



December, 2016

## PART I: INDIAN ECONOMY

### News Features

1. **99% Indian households covered by a bank account:** According to the 'Household Survey on India's Citizen Environment & Consumer Economy', conducted this year, 99% of households in both rural and urban India have at least one member with a bank account. This is a big jump in banking access compared to 2011, when only 58,7% households had access to banking.



2. **India's Economy Surpasses United Kingdom's Economy:** Owing to Britain's recent Brexit-related problems and thanks to India's rapid economic growth, India has overtaken United Kingdom in terms of the size of the economy - the first time after nearly 150 years.



3. **M&A activity at a record high of US\$ 69.75 billion:** Indian merger and acquisition (M&A) activity rose to \$69.75 billion across 1,195 announced transactions in 2016, a record level fuelled by a wave of consolidation and rising confidence in the country's economic growth prospects. According to data compiled by Thomson Reuters, M&A activity in 2016 beat the previous record of \$66.96 billion seen in 2007, and was almost double to that of 2015.



4. **PM invites foreign firms to invest in India:** PM Narendra Modi invited foreign companies to invest in the Indian oil and gas sector, stating that the India's economy was expected to grow five-fold by 2040. Government plans to reduce oil imports by 10% by 2022, and efforts would be made to move towards a gas-based economy.



5. **India will be second largest e-commerce market by 2034:** Global Payments Report 2016 announced by global payments leader Worldpay showed that the Indian e-commerce market is set to become the second largest in the world in less than two decades. The Indian e-commerce market is predicted to reach \$63.7 billion by 2020 and overtake the US by 2034, opening up huge opportunities for companies selling online.



6. **India to resume curry leaf exports to EU:** After a hiatus of three years, India will resume export of curry leaves to the EU. The exports will now entail quality checks including lab tests and Agmark certification, as mandated by the EU.



## Main Economic Indicators

<b>Gross Domestic Product – GDP</b>				
Fiscal Year	2015-16	2016-17		
		Q1	Q2	Q3 (Forecast)
Real GDP (% change, YoY)	7.6	7.1	7.3	6.9
GDP (US \$ billion)	2189.7	/		
GDP per capita (US \$)	1674	/		

Source: World Bank WDI and Fitch Ratings

## Foreign Trade

<b>I. Merchandise Trade</b>		
Exports & Imports: (US \$ Million)	December	April-December
(Provisional)		
<b>Exports (including re-exports)</b>		
2015-16	22.593,35	197.333,62
2016-17	23.884,97	198.807,75
% Growth 2016-17/2015-16	5.72	0.75
<b>Imports</b>		
2015-16	34.096,49	297.410,85
2016-17	34.254,32	275.353,92
% Growth 2016-17/2015-16	0.46	-7.42
<b>Trade balance</b>		
2015-16	-11.503,14	-1000077,23
2016-17	-10.369,35	-76.548,17
<b>II. Trade in Services</b>		
Exports & Imports: (US \$ Million)	November 2016-17	
(Provisional)		
<b>Exports</b>	<b>13.338,00</b>	
<b>Imports (Payments)</b>	8.323,00	
<b>Trade balance</b>	5.015,00	

Source: RBI Press Release dated 13th January 2017

## Inflation

Consumer inflation fell in December 2016 to 3.41%, the lowest since November 2014. CPI inflation was marginally higher at 3.63% in November 2016.

## Industry

Industrial growth rose by 5.7% in November 2016. Data released by the statistics office showed industrial production at a one-year high of 5.7% in November. The Index of Industrial Production (IIP) had contracted by 1.9% in October.

## Foreign Direct Investment (FDI)

Aiming to create a conducive business climate in the country and attract investments, the government this year altered FDI caps in several sectors. It allowed 100% inflows in civil

aviation and food processing sectors while easing norms in defence and pharmaceuticals. It also tightened the local sourcing policy for single- brand retail trading, besides easing conditions in broadcasting carriage services, private security agencies and animal husbandry.

<b>Share of Top Investing Countries FDI Equity Inflows</b>			
Ranks	Country	Cumulative Inflows Apr 2000 - Sep 2016 (US \$ in million)	% age to total Inflows (in terms of US \$)
1	Mauritius	101,760	33%
2	Singapore	50,560	16%
3	U.K.	24,072	8%
4	Japan	23,760	8%
5	U.S.A.	19,380	6%
6	Netherlands	18,929	6%
7	Germany	9,217	3%
8	Cyprus	8,933	3%
9	France	5,294	2%
10	U.A.E.	4,385	1%

Source: ITP Divison, Ministry of External Affairs Government of India

<b>Sector Attracting Highest FDI Equity Inflows</b>			
Ranks	Sector	Cumulative Inflows Apr '00 - Sep '16 (US\$ in million)	% age to total Inflows (in terms of US\$)
1	Services Sector	56.080	18%
2	Construction Development	24.250	8%
3	Computer Software & Hardware	22.050	7%
4	Telecommunications	21.169	7%
5	Automobile Industry	15.793	5%

Source: ITP Divison, Ministry of External Affairs Government of India.

## PART II: INDIA-CROATIA ECONOMIC RELATIONS

### News Features

#### 1. **Ambassador's lecture at the Faculty of Economics:**

Ambassador gave (6/12) a lecture on the Indian Economy, as well as potential for bilateral partnership at the Faculty of Economics, University of Zagreb on the occasion of the 96<sup>th</sup> anniversary of the Faculty. There was an active Q&A session covering important subjects like role of cheap labour in the overall economic growth, recent measures taken by the Indian Government to uproot corruption and black money, contribution of women to the economy, as well as ways to manage differences in business culture.



2. **Meeting with Speaker of the Parliament Božo Petrov:** Ambassador paid a courtesy call (7/12) on Deputy Prime Minister and Speaker of the Parliament Božo Petrov. Discussion focused on the role of the Parliament in advancement of economic relationship. There was a proposal for establishment of an India-Croatia Business Forum under Speaker's patronage.



3. **Visit to Istria County:** Ambassador met (10/12) with Prefect of Istria Mr. Valter Flego and the Mayor of Pula Mr. Boris Miletić on the occasion of 20<sup>th</sup> Lions Club Anniversary in Pula for promoting social and humanitarian causes. Economic possibilities in Istria region were also discussed.



4. **Diplomatic economic outgoing to Varaždin:** Ambassador attended (17/12) the diplomatic economic visit organized in Varaždin by the Croatian President Office as part of 'Sense Croatia' to probe economic opportunities in the region.



5. **HRT feature about Dharawi:** The Croatian National TV (HRT) team which had gone to India to film Indian economic, cultural and tourism success stories aired their first feature on national TV on the positive economic ventures in the slums of Dharawi (20-21 Dec).



6. **Market Research on Startups and Innovation:** Embassy of India carried out Market Research Report on Startups and Innovation in Croatia. The report was shared with all potential stakeholders.



## Bilateral Trade

During the period January-October 2016 (for which local statistics is available) the total bilateral trade stood at Euro 96.55 million, i.e. India's exports worth Euro 88.15 million and India's imports worth Euro 8.40 million.

<b>Croatia-India Bilateral Trade (in terms of Euro million)</b>					
Year	2012	2013	2014	2015	Jan-Oct 2016
Croatia's Exports	€ 16.51	€ 6.82	€ 13.50	€ 17.53	€ 8.40
(% change y-o-y)	(-) 24.95%	(-) 58.7%	97.95%	30.04%	(-) 63.36%
Croatia's Imports	€ 64.16	€ 72.67	€ 88.19	104.5	€ 88.15
(% change y-o-y)	(-) 46.7%	13.7%	21.34%	18.41%	(-) 1.36%
Total Trade	€ 80.67	79.49	€ 101.69	€ 122.03	€ 96.55
(% change y-o-y)	(-) 43.33%	(-) 1.5%	27.91%	19.97%	(-) 7.26%

(Source: Croatian Central Bureau of Statistics)

<b>Major Trade Queries from India for Import/Export</b>			
S. No.	Enquiry Originator	Product	Nature
			Import/Export
1	Sharda Group of Companies	Textile	Export

2	Shomani Dried Fruits	Dried Fruits	Export
3	Cap & Seal Pvt. Ltd.	Aluminium Pilfer Proof CAPas	Export
4	Jetking Infotrain Limited	ICT services	Export
5	Indo Pharma	Feed Supplements for Animals	Export
6	Gajanan Food Enterprise	Dehydrated and Fresh Onion	Export
7	H Care Products Pvt. Ltd.	Health Care Equipment	Export
8	SSB Exports	Vegetable and Fruits	Export
9	Jain Bandhu Group	Handicrafts and Home Textiles	Export
10	J.J. Overseas	Ceramic Tiles and Woven Bags	Export
11	RMR Global Exports	Spices	Export
12	Ganpati Electricals Pvt. Ltd.	Electronic Products	Export
13	Q Exports	Seed & Coir Pith	Export
14	Frangipani Enterprises	Stainless Steel	Export
15	Jay Enterprise	Agro Commodities	Export
16	Cumi Murugappa Group	Abrasives	Export
17	Hem International	Chemicals	Export
18	Truly India Tours & Travels	Tour Operators & Travel Agencies	Export
19	Govindam Flavours	Cosmetics	Export
20	Shivani Exim	Dehydrated Onion & Garlic	Export
21	Futurelife Pharmaceuticals	Ayurvedic & Herbal Products	Export
22	Coco Impex	Tiles & Sanitary Ware	Export

#### **Major Trade Queries from Croatia for Import/Export**

S. No.	Enquiry Originator	Product/Service	Nature
			Import / Export
1	Elda d.o.o.	E-liquids	Export
2	Energospektar d.o.o.	Biofuel	Import / Joint production

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

No.	Organizer	Event	Date	City/State
1	Apparel Export Promotion Council (AEPC)	58th India International Garment Fair (IIGF)	8-20 Jan 2017	New Delhi
2	Government of Gujarat	Vibrant Gujarat Global Summit 2017	10-13 Jan 2017	Gandhinagar, Gujarat
3	The Confederation of Indian Industry (CII)	The Partnership Summit	27-29 Jan 2017	Visakhapatnam, Andhra Pradesh

4	The Confederation of Indian Industry (CII)	The 22nd International Engineering & Technology Fair (IETF 2017)	2-4 Feb 2017	New Delhi
5	The Federation of Indian Chambers of Commerce and Industry (FICCI)	India Stonemart 2017	2-5 Feb 2017	Jaipur, Rajasthan
6	The Federation of Indian Chambers of Commerce and Industry (FICCI)	2 <sup>nd</sup> International Exhibition & Conference On Pharmaceutical Industry	11-13 Feb 2017	Bangalore, Karnataka
7	Ministry of New and Renewable Energy	Global RE-INVEST 2017 India-ISA Partnership	15-17 Feb 2017	Gandhinagar, Gujarat
8	The Times of India Group	3 <sup>rd</sup> Edition of the Economic Times Global Business Summit 2017	17-18 Feb 2017	New Delhi
9	India Trade Promotion Organisation (ITPO)	India International Leather Fair (IILF)	26-28 Feb 2017	Kolkata, West Bengal
10	CAPEXIL	2 <sup>nd</sup> edition of CAPINDIA Show	21-22 Mar 2017	Mumbai, Maharashtra
11	Ministry of Commerce, Government of India	Global Exhibition on Services	17-20 Apr 2017	Greater Noida, Uttar Pradesh
12	The Federation of Indian Chambers of Commerce and Industry (FICCI)	Third Exhibition of India Steel	20-22 Apr 2017	Mumbai, Maharashtra
13	Ministry of Commerce, Government of India	Indian Pharmaceuticals and Healthcare Expo (IPHEX)	27-29 Apr 2017	Hyderabad, Telangana

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**Compiled by**

**Mario Stancin  
Marketing Executive  
Embassy of India**

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***commercial@indianembassy.hr***