you can unsubscribe by replying "unsubscribe" to this email. Your details that we hold are your name and email address. We do not share your details with any third parties.*