

**Embassy of India
Budapest**

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

(I) Bilateral Trade

2017 January-December trade (USD, EUR million)

	Import	Export	Total	Growth% of Import	Growth% of Export
Hungary's trade with India (mln)	437.3 USD 391.9 EUR	229.0 USD 204.5 EUR	666.2 USD 596.3 EUR	14.1% 13.5%	22.5% 21.3%
Hungary's Total Global Trade (mln)	104,291 USD 92,499 EUR	113,384 USD 100,581 EUR	217,676 USD 193,079 EUR	13.1% 11.1%	10.1% 8.2%

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

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

S.No.	Commodity	2017 Jan-Dec	Growth (%)	(%) Share in Total Export
	TOTAL	229.0	22.5%	0.20%
1	29 ORGANIC CHEMICALS	54.6	58.7%	0.05%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	53.4	0.0%	0.05%
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	51.5	18.7%	0.05%
4	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	11.4	16.3%	0.01%
5	73 ARTICLES OF IRON OR STEEL	8.7	102.2%	0.01%
6	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	8.7	43.3%	0.01%
7	74 COPPER AND ARTICLES THEREOF	5.9	39.2%	0.01%
8	48 PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	5.0	2.1%	0.00%
9	39 PLASTICS AND ARTICLES THEREOF	4.2	1.6%	0.00%
10	41 RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	2.6	12.9%	0.00%

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

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

S.No.	Commodity	2017 Jan-Dec	Growth (%)	(%) Share in Total Export
	TOTAL	113,383.8	10.1%	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	23,048.7	9.1%	20.3%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	20,707.6	5.9%	18.3%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	19,292.8	4.7%	17.0%
4	30 PHARMACEUTICAL PRODUCTS	5,208.4	9.9%	4.6%
5	39 PLASTICS AND ARTICLES THEREOF	4,365.0	13.9%	3.8%

6	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	4,170.8	13.0%	3.7%
7	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	2,834.4	51.1%	2.5%
8	40 RUBBER AND ARTICLES THEREOF	2,554.5	5.3%	2.3%
9	29 ORGANIC CHEMICALS	1,863.0	36.4%	1.6%
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	1,786.2	-1.8%	1.6%

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

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

S.No.	Commodity	2017 Jan-Dec	Growth (%)	(%) Share in Total Imports
	TOTAL	437.3	14.1%	0.42%
1	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	118.3	12.5%	0.11%
2	29 ORGANIC CHEMICALS	91.1	14.2%	0.09%
3	30 PHARMACEUTICAL PRODUCTS	72.5	8.1%	0.07%
4	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	58.9	-2.3%	0.06%
5	76 ALUMINIUM AND ARTICLES THEREOF	13.2	1646.0%	0.01%
6	73 ARTICLES OF IRON OR STEEL	8.6	84.1%	0.01%
7	64 FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	8.2	15.9%	0.01%
8	40 RUBBER AND ARTICLES THEREOF	7.9	34.1%	0.01%
9	72 IRON AND STEEL	7.7	98.4%	0.01%
10	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	7.0	-46.3%	0.01%

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

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

S.No.	Commodity	2017 Jan-Dec	Growth (%)	(%) Share in Total Export
	TOTAL	104,291.8	13.1%	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	21,310.4	13.1%	20.4%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	17,195.8	5.6%	16.5%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	11,274.4	11.8%	10.8%
4	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	8,090.6	37.7%	7.8%
5	39 PLASTICS AND ARTICLES THEREOF	4,863.2	10.3%	4.7%
6	30 PHARMACEUTICAL PRODUCTS	4,217.1	10.5%	4.0%
7	73 ARTICLES OF IRON OR STEEL	2,439.6	11.1%	2.3%

8	72 IRON AND STEEL	2,433.5	26.9%	2.3%
9	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	2,308.1	12.3%	2.2%
10	76 ALUMINIUM AND ARTICLES THEREOF	2,079.0	23.3%	2.0%

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

(VI) Top 5 Competitors of India's Top 5 Exports to Hungary

S. No.	Commodity	Competitors		Amount (In millions of US\$)
		Rank	Country	
1	(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS...	1.	Germany	6 225,6
		2.	China	1 187,7
		3.	Italy	1 081,3
		4.	United States	951, 8
		5.	Netherlands	870,0
2	(HS 85) ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	1.	Germany	5 774,7
		2.	China	2 708,5
		3.	Netherlands	1 782,9
		4.	Slovakia	911,1
		5.	Poland	846,1
3	(HS 30) PHARMACEUTICAL PRODUCTS	1.	France	712,7
		2.	Germany	563,7
		3.	Belgium	537,2
		4.	Korea, Rep.	379,9
		5.	Netherlands	362,5
4	(HS 76) ALUMINIUM AND ARTICLES THEREOF	1.	Germany	315,9
		2.	Slovakia	215,7
		3.	Italy	202,8
		4.	Romania	192,3
		5.	Netherlands	167,8
5	(HS 29) ORGANIC CHEMICALS	1.	China	175, 9.
		2.	Germany	171, 2
		3.	Czech Republic	155,2
		4.	Italy	144,6
		5.	Russia	91,9

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

(VIII) Potential products of Export for India

S. No.	HS Codes	Description	Rationale
1	HS 29	ORGANIC CHEMICALS	India is the 6 th largest exporter of these items to Hungary. India is among the top 10 suppliers and can increase its potential for export.
2	HS 30	PARMACEUTICAL PRODUCTS	India is the 14 th largest exporter of these items to Hungary. Better quality of Indian products is expected to ensure better exports.
3	HS 84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	India is the 24 th largest export of these items to Hungary, but represents the largest group of export items to Hungary with 27% of total Indian exports in 2017 and can increase potential for export further.
4	HS 85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	India is the 33 rd largest export of these items to Hungary. Better quality of Indian products is expected to ensure better exports.

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

Significant trends

Details of significant trends	Analysis
ORGANIC CHEMICALS	The product group exhibited a growth of 14.2% in 2017 over the year 2016 and represents 20.9% of total Indian exports to Hungary.
PARMACEUTICAL PRODUCTS	The product group grew by 8.1% in 2017 over the year 2016. It represents 16.6% of total exports to Hungary.
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	The product group grew by 12.5% in 2017 over the year 2016. It represents 27.1% of total Indian exports to Hungary.
ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	Trade fell back slightly (2.3%) in this product group. However, it represents 13.5% of total Indian exports to Hungary.
ALUMINIUM AND ARTICLES THEREOF	Although the product group experienced a significant growth from 0.8 mln USD in 2016, however its value is very limited at only 13.2 mln USD in 2017 representing only 3.1% of Indian exports to Hungary.

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

Visit of the AEPC delegation 21-24 March 2018

- On 22nd March a meeting took place in the National Trading House of Hungary. Mr. Laszló Süveges Director of Asia Project directorate emphasized that India offers huge opportunities to the Hungarian companies and that the Trading House is planning multiple forums/roadshows to increase awareness to Hungarian companies.
- On 23rd March a visit to the Hungarian Investment Promotion Agency was made. Vice-President of HIPA, Mrs. Tünde Kis highlighted the flagship industries of Hungary (automotive, service, pharma) and informed that textile industry is not a core industry anymore due to the competition from the East. She also highlighted the importance of the signing of MoU between Invest India and Hungarian Investment Promotion Agency at the 5th India-Hungary Joint Commission on Economic Cooperation held on 5-6th March in New Delhi aimed at supporting investment concepts and investment promotion projects, and the joint realization of investment promotion programs and events

Visit of the IIPA delegation to Hungary on March 19-25, 2018

- On 20 March the delegation called on the Deputy Speaker of the Parliament, H.E. Mr. István Jakab who emphasized the importance of deepening the bilateral relationship between the two countries.
- The delegation also met President of Indo-Hungarian Parliamentary Friendship group in the Parliament H.E Mr. Peter Cseresnyés, who emphasized the importance of India in the bilateral relations with Hungary and noted the biggest recent investment (EUR 475) by India, by Apollo Tyres. The factory was inaugurated on 7th April 2017.

- On 23rd March, the delegation called on Mr. Kannan Prabhakar, Managing Director of Apollo Tyres factory in Gyöngyöshalasz. During the meeting he conveyed to the delegation that Apollo chose Hungary for its investment because of its strategic location with good infrastructure and well-trained competitively-priced workforce.

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

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

Visit of IIPA Delegation:

A 23-member delegation from the Indian Institute of Public Administration (*IIPA*) visited Hungary as part of their study tour on March 19-25, 2018. The delegation consisted of 2 foreign participants - one each from Sri Lanka and from Mauritius.

2. As part of their working visit, the delegation called on Ambassador on 20 March at the Embassy. Thereafter, delegation proceeded to visit the Hungarian Parliament where they met with Mr. Péter Cseresnyés, State Secretary for Labour Market and Training at the Ministry for National Economy, and President of the *Indo-Hungarian Parliamentary Friendship Society*. They also met with Mr. Istvan Jakab Deputy Speaker of the National Assembly and also took a guided tour of the Hungarian Parliament building. The delegation then proceeded to the Budapest Mayor's Office where they were given a presentation on the working on the local government. The visit for the day was wrapped up by the meeting at the Ministry of Foreign Affairs and Trade where the delegation was given a presentation by Dr. Csaba Balogh Minister of State for Public Administration, Dr. Sándor Sipos Director General for Asia Pacific and Mr. Ferenc Jári Director, Department of the Asia-Pacific.

3. The delegation visited the Hungarian Development Bank the next day (*March 21*) ; undertook visit to Historical and Heritage sights in Budapest and visited the main agricultural area of Hungary, City of Villány.

4. Other meetings of the delegation comprised of visits to National University of Public Service; National Health Insurance Fund; Wastewater Treatment Plant; visit to Apollo Tyres plants in Gyöngyöshalász and the visit to Institute for Foreign Affairs and Trade.

Apollo Tyres had conveyed to the delegation that it chose Hungary for its investment because of its strategic location with good infrastructure and well-trained competitively-priced workforce.

5. Ambassador, in association with Bharatiya Samaj of Hungary, also hosted a dinner for the delegation on March 22, 2018.

6. The delegation appreciated the help given by the Mission in organizing the valuable meetings, which greatly contributed to the quality of their educational visit to Hungary.

Visit of AEPC delegation:

A 4-member delegation led by Mr. H K L Magu, Chairman, Apparel Export Promotion Council (AEPC) visited Hungary on 21-24 March 2018. AEPC, an apex body of apparel exporters visited Hungary with an objective of exploring apparel export and marketing opportunities. The delegation visited Hungarian Chamber of Commerce and Industry, TMTE (Hungarian Society of Textile Technology and Science), Budapest Chamber of Commerce and Industry and the National Trading House of Hungary on their first day of engagement on March 22.

2. On March 23, the delegation visited Hungarian Investment Promotion Agency and had a luncheon meeting with Dr. Amar Sinha, President of India-Hungary Business Association. They also undertook visit to an Indian owned store Exotic India and devi textiles.

3. The delegation also attended a dinner hosted by Ambassador, in association with Bharatiya Samaj of Hungary, on March 22.

4. The AEPC delegation informed the Mission that there is little scope for textiles on the very limited Hungarian market.

Megasoft Solutions India planning expansion to Hungary:

Embassy of India, Budapest has been visited recently by Mr. Sandor Söpkéz Managing Partner of EastEuroCo Executive Search Group. EastEuroCo is representing Megasoft Solutions, an IT based HRMS service and payroll management service provider power-house headquartered in Gurgaon. Megasoft Solutions has a strong foothold across globe including Singapore, Dubai, Hong-Kong, and Germany. The companies are working together to make expansion to Hungary and the whole CEE region.

SRF Ltd exploring investment to Hungary

Prashant Mehra, President & CEO and Mr. Ashish Bharat Ram, Managing Director visited the Embassy of India and informed that the flexible packaging company SRF Ltd is exploring the possibility of investment to Hungary. The company is located in Gurgaon, Haryana and is producing technical textiles, fabrics, specialty chemicals, engineering plastics, and packaging films.

- **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>INDUSTRY DAYS: 15-18 May 2018</u>
(II) <u>AUTOMOTIVE HUNGARY: 17-19 October 2018</u>
(III) <u>HUNGAROMEDICA: 11-13 October 2018</u>
(IV) <u>HOMEDESIGN AUTUMN: 12-14 October 2018</u>
(V) <u>BEAUTY & STYLE: 26-28 October 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.				48	

Total number of Visas issued in 2017 were 6919 (including e-Visas), of which 756 were business Visas. In March 99 regular Visas were issued of which there were 48 business Visas. These are general business visas and not related to any specific Trade Fair etc.

• 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)-

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	of

* Details of activities conducted out of Trade Promotion budget:

BE for 2017-18	RE for 2017-18	Amount utilized (till	Details of Activity

Rs. 440,000	Rs. 500,000	March 2018) Rs. 574,196	<p>Photographs for Coffee of India show and Interactive Business Dinner on 14th June 2017</p> <p>Creation of various rollups on India several events</p> <p>Purchase of Navigating India books for distribution at various events.</p> <p>Purchase of Make in India Shawls and other Make in India gift items for distribution during events.</p>
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- **Action taken on the previous JWG, 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
1.	7 th March 2018	<p>Agriculture and food economy</p> <p>Aviation</p> <p>Space activity</p> <p>Energy</p>	<p>The Indian side has further expressed interest in Promotion, enhancement and strengthening of bilateral trade, especially trading of processed foods between India and Hungary for mutual benefit through participation in leading food fairs of both the countries.</p> <p>The Hungarian Chamber of Agriculture (HCA) encouraged the strengthening of business and commercial relations between the two countries.</p> <p>Both sides have expressed their hope that the airlines of either party will see a potential in the operation of direct flights between Hungary and the Republic of India in the future. Hungary is in a position to offer India high quality pilot education as well cost effective, state-of-the-art light weight aircrafts for educational purposes that could cater to the growing requirement of training professional pilots for airlines operating in India. Hungary can also offer its internationally acknowledged, highly innovative air traffic control system with multiple remote tower operations. Similarly, Hungary can supply sophisticated light weight aircrafts for civilian and other (e.g. patrol etc.) aviation purposes</p> <p>The Sides agreed that an expanding field of utilizing space solutions in all domains of the economy and society, Earth Observation is an ideal field of harmonious collaboration, with the potential of creating new avenues of cooperation and presenting opportunities of economic success for both parties.</p> <p>Both Sides agreed that they are open to continue to exchange information on energy projects in Hungary and India with an objective to identify possible business opportunities for the companies which are active in the field of energy.</p>
		Water management	Both Sides undertook to investigate potential areas of concrete cooperation, also between governmental bodies and their background institutes on general water management, integrated river basin management planning, transboundary cooperation, flood management, irrigation, treatment of drinking and waste water, water quality management, education, training and study tours for students, engineers and water experts, in case of which India can rely on the expertise of Hungarian institutions and

		Science and technology	companies Both Sides agreed on the renewal of the agreement on the Hungarian-Indian Joint Strategic Research Fund.
		Information and communication technologies Transport Education and culture	Both Sides agreed on the key significance of collaboration in these fields in order to better serve their economy and society and further efforts are needed for deepening and broadening the already existing collaboration among business partners. Bharatmala Pariyojana (BMP) Phase I -Hungarian Road developers are encouraged to participate in the bids for projects under the programme The Hungarian Side is ready to implement and cooperate in the implementation of intelligent transport, tolling and control systems (ITS) especially 'Electronic Public Road Trade Control System' (EKAER) Both Sides agreed to enhance at all levels mutual visits and the exchange of information on both, cultural and educational activities, in order to create favorable conditions for the cultural and educational activities within the bilateral and multilateral frameworks Hungarian Side would welcome the establishing of the legal framework of the Audio-Visual Co-Production Agreement With relevance to the agreements between the two countries and its universities, besides the full degree programs also short and part-time courses, exchange and summer university programs, joint research projects and intensified student and staff mobility should be effectuated.
		Health and health-economy	Both Sides welcome cooperation between the two countries in the following fields: -technology transfer cooperation in health economy (generics, biotechnology, medical devices); -cooperation in the field of advanced technologies in life sciences and biotechnology sector through joint research and development activity; -development of medical tourism on the basis of medical services; -innovation in the fields of modern ICT application in health care system/home care products; -will promote co-operation that is based on mutual interest in the field of herbal industry
		Tourism	Both Sides underlined the importance of enhancing cooperation in the Tourism sector noting the tourism potential of the two countries and welcomed the increase of tourist flows between India & Hungary in the recent years. Both Sides agreed to encourage the exchange of experience and best practices in the field of tourism.
		Visa Matters	Indian side requested the Hungarian side to further expedite the visa procedures for Indian tourists and businessmen. Both sides agreed to review visa issues at the next foreign office consultations.
		Cyber fraud cases	The Indian side requested the Hungarian side to address such issues so that such cyber frauds do not recur. The Hungarian Side informed that the recent legislation on the Prevention and Combating of Money Laundering and Terrorist Financing adopted by the Hungarian National Assembly on 16 May 2017 effectively closed all loopholes used by fraudsters

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

SI. No.	Country of Origin	Major Products	Nature Import/Export	Action Taken
1-17	India	Agro products: Coco, herbs, Oil seeds, Spices, Pulses Engineering: automotive equipment, bearings, hand tools, lubrication products, wires. Building material,, hardware, railings, sports goods, disposable papers. Medical disposables, Rubber products	Export to Hungary	All enquiries have been answered with relevant lists of companies
0	Hungary	NIL	NIL	No trade inquiries have been received in this period.

8. Any Other Issue of Importance:

European Commission sees shortcomings in governance: The European Commission both praised and criticized Hungary in its latest country report. The country's strong 2017 GDP growth exceeded potential, but the economic recovery provides a window of opportunity for Hungary to ensure sustainable growth in the coming decade, it said. The country's economic vulnerability has lessened, employment levels reached record highs and lending has expanded while banks have returned to profitability, the commission noted. But Hungary has not completed the recommendations made in, such as simplifying the tax system, cutting taxes for low- income earners, improving public procurement regulations and curbing corruption. "Weaknesses in institutional soundness and governance could weigh on the country's economic convergence. Limited transparency and quality of policy making is a source of uncertainty for investors," the commission said. Furthermore, "the education and health-care systems reveal shortcomings in fostering the development of human capital. Education outcomes in basic skills are significantly below the EU average," it warned.

Fitch affirms Hungary's rating: Credit-rating agency Fitch on Friday maintained its outlook for Hungary's long-term foreign- and local-currency issuer default ratings at "BBB-" with a positive outlook, in line with analysts forecasts. This follows a similar move by rival agency Standard & Poor's in February. In its latest analysis, Fitch said Hungary's rating balances strong structural indicators against relatively higher public and net external debt, a higher level of policy unpredictability and macroeconomic volatility.

MNB raises growth forecasts: The MNB has raised its 2018 GDP growth forecast from the 3.9% envisaged three months ago to 4.2% and its 2019 projection from 3.2% to 3.3% in its quarterly inflation report. The report expects that through the expansion of domestic consumption and the arrival of EU funds would accelerate GDP growth in 2018.

Vehicle sector closes record year: Hungary's vehicle industry closed 2017 with a record output worth Ft 8 trillion (appx €25.6 bln), Development Ministry State Secretary Robert Homolya said. The sector's output rose 10% year-on-year in January. Companies in the vehicle industry employ some 175,000 people.

Budget deficit soars in February: The budget deficit totalled a massive Ft 333.8 billion (appx € 1.1 bln) in February, pushing the budget short-fall of the first two months of this year to Ft 526.6 billion (appx € 1.7 bln), data the Economy Ministry showed. The cumulative January-February deficit is nearly 40% of the Ft 1.361 trillion (appx € 4.4 bln) year-end target. The budget is stable

and the massive increase was due to large advance payments related to EU support, financed from the budget, the ministry said. The rise is also due to spending picking up on developments the government had pledged to several large towns, the ministry underlined.

Inflation slows down: February inflation was 1.9% on the year, down from 2.1% in January, the Central Statistics Office announced. Core inflation was 0.2% on the month and 2.4% on the year in February. In the first two months of the year, inflation was 2.0% versus the same period of 2017.

Average 12-month pay rise near 14%: The average gross wage was Ft 310,800 (€ 995) a month in January, up 13.8% year-on-year, but down from Ft 327,700 (€ 1049) in December, the Central Statistics Office announced. The average gross wage was Ft 323,000 (€ 1034) in the private sector, Ft 289,000 (€925) in the public sector and Ft 265,800 (€ 850€) at NGOs.

OECD: Hungarian wages lowest in Eastern Europe: The average net wage in Hungary calculated on the basis of purchasing power parity in dollars is slightly below \$22,000 a year, the lowest among Eastern-European countries, according to a fresh OECD survey. The net wage is slightly over \$22,000 a year in Latvia, it almost reaches \$23,000 in Lithuania and \$23,500 in Slovakia, to list some of the lowest, it added.

Construction expansion continues: The output of Hungary's construction industry soared by 43.2% year-on-year in January, up from 35% growth in December, beating estimates, according to preliminary data from the Central Statistics Office. On a monthly basis, output grew by 6.4%.

January industrial growth confirmed: Hungary's industrial output increased 6.9% year-on-year in January, rebounding from a 0.5% year-on-year drop in December, according to the Central Statistics Office. Working-day adjusted data show output up 6.7%. Growth in pharmaceutical, rubber, metal products and wood product manufacturing was up by double digits. The production of transport equipment – accounting for 29% of manufacturing output – was 5.2% higher year-on-year. The manufacture of parts and accessories for motor vehicles went up 10.5%, whereas the manufacture of motor vehicles saw a 0.9% drop.

Foreign trade expanded in January: The January trade surplus came to €676 million, up from €563 million in the same month of 2017, according to preliminary figures from the Central Statistics Office. Exports went up 10% to €8.5 billion, while imports were 9.3% higher at €7.8 billion, as growth in exports outpaced that in imports for the second time in 13 months. EU countries took in 80% of Hungary's exports and provided 74% of imports. Hungary's exports rose to a record €100.6 billion in 2017. As imports grew 8.2% to €92.5 billion, the trade surplus narrowed to €8.1 billion in 2017 from the all-time high of €9.7 billion in 2016.

ThyssenKrupp opens Ft 33.5bn factory: Germany-based automotive supplier ThyssenKrupp opened a new plant in Jászfényszaru at a cost of Ft 33.5 billion (appx € 107.2). ThyssenKrupp will manufacture overhead camshafts and electro-mechanical power steering at the new unit. The greenfield investment will create 500 new jobs by 2019, ThyssenKrupp Component Technology Hungary CEO Marc de Bastos Eckstein said. The company employs some 1,000 workers at its plants in Hungary. It assembles chassis at its Győr plant for Audi and has a coil spring and stabilizer facility in Debrecen. It operates a software development centre for steering transmissions in Budapest.

Average Monthly Exchange rates for March 2018

1US\$= 253.31 HUF

1EUR= 312.38 HUF

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

Bosnia & Herzegovina (BiH)

Trends in bilateral trade:

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

	BiH's Exports		BiH's Imports		Total Trade		% Growth Y on Y basis
	2016	2017	2016	2017	2016	2017	2017/2016
BiH's trade with India (mln)	3.2 USD 2.9 EUR	6.5 USD 5.8 EUR	75.7 USD 68.4 EUR	71.8 USD 63.7 EUR	78.8 USD 71.2 EUR (0.55 % of Global Trade)	78.3 USD 69.5 EUR (0.47 % of Global Trade)	-0.6% -2.4%
BiH's Total Global Trade (mln)	5,327 USD 4,815 EUR	6,369 USD 5,651 EUR	9,141 USD 8,263 EUR	10,448 USD 9,272 EUR	14,468 USD 13,078 EUR	16,818 USD 14,923 EUR	+16.2% +14.1%

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

Product	2016 Jan-Dec	2017 Jan-Dec	% growth	% total
TOTAL	9,140.6	10,448.8	14.3%	100.0%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	1,094.2	1,492.7	36.4%	14.3%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	726.3	812.0	11.8%	7.8%
87 - VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	638.6	720.1	12.8%	6.9%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS	542.9	643.4	18.5%	6.2%
39 - PLASTICS AND ARTICLES THEREOF	487.3	544.9	11.8%	5.2%
72 - IRON AND STEEL	250.0	322.5	29.0%	3.1%
30 - PHARMACEUTICAL PRODUCTS	306.4	313.8	2.4%	3.0%
73 - ARTICLES OF IRON OR STEEL	257.6	295.0	14.5%	2.8%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	192.1	205.7	7.1%	2.0%
22 - BEVERAGES, SPIRITS AND VINEGAR	181.6	187.7	3.4%	1.8%

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

Product	2016 Jan-Dec	2017 Jan-Dec	% growth	% total
TOTAL	5,326.9	6,368.9	19.6%	100.0%

94 - FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; etc	601.4	661.4	10.0%	10.4%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	362.5	530.6	46.4%	8.3%
44 - WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	403.3	442.6	9.8%	6.9%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	348.6	404.6	16.1%	6.4%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	369.6	395.5	7.0%	6.2%
76 - ALUMINIUM AND ARTICLES THEREOF	276.9	375.1	35.5%	5.9%
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPEs	278.9	347.8	24.7%	5.5%
73 - ARTICLES OF IRON OR STEEL	252.6	334.6	32.5%	5.3%
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	239.3	333.3	39.3%	5.2%
72 - IRON AND STEEL	221.1	265.8	20.2%	4.2%

Top 10 items of Import from India to B&H

Product	2016 Jan-Dec	2017 Jan-Dec	% growth	% total
TOTAL	75.7	71.8	-5.1%	100.0%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	15.3	14.7	-3.8%	20.5%
09 - COFFEE, TEA, MATÉ AND SPICES	8.9	11.5	29.2%	16.0%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	4.5	3.6	-20.4%	5.0%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	3.9	3.5	-9.1%	4.9%
52 - COTTON	3.6	3.4	-5.5%	4.7%
25 - SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT	2.6	3.1	23.0%	4.4%
62 - ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	2.2	2.5	12.6%	3.5%
56 - WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF	2.0	2.3	15.5%	3.1%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION , ect	1.6	2.0	26.1%	2.7%
30 - PHARMACEUTICAL PRODUCTS	2.1	1.9	-9.7%	2.7%

Top 10 items of export to India from B&H

Product	2016 Jan-Dec	2017 Jan-Dec	% growth	% total
TOTAL	3.2	6.5	106.6%	100.0%
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	1.6	4.5	187.7%	68.5%
48 - PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	0.4	0.9	116.9%	13.4%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	0.2	0.2	5.0%	2.9%
79 - ZINC AND ARTICLES THEREOF	0.2	0.2	22.0%	2.8%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	0.0	0.1	463.9%	2.0%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, PARTS	0.0	0.1	4799.8%	1.9%
83 - MISCELLANEOUS ARTICLES OF BASE METAL	0.1	0.1	54.3%	1.8%
73 - ARTICLES OF IRON OR STEEL	0.1	0.1	95.6%	1.8%
72 - IRON AND STEEL	0.0	0.1	148.7%	1.2%
38 - MISCELLANEOUS CHEMICAL PRODUCTS	0.0	0.1		0.9%

(VI) Top 5 Competitors of India's Top 5 Exports to B&H

S. No.	Commodity	Competitors	Amount (In millions of US\$)
1	(HS 84) NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS...	1. Germany	138.0
		2. Italy	120.8
		3. China	107.9
		4. Slovenia	45.0
		5. Turkey	38.2
2	(HS 09) COFFEE, TEA, MATÉ AND SPICES	1. Brazil	37.4
		2. Italy	8.3
		3. Vietnam	1.7
		4. Croatia	1.5
		5. Spain	1.2
3	(HS 64) - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	1. Italy	47.3
		2. China	40.1
		3. Vietnam	16.6
		4. Serbia	11.4
		5. Austria	9.0
4	(HS 41) - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	1. Italy	65.7
		2. Slovenia	49.1
		3. Croatia	12.9
		4. Austria	11.0
		5. Germany	10.8
5	(HS 52) - COTTON	1. Italy	8.3

		2.	Germany	4.1
		3.	Switzerland	2.9
		4.	Turkey	2.9
		5.	Greece	2.6

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

(VIII) Potential products of Export for India

S. No.	HS Codes	Description	Rationale
1	HS 09	COFFEE, TEA, MATÉ AND SPICES	India is the 2 nd largest exporter of these items to BiH, coming after Brazil and has the potential to become prime supplier. It represents 16% of total Indian exports to BiH.
2	HS 84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS...	India is the 15 th largest exporter of these items to BiH, represents 20.5% of total Indian exports. Better quality of Indian products is expected to ensure better exports.
3	HS 64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	India is the 11 th largest exporter of these items to BiH, but represents only 3.6 mln USD. Market is relatively untapped with these items. Better quality of Indian products is expected to ensure better exports.
4	HS 41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	India is the 11 th largest exporter of these items to BiH, but represents only 3.5 mln USD. India Market is relatively untapped with these items. Better quality of Indian products is expected to ensure better exports.
	HS 52	COTTON	India is the 3 rd largest exporter to BiH, with only 3.4 mln USD in exports and has the potential to become prime supplier. Better quality of Indian products is expected to ensure better exports.

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

Significant trends

Details of significant trends	Analysis
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF COFFEE, TEA, MATÉ AND SPICES	The product group exhibited a fallback of 3.8% in 2017 over the year 2016 and represents 20.5% of total Indian exports to BiH. The product group grew by 29.2% in 2017 over the year 2016. It represents 16.0% of total exports to BiH.
FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	The product group fell back by 20.4% in 2017 over the year 2016. It represents 5.0% of total exports to BiH with only 3.6 mln USD.
RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	Trade fell back by 9.1% in this product group. However, it represents 4.9% of total Indian exports to BiH with 3.5 mln USD.
COTTON	Trade fell back by 5.5% over 2016. However it represents 4.7% of total Indian exports to BiH with 3.4 mln USD..

2. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc: [NIL during the period of the report](#)

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

TRADE FAIRS in Bosnia and Herzegovina

ENERGA	International trade fair for energy, industry and mining	Tuzla	June 19-21 2018	www.tuzlanskisajam.ba/en
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.				48	

Total number of Visas issued in 2017 were 323 (including e-Visas), of which 10 were business Visas. In March 3 regular Visas were issued of which there were 0 business Visas.

- **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)-**

Foreing 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

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

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

[NIL at the time of the report](#)

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

BE for 2017-18 Rs.	RE for 2017-18 Rs.	Amount utilized (till March 2018) Rs.	Details of Activity
440,000	500,000	574,196	<p>Creation of various rollups on India several events</p> <p>Organizing Celebration of Ayush Days in Mostar and Sarajevo on 31st Jan and 1st Feb 2018 in BiH</p> <p>Fees for participation in the Mostar International Trade Fair 10-14 April 2018</p> <p>Creation of States of India booklets in Bosnian language for the Mostar International Trade Fair 10-14 April 2018</p>

- **Action taken on the previous JWG, 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.

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

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

NIL at the time of the report

Sl. No.	Country of Origin	Major Products	Nature Import/Export	Action Taken

8. Any Other Issue of Importance:

€5 Million for Energy Efficiency in Bosnia: The EBRD is providing a loan of up to €5 million to MKF Partner, a microfinance institution in Bosnia and Herzegovina, to support urgently needed energy efficiency investments in the country's residential sector. The finance is provided under the Bank's €85 million Green Economy Financing Facility (GEFF) for the Western Balkans. Incentives and technical cooperation in support of green technology investments will be provided by the European Union (EU), Austrian Federal Ministry of Finance and the European Western Balkans Joint Fund under the Western Balkans Investment Framework. The funds will be on-lent to individuals, residents' associations, producers, service providers, suppliers and vendors of green technologies for investments that modernise existing housing stock and support the implementation of sustainable energy technologies.

ArcelorMittal Invests \$47 Million to Overhaul Plant, Curb Pollution: ArcelorMittal, the world's largest steelmaker, said it was investing 75 million KM to overhaul a blast furnace at its steel plant in Bosnia to extend its lifespan and improve environmental standards. Environmentalists have long complained about high levels of pollution caused by the plant in the central Bosnia town of Zenica, which has a workforce of 2,200 people and is Bosnia's top exporter. Work will start on what will be the biggest overhaul at the plant since 1989 and should extend the lifespan of the plant for another 15 to 20 years, Dijana Bozic-Srdanovic, the plant's spokeswoman, said. The work should be completed by the end of June, she said. The steelmaker was installing three filters at the facility which are designed to capture 95 percent of harmful gases and reduce dust emissions to less than 10 milligrams per normal cubic meter, said Bozic-Srdanovic.

Trade Gap Narrows Slightly, exports grow by 17.7%: Bosnia's trade deficit edged down 1.1% on the year in the first two months of 2018, reaching 856 million KM (437.7 million euro), the national statistics office said. Exports rose 17.7% year-on-year to 1.8 billion KM in the January-February period, while imports increased 10.9% to 2.7 billion KM, the Agency for Statistics said in a statement. In 2017, Bosnia's trade gap increased 5.0% reaching 7.081 billion KM.

Central Bank Net Foreign Exchange Reserves Rise in January: The net foreign exchange reserves held by the Central Bank of Bosnia and Herzegovina grew 1.3% on the month to 10.7 billion KM (5.5 billion euro) at the end of January, official figures show. At the end of January 2017, the bank's net foreign exchange reserves totaled 9.4 billion KM, according to data posted on the Central Bank's website.

Average Monthly Exchange rates for March 2018

1US\$= 1.586829 KM

1EUR= 1.955830 KM

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

Sanjeev Manchanda
Second Secretary (Com/Pol)
Embassy of India
Budapest