

Embassy of India, Zagreb



Monthly Economic Newsletter

April, 2017

PART I: INDIAN ECONOMY

News Features

1. **LG plans to make India export hub:** LG, South Korean consumer electronics giant, is looking at making India its export hub due to the declining of its overseas shipments from China. According to LG, another major factor for seeing India as a major hub for exports is that the country is becoming more competitive economically and there will be secured and transparent taxation regime with the expected implementation of Goods and Service Tax (GST).



2. **India world's fifth largest military spender:** According to Stockholm International Peace Research Institute (Sipri) data, India's military expenditure grew around 8.5% in 2016, making it the world's fifth largest spender at \$55.9 billion.



3. **Oracle to set up data centre in India:** Oracle, US tech giant, will set up a data centre in India to expand its cloud services here over the next 6-9 months. Oracle had, last year, announced a \$400 million investment and expansion plan in Bangalore, in one of its largest real estate ramp-ups ever.



4. **India at 8th place on Global FDI Confidence Index:** India jumped one spot to 8th rank in the 2017 A.T. Kearney FDI Confidence Index. India's reforms, which enabled a 'transparent' and an 'easy' business environment, have made India an attractive destination for foreign companies. The Index is an annual analysis of how political, economic, and regulatory changes will likely affect FDI inflows into countries in the coming years. The Index is constructed using primary data from a proprietary survey administered to senior executives of the world's leading corporations.



Main Economic Indicators

Gross Domestic Product – GDP			
Fiscal Year	2015-16	2016-17	2017-18
			Forecast
Real GDP (% change, YoY)	7.9%	7.1%	7.5%
GDP (US \$ billion), current prices	2251.1	/	/
GDP per capita (US \$), current prices	1718	/	/

Source: World Bank, Indian Central Bureau of Statistics and Fitch Ratings

Foreign Trade

I. Merchandise Trade	
Exports & Imports: (US \$ Million)	Apr
(Provisional)	
Exports (including re-exports)	
2016-17	20568.85
2017-18	24635.09
% Growth 2016-17/2015-16	19.77
Imports	
2016-17	25413.72
2017-18	37884.28
% Growth 2016-17/2015-16	49.07
Trade balance	
2016-17	-4844.87
2017-18	-13249.19
II. Trade in Services	
Exports & Imports: (US \$ Million)	Mar 2016-17
(Provisional)	
Exports (Receipts)	14179
Imports (Payments)	8267
Trade balance	5912

Source: RBI Press Release dated 15th May 2017

Inflation

India's annual Wholesale Price Index (WPI) inflation for the month of April fell to 3.85% from 5.70% in March, while the annual Consumer Price Index (CPI) inflation for April fell to 2.99% from 3.81% in March. Inflation fell due to lower cost of food items, including pulses and vegetables that showed a deflationary trend.

Industry

Industrial output growth slipped to 2.7% in Mar 2017, chiefly because of poor performance of the manufacturing sector. For 2016-17, factory output grew by 5% as against 3.4% in the year-ago period.

Foreign Direct Investment (FDI)

During the 2016 calendar year, total FDI inflow stood at \$46.4 billion, up 18% from \$39.3 billion recorded in 2015. Total FDI flow was at 2.1% of GDP in 2016 compared with 1.9% in 2015.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Meeting with Minister of Health Milan Kujundzic:** Ambassador met with Minister of health Mr. Milan Kujundzic and new director of Institute of immunology Mr. Bojan Benko to discuss forward movement in the resolution of a dispute regarding vaccine production.



2. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited (12-13/4) Bjelovar-Bilogora County and Municipality of Krapinske toplice (19/4) and met with the Mayors, County Perfects and Chamber of Economy's representatives to discuss economic possibilities. During the visit, Ambassador also gave a lecture about Indian economy at High School of Economics In Bjelovar.



3. **Meetings with business leaders:** During the month, Ambassador met with several business leaders, including from IN2 Group (one of the largest IT companies in Croatia), Koestlin (confectionary products), Coner Hotel, Zdenka (dairy products), Aqua Vivae (spa centre), Akrommion Orthopaedic Clinic and Heli Centre Toplice (Aviation Training Center).



4. **Opening of R&D Centre in Karlovac:** Infosys R&D Development Centre was officially opened in Karlovac (24/4). Inauguration was done by Mr. Ravi Kumar, President & Dy COO of Infosys, Croatian Deputy Minister Mario Antonic, Mayor of Karlovac Damir Jelic and the Ambassador. Currently the centre has 100 qualified engineers. The new facility is the newest location among the 16 regions in Europe and it will meet near-shoring requirements as well as support engineering clients worldwide. Business focus of the R&D Centre will be on the consolidation of consulting services, IT and engineering skills in the fields of energy production, design and development of large gas and steam turbines, and the development of advanced engineering software tools.



Bilateral Trade

During the period Jan-Feb 2017 (for which local statistics are available) the total bilateral trade stood at Euro 17.75 million, i.e. India's exports worth Euro 15.36 million and India's imports worth Euro 2.39 million.

Croatia-India Bilateral Trade (Euro million)					
Year	2013	2014	2015	2016	Jan-Feb 2017
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 2.39
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 15.36
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 17.75

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for Import/Export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Gajanan Food Enterprise	Dehydrated Onion	Export
2	Revlerz Enterprises	Bolts & Nuts	Export
3	Udhey Fasteners	Fasteners	Export

4	Latitude Exports	Herbal Products	Export
5	Alfanso Vitrified Pvt. Ltd.	Sanitary Ware & Tiles	Export
6	Khosla Profil Pvt. Ltd.	Fabrics	Export
7	Mutha Brothers	Stationery Products	Export
8	Auto Gas Solutions	CNG Kit	Export
9	Arvind Chemi Synthetics Ltd.	Woven Bags	Export

Major Trade Queries from Croatia for Import/Export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Energo-biro d.o.o.	Laboratory Measuring Instruments	Export
2	Jupiter Project d.o.o.	Spices	Import

PART III: UPCOMING EVENTS, FAIRS & CONFERENCES IN INDIA

No.	Organizer	Event	Date	City/State
1	Exhibitions India Group	3 rd Smart Cities India 2017	10-12 May 2017	New Delhi
2	Exhibitions India Group	2nd Transport India 2017 expo	10-12 May 2017	New Delhi
3	Ministry of New and Renewable Energy, Government of India	Renewable Energy World India	17-19 May 2017	New Delhi
4	The Federation of Indian Chambers of Commerce and Industry (FICCI)	SMART Railways Conclave	6 Jun 2017	New Delhi
5	Fairfest Media Limited	Travel & Tourism Fair (TTF)	7-9 Jul 2017	Kolkata, West Bengal
6	Radiaant Expositions Ltd.	India International Fashion Jewelry & Accessories Show	11-14 Aug 2017	Mumbai, Maharashtra
7	UBM with the support of Ministry of New and Renewable Energy, Government of India	Renewable Energy India Expo	20-22 Sep 2017	Greater Noida, Uttar Pradesh
8	Confederation of Indian Industry (CII)	12 th International Railway Equipment Exhibition	11-13 Oct 2017	New Delhi
9	Messe Frankfurt	Automotive Engineering Show	9-11 Nov 2017	Chennai, Tamil Nadu

10	India Trade Promotion Organisation (ITPO)	India International Trade Fair	14-27 Nov 2017	New Delhi
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