

# Territorial NEWSLETTER CIS Countries

**EEPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



India and the Eurasian Economic Union (EAEU) have decided to start negotiation on a Free Trade Agreement (FTA) covering goods, services and investments. India and the EAEU had decided to set up a Joint Feasibility Study Group (JFSG) on the India-EAEU FTA in 2015. This report prepared by JFSG was finalised and accepted by India and governments of the individual EAEU countries, following which negotiations on the FTA would be launched. Both sides are very keen to complete the official talk and make the FTA operational at the earliest possible. Armenia joined EAEU nearly three years back and its trade and investment scenario have developed since then. Joining of new members will be beneficial for India as it will be able to trade freely

with more number of countries once the FTA comes into force. This will significantly enhance India's trade and investments with the CIS nations in the medium-to-long term.

I believe this newsletter will help our member exporters to take informed decision to set up or expand their businesses in the CIS region.

Tarvinder Singh Bhasin

## Committee on Trade with CIS Countries - Chairman's Note



We have completed two years of our publication of newsletter on the CIS region. In this issue, we have discussed the development of Armenia after joining the Eurasian Economic Union (EAEU) way back in 2015. It was impressive that Armenia's exports to EAEU nations has increased noticeably without hampering exports to other regions. India will soon start negotiating an FTA with EAEU and inclusion of more nations will certainly help India to increase its trade and investments.

Trend of Indian engineering exports to CIS region for Apr - Aug of fiscal 2017-18 is also analysed in this newsletter from both country-wise and DGCI&S panel-wise perspectives. Other sections include News section, upcoming events in the concerned regions and tenders.

I believe this newsletter will be beneficial for our member exporters to and help them in understanding the emerging opportunities in the CIS region.

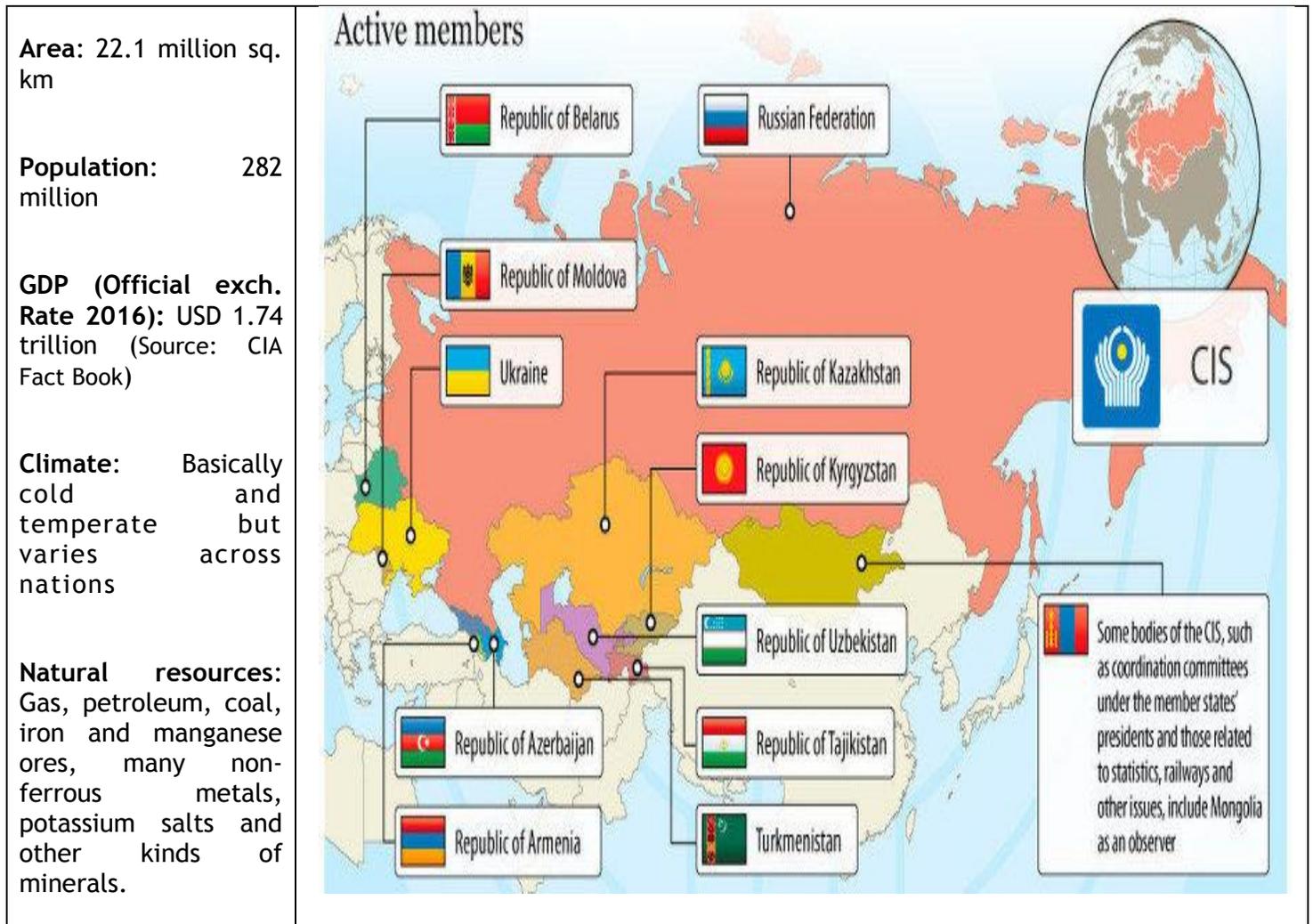
Aman Chadha

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## Basic Facts: CIS



## Armenia sees Turnaround in Economic Activities after Joining EAEU

Armenia joined the Eurasian Economic Union (EAEU or EEU) one day after the formation of EAEU on 1st Jan 2015 to become its fourth member state. A round-table discussion in Yerevan, the capital of Armenia has come up with an analytical evaluation of two years of Armenia's membership in the European-Asian Economic Union. Now as per media report, Armenia's economic resource has increased and prices of its imported goods dropped after joining the EAEU.

As per a report of "ARMENPRESS", Investment volumes from the EAEU member states, especially Russia to Armenia have increased substantially. Exports from Armenia to those nations have also increased sizably without hampering Armenia's exports to other nations across the world. Mrs. Naira Karapetyan, Head of the EAEU and External Trade Department at the Ministry of Economic Development and Investments, provided some statistics in favour of the argument in an interview with the AMENPRESS.

A Russian official Sergey Glazyev, the Russian president's advisor on regional economic integration, in an interaction with RFE/RL's Armenian service (Azatutyun.am) in Yerevan also insisted that joining EAEU as a member nation would be very much beneficial for Armenian economy.

Glazyev argued that by being part of the EAEU Armenia was in a position to attract foreign investors interested in tariff-free access to the vast Russian market. Armenia has according to him, a unique relationships in the world. He also stated that the competitive advantages enjoyed by Armenian business circles in various countries of the world is now well recognized and roots will be more open for the Armenian entrepreneurs to widen their businesses across the globe. On the other hand, Armenia could well be considered a very well-known point of entry into the Eurasian market for international investors.

Although, some of the macroeconomic indicators of Armenia have worsened in the last two years, Armenian officials as well as the Russian official opined that things would have been worsened had Armenia not joined the EAEU. The Russian official Glazyev said that the Russian Central Bank's tight monetary policy was primarily to blame for the recent economic downturn in Russia which had adversely affected Armenia and other CIS member states including EAEU members.

However, economist forecast that Russia and the CIS region have seen the bottom of economic downturn and the revival phase has already started. The region has seen a good turnaround in economic growth during the second quarter of 2017.

India and the EAEU are on their way to negotiate a Free Trade Agreement between them. Now, manufacturers of Armenia are well-known in the high-tech industry. Therefore, inclusion of a country like Armenia may be beneficial for India if the said FTA comes into force.

Source: <https://armenpress.am>  
<https://www.azatutyun.am>

## Trend Analysis of India's Engineering Export to CIS

The following table described the exports of Indian engineering products to top five importers from the CIS region during August 2017 as well as during April - August 2017-18 (Value of Exports measured in USD Million):

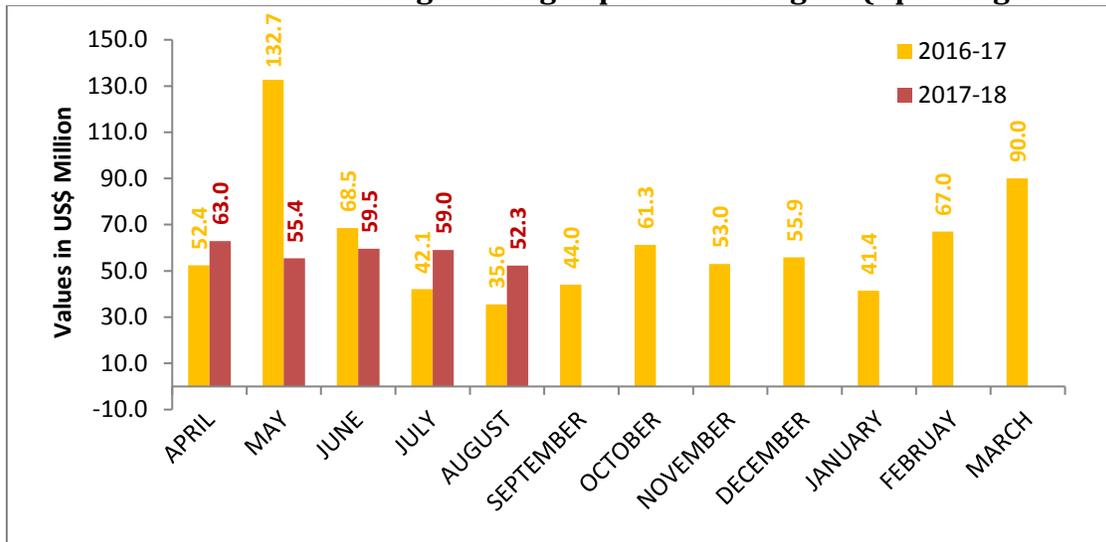
Country	Export in Aug 2016	Export in Aug 2017	Growth (%)	Exports in Apr-Aug 2016-17	Exports in Apr-Aug 2017-18	Growth (%)
<b>RUSSIA</b>	23.97	38.88	62.22	258.49	240.21	-7.07
<b>UKRAINE</b>	4.01	5.09	27.10	19.66	27.71	40.93
<b>UZBEKISTAN</b>	1.29	3.58	176.35	9.57	18.72	95.60
<b>KAZAKHSTAN</b>	0.68	1.49	118.77	6.59	7.94	20.58
<b>AZERBAIJAN</b>	0.28	0.93	230.59	2.51	5.52	119.95

Indian engineering exports to CIS recorded robust year-on-year growth for the second straight month to August 2017 and this time, the growth is even higher at 47.1% as against 40.2% recorded in July 2017. Russia, the largest importer of Indian engineering products among the CIS nations witnessed 62.2% growth in imports during Aug 2017 demanding nearly three-fourth of the total exports to CIS. Second highest importer Ukraine also achieved 27.1% year-on-year growth during the same month. After several months, all of the top-5 importers of Indian engineering products achieved year-on-year growth during Aug 2017 but five

among the bottom-seven conceded decline in year-on-year engineering imports from India during the month.

Cumulative engineering exports to CIS continued to decline during the first five months of fiscal 2017-18 but this time the rate of decline slowed down to 6.7% from 20.1% recorded during the first four months of the current fiscal. Russia was the trend setter in CIS region as all top-five nations other than Russia witnessed growth in imports during Apr - Aug 2017-18. Out of the 12 CIS nations, 5 recorded year-on-year decline in cumulative imports during the reporting period.

**Month-wise Trend in Engineering Export to CIS region (Apr - Aug 2017-18)**



Source: DGCIS Data, EEPC Research

### Panel-wise trend in engineering exports to CIS during Apr - Aug 2017-18

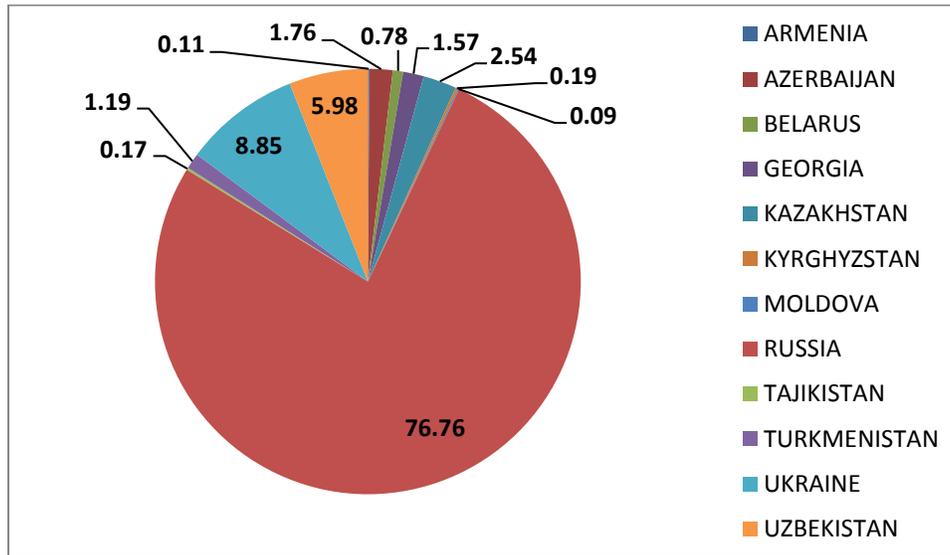
Top 10 panels exported to CIS during April - August 2017-18 are listed below (Value of Exports measured in USD Million).

Panel	Export in Aug 2016	Export in Aug 2017	Growth (%)	Exports in Apr-Aug 2016-17	Exports in Apr-Aug 2017-18	Growth (%)
Aircrafts, Spacecrafts and Parts	1.85	1.71	-7.91	48.68	44.61	-8.36
Auto Components/Parts	6.48	9.93	53.13	31.12	42.20	35.60
Iron and Steel	4.67	5.66	21.18	23.27	39.16	68.30
Industrial Machinery	2.99	4.84	62.23	19.21	30.17	57.02
Other Construction Machinery	1.52	3.77	148.29	7.53	19.94	164.73
Machinery for ATMs	1.59	2.80	75.84	12.43	15.36	23.53
Electric Machinery and Equipments	1.14	3.42	199.20	14.63	14.67	0.27
Products of Iron & Steel	3.22	2.74	-14.86	16.26	13.60	-16.36
Nuclear Reactors, Industrial Boilers and Parts	2.26	0.51	-77.57	5.57	12.96	132.70
Medical and Scientific Instruments	2.55	1.91	-25.19	10.17	10.72	5.43

'Aircrafts, Spacecrafts and Parts' replaced 'Iron & Steel' to become the top engineering product group exported by India to CIS region during Apr - Aug 2017-18 despite conceding 8.36% decline in exports over the

same period last year. 'Auto components/parts' was the second highest exporting engineering product to CIS during Apr - Aug 2017-18 with a handsome 35.6% rise in year-on-year exports. 'Iron and Steel' dropped to third place but achieved an impressive 68.3% growth in exports to CIS during the same time period. 2 out of the top 10 exported product-panels conceded negative export growth on a cumulative basis during the first five months of 2017-18 while among all the 33 products panels comes under engineering, 8 experienced declines in exports to CIS during the months concerned.

### India's engineering Exports to CIS: Country-wise Share (%) during April - August 2017-18



Source: DGCIS Data, EEPC Research

### Major Importers of Indian Engineering Products in the CIS Region during April - August 2017-18

#### Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 76.76% of India's engineering exports to CIS during Apr - Aug 2017-18

Top exported product: Aircraft, spacecrafts and Parts; Iron & Steel; Auto components and parts; Other construction machinery.

#### Ukraine:

Ukraine is the immediate follower of Russia but with a much lower share at 8.85% during the first five months of 2017-18.

Top exported products: Iron & Steel; Aluminium & products; Products of Iron and Steel; Industrial machinery; Hand tools & cutting tools etc.

### Anti-dumping measures

**Measure Imposed by Russia against India:** Among all engineering products, Russian Federation has imposed 'Anti-dumping measure' on imports of Graphite Electrodes (HS Code - 854511) from India from 26 Jan 2013.

**Measure taken by India:** The following table shows anti-dumping investigation initiated by India against CIS member nations in relation to engineering products.

Country Affected	Measure	Product Description	HS Code	Initiation
Russia	Anti-dumping	Hot rolled flat products of alloy or non-alloy steel in coils of a width up to 2100mm and thickness up to 25mm and Hot rolled flat products of alloy or non-alloy steel not in coils of a width up to 4950mm and thickness up to 150mm	7208 7211 7225 7226	11/04/2016
Ukraine	Anti-dumping	Cold rolled/cold reduced flat steel products of iron or non-alloy steel or other alloy steel, of all widths and thickness, not clad, plated or coated	7209 7211 7225 7226	19/04/2016

Source: <http://i-tip.wto.org/goods/Forms/TableViewDetails.aspx?mode=modify>

However, no Anti-dumping measure is in force at present against Russian Federation or Ukraine.

## CIS-India – Information Guide

Among the CIS nations, India has a strong economic relation with Russia and these two nations are now considering an FTA.

The INDIA-CIS Chamber of Commerce and Industry, established in 1986 with the objective of promoting, developing and extending commerce, trade and industry between India and CIS countries, serves as an important platform for information in CIS countries. This Chamber provides a dynamic institutional link for the promotion of Commercial, Economic & Cultural relations between India and CIS countries.

The activities of the chamber include

- Arranging buyers / sellers meeting,
- Conducting Conferences, Seminars, Trade Missions, in-bound Delegations, workshops,
- Organizing and participating in trade fair and exhibition
- Solving complicated export problems by setting expert committee
- Searching New Market, New Horizon for manufacturers and exporters
- Visa assistance

The website address of the chamber is given below:

<http://www.indiacis.in/index.html>

## Upcoming exhibitions in CIS Countries

Events	Date	Venue	Link
INTERNATIONAL TRADE FAIR EUROBUILD EXPO - 2017	7-Nov-2017 to 9-Nov-2017	International Exhibition Centre Kiev / Ukraine	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/INTERNATIONALTRADE_54721">https://www.jetro.go.jp/j-messe/tradefair_en/INTERNATIONALTRADE_54721</a>
ENERGY EFFICIENCY. RENEWABLE ENERGY - 2017	7-Nov-2017 to 9-Nov-2017	International Exhibition Centre Kiev / Ukraine	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/ENERGYEFFICIENCY_54724">https://www.jetro.go.jp/j-messe/tradefair_en/ENERGYEFFICIENCY_54724</a>

<b>MITEX 2017 - Moscow International Tool Expo</b>	7-Nov-2017 to 10-Nov-2017	Expocentre Fairgrounds, Moscow, Russia.	<a href="https://www.ietro.go.jp/j-messe/tradefair_en/MITEX2017_55750">https://www.ietro.go.jp/j-messe/tradefair_en/MITEX2017_55750</a>
<b>AUTOMATION 2017</b>	21-Nov-2017 to 23-Nov-2017	Saint Petersburg Sports and Concert Complex, Russia	<a href="https://www.ietro.go.jp/j-messe/tradefair_en/Automation2017_55302">https://www.ietro.go.jp/j-messe/tradefair_en/Automation2017_55302</a>

## News in Focus

### Dubai Chamber eyes Latin America, India and CIS to boost trade

The Dubai Chamber of Commerce and Industry is aiming to capitalise on economic growth in emerging markets, with plans to open representative offices there to boost trade ties. The Chamber said it is planning to explore what it describes as “untapped business potential” in markets across Asia, Latin America, Africa, and the CIS region.

**Link:** <http://gulfnews.com/business/economy/dubai-chamber-eyes-latin-america-india-to-boost-trade-1.2080406>

### Azerbaijan, Uzbekistan played role of bridge between East, West

Azerbaijan and Uzbekistan have played the role of a bridge between the East and the West, the two countries also have served to the integration of science and culture in the Muslim world, said Professor Isa Habibbayli, PhD, vice president of Azerbaijan’s National Academy of Sciences (ANAS).

**Link:** <https://cis.einnews.com/article/401231850/kcMzgadkGvhSgKTL?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=8>

### Defense ministries of Azerbaijan, Belarus sign co-op plan for 2018

Defense ministries of Azerbaijan and Belarus signed a plan of bilateral cooperation for 2018. Azerbaijan’s Defense Ministry told Trend Oct. 9 that the document was signed following a meeting between Azerbaijani Defense Minister Colonel General Zakir Hasanov, who is on a visit in Belarus, and his Belarusian counterpart Lieutenant General Andrei Ravkov.

**Link:** <https://en.trend.az/azerbaijan/politics/2805749.html>

### Despite War, Ukraine And Russia’s Economic Ties Continue

Two interesting stories about Ukraine’s economic ties to Russia came to light this week. First, it emerged that the Ukrainian State Railroad Company had purchased \$500,000 worth of spare parts from Russia. Second, a Polish official revealed that his country had bought coal mined in the occupied territories in eastern Ukraine. This suggests that, despite the ongoing de facto war between the two countries, and Russia’s trade war with Ukraine, economic ties between Russia and Ukraine continue – as do covert ties between the occupied Donbas and Europe.

**Link:** <https://en.hromadske.ua/posts/despite-war-ukraine-and-russias-economic-ties-continue>

## Tender Information in CIS

### Prior information Notices

Location	Title	Deadline
Russian Federation	Supply Of Medical Equipment Estimated Cost: RUB 5,561,450	25-Oct-2017
Russian Federation	Services In The Ordinary (routine) Maintenance And Repair Of Other Motor Vehicles, Other Than Repair Services For Electrical Equipment And Bodies Estimated Cost: RUB 19,000,000	26-Oct-2017
Russian Federation	Modernization Of The Quarterly Boiler Room In The Village. Omsukchan: Manufacturing, Installation Of Non-standard Equipment Of Hot-water Boiler Kv-4 No. 9 Estimated Cost: RUB 9,662,392	25-Oct-2017
Kazakhstan	Valve brass, Passing, Nominal Diameter 15 Mm, Nominal Pressure 1.6 Mpa	26-Oct-2017

For more contract notices, Please register with Tenderinfo and follow the link: <http://www.tendersinfo.com> and search for CIS.

#### EEPC India CIS Territorial Newsletter

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