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12th CII-EXIM Bank India-Africa Project Partnership: Calibrating for a Sustainable Future

Export-Import Bank of India (EXIM Bank) and the Confederation of Indian Industries (CII), in collaboration with the Ministry of External Affairs and the Ministry of Commerce & Industry, Government of India, had organized the 12th edition of the CII-EXIM Bank Conclave on India-Africa Project Partnership in New Delhi on March 9-10, 2017. The India-Africa Framework for Strategic Cooperation, issued at the 3rd India-Africa Forum Summit held in October 2015, recognized this Conclave as a platform for bringing together Indian and African entrepreneurs and decision makers and sought its continuation.

The first CII-EXIM Bank Conclave on India Africa Project Partnership was held in the year 2005. Over the years, the conclave has facilitated the enhancement of Indian project exports to African markets, apart from strengthening "Brand India" amongst the African decision makers and business leaders. The growing India-Africa economic exchanges bear testimony to the noticeable benefits that had accrued from the high profile engagements at the conclaves. Across the years, it has emerged as a key event in building partnerships and enhancing the economic engagement between the two regions, witnessing growing participation of key African delegates each year.

The Conclave was inaugurated by the Hon'ble President of India, Mr. Pranab Mukherjee on March 9, 2017. Speaking on the occasion, the President said that India's connection with Africa is not new. The bonds between the two regions have strengthened over the years and India is committed to building genuine partnerships that create jobs and opportunities for both the regions. He added that over the recent years, India has extended lines

of credit of over US\$ 7 billion to Africa for 120 projects in 40 countries. It is estimated that by the year 2050, the combined GDP of India and Africa would add up to \$35 trillion, while the combined population of the two regions would have surpassed 4 billion. A new spirit of awakening cooperation defines the India-Africa partnership.

While addressing the Conclave's inaugural session, Ms. Nirmala Sitharaman, the Hon'ble Minister of state for Commerce and Industry, Government of India, stated that the current bleak global trade and investment scenario presents a big opportunity for India and Africa. She emphasised the need to seize the opportunity, and pointed out that India saw a 30% increase in inward FDI at a time when the global FDI flows had declined by 16%. The growth in inward FDI flows is greatly augmented by Government of India's 'Make in India' programme.

Dr. Ruhakana Rugunda, Rt. Hon. Prime Minister and Leader of Government Business, Republic of Uganda, said that Africa seeks India's participation in areas like agriculture, agro-processing, ICT, infrastructure, tourism, healthcare and education. Dispelling any fears about security of life and property in Africa, Dr. Rugunda said that Africa is



“stable and secure”. He added that Africa ensures security of investments and urged Indian investors to take advantage of the myriad business opportunities in the region.

His Majesty King Mswati-III of the Kingdom of Swaziland observed that Indian industry could play a key role in helping Africa’s manufacturing industries to move up the value chain. He cited manufacturing, pharmaceuticals, and renewable energy as three vital sectors where Indian investors could make key contributions to Africa’s sustained progress.

Minister of State for External Affairs Mr. M. J. Akbar, addressed the Valedictory Session on March 10, 2017 while the Speaker of Parliament, Republic of Ghana Rt. Hon. Prof. Aaron Mike Oquaye,

was the Guest of Honour. Mr. Akbar opined that India and Africa could collaborate in reas of skill development and knowledge sharing. He added that the Indian Prime Minister’s visionary initiatives, such as Jan Dhan Yojana, Digital India, and Make in India can be emulated to address similar issues in Africa.

Mr. Aaron Mike Oquaye, on the other hand, noted the common colonial heritage and the evolution of a historically close political alliance into a strong economic partnership between India and Africa. He emphasized that it would be a fallacy to paint Africa with a common brush, and thus, there is a need to acknowledge diversity within the continent. He also mentioned that this partnership is one that provides

opportunities and benefits for both the regions.

EXIM Bank’s study on “India’s Investments in Select East African Countries: Prospects and Opportunities” was released during the Conclave, at the hands of Mr. Adi Godrej, Chairman, CII Africa Committee, and Chairman, Godrej Group, in the presence of Mr. Jidoud Ahmat, Economist, International Monetary Fund (IMF); Mr. Debasish Mallick, Deputy Managing Director, EXIM Bank of India; Mr. Bassary Toure, Vice-President, West African Development Banque (BOAD); Mr. Tadashi Yokoyama, Head, External Representation Office for Asia, African Development Bank; Mr. S. Kuppuswamy, Advisor, Shapoorji Pallonji Group; and Mr. Patrick Dlamini, Chief Executive Officer, Development Bank of



Southern Africa. The study highlights opportunities for investment in the East African countries and identifies potential sectors for Indian investments in line with the resources available in these countries. FDI inflows to East Africa have been increasing since 2010. Among the countries in the East Africa region, Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda, together accounted for 6.4 per cent of Africa's inward FDI (stock) in 2015. Kenya, Tanzania and Uganda, in particular, are attracting investors reflecting the shift towards consumer goods. East African economies offer wide range of investment opportunities in agriculture, horticulture, manufacturing and tourism. Foreign investors' interest in this region is expected to gain fresh impetus, helped by rising confidence in the region's economy.

Further, business-to-business meetings were organised as part of the Conclave, apart from several sessions on various important concerns related to trade & investment, development partnership, small & medium enterprises, agriculture, skill development, health, and particularly infrastructural issues pertaining to power, irrigation, water supply, rural electrification, roadways and railways etc.

Infrastructure deficit in Africa, resulting in acute problems like power shortage, has reduced its GDP growth by an estimated 2-3% annually. Lack of quality road and rail networks has also limited Africa's capacity to derive greater value from its rich mineral resources. Likewise, the rural parts of Africa have failed to

increase their agricultural productivity because of infrastructural constraints. Indian government and industry have been engaged in many critical infrastructure development projects in Africa, for building roads, railroad networks, power projects, dams, ports, etc. The Conclave sought to address the role that India can play in Africa's infrastructure development through knowledge sharing and capacity building initiatives. It also sought to address the infrastructure sectors in Africa where India can make a big difference, whether African countries can see an advantage in engaging with Indian firms' technologies and expertise in infrastructure development – both physical infrastructure as well as transport infrastructure, and if there is a scope for extending India's experience in building smart cities in Africa.

Each of the sessions notably emphasized upon revitalising India-Africa Partnership and addressed key issues such as identifying new and innovative ways for boosting Indian investments in Africa, forging a long-term energy partnership between the two regions, identifying ways in which India can help African countries to upgrade their primary, secondary and tertiary healthcare systems and future-proofing Africa's development with world-class education, leveraging the existing treaties and agreements to deepen bilateral partnerships, nurturing deep-rooted partnerships for total food security, fast-tracking Africa's infrastructure development, and recognizing the opportunities that exist in the partnership for innovative and adaptable technologies for Africa.

India and Africa together accounted for nearly 35% of the world's population, and hence, any joint initiatives to address the UN Sustainability Development Goals (SDGs) will bring about a transformational change in the lives of nearly 2.5 billion people. Moving towards this, India and Africa's need to deepen the bilateral partnerships in areas like soft and hard infrastructure development, food security, energy security, climate change mitigation and adaptation, healthcare, and education becomes imperative. At the same time, India and Africa need to expand the bilateral trade and investment flows, and push for the democratisation of multilateral bodies.

In a broad sense, the Conclave's role has been to enhance the ways in which India can strengthen its stakeholder role in Africa's development and prosperity, and understand how the two regions can collectively take the leadership role in making the planet a sustainable and safe place for all.

The Conclave has been able to successfully build a bridge between Indian and African businessmen and senior government officials, under the public-private-partnership model. It has emerged as one of the largest congregation of senior ministers, policy makers and business leaders from Africa and India, cutting across sectors. The association of the two regions would not only prove to be fruitful in terms of growth and development, but would also serve as the platform for more such future collaborations and tie-ups.

India's export basket was worth ₹ 17 lakh crore in 2015-2016 and the States of Gujarat, Maharashtra, Tamil Nadu and Karnataka contributed to bulk of the exports. The top two states of Gujarat and Maharashtra contributed close to 50 percent of the total exports. Rajasthan, the largest state in geographical area terms, contributed only 2 percent to India's export basket. The State is abundantly rich in natural resources, has ready availability of labour pool and is also historically endowed with wealth. Clearly, the export potential of this state is yet to be fully realized.

The landlocked nature of the State has significantly restricted its access to a wider market as compared to the better performing states like Gujarat, Maharashtra and Tamil Nadu, all of which have a long coastline. Barring this obvious disadvantage, Rajasthan shares its borders with 6 states and acts as a direct connect between the manufacturing hubs in northern part of the country and the major ports in western part of the country. With its proximity to both these regions, the State is a promising investment destination, and both the State and Central Government are actively promoting improvement in output and exports from the State.

Merchandise exports from India have more than doubled from ₹ 8.40 lakh crore in 2008-09 to ₹ 17 lakh crore in 2015-16, witnessing a Compound Annual Growth Rate (CAGR) of 11 percent. During the same period, exports from Rajasthan registered a marginally better CAGR of 13 percent to amount to ₹ 36,047 crore in 2015-16.

A year-on-year comparison of performance indicates that the growth of

exports from Rajasthan has fared better than the national average in most years save for 2013-14. However, this growth rate seems to have slowed down during the last three years, reflecting the trend in overall exports from India.

The top five export items from Rajasthan accounting for nearly two-thirds of exports from the State are textiles (including readymade garments), gems and jewellery, engineering goods, chemical and allied products (including tyres), and handicrafts. In terms of services exports, tourism and hospitality is a key segment in Rajasthan. Apart from tourism and hospitality, the second major contributor to service exports from the State is IT and ITeS sector.

EXPORT DIVERSIFICATION FROM RAJASTHAN

To expand the export basket, it is of utmost importance to first enhance competitiveness and then ensure its sustainability. One of the efficient ways to widen export opportunities is to look at diversification based on value addition.

There are several sectors where Rajasthan can initiate measures that engender horizontal export diversification. Rajasthan has limited presence in the processed food segment, which presents a case for capacity building and horizontal diversification in the higher value added areas of ready to eat food, processed food, health and wellness food products and organic food products, all of which have a huge export potential. In the dimensional stones segment, the current export basket comprising crude and roughly trimmed granite, sandstone and marble, can be expanded to include worked and processed granite and marble. Further, exporters from the State can target high

value products in the chemical and allied products segment, including agrochemicals, dyes and pigments, textile chemicals, personal care ingredients and construction chemicals. In the textiles sector, focus on readymade garments and other value added and specialty fabrics can help boost value of exports from the State.

A substantial opportunity also exists for vertical diversification of exports. The bigger and dynamic markets of the EU, Canada, South Korea, Australia and New Zealand can be further leveraged by exporters from the State for vertical diversification of agro and agro based exports. In case of dimensional stones, the markets of the EU, Egypt, Tanzania, South Africa, Russia and Canada can be targeted. China and Latin American countries can be targeted for enhancing export revenues from the handicrafts and carpets segment. Export diversification in the textiles segment can also be achieved by focusing on vibrant markets of Japan, Africa and South Korea.

Facilitating horizontal and vertical diversification would entail suitable interventions from all relevant stakeholders from the State. In the gems and jewellery segment, establishing design development centre will be essential to support diversification of exports. Development of quality tourism infrastructure at tourist destinations and circuits in the State will be critical for improving tourism revenues, especially when targeting new avenues such as adventure tourism, rural and eco-tourism and other innovative tourism categories. The horizontal and vertical diversification can help the State of Rajasthan in scripting a new narrative of export resurgence.

The economy of Andhra Pradesh is multi-faceted, with the coastal region providing requisite environment for development of manufacturing activities, the fertile river plains supporting agriculture and allied activities, and the districts in Rayalaseema being conducive for the mineral based industries.

The diverse resource endowments, coupled with robust production and value addition networks, position the State at the fulcrum of the exports sector in India. During 2015-16, Andhra Pradesh ranked sixth among all States by value of exports. Merchandise exports from the State amounted to ₹ 794.9 billion during the year, accounting for 4.6 percent of the country's total exports.

India expects to increase its share in world exports from 2 percent to 3.5 percent by 2020. Contribution from various States would form the bedrock for achieving this target. Based on the country's target, it is projected that Andhra Pradesh must achieve the target of US\$ 25 billion of exports by 2020, under a baseline scenario. For the share of Andhra Pradesh to concomitantly increase in India's exports to 7.5 percent, exports need to further increase to US\$ 39 billion by 2020. To achieve these targets, it will be essential for the State to focus on enhancing trade competitiveness, promoting innovation, bolstering availability of export finance, and strengthening the institutional capacity for exports, among others. The following export strategies can help devise the roadmap and action plan for achieving the desired results:

Augment Warehouse and Storage Facilities

Lack of adequate transportation, storage and distribution services is an issue for exporters across the country. Specifically, in the context of Andhra Pradesh, this is a major constraint as perishable products account for a significant share of the

State's exports. According to Exim Bank's analysis, the State should have at least 19 million tonnes of storage space only from the perspective of agro and agro based industries. However, according to the Andhra Pradesh State Warehousing Corporation, the State currently has only about 1.1 million MT per annum of warehousing capacity. The State also needs substantial expansion of cold storage infrastructure, which is critical for ensuring quality and maintaining shelf life of products.

The State can also develop a multi-modal cold-chain network which shall involve two or more modes of transport for facilitating transportation and storage of perishable products. Investment in development of last mile connectivity can also serve as an objective for this proposed multi-modal network.

Establishment of Coastal Economic Zones

Fourteen Coastal Economic Zones (CEZs) have been identified along the coastline of the country in the National Perspective Plan of the Sagarmala Programme. Two CEZs have been proposed in the State of Andhra Pradesh – one covering the ports of Kakinada, Vizag and Gangavaram; and the other around the port of Krishnapatnam. Creation of adequate infrastructure in the CEZs needs to be complemented through incentives from the Government for enterprises located within these. For export prospects from the CEZs in Andhra Pradesh to remain positively resolute, key driving forces need to be identified. Policy interventions which could be considered inter alia include tax exemptions based on the type of enterprise, its stage of development, and the amount of exports; providing common testing and certification facilities; and allowing certain percentage of sale from CEZs to Domestic Tariff Area at concessional duties.

Setting Up Andhra Pradesh Export Promotion Council

Andhra Pradesh Export Promotion Council (APEPC) can be set up with support from the State Government, industry associations and exporters for providing information and guidance to exporters. It can also serve as a link between the exporters and the Government, and help alleviate the constraints for export growth.

Raw Material Banks

To ensure timely supply of quality raw materials to producers, raw material banks can be set up by the Department of Industries, Government of Andhra Pradesh in key sectors such as textiles, engineering, and agro and food products. These raw material banks can supply the required raw materials to MSME units as and when required on producing a prescribed requisition form. A price fluctuation reserve can be maintained in these banks to ensure that smaller producers are protected against wide fluctuations in raw material prices. In this regard, APEPC can make recommendations to the State Government based on its assessment of the supply related constraints for export oriented production in the State.

Branding of Geographical Indications Products

Several handicrafts, handloom and agricultural products from Andhra Pradesh have been conferred Geographical Indications (GI) status. Key value proposition needs to be defined for the products having GI status. The logo and name of the GI brand needs to be developed and marketed, and mechanism needs to be devised for ensuring that all the products marketed under the GI brand meet the minimum specified standards. Initiatives are also needed for identifying more products from the State which can be accorded with GI status. In this regard, a Brand

Equity Fund can be setup by the State Government under the aegis of the Department of Industries. This will be aimed at building globally competitive brands for products originating from the State. The Fund can also assist in marketing of these branded products in the international arena. Export related brochures, interactive CDs, etc. can be created for popularizing the products from the State in international markets.

Export Awards

To encourage exports from the State, Export Awards can be introduced for recognizing the efforts of exporters across the key sectors—agricultural and allied products, marine products, chemical and allied products, engineering goods, textile and garments, drugs and pharmaceuticals, and services. Separate awards can also be instituted for the MSME units in the State.

Skill Development and Capacity Building

There is a need to conduct Workshops/ Seminars / Conferences regularly on different aspects of international trade and across different sectors in the State. Industry associations and agencies, along with the proposed Andhra Pradesh Export Promotion Council can help in organizing these programmes.

The Government of Andhra Pradesh intends to set up Sector Skill Councils at the State level on the lines of National Sector Skill Council. These can also be leveraged for enhancing the existing capacity of exporters and creating awareness about important procedural aspects.

Financial Support for Managing Technical Barriers to Trade / Standards

The usage of Non-Tariff Barriers (NTBs) in developed countries, especially Technical Barriers to Trade (TBTs) discourage exporters from entering these markets. For Andhra Pradesh, alleviating this constraint is even more important given that it is one of the major producers and

exporters of agriculture and allied products, which remains one of the most protected sectors for majority of the trading nations. Standards in the sector are stringent, and compliance with these requires significant investment. In order to encourage exporters, the State can share a portion of the expenses incurred for such compulsory certifications. Depending upon the turnover of the exporting unit, the State can bear 50-100 percent of the certification / compliance cost.

Leveraging Technology Acquisition Schemes

The Government of India has launched several schemes for assisting Indian manufacturers to acquire and evolve cutting-edge technologies to catalyze growth and compete in global market. The State government can provide support in submission of applications under the schemes. Prior to the opening of the Request for Proposal cycle of the schemes, the State Government can invite and review applications from export-oriented units / clusters / consortium in the State, and provide necessary advisory and financial support in preparation of the application. As these programs meet only a fixed percentage of the cost of technology acquisition, the State Government can provide additional financial support on a case-to-case basis.

Support from Exim Bank

Several flagship programmes of Exim Bank, such as Lines of Credit (LOC), and Buyer's Credit under National Export Insurance Account (BC-NEIA) can help propel medium and long term exports from the State, and create export opportunities for Indian companies.

Benefits from the LOC program can accrue to the exporters from Andhra Pradesh in several key areas. For example, in the cement sector, Exim Bank has several operative LOCs in the countries of Djibouti, DR Congo, Central African Republic, and the Republic of

Congo. Exporters from the State can tap such opportunities. In fact, Andhra Pradesh is best placed to take advantage of such opportunities as the State is among the top exporters of cement from India.

While the State has substantial technology-intensive exports, it will need to move up the ladder in terms of technology. Since investment in R&D has high gestation period, the Overseas Investment Finance programme of the Bank can help companies get access to high technology by way of inorganic growth through the mergers and acquisition route overseas. Exporters in Andhra Pradesh can also achieve vertical integration through their overseas investments which will improve their efficiency and margins.

There exists substantial potential for capital goods exports from the State. However, the scope of these exports is fairly limited as developing countries are the major markets for India's project exports, and these countries demand medium-to long-term credits. With the BC-NEIA product, project exporters from the State can venture into new markets and help diversify the exports.

Capacity Building of Industrial Clusters

The development and upgrading of industrial clusters in the State will be an important agenda for the State Government. As an essential first step, the State needs to develop a mechanism for assessment of existing clusters in the State. The assessment can cover aspects pertaining to infrastructure bottlenecks, technological upgradation, access to skilled human resource, environmental sustainability, etc. Upon assessment of the clusters, relevant capacity building activities can be undertaken by the Government. The key elements of capacity building include construction of physical infrastructure, building institutions, and development of human resources, etc.

Exim Bank of India (Exim Bank) has placed special emphasis on extension of Lines of Credit (LOCs) as an effective market entry mechanism with particular focus on small and medium enterprises. Exim Bank's LOCs provides a risk-free, non-recourse export financing option to the Indian exporting community, which helps them penetrate new markets and enhance their export volumes in the existing markets overseas. Exim Bank extends LOCs to overseas financial institutions, regional development banks, sovereign governments and other entities overseas, to enable buyers in those countries to import developmental and infrastructural projects, equipment, goods and services from India, on deferred credit terms. Exim Bank also extends LOCs with the support of Government of India. Under the Lines of Credit extended with the support of Government of India, Exim Bank reimburses 100 per cent of contract value to the Indian exporters, upfront

upon the shipment of goods and at least 75 per cent of goods and services of total contract value should be sourced from India. LOCs have also enabled India to demonstrate project execution capabilities in the emerging markets. LOCs have helped to gather considerable momentum in the recent years, especially in the developing countries of Africa, Asia, Latin America and the CIS. The Bank has now in place 215 Lines of Credit, covering over 63 countries in Africa, Asia, Latin America Oceania and the CIS, with credit commitments of over US\$ 15.88 billion, available for financing exports from India. LOCs are thus an effective instrument for promoting and facilitating India's exports of projects, goods and services to developing countries.

Exim Bank, with the support of Government of India, has signed two LOCs as given below during the period January-March 2017:

[i] An LOC of US\$ 100 million was extended to the Government of Kenya for Agriculture Mechanization project. With the above LOC, Exim Bank, till date, has extended four LOCs to Kenya, with the support of the Government of India (GOI), taking the total value of LOCs extended to US\$ 206.55 million. The earlier LOCs were extended to Government of Kenya for power transmission lines, development of various small and medium enterprises and upgrade of Rift Valley Textiles Factory.

[ii] An LOC of US\$ 4 million was extended to the Government of Guyana for Supply of high capacity fixed & mobile drainage pumps & associated structures in Guyana. With the above LOC, Exim Bank, till date has extended seven LOCs to Guyana, with the support of GOI, taking the total value of LOCs extended to US\$ 92.38 million. The earlier LOCs were extended to Government of Guyana for Construction of a cricket stadium, traffic signaling system project, fixed and movable irrigation pumps, multi-specialty hospital, road linkage project and procurement of ocean passenger-cargo vessel.

Tanzania- Expansion of Upper Ruvu Water Treatment Plant in Tanzania



Exim Bank extended a GOI-supported Line of Credit [LOC] of US\$ 178.125 million to the Government of Tanzania for augmentation of water supply schemes of Dar-es-Salaam and Chalinze regions in Tanzania. The scope of the project was to Rehabilitate and expand Intake and raw water transmission system at Ruvu River to a design capacity of 210 MLD, Increase treatment capacity at Upper Ruvu WTP at Mlandizi to 200 MLD with a new treatment plant of 130 MLD output and Installation of pumping sets for 200 MLD clear water to service areas including Kibamba and Kimara reservoirs.

The capacity of Upper Ruvu water supply system increased from 82 million litres per day to 200 million litres per day leading to increase in supply to the residents of Dar-es-Salaam region. The first Phase is operational and is providing potable water to 2 million people in Dar-es-Salaam.

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Exim Bank launches 'EXIM Mitra'

The Export-Import Bank of India, in consonance with the 'Digital India' campaign of the Hon'ble Prime Minister, Shri Narendra Modi, has launched a digital portal for fulfilling the twin objectives of providing information on financial products available to facilitate exports, and delivering trade related information. The online platform has been christened as '**EXIM Mitra**' (www.eximmitra.in), meaning a 'friend for exporters and importers'. EXIM Mitra will provide preliminary help to a large number of exporters and importers who may not have access to an array of crucial trade related information under one single platform. EXIM Mitra would act as a gateway to identify potential global markets and products, understand product standards across the globe, estimate freight cost, introduce exporters and importers to the various credit and insurance facilities available, identify agencies providing handholding, apart from a host of other value added services. The endeavour of Exim Bank is aimed to benefit firms, especially SMEs, to make sound business decisions during their expeditions overseas.

Exim Bank extends Buyer's Credit under National Export Insurance Account of US\$ 87.46 mn to the Government of Republic of Cote D'Ivoire

Export-Import Bank of India extended a Buyer's Credit under National Export Insurance Account of US\$ 87.46 mn to the Government of Republic of Côte d'Ivoire for supply of 500 buses, 62 fleet maintenance support vehicles, spare parts and related services by Tata Motors Ltd, India. The BC-NEIA Agreement to this effect was signed in Abidjan, Côte d'Ivoire, by H.E. Mr. Adama Kone, Minister to the Prime Minister, In-charge of Economy and Finance, Government of the Republic of Côte d'Ivoire and Mr. Pushpesh Tyagi, Resident Representative in Côte d'Ivoire, on behalf of Exim Bank.

Exim Bank's Study Highlights Broad Strategies for Enhancing India's Engagements with CLMV Countries in the Context of ASEAN

Export-Import Bank of India's study on "India's Engagements with CLMV: Gateway to ASEAN Markets" was released at a plenary session, during the 4th India - CLMV Business Conclave, in Jaipur, Rajasthan, India on February 27, 2017. Within the ASEAN region, the CLMV [Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar, and Vietnam] countries have begun attracting greater attention of the global economic community, given their huge potential for future development. India's economic interests in the ASEAN region have broadened over the years; this is evident with the repositioning of the 'Look East Policy' to 'Act East Policy'. Within the ASEAN region, CLMV countries, in particular, are at different levels of economic development. One of the top priorities of ASEAN Community is the integration of CLMV countries with other ASEAN countries by bridging the development gaps. The study highlights that while opportunities in the region are plenty, Indian entrepreneurs' endeavours in these countries have been limited. In this regard, the study highlights broad strategies for enhancing India's engagements with CLMV countries in the context of ASEAN. Some of these include cooperation in agricultural sector, natural resource development, financial services, ITeS, Regional Value Chains (RVCs), improving connectivity, SME sector, and developing linkages with Investment Promotion Agencies/ Chambers of Commerce, among others.

Exim Bank extends Buyer's Credit under National Export Insurance Account [NEIA] of US\$ 93.50 mn to the Government of Republic of Cameroon

Export-Import Bank of India has sanctioned BC-NEIA under National

Export Insurance Account of US\$ 93.50 mn to the Government of Republic of Cameroon for construction of 225 kV Nkongsamba - Bafoussam and Yaounde - Abong Mbang Transmission Line. The BC-NEIA Agreement to this effect was signed by Mr. Debasish Mallick, Deputy Managing Director, on behalf of Exim Bank and H.E. Mr. Motaze Louis-Paul, Hon'ble Minister of Economy, Planning and Regional Development, on behalf of the Government of Republic of Cameroon.

India's Experiences Very Relevant for Africa's Development: President, African Development Bank Group

Dr. Akinwumi Adesina, President, African Development Bank Group advocated for strengthening the cooperation between India and Africa at multiple levels, viz., Government to Government, Business to Business, and at the Institutional levels, like the cooperation framework existing between the AfDB and the Exim Bank of India. Speaking at an Interactive Session with the Indian Business, organized by Exim Bank, Dr. Adesina stated that the AfDB has identified five priority areas, viz., Light-up and Power Africa; Feed Africa; Integrate Africa, Industrialise Africa, and Improve the Quality of Life for the People of Africa, to advance Africa's transformative agenda over the next 10 years. India has expertise in all these areas to help transform the African continent. Welcoming the AfDB delegation, led by the President, Dr. Adesina, Mr. David Rasquinha, Managing Director, Exim Bank of India stated that Exim Bank strongly believes that there are plenty of business opportunities for Indian companies, particularly in the energy and agriculture sectors. Mr. Rasquinha added that US\$ 3.61 billion has been committed by Exim Bank under the Lines of Credit programme under these two sectors, which is nearly 50% of total credit commitments.

Exim Bank has recently published a study entitled 'International Trade in Processed Foods: An Indian Perspective' which focuses on the Indian food processing industry, and examines the factors responsible for the low share of India in world trade of processed food, despite India being one of the major producers of agricultural products in the world. This article presents a gist of the study.

Region wise Analysis

During the year 2015-16, the exports of processed food from India stood at US\$ 12.9 billion, registering a decline of 17.3% as compared to the previous year. Vietnam was the leading export destination for processed foods from India and occupied a share of 22.6% in the country's aggregate exports. The other major export destinations for Indian processed foods included the USA (15%), UAE (4.8%), Malaysia (4.6%), Saudi Arabia (3.4%), Japan (3.4%), Egypt (3.1%), Thailand (2.5%), the UK (2.1%) and Indonesia (2.0%).

The imports of processed food from India had been estimated at US\$ 1.3 billion during the year 2015-16, with the value of imports being stable as compared to the previous year. The UK, with a share of 16.8% in the total imports, was the leading import source for processed food in India during 2015-16. The other major import sources were the USA, Nepal, China, Indonesia, France, Singapore, Brazil, Bangladesh and UAE.

Segment-Wise Analysis

Fruits and Vegetables

India's export of processed fruits and vegetables were estimated at US\$ 856.7 million during the year 2015-16, registering a marginal decline of 4% as compared to the previous year. The USA, with a share of 14.4%, was the leading export destination for export of processed fruits and vegetables from India. Saudi Arabia was the second largest destination with exports during 2015-16 estimated at US\$ 81.5 million. The Netherlands (8.3%), the UK (8.1%), Germany (5.4%), UAE (5.2%), Russia (3.7%), France (3.6), Belgium (3.4%) and Canada (2.8%) were the other significant export destinations of India's processed fruits and vegetables.

India's imports of processed fruits and vegetables were estimated at US\$ 99.9 million during the period 2015-16. China was the leading import source of processed fruits and vegetables followed by the USA and Afghanistan.

Fishery Products

India had a significant trade surplus in the fishery and seafood sector, with exports amounting to US\$ 4696.6 million and imports at US\$ 67.7 million during the year 2015-16. The USA was the leading importer of processed fishery and seafood from India and accounted for nearly 28.2% of the aggregate seafood exports from India during 2015-16. Vietnam was the second largest seafood importer with imports of US\$ 885.6 million. Other major export

destinations of seafood from India included Japan (8.5%), Spain (3.9%), Belgium (3.7%), China (3.1%), UAE (3.0%), the UK (2.9%), Italy (2.7%) and Thailand (2.7%).

Bangladesh was the largest supplier of fishery and seafood products to India during 2015-16. The other significant import sources for fishery products to India included Vietnam, the USA, Myanmar, the UK, Oman, Indonesia, Thailand, Denmark and Singapore.

Processed Milk, Meat, Poultry and Egg

Milk

The exports of dairy products from India were estimated at US\$ 115.3 million during the year 2015-16, registering a significant year-on-year decline of 41%. UAE, with imports of US\$ 27.6 million (23.9% share) was the largest export destination of dairy products from India. Pakistan was the second largest importer of dairy products and had a share of 16.1% in the aggregate dairy products exported from India during 2015-16. Bangladesh, Singapore, Nepal, Bhutan and Afghanistan were other major export destinations for Indian dairy products.

The aggregate imports of dairy products from India during the period 2015-16 was US\$ 49 million. France was the leading import source and had a share of nearly 27.5% in India's total imports of dairy products. Other significant import sources for dairy products were New Zealand, Denmark, the Netherlands and Uganda.

Meat

India is among the largest exporters of meat in the world and the value of exports during the year 2015-16 was US\$ 4201 million. Vietnam was, by far, the leading export destination of meat from India, accounting for 47.4% of the aggregate exports of meat products from India during the year 2015-16. Malaysia, with imports of US\$ 410 million was the second largest importer of meat from India. Other leading export destinations of meat from India were Egypt (8.5%), Saudi Arabia (5.8%), UAE (4.4%), Iraq (2.8%), Philippines (2.8%), Algeria (2.7%), Thailand (2.6%) and Kuwait (2.3%).

India's imports of meat were estimated at US\$ 3.8 million during 2015-16, registering a sharp decline of 28.8% as compared to the previous year. Sri Lanka was the largest import source of meat and meat products for India and its share in India's aggregate imports was 23.2% during the year 2015-16. Other major source countries for imports during the same period were Belgium, New Zealand, Spain, Italy, the UK, Australia, the Netherlands, Germany and Thailand.

Poultry and Egg

The exports of poultry and eggs from India during 2015-16 amounted to US\$ 117million, recording a year-on-year growth of 10.9%. With exports of US\$ 31 million, Oman was the leading export destination for poultry and eggs from India, accounting for a share of 26.5% during the year 2015-16. Saudi Arabia, with a share of 12.5%, was the second

largest destination of poultry and egg exports from India. Other major export destinations for poultry and eggs from India during the year included Japan, Germany, Maldives, Bahrain and Indonesia with shares of 10.5%, 7.6%, 6.9%, 6.4%, and 5.9%, respectively.

As far as imports were concerned, Germany was the predominant source country accounting for a share of 80.5% of India's total imports of poultry and eggs during 2015-16.

Conclusions of the Study

The Study highlights that one of the major hurdles in the growth of the food processing sector has been the low productivity of agriculture in the country, caused by challenges in irrigation and water management, apart from limited efforts in research and development and the dearth of extension services. The Study indicates that one of the leading causes for the rejection of Indian agricultural exports in developed countries has been the imprudent use of fertilisers and pesticides at the farm level and limited use of good agricultural practices (GAP). Moreover, while the new food safety rules have come into effect, there is still ambiguity, limitations of dialogue and well-articulated framework when it comes to rules and regulations regarding the food industry.

According to the Study, other obstacles faced by the Indian food processing industry include inadequate cold chain infrastructure, wastage of agricultural produce, infrastructural issues,

insufficient value addition in agri produce, limited availability of finance, tax structure, shortage of skilled manpower and insufficient innovation.

To alleviate the growth constraints, the Study has recommended strategies to enhance the potential of this sector which, inter alia, include augmenting productivity through greater technology intervention, strengthening research institutes, human resource development, conjunctive management of water and improving extension services.

The Study also emphasizes the negative impact of non-tariff barriers and suggest reducing compliance costs and minimizing disputes. It also suggests a greater role for institutions like APEDA in advocating a globally uniform set of accepted rules and regulations for various products at international forums. The Study notes the importance of adoption of good agricultural practices and the need for synergising the activities of various export promotion organisations such as Agricultural and Processed Food Products Export Development Authority (APEDA), the Marine Products Export Development Authority (MPEDA), the Coffee Board, the Tea Board, the Spices Board, the Cashew Export Promotion Council, and the Export Inspection Council, in such a manner so that collaborative efforts can be undertaken with the objective of augmenting exports.

Reference:

- Export-Import Bank of India

EXIM BANK EXTENDS SUPPORT TO GOND & MADHUBANI ARTISTS

During January 2017, the Bank in association with All India Artisans and Craftworkers Welfare Association (AIACA) and Gond Tribal Art organized a joint product development workshop for 10 Gond artists and 10 Madhubani artists in Bhopal, Madhya Pradesh.

The objective of the workshop was to provide inputs for designing of traditional craft to create contemporary products for both domestic and international market. During the workshop artists from Bihar and Madhya Pradesh were involved in creating quality and utility products using different materials such as paper, cloth, wood, rubber and glass. The Gond and Madhubani motifs were hand painted on several prototypes such as lamp, book, card holder, coasters, lamp shades, cushion covers, tote bags and gift boxes.

The artists involved men and women amongst which were women who had never stepped out from their villages. The workshop brought them closer to the market space, giving them a new dimension, a new lookout and increase their confidence. Their morale was boosted when a collector of art & paintings from France visited and appreciated their art form. The workshop also was blessed by Smt. Nankhusia Shyam wife of late Shri. Jangarh Singh Shyam, the first Gond art painter.

In other achievements, the Bank received an Award for empowering rural women in North India. The award was presented to the Bank by Public Relations Society of India (PRSI).

Post the devastating floods at the temple town in Kedarnath, in June 2015 the Bank organized a six month skill development training programme with a view to provide sustainable livelihoods and women empowerment to the affected families in Rudraprayag district of Uttarakhand. The training programme supported 30 rural women otherwise having no other access to alternative sources of income. The women were trained in spinning, weaving and knitting of stoles, scarves and carpets.

This effort was recognized by PRSI and encouraged the Bank to undertake more such training programmes which result in economies of scale and overall development of participants.

For more details please contact: mas@eximbankindia.in

Activities of ECL during January to March 2017

During the quarter January- March 2017, Exim Bank organized a seminar at Mumbai for African students, in association with PHD Chamber of Commerce and Industry (PHD Chamber), titled “India-Africa: Forging the Future-Together” on January 30, 2017. The objectives of this seminar was to boost the relations between India-Africa & involve the future stakeholders for active participation, make the African students aware about the dynamics of India-Africa partnership and chart a path for creating employment opportunities.

The speakers for this seminar were from industry, international Organisations, social sectors, diplomats and academia to share their experiences and case studies of India-Africa partnership. The participants in the seminar include African students, particularly post-graduate students in their final year, and Indian businesses, as well as, media.

Upcoming events;

- ❖ A seminar on “Opportunities and Challenges in Foreign Trade in NE region” in association with Confederation of Indian Industry at Dimapur, Nagaland (held on May 03, 2017) and Gangtok, Sikkim (yet to be scheduled)
- ❖ A seminar on “Enhancing foreign Trade in India” in association with Federation of Indian Export Organisation at Udaipur (May 30, 2017)
- ❖ An interactive session on “International Trade Facilitation” in association with Federation of Indian Export Organisation scheduled to be held on July 18, 2017 at Ludhiana
- ❖ Several export promotion seminars are scheduled during July- September 2017 for Indian exporters, at Varanasi, Raipur, Bhubaneswar, Itanagar and Imphal. ECL will be tying up with various regional industry associations for the upcoming seminars.

Book Review

Going Beyond Aid: Development Cooperation for Structural Transformation

The book uses the theoretical foundations of New Structural Economics to examine South-South development aid and cooperation from the angle of structural transformation. Official development aid need not always be concessional in nature, and Justin Yifu Lin and Yan Wang in this book make the case for a broader approach – like that taken by China – which includes trade and investment aspects. According to the book, traditional development aid is inadequate to address the bottlenecks for structural transformation, and is hence ineffective.

By studying the successful economic transformation of countries such as China and South Korea through 'multiple win' solutions based on comparative advantages and economy of scale, and by presenting new ideas and different perspectives from emerging market economies such as Brazil, India and other BRICS countries, they bring a new narrative to broaden the ongoing discussions of post-2015 development aid and cooperation as well as the definitions of aid and cooperation.

The book notes that since 2015, development finance has started to come less from traditional aid, and more from development-finance institutions, development banks, and sovereign wealth funds in emerging economies. China and other emerging economies are also shifting from bilateralism to multilateralism, by working with partners from the global North and South. Overall, this book provides a fresh perspective on overseas development assistance and the role of South-South cooperation.

The Commencement Day Annual Lecture (CDAL) series was initiated in 1986 by Export-Import Bank of India to commemorate the beginning of the Bank's operations in 1982. Since then, each year, an eminent expert is invited by the Bank to deliver a lecture on a theme related to the contemporary developments in the Indian and global economy. The lecture series seeks to inform, promote and also contribute to the ongoing debate on globalisation among distinguished intellectuals.

Some of the renowned speakers in recent past included Dr. John Lipsky, former First Deputy Managing Director of IMF; Mr. Supachai Panichpakdi, Secretary General of UNCTAD; Prof. Nicholas Stern, Chief Economist & Vice President of the World Bank; Lord Meghnad Desai, Professor of London School of Economics; Rt. Hon. James Bolger, former Prime Minister of New Zealand; Dr. Kemal Dervis, former Administrator of UNDP; Prof. Jagdish Bhagwati, Professor of Economics and Law, Columbia University; Prof. Yu Yongding, President of the China Society of World Economics; Prof. Pranab Bardhan, Professor of Graduate School at the Department of Economics at the University of California, Berkeley, etc. The former president of the African Development Bank, Dr. Donald Kaberuka, delivered the CDAL 2016 Lecture on the topic "Promoting Africa-India Investment in the New Global Landscape".

Exim Bank's 32nd Commencement Day Annual Lecture was delivered by Professor Barry Eichengreen on March 27, 2017 at the Taj Mahal Palace Hotel, Mumbai. Prof. Eichengreen is the George

C. Pardee and Helen N. Pardee Professor of Economics and Professor of Political Science at the University of California, Berkeley since 1987. He is the recipient of a Doctor Honoris Causa from the American University in Paris, and the 2010 recipient of the Schumpeter Prize from the International Schumpeter Society. He was also named one of Foreign Policy Magazine's 100 Leading Global Thinkers in 2011.

Prof. Eichengreen delivered his lecture on "Capital Flows: What Do We Know?", which focused on the management of international capital flows, to and from emerging markets, in particular, and tracking capital flows from the 1990s. The lecture also took into account the capital account liberalization at the turn of the century and delved on how international capital movements responded to volatility, composition and regulation.

In his lecture, while drawing out the policy implications for emerging markets like India, Prof. Eichengreen emphasized that India needs to focus on its short-term debt flows, including external commercial borrowing, whose relative importance has been rising in recent years, although at low levels. He also pointed that India needs to keep an eye on its outward FDI, which is greater than that of other emerging markets and where regulation is more permissive for firms than individuals.

"India has been prudent in moving gradually and incrementally while liberalising the capital account in the last 25 years, starting with policy toward FDI inflows, followed by policy toward portfolio equity inflows and then debt

inflows, and turning last toward policy toward outflows, gradually raising ceilings and increasing the range of transactions subject to automatic approval," he said.

Prof. Eichengreen suggested that India could move further in the direction of 'price-based restrictions' as opposed to 'quantitative restrictions' on capital account transactions. He also emphasized on the need to further strengthen the banking system so that the banks, especially public banks with lower asset quality and governance issues, can cope with the volatility caused by larger international financial flows.

"Recent experience confirms that capital flows are volatile, so that the capital account of the balance of payments should be liberalised only gradually, as other measures are taken to strengthen domestic markets and institutions, and as policies are adapted to the more open capital account. Regulations affecting FDI should be relaxed first, since FDI remains the least volatile form of capital flow," he said. Prof. Eichengreen believes that a limited fall in FDI can cause problems when gross FDI inflows are financing a large current account deficit. FDI outflows from emerging markets can constitute a vehicle for capital flight, as in China, which has been forced to reverse earlier measures.

Prof. Eichengreen's lecture concluded on a positive note that despite other pressing challenges that India has been facing, the fundamental reform of its capital-management practices remain broadly positive.

The Association of Southeast Asian Nations (ASEAN) has emerged as one of the fastest growing regions in the world, on the back of its strong manufacturing sector. The existing ecosystem in the region supports sourcing, manufacturing and shipping of finished goods from these markets. Within the ASEAN region, the CLMV (Cambodia, Lao People's Democratic Republic, Myanmar, and Vietnam) countries have begun attracting greater attention of the global economic community, given their huge potential for future development. The CLMV region covers 32 per cent of ASEAN's total geographical area, 26 per cent of ASEAN's population, and account for 12 per cent of ASEAN's gross domestic product (GDP) in 2015. The CLMV region grew at an average rate of 7.1 per cent in 2015, as compared to ASEAN's average economic growth of 4.8 percent in the same year.

International Merchandise Trade of CLMV Countries

International trade has gained significance and has been growing rapidly in the CLMV region with the establishment of ASEAN Free Trade Area (AFTA), which has also resulted in increase in both amount and volume of intra-regional trade flows. The share of CLMV region in ASEAN's total trade has more than doubled from 6.7 per cent in 2005 to 17.4 per cent in 2015. CLMV's share in ASEAN's exports increased from 6.1 per cent in 2005 to 16.2 percent in 2015, and imports increased from 7.3 per cent to 18.7 per cent. However, there exist wide disparities in

trade among CLMV countries. For example, Vietnam alone accounted for 14.5 per cent of ASEAN's total trade in 2015, while the combined share of Cambodia, Lao PDR and Myanmar was less than 3%.

CLMV's total exports stood at US\$ 187.8 billion in 2015, up from US\$ 185.9 billion in 2014, mainly on the back of increased exports from Vietnam. During 2005-2015, CLMV's global exports increased nearly fivefold from US\$ 39.9 billion in 2005 to US\$ 187.8 billion in 2015, with a resultant rise in its share in ASEAN's exports from 6.1 per cent in 2005 to 16.2 per cent in 2015.

International Services Trade of CLMV Countries

The ASEAN region is a net importer of commercial services, accounting for 6.7 per cent of world imports, while contributing 6.4 per cent to world exports in 2015. In the CLMV region, all except Vietnam are net exporters of commercial services.

Cambodia's export of commercial services increased steadily from US\$ 1.9 billion in 2010 to US\$ 3.8 billion in 2015. This is mainly on the back of a strong tourism sector. At the same time, Cambodia's import of commercial services increased from US\$ 0.9 billion in 2010 to US\$ 1.9 billion in 2015.

Lao PDR's exports of commercial services increased from US\$ 0.5 billion in 2010 to US\$ 0.8 billion in 2015. At the same time, Lao PDR's imports of commercial services stood at US\$ 0.6 billion in 2015, up from US\$ 0.3 billion in 2010.

Myanmar's exports of commercial services increased twelve-fold from US\$ 0.3 billion in 2010 to US\$ 4.1 billion in 2014. Myanmar has witnessed an extraordinary growth in tourism in recent years. Similarly, Myanmar's imports of commercial services also trebled from US\$ 0.7 billion in 2010 to US\$ 2.6 billion in 2014.

Vietnam is the largest exporter as well as importer of commercial services among CLMV countries. Vietnam's exports of commercial services increased from US\$ 7.4 billion in 2010 to US\$ 11.1 billion in 2015. At the same time, Vietnam's imports of commercial services increased from US\$ 9.8 billion in 2010 to US\$ 15.3 billion in 2015. Accordingly, Vietnam's share in ASEAN's imports of commercial services increased from 4.3 per cent in 2010 to 4.9 per cent in 2015.

FDI in CLMV Countries

In recent years, the CLMV region has benefited from increased Foreign Direct Investment (FDI) inflows, primarily in the infrastructure sector. FDI inflows to the CLMV region increased by seven-fold to reach a record high of US\$ 17.5 billion in 2015, as compared to US\$ 2.5 billion in 2005. Outward FDI from the region increased from US\$ 65.3 million in 2005 to US\$ 1.1 billion in 2015. The region accounted for 14 per cent of ASEAN's total FDI inflows in 2015. Of this, Vietnam alone accounted for 9.4 per cent of ASEAN's FDI inflows in 2015, followed by Myanmar (2.2 per cent), Cambodia (1.4 per cent), and Lao PDR (1 percent). Share of CLMV FDI outflows to ASEAN's, however, has been at low levels. FDI

outflows from CLMV accounted for 1.7 per cent of ASEAN's FDI outflows in 2015. FDI outflows from the region are mainly from Vietnam.

India's Bilateral Trade and Investment Relations with CLMV Countries

During the last ten years, India's total trade with the CLMV countries has grown from US\$ 1.4 billion in 2005 to US\$ 10.3 billion in 2015, indicating a more than seven-fold increase. India's exports to CLMV increased by more than eight-fold from US\$ 0.8 billion in 2005 to US\$ 6.4 billion in 2015, thereby accounting for 24.3 per cent share in India's exports to ASEAN.

India's imports from CLMV, on the other hand, increased by nearly six fold from US\$ 0.6 billion in 2005 to US\$ 3.9 billion in 2015, thereby accounting for 9.4 per cent share in India's imports from ASEAN. India maintained a trade surplus with CLMV countries at US\$ 2.5 billion in 2015. Among the CLMV countries, India maintained a trade surplus with Vietnam and Cambodia and a deficit with Myanmar and Lao PDR. Trade deficit with Myanmar was mainly due to increased imports of edible vegetables and certain roots and tubers, while with Lao PDR was mainly on the back of large imports of ores, slag and ash.

Alongside trade, India's investments in the CLMV region have also received a boost in recent years. CLMV countries are receiving strong investment interest from India mainly due to their high-growth markets, low wage labour and natural

resource reserves. India's approved direct investments in joint ventures (JVs) and wholly owned subsidiaries (WOSs) in CLMV countries amounted to US\$ 772.7 million during April 1996 to December 2016, with the bulk of flows directed towards Vietnam (66.5 per cent of the total flows to the CLMV region). FDI inflows to India from CLMV countries have been low at US\$ 13.6 million during April 2000 and December 2016. These investments have been dominated by inflows from Myanmar.

Strategies for Enhancing India's Engagements with CLMV Countries

India's economic interests in the ASEAN region has broadened over the years; this is evident with their positioning of the 'Look East Policy' to 'Act East Policy'. Within the ASEAN region, CLMV countries, in particular, are at different levels of economic development. While opportunities in the region are plenty, Indian entrepreneurs' endeavours in these countries have been limited. It is also critical to note that a large number of companies from China, Japan, South Korea and the United Kingdom already have, or are planning to establish operations in the region, thus pre-empting Indian business forays. Some of the ways to enhance India's engagements with CLMV countries could be through cooperation in agricultural sector, natural resource development, financial services, ITeS, Regional Value Chains (RVCs), improving connectivity, SME sector, and developing linkages with Investment Promotion Agencies/ Chambers of Commerce, among others.

4th India-CLMV Business Conclave

The fourth edition of India - CLMV Business Conclave was held in Jaipur, Rajasthan on February 27-28, 2017. The two-day conference organised by Department of Commerce, Government of India, and the Confederation of Indian Industry (CII), is an annual event which provides an opportunity for Indian business leaders to interact with government and business stakeholders representing these four Southeast Asian countries, and also provides a platform for the decision makers from CLMV countries to interact with a range of Indian business enterprises involved in manufacturing, processing, trading, engineering, consultancy, construction etc.

Export-Import Bank of India (Exim Bank)'s study on "India's Engagements with CLMV: Gateway to ASEAN Markets" was released at a plenary session, during the 4th India - CLMV Business Conclave, in Jaipur, Rajasthan, India on February 27, 2017. The study highlights that while opportunities in the region are plenty, Indian entrepreneurs' endeavours in these countries have been limited. In this regard, the study highlights broad strategies for enhancing India's engagements with CLMV countries in the context of ASEAN.

India's Macroeconomic Indicators

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INDICATORS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
GDP (at current prices, US\$ bn)	1365.4	1708.5	1823.0	1829.0	1863.2	2042.4	2073.7 ¹	2230.8 ¹
GDP Per capita (US\$)	1146.7	1411.7	1482.1	1462.9	1466.4	1581.6	1579.8 ¹	-
Real GDP Growth (%)	8.6	8.9	6.7	5.5**	6.4**	7.5**	8.0**	7.1p**
Sectoral Share in GDP (%)								
Agriculture & allied activities	14.6	14.6	18.5	17.8**	17.5**	16.3**	15.3p**	15.0p**
Industry	28.3	27.9	32.5	31.9**	31.5**	31.2**	31.2p**	30.8p**
Services	57.1	57.5	49.0	50.3**	51.0**	52.5**	53.5p**	54.3p**
Inflation rate (CPI, annual avg. %)	12.2	10.4	8.3	10.2	9.5	5.9	4.9	3.8**
Inflation rate (WPI, annual avg. %)	3.8	9.6	8.9	7.4	6.0	2.0	-2.5	1.7**
Gross Fiscal Deficit (% of GDP)	6.5	4.8	5.9	4.9	4.5	4.1	3.9 ^e	3.5 ^e
Exchange Rate (₹/US\$, avg.)	47.4	45.6	47.9	54.4	60.5	61.1	65.5	67.1
Exchange Rate (₹/Euro, avg.)	67.1	60.2	65.9	70.1	81.2	77.5	72.3	73.6
Exports (US\$ bn)	178.8	249.8	306.0	300.4	314.4	310.3	262.3	276.5
% change	-3.5	39.8	22.5	-1.8	4.7	-1.3	-15.5	5.4
Oil Exports (US\$ bn)	28.2	36.4	56.7	60.9	63.2	56.7	30.6	31.6
% change	2.3	29.0	55.9	7.3	3.8	-10.2	-46.1	3.4
Non-oil Exports (US\$ bn)	150.6	213.4	249.2	239.5	251.2	253.6	231.7	244.9
% change	-4.6	41.8	16.8	-3.9	4.9	0.9	-8.6	5.7
Imports (US\$ bn)	288.4	369.8	489.3	490.7	450.2	448.0	381.0	382.7
% change	-5.1	28.2	32.3	0.3	-8.3	-0.5	-15.0	0.5
Oil Imports (US\$ bn)	87.1	106.0	155.0	164.0	164.8	138.3	82.9	86.9
% change	-7.0	21.6	46.2	5.9	0.4	-16.0	-40.0	4.7
Non-oil Imports (US\$ bn)	201.2	263.8	334.3	326.7	285.4	309.7	298.1	295.9
% change	-4.2	31.1	26.7	-2.3	-12.6	8.5	-3.8	-0.7
Trade Balance (US\$ bn)	-109.6	-120.0	-183.3	-190.3	-135.8	-137.7	-118.7	-106.2
Services Exports (US\$ bn)***	96.0	124.6	140.9	145.7	151.8	158.1	154.3	163.1
Software Exports (US\$ bn)***	49.7	53.1	62.2	65.9	69.4	73.1	74.2	73.7
Services Imports (US\$ bn)***	60.0	80.6	76.9	80.8	78.7	81.6	84.6	95.7
Services Balance (US\$ bn)***	36.0	44.0	64.0	64.9	73.1	76.5	69.7	67.4
Current Account Balance(US\$ bn)	-38.4	-47.9	-78.2	-87.8	-32.4	-26.8	-22.1	-15.2
CAB as percentage of GDP (%)	-2.8	-2.8	-4.2	-4.8	-1.7	-1.3	-1.1	-0.7
Forex Reserves (US\$ bn)	279.1	304.8	294.4	292.0	304.2	341.6	360.2	370.0
External Debt (US\$ bn)	260.9	317.9	360.8	409.4	446.2	474.7	485.0	471.9
External Debt to GDP Ratio (%)	18.2	18.2	20.5	22.3	23.9	23.2	23.4	20.2
Short Term Debt (US\$ bn)	52.3	65.0	78.2	96.7	91.7	85.5	83.4	88.0
Short Term Debt / Total Debt (%)	20.1	20.4	21.7	23.6	20.5	18.0	17.2	18.6
Total Debt Service Ratio (%)	5.8	4.4	6.0	5.9	5.9	7.6	8.8	8.3
FDI (US\$ bn)	37.7	36.0	46.6	34.3	36.0	45.1	55.6	60.0
GDRs/ADRs (US\$ bn)	3.3	2.0	0.6	0.2	0.02	1.3	0.4	-
FII's (net) (US\$ bn)	29.0	29.4	16.8	27.6	5.0	40.9	-4.0	7.7
FDI Outflows (US\$ bn)	15.1	17.2	10.9	7.1	9.2	4.0	8.9	7.0

Source: Economic Survey, Various issues; Union Budget, RBI Monthly Bulletin, Annual Report & Weekly Statistical Supplement; Ministry of Finance; CSO; EIU; NASSCOM; Ministry of Commerce & Industry; Institute of International Finance (IIF); WEO, IMF.

Note: e - GOI's estimates; p - EAC, GOI's Provisional Estimate; f - IIF Estimates; - Not Available; @ - IIF Forecast; ^-% change is over corresponding period of the previous year; - not available; ** - Data as per the revised base year 2011-12; ^-implies growth over the corresponding period in the preceding year

Trade and Partnership Opportunities

Trade Opportunities

Garment Fabrics

Formed in 1971, Bhilwara, Rajasthan, based company produces over 18 million meters of fabric every year. The company offers different type of fabric such as poly viscose, worsted and fabric for furnishing & fashion available in wool, lycra, silk, linen etc.



Waste Management

Pioneers in waste management solutions offering tailor-made services in solid waste management, offers Biogas plant and Waste water treatment plants. The company is having a technology tie-up with a France based company.



Organic & Forest based Produce

A small scale enterprises promoting farmers is engaged in collecting organic produce using fair trade principles. Passing through stringent World Fair Trade Organization (WFTO) standards, they offer different types of organic food and body care products.



Furniture

Government recognized Star Export House manufactures different types of artefacts, furniture and decorative collectables. Located in Jodhpur, Rajasthan, products offered include industrial furniture, iron & wooden furniture & marble artifacts.



Wool & Woolen Products

Addressing the needs of a growing population seeking sustainable lifestyle, the company is developing sustainable & renewable textile using natural fibers such as sheep wool, eri silk fiber and yarn & silk wool blend yarn.



Home Furnishing

Hand-crafted in the foothills of Himalaya, the collection includes handstitched quilts, cushions, bunting & accessories for children. These products are created by rural women in SHG's working under the guidance of an NGO.



Ready to cook Spices

Himachal Pradesh based Indian spice brand, est. in 1965, produces over thirty products in the ready-to-cook spice mix. The ready to cook mix allows users to cook without adding salt, onion, ginger or any other spice.



Diesel Engines

Est. in 1965, company is a leading manufacturer of diesel engines, generator sets, welding sets, water pumps & pumping sets, which are mainly used in agricultures, industries, home and general requirement for power generation.



Home furnishing & Garments

Social enterprise from Udaipur is a member of Fair Trade Forum- India and WFTO Asia. The products offered are kurtas, sarees, home furnishings and fashion accessories. All products hold the authentic CraftMark certificate.



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