

**Embassy of India  
Budapest**

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

**HUNGARY**

**(I) Bilateral Trade**

**2018 January-March trade (USD, EUR million)**

	Import Q1	Export Q1	Total	Growth% of Import (y-o-y)	Growth% of Export (y-o-y)
<b>Hungary's trade with India (mln)</b>	110.6 USD 91.2 EUR	56.2 USD 46.2 EUR	166.8 USD 137.4 EUR	-0.9% -13.8%	-1.8% -14.7%
<b>Hungary's Total Global Trade (mln)</b>	29,482 USD 24,036 EUR	32,082 USD 26,142 EUR	61,564 USD 50,178 EUR	19.9% 3.9%	19.4% 3.4%

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

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

S.No.	Commodity Total	2018 Jan-Mar	Growth (%) (y-o-y)	(%) Share in Total Export
		56.2	-1.8%	0.19%
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	15.8	11.3%	0.05%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	11.6	-28.5%	0.04%
3	29 ORGANIC CHEMICALS	8.2	-41.0%	0.03%
4	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	3.0	187.5%	0.01%
5	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	2.7	14.8%	0.01%
6	73 ARTICLES OF IRON OR STEEL	2.7	52.0%	0.01%
7	28 INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	1.7	409.7%	0.01%
8	74 COPPER AND ARTICLES THEREOF	1.4	18.2%	0.00%
9	48 PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	1.3	12.4%	0.00%
10	39 PLASTICS AND ARTICLES THEREOF	1.0	21.0%	0.00%

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

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

S.No.	Commodity	2018 Jan-Mar	Growth (%) (y-o-y)	(%) Share in Total Export
	<b>TOTAL</b>	32,082.1	19.4%	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	6,637.5	23.4%	20.7%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	5,661.7	11.9%	17.6%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	5,514.3	21.9%	17.2%
4	30 PHARMACEUTICAL PRODUCTS	1,407.5	13.7%	4.4%
5	39 PLASTICS AND ARTICLES THEREOF	1,254.2	21.8%	3.9%

6	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	1,139.0	14.0%	3.6%
7	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	750.1	16.9%	2.3%
8	40 RUBBER AND ARTICLES THEREOF	745.9	20.7%	2.3%
9	29 ORGANIC CHEMICALS	590.2	34.1%	1.8%
10	94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	513.9	18.5%	1.6%

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

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

S.No.	Commodity	2018 Jan-Mar	Growth (%) (y-o-y)	(%) Share in Total Imports
	<b>TOTAL</b>	<b>110.6</b>	<b>-0.9%</b>	<b>0.38%</b>
1	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	30.4	3.5%	0.10%
2	29 ORGANIC CHEMICALS	28.2	11.3%	0.10%
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	16.4	2.6%	0.06%
4	30 PHARMACEUTICAL PRODUCTS	13.0	-30.9%	0.04%
5	73 ARTICLES OF IRON OR STEEL	3.2	103.4%	0.01%
6	64 FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	2.6	37.0%	0.01%
7	40 RUBBER AND ARTICLES THEREOF	2.1	12.3%	0.01%
8	72 IRON AND STEEL	1.9	-28.9%	0.01%
9	24 TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	1.8	205.0%	0.01%
10	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	1.6	26.4%	0.01%

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

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

S.No.	Commodity	2018 Jan-Mar	Growth (%) (y-o-y)	(%) Share in Total Export
	<b>TOTAL</b>	<b>29,482.0</b>	<b>19.9%</b>	<b>100.0%</b>
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	5,869.1	19.9%	19.9%
2	84 NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	4,679.7	9.3%	15.9%
3	87 VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	3,235.6	25.7%	11.0%
4	27 MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	2,001.1	0.5%	6.8%
5	39 PLASTICS AND ARTICLES THEREOF	1,410.2	26.4%	4.8%
6	30 PHARMACEUTICAL PRODUCTS	1,139.4	13.7%	3.9%
7	72 IRON AND STEEL	795.4	43.2%	2.7%
8	73 ARTICLES OF IRON OR STEEL	722.1	27.4%	2.4%
9	90 OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	624.1	19.8%	2.1%
10	76 ALUMINIUM AND ARTICLES THEREOF	603.1	27.3%	2.0%

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

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

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	1 081.4
		4.	United States	951.8
		5.	Netherlands	869.9
2	(HS 85) ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND...	1.	Germany	5 774.7
		2.	China	2 708.6
		3.	Netherlands	1 782.9
		4.	Slovakia	911.2
		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 73) ARTICLES OF IRON OR STEEL	1.	Germany	777.1
		2.	Italy	244.0
		3.	Czech Republic	151.3
		4.	Austria	143.2
		5.	Slovakia	131.5
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](http://www.ksh.hu))

**(VII) Hungary's Bilateral Trade with Key partners**

Country	Direction of transactions	2017. Jan to March	2018. Jan to March	% growth	% total
Slovakia	Export	1,273	1,479	16.2%	4.6%
	Import	1,268	1,380	8.8%	4.7%
	<b>Total</b>	<b>2,541</b>	<b>2,858</b>	<b>12.5%</b>	<b>4.6%</b>
Romania	Export	1,323	1,606	21.4%	5.0%
	Import	706	845	19.7%	2.9%
	<b>Total</b>	<b>2,029</b>	<b>2,451</b>	<b>20.8%</b>	<b>4.0%</b>
Italy	Export	1,422	1,650	16.0%	5.1%
	Import	1,104	1,461	32.4%	5.0%
	<b>Total</b>	<b>2,526</b>	<b>3,111</b>	<b>23.2%</b>	<b>5.05%</b>
Germany	Export	7,318	9,011	23.1%	28.1%
	Import	6,558	7,963	21.4%	27.0%
	<b>Total</b>	<b>13,876</b>	<b>16,973</b>	<b>22.3%</b>	<b>27.6%</b>
Austria	Export	1,234	1,501	21.7%	4.7%
	Import	1,479	1,779	20.3%	6.0%
	<b>total</b>	<b>2,712</b>	<b>3,281</b>	<b>21.0%</b>	<b>5.3%</b>

### (VIII) Potential products of Export for India

S. No.	HS Codes	Description	Rationale
1	HS 29	ORGANIC CHEMICALS	India is the 6 <sup>th</sup> largest exporter of these items to Hungary in 2017. India is among the top 10 suppliers and can increase its potential for export.
2	HS 30	PARMACEUTICAL PRODUCTS	India is the 14 <sup>th</sup> largest exporter of these items to Hungary in 2017. 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 <sup>th</sup> largest export of these items to Hungary in 2017, 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 <sup>rd</sup> largest export of these items to Hungary in 2017. Better quality of Indian products is expected to ensure better exports.

Source: Central Statistical Office ([www.ksh.hu](http://www.ksh.hu))

### Significant trends in Jan-March 2018

Details of significant trends	Analysis
ORGANIC CHEMICALS	The product group exhibited a growth of 11.3% in Q1 2018 over the same period of 2017 and represents 25.5% of total Indian exports to Hungary.
PARMACEUTICAL PRODUCTS	The product group experienced a fallback of 30.9% in Q1 2018 over the same period of 2017. It represents 11.8% of total exports to Hungary.
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS	The product group grew by 3.5% in Q1 2018 over the same period of 2017. It represents 27.5% of total Indian exports to Hungary.
ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND... ARTICLES OF IRON OR STEEL	Trade grew by 2.6% in this product group. However, it represents 14.8% of total Indian exports to Hungary.  Although the product group experienced a significant growth, its value of 3.2 mln USD in Q1 2018 represents only 2.9 % of Indian exports to Hungary.

### 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
Alerts related to import procedures, export restrictions and changes in trade policy are based on EU regulations and not decided bilaterally by Hungary.				

- \* **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**

**AEPC Delegation in March 2018:** A High Level Trade Delegation lead by Chairman, AEPC visited Romania (Bucharest) and Hungary (Budapest) from 19th to 24<sup>th</sup> March, 2018 as it was observed that Romania and Hungary are important countries for increasing export of RMG from India. During meetings with the various chambers of commerce and Industry players, delegation explained about the Indian Textiles and Apparel Industry, its main features, what India offers in clothing in value addition, Synergy of Govt. initiatives with Garment sector, Advantage India Strengths and opportunities in Apparel Sector, Why invest in India, Tariff applied on RMG import, details about the Council's initiatives to train the workforce through Apparel Training & Design Centre (ATDC) at Pan India ). Information about the next edition of IIGF (16th - 18th July, 2018) at Greater Noida, India was also given. Delegation also visited National Trading House and had meeting with Mr. Laszlo Suveges, Director Asia Project Directorate, who suggested that road shows be organized in Hungary to create awareness of Indian Market/ Products. The delegation also met with Dr. Amar Sinha, President of India Hungary Business Association on 24th March. Mr. Sinha informed that earlier he was importing garments from India, but the garment industry market was captured by the Chinese products and therefore, demand for India garments gone down & affected import of the readymade garment exporters from India.

- **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
NIL during the period of report				

#### **Upcoming Trade Fairs in Hungary:**

(I) <u>AUTOMOTIVE HUNGARY: 17-19 October 2018</u>
(II) <u>HUNGAROMEDICA: 11-13 October 2018</u>
(III) <u>HOMEDESIGN AUTUMN: 12-14 October 2018</u>
(IV) <u>BEAUTY &amp; STYLE: 26-28 October 2018</u>

Further information: [www.hungexpo.hu](http://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 April 2018 were 91 of which 53 were 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)-**

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

**\* 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	Participation in the Mostar International Trade Fair on 10-14 April 2018

- 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 S&T Meeting was 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.

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

1.	7 <sup>th</sup> March 2018	Agriculture and food economy  Aviation	<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>
		Space activity  Energy	<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	<p>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 companies</p>
		Science and technology Information and communication technologies	<p>Both Sides agreed on the renewal of the agreement on the Hungarian-Indian Joint Strategic Research Fund.</p> <p>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.</p>
		Transport  Education and culture  Health and health-economy	<p>Bharatmala Pariyojana (BMP) Phase I -Hungarian Road developers are encouraged to participate in the bids for projects under the programme</p> <p>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)</p> <p>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</p> <p>Hungarian Side would welcome the establishing of the legal framework of the Audio-Visual Co-Production Agreement</p> <p>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.</p> <p>Both Sides welcome cooperation between the two countries in the following fields: -technology transfer cooperation in health economy (generics, biotechnology, medical devices);</p>

		Tourism	-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 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 April 2018)**

Sl. No.	Country of Origin	Major Products	Nature Import/Export	Action Taken
1-10	India	Agro products: Fruits, Vegetables, Rice, Spice Cotton yarn, waste Engineering: Electric scooters, motorcycles, Shipping machinery and spares Medical: surgical products Building products: ceramic tiles PP Woven fabric, sack	Export to Hungary	All enquiries have been answered with relevant lists of companies
1	Hungary	lblue: Mobile based car immobilizer	Export to India, Cooperation	Query has been processed, put on trade portal and forwarded to relevant chambers of commerce and industry

**8. Any Other Issue of Importance:**

**IMF ups Hungary growth forecast:** The IMF revised upward its 2018 growth forecast for Hungary in its latest world economic outlook, bringing it in line with the government's expectations, The international organisation increased its GDP growth forecast to 3.8% for 2018, up from 3.4% earlier, while the government says that this year's growth could be around 4%. The IMF, meanwhile, lowered its 2018 inflation forecast and reduced its current account surplus projection.

**Construction output soars in February:** Construction sector output soared in February as it rose 26% on the year, the Central Statistics Office announced. The construction of buildings such as homes and schools rose 19.8% and other construction activity such as express ways construction and railway renovation increased 40.1%, it added. The volume of new contracts was up 0.7% as a result of a 45.9% drop in building construction contracts and a 51.4% rise in other construction contracts. In February, high-value contracts were mostly signed to develop public roads, the Office added. The order volume was up 92.4% on the year at the end of February. According to seasonally

and workday-adjusted figures, construction output was down 5% in February from January. In the first two months of the year, construction industry output was up 33.5% from the same period of last year.

**Industrial production data confirmed:** Industrial production was up 4.1% year-on-year in February, the Central Statistics Office announced. Industrial exports dropped by 0.2% while domestic industrial sales went up 9.9%. In the first two months, industrial production rose by 5.4%. Exports, representing 63% of total industrial sales, were 2.3% higher, and domestic sales, representing 37% of total sales, were up 4.9% on the same period of last year.

**Inflation accelerates slightly in March:** Inflation rose to 2% year-on-year in March, slightly up from 1.9% in February, the Central Statistics Office announced. Core inflation, which leaves out energy and seasonal food prices, stood at 2.5% year-on-year, and 0.2% month-on-month. The slight increase in inflation was due to the rising cost of food, especially eggs, butter and dairy products, observed analyst Péter Virovác of ING Bank. He forecast a slow but steady increase in inflation in the coming months, reaching 2.8% by the end of the year.

**Trade surplus grows in February:** The trade surplus grew to €838 million in February, from €766 million a year earlier, the Central Statistics Office announced in a first estimate on Monday. Exports were up 5% to €8.5 billion while imports saw 4.5% growth to €7.7 billion. Among exports, 81% went to EU countries, while the EU's share of imports was 79%. The trade surplus grew by €207 million to €1.54 billion in the first two months as exports were up 7.5% and imports were 6.8% higher. The surplus for the first two months exceeds expectations and rose in spite of rising domestic demand, Takarékbank said, adding that the full-year surplus may reach €7.9 billion, from €8.1 billion last year.

**Budget deficit swells in first quarter:** The budget deficit reached a whopping Ft 872 billion (appx € 2.8 bln) in the first quarter, according to the Economy Ministry. The deficit stood at 64% of the Ft 1.36 trillion (appx €4.37 bln) full-year target at the end of March. The March deficit came to Ft 345 billion (appx €1.1 bln), down from Ft 378 billion (appx € 1.21) a year ago. The central budget and social security funds recorded surpluses of Ft 882 billion (appx € 2.83) and a Ft 16.3 billion (appx € 16.2 mln), respectively, while independent state funds closed the first three months with a Ft 27.2 billion (appx €87.3 mln) surplus. Spending shot up as a result of advance payments on expected EU funding, which reached Ft 652 billion (appx € 2.1 bln) in the first three months, compared to Ft 253.3 billion (appx €812 mln) a year earlier, the ministry said. **This year, the government expects GDP growth to exceed 4%, which will provide the necessary cover for extra expenditures on wages and investments.**

**Healthcare equipment maker ups exports:** Hungarian, family-owned healthcare equipment manufacturer 77 Elektronika's exports rose sharply in 2017, to €75 million from €65 million a year earlier, on rising sales in the EU and South America. Export sales tripled in the last four years. The company's flagship products are haematology and urine analysers. Its blood glucose meter is reported to be the most precise in the world. Exports accounted for 83% of its 2017 revenue. The company, which employs 670 people, spends 8-9% of its annual revenue on research and development a year, Sándor Zettwitz, owner and CEO said. The company also distributes its products through the Menarini Group of Italy.

**Richter final 2017 earnings show profit plunge:** Drug maker Richter Gedeon's 2017 earnings showed a massive profit plunge as a result of a Ft 42 billion (appx €134.8 mln) write-off, related to its original drug Esmya. Net profit was Ft 8.9 billion (appx € 28.6 mln), revised downward from a preliminary Ft 51.2 billion (appx €164.3). It was also sharply lower than Ft 66.2 billion (appx € 212.5 mln) in 2016. The operating profit was Ft 20.7 billion (appx € 66.4 mln), revised downward from a preliminary Ft 68.8 billion (appx € 220.8 mln) and down sharply from Ft 54.6 billion (175.3 mln) in 2016.

**Former Malév workers win court case:** Six years after the national airline Malév went bust in February 2012, its former employees have won their legal battle for unpaid salaries. According to a binding ruling by the Capital Appeals Court, the state has to pay more than Ft 3 billion (appx € 9.63

mln) to the former employees. Not only wages but compulsory severance pay must also be disbursed to them. The present ruling also affects the claims of other creditors, who at most can claim a total of Ft 180 billion, because now they are less inclined to accept an out-of-court deal with a reduced payment.

### Average Monthly Exchange rates for April 2018

1US\$= 253.58 HUF

1EUR= 311.56 HUF

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

## Bosnia & Herzegovina (BiH)

### Trends in bilateral trade JAN-MAR 2018:

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

	BiH's Exports		BiH's Imports		Total Trade		% Growth Y on Y basis
	2017Q1	2018Q1	2017Q1	2018Q1	2017Q1	2018Q1	2018Q1/2017Q1
<b>BiH's trade with India (mln)</b>	1.03 USD 0.97 EUR	1.01 USD 0.83 EUR	17.2 USD 16.2 EUR	18.1 USD 14.8 EUR	18.3 USD 17.2 EUR (0.52 % of Global Trade)	19.2 USD 15.6 EUR (0.42 % of Global Trade)	+4.9% -9.1%
<b>BiH's Total Global Trade (mln)</b>	1,355 USD 1,273 EUR	1,754 USD 1,427 EUR	2,166 USD 2,034 EUR	2,757 USD 2,244 EUR	3,521 USD 3,306 EUR	4,511 USD 3,671 EUR	+28.1% +11.0%

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

Product	2017 Jan-Mar	2018 Jan-Mar	% growth	% total
<b>TOTAL</b>	<b>10,448.8</b>	<b>2,165.6</b>	<b>2,757.1</b>	<b>27.3%</b>
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	1,492.7	294.4	382.1	29.8%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	812.0	162.2	214.8	32.4%
87 - VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	720.1	156.4	196.5	25.7%
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	643.4	121.8	161.1	32.3%
39 - PLASTICS AND ARTICLES THEREOF	544.9	111.8	147.8	32.2%
72 - IRON AND STEEL	322.5	63.4	101.9	60.7%
30 - PHARMACEUTICAL PRODUCTS	313.8	74.5	84.5	13.4%
73 - ARTICLES OF IRON OR STEEL	295.0	54.2	75.1	38.6%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	185.3	46.9	56.5	20.3%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	205.7	47.5	53.0	11.7%

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

Product	2017 Jan-Mar	2018 Jan-Mar	% growth	% total
<b>TOTAL</b>	<b>6,368.9</b>	<b>1,355.2</b>	<b>1,753.6</b>	<b>29.4%</b>
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	661.4	154.7	188.0	21.6%
27 - MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	530.6	117.0	173.7	48.4%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	395.5	93.1	120.7	29.7%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	404.6	90.5	114.2	26.2%
76 - ALUMINIUM AND ARTICLES THEREOF	375.1	79.3	112.5	41.8%
44 - WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	442.6	85.9	104.1	21.1%
73 - ARTICLES OF IRON OR STEEL	334.6	67.1	98.7	47.1%
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	347.8	79.2	97.9	23.6%
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	333.3	69.9	95.6	36.8%
72 - IRON AND STEEL	265.8	51.8	78.3	51.1%

### Top 10 items of Import from India to B&H

Product	2017 Jan-Mar	2018 Jan-Mar	% growth	% total
<b>TOTAL</b>	<b>71.8</b>	<b>17.2</b>	<b>18.1</b>	<b>5.3%</b>
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	14.7	3.6	3.5	-3.6%
09 - COFFEE, TEA, MATÉ AND SPICES	11.5	2.6	2.3	-10.8%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	3.6	0.9	1.1	27.6%
41 - RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	3.5	0.7	0.9	29.2%
52 - COTTON	3.4	0.7	0.9	21.1%
56 - WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF	2.3	0.5	0.8	52.2%
30 - PHARMACEUTICAL PRODUCTS	1.9	0.5	0.7	35.8%
29 - ORGANIC CHEMICALS	1.6	0.2	0.7	169.6%
62 - ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	2.5	0.6	0.7	1.8%

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	2.0	0.4	0.6	64.2%
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### Top 10 items of export to India from B&H

Product	2017 Jan-Mar	2018 Jan-Mar	% growth	% total
<b>TOTAL</b>	<b>6.5</b>	<b>1.0</b>	<b>1.0</b>	<b>-1.7%</b>
28 - INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	4.5	0.7	0.8	14.9%
79 - ZINC AND ARTICLES THEREOF	0.2	0.0	0.1	40.8%
73 - ARTICLES OF IRON OR STEEL	0.1	0.0	0.0	30.5%
84 - NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	0.2	0.1	0.0	-70.2%
38 - MISCELLANEOUS CHEMICAL PRODUCTS	0.1	0.0	0.0	1.8%
64 - FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	0.0	0.0	0.0	
22 - BEVERAGES, SPIRITS AND VINEGAR	0.0	0.0	0.0	15.4%
63 - OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	0.0	0.0	0.0	
85 - ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND	0.1	0.0	0.0	
01 - LIVE ANIMALS	0.0	0.0	0.0	

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

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 <sup>nd</sup> largest exporter of these items to BiH in 2017, 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 <sup>th</sup> largest exporter of these items to BiH in 2017, 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 <sup>th</sup> largest exporter of these items to BiH in 2017, 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 <sup>th</sup> largest exporter of these items to BiH in 2017, 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 <sup>rd</sup> largest exporter to BiH in 2017, 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: Eurostat (<http://epp.eurostat.ec.europa.eu>)

### Significant trends

Details of significant trends	Analysis
NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	The product group exhibited a fallback of 3.6% in Jan-Mar 2018 over the same period of 2017 and represents 19.3% of total Indian exports to BiH with 3.5 mln USD.
COFFEE, TEA, MATÉ AND SPICES	The product group fell back by 10.8% in Jan-Mar 2018 over the same period of 2017. It represents 12.9% of total exports to BiH with 2.3 mln USD.
FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	The product group increased by 27.6% in Jan-Mar 2018 over the same period of 2017. It represents 6.2% of total exports to BiH with only 1.1 mln USD.
RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	Trade increased by 29.2% in Jan-Mar 2018 over the same period of 2017 in this product group. However, it represents 5.2% of total Indian exports to BiH with 0.9 mln USD.
COTTON	Trade increased by 21.1% in Jan-Mar 2018 over the same period of 2017. However it represents 5% of total Indian exports to BiH with 0.9 mln USD.

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

### Organisation of "Ayush Day" in Mostar (31<sup>st</sup> Jan 2018) and Sarajevo (1<sup>st</sup> Feb 2018) ,Bosnia and Herzegovina:

1. The Mayor of Mostar appreciated India's traditional healthcare system.
2. CKM university showed great interest in collaboration with India in Ayush [Rector: Marko Matic, Ph.D.]

### 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:

#### Participation in the Mostar International Trade Fair:

Embassy of India, represented by Mr. Sanjeev Manchanda SS(Pol&Com) and Mr. Andras Havas, Marketing assistant participated in the 21st International Economic Fair in Mostar (10-14 April 2018), Bosnia & Herzegovina. Embassy had also participated in 2016 edition of the Fair.

2. The Mostar International Fair, by the number of its exhibitors and visitors, is one of the most important international fairs in BiH and in the Western Balkan region. The exhibition attracts a number of exhibitors from the region and focuses on products of metal-working and construction industry, agriculture, agriculture light machinery and food sector, the latest achievements of automobile industry, high technologies, but also offer of service sector, from banking to tourism, etc. More than 10,000 visitors attended the fair. Serbia was the "Partner country" for this year's edition. President of Serbia Mr. Aleksandar Vučić, PM of Croatia and PM of Bulgaria were present during the Inauguration.

3. The Indian pavilion was inaugurated by H.E Mr. Mato Franjicevic, Deputy Minister, Ministry of Foreign Trade and Economy of Bosnia and Herzegovina. Minister Franjicevic, is the Co-Chair of the Joint Trade and Economic Committee from the BiH side and had been to India in December 2016. He was accompanied by his Advisor and Mr. Bruno Bojic, Vice-President of Foreign Trade Chamber of BiH. Earlier Ms. Damirka Mioc, Deputy Director of Bosnian Foreign Investment Promotion Agency (FIPA) visited the stall with her colleagues. Other prominent visitors were Ms. Chen Bo, Ambassador of China to BiH and the President of BiH-Indian Association.

4. On the 11th April, on the side-lines of the trade fair, the Indian delegation participated in the Conference on the investment potentials of Herzegovina organized by Centre for Investment and Entrepreneurship Development Mostar (CIRP) and Foreign Investment Promotion Agency (FIPA).

5. On 12 April, the delegation called on the Mayor of Mostar, Mr. Ljubo Bešlic, and subsequently on 13 April visited the town hall of Banja Luka to discuss preparations for the forthcoming 4th International Day of Yoga and associated cultural fiesta. Other bilateral matters were also discussed. 4th IDY would be celebrated in 7 cities of BiH.

6. The objective of the participation in the 21<sup>st</sup> International Economic Fair in Mostar was largely achieved as India's presence was registered among the large number of prominent business visitors from the region.

### **Participation in the 9th Sarajevo Business Forum on April 25-26, 2018:**

Embassy of India participated in '9th International Business and Investment Conference' on April 25-26, 2018 in Sarajevo, Bosnia and Herzegovina (BiH). The event themed on 'One Region-One Economy' sought to focus on expanding international regional economic cooperation, and attracting international investments. The event, one of the most prestigious business seminar in the Western Balkan countries (whose focus is integration into EU), brought together major economic and regional participation from nearly 50 countries. Bosnia has registered an average GDP growth rate of 4% and an average growth rate of 14% in tourism.

The plenary session on April 25 saw keynote speeches from H.E. Dr. Bandar M. H.Hajjar, President of Islamic Development Bank Group, Kingdom of Saudi Arabia who focused on overall investment climate in the region. H.E. Bakir Izetbegovic, Chairman of Presidency of BiH made official opening statement and presented BiH credentials as a safe and attractive place to do business. Other keynote speaker was H.E. Dr. Denis Zvizdic, Chairman of the Council of Ministers of BiH who presented key matrix of BiH exports, imports and other potential sectors of investment. He also mentioned that BiH would be joining the regional transport community to enable receiving more funds and aspiration of BiH in acceding to WTO's membership in 2019. H.E. Mehmet Simsek, Deputy Prime Minister of the Republic of Turkey mentioned that Turkish firms have invested US dollar 35 billion abroad in the last decade and the geo-political shift happening in the realm of protectionism needs to be strongly countered with more integration process to be undertaken urgently in the current benign global trade and investment scenario. He further mentioned that BiH was the least leverage country which was an other reason to invest, he mentioned that Turkish tourists accounted for 7% of BiH tourism footfalls and Turkey has recently initiated and upgraded a FTA with BiH. The sectors mentioned were cooperation were sports start-ups, R&D and eco-tourism. H. E. Rasim Ljajic, Deputy Prime Minister and Minister of Ministry of Trade, Tourism and Telecommunications of the Republic of Serbia underlined the importance of Central European Free Trade Agreement (CEFTA) and bated for removal of customs barrier which affects the cost of transportation of goods and reduced the value of exports. Other keynote speakers were from Saudia Arabian General Investment Authority, Head of EU Delegation to BiH and EU Special Representative, Minister of Land and Spatial Planning, Republic of Indonesia, Minister Delegate to the Head of Government in Charge of General Affairs and Governance, Kingdom Morocco. The plenary session was followed by an MOU signing ceremony between Bosnian and Turkish firm in the field of energy which was further followed by the Sarajevo Business Bridge Awards Ceremony.

The first day of the forum saw panel discussions on Western Balkans Six Regional Economic Area – Thriving with the EU, Southeast Europe International Gateways and Connectivity and Special Presidential address by H.E. Borut Pahor, President of Republic of Slovenia. Special Business-Matching Session organized by the Embassy of Indonesia and Bosna Bank International VIP Business Club was also attended by Ambassador of India on invitation, while Mr. Sanjeev Manchanda SS (Pol/Com) met with the representative of Pharma Maac d.o.o. who are looking to partner with Serum, Pune to setting up of a distribution hub for the vaccines in the Western Balkan region. The day two (April 26) saw SEE Capitalizing on IT & Digital Economy Trends, Dubai as a model of economic development for other regions and SEE-ASIA cooperation business roundtable. A special roundtable on diaspora, sports, arts, culture and creative industry – transforming emotions into investments was inaugurated by H.E. Igor Crnadak Minister of Foreign Affairs of BiH which focused on the role of BiH diaspora in investing back in the country in the backdrop of country's perceived difficult business climate and sought to remove negative perceptions by outlining a few success stories.

A 15-member Indian delegation which participated in the Sarajevo Business Forum (SBF) comprised of Vice Chancellor and doctors from Sri Ramachandra Medical College and Research Institute, (SRMC), Chennai and Mr. Suhas Mantri, India's Honorary Consul to BiH and Maharashtra and Goa. The Indian delegation had an extensive participation and meetings with the business and medical sector in the major cantons of BiH, with an aim to exploring possible investment in setting up

of a medical hospital/research center in BiH. Embassy of India actively supported and facilitated the delegation's visit to canton of Zenica, Tuzla and Sarajevo. The doctors from SRMC also conducted medical visits in collaboration with local hospitals and held a meeting with CEO of ArcelorMittal, Mr. Biju Nair in Zenica canton. (ArcelorMittal is the biggest Indian investor in BiH employing nearly 2500 people.)

Dr.P.V. Vijayaraghavan Vice-Chancellor of Sri Ramachandra Medical College and Research Institute expressed his thanks to Ambassador Rahul Chhabra and looked forward to Ambassadors planned visit to India to the Sri Ramachandra Medical College and Research Institute (Deemed to be University) on June 26, 2018. The delegation has been interacting with the Sarajevo Medical School to develop terms on sending some students from India to study medicine in Bosnia. It has been said that there are about 2.1/2 to 3 lakh of students in India who are aspiring to do medicine and who are also NEET eligible, through an Entrance Exam conducted by CBSE, but there are only 60,000 medical seats in the various medical colleges in India. Hence there is a demand for medical education in foreign countries. However the Sarajevo Medical School is not listed in the website of the Medical Council of India as recognized institution for medical education. Vice-Chancellor proposed that Embassy assists in helping to recognize Bosnia and its Medical institutions by the Medical Council of India. This will enable aspiring students to choose Bosnia also as a destination for medical studies.

Ambassador also visited the University of Sarajevo on April 27 (topic: India - BiH relationship). The focus was on enhancing educational cooperation with Universities both in Hungary and in BiH. Ambassador also had an occasion to greet BiH political leadership on the sidelines of SBF and met with Foreign Minister H.E. Igor Crnadak, and Director General of Asia and Africa Department in the Ministry of Foreign Affairs of Bosnia and Herzegovina. He also met with several business executives and diplomats from a wide spectrum of participants. He was also interviewed by a few media channels during the SBF.

SS (Pol and Com) Mr. Sanjeev Manchanda also utilized the opportunity of SBF to meet with Major's Office in Sarajevo for discussing the forthcoming 4th IDY. He also accompanied the Indian medical delegation to their meetings with ArcelorMittal and with the Director of Abdullah Nakhas GOVT. General Hospital in Sarajevo. SS (Pol and Com) Mr. Sanjeev Manchanda also visited Bosnia Ministry of Foreign Affairs and met with the concerned India desk officer to exchange views on bilateral matters.

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

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

ENERGA	International trade fair for energy, industry and mining	Tuzla	June 19-21 2018	<a href="http://www.tuzlanskisajam.ba/en">www.tuzlanskisajam.ba/en</a>
ZEPS	General Trade Fair, Metal Industry	Zenica	October 2-6 2018	<a href="http://www.zeps.com">http://www.zeps.com</a>
RENEXPO BiH	International Trade Fair and Conferences on Renewables and Energy Efficiency	Sarajevo	October 24-25 2018	<a href="http://www.renexpo-bih.com">www.renexpo-bih.com</a>
INTERNATIONAL FAIR OF TOURISM	Fair of tourism and tourism industry, tourism exchange	SARAJEVO	October 17-19 2018	<a href="http://www.skenderija.ba">www.skenderija.ba</a>
FAIR OF ECONOMY 2018	Fair of Economy, Agriculture, Crafts and Consumer goods	SARAJEVO	December 5-7 2018	<a href="http://www.skenderija.ba">www.skenderija.ba</a>

<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.					

Total number of Visas issued in April 2018 were 3 of which 1 was business Visa.

- 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](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)

- 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 31<sup>st</sup> Jan and 1<sup>st</sup> 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 JWGs, Joint Commissions, sub-commissions etc. (issues that Mission had to follow up with host government):** The last JCEC Meeting was held on 24-25 Sept 2012 in Sarajevo. Deputy Minister of Foreign Trade and Economic Relations of BiH, Mr. Mato Franjicevic, who is the Co-Chair of the Joint Committee from the BiH side, led a delegation to India in December 2016 and held a meeting with the Co-Chair from the Department of Commerce in India.

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

- **Trade Queries for Imports/Exports (from BiH for the month of April 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:

**Bosnia's Statistics Agencies "Will Be under Single Roof":** The statistics agencies in Bosnia's two entities and on the state level, in cooperation with the European Union, work on a project of reforming the statistics system in the country, implemented by Statistics Denmark. The project encompasses several areas of statistics with the ultimate goal to continue the process of harmonization of statistics with European methodologies. The process of harmonization is a continuous process when it comes to statistics, because the European methodologies and regulations themselves are constantly changing, said the Head of Federation's statistics agency, Emir Kremic.

**IMF Lifts Bosnia's 2018 Economic Growth Forecast to 3.2%:** The International Monetary Fund has said Bosnia and Herzegovina's economy will expand by 3.2% in 2018, up from a growth rate of 2.6% it predicted in October 2017. Bosnia's economic growth will accelerate to 3.5% in 2019 and 4.0% in 2023, the IMF said in April 2018 edition of its World Economic Outlook report. Bosnia's GDP grew by an estimated 2.7% in 2017. The country's current account deficit is seen at 5.9% of GDP in 2018, and it is expected to further deepen to 6.5% of GDP next year, before slightly decreasing to 4.8% in 2023. Bosnia finished 2017 with a current account deficit of 5.2% of GDP.

**Energoinvest Turns to Net Loss in 2017:** Engineering company Energoinvest said it posted a net loss of 10.1 million KM (5.2 million euro) in 2017, from a profit of 163,172 KM (€ 83,428) a year earlier. Operating income fell to 116.04 million KM last year from 128.63 million KM (€65.7 mln) in 2016, while operating costs declined 4.6% to 126.26 million KM (€64.5 mln), Energoinvest said in a financial statement sent to the Sarajevo Stock Exchange. In February 2018, the government of Federation entity approved the privatization agency's business plan for 2018 which foresees the sale of a 67% stake in Energoinvest.

**Consumer Price Index Rises in February:** Bosnia and Herzegovina's consumer price index (CPI) rose 0.9% year-on-year in February, after growing by an annual 0.3% in the prior month, the statistical office has said. Prices of food and non-alcoholic beverages rose by 0.6%; alcoholic beverages and tobacco by 6.5%; housing, water, electricity, gas and other fuels by 2.5%; healthcare services by 1.2%; transport by 5.7%; recreation and culture by 0.7%; restaurants and hotels; and other goods and services by 0.3% each, according to a monthly inflation report published by Bosnia's Agency for Statistics. On a monthly comparison basis, Bosnia's consumer prices rose 1.0% in February, after

edging up 0.2% in January. Bosnia swung to annual inflation of 1.3% in 2017, compared to deflation of 1.1% in 2016.

**Drought Hits Power Utility's 2017 Profit:** Bosnia's top power utility EPBiH's 2017 net profit tumbled to 620,382 KM (€317,196) from nearly 13 million KM a year before, as drought curbed its hydro-power output and forced it turn to costly imports, the company said. Revenues fell 11.8 percent to 1.16 billion KM (€593 mln) , while spending rose nearly 15.1 percent to 1.14 billion KM (€ 569.6 mn), it said. "The drought was the main reason for the drop in the profit ... Production costs increased as EPBiH was forced to produce more power from costly coal-power generators and also had to turn to imports to make up for the hydro shortfall," a spokeswoman for EPBiH said. A long drought and soaring temperatures lowered water levels across the Western Balkans in 2017, hitting hydropower output and driving consumption and spot power prices sharply higher. Bosnia, normally the region's only net power exporter, more than doubled power imports to 317 million KM (€ 162 mln) last year to make up for the hydro-power shortfall.

#### **Average Monthly Exchange rates for April 2018**

1US\$= 1.593341 KM

1EUR= 1.955830 KM

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

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