

EMBASSY OF INDIA
BRUSSELS

Bru/Com/201/5/05

ECONOMIC AND COMMERCIAL REPORT
BELGIUM AND LUXEMBOURG
May 2005

A. GENERAL INTERNAL DEVELOPMENT

Antwerp diamond dealers cry foul over De Beers supply tactics:

Antwerp diamond dealers are planning to challenge De Beers' powerful grip on the global supply of the precious stones by lodging a complaint with EU regulators against the South African giant for anti-competitive practices. The Belgian Polished Diamond Dealers Association (BVG D), which represents 150 wholesalers of cut diamonds, is preparing to file the complaint within the next two weeks, its president Andre Gumuchdjian told AFP. The complaint will be the fourth such appeal to the European Union's executive commission, which has reopened its inquiry into a De Beers business strategy selling diamonds to a select group of trusted traders. The aim is to "fight for the continued legal competition in the diamond market, which must remain open to everyone," he said in an open letter to diamond dealers. Gumuchdjian accuses De Beers in particular of seeking "to eliminate independent diamond firms that are a source of competition on the market by actively encouraging jeweler-clients to get supplies solely from their sightholders". Under a strategy known as 'supplier of choice,' De Beers encourages jewelers to buy directly from hand-picked sightholders, exclusive dealers who are able to buy rough diamonds directly from the company. BVGD claims this practice is anti-competitive because it excludes independent dealers, who are not given the same access and must rely on sightholders for their supplies. De Beers controls around two-thirds of the world market in rough or unpolished diamonds, which are sold to around 80 sightholders via its Diamond Trading Company (DTC) sales subsidiary in London. Antwerp's many diamond trading houses are rife with rumours that the number could be pared down to 60 in weeks. As competition from other suppliers of rough diamonds has increased, De Beers has started to control its dealers more tightly and has begun to market its 'DTC' brand of diamonds. In January 2003, the European Commission, which polices competition issues in the EU, investigated De Beers' supplier of choice strategy and concluded that the practice did not contravene EU competition rules. But the commission did promise to keep an eye on the situation, and pledged to reopen the case if evidence of abuse of De Beers' dominant position came to light. A spokesman for the competition services of the EU's executive commission said the investigation had been reopened "in the course of 2004" following three other complaints from individual diamond traders. "We have already received several complaints against De Beers since January 2003," he said.

Belgian Broadband Internet fast but expensive:

Telecoms operators that offer broadband Internet in Belgium are more expensive than their counterparts in neighbouring countries, according to a study by the consumer organisation Test-Achat. With Belgacom, which accounts for 50% of the broadband market, a basic package costs 39.95 euros per month. In the case of Telenet (32% of the market), it is as

much as 44.45 euros. Even classic dial-up connections are expensive in Belgium. According to Test-Achat, the reason is obvious. There is hardly any competition. At the end of 2004 there were slightly more than 2 million Internet connections in Belgium. Of these, 80% are broadband connections via the ADSL network and the cable network. On the ADSL network, which accounts for 60% of broadband connections, Belgacom Skynet is the undisputed market-leader with 82%. Scarlet has a 13% share of the market. Telenet has a quasi-monopoly of the cable network, with 83%. For subscribers with a "light" subscription, where the download speed is 512 kbit/s and the maximum volume without having to pay extra is 400 Mbit, the price is twice as high as the cheapest subscription elsewhere. Only the former monopoly-holders in Spain, Portugal and Italy cost more. For the normal user profile - 2048 bps download speed and a transfer volume of 10 Gbit a month, Belgium is in the middle bracket, says Test-Achat. Belgacom's dial-up connections also work out expensive, since use is not charged on a one-off fee basis but per minute online. Test-Achat attributes the high charges to the fact that competitors are finding it more difficult to gain access to the last piece of network controlled by the former monopoly-holder, the so-called local loop. Belgacom is querying the results of the Test-Achat study, referring in its defence to a study by the international research agency Forrester Research, which shows that Belgian broadband Internet is the fastest in Europe. Thanks to an upgrading of surfing speeds: an ADSL connection can offer speeds of 4 to 4.6 Mbit/s. Competitor Telenet is even faster, with speeds of up to 5 Mbit/s. But according to Forrester spokesman Godell too much attention is being paid to surfing speeds. The only applications that currently benefit from this are the illegal downloading of films and music, says Godell.

Flemish Entrepreneurs satisfied with Flemish Government:

According to the Flemish employers' organisation VOKA, the socio-economic policy of the Flemish Government is on the right track. The knowledge centre of VOKA laid the economic achievements of the Flemish Government out on a scoreboard and concluded that the Leterme team fulfils its policy intentions and responds to the complaints of the business world. After one year in power the Flemish Government has already completed around 56% of its preparatory policy work and 27% of the implementing work. As the legislative period is five working years, that is a decent result, says Managing Director Philippe Muylers. The Flemish Government scores most points on the scoreboard for education, innovation, efficiency and employment. VOKA is very happy, for example, with the plans to reassess technical education, set up an Innovation Fund, and install an on-line Entrepreneur Office (ondernemingsloket) and cut taxes by 200 euros for those in employment. The Flemish Government has dropped as regards enterprise in the welfare sector. The employers' organisation gives the Flemish Government just two out of ten, because private firms hardly figure in the care sector. "If we have expertise in something, we must do something with it," they said. "Those sorts of ideas meet with resistance, however. Private care homes, for example, do not receive the same subsidies as public ones." Elsewhere too, co-operation between the Government and the private sector is difficult, says VOKA. Deurne airport is listed as a problem case. "We note that public-private co-operation remains difficult in practice," said one of the presenters of the scoreboard. Co-operation with the Brussels Region, despite being important to attract large companies, also scores below par.

Unique Entrepreneur office for Flemish Government services under development:

If everything is in place, from 1 January 2006 Flemish entrepreneurs can go to a single office for all questions to the Flemish Government. For applications, subsidies and licences they can then go to their provincial entrepreneur office. In that Front Office everything will be dealt with for them and they will no longer have to find their way through the maze of Flemish government services. The person behind the initiative is Flemish Economic Affairs Minister Fientje Moerman (VLD). The concept is in place, as well as the name of the new structure. It is the VLAO, the Flemish Entrepreneurship Agency (Vlaams Agentschap Ondernemen). There is already such a unique entrepreneur office at federal level. The Kruispuntbank van Ondernemingen (KBO). The crossroads database of enterprises is a register that stores all the basic details of enterprises and their branches. It is an inter-departmental project by the Federal services of Economic Affairs, Administrative Simplification, Finances, Justice and Social Security. The KBO literally forms a crossroads, as it were, of data on undertakings. The VLAO will be a similar services, but for Flemish government services. The integration of the Federal and Flemish Entrepreneur Offices is the next logical step. For research and innovation credits, Flemish entrepreneurs currently have to go knocking at the doors of the Institute for the Promotion of Innovation by Science and Technology in Flanders (Innovatie door Wetenschap en Technologie, IWT); for initial assistance and general information to the GOMs (Regional Development Authorities); for commercial advice to VIZO (the Flemish Institute for Independent Entrepreneurship); for investment aid to Dienst Investeren Vlaanderen (Foreign Investment Office); for information and assistance on exports to Export Vlaanderen (Foreign Trade Office); for general subsidies to the Economic Affairs administration; for energy problems and disputes to the Energy administration; for all kinds of licences to the Environmental and Town Planning administrations, etc. Some of these services are being reformed over the coming months, some merged, while others are disappearing. But the Flemish entrepreneur will no longer have to bother with any of these, because all these services are being combined in the "unique entrepreneur office", one per province, which will provide information, help and follow up dossiers. What Economic Affairs Minister Fientje Moerman (VLD) now has on paper is the vision. She has seven months to convert that to decrees, to reform services, abolish the GOMs, integrate the staff of these services and make arrangements with employers' organisations.

B. ECONOMY & COMMERCE

“Tax Shelter”: a profitable way for the audiovisual sector to invest in Belgium:

More film production companies could come to Belgium following the introduction of a tax exemption regime for the audiovisual sector, which came into force in June under the new “tax shelter” law. Companies that invest in Belgian films and other audiovisual productions can deduct 150 percent of their investment from taxable profit. The new rules are intended to attract new potential investors, and so do not apply to existing audiovisual companies or TV producers. Compared to the 2002 law the 2004 law on tax shelter is simplified in order to attract more foreign investors. Since the beginning of this year the Movie Stream Group has already collected €2.5 million in tax shelter from private companies of which 1.5 million were invested in Belgian film productions. In addition to this initiative, Brussels will open in September this year its own film bureau which will address requests for film shoots in public spaces as well as in private interiors. Brussels’ film bureau will be based at the Grand Place and it will be the interface between producers and filmmakers seeking authorization to shoot films and property owners as well as local authorities.

Steady growth in the ICT sector in Belgium

According to an inquiry by Agoria (the Multisector Federation of the Technology Industry) in 2004, the information and communication technology -ICT- sector in Belgium should increase by 5 % by the end of the year 2005. Agoria's recent inquiry shows that since the beginning of 2004 the ICT sector has been expanding rapidly. By December 2004 it had increased by 4% which in terms of turn over represents 31.8 billion € and an added value of 11.1 billion. ICT sector is now expected to grow at 5% based on the turnover the ICT companies have already registered in the first quarter of the year. This growth is possible due to telecom and components manufacturers who have raised their sales respectively by 7% and 5%. The ICT sector represents 2.4% of Belgium employment and 4.3% of the GDP.

Clearwire: A new IT company in Brussels:

Specialist as Internet service provider, Clearwire, which is already present in the North American market, has opened its first European office in Brussels on the 10th May 2005. Belgium, which has one of the highest Internet penetration rates in the world, is the first country in Europe where a Clearwire network has been deployed. Clearwire provides Internet service allowing a high-speed broadband Internet connection without using any cord or cable. It also gives its clients access to internet within the actual network, when moving throughout Brussels. Faster, simpler and with competitive price Clearwire is expected to bring a new vision to the Belgian Internet market.

Media Markt opens its largest Belgian store:

Media Markt, the German-based retailer of household appliances and computers as well as hi-fi, photography and telecom products, has opened its largest store to date in Belgium. Employing 90 staff and with parking for up to a thousand cars, the new store in Sint-Pieters-Leeuw is also the only Media Markt in the Belgian chain to offer a separate "wellness" division with goods for fitness and healthcare.

Knight Vinke begins legal action against Electrabel and Suez:

The American institutional investor Knight Vinke Asset Management, (KVAM), which invested 60 million euros in the Belgian electricity producer and French parent holding Suez, is starting legal proceedings before Brussels Commercial Court to ascertain how much damage Electrabel has suffered since Suez gained a 50.1% control of the company. KVAM wants to improve the inefficient structure of both companies, at any cost. Managing Director Eric Knight believes both Suez and Electrabel are seriously undervalued. He is therefore asking for an independent expert to be appointed to examine whether Suez's policy has prejudiced Electrabel and its minority shareholders. Electrabel is pretty much the only utilities company in the world not to make use of borrowed capital, according to a study of the hundred biggest utilities companies quoted on the stock exchange carried out by Knight Vinke. "Because the Belgian electricity producer holds too many cash resources, the return on its equity capital is less than what the regulator allows. If Electrabel were to attract outside capital, an exceptional dividend could be paid. That is also the case with sister company Fluxys (gas distribution) and the mixed intermunicipal companies in which Electrabel and the Belgian municipalities are involved," explained Eric Knight, Managing Director of Knight Vinke Asset Management (KVAM), to several dozen mayors and aldermen. Electrabel uses some of its surplus cash resources to grant loans to Suez, which is saddled with debts. Knight

wonders whether Electrabel should be acting as a bank for its parent company: “Could Electrabel not make better use of its cash resources and lending capacity to invest in core activities?” The international energy division of Suez, the former Tractebel, is growing outside Europe much faster than Electrabel. KVAM wants to know whether Suez Electrabel is explicitly or implicitly prohibiting investment outside Europe. Knight Vinke also wants to examine the influence of Suez on the resignation of Managing Director Willy Bosmans and Suez’s spying on Electrabel.

Danish transport firm invests in growth:

DFDS Transport, a Flanders-based subsidiary of the Danish company J.L. Fondet, is to expand its operation in Rekkem, Flanders, through the addition of 14 new loading and discharge bays, the company has announced. The 1.25 million euro investment will also include expanding current office space. The Rekkem operation is a cross-docking one with no storage involved and the unit serves France, Portugal, Spain, Ireland, Switzerland, the UK and Austria. All other European destinations are served by the company’s other facility at Boom, Flanders, which has 30 loading and discharging bays.

Lanxess confirms 20m euro investment:

The German-based chemicals company Lanxess, a spin-off from Bayer, has confirmed it is to make investments of some 20 million euro in its Antwerp facilities, notably Lanxess Rubber. Some 7.6 million euro will be invested in raising capacity to an annual 130,000 tons at the company’s synthetic rubber plant, with a further 8.5 million euro going into environmental measures. An additional 2.9 million euro is earmarked for raising capacity at the company’s fiber glass plant.

King Transport signs Chinese distribution deal:

King Transport of Flanders has signed a three-year contract with the Shanghai-based Henghailian International Trading Co. for the storage and distribution of a million kilograms (50 containers) of prawns per year, the online Truck & Business news service reports. King Transport, a specialist in fresh and deep-frozen products, will use two facilities in Belgium, including a bonded facility at Hoeselt in Flanders, to carry out its tasks of storage and preparation and distribution of orders.

Business angels invest in new and growing firms:

The Business Angels’ Network in Flanders, BAN Vlaanderen, has supported 13 new businesses to the tune of some 1.5 million euro in capital over the past 12 months, according to online news reports. Launched last year from the merger of four different business angel networks, BAN Vlaanderen now totals 75 business angels with a further four or five joining each month this year. The network has financial support from the Flanders Government. In addition to investing in promising start-ups and fast-growing businesses, the business angels’ expertise and experience in business is also made available to the selected firms.

French-Belgian Dexia Eyes Acquisitions in Bulgaria:

Foreign banks' interest in Turkey continues. Following Paribas and Fortis, now one of the leading European finance institutions, a Belgium-France partnership, Dexia, is reported to be preparing for the purchase of a bank in Turkey. Dexia Bank Belgium President Axel Miller speaking to Belgian newspaper De Tijd said they are looking for banks to purchase in Turkey, Bulgaria, and Romania. Reportedly, Dexia will apply in the upcoming months for banking permission in these countries.

IMEC announces 12% revenue rise:

IMEC, a world-leading independent research center in nanoelectronics and nanotechnology, has closed its 20th anniversary year with a rise of more than 12% in self-generated income for 2004. With this income of about 125 million euro added to a grant from the Government of Flanders, the organization's total budget is now 159 million euro, the highest in 20 years. Revenue from contract research was generated through work with local industries (24.14%), international business (62.23%), European Commission projects (11.53%), the European Space Agency ESA (3.08%) and the local government (0.01%). IMEC's research focuses on the next generations of chips and systems, and on the enabling technologies for ambient intelligence. Headquartered at Leuven in Belgium, IMEC has representatives in the US, China and Japan, and a staff of more than 1,300.

Ghent produces more than half of Volvo's output:

Volvo Cars in Ghent, Flanders, is now producing more than half of Volvo cars manufactured around the world and last year saw production rise by more than 50%, the company has announced. Following major investments over the past few years, two new models were introduced at the plant last year. Production for 2005 is expected to reach 270,000 cars and yet another model, the C30, will be added to the facility's output at the end of 2006. The C30, a compact sports coupe, will be built on the same production platform as the S40 and V50, although production of the V70 will then return to Sweden, a company spokesman stated. A new 40 million euro investment will prepare the way for the model.

Friesland Foods invests in new cold store:

Friesland Foods Professional is investing 2.5 million euro in a new cold-storage logistics center at its site near Lummen in Flanders. The center, which will be ready in three months and is aimed at speeding up service to clients, will be of 33,000 cubic meters with place for 10,000 pallets representing 500 products. Friesland Foods Professional has been active at the Lummen site since the 1970s and delivers cream-based products to the professional market.

C. EUROPEAN UNION

Eurozone inflation eases to 2.0 pct in May:

Eurozone inflation eased in May to 2.0 per cent from 2.1 per cent in April, the European Union's Eurostat statistics agency estimated on Tuesday. The figure, if it is confirmed by final figures, would mean that the inflation in the eurozone is spot on the European Central Bank's target. The estimate was in-line with private economists' forecasts for a rate of 2.0 per cent.

Peter Mandelson speaks on Chinese Textiles imports and Liberalisation of Trade in Services with Arab Countries

European Union Trade Commissioner Peter Mandelson has expressed his opposition to restoring quotas on Chinese textile imports and called for liberalising trade services with Arab countries. Mandelson was speaking at the World Economic Forum meeting on the Jordanian shores of the Dead Sea a day after China announced measures to limit its booming textile exports to head off a simmering trade dispute. Facing the threat of EU limits on Chinese textiles imports, Beijing announced it would raise export tariffs on 74 categories of textile products from June 1. "The EU does not want to restore import quotas on clothing and textiles that were abolished from the start of this year but seeks agreement with Beijing on ensuring a slower transition to open markets," Mandelson said. "The transition has to be managed. We have to make it smooth. It is not a question of restoring quotas," he said in a panel discussion at the forum, according to a statement released by the organisers of the meeting. Mandelson also said he hoped to get a green light from the 25-member EU to open negotiations with Arab countries to liberalise trade in services. "Services are an area of tremendous potential for you," he said to an audience which included Egyptian Trade and Economy Minister Rashid Rashid and his United Arab Emirates counterpart Sheikha Lubna al-Qasimi. "With liberalisation your current trade in services could be two or three times more," Mandelson said. The EU has partnership agreements with eight Arab countries, the Palestinian Authority and Israel as part of the so-called Barcelona Process launched in 1995 to strengthen relations. "I believe in the Barcelona Process and in the EU looking southwards to its neighbours in the Mediterranean and (Arab) Gulf regions. I believe we have a great future together and I want to make this happen," Mandelson said.

Luxembourgers and Britons earn the most:

Salaries in Luxembourg and the UK are the highest in the EU, according to figures from Eurosta which show average annual earnings varying widely across the EU. Average annual earnings in industry and services were 26 800 euro in 2002 in the European Union of 25 members. Highest annual average earnings were in the United Kingdom (36 200 euro), Luxembourg (35 000 euro), Germany (34 600 euro), Ireland (30 800 euro), Sweden (30 200 euro) and the Netherlands (30 100 euro), and the lowest in Latvia (3 200 euro), Lithuania (3 600 euro), Estonia (4 400 euro) and Slovakia (5 000 euro). However, annual earnings for those Member States outside the eurozone are affected by the exchange rate of their national currency against the euro in 2002. In addition, earnings in euro do not reflect differences in employees' purchasing power, because they do not take into account differences in price levels between the Member States. In terms of Purchasing Power Standards (PPS), average 2002 annual earnings were highest in Luxembourg (34 200 PPS), Germany (33 500 PPS) and the United Kingdom (31 500 PPS) and lowest in Latvia (6 400 PPS), Lithuania (7 300 PPS) and Estonia (8 500 PPS). The comparison of earnings in PPS shows a much smaller gap between Member States than the comparison in euro. While the ratio between the Member States with the highest and lowest earnings in euro was more than ten to one, the ratio for earnings in PPS was five to one. Annual average earnings for women were about three quarters those for men (21 400 euro compared to 29 900 euro). The relative differences were greatest in the United Kingdom, Denmark and Cyprus; where on average annual earnings for women were more than 30% lower than for men. The smallest differences were recorded in Slovenia, Hungary, Poland, Lithuania, Belgium, Sweden and Finland, where earnings for women were less than 20% lower than for men.

European Union's investment bank opens first regional offices in Africa:

The European Investment Bank (EIB) on Monday opened regional offices in Kenya, its first working premises in sub-Saharan Africa since its creation in 1958, the bank announced in a statement. The inauguration of the Kenyan offices to cover east and central Africa will be followed by similar moves in Senegalese capital Dakar for the West African region and South African capital Pretoria for Southern Africa and Indian Ocean regions. "The new representation office underlines the EIB's commitment as the European Union's development financing institution to supporting economic development in Africa under the Cotonou Agreement," the bank's President Philippe Maystadt said in the statement released in Nairobi. Under the Cotonou deal, signed in 2000 by European Union (EU) and Africa, Caribbean and Pacific (ACP) nations, the total financial aid available to ACP amounts to 15 billion euros (18.7 billion dollars) for 2002-2006, of which 11.3 billion euros (14.1 billion dollars) is grant aid from the EU member states. Of the cash, two billion is managed by the EIB under the investment facility and up to 1.7 billion euros (2.1 billion dollars) is in the form of loans from the EIB's own resources, the statement said. The EIB, which was established in 1958, finances capital investment projects that further the EU's policy objectives and participates in the implementation of the bloc's co-operation policy towards third world countries that have co-operation or association.

Cohesion policy could boost EU GDP by 10 percent:

The European Union's cohesion policy, which distributes EU funding to help boost Europe's poorer regions, is expected to have an even greater impact from 2007. This will reflect a sharper focus on growth and jobs, as well as a greater concentration of funds on areas with high potential for catch-up. Following the presentation of the Community Strategic Guidelines, Anuta Huebner, EU Commissioner for Regional Policy, said: "Against a backdrop of slow growth in the European economy as a whole, it is all the more important to ensure that every single one of the EU's 254 regions realises its full potential. Through investments in areas like infrastructure, innovation and skills, EU-funded programmes are helping both to raise economic growth potential and to ease bottlenecks that might otherwise choke off recovery. Improving the geographical balance of economic development will in itself contribute to achieving the Union's aims of higher growth and more jobs." The EU's cohesion policy allocates more than a third of the EU Budget to reducing gaps in development and wealth disparities between European regions. The policy helps lagging regions to catch up, to restructure declining industrial regions, diversify the economies of rural areas with declining agriculture and revitalise declining neighborhoods in the cities. It sets job creation as its primary concern. Ms. Huebner said EU funds are heavily targeted at regions where the potential for catch-up is high and where strategic investments can help to break down structural barriers to development. EU-funded programmes also focus on themes such as infrastructure, innovative capacity and human capital, which offer a high social return on public investments. The Structural and Cohesion funds amount to less than 0.5 per cent of EU GDP. However, the Commission says they make up a "much larger share of investment". Resources are heavily concentrated on the least prosperous regions, where growth potential is highest but public funds may be lacking. In these areas, EU funds can account for up to one-fifth of total investment, and an even larger share of public investment. Under the Commission's proposal for cohesion policy from 2007, nearly 79 per cent of the budget would go to regions where GDP per head is below 75 per cent of the EU-25 average (in purchasing power terms). Regional GDP per head varies by a factor of almost ten to one in the enlarged EU: from 315 per cent of the EU average in Inner London (UK) to 32 per cent in Lubelskie

(Poland). The Commission believes progress in less prosperous areas will be essential if the EU economy as a whole is to become more competitive and dynamic. Over the period 2000 to 2006, transfers from the Structural Funds, Cohesion Fund and pre-accession instruments amount to around EUR 265 billion. For the 2007-2013 periods, the Commission proposes a budget of EUR 336.1 billion for the 25 EU Member States plus Bulgaria and Romania.

D. TRADE ENQUIRIES:

During the month, the Commercial Section received 75 trade enquiries. Appropriate action was taken on each of them.

E. TENDERS:

During the month, the Commercial Section received 5 tender notices. These were widely publicized among the Chambers of Commerce and relevant Trade Associations in Belgium and Luxembourg.

F. TRADE FAIRS:

During the month, information relating to two trade fairs taking place in India was received. These were widely publicized among the Chambers of Commerce and relevant Trade Associations in Belgium and Luxembourg.

G. BILATERAL TRADE:

India-Belgium Trade:

Figures in Thousand Euro

Product	Jan-Mar 04	Jan-Mar 05	% change	% share
India's exports	544360	668981	22.9	34.7
India's imports	1193607	1261395	5.7	65.3
Total trade	1737967	1930376		

Major items of Indian exports to Belgium:

Figures in Thousand Euro

Product	Jan-Mar 04	Jan-Mar 05	% change	% share
Natural/cultured pearls, Precious stones and metals	340188	348275	2.4	52.1
Iron and steel	11292	106163	840.2	15.9
Articles of apparel and clothing acc, not knitted or crocheted	24099	25038	3.9	3.7
Articles of apparel and clothing acc, knitted or crocheted	24965	22232	-10.9	3.3
Organic chemicals	11431	15017	31.4	2.2
Fishery products	14385	11984	-16.7	1.8
Electrical machinery and	10638	10395	-2.3	1.6

equipment and parts thereof				
Man-made staple fibres	9389	9222	-1.8	1.4
Plastics and plastic products	2119	9084	328.6	1.4
Other made up textile articles	8612	8582	-0.4	1.3

Major items of Indian imports from Belgium:

Figures in Thousand Euro

Product	Jan-Mar 04	Jan-Mar 05	% change	% share
Natural/cultured pearls, Precious stones and metals	1054201	1086860	3.1	86.2
Boilers, machinery and mechanical appliances	31270	48550	55.3	3.8
Iron and steel	10872	40941	276.6	3.2
Organic chemicals	11997	16096	34.2	1.3
Plastics and plastic products	12012	10586	-11.9	0.8
Pharmaceutical products	15709	5903	-62.4	0.5%
Photographic or cinematographic products	2762	5740	107.8	0.5
Electrical machinery and equipment and parts thereof	7809	4265	-45.4	0.3
Copper and articles thereof	3341	4000	19.7	0.3
Miscellaneous chemical products	4246	3540	-16.6	0.3

India-Luxembourg Trade:

Figures in Thousand Euro

Product	Jan-Mar 04	Jan-Mar 05	% change	% share
India's exports	3309	2707	-18.2	54.3
India's imports	1647	2281	38.5	45.7
Total trade	4956	4988		

Major items of Indian exports to Luxembourg:

Figures in Thousand Euro

Product	Jan-Mar 04	Jan-Mar 05	% change	% share
Man-made filaments	1627	1383	-15.0	51.1
Articles of iron or steel	751	231	-69.3	8.5
Electrical machinery and equipment and parts thereof	140	224	60.0	8.3
Plastics and plastic products	75	163	115.7	6.0
Boilers, machinery and mechanical appliances	199	129	-35.1	4.8
Tanning or dyeing extracts, dyes and pigments	79	103	30.2	3.8
Glass and glassware	62	82	32.2	3.0
Articles of apparel & clothing acc, not knitted or crocheted	50	68	36.4	2.5
Misc. chemical products	12	59	400.3	2.2
Articles of apparel & clothing acc, knitted or crocheted	61	45	-26.7	1.7

Major items of Indian imports from Luxembourg:

Product	Figures in Thousand Euro			
	Jan-Mar 04	Jan-Mar 05	% change	% share
Boilers, machinery and mechanical appliances	1231	1866	51.6	81.8
Articles of iron or steel	11	166	1352.4	7.3
Copper and articles thereof	14	59	315.2	2.6
Other base metals, cermets and articles thereof	34	16	-52.0	0.7
Plastics and plastic products	17	9	-47.9	0.4
Optical, photographic, cinematographic & measuring equipment	54	7	-87.4	0.3
Electrical machinery and equipment and parts thereof	27	5	-82.6	0.2

Trade/Investment Enquiries:**TOTAL OF ENQUIRIES FOR THE MONTH OF MAY – 75**

Silk	3
Yarns & textiles/leather	4
Misc. Garments/Embroidery Garments	4
Miscellaneous Handicrafts/Home furnishing	4
Imitation Jewelleries/silver items/gems	3
Knitwear	3
Frames in Metals	1
Lubricants (Automotives)	1
Pumps & pumping equipment	2
Precision brass	1
Aluminum Foils	1
Pipes & Tubes	1
Misc. Chemicals	2
Seeds, buds, Plantation & Related Products	3
Herbal Products	3
Agro Products	3
Processed Food	2
Food Grains (rice, split lentils, whole pulses)	3
Polypropylene	2
Metal & Metal products (ferrous-non-ferrous)	2
Bicycles	1
Automobile Accessories	2
Medical & Surgical Inst.	2
Stainless Steel	1
Minerals, Ores & Refractory	1
Hand tools & Equipment	2
Scraps & Steel	2
Rubber products/Polypropylene Mats	2

Metal Scraps	2
Oil & Petroleum	1
Coir Mats & other Natural Floor Covering	2
Pharmaceutical formulations, both Allopathic & ayurvedic	2
Asthma inhalers	1
Industrial materials	2
Scientific Instruments/goods	3
Medical disposables	1

**Dissemination of Information on Tenders
(During May)**

1	OIL AND NATURAL GAS CORPORATION LIMITED Mumbai	1
2	AMUNITION FACTORY, KHADKI, PUNE, India	1
3	GOVERNMENT OF INDIA MINISTRY OF DEFENCE Indian Ordnance Factories Pune	3

**Dissemination of information on Fairs in India
(During May)**

SL No.	NAME OF FAIR	DATE OF EVENT	PLACE OF EVENT
1	ELECRAMA-2006, the 7th International exhibition of Electrical and Industrial Electronics Industry	18th to 22nd Jan 2006	Bombay Exhibition Centre, NESCO Ltd., Goregaon, Mumbai, India
2	6th International Trade on Minerals, Metals and Metallurgy & Materials 2006	11th to 14th Sep 2006	Pragati Maidan, New Delhi

Siddharth
Adviser (Comm. & TD)

Distribution: As per standard list

Also available in the Reports section of the Mission's website www.indembassy.be/reports.