

Embassy of India, Zagreb



Monthly Economic Newsletter

March, 2020

PART I: INDIAN ECONOMY

News Features

1. **India's IPCA Laboratories supplies chloroquine phosphate tablets to PharmaS for treatment of COVID-19 infection:**

An Indian pharmaceutical company, M/s IPCA Laboratories Ltd., supplied 500,000 Chloroquine Phosphate capsules to Croatian company PharmaS to treat severe cases of Covid-19 infections. PharmaS later donated 400,000 capsules to the Croatian government, which would be sufficient to treat as many as 20,000 patients. Pharmaceuticals is an important element of India's exports to Croatia and the present deal of Chloroquine Phosphate tablets occurred at the moment when India, the world's largest manufacturer of malaria medicine, declared quarantine and banned the export of vital medicines for the treatment of COVID infection.

PharmaS®

2. **India to spend US\$ 1.3 billion to boost pharmaceutical production:**

India plans to set up a nearly US\$ 1.3 billion fund to provide boost to companies to manufacture pharmaceutical ingredients domestically. This move comes after supply chain was disrupted due to the Covid-19 pandemic. The programme consists of spending on infrastructure for drug manufacturing centres and financial incentives of up to 20% of incremental sales value over the next eight years. Currently, India imports almost 70% of its active pharmaceutical ingredients from China. Hubei province, the epicentre of the coronavirus outbreak has been major source of these ingredients. As the world's single largest exporter of generic drugs, India is responsible for about 20% of world's supply.



3. **India-European Union Flagship Call:**

India-European Union Flagship Call on Integrated Local Energy Systems was announced at India Smart Utility Week in March 2020. This partnership between Indian and European Union will help in Clean Energy and Climate and will foresee strengthened cooperation in energy research and innovation, mainly in renewable energy and its integration in the energy system. The collaboration can make energy supply cleaner, more efficient and affordable to all. Indo-EU flagship call is fully in line with both the European Union's and India's involvement in Mission Innovation (MI), a global initiative of 24 countries and the European Commission, committed to reinvigorate and accelerate global clean energy innovation with the objective to make clean energy widely affordable.



4. India is 3rd largest producer of electricity in the World:

As per the latest key world energy statistics published by the IEA, India is the 3rd largest producer of electricity in the world. India has become power surplus from power deficit situation. Thus, power sector reforms now focus on supply of 24x7 quality power to consumers, higher standards of service, promotion of renewable energy sources, development of hydro power, improving efficiency, especially in distribution sector, etc.



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%	5%
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)	Feb 2020	Apr 2019 - Feb 2020
(Provisional)		
Exports (including re-exports)		
2018-19	26.87	297.36
2019-20	27.65	292.91
% Growth 2019-20/2018-19	2.91	-1.50
Imports		
2018-19	36.59	470.36
2019-20	37.50	436.03
% Growth 2019-20/2018-19	2.48	-7.30
Trade balance		
2018-19	-15.05	-163.27
2019-20	-15.17	-133.27
II. Trade in Services		
Exports & Imports: (US \$ billion)	Jan 2020	Apr 2019 – Jan 2020
(Provisional)		
Exports (Receipts)	18.99	179.26
Imports (Payments)	12.00	110.99
Trade balance	6.98	68.26

Source: RBI Press Release, dated 13th March 2020

Industry

According to Indian Central Statistics Office (CSO) data, India's Index of Industrial Production rose 4.5% in February 2020 over a year earlier. This was the second consecutive month of improvement in factory output, led by growth in mining, manufacturing and electricity sector.

Foreign Direct Investment (FDI)

According to the Department for Promotion of Industry and Industrial Trade (DPIIT), during the first half of the 2019-20 financial year (April – September 2019), FDI into India was US\$ 26 billion, an increase of 15%. 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 falls to 5.91% in March 2020, due to the sharp fall in vegetable prices.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

Bilateral Trade

In January 2020 (for which local statistics are available) the total bilateral trade stood at Euro 20.55 million, i.e. India's exports worth Euro 19.29 million and India's imports worth Euro 1.26 million.

Euro million

Year	2016	2017	2018	2019	Jan 2020
Croatia's Exports	€ 11.05	€ 15.36	€ 11.02	€ 39.81	€ 1.26
Croatia's Imports	€ 100.60	€ 126.14	€ 126.33	€ 109.50	€ 19.29
Total Trade	€ 111.65	€ 141.50	€ 137.35	€ 149.31	€ 20.55

(Source: Croatian Central Bureau of Statistics)

Trade Queries from India for Import/Export attended by the Mission			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Stylam Industries	Construction Materials	Export
2	Timus Concepts	Bags	Export
3	B.K.Rubber Industries	Tyres	Export
4	Continental Exim	Coffee	Import
5	Edges Medicare	Medical Consumables	Export
6	Rajesh Mahtani	Garments	Export
7	Bhandari Agro Processing Industries	Raisins	Export
8	Alpesh Chothani	Textile	Export
9	Jalaram Exports	Honey	Export
10	Matrix Exports	Agro Commodities	Export

11	Shree Sidhi Vinayak Exports	Kitchenware	Export
12	Akhand Jyoti Engineers	Home Appliances	Export
13	Bavarva International	Ceramic Tiles	Export
14	J K Overseas	Medical Surgicals	Export
15	TBS Overseas	Vegetables & Fruits	Export
16	Alpesh Chothani	Rubber	Export
17	Tuff Rock Industries	Construction Materials	Export
18	Shiv Dial Sud & Sons	Laboratory Equipment	Export
19	Sanket Desai	Fruits	Export
20	Nimesh Patel	Vegetable	Export
21	Ashwani Yadav	Fruits & Vegetables	Export
22	Freesia Exports	Fasteners	Export
23	Kumbhani Export	Yarn & Fabric	Export
24	Manjula Exports	Textile	Export
25	Veer Healthcare	Baby Milk Powder	Export
26	Prince Pipes & Fittings Limited	Construction Materials	Export
27	Alpesh Chothani	Fruits	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Pharmaceuticals Export Promotion Council	iPHEX-2020: India's Mega Pharma Exhibition	06-08 May 2020	Greater Noida, Uttar Pradesh
2	India Trade Promotion Organisation (ITPO)	2 nd Edition of Mega Shopping Festival in Bangalore	08-17 May 2020	Bangalore, Karnataka
3	Exhibitions India Group	6th Smart Cities India 2020 Expo	20-22 May 2020	New Delhi
4	Trinity Group	Outbound Tourism International (Worldwide Tourism) Expo & Conference	29-31 Jul 2020	Goa
5	MSME DEVELOPMENT FORUM	7th "INDIA INTERNATIONAL MSME EXPO & SUMMIT- 2020	27-29 Aug 2020	New Delhi
6	Pesticides Manufacturers and formulators Association of India	15 th Agrochemical Exhibition	05-06 Nov 2020	Goa

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