



March, 2020.



PART I: INDIAN ECONOMY

News Features

Economic implications of COVID-19 for India:

The macroeconomic and financial landscape has deteriorated due to COVID-19. The Indian economy has been experiencing significant slowdown over the past few quarters. In the third quarter of the current fiscal, the economy grew at a six-year low rate of 4.7%.

There was a strong hope of recovery in the last quarter of the current fiscal. However, the new coronavirus epidemic has made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to derail India's growth story. Demand Side Impact - Tourism, Hospitality and Aviation are among the worst affected sectors that are facing the maximum brunt of the present crisis. Closing of cinema theatres and declining footfall in shopping complexes has affected the retail sector by impacting consumption of both essential and discretionary items. Supply Side Impact - On the supply side, shutdown of factories and the resulting delay in supply of goods from China has affected many Indian manufacturing sectors which source their intermediate and final product requirements from China. Some sectors like automobiles, pharmaceuticals, electronics, chemical products etc. are facing an imminent raw material and component shortage. Impact on International Trade - China has been a major market for many Indian products like sea food, petrochemicals, gems and jewellery etc.

The outbreak of coronavirus has adversely impacted exports of these items to China. According to UNCTAD, India's trade impact due to coronavirus outbreak could be about US\$ 348 mn. India is among the top 15 countries that have been affected most as a result of manufacturing slowdown in China. The Indian economy is most likely to experience a lower growth during the last quarter of the current fiscal. In case the spread of corona virus continues, growth may remain subdued in the first quarter of FY 20-21 as well. ADB has estimated that Covid-19 outbreak could cost the Indian economy alone between

US\$ 387 mn and US\$ 29.9 bn in personal consumption losses. OECD has revised down India's growth forecast by 110 basis points to 5.1% for 2020-21 and by 80 bps to 5.6% for 2021-22. Moodys Investors Service has revised down its growth forecast for India to 5.3% for 2020 from its earlier estimate of 5.4% made in Feb.

S&P Global Ratings – S&P has lowered India's economic growth forecast to 5.2% for 2020 as against 5.7% projected earlier. The IMF has revised Indian economy to grow by 1.9% in 2020-21.

Measures taken by India to fight COVID-19:

India has been at the forefront of fight against COVID-19. The Indian response has been specific and tailored to Indian conditions. India as a leading supplier of pharmaceuticals has continued to supply medicines to other countries in line with our global responsibilities. India's COVID-19 mitigation measures entails a financial package of US\$ 22 bn as part of creating a security net for the disadvantaged sections of the society such as senior citizens, widows, physically challenged, women, migrant workers and other. These are in the form of food supplies, financial support through direct benefit transfer. The Indian response is being led by the Hon'ble Prime Minister Narendra Modi and is utilizing an ambitious and complex technological process and administrative methods. A special COVID-19 Cell has been set up in the Ministry of External Affairs for international coordination for relief and mitigation efforts. Specific measures includes- Surveillance, Community Surveillance, Lab Testing, Hospital preparedness, capacity building, logistic management, risk communication, Janata Curfew, Lock-down, Humanitarian approach, Special health stimulus, PM Jan Kalyan Yojana, etc. The country was put under lock-down from 24th march which will continue till 3rd May. All domestic and international flights are suspended along with rail and bus travel. Social distancing and personal hygiene measures are widely publicised. As a result of these measure, India has so far been able to manage the spread and mitigate the adverse effects relatively better than several countries keeping in mind our proper size.

1. Indian Railways (CLW) manufacturing unit creates world record: Chittaranjan Locomotive Works (CLW), a Government electric locomotive manufacturer located at Chittaranjan in Asansol, got recognition from the Limca Book of Records for manufacturing 402 locomotives in 2018-19. In 2019, the Indian Railways' manufacturing unit also achieved the record of producing highest ever 3-phase Electric locomotive Shells. Almost all electric locomotives running on Indian Railways are manufactured at CLW.



2. Mahindra Group to explore organic food manufacturing: Mahindra Group is planning a strategy in introducing its own brand of organic food to tap into the growing urban market in India. It aims to reduce the price difference between organic and regular food. Mahindra Agri Solutions sells seeds, micro-irrigation systems and agricultural chemicals. Mahindra group is one of the leading exporters of fruits from India to European markets. It is aiming to scale to a supplier base of 25,000 farmers in India over the next three-four years. Presently, it has about 8,000 certified organic farmers in its fold. Its target is to be among the top three organic food brands in India. India is pegging as a big domestic organic food market of US\$ 143.08 mn annually.



MeraKisan Private Ltd. is a part of the Mahindra Group, and a player in the organic agri-business market, with a focus on organic food supply chains.

3. "Wings India 2020" International Exhibition on Civil Aviation Industry: Civil aviation industry has emerged as one of the fastest growing industries in India during the last three years. India is currently considered the fourth largest domestic civil aviation market in the world and is expected to overtake UK to become the third largest air passenger market by 2024 as per International Air Transport Association (IATA) forecasts. India's aviation industry is expected to get US\$ 4.99 bn investment in the next four years. The Indian government is planning to invest US\$ 1.83 bn for development of airport infrastructure along with aviation navigation services by 2026. Wings India 2020 is biennial civil aviation and aerospace event, International Exhibition and Conference on Civil Aviation sector, launched (12 Mar) in Hyderabad, India. The event was organised by Ministry of Civil Aviation along with Airports Authority of India and FICCI (Federation of Indian Chambers of Commerce & Industry). More than 100 exhibitors, over 20 states and over 500 delegates participated in the flagship event of Civil Aviation, Hyderabad. India has always been considered the hub of Indian Aviation.



Main Economic Indicators

Gross Domestic Product – GDP				
Fiscal Year	2016-17	2017-18	2018-19	Est. 2019-20
Real GDP (% change, YoY)	8.2%	7.2%	7.2%	5.0%
GDP (US \$ bn), current prices	2251.1	2300	2600	/

Source: Indian Central Statistics Office and Moody's

Foreign Trade

I. Merchandise Trade		
Exports & Imports: (US \$ bn) (Provisional)	Mar 2020	Apr-Mar 2019/2020
Exports (including re-exports)		
2018-19	32.72	330.08
2019-20	21.41	314.31
% Growth 2019-20/2018-19	-34.57	-4.78
Imports		
2018-19	43.72	514.08
2019-20	31.16	467.19
% Growth 2019-20/2018-19	-28.72	-9.12
Trade balance		
2018-19	-11.00	-184.00
2019-20	-9.76	-152.88

Source: RBI Press Release, dated 15th Apr 2020. (<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1614754>)

II. Trade in Services		
Exports & Imports: (US \$ bn)	Feb 2020	Apr-Jan 2019-20
(Provisional)		
Exports (Receipts)	17.73	196.44
Imports (Payments)	11.07	120.45
Trade balance	6.66	76.00

Source: RBI Press Release, dated 15th Apr 2020. (<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1614754>)

Industry

According to Indian Central Statistics Office (CSO) and Ministry of Statistics and Programme Implementation data, India's industrial output accelerated to 4.5 % YoY in Feb 2020 beating market expectations of 3.2 %. There were increases in manufacturing (3.2 % vs 1.6 %), mining (10.0 % vs 4.3 %) and electricity output (8.1 % vs 3.1 %).

Foreign Direct Investment (FDI)

According to the Department for Promotion of Industry and Industrial Trade (DPIIT), during the first half of FY 2020-21, FDI into India increased by 15% and reached US\$ 26 bn. During Apr-Sept 2019-20, the maximum foreign inflows were in sectors, that includes services (US\$ 4.45 bn), computer software and hardware (US\$ 4 bn), telecommunications (US\$ 4.28 bn), automobile (US\$ 2.13 bn) and trading (US\$ 2.14 bn). The foreign investment norms were relaxed recently by the Government in sectors such as brand retail trading, coal mining and contract manufacturing. COVID-19 will undoubtedly have many implications for Foreign Direct Investment into India. Supply chain disruptions from China will imply more companies shifting their manufacturing base to low-cost high productivity economies like India. The GOI has elaborate schemes in place to attract foreign investment through its Make in India programmes. This will imply a huge amount of FDI coming into India.

Inflation

Indian Central Statistics Office (CSO) data showed retail inflation decreased to 5.91 % in Mar over the previous month, mainly due to due to the sharp fall in vegetable prices.

PART II: INDIA-IRELAND ECONOMIC RELATIONS:

1. Embassy of India, Dublin response to COVID-19 (coronavirus): The Embassy of India, Dublin is committed to provide full assistance to Indian community members during the challenging time of COVID-19. It is fully sympathetic to the situation of many Indians, including students who have not been able to travel back to India before the international travel ban. Focus is on allaying panic and advising strict adherence to HSC guidelines to instill confidence, that collectively we shall overcome. **Embassy's 24X7 helpline numbers and email contacts** have been publicised widely through website and social media platforms. This has been supplemented by video messaging shared on social media, Webinars/Zoom calls, interaction with



Ambassador interacting with Indian students

...students and their parents in Dublin and other cities. Embassy has constituted **Community Sport Groups** in Dublin and all major cities like Galway, Cork, Limerick, Athlone, Wexford and Sligo comprising of community leaders representing different walks of life viz., doctors, clinical psychologists, University faculty, students and specialised professionals. They are providing round-the-clock services and assistance to people experiencing anxiety and isolation. Medical advice is also being provided. Partnerships have been formed with **regional Indian Associations, Gurudwara and religious bodies like Vedic Hindu Cultural Centre** for free delivery of food and medicines to needy community members. There is **Collaboration with voluntary groups** in various districts for delivery of essential items for people stuck in their homes. Ambassador has personally spoken to the Presidents of all major Universities in Ireland who have highlighted setting up of special support structures for students covering accommodation/finances/medical services / counselling during COVID-19. For some Universities students groups have been created for counselling and providing encouragement to other students. Virtual films/Yoga/ Dance/ Meditation sessions are being organised.

2. Embassy Provincial Outreach Programme: Ambassador visited (5 Mar) Athlone in Central West Meath County. The visit focused on economic and academic research promotion. Ambassador met with Mayor of Athlone Cllr. Frankie Keena, his team of City Council Cllrs, President and CEO of Athlone Chamber, local entrepreneurs and 400-strong Indian community that are key partners in relationship building. He engaged with: (i) Athlone Institute of Technology, with more than 80 talented Indian students in engineering, medtech and ICT disciplines; (ii) Sidero Tech Solutions, fast growing local ICT company co-ownership with India that hires around 50 Indian professionals; (iii) Ericsson Software Campus Athlone, another local firm that employs approx. 150-200 Indians.



Ambassador with Sidero Tec representatives

3. Foreign Office Consultations: Mr. Vikas Swarup, Secretary (West) in the Ministry of External Affairs, led the Indian delegation in the 8th Foreign Office Consultations between India and Ireland held in Dublin (28 Feb). The Irish delegation was led by Ms Sonja Hyland, Political Director at Department of Foreign Affairs and Trade. Discussion centered around building stronger bilateral and institutional partnerships, regional and multilateral issues, identifying challenges and identifying the "Way Forward" between the two countries. India and Ireland have shared historical ties which are being diversified at all levels. Mr. Vikas Swarup also met prominent members of the Indian community in Ireland as well as interacted with a cross-section of Irish Society.



Ambassador with Mr V.Swarup and Ms Sonja Hyland

4. Celebration of Commonwealth Day 2020: The Embassy, in collaboration with the Royal Commonwealth Society, Ireland Branch, celebrated the Commonwealth Day 2020 (9 Mar) with a Reception at the Embassy premises. This year's event was centred around the theme 'Delivering a Common Future', highlighting how the member countries in the Commonwealth family are 'innovating, connecting and transforming' to help achieve some of its biggest goals like...



Ambassador addressed the event with the Lord Mayor of Dublin, Mr Tom Brabazon

...protecting natural resources and boosting trade. Lord Mayor of Dublin Mr Tom Brabazon, Senators, Ambassadors from Commonwealth countries, as well as representatives from the industry, academia, arts and sports, and prominent Indian community leaders participated.

5. Indian Exports announcement: Indian company M/s Granules India have been authorised to export two consignment of Paracetamol 192 MT. and other 1462 MT for Ireland.

6. Meetings with business leaders: During this period, meetings were curtailed on account of COVID-19 restricting hours, limited meetings were held in the sectors of financial services, ICT and pharmaceuticals in keeping with Embassy's economic outreach programme.

Bilateral Trade

During Jan-Feb 2020 the total bilateral trade stood at Euro 155 mn. India's exports to Ireland were worth Euro 82 mn and India's imports from Ireland worth Euro 73 mn. Balance of trade was 11 mn Euros in favour of India. During the period for month of Jan-Dec 2019 showed total bilateral trade stood at Euro 1.116 bn (+25.82%). India's exports to Ireland stood at Euro 636 mn (+13.58%) and imports from Ireland were Euro 480 mn (+46.80%). Balance of trade stood at Euro 156 mn in favour of India. ***Record year.**

Year/Period	2016	2017	2018	2019	Jan-Feb 2020
Ireland's Exports	€ 296	€ 353	€ 327	€480 (+46.80%)	€73
Ireland's Imports	€ 544	€ 683	€ 560	€636 (+13.57%)	€82
Total Trade	€ 840	€1036	€ 887	*€1116 (+25.82%)	€155

*(Source: Central statistics office Ireland, www.cso.ie)

Euro million

PART III: TRADE QUERIES

Sample of trade queries from India attended by the Mission			
No	Enquiry Originator	Product	Nature Import/Export
1	Palani Group	Guar Gum Powder & Psyllium	Export
2	UMA BROTHERS	Excipients, Pharmaceutical Raw Materials & Chemicals, Animal Health Chemicals & Veterinary Raw Materials	Export
3	SM Clothing	Textile & clothing	Export
4	Vinayak food enterprise	Agricultural commodities, vegetables, rice and spices	Export
5	Radha Raman Fabrics	Agricultural and clothes commodities	Export
6	Super Sales Maharashtra	Aluminium Kitchen Foil, Packing products, paper	Export
7	Prayosha Exim	Jewellery	Export
8	GLOBAL INTERNATIONAL	Export of multiple products, Stainless Steel, Hotels & Kitchen Industry, Pharmaceutical & Lab Industry, ect.	Export
9	BTE International	Food, Prawns, Jeggery, ect.	Export
10	TRK Food Factory	All kind of food and Beverage products	Export

PART IV: UPCOMING EVENTS

Upcoming events, fairs, conferences in India			
Organizer	Event / Tender	Date	City/State
Chamber for Import, Export & Health, Government of Maharashtra	The 7 th Annual TTI: Travel & Tourism India (TTI)	29-31 Jul 2020 03-05 Dec 2020	GOA: 29 - 31 July 2020, Panaji (India) MUMBAI: 3 - 5 December 2020, Maharashtra (India) http://www.ttindiaexpo.com/
MSME development forum	The 7 th India International MSME Expo & Summit-2020	27-29 Aug 2020	Pragati Maidan, New Delhi, India https://www.indiamsme.org/

*****Please Note: Most of Upcoming India Trade Shows, Events, Fairs and Conferences in 2020 postponed due to COVID-19.**

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On account of ongoing COVID-19 restrictions, Monthly Economic Newsletter for April 2020 might be delayed.