

Territorial NEWSLETTER CIS Countries

EPCINDIA

ENGINEERING THE FUTURE

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Chairman's Pen



The Free Trade Agreement (FTA) between India and the Eurasian Economic Union (EAEU) has been proposed and negotiation on the FTA will be started from the beginning of the next year as per the government sources. This FTA will probably be the pillar of Indo - CIS Trade relationship in the future. It will definitely help India to strengthen the trade and investment relation with its 'all weather friend' Russia and also to penetrate the market of other Eurasian economies as well as the economies of CIS. Defense, Railways, Oil & Gas and Pharmaceuticals, among others have been identified as the key sectors for developing trade and investments relation between India and the Eurasia. The FTA will be negotiated at the right time

as merchandise trade between India and CIS has jumped significantly during the ongoing fiscal which is expected to be maintained on the back of possibilities of economic recovery by CIS nations.

I believe our member exporters will be benefited from this newsletter that in turn will help them to expand their exports in the CIS region.

Tarvinder Singh Bhasin

Committee on Trade with CIS Countries - Chairman's Note



The eleventh issue of our newsletter on CIS has been published. In this issue, we have discussed the progress of FTA between India and EAEU that is considered as a milestone of the trade and investment relationship between these two economic regions. Finalization of this FTA, the discussion on which will begin on early-2017, will eliminate several obstacles to trade and help India to tap the Eurasian market in a much better way.

An analysis of India's engineering exports to CIS region for June 2016 has also been included in the newsletter focusing on major export destinations and major engineering panels. Other regular sections like news, information on exhibitions and tenders are basically informative in nature.

I believe this newsletter will be helpful for our member exporters to take more informed business decisions.

Aman Chadha

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Basic Facts: CIS

Area: 22.1 million sq. km

Population: 282 million

GDP (Official exch. rate): USD 1.8 trillion (Source: CIA Fact book)

Climate: Basically cold and temperate but varies across nations

Natural resources: Gas, petroleum, coal, iron and manganese ores, many non-ferrous metals, potassium salts and other kinds of minerals.

FTA between Indian and the Eurasian Economic Union: The prospect

A Free Trade Agreement (FTA) has been proposed between India and the five-nation Eurasian Economic Union (EAEU) that could lead to greater access to markets and easier exchange of goods and services with more relaxation in trade. In this regard, New Delhi has already exchanged the first draft of the joint study group (JSG) report on the feasibility of such a pact with this five-nation bloc consisting of Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia.

The EAEU was established by the Treaty on the Eurasian Economic Union and came into force on 2nd January 2015. The Union was created to comprehensively upgrade, raise the competitiveness of and cooperation between the national economies, and to promote stable development in order to raise the living standards of the nations of the Member-States. It facilitates free movement of goods, services, capital and labor, pursues coordinated, harmonized and single policy in the sectors determined by the Treaty and international agreements within the Union.

Both Russia and India are very much keen towards finalizing this FTA as an important part of developing the trade and investment relation between them. The Russian Deputy Minister of Economic Development Mr. Alexander Tsybulski was very happy about the fact that the first consolidated edition of the draft report by the joint research group has already been tabled. The second such meeting is scheduled to be held by the end of 2016 to resolve outstanding issues and further discussions on draft conclusions and recommendations.

The India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation (IRIGC-TEC) met in New Delhi during mid-September 2016 to review the status of ongoing bilateral projects and further broaden strategic cooperation in the critical areas of trade and commerce, energy, space and high technology. Some important outcome emerged from the meeting like launching of an industry level Working Group- led by Gazprom, biggest Russian gas company, and a consortium of Indian oil and gas companies- for creating an 'energy bridge' between the two countries through possible gas pipelines for direct gas delivery from Russia to India.

Connectivity was a major theme of discussion during the meeting of the Commission. Implementation of the International North South Transport Corridor (INSTC) project and the launch of the 'Green Corridor' project for customs facilitation are major steps towards better connectivity and trade facilitation. Cooperation between Indian and Russian railways in the field of dedicated freight corridor, modernization of railway stations, and training of railway personnel emerged as a new area to broaden cooperation in transports & logistics.

Key sectors identified to develop the cooperation between India and Russia are Civil aviation, Railways, Pharmaceuticals and Oil & Gas among others.

Trade Trend Analysis in the CIS

The top 5 CIS nations which had the highest demand for Indian engineering products during June 2016 are as follows: (Value of Exports measured in USD Million)

Country	Export in Jun 2015	Export in Jun 2016	Growth (%)	Exports in Apr-Jun 2015	Exports in Apr-Jun 2016	Growth (%)
RUSSIA	28.27	53.84	90.45	74.7	208.16	178.66
GEORGIA	1.04	2.15	106.73	3.63	13.78	279.61
UKRAINE	2.44	3.88	59.02	9.53	12.03	26.23
TURKMENISTAN	0.12	1.85	1441.67	1.28	7.37	475.78
UZBEKISTAN	0.86	2.5	190.70	8.48	5.67	-33.14

The time is probably changing for better as so far India's engineering exports to CIS is concerned. Cumulative engineering exports to CIS jumped by 144.6 percent during the first three months of fiscal 2016-17 to USD 257.46 million from USD 105.27 million during the same period last year. Topmost destination Russia also enjoyed 178.7 percent growth in imports of Indian engineering products during the period compared to dismal exports last fiscal. Georgia replaced Ukraine to come up to second place while Uzbekistan was the only country to see decline in cumulative exports among the top five CIS nations that pushed it two places down to fifth. Out of the 12 nations, four recorded negative growth in engineering imports from India during Apr - Jun 2016-17.

Panel-wise trend in engineering exports to CIS during June 2016

Top 10 panels exported to CIS during Jun 2016 are listed below (Value of Exports measured in USD Million)

Name of the Panel	Export in Jun 2015	Export in Jun 2016	Growth (%)	Exports in Apr-Jun 2015	Exports in Apr-Jun 2016	Growth (%)
IC Engines and Parts	0.66	11.60	1654.33	1.18	106.94	8945.36
Aircrafts & Spacecrafts	3.22	21.35	563.57	15.86	43.04	171.34
Auto Components/Parts	4.36	7.43	70.49	12.25	17.40	42.11
Iron and Steel	3.88	4.76	22.68	10.26	14.95	45.75
Electric Machinery and Equipment	3.93	3.27	-16.69	12.69	11.69	-7.86
Industrial Machinery	9.41	2.82	-70.02	19.40	11.33	-41.60
Products of Iron & Steel	0.82	3.12	279.03	5.83	8.97	53.95
Machinery for ATMs etc.	0.84	1.67	99.29	1.95	8.09	315.33
Air condition and Refrigeration Machinery etc.	0.53	2.75	419.77	1.07	6.01	462.12
Medical and Scientific Instruments	1.63	1.90	16.60	4.27	5.42	27.03

Panel wise trend for the first three months of the current fiscal was more or same as that of the previous month. Data for engineering products showed that exports of 'IC Engines and Parts' again recorded an

exorbitant growth in exports to CIS during June 2016 and continued to remain the top exported engineering product during Apr - Jun of the current fiscal. 'Aircrafts & Spacecrafts' was the immediate follower but with much lower exports. Auto components glided up to third position pushing down 'Iron & Steel' next to it. Among the top ten engineering product group exported to CIS region, 'Electrical Machinery and equipments' and 'Industrial Machinery' conceded declines in exports both on a monthly and cumulative basis. However, out of the 33 DGCI&S panels, eleven recorded negative growth in exports to CIS region.

Upcoming exhibitions in CIS Countries

Events	Date	Venue	Link
AQUA-THERM BAKU 2016	19 Oct - 22 Oct 2016	Heydar Aliyev Sports and Exhibition Complex Baku, Azerbaijan	http://www.eventseye.com/fairs/f-aqua-therm-baku-11321-1.html
ELCOMM CAUCASUS 2016	Nov 09 - Nov 11, 2016	Expo Georgia Exhibition Center Tbilisi, Georgia	http://www.eventseye.com/fairs/f-elcomm-caucasus-3155-1.html
BUDEXPO 2016	Oct 04 - Oct 07, 2016	Palace of Sport 'Spartak' Lviv, Ukraine	http://www.eventseye.com/fairs/f-budexpo-5670-1.html
LESDREVMASH 2016	Oct 24 - Oct 27, 2016	Expocentr' Krasnaya Moscow, Russia	http://www.eventseye.com/fairs/f-lesdrevmash-15049-1.html
Mashex Moscow	Oct 25 - Oct 27, 2016	Crocus Expo International Exhibition Centre, Moscow, Russia	https://www.jetro.go.jp/j-messe/tradefair_en/MashexMoscow_51072
Power Engineering for Industry - 2016	Nov 8 - Nov 10, 2016	International Exhibition Centre, Kiev, Ukraine	https://www.jetro.go.jp/j-messe/tradefair_en/PowerEngineering_49971

News in Focus

Germany's Eastern Policy: Focus on Ukraine

When a united Germany and a post-communist Poland signed their Treaty of Good Neighborly Relations and Friendly Cooperation 25 years ago, the geopolitical situation in Europe was still dominated by the East-West conflict.

Link: <http://cis.einnews.com/article/334983219/fXocx4ve6XxQZaRo>

Global steel production down 1.9% y/y in H1 of 2016

Global steel production was flat month-on-month at 136-million tonnes in June, but production for the six months ended June 30 was down 1.9% year-on-year at 794.8-million tonnes.

Link: http://cis.einnews.com/article/335996310/yhdBuOuPehW_dfce

Eastern Europeans, CIS Residents See Russia, U.S. as Threats

Amid continued talk of a "new Cold War," residents of Eastern Europe and the Commonwealth of Independent States (CIS) see Russia -- or the U.S. -- as the one country that poses the biggest threat to them.

Link: <http://cis.einnews.com/article/319699073/emgccu2N-sOFJIik>

Putin urges EU to join Eurasia partnership

Russian President Vladimir Putin on Friday called on the European Union (EU) to forget about political differences with Moscow and join the broader Eurasia partnership.

Link: <http://cis.einnews.com/article/331516107/RLkAKcyoAUSsFt4h>

Tender Information in CIS

Prior information Notices

Location	Title	Deadline
Belarus	Selection Of A General Contractor For Design And Survey Work On The Project: \"residential Building Efficiency On The Street. 1st Proletarian In Vitebsk \"	12-Oct-2016
Belarus	Purchase Of Engineering Services For The Complete Overhaul Of Inspection Objects	26-Sep-2016
Russian Federation	Development Of Design Estimates For The Device Mounted Facade Systems With Thermal Insulation Of The Walls At The Following Address: Moscow, Ul. dorozhnaya, 3, Building 3 And Ul. dorozhnaya, 3, Building 3, Page 2	29-Sep-2016
Armenia	Design Of The Heating System By Electric Convection Heaters And Provision Of The Electric Convection Heaters For The Un House, Yerevan, Armenia	25-Sep-2016
Georgia	Procurement Of Engineering Services	17-Oct-2016
Belarus	Development Of Complex Architectural Design Of Residential Buildings With Objects Of Engineering Infrastructure	17-Oct-2016

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

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