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A Quarterly Publication by :
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Effect of Exports on India's Labour Market Scenario

Exports are engines of economic growth, not only by its virtue of expanding the market for producers in a country, but through its effects on efficiency improvements, technology transfers, and improvement in the skills of workers. Its effect on economies is truly multi-faceted, and is perhaps more documented in providing monetary gains for producers and imparting macro-economic stability, than fostering inclusive growth in economies. Recent analytical enquiries have focused on this latter aspect of benefits from exports, especially on its linkages with employment in an economy.

Establishment of such linkages is especially crucial for the Indian economy, which needs newer avenues for engaging its ever-increasing labour force. According to the World Bank-International Labour Organization (ILO) estimates, nearly 100 million people would join the labour market between now and 2030. With a labour force participation rate of 54%, India needs to generate 5-9 million new jobs every year¹. However, the quantum of jobs is not the only difficulty. There is an equally urgent need for improving the quality of jobs, and correcting the relatively unequal distribution of jobs and earnings.

The proportion of informal employment in India is nearly 60-92%, with large differences in income between formal and the informal sector. According to estimates, formal workers earned 3.2 times more than the informal workers did in 2011. The difference across demographic and regional groups in India are also stark— workers with tertiary education earned 5.5 times more than those with below primary education, workers in urban area earned 2.4 times more than the workers in rural areas, and men earned 1.7 times more than women².

Therefore, the priority for policy makers in the country is not only to create more jobs, but also to bridge the yawning chasm in the wage differentials

across various groups. Recent research by Export-Import Bank of India (Exim Bank) and the World Bank-ILO emphasize the impact of exports on achievement of positive labour market outcomes. As India looks at propelling the country to a higher growth trajectory, it will be important to assess the magnitude of impact of exports in addressing the employment challenges and fostering inclusive growth.

Impact of Indian Exports on Employment

An essential first step in the establishment of linkages between exports and employment would be construction of a reliable time series estimates of the number of jobs supported by India's exports. Recognizing the need for such estimates, Exim Bank conducted a study on the linkages between exports and employment in India. According to the Study³, total number of jobs supported by aggregate Indian exports (merchandise plus services) increased from about 34 million in 1999-00 to 62.6 million in 2012-13⁴, recording a growth of 3.4% per annum. In fact, export supported employment accounted for nearly 14.5% of the total employment in India during 2012-13.

While the total number of jobs supported by exports increased significantly, jobs supported per million dollar worth of exports has declined. This observed decline could be attributed to improvement in labour productivity (which in turn may mean higher wages) as well as due to the change in composition of exports in favour of more skill and capital-intensive products. In spite of the decline, jobs supported per million dollar worth of exports remains higher for India as compared to several other countries. Exim Bank research suggests that US\$ 1 million worth of exports supported 138 jobs during 2012-13, considerably higher than 5.2 jobs supported in the USA during 2014.

A recent study by the World Bank-ILO further corroborates the positive impact of exports on

¹Artuc, Erhan; Lopez-Acevedo, Gladys C.; Robertson, Raymond; Samaan, Daniel. 2019. Exports to Jobs: Boosting the Gains from Trade in South Asia (English). South Asia Development Forum. Washington, D.C.: World Bank Group.

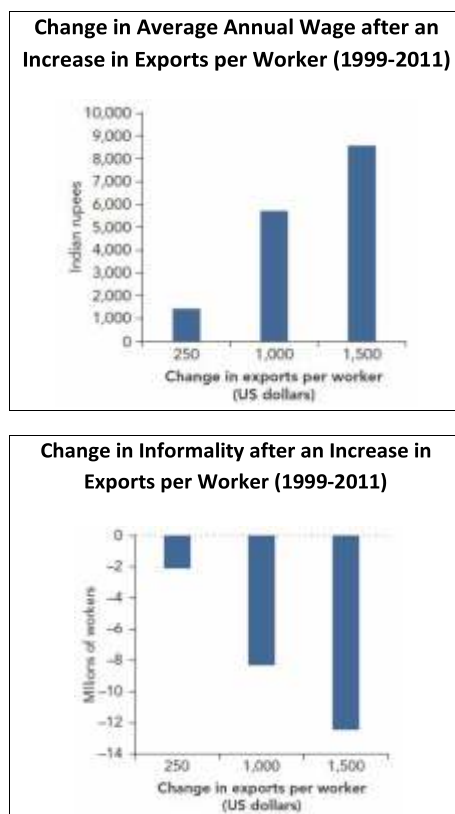
²Ibid.

³Inter-linkages between Exports and Employment in India, Occasional Paper No. 179, Export-Import Bank of India

⁴Data on employment is a challenge, and the latest available data in FY17 for meaningful analysis was for FY13.

employment, in terms of wages and reduction in informality. According to the Study, an increase of ₹ 1,500 in India's exports per worker increases wages per worker by ₹ 8,000, and reduces informality by 12.4 million workers (Figure 1). Clearly, a robust export-led growth strategy can lead to substantial gains for the labour market in India.

Figure 1: Effect of Increase in Exports per Worker on Wages and Informality



Source: World Bank-ILO Study

Research indicates that the nature of the export-led growth strategy also determines the outcomes for labour markets. Currently, the exports from India are capital-intensive in its composition. A generalized and capital-intensive trade shocks would have significant impact on high-skilled workers with tertiary education, with their average wages rising by ₹ 5,318 for a US\$ 250 increase in exports per worker⁵. On the other hand, labour-intensive export shock would have

a greater impact on low-skilled workers, and the largest boost in wages would be for workers with below primary, primary, and secondary education.

The relationship between export growth and local labour market developments also differs across states. During 1999-2011, exports played a much larger role in the wage improvements in some of the states. At the high end, about 15% of wage increase in Pondicherry and Jharkhand can be attributed to more exports. In Gujarat and West Bengal, about 10% of the wage increase was because of higher exports. In Chhattisgarh, Delhi, and Maharashtra, the contribution of export-induced wage to the total wage increase is more than 5%. With regard to informality, greater exports can explain all of the reduction in informality in Delhi during the period under consideration. In Maharashtra and Chandigarh, higher exports contributed to nearly 40% of the total reduction in informality.

The establishment of this relationship has significant policy implications for state governments because many policies are determined at the state-level and these can magnify or diminish the effect of export shocks. Higher participation of the state governments is required for trade facilitation, reform of standards regime, and more value addition in the production cycle. These would boost production and exports, and in turn influence labour market conditions in the states.

Realizing the need for active participation of state governments in exports growth, Ministry of Commerce and Industry, Government of India has established the Inter-State Trade Council and the Council for Trade Development and Promotion, to serve as mechanisms for institutionalized dialogue between the Union and the State/ Union Territories on matters pertaining to trade facilitation. Exim Bank has also been engaging with

state governments for preparation of export strategy papers at the state-level, which guides the preparation of state-level export policies. Emerging research in this area further reinforces the need for such exports strategies at the state-level, from the perspective of inclusive growth as well.

Conclusion

Export growth is not a panacea for employment growth, but recent research firmly establishes its contribution to the number and nature of jobs. A well-formulated export growth strategy has the potential to bring down the labour market gap and persistent informality in the country. The dissemination of recent research in this area would induce more state governments to design export strategies and policies, with the perspective of not only encouraging economic activity, but also grappling with issues of low volume and quality of jobs in their states.

Central and state governments need to adopt complementary policies and measures that help spread the gains from exports. This would include boosting and connecting exports to people by investing in infrastructure and better connectivity and freer trade. Export strategy should also focus on eliminating distortions in production by reform in labour market regulations, increasing participation of women in merchandise exports, and increasing worker mobility. Alongside, there is also a need for improving skills of workers and preparing the workforce to handle the complexities of globalized production systems. The move to a more capital-intensive growth path is inevitable, and as the country makes such transitions, there will be a need for concomitant increase in training efforts. This will be important to ensure that the wage gaps do not widen, and threaten the objectives of inclusive growth.

⁵In the World Bank-ILO study, shocks are only in the form of the import demand of OECD countries. But these results can be extrapolated to supply-side shocks as well.

Special Coverage: 14th CII-Exim Bank Conclave on India-Africa Project Partnership

Export-Import Bank of India (Exim Bank) and the Confederation of Indian Industries (CII), in collaboration with Ministry of External Affairs and the Ministry of Commerce & Industry, Government of India, had organized the 14th edition of the CII-Exim Bank Conclave on India-Africa Project Partnership in New Delhi during March 17-19, 2019. The first Conclave was held in 2005, and over the years the Conclave has emerged as the pioneer event in building partnerships and enhancing the economic engagement between India and Africa. The Conclave has also facilitated the enhancement of Indian project exports to African markets. The growing India-Africa economic exchanges bear testimony to the noticeable benefits that had accrued from the high profile engagements at the Conclaves. The Conclave has seen the participation of eminent dignitaries from across Africa and India, who have actively built bridges to strengthen the partnership between the two regions.

The 14th Conclave was inaugurated by the Hon'ble Minister of Commerce & Industry, Shri Suresh Prabhu. In the inaugural speech, the Minister has emphasized that the current trade between India and Africa at US\$ 60 billion is below potential, and there is a need to expand the trade volume, and increasing diversification of trade basket. The minister also stated that a Free Trade Agreement (FTA) between India and Africa could be negotiated, which will be unique in nature

and will be beneficial to the needs of Africa. He further stressed that India is ready to take India-Africa Partnership to the next level, which however should first benefit Africa and help increase its share in the global market place.

Though the African continent offers a large market, it is an amalgamation of more than 50 countries, with immense and diverse opportunities; and hence an umbrella approach or a single strategy for the entire region is not a feasible one. A number of constraints were highlighted such as inadequate infrastructure facilities (physical, financial, digital and human resource), limited access to finance and challenges in regulatory environment. A spectrum of solutions were explored to enhance cooperation including trilateral partnership, innovative financing instruments, diversification of Indian investments, partnerships in food security, energy solution, digital infrastructure, and connectivity, among others.

The Guests of Honour for the 14th Conclave were H.E. Dr. Mahamudu Bawumia, Hon'ble Vice President, Republic of Ghana; H. E. Dr. Ibrahima Kassory Fofana, Hon'ble Prime Minister, Republic of Guinea; and H.E. Mr. Monyane Moleleki, Hon'ble Deputy Prime Minister, Kingdom of Lesotho. All the three dignitaries spoke about the current India-African partnership, and need for further cooperation in various sectors of their respective countries and continent.

Three Lines of Credit (LOC) agreements for US\$ 83.11 million were exchanged between H.E. Ms. Mossi Nyamale Rosette, Ambassador of the DR Congo to India and Mr. David Rasquinha, Managing Director of Exim Bank during the inaugural session of the 14th CII-Exim Conclave. These three LOCs were extended to DR Congo for financing installation of three Solar Photovoltaic Power Projects with a total capacity of 35 MW in the 3 provinces of the DR Congo namely Karawa, Mbandaka and Lusambo.

During the Valedictory session, Commerce Secretary, Government of India, Shri Anup Wadhawan, emphasized India's willingness to support Africa in its endeavour for sustainable development and inclusive growth as envisioned in African Union's Agenda 2063 and in meeting the Sustainable Development Goals targets.

The Conclave with the aim of achieving the multi-pronged target of increasing trade, investment and developmental activities, has succeeded in building a bridge between Indian and African businessmen and senior government officials, under the public private partnership model. The Conclave covered various key areas of cooperation between India and Africa including trade and investment enablers and disablers, infrastructure, manufacturing, capacity building, agriculture development and technology.

Release of Exim Bank's Publication during the Conclave

During the inaugural session, Exim Bank's study on "India-SADC Trade and Investment Relations: Harnessing the Potential" was released by the Hon'ble Minister of Commerce & Industry, Government of India, Shri Suresh Prabhu in the presence of dignitaries His Excellency Dr. Mahamudu Bawumia, Vice President, Republic of Ghana; Hon'ble Dr.

Ibrahima Kassory Fofana, Prime Minister, Republic of Guinea; His Excellency Mr. Monyane Moleleki, Deputy Prime Minister, Kingdom of Lesotho; and Shri Anup Wadhawan, Commerce Secretary, Government of India during the Inaugural Session of the 14th CII-EXIM Bank Conclave on India - Africa Project Partnership held in New Delhi on March 17, 2019. Exim Bank's

study analyses the current trade and investment scenario in the Southern African Development Community (SADC) region and the opportunities that the region presents for Indian businesses. The study highlights trends in SADC's intra-regional as well as global trade and foreign investments, and draws strategies for enhancing its trade and investment.

SADC countries are integral part of the African region accounting for around one-third of Africa's total geographical area, GDP and population in 2017. Among the major regional trading blocs in Africa, SADC is the largest contributor to Africa's GDP in 2017. According to the World Trade Organization (WTO), SADC ranks first among African RTAs in value terms, representing 37.3 percent of total African exports in 2017.

With the increasing diversification of India's global trade towards other developing countries, SADC has emerged as an important partner for India. During the last ten years, India's total trade with SADC countries nearly doubled from US\$ 13.7 billion in 2008 to US\$ 25.5 billion in 2017, with SADC's share in India's total trade with Africa having increased from 32.8 percent in 2008 to 42.4 percent in 2017.

The increasing importance of India as SADC's trading partner can also be assessed from the fact that India's share in SADC's global trade has more than doubled from 2.9 percent recorded in 2008 to 6.4 percent in 2017.

While mineral fuels and pharmaceutical products dominate India's export basket to SADC, together accounting for 46.7 percent of India's total exports to SADC in 2017, the share of mineral fuels witnessed a fall while that of pharmaceutical products more than doubled during the last ten years. South Africa is India's largest export destination in SADC, accounting for around 44.9 percent of India's total exports to the region in 2017. Other major export markets in SADC include Tanzania, Mozambique and Mauritius. The share of SADC in India's global imports has

increased from 2.4 percent in 2008 to 3.7 percent in 2017. India's imports from SADC was largely dominated by mineral fuels, oils and its products and pearls and precious stones, which together accounted for 78 percent of imports from the region in 2017. South Africa is the largest import source, followed by Angola, Botswana, Tanzania, Mozambique and Zambia.

The study highlights that though SADC's trade has grown considerably since the establishment of an FTA in 2008, there exist immense potential for increasing SADC's regional and overall trade. Key strategies include enhancing intra-regional trade, product and market diversification, reduction of non-tariff barriers (NTBs) and other barriers to trade, and development of regional and global value chains.



Overview

Punjab, one of the northern states of the country, and known as the 'Bread Basket of India', has traditionally been an agricultural economy. The GSDP of Punjab, at 2011-12 prices, witnessed a consistent and gradual increase from 3 trillion in 2013-14 to 3.7 trillion in 2017-18, thereby recording an average annual growth rate (AAGR) of 5.6%. This growth has mostly been driven by the tertiary sector. Punjab's share in the India's GDP has decreased from 3.1% in 2013-14 to 2.9% in 2017-18.

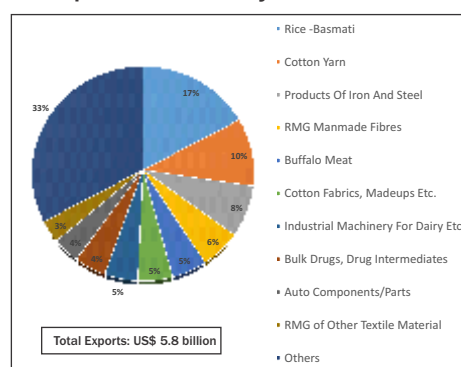
Export Scenario

Exports from Punjab were registered at US\$ 5.8 billion in 2017-18, down from exports valued at US\$ 7.1 billion in 2013-14, registering a negative AAGR of 4.4%, during this period. The State ranked 13th on the exports ranking table, with a share of 1.95% in the country's exports in 2017-18.

Product Analysis

At a principal commodity level, the top 10 principal commodities from Punjab contributed around 67.1% to the total exports of the State in 2017-18.

Exhibit 1: Principal Commodities exported from Punjab in 2017-18



Source : Trade Map, ITC Geneva

At the HS-6 digit level, the top 10 exported products constituted 44.4% of the State's total exports in 2017-18. At this level, the largest exported item was 'Semi-milled or

wholly milled rice, whether or not polished or glazed' (HS Code-100630), with exports being registered at US\$ 1064.3 million, down from US\$ 1715.8 million, with AAGR being recorded at (-) 9.7%, during this period. The product contributed 18.4% to Punjab's exports in 2017-18, down from 24.3% in 2013-14. Almost 15% of this item exported by India was from Punjab, in 2017-18. One of the major reasons for the lower exports of HS Code - 100630 was the falling exports to Iran during the same period.

The second highest exported item in 2017-18 was 'Frozen, boneless meat of bovine animals' (HS Code-02023). This item registered exports worth US\$ 271.9 million in 2017-18, down from US\$ 364.5 million in 2013-14 and up from a 5-year low of US\$ 97.1 million in 2016-17, registering an AAGR of 18.7%, during 2013-14 to 2017-18, with the growth in the year 2017-18 majorly supporting this. The major contributor to the growth in 2017-18 were the exports to Vietnam. Vietnam which had a share of 21.4% with exports at US\$ 77.8 million in 2013-14, saw its share surging to 52.7% in 2017-18.

Country Analysis

A destination wise analysis of exports from Punjab reveals that whilst the top 10 exporting destinations in 2013-14 contributed 58.5% to Punjab's exports, the contribution by the top 10 destinations was 54.5% in 2017-18, signifying diversification of export destinations. The major export destinations for Punjab in 2017-18 were USA (11.4%); UAE (10.4%); Iran (6.4%); Bangladesh (5.6%); and Saudi Arabia (5%).

FDI in Punjab

According to the fDi markets database, during 2008 to 2017, Punjab accounted for 1.0% of the estimated number of

projects and 1.4% of the estimated total envisaged foreign capex (EFC) in India. During this period, the State was host to 81 envisaged projects by 60 companies, which together accounted for about 26,800 jobs. The capex envisaged in these projects amounted to US\$ 5.9 billion, averaging to about US\$ 72.5 million per project.

As far as the number of projects are concerned, the United States expressed the highest number of projects for capex investment into Punjab at 30, which was more than one-third of the total number of projects envisaged in the State during 2008 to 2017. With respect to the amount of EFC during 2008 to 2017, the UK leads the way with almost US\$ 1.8 billion EFC in Punjab, equivalent to 30.4% of the total EFC to the State, during this period. The top 10 sources accounted for 96% of the EFC to Punjab, with the UK and the US together accounting for 58%.

At sectoral level of EFC, real estate was the leading sector amounting to US\$ 1556.8 million of EFC, representing a share of 4.5% of the total EFC, to this sector in India during 2008 to 2017. In fact, real estate alone accounted for more than 25% of the EFC to the State during this period. This was followed by 'Coal, Oil and Natural Gas' sector which saw US\$ 953.3 million worth of EFC, representing a share of 2.6% in India's total EFC to this sector.

Sum up

It is observed that, the landlocked states such as Uttar Pradesh (4.7%), Haryana (4.5%), and Rajasthan (2.3%), which face a similar geographical constraint, as compared to Punjab, have contributed more to India's exports in 2017-18 than Punjab. This gap has the potential to be reduced, given its diverse industrial base and a robust production network.

Mexico is the second largest economy in the Latin American and Caribbean region and 15th largest economy in the world with a nominal GDP of US\$ 1.2 trillion. India-Mexico bilateral relations have been progressively strengthening over the years and the two countries continue to have regular bilateral visits and interactions at the highest level. The two countries established a "Privileged Partnership" in 2007-08.

India and Mexico have a number of bilateral dialogue mechanisms, agreements and MOUs in place, covering a wide spectrum of areas such as trade, investment, education, science & technology, etc. Key institutional dialogue mechanisms are the Bilateral High Level Group on Trade Investment & Economic Cooperation, Bilateral Joint Commission; agreements and MOUs including for Investment Promotion and Protection, Double Taxation Avoidance, Extradition, Administrative Assistance in Customs Matters, Air Services, Science and Technology Co-operation, Space Cooperation, Promotion of Traditional Medicine, Tourism Promotion, Cultural Exchanges, etc.

India has strong commercial ties with Mexico, and the bilateral trade between the two countries more than doubled from US\$ 3.5 billion in 2011 to US\$ 8.8 billion in 2018. While India's exports surged almost three times from US\$ 1.3 billion in 2011 to US\$ 3.8 billion in 2018, India's imports also increased by more than two times during the same period from US\$ 2.2 billion to US\$ 5 billion. Mexico is the largest export destination for India in

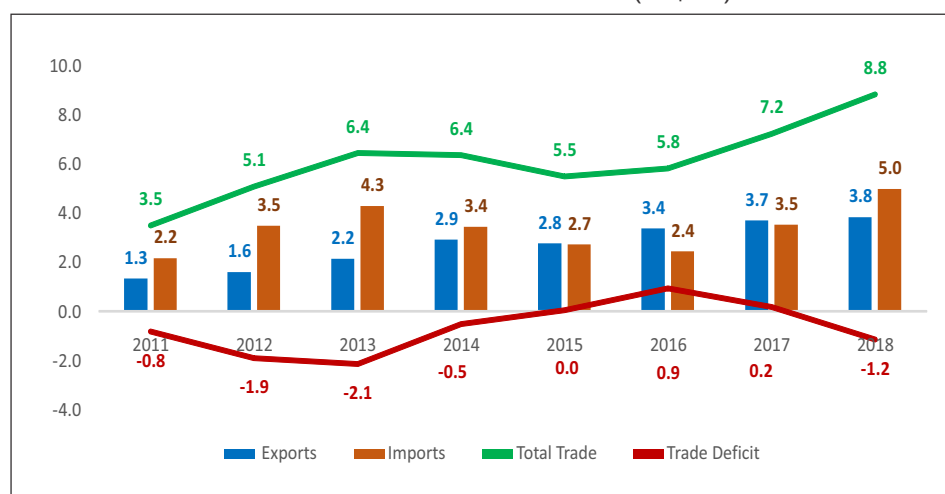
the Latin America and the Caribbean region in 2018 and the second largest source of imports from the same region in 2018.

During 2018, transport vehicles were India's largest export item to Mexico, with a share of 44.6% in India's total exports to Mexico. Organic chemicals (8.9%), aluminium and its articles (6.9%), machinery and instruments (5.3%), and electronics (4.9%) were other top exporting products from India to Mexico in 2018. Mineral fuels and oils were the major items imported by India from Mexico in 2018, accounting for 74.7% of its total imports from Mexico. Other major items were electronics (11.8%), followed by machinery and instruments (3.5%), transport vehicles (2.3%), and tanning or dyeing extracts (1.7%).

Mexico is a major source of FDI to India from the Latin American region, with total investments of US\$ 132.9 million in India during the period April 2000 to December 2018. Leading Mexican companies like Nemak, Metalsa, Mexichem, Tremec, Great Foods &

Beverages, Ruhr Pumpen, Cinepolis and Kidzania have invested in India in recent times. Mexican IT company Softtek became the first Latin American company to have a presence in India as service provider. Recently Bimbo Group has also announced investment in India. During the period April 1996 to January 2019, India's outward FDI to Mexico amounted to US\$ 156.1 million. Most of the leading Indian companies in IT/software (TCS, Infosys, Wipro, NIIT, BirlaSoft, HCL, Aptech, Hexaware, Patni, Tech Mahindra etc.) and pharmaceutical (Claris Life Sciences, Wockhardt, Sun Pharma, Dr.Reddy's Laboratories, Torrent Pharmaceuticals, etc.) sectors have set up joint ventures in Mexico taking advantage of its strategic location, large market and investment friendly policies. OVL has also set up an office in Mexico City. As India looks to diversify its import sources for crude oil in the wake of global uncertainties, Mexico can become an important partner for India, further improving on the already good trade relations between the countries.

India's Bilateral Trade with Mexico (US\$ bn)



Source: ITC Trademap and Exim Bank Analysis

Background

Export-Import Bank of India (Exim Bank) and the Ministry of Commerce and Industry jointly organized three interactive seminars on Strategic Economic Cooperation with the countries of Africa, Latin America & Caribbean, and Europe and Oceania during the months of February and March 2019. The events were aimed at facilitating interactions with ambassadors of countries in the aforementioned regions, for discussing the potential for realizing the untapped trade potential in the regions. In each of these seminars, Exim Bank made detailed presentations, giving details of products that have high export potential, and outlining the strategies for enhancing bilateral trade and investment. Shri Suresh Prabhu, Hon'ble Minister of Commerce & Industry and Civil Aviation, participated in the interactions, and encouraged the countries to explore mutually beneficial area for cooperation.

Potential for Enhancing India-Africa Strategic Economic Cooperation

India has emerged as the fourth largest trading partner for Africa, and both Africa and India have substantial market penetration in each other's markets. Presentation by Exim Bank highlighted a significant untapped trade potential of US\$ 42 billion. Key strategies to improve and strength bilateral economic relations include, among others

- Improving market access, and exploring the scope for free trade agreements;
- Establishing value chain linkages to boost trade by identifying policy options and solutions to improve trade and investment, and reduce impediments to trade;



India-Africa Strategic Economic Cooperation

- Enhancing project exports by easing regulatory constraints, improving mobility of manpower etc.; and
- Collaborating for the development of healthcare and renewable energy sectors

Potential for Enhancing India –Latin America and Caribbean (LAC) Strategic Economic Cooperation

India has emerged as the 11th largest trading partner for LAC in 2017, from 24th position in 2008. India has potential for further market penetration in the LAC market, as the share of India in LAC's imports stands at 1.4%, lower than its share of 1.7% in global exports. Bilateral untapped trade potential between India and LAC exceeds US\$ 15.4 billion. Some of the key strategies to improve and strengthen bilateral economic relations include, among others

- Establishment of production value chains engendered by FDI in sectors such as automotive, pharmaceuticals, agri-business, aircraft, machinery, IT & ITeS, among others;
- Cooperation in energy security, especially by encouraging petroleum value chain linkages;
- Capacity building and knowledge sharing, especially through the Indian Technical and Economic Cooperation program;
- Supporting infrastructure development in LAC through Lines of Credit program of the Government of India;
- Collaborating in renewable energy such as solar and wind power



India-Latin America and Caribbean Strategic Economic Cooperation

Potential for Enhancing India's Strategic Economic Cooperation with Europe and Oceania

Both Europe and Oceania account for a significant share in India's trade. India is a key global exporter in several of the top items which are imported by Europe as well as Oceania. However, while India has a substantial market penetration in a few areas, there is a need for enhancing market share in several other sectors, with the total untapped trade potential with the region estimated at US\$ 90.6 billion. India and Oceania also have an untapped export potential of more than US\$ 6 billion. Some strategies for improving two-way trade as well as enhancing economic cooperation include, among others

- Enhancing market access in Europe through accelerating the on going Broad-based Trade & Investment Agreement /European Free Trade Association negotiations and by bilaterally resolving issues faced by exporters on account of non-tariff measures;
- Expediting the Comprehensive Economic Cooperation Agreement (CECA) with Australia and New Zealand, covering trade in goods, services, investment and related issues;
- Establishing investment-led value chain linkages;
- Collaborating with Europe in the areas of renewable energy, technology transfer and R&D cooperation for innovation in renewable energy; and
- Achieving energy security through collaboration with Oceania.



Trade and Economic Cooperation with Countries of Europe and Oceania

Exim Bazaar - An Exclusive Exhibition of Handicraft and Handloom Products, Organized for the First Time in Gujarat

Exim Bank has been supporting and curating grassroots enterprises and craftsmen across India through several activities including organizing product development workshops, skill development trainings, placing products in local & overseas markets and sponsoring booths at prestigious trade fairs. To augment these efforts, the Bank launched, in September 2017, its initiative 'Exim Bazaar', an exclusive handicraft & handloom exhibition, enabling direct sales to the end buyer. The 3rd edition of 'Exim Bazaar' was held at the Ahmedabad Haat, Ahmedabad, during January 04-06, 2019.

A total of 55 participants, representing the rich artistic traditions of more than 25 states including Maharashtra, Gujarat, Rajasthan, Telangana, West Bengal, Odisha, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, and Manipur, showcased their handmade products.

The products sold during the exhibition included Kashmiri embroidery textiles, Pashmina wool, Dhokra crafts, Sanjhi Painting, Terracotta & Black Pottery items, Chennapatna toys, Miniature, Phad&Pichwai Paintings, Appliqued & Embroidered textiles & garments, Jute bags & mats, Punjabi jutti, footwear, Warangal Carpets, Ikat textiles, Organic Honey, Leather Puppetry, Foot & Mouth Painting, Paithani Sarees, Grass Weaving Baskets, ceramic pottery, Madhubani and Pattachitra Paintings etc. The event attracted more than 8000 visitors. Total spot sales generated during the exhibition accumulated approx. ₹ 50 lakh, and besides many artisans secured valuable contacts for future bulk orders.

Exim Bank, through its Grassroots Initiatives for Development (GRID) and Marketing Advisory Services (MAS) programs, has been extending all-round (financial/advisory) support to promote grassroots initiatives, and innovative

technologies, particularly the ones with export potential. The principal objective is to help the artisans, producer groups, clusters, small enterprises and also NGOs who are the real custodians of the country's vast and diverse cultural heritage, but who are languishing at the grassroot economically; realize remunerative return on their produce, inter-alia, through exports. A sub-objective has been to augment operational efficiency, achieve higher value addition, and widening market access for the products and play a promotional role to create and thereby enhance export capabilities and international competitiveness of the micro-Indian enterprises, through specific interventions such as assistance in skill development, product development and obtaining export market certifications.

For further information, please contact: grid@eximbankindia.in

Exim Bazaar at Ahmedabad Haat, Ahmedabad



Felt Crafts



Phad Paintings



Phulkari Craft



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 (GOI) under which Exim Bank reimburses 100% of contract value to the Indian exporters, upfront upon the shipment of goods. At least 75% of goods and services of total contract value should be sourced from India. The Bank has now in place 246 Lines of Credit, covering over 62 countries in Africa, Asia, Latin America, Oceania and the CIS, with credit commitments of over USD 24.28 billion, available for financing exports from India.

Exim Bank, with the support of the GOI, has signed seven LOCs as given below during the period Jan-Mar 2019:

(i) An LOC of USD 38 million was extended to the Government of the Republic of Mozambique for construction of 1600 Borewells with Handpumps and 8 Small Water Systems. With the above LOC, Exim Bank, till date, has extended fourteen LOCs to Mozambique, with the support of the GOI, taking the total value of LOCs extended to USD 772.44 million. The projects covered include rural electrification projects, transfer of water drilling technology and associated equipment, IT Park project, enhancing productivity of rice-wheat-maize cultivation, solar photo voltaic module manufacturing plant, rehabilitation of road between Tica, Buzi and Nova Sofala, construction of 900 houses and procurement of railway rolling stock including locomotives, coaches and

wagons.

(ii) An LOC of USD 800 million was extended to the Government of the Republic of Maldives for financing developmental projects. Exim Bank, till date, has thus extended three LOCs to the Government of the Republic of Maldives, with the support of the GOI taking the total value of LOCs extended to USD 880 million. The projects covered include various infrastructure development projects.

(iii) Three LOCs aggregating USD 83.11 million were extended to the Government of the DR Congo for financing installation of 3 Solar Photovoltaic Power Projects with a total capacity of 35 MW in the 3 provinces of the DR Congo namely Karawa, bandaka and Lusambo. With the above LOCs, Exim Bank, till date, has extended ten LOCs to the Government of the or Congo, with the support of the GOI, taking the total value of LOCs extended to USD 578.05 million. The projects covered include hydroelectric power projects, power transmission and distribution projects, cement plant, hand pumps & submersible pumps installation, and solar power projects.

(iv) An LOC of USD 200 million was extended to the Government of the Republic of Uzbekistan for housing and social infrastructure projects. This is the first LOC extended by Exim Bank to Uzbekistan with the support of the GOI.

(v) An LOC of USD 100 million was extended to the Government of Papua New Guinea for development of road and infrastructure projects. This is the first LOC extended by Exim Bank to Papua New Guinea with the support of the GOI.

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Success story

Vietnam

- A project valued at USD 9.30 million for construction of Binh Bo drainage pumping station under a GOI-supported Exim Bank's LOC of USD 19.50 million to the Government of Vietnam was completed in November 2018. The drainage pumping station would enable drainage of flood water into the river to save the crops of the region.



Sri Lanka

- Six diesel multiple units [DMU] with air conditioned passenger compartments featuring state-of-the-art interiors and modern driver-cum-guard cabin have been supplied to Sri Lanka Railways under a project valued at USD 58.04 million in November 2018. The project is covered under GOI-supported Exim Bank's LOC of USD 382.37 million to the Government of Sri Lanka.



Exim Bank raises US\$ 500 million for 5 Year Tenor atacoupon of 3.875% p.a.

Exim Bank successfully launched a Reg-S 5 year Bond issue of USD 500 mn. The issue attracted a total order book in excess of USD 1.7 billion at close, thereby achieving more than 3.4 times over subscription of the issue size from 117 high-quality investors. The funds thus raised will be used by the Bank to support Indian project exports, overseas investment by way of long term credit and its lines of credit portfolio.

The transaction was priced at the fair value of CT5+140 bps, well inside the initial price guidance of CT5+165 bps area, representing significant price tightening of 25 bps, implying nil new issue premium. In terms of geographic distribution, the bonds were distributed 87% in Asia and 13% in the Europe and offshore US. HSBC Bank and Standard Chartered Bank acted as Joint Lead Managers and book runners for the offering. Exim Bank has been rated as 'Baa2 (Stable)' by Moody's and 'BBB-(Stable)' by Fitch, same as the rating of Government of India.

In terms of distribution, the bonds were distributed to high quality fixed income accounts with around 44% distributed to fund and asset managers, 29% to banks and 20% to insurance and sovereign wealth funds, 7% to private banks. Exim Bank has listed the bonds on India INX and the bell ringing ceremony was conducted on March 27, 2019 at BSE.

Exim Bank extends second Buyer's Credit of USD 15 mn under National Export Insurance Account [BC-NEIA] in Latin America region to the Government of Republic of Suriname

Exim Bank has extended its second BC-NEIA of USD 15 mn in Latin America

Region to the Government of Republic of Suriname for financing the contract for design, manufacture, supply, supervision, installation and commissioning of 19 vertical axis pumps with spares in 10 locations in Suriname. The project would be executed by Kirloskar Brothers Ltd., India. The BC-NEIA Agreement to this effect was signed in Paramaribo, Suriname by H.E. Mr. Gillmore Hoefdraad, The Minister of Finance, Government of the Republic of Suriname and Mr. Sailesh Prasad, Dy. General Manager & Resident Representative-Americas, Washington DC, on behalf of Exim Bank, in the presence of H.E. Mr. Lekhram Soerdjan, Minister of Agriculture, Animal Husbandry and Fisheries of the Republic of Suriname and Mr. Mahender Singh Kanyal, Ambassador of India to Suriname.

The second BC-NEIA in the Latin America region would not only help increasing exports from India to LAC region but also provide opportunities for Indian exporters to explore the region further. It is a unique financing mechanism that provides a safe mode of non recourse financing option to Indian exporters and serves as an effective market entry tool to traditional as well as new markets in developing countries, which need

deferred credit on medium or long term basis.

Exim Bank to receive 6,000 crore capital infusion, authorized capital doubled to 20,000 crore

The Union cabinet approved issuance of recapitalization bonds by the Government of India to the tune of 6,000 crore for capital infusion in Export Import Bank of India (Exim Bank). The equity will be infused in two tranches of 4,500 crore in FY 2018-19 and 1,500 crore in FY 2019-20 respectively. The infusion of capital into Exim Bank will enable it to maintain capital adequacy and support Indian exports with enhanced ability. The Cabinet also approved an increase in the authorized capital of Exim Bank from 10,000 crore to 20,000 crore.

Exim Bank works towards promoting India's international trade and investment. The Bank offers Indian companies a comprehensive range of products and services, supported by analysis and research, with a view to enhancing their international competitiveness. The Bank supports Indian exporting companies in their globalization efforts through a variety of lending programmes.

USD 500 mn Bond issuance by India INX at BSE



The Commencement Day Annual Lecture series was initiated in 1986 by Export-Import Bank of India (Exim Bank) 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 include, inter alia, 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; and Dr. Donald Kaberuka, the former president of the African Development Bank.

Exim Bank's 34th Commencement Day Annual Lecture was delivered by Professor Abhijit Banerjee on January 9, 2019, at the Taj Mahal Palace Hotel, Mumbai. Professor Abhijit Banerjee is currently the Ford Foundation International Professor of Economics at the Massachusetts Institute of Technology (MIT). He is also the Co-founder and Director of the Abdul Latif Jameel Poverty Action Lab at MIT, and has been an honorary consultant at the Planning Commission of India. He spoke

on the topic, "Redesigning Social Policy".

In his lecture, Prof. Banerjee explained that India's social policy framework was designed at a time when it was one of the poorest countries in the world, and in the present day context, there is a need to reset these policies. He discussed critical issues in India's social policy that need to be prioritized, such as education, healthcare, jobs, social protection, and urbanization, and proposed solutions to these issues.

In the context of education, he highlighted that although more children are enrolled in schools in India at present than what used to be in the past, most of them get stuck well behind their grade level, and tend to stay there. In healthcare, he elucidated that India is heading into a Non-Communicable Disease (NCD) crisis, partly as a result of increased longevity, coupled with childhood malnutrition, and increasing resistance to antibiotics. He highlighted that while India is increasingly focusing on tertiary care, what is more urgent is primary care, which includes early detection and greater credibility of healthcare providers. He suggested that recognizing the presence of such healthcare providers and regulating them by frequent tests of competence and certifications could be some possible solutions for this issue.

He further emphasized that India is not creating the job that it needs, and that there is a widespread perception among industrialists of a shortage of the kind of labour they want. He also opined that it is unlikely that the private sector will create the jobs that Indian youth want any time soon, with or without reasonable amount of reforms, and highlighted the problems within India's

manufacturing sector. He suggested that creating real Special Economic Zones (which are not limited to exports) with access to transport infrastructure, land and environmental clearances could be one possible solution for creating jobs in the country.

With regard to social protection in India, he suggested that the schemes must aim at targeting a larger set of population, going forward. He also proposed a new social compact wherein the government acknowledges that it imposes large costs on specific groups in pursuit of overall efficiency, and sets up a mechanism for identifying such groups based on where they are located and what they produced, as geographical identification is much more robust than individual identification. After identification, such groups can be compensated, if there is a policy that makes them worse off. For instance, if there is a bloc with significant sugarcane production and a policy change makes sugarcane production less profitable, the government can compensate the producers. He suggested that the government could create a national body for such compensation.

Finally, he highlighted that India is urbanizing swiftly, with several small towns turning into cities and many villages turning into towns. He emphasized on the need for a sound infrastructure in this regard. He argued that there is a need for city managers in the country, who are real professionals and can manage the emerging cities. He also emphasized that cities need to borrow within a federal framework and sell land strategically to raise resources and collect real estate taxes.

Exim Bank Supports Amla Growers & Processors Of Pratapgarh, Uttar Pradesh

Exim Bank has been supporting and curating grassroots enterprises and craftsmen across India, in the areas of product development, design & packaging sensitization, with the twin-objective of reviving the traditional arts and crafts of India, besides affording a sustainable means of livelihood to the artisans (including those engaged in traditional food processing).

Exim Bank along with Centre of Technology & Entrepreneurship Development (CTED), Lucknow, organized a product development workshop at Goonde village in the Pratapgarh district of Uttar Pradesh, which boasts of the highest amla harvest in the country. The objective of the product development workshop was to create awareness about the benefits of a diverse range of amla products including the new varieties that were launched during the workshop viz. amla tea, amla biscuits and amla energy drink; and also about the latest technologies for processing amla. This served the dual purpose of providing the target participants a platform for interaction with scientists & food processing experts while also providing an insight into the indigenous innovative technologies being used by manufacturers elsewhere. The interaction with experts and the practical demonstrations acted as a confidence booster for some of the growers to turn into amla entrepreneurs.

Exim Bank, through its Grassroots Initiatives for Development (GRID) and Marketing Advisory Services (MAS) programs, has been extending all-round (financial/advisory) support to promote grassroots initiatives, and innovative technologies, particularly the ones with export potential. The principal objective has been to augment operational efficiency, achieve higher value addition, and widen market access for the products and play a promotional role to create and enhance export capabilities and international competitiveness of the

micro-Indian enterprises, through specific interventions such as assistance in skill development, product development and obtaining export market certifications.

For further information, please contact: grid@eximbankindia.in

Activities Of Eximius Centre For Learning

Exim Bank, in association with FIEO, organised a seminar on 'Energising Entrepreneurship in International Trade' at Faridabad on February 21, 2019. The event was attended by more than 70 exporters from Haryana. Another seminar was organised on 'Exports from Kerala: Focus on Select Sectors' at Kochi on March 13, 2019, in association with FIEO. The seminar was attended by more than 100 exporters from Kerala. The speakers were invited from Customs, DGFT, Rubber Board and Spices Boards. Exim Bank released its latest publication on 'Indian Tourism Industry: Exploring Opportunities for Enhancing Growth' on the sidelines of this seminar. Exim Bank, in association with FIEO, organised an Interactive Session with Exporters from Punjab, on March 25, 2019, at Ludhiana.

A Business Outreach Programme on India's Lines of Credit and Solar Projects was organised in Chennai on February 11, 2019, in association with Ministry of External Affairs and International Solar Alliance. Apart from this, Exim Bank, jointly with the Ministry of External Affairs, organised Interactive Sessions for Indian Exporters on the Government of India's IDEAS Guidelines for LOCs and upcoming project opportunities in Kolkata, Hyderabad and Chennai.

To participate in upcoming Exim Bank's events in your region, visit www.eximbankindia.in/upcoming-events.

Exim Bank forecasts India's merchandise exports for the fourth quarter of FY2019 to grow at 7.7% and India's Non-Oil Exports to grow at 5.1% over the corresponding quarter of the previous year

Exim Bank forecasts India's merchandise exports to witness a growth rate of 7.7%

(increasing from US\$ 80.6 billion to US\$ 86.8 billion) and non-oil exports to witness a growth rate of 5.1% (increasing from US\$ 70 billion to US\$ 73.6 billion) during the fourth quarter of 2018-19 viz. January-March 2019, over the corresponding quarter of the previous year. The forecasts are based on Exim Bank's Export Leading Index (ELI), which continued to show a positive growth momentum. Forecast of growth in India's total merchandise exports and non-oil exports would continue to be released on a quarterly basis, during the first week of the months of June, September, December, and March for the corresponding quarters, with continuous improvisation to the model. The next growth forecasts for India's exports for the quarter April-June 2019 would be released during the first week of June 2019.

The model and the forecast results have been reviewed by a standing technical committee of domain experts comprising Professor Saikat Sinha Roy, Professor & Coordinator, Centre for Advanced Studies, Department of Economics, Jadavpur University, Kolkata; Dr. Sarat Dhal, Director, Department of Economic and Policy Research, Reserve Bank of India, Mumbai; Professor N. R. Bhanumurthy, Professor, National Institute of Public Finance and Policy (NIPFP), New Delhi; and Professor C. Veeramani, Professor, Indira Gandhi Institute of Development Research (IGIDR), Mumbai.

As part of its continued research initiatives, Exim Bank has developed an in-house model to generate an Export Leading Index (ELI) for India to track and forecast the movement in India's exports on a quarterly basis. The ELI gauges the outlook for the country's exports and is essentially developed as a leading indicator to forecast growth in total merchandise and non-oil exports of the country, on a quarterly basis, based on several external and domestic factors that could impact exports of the country.

Bolivia

Bolivia's real GDP exhibited growth rate of 4.1 percent in 2018 easing slightly from 4.2 percent in 2017. During 2019-23, average real GDP growth is forecasted to be at 4.2 percent. Growth is supported by robust private consumption and investments especially in infrastructure and hydrocarbons. Downside risks to economic growth are posed by political uncertainty, and a sharper slowdown of natural gas production (owing to weaker gas demand from Argentina and Brazil). Consumer price inflation is expected to increase to 2.8 percent in 2019 compared to 2.3 percent in 2018 as a result of the demand side pressures increase ahead of elections. The central bank of Bolivia (BCB) is expected to maintain the boliviano's Bs6.91: US\$1 peg to the US dollar until the next presidential election is concluded in late 2019. The BCB is expected to oversee a gradual depreciation of bolivianos and the exchange rate is expected to reach Bs7.4: US\$ 1 by end of 2022. The current account deficit is forecast to widen to 6.6 percent of GDP in 2019 from 6.1 percent of GDP in 2018 as government spending on infrastructure will boost imports and export revenues stagnate because of moderating commodity prices, causing the trade deficit to widen.

Equatorial Guinea

The economy of Equatorial Guinea is undergoing a recession, which is expected to continue till 2023. During 2018, the real GDP contracted by 7 percent. Slump in global crude oil prices and lack of buffers like international reserves and government deposits led to the crisis. Improvements in the business climate and increased foreign investments will lift the non-oil economy out of recession in 2020 onwards. Supply side constraints will keep

inflationary pressures looming. The currency of Equatorial Guinea is CFA franc, which is pegged to euro at CFAfr655: €1 and therefore, it fluctuates in line with euro-dollar movement. The current account deficit is expected to narrow from 3.1 percent of GDP in 2018 to 0.3 percent of GDP in 2023, as both exports and imports fall. Crude oil constitutes bulk of exports for the country, and with falling domestic crude production and declining international crude prices the exports of EQG are set to weaken. Imports are also expected to decline because of financial constraints. Modest improvements to the business climate and some foreign investment will lift the non-oil economy out of recession from 2020, though.

Oman

Economic growth of Oman is expected to pick up by 2.8 percent in 2019 from an estimated 2.4 percent in 2018, as a result of a rise in natural gas output and export volumes, following the termination of an OPEC output-reduction agreement. The annual average inflation is expected to rise to 2.4 percent in 2019, from 0.9 percent in 2018, reflecting the inflationary effects of the introduction of an excise tax and VAT. The impact of VAT, however, is expected to be partly offset by a decline in both global oil prices and non-oil commodity prices. Oman's currency peg to the dollar, set at OR0.385:US\$1, has come under pressure since the oil price collapse in mid-2014, which depressed the value of the sultanate's exports. However, the Central Bank of Oman is expected to maintain the peg, which was implemented in 1986 to ensure economic stability. Hydrocarbons account for more than 60 percent of Oman's export earnings and so the oil price recovery in 2018 has led to a strengthening of the country's external position following the 2014-16 oil price

slump. In 2019, as falling oil prices negatively affect hydrocarbons export revenue, the current account deficit as a percentage of GDP is expected to widen to 7.1 percent as compared to 6.2 percent in 2018. The implementation of a number of pro-business reforms—including allowing 100 percent foreign ownership of companies, implementing a foreign direct investment (FDI) law, liberalising key sectors and increasing the use of public private partnerships (PPPs)—is expected to lead to a pickup in investment.

South Korea

Real GDP of South Korea is expected to moderate to 2.4 percent in 2019 as compared to 2.7 percent recorded in the preceding year. The South Korean economy is heavily dependent on external demand, especially for semiconductor devices. The US China trade war is expected to have a negative impact on South Korea's external sector until at least 2020. This is likely to encourage local exporters to expand into relatively untapped emerging markets, including India and the member states of the Association of South-East Asian Nations (ASEAN). Private consumption would remain a key economic driver. The annual rate of consumer price inflation is expected to increase to 1.6 percent during 2019, from 1.5 percent recorded in 2018. As one of the world's largest importers of oil and liquefied natural gas (LNG), South Korea is likely to remain highly vulnerable to unexpected shifts in global energy prices. The Won expected to appreciate slightly in 2019, to an average of W 1,089: US\$1, as the Fed is expected to leave US rates unchanged for the rest of the year. The current-account surplus as a percentage of GDP is expected to shrink to 4.6 percent in 2019 from 4.9 percent of GDP in 2018 as a result of a narrowing trade surplus.

British Pound Sterling

Volatility in the pound has collapsed since European Union leaders and the British government announced that Brexit would be delayed for up to six months.

This partly reflects the removal of an immediate risk of a no-deal Brexit - which was expected to have hammered the pound. However, it is offset by prospects of a British Conservative Party leadership vote for a replacement for Prime Minister Theresa May, a general election, and the threat to the British economy by raising the possibility of months of uncertainty in Britain as politicians struggle over how - or whether - to leave the EU.

In the currency derivative markets, expectations for volatility in the British pound plummeted to their lowest levels in more than a year after European Union leaders and the British government announced that Brexit would be delayed for up to six months.

Sterling implied volatility gauges slipped across the board, extending a recent decline, to their lowest levels since January 2018, as no significant Brexit-related developments were expected soon. Strong jobs data failed to pump any life into a lacklustre trading session.

According to the Office for National Statistics, total earnings, including bonuses, rose by an annual 3.5 percent in the three months to February. It was the joint highest rate since mid-2008.

The pound edged lower to 1.3070 against the dollar and weakened 0.25 percent against the euro to 86.49 pence.

Investor surveys also highlighted uncertainty. A monthly survey by Bank of America Merrill Lynch found that the UK was the least favoured region among global money managers with investors broadly having an underweight position

on UK stocks.

Brazilian Real

The outlook for Brazil's real has weakened for the first time since President Jair Bolsonaro took office at the start of the year as an eruption of political tension cast doubts on his pension reform drive, as showed by a Reuters poll.

The median estimate of 26 analysts surveyed during April 1-4 for the Brazilian currency is 3.70 per dollar in 12 months. This projection is 4.7 percent stronger than its value on April 4 but ended three months of improving prospects.

Bruno Lavieri, an economist at the 4E consultancy, said that the pension reform will be approved only after being severely watered down, reducing its fiscal impact. He pegged the real at 4.05 in one year, one of the most pessimistic views.

During the first week of April, officials sought to calm market fears sparked by Economy Minister Paulo Guedes' threat to quit if other government members and allied lawmakers did not support plans to drastically change Brazil's retirement system.

Benign external conditions should offset Brazil's homegrown problems. Simon Harvey, FX Analyst at Monex Europe said that they remain relatively optimistic on BRL along with EMFX as a whole, due to reducing global headwinds for emerging markets.

He added that a likely rate cut in the U.S. may prompt a sell-off in the U.S. dollar. Furthermore, with Chinese authorities being expected to intervene to maintain a high growth rate, an increase in external demand suits Brazil's balance of trade.

Chinese Yuan

The Chinese yuan is expected to hold on to its recent gains against the dollar, and

likely make a modest push forward from current levels over the coming year, as optimism about a U.S.-China trade deal offsets anxiety over weak domestic economic growth, as showed by a Reuters poll.

Having slumped about 6 percent against the dollar in 2018, with analysts wagering in early January of a move towards 7 per dollar by mid-year, the yuan has defied pressure and gained around 2.5 percent this year.

That rebound was largely driven by progress in trade talks between Washington and Beijing and the People's Bank of China (PBoC) setting consistently higher mid-point reference rates.

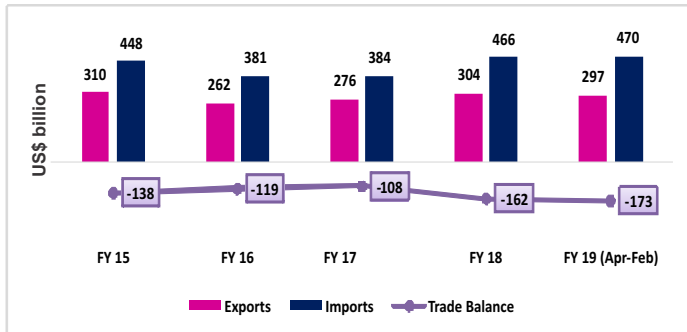
Market watchers have shifted their attention to the latest round of negotiations being held in Washington after both sides cited progress in discussions in Beijing.

Expectations for a stronger yuan are also partly driven by changing fortunes for the dollar. The dollar's outlook darkened after the Federal Reserve last month abandoned projections for further interest rate hikes this year on signs of an economic slowdown. That could help unwind last year's slide in emerging market currencies.

Forecasts in the latest poll showed a complete shift from a January survey when a majority of strategists having predicted that the yuan have breached or to trade at 7 per dollar by mid-year.

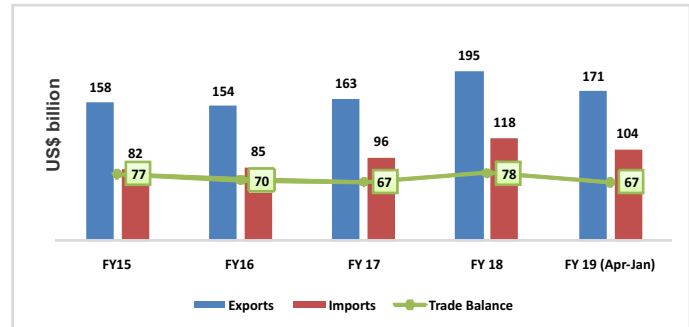
In the latest poll, analysts were mostly optimistic on the yuan and only four respondents forecasted it to reach 7 per dollar or weaker over the coming year, attributing pessimism to an economic slowdown and more policy easing.

Merchandise Trade



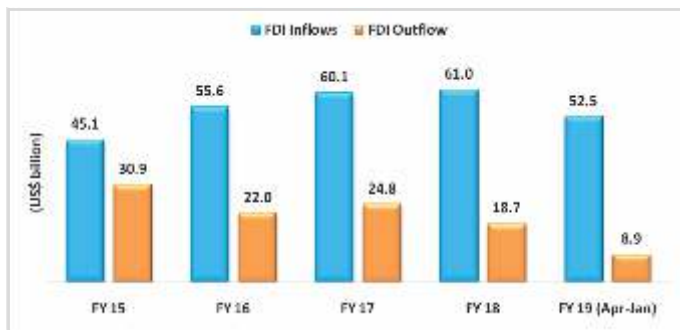
Source: MOCI

Services Trade



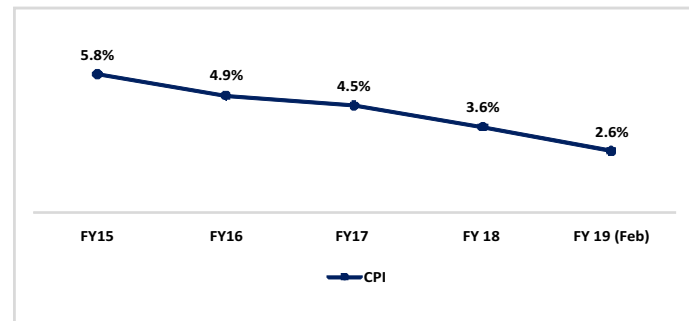
Source: RBI

Foreign Direct Investment Flows



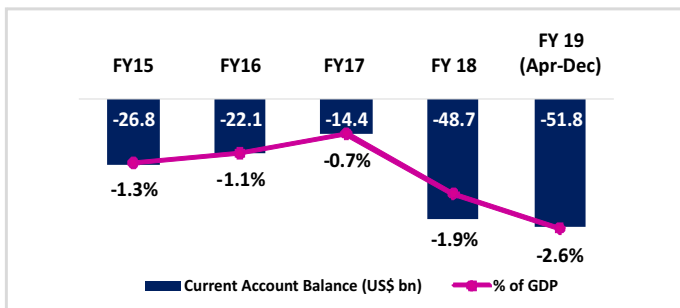
Source: MOCI

Consumer Price Inflation



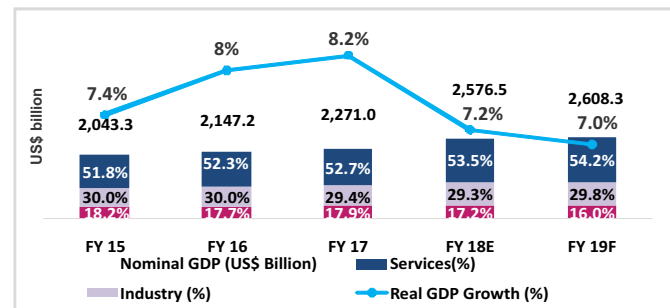
Source: MOSPI

Current Account Deficit



Source: RBI

Sectoral Output



Note: "E – estimated, F - forecast"

Source: IIF & MOSPI

Trade and Partnership Opportunities

Trade Opportunities

Sericulture

Micro enterprise engaged in the manufacturing of silk saris, dupattas, salwar suits, fabrics and dress materials on handlooms and employs more than 70 weavers, most of them from the minority and disadvantaged sections of the society in Uttar Pradesh



Amla

Formed in 1997 by a group of development professionals, this non-profit development organization, aims at securing livelihood security of the poorest people in the Uttar Pradesh region in amla production.



Lacquerware

A not-for-profit organization, working for the upliftment of rural artisans, particularly in the handicrafts sector in rural and urban areas of Chittoor district of Andhra Pradesh. An estimated 5000 artisans have been benefited.



Pitloom Products

An organization established for the welfare of weavers in the Great Thar Desert of Western Rajasthan, working with over 200 weavers from 12 villages making pit loom products that is sold in local and international markets.



Kauna articles

A society working towards popularization of Kauna Grass handicrafts as an efficient alternative to plastic utilities. Kauna products have a special appeal in look, feel and efficiency, 100% bio-degradable and cause no harm to the environment.



Tasar Silk

Based in Jharkand, the company makes Tasar silk yarn that is used to weave exquisite stoles, scarves, throws, sarees and fabric, which is marketed and sold through partners in India and across the globe.



Partnership Opportunities

Project Opportunities

- (I) The Government of the Republic of the Union of Myanmar has received a financing from the French Development Agency (AFD) for the Irrigated Agriculture Inclusive Development Project (IAIDP), and intends to use part of the funds thereof for payments under the following contract package: Consulting Services for the Agricultural Development Unit (ADU).
- (II) Ministry of Transport and Communications (MoTC) now invites eligible firm to submit the proposal for "Drive Test Quality of Service and Benchmarking Test System for Mobile Networks" as part of the Telecom Sector Reform Project supported by the World Bank's Loan. The deadline for submission of RFQ is April 22nd, 2019 by 10:30 AM (Myanmar Standard Time).

Interested parties may like to reach out to Marketing Advisory Services Group on contact details mentioned as under.

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