

Embassy of India, Zagreb



Monthly Economic Newsletter

November, 2020

PART I: INDIAN ECONOMY

News Features

1. **35% two-wheelers to be electric in India by 2030:**

According to KPMG report (prepared in conjunction with CII) on 'Shifting Gears, the evolving electric vehicle landscapes in India', India's electric two-wheeler penetration is expected to reach 25-35% and e-three-wheeler penetration is expected to reach 65-75% by 2030, even as OEMs and central and state governments need to work together for an integrated strategy and build a conducive environment for the country's adoption of EVs. EVs are on track for the car industry to meet their pledge as a game-changer. The adoption curve led by e-buses and passenger taxis is expected to lead the two-wheeler (2W) and three-wheeler (3W) automotive segments.



2. **Mercedes-Benz aims to boost Make-In-India programme:**

To benefit from lower tax rates and improve sales, Mercedes-Benz, the country's biggest luxury car producer, aims to assemble more cars in India. The company rolled out its first AMG vehicle from its Pune factory earlier this week, making India one of the brand's group of countries to manufacture. AMG cars are vehicles that have been entirely imported for sale in India, so far. The AMG GLC 43 Coupe became India's first AMG car to be partially manufactured. Mercedes-Benz has already manufactured 10 models in India, including the C-Class, E-Class and Maybach, sourcing engines from Force Motors of Pune. BMW and Audi also have assembly facility in India that have been operational for over a decade.



3. **India launched 10 satellites:** India successfully launched into space as many as 10 satellites in one go, including its latest earth observation satellite (EOS-01) and nine more satellites from foreign nations, the first such mission during the COVID-19 pandemic. The state-owned Indian Space Research Organisation (ISRO) launched the 10 satellites on board its workhorse Polar Satellite Launch Vehicle (PSLV) rocket from the Satish Dhawan Space Centre in the southern State of Andhra Pradesh. Within 20 minutes, the satellites were injected into their orbits. ISRO earned US\$ 168.25 million in the last five years by launching satellites from 26 countries. The income was US\$ 43.81 million in 2018-19, against US\$ 31.42 million in 2017-18.



4. India's 5G subscription to surpass 350 million in 2026:

According to Ericsson report, 5G subscriptions in India will cross 350 million, representing 27% of all mobile subscriptions in 2026. The predictions come on the heels of another Fitch Ratings report that said that if the government concentrated on a 4G auction next year, India's 5G spectrum auction could be postponed. More than 1 billion people worldwide will have access to 5G coverage by the end of 2020. Four out of every ten smartphone subscriptions in 2026 will be 5G, the study predicts. The latest 5G penetration in subscriptions and population coverage confirms that the technology deploys the fastest mobile connectivity of any generation. 60% of the world's population by 2026 will have access to 5G coverage, with 5G subscriptions expected to exceed 3.5 billion by 2026.



Main Economic Indicators

Gross Domestic Product – GDP				
Fiscal Year	2016-17	2017-18	2018-19	Est.
				2019-20
Real GDP (% change, YoY)	7.1%	7.2%	7.2%	4.2%
GDP (US \$ billion), current prices	2251.1	2300	2600	/

Source: Indian Central Statistics Office and Moody's

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ billion)	Nov 2020	Apr 2020 - Nov 2020
(Provisional)		
Exports (including re-exports)		
2019-20	25.77	211.17
2020-21	23.52	173.66
% Growth 2020-21/2019-20	-8.74	-17.76
Imports		
2019-20	38.52	324.59
2020-21	33.39	215.69
% Growth 2021-20/2019-20	-13.32	-33.55
Trade balance		
2019-20	-12.75	-113.42
2021-20	-9.87	-42.03
II. Trade in Services		
Exports & Imports: (US \$ billion)	Oct 2020	Apr–Oct 2020-21
(Provisional)		
Exports (Receipts)	16.58	114.15
Imports (Payments)	9.53	65.61
Trade balance	7.06	48.54

Source: RBI Press Release, dated 15th December 2020

Industry

According to Indian Central Statistics Office (CSO) data, India's industrial production rose 3.6% in October 2020, against 0.5% September 2020. The manufacturing sector production registered a growth of 3.5% in October, while the output of mining and electricity segments contracted 1.5% and grew 11.2% respectively.

Foreign Direct Investment (FDI)

According to the CII and EY report, India may attract US\$ 120-160 billion per year of foreign direct investment (FDI) by 2025, leading to an increase in the ratio of FDI to GDP from 3-4% to less than 2%. Over the past 10 years, India has seen GDP rise 6.8%, with FDI increasing to GDP at 1.8%. In terms of attractiveness, investors ranked India third, at least 80% have plans to invest in India in the next two to three years, and nearly 25% reported investments worth more than US\$ 500 million. Traditionally, cars, chemicals, medicines, and pharmaceuticals have attracted a majority of 89% of FDI, but boosting electric vehicle (EV) manufacturing, high-end machinery manufacturing, and diversification of cotton textile and mining value chains in service and regionalization will assess FDI in post-COVID movements.

Inflation

Indian Central Statistics Office (CSO) data showed that India's retail inflation eased to 6.9% in November 2020 on softening food prices, but remained above the Reserve Bank of India's target.

PART II: INDIA-CROATIA ECONOMIC RELATIONS

News Features

1. Provincial Economic Outreach: Ambassador visited cities of Rijeka (05/11) and Pula (27/11) for bilateral economic promotion. In Rijeka, he met with Deputy Mayor Rijeka Mr. Marko Filipović and Director of Tourist Board, Mr. Petar Škarpa and discussed possibilities in expanding economic cooperation. Ambassador also visited Viktor Lenac shipyard and met with CEO of Viktor Lenac, Ms. Sandra Uzelac with whom he discussed economic opportunities in shipbuilding. In Pula, he met with Deputy Mayor of Pula Ms. Elena Puh Belci and Istria County Prefect Mr. Fabrizio Radin with whom he discussed strengthening bilateral cooperation, especially in tourism sector.



2. Visit to Altpro: Ambassador visited Altpro, specialist in research, development and production of safety and signalling equipment for rolling stock and met with Mr. Zvonimir Viduka, Director of Altpro. They discussed possibilities in expanding economic cooperation. Sectors identified were railway and infrastructure. In April 2019, Altpro got the approval from Research Designs & Standards Organisation (RDSO) for exporting its products to Indian market. Altpro has unique technology in the world when it comes to train detections systems and it is exporting its product to over 47 countries.



3. Meetings with other business leaders: During the month, meetings were held with several business leaders in sectors of hospitality, media, travel & tourism, railway & infrastructure, consulting, etc.

Bilateral Trade

In the period from Jan-Sep 2020 (for which local statistics are available) the total bilateral trade stood at Euro 100.46 million, i.e. India's exports worth Euro 89.68 million and India's imports worth Euro 10.78 million.

Euro million

Year	2016	2017	2018	2019	Jan - Sep 2020
Croatia's Exports	€ 11.05	€ 15.36	€ 11.02	€ 39.81	€ 10.78
Croatia's Imports	€ 100.60	€ 126.14	€ 126.33	€ 109.50	€ 89.68
Total Trade	€ 111.65	€ 141.50	€ 137.35	€ 149.31	€ 100.46

(Source: Croatian Central Bureau of Statistics)

Trade Queries from India for Import/Export attended by the Mission			
No.	Enquiry Originator	Product	Nature
			Import/Export
1	Varmora	Tiles	Export
2	Art Exotica	Home Textile	Export
3	Tirumalesaa Internacia	Handicrafts	Export
4	Jkh Exports	Spices	Import
5	Vibrant India	Construction Chemical	Export
6	Calendar Exports	Home Decor	Export
7	DK Overseas	Pharmaceutical	Export
8	GGCL-Grupo Griffin Ceramica	Tiles	Export
9	Prince Pipes & Fittings	Pipes	Export
10	Vivaan Exports	Tiles	Export
11	Gold Cera International	Tiles	Export
12	Qroun Exports	Sanitary Ware	Export
13	Dua International Trades	Vegetables & Fruits	Export
14	Anchor Pacific Global	Handicrafts	Export
15	Skytech Enterprises	Handicrafts	Export
16	Orbio Agro Exim	Vegetables & Fruits	Export
17	Osmosis Ceramik	Tiles	Export
18	Ashwani Yadav	Fabrics	Export
19	Murlidhar Enetrprises	Vegetables	Export
20	Xylem Farms & Exports	Vegetables & Fruits	Export
21	Utility and Convenience Products	Home Appliances	Export
22	Aalim Agro Private Limited	Vegetables	Export

23	Ira Agri Exports	Food Products	Export
24	Star Crew Overseas	Garments	Export
25	Texspun International	Non-woven Fabrics	Export
26	Sipzii Ocn Global	Agriculture Products	Export
27	Melcon	Transformers	Export

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

No.	Organizer	Event / Tender	Date	City/State
1	Trade Promotion Council of India (TPCI)	Virtual Buyers-Sellers Meet on Ceramic & Vitrified Tiles	02-18 Dec 2020	Virtual
2	Confederation of Indian Industry	CII-AutoTech Summit	16 Dec 2020-15 Jan 2021	Virtual
3	Ministry of Defence, Department of Defence Production	13th edition of Aero India-2021	03-07 Feb 2021	Bengaluru, Karnataka
4	Electronics and Computer Software Export Promotion Council (ESC)	Indiasoft 2021	24-25 Mar 2021	New Delhi

Compiled by
Mario Stančič
Marketing Executive
Embassy of India

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