

Embassy of India, Zagreb



# Monthly Economic Newsletter

June, 2020

## PART I: INDIAN ECONOMY

### News Features

#### 1. **India overtakes Japan with fifth-largest hydropower capacity in the world:**

According to International Hydropower Association (IHA), India became the nation with the fifth-largest hydropower production capacity in the world surpassing Japan and has total installed base standing at over 50 Gigawatt (GW), behind Canada, US, Brazil and China. The Hydropower Status Report for 2020 was published in May 2020 along with COVID-19 Policy Paper. According to data in the report, global hydropower installed capacity reached 1,308 GW in 2019, as 50 countries completed greenfield and upgrade projects, including pumped storage. Report also showed that the hydropower's flexibility services have seen an increase in demand during the COVID-19 crisis, while plant operations have been less affected due to the degree of automation in modern facilities. The developments in the hydropower have not been immune to economic impacts as the industry faces a widespread uncertainty and liquidity shortages putting financing and refinancing of some projects at risk.



#### 2. **Adani won world's largest solar project:**

Adani Green Energy won a major tender to set up 8 Gigawatt (GW) of manufacturing-linked solar energy projects with an investment of US\$ 6.38 billion. Mr. Gautam Adani, the chairman and founder of the Adani Group, stated that the group is looking for potential equity and strategic partners for solar equipment manufacturing, where technology is changing at a fast pace. The group has a track record of being the only Indian business house with a series of 50:50 ventures with international players such as Total and Wilmar. Adani Green Energy aims to become the world leader by 2025 with a capacity of 25 GW, which will exceed the thermal capacity of Adani Power that would be 18-20 GW. The latest project consists of 8 GW of solar power and 2 GW of solar cell and module manufacturing capacity. It is expected to create 400,000 jobs.



#### 3. **India 2nd biggest driver of global energy consumption in 2019:**

According to BP Statistical Review, in 2019, India emerged as the second biggest growth driver of primary energy consumption in the world, behind China, although it witnessed fall in demand in oil and coal. According to the BP report, global primary energy consumption growth slowed to 1.3% in 2019, less than half the rate of growth in 2018 (2.8%). Rise in the energy consumption was driven by renewables and natural gas, which contributed three quarters of the expansion. The energy consumption is made up of oil, natural gas, coal, electricity, and renewables.



## Main Economic Indicators

<b>Gross Domestic Product – GDP</b>				
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

<b>I. Merchandise Trade</b>		
Exports & Imports: (US \$ billion)	May 2020	Apr 2020 - June 2020
(Provisional)		
<b>Exports (including re-exports)</b>		
2019-20	25.01	81.08
2020-21	21.91	51.32
% Growth 2020-21/2019-20	<b>-14.41</b>	<b>-36.71</b>
<b>Imports</b>		
2019-20	40.29	127.04
2020-21	21.11	60.44
% Growth 2021-20/2019-20	<b>-47.59</b>	<b>-52.43</b>
<b>Trade balance</b>		
2019-20	-15.28	-45.96
2021-20	0.79	-9.12
<b>II. Trade in Services</b>		
Exports & Imports: (US \$ billion)	May 2020	April – May 2020
(Provisional)		
<b>Exports (Receipts)</b>	16.77	33.22
<b>Imports (Payments)</b>	9.94	19.24
<b>Trade balance</b>	6.83	13.98

Source: RBI Press Release, dated 16<sup>th</sup> July 2020

## Industry

According to Indian Central Statistics Office (CSO) data, India's industrial output continued to contract sharply over a year ago, even though it showed a marginal pick up over the month of April 2020, when the nation went into a near complete lockdown. The Index of Industrial Production contracted by 34.7% in May over last year, compared to a revised contraction of 57.6% in April.

## 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 India's retail inflation, which is measured by the Consumer Price Index (CPI) grew 6.09% in the month of June 2020.

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

### Bilateral Trade

In the period from Jan-Apr 2020 (for which local statistics are available) the total bilateral trade stood at Euro 62.87 million, i.e. India's exports worth Euro 55.80 million and India's imports worth Euro 7.07 million.

<i>Euro million</i>					
Year	2016	2017	2018	2019	Jan - Apr 2020
Croatia's Exports	€ 11.05	€ 15.36	€ 11.02	€ 39.81	€ 7.07
Croatia's Imports	€ 100.60	€ 126.14	€ 126.33	€ 109.50	€ 55.80
Total Trade	€ 111.65	€ 141.50	€ 137.35	€ 149.31	€ 62.87

(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	Zibon Ceramic	Tiles	Export
2	Grimtech Projects India	Mineral Admixtures	Export
3	Adiraj Global	Agro Products	Export
4	Unitech International	Rice & Spices	Import
5	Ajmera Fashion	Garments	Export
6	SC Industries	Home Textile	Export
7	Mandar Organics Pvt. Ltd.	Textile	Export
8	Guru Poly Products	Plastic	Export
9	Thukral Exim	Vegetables	Export
10	ORA	Garments	Export
11	Precigem	Jewellery	Export
12	Fashion Plus	Fabric	Export
13	Ojarpina Global Pvt. Ltd.	Agro Products	Export
14	Sunworld Vitrified Pvt. Ltd.	Ceramic Tiles	Export
15	Cy Impex	Rice & Sugar	Export
16	Dolly Natural Products	Jute Bags	Export

17	Nexon Ceramic LLP	Tiles	Export
18	HNB Organic Agro	Organic Food	Export
19	D.V. Exports	Granite	Export
20	Preet Tractors Pvt. Ltd.	Tractors	Export
21	Teri Cryogenic	Fruit	Export
22	Apex Auto Coolers	Radiators	Export
23	Shagun Polyfab Pvt. Ltd.	Ink & Paper	Export
24	Universa Brilliance Global	Jewellery	Export
25	Shreeji Group	Textile	Export
26	Tortue Foods	Food Additives	Export
27	Quro Vitrified	Ceramic Tiles	Export
28	JJ Overseas	Pharamceuticals	Export
29	Krishna Multicomm Pvt. Ltd.	Fruits & Vegetables	Export
30	Singa Exports	Agricultural Food	Export
31	Sn Trade Link	Dried Fruit	Export
32	Kalpesh Kumar Inshwarlal Jariwala	Yarn & Cotton	Export
33	Health Link	Software Solutions	Export
34	Aaravi International	Wooden Furniture	Export
35	Ornet Dyestuffs	Dystuffs	Export
36	Mekala Export	Agro Products	Export
37	Shanti Metal Recycling	Copper Rods	Export
38	Zapi Deccan LLP	Fruits & Vegetables	Export
39	Samarth International	Pharamceuticals	Export
40	Mondial Sales Corporation	Leather Safety Shoes	Export
41	Azoonis	Sanitizers	Export
42	Sooul	PPE's	Export
43	Ashwani Yadav	Fruit & Vegetables	Export
44	Safal Impex	Aluminium Foil	Export
45	Swago India	Cement	Export
46	SM Corp	Safety Equipment	Export
47	Phoenix International Traders	Tobacco	Export
48	Ferrolli Gyproc LLP	Construction Materials	Export
48	Gayatri Tradechem	Chemicals	Export
49	Kronax Plastic	Plastic Bottles	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Trinity Group	Outbound Tourism International (Worldwide Tourism) Expo & Conference	29-31 Jul 2020	Goa
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	India Virtual FMCG & Supply Chain Expo 2020	10-14 Aug 2020	Virtual
3	Carpet Export Promotion Council	40 <sup>th</sup> INDIA CARPET EXPO – VIRTUAL EXHIBITION	21-25 Aug 2020	Virtual
4	MSME DEVELOPMENT FORUM	7 <sup>th</sup> "INDIA INTERNATIONAL MSME EXPO & SUMMIT- 2020	27-29 Aug 2020	New Delhi
5	Pesticides Manufacturers and formulators Association of India	15 <sup>th</sup> Agrochemical Exhibition	05-06 Nov 2020	Goa
6	Ministry of Defence, Department of Defence Production	13 <sup>th</sup> edition of Aero India-2021	03-07 Feb 20201	Bengaluru, Karnataka

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*\*\*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.*