

Embassy of India Budapest

ECONOMIC AND COMMERCIAL REPORT For the month of JULY 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	4	2	0	2	3
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	export (US\$ mln)	import (US\$ mln)	Status (P) Provisional/ (F) Final
Country's trade with India	27.4	68.3	F
Country's total global trade	12405.2	11986.5	F

Source: KSH.hu Central Statistical Office of Hungary

b) Preferential trade in goods during

0	4	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	4	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	293410 Heterocyclic compounds containing an unfused thiazole ring, whether or not hydrogenated, in the structure	6.1	143.6	kgs	99.3%
2	852691 Radio navigational aid apparatus	6.1	17.5	kgs	35.1%
3	850760 Lithium-ion accumulators (excl. spent)	6.0	59.0	kgs	3.0%
4	300390 Medicaments consisting of two or more constituents mixed together for therapeutic or	6.0	70.6	kgs	28.0%

	prophylactic uses...				
5	300490 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes...	1.9	63.3	kgs	1.3%
6	390769 Poly"ethylene terephthalate", in primary forms, having a viscosity number of < 78 ml/g	1.9	1,822.3	kgs	51.2%
7	293499 "Nucleic acids and their salts, whether or not chemically defined; heterocyclic compounds ...	1.7	3.5	kgs	9.1%
8	841199 Parts of gas turbines, n.e.s.	1.4	89.2	kgs	2.4%
9	401170 New pneumatic tyres, of rubber, of a kind used on agricultural or forestry vehicles and machines	1.3	341.0	kgs	47.9%
10	292429 Cyclic amides, incl. cyclic carbamates, and their derivatives; salts thereof ..	1.1	65.3	kgs	25.1%

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

d) Top 10 items of export to India during

0 4 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 ..	2.8	82.5	kgs
2	294190 Antibiotics (excl. penicillins and their derivatives ...)	2.6	.1	kgs
3	220210 Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption as a beverage	1.5	1,720.7	kgs
4	853710 Boards, cabinets and similar combinations of apparatus for electric control or the distribution of electricity, for a voltage <= 1.000 V	1.3	10.0	kgs
5	842121 Machinery and apparatus for filtering or purifying water	1.0	33.9	kgs
6	840734 Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a cylinder capacity > 1.000 cm3	.9	54.6	kgs
7	851762 Machines for the reception, conversion and transmission or regeneration of voice, images or other data...	.9	.7	kgs
8	847180 Units for digital automatic data processing machines (excl. processing units, input or output units and storage units)	.7	.3	kgs
9	292910 Isocyanates	.7	307.9	kgs
10	870380 Motor cars and other motor vehicles principally designed for the transport of <10 persons, ...	.6	45.5	kgs

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

e) Potential products of imports from India during

0 4 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 298,2mln, 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 155.2 mln, while imports from India to Hungary were USD 0.3 mln
3	850760 Lithium-ion accumulators (excl. spent)	Total Hungarian imports for the month were in the value of USD 201.3 mln, while imports from India to Hungary were USD 6 mln.
4	854231 Electronic integrated circuits as processors and controllers	Total Hungarian imports for the month were in the value of USD 173.9mln, while imports from India to Hungary were USD 0.2 mln.
5	847989 Machines and mechanical appliances, n.e.s.	Total Hungarian imports for the month were in the value of USD 206.8mln, while imports from India to Hungary were USD 0.2 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://webgate.ec.europa.EU/rasff-winebopsdow/portal/?event=SearchForm&cleanSearch=1>
- Taxation and Customs union: 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

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)

<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 1bln (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)
1	FIEO delegation 12-14 July 2023	Multisector	NIL	<p>Led by Mr. Manish Sharma Region Head (North) a 14-member FIEO multi-product delegation visited Hungary on 13-14 July 2023. The delegation represented several sectors: tea and coffee, edible coconut products, engineering items, precision engineering, water management, nanotechnology, medical items, hair products. As part of their visit, the Hungarian Export Promotion Agency and Embassy of Hungary, New Delhi in collaboration with the Embassy, organized a conference in Hotel Novotel on 13th July 2023. Mission organized a B2B/B2JV event on 14th.</p> <p>-Mr. Sharma highlighted the appx 50 programmes (exhibitions, BSMS) per annum by FIEO and called for Hungarian companies to participate. He also expressed thanks for the efforts of the Mission and the Hungarian Embassy in organizing successful events for the delegation.</p> <p>-Ambassador Partha Satpathy highlighted the close bilateral relations and growing trade between India and Hungary, citing the first visit by EAM Dr. S. Jaishankar to Hungary and visit of Foreign Minister Szijjarto to India in May 2022. He highlighted India's rapid economic growth, demographic dividend, and large internal markets and stability as primary factors for investors. He urged both the Indian and Hungarian companies to take advantage of the opportunities to look at ways to further enhance economic cooperation.</p> <p>-Mr. Peter Szabo, Manager Technical Affairs Richter - Themis India informed that they have chosen India for the low operating costs and highly qualified professionals, creating a JV which is beneficial for both sides.</p> <p>-Sandeep Saksena, Business Head of Flex Industries speaking at the event expressed thanks to Hungarian Investment Promotion Agency for being very flexible and helpful and highlighted their pivotal role in choosing Hungary as investment location.</p> <p>-The delegation members thanked the Mission for its match-making work and support and looked forward to future collaboration with the Hungarian companies.</p>

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	China Brand Fair	8-10 July 2023	Na	Na	-	Na
2	HOMEDesign Autumn	10-12 Nov 2023	Na	Na	-	Na
3.	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: https://hungexpo.hu/en/events/
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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					2	na

(iv) any other submission 3000 char

<p>1. Factory gate prices were 11.2% higher yr/yr in May, slowing from a 15.9% increase in the previous month, the Central Statistics Office (KSH) said. On a monthly basis, producer prices shrank by 1.6% as domestic output prices fell by 2% and export prices by 1.4%. On an annual basis, export prices fell by 1.1%, but prices for domestic sales leaped up by 36.5%, boosted by energy prices. Domestic prices in the manufacturing sector, increased by 9.3%. Export prices rose by 3.2%. Factory gate prices were 22.3% higher in the first 5 months than in the same period of last year, as prices for domestic sales grew by 48.8% and export prices increased by 9.4%.</p> <p>2. Volume of industrial production dropped by 6.9% in May yr/yr. Seasonally and workday-adjusted data show a rise in output by 1.6% from April to May. Industrial exports expanded by 0.3% yr/yr by volume, but domestic industrial sales volume was 18.4% lower. Manufacturing output went down by 5%. Output plunged by 33% in mining and by 32% in the energy sector. Manufacturing sales volume decreased by 1.6% yr/yr in May. Domestic volume went down by 11.4% while the export volume increased by 2.6%. Exports accounted for 73% of manufacturing sales. Production of vehicles and vehicle parts went up by 10.5%. Within this manufacturing of cars expanded by 10.1% while car parts production went up by 11% The production of electronic devices expanded by 13.4%. The output of the pharmaceutical industry, which has a low weight in the total, expanded by 6.7%, due to increased exports while domestic sales decreased.</p> <p>3. Inflation edges down to 20%: annual inflation rate slowed to 20.1% from 21.5% in May, the KSH said. On a monthly basis, prices edged up 0.3%. Food prices were 29.3% higher, yr/yr but fell on a monthly basis for the first time in two years, sinking by 0.4% from May. Household energy prices grew by 34.3% yr/yr and motor fuel prices by 20.2%. Consumer durables went up by 6.1%, and service prices by 14.4%, up from a 14.3% rise in May. The MNB emphasised that the rate of core inflation, which excludes volatile fuel and food prices, fell by 2% to 20.8%. Economic Development Minister Marton Nagy said disinflation could gain pace in the second half.</p> <p>4. Gov't slaps carbon-tax on heavy polluters: A recently announced new carbon-dioxide quota tax levied on Hungary's biggest emitters is expected to generate Ft 90 bln (appx EUR 238 mln) revenue. The regulation is applicable to companies with annual CO2 emissions of 10,000 tonnes or more. Companies whose emissions exceed the level will pay the new tax and will have to buy carbon credits on the market. The new Hungarian carbon levy includes a tax of €40 per tonne of carbon dioxide and a 10% transaction fee. The targeted sectors include construction material makers the oil and chemical industry and fertiliser maker Nitrogenmuvek.</p>
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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

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	Total imports from India 8526 Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	The value of imports increased by 9.9% in the Jan-Apr period of 2023 from USD 246.6 mln reaching USD 271.1 mln yr/yr. The product group <i>decreased</i> by 30.4% in the Jan-Apr period of 2023 to USD 25.2 mln. It represents 9.3% of imports from India to Hungary.

		8507 Electric accumulators, incl. separators therefor	The product group increased considerably in the Jan-Apr period of 2023 to USD 19.9 mln. It represents 7.3 % of imports from India to Hungary.
		3003 Medicaments consisting of two or more constituents mixed together	The product group increased by 70.4% in the Jan-Apr period of 2023 to USD 24 mln. It represents 8,8% 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 14.9% in the Jan-Apr period of 2023 to USD 11.6 mln. It represents 4.3% of imports from India to Hungary.
		2933 Heterocyclic compounds with nitrogen hetero-atom(s) only	The product group increased by 26.9% in the Jan-Apr period of 2023 to USD 14.6 mln. It represents 5.4% 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 6.7% in the Jan-Dec period of 2022 over the same period of 2021 from USD 20.2 bln to USD 21.5 bln.
		Travel Services	The service group experienced a 64.3% growth in the Jan-Dec period of 2022 over the same period of 2021 to USD 2.4 bln. It represents 11.1% of service imports to Hungary.
		Business and management consulting and public relations services	The service group experienced a <i>decrease</i> of 9.8% in the Jan-Dec period of 2022 over the same period of 2021 to USD 1.9 bln. It represents 9.1% of service imports to Hungary.
		Provision of customized and non-customized research and development services	The service group experienced a <i>decrease</i> of 7% in the Jan-Dec period of 2022 over the same period of 2021 to USD 688.1 mln. It represents 3.2% of service imports to Hungary.
		Engineering services	The service group experienced a <i>decrease</i> of 2.1% in the Jan-Dec period of 2022 over the same period of 2021 to USD 398.3 mln. It represents 1.9% of service imports to Hungary.
		Accounting, auditing, bookkeeping and tax consultancy services	The service group experienced a <i>decrease</i> of 8.6% in the Jan-Dec period of 2022 over the same period of 2021 to USD 108.7 mln. It represents 0.5% of service imports to Hungary.
3.	Investment	Bilateral investment	
		Global investment	
	1	BorsodChem inaugurates new plants (EUR 430 mln)	BorsodChem, owned by Chinese Wanhua Group, has completed a Ft 160 bln (appx EUR 430 mln) series of investments at its plant in Kazincbarcika, which includes a thermal power plant and added production capacities in nitric acid, nitrobenzene and aniline. The new capacities will be 90,000 tonnes annually at the nitric acid plant, 240,000 tonnes at the nitrobenzene plant and 200,000 tonnes at the aniline plant. The European Commission approved a EUR 44.5 million tax credit for the investment, Minister of Foreign Affairs and Trade Peter Szijjarto said at the ceremony. This equals roughly 10 percent of the investment value. Despite the energy crisis and the war, BorsodChem realised EUR 3 bln in sales in 2022, of which 82 percent came from exports, the company said in a statement. Combined investments at the chemical company, which will celebrate 75 years of operation in 2024, came to EUR 1 bln over the past four and a half years.
	2	Sunwoda to build battery factory in Nyíregyháza (EUR 1.5 bln)	Chinese battery maker Sunwoda will build its first European plant in Nyiregyhaza, Minister of Foreign Affairs and Trade Peter Szijjarto said. The Ft 580 bln (appx EUR 1.5 bln) investment by one of the top ten global EV battery makers is the largest investment in Hungary in 2023 and the third exceeding EUR 1 bln in value, he added. Sunwoda will invest Ft 93 bln (appx EUR 246 mln) in the initial phase. Hungary is the fourth largest producer of EV batteries in the world and with Sunwoda, f out of the top 10 EV battery manufacturers in the world, with a combined 49.4 percent

			share of the global market will be present in Hungary.
	3	Suzuki will expand Esztergom plant (EUR 24 mln)	Suzuki is spending Ft 9.3 bln (appx EUR 24 mln) to expand production capacity at its Esztergom plant, and to take a big step towards making the factory carbon-neutral, Foreign Affairs and Trade Minister Peter Szijjarto said. The state will provide a Ft 1.9 bln (appx EUR 5 mln) subsidy, to contribute to job creation, he said, as the expansion will raise the number of Suzuki employees in Hungary to 3,000. Suzuki will expand the capacity of its bumper manufacturing, painting and welding units. The Japanese carmaker is also buying high-tech machinery and is building a solar power plant.
	4	Liberty Steel to purchase Dunafer (EUR 55 mln)	With a EUR 55 mln bid, Liberty Steel Central Europe, a subsidiary of the Indian-British group, has won the tender for acquiring the companies that own the assets of Dunafer steel works under liquidation. The winning bidder was registered on Jan 10, and has been renting Dunafer assets since then. Setting up the subsidiary helped to ease the arrival and customs clearance of the raw materials used in the steelworks and the expansion of production. The successful sale of Dunafer is an important milestone, but the hard work is just beginning, the Economy Development Ministry commented. The government is committed to a green transition of the company, which is crucial for the future of the steel industry. The factory needs a reorganization, as significant improvements are necessary for the production of higher value-added products, and the production of green steel, the ministry added. Liberty Steel already owns steelworks in the region in Ostrava, Czech Republic and in Galati, Romania. Dunafer has accumulated debts of Ft 500 bln (appx EUR 1.3 bln), and the company that acquires it must not only pay the purchase price, but an immediate investment of at least Ft 37 bln (appx EUR 98 mln) is necessary for Dunafer to get back its lost environmental protection permits. The government announced in February that it would pay all Dunafer wages for six months.

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

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

S.No.	Tender/ procurement notice No and date	Sector	Value of tender/ procurement
1	Hungary-Budapest: Custom software development services Tender no: 2023/S 127-406050 Address: Magyar Allamkincstar 1054 Budapest Hold u. 4 Contact person: Apati Bence Zoltan E-mail: apati.bence.zoltan@allamkicsar.gov.hu Telephone: +36 308385585 Opening of Tender: 31/07/2023	Construction	Value excluding VAT: HUF 3.7 bln/ appx USD 10.8 mln

d. Trade Queries for imports/ exports (if not uploaded on the Indian trade portal).
 For the month the Mission received 43 trade inquiries from India and 1 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	Tapi Overseas		Miscellanaous	Export		Query received: 01/07/23 Query answered: 04/07/23
2	Highrise Exim		Miscellanaous	Export		Query received: 02/07/23 Query answered: 04/07/23
3	Aadhya Solar Power Solution		Engineering goods: fasteners, fittings	Export		Query received: 02/07/23 Query answered: 04/07/23
4	Samarth Group		Packaging	Export		Query received: 03/07/23 Query answered: 04/07/23
5	Lamba Granites and Stones		Stones	Export		Query received: 06/07/23 Query answered: 06/07/23
6	Chitkara Exports	48193000	Handicrafts	Export		Query received: 07/07/23 Query answered: 07/07/23
7	Waaho Interio		Furniture	Export		Query received: 07/07/23 Query answered: 07/07/23
8	Venus Safety and Health		Medical disposables, safety items	Export		Query received: 07/07/23 Query answered: 11/07/23
9	ADL Exim		Floor coverings	Export		Query received: 10/07/23 Query answered: 11/07/23
10	Onyx Food Export		Agro commodities	Export		Query received: 11/07/23 Query answered: 11/07/23
11	SK Sales		Textiles: fabrics, yarns	Export		Query received: 11/07/23 Query answered: 11/07/23
12	Ultrachain Global	330741	Incense sticks	Export		Query received: 12/07/23 Query answered: 12/07/23
13	Koradiya Group Impex	6901, 6907,69 08	Ceramic tiles	Export		Query received: 13/07/23 Query answered: 14/07/23

14	Unipack Industries		Packaging	Export		Query received: 13/07/23 Query answered: 14/07/23
15	Ila Exports	7307,7609,8302.	Misc engineering	Export		Query received: 13/07/23 Query answered: 14/07/23
16	Sacroscent		Cosmetics: perfumes	Export		Query received: 17/07/23 Query answered: 17/07/23
17	SSD GLOBAL		Agro: rice	Export		Query received: 17/07/23 Query answered: 17/07/23
18	Aeon Global Trade		Miscellanaous	Export		Query received: 17/07/23 Query answered: 17/07/23
19	3Shul Exports and Imports		Agro: rice, maize, spice, honey, Disposable plates	Export		Query received: 19/07/23 Query answered: 19/07/23
20	Aman udyog	84314100, 73181500.	Engineering: machinery	Export		Query received: 19/07/23 Query answered: 19/07/23
21	Sagar Manufacturers		Textiles	Export		Query received: 19/07/23 Query answered: 19/07/23
22	ThreeView		Paper, Books	Export		Query received: 19/07/23 Query answered: 19/07/23
23	Stone Surface Export		Stones	Export		Query received: 19/07/23 Query answered: 19/07/23
24	Krity Enterprises	902140	Medical: hearing aids	Export		Query received: 19/07/23 Query answered: 19/07/23
25	Metaglobe Exim	13023230	Guar gum	Export		Query received: 19/07/23 Query answered: 20/07/23
26	Madhun Offset		Packaging	Export		Query received: 20/07/23 Query answered: 20/07/23
27	Spirea Inc	091030	Spice	Export		Query received: 20/07/23 Query answered: 20/07/23
28	Synerggy Intex	100821	Agro: millets	Export		Query received: 20/07/23 Query answered: 20/07/23
29	Bakyashwri Sea Food	03061720, 03061740, 03061790	Food: seafood	Export		Query received: 20/07/23 Query answered: 20/07/23
30	RN imports and Exports		Miscellanaous	Export		Query received: 21/07/23

						Query answered: 21/07/23
31	Uniza	3004,2106,2936	Pharma	Export		Query received: 21/07/23 Query answered: 21/07/23
32	Fallon Bath	6907, 8481, 6910	Ceramic tiles	Export		Query received: 21/07/23 Query answered: 21/07/23
33	Divari Clothing		Textiles: shirts	Export		Query received: 22/07/23 Query answered: 31/07/23
34	Akash Enterprises		stationery	Export		Query received: 23/07/23 Query answered: 31/07/23
35	Unicare Technologies		Engineering: water treatment technologies	Export		Query received: 24/07/23 Query answered: 31/07/23
36	Bhaskar Silk Mills	5504, 5407	Textiles: fibres	Export		Query received: 24/07/23 Query answered: 31/07/23
37	Giriraj Agro and Natural Honey	0409	Agro and food	Export		Query received: 24/07/23 Query answered: 31/07/23
38	Bio Green Industries		Handicrafts: disposable plates, cutlery	Export		Query received: 28/07/23 Query answered: 31/07/23
39	Sree Balaji Exports and Imports		Agro: fruit, vege	Export		Query received: 28/07/23 Query answered: 31/07/23
40	Safezone Earthing and Lightning Protection		Engineering: lightning protection	Export		Query received: 29/07/23 Query answered: 31/07/23
41	AVY Exporters and Dealers		Agro: fruit, vege	Export		Query received: 29/07/23 Query answered: 31/07/23
42	Eco Grain Exporters		Agro: spices	Export		Query received: 29/07/23 Query answered: 31/07/23

Hungarian Trade enquiries

Enquiry originator	Product with HS codes	Nature import/export)	Value (US\$ mln)	Action Taken (Max.200 words) (List of companies sent)
Gold Standard Diagnostics	IVD products for human diagnostics	Export		Query received: 13/07/23 Query answered: 13/07/23

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)

Nil

C. Tourism

(a) Tourist Visa issued: JULY 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	2	4	25	39

(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	Na	Na	Na	Na	Na
No. of impressions	-	-	-	-	-	-	-
No. of Likes	-	-	-	-	-	-	-

(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: https://konzinfo.mfa.gov.hu/utazasi-tanacsok-orszagonkent/india	-	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	SS(COM&HOC) meeting with Egypt air on 19 July 2023 to discuss alternative route to India via Cairo	1

(f) any other information (3000 char)

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
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

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	India Stonemart February 1-4, 2024 at Jaipur, India.	Information on the event was circulated on 18 July to the Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of Energetics and Machinery (MAGEOSZ), Association of IT and Telecom companies (IVSZ). Information on the event was placed on the website of the Mission.
2	Information dissemination	India Electronics Expo in New Delhi from 17-19 January 2024.	Information on the event was circulated on 18 July to the Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of Energetics and Machinery (MAGEOSZ), Association of IT and Telecom companies (IVSZ). Information on the event was placed on the website of the Mission.
3	Information dissemination	SVUM 2024 International Trade Show Rajkot, Gujarat 11-15 Feb 2024	Information on the event was circulated on 18 July to the Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export

			Promotion Agency (HEPA), Association of Energetics and Machinery (MAGEOSZ), Association of IT and Telecom companies (IVSZ). Information on the event was placed on the website of the Mission.
4	Information dissemination	56TH IHGF Delhi Fair	Information on the event was circulated on 18 July to the Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Association of Energetics and Machinery (MAGEOSZ), Association of IT and Telecom companies (IVSZ). Information on the event was placed on the website of the Mission.
5	Information dissemination	5th World Coffee Conference to be held in Bengaluru 25-28-Sept 2023	Information was circulated on 01 Aug to the Ministry of Agriculture,, Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA), Hungarian National Chamber of Agriculture (NAK). Information was placed on the website of the Mission.
6	Information dissemination	FIEO UP international Trade Show 21-25 Sept 2023	Information on the event was circulated on 12 June then on 18 July to the Ministry of Foreign Affairs and Trade (MFAT), Hungarian Chambers of Commerce and Industry (HCCI), Budapest Chamber of Commerce and industry (BCCI), Hungarian Investment Promotion Agency (HIPA), Hungarian Export Promotion Agency (HEPA) Information on the event was placed on the website of the Mission.

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			
	Total Rs:	NIL	

G. Action taken on the previous JWGs, 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 th 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 th 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	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

		<p>10. Food processing 11. Health Industry 12. Pharmaceuticals and Medical Devices</p>	<p>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.</p> <p>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 some experts from both sides could join online also. From the Indian side, delegates from from the Ministry of Commerce & 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 st JWG on Water	<p>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</p>	<p>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).</p>

		preservation of the quality of water resources, and training and capacity building.	
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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 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)
Nil at the time of the report				

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

1. S&P affirmed Hungary's BBB sovereign rating with a stable outlook saying that macroeconomic pressures have largely eased since January, when the credit-rating agency downgraded the country's rating to one notch above the investment grade threshold. S&P said policymakers have shifted to tighter fiscal and monetary settings to narrow the country's elevated twin deficits and level off an overheated economy and it expects that fiscal consolidation will continue, reducing the state debt in relation to GDP. Economic growth will be marginal in 2023, at around 0.1% with the contraction of household demand, which is offset partially by rising exports and FDI.

2. Gov't modifies law on windfall profits: The government has modified the windfall profit tax for oil companies, airlines and pharmaceutical companies by a decree. Under the new rules, oil companies must themselves calculate the windfall profit tax payable for 2023 and 2024. The tax rate will fall from the present 2.8% to 1% next year, suggesting that this tax will be phased out after 2024. The windfall tax on drugmakers can be reduced by investment as well as by research and development projects. The maximum of the deduction is 50%. The deduction can only be made from the 40% tax on drugs costing Ft 10,000 or more at the production cost level. The 20% tax on drugs costing less than Ft 10,000 remains unchanged. Mining royalty rules are also changed making the royalty progressive, depending on production quantities. So far, the mining royalty was 24% on contracted amounts, 42% on amounts sold on the free market and 18% on test production. From September, the mining levy will depend on the extracted value. For 28,000-55,000MWh of gas the tax will be 48%, falling to 42% for sales on the free market and 36% for test production. Above this threshold, the tax rates will be 62%, 56% and also 56%, respectively. The mining royalty must be paid for the amount contracted with the mining authority even if the production falls short of it. The windfall tax on airlines is modified only to include Israel in the lower tax category, so in theory, flights to Israel can be somewhat cheaper. At present, Israel is in the same category as the EU.

3. Agriculture Minister asks EU to maintain ban on Ukrainian grain: Hungary and other Central European member states have requested that the EU ban on imports of Ukrainian grain be extended to the end of the year from its current end date of September 15, Agriculture Minister István Nagy said after meeting with his EU counterparts in Brussels on 26 July. He said the lifting of the EU ban cannot be justified by any professional argument.

4. Average Monthly exchange rates JULY 2023

1US\$= 342.8510 HUF

1EUR= 378.9986 HUF

Source: Hungarian National Bank www.mnb.hu, <https://statisztika.mnb.hu/adatok-idosorok>

EMBASSY OF INDIA BUDAPEST

ECONOMIC AND COMMERCIAL REPORT FOR THE MONTH of JULY 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
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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	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	<u>Decision on the Determination of the Customs Tariff for 2020 (official Gazette of BiH no. 85/19)</u>	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 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					

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	Mostar International Economic Fair	02-06 May 2023, Mostar	Na	Na	-	Na
2	Sarajevo Business Forum	17-18 May 2023, Sarajevo	Na	Na	-	Na
3	International Exhibition for Construction and Real Estate Investment	18 - 20 Jul 2023 Sarajevo	Na	Na	-	Na
4	International Conference on Medical and Biological Engineering	14 - 16 Sep 2023 Ilidža	Na	Na	-	Na
5	International Tourism and Hospitality Management Congress	18 - 22 Oct 2023 Virtual Event	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)
NIL at the time of the report					0	

(iv) Any other submission (3000 char):

Bosnia and Herzegovina (BiH) was visited by 566,207 tourists in the first five months of 2023, which is 23.3% more than in the same period last year. Tourists spent 1,202,826 overnight stays in this period, which is 20.2% more than in the first five months of 2022, the BiH Statistics Agency said. Overnight stays by foreign tourists is higher by 36.6% compared to last year. In the structure of overnight stays by foreign tourists, the most overnight stays were made by guests from Croatia, 21.9%, followed by Serbia with 17.8%, Slovenia 8.9%, Turkey 5.9%, Germany 4.3%, Montenegro 3.6%, while tourists from other countries accounted for 34.6%.

B. Trade and investment:

Foreign investment Promotion agency (FIPA) provides a database of investment projects in BiH
www.fipa.gov.ba

Delegation of the European union to BiH Tenders (Europeaid tenders): 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	
	PMP Jelsingrad invests KM 80 mln (EUR 40 mln)	Part of the Italian PMP Industries s.p.a group, PMP Jesingrad signed a contract for transfer of property in Laktasi, Bajna Luka with the Mayor of the city, Miroslav Bojic and is in the process of acquiring building permit for its future unit. The company is engaged in the production of components for crushers. The largest part of the investments of the international PMP group this year refers to the investment in Republika Srpska (EUR 40 mln), while EUR 30 mln will be invested in their plants in Italy, and EUR 10 mln in their plant in China. The parent company, which employs around 800 workers in Coseano, Italy has production facilities in India and Malaysia, while its support centers are located in Brazil and the USA. As a socially	

			responsible company, PMP Industries has developed a program for the employment of people with disabilities, thus encouraging inclusion in society.
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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
Delegation of the European union to BiH Tenders (Europeaid tenders):
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 Sutjeska Hotel placed in National park Sutjeska Tel: +387 33 278 080 e-mail: fipa@fipa.gov.ba http://www.fipa.gov.ba/investinbih/index_htm_files/Sutjeska%20Hotel,%20National%20park%20Sutjeska.pdf Uploaded on Trade Portal 12 July 2023	Tourism	EUR 6 mln / appx USD 6.5 mln

- d. Trade queries for imports/ exports (if not uploaded on the Indian trade portal): In the month, Embassy of India has received 5 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	Uniza	3004,2106,2936	Pharma	Export		Query received: 21/07/23 Query answered: 21/07/23
2	Akash Enterprises		stationery	Export		Query received: 23/07/23 Query answered: 31/07/23
3	ThreeView		Books, Paper items	Export		Query received: 26/07/23 Query answered: 31/07/23
4	Safezone Earthing and Lightning Protection		Engineering: lightning protection	Export		Query received: 29/07/23 Query answered: 31/07/23
5	Eco Grain Exporters		Agro: spices	Export		Query received: 29/07/23 Query answered: 31/07/23

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 JULY 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	Na	Na	Na	Na	Na
No. of impressions	-	-	-	-	-	-	-
No. of Likes	-	-	-	-	-	-	-

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

s.No.	Advisory	Reason	action taken
Nil at the time of the report. http://www.mvp.gov.ba/konzularne_informacije/vize/			

(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

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

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	India Stonemart February 1-4, 2024 at Jaipur, India.	Information has been circulated on 18 July 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	India Electronics Expo in New Delhi from 17-19 January 2024.	Information on the event was circulated on 18 July to Ministry of Foreign Affairs (MFA), Chambers of Commerce and Industry (Komorabih), Foreign Investment Promotion Agency (FIPA). Information on the event was placed on the website of the Mission.
3	Information dissemination	SVUM 2024 International Trade Show Rajkot, Gujarat 11-15 Feb 2024	Information on the event was circulated on 18 July to Ministry of Foreign Affairs (MFA), Chambers of Commerce and Industry (Komorabih), Foreign Investment Promotion Agency (FIPA). Information on the event was placed on the website of the Mission.
4	Information dissemination	56TH IHGF Delhi Fair	Information on the event was circulated on 18 July to Ministry of Foreign Affairs (MFA), Chambers of Commerce and Industry (Komorabih), Foreign Investment Promotion Agency (FIPA). Information on the event was placed on the website of the Mission.
5	Information dissemination	5th World Coffee Conference to be held in Bengaluru 25-28-Sept 2023	Information was circulated on 01 Aug to the Ministry of Foreign Affairs (MFA), Chambers of Commerce and Industry (Komorabih), Foreign Investment Promotion Agency (FIPA). Information on the event was placed on the website of the Mission.
6	Information dissemination	FIEO UP international Trade Show 21-25 Sept 2023	Information on the event was circulated on 12 June, then on 18 July to Ministry of Foreign Affairs (MFA), Chambers of Commerce and Industry (Komorabih), Foreign Investment Promotion Agency (FIPA). Information on the event was placed on the website of the Mission.

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	
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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 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.		Embassy is starting to contact concerned Ministries, including the MFA of BiH for implementation of bilateral agreements/decisions. Mission followed up on the termination of the existing BiT and proposed new BiT with Bosnia.

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)

<p>1. EBRD Eight million euros loan to support investments in digitization and new technologies in BiH: The European Bank for Reconstruction and Development (EBRD) approved a loan of eight million euros to Sparkasse Bank, which the bank will direct to local clients small and medium-sized enterprises. The funds will be used to help small businesses invest in the automation and digitization of business processes to improve their productivity, operational efficiency and resilience. Small and medium-sized enterprises will be able to apply for funds to invest in hardware and software for various digital transformation projects in the area of production, internal processes and services. The goal is to encourage the digital transformation of small and medium sized enterprises and make them more competitive on the European Union markets, and their operations aligned with the standards required by EU directives. In addition to loans, SMEs will benefit from incentives in the form of grants worth up to 15% of the total loan amount. These incentives are financed by the European Union.</p>
<p>2. Decline in industrial production was recorded: seasonally adjusted industrial production in BiH in June 2023, compared to May 2023, recorded a decrease of 5.5%, and compared to June of 2022, calendar adjusted, a decrease of 7.6%. Industrial production in the period January-June 2023 compared to the same period last year fell by 4.4%, according to the data of the BiH Statistics Agency. In the first half of this year, compared to the same period last year, the decline in mining and quarrying amounted to 8.8%, and in the processing industry 5%. A decline was recorded in most branches of the manufacturing industry, so in the production of food products it was 4.2%, leather and related products 15.9%, textiles 37.5%, and base metals 26.3%. Growth of 10.8% was registered in the production of basic pharmaceutical products and pharmaceutical preparations, production of motor vehicles, trailers and semi-trailers grew by 22.1%, and the production of furniture by 0.7%. In the production and supply of electricity and gas for six months of 2023 compared to the same period last year, a 0.9% decrease was recorded.</p>
<p>3. Average Monthly Exchange Rates July 2023:</p>

1US\$= 1.771124 KM
1EUR= 1.955830 KM
Source: Central Bank BiH <http://cbbh.ba>

S. Ramji
Second Secretary (Com&HOC)
Embassy of India
Budapest
Dated: 11 Aug 2023