

**Embassy of India
Budapest**

**ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF JUNE 2018**

HUNGARY

(I) Bilateral Trade

2018 January-April trade (USD, EUR million)

	Import Jan-Apr	Export Jan-Apr	Total	Growth% of Import (y-o-y)	Growth% of Export (y-o-y)
Hungary's trade with India (mln)	145.4 USD 119.6 EUR	74.9 USD 61.4 EUR	220.4 USD 181.0 EUR	+1.8% -11.2%	+5.2% -8.4%
Hungary's Total Global Trade (mln)	39,402 USD 32,111 EUR	42,638 USD 34,735 EUR	82,041 USD 66,847 EUR	+22.9% +6.7%	+21.1% +5.1%

Source: Central Statistical Office (www.ksh.hu)

(II) Top 10 Items of Export to India (In millions of US\$)

S.No.	Commodity	2018 Jan-Apr	Growth (%) (y-o-y)	(%) Share in Total Exports to India
	TOTAL	74.9	5.2%	100.0%
1	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	20.7	7.1%	27.6%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	16.0	-14.9%	21.4%
3	29 ORGANIC CHEMICALS	11.4	-28.3%	15.3%
4	73 ARTICLES OF IRON OR STEEL	3.6	52.6%	4.9%
5	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	3.6	129.3%	4.8%
6	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	3.3	10.0%	4.4%
7	74 COPPER AND ARTICLES THEREOF	1.9	9.0%	2.5%
8	28 INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	1.8	338.0%	2.4%
9	48 PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	1.7	14.5%	2.2%
10	39 PLASTICS AND ARTICLES THEREOF	1.4	18.9%	1.9%

Source: Central Statistical Office (www.ksh.hu)

(III) Top 10 Items of Export to the World (In millions of US\$)

S.No.	Commodity	2018 Jan-Apr	Growth (%) (y-o-y)	(%) Share in Total Exports to the World
	TOTAL	42,638.4	21.1%	100.0%
1	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	8,762.6	25.4%	20.6%

2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	7,610.5	15.3%	17.8%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	7,365.0	23.4%	17.3%
4	30 PHARMACEUTICAL PRODUCTS	1,859.6	14.8%	4.4%
5	39 PLASTICS AND ARTICLES THEREOF	1,673.6	23.4%	3.9%
6	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	1,515.6	16.3%	3.6%
7	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	1,021.2	21.2%	2.4%
8	40 RUBBER AND ARTICLES THEREOF	992.2	24.1%	2.3%
9	29 ORGANIC CHEMICALS	775.5	29.9%	1.8%
10	94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	689.7	22.8%	1.6%

Source: Central Statistical Office (www.ksh.hu)

(IV) Top 10 items of imports from India (In millions of US\$)

S.No.	Commodity	2018 Jan-Apr	Growth (%) (y-o-y)	(%) Share in Total Imports from India
	Total	145.4	1.8%	100.0%
1	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	41.6	7.2%	28.6%
2	29 ORGANIC CHEMICALS	35.4	10.9%	24.4%
3	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	21.0	1.4%	14.4%
4	30 PHARMACEUTICAL PRODUCTS	15.7	-33.4%	10.8%
5	73 ARTICLES OF IRON OR STEEL	4.4	117.5%	3.0%
6	64 FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	3.1	29.6%	2.1%
7	72 IRON AND STEEL	3.0	-5.1%	2.0%
8	40 RUBBER AND ARTICLES THEREOF	2.9	27.6%	2.0%
9	24 TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	2.2	121.7%	1.5%
10	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	2.0	10.1%	1.4%

Source: Central Statistical Office (www.ksh.hu)

(V) Top 10 Items of Import from the World (In millions of US\$)

S.No.	Commodity	2018 Jan-Apr	Growth (%) (y-o-y)	(%) Share in Total Imports from the World
	TOTAL	39,402.4	22.9%	100.0%
1	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	7,786.3	20.6%	19.8%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	6,248.8	11.5%	15.9%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	4,342.0	28.3%	11.0%
4	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	2,762.0	13.0%	7.0%
5	39 PLASTICS AND ARTICLES THEREOF	1,877.6	27.0%	4.8%
6	30 PHARMACEUTICAL PRODUCTS	1,568.7	23.2%	4.0%
7	72 IRON AND STEEL	1,051.3	43.1%	2.7%
8	73 ARTICLES OF IRON OR STEEL	958.8	29.4%	2.4%
9	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	841.6	23.6%	2.1%
10	76 ALUMINIUM AND ARTICLES THEREOF	813.1	29.0%	2.1%

Source: Central Statistical Office (www.ksh.hu)**(VI) Top 5 Competitors of India's Top 5 Exports to Hungary JAN-APR 2018**

S. No.	Commodity	Competitors	Amount (In millions of US\$)
1	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THE...	1 Germany	2,320.0
		2 China	439.3
		3 Italy	378.1
		4 Poland	257.6
		5 Austria	255.4
2	29 ORGANIC CHEMICALS	1 China	73.3
		2 Italy	67.4
		3 Germany	66.2
		4 Czech Republic	64.2
		5 Netherlands	39.7
3	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	1 Germany	2,226.0
		2 China	897.2
		3 Netherlands	567.5
		4 Poland	335.9
		5 Austria	283.9
4	30 PHARMACEUTICAL PRODUCTS	1 France	231.6
		2 Germany	201.5
		3 Korea, Rep.	200.1
		4 Belgium	191.2
		5 Netherlands	154.3
5	73 ARTICLES OF IRON OR STEEL	1 Germany	299.0
		2 Italy	92.4
		3 Czech Republic	62.7
		4 Austria	57.6
		5 Poland	57.0

Source: Central Statistical Office (www.ksh.hu)

(VII) Bilateral Investment (Source: Hungary around the Clock media, Hungarian Government www.kormany.hu)

S. No.	Name of Company	Secor	Amount (US\$ million)

1. SRF Invests in Hungary: Gurgaon-based multinational group SRF limited announced setting up of a packaging plant in the city of Jaszfenyszaru (approx. 70 kms from Budapest). The company plans to invest Euro 60 million (approx. Ft 18 billion) and will employ 100 workers. Government of Hungary is providing a cash incentive of Ft 1.8 billion (appx € 5.6 mln). Speaking at the announcement on 15th June, attended by Ambassador Rahul Chhabra and Sanjeev Manchanda, Commercial Representative, Minister of Foreign Affairs and Trade Mr Peter Szijjarto praised the competitiveness of companies from Asia. Mr Ashish Bharat Ram MD of the SRF Group, announced that production on the 15- hectare site would commence from 2019 using state of art technologies. Hungary's corporate taxation rate of 9% is amongst the lowest in the EU region.

2. Flex Films exploring investment opportunities in Hungary: Mr. Sundeep Saksena, Business Head of Flex Films Europa Sp. zo.o. accompanied by his Chief Financial Officer visited the Embassy of India Budapest on 11th June 2018 to discuss investment opportunities in Hungary. They met Ambassador Rahul Chhabra and SS (Pol&Com) after which they proceeded to the Hungarian Investment Promotion Agency (HIPA) to meet with the Vice-President Ms. Tünde Kis.

3. Visit of the Council of EU Chambers of Commerce of India to Budapest from 25-26 June'2018: A sixteen-member delegation from the Council of EU Chambers of Commerce of India (CEUCCI) visited Budapest from 25-26 June, 2018. Led by Mr. Ameet Nivsarkar, President of CEUCCI & Dr. Renu Shome, Director of the CEUCCI, the aim of the visit was to explore trade and business opportunities in Western and Central European countries including Hungary, to form partnerships and collaborations with different organizations and institutions and also to pave the way for bilateral investment and create business opportunities. On 25th June the delegation called on the Hungarian Chamber of Engineers and met with the President of the Chamber, Mr. Gyula Nagy as well as representatives of several Hungarian companies. The delegation visited the Hungarian Parliament. The delegation called on the European Commission Representation in Hungary and held discussions on taxation, wage and trade policy issues. On 26th June, a visit was made to the Hungarian Investment Promotion Agency (HIPA) after which the delegation participated in a business a seminar organized by the Hungarian Chamber of Commerce and Industry (HCCI) and met with Mr. József Gaál, Vice-President, Industrial Development and Innovation. Following the seminar, an MOU signing took place between the CEUCCI and the HCCI. Finally, the delegation visited Tata Consultancy Services and was received by Mr. Prabal Datta, Managing Director, and was briefed about activities of TCS. The delegation thanked Embassy of India for organizing the successful visit, and hoped that the contacts made during would lead to mutually beneficial business relations.

(VII) Global Investment (Source: Hungary around the Clock media, Hungarian Government www.kormany.hu)

S. No.	Name of Company	Secor	Amount (US\$ million)

1. Investment group purchases TriGránit: Revetas has completed the purchase of property developer TriGránit from TPG Real Estate, the East European property investment firm announced. Details of the transaction have not been revealed. The value of TriGránit's portfolio is estimated at €450 million. TPG Real Estate bought TriGránit from its founder Sándor Demján in 2015. The property developer has 173,000m2 of office space fully occupied by tenants. It is constructing the Bonarka for Business Building H in Krakow and began work on the Millennium

Gardens office complex in Budapest. TriGránit will launch two more projects in the near future, as it will add an additional structure to the Bonarka for Business complex and will start the first phase of the Silesia Towers in Katowice. As the leadership of TriGránit will not change, Árpád Török remains the CEO.

2. **Infineon opens new building in Cegléd:** Infineon Technologies opened its new centre in Cegléd on 18th June, completing a Ft 17 billion (appx € 52.7 mln) project assisted by a Ft 1.2 billion (appx € 3.7 mln) state subsidy. Foreign Affairs and Trade Minister Péter Szijjártó said during the opening ceremony that it is important to have technology companies bring their investments, research and production to Hungary, adding that the expansion creates 533 jobs. Semiconductors produced at the factory are important for electric cars, solar cells and wind farms, said Infineon board member Jochen Hanebeck.
3. **Knorr-Bremse expanding in Kecskemét:** Knorr-Bremse is investing Ft 600 million (appx € 1.8 mln) in expanding its capacity in Kecskemét, the brake manufacturer announced. A new storage facility will be built as part of the project. The Hungarian subsidiary of the German company is financing the development, to be completed this year, from its own resources. The development project is in harmony with the government's industrial strategy, said Innovation and Technology Minister László Palkovics.
4. **Chinese firm plans Ft 45bn power plant project in Hungary:** Chinese company Zhejiang Kaishan Compressor will carry out a Ft 45 billion (appx € 139.5 mln) power plant investment project in Hungary, and China will expand air links between the two countries, Foreign Affairs and Trade Minister Péter Szijjártó, announced in Shanghai on 6 June. He told that under an agreement Zhejiang Kaishan Compressor will build a 40MW geothermic power plant in Tura, Pest county, to supply electricity to and meet the heating requirements of agricultural and residential buildings. The Chinese company will establish its geothermal business centre in Budapest, Szijjártó said. China has brought nearly \$4 billion (appx € 12.4 mln) worth of investments to Hungary to date, he added.
5. **Mercedes starts work on new factory:** Daimler laid the foundation stone of the second Mercedes-Benz factory in Kecskemét on 5th June. Preparation works have already been started in the south of the existing factory. This will be the German car maker's first full-flex factory, said member of the board of directors Markus Schafer. Mercedes is investing €1 billion in the expansion project, with production of electric and conventional vehicles to start in 2020. The new factory creates more than 2,500 jobs, meaning a more than 60% expansion of the Mercedes-Benz Manufacturing workforce from the present 4,223. This will place Mercedes among the ten largest employers in Hungary. The project brings extremely high-quality technology and also high value-added production to Kecskemét, said Foreign Affairs and Trade Minister Péter Szijjártó. The government is providing a Ft 12 billion (appx € 37.2 mln) subsidy for the project.
6. **FM Szijjártó opens Foss biotech centre:** Hungary's shift to the digital industrial era is a success, Foreign Affairs and Trade Minister Péter Szijjártó said in opening the Ft 2 billion (appx € 6.2 mln) biotech centre built by Danish company Foss in Pécs on 26 June. The government provided a Ft 773 million (appx € 2.4 mln) subsidy for the innovative project, which will create 88 jobs. Szijjártó highlighted that cooperation between Foss and the University of Pécs guarantees a supply of personnel. The centre will open at the end of 2019 and will employ 120 by the end of 2020, said Foss senior vice-President Niels Degn. Foss, a maker of food analysing tools, purchased Pécs-based Hungarian biotech company Soft Flow two years ago.

(iX) Significant trends in trade and investment in Jan-Apr 2018
(Source: Central Statistical Office www.ksh.hu, News, local media.)

Details of significant trends	Analysis
(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	The product group grew by 7.2% in Jan-Apr of 2018 over the same period of 2017. It represents 28.6% of total Indian exports to Hungary.
(HS 29) ORGANIC CHEMICALS	The product group exhibited a growth of 7.2% in Jan-Apr of 2018 over the same period of 2017 and represents 24.4% of total Indian exports to Hungary.
(HS 85) ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	Trade grew by 1.4% in this product group in Jan-Apr of 2018 over the same period of 2017. It represents 14.4% of total Indian exports to Hungary.
(HS 30) PHARMACEUTICAL PRODUCTS	The product group experienced a <u>fallback</u> of 33.4% in Jan-Apr of 2018 over the same period of 2017. It represents 10.8% of total exports to Hungary.
(HS 73) ARTICLES OF IRON OR STEEL	Although the product group experienced a significant growth in the Jan-Apr period of 2018, its value of 4.4 mln USD represents only 3.0% of Indian exports to Hungary.

1. **Bill restricts foreign investments in sensitive sectors:** The cabinet has submitted a bill to Parliament on restricting foreign investments that are deemed a threat to national security interests. On the basis of the bill, individuals, legal entities or other organisations from outside the European Economic Region and Switzerland can only obtain a bigger stake than defined in companies with headquarters in Hungary, pursuing certain activities, if they announce the investment to the relevant minister, who may approve it. Similar regulations will apply to the establishment of branch offices. The sectors affected are arms manufacture, production of certain military technology and secret-service equipment, some financial services and payment systems, as well as activities falling under laws on electricity, natural gas, water, and electronic communications. Foreign investors, upon verification of the acknowledgement of announcements to the minister, may obtain the right to operate infrastructure, equipment and assets vital to pursuing the activities defined in the bill. The minister will declare within 30 days whether the acquisition of ownership or operating rights by foreign investors endangers national security interests. Under the proposal, the minister will have 30 days to make a decision. Violation of the reporting obligations could incur a fine of up to Ft 10 million (appx € 31,000). If approved, the new law will come into effect on October 1.

2. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc:

- **The Eastern Opening policy is bringing new investors to Hungary:** “The Eastern Opening policy is not only facilitating the increased foreign market presence of Hungarian products and services, but also the Hungarian investments of well-capitalised Asian companies”, Minister of Foreign Affairs and Trade Péter Sziijártó said on 15th June in Budapest at a press conference to announce a new investment by the Indian SRF Group. They also praised the competitiveness of companies from Asia.
- **Minister of External Affairs and Trade Mr. Peter Sziijártó:** “It is a great thing that a company with 15 factories and more than 6300 employees worldwide has chosen Hungary as its first site of operations in Europe.” (Official press conference on 15th June in the Ministry of Foreign Affairs and Trade by SRF Group)

- **Mr. Csaba Jenei, Head of Department of Technology and Life Sciences, HIPA.** “India is a big investor and Hungary is looking for investors from India.” (During the meeting of the CEUCCI delegation with Hungarian Investment Promotion Agency HIPA on 26th June).
- **Mr. József Gaál Vice-President, Industrial Development and Innovation , Hungarian Chamber of Commerce and Industry** noted that Hungarian businesses are interested in the Indian market. (During the opening remarks in the seminar organized by the Hungarian Chamber of Commerce and Industry HCCI for the CEUCCI delegation in in on 26 June)
- **Mr. Sándor Sipos, Head of Department, Asia-Pacific Department, Ministry of Foreign Affairs and Trade of Hungary** said that India is a strategic partner for Hungary in political, economic and human fields as well. He further said that India considers Hungary as a sensible investment destination. (During the seminar organized by the Hungarian Chamber of Commerce and Industry HCCI for the CEUCCI delegation in in on 26 June).

3. Market access:

- **Alerts on SPS/TBT notifications, import procedures, export restrictions put in place; change in trade policy:**

S. No.	Notification no. and date	Product	Distribution Date	Comment Deadline
Alerts related to import procedures, export restrictions and changes in trade policy are based on EU regulations and not decided bilaterally by Hungary.				

NIL during the period of report

- **Alerts on Trade Defence Measures taken by respective country: (Special Safeguard, antidumping, CVD or Anti-subsidy)**

S. No.	Notification no. and date	Details of products / sectors affected	Effective from

NIL during the period of report

- **Feedback from major Indian industries/ other commercial concerns set-up in that country and Indian trade visitors to that country**

1. Press Conference by Mr. Sahish Bharat Ram Managing Director SRF Group on 15th June:

- **Mr Ashish Bharat Ram MD:** “I feel at home and welcome by the wonderful people in Hungary and this investment is a testament of the fact that Hungary has evolved into a modern, investor-friendly country that today can set an example to the rest of the world. We have other Indian companies who have invested over hear and speak very highly of their experience in Hungary.” (Official press conference on 15th June in the Ministry of Foreign Affairs and Trade by SRF Group)

2. Visit of the Council of EU Chambers of Commerce of India (CEUCCI) to Budapest from 25-26 June'2018:

- **Mr. Gyula Nagy, President of Hungarian Chamber of Engineers** highlighted that the Hungarian engineers are ready for the cooperation. (During the meeting of the CEUCCI delegation with the Hungarian Chamber of Engineers on 25th June),
- **Dr. Renu Shome Director, CEUCCI** of expressed interest in cooperating with HIPA. (During the meeting of the CEUCCI delegation with Hungarian Investment Promotion Agency HIPA on 26th June)
- **Mr. Csaba Kilián, Secretary General, Association of the Hungarian Automotive Industry** expressed his hope for more cooperation with India in the sector of automotive industry. (During the seminar organized by the Hungarian Chamber of Commerce and Industry HCCI for the CEUCCI delegation in in on 26 June).
- **Mr. Gergő Baranyai, Exhibition Director, Hungexpo** invited Indian participants to the upcoming automotive exhibition that will be held on 17-19 October 2018. (During the seminar organized by the Hungarian Chamber of Commerce and Industry HCCI for the CEUCCI delegation in in on 26 June).
- **Mr Prabal Datta General Manager and Delivery Center Head, Tata Consultancy Services** highlighted the attractiveness of Hungary with low taxes and highly-trained workforce. (During the meeting of the CEUCCI delegation with TCS on 26 June 2018)

• Feedback on major trade fairs / BSM including Indian participation (whether or not supported by MAI funds)

S. No.	Particulars of Trade Fair, dates etc.	Number of participants from India	List of large participants	Feedback received
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NIL during the period of report.

Upcoming Trade Fairs in Hungary:

(I)	<u>AUTOMOTIVE HUNGARY: 17-19 October 2018</u>
(II)	<u>HUNGAROMEDICA: 11-13 October 2018</u>
(III)	<u>HOMEDSIGN AUTUMN: 12-14 October 2018</u>
(IV)	<u>BEAUTY & STYLE: 26-28 October 2018</u>
(V)	<u>AGROMASHEXPO: 23-26 January 2018</u>

Further information: www.hungexpo.hu

e. Feedback from local commercial visitors to trade fairs in India, including under BSM. Number of Business Visas issues:

S. No.	Particulars of Trade Fair, dates etc.	Number of participants	List of large participants	Number of Business Visas issued	Feedback received
1.					

VISAS

Number of Regular Visas issued	67
Including number of Business Visas	27
Number of e-Visas issued (all categories)	205
Total number of Visas issued in June 2018:	272

- **Investment:**

- **Opportunities for investments/assets on offer/major company divestment:**

S. No.	Particulars of the asset/company	Contact details
	NIL	

The Hungarian Investment Promotion Agency HIPA offers a list of investment opportunities in Hungary on its website:

http://www.investhipa.hu/index.php?option=com_iproperty&view=allproperties&Itemid=854

1. **Mining concession tenders open:** Mining concession tenders have been announced for 11 areas, the Innovation and Technology Ministry announced. Bids for sites in Békéscsaba, Dráva, Körösladány, Szeged-southeast, Tard and Tiszafüred must be filed with the mining authority by September 26. Bids for concessions in Tiszatarján, Újszilvás, Zalaerdőd, Gádoros and Nagykanizsa-West must be filed by September 27. Winners will be announced within 90 days after the bidding. Concession agreements will be signed for 35 years for geothermal areas and 20 years for gas and oil exploration. The state began announcing mining concessions in 2013. It has already signed concession contracts on five areas, for a total of Ft 10.5 billion (appx € 32.5 mln).

- **Information on Tender Notices of interest to Indian project exporters (USD 15 million & above)-**

The Hungarian Public Procurement Authority is the official body for public procurement tenders: <http://www.kozbeszerzes.hu/english/>

European Union Tenders Electronic Daily, the main official database of English language public procurement tenders from Hungary: <http://ted.europa.eu/TED/search/search.do>

- **Information regarding upcoming major investments in India from respective country:**

S. No.	Particulars of the asset/company	Sector of Investment	Quantum of Investment
	NIL		

- **Details of trade research, information, dissemination activity of the commercial wing:**

S. No	Nature of activity (trade research, information dissemination, seminars, etc)	Details (date, venue & number of participants, copy of research sent to DOC)
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1. **Flex Industries exploring investment opportunities in Hungary:** Mr. Sundeep Saksena, Business Head of Flex Films Europa Sp. zo.o. accompanied by his Chief Financial Officer visited the Embassy of India Budapest on 11th June 2018 to discuss investment opportunities in Hungary. They met Ambassador Rahul Chhabra and SS (Pol&Com) and received information on the experiences of the Indian investors and the Hungarian market.
2. **Visit of the Council of EU Chambers of Commerce of India to Budapest from 25-26 June 2018:** A sixteen-member delegation from the Council of EU Chambers of Commerce of India (CEUCCI) visited Budapest from 25-26 June, 2018. Led by Mr. Ameet Nivsarkar, President of CEUCCI & Dr. Renu Shome, Director of the CEUCCI. Embassy of India organized several meetings for the delegation to provide insight on trade and business opportunities: The Hungarian Chamber of Engineers, a visit to the Parliament, the European Commission Representation in Hungary, the Hungarian Investment Promotion Agency (HIPA) and the Hungarian Chamber of Commerce and Industry (HCCI), where a business seminar was held. Subsequently a visit to the Tata Consultancy Services in Hungary was also organized. During the visit, a large-scale exchange of information by the associations, chambers of commerce, and companies as well as experiences of Indian investors was provided. The delegation thanked Embassy of India for organizing the successful visit, and hoped that the contacts made during would lead to mutually beneficial business relations.
3. **SRF Invests in Hungary:** Gurgaon-based multinational group SRF limited announced setting up of a packaging plant in the city of Jaszfenyszaru (approx. 70 kms from Budapest). with an investment of Euro 60 million (approx. Ft 18 billion) employing 100 workers. Mr Ashish Bharat Ram MD met with Ambassador Rahul Chhabra and Sanjeev Manchanda, Commercial Representative during the announcement on 15th June and was informed about the experiences of the Embassy of India on the Hungarian market.
4. **Mission undertook the mapping of Materials, Minerals, Technologies, Resources:** The Mission had undertaken a detailed study to map prospective resources of Hungary which could be of benefit to India. The information has been sent to the Ministry of Foreign Affairs, JS (ED & States).

Publicity of upcoming Indian Trade Fairs:

The Embassy gave publicity to the following events:

- INDIA STONEMART 2019- International Stone Industry Exhibition during Jan 31 – Feb 03, 2019
- International Congress & Expo 2018 – Essential Oil Association of India 2018. Navigating future of Essential Oils.
- 36th India Carpet Expo from 21-24 October, 2018 in Varanasi, India
- Indiasoft 2019 4-5 February, Hyderabad, India
- Council of leather exports Buyer Seller Meet on 28-29 Sept 2018 in New Delhi, India

- **Details of activities conducted out of Trade Promotion budget:**

BE for 2018-19 Rs.	RE for 2017-18 Rs.	Amount utilized (till JUNE 2018) Rs.	Details of Activity
427,000	500,000	100,000	Purchase of Make in India yoga T-shirts in connection to the 4th IDY and 3rd Ganga Danube Cultural Festival from Witlab Kft Voucher no: 173601-00806-0618

- **Action taken on the previous JWGs, Joint Commissions, sub-commissions etc. (issues that Mission had to follow up with host government):** The 5th JCEC and S&T Meeting was held on 7th March and 21st March 2018 respectively follow up on a number of issues is being made such as agriculture, water management, science and technology funding, trade frauds, etc.

S. No.	Detail of JWG/JEC	Action Point	Action Taken
		Cyber fraud cases	The Mission has received a cyberfraud complaint by M/S Shivam Metacast Ltd. The Buyer Shivam Metacast (Gujarat) Private Limited based in Ahmedabad, has entered into a business to import Brass Scrap „Pallu” as per ISRI with Bangladesh Seller (M/S Monir Trading based in Chittagong). However, both companies emails were hacked, and the purchase price of USD 86,400 was therefore remitted from the beneficiary „Axis Bank Ltd” to the fraudulent Spanish Caixa Bank of the hacker. This was further transferred to the Hungarian OTP Bank. The Mission has taken prompt action and sent a Note Verbale to the Ministry of Foreign Affairs and Trade and the Police who have frozen the bank account and are in the process of investigating the matter. Embassy of India is doing regular follow-ups.

- **Trade Queries for Imports/Exports (from Hungary for the month of June 2018)**

The Embassy received 1 inquiries/questions/initiatives from Hungarian companies:

No.	Company	Contact person	Sector	Status
1	Vermix Gyógykozmetikumok Kft	Ms. Melitta Kiss	Herbal cosmetics	Information has been provided and has been uploaded on the http://www.indiantradeportal.in

The Embassy received trade inquiries from 9 Indian companies listed below:

No.	Company	Contact person	Sector	Action Taken
1	Dhaval Patel	Dhaval Patel	Plastics	Answered
2	Inquiry Fectum	Parminder Sharma	Engineering: scaffolding	Answered
3	Vrpal Impoex	Viraj Vekariya	Agro: herbal seeds	Answered
4	Sys Overseas	Sam Stephen	Food industry: Natural plates	Answered

5	Zich Silver	Keyur Gadhiya	Jewellery	Answered
6	Phoenix Enterprises	Anish Agrawal	Misc: Packaging, Scrap	Answered
7	NRB Industrial Bearings Limited	Bhushan C. Malshe	Engeneering: industrial bearings	Answered
8	Meghmani Dyes And Intermediates Ltd		Chemicals: Dyes	Answered
9	S.M Import and Export	E.Saravanan	Textiles	Answered

8. Any Other Issue of Importance:

1. **Mango Promotion at the 4th International Day of Yoga and 3rd edition of “Ganga-Danube: Cultural Festival of India”:** Embassy of India Budapest celebrated the 4th International Day of Yoga (IDY) with 3rd edition of “Ganga-Danube: Cultural Festival of India” in 22 cities of Hungary, i.e. Alsoors, Balatonfured, Bekescsaba, Budapest, Debrecen, Eger, Esztergom, Győr, Kecskemet, Krishna Valley, Miskolc, Nagykanizsa, Nagykoros, Nyiregyhaza, Pecs, Sarvar, Sopron, Szeged, Szentendre, Vasvar, Veszprem and Zalakaros from 22-24th June, 2018. The celebration showcased Yoga, workshops on Yoga and Ayurveda, Indian cultural performances, henna painting, Indian folkart, Indian cuisines and Indian films.

The three-day event was formally inaugurated on 22nd June, 2018 in prestigious Urania Theatre by Ambassador Rahul Chhabra and Mr. Márton Schöberl, Deputy State Secretary for Cultural Diplomacy, Ministry of Foreign Affairs and Trade of Hungary and. Around 400 guests including dignitaries from Hungarian political leaders, senior bureaucrats, diplomats, media personnel, Indian and Hungarian business leaders and prominent members of Indian diaspora attended the function. A mango promotion event was also held at the opening ceremony. **Mr. Tariq Mustafa, a well-known farmer and owner of Mango orchards from the town Purkazi, Muzaffarnagarm represented by Tushar Nutritive Foods Pvt. Ltd, Haryana, displayed 60 different varieties of mangoes to the visitors in the hall. Guests were highly interested in mangoes and were surprised to learn that there are more than 300 varieties of mangoes in India. Small take-away samples were also given.**

2. **EC recommends spending cuts:** The European Commission (EC) approved a resolution on 22nd June calling on Hungary and Romania to significantly adjust their budgets. The structural deficit of the Hungarian budget rose to 3.1% of GDP in 2017 from 1.8% the previous year, the EC found, adding that this is well above the 1.5% target set by the organization in 2016. The increase in budget expenses in 2017 was also well above the ceiling set by the EC. The EC recommends that Hungary take measures to restrict the growth of net primary government spending to no more than 2.8%. In effect, that would constitute an austerity measure amounting to Ft 350 billion (APPX € 1.1 bln) or 1% of GDP, the EC calculated. The EC stressed that all extraordinary budget revenues should be used to reduce the deficit. The government is to report on its actions by October 15.
3. **Hungary will get 34% less from EU:** In the coming EU budget period, Hungary will receive about 34% less in real terms than in the current 2014-20 funding period. In 2014-20, Hungary will overall receive about €35.4 billion and in 2021-27 €35.2 billion at current prices. If converted to today's prices, that total drops from €32 billion to €21.3 billion in real terms. In the present period of 2014-20 the inflow of EU funds amounts on average to 4% of GDP annually, which will drop to 2.6%.
4. **Current-account surplus growing:** The current-account surplus came to €1.027 billion in the first quarter, the MNB announced. This is larger than the €430 million surplus recorded in the fourth quarter of 2017, as well as the €978 million surplus in the first three months of 2017. The MNB reported surpluses of €374 million in the trade of goods and €1.785 billion in the trade of services. The capital account had a €1.121 billion surplus, of which €1.113 billion consisted of EU transfers to Hungary. Hungary's net financing ability – the sum of the current and capital accounts

– was €2.148 billion, equal to 5.6% of first-quarter GDP. On the other hand, there was a net income outflow of €1.032 billion.

5. **Budget deficit higher in May:** The budget deficit increased to Ft 106 billion (appx € 328.5 mln) in May, from Ft 92 billion a year earlier, the Finance Ministry announced. The shortfall for the first five months rose to Ft 1,188 billion (appx € 3.7 bln), or 87% of the Ft 1,361 billion (appx € 4.2 bln) target for 2018. The central budget had a Ft 1,243 billion deficit. In the first five months, the central budget paid out Ft 993 billion (appx € 2.9 bln), in advance payments on future EU subsidies, while the EU has transferred only Ft 64 billion (appx € 198.3 mln). The deficit for the first five months of 2017 was Ft 213 billion (appx € 660 mln).
6. **KSH confirms 4.4% GDP growth:** Hungary's GDP growth was 4.4% year-on-year in the first quarter, the Central Statistics Office confirmed. Seasonally and workday adjusted figures show 4.7% year-on-year GDP growth in the first quarter and a 1.2% expansion from the previous quarter. The value added generated by manufacturing was up 2% from one year earlier. The construction industry saw 23% growth but the GDP produced by agriculture dropped by 0.6%. Services expanded by 4.9%.
7. **Inflation hits five-year high:** Consumer prices in Hungary rose to a five-year high of 2.8% in May, up from 2.3% in the previous month, the Central Statistics Office said. On a monthly basis, prices were up by 0.6%. Consumer prices went up by 2.2% on average in the first five months. Core inflation remained stable at 2.4.
8. **Forint hits three-year low against euro:** The forint was trading at 323.3 to the Euro on 14 June, its weakest level in three years. The forint slipped nearly three units from under 321 after the meeting of the European Central Bank (ECB). ECB policymakers unveiled the timetable for winding up its monetary stimulus program, sending the euro plunging and hitting emerging market currencies including the forint, which was also weakened against the dollar.
9. **2019 budget and tax draft presented in Parliament:** Finance Minister Mihály Varga presented the 2019 budget draft in Parliament. Budget expenses are expected to amount to 45.2% of GDP, thus the declining trend of budgetary redistribution continues. The budget deficit target is Ft 998.4 billion (appx € 3.1 bln), the disparity between Ft 19.6 trillion (appx € 60.7 bln) revenues and Ft 20.6 trillion (appx € 63.8 bln) expenses. The GDP target is Ft 43.9 trillion (appx € 136 bln). The budget deficit will be 1.8% of GDP, while state debt will be cut to 70.3% of GDP. The flat 15% personal income tax will remain in place next year, one of the lowest in the EU, Varga underlined. The recent VAT cuts will also be maintained. Among new elements, the VAT on UHT and ESL milk will be cut to 5%, the level applied to ordinary milk. The so-called "health tax" on food not considered healthy will increase by 20%. The registration fee for imported motorcycles will be reduced. In order to induce online payments, the financial transaction tax will not apply to household transactions of less than Ft 20,000 (appx € 62). The bank tax, the cultural tax and the 75% extra tax on severance pay will be eliminated. The accident tax will be merged into the insurance tax and the health contribution tax into the social contribution payments. Next year the tax authority will prepare draft tax declarations not only for employees but also for sole entrepreneurs. The 2019 budget, Varga said, is aiming security, economic growth, supporting families and whole employment. Crisis signs in the Eurozone will be watched closely and the reserves in the budget will be increased one and a half times, Varga said. The Parliament will vote on the final version of the 2019 budget on July 20.
10. **Trade house CEO replaced:** The Foreign Affairs and Trade Ministry will replace Zsanett Oláh, CEO of state trade promotion office Magyar Nemzeti Kereskedőház, effective June 30. Oláh has already said farewell to her colleagues. Over the three years following its foundation in 2012, the chain amassed Ft 9.5 billion (appx € 29.4 million) in losses under Oláh's predecessor György Kerekes. It has not announced its figures for last year. The government announced a policy of

Opening to the South in 2015, but most trade offices opened in Africa were closed in November 2017.

11. **Wage growth faster in April:** The pace of wage growth accelerated in April to 12.6% year-on-year, up from an 11.6% rise in March, according to Central Statistics Office data. The average gross monthly wage rose to Ft 340,600 (appx € 1,056), while the average net wage was Ft 226,500, (appx € 702) both up 12.6%. For January-April, real wages were 10.1% higher than in the same period of last year. There is no surprise in the figures, said analyst Dávid Németh of K&H bank. The minimum wage increase and the labour supply shortage have pushed up wages, and net wages will probably grow by more than 10% this year, he added.
12. **Bank sector profits lower in Q1:** Hungarian banks reported combined after-tax profits of Ft 160 billion (appx €513 mln) in the first quarter, slightly less than the Ft 181 billion (appx € 561 mln) realised in Q1 2017. Over the first three months of 2018, total assets were up 1.9% to Ft 37.1 trillion (appx € 115 bln). Non-performing loans made up only 5.8% of total credit extended. A total of 41 banks made a combined profit of Ft 174 billion (appx € 539 mln). In the first quarter, while the remaining 18 suffered total losses of Ft 2 billion (appx € 6.2 mln).
13. **Output down at Opel and Suzuki:** Opel produced fewer engines at its factory in Szentgotthárd in 2017 than in 2016, while Magyar Suzuki's production also fell, but after-tax profits rose sharply. Opel faced difficulties on many fronts after France's PSA bought the German car manufacturer in 2017, The Hungarian subsidiary manufactured 486,000 engines, down 23% from the record high of 630,000 produced in 2016. Lower production dented sales revenues, which fell 12.2% to €150 million. After-tax profit fell nearly 40% to €18 million. Production of cars at Suzuki's Esztergom factory was down 16% to 176,000, which dragged down sales revenue by 8% to Ft 2.1 billion (appx € 6.5 mln). However, lower input costs and demand for the most popular models, Vitara and SX4 S-Cross, played an important part in the improving profit, which was up 127% to €86 million.

Average Monthly Exchange rates for JUNE 2018

1US\$= 276.36 HUF

1EUR= 322.69 HUF

Source: MNB-Hungarian National Bank www.mnb.hu

Bosnia & Herzegovina (BiH)

Trends in bilateral trade JAN-APR 2018:

Source: Eurostat (<http://epp.eurostat.ec.europa.eu>)

	BiH's Exports		BiH's Imports		Total Trade		% Growth Y on Y basis
	2017 JAN-APR	2018 JAN-APR	2017 JAN-APR	2018 JAN-APR	2017 JAN-APR	2018 JAN-APR	2018 JAN-APR / 2017 JAN-APR
BiH's trade with India (mln)	2.1 USD 2.0 EUR	1.7 USD 1.4 EUR	22.3 USD 20.9 EUR	24.9 USD 20.3 EUR	24.4 USD 22.9 EUR (0.50 % of Global Trade)	26.6 USD 21.7 EUR (0.44 % of Global Trade)	+9.3% -5.2%
BiH's Total Global Trade (mln)	1,855 USD 1,740 EUR	2,365 USD 1,925 EUR	2,988 USD 2,802 EUR	3,730 USD 3,036 EUR	4,843 USD 4,542 EUR	6,095 USD 4,961 EUR	+25.8% +9.2%

Top 10 items of Import from the World to B&H [USD Million]

Product	2018 JAN-APR	% growth	% total
TOTAL	3,729.9	24.8%	100%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	496.1	17.8%	13.3%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	296.8	30.3%	8.0%
87 - VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	271.5	24.6%	7.3%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	216.1	31.2%	5.8%
39 - PLASTICS AND ARTICLES THEREOF	199.3	28.6%	5.3%
72 - IRON AND STEEL	145.0	65.9%	3.9%
30 - PHARMACEUTICAL PRODUCTS	113.3	18.0%	3.0%
73 - ARTICLES OF IRON OR STEEL	101.8	30.5%	2.7%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	73.8	10.8%	2.0%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	72.6	21.3%	1.9%

Top 10 items of export to the World from B&H

Product	2018 JAN-APR	% growth	% total
TOTAL	2,364.9	27.5%	100%
94 - FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	250.6	20.6%	10.6%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	246.3	57.3%	10.4%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	155.9	29.5%	6.6%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	155.2	22.9%	6.6%
76 - ALUMINIUM AND ARTICLES THEREOF	149.2	35.0%	6.3%
44 - WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	144.9	18.3%	6.1%
73 - ARTICLES OF IRON OR STEEL	135.5	46.8%	5.7%
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	131.5	22.5%	5.6%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	131.3	31.6%	5.6%
72 - IRON AND STEEL	107.2	29.0%	4.5%

Top 10 items of Import from India to B&H

Product	2018 JAN-APR	% growth	% total
TOTAL	24.9	11.9%	100%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	4.6	-5.4%	18.4%
09 - COFFEE, TEA, MATÉ AND SPICES	3.3	-6.3%	13.2%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	1.3	16.8%	5.4%
52 - COTTON	1.3	34.7%	5.3%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	1.2	13.6%	4.8%
56 - WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF	1.2	61.6%	4.7%
25 - SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT	1.0	34.6%	4.0%
62 - ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	0.9	9.1%	3.6%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	0.9	119.0%	3.6%
30 - PHARMACEUTICAL PRODUCTS	0.9	34.3%	3.5%

Top 10 items of export to India from B&H

Product	2018 Jan-Mar	% growth	% total
TOTAL	1.696	-18.5%	100%
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	1.453	-10.0%	85.7%
79 - ZINC AND ARTICLES THEREOF	0.085	63.3%	5.0%
73 - ARTICLES OF IRON OR STEEL	0.045	77.9%	2.6%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	0.032	-70.3%	1.9%
72 - IRON AND STEEL	0.026	-25.6%	1.5%
38 - MISCELLANEOUS CHEMICAL PRODUCTS	0.020	1.6%	1.2%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	0.014	-	0.8%
83 - MISCELLANEOUS ARTICLES OF BASE METAL	0.012	-	0.7%
22 - BEVERAGES, SPIRITS AND VINEGAR	0.007	15.2%	0.4%
63 - OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	0.001	-	0.1%

(VI) Top 5 Competitors of India's Top 5 Exports to B&H in 2017 JAN-APR

S. No.	Commodity	Competitors	Amount (In millions of US\$)
1	84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	1. CHINA	48.8
		2. GERMANY	47.7
		3. ITALY	38.6
		4. TURKEY	17.0
		5. SLOVENIA	15.3
2	09 - COFFEE, TEA, MATÉ AND SPICES	1. BRAZIL	11.0
		2. ITALY	2.7
		3. CROATIA	0.6
		4. VIETNAM	0.5
		5. SPAIN	0.3
3	64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	1. ITALY	17.5
		2. CHINA	16.7
		3. VIETNAM	7.3
		4. SERBIA	3.9
		5. INDONESIA	3.6
4	52 - COTTON	1. ITALY	5.0
		2. GERMANY	1.6
		3. SWITZERLAND	1.2
		4. TURKEY	1.1
		5. GREECE	1.0
5	41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	1. ITALY	24.7
		2. SLOVENIA	17.0
		3. CROATIA	5.1
		4. GERMANY	4.5
		5. AUSTRIA	3.7

Source: Eurostat (<http://epp.eurostat.ec.europa.eu>)

(VII) Bilateral Investment (Source: News, local media)

S. No.	Name of Company	Secor	Amount (US\$ million)

Suzlon Wind Energy BH signs deal to build 30 mln euro wind farm in Bosnia's Hadzici: The government of Bosnia's Sarajevo Canton said it has signed a 30-year concession contract with Suzlon Wind Energy BH for the construction and operation of a wind farm in the town of Hadzici. The cost of construction works is estimated at 30 million euro (\$35.2 million), the cantonal government said, following the signing of the contract. The wind farm in Hadzici will consist of 12 wind turbines providing 25 MWh of clean energy. The concession contract can be renewed for up to 15 years, the cantonal government noted. **Suzlon Wind Energy BH, based in Bosnian capital Sarajevo, is a subsidiary of Indian renewable energy solutions provider Suzlon Energy Ltd, which is present in 18 countries worldwide.** The construction of the wind farm is expected to begin in a year. The Sarajevo Canton is one of 10 cantons of the Federation of Bosnia and Herzegovina, one of two entities in the country. The other is the Republika Srpska.

(VII) Global Investment (Source: News, local media.)

S. No.	Name of Company	Secor	Amount (US\$ million)

- German-Bosnian and Herzegovinian Financial Cooperation Celebrates Successful Completion of Wind Farm Project:** A high-level delegation of KfW led by Prof. Dr. Nagel, Executive Board Member of KfW and Managing Director of KfW Development Bank, visited the plateau of Mesihovina near Tomislavgrad to celebrate the successful completion of German Financial Cooperation project "Wind Farm Mesihovina" together with the management of public

power utility “Elektroprivreda Hrvatske zajednice Herceg Bosne” (EP HZHB). Mesihovina is the first wind farm in Bosnia and Herzegovina, consisting of 22 wind energy converters with a total installed capacity of 50.6 MW and annual power generation of more than 150 GWh. KfW Development Bank financed the wind farm, which is owned and operated by EP HZHB, with a loan of €71 million and a grant of €1 million on behalf of the German Government.

2. **German Car Parts Maker Plans Factory in Northern Bosnia:** The company is part of the AFT Automotive GmbH group from the city of Greven (Germany). AFT Automotive GmbH is a producer of parts for automotive industry, and mainly produces functional components and pipelines for the flow and control of liquid. Mayor of town of Zivinice Mr. Samir Kamenjakovic said that the company is planning to construct a factory in the business zone of Ciljuge II and that the works should start on August 1. Mayor Kamenjakovic also added that the German investor will start with the construction of the second factory as well. An amount of 35 million KM (appx €17.9 mln) has been invested in the business area of Ciljuge II.
3. **China Has Ambition to Invest in Bosnia:** Bosnia and Herzegovina has a lot to offer to China, which has great desire and ambition to invest and is cooperating with BiH in many fields, said participants of a high-level meeting "Belt and Road Initiative: Reforms and Regional Perspectives", organized by the Society of Shared Values and the Center for Promotion and Development of the Belt and Road Initiative on 5th June in Sarajevo. Ambassador of China to BiH, Chen-Bo reminded that in 2018, China will mark the 40th anniversary of implementation of the reform policy and the opening of China to the world. “Reforms and opening to the world have not only profoundly changed China, but have also affected the world. A new round of scientific and industrial revolution has provided us with opportunities, but also brought unprecedented challenges,” Ambassador Bo said. She also stressed that China will not turn to protectionism or transferring the crisis to others using its advantages, but will continue to advocate reform, and will be committed to cooperation, joint progress and growth of the world economy. She pointed out the importance of the meeting, stating that the participants will consider the development and cooperation of China and Europe from the perspective of the countries of the Western Balkans and Central and Eastern Europe. The modern version of the "Silk Road" has a similar intent, to contribute to the creation of a community of a common destiny of humanity, the opening and connecting of peoples and countries through the Belt and Road Initiative.

(ix) Significant trends in trade and investment in JAN-APR 2018

Source: Eurostat (<http://epp.eurostat.ec.europa.eu>), News, local media.

Details of significant trends	Analysis
(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	The product group exhibited a fallback of 5.4% in Jan-Apr 2018 over the same period of 2017 and represents 18.4% of total Indian exports to BiH with 4.6 mln USD.
(HS 09) COFFEE, TEA, MATÉ AND SPICES	The product group fell back by 6.3% in Jan-Apr 2018 over the same period of 2017. It 13.2% of total exports to BiH with 3.3 mln USD.
(HS 64) FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	The product group increased by 16.8% in Jan-Apr 2018 over the same period of 2017. It represents 5.4% of total exports to BiH with only 1.3 mln USD.
(HS 52) COTTON	Trade increased by 34.7% in Jan-Apr 2018 over the same period of 2017. However it represents 5.3% of total Indian exports to BiH with 1.3 mln USD.
(HS 41) RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	Trade increased by 13.6% in Jan-Apr 2018 over the same period of 2017 in this product group. However, it represents 4.8% of total Indian exports to BiH with 1.2 mln USD.

- **Foreign Investment Promotion Agency (FIPA) at the 4th Investment and Trade Summit China 16 + 1:** During the visit to the Investment and Trade Fair from 6 to 10 June in Ningbo,

China, the FIPA delegation led by the Director Gordan Milinić participated at the 4th Investment Meeting of China and countries of Central and Eastern Europe. In the plenary session of the “Road Shows and Release Conferences of Investment Proposals” conference, FIPA had a presentation on the benefits of BiH’s business environment for foreign investors, and presented some of the largest and most attractive projects in the energy, infrastructure, transport, tourism and metal processing sectors. In addition to the presented projects during the presentation, FIPA has prepared a hundred projects for direct meetings with Chinese investors, both from the mentioned sectors, as well as from the IT sector, healthcare, auto industry and food production. Apart from the delegation from Bosnia and Herzegovina, the conference was attended by the delegations of Croatia, Macedonia, Serbia, Slovenia, Latvia, Lithuania, Estonia, Bulgaria, Romania, Poland, the Czech Republic, Slovakia, Hungary, Albania and China. FIPA representatives also had a number of direct meetings with interested Chinese companies that showed interest in renewable energy sources (especially solar parks), IT and Business Process services, transport and infrastructure, and health and spa tourism, considering given the suppression of visas for all types of passports between China and BiH. All of these events represent a great opportunity to establish a closer cooperation with China and to increase Chinese investments, especially considering China’s economic and economic development. The BiH delegation also visited a pavilion in which companies from Bosnia and Herzegovina exhibit their products.

2. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc:

The Mission had received information from Ministry of Foreign Affairs and Trade of BiH that there is interest in the import of sugar from India.

3. Market access:

- **Alerts on SPS/TBT notifications, import procedures, export restrictions put in place; change in trade policy:**

S. No.	Notification no. and date	Product	Distribution Date	Comment Deadline
				-

NIL during the period of report

- **Alerts on Trade Defence Measures taken by respective country: (Special Safeguard, antidumping, CVD or Anti-subsidy)**

S. No.	Notification no. and date	Details of products / sectors affected	Effective from

NIL during the period of report

Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, Department of Foreign Trade Policy and Control and Protection Measures deals with such issues:
<http://www.mvteo.gov.ba/>

- **Feedback from major Indian industries/ other commercial concerns set-up in that country and Indian trade visitors to that country: NIL during the period of report**

- **Feedback on major trade fairs / BSM including Indian participation (whether or not supported by MAI funds): NIL during the period of report**

S. No.	Particulars of Trade Fair, dates etc.	Number of participants from India	List of large participants	Feedback received
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TRADE FAIRS in Bosnia and Herzegovina

SARAJEVO HALAL FAIR	International Trade Fair on Halal Industry	Sarajevo	September 27-29, 2018	http://www.sarajevo-halalfair.com
ZEPS	General Trade Fair, Metal Industry	Zenica	October 2-6 2018	http://www.zeps.com
RENEXPO BiH	International Trade Fair and Conferences on Renewables and Energy Efficiency	Sarajevo	October 24-25 2018	www.renexpo-bih.com
INTERNATIONAL FAIR OF TOURISM	Fair of tourism and tourism industry, tourism exchange	Sarajevo	October 17-19 2018	www.skenderija.ba
FAIR OF ECONOMY 2018	Fair of Economy, Agriculture, Crafts and Consumer goods	Sarajevo	December 5-7 2018	www.skenderija.ba

<https://www.tradefairdates.com/Fairs-Bosnia-and-Herzegovina-Z18-S1.html>,
<http://komorabih.ba/wp-content/uploads/2018/02/CALENDAR-BH-FAIRS-2018.pdf>

e. Feedback from local commercial visitors to trade fairs in India, including under BSM. Number of Business Visas issues:

S. No.	Particulars of Trade Fair, dates etc.	Number of participants	List of large participants	Number of Business Visas issued	Feedback received
1.					

VISAS

Number of Regular Visas issued	6
Including number of Business Visas	1
Number of e-Visas issued (all categories)	36
Total number of Visas issued in June 2018:	42

- **Investment:**

- **Opportunities for investments/assets on offer/major company divestment:**

S. No.	Particulars of the asset/company	Contact details

- **Information on Tender Notices of interest to Indian project exporters (USD 15 million & above)-**

Foreign Investment Promotion Agency (FIPA) provides a database of investment projects in BiH www.fipa.gov.ba

Delegation of the European Union to BiH Tenders (Euopeaid tenders):
http://europa.ba/?page_id=320

1. **Sarajevo Airport to Build New Business HQ:** Sarajevo Airport will build a new business and administrative building which will house offices for airport staff. Valued at 3.1 million Euros, the new facility will be located next to the control tower. Tender procedures for the construction of the building have begun with the deadline for the submission of bids set for June 26. Sarajevo Airport is also in the process of tendering for the multimillion-euro expansion of its passenger terminal, with the deadline set for July 10.
 2. **International fair of energy, mining, environmental protection and associated industry Energa held on 19-21 June 2018:** Organized by Tuzlanski sajam d.o.o. the fair brought 120 exhibitors from 11 countries, 200 conference participants, as well as representatives of numerous domestic and foreign organizations and institutions. Bosnian Minister of Foreign Trade and Economic Relations Mirko Sarovic said at the opening at Mirza Delibasic hall in KSC Skenderija that the fair has regional dimension and that it is an opportunity for development of energy sector, where BiH has made progress, but insufficiently. Minister of Environment and Tourism of FBiH Edita Djapo said there is a great number of thermal power plants in BiH waiting for modernization. Ambassador of Turkey to BiH Haldun Koc said that Energa is moving towards becoming a respectable platform for exchange of ideas and experience in South-East Europe and it has a significant role in the region, because it presents investors in the energy sector.
- **Information regarding upcoming major investments in India from respective country:**

S. No.	Particulars of the asset/company	Sector of Investment	Quantum of Investment
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NIL at the time of the report

- **Details of trade research, information, dissemination activity of the commercial wing:**

S. No	Nature of activity (trade research, information dissemination, seminars, etc)	Details (date, venue & number of participants, copy of research sent to DOC)
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1. **Mission undertook the mapping of Materials, Minerals, Technologies, Resources:** The Mission had undertaken a detailed study to map prospective resources of Hungary which could be of benefit to India. The information has been sent to the Ministry of Foreign Affairs, JS (ED & States).
2. **The Mission has identified a potential demand for sugar from India:** The Mission had received information from Ministry of Foreign Affairs and Trade of BiH, that there is interest in the import of sugar. The current price of Indian refined sugar is USD 340-350 per ton. The freight CIF at the ports of Croatia or Montenegro is estimated at an extra USD 40 per ton.

Publicity of upcoming Indian Trade Fairs:

The Embassy gave publicity to the following events:

- INDIA STONEMART 2019- International Stone Industry Exhibition during Jan 31 – Feb 03, 2019
- International Congress & Expo 2018 – Essential Oil Association of India 2018. Navigating future of Essential Oils.
- 36th India Carpet Expo from 21-24 October, 2018 in Varanasi, India
- Indiasoft 2019 4-5 February, Hyderabad, India
- Council of leather exports Buyer Seller Meet on 28-29 Sept 2018 in New Delhi, India

- **Details of activities conducted out of Trade Promotion budget:**

BE for 2018-19 Rs.	RE for 2018-19 Rs.	Amount utilized (till JUNE 2018) Rs.	Details of Activity
427,000	500,000	100,000	Purchase of Make in India yoga T-shirts in connection to the 4th IDY and 3rd Ganga Danube Cultural Festival from Witlab Kft Voucher no: 173601-00806-0618

Action taken on the previous JWGs, Joint Commissions, sub-commissions etc. (issues that Mission had to follow up with host government): The last JCEC Meeting was held on 24-25 Sept 2012 in Sarajevo. Deputy Minister of Foreign Trade and Economic Relations of BiH, Mr. Mato Franjicevic, who is the Co-Chair of the Joint Committee from the BiH side, led a delegation to India in December 2016 and held a meeting with the Co-Chair from the Department of Commerce in India. Efforts are underway for constituting the next round of JCEC.

S. No.	Detail of JWG/JEC	Action Point	Action Taken

- **Trade Queries for Imports/Exports (from BiH for the month of June 2018)**

The Embassy received *nil* inquiries/questions/initiatives from Bosnian companies:

No.	Company	Contact person	Sector	Status

The Embassy received *nil* trade inquiries from Indian companies:

No.	Company	Contact person	Sector	Action Taken

8. Any Other Issue of Importance:

1. **Embassy organized events in 7 cities to mark International Day Of Yoga:** Embassy of India in Budapest marked the 4th International Day of Yoga in seven Bosnian cities: Sarajevo, Banja Luka, Foca, Mostar, Tuzla, Zavidovici and Zenica. The events were organized on June 16-17, showcasing yoga, Indian cultural performances, henna painting and Indian cuisines. In Sarajevo, the IDY was jointly inaugurated by Irena Hadziabdic, Head of the Central Election Commission, and Ambassador Rahul Chhabra on 16 June. After cultural performances, the audience participated in the Common Yoga Protocol session. Ambassador and Chief Election Commissioner also participated in yoga session. Razija Mujanovic, a renowned Bosnian basketball player, and Selma Muhedinovic, a renowned singer (wife of former member of Presidency), nominated as Ambassadors of Yoga by the Embassy, also participated at the event. Mayors in several other cities inaugurated IDY and performed yoga sessions with the participants. IDY was celebrated in Banja Luka on June 17 in the Petar Kocic park. This was preceded by a cultural performance on 16 June in the Banski Dvor Cultural Centre, which was inaugurated by Mayor of Banja Luka, Igor Radojicic, In Foca, the IDY celebrations were organized on 17 June,

at Trg Petra Krajlja Square. IDY was marked in Tuzla on 17 June with an event jointly inaugurated by Mayor Jasmin Imamovic and Ambassador Rahul Chhabra. In Zenica, IDY was jointly inaugurated by Mayor Fuad Kasumovic and Ambassador Chhabra. Ambassador and Mayor also participated in a yoga session. Mayor was so impressed by cultural performances and yoga session that he announced that he is going to invite Embassy again to perform in the city's National Theatre.

2. **Industrial Production up by 3.1% in 2017:** The volume of industrial production in Bosnia and Herzegovina in 2017 recorded a year-on-year increase of 3.1%. Annual growth of the manufacturing industries was 5.3%. Mining industry recorded a significant growth as well. A key contribution to the growth of the manufacturing industry was recorded in the production of finished metal products, paper, base metals and textiles, which had a positive impact on export growth. Paper production increased by 16.9% and base metals grew by 7.0%. Exports of these products increased in 2017 by 14.3% and 22% respectively. The report adds that production growth of 5.0% was recorded in ore and stone extraction, especially of coal and lignite, which is closely related to the growth of electricity exports. According to the report, a significant drop in production and supply of electricity and gas is recorded with an annual decrease of 4.1%. The report notes that industrial production recorded growth in all four quarters of 2017.
3. **April Average Net Salary Rises 2.8%:** The average net monthly salary in Bosnia and Herzegovina increased by a nominal 2.8% year-on-year in April, reaching 863 KM (€ 441.2), official figures showed. On a monthly comparison basis, the average net monthly salary in Bosnia fell by a nominal 0.7% in April. The average gross salary increased by a nominal 3.0% on the year, reaching 1,341 KM (€ 685.6) in April.

Average Monthly Exchange rates for June 2018

1US\$= 1.675174 KM

1EUR= 1.955830 KM

Source: Central Bank BIH <http://cbbh.ba>

Sanjeev Manchanda
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Embassy of India
Budapest