

India Business Forum
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Reports



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company
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सत्यमेव जयते
Consulate General of India,
Frankfurt

COMMERCIAL NEWSLETTER JUNE 2020

Dear Ladies & Gentlemen,

The Consulate General of India, Frankfurt, Germany, is pleased to share the monthly report on the commercial trends & activities of the Consulate in its jurisdiction for the month of June 2020. The German states, North Rhine-Westphalia, Hessen, Rhineland Palatinate and Saarland fall under the jurisdiction of the Indian Consulate in Frankfurt. We hope you find the information useful and request you to share it with your colleagues.

With best regards,
Pratibha Parkar
Consul General of India Frankfurt, Germany

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Significant Economic Trends between India & the four German States under the jurisdiction of Consulate General of India, Frankfurt

The growth trend for the overall trade between India and Germany for the month of March 2020 remained comparable to the figures in previous month of February 2020.

The total bilateral trade between Hessen and India in the period of January-March 2020 witnessed a sharp increase of 11.34 % in comparison to the same period in 2019 and was € 385.65 million; the total bilateral trade between Saarland and India witnessed an increase of 5.20 % and was € 56.54 million; the total bilateral trade between North Rhine-Westphalia and India decreased by 2.93% and was € 1168.14 million, & the total bilateral trade between Rhineland-Palatinate and India decreased by 12.58 % and was € 311.15 million. The State of North Rhine-Westphalia accounted for 21.64 % of the total trade between India and Germany.

The total volume of trade between the two countries stood at € 5,397.93 mn in Jan-Mar 2020 as compared to € 5,305 mn in Jan-Mar 2019. The overall trade increased by 1.75% during this period. Indian exports to Germany during this time increased by 1.37 % and Indian imports from Germany experienced a increase of 2.09 %. The four states falling under the jurisdiction of CGI accounted for 35.59% of the total trade between India and Germany in January-March 2020.

Business confidence increases in Germany in the month of June:

The business confidence indicator as per Ifo Business Survey, stood at 86.2 in June, up from May's 79.7. This marked the strongest increase on record and came on the back of improved views on the current and expected business climate due to the government's gradual lifting of lockdown measures.

Manufacturing firms' views on the expected business climate jumped, while service providers' outlook improved steeply as well. Expectations among firms in the trade and construction sectors also improved notably. However, most sectors were still pessimistic regarding the current business climate, as it will likely take some time for the economy to recover.

(Source: www.focus-economics.com)

GERMAN GOVERNMENT 'S € 130 BILLION STIMULUS PACKAGE

In June 2020, the German government announced a € 130 billion stimulus package to boost the country's economy. The stimulus package is a 57-point plan, which has a broad range of programs like boosting consumption, promoting cleaner energy sources, upgrading technology, and so on.

The key points of the stimulus package are:

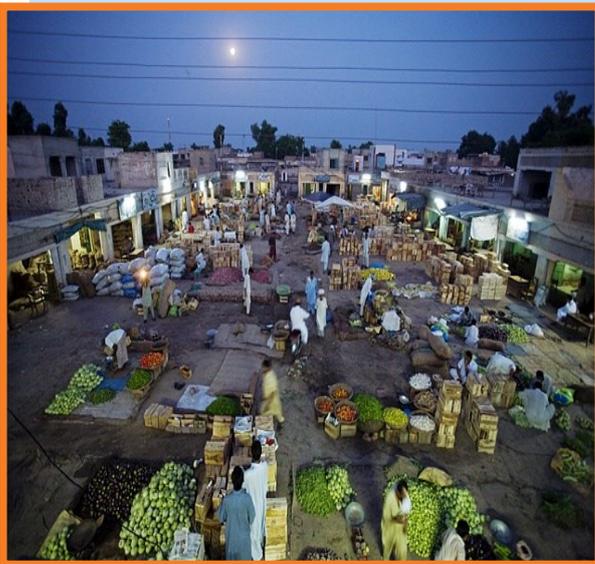
- The main value-added tax rate cut from 19% to 16% and the reduced rate from 7% to 5% for six months, starting from 1st Jul 2020.
- Bridge financing for small and medium-sized businesses, totaling € 25 billion.
- A € 50 billion fund to address climate change, innovation, and digital technology.
- Accelerated investment of about € 10 billion in digital, security, and defense projects.
- Tax incentives for corporate investment, which would impact government revenue by € 6 billion.
- Municipalities are given an aid of € 5.9 billion.
- Family bonus of € 300 per child.

INDIAN GOVERNMENT'S REFORMS IN AGRICULTURAL SECTOR

As a part of the economic stimulus announced by the Indian government to handle the COVID 19 crisis, the government announced certain major reforms to the agricultural sector in India. These reforms will benefit both the farmers and consumers.

Amendments to the Essential Commodities Act:

- * Agricultural foodstuffs including cereals, edible oils, oilseeds, pulses, onions, and potato to be deregulated. This would enable farmers to get better prices.
- * Stock limit to be imposed under very exceptional circumstances like national calamities, famine with a surge in prices.
- * No such stock limit shall apply to processors or value chain participants, subject to their installed capacity or any exporter subject to the export demand.



Marketing choice to farmers:

Earlier farmers were bound to sell their produce only to licensees in the Agricultural Produce Market Committee (APMC), which was leading to less price realization for farmers.

The Indian government with the aim to creating "one nation, one market" has taken the following initiatives:

- * A central law will be formulated which gives farmers the choice to sell their produce anywhere and get the price they want.
- * The new law will enable barrier-free interstate trade.
- * A framework for e-trading of agricultural produce.

Agricultural Produce Price and Quality Assurance:

To assure farmers of the price and quality for their agricultural produce:

- * Facilitative legal framework will be created to enable farmers for engaging with processors, aggregators, large retailers, exporters etc. in a fair and transparent manner.
- * Risk mitigation for farmers, assured returns and quality standardization shall form an integral part of the framework.



INDIA LAUNCHES INR-USD FUTURES AND OPTIONS CONTRACTS

Finance Minister of India, Ms. Nirmala Sitaraman launched Indian Rupee– US Dollar (INR-USD) futures and options contracts on the two international exchanges BSE's India INX and NSE's NSE-IFSC in May 2020, at GIFT International Financial Services Centre in Gandhinagar through a video conference. The INR-USD contracts will be available 22 hours across all the time zones for all global participants from GIFT IFSC.

This initiative will help the Reserve Bank of India in curbing the influence of foreign trade centers in the Rupee derivatives trade and in reducing the foreign influence on the Indian rupee. During the last decade, a considerable market share of financial services related to India moved to international financial centers. With this initiative taken by the Indian government, the businesses related to financial services can be brought back to India. Moving these businesses to India boosts economic activity and employment in India.

IHGF Delhi Fair– Virtual 2020– 13th Jul–18th Jul 2020

The IHGF Delhi Fair—Virtual 2020 will exhibit over 2000 new product expressions by over 1500 accredited manufacturers and exporters from all parts of India. The virtual platform is divided into 12 product specific categories.

Register for the event at: ihgfdel-hifair.in/register



DELHI FAIR VIRTUAL

49
EDITION

13-18 JULY

HOME
LIFESTYLE
FASHION
TEXTILES
FURNITURE

1500+
EXHIBITORS

www.ihgfdelhifair.in/register



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