

**Embassy of India
Budapest**

**ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF MARCH 2019**

HUNGARY

(I) Bilateral Trade

2018 January-December trade (USD, EUR million)

	Import JAN-DEC	Export JAN-DEC	Total	Growth% of Import (y-o-y)	Growth% of Export (y-o-y)
Hungary's trade with India (mln)	463.0 USD 392.1 EUR	278.9 USD 236.2 EUR	741.9 USD 628.2 EUR	+1.7% -2.7%	+22.1% +16.8%
Hungary's Total Global Trade (mln)	121,343 USD 102,748 EUR	125,896 USD 106,604 EUR	247,240 USD 209,352 EUR	+12.9% +8.0%	+10.7% +5.8%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

Analysis: In the period of January to December 2018, in USD terms, exports to India increased by 22.1% while imports from India grew by 1.7%. Balance of trade is in India's favour in value of USD 184.1 mln. In EUR terms, exports to India increased by 16.8%, while imports from India fell back by 2.7%, resulting in a balance of trade in India's favour in value of EUR 155.9 mln.

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

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	278.9	22.1%	100.0%
1	'2941	Antibiotics	42.5	3.8%	15.2%
2	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	35.2	180.1%	12.6%
3	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	11.8	-21.1%	4.2%
4	'8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely ...	7.4	52.6%	2.6%
5	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	7.2	30.9%	2.6%
6	'8421	Centrifuges, incl. centrifugal dryers (excluding those for isotope separation); filtering or ...	7.1	40.5%	2.5%
7	'8408	Compression-ignition internal combustion piston engine "diesel or semi-diesel engine"	6.6	-22.6%	2.4%
8	'8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ...	6.5	-7.2%	2.3%
9	'7304	Tubes, pipes and hollow profiles, seamless, of iron or steel (excluding products of cast iron)	5.9	3.6%	2.1%
10	'2939	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and ...	5.6	67.0%	2.0%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

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

S.No.	HS code	Commodity	2018 JAN-EC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	125,896	10.7%	100.0%
1	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	9,200.4	5.1%	7.3%

2	'9999	Commodities not elsewhere specified	7,198.9	150.3%	5.7%
3	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	6,630.7	5.9%	5.3%
4	'8407	Spark-ignition reciprocating or rotary internal combustion piston engine	3,901.3	4.3%	3.1%
5	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	3,881.4	2.3%	3.1%
6	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	3,366.3	10.4%	2.7%
7	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	3,122.7	-6.2%	2.5%
8	'8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus ...	2,600.7	2.3%	2.1%
9	'2711	Petroleum gas and other gaseous hydrocarbons	2,520.1	155.0%	2.0%
10	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	2,373.4	0.3%	1.9%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

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

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	463.0	1.7%	100.0%
1	'8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely ...	53.7	34.5%	11.6%
2	'2933	Heterocyclic compounds with nitrogen hetero-atom[s] only	45.3	10.1%	9.8%
3	'3003	Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic ...	43.0	-20.4%	9.3%
4	'8483	Transmission shafts, incl. camshafts and crankshafts, and cranks; bearing housings and plain ...	31.7	-3.5%	6.8%
5	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	23.6	11.1%	5.1%
6	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	14.8	-29.9%	3.2%
7	'8411	Turbojets, turbopropellers and other gas turbines	14.1	1.9%	3.0%
8	'8542	Electronic integrated circuits; parts thereof	11.8	68.5%	2.5%
9	'2934	Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds (excluding ...	11.3	62.1%	2.4%
10	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	10.0	194.1%	2.2%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

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

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	121,343	12.9%	100.0%
1	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	5,375.0	-4.3%	4.4%
2	'2711	Petroleum gas and other gaseous hydrocarbons	4,299.2	53.5%	3.5%
3	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	3,736.7	13.1%	3.1%
4	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	3,298.3	12.5%	2.7%
5	'2709	Petroleum oils and oils obtained from bituminous minerals, crude	3,190.3	39.0%	2.6%
6	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	3,061.2	3.2%	2.5%
7	'8542	Electronic integrated circuits; parts thereof	2,776.1	5.6%	2.3%
8	'8409	Parts suitable for use solely or principally with internal combustion piston engine of heading ...	2,354.1	0.3%	1.9%

9	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	2,091.8	2.8%	1.7%
10	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	2,011.9	15.4%	1.7%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

(VI) Top 5 Competitors of India's Top 5 Exports to Hungary JAN-DEC 2018

S. No.	Commodity	Competitors		Amount
				(In millions of US\$)
1	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	1	Germany	6,400.7
		2	China	1,779.8
		3	Italy	1,065.9
		4	Netherlands	842.8
		5	Poland	767.6
2	29 ORGANIC CHEMICALS	1	China	200.5
		2	Italy	193.5
		3	Germany	191.2
		4	Netherlands	129.1
		5	Czech Republic	126.9
3	85 ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS	1	Germany	6,669.7
		2	China	3,530.2
		3	Netherlands	2,297.9
		4	Poland	1,013.0
		5	Austria	867.4
4	30 PHARMACEUTICAL PRODUCTS	1	Germany	941.6
		2	Belgium	755.2
		3	France	735.8
		4	Korea, Republic of	707.1
		5	Netherlands	434.5
5	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREO	1	Germany	4,456.1
		2	Czech Republic	1,399.0
		3	Poland	902.1
		4	Austria	770.9
		5	Slovakia	658.2

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

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

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

- Tesco opens new service centre:** UK hypermarket chain Tesco has established a new business and technology service centre in Hungary, creating 800 jobs, Foreign Minister Péter Szijjártó announced. Tesco Business Services CEO Sumit Mitra said the quality of the workforce and the good infrastructure played an important role in the choice of Hungary for the investment.
- FAKT invests €1bn in garden centre:** German company FAKT is investing €1 billion in building a modern horticultural, processing and logistics centre on 330 hectares near Hegyeshalom and Bezenye at the Austrian border, Agriculture Minister István Nagy announced. The project is the largest and most advanced food and agricultural investment in Hungary in recent decades, Nagy underlined. In the longer term, FAKT will build a fishery, greenhouses, refrigeration units, a conference centre, hotels and homes, eventually creating 5,000 jobs, said chairman and CEO Hubert Schulte-Kemper.

3. **GMD building factory in Dorog:** French car parts manufacturer the GMD group is investing Ft 14.5 billion (appx € 45.9 mln) to build a factory in Dorog, Komárom-Esztergom county, Foreign Affairs and Trade Minister Péter Szijjártó announced on 7th March. He said the cabinet is providing a Ft 2.9 billion (appx € 9.1 mln) subsidy as the project will create 240 jobs. Noting that the factory will use robots, he said the economy needs such investments to keep up with the latest technology. The Hungarian subsidiary of GMD was set up in 1999, starting production in nearby Oroszlány in 2000.
4. **Bosch expanding in Hatvan:** Robert Bosch Elektronika is expanding its electric car parts manufacturing factory in Hatvan by investing Ft 9.6 billion (app € 30.4 mln) in the project, Foreign Affairs and Trade Minister Péter Szijjártó announced in Budapest. The government is providing a Ft 1.2 billion subsidy to the project, which is scheduled to be completed by the end of 2020. The factory produces components for self-driving cars.

(iX) Significant trends in trade and investment in JAN-DEC 2018

(Source: Central Statistical Office www.ksh.hu, News, local media.)

Details of significant trends	Analysis (Indian exports to Hungary)
(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	The product group grew by 8.3% in JAN-DEC of 2018 over the same period of 2017. It represents 28.1% of total Indian exports to Hungary.
(HS 29) ORGANIC CHEMICALS	The product group exhibited a growth of 10.2% in JAN-DEC of 2018 over the same period of 2017 and represents 22.0% of total Indian exports to Hungary.
(HS 85) ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS...ETC.	Trade grew by 14.2% in this product group in JAN-DEC of 2018 over the same period of 2017. It represents 14.7% of total Indian exports to Hungary.
(HS 30) PHARMACEUTICAL PRODUCTS	The product group experienced a drop of 23% in JAN-DEC of 2018 over the same period of 2017. It represents 12.5% of total exports to Hungary.
(HS 87) VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS..	The product group experienced a drop of 5.9% in the JAN-DEC period of 2018. It represents 3.2% of total exports to Hungary.

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

- **Market access:**

Upcoming Trade Fairs in Hungary:

(I) INDUSTRY DAYS – MACH TECH -14-17 May 2019
(II) HOMEDESIGN AUTUMN 11 - 13th October 2019
(III) AUTOMOTIVE HUNGARY 16 - 18th October 2019
(IV) BUDAPEST WATER SUMMIT 15-17 October 2019
(V) BEAUTY & STYLE 18 - 20th October 2019

Further information: www.hungexpo.hu

VISAS

Number of Regular Visas issued	(MAR)	70
Number of Business Visas issued	(MAR)	34

- **Investment:**

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

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

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

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

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

b.) 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>

Tenders up from € 15 mln uploaded on the India Trade Portal
/www.indiantradeportal.in

- **Publicity of upcoming Indian Trade Fairs:**

The Embassy gave publicity to the following events:

- IPHEX 10-12 June 2019

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

1. Sourcing of Make in India merchandise for promoting brand India.
2. Subscription of HBI.hu and Partnercontrol.hu databases
3. Creation of Automotive brochures for business meetings during the visit of the ACMA delegation on 5th Feb 2019
4. Purchase of 1000 State of Goa brochures
5. Printing of booklets: States of India- An Investment Opportunity (English Version)

- **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 10th S&T Meeting were 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.

Embassy has also been in touch with various Hungarian ministries, including Ministry of Agriculture; Ministry of Human Capacities; Ministry of Interior; Ministry for Innovation and Technology regarding implementation of bilateral agreements.

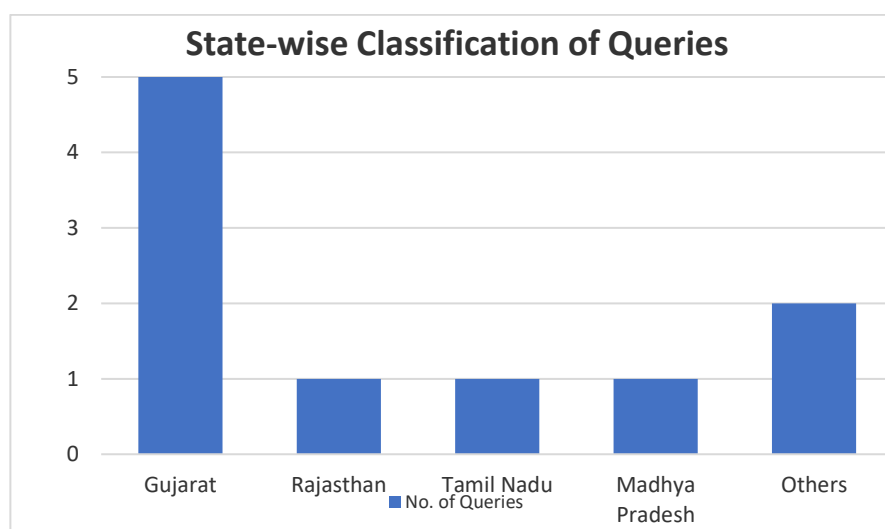
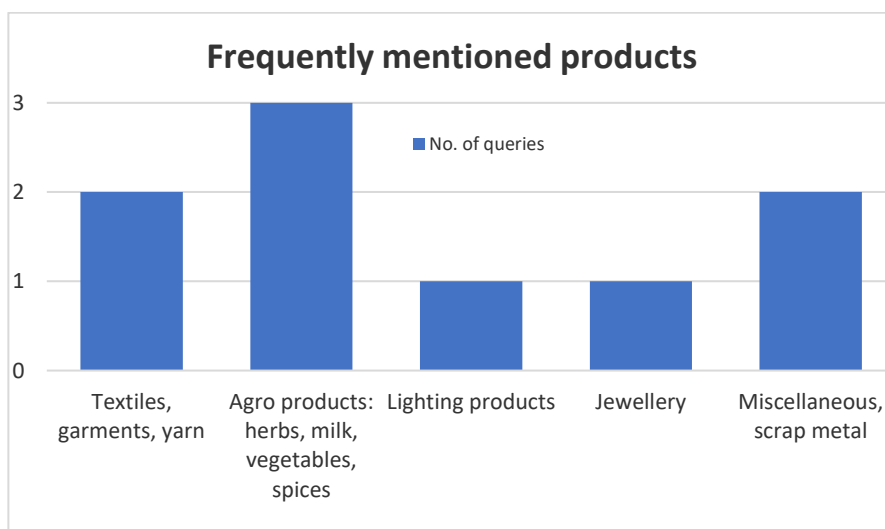
- Trade Queries for Imports/Exports (from Hungary for the month of March 2019)

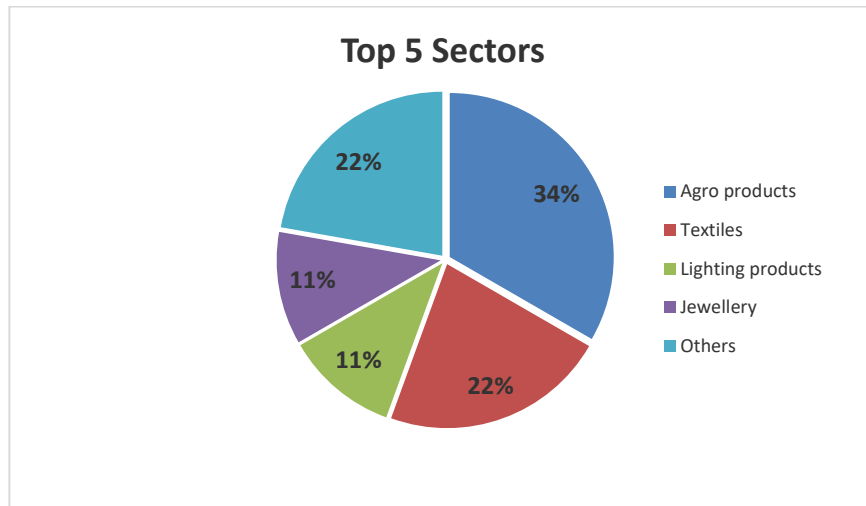
The Embassy received trade inquiries from 10 Indian companies and *nil* from Hungary.

No.	Company	Contact person	Sector	Action Taken
1	Brisk Exim	Rushabh Radadia	Engineering: lighting -led lights	Answered
2	Sukhmani Enterprises	Prsanjeet SINGH	Jewellery	Answered
3	Dream Foodstuff	Dream Foodstuff	Scrap metal	Answered
4	AARUI INDIA	Mr.Karan Patel-	Agro: vege, spices	Answered
5	Abhishek Gulhane		Food: milk	Answered
6	Suji Sri Sai Exports	C.Arumugam	Textile: garments	Answered
7	Aremssy Services	Sudhir Grover	Misc	Answered
8	SD Herbs	Vinod Jain	Herbs	Answered
9	Heritage Exim	Anup Zode	Scrap metal	Answered
10	Rameswar Udyog Pvt Ltd	Rameswar Hukumat	Textiles: Yarn	Answered

FAQs on trade queries have been created and uploaded on the Mission's website <http://www.eoibudapest.gov.in/page-link/?page=trade-s-and-t>

ANALYSIS OF TRADE QUERIES RECEIVED





- **Any Other Issue of Importance:**

1. **Hungary ordered to repay EU sugar subsidies:** Hungary has to repay €11.7 million to the EU for having violated rules on distributing EU funds for the reconstruction of the sugar industry, the European Court of Justice ruled on 12 March. Money was paid to Hungary and other EU countries as compensation for the phasing out of the EU's sugar quota system from July 1, 2006. Hungary received a total of €327 million in 2006-13, of which 65% was paid to farmers who had given up cultivating sugar beet. Sugar refineries received 27% of the sum, for demolishing their facilities, restoring the environment and disbursing severance pay to employees. However, the silos of the Eastern Sugar and Magyar Cukor refineries in Kaba and in Petóháza were not demolished, the EU found earlier. Hungary challenged these findings but the Court has rejected this claim.
2. **Service sector and investments lift Q4 GDP growth to 5.1%:** Hungary's GDP growth figure for the fourth quarter of 2018 was revised from 5.0% to 5.1% in the second reading by the Central Statistics Office. The Office also revised upward the first- and third-quarter figures to 4.6% and 5.1%, respectively, thereby lifting the full-year growth to 4.9%. Data adjusted for working days show economic growth of 5% for the full year of 2018, the highest figure in 15 years.
3. **Ministry confirms budget deficit:** The February budget deficit came to Ft 177.2 billion (appx € 560.8 mln), the Finance Ministry confirmed. After the Ft 244.5 billion (appx € 773.8 mln) surplus in January, the budget was Ft 67.3 billion (appx € 213 mln) in surplus over the first two months, in contrast to the Ft 526.6 billion (appx € 1.67 bln) deficit of one year earlier. EU fund transfers in the first two months rose to Ft 281.4 billion (appx € 890 mln), up from Ft 17.8 billion (appx € 56 mln) a year earlier. The central budget recorded an Ft 18.9 billion (appx € 59.8 mln) surplus over the first two months, social security funds ran a Ft 17.2 billion (appx € 54 mln) surplus and independent funds accumulated a Ft 31.2 billion (appx € 98.7 mln) surplus.
4. **MNB breaks with loose policy:** The MNB's monetary council raised the over-night deposit rate from -0.15% to -0.5% on 26 March, while keeping the overnight lending rate at 0.9%. Governor György Matolcsy said that the changes are necessary and sufficient for maintaining the medium-term inflation target, which has been reached, stressing that monetary policy has not changed since 2011.
5. **Banks profits at record high in 2018:** The combined net profit of the banking sector came to a record high Ft 645.3 billion (appx € 2 bln) in 2018, up by 9.6% or Ft 56.6 billion (appx €179 mln) from the previous year, the MNB announced. The 19% rise in operating profits played a

key role in the net profit expansion, the MNB underlined. Total return on equity increased from 13.2% to 13.4%, but the return on assets stagnated at 1.5%. The number of loss-making banks dropped from 14 to three and the number of banks making more than a 1% return on their assets rose from nine to 12.

Average Monthly Exchange rates for March 2019

1US\$= 279.44 HUF

1EUR= 315.97 HUF

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

**Embassy of India
Budapest**

**ECONOMIC AND COMMERCIAL REPORT
FOR THE MONTH OF MARCH 2019**

Bosnia & Herzegovina (BiH)

Trends in bilateral trade JAN-DEC 2018:

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

	BiH's Imports	BiH's Exports	Total	Growth% of Import (y-o-y)	Growth% of Export (y-o-y)
BiH's trade with India (mln)	78.1 USD 66.1 EUR	8.1 USD 6.8 EUR	86.2 USD 73.0 EUR	+8.8% +4.1%	+23.5% +18.1%
BiH's Total Global Trade (mln)	11,628 USD 9,846 EUR	7,182 USD 6,082 EUR	18,810 USD 15,927 EUR	+11.3% +6.5%	+12.8% +7.9%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

Analysis: In the period of January to December 2018, in USD terms, exports to India increased by 23.5% and imports from India grew by 8.8%. Balance of trade is in India's favour in value of USD 70.1 mln. In EUR terms, exports to India increased by 18.1%, while imports from India grew by 4.1 %. The balance of trade is in India's favour in value of EUR 59.3 mln.

Top 10 items of export to India from BiH

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	8.06	23.5%	100%
1	'2836	Carbonates; peroxocarbonates "percarbonates"; commercial ammonium carbonate containing ammonium ...	6.32	41.3%	78.4%
2	'4804	Uncoated kraft paper and paperboard, in rolls of a width > 36 cm or in square or rectangular ...	0.54	-38.0%	6.7%
3	'4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, ...	0.31	732.4%	3.8%
4	'7907	Articles of zinc, n.e.s.	0.29	55.4%	3.5%
5	'7326	Articles of iron or steel, n.e.s. (excluding cast articles)	0.14	22.5%	1.7%
6	'2811	Inorganic acids and inorganic oxygen compounds of non-metals (excluding hydrogen chloride "hydrochloric ...	0.07	-	0.9%
7	'2203	Beer made from malt	0.07	86.8%	0.9%
8	'3823	Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols	0.05	-18.0%	0.6%
9	'7205	Granules and powders of pig iron, spiegeleisen, iron or steel (excluding granules and powders ...	0.05	-39.5%	0.6%
10	'8441	Machinery for making up paper pulp, paper or paperboard, incl. cutting machines of all kinds, ...	0.04	-	0.5%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

Top 10 items of export to the World from BiH

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		TOTAL	7,182.1	12.8%	100.0%
1	'9401	Seats, whether or not convertible into beds, and parts thereof, n.e.s. (excluding medical, ...	386.7	-3.0%	5.4%

2	'2716	Electrical energy	347.2	30.2%	4.8%
3	'7601	Unwrought aluminium	245.9	19.2%	3.4%
4	'4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, ...	213.9	6.1%	3.0%
5	'9403	Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary ...	208.3	9.1%	2.9%
6	'2704	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon	187.3	51.2%	2.6%
7	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	186.9	21.9%	2.6%
8	'6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ...	180.6	1.3%	2.5%
9	'7308	Structures and parts of structures "e.g., bridges and bridge-sections, lock-gates, towers, ...	179.6	42.1%	2.5%
10	'6406	Parts of footwear, incl. uppers whether or not attached to soles other than outer soles; removable ...	166.1	27.9%	2.3%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

Top 10 items of Import from India to BiH

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
TOTAL			78.1	8.8%	100.0%
1	'8414	Air or vacuum pumps (excluding gas compound elevators and pneumatic elevators and conveyors); ...	12.1	-4.5%	15.5%
2	'0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ...	9.6	-13.8%	12.3%
3	'2516	Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not ...	3.5	13.8%	4.4%
4	'7601	Unwrought aluminium	3.4	#DIV/0!	4.3%
5	'5603	Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s.	3.1	35.5%	3.9%
6	'6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ...	3.0	18.2%	3.8%
7	'5205	Cotton yarn other than sewing thread, containing >= 85% cotton by weight (excluding that put ...	2.5	-23.9%	3.2%
8	'8421	Centrifuges, incl. centrifugal dryers (excluding those for isotope separation); filtering or ...	2.4	483.6%	3.1%
9	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	2.1	10.2%	2.6%
10	'6802	Monumental or building stone, natural (excluding slate), worked, and articles; mosaic cubes ...	1.8	-0.9%	2.3%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

Top 10 items of Import from the World to BiH [USD Million]

S.No.	HS code	Commodity	2018 JAN-DEC	Growth (%) (y-o-y)	(%) Share in Total Exports to India
TOTAL			11,627.7	11.3%	100.0%
1	'2710	Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ...	749.1	35.9%	6.4%
2	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	464.9	15.6%	4.0%
3	'2709	Petroleum oils and oils obtained from bituminous minerals, crude	361.2	9.6%	3.1%
4	'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	303.2	14.8%	2.6%
5	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	275.0	7.5%	2.4%
6	'4107	Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of bovine ...	138.7	12.1%	1.2%

7	'2711	Petroleum gas and other gaseous hydrocarbons	123.7	18.3%	1.1%
8	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	120.8	3.6%	1.0%
9	'2716	Electrical energy	107.2	-41.3%	0.9%
10	'8704	Motor vehicles for the transport of goods, incl. chassis with engine and cab	101.2	16.1%	0.9%

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

(VI) Top 5 Competitors of India's Top 5 Exports to BiH in JAN-DEC 2018

S. No.	Commodity	Competitors	Amount (In millions of US\$)
1	84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	1. Germany	159.5
		2. China	132.1
		3. Italy	121.9
		4. Turkey	53.6
		5. Slovenia	51.5
2	09 - COFFEE, TEA, MATÉ AND SPICES	1. Brazil	34.0
		2. Italy	8.9
		3. Viet Nam	1.9
		4. Croatia	1.8
		5. Uganda	1.3
3	41 - RAW HIDES AND SKINS (OTHE//LEATHER	1. Italy	66.5
		2. Slovenia	46.4
		3. Croatia	14.7
		4. Germany	12.6
		5. Austria	12.0
4	64 - FOOTWEAR, GAITERS AND THE//ARTICLES	1. Italy	50.3
		2. China	42.4
		3. Viet Nam	16.3
		4. Austria	9.6
		5. Indonesia	7.1
5	25 - SALT; SULPHUR; EARTHS AND//CEMENT	1. Croatia	36.4
		2. Greece	5.0
		3. Italy	2.6
		4. Egypt	2.4
		5. Turkey	2.1

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

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

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

- 1. ArcelorMittal reaches railway deal, resumes output at Bosnia mine:** ArcelorMittal agreed to a provisional transportation deal with a Bosnian regional railway company, the steelmaker announced on March 6, 2019, allowing production to resume at its iron ore mines in northwestern Bosnia. Production at the mine was halted after talks on the deal with the Zeljeznice RS railway company collapsed a week earlier. Transportation of iron ore was also halted. ArcelorMittal, the world's largest steelmaker, operates a steel plant in the central Bosnian town of Zenica, which processes iron ore from its Omarska mines in the town of Prijedor. ArcelorMittal Zenica, is Bosnia's largest steel exporter and accounts for 2.5 percent of the country's GDP and employs 2400 people.

2. Loan Approved to Build Zenica Heat and Power Plant: Air quality in Zenica is set to improve significantly thanks to an investment in March 2019 led by the EBRD in a new local heat and power plant that will no longer rely on heavily polluting coal. The new combined heat and power (CHP) plant, Toplana Zenica, will supply power to Zenica and the ArcelorMittal steel plant. The project will be implemented by a joint venture formed by ArcelorMittal Zenica, the City of Zenica, KPA Unicon (Finland) and Finnfund (Finland) and result in major environmental improvements as well as more cost-efficient production of energy. It is being financed with a €46 million loan package, comprising a €28 million loan for the EBRD’s own account and a loan of up to €18 million provided by Banca Intesa Sanpaolo S.p.A. The EBRD portion includes €23 million from the Bank and €5 million of concessional financing from the International Cooperation and Development Fund (Taiwan ICDF).

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

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

- 1. Concession Agreement Scrapped for Wind Farm:** The government of Republika Srpska issued a 30-year concession for the Trusina wind farm project back in 2012, which was designed to have 15 turbines, an installed capacity of 49.5 MW, and an annual output of around 160 GWh of electricity. According to plans, the Trusina wind farm was to originally launch production in late 2019. However, the start of construction on the wind farm had been repeatedly delayed. The project has ground to a halt in March 2019, with the government of Republika Srpska scrapping the concession over the investor’s failure to submit a banking guarantee for the project, even though the Ministry of Industry, Energy, and Mining insisted that the investor was serious. The UK-based Kermas Limited, owned by Croatian businessman Danko Koncar, was to be Eol Prvi’s strategic partner on the project.
- 2. Entity Parliament Okays China-Funded Power Plant:** The Federation entity parliament has approved a resolution allowing the construction on a Chinese-funded thermal power plant - the largest single post-war investment in the country - to go ahead. Before construction can start, the Federation’s House of Peoples needs to adopt two more documents, according to Fadil Novalic, the entity’s Prime Minister. After the 16+1 Budapest summit in November 2017, Bosnia’s electric power company Elektroprivreda BiH took a 700-million-Euro loan from China’s Exim bank to finish the thermal power plant in Tuzla, the largest single post-war investment in the country. Elektroprivreda then hired three Chinese companies to construct the thermal power plant. After the delay of getting the green light from the Federation’s parliament, three companies from China – Gezhouba Group, Guandong Electric Power Design Institute and Dongfang Electric Corporation Limited – threatened to pull out of the project. EU has expressed concern on the decision of the government.

(iX) Significant trends in trade and investment in JAN-DEC 2018Source: 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 growth of 14.2% in JAN-DEC 2018 over the same period of 2017 and represents 21.5% of total Indian exports to BiH with 16.8 mln USD.
(HS 09) COFFEE, TEA, MATÉ AND SPICES	The product group fell back by 13.4% in JAN-DEC 2018 over the same period of 2017. It represents 12.7% of total exports to BiH with 9.9 mln USD.
(HS 41) - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	The product group increased by 10.0% in JAN-DEC 2018 over the same period of 2017. It represents 5.0% of total exports to BiH with only 3.9 mln USD.
(HS 64) - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	Trade increased by 3.0% in JAN-DEC 2018 over the same period of 2017. However, it represents only 4.7% of total Indian exports to BiH with a value of 3.7 mln USD.
(HS 25) - SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT	Trade increased by 13.6% in JAN-DEC 2018 over the same period of 2017 in this product group. However, it represents only 4.6% of total Indian exports to BiH with 3.6 mln USD.

Source: International Trade Centre: Calculations based on Eurostat statistics <http://www.intracen.org>, <http://www.Trademap.org>

- Market access:**

TRADE FAIRS in Bosnia and Herzegovina

ENERGA	International trade fair for energy, industry and mining	Sarajevo	June 11-13	www.skenderija.ba
SARAJEVSKI SAJAM TURIZMA 2019	41st International Fair of Tourism and Catering	Sarajevo	October 9-11	www.skenderija.ba ;
ZEPS 2019	26th International General BH Economic Fair and 16th International Fair on Metal Industry	Zenica	October 1-5	www.zeps.com
RENEXPO	International Trade Fair and Conferences on Renewables and Energy Efficiency	Sarajevo	October 23-24	www.renexpo-bih.com
AUTUMN FAIR 2019	International Fair of Agriculture and Food Industry International Hunting, Fishing, Ecology and Sports Fair International Fair of Tourism and Catering	Banja Luka	November 14-17	www.sajam.co

<https://www.tradefairdates.com/Fairs-Bosnia-and-Herzegovina-Z18-S1.html><http://komorabih.ba/wp-content/uploads/2019/01/calendar-of-bh-fairs-manifestations-2019.pdf>**VISAS**

Number of Tourist Visas issued	(MAR)	1
Number of Business Visas	(MAR)	0

- **Investment:**

- **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

- **Publicity of upcoming Indian Trade Fairs:**

The Embassy gave publicity to the following events:

- IPHEX 10-12 June 2019

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

1. Sourcing of Make in India merchandise for promoting brand India
2. Subscription of HBI.hu and Partnercontrol.hu databases
3. Expenditure towards participation in Mostar International Economic Fair, 9-13 April 2019
4. Printing of booklets: States of India- An Investment Opportunity (Bosnian Version)

- **Action taken on the previous JWGs, Joint Commissions, sub-commissions etc. (issues that Mission had to follow up with host government):** Embassy has been in touch with various ministries, including the Ministry of Foreign Affairs of BiH for implementation of bilateral agreements/decisions.

- **Trade Queries for Imports/Exports (from BiH for the month of March 2019)**

The Embassy received *nil* trade inquiries from India and *nil* inquiries from Bosnian companies

No.	Company	Contact person	Sector	Action Taken

- **Any Other Issue of Importance:**

1. **S&P Raises Bosnia’s Outlook for the First Time since 2012:** S&P has upgraded Bosnia’s outlook to positive from stable, leaving the B rating unchanged – the first improvement of the country’s outlook since 2012. S&P added that the Bosnian authorities are expected to bring the country back to its frozen deal with the IMF, which, in turn, would lead to more reforms and would unlock financing for important infrastructure projects. Domestic demand, backed by the constantly falling unemployment level in Bosnia, is seen as the main driver of the economic growth. According to S&P, Bosnia’s rating could be raised in the next 12 months if a lasting government is formed and structural reforms are launched. At the same time, the rating is constrained by Bosnia’s complex institutional framework and sustained current account deficits that give rise to substantial external financing needs that weigh on Bosnia’s creditworthiness.
2. **Industrial Output Falls, Building Permits Increase in February:** Bosnia's industrial output decreased by 3.8% year-on-year in February after falling by an annual 6.7% in January, the

national statistical office said. On a monthly comparison basis, Bosnia's industrial production rose by 2.1% in February after decreasing by 0.7% a month earlier, the statistical office said

3. **Unemployment Figures Drop 8.5% in January:** The number of registered unemployed people in Bosnia decreased by 8.5% on the year to 433,438 in January, Bosnia's Agency for Statistics said. On a monthly comparison basis, the number of registered unemployed people in Bosnia edged down by 0.4%, the statistical office said. Most of the registered unemployed in January were highly skilled and skilled people (141,095), followed by unskilled people (122,160) and holders of a high school diploma (118,675).

Average Monthly Exchange rates for March 2019

1US\$= 1.730207 KM

1EUR= 1.955830 KM

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

Sanjeev Manchanda
Second Secretary (Com/Pol)/CR
Embassy of India
Budapest
Dated: 3rd May, 2019