

Embassy of India, Zagreb



Monthly Economic Newsletter

December, 2017

PART I: INDIAN ECONOMY

News Features

1. **Medical tourism value in India to touch US\$ 9 billion:** According to a Ministry of Commerce report, India is among the top six medical value travel destinations of the world. The value of medical tourism in India is likely to reach US\$ 9 billion by 2020 as compared to the US\$ 3 billion in 2016. The country is witnessing 22-25 % of growth in medical tourism every year.



2. **India's GDP growth 6.3% in Q3 2017:** India's GDP growth quickened to 6.3% in the Q3 of 2017, up from a three-year low of 5.7% in the Q2 of 2017. It is an indication that the Indian economy has shaken off the lingering effects of demonetisation last year and GST rollout on 1 Jul 2017. Manufacturing activity accelerated due to restocking of warehouses by companies after temporary disruption caused by uncertainties surrounding implementation of goods and services tax (GST).



3. **India's plastics export to cross US\$ 8 billion:** According to the Plastics Export Promotion Council (PLEXCONCIL), India's plastics exports will cross US\$ 8 billion in FY 2018 due to the positive growth trend. The current trend in India's plastic exports is showing a 6% increase. India exported plastics to 185 countries in Sept 2017. United States, China and Italy were the top three buyers of plastics from India.



4. **Indian economy to be 5th largest in 2018:** Report released by London-based Centre for Economics and Business Research showed that India's economy is expected to overtake that of Britain and France to become the world's fifth largest in dollar terms in 2018 and third largest in 2032. Indian infrastructural projects will rebuild the world's most populous country, which will spend an amount as large as Canada's GDP on infrastructure.



5. **India ranked 60th most innovative country:** India currently ranks 60th out of 127 countries on the Global Innovation Index (GII) 2017, as compared to 66th rank on GII 2016. In order to make India an innovation- driven economy, Department of Industrial Policy & Promotion (DIPP) launched a mega initiative "India Innovation Index" that will rank states on Innovations through country's first online innovation index portal that will capture data on innovation from all Indian States.



Main Economic Indicators

Gross Domestic Product – GDP			
Fiscal Year	2015-16	2016-17	2017-18
			Forecast
Real GDP (% change, YoY)	7.9%	7.1%	6.7%
GDP (US \$ billion), current prices	2251.1	2300	/
GDP per capita (US \$), current prices	1718	/	/

Source: Reserve Bank of India

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ Million) (Provisional)	Dec 2017	Apr-Dec 2017
Exports (including re-exports)		
2016-17	24056.48	199467.14
2017-18	27030.27	223512.58
% Growth 2017-18/2016-17	21.12	12.05
Imports		
2016-17	34602.47	277899.32
2017-18	41910.46	338369.63
% Growth 2017-18/2016-17	21.12	21.76
Trade balance		
2016-17	-10545.99	-78432.18
2017-18	-14880.19	-114857.05
II. Trade in Services		
Exports & Imports: (US \$ Million) (Provisional)	Nov 2017	
Exports (Receipts)	15392	
Imports (Payments)	9647	
Trade balance	5745	

Source: RBI Press Release dated 15th Jan 2018

Industry

According to Indian Central Statistics Office (CSO) data, industrial production growth rose 8.4% in Nov 2017 compared to Nov 2016, while the industrial output increased by 3.2% in the Apr-Nov 2017 period.

Foreign Direct Investment (FDI)

Indian Government announced sweeping relaxations in foreign direct investment (FDI) rules in single-brand retail and other areas besides allowing overseas carriers to acquire as much as 49% of Air India to help speed up its divestment. Government allowed 100% of FDI in single brand retail and construction development relating to building townships, housing & infrastructure through the automatic route.

Inflation

Indian Central Statistics Office (CSO) data showed that the retail inflation measured by the Consumer Price Index for Dec 2017 rose to 5.21% as against 4.88% in Nov 2017, on higher food and fuel prices.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited cities of Varazdin and Rijeka (13/12). In **Varazdin**, Ambassador met with Mr. Radimir Cacic, County Perfect and Mr. Ivan Cehok, Mayor, and discussed economic possibilities. Varazdin is also the County with the largest Indian investment in the form of ACG-Lukaps in Ludbred. In **Rijeka**, Ambassador met with Mr. Zlatko Komadina, County Perfect and Mr. Vojko Obersnel, Mayor. Ambassador also made (15/12) site visits to Bjelovar-Bilogora and Koprivnica-Krizevci County as part of 'Sense Croatia' program organized by Croatian President's Office. Meetings were held with top level officials to discuss building sustainable bilateral provincial partnerships.



2. **Increase of Indian tourist arrivals to Croatia:** According to data published (08/12) by the Croatian Central Bureau of Statistics (DZS), in the period Jan-Nov 2017, Croatia had a total of 55,676 Indian tourist arrivals or 69.64% more than in the same period of 2016, with 122,295 overnight stays, or 65.26%, more than in the same period of 2016.



3. **'Know India Seminar':** Embassy organized (20/12) "Know India" seminar in Sheraton hotel in Zagreb which gathered about 80 representatives of Croatian tourist agencies, hotels, media, airlines and officials from Croatian Ministries of Tourism and Economy, and other current and potential partners of Indian tourism. The presentation, with an emphasis on India's diversity and richness, was given by Mr. Ajit Pal Singh, Assistant Director of India Tourism, Frankfurt, Germany. He noted that in the last couple of years India had launched stronger promotion efforts under the slogan "Incredible India". Ambassador, on his part, outlined the challenges facing the tourism promotion efforts and sought constructive suggestions to overcome them.



4. **Presentation at Rijeka County Chamber of Economy:** At the invitation of the Rijeka County Chamber of Economy (21/12), Ambassador made a presentation on Indian economy: 'India Surging Ahead'. The event was attended by representatives of various companies from Primorsko-Goranska County. There was a robust Q&A session. Meetings were also held with top level officials to discuss building sustainable bilateral provincial partnerships. Ambassador also made a site visit to M/s Jadran-Galenski Laboratorij (JGL), second largest pharmaceutical company in Croatia. In 2017, JGL concluded an agreement with Dr. Reddy's to market its products in Romania.



5. **Meetings with business leaders:** During the month, top level business meetings were held in diverse sectors, such as IT, tourism, agro processing, energy, etc.

Bilateral Trade

During the period Jan-Oct 2017 (for which local statistics are available) the total bilateral trade stood at Euro 124.40 million **(+28.24%)**, i.e. India's exports worth Euro 110.18 million **(+24.35%)** and India's imports worth Euro 14.22 million **(+69.28%)**.

Croatia-India Bilateral Trade (Euro million)					
Year	2013	2014	2015	2016	Jan-Oct 2017
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 14.22
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 110.18
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 124.40

(Source: Croatian Central Bureau of Statistics)

Trade Queries from India for Import/Export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Alight Exports	Spices & Rice	Export
2	PPH.1 International	Diamonds	Export
3	Sushen Medicamentos	Pharmaceuticals	Export
4	Varni	Tiles	Export
5	Leo International	Spices	Export
6	Blizzard Vitrified LLP	Tiles	Export
7	Shreeji Expeller Industries	Mill Machinery	Export
8	CMD-ATOM Ceramic	Tiles	Export
9	Jainsons Regd.	Laboratory Equipment	Export
10	Siva Global Exim	Cotton	Export
11	Neelkanth Enterprise	Garment	Export
12	Rakesh Group	Herbs	Export
13	Aarui (Amul Dehydration)	Spices	Export
14	Qsnap International	Furniture	Export
15	Angelica International	Agro Products	Export
16	Aayu Exim	Sanitary Ware	Export
17	Titan Biotech Ltd.	Pharmaceuticals	Export
18	Bhandari Processing Industries	Raisins	Export
19	Farm Flavours	Seeds	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India	International Exhibition & Conference on Pharmaceutical & Medical Devices Industry	15-17 Feb 2018	Bangalore, Karnataka
2	Indian Water Resources Society (IWRS) and Department of Water Resources Development	International Conference on "Sustainable Technologies for Intelligent Water Management	16-19 Feb 2018	Roorkee, Uttarakhand

	and Management (DWRDM)			
3	Infinity Expo	Show on Subcontracting in Manufacturing and Defence Production Sectors	22-24 Feb 2018	Mumbai, Maharashtra
4	World Trade Centre Mumbai and All India Association of Industries (AIAI)	Global Economic Summit	22-24 Feb 2018	Mumbai, Maharashtra
5	India Trade Promotion Organisation (ITPO)	India International Leather Fair & Textstyles	26-28 Feb 2018	Kolkata, West Bengal
6	Federation of Indian Chambers of Commerce and Industry (FICCI) & Ministry of External Affairs	India-Europe29 Business Forum	05-06 Mar 2018	New Delhi
7	Ministry of Commerce & Industry	Elecrama - 2018	10-14 Mar 2018	New Delhi
8	Ministry of Commerce & Industry	Indian Pharmaceuticals and Healthcare Expo - iPHEX	08-10 May 2018	New Delhi
9	Ministry of Commerce and Industry, Services Export Promotion Council (SEPC), India Trade Promotion Organisation (ITPO) and the Confederation of Indian Industry (CII)	4 th edition of the Global Exhibition on Services (GES)	15-18 May 2018	Mumbai, Maharashtra

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