

**EMBASSY OF INDIA  
BUDAPEST**

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

**REPORTING PROFORMA FOR COMMERCIAL WINGS**

*(Data Source: KSH, Central Statistical Office of Hungary)*

**Name of the Mission (Country):** Embassy of India, Budapest

**I. MONTHLY REPORT FOR HUNGARY**

**A. Trade in goods**

a) Total trade in goods during

0	5	2	0	1	9
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	<b>Export (US\$ million)</b>	<b>Import (US\$ million)</b>	<b>Status (P) Provisional/ (F) Final</b>
Country's trade with India	24.4	45.0	F
Country's total global trade	10,574.6	9,827.2	F

Source: KSH.hu Central Statistical Office of Hungary

b) Preferential trade in goods during

0	5	2	0	1	9
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S.No.	Preferential / Free Trade Agreement with India	Preferential Imports from India (US\$ million)	Preferential Imports from World (US\$ million)
1	N/A		

(Source: Customs/National Trade Statistics of reporting country)

S.No.	Preferential / Free Trade Agreement with India	Preferential Exports to India (US\$ million)	Preferential Exports to World (US\$ million)
1	N/A		

(Source: based on Certificate of Origin issued by reporting country)

c) Top 10 items of import from India during

0	5	2	0	1	9
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S. No.	Commodity (6 digit HS tariff line)	Value (US\$ million)	Quantity (1000 kgs)	Unit of Measurement	% share in total import of the commodity
1	300339 Medicaments containing hormones or steroids used as hormones, not containing antibiotics, not in measured doses or put up for retail sale (excl. those containing insulin)	5.4	65.1	kgs	97.6%
2	847340 Parts and accessories of other office machines of heading 8472, n.e.s.	3.9	172.9	kgs	17.9%
3	293329 Heterocyclic compounds with nitrogen hetero-atom[s] only, containing an unfused imidazole ring, whether or not hydrogenated, in the structure (excl. hydantoin and its derivatives, and products of subheading 3002 10)	2.2	4.5	kgs	81.3%
4	293359 "Heterocyclic compounds with nitrogen hetero-atom[s] only, containing a pyrimidine ring, whether or not hydrogenated, or piperazine ring in the structure (excl. malonylurea "barbituric acid" and its derivatives, allobarbital "INN", amobarbital "INN", barbital "INN", butalbital "INN", butobarbital "INN", cyclobarbital "INN", methylphenobarbital "INN", pentobarbital "INN", phenobarbital "INN", secbutabarbital "INN", secobarbital "INN", vinylbital "INN", loprazola	1.8	9.6	kgs	52.6%
5	854430 Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	1.5	37.4	kgs	2.5%
6	293590 Sulphonamides (excl. perfluorooctane sulphonamides)	1.4	1.1	kgs	65.4%
7	292142 Aniline derivatives and their salts	1.3	424.1	kgs	100.0%
8	851762 Machines for the reception, conversion and transmission or regeneration of voice, images or other data, incl. switching and routing apparatus (excl. telephone sets, telephones for cellular networks or for other wireless networks)	1.3	8.7	kgs	0.9%
9	841199 Parts of gas turbines, n.e.s.	1.2	130.2	kgs	2.9%
10	870840 Gear boxes and parts thereof, for tractors, motor vehicles for the transport of ten or more persons, motor cars and other motor vehicles principally designed for the transport of persons, motor vehicles for the transport of goods and special purpose motor vehicles, n.e.s.	0.9	27.0	kgs	0.9%

(Source: KSH.hu Central Statistical Office of Hungary)

d) Top 10 items of export to India during

0	5	2	0	1	9
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S.No	Commodity (6 digit HS tariff)	Value USD mln	Quantity 1000 kgs	Unit
1	294190 Antibiotics (excl. penicillins and their derivatives with a penicillanic acid structure, salts thereof, streptomycins, tetracyclines, chloramphenicol and erythromycin, their derivatives and salts thereof)	3.9	0.3	kgs
2	850164 AC generators 'alternators', of an output > 750 kVA	2.1	158.7	kgs
3	853710 Boards, cabinets and similar combinations of apparatus for electric control or the distribution of electricity, for a voltage <= 1.000 V	1.3	11.3	kgs
4	293220 Lactones	0.8	4.5	kgs
5	292910 Isocyanates	0.8	500.0	kgs
6	293919 Alkaloids of opium and their derivatives, and salts thereof (excl. concentrates of poppy straw; buprenorphine "INN", codeine, dihydrocodeine "INN", ethylmorphine, etorphine "INN", heroin, hydrocodone "INN", hydromorphone "INN", morphine, nicomorphine "INN", oxycodone "INN", oxymorphone "INN", pholcodine "INN", thebacon "INN" and thebaine, and salts thereof)	0.8	0.3	kgs
7	851770 Parts of telephone sets, telephones for cellular networks or for other wireless networks and of other apparatus for the transmission or reception of voice, images or other data, n.e.s.	0.7	7.1	kgs
8	480640 Glassine and other glazed transparent or translucent papers, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state (excl. vegetable parchment, greaseproof papers and tracing papers)	0.7	557.2	kgs
9	860721 Air brakes and parts thereof for railway or tramway locomotives or rolling stock, n.e.s.	0.6	39.9	kgs
10	847340 Parts and accessories of other office machines of heading 8472, n.e.s.	0.6	6.5	kgs

(Source: KSH.hu Central Statistical Office of Hungary)

e) Potential products of imports from India (May 2019)

S.No.	Commodity (6 digit HS tariff line)	Rationale (Max.200 words)
1	300490 Medicaments consisting of mixed or unmixed products..	Hungary imported this product from the World in the value of USD 153.8 mln, while imports from India to Hungary were only USD 0.7 mln
2	851762 Machines for the reception, conversion and transmission or regeneration of voice, images or other data, incl. switching and routing apparatus ...	Hungary imported this product from the World in the value of USD 135.6 mln, while imports from India to Hungary were only USD 1.3 mln
3	854239 Electronic integrated circuits (excl. such as processors, controllers, memories and amplifiers)	Hungary imported this product from the World in the value of USD 128.3 mln, while imports from India to Hungary were only USD 0.3 mln.
4	852990 Parts suitable for use solely or principally with transmission and reception apparatus for radio-	Hungary imported this product from the World in the value of USD 116.1 mln, while imports from India to Hungary were negligible.

	broadcasting or television, television cameras,digital cameras, video camera recorders, radar apparatus, radio navigational aid...	
5	840991 Parts suitable for use solely or principally with spark-ignition internal combustion piston engine, n.e.s.	Hungary imported this product from the World in the value of USD 126.5 mln, while imports from India to Hungary were nil.

(Source: KSH.hu Central Statistical Office of Hungary)

## B. QUALITATIVE

Month

0	8	2	0	1	9
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### 1. Market Access Alerts (attach copy of notification) :

The Director General for Trade of the European Commission in Brussels issues notifications of investigations based on the complaints of the specific industries in various EU countries. The status of the current measures/investigations on India can be accessed on the links:

- EU Tariffs: <https://madb.europa.eu/madb/euTariffs.htm>
- TBT: <http://trade.ec.europa.eu/tdi/completed.cfm>  
<http://ec.europa.eu/growth/tools-databases/tbt/en/>
- RASFF: [https://ec.europa.eu/food/safety/rasff\\_en](https://ec.europa.eu/food/safety/rasff_en)
- <https://webgate.ec.europa.eu/rasff-winebopsdow/portal/?event=SearchForm&cleanSearch=1>
- Taxation and Customs Union: [http://ec.europa.eu/taxation\\_customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/index_en.htm)
- Taric Database (Trade Tariffs):  
[https://ec.europa.eu/taxation\\_customs/dds2/taric/taric\\_consultation.jsp?Lang=en](https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en)
- Indian Trade Portal: [http://www.indiantradeportal.in/alerts\\_notified\\_spstbt.jsp](http://www.indiantradeportal.in/alerts_notified_spstbt.jsp)

#### a. Alerts on customs tariff changes: -

S.No.	Notification no. and date	HS code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
1.							

NIL at the time of the report

#### b. Alerts on non tariff measures (SPS/TBT/ import and export procedures/ restrictions/ prohibitions, licensing/ STEs etc.)

S.No	Notification no./ date	Measure	HS Codes	Effective from	Remarks if any
1.					

NIL at the time of the report

- c. Alerts on standards, technical regulations and conformity assessment procedures:

S.No.	Notification no./ date	Standard/ technical regulation/ conformity assessment procedure	HS Codes	Effective from	Remarks if any
1.					

NIL at the time of the report

- d. Alerts on trade defense measures taken by respective country:  
(Safeguards including special safeguard, antidumping, CVD or anti- subsidy)

S.No.	Notification no., date or other references	Type (initiation, final, prov., sunset, consultations, new shipper review)	Details of products/ sectors affected (including HS codes)	Effective from	Remarks if any
1.					

NIL at the time of the report

- e. Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.

S.No.	Notification no., and date or other references	Service sectors affected	Modes	Effective from	Remarks if any
1.					

NIL at the time of the report

## **2. Feedback**

- a. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to that country

S.No.	Name of business house	Activity sector	Trade barrier issues if any (incl. HS codes)	General Feedback (Max.200 words)
1.				

NIL at the time of the report

- b. Feedback on major trade activities **including logistic events** (trade fairs/BSM including Indian participation)

S.No.	Activity (trade fair, BSM etc.)	Date and venue	Number of participants from India	Name(s) of large/ key participants from India	Feedback received (Max.200 words)	Source of funding (MAI, TATC)
1.						

- c. Feedback from local commercial visitors to trade fairs in India, including under BSM; number of Business Visas issued :

S.No	Activity (trade fair)	Date and venue	Number of participants from the relevant country	List of large/ key participants from the relevant country	Number of Business Visas issued	Feedback received (Max.200 words)
1.					11	

### **3. Trade and Investment:**

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

[http://www.investhipa.hu/index.php?option=com\\_iproperty&view=allproperties&Itemid=854](http://www.investhipa.hu/index.php?option=com_iproperty&view=allproperties&Itemid=854)

#### Significant trends in trade and investment

(Source: KSH.hu Central Statistical Office of Hungary)

- a.

S. No.	Category	Details of significant trends (Max.200 words)	Analysis (Max. 200 words)
1.	Trade in Goods Hungarian imports from India	Total imports from India	The value of imports increased by 12.4% in the Jan-May period of 2019 over the same period of 2018 reaching USD 218.2 mln
		2933 Heterocyclic compounds with nitrogen hetero-atom(s) only	The product group grew by 15.8% in the Jan-May period of 2019 over the same period of 2018 to USD 25.0 mln. It represents 11.4% of Imports from India to Hungary.
		3003 Medicaments consisting of two or more constituents mixed together for therapeutic or prophylactic ...	The product group grew by 57.9% in the Jan-May period of 2019 over the same period of 2018 to USD 24.3 mln. It represents 11.1% of Imports from India to Hungary.
		8473 Parts and accessories (other than covers, carrying cases and the like) suitable for use solely or principally with machines of heading 8469 to 8472, n.e.s.	The product group grew by 4.5% in the Jan-May period of 2019 over the same period of 2018 to USD 18.2 mln. It represents 8.4% of Imports from India to Hungary.
		8483 Transmission shafts, incl. camshafts and crankshafts, and cranks; bearing housings and plain shaft bearings for machines; gears and gearing;.....	The product group <i>fell back</i> by 34.2% in the Jan-May period of 2019 over the same period of 2018 to USD 10.2 mln. It represents 4.7% of Imports from India to Hungary..

		8544 Insulated "incl. enamelled or anodised" wire, cable "incl. coaxial cable" and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	The product group fell back by 15.4% in the Jan-May 2019 over the same period of 2018 to USD 9.1 mln. It represents 4.2% of Imports from India to Hungary.
2.	Trade in Services Import of services to Hungary from the World	Total Service types (EBOPS BPMS)	The import of services decreased by 4.6% in the first quarter of 2019 over the same period of 2018 from USD 4.7 bln to USD 4.5 bln.
		Travel Services	The service group experienced a <i>fallback</i> of 2.9% in the first quarter of 2019 over the same period of 2018 to USD 526.5 mln. It represents 11.8% of service imports to Hungary.
		Business and management consulting and public relations services	The service group experienced a <i>fallback</i> of 10.8% in the first quarter of 2019 over the same period of 2018 to USD 448.2 mln. It represents 10.1% of service imports to Hungary.
		Provision of customized and non-customized research and development services	The service group experienced a <i>fallback</i> of 36.2% in the first quarter of 2019 over the same period of 2018 to USD 141.9 mln. It represents 3.2% of service imports to Hungary.
		Engineering services	The service group experienced a <i>fallback</i> of 18.3% in the first quarter of 2019 over the same period of 2018 to USD 62.1 mln. It represents 1.4% of service imports to Hungary.
		Accounting, auditing, bookkeeping and tax consultancy services	The service group experienced a growth of 90% in the first quarter of 2019 over the same period of 2018 to USD 45.5 mln. It represents 1% of service imports to Hungary.
3.	Investment	Bilateral investment	
			Recently a tourism company, the Shanti Divers Pvt Ltd was founded by Hungarian businessman investing Rs 13 Lakhs as initial capital in a Goa-based scuba-diving firm.
		Global Investment	
	Czech solar companies enter Hungary	Czech solar power companies are investing in Hungary with ambitious plans, due to shrinking subsidies in the Czech Republic and growing demand in Hungary. Total capacity now exceeds 2,000MW in the Czech Republic but is only 700-800MW in Hungary, where more than 400MW of new capacity was installed in 2018. The official Hungarian target for 2022-23 is 3,000MW. Fixed prices in the compulsory state purchase of solar electricity in Hungary guarantee profits for investors. Czech company Nova Green Energy has recently built	

			a 15MW solar farm in Barcs for €5 million.
		Gémtech completes Ft 1bn upgrade	Machinery maker Gémtech has completed a more than Ft 1 billion capacity expansion at its factory in Napkor, Szabolcs-Szatmár-Bereg county. The company covered half of the investment costs from EU grants to construct a new locksmith workshop and purchase two multi-functional lathes and cranes. Founded in 2009, Gémtech specialises in custom machining and manufacturing of steel structures, generators, and turbine bases. It built a 2,000m2 production hall at its Napkor base from Ft 330 million.
		Audi opts for rooftop solar cells	Audi Hungaria has started installing solar cells on the roof of its two logistics centres in Hungary, the carmaker announced. E.ON is building a 12 MWp capacity solar farm on 160,000m2 for Audi, destined to be the largest rooftop solar farm in Europe after it is completed.

b. Opportunities for investments/ assets on offer/major company divestment:

S.No.	Sector Name (List attached)	Particulars of the asset /company	Contact details
1.			

c. Information on tender Notices for projects and procurements of interest to Indian project exporters/ suppliers (USD15 million & above)

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

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

c.) Tenders up from € 15 mln uploaded on the India Trade Portal /[www.indiantradeportal.in](http://www.indiantradeportal.in)

S.No.	Tender/ procurement notice No and date	Sector	Value of tender/ procurement
1.	8th August: Várkapitányság, the government agency managing the renovation and reconstruction of the Buda Castle area, has published a tender on the EU public procurement website for <b>renewing and rebuilding the walls of the castle</b> for an estimated price of Ft 8.7 billion (appx € 27 mln). The foundations of the walls are to be	Construction	€27 mln

	<p>strengthened and earlier renovations, which do not meet present standards, will be undone. The renovation works should be completed within three years. Bids must be filed by September 10. The price will have 70% and the quality of work a 30% weight in the assessment of bids.</p> <p>Várkapitányság Nonprofit Zrt. Address: 1013 Budapest, Ybl Miklós tér 6. Tel: +36 1 225-0554 <a href="http://varkapitanysag.hu/kapcsolat">http://varkapitanysag.hu/kapcsolat</a> E-mail: <a href="mailto:titkarsag@varkapitanysag.hu">titkarsag@varkapitanysag.hu</a></p>		
2.	<p><b>Renewable energy tender:</b> A HUF 1 billion (€ 3.4 mln) tender for renewable energy subsidies in the Metár scheme is planned to be announced in September, the Innovation and Technology Ministry has said. There are two categories for applicants: one for energy producers with capacities of 0.3.-1MW and another for producers generating 1-20MW. Producers located in formerly industrial areas and which start production not later than three years after the subsidy is received will enjoy preferences. The Metár plan guarantees fixed electricity purchase prices for producers.</p>	Renewable energy	-

- d. Trade Queries for Imports/ Exports (if not uploaded on the Indian trade portal) For the month of August 2019 the Mission has received 14 trade inquiries from India.

S. No.	Enquiry originator	Product with HS codes	Nature (Import/ Export)	Value (US\$ million)	Action Taken (Max.200 words)
1	Global International	Engineering: Misc stainless steel products	HS Code: 9401, 9402, 9403, 9404, 8302, 9023, 9027, 9031, 9024, 7321, 8302, 7308, 7326, 7323, 9018, 8479, 7307, 7304		Answered
2	Riexnow Trading	Agro: honey, rice, vegetables			Answered
3	Vishal Pipes Ltd	Engineering: Steel & Pipes			Answered
4	MM Raj Ceramic Tiles	Ceramics			Answered
5	Delhi Tack Shop	Leather: Saddlery, Equestrian goods			Answered
6	Ganshyam Industries	Engineering: brass fittings	HS Code:-74199930		Answered
7	Vrk Global Enterprises	Food: Seafood			Answered
8	Shree Balaji Diesels	Scrap: PVC Regrind			Answered
9	Allwin industries	Engingeering: power and control cables			Answered
10	Encore Technology Solution	Scrap: Copper			Answered
11	Waris Exports	Textiles: T-shirts			Answered
12	Marathe International	Activated Carbon			Answered
13	NWT Global Trades	Rice			Answered
14	Bluebell Exim	Fertilizers , feed, food and oil			Answered

**4. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc. / Significant stories/features on India related trade, investment, services and logistic sector, published in foreign journals/dailies, etc.: (Max. 500 words)**

- **FM Szijjártó Economic cooperation with India must be tightened:** The ever-faster-growing economies of Asian countries have a major impact also on the open Hungarian economy, and it therefore stands to reason that we should tighten economic cooperation with India. India qualifies as a leading power in a number of sectors and with regard to its natural features and Hungary's competitive expertise, they will focus on five areas upon the development of cooperation. These are film production, digitisation, water management, solar energy and the pharmaceutical industry FM Szijjártó said at a press conference after talks with Hon'ble Minister of External Affairs Subrahmanyam Jaishankar on 26<sup>th</sup> August.
- **Hon'ble EAM of India** highlighted that Hungary's competitiveness and its favourable investor environment makes it a useful partner with which India seeks to establish mutually advantageous cooperation.
- **Finance Minister Mihály Varga** during the visit of Hon'ble Minister of External Affairs said that economic relations between the two countries have played a dominant role in bilateral cooperation for years. The volume of trade between India and Hungary is continuously on the increase; in 2017 there was a 17 per cent growth, followed by an 11 per cent increase last year. He also said Hungary supports the development of closer economic relations between Europe and India. He said we believe it is an important achievement that last December the EU's Foreign Affairs Council adopted a new EU-India Strategy which could further boost the development of relations not only in the economy, but equally in the fields of global security and sustainable growth.
- **H.E. Peter Cseresnyes, Deputy Minister for Innovation and Technology and Co-chair of Hungary India Parliamentary Friendship Group** during the visit of Hon'ble Minister of External Affairs said that India-Hungary traditional ties are good. Personally, he has been working with the Embassy very closely and met the delegation from ACMA in February 2019. He also conveyed congratulations on behalf of the Speaker to Prime Minister Modi for his recent success in the elections and looks forward to further deepening of the bilateral cooperation attaching high importance to Indian investments in Hungary.

**5. Details of trade research, information dissemination activity of the commercial wing**

S.No.	Nature of activity (trade research, information dissemination, seminars etc) (Max.200 words)	Details of Seminar/ conference (date/ venue, no of participants) or research (Max.200 words)	Details of trade research (title of the report, executive summary, date of publication) (Max.200 words)
1.	Information on upcoming events was circulated:	1. India Mobile Congress 14-16 Oct 2019, New Delhi 2. 47th India Knit Fair: 17-19 Feb 2020, Tiruppur 3. Foodpro: 23-24 Aug 2019 Chennai	Information was circulated amongst chambers of commerce and industry and government bodies, such as Ministry of Foreign Affairs and other offices in Hungary.

**6. Details of activities conducted out of Trade promotion budget:**

BE for current financial year	RE for current financial year	Amount utilised	Details of Activity (Max.200 words)
RS 600,000		RS 14,821	1. State of Goa Rollups for Goa Tourism Road Show

**7. Action taken on the previous JWG, Joint Commissions, Sub-Commissions etc.**

*(issues that Mission had to follow up with host government):*

S.No.	Detail of JWG/JEC with date and venue	Action Point (Max. 200 word)	Action Taken (Max. 200 words)
1	5 <sup>th</sup> JCEC and 10 <sup>th</sup> S&T Meeting 7 <sup>th</sup> March and 21 <sup>st</sup> March 2018	5 <sup>th</sup> JCEC -Para 2 1 agriculture 2 Aviation 3 Space activity 4 Energy 5/4 Water management 6/3,4,5, science and technology 7/1,2,3 Information Technology 8/3 Transport 9/2,3,6,7,11,12 Education and Culture 10/3,6,8 Health and Health economy 11/4,5,6 Tourism 12/2 Visa Matters 13 Cyber Fraud 10 <sup>th</sup> S&T 3. Status of S&T Cooperation 5. Review of last call 6.1 ELI-ALPS 6.2 Joint Industrial R&D 6.2 Networking of researchers 6.3 workshops 6.4 Strategic Research Fund	Follow up on a number of issues is being made such as agriculture, water management, science and technology funding, trade frauds, etc. Embassy has also been in touch with various Hungarian ministries, including Ministry of Agriculture; Ministry of Human Capacities; Ministry of Interior; Ministry for Innovation and Technology regarding implementation of bilateral agreements.  During the visit of EAM to Hungary on August 25-27 cooperation in the areas of water, S&T, education exchanges, visa procedures, tourism, cultural exchanges and renewable energy were also discussed.

**8. Complaints from foreign buyer/supplier on quality and trade dispute:**

Name of Foreign buyer/supplier	Address & contact details of foreign buyer/supplier	Name & address of Indian exporter/importer	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred.
Nil at the time of the report				

**9. Complaints of Indian exporter/importer:**

Name of Indian exporter/importer	Address & address of foreign buyer/supplier	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred.	Any outcome
Nil at the time of the report				

## **10. Any other issue of importance (Max. 500 words)**

1. **Visit of Hon'ble Minister of Foreign Affairs of India:** External Affairs Minister Dr. Subrahmanyam Jaishankar visited Hungary from 25-27 August 2019. This was External Affairs Minister's first visit to Hungary after assuming office. During his visit, External Affairs Minister held discussions with Hungary's Foreign Minister H.E. Mr. Peter Szijarto on a wide range of bilateral and multilateral issues including on cooperation with the Visegrad Group. The two Ministers signed a Cultural Exchange Programme between India and Hungary for the period 2019-22. The Hungarian side announced their decision to join the International Solar Alliance, an organization established to harness the solar energy for the benefit of member nations and headquartered in India. Foreign Minister Peter Szijarto inter alia mentioned that the Hungarian side will focus on five main areas of film production, digitalization, water management, solar energy and pharmaceuticals for strengthening cooperation with India. The External Affairs Minister noted with satisfaction the positive trend of Indian investment in Hungary and its favourable business environment and competitiveness. The two Ministers agreed to also intensify bilateral interaction in the fields of education, tourism and science. The External Affairs had meetings with Deputy Prime Minister and Minister of Finance Mr. Mihaly Varga and Chairman of Hungary-India Parliamentary Friendship Group Mr. Peter Cseresnyes. During these meetings, a range of issues of interest were discussed including parliamentary exchanges and other high-level contacts, as also people-to-people ties. The External Affairs Minister addressed the annual conference of Hungary's Heads of Missions on August 26, 2019. He was invited by Foreign Minister Peter Szijarto to speak at the opening session of the conference as Chief Guest. This was a special honour bestowed upon External Affairs Minister by the Hungarian side. The External Affairs Minister also inaugurated a photo exhibition at the Amrita Sher-Gil Cultural Centre at the Embassy of India on August 26. The photo exhibition commemorating 70th anniversary of diplomatic relations between India and Hungary showcased several historical photographs. The Ambassador of India hosted a Reception in honour of External Affairs Minister which was attended by several dignitaries including Members of Parliament, senior government officials, business leaders and friends of India.
2. **Fitch confirms rating on Hungary::** International credit rating agency Fitch Ratings maintained its BBB valuation on the sovereign risk of Hungary, which was attributed in February. The strong and stable performance of the Hungarian economy is counterbalanced by its high debt, the risk of unpredictable economic policy and its pro-cyclic policies. GDP growth will drop from 4.9% last year to 4.4% this year and 3.5% in 2020, and drop even further to 2.5% in 2021, the agency forecast. Fitch has cut its budget deficit forecast for 2019 to 1.8% of GDP, which is equal to the government target. Hungary's debt reaches 70% of GDP, well over the 39.4% average of BBB category countries. On the other hand, now only 18.4% of its debt is in foreign currencies, which is a good development according to Fitch.
3. **GDP growth at 5% in Q2:** Hungary's GDP was 4.9% higher in the second quarter than in the same period of 2018, and was up 5.1% according to seasonally and workday adjusted figures, the Central Statistics Office announced.
4. **Average Monthly Exchange rates for August 2019**  
1US\$= 293.78 HUF  
1EUR= 326.92 HUF  
Source: MNB-Hungarian National Bank [www.mnb.hu](http://www.mnb.hu)

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

**REPORTING PROFORMA FOR COMMERCIAL WINGS**

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

**Name of the Mission (Country):** Embassy of India, Budapest

**II. MONTHLY REPORT FOR BOSNIA AND HERZEGOVINA**

**A. Trade in goods**

a) Total trade in goods during

0	2	2	0	1	9
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	Export (US\$ million)	Import (US\$ million)	Status (P) Provisional/ (F) Final
Country's trade with India	0.081	5.9	F
Country's total global trade	537.7	899.3	F

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

b) Preferential trade in goods during

0	2	2	0	1	9
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S.No.	Preferential / Free Trade Agreement with India	Preferential Imports from India (US\$ million)	Preferential Imports from World (US\$ million)
1	N/A		

(Source: Customs/National Trade Statistics of reporting country)

S.No.	Preferential / Free Trade Agreement with India	Preferential Exports to India (US\$ million)	Preferential Exports to World (US\$ million)
1	N/A		

(Source: based on Certificate of Origin issued by reporting country)

c) Top 10 items of import from India during

0	2	2	0	1	9
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S. No.	Commodity (6 digit HS tariff line)	Value (US\$ million)	Quantity (1000 kgs)	Unit of Measurement	% share in total import of the commodity
1	841490 Parts of : air or vacuum pumps, air or other gas compressors, fans and ventilating or recycling ...	1.0		kgs	31.8%
2	090111 Coffee (excluding roasted and decaffeinated)	0.5		kgs	18.0%
3	640399 Footwear with outer soles of rubber, plastics or composition leather, with uppers of leather ...	0.4		kgs	11.3%
4	560312 Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., of man-made filaments, ...	0.3		kgs	49.0%
5	520524 Single cotton yarn, of combed fibres, containing >= 85% cotton by weight and with a linear ...	0.2		kgs	91.5%
6	300490 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	0.2		kgs	1.2%
7	847420 Crushing or grinding machines for solid mineral substances	0.1		kgs	27.0%
8	251611 Granite, crude or roughly trimmed (excluding already with the characteristics of setts, curbstones ...	0.1		kgs	55.8%
9	411310 Leather further prepared after tanning or crusting "incl. parchment-dressed leather", of goats ...	0.1		kgs	25.1%
10	251512 Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a square ...	0.1		kgs	66.9%

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

d) Top 10 items of export to India during

0	2	2	0	1	9
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S.No	Commodity (6 digit HS tariff)	Value USD mln	Quantity 1000 kgs	Unit
1	'790700 Articles of zinc, n.e.s.	0.045		
2	'842123 Oil or petrol-filters for internal combustion engines	0.009		
3	'854370 Electrical machines and apparatus, having individual functions, n.e.s. in chapter 85	0.009		
4	'732690 Articles of iron or steel, n.e.s. (excluding cast articles or articles of iron or steel wire)	0.007		
5	'220300 Beer made from malt	0.006		
6	'281122 Silicon dioxide	0.003		
7	'441990 Tableware and kitchenware, of wood other than bamboo (excl. interior fittings, ornaments, coopers' ...	0.001		
8	'010310 Pure-bred breeding swine	0.000		
9	'010599 Live domestic ducks, geese, turkeys and guinea fowls, weighing > 185 g	0.000		
10	'020329 Frozen meat of swine (excluding carcasses and half-carcasses, and hams, shoulders and cuts thereof, ...	0.000		

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

e) Potential products of imports from India

S.No.	Commodity (6 digit HS tariff line)	Rationale (Max.200 words)
1	271019 Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, ...	Imports of this product from the World were in the value of USD 51.1 mln, while imports from India were nil
2	'870332 Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	Imports of this product from the World were in the value of USD 24.6 mln, while imports from India were nil.
3	'300490 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	Imports of this product from the World were in the value of USD 15.3 mln, while imports from India were 0.2 mln.
4	281820 Aluminium oxide (excluding artificial corundum)	Imports of this product from the World were in the value of USD 6.7 mln, while imports from India were nil
5	851712 Telephones for cellular networks "mobile telephones" or for other wireless networks	Imports of this product from the World were in the value of USD 6.7 mln, while imports from India were nil

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

**B. QUALITATIVE**

Month

0	6	2	0	1	9
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**1. Market Access Alerts** (attach copy of notification) :

BiH is a member of Central European Free Trade Agreement (CEFTA). No specific market access alerts for India.

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. Information may be accessed on the following links:

- <http://www.mvteo.gov.ba/>
- <http://www.mvteo.gov.ba/search/Results?searchTerm=india>
- <http://www.mvteo.gov.ba/Search/Results?searchTerm=customs>

Regulations on VAT and Customs may be found at the website of the Indirect Taxation Authority of BiH

- <http://www.new.uino.gov.ba/en>

e. Alerts on customs tariff changes:

S.No.	Notification no. and date	HS code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
1.							

NIL at the time of the report

- f. Alerts on non tariff measures (SPS/TBT/ import and export procedures/ restrictions/ prohibitions, licensing/ STEs etc.)

S.No	Notification no./ date	Measure	HS Codes	Effective from	Remarks if any
1.					

NIL at the time of the report

- g. Alerts on standards, technical regulations and conformity assessment procedures:

S.No.	Notification no./ date	Standard/ technical regulation/ conformity assessment procedure	HS Codes	Effective from	Remarks if any
1.					

NIL at the time of the report

- h. Alerts on trade defense measures taken by respective country:  
(Safeguards including special safeguard, antidumping, CVD or anti- subsidy)

S.No.	Notification no., date or other references	Type (initiation, final, prov., sunset, consultations, new shipper review)	Details of products/ sectors affected (including HS codes)	Effective from	Remarks if any
1.					

NIL at the time of the report

- e. Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.

S.No.	Notification no., and date or other references	Service sectors affected	Modes	Effective from	Remarks if any
1.					

NIL at the time of the report

## **2. Feedback**

- d. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to that country

S.No.	Name of business house	Activity sector	Trade barrier issues if any (incl. HS codes)	General Feedback (Max.200 words)
1.				

NIL at the time of the report

- e. Feedback on major trade activities **including logistic events** (trade fairs/BSM including Indian participation)

S.No	Activity (trade fair, BSM etc.)	Date and venue	Number of participants from India	Name(s) of large/ key participants from India	Feedback received (Max.200 words)	Source of funding (MAI, TATC)
1.	Nil at the time of the report					

- f. Feedback from local commercial visitors to trade fairs in India, including under BSM; number of Business Visas issued :

S.No	Activity (trade fair)	Date and venue	Number of participants from the relevant country	List of large/ key participants from the relevant country	Number of Business Visas issued	Feedback received (Max.200 words)
1.					Nil	

### **3. Trade and Investment:**

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

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

- b. Significant trends in trade and investment

(Sources: International Trade Centre: Calculations based on Eurostat statistics <http://www.Trademap.org>)

S. No.	Category	Details of significant trends (Max.200 words)	Analysis (Max. 200 words)
1.	Trade in Goods BiH imports from India	Total imports	The value of imports increased by 7.4% in the Jan-Feb period of 2019 over the same period of 2018 reaching USD 11.3 mln.
		8414 Air or vacuum pumps (excluding gas compound elevators and pneumatic elevators and conveyors);.	The product group experienced a fallback by 13.1% in the Jan-Feb period of 2019 over the same period of 2018 to USD 1.9 mln. It represents 16.8% of Imports from India to BiH..
		'0901 Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes ...	The product group experienced a fallback by 8.3% in the Jan-Feb period of 2019 over the same period of 2018 to USD 1.2 mln. It represents 11% of Imports from India to BiH..
		'6403 Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of ..	The product group grew by 82.51% in the Jan-Feb period of 2019 over the same period of 2018 to USD 0.6 mln. It represents 5.6% of Imports from India to BiH..
		'5603 Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s.	The product group grew by 6.5% in the Jan-Feb period of 2019 over the same period of 2018 to USD 0.6 mln. It represents 5.1% of Imports from India to BiH..
		'5205 Cotton yarn other than sewing thread, containing >= 85% cotton by weight (excluding that put ..	The product group fell back 4.1% in the Jan-Feb period of 2019 over the same period of 2018 to USD 0.6 mln. It represents 4.6% of Imports from India to BiH..
2.	Trade in Services: Import of services to	Total Service types	The import of services decreased by 15% in the Q1 of 2019 over the same period of 2018 from USD 128.1 mln to USD 109.6 mln.
		Commercial services	The import of these services decreased by 15% in the Q1 of 2019 over the same period of 2018

	BIH from the World		from USD 126.4 mln to USD 107.4 mln. It represents 98.8% of all imported services.
		Transport	The import of these services decreased by 21% in the Q1 of 2019 over the same period of 2018 from USD 75.2 mln to USD 59.4 mln. It represents 54.6% of all imported services.
		Travel	The import of these services increased by 8.9% in the Q1 of 2019 over the same period of 2018 from 8.9 mln to USD 9.7 mln. It represents 8.9% of all imported services.
		Government goods and services n.i.e.	The import of these services fell back by 10.8% in the Q1 of 2019 over the same period of 2018 from 1.8 mln to USD 1.6 mln. It represents 1.4% of all imported services.
3.	Investment	Bilateral investment	
		Nil	
		Global Investment	
		More than 300 Million Euros Foreign Direct Investments in Bosnia in 2018	According to Bosnian Central Bank FDI inflows for 2018 amounted to KM 783.4 million or € 400 mln (or 2.3 per cent of GDP), which in nominal terms approximately equals to one recorded in 2017. Main investments in 2018 were coming from Russia (€ 71.7mln), Croatia (€ 54.3 mln), the Netherlands (€48 mln), Austria (€ 44.3 mln) and Germany (€ 42.8 mln). Most investments were recorded in the field of financial services (banking sector) with (€ 74.4 mln), production of coke and refined oil products (€ 69.4 mln), retail trade (€44.8 mln) and in production of base metals (€26.6 mln). At the end of 2018, the FDI amounted to KM 14.29 billion (€7.3 bln). The highest amount of FDI remained related to Austria (€ 1.38 bln), Croatia (1.18 bln) and Serbia (€1.0 billion).

b. Opportunities for investments/ assets on offer/major company divestment:

S.No.	Sector Name (List attached)	Particulars of the asset /company	Contact details
1.			

NIL at the time of the report

c. Information on tender Notices for projects and procurements of interest to Indian project exporters/ suppliers (USD15 million & above)

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

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

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

S.No.	Tender/ procurement notice No and date	Sector	Value of tender/ procurement

NIL at the time of the report

d. Trade Queries for Imports/ Exports (if not uploaded on the Indian trade portal) In the period of August 2019, Embassy of India has [received 2 queries](#) from India.

S. No.	Enquiry originator	Product with HS codes	Nature (Import/ Export)	Value (US\$ million)	Action Taken (Max.200 words)
1	Global International	Engineering:Misc stainless steel products HS Code: 9401, 9402, 9403, 9404, 8302, 9023, 9027, 9031, 9024, 7321, 8302, 7308, 7326, 7323, 9018, 8479, 7307, 7304	Export		Answered
2	Allwin industries	Engingeering: power and control cables	Export		Answered

**4. Important India related statements of commercial significance by political leaders, think tanks, chambers, associations etc. / Significant stories/features on India related trade, investment, services and logistic sector, published in foreign journals/dailies, etc.:** (Max. 500 words)

NIL at the time of the report

**5. Details of trade research, information dissemination activity of the commercial wing**

S.No.	Nature of activity (trade research, information dissemination, seminars etc) (Max.200 words)	Details of Seminar/ conference (date/ venue, no of participants) or research (Max.200 words)	Details of trade research (title of the report, executive summary, date of publication) (Max.200 words)
1.	Information on upcoming events was circulated:	1. India Mobile Congress 14-16 Oct 2019, New Delhi 2. 47th India Knit Fair: 17-19 Feb 2020, Tiruppur 3. Foodpro: 23-24 Aug 2019 Chennai	Information was circulated amongst chambers of commerce and industry and government bodies, such as Ministry of Foreign Affairs and other bodies in Hungary and Bosnia and Herzegovina also.
2			

**6. Details of activities conducted out of Trade promotion budget:**

BE for current financial year	RE for current financial year	Amount utilised	Details of Activity (Max.200 words)
RS 600,000			

**7. Action taken on the previous JWG, Joint Commissions, Sub-Commissions etc. (issues that Mission had to follow up with host government):**

S.No.	Detail of JWG/JEC with date and venue	Action Point (Max. 200 word)	Action Taken (Max. 200 words)
1	Third meeting of the Joint Committee on Trade took place in Sarajevo on 25 September, 2012. Deputy Minister of Foreign Trade and		Embassy has been in touch with various ministries, including the Ministry of Foreign Affairs of BiH for

	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. The next meeting is proposed to be held in Sarajevo, for which dates will be decided through mutual consultations.		implementation of bilateral agreements/decisions. Mission followed up on the termination of the existing and proposed new BIT with Bosnia.
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### 8. Complaints from foreign buyer/supplier on quality and trade dispute:

Name of Foreign buyer/supplier	Address & contact details of foreign buyer	Name & address of Indian exporter	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred.
Bosnian Company – Buyer: MODRA STIJENA d.o.o.	Contact: Mr. Mate Ivankovic Visoka Glavica b.b. 88220 Siroki Brijeg Bosnia and Herzegovina tel/fax. 00387 39 705 390 mob. / whatsapp 00387 63 436 555 <a href="mailto:mate@modrastijena.com">mate@modrastijena.com</a> <a href="http://www.modrastijena.com">www.modrastijena.com</a>	Indian Company – Seller: Contact: Mr. Jude Jerald Goveas, President Stems N Leaves International +9182424 51225/34 55225 <a href="mailto:stemsnleaves@gmail.com">stemsnleaves@gmail.com</a>	<p>The Bosnian company has ordered granite slabs weighing 446 tonnes in the value of USD 40,638 in three consecutive consignments. However, after the first container arrived the company cited quality problems showcasing broken pieces, bad packaging, scratches, lighter than anticipated colour, etc. The second container arrived with 60 days of delay, and the third container was cancelled. The Bosnian company indicates that the terms of payment were also unilaterally modified.</p> <p>2. The Mission has also contacted M/S Stems N Leaves International asking for their inputs, who informed that the Bosnian company has a history of claiming reimbursement for illogical reasons and that this is a second order of products, with the previous one being in 2008 from which a payment of appx USD 3,000 is pending due to miscalculations by the Bosnian company. Also it was indicated that the unprofessional handling of the cargo caused the damages to the products, and that previous shipments in 2008 were accepted by the Bosnian firm.</p> <p>3. Although both firms have their own versions of the case and they are in touch with each other, the dispute is not getting towards settlement as each side stands firmly by their truth while accusing the other of negligence.</p>	Directorate General of Foreign Trade R.P Goyal Addl. DGFT Rpt. to Shri Pushpender Kumar, US (FT Europe)

## 9. Complaints of Indian exporter/importer:

Name of Indian exporter/importer	Address & address of foreign buyer/supplier	Brief description of complaint	The authority to whom the matter was referred and the date on which the matter was referred.	Any outcome

Nil at the time of the report

## 10. Any other issue of importance (Max. 500 words)

- 1. Aluminij Production Could Be Restarted by End 2019, Financial Tax Police to Probe operation:** The FBiH Prime Minister Fadil Novalic said that the company Aluminij Mostar will continue to operate, but that the concept of the functioning of the company itself will change in the coming period because it cannot survive in this form due to market circumstances. Authorities ordered the financial and tax police to probe operations over a huge debt it incurred due to high electricity and alumina prices. The temporary closure of Aluminij Mostar, one of Bosnia's biggest exporters, has put the jobs of about 900 workers at risk. The government of Federation entity, where the smelter is based and which is Aluminij's biggest single shareholder with a 44% stake, had first said the company would file for bankruptcy, but it later gave management until December 2019 to come up with a restructuring plan.
- 2. Foreign Tourist Arrivals Grow 25.6% in June:** The number of foreign tourists who visited Bosnia in June grew by 25.6% on the year, reaching 134,114, the national statistical office said. Foreign tourists spent 245,634 overnights in Bosnia in June, up 22.2% year-on-year. Total tourist overnights grew 22.6% on the year and rose by 22% month-on-month. Visitors from Saudi Arabia accounted for 12.2% of all foreign tourist overnights spent in Bosnia in June, followed by visitors from Croatia with 7.3% and Serbia with 6.6%.
- 3. Bosnia's Unemployment Rate Highest in the Region:** Bosnia has the highest unemployment rate in the region, at 18.4 percent. According to the latest available data, Slovenia, a country many Bosnians emigrate to, has the lowest unemployment with 4.8 percent. Unemployment in Croatia is 7.2 percent, in Serbia it is 12.1 percent, in Montenegro 15 percent and in North Macedonia 17.8 percent.
- 4. Economy Grew 3.62% in 2018:** Bosnia's economy grew 3.62% year-on-year in 2018, driven mainly by improved activity in the energy sector, agriculture, forestry and administrative services, the state statistics agency said in a flash estimate.. National output totaled 33.4 billion KM (€17.1bln) at current prices in 2018 compared to an estimated 31.4 billion KM (€ 16.1 bln) a year before. Gross Domestic Product (GDP) per capita amounted to 9,556 KM (€ 4,886) in 2018 up from 8,954 (€4,578) in 2017.
- 5. Average Monthly Exchange rates for Aug 2019**  
1US\$= 1.755780 KM  
1EUR= 1.955830 KM  
*Source: Central Bank BiH <http://cbbh.ba>*

Sanjeev Manchanda  
Second Secretary (Com/Pol)/CR  
Embassy of India  
Budapest  
Dated: 4<sup>th</sup> September, 2019