

Embassy of India, Zagreb



# Monthly Economic Newsletter

January, 2020

## PART I: INDIAN ECONOMY

### News Features

#### 1. **Railways to run 100% on electricity by 2024:**

According to the Ministry of Railways, the entire network of the Indian railways will run completely on electricity by 2024 and will become a net-zero emission network by 2030. Indian railway will be the first railway in the world to be run fully on electricity. This move is towards a better and safe environment. Thus, the Indian railway is focusing on rapid electrification of the rail network.



#### 2. **Indian pharma industry to grow at 10-13%:**

According to the rating agency ICRA, Indian pharmaceutical industry is expected to grow at 10-13% in 2020-21 irrespective of the challenges in the industry. This expected growth in the next financial year is on the back of increase in demand from the domestic market because of increase in spending on healthcare along with improving access. The growth in 2020-21 is also supported by the decrease in pricing pressure for the US market, new launches and market share gains for existing products and consolidation benefits.



#### 3. **IndiGo became first Indian carrier with a fleet of over 250 planes:**

The Indian largest airline IndiGo currently has more than 250 planes in its fleet after introducing at least four neo aircrafts in December 2019. IndiGo, which holds the domestic market share of over 47%, is also the first Indian carrier to have a fleet of over 250 planes. Recently, the budget carrier also became the first airline to operate 1,500 flights per day. According to an aircraft delivery tracking website, IndiGo has taken deliveries of 257 planes, including 222 Airbus 320 or A320 Neos, 10 A321 Neos and 25 regional jet ATRs.



#### 4. **Bike rental start-up Bounce raised over US\$ 100 million in funding:**

Bounce, a Bengaluru-based start-up, raised an additional US\$ 105 million in its Series-D funding round.. The new amount raised places Bounce's valuation at just over US\$ 500 million. The bike-rental start-up, formerly known as Metro Bikes, let its customers rent a bike anywhere in the city at any point in time using its patented key-less technology. This system is based on GPS tracking. It let drivers to rent the bike anywhere in the city with no set pick up or drop point. Presently, Bounce offers its dockless bike rental service only in Bengaluru and Hyderabad. The company plans to expand its operations to more cities in India with the new amount raised. The company also plans to invest in building sustainable solutions and will launch electric vehicles in future.



## 5. CEOs of Indian origin heading global companies:

Mr. Arvind Krishna joined the long list of Indian-origin CEOs who are heading the well-known global companies. Mr. Krishna will become CEO of IBM from April 2020. Here's a look at Indian-origin CEOs, who are heading the famous global companies: Mr. Sundar Pichai (Alphabet, parent company of Google), Mr. Shantanu Narayen (Adobe), Mr. Satya Nadella (Microsoft), Mr. Ajaypal Singh Banga (MasterCard), Mr. Rajeev Suri (Nokia), Mr. Arvind Krishna (IBM), Mr. Punit Renjen (Deloitte), Mr. V.K. Narasimhan (Novartis), Mr. Dinesh Paliwal (Harman International), Mr. Ivan Menezes (Diageo) and Mr. Laxman Narasimhan (Reckitt Benckiser).



## Main Economic Indicators

Gross Domestic Product – GDP				
Fiscal Year	2016-17	2017-18	2018-19	Est.
				2019-20
Real GDP (% change, YoY)	7.1%	7.2%	7.2%	6.1%
GDP (US \$ billion), current prices	2251.1	2300	2600	/

Source: Indian Central Statistics Office and Moody's

## Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ billion)	Jan 2020	Apr 2019 - Jan 2020
(Provisional)		
<b>Exports (including re-exports)</b>		
2018-19	26.41	270.49
2019-20	25.97	265.26
% Growth 2019-20/2018-19	<b>-1.66</b>	<b>-1.93</b>
<b>Imports</b>		
2018-19	41.46	433.77
2019-20	41.14	398.53
% Growth 2019-20/2018-19	<b>-0.75</b>	<b>-8.12</b>
<b>Trade balance</b>		
2018-19	-15.05	-163.27
2019-20	-15.17	-133.27
II. Trade in Services		
Exports & Imports: (US \$ billion)	Dec 2019	Apr 2019 – Nov 2020
(Provisional)		
<b>Exports (Receipts)</b>	20.00	160.27
<b>Imports (Payments)</b>	12.56	98.99
<b>Trade balance</b>	7.45	61.28

Source: RBI Press Release, dated 15<sup>th</sup> February 2020

## Industry

According to Indian Central Statistics Office (CSO) data, India's industrial production declined by 0.3% in December 2019 after looking up by 1.8% in November 2019 breaking off from successive declines in the past few months.

## Foreign Direct Investment (FDI)

According to the Department for Promotion of Industry and Industrial Trade (DPIIT), during the first half of the 2020-21 financial year, FDI into India increased by 15% and reached US\$ 26 billion. During April-September 2019-20, the maximum foreign inflows were in sectors, that include services (US\$ 4.45 billion), computer software and hardware (US\$ 4 billion), telecommunications (US\$ 4.28 billion), automobile (US\$ 2.13 billion) and trading (US\$ 2.14 billion). The foreign investment norms were relaxed recently by the Government in sectors such as brand retail trading, coal mining and contract manufacturing.

## Inflation

Indian Central Statistics Office (CSO) data showed that the retail inflation rose to 7.59% in January 2020, compared with 7.35% in December 2019, largely due to a continued rise in food prices.

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

### News Features

1. **Meeting with Croatian innovator:** Ambassador met (17/01) with Mr. Tomislav Pokrajčić, Croatian innovator who won the Gold Medal for his innovation 'Anti-flood box barrier incorporating an anti-flood device' at 3rd International Innovation Fair held in Hyderabad from 1-3 December 2019. They discussed possibilities in expanding cooperation in innovation sector between the two countries.



2. **Visit to HAMAG-BICRO:** Ambassador visited (20/01) Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO) and met with Mr. Vjeran Vrbanec, CEO with whom he discussed building bilateral partnerships and the ways of promoting collaboration between entrepreneurship and innovators of both countries. Ambassador also offered skill training to HAMAG-BICRO officials in various fields under Indian Technical and Economic Cooperation Programme (ITEC).



3. **Meetings with other business leaders:** During the month, meetings were held with several business leaders in sectors of finance, real estate, renewable energy, construction, etc.

4. **Increase of Indian tourist arrivals to Croatia:** According to data published (10/02) by the Croatian Central Bureau of Statistics (DZS), in 2019, Croatia had a total of 69,131 Indian tourist arrivals or 7.27% more than in 2018, with 153,354 overnight stays, 8.12% more than in 2018.

## Bilateral Trade

During the period Jan-Nov 2019 (for which local statistics are available) the total bilateral trade stood at Euro 134.19 million, i.e. India's exports worth Euro 96.72 million and India's imports worth Euro 37.47 million.

<i>Euro million</i>					
Year	2015	2016	2017	2018	Jan - Nov 2019
Croatia's Exports	€ 17.53	€ 11.05	€ 15.36	€ 11.02	€ 37.47
Croatia's Imports	€ 104.5	€ 100.60	€ 126.14	€ 126.33	€ 96.72
Total Trade	€ 122.03	€ 111.65	€ 141.50	€ 137.35	€ 134.19

(Source: Croatian Central Bureau of Statistics)

<b>Trade Queries from India for Import/Export attended by the Mission</b>			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Aetek Timbex Pvt.Ltd.	Wood	Export
2	Lotus International	Food Products	Export
3	Jalaram Enterprise	Textile & Yarn	Export
4	Global International	Stainless Steel	Import
5	Vivanta Overseas	Seeds & Fruits	Export
6	Craftdoer Exim	Ceramic Tiles	Export
7	Sai Madhav Group	Textiles & Spices	Export
8	Vishakha Impex	Vegetables	Export
9	Sharda Fashion	Textiles & Fabrics	Export
10	Nisarg Universe	Spices	Export
11	BTE International	Dried Fruits	Export
12	Kleren Chapell	Aluminium Scrap	Export
13	Swag Overseas	Clay	Export
14	Krushnaveer Appliances	Kitchenware	Export
15	Sunlight Impex	Flowers	Export
16	Uma Brothers	Pharmaceuticals & Chemicals	Export
17	Roy Traders	Agro Products	Export
18	Patel Enterprise	Fabrics	Export
19	Nitin P Bhartia	Textile	Export
20	Regale Enterprises	Home Furnishing Products	Export
21	Gautam Seth	Yarn & Fabrics	Export
22	Brahmani Steel Industries	Iron & Steel	Export
23	TRK Food Factory	Food & Beverage	Export
24	Eagles Iberg Pvt. Ltd.	Waste Water Treatment Parts	Export
25	Shreelaxmi Industries	Bathroom Accessories	Export
26	Janki Impex	Agro Products	Export
27	Prayosha Exim	Diamonds	Export
28	Vestige Worldwide	Silk	Export
29	Gauri Spices & Food Products	Spices	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Ministry of Environment, Forest and Climate Change, Government of India	13th Conference of Parties to the Convention on Migratory Species (CMS COP 13)	15-22 Feb 2020	Gandhinagar, Gujarat
2	Exhibitions India Group	28th Convergence India 2020 Expo	19-21 Feb 2020	New Delhi
3	International Union of Geological Sciences (IUGS)	36 <sup>th</sup> International Geological Congress (IGC)	02-08 Mar 2020	New Delhi
4	IMC Chamber of Commerce and Industry	IMC India Calling Conference	12 Mar 2020	Mumbai, Maharashtra
5	Engineering Export Promotion Council (EEPC)	International Engineering Sourcing Show (IESS)	04-06 Mar 2020	Coimbatore, Tamil Nadu
6	World Wedding Forum	World Wedding Forum	11-15 Mar 2020	New Delhi
7	India Trade Promotion Organisation (ITPO)	1 <sup>st</sup> Edition of Mega Shopping Festival	27 Mar–5 Apr 2020	Ahmadabad, Gujarat
8	Pharmaceuticals Export Promotion Council	iPHEX-2020: India's Mega Pharma Exhibition	06-08 May 2020	Greater Noida, Uttar Pradesh
9	India Trade Promotion Organisation (ITPO)	2 <sup>nd</sup> Edition of Mega Shopping Festival in Bangalore	08-17 May 2020	Bangalore, Karnataka
10	Exhibitions India Group	6th Smart Cities India 2020 Expo	20-22 May 2020	New Delhi
11	Trinity Group	Outbound Tourism International (Worldwide Tourism) Expo & Conference	29-31 Jul 2020	Goa
12	MSME DEVELOPMENT FORUM	7th "INDIA INTERNATIONAL MSME EXPO & SUMMIT- 2020	27-29 Aug 2020	New Delhi
13	Pesticides Manufacturers and formulators Association of India	15 <sup>th</sup> Agrochemical Exhibition	05-06 Nov 2020	Goa

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