



May, 2017

PART I: INDIAN ECONOMY

News Features

1. **Indians spent \$2.5 bn on foreign travel:** According to the latest Reserve Bank of India data on foreign exchange for overseas travel, Indians spent \$2.56 billion while travelling abroad in the financial year 2016-17 — three-fold rise when compared to \$651.4 million in 2015-16.



2. **Slowing growth pushed IT lay-offs:** A combination of slowing growth and increasing automation is compelling India's IT sector to lay off employees in numbers not seen before. Top firms such as Infosys and Cognizant are either letting go of employees, deferring salary hikes or trimming the variable part of compensation. The slowdown in hiring started in 2016. Infosys, for example, made a net addition in employee headcount of just around 6,320 for 2017 as compared to 17,857 in 2016.



3. **BMW to invest \$20.1 million in India to rev up operations:** German luxury carmaker BMW is investing another \$20.1 million in India to enhance operations, taking its total investment in the country to \$195 million. The company will launch new version of its locally manufactured 5 Series later this month and 6 Series Gran Turismo (GT) model next year to strengthen its product portfolio in India.



4. **India's digital economy set to grow to \$1 trillion by 2024:** India's digital economy is expected to grow from the current \$270 billion to around \$1 trillion in the next 5-7 years, aided by the exponential growth witnessed in e-commerce, electronic manufacturing, IT services, financial technologies (FinTech), and telecom among others. At present, the domestic IT sector is worth around \$140 billion, communications (\$40 billion), electronics manufacturing (\$40 billion) and FinTech is close to \$50 billion.



Main Economic Indicators

Gross Domestic Product – GDP			
Fiscal Year	2015-16	2016-17	2017-18
			Forecast
Real GDP (% change, YoY)	7.9%	7.1%	7.2%
GDP (US \$ billion), current prices	2251.1	/	

GDP per capita (US \$), current prices	1718	/
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Source: World Bank, Indian Central Bureau of Statistics and Fitch Ratings

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ Million)	May	Apr-May
(Provisional)		
Exports (including re-exports)		
2016-17	22170.62	42739.47
2017-18	24014.62	48649.71
% Growth 2017-18/2016-17	8.32	13.83
Imports		
2016-17	28443.52	53857.24
2017-18	37856.34	75740.62
% Growth 2017-18/2016-17	33.09	40.63
Trade balance		
2016-17	-6272.90	-11117.77
2017-18	-13841.72	-27090.91
II. Trade in Services		
Exports & Imports: (US \$ Million)	Apr 2017	
(Provisional)		
Exports (Receipts)	12904	
Imports (Payments)	7222	
Trade balance	5682	

Source: RBI Press Release dated 15th June 2017

Inflation

Data released by the Commerce Ministry and Central Statistics Office (CSO) showed that inflation rate based on the new series of Wholesale Price Index (WPI) declined to a four-month low of 3.85% in Apr 2017 from 5.70% in Mar 2017. With an aim to align all major macroeconomic indicators, the Government of India released new series of WPI, shifting the base year for both the indicators to 2011-12 from 2004-05.

Industry

According to CSO data industrial production growth slipped to 3.1% in Apr 2017 due to poor show by manufacturing, mining and power sectors coupled with lower offtake of capital goods and consumer durables.

Foreign Direct Investment (FDI)

According to FDI Report 2017, India retained its numero uno position as the world's top most greenfield FDI investment destination for the second consecutive year, attracting \$62.3 billion in 2016. India managed to keep the crown as the world's number one destination for greenfield capital investment for the second year running – ahead of China and the US. Inflow of FDI into India increased by 9% in 2016-17 on account of reform measures undertaken by the government. Increased FDI inflows in the country are largely attributed to

intense and bold policy reforms the government undertook to bring pragmatism in the FDI regime.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Meetings with business leaders:** During the month, Ambassador met with several business leaders in an effort to beef up trade and investments.

2. **Market Study activities:** Embassy has commissioned Market Survey on the Croatian Defence Industry. The report, when ready, will be circulated to various institutions.



3. **Increase of tourist arrivals from India:** According to data from the Croatian Bureau of Statistics (DZS), the total number of tourist arrivals from India to Croatia in Apr 2017 increased by 142% compared to Apr 2016, reaching 3478 arrivals, while the number of Indian tourist overnights in Apr 2017, compared to Apr 2016, was higher by almost 150%.



4. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited (31/5) City of Lepoglava and met with the Deputy Mayor to discuss economic possibilities. There was also an opportunity to view the high quality products being made, as part of skills development project, by the Lepoglava prison inmates.



Bilateral Trade

During the period Jan-Mar 2017 (for which local statistics are available) the total bilateral trade stood at Euro 34.25 million (+5.15%), i.e. India's exports worth Euro 30.70 million (+3.82%) and India's imports worth Euro 3.55 million (+16.01%).

Croatia-India Bilateral Trade (Euro million)					
Year	2013	2014	2015	2016	Jan-Mar 2017
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 3.55
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 30.70
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 34.25

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for Import/Export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Bhardway Crane & Elevators	Gear Boxes & Cranes	Export
2	PMRC Corporation	Handicrafts & Vegetables	Export
3	Sharma Marketing Services	Auto Spare Parts	Export
4	Divya Enterprise	Brass Products	Export

5	Vijay Hometex	Home Textiles	Export
6	Anand Concast Limited	Bicycle & Motorcycle Parts	Export
7	Consultant–International Trade	Jewelry	Export
8	Anagha International	Jewelry & Textile	Export
9	Inox Wares Pvt. Ltd.	Stainless Steel	Export
10	V.S.M. Global Exim	Herbs & Vegetables	Export
11	Ratnam Agri	Food Products	Export
12	Nandan Petrochem Limited	Industrial Oils	Export
13	Alamdard Suppliers	Ceramic Tiles	Export
14	Medibher Pharmaceuticals	Pharmaceuticals	Export
15	HMG International	Tea & Yarn	Export
16	San Francisco International	Tiles & Sanitary Ware	Export
17	Orchard	Fruits & Vegetables	Export
18	Zenvision Pharma	Pharmaceuticals	Export
19	Seairoad Internationals	Food Products	Export
20	Sky Enterprise	IT & Security	Export

PART III: UPCOMING EVENTS, FAIRS & CONFERENCES IN INDIA

No.	Organizer	Event	Date	City/State
1	Fairfest Media Limited	Travel & Tourism Fair (TTF)	7-9 Jul 2017	Kolkata, West Bengal
2	Radiaant Expositions Ltd.	India International Fashion Jewelry & Accessories Show	11-14 Aug 2017	Mumbai, Maharashtra
3	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
4	Confederation of Indian Industry (CII)	12 th International Railway Equipment Exhibition	11-13 Oct 2017	New Delhi
5	Ministry of Food Processing Industries (MoFPI)	World Food India 2017	3-5 Nov 2017	New Delhi
6	Messe Frankfurt	Automotive Engineering Show	9-11 Nov 2017	Chennai, Tamil Nadu
7	India Trade Promotion Organisation (ITPO)	India International Trade Fair	14-27 Nov 2017	New Delhi
8	Indian Water Resources Society (IWRS) and Department of Water Resources Development and Management (DWRDM)	International Conference on "SUSTAINABLE TECHNOLOGIES FOR INTELLIGENT WATER MANAGEMENT	16-19 Feb 2018	Roorkee, Uttarakhand

9	India Trade Promotion Organisation (ITPO)	India International Leather Fair & Texstyles	26-28 Feb 2018	Kolkata, West Bengal
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