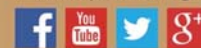


# Territorial NEWSLETTER CIS Countries

**EPCINDIA**  
ENGINEERING THE FUTURE

Vanijya Bhavan (1st Floor)  
International Trade Facilitation  
Centre (ITFC)  
1/1 Wood Street,  
Kolkata - 700016  
www.eepcindia.org



Issue XXVIII: December 2017

## Chairman's Pen



India's Merchandise trade with the CIS region mostly revolves around a single country, Russia. Although, several attempts have been made to strengthen the trade and investment relation with other member nations of CIS like Ukraine, Uzbekistan, Kazakhstan etc, much progress has not been seen yet on the back of economic uncertainty in these nations for the last few years accompanied by other impediments to trade like logistic problem, stringency in customs regulation in CIS nations etc. Policy makers and business entities are probably waiting for the FTA between India and the Eurasian Economic Union to mature that will surely take the India-CIS bilateral relation to a new high.

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



With nearly 80 percent share in India's total engineering imports to the CIS region, Russia is the country that attracts the attention of Indian think-thanks on adopting the strategy or framing the policy for developing bilateral relation with this region. Despite having substantial opportunity for a stronger and wider relation with some other nations of this region, some derogatory factors are there that are restricting trade. Indo-Russian relation have seen a new horizon in 2017 due to initiatives taken by govt. of both the nations and we expect the same to develop further in the years ahead and stand on a strong foundation.

The newsletter also includes brief analysis of Indian engineering exports to the countries of the CIS region during Apr - Dec of fiscal 2017-18 from both country-wise and DGCI&S panel-wise perspectives. Other sections include News section, upcoming events in the CIS regions and tenders.

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

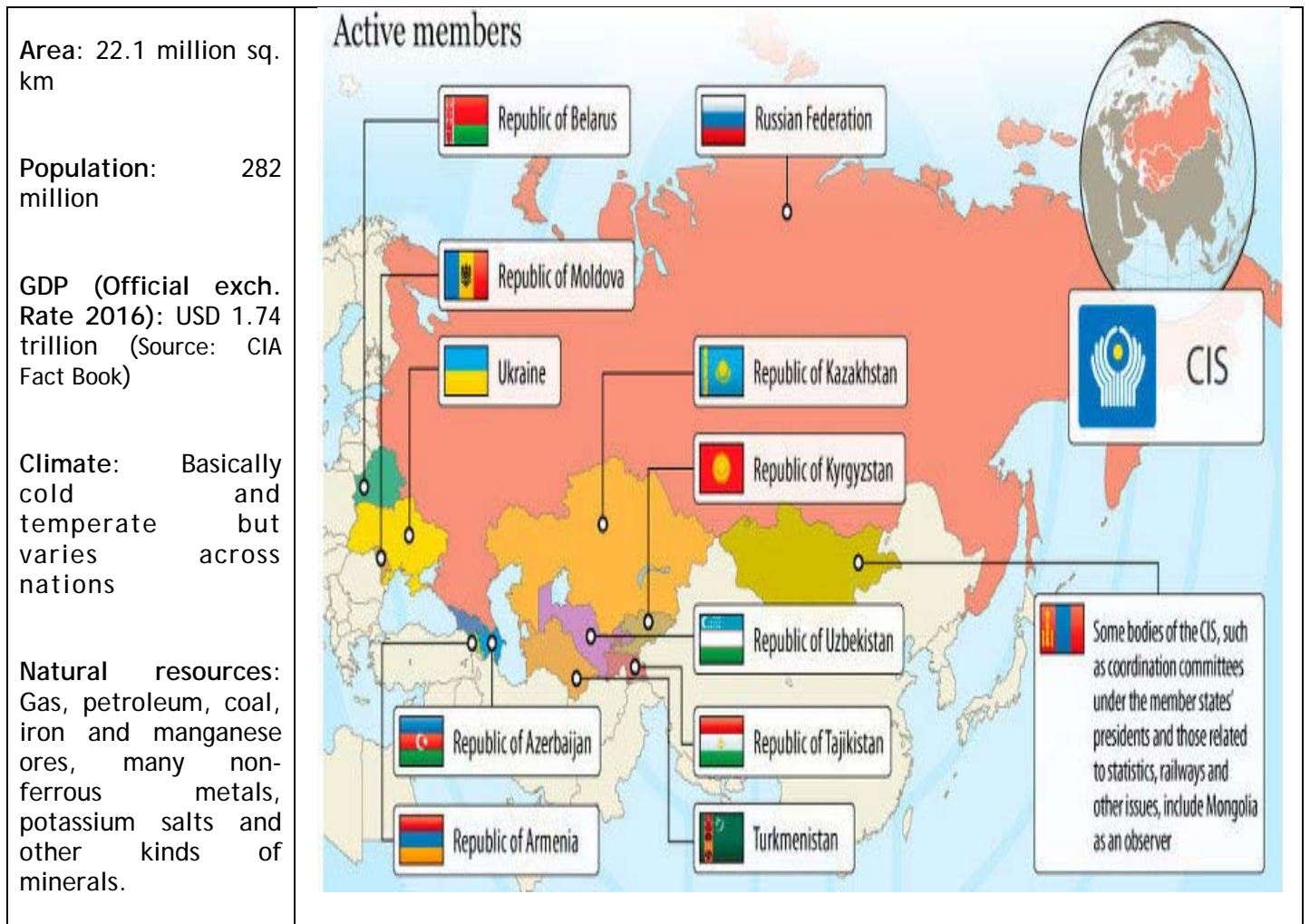
Aman Chadha

## Basic Facts: CIS

Territorial  
NEWSLETTER – CIS Countries

**EPCINDIA**  
ENGINEERING THE FUTURE  
www.eepcindia.org





### After a Promising 2017, How far the Indo-Russian Relationship Will Improve in 2018?

The Russian-Indian partnership has experienced an upward trend in the recent past. Russian President Vladimir Putin and Indian Prime Minister Narendra Modi enjoy cordial relations, meet regularly, hold telephone conversations, and seek ways to boost further bilateral trade.

Year 2017 was a breakthrough in bilateral relations for Moscow and New Delhi. Both nations experienced impressive 22 percent growth in bilateral trade and boosted cooperation in a number of spheres ranging from agriculture to energy to pharmaceuticals. Earlier, Russia's largest oil producer, Rosneft, closed a US\$12.9 billion purchase of India's second largest private oil refiner, Essar Oil, which marked one of the biggest foreign investments in India.

The two countries seek stronger ties in the defence sector. Russia keeps its competitive edge and remains the largest supplier of weapons to the Indian market. Both nations signed an inter-governmental agreement for the purchase of the S-400 Triumf advanced Air Defense Systems (NATO: SA-21 Growler) estimated at US\$4.5 billion. Moscow and New Delhi also agreed on the import of Kamov Ka 226T light utility helicopters and collaboration in manufacturing of four Admiral Grigorovich-class guided-missile stealth frigates. Growing trade and new defense contracts combined with the personal friendship between Putin and Modi facilitate an impression of strategic bilateral relations.

However, shift in geopolitical dynamics driven by the rise of China, international sanctions against Russia and stagnation in the Russian economy point to imminent changes for India-Russia relations in the coming years.

Currently the geopolitical realities in the Eurasian region are changing again keeping two major economic powers India and China at the centre of it. The new setting prescribes the need to revise previous formats of interactions and seek diversification in foreign policy. If Moscow shows its growing dependence on Beijing, India's relationship with Russia may be impacted.

However, both the nations have immense scope to improve their relationship further. Despite augmenting trade volumes, Russia's exports to India are barely 2 percent of India's total imports and India's share in Russian global import is also not substantial at all. This left significant opportunity for both the nations to strengthen their bilateral trade ties. For enhancing the bilateral investment relation, leaders of both the nations seems to be quite energetic to identify potential sectors of investments into each others' nation.

What has made us more optimistic about a more inclusive Indo-Russian relationship is the outcomes of the last session of India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) held in New Delhi on 23<sup>rd</sup> December 2017 where both the sides have considered the progress on issues concerning the most significant aspects of bilateral economic cooperation such as trade, economy, investment, industry, energy, transport, agriculture and space. The two leaders also agreed on some action points that include:

- Raising the level of the Joint Working Group on Trade and Economic Cooperation to that of Deputy Minister level
- Creating a mechanism to discuss and remove any barriers to trade.
- Creation of a Working Group on Agriculture.
- Creation of a Working Group on Pharmaceuticals.
- Agreement to actively promote inter-regional cooperation, which has a significant untapped potential for cooperation.
- The decision to expedite implementation of the Green Corridor for the exchange of pre-arrival data between Customs Administrations of the two countries.

A discussion on Free Trade Area is ongoing between India and the Eurasian Economic Union (EAEU), to which Russia is the lead-member. Successful implementation of the said FTA will be a major step to boost the Indo-Russian Trade and Investment relation substantially.

Source:

- Part of the write up has been taken from an article entitled "The Coming India-Russia Split" by Dmitriy Frolovskiy, a Moscow-based political analyst and writer, published in 'The Diplomat' with the following Link: <https://thediplomat.com/2018/01/the-coming-india-russia-split/>
- <http://valdaiclub.com/a/highlights/good-year-for-india-russia-ties/>

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

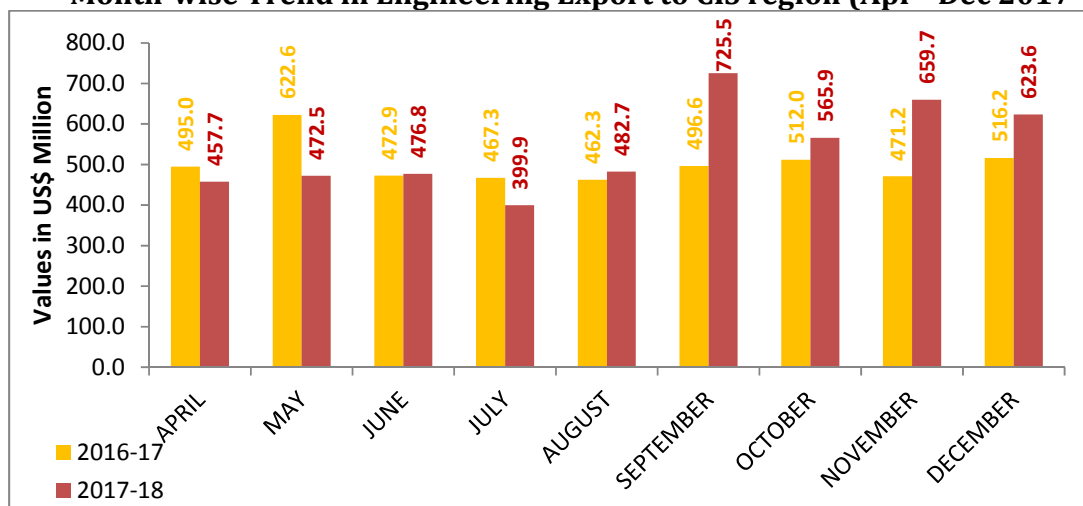
The following table described the exports of Indian engineering products to top five importers from the CIS region during November 2017 as well as during April - December 2017-18 (Value of Exports measured in USD Million):

| Country    | Export in Dec 2016 | Export in Dec 2017 | Growth (%) | Exports in Apr-Dec 2016-17 | Exports in Apr-Dec 2017-18 | Growth (%) |
|------------|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| RUSSIA     | 41.24              | 48.48              | 17.58      | 413.05                     | 470.41                     | 13.89      |
| UKRAINE    | 4.86               | 6.69               | 37.59      | 45.79                      | 58.89                      | 28.61      |
| UZBEKISTAN | 2.41               | 4.83               | 100.11     | 19.14                      | 37.56                      | 96.23      |
| KAZAKHSTAN | 0.82               | 1.17               | 42.93      | 11.17                      | 11.54                      | 3.31       |
| AZERBAIJAN | 4.56               | 0.36               | -92.09     | 11.03                      | 10.43                      | -5.47      |

Indian engineering exports to CIS continued to grow for the sixth straight month to Dec 2017 on a year-on-year basis but growth decelerated noticeably to 15.5% as against 54% in Nov 2017 and 29.8% in Oct 2017. The paces of growth were 63.5% in Sep 2017, 47.1% in Aug 2017 and 40.2% in Jul 2017. Russia, the largest importer of Indian engineering products among the CIS nations witnessed only 17.6% growth in engineering import from India as against 41.6% in Nov, 63.7% in Oct 2017 and 80.1% in Sep 2017. Second highest importer Ukraine also conceded substantial decline in the pace of year-on-year growth in Dec 2017 but exports to Uzbekistan doubled in the month concerned. Out of the top-5 CIS importers of Indian engineering products, only Azerbaijan conceded year-on-year decline in engineering imports from India during Dec 2017 while 3 of the 12 CIS nations faced the same.

Cumulative engineering exports to CIS continued to see year-on-year increase during the first nine months of fiscal 2017-18 and with an accelerating pace of 11.1% in comparison to 10.6% during the first eight months on a cumulative basis. Leading exporter Russia led the pack with 13.9% growth. Engineering exports to Ukraine went up by 28.6% during this time period and that to Uzbekistan nearly doubled to that of the previous fiscal during Apr - Dec 2017-18. Out of 12 CIS nations, 4 recorded year-on-year decline in imports from India during this time period.

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



Source: DGCIS Data, EEPC Research

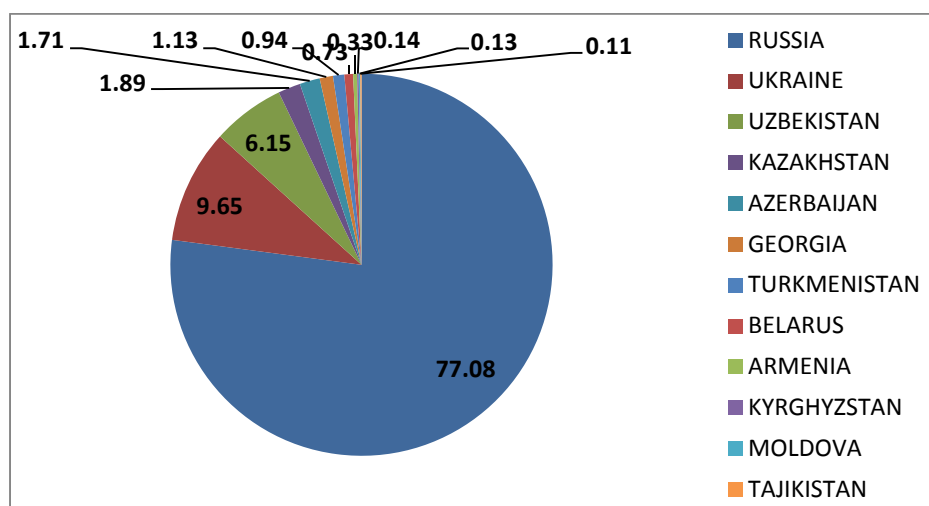
Panel-wise trend in engineering exports to CIS during Apr - Dec 2017-18

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

| Panel                             | Export in Dec 2016 | Export in Dec 2017 | Growth (%) | Exports in Apr-Dec 2016-17 | Exports in Apr-Dec 2017-18 | Growth (%) |
|-----------------------------------|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| Aircrafts Spacecrafts & parts     | 12.95              | 10.02              | -22.63     | 94.09                      | 104.05                     | 10.59      |
| Auto Components/Parts             | 7.59               | 9.86               | 29.95      | 56.95                      | 80.26                      | 40.92      |
| Iron and Steel                    | 6.19               | 6.21               | 0.33       | 46.04                      | 70.98                      | 54.16      |
| Industrial Machinery              | 4.56               | 6.93               | 51.96      | 36.20                      | 57.32                      | 58.34      |
| Electric Machinery and Equipments | 1.00               | 3.86               | 285.80     | 23.85                      | 39.24                      | 64.54      |
| Other Construction Machinery      | 3.46               | 3.98               | 15.00      | 19.22                      | 33.36                      | 73.55      |
| Machinery for ATMs                | 1.80               | 4.18               | 132.61     | 22.25                      | 29.74                      | 33.67      |
| IC Engines and Parts              | 1.23               | 1.85               | 50.77      | 124.56                     | 25.97                      | -79.15     |
| Products of Iron & Steel          | 3.93               | 3.69               | -6.19      | 27.69                      | 23.94                      | -13.55     |

'Aircrafts, Spacecrafts and Parts' continued to top the roster of engineering product group exported by India to CIS region during Apr - Dec of 2017-18 but with a slowdown in the year-on-year rate of growth at 10.6% as against 17.3% during Apr - Nov and 27.66% during Apr - Oct 2017-18. 'Auto components/parts' was the second highest exporting engineering product to CIS during Apr - Dec 2017-18 with 40.9% increase in year-on-year exports. 'Iron and Steel' dropped to third place in this fiscal but achieved an impressive 54.2% growth in exports to CIS during the same time period. However, 'IC Engines and Parts' and 'Products of Iron and Steel' conceded decline in export on a cumulative basis during the first nine months of 2017-18 out of the top 10 exported product panels. Out of the 33 product groups, 8 witnessed declines in exports to CIS during the period concerned.

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



Source: DGCIS Data, EEPC Research

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

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 77.1% of India's engineering exports to CIS during Apr - Dec 2017-18

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

**Ukraine:**

Ukraine is the immediate follower of Russia but with a much lower share at 9.7% during the same time period.

Top exported products: Iron & Steel; Electric Machinery; Products of Iron and Steel; Aluminium & products; Hand tools & cutting tools.

**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<br>7211<br>7225<br>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<br>7211<br>7225<br>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  |
|-------------------------------------|---------------------|---|---|
| AUTOWORLD 2018                      | April 11 - 15, 2018 | Petersburg Sports and Concert Complex<br>Yuriya Gagarina prosp., 8<br>St. Petersburg, Russia            | <a href="https://www.eventseye.com/fairs/f-autoworld-5483-1.html">https://www.eventseye.com/fairs/f-autoworld-5483-1.html</a>   |
| ELECTROTECHNOEX PO 2018             | April 16 - 19, 2018 | Expocentr' Krasnaya Presnya Fairgrounds<br>14, Krasnopresnenskaya naberezhnaya<br>Moscow 123100, Russia | <a href="https://www.eventseye.com/fairs/f-electrotechnoexpo-673-1.html">https://www.eventseye.com/fairs/f-electrotechnoexpo-673-1.html</a>                             |
| KYIV TECHNICAL FAIR 2018            | April 03 - 05, 2018 | Kiev International Exhibition Center<br>15, Brovarsky Ave<br>Kyiv, Ukraine                              | <a href="https://www.eventseye.com/fairs/f-kyiv-technical-fair-23068-1.html">https://www.eventseye.com/fairs/f-kyiv-technical-fair-23068-1.html</a>                     |
| GREENEXPO / ALTERNATIVE ENERGY 2018 | April 17 - 20, 2018 | KievExpoPlaza Exhibition Center<br>Salyutna str., 2B<br>Kiev, 04111, Ukraine                            | <a href="https://www.eventseye.com/fairs/f-greenexpo-alternative-energy-14910-1.html">https://www.eventseye.com/fairs/f-greenexpo-alternative-energy-14910-1.html</a>   |
| METALWORKING. TOOLS. PLASTICS 2018  | April 03 - 05, 2018 | Kiev International Exhibition Center<br>15, Brovarsky Ave<br>Kyiv, Ukraine                              | <a href="https://www.eventseye.com/fairs/f-metalworking.-tools.-plastics-23069-1.html">https://www.eventseye.com/fairs/f-metalworking.-tools.-plastics-23069-1.html</a> |
| MECHANICAL ENGINEERING MINSK 2018   | April 10 - 13, 2018 | Minsk-Arena<br>pr-t Pobediteley 111<br>Minsk, Belarus   | <a href="https://www.eventseye.com/fairs/f-mechanical-engineering-minsk-16419-1.html">https://www.eventseye.com/fairs/f-mechanical-engineering-minsk-16419-1.html</a>   |

## News in Focus

### Afghanistan losing interest in trade links with Pakistan

Afghan authorities appear to have lost interest in pushing forward any trade related agreements with Pakistan with the alternative route via Iran close to being finalised.

Link: <https://tribune.com.pk/story/1088955/in-disarray-afghanistan-losing-interest-in-trade-links-with-pakistan/>

### Moldova's Foreign Trade Rose Sharply in 2017

The volume of Moldova's foreign trade increased by almost 20 per cent in 2017, with both imports and exports increasing, according to the National Institute of Statistics. Last year, the former Soviet republic exported goods worth 2.42 billion US dollars - 18.6 per cent more than in 2016.

Link: <http://cis.einnews.com/article/432447049?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=4>

### Three Years after Joining the EAEU: What's Been the Impact on Armenia's Economy?

Debates started in Armenia, following the September 2013 announcement made by President Sargsyan, as to how beneficial a move this would be for Armenia. The debate rages just as intensely today.

Link: <http://cis.einnews.com/article/430671510?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=5>

### Georgia's Foreign Trade Turnover Increased by 13.8% in 2017

Georgia's foreign trade turnover increased by 13.8% in 2017 y/y, reaching USD 10.7 billion, according to the preliminary figures released by the state statistics office, Geostat, on January 22.

Link: <http://cis.einnews.com/article/428223191?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=7>

## Tender Information in CIS

### Prior information Notices

| Location           | Title   | Deadline    |
|--------------------|---|-------------|
| Russian Federation | A Set Of Refrigeration And Commercial Equipment With Installation And Commissioning (department "fish")<br>Estimated Cost: RUB 6,454,296                          | 23-Mar-2018 |
| Russian Federation | Provision Of Services For Maintenance And Repair Of Vehicles For The Needs Of The Branch Of Fgbu "roslesinfor" "centrlesproekt"<br>Estimated Cost: RUB 3,031,841  | 22-Mar-2018 |
| Russian Federation | Complex Services In Maintenance Of Buildings; services For Maintenance Of Internal Engineering Networks And Equipment, Maintenance By Duty (plumber, Electrician) | 27-Mar-2018 |
| Georgia            | Parts And Accessories For Vehicles And Their Engines  | 19-Mar-2018 |

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

Contact: Rajarshi Sarma Sarkar

Email: [rsarkar@eepcindia.net](mailto:rsarkar@eepcindia.net)

Phone no: 033-22890651