

**Embassy of India  
Budapest**

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

**HUNGARY**

**(I) Bilateral Trade**

**2019 January trade (USD, EUR million)**

	<b>Import JAN</b>	<b>Export JAN</b>	<b>Total</b>	<b>Growth% of Import (y-o-y)</b>	<b>Growth% of Export (y-o-y)</b>
<b>Hungary's trade with India (mln)</b>	45.0 USD 39.4 EUR	22.2 USD 19.4 EUR	67.1 USD 58.8 EUR	-7.1% -0.8%	+24.6% +33.1%
<b>Hungary's Total Global Trade (mln)</b>	10,137 USD 8,878 EUR	10,480 USD 9,178 EUR	20,618 USD 18,056 EUR	+1.6% +8.5%	+0.2% +7.0%

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

**Analysis:** In the month of January 2019, in USD terms, exports to India increased by 24.6% year-on-year while imports from India fell back by 7.1%. Balance of trade is in India's favour in value of USD 22.8 mln. In EUR terms, exports to India increased by 33.1%, while imports from India fell back by 0.8%, resulting in a balance of trade in India's favour in value of EUR 20.0 mln.

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

<b>S.No.</b>	<b>HS code</b>	<b>Commodity</b>	<b>2019 JAN</b>	<b>Growth (%) (y-o-y)</b>	<b>(%) Share in Total</b>
		<b>TOTAL</b>	<b>22.2</b>	<b>24.6%</b>	<b>100.0%</b>
1	'2941	Antibiotics	4.6	327.2%	21.0%
2	'2939	Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and ...	1.4	187.3%	6.1%
3	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	1.2	26.0%	5.5%
4	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	0.9	-27.2%	4.2%
5	'2929	Compounds with other nitrogen function (excluding amine-function compounds; oxygen-function ...	0.9	-	3.8%
6	'8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ...	0.6	-31.4%	2.9%
7	'9506	Articles and equipment for general physical exercise, gymnastics, athletics, other sports, ...	0.6	154.1%	2.6%
8	'7304	Tubes, pipes and hollow profiles, seamless, of iron or steel (excluding products of cast iron)	0.6	26.0%	2.5%
9	'8511	Electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition ...	0.5	113.5%	2.2%
10	'4806	Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent ...	0.5	3.9%	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\$)**

<b>S.No.</b>	<b>HS code</b>	<b>Commodity</b>	<b>2018 JAN</b>	<b>Growth (%) (y-o-y)</b>	<b>(%) Share in Total</b>
		<b>TOTAL</b>	<b>10,480</b>	<b>0.2%</b>	<b>100.0%</b>
1	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	935.9	25.7%	8.9%
2	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	600.7	2.8%	5.7%
3	'9999	Commodities not elsewhere specified	512.1	97.9%	4.9%

4	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	317.2	-8.4%	3.0%
5	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	273.6	13.1%	2.6%
6	'8407	Spark-ignition reciprocating or rotary internal combustion piston engine	241.1	-33.9%	2.3%
7	'8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus ...	219.3	6.4%	2.1%
8	'2711	Petroleum gas and other gaseous hydrocarbons	206.4	-9.5%	2.0%
9	'8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus ...	198.2	-10.8%	1.9%
10	'8471	Automatic data-processing machines and units thereof; magnetic or optical readers, machines ...	192.5	-17.8%	1.8%

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	Growth (%) (y-o-y)	(%) Share in Total
		<b>TOTAL</b>	45.0	-7.1%	100.0%
1	'8483	Transmission shafts, incl. camshafts and crankshafts, and cranks; bearing housings and plain ...	3.9	11.4%	8.6%
2	'2933	Heterocyclic compounds with nitrogen hetero-atom[s] only	3.7	-32.3%	8.2%
3	'3003	Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic ...	3.4	-35.5%	7.4%
4	'8473	Parts and accessories (other than covers, carrying cases and the like) suitable for use solely ...	3.1	-4.7%	6.9%
5	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	2.5	-11.7%	5.5%
6	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	2.1	12.8%	4.6%
7	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	1.9	226.5%	4.2%
8	'8411	Turbojets, turbopropellers and other gas turbines	1.3	-38.2%	2.8%
9	'2921	Amine-function compounds	1.2	464.4%	2.7%
10	'6406	Parts of footwear, incl. uppers whether or not attached to soles other than outer soles; removable ...	1.0	-27.8%	2.3%

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	2019 JAN	Growth (%) (y-o-y)	(%) Share in Total
		<b>TOTAL</b>	<b>10,137</b>	1.6%	100.0%
1	'9999	Commodities not elsewhere specified	763.0	59.5%	7.5%
2	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	467.3	0.9%	4.6%
3	'2709	Petroleum oils and oils obtained from bituminous minerals, crude	330.1	73.6%	3.3%
4	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	302.9	-5.3%	3.0%
5	'2711	Petroleum gas and other gaseous hydrocarbons	295.5	-11.3%	2.9%
6	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	275.3	6.8%	2.7%
7	'8542	Electronic integrated circuits; parts thereof	260.2	3.0%	2.6%
8	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	259.4	-6.3%	2.6%
9	'2716	Electrical energy	197.9	72.9%	2.0%
10	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	183.5	-10.2%	1.8%

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>

**(VII) Global Investment (Source: Hungary around the Clock media, Hungarian Government [www.kormany.hu](http://www.kormany.hu) )**

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

- 1. German companies happy in Hungary:** The vast majority of German companies operating in Hungary evaluated their position and the state of the Hungarian economy positively in an annual survey conducted by the German-Hungarian Chamber of Industry and Commerce. Optimism among German companies moderated somewhat from 2018, but more companies are planning to increase their headcount than expect to cut staff. Chamber President Dale A. Martin said rising labour costs can only be addressed by boosting productivity, adding that the phenomenon is expected to be even more burdensome for Hungarian SMEs than for multinational companies. Finance Minister Mihály Varga said 2,500 German-owned companies employ 200,000 staff in Hungary. Bilateral trade grew by 4% in 2018 to €54 billion.
- 2. Consortium selected for Budapest-Belgrade rail project:** A Chinese-Hungarian consortium has been declared the winner of a tender for upgrading the Budapest-Belgrade railway line, Foreign Minister Péter Szijjártó announced during his visit in Beijing on 25<sup>th</sup> April. He did not reveal the name of the winning consortium, but said that a contract for implementing the project will be concluded by May 25, which will enter into effect once a loan agreement is reached between the Chinese Eximbank and the Hungarian government. Such an agreement is expected by the middle of summer, he said. The project may begin at the end of 2019 or the beginning of 2020, and could be finished within five years. Szijjártó stressed that with the upgrade of the railway line, Hungary will offer the speediest transport route for Chinese commodities between South-East and Western Europe. He also emphasised Hungary's

willingness to partner with China on trade, and announced the establishment of a joint Hungary-China working group to create an unencumbered trade environment. An accord was also signed on cooperation in the field of digital development projects between the two countries.

3. **Gov't grants Ft 43bn to big companies:** The government has awarded Ft 43.3 billion (appx €134.8 mln) in subsidies for large investments to Hungarian companies based on individual government decrees in the first four months. These investments created 3,079 jobs, according to the Ministry of Foreign Affairs and Trade. MOL's polyol plant in Tiszaújváros received the largest sum, Ft 11.7 billion (appx €36.4 mln). Grants were also awarded to car parts manufacturer Rehau Automotive and GS Yuasa Magyarország, which is developing lithium batteries for electric vehicles.
4. **Finance Minister announces launch of new government bond:** The new five-year government bond for retail investors with yields exceeding all other government securities will be available from June 3, Finance Minister Mihály Varga announced on May 24. The state debt manager ÁKK unveiled plans for the new bond last month. The coupon will be 3.5% at the end of six months and 4% at the end of the first year. Afterwards, half a percentage point will be added to the coupon each year, which means the bond pays 6% interest in the final year of its term. The new retail bond will offer the highest yield in every stage of its maturity period, Varga said, adding that yields will be exempt from capital gains tax. He added that the new government bond will make the financing of public debt more stable, as households are considered to be reliable investors. The growing proportion of domestic ownership of state debt was assessed positively by credit-rating agencies in their decision to upgrade Hungary's rating in February, Varga noted. The bonds can be subscribed online and at offices of the State Treasury and Magyar Posta, as well as savings co-operatives. Varga hinted that the bonds will also be available from commercial banks.

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

(Source: Central Statistical Office [www.ksh.hu](http://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 <b>8.3%</b> in JAN-DEC of 2018 over the same period of 2017. It represents <b>28.1%</b> of total Indian exports to Hungary.
(HS 29) ORGANIC CHEMICALS	The product group exhibited a growth of <b>10.2%</b> in JAN-DEC of 2018 over the same period of 2017 and represents <b>22.0%</b> of total Indian exports to Hungary.
(HS 85) ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS...ETC.	Trade grew by <b>14.2%</b> in this product group in JAN-DEC of 2018 over the same period of 2017. It represents <b>14.7%</b> of total Indian exports to Hungary.
(HS 30) PHARMACEUTICAL PRODUCTS	The product group experienced a drop of <b>23%</b> in JAN-DEC of 2018 over the same period of 2017. It represents <b>12.5%</b> of total exports to Hungary.
(HS 87) VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS..	The product group experienced a drop of <b>5.9%</b> in the JAN-DEC period of 2018. It represents <b>3.2%</b> of total exports to Hungary.

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

- **Ministry unveils export strategy:** The Foreign Affairs and Trade Ministry aims to boost exports by SMEs, according to an extract of its National Export Strategy for 2030 adopted in March. The strategy calls for new competitiveness measures, as there are relatively few companies with the capacity to export. The government plans to increase the share of SMEs with exporting capacities to 50% by 2030 and to support their integration into global value

chains. It also aims to expand Hungarian exports to markets outside the EU and to create the most efficient export financing system in the region. In addition, the strategy involves the promotion of foreign investment, the development of supply chains, the acceleration of issuing export licenses, and the establishment of sample products. The ministry will work out details of the export strategy in the coming months, in cooperation with relevant ministries, public organisations and industry players.

- **Gov't looks to foster multinationals:** The government has launched its Hungarian Multi Programme with Ft 10 billion (appx € 31 mln) to support SMEs, Innovation and Technology Ministry State Secretary László György announced. EU funds will be provided to about 170 Hungarian-owned SMEs that achieve annual growth of at least 20% in three consecutive years or at least 5% annual export growth. Such companies can become Hungarian multinationals which enter market niches and achieve success abroad, György underlined. Beneficiary companies will be selected by an audit examining their long-term strategy and growth potential. Exports will be helped by tailor made consultancy services.

- **Market access:**

- **Feedback on major trade fairs / BSM including Indian participation (whether or not supported by MAI funds)**
- **Indian participation in the Hungexpo Mach-Tech-Industry Days:** The event was held between 14-17 May 2019 presented the operators of the various industry sectors, professional novelties, cost-effective industrial solutions and the latest “spread” of Industry 4.0. Four pavilions hosted 562 exhibitors from 20 countries and over 18 thousand visitors attended the event. The FIEO-member Indian company Jyoti Cnc Automation Pvt. Ltd participated in the fair under the umbrella of Alfleth Engineering AG, a Swiss engineering and trade company with branches in Central and Eastern Europe. The pavilion showcased machine tools of well-known manufacturers from Switzerland, Germany, France, Italy, the Netherlands and India. The company has a wide product basket consisting of series of CNC Turning Centers, CNC Turn Mill Centers, CNC Vertical Machining Centers, CNC Horizontal Machining Centers, CNC Vertical Line Machines and High-tech CNC 3 axis and 5 axis machining centers. The company has subsidiaris in France, Germany and Canada.

**Upcoming Trade Fairs in Hungary:**

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

Further information: [www.hungexpo.hu](http://www.hungexpo.hu)

**VISAS**

Number of Regular Visas issued	(APR)	72
Number of Business Visas issued	(APR)	27

- **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](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](http://www.indiantradeportal.in)

- **NMHH to announce 5G frequency tender:** A tender for 5G mobile phone frequencies will be announced in the autumn, Head of the media and communications authority NMHH Mónika Karas said at a forum. Four frequency bands will be sold based on prior demand: two 25MHz blocks in the 700MHz band, two 15MHz blocks in the 2,100MHz band, one 15MHz block in the 2,600MHz band, and one 310MHz block in the 3,600MHz band. Lower frequencies of 700MHz and 3,600MHz will be the first to be sold. The 700MHz band which is now used for broadcasting will be emptied by June 30, 2020, after which mobile phone companies will be able to use it. Frequency winners will obtain rights for 15 years with an option to extend for five more years. Tender documents will be made public in early summer.

- **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 5<sup>th</sup> JCEC and 10<sup>th</sup> S&T Meeting were held on 7<sup>th</sup> March and 21<sup>st</sup> 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.

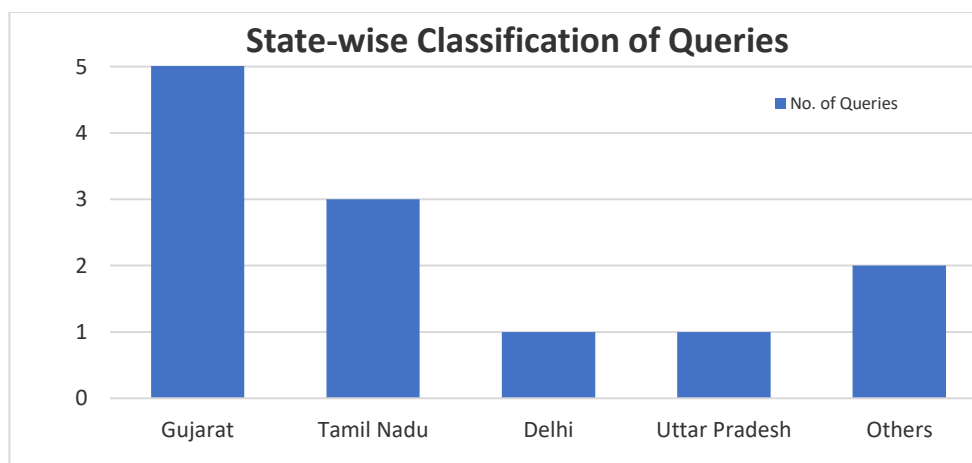
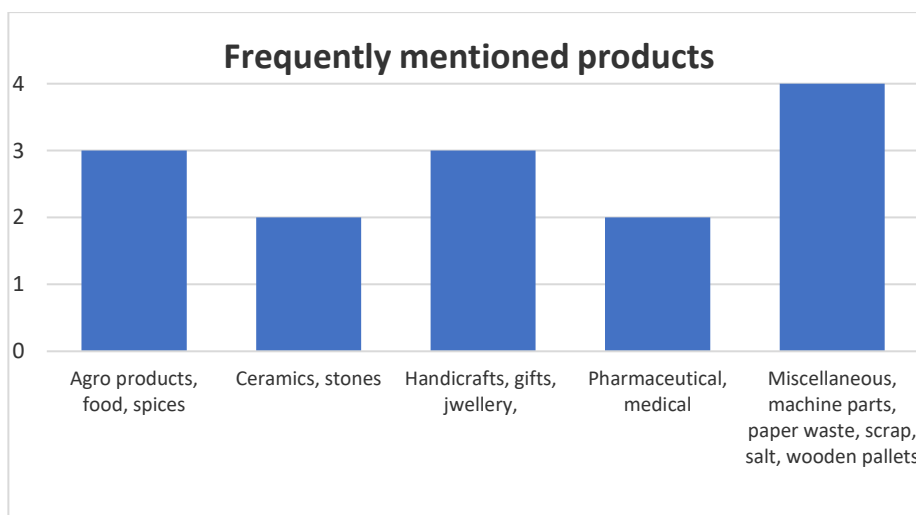
- **Trade Queries for Imports/Exports (from Hungary for the month of April 2019)**

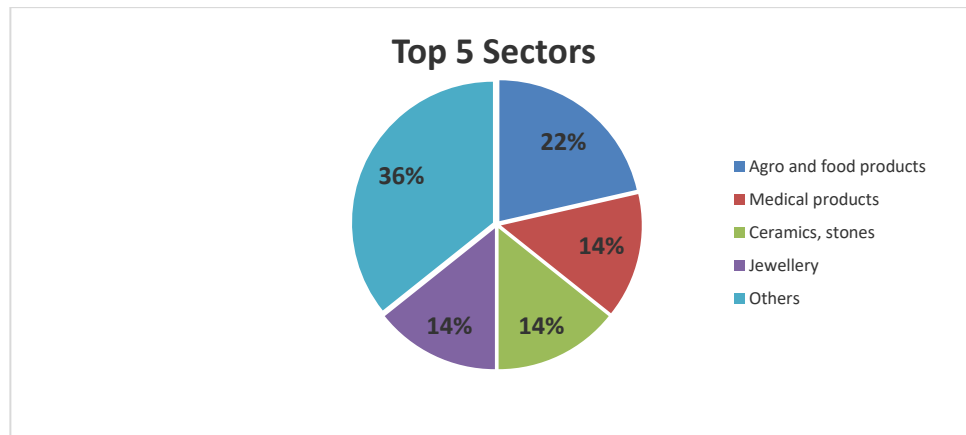
The Embassy received trade inquiries from 14 Indian companies and one from Hungary.

No.	Company	Contact person	Sector	Action Taken
1	Shree Ram Gold Arts	Karan Mandaliya	Jewellery	Answered
2	Dharmik Kakdiya	Dharmik Kakdiya	Chemicals: salt	Answered
3	Lineark Global	Paranshu Kapadia	Agro: spice	Answered
4	VS Overseas	Vishal Chauhan	Jewellery	Answered
5	Marx Engitech	Henil Patel	Engineering: machinery parts	Answered
6	K2 Exporter	Khershav Kumar Jha	Scrap metall, paper waste	Answered
7	Alfa International	Navdip S. Ghodasara	Ceramic tiles	Answered
8	S.Y.Exports	Yasir Zaheer	Handicrafts, gifts	Answered
9	Poly Medicure Ltd	Aashish Chauhan	Medical products	Answered
10	V.P. Exports and Imports	-	Stones	Answered
11	Royal Enterprise	Johar Baji	Wooden pallets	Answered
12	S.Ganesh & Nagendra co.	D Sridevi	Food	Answered
13	Sharna Ogarnaceutical Ltd.	Ashutosh Kumar	Pharma: implants	Answered
14	Bala BK Exports	S.Karthikeyan	Misc: confectionery, food, textiles, vegetables, spices; etc.	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. **Eurostat warns on gas storage data:** Hungary must incorporate the activities of the gas and oil storage association MSZKSZ in the state budget statistics, EU agency Eurostat warned on 23rd April. Earlier Eurostat objected, that the foundations run by the MNB are not incorporated in the state budget data. The incorporation of the foundations would add 0.1 percentage points to the state debt to GDP ratio in 2015, 0.2% in 2016 and 0.1% in 2017. Inclusion of the MSZKSZ data would add 0.4 percentage points in each of 2016 and 2017 and 0.3 last year, raising the 2018 state debt to 71.1% of GDP.
2. **IMF raises forecast for Hungary:** The IMF has updated its GDP growth forecasts for Hungary for both 2019 and 2020 in its recently published World Economic Outlook, increasing the projections from 3.3% to 3.6% for 2019 and from 2.6% to 2.7% for 2020. The IMF expects average annual inflation to grow from 2.8% in 2018 to 3.2% in 2018 then to fall to 3.1% in 2019. The IMF has increased its 2019 inflation target from 3.1%, while maintaining its 2020 forecast. Forecasts for unemployment have not changed, as the IMF continues to see unemployment at 3.5% in 2019, and 3.4% in 2020, down from 3.7% in 2018.
3. **Industrial output growth accelerates:** Industrial output was up 5.9% year-on-year in February, according to both unadjusted and working-day adjusted data from the Central Statistics Office. Output was up 1% from January, and was 5.2% higher, year-on-year, in the first two months. The pace of growth was above average in vehicle production, the sector with the highest weight in the manufacturing industry. Analysts attributed growth in February amongst others to new capacities in the vehicle sector. The Audi plant in Győr also made up production lost in the January strike.
4. **2018 budget deficit at 2.2% of GDP:** The budget deficit came in below the government's 2.4% target at 2.2% of GDP of 2018, the Central Statistics Office said. The state debt stood at Ft 29.8 trillion (appx €92.8 bln) at the end of 2018, or 70.8% of GDP, down from 73.4% one year earlier. The budget deficit reached Ft 934 billion (appx €2.9 bln), some Ft 90 billion (€ 280 mln) more than in 2017, but unchanged in relation to GDP. The first-quarter deficit of 2019 stood at 15% of the year-end target of Ft 998.4 billion (appx €3.1 bln). The central budget ran a Ft 139.6 billion deficit (appx €434.7 mln) in the first three months.
5. **Construction output at record high:** Construction sector output was up 48% year-on-year in February, its fastest growth on record, according to figures from the Central Statistics Office. Output in the building segment rose by 39.4%, lifted by residential, office and commercial



property construction. Meanwhile, developments of roads and railways spurred growth in the civil engineering segment, which saw 65.4% growth.

**Average Monthly Exchange rates for April 2019**

1US\$= 285.68 HUF

1EUR= 321.17 HUF

Source: MNB-Hungarian National Bank [www.mnb.hu](http://www.mnb.hu)

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**Embassy of India  
Budapest**

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

**Bosnia & Herzegovina (BiH)**

**Trends in bilateral trade JAN 2019:**

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)
<b>BiH's trade with India (mln)</b>	5.3 USD 4.7 EUR	0.085 USD 0.074 EUR	5.4 USD 4.8 EUR	+1.6% +8.6%	-78.9% -77.6%
<b>BiH's Total Global Trade (mln)</b>	752.4 USD 659.0 EUR	499.3 USD 437.3 EUR	1,252 USD 1,096 EUR	-3.9% +2.7%	-11.7% -5.7%

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

**Analysis:** In the month of January 2019, in USD terms, exports to India fell back by 78.9% while imports from India grew by 1.6% year-on-year. Balance of trade is in India's favour in value of USD 5.3 mln. In EUR terms, exports to India fell back by 77.6% while imports from India grew by 8.6%. The balance of trade is in India's favour in value of EUR 4.6 mln.

**Top 5 items of export to India from BiH (In millions of US\$)**

S.No.	HS code	Commodity	2019 JAN	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		<b>TOTAL</b>	<b>0.085</b>	<b>-78.9%</b>	<b>100.0%</b>
1	'7907	Articles of zinc, n.e.s.	0.034	142.9%	40.0%
2	'2203	Beer made from malt	0.025	-	29.4%
3	'4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, ...	0.011	-	12.9%
4	'2836	Carbonates; peroxocarbonates "percarbonates"; commercial ammonium carbonate containing ammonium ...	0.009	-97.5%	10.6%
5	'8421	Centrifuges, incl. centrifugal dryers (excluding those for isotope separation); filtering or ...	0.005	-	5.9%

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 (In millions of US\$)**

S.No.	HS code	Commodity	2019 JAN	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		<b>TOTAL</b>	<b>499.3</b>	<b>-11.7%</b>	<b>100.0%</b>
1	'2716	Electrical energy	33.8	2.1%	6.8%
2	'9401	Seats, whether or not convertible into beds, and parts thereof, n.e.s. (excluding medical, ...	26.3	-27.6%	5.3%
3	'7601	Unwrought aluminium	21.8	-9.5%	4.4%
4	'9403	Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary ...	15.6	-11.6%	3.1%
5	'8544	Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated ...	15.2	7.9%	3.0%
6	'2704	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon	15.0	2.9%	3.0%

7	'6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ...	14.7	3.7%	2.9%
8	'6406	Parts of footwear, incl. uppers whether or not attached to soles other than outer soles; removable ...	13.6	-1.2%	2.7%
9	'8708	Parts and accessories for tractors, motor vehicles for the transport of ten or more persons, ...	13.1	-5.4%	2.6%
10	'4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, ...	12.6	-24.7%	2.5%

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 (In millions of US\$)

S.No.	HS code	Commodity	2019 JAN	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		<b>TOTAL</b>	<b>5.3</b>	<b>1.6%</b>	<b>100.0%</b>
1	'8414	Air or vacuum pumps (excluding gas compound elevators and pneumatic elevators and conveyors); ...	0.899	-16.7%	16.7%
2	'0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ...	0.754	5.3%	14.0%
3	'5205	Cotton yarn other than sewing thread, containing >= 85% cotton by weight (excluding that put ...	0.305	-9.0%	5.7%
4	'5603	Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s.	0.289	11.6%	5.4%
5	'6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ...	0.232	38.1%	4.3%
6	'6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ...	0.180	847.4%	3.4%
7	'2516	Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not ...	0.169	14.2%	3.1%
8	'4113	Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of goats ...	0.112	-27.3%	2.1%
9	'6907	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and ...	0.105	-	2.0%
10	'6304	Articles for interior furnishing, of all types of textile materials (excluding blankets and ...	0.104	-	1.9%

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 (In millions of US\$)

S.No.	HS code	Commodity	2019 JAN	Growth (%) (y-o-y)	(%) Share in Total Exports to India
		<b>TOTAL</b>	<b>752.4</b>	<b>-3.9%</b>	<b>100.0%</b>
1	'2710	Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations containing ...	54.4	5.3%	7.2%
2	'8703	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	30.1	0.1%	4.0%
3	'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	29.3	4.4%	3.9%
4	'2716	Electrical energy	21.5	48.3%	2.9%
5	'3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put ...	21.1	7.5%	2.8%
6	'2711	Petroleum gas and other gaseous hydrocarbons	16.7	17.2%	2.2%
7	'7601	Unwrought aluminium	10.6	52.1%	1.4%
8	'8517	Telephone sets, incl. telephones for cellular networks or for other wireless networks; other ...	8.9	-19.6%	1.2%
9	'4107	Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of bovine ...	8.1	-21.1%	1.1%
10	'6406	Parts of footwear, incl. uppers whether or not attached to soles other than outer soles; removable ...	7.4	-6.1%	1.0%

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) Global Investment (Source: Hungary around the Clock media, Hungarian Government [www.kormany.hu](http://www.kormany.hu) )**

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

**1. Mineco to Invest €3.2 Million in Srebrenica Mine:** British base metal miner Mineco plans to invest 3.236 million euro this year in the development of the Gross lead and zinc mine near Srebrenica. The investments will be focused on equipment and facility improvements as well as on the development of project documentation and mining preparatory works, Mineco said. Mineco aims to produce this year at least the same amount of ore as in 2018, when the output amounted to 356,000 tons, and to maintain the quality of lead and zinc concentrates in flotation, in order to meet the market requirements in Europe and the Far East, the company said. The company will also work on the preparation of new excavation blocks, the introduction of selectivity in excavation and reduction of ore dilution. last year, Mineco invested about 2.255 million euro in the Gross mine, bringing its total investment to 21.414 million euro. In Bosnia, Mineco conducts exploration works in the old antimony mine near Novo Gorazde. The company has also completed exploration works in the Celebinci mine and started production in the Olovo mine in 2017. Elsewhere in Southeastern Europe, Mineco is also active in Serbia, where it operates two lead and zinc mines - Rudnik near Gornji Milanovac and Bosil- Metal near Bosilegrad, where pilot production has started.

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

Details of significant trends	Analysis
(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	The product group exhibited a growth of <b>14.2%</b> in JAN-DEC 2018 over the same period of 2017 and represents <b>21.5%</b> of total Indian exports to BiH with 16.8 mln USD.
(HS 09) COFFEE, TEA, MATÉ AND SPICES	The product group fell back by <b>13.4%</b> in JAN-DEC 2018 over the same period of 2017. It represents <b>12.7%</b> 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 <b>10.0%</b> in JAN-DEC 2018 over the same period of 2017. It represents <b>5.0%</b> 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 <b>3.0%</b> in JAN-DEC 2018 over the same period of 2017. However, it represents only <b>4.7%</b> 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 <b>13.6%</b> in JAN-DEC 2018 over the same period of 2017 in this product group. However, it represents only <b>4.6%</b> 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.Trademapp.org>

- **Market access:**

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

1. **Embassy of India participated in the 22nd International Economic Fair in Mostar (9-13 April 2019):** The Mission had also participated in 2016 and 2018 editions of the event. Embassy's stand was inaugurated by H.E. Mr. Mirko Sarovic, Minister of Foreign Trade and Economic Relations of Bosnia and Herzegovina and Ambassador of India Mr. Kumar Tuhin. The stand was visited by a large number of persons, including dignitaries like Mr. Ljubo Grkovic, DG Asia and Africa Department, Ministry of Foreign Affairs; senior officials from the business and trade departments of the Govt of Bosnia & Herzegovina; other exhibitors and public. The focus of India's stand was to strengthen 'Brand India', as well as to seek and promote cooperation with BiH companies in flagship schemes of the Govt of India such as Make in India, Incredible India, etc. Information on the business environment and potential of various states was distributed. A focus on the promotion of Ayurveda was also provided. Since this year is the 150th birth anniversary of Mahatma Gandhi, the Embassy's stand highlighted Mahatma's contribution to India's freedom struggle and in spreading the message of non-violence and peace to the world. On the side-lines of the event, Ambassador held a meeting with the Foreign Investment Promotion Agency (FIPA) of BiH and visited the 'Intera' Technology Park. Several B2B meetings on the side-lines of the fair were also held.

2. **Embassy of India participated in 10th Sarajevo Business Forum, April 17-18:** Themed on 'One Region One Economy' the event is a leading investment forum which saw the participation of President of Slovenia, H.E. Borut Pahor, Vice-President of Turkey, H.E. Fuat Oktay, Prime Minister of Malaysia, YAB Tun Dr. Mahathir Mohamad (Video message) and Presidency members of Bosnia and Herzegovina. Nearly 300 projects in the field of tourism, education, agriculture and wood industry etc. were showcased. This was also the 10th edition of the forum, successively from 2010.

### TRADE FAIRS in Bosnia and Herzegovina

ENERGA	International trade fair for energy, industry and mining	Sarajevo	June 11-13	<a href="http://www.skenderija.ba">www. skenderija.ba</a>
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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	(APR)	3
Number of Business Visas	(APR)	1

- **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](http://www.fipa.gov.ba)

Delegation of the European Union to BiH Tenders (Euopeaid tenders):

[http://europa.ba/?page\\_id=320](http://europa.ba/?page_id=320)

- **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 April 2019)**

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

No.	Company	Contact person	Sector	Action Taken
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- **Any Other Issue of Importance:**

- 1. IMF Lowers Bosnia's 2019 Economic Growth Forecast to 3.1%:** The International Monetary Fund said Bosnia's economy will expand by 3.1% in 2019, down from a growth rate of 3.5% it projected in October. Bosnia's GDP grew by an estimated 3.1% in 2018 and will accelerate to 3.2% in 2020 and 3.5% in 2024, the IMF said. Bosnia's consumer prices are expected to rise by an annual average of 1.5% in 2019 and 1.6% in 2020, compared with inflation of 1.4% last year. Consumer price inflation is seen speeding up to 2.0% in 2024. The country's current account deficit is forecast at 5.1% of GDP in 2019, and it is expected to further expand to 6.2% of GDP next year, before slightly decreasing to 5.3% in 2024. Bosnia finished 2018 with a current account deficit of 4.5% of GDP.
- 2. Current Account Deficit at 4.2 % of 2018 GDP:** According to the Central Bank's statistics on the balance of payments for 2018, the current account deficit amounted to KM 1.37 billion (€ 0.7 bln), which is about KM 104.4 million (€ 53.4) less compared to 2017. In relative terms, the current account deficit amounts to 4.2 % of GDP, while in 2017 amounted to 4.7 % of GDP. The main cause of the current account deficit was a significant imbalance in foreign trade of goods.
- 3. Central Bank Doubles Charge on Banks' Surplus Reserves:** Bosnia's central bank has doubled the negative interest rate on commercial banks' excess reserves to minus 40 basis points from -20 bps, in line with the rate charged for deposits by the European Central Bank. The rate is charged on deposits that exceed the reserves banks are obliged to hold. The 10 percent rate charged on obligatory reserves remains unchanged, the central bank said.

**Average Monthly Exchange rates for April 2019**

1US\$= 1.740334 KM

1EUR= 1.955830 KM

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

Sanjeev Manchanda  
Second Secretary (Com/Pol)/CR  
Embassy of India  
Budapest  
Dated: 7<sup>th</sup> June, 2019