

# Embassy of India Budapest

## ECONOMIC AND COMMERCIAL REPORT For the month of SEPTEMBER 2023

### 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

###### (I) Quantitative data

a) Total trade in goods during

0	6	2	0	2	3
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	export (US\$ mln)	import (US\$ mln)	Status (P) Provisional/ (F) Final
Country's trade with India	47.8	65.1	F
Country's total global trade	14697.8	12998.8	F

Source: KSH.hu Central Statistical Office of Hungary

b) Preferential trade in goods during

0	6	2	0	2	3
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S.No	Preferential / Free Trade agreement with India	Preferential imports from India (US\$ mln)	Preferential imports from World (US\$ mln)
1	N.A.		

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

S.No	Preferential / Free Trade agreement with India	Preferential exports to India (US\$ mln)	Preferential exports to World (US\$ mln)
1	N.A.		

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

c) Top 10 items of import from India during

0	6	2	0	2	3
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S. No.	Commodity (6 digit HS tariff line)	Value (US\$ mln)	Quantity (1000 kgs)	Unit of Measurement	% share in total import of the commodity globally
1	300390 Medicaments consisting of two or more constituents mixed together	5.8	62.1	kgs	21.9%
2	850760 Lithium-ion accumulators (excl. spent)	3.8	39.2	kgs	2.6%
3	852691 Radio navigational aid apparatus	3.8	10.3	kgs	26.6%
4	390769 Polyethylene terephthalate, in primary forms	3.1	2,996.4	kgs	79.3%
5	880730 Parts of aeroplanes, helicopters or	1.8	8.6	kgs	27.8%

	unmanned aircraft, n.e.s.				
6	841199 Parts of gas turbines, n.e.s.	1.3	57.4	kgs	1.9%
7	848330 Bearing housings for machinery, not incorporating ball or roller bearings	1.1	139.5	kgs	7.7%
8	380893 Herbicides, anti-sprouting products and plant-growth regulators	1.0	115.0	kgs	9.0%
9	854430 Ignition wiring sets and other wiring sets for vehicles, aircraft or ships	1.0	24.1	kgs	1.1%
10	903289 Regulating or controlling instruments and apparatus	1.0	1.1	kgs	4.6%

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

d) Top 10 items of export to India during

0 6 2 0 2 3

S. No	Commodity (6 digit HS tariff)	Value USD mln	Quantity 1000 kgs	unit
1	690919 Ceramic wares for chemical or other technical uses	3.1	91.8	kgs
2	294190 Antibiotics	2.9	.8	kgs
3	293919 Alkaloids of opium and their derivatives, and salts thereof	2.3	.9	kgs
4	847170 Storage units for automatic data-processing machines	1.8	4.1	kgs
5	870380 Motor cars and other motor vehicles principally designed for the transport of <10 persons	1.8	138.2	kgs
6	681513 Articles of carbon fibres, for non-electrical purposes (excl. fabrics)	1.8	93.2	kgs
7	847180 Units for digital automatic data processing machines (excl. processing units, input or output units and storage units)	1.7	1.3	kgs
8	392690 Articles of plastics and articles of other materials of heading 3901 to 3914, n.e.s (excl. goods of 9619)	1.7	27.1	kgs
9	853710 Boards, cabinets and similar combinations of apparatus for electric control or the distribution of electricity, for a voltage <= 1.000 V	1.6	13.3	kgs
10	480640 Glassine and other glazed transparent or translucent papers	1.3	903.2	kgs

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

e) Potential products of imports from India during

0 6 2 0 2 3

S.No.	Commodity (6 digit HS tariff line)	Rationale (Max.200 words)
1	382499 Chemical products and preparations of the chemical or allied industries, incl. those consisting of mixtures of natural products, n.e.s.	Total Hungarian imports for the month were in the value of USD 374.8mln, while imports from India to Hungary were Nil
2	851762 Machines for the reception, conversion and transmission or regeneration of voice, images or other data..	Total Hungarian imports for the month were in the value of USD 183.5 mln, while imports from India to Hungary were USD 0.5 mln
3	870899 Parts and accessories, for tractors, motor vehicles for the transport of ten or more persons	Total Hungarian imports for the month were in the value of USD 177.1mln, while imports from India to Hungary were USD 0.5 mln.
4	854231 Electronic integrated circuits as processors and controllers	Total Hungarian imports for the month were in the value of USD 198.9 mln, while imports from India to Hungary were USD 0.1 mln.
5	300490 Medicaments consisting of mixed or unmixed products	Total Hungarian imports for the month were in the value of USD 182.6mln, while imports from India to Hungary were USD 0.5 mln.

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

(ii) **Qualitative Feedback**

**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)

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
Nil at the time of the report							

Source: Market access Map <https://www.macmap.org/en>

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
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
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)

[https://eur-lex.europa.eu/search.html?](https://eur-lex.europa.eu/search.html?lang=en&text=Trade+Barrier&qid=1592639361096&type=quick&scope=EURLEX&sortone=DD&sortoneorder=desc&sortoneorder=desc&page=2#SearchCriteriaPanel)

[lang=en&text=Trade+Barrier&qid=1592639361096&type=quick&scope=EURLEX&sortone=DD&sortoneorder=desc&sortoneorder=desc&page=2#SearchCriteriaPanel](https://eur-lex.europa.eu/search.html?lang=en&text=Trade+Barrier&qid=1592639361096&type=quick&scope=EURLEX&sortone=DD&sortoneorder=desc&sortoneorder=desc&page=2#SearchCriteriaPanel)

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
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
Nil at the time of the report					

## **Overview of General Barriers to FDI in Hungary:**

**Regulatory barriers** and administrative burden are affecting all sectors but particularly energy, construction, and banking: The overall administrative burden, including start-ups, negatively affects investment decisions. The instability of the regulatory framework, with frequent and unpredictable regulatory changes, creates uncertainty for investors and is hindering both internal investment and FDIs.

The Hungarian government imposes a 100% offset requirement for defined sector investments over HUF 1bIn (EUR 2.8 mln). Efficiency of procedures in construction and environmental permits is insufficient; corruption also raises risk for investors. There is no requirement that investors must purchase from local sources, but the EU Rules of origin applies.

### **Ownership restrictions (all non-EU)**

according to the 2014 Land Law, only private Hungarian or EU citizens resident in Hungary with a minimum of three years experience of working in agriculture or holding degree in agriculture can purchase farmland, which is limited to 300 hectares. All others may lease farmland. All farmland purchases must be approved by a local land committee and Hungarian authorities, local farmers and young farmers must be offered a chance to purchase the land first. Up to 1200 hectares for a maximum of 20 years may be leased.

**Price controls** in consumer facing sectors and others considered to be of strategic importance.

The Hungarian government regulates the prices of certain goods, setting the upper and lower limits to which the private sector must adhere. Sectors include energy, pharmaceuticals. Cuts on regulated utilities prices have put considerable pressure on private utilities companies, decreasing profit margins and adding to an increasingly difficult operating environment.

**State intervention** in Banking, energy, agriculture, media, telecommunications, and retail sectors.

Since 2012 government has invested in state-owned enterprises with the objective of lessening the participation of foreign-owned competitors, especially in the energy sector. From 1 Jan 2019, the chemical industry, the telecom sector, vehicle construction, metallurgy, optics and electric equipment production, the defence industry, water and sewage management, the financial sector, food industry and agriculture, production of construction materials, state administration, health care, wage management, transport and tourism sectors have been added. Foreign investors in the targeted sectors have expressed concerns that the tax regime has become unpredictable and the additional levies appear to have been aimed against some industries with a high level of foreign ownership.

### **Basic Rules of The Protection of Strategic assets Concerning Foreign investments**

The European Commission has issued Communication 2020/C 99 i/01 in which it has given guidance to the Member States of the EU concerning the protection of Europe's strategic assets from the foreign direct investment, ahead of the application of Regulation (EU) 2019/452 (FDI Screening Regulation) which is applicable from 11 October 2020. Commission Delegated Regulation (EU) 2020/1298 of 13 July 2020 amended the Annex to Regulation (EU) 2019/452.

Hungary first adopted FDI screening mechanisms by act LVII of 2018 for FDIs violating the security interests of the country, then in the economic crisis caused by COVID-19, further screening rules were adopted for FDIs by Government Decree nr. 227/2020. (V.25.). According to the above, certain transactions concerning Hungarian-seated companies operated in strategic sectors by foreign investors shall be reported to the Minister of Finance and the acknowledgement of the Minister of Finance is necessary for the realisation of the acquisition of the shares until 31 December 2020. These transactions include the acquisition of shares, the increase of the registered capital and the transformation of the company. The strategic sectors specified by the Government Decree include energy, communication, finance, agriculture and food industry, healthcare, construction, transport industry, tourism, IT, mechanical engineering, etc. Those foreign investors that have shares in a company registered in the EU, European economic Community or in Switzerland shall only report the transaction if majority interest will be acquired indirectly. Conversely, the foreign investors wishing to acquire shares in a Hungarian company directly have to report any transactions by which the foreign investor would acquire shares at a ratio of at least 10% and the value of the investment is at least 350 000 000 HUF (appx EUR 1 mln). The Minister of Finance has 45 days or in specific and duly justified cases 60 days to decide on the acknowledgement of the transaction. Should the Minister provide a negative decision, then the exact reason of the prohibition is not required to be mentioned. Aggrieved investor may appeal before The Metropolitan Court for a review of the prohibiting decision.

### **Banking, agriculture, defence and energy**

The Hungarian government has publicly declared that reducing foreign bank market share in the Hungarian financial sector and tightening regulations governing NGOs are key priority areas. Several state-led initiatives over the past several years targeted the banking sector and reduced foreign participation.

### (iii). Other 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)
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	No of participants from India	Name(s) of large/ key participants from India	Feedback received (Max.200 words)	Source of funding (MAI TA/TC)
1	HOMEDesign Autumn	10-12 Nov 2023	Na	Na	-	Na
2	Agromash Expo	24-27 Jan 2023	Na	Na	-	Na
Hungexpo is the largest fair organizer in Hungary a full list of upcoming events can be found here: <a href="https://hungexpo.hu/en/events/">https://hungexpo.hu/en/events/</a>						

#### c. Feedback from local commercial visitors to trade fairs in India, including under BSM; nr 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					8	na

#### (iv) any other submission 3000 char

**1. Inflation retreats to 16%:** The year-on-year increase in consumer prices slowed to 16.4% in August from 17.6% in July, according to the Central Statistics Office (KSH), still the highest in the EU. Over the last 12 months, food prices have risen by 19.5%, with sugar (67.9%), bakery products (20.1%), and pork and sausages (19.7%) the most affected, while flour prices have fallen by 10.4%. Prices of alcoholic beverages and tobacco rose by 12.7% on average, including 16.4% for alcohol. Household energy rose by 34.7%, including a 47.1% rise for piped gas and 25.3% for electricity. Vehicle fuel prices rose by 31.1% and service prices by 13.2%, including highway use, car rental and parking by 24.6%, and vehicle repair and maintenance by 19.4%.

**2. The number of guests who stayed in tourist accommodation in Hungary was 4.3% higher in July** than in the same month of 2022 at 2.2 million, but the number of their guest nights fell by 1% to 6.4 million, according to the KSH. The number of domestic guests shrank by 3.6% and they spent 8.4% fewer nights than in July of last year. However, foreigners spent 13% more nights, yr/yr, as 19% more tourists stayed in Hungarian accommodation. Between January and July, domestic guests spent 8.1% fewer nights in tourist accommodation and foreign guests 13% more nights than in the same period of 2022.

**3. industrial output short of 2022 levels:** Hungarian industry's yr/yr performance was weaker in July for the seventh consecutive month, according KSH. However, the decline in output has slowed from 6.9% in May and 3.8% in June to 2.6% in the seventh month. The yr/yr decline in July was 2.5%. As has been the case for months, industrial output was lower than in the same month of last year, despite significant growth in the two largest sectors. Production in the automotive sector rose by 14.4% while electrical equipment output was 9.8% higher than one year earlier, largely due to the 24% rise in battery production. Pharma output grew by 21%, but all other sectors were badly hit. Electronic goods manufacturing, for example, fell by 5%, and food production by 9.3%. Rubber and plastic manufacturing fell by 20%, metal processing by 12.2% and petroleum refining by 25%. In the first seven months of the year, 0.5% fewer goods were sold abroad than in the same period of 2022, while 16.4% fewer were sold in Hungary. Industrial production for the year to date is 4.5% lower than in January-July 2022.

### **B. 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)

#### a. Significant trends in trade and investment

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

S. No	Category	Details of significant trends (Max.200 words)	analysis (Max. 200 words)
1.	Trade in Goods Hungarian imports from India	<b>Total imports from India</b>	The value of imports increased by 6.4% in the Jan-June period of 2023 from USD 391.5 mln reaching USD 416.7 mln yr/yr.
		8526 Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	The product group <i>decreased</i> by 34.3% in the Jan-June period of 2023 to USD 37 mln. It represents 8.9% of imports from India to Hungary.
		8507 Electric accumulators, incl. separators therefor	The product group increased considerably in the Jan-June period of 2023 to USD 32.2 mln. It represents 7.7% of imports from India to Hungary.
		3003 Medicaments consisting of two or more constituents mixed together	The product group increased by 38.8% in the Jan-June period of 2023 to USD 34.7mln. It represents 8.3% of imports from India to Hungary.
		8708 Parts and accessories for tractors, motor vehicles for the transport of ten or more persons,...	The product group increased by 20.4% in the Jan-June period of 2023 to USD 19.5 mln. It represents 4.5% of imports from India to Hungary.
		2933 Heterocyclic compounds with nitrogen hetero-atom(s) only	The product group increased by 26.5% in the Jan-June period of 2023 to USD 21.9 mln. It represents 5.2% of imports from India to Hungary.
2.	Trade in Services import of services to Hungary from the World	Total services imports	The import of services increased by 2.2% in the Jan-June period of 2023 over the same period of 2022 from USD 10.6 bln to USD 10.8 bln.
		Travel Services	The service group experienced a 42.6% growth in the Jan-June period of 2023 over the same period of 2022 to USD 1.4 bln. It represents 13% of service imports to Hungary.
		Business and management consulting and public relations services	The service group experienced a <i>decrease</i> of 0.4% in the Jan-June period of 2023 over the same period of 2022 to USD 958.6 mln. It represents 8.9% of service imports to Hungary.
		Provision of customized and non-customized research and development services	The service group increased by 0.6% in the Jan-June period of 2023 over the same period of 2022 to USD 358.5 mln. It represents 3.3% of service imports to Hungary.
		Engineering services	The service group experienced a <i>decrease</i> of 7.9% in the Jan-June period of 2023 over the same period of 2022 to USD 173.2 mln. It represents 1.6% of service imports to Hungary.
		Accounting, auditing, bookkeeping and tax consultancy services	The service group increased by 28.3% in the Jan-June period of 2023 over the same period of 2022 to USD 70 mln. It represents 0.6% of service imports to Hungary.
3.	Investment	Bilateral investment	
		Global investment	

1.	Audi to invest Ft 1.5bn in Gyor	Audi Ahead, serving as a regional service centre for the subsidiaries of German automotive group Volkswagen AG, will train around 500 workers from a Ft 1.5 bln (appx EUR 3.9 mln) investment to help prepare for the electric transition of the automotive industry, FM Peter Szijjarto said. He affirmed that the government will contribute Ft 750 mln (appx EUR 1.9 mln) in support. Audi has invested around Ft 4.5 trn (appx EUR 11.6 bln) in Hungary to date, contributing to making the country the 34th largest exporter in the world, he added, recalling that Audi now directly employs more than 12,000 people. The 1.6 million engines and a record 171,000 cars produced in Gyor last year also contributed to the rise in the production value of the automotive industry to beyond the Ft 10 trn (appx EUR 25.8 bln) glass ceiling, with a 31% increase. He said Audi is making a major contribution to the change of dimension of the Hungarian economy from the Made in Hungary to the Invented in Hungary era, as research and development and innovation, which represent higher added value, also play an increasingly important role.
2	CATL to make Shenxing batteries in Debrecen	CATL announced plans to produce its new, fast-charging Shenxing batteries in its facilities in Germany and Hungary, Reuters reports. The Chinese company's chief engineer Gao Pengfei revealed at the IAA auto show in Munich that its newly designed battery will be manufactured at its factories in Thuringa and Debrecen. CATL unveiled Shenxing on August 16, saying the battery can accumulate enough energy to cover a range of 400km in 10 minutes. This new lithium iron phosphate (LFP) battery is expected to enter mass production by the end of 2023 and become commercially available by the beginning of 2024.
3	KN to build auto parts factory (appx EUR 134 mln)	British-owned GKN Automotive Hungary will build a factory in Felsozsolca, creating 1,500 jobs, with a greenfield investment of Ft 52 bln (appx EUR 134 mln), Foreign Minister Peter Szijjarto announced. The plant will produce parts for BMW, Mercedes-Benz, Suzuki and Volkswagen. According to the minister's statement, the project could create 200 jobs as early as this year, with the completion of the second phase of work, eventually providing 1,500 jobs by the end of 2026. The state will provide subsidies for the investment, the amount of which will be announced later, once the European Commission has given its approval
4	Samsung SDI plans Ft 20bn RnD investment in Hungary (appx EUR 58 mln)	Samsung SDI is to invest Ft 22.5 bln (appx EUR 58 mln) in a research and development operation in Hungary, which will create dozens of high value added jobs, FM Peter Szijjarto said as the South Korean company announced the move. The state is providing Ft 5.5 bln (appx EUR 14.2 mln) in funding for the project, which is the largest ever Research and Development investment in Hungary, the minister emphasised. He said the project will further increase the capacity and safety of new electric batteries, while improving the economics of production. Samsung SDI will in addition further strengthen its co-operation with Hungarian universities, which already provide training in the electric battery and automotive industries.
5	Hungarian seaport to be built by 2026	The government plans to invest EUR 100 million to create a Hungarian-owned deep-sea port and associated logistics centre in Trieste. Hungary bought a 32-hectare plot of land with a 300-metre coastal breakwater in the port of Trieste for EUR 31 million in the summer of 2019, under a 60-year concession contract. The official aim of the investment in Italy is to give Hungarian companies easier access to China and the Middle East and to enable them to export from the Italian port, which is no more than a days drive from Hungary. According to the official announcement, the government expects annual traffic of two million tonnes and 78,000 containers. Plans for the seaport were approved in July, as the port authority has approved the loading of the Hungarian-owned terminal, bringing Hungary one step closer to realising its plans for Trieste. At the same time, the tendering process has started and a decision on who will be awarded the contract is expected soon. In the first phase the winning company will make the canal navigable, and will build a connection to the road network. The long-term plan is to restore maritime trade links to Hungary. Therefore, companies are expected to be able to use the Hungarian terminal of the port of Trieste for their export activities from 2026.

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

S.No	Sector Name	Particulars of the asset /company	Contact details
1.		NIL at the time of the report	

[http://www.investhipa.hu/index.php?option=com\\_iproperty&view=allproperties&itemid=955](http://www.investhipa.hu/index.php?option=com_iproperty&view=allproperties&itemid=955)

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

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

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

c.) Tenders may be also found on the Procurement Map, which provides detailed information for public tenders and contract awards. <https://procurementmap.intracen.org/>

d.) 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	Hungary-Budapest: Software supply services 2023/S 176-552743 Address: 1134 Budapest Vaci ut 37. Digitális Kormányzati Ugyonksege Zrt Contact person:Kun David E-mail: kun.david@dkuzrt.hu Telephone: +36 308420746 Issue date: 13 Sept 2023 Opening of Tender: 17 Oct 2023 Link: <a href="https://ted.europa.eu/udl?uri=TED:NOTICE:552743-2023:TEXT:EN:HTML&amp;src=0">https://ted.europa.eu/udl?uri=TED:NOTICE:552743-2023:TEXT:EN:HTML&amp;src=0</a> Uploaded on Trade Portal: 13 Sept 2023	Software	Value HUF 8.2 bln or USD 23 mln or EUR 21 mln

d. Trade Queries for imports/ exports (if not uploaded on the Indian trade portal).  
For the month the Mission received 62 trade inquiries from India and 0 from Hungary

**Indian Trade inquiries**

S. No	enquiry originator	Product with HS codes	Nature import/ export)	Value (US\$ mln)	Action Taken (Max.200 words) (List of companies sent)
1	Ecogress Global India	Ceramic tiles, sanitary ware	Export		Query received: 04/09/23 Query answered: 04/09/23
2	United Global Impex	Stones	Export		Query received: 04/09/23 Query answered: 05/09/23
3	Anjali Traders	Bags: jute, canvas	Export		Query received: 04/09/23 Query answered: 05/09/23
4	Goind Oversease	Agro: vege, rice, nuts	Export		Query received: 05/09/23 Query answered: 05/09/23
5	Accentortech Industries	Tea	Export		Query received: 06/09/23 Query answered: 06/09/23



6	Nirtech		Engineering: water treatment	Export	Query received: 06/09/23 Query answered: 06/09/23
7	Steviatech Life		Agro: stevia sweetener	Export	Query received: 06/09/23 Query answered: 06/09/23
8	Fauna International		Dried flowers	Export	Query received: 06/09/23 Query answered: 06/09/23
9	Kshipram Internationals	6304, 6303	home textiles	Export	Query received: 08/09/23 Query answered: 08/09/23
10	Kk International		Chemicals: parafin oil	Export	Query received: 08/09/23 Query answered: 08/09/23
11	Food Products		Edible oils	Export	Query received: 08/09/23 Query answered: 08/09/23
12	Samiran Tea Industry		Tea	Export	Query received: 08/09/23 Query answered: 08/09/23
13	10x Exports	9018	Medical device	Export	Query received: 11/09/23 Query answered: 11/09/23
14	Ila Exports		Agriculture: fertilizer	Export	Query received: 11/09/23 Query answered: 11/09/23
15	Quamex Exim		Agro: spice	Export	Query received: 11/09/23 Query answered: 11/09/23
16	Greenyorgo - Privisha Trans Overseas		Agro: vege	Export	Query received: 11/09/23 Query answered: 11/09/23
17	Bdm Exports		Paper	Export	Query received: 11/09/23 Query answered: 11/09/23
18	Mak Interiors		Furniture	Export	Query received: 11/09/23 Query answered: 11/09/23
19	Savita Exim	4421, 6804, 7419	Handicrafts	Export	Query received: 11/09/23 Query answered: 11/09/23
20	Nagun Contractors		Chemicals, fungicides, cosmetics	Export	Query received: 12/09/23 Query answered: 12/09/23
21	Katruwar Enterprises,		Pharma	Export	Query received: 12/09/236 Query answered: 12/09/23
22	Kb Exim		Construction materials	Export	Query received: 13/09/23

					Query answered: 13/09/23
23	Gem Drytech Systems		Engineering: machinery for Food and Agro	Export	Query received: 13/09/23 Query answered: 13/09/23
24	Tinyhands Marketing		Toys	Export	Query received: 13/09/23 Query answered: 14/09/23
25	Rk Global Exporter		Engineering goods	Export	Query received: 14/09/23 Query answered: 14/09/23
26	Lax Corporation		Agro: fruits	Import to India	Query received: 14/09/23 Query answered: 14/09/23
27	J G Spices		Agro: spice	Export	Query received: 15/09/23 Query answered: 15/09/23
28	Survival Exports		Miscellanaous	Export	Query received: 15/09/23 Query answered: 15/09/23
29	Jet Exports	08109010, 08039010.	Agro: fruit, vege	Export	Query received: 15/09/23 Query answered: 15/09/23
30	Bhaskar Silk Mills	48236990	Paper: disposable plates, cups	Export	Query received: 15/09/23 Query answered: 15/09/23
31	Kk Internation		Chemicals: lubricants	Export	Query received: 15/09/23 Query answered: 15/09/23
32	Packing Solutions		Agro: spice	Export	Query received: 15/09/23 Query answered: 15/09/23
33	Linkin Trade International	69072100, 69072200, 69072300	Ceramic tiles	Export	Query received: 15/09/23 Query answered: 15/09/23
34	Agroocean Exim		Agro: vege,fruit,honey, spice, tea	Export	Query received: 15/09/23 Query answered: 15/09/23
35	Redolance Flowers	07134000	Agro: vege	Export	Query received: 17/09/23 Query answered: 18/09/23
36	MK Plastic Industries		Engineering goods	Export	Query received: 18/09/23 Query answered: 18/09/23
37	Al-Malboos Textile and Handloom	570500	home textiles	Export	Query received: 18/09/23 Query answered: 18/09/23
38	Zeta International		Disposable plates, bowls	Export	Query received: 16/09/23 Query answered: 18/09/23

39	Sunria		Pharma, hospital products, cosmetics, etc	Export	Query received: 19/09/23 Query answered: 18/09/23
40	Stallion Enterprises		Miscellanaous	Export	Query received: 19/09/23 Query answered: 18/09/23
41	TSA Technologies	48043100	Paper: packaging	Export	Query received: 19/09/23 Query answered: 21/9/23
42	Arigato Uno Ventures		Agro: fruit, spice, Sweets	Export	Query received: 21/09/23 Query answered: 22/09/23
43	Sukhman Impex		Chemicals	Export	Query received: 21/09/23 Query answered: 22/09/23
44	Sree Nutritive Foods		Agro: powdered vege, spice	Export	Query received: 19/09/23 Query answered: 22/09/23
45	Benzene Chem Exim		Chemicals	Export	Query received: 24/09/23 Query answered: 25/09/23
46	Quamex Exim		Agro: vege, spice	Export	Query received: 25/09/23 Query answered: 25/09/23
47	The Sun Exports	6907	Ceramic tiles	Export	Query received: 25/09/23 Query answered: 25/09/23
48	Cmol Infra		Miscellaneous	Export	Query received: 25/09/23 Query answered: 25/09/23
49	Unique Designs		Lotus seeds	Export	Query received: 25/09/23 Query answered: 25/09/23
50	AJR Packaging		Packaging	Export	Query received: 26/09/23 Query answered: 26/09/23
51	Innovise Rise		Agro: Spice	Export	Query received: 26/09/23 Query answered: 26/09/23
52	M-Tech Innovations	85235220	IT: Smartcards	Export	Query received: 27/09/23 Query answered: 03/10/23
53	Victorious Merchants		Handicrafts	Export	Query received: 27/09/23 Query answered: 03/10/23
54	Krity Enterprises		Agro: vege	Export	Query received: 27/09/23 Query answered: 03/10/23
55	Atirah Exports		Miscellanaous	Export	Query received: 27/09/23

						Query answered: 03/10/23
56	Tejaswi Mines and Minerals		Minerals	Export		Query received: 27/09/23 Query answered: 03/10/23
57	Prama Impex		Agro: fruit, vege	Export		Query received: 28/09/23 Query answered: 03/10/23
58	Prime Impex	6907	Ceramic tiles	Export		Query received: 29/09/23 Query answered: 03/10/23
59	Aradhya Color industries	3204, 3205	Chemicals: dyes	Export		Query received: 30/09/23 Query answered: 03/10/23
60	M.B. Techno India		Auto components: rubber parts	Export		Query received: 30/09/23 Query answered: 03/10/23
61	Neshiel Agrochem		Chemicals, vegetable oils	Export		Query received: 30/09/23 Query answered: 03/10/23
62	M.S Associates		Agro: spice	Export		Query received: 30/09/23 Query answered: 03/10/23

#### Hungarian Trade enquiries

Enquiry originator	Product with HS codes	Nature import/export)	Value (US\$ mln)	Action Taken (Max.200 words) (List of companies sent)
	Nil at the time of the report			

**E. 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)

**Foreign Minister Peter Szijjarto advocates closer economic links with China for Europe:**

Hungary greatly supports even closer economic co-operation between Europe and China, as the separation of the two economies would be a severe blow, Foreign Affairs and Trade Minister Peter Szijjarto declared during a panel discussion at the Belt and Road Summit conference in Hong Kong on 13 Sept. He asserted that the EU is in quite poor shape today, and faces the most severe economic and security challenges in decades. He alleged that Europe has been drawn into a competition with the US about which party will deliver more arms to Ukraine, and described the West's sanctions policy against Russia as a complete fiasco, saying Russia has not been defeated, the fighting is not over and the restrictions do more harm to Europe than to Russia. The EU's competitiveness is deteriorating, as shown by the fact that last year China overtook the community in GDP, he said. The European economic development model has been based on the combination of advanced Western technology and the easily accessible relatively cheap energy from the East, but these links are being severed and some people are advocating the separation of the European and Chinese economies, said Szijjarto. The latter would be tantamount to a knock-out blow, he continued, as it would kill the European economy, given that bilateral trade totals EUR 875

billion annually.

### C. Tourism

#### (a) Tourist Visa issued: SEPTEMBER 2023

S. No	No. of Tourist Visa issued during the month	No. of Tourism Visa issued during the same month last year	No. of tourist Visa issued cumulatively during the year (2023 Jan->)	No. of Tourist Visa issued cumulatively during the last year (2022 Jan->)
1	5	2	31	43

#### (b) Indian tourism Promotion events held/organized

S. No	Details of event	Theme	Avg. No. of Participation
1	NIL		

#### (c) use of Social Media/Print/Media/electronic Media for Promoting Tourism:

Activity	Print	Electronic (*)	Instagram	Facebook	Twitter	Youtube	Any other
No. of posts	Na	Na	0	11	6	Na	Na
No. of impressions (Reached)	-	-	-	3728	-	-	-
No. of Likes	-	-	-	35	-	-	-

#### (d) any advisory issued by the country for travelling to India (230 char):

s.No.	advisory	Reason	action taken
1	NIL at the time of the report  More details available at: <a href="https://konzinfo.mfa.gov.hu/utazasi-tanacsok-orszagonkent/india">https://konzinfo.mfa.gov.hu/utazasi-tanacsok-orszagonkent/india</a>	-	With effect from 16 Mar 16 2022 regular visa services have been restored.

#### (e) interactions held with Tour operators for promoting tourism in India

S.No.	Tours operator	No. of interactions held
1	NIL at the time of the report	

#### (f) any other information (3000 char)

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### D. Transfer of Technology to India

#### (a) New Technology identified/covered in Press:

S.No.	Name of Technology	Details (500 char)	usage (Short desc)	Sector	Company
1	Aluminium foam facade panels	Small R&D company with special focus on Aluminium foaming. Located in the North-Eastern part of Hungary, They blend metal processing traditions of the region with modern technologies. Recycled raw materials are converted into metal foam products with special focus on architectural panels.	Light design material, extremely easy to form, cut and install. They resist corrosion, rain, ice and snow, Can have open sides and let through the light. Can be used as shade on facades of buildings.	Construction	Aluivent Zrt. Dr. Babcsan Norbert, Owner 3561 - Felsősolca, Szeles utca 2. Tel: (46) 32 53 17 E-mail: office@aluivent.com Web: www.aluivent.com

**(b) any interest received from Foreign Companies for Technology Transfer:**

S.No.	Name of Company	Sector	Details
Nil			

**(c) any query received from Indian company seeking technological solutions:**

S.No.	Name of Technology	Sector	Details
Nil			

**(d) any science/technology exhibition held:**

S.No	Details	Sector	Participation	Participation from India
Nil				

**(e) any press coverage on new patents / designs / IPR filed / granted:**

S.No.	Name	Date	Sector	Name of applicant
Nil				

**(f) any other information (250 char)**

NIL
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**E. Details of trade research, Information dissemination activity of the commercial wing**

S.No.	Nature of activity (trade research, Information dissemination, seminars etc)	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 dissemination	16th Engimach Expo	Information was circulated on 19 Sept to Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of IT companies (IVSZ), Association of Energy and Machinery (MAGEOSZ), State Secretariat for Health, Ministry of Interior, Placed on Website
2	Information dissemination	5th Global Ayurveda Festival	Information was circulated on 19 Sept to Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of IT companies (IVSZ), Association of Energy and Machinery (MAGEOSZ), State Secretariat for Health, Ministry of Interior, Placed on Website

3	Information dissemination	Global Exhibition on Services	Information was circulated on 19 Sept to Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of IT companies (IVSZ), Association of Energy and Machinery (MAGEOSZ), State Secretariat for Health, Ministry of Interior, Placed on Website
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#### F. Details of activities conducted out of Trade promotion budget:

BE for current financial year (2023-24) Rs	RE for current financial year	amount utilised	Details of activity (Max.200 words)
300,000			
	<b>Total Rs:</b>	NIL	

#### G. 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	11 <sup>th</sup> India-Hungary Joint S&T Committee Meeting [online] held on 29 July 2020, hosted by NRD office, Hungary education, cultural relations -apart from multilateral and regional issues	-Future cooperation possibilities 7 joint projects were identified in the fields of energy, environment, Water, Biotech, Agriculture, Food, with other 4 potential projects under discussion. Also discussed was the -Eli Alps laser research centre -Broader areas of cooperation	Mission informed of areas of possible cooperation in the field of digitalization, pharma, film production, renewable energy, solar energy, water management, agricultural and food processing, health/medical devices, digital technologies, AI, etc.
2	6 <sup>th</sup> JCEC Meeting 17-18 Oct 2022	1. Trade and investment 2. Agriculture 3. Collaboration between HAKI and ICAR 4. Water Management 5. Culture and Tourism 6. Science and Technology 7. Digital Technology 8. Energy 9. Education 10. Food processing 11. Health Industry 12. Pharmaceuticals and Medical Devices	The 6th Session of the India-Hungary Joint Commission on Economic Cooperation (JCEC) was held in Budapest on 17-18 Oct 2022. The Indian delegation was led by Mr. Rajendra Ratnoo, Joint Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry. He was accompanied by Mr. Y.P. Deval, Director, DoC, Ministry of Commerce & Industry, Mr. Shatrughna Sinha, Director (CE), Ministry of External Affairs (MEA) and Ms. Sunaina Khanna, Sr. Manager, Invest India. The JCEC took place in the Ministry of Foreign Affairs and Trade where discussions were held on 17th October 2022 with experts and counterparts. Ms. Martina Laura Kasnyik, HoD, Department for Joint Economic Commission, Ministry of Foreign Affairs & Trade led the Hungarian side. At the Experts' Level meeting, Hungarian and Indian experts discussed areas of trade cooperation, policy reforms, business environment, ease of doing business, cooperation in various fields like agriculture, finances, science & technology etc. The meeting was held in hybrid format in which

			<p>some experts from both sides could join online also. From the Indian side, delegates from from the Ministry of Commerce &amp; Industry, New Delhi, ICAR, and Ministry of Information Technology (MeITY) as well as representative from the Embassy of Hungary, New Delhi joined. From the Hungarian side also there were representatives from various departments and concerned institutions. The discussions were completed in a friendly and congenial atmosphere. Both sides agreed on the need to further deepen cooperation in areas of mutual interest.</p> <p>Followed by a brief panel discussion between the two sides, the final Protocol was signed by H.E. Mr. Peter Sztaray, State Secretary for Security Policy and Energy Security, Ministry of Foreign Affairs and Trade and Mr. Rajendra Ratnoo, Joint Secretary, DPIIT on 18th October 2022. The Indian delegation met with investors and some members of the Indian business community in Hungary on the evening on 17th October. Mr. Ratnoo give a brief overview of the business environment in India, the policy initiatives of the Government of India and the economic growth and prospects of India. He mentioned several schemes open for investors to take advantage of in India like the Make in India initiative, Smart Cities, New Logistics Policy, Atma Nirbhar Bharat, PM Ghati Shakti, productivity Linked incentive schemes etc. The delegation also had a meeting with HIPA on 18th afternoon where they discussed ideas how to enhance investments and promote cooperation between the two countries.</p>
3.	1 <sup>st</sup> JWG on Water	Six areas of priority for cooperation were identified and agreed upon namely, Management of extreme Phenomenon, Exploration and management of ground water, Rejuvenation of rives and water bodies, Mitigation of impact of climate change on water resources, protection and preservation of the quality of water resources, and training and capacity building.	The 1st JWG meeting was held in Delhi on 25-27 April 2023. A Working Programme plan for Bilateral Cooperation for the period 2023-2025 was signed during the event (on 25 April).

#### H. Complaints from foreign buyer/supplier on Quality and trade dispute:

Name of Indian exporter/importer	Address & contact of foreign buyer/supplier	Brief description of complaint (240 char)	The authority to whom the matter was referred and the date on which the matter was referred.	any outcome (200 char)

#### i. Complaints of Indian exporter/importer:

Name of	Address &	Brief description of complaint (240 char)	The authority to whom	any outcome



Indian exporter/im porter	contact of foreign buyer/supplier		the matter was referred and the date on which the matter was referred.	(200 char)
Indus Overseas	Amediskft.com +36202052981 Address: 1118 Budapest, Budaorsi ut 41. II. floor 7.Hungary (Fraudster using address of Real company)	M/s Indus Overseas made a complaint on 25 Sept 2023 indicating that they purchased 1604 cases of mixed drinks (Prime Hydration and Prime Energy drinks) in amount of EUR 24852 against advance payment to Amediskereskedelmikft.com . However delivery was not made. Website of the company is a typical fraudster website, B/L forged.	Mission wrote to Police reporting this case of fraud to NEBEK, Budapest Police on 25 Sept	Pending

**J. Any other issue of importance** (Max. 3000 characters)

**1. Moody's leaves rating unchanged:** Credit-rating agency Moody's left Hungary's Baa2 sovereign rating unchanged and kept the outlook stable. The rating is in the investment grade category, two notches above junk status. Moody's highlighted Hungary's solid medium-term growth outlook and the robust fiscal strength, characterised by a relatively low debt burden. It said "Hungary's greatest weakness is the institutional environment, which worsens its relationship with the EU and makes the use of EU funds uncertain". Moody's expects that the government will eventually secure the majority of its EU funding, although this will be a "step-by-step, noisy process", adding that the potential delay in transfers will have only a minor impact on economic growth and public finances. Moody's also observed that the risks associated with Hungary's dependence on Russian energy imports have decreased compared to 2022. Looking ahead, the rating agency forecasts that Hungary's economy will stagnate in 2023, but that GDP growth will rise to 3% in 2024, supported by returning real wage growth, large foreign investments and expanded export capacity. The budget deficit will be 4.2% of GDP this year, above the government's 3.9% target, falling to 3.5% in 2024, above the official target of 2.9%, while the state debt as a proportion of GDP will be 67.8% of GDP next year, according to Moody's. The report sees inflation falling below 10% before the end of the year then easing further to 3.4% by the end of 2024. A further deterioration of EU relations, lower trend growth, or a reversal of fiscal consolidation could trigger a downgrade, and would be credit negative, the agency warned. Factors that could lead to an upgrade of Hungary's rating include an improvement in the relationship with the EU in combination with progress in the field of the rule of law and the fight against corruption.

**2. Hungary maintained ban on Ukrainian grain import** even after the European Commission's decision for a period of ban on imports of Ukrainian grain to Hungary and four other member states expired on 15 September, along with Slovakia and Poland in defiance of the EC's decision, while Romania and Bulgaria did not protest. Coming into effect in May, the EU allowed the five member states to ban imports of wheat, corn, rapeseed and sunflowers from Ukraine to protect local farmers. Later the Commission decided to lift the ban because it considered that market distortions in the five member states have been eliminated as a result of the measures taken since. However, due to the continued maintaining of the ban, Ukraine decided to sue Hungary, Poland and Slovakia at the World Trade Organisation. Currently the European Commission is trying to find a solution through negotiations.

**3. National Bank (MNB) has raised its inflation forecasts while cutting its GDP growth** projections for 2023 and 2024, in its quarterly inflation report. The middle of the forecast range for inflation in 2023 was raised from 17.0% to 17.9%. The MNB envisaged a 0.5% shrinkage of the economy at the lower end of its economic growth forecast for 2023. It also raised the inflation forecast for 2024 to 4-6% from the earlier 3.5-5.5% forecast in June. At the same time, it does not expect such a quick economic rebound as previously, lowering its GDP growth for 2024 to 3-4% from the earlier forecast of 3.5-4.5% in June.

**4. Average Monthly exchange rates SEPTEMBER 2023**

1US\$= 361.7424 HUF

1EUR= 386.4967 HUF

Source: Hungarian National Bank [www.mnb.hu](http://www.mnb.hu), <https://statisztika.mnb.hu/adatok-idosorok>

# EMBASSY OF INDIA BUDAPEST

## ECONOMIC AND COMMERCIAL REPORT FOR THE MONTH of SEPTEMBER 2023

### **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

### I. MONTHLY REPORT FOR BOSNIA AND HERZEGOVINA

#### A. Trade in goods

(i)  
Quantitative Data

(a) Total trade in goods during

1	2	2	0	2	2
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	Export (US\$ mln)	Import (US\$ mln)	Status (P) Provisional/ (F) Final
Country's trade with India	0.2	19.5	F
Country's total global trade	761.2	1325.9	F

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

(b) Preferential trade in goods during

1	2	2	0	2	2
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S.No	Preferential / Free Trade agreement with India	Preferential imports from India (US\$ mln)	Preferential imports from World (US\$ mln)
1	N/a		

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

S.No	Preferential / Free Trade agreement with India	Preferential exports to India (US\$ mln)	Preferential exports to World (US\$ mln)
1	N/a		

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

## (c) Top 10 items of import from India during

1	2	2	0	2	2
---	---	---	---	---	---

S. No.	Commodity (6 digit HS tariff line)	Value (US\$ mln)	Quantity (1000 kgs)	Unit of Measurement	% share in total import of the commodity globally
1	760110 Aluminium, not alloyed, unwrought	5.9		Kgs	21.1%
2	251611 Granite, crude or roughly trimmed (excluding already with the characteristics of setts, curbstones ...	1.8		Kgs	94.1%
3	090111 Coffee (excluding roasted and decaffeinated)	1.5		Kgs	30.7%
4	851713 Smartphones for wireless networks	1.3		Kgs	21.6%
5	760511 Wire of non-alloy aluminium, with a maximum cross-sectional dimension of > 7 mm (excluding ...	.8		Kgs	14.1%
6	690721 Ceramic flags and paving, hearth or wall tiles, of a water absorption coefficient by weight ...	.8		Kgs	24.2%
7	390761 "Poly"ethylene terephthalate", in primary forms, having a viscosity number of >= 78 ml/g"	.6		Kgs	43.4%
8	401180 New pneumatic tyres, of rubber, of a kind used on construction, mining or industrial handling ...	.5		Kgs	44.1%
9	841490 Parts of: air or vacuum pumps, air or other gas compressors, fans and ventilating or recycling ...	.5		Kgs	18.6%
10	790111 Unwrought zinc, not alloyed, containing by weight >= 99,99% of zinc	.4		Kgs	44.7%

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

## (d) Top items of export to India during

1	2	2	0	2	2
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S. No	Commodity (6 digit HS tariff)	Value USD mln	Quantity 1000 kgs	unit
1	440792 "Beech "Fagus spp.", sawn or chipped lengthwise, sliced or peeled, whether or not planed, ...	0,000		Kgs
2	410150 "Whole raw hides and skins of bovine "incl. buffalo" or equine animals, whether or not dehaired ...	0,034		Kgs
3	480421 Unbleached sack kraft paper, uncoated, in rolls of a width > 36 cm (excluding goods of heading ...	0,030		Kgs
4	790700 Articles of zinc, n.e.s.	0,030		Kgs
5	842199 Parts of machinery and apparatus for filtering or purifying liquids or gases, n.e.s.	0,016		Kgs
6	284210 Double or complex silicates of inorganic acids or peroxyacids, incl. aluminosilicates whether ...	0,015		Kgs
7	510119 Greasy wool, incl. fleece-washed wool, neither carded nor combed (excluding shorn wool)	0,008		Kgs
8	842123 Oil or petrol-filters for internal combustion engines	0,004		Kgs
9	903180 Instruments, appliances and machines for measuring or checking, not elsewhere specified in ...	0,003		Kgs
10	841490 Parts of: air or vacuum pumps, air or other gas compressors, fans and ventilating or recycling ...	0,001		Kgs

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

## (e) Potential products of imports from India (Dec 2022)

S.No	Commodity (6 digit HS tariff line)	Rationale (Max.200 words)
1	*60110 Aluminium, not alloyed, unwrought	Total BiH imports for the month were in the value of USD 28.1 mln while imports from India were USD 5.9 mln

2	760120 Unwrought aluminum alloys	Total BiH imports for the month were in the value of USD 14.5 mln while imports from India were NIL.
3	300490 "Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, ...	Total BiH imports for the month were in the value of USD 21.1 mln while imports from India were USD 0.2 mln.
4	870332 Motor cars and other motor vehicles principally designed for the transport of persons,	Total BiH imports for the month were in the value of USD 23.4 mln, while imports from India were NIL.
5	740811 Wire of refined copper, with a maximum cross-sectional dimension of > 6 mm	Total BiH imports for the month were in the value of USD 12.6 mln, while imports from India were NIL.

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

(ii)

## Qualitative Feedback

### 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 BiH, 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>

Published date	Title	Category
1/10/2020	Decision on the Determination of the Customs Tariff for 2020 ( official Gazette of BiH no. 85/19)	Customs tariff

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>

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

(Top 10 items of import from India)

S.No.	Notification no. and date	HS code	Description	Original customs tariff	Present customs tariff	Effective from	Remarks if any
Nil at the time of the report							

Source: Market access Map <https://www.macmap.org/en>

#### 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
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
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	Type (initiation, final, prov., sunset, consultations, new	Details of products/ sectors affected	effective from	Remarks if any
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	references	shipper review)	(including HS codes)		
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
NIL at the time of the report					

### **Tariff and Non-Tariff Barriers to Trade:**

**import Tariffs:** The tariff rate on imports averages a comparatively low 1.1% of the value of goods (for international trade), which is the lowest figure regionally and third lowest figure in the whole emerging Europe region. Bosnia's import tariffs are harmonised each year with the combined nomenclature of EU and legislative regulations.

Anti-dumping and countervailing duties: in 2009 Bosnia introduced a law for the protection of domestic products against imports from Croatia and Serbia.

The law stipulates that safeguard measures were necessary owing to the influx of imports and the dumping of particular agricultural products from Croatia and Serbia, as well as a conceivable decrease in exports from Bosnia to Serbia.

Customs and Non-tariff Barriers: as a result of BiH not having EU member status event though the majority of its trading partners are EU member states, export and import supply chains will face more onerous border and documentary times and costs when compared with those of EU states.

The most salient risk is the high cost associated with import border compliance processes, which is higher than that of countries such as North Macedonia and contributes towards Bosnia's status as regional under performer in relation to customs burdens.

Businesses operating in BiH face a high import burden as infrastructural development, industrial capacity and diversification remains weak because of a dearth of fixed capital formation and a lack of political resolve in the country. Imports are driven by the country's need for complex machinery and its energy requirements, such as oil and gas, as well as metals and manufactured goods that cannot be produced locally.

To spur trade, Bosnia has exempted tariff payments from certain equipment that is being imported as part of share capital, with the exceptions of passenger vehicles and slot or gambling machines. To enjoy this benefit, foreign investors must submit a written request to the appropriate customs authority, along with evidence of the investment arrangement and registration of the foreign share. Alternatively, imports into one of Bosnia's four free trade zones are exempt from customs duties and fees. These zones can be found at Vogosca, Visoko, Mostar and Holc Lukavac and clearly mitigate cost risks for businesses seeking to trade internationally with Bosnia.

Bosnia has applied to join the EU, and accession would open up trade, investment and growth opportunities for the economy. The country has already made good strides in establishing free trade and preliminary agreements to speed up the process of EU accession although, political instability threatens the prospect of EU membership in the medium term. Bosnia is also currently discussing the possibility of the creation of a Western Balkans Customs union with its South eastern-Europe counterparts.

### (iii) Other 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)
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 T/ATC)
1	International Conference on Medical and Biological Engineering	14 - 16 Sep 2023 Ilidža	Na	Na	-	Na
2	International Tourism and Hospitality Management Congress (Sarajevo)	18 - 22 Oct 2023 Virtual Event	Na	Na	-	Na
	Bosnia Healthcare and Services Expo 2023 (Sarajevo)	17 - 18 Nov 2023	Na	Na	-	Na

c.) Feedback from local commercial visitors to trade fairs in India, including under BSM; nr 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	

### (iv) Any other submission (3000 char):

**1. The International Airport of Sarajevo recorded the number of one million passengers:** In the period from January 1 to September 12, 2023, a total of 1,000,373 passengers passed through Sarajevo Airport. This was despite the cancellation of the base of the airline company Wizz Air and the consequent reduction in the number of air operations "This is a clear indication that, with great effort, we have managed to largely maintain the level of the number of passengers from the previous year. Our commitment is to continue positive business and achieve good business results", the Management pointed out.

**2. Inflation in BIH slows for the ninth month in a row:** Inflation made a further slowdown and in July amounting to 4% on an annual basis. This is the ninth month in a row that the prices of products and services used for personal consumption recorded a decline on an annual basis. On a monthly basis, in July compared to June, inflation recorded a decrease of 0.2%. The highest prices were in food and non-alcoholic beverages, growing by 8.7% in July compared to last year, followed by housing, water, electricity, gas (8.7%), restaurants and hotels (7.7%), other goods and services (9.8%). The main reasons for the drop in prices are transportation services, which are 13.2% cheaper on an annual basis, and clothing and footwear and by foodstuffs which are down 5.1%.

Annual inflation in the Federation of BiH fell to 2.8% in July, while in the Republika Srpska it remained at a significantly higher 5.2%. In the first seven months of 2023 compared to the same period last year, inflation in BiH grew by 8.5%, according to data from the BiH Statistics Agency.

## **B. 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 (Europeaid tenders): [http://europa.ba/?page\\_id=320](http://europa.ba/?page_id=320)

### **a.) 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 from India increased by 221.3% considerably in the Jan-Dec period of 2022 over the same period of 2021 reaching USD 447.8 mln.
		7601 unwrought aluminium	The product group increased considerably in the Jan-Dec period of 2022 over the same period of 2021 to USD 332.1 mln. It represents 74.2% of imports from India to BiH.
		0901 Coffee, whether or not roasted or decaffeinated	The product group increased by 86.6% in the Jan-Dec period of 2022 over the same period of 2021 to USD 16.2 mln. It represents 3.6% of imports from India to BiH.
		2516 Granite, porphyry, basalt, sandstone and other monumental or building stone, whether or not ...	The product group increased by 141% in the Jan-Dec period of 2022 over the same period of 2021 to USD 7.2 mln. It represents 1.6 % of imports from India to BiH.
		8517 Telephone sets, incl. telephones for cellular networks	The product group increased considerably in the Jan-Dec period of 2022 over the same period of 2021 to USD 6.8 mln. It represents 1.5% of imports from India to BiH.
		8414 Air or vacuum pumps	The product group increased by 5.8% in the Jan-Dec period of 2022 over the same period of 2021 to USD 8.3 mln. It represents 1.8% of imports from India to BiH.
2.	Trade in Services: Import of services to BiH from the World	Total Service types	The import of services increased by 21.8% in the Jan-Sept period of 2022 over the same period of 2021 from USD 543.4 mln to USD 661.9 mln.
		Commercial services	The import of services increased by 22 % in the Jan-Sept period of 2022 over the same period of 2021 to USD 657.3 mln. It represents 99% of all imported services.
		Travel	The import of these services increased by 32% in the Jan-Sept period of 2022 over the same period of 2021 to USD 227.5 mln. It represents 34% of all imported services.
		Transport	The import of these services increased by 26.7% in the Jan-Sept period of 2022 over the same period of 2021 to USD 269.8 mln. It represents 41% of all imported services.
		Government goods and services n.i.e.	The import of these services fell back by 0.4% in the Jan-Sept period of 2022 over the same period of 2021 to USD 4.6 mln. It represents 1% of all imported services.
3.	Investment	Bilateral investment	
			Nil at the time of the report
		Global investment	
	Alma Ras shuts down plant due to drop in sales	Textile company Alma Ras shut down its plant in Bosanski Petrovac, leaving 52 workers without work. Due to the drop in	

			demand for orders from foreign buyers by 18%, as well as price increases and noticeable pessimism among EU consumers the company was forced to shut down the plant in Bosanski Petrovac as of August 31, 2023. The company Alma Ras started performing business in 1998. It was symbolically established on International Women's Day and has since been regarded as the unavoidable place for fans of quality fine undergarments and sleepwear. Ever since it has been established, the company recorded a constant growth and development – from a small, family-owned workshop to a leading brand in the domestic Bosnian and Herzegovinian market.
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b. Opportunities for investments/ assets on offer/major company divestment:

S.No.	Sector Name (List attached)	Particulars of the asset /company	Contact details
NIL at the time of the report			

c. information on tender Notices for projects and procurements of interest to Indian project exporters/ suppliers (USD15 mln & 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 (Europeaid tenders):

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

<https://ted.europa.eu/TED/search/search.do>

S.No.	Tender/ Procurement notice No and date	Sector	Value of tender/ procurement
1.	Reconstruction of Dvorovi Spa Complex in Bijeljina e-mail: <a href="mailto:fipa@fipa.gov.ba">fipa@fipa.gov.ba</a> <a href="http://www.fipa.gov.ba/investinbih/index_htm_files/Dvorovi%20Spa%20Complex,%20Bijeljina.pdf">http://www.fipa.gov.ba/investinbih/index_htm_files/Dvorovi%20Spa%20Complex,%20Bijeljina.pdf</a> Uploaded on Trade Portal 13 Sept 2023	Health Tourism	EUR 7.4 mln or USD 8 mln

d. Trade queries for imports/ exports (if not uploaded on the Indian trade portal): In the month, Embassy of India has received 3 queries from India and NIL from BiH.

S. No.	enquiry originator	Product with HS codes	Nature (import/ export)	Value (US\$ mln)	Action Taken (Max.200 words)
1	Kk International	Chemicals: parafin oil	Export		Query received: 08/09/23 Query answered: 08/09/23
2	Greenyorgo - Privisha Trans Overseas	Agro: vege	Export		Query received: 11/09/23 Query answered: 11/09/23
3	The Sun Exports	Ceramic tiles	Export		Query received: 29/09/23 Query answered: 03/10/23

**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



## C. Tourism

### (a) Tourist Visa issued SEPTEMBER 2023:

S. No	No. of Tourist Visa issued during the month	No. of Tourism Visa issued during the same month last year (2022)	No. of tourist Visa issued cumulatively during the year 2023 Jan->	No. of Tourist Visa issued cumulatively during the last year 2022 Jan->
1	0	0	0	0

### (b) Indian tourism Promotion events held/organized

S. No	Details of event	Theme	Avg. No. of Participation
Nil at the time of the report			

### (c) use of Social Media/Print/Media/electronic Media for Promoting Tourism:

Activity	Print	Electronic (*)	Instagram	Facebook	Twitter	Youtube	Any other
No. of posts	Na	Na	0	11	6	Na	Na
No. of impressions (Reached)	-	-	-	3728	-	-	-
No. of Likes	-	-	-	35	-	-	-

### (d) any advisory issued by the country for travelling to India:

s.No.	Advisory	Reason	action taken
Nil at the time of the report. <a href="http://www.mvp.gov.ba/konzularne_informacije/vize/">http://www.mvp.gov.ba/konzularne_informacije/vize/</a>			

### (e) interactions held with Tours operators for promoting tourism in India

S.No.	Tours operator	No. of interactions held
NIL at the time of the report		

### (f) any other information (max 3000 char)

Nil at the time of the report
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## D. Transfer of Technology to India

### (a) New Technology identified/covered in Press:

S. No	Name of Technology	Details	usage	Sector	Company
NIL					

### (b) Any interest received from Foreign Companies for Technology Transfer:

S.No.	Name of Company	Sector	Details
NIL			

**(c) Any Query received from Indian company seeking technological solutions:**

S.No.	Name of Technology	Sector	Details
NIL			

**(d) Any science/technology exhibition held:**

S.No.	Details	Sector	Participation	Participation from India
NIL				

**(e) Any press coverage on new patents / designs / IPR filed / granted:**

S.No.	Name	Date	Sector	Name of Applicant
NIL				

**(f) Any other information** (250 char)

NIL
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**E. 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 dissemination	16th Engimach Expo	Information has been circulated on 19 Sept to the Ministry of Foreign Affairs (MFA) to Foreign Trade Chamber (Komorabih), Bosnian Export Promotion Agency (BHEPA), Chamber of Commerce and Industry of FBiH, Information placed on website.
2	Information dissemination	5th Global Ayurveda Festival	Information has been circulated on 19 Sept to the Ministry of Foreign Affairs (MFA) to Foreign Trade Chamber (Komorabih), Bosnian Export Promotion Agency (BHEPA), Chamber of Commerce and Industry of FBiH, Information placed on website.
3	Information dissemination	Global Exhibition on Services	Information has been circulated on 19 Sept to the Ministry of Foreign Affairs (MFA) to Foreign Trade Chamber (Komorabih), Bosnian Export Promotion Agency (BHEPA), Chamber of Commerce and Industry of FBiH, Information placed on website.

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

BE for current financial year Rs	RE for current financial year	Amount utilised	Details of activity (Max.200 words)
300,000	...		
		NIL	

**G. Action taken on the previous JWG's, 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 economic Relations		Embassy is starting to contact concerned Ministries, including the MFA of BiH for implementation

of BiH, Mr. Mato Franjicevic, who is the Co-Chair of the Joint Committee from the BiH side, led a delegation to India in January 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.	of bilateral agreements/decisions. Mission followed up on the termination of the existing BiT and proposed new BiT with Bosnia.
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#### H. 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.	Any outcome
Nil at the time of the report					

#### i. 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				

#### J. Any other issue of importance (Max. 3000 char)

**1. IMF: Political tensions continue to hamper economic policy and reforms in BiH.** On August 30, the Executive Board of the IMF concluded the Article IV consultation with BiH. According to the report made after the visit, the following was observed: Russia's war in Ukraine continues to place significant headwinds on the European economy, with implications for BiH. Moreover, the global tightening of financial conditions is expected to weigh on the country's economic activity. While all new governments have been formed following elections in 2022, political tensions continue to hamper economic policy and reforms. The EU candidacy status, granted in December 2022, has yet to create reform momentum. Economic growth declined to 3.9 % in 2022 from 7.4% in 2021 and is projected to decelerate further to 2% this year on weaker domestic and external demand. Inflation peaked at 17.4% in October 2022 and has since been on a declining trend but remains elevated. In line with falling international food and energy prices, average inflation is projected to fall to 6% in 2023. Downside risks are high and include a possible abrupt slowdown in Europe, an intensification of domestic political tensions, and the materialization of financial risks. The fiscal stance improved in 2022 as the overall fiscal surplus increased to 0.9% of GDP from 0.6% in 2021. A surge in current spending reflecting measures to mitigate the cost-of-living crisis was accompanied by a smaller increase in capital spending. Total government debt declined below 30% of GDP in 2022, also because of slow project disbursement and implementation. With expenditures rising faster than revenues, the fiscal balance is expected to turn to a deficit of 1.5% of GDP in 2023. Financing needs have increased in 2023 given large debt repayments. of structural reforms to accelerate growth, promote green and digital transition, and raise living standards. They called for accelerating governance reforms and encouraged the authorities to request an IMF governance diagnostic to help identify key weaknesses and prioritize reforms. Directors also encouraged the authorities to urgently adopt a new anti-money laundering law and prioritize the implementation of the anti-corruption legal frameworks. Continuing efforts to strengthen public enterprise oversight and transparency also remain important. On the climate front, they recommended stepping up efforts to decarbonize the economy, coupling the electricity market with the EU market, and transitioning to renewables, stated the IMF Resident Representative Office in BiH.

#### 2. Average Monthly Exchange Rates Sept 2023:

1US\$= 1.827749 KM  
1EUR= 1.955830 KM  
Source: Central Bank BiH <http://cbbh.ba>

Rajeev Kumar  
Second Secretary (Com&HOC)  
Embassy of India  
Budapest  
Dated: 12 Oct 2023