

Embassy of India, Zagreb



Monthly Economic Newsletter

January, 2017

PART I: INDIAN ECONOMY

News Features

1. **India to be world's 3rd assembler of iPhones:** With India becoming one of iPhone's fastest growing markets, Apple has decided to assemble iPhones in India. Taiwan's Wistron, one of Apple's suppliers and assemblers, will set up a facility in Bengaluru. India will become only the third country to do the final assembly of iPhones after China and Brazil.



2. **India's spices exports grew 7% in value:** Boosted by large shipments of chilli, nutmeg, mace, cumin and garlic, spices exports from India grew 5% in volume and 7% in value in the first half of 2016-17. The export of value-added products like curry powder and paste as well as spice oils & oleoresins also increased during the period, according to data released by Spices Board.



3. **ISRO to launch record 103 satellites in Feb:** Indian Space Research Organisation (ISRO) will launch a record 103 satellites in one go using its workhorse PSLV-C37 in the first week of Feb. The launch will be a major feat in country's space history as no exercise on this scale has been attempted before (done so on 15/2).



4. **World Bank projects GDP growth at 7% in FY17:** The World Bank has projected India's economy to grow at 7% in the current financial year, even after taking into account the impact of demonetisation. India's economy grew at 7.6% in 2015-16 and the World Bank expected the country to return to this growth rate by 2017-18.



5. **Indian geospatial industry to be \$20 bn market by 2025:** The \$4 billion Indian geospatial industry in India is expected to become a \$20 billion market by 2025, growing at a cumulative annual rate of 12% to 15%. The estimated annual budget of government agencies for GIS services currently stand at \$3 billion and this was expected to further increase with the government's push for leveraging space and location technologies for development and governance.



Main Economic Indicators

Gross Domestic Product – GDP					
Fiscal Year	2015-16	2016-17			
		Q1	Q2	Q3 (Forecast)	Q4 (Forecast)
Real GDP (% change, YoY)	7.9	7.1	7.3	6.0	5.7
GDP (US \$ billion), current prices	2251.1	/			
GDP per capita (US \$), current prices	1718	/			

Source: World Bank WDI and Fitch Ratings

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ Million)	Jan	Apr-Jan
(Provisional)		
Exports (including re-exports)		
2015-16	21.199,02	218.532,64
2016-17	22.115,03	220.922,78
% Growth 2016-17/2015-16	4.32	1.09
Imports		
2015-16	28.866,53	326.277,38
2016-17	31.955,94	307.311,86
% Growth 2016-17/2015-16	10.70	-5.81
Trade balance		
2015-16	-7.667,51	-107.744,74
2016-17	-9.840,91	-86.389,08
II. Trade in Services		
Exports & Imports: (US \$ Million)	Dec 2016-17	
(Provisional)		
Exports (Receipts)	13.804,00	
Imports (Payments)	8.294,00	
Trade balance	5.510,00	

Source: RBI Press Release dated 15th Feb 2017

Inflation

India's Wholesale Price Index (WPI) rose to a 30-month high of 5.2% in Jan from 3.4% in Dec. WPI is expected to rise in the next three months and is likely to average around 4.4%, much higher than 2% in 2016.

Industry

Index of Industrial Production (IIP) was 0.4% lower in Dec 2016 from the same period a year ago. The number was well below the 5.7% growth in Nov and consensus expectation of around 1% growth in Dec. Industrial production contracted in Dec 2016 due to a sharp decline in production of consumer goods, confirming a demonetisation led contraction in demand.

Foreign Direct Investment (FDI)

The Foreign Direct Investment (FDI) to India has risen by around 60% in Nov 2016 on yearly basis. The current FDI stood at \$4.68 billion whereas it was \$2.93 billion in Nov 2015. During the 6 months time period of Apr-Nov 2016, India received \$32.49 billion of FDI compared to \$24.81 billion during the same time period of 2015.

During the first eight months of 2016-17 major FDIs were record in services (\$6.69 billion), telecom (\$5.47 billion), computer hardware and software (\$1.61 billion), electrical equipment (\$2 billion) and information & broadcasting (\$1.06 billion) received major FDIs. During the period, India received maximum FDI from Singapore, Mauritius, the UK, the US, the Netherlands and Japan.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Celebration of Republic Day of India:** Embassy of India marked 25 years of establishment diplomatic relations between India and Croatia and the Republic Day of India (26/1). At the event Ambassador spoke about strengthening of the economic relations between the two countries. On the occasion, a special supplement was taken out by the Embassy in the leading Croatian Daily “Jutarni List”, which basically covered features on India’s Start-Up industry as well as economic success stories of Croatian companies in India. Features on women empowerment in India and India’s economic success were also aired on the National TV, produced by the Croatian National TV, sponsored by the Embassy to visit Delhi and Mumbai last November. At the same time, Ambassador was interviewed live on the same channel, with focus on India’s economic initiatives and advancement in bilateral relationship.



2. **Celebration of India Diaspora Day:** Embassy of India celebrated Pravasi Bharatiya Diwas (Indian Diaspora Day), at which Indian PM’s speech at the mega PBD Bengaluru event was telecast, together with screening of a short film on Indian Diaspora worldwide. Ambassador briefed the local Indian community about the various initiatives/schemes launched by the Government of India and requested their support in making these initiatives a success. He also reiterated the PM’s message of making ‘brain drain’ to ‘brain gain’.



3. **Meeting with Minister of Health Milan Kujundzic:** Ambassador paid (11/1) a courtesy call on Minister of Health Mr. Milan Kujundzic and discussed various issues related to bilateral cooperation in the field of Health Sector, including challenges to collaboration and the way forward.



4. **EBRD report on economic developments in Croatia:** European Bank for Reconstruction and Development (EBRD) and Croatian Employers' Association (HUP) jointly organized (20/1) the presentation of the EBRD's Transition Report for the purpose of gaining a deeper insight into economic developments in Croatia. The recent macroeconomics trends in Croatia were also presented (Croatian GDP growth is estimated at 2,6% for 2016, in comparison with the Indian one which is 7%).



5. **Provincial Economic Outreach:** Ambassador visited Krapina province (28-29/1) and Varazdin province (30-31/1) as part of provincial outreach programme. He met with Mayor of Krapina, Mr. Zoran Gregurovic; President of Krapina Chamber of Commerce, Mr. Josip Grilec; and Prefect (Governor) of Varazdin, Mr. Predrag Stromar, to discuss economic possibilities.



Bilateral Trade

During the period Jan-Nov 2016 (for which local statistics is available) the total bilateral trade stood at Euro 105.80 million, i.e. India's exports worth Euro 95.83 million and India's imports worth Euro 9.97 million.

Croatia-India Bilateral Trade (Euro million)					
Year	2012	2013	2014	2015	Jan-Nov 2016
Croatia's Exports	€ 16.51	€ 6.82	€ 13.50	€ 17.53	€ 9.97
Croatia's Imports	€ 64.16	€ 72.67	€ 88.19	104.5	€ 95.83
Total Trade	€ 80.67	79,49	€ 101.69	€ 122.03	€ 105.80

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for Import/Export			
S. No.	Enquiry Originator	Product	Nature
			Import/Export
1	Skab International	Polyester & Woven Fabrics	Export
2	Greeve Exports Pvt. Ltd.	Spices & Seeds	Export
3	PSM Global Impex	Electrical Equipment	Export
4	RRG World Connect Imports & Exports	Tea & Rice	Export
5	Neva Garments Ltd.	Garments	Export
6	SK Impex	Sugar & Rice	Export
7	Dynamic Industries	Brass Pipe Fittings	Export

8	Winmax Plus Ceramic Pvt.Ltd	Ceramic Wall Tiles	Export
9	MSN Overseas	Spices & Fertilizers	Export
10	Can Exim International	Embroidered Fabrics	Export
11	Baidyanath Ayurved Pvt. Ltd.	Ayurvedic Products	Export
12	Akmira Exim Pvt. Ltd.	Dehydrated Garlic & Onion	Export
13	Elite Exim	Embroidered Dresses	Export
14	Komal Enterprises	Pharmaceuticals	Export
15	Jay Jay Creations	Garments & Fabrics	Export
16	Ixorra Exports Pvt. Ltd.	Incense Sticks	Export
17	Oscar Overseas	Home Textile	Export
18	Ravis International	Rice & Spices	Export
19	Voltas	HVAC	Export

PART III: UPCOMING EVENTS, FAIRS & CONFERENCES IN INDIA

No.	Organizer	Event	Date	City/State
1	The Confederation of Indian Industry (CII)	The 22nd International Engineering & Technology Fair (IETF 2017)	2-4 Feb 2017	New Delhi
2	The Federation of Indian Chambers of Commerce and Industry (FICCI)	India Stonemart 2017	2-5 Feb 2017	Jaipur, Rajasthan
3	The Federation of Indian Chambers of Commerce and Industry (FICCI)	2 nd International Exhibition & Conference On Pharmaceutical Industry	11-13 Feb 2017	Bangalore, Karnataka
4	The Confederation of Indian Industry (CII)	Make in India Conference	13-14 Feb 2017	Bangalore, Karnataka
5	The Times of India Group	3 rd Edition of the Economic Times Global Business Summit 2017	17-18 Feb 2017	New Delhi
6	India Trade Promotion Organisation (ITPO)	India International Leather Fair (IILF)	26-28 Feb 2017	Kolkata, West Bengal
7	CAPEXIL	2 nd edition of CAPINDIA Show	21-22 Mar 2017	Mumbai, Maharashtra
8	Ministry of Commerce, Government of India	Global Exhibition on Services	17-20 Apr 2017	Greater Noida, Uttar Pradesh

9	The Federation of Indian Chambers of Commerce and Industry (FICCI)	Third Exhibition of India Steel	20-22 Apr 2017	Mumbai, Maharashtra
10	Ministry of Commerce, Government of India	Indian Pharmaceuticals and Healthcare Expo (IPHEX)	27-29 Apr 2017	Hyderabad, Telangana

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