



सत्यमेव जयते  
Embassy of India  
Jakarta

# MONTHLY ECONOMIC & COMMERCIAL NEWSLETTER

## September 2016

### CAPEXIL – FIEO Buyer Seller Meet

The Embassy of India, in association with the Chemical and Allied Export Promotion Council of India (CAPEXIL) and the Federation of Indian Export Organizations (FIEO), organized a Buyer Seller Meet (BSM) in Jakarta on 20 September 2016. Twenty business delegates from CAPEXIL and FIEO, representing the sectors of construction, chemicals & dyes, polymer, paint, textiles, commodities, rice, steel, marine fender, printing, automobile components, tea, agro products and stainless steel participated at the BSM.

Inaugurating the BSM, the Ambassador of India to Indonesia and Timor Leste, H.E. Ms. Nengcha Lhouvum, said that Indonesia offers a lot of scope for trade and investment by India. At the same time, she urged the Indonesian officials and business community to make frequent visits to India to understand the potential of India and to avail of the opportunities being offered under flagship initiatives of Make In India and Digital India.



Mr. Doddy Rahadi, Director (Steel), Ministry of Industry; Mr. Andi Maulana, Director of Investment Exhibition and Promotion Media, BKPM; Mr. Tatang, Deputy Director (Customs & Excise), Ministry of Finance; Mr. Teguh Boediyana, Special Staff to the Minister of Cooperatives & SMEs; and senior representatives of KADIN, Jakarta Chamber of Commerce & Industry and ANTAM attended the inaugural session of the Buyer Seller Meet.

The event provided an opportunity for the Indonesian companies to interact with the business delegation from CAPEXIL and FIEO in their respective sphere of business activities.

## India and Indonesia collaborate on Smart City development

India participated at the 'Workshop on Smart City Cooperation' organized by the Ministry of Foreign Affairs of Indonesia (MOFA) in Jakarta on 27-28 September 2016. Dr. K.V. Pratap, Economic Advisor, Ministry of Urban Development led the Indian delegation comprising of Senior Officials from the Ministry of External Affairs, Bhopal Smart City, New Delhi Municipal Corporation and representatives of Shapoorji Pallonji, ION Exchange and Tech Mahindra. Deputy Chief of Mission Mr. Manish and the DG of Asia Pacific & African Affairs of MOFA H.E.



Dr. Desra Percaya delivered opening remarks at the event. The Mayors of South Tangerang, Bogor, Jambi, Deputy Mayor of Bekasi and Senior Officials from the Ministry of Public Works & Housing and Jakarta Provincial Government actively participated in the Workshop.

The delegation also visited the Jakarta Command Centre and Living Lab Smart City Nusantara of PT Telkom. Both sides deliberated upon the opportunities available in development of Smart Cities and the way forward. They presented the visions of their Smart Cities and expressed optimism for cooperation and collaboration among the stakeholders in giving shape to their ideas to make Smart Cities a great success.

## India participates in PATA Travel Mart

Ambassador Nengcha Lhouvum inaugurated the Incredible India booth in Pacific Asia Travel Association (PATA) Travel Mart 2016 on 8 September 2016. The Tourism Department of the State Government of Maharashtra, Kerala, Madhya Pradesh, Karnataka and several private travel operators from India participated in the event.



Mr. Vinod Zutshi, Secretary (Tourism) participated in the board meeting of PATA and received the Award for Excellence on behalf of the Ministry of Tourism of India. PATA chapter of India is actively engaged in the development of tourism in India.

## **Best of India KNITE – Knowledge. IT. Engineering**

Ambassador Nengcha Lhouvum inaugurated the 'Best of India KNITE – Knowledge. IT. Engineering' event at Trisakti University in Jakarta on 25 August 2016. The event was organized by IndonesiaWISE headed by Mr. Amol Titus. In her keynote speech, the Ambassador highlighted India's prowess in the sectors of IT Engineering and skill development. The event has created a positive image of Brand India in the areas of Knowledge, IT and Engineering. It also demonstrated India's commitment to collaborative mentoring and capacity building at Indonesian institutes of higher education.

## **EESL Team Visits Jakarta**

A 2-member delegation of Energy Efficiency Services Limited (EESL), an Indian PSU, visited Jakarta on 1-3 September 2016 to attend the International Conference on Energy Audit. During the visit, the EESL team met the Deputy Governor of Jakarta and expressed their interest to cooperate with the Jakarta Provincial Government in its energy efficiency initiatives, which was welcomed by the Indonesian side. The team also met the officials of the Ministry of Energy & Mineral Resources, PT PLN (Persero), Indonesian Electrical Lighting Industry Association (APERLINDO), Indonesian Electrical Power Society (MKI) and Indonesian Energy Conservation and Efficiency Society.

## **Pertamina officials attend LPG Conference in India**

A 2-member delegation from the Indonesian State-owned oil and gas company PT. Pertamina visited India on 1-2 September 2016 to participate at the LPG Conference in Bhuvneshwar, at the invitation of the Ministry of Petroleum and Natural Gas of India. The delegation expressed their appreciation for the successful conduct of the conference and indicated that the event had been a good opportunity to interact with the stakeholders in the field of oil and gas.

## **India to prioritize TFA for Services**

India's priority will be to work towards Trade Facilitation Agreement (TFA) for Services, a move that will help in movement of professionals. The issue was flagged by Prime Minister Narendra Modi at the G20 Summit on 05 September 2016 in China. He asserted that global trading regime must respond to needs and priorities of developing nations and that global value chains must provide a level-playing field.

India is pitching for TFA for Services at the WTO as the services sector has a huge potential and it contributes significantly to the country's economy. The Minister of Commerce & Industry Ms. Nirmala Sitharaman said that India would move a proposal on this at the WTO to start the discussion. She had raised the issue of TFA in services during an informal meeting with key members of WTO on the sidelines of the Organisation for Economic Cooperation and Development (OECD) Ministerial Council Meeting in Paris in June 2016. WTO has already signed a similar pact for the goods sector.

The proposal for a TFA for Services assumes significance as about a dozen countries are already negotiating Trade in Services Agreement (TISA) at WTO. India is not part of TISA. Smooth movement of professionals needs liberalized visa regime such as multiple entry visas, visa-free travel for foreign tourists and long-term visas for business community.

## **Indian Women Bankers in Fortune's List**

State Bank of India's Chairperson Ms. Arundhati Bhattacharya, ICICI Bank's Chief Ms. Chanda Kochhar and Axis Bank CEO Ms. Shikha Sharma ranked in the top twenty of the '50 Most Powerful Women International' list released by Fortune. The list, which considered women

based outside the US, placed Ms. Bhattacharya at the 2<sup>nd</sup> spot while Ms. Kochhar was ranked at 5<sup>th</sup>. Ms. Shikha Sharma was on 19<sup>th</sup> position. The SBI Chairperson Ms. Bhattacharya orchestrated SBI's merger with six other groups. Once the merger completes, the bank will become one of the largest lenders in Asia. ICICI Bank's Chief Kochhar was acknowledged as a "visionary" by bankers. Sharma has grown Axis from an underrepresented bank to the nation's fastest growing private sector lender, with revenue of US\$ 7.9 billion in 2015. In May 2016, Sharma issued a US\$ 500 million green bond at the London Stock Exchange - Asia's first such certified bond in support of green energy and environmentally friendly projects.

## **Automobiles manufacturing : Main driver of 'Make in India'**

India aims to make automobiles manufacturing the main driver of Government of India's 'Make in India' initiative, as it expects passenger vehicles market to reach 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26. India has formulated a scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

## **India set for a bumper crop in 2016-17**

After two years of drought and declining crop production, a record foodgrain production on the back of a well distributed monsoon is expected during 2016-17. While pulses production could touch 22 million tonnes, up 33% from last year, the upcoming Rabi or winter crop is also likely to be robust due to ample water levels in major reservoirs and adequate soil moisture. The monsoon this year has been well distributed with 5.3 million hectare more area planted under foodgrains. While the overall area under foodgrains has risen by 8% compared to last year, area under pulses has gone up by 29%. The Government has set a target of producing 270.1 million tonnes of foodgrains in 2016-17 which is 7% higher than the 252.2 million tonnes of production in 2015-16.

## **India-Bangladesh-Bhutan-Nepal Road Linking**

India has approved an ambitious US\$ 1.04 billion project for constructing and upgrading 558 km of roads to link it with Bangladesh, Bhutan and Nepal and ease the movement of passengers and cargo, as part of the larger effort to increase inter-regional trade. The new project will have 50% funding from the Asian Development Bank. The road project will cover the Indian States of West Bengal and Manipur and is mandated to complete within two years.

The four South Asian nations had signed a landmark Motor Vehicles Agreement in June 2015 in Bhutan. The project highlights include widening of roads from Siliguri to Darjeeling in North Bengal, Kolkata to Bogaon on the border with Bangladesh, a 600 m bridge and a 110 km road in the Impal-Moreh stretch of Manipur.

## **US food product maker Mondelez International to invest in India**

The maker of Cadbury chocolates and health drink Bournvita, will invest US\$15 million to set up a global research, development and quality (RDQ) hub in the outskirts of Mumbai. The proposed technical centre will focus on chocolates. It will be part of the American food giant's plan to invest US\$ 65 million to develop nine global RDQ locations over the next two years. This is Mondelez International's second largest investment in India, the first being a US\$ 190 million investment in a greenfield plant in Andhra Pradesh which began operations in April 2016. The RDQ centre will employ over 150 scientists, engineers and other specialists who will focus on developing technology platforms for chocolates and beverages, consumer science, packaging and cross-category productivity.

## **India and Russia to put in place 'Green Corridor'**

India and Russia are trying to put in place a 'Green Corridor' between the two countries for smooth facilitation of goods to enhance bilateral trade that has performed far below potential despite the strong political ties. The issue will be discussed at the Annual Summit between External Affairs Minister Ms. Sushma Swaraj and Russian Deputy Prime Minister Dmitry Rogozin in October 2016. The idea of Green Corridor was mooted by Russia's Federal Customs Service. It has proposed that the two countries create a list of entrepreneurs or companies whose goods, on a reciprocal basis, will not have to pass customs inspection during border crossings. Both sides consider Green corridors as one of the most important levers for increasing mutual trade.

### **Upcoming Events in October 2016**

- ✚ Participation of Indonesian delegation led by the Chairman of Indonesian Palm Oil Association at the 'Indonesia Expose 2016' on 7-9 October 2016 in New Delhi.
- ✚ Participation of a 11-member delegation led by the Vadodara Chamber of Commerce & Industry at the 'Trade Expo Indonesia 2016' on 11-12 October 2016 at JIE Kemayoran, Jakarta.
- ✚ 'Buyer Seller Meet' by the Apparel Export Promotion Council of India on 20 October 2016 at Fairmont Hotel, Jakarta.
- ✚ Participation of Indian fashion designers at the 'Jakarta Fashion Week' on 23-24 October 2016 at Senayan City, Jakarta.

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