

Embassy of India, Zagreb



Monthly Economic Newsletter

September, 2017

PART I: INDIAN ECONOMY

News Features

1. **India's burgeoning youth to be the world's future:** India, which currently has around half of its population aged below 25, is expected to have the largest workforce in the world by 2027. A billion people of India will be aged between 15-64 by then and it will supply more than half of potential workforce over the coming decade in Asia.



2. **Karnataka to become the electric vehicle capital of India:** Karnataka attracting investments from manufacturers of electric vehicles (EVs). It is the first state to roll out an Electric Vehicle and Energy Storage Policy that looks not only at boosting sales of EVs, but also setting up charging infrastructure and special manufacturing zones. After claiming the titles of IT capital and start-up capital of the country, Karnataka is now hoping to become the EV capital of India.



3. **India to be 3rd largest economy by 2028:** According to HSBC Bank report, India is likely to overtake Japan and Germany to become the third largest economy in the next 10 years. Its estimates showed India will be a US\$ 7 trillion economy in 2028, as compared to less than US\$ 6 trillion and US\$ 5 trillion for Germany and Japan, respectively. Presently, India's GDP is around US\$ 2.3 trillion (fiscal 2016-17). It stands at the fifth spot in global rankings.



4. **India improved on WEF's global competitiveness rankings:** India remained the most competitive country in South Asia, appearing at No. 40 in the global competitiveness ranking of 137 countries by the World Economic Forum (WEF). The Global Competitiveness Report assesses the competitiveness landscape providing insight into the drivers of their productivity and prosperity.



5. **Chemical industry to reach US\$ 346 billion by 2025:** According to the report prepared by Tata Strategic Management Group, India's chemical industry has the potential to grow from the current US\$ 155 billion to US\$ 346 billion by 2025. The domestic chemical market currently accounts for 3.4% of the global market and more than 80,000 chemicals are being used directly or indirectly in various sectors.



Main Economic Indicators

Gross Domestic Product – GDP			
Fiscal Year	2015-16	2016-17	2017-18
			Forecast
Real GDP (% change, YoY)	7.9%	7.5%	7.7%
GDP (US \$ billion), current prices	2251.1	/	
GDP per capita (US \$), current prices	1718	/	

Source: World Bank, Indian Central Bureau of Statistics, Fitch Ratings, Moody's & OECD

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ Million) (Provisional)	Aug	Apr-Aug
Exports (including re-exports)		
2016-17	21597.09	109215.44
2017-18	23818.83	118574.96
% Growth 2017-18/2016-17	10.29	8.57
Imports		
2016-17	29303.20	143500.87
2017-18	35462.79	181719.50
% Growth 2017-18/2016-17	21.02	26.63
Trade balance		
2016-17	-7706.11	-34285.43
2017-18	-11643.96	-63144.54
II. Trade in Services		
Exports & Imports: (US \$ Million) (Provisional)	Aug 2017	
Exports (Receipts)	13701	
Imports (Payments)	8658	
Trade balance	5043	

Source: RBI Press Release dated 13th Oct 2017

Industry

According to Indian Central Statistics Office (CSO) data, industrial production grew at a nine-month high of 4.3% in Aug 2017, mainly on account of robust performance of mining and power sectors coupled with higher capital goods output. Index of Industrial Production (IIP) growth during Apr-Aug period of 2017-18 stood at 2.2%, down from 5.9% in same period in 2016-17.

Foreign Direct Investment (FDI)

Invest India, the government's foreign investment promotion agency, is planning to actively promote the country as an investment destination and is targeting 200 companies, which are not present in India. Its aim is to achieve a US\$ 100 billion target of foreign investment in the next two years — both greenfield and brownfield. India recorded its highest FDI (foreign direct investment) in FY 2016-17 at US\$ 60.08 billion, up 8% over the FY 2015-16.

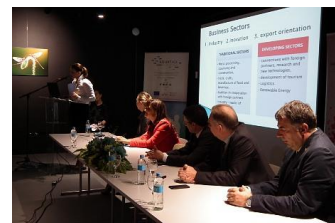
Inflation

India's Consumer Price Index-based inflation was 3.28% in Sep 2017, according to data by the Indian Central Statistics Office.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. **Visit to Karlovac County:** Embassy participated (26/9) in the study visit organized by the Croatian Ministry of Foreign & European Affairs to Karlovac County to the local economic facilities. Of particular interest was the facility of Karlovac brewery company, producer of Karlovacko beer, one the famous Croatian beers. The regional authorities briefed on the investment opportunities in the province and incentives provided in various categories.



2. **Presentation at Croatian Parliament:** Ambassador made (29/9) a presentation at Croatian Parliament on Indian Foreign and Economic policy: 'India Surging Ahead'. It was attended by members of the Croatian-Indian Friendship Group in Parliament; Assistant Minister of Ministry of Foreign and European Affairs; Representatives of India oriented organisations such as Yoga in Daily Life (YIDL), Hindu Society, ISKCON, LOTOS India Culture Society, Art of Living (AOL); Croatian Chamber of Economy; and PIOs. After the presentation, there was robust Q&A session.



3. **Meetings with business leaders:** During the month, various business meetings were held in diverse sectors, such as (i) cinematography; (ii) rubber industry; (iii) architecture; (iv) sports; (v) biodiesel, tourism, etc.

4. **Provincial Economic Outreach:** As part of economic outreach programme, Ambassador visited cities of Samobor (05/9), Dubrovnik (12/9), Zadar (22/9), and Split (23/9). Meetings were held with top level officials to discuss upbuilding sustainable bilateral provincial partnerships.



Bilateral Trade

During the period Jan-Jul 2017 (for which local statistics are available) the total bilateral trade stood at Euro 90.73 million (+25.96%), i.e. India's exports worth Euro 79.03 million (+21.34%) and India's imports worth Euro 11.70 million (+69.56%).

Croatia-India Bilateral Trade (Euro million)					
Year	2013	2014	2015	2016	Jan-Jul 2017
Croatia's Exports	€ 6.82	€ 13.50	€ 17.53	€ 11.05	€ 11.70
Croatia's Imports	€ 72.67	€ 88.19	104.5	€ 100.60	€ 79.03
Total Trade	79.49	€ 101.69	€ 122.03	€ 111.65	€ 90.73

(Source: Croatian Central Bureau of Statistics)

Major Trade Queries from India for import/export			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	GreeNeem Agri Pvt. Ltd.	Fertilizers	Export
2	Ashirwad Gota Lace	Lace	Export
3	Futurelife Pharmaceuticals	Food Supplements	Export
4	Nagarkar International	Agro Products	Export
5	Maruthi Exim	Spices & Building Materials	Export
6	ULP General Trading	Agro Products	Export
7	Alfanzo Vitrified	Sanitary Ware & Tiles	Export
8	Dadima Agro India	Wheat Flours	Export
9	Vinayak Textiles	Garment & Fabrics	Export
10	PP Exim	Pharma Products	Export
11	Sudarshan Consolidated	Agrochemicals	Export
12	Universal Impex	Garments & Home Textile	Export
13	Dream Exim	Spices	Export
14	Huechem Textiles	Men's Garments	Export
15	J&J International	Spices & Tiles	Export
16	StonePlus Enterprises	Stone & Tiles	Export
17	Reshma Exports	Spices & Furniture	Export
18	Zenith Birla	Construction Materials	Export
19	Goldcoin Tiles	Tiles	Export
20	M.S. International	Agro Products	Export
21	Asiantic Foods	Dehydrated Onion & Garlic	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Confederation of Indian Industry (CII)	12 th International Railway Equipment Exhibition	11-13 Oct 2017	New Delhi
2	Ministry of Food Processing Industries (MoFPI)	World Food India 2017	3-5 Nov 2017	New Delhi
3	Messe Frankfurt	Automotive Engineering Show	9-11 Nov 2017	Chennai, Tamil Nadu
4	Morbi Ceramics Associations (MCA)	Vibrant Ceramics Expo and Summit 2017	16-19 Nov 2017	Gandhinagar, Gujarat
5	India Trade Promotion Organisation (ITPO)	India International Trade Fair	14-27 Nov 2017	New Delhi
6	Electronics and Computer Software Export Promotion Council (ESC)	India Electronics Expo	24-25 Jan 2018	Bangalore, Karnataka

7	Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India	International Exhibition & Conference on Pharmaceutical & Medical Devices Industry	15-17 Feb 2018	Bangalore, Karnataka
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	Infinity Expo	Show on Subcontracting in Manufacturing and Defence Production Sectors	22-24 Feb 2018	Mumbai, Maharashtra
10	India Trade Promotion Organisation (ITPO)	India International Leather Fair & Textyles	26-28 Feb 2018	Kolkata, West Bengal
11	Ministry of Commerce & Industry	Indian Pharmaceuticals and Healthcare Expo - iPHEX	8-10 May 2018	New Delhi

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