

# 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



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## Chairman's Pen



Despite having a long-standing and sustained relationship between India and Russia, the richest economy of the CIS region, trade with Russia has been lying far below the potential level. Though the fiscal 2016-17 realized some improvement in engineering trade but in the first three months ongoing fiscal, the trend has been reversed and India's engineering exports to Russia has declined by over 40%. This is quite worrisome. At this juncture, both the nations need to explore new areas of economic ties in order to enhance trade and investments. Russia or the erstwhile Soviet Union has been helping India on political and economic front since independence and both the nations signed a series of MoUs for boosting trade and cooperation.

Eliminating the obstacles to trade is really needed in order to enhance trade and deepen economic relations. The proposed FTA between India and the EAEU needs to be finalised at the earliest possible that would be a major drive towards substantial increase in trade.

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

Tarvinder Singh Bhasin

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



The twenty second issue of the Newsletter on CIS is published. It has been observed that India's engineering exports to CIS has declined in early months of 2017-18 which requires both the governments to identify new areas for trade and cooperation. Some lights on this issue has been thrown in this newsletter along with some suggestions on how to build more concrete economic ties between India and Russia. Analysis of India's engineering exports to CIS for Apr - Jun of fiscal 2017-18 has also been included in this issue 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 beneficial for our member exporters to and help them in understanding the emerging opportunities in the CIS region.

Aman Chadha

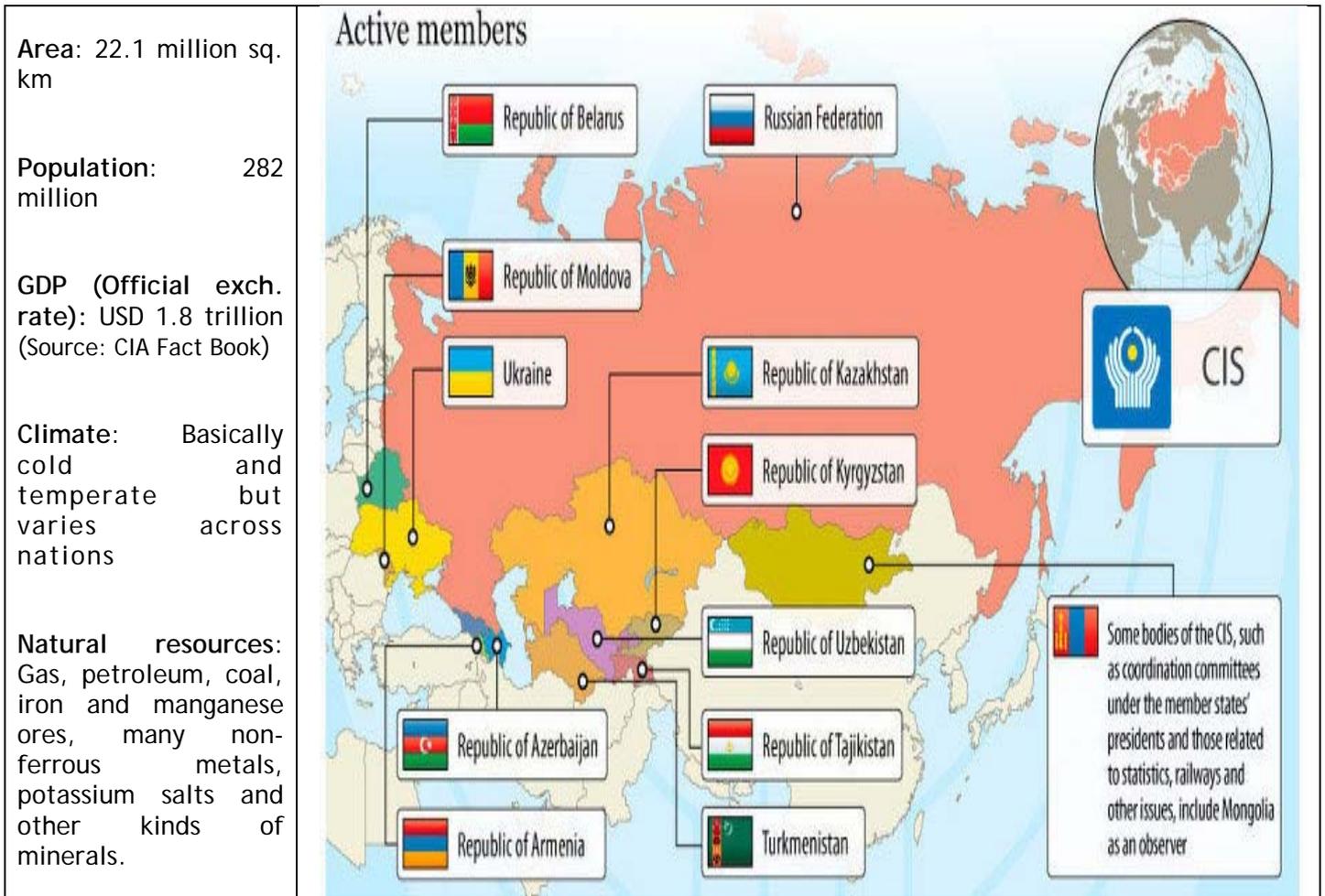
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## Basic Facts: CIS



## Time for Deeper Economic Cooperation between India and Russia

The long-standing relationship between India and Russia has stepped into 70 years. Russia's role has been instrumental in the industrialization and overall economic development of India. Long back, assistance from former Soviet Union helped India grow and attain economic self-reliance and since then Russia is termed as an 'All Weather Friend' of India.

Today, both India and Russia are economic powers and have a major role to play in the development of global economy. While both have diversified their foreign policy orientation to meet evolving global geopolitics, they continue to regard each other as special and privileged partners. The economic ties, however, remain the weak link in the relationship. While India and the erstwhile Soviet Union shared robust economic relations, India-Russia trade today lies below potential. It is now time for both sides to find new areas of cooperation and explore areas like medical supplies, agricultural produce, and information technology, among others, to enhance bilateral ties. Some areas have been emphasized below to make the Indo-Russian economic ties stronger in future.

- To reach the trade and investment targets mutually set by the state heads, both India and Russia should lead the initiative to finalise the Eurasian European Union Free Trade Agreement.

International North South Transport Corridor has become relevant in this context, as it would help to strengthen India's economic relations not only with Russia, but also with other nations of Eurasian region as well as countries in Central Asia.

- Export of petroleum from Russia is the need of the hour for India. Importing Liquefied Natural Gas (LNG) should be prioritised by the Indian govt. India under existing conditions that may carry great potential in furthering India-Russia energy ties.
- **Swap deals** are a very effective way to enhance cooperation between India and Russia. For example, Russia could export oil to Northern Iran and Iran could in turn deliver equal quantity of oil to India from its southern part. Another swap proposal includes Russia, China and Myanmar where Russia will supply gas to China and in return, China will give its share of gas from Myanmar to India. However, cooperation from third countries remains sensitive in this regard.
- Russia's active part in India's infrastructure development is a way to deepen the relationship. Several MoUs were signed in this regard.
- Information Technology is an important area that should be stressed for further developing economic ties. The Indian IT sector has emerged as a great success in the West and can contribute significantly in Russia too. This holds even greater significance in the current environment where Indian IT firms are facing a setback in the US.

Source: An article written by Researcher 'Himani Paul' entitled "India-Russia economic and energy cooperation: The way ahead" which has been published in the website of the Observer Research Foundation (ORF) at <http://www.orfonline.org/research/india-russia-economic-and-energy-cooperation-the-way-ahead/>

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

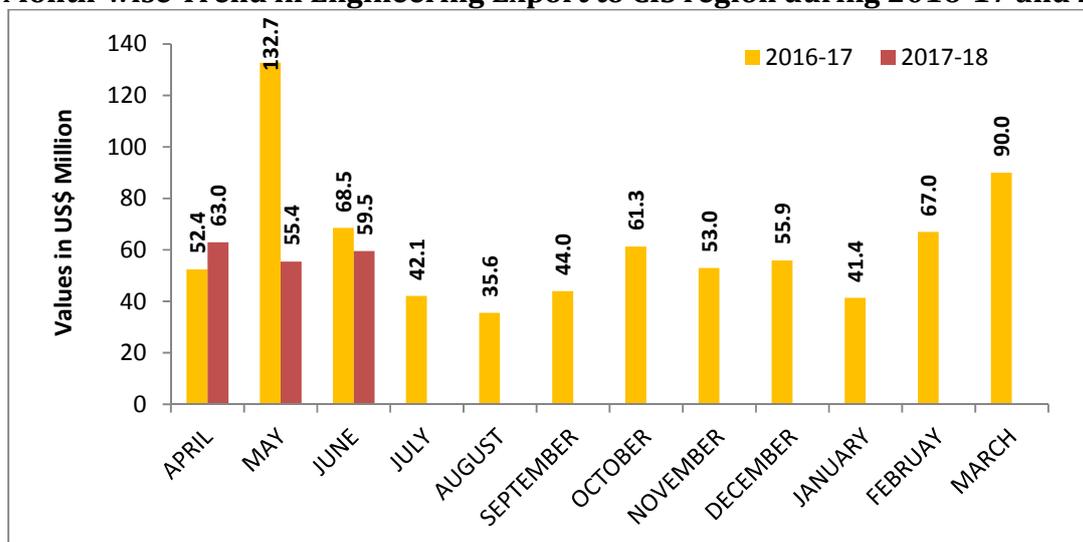
The top 5 CIS nations which had the highest demand for Indian engineering products during April - Jun 2017-18 are as follows (Value of Exports measured in USD Million):

Country	Export in Jun 2016	Export in Jun 2017	Growth (%)	Exports in Apr-Jun 2016-17	Exports in Apr-Jun 2017-18	Growth (%)
RUSSIA	53.81	42.49	-21.05	204.17	117.82	-42.30
UKRAINE	3.93	7.05	79.25	12.09	16.91	39.93
UZBEKISTAN	2.46	5.11	107.55	5.66	12.55	121.55
KAZAKHSTAN	2.58	1.55	-39.99	4.34	4.78	10.36
AZERBAIJAN	0.50	1.59	221.21	1.73	3.90	125.99

Decline in Indian engineering exports to CIS continued for the second straight month to June 2017 after recording a solid year-on-year growth in Apr 2017. Exports declined by 13% in June 2017 and by 35.5% during Apr - Jun 2017-18. Russia was the leading importer of Indian engineering products among the CIS nations with 72% share but import dropped by 21.5% in Jun 2017. However, the decline in June 2017 was much lower than 66.7% drop in May 2017. Second highest importer Ukraine achieved around 80% growth in imports of Indian engineering during Jun 2017 and around 40% during the first quarter of 2017-18. Kazakhstan was the other country among the top 5 that conceded a decline in engineering imports from India during Jun 2017 but it saw growth in imports on a cumulative basis in 2017-18. Among the top 5, Uzbekistan and Azerbaijan recorded growth in imports both on a monthly basis and on a cumulative basis. Eight out of 12 CIS nations recorded year-on-year decline in engineering imports from India during Jun 2017 while cumulative data

showed that 5 CIS nations witnessed lower year-on-year engineering imports from India during Apr - Jun 2017-18.

### Month-wise Trend in Engineering Export to CIS region during 2016-17 and 2017-18



Source: DGCIS Data, EEPIC Research

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

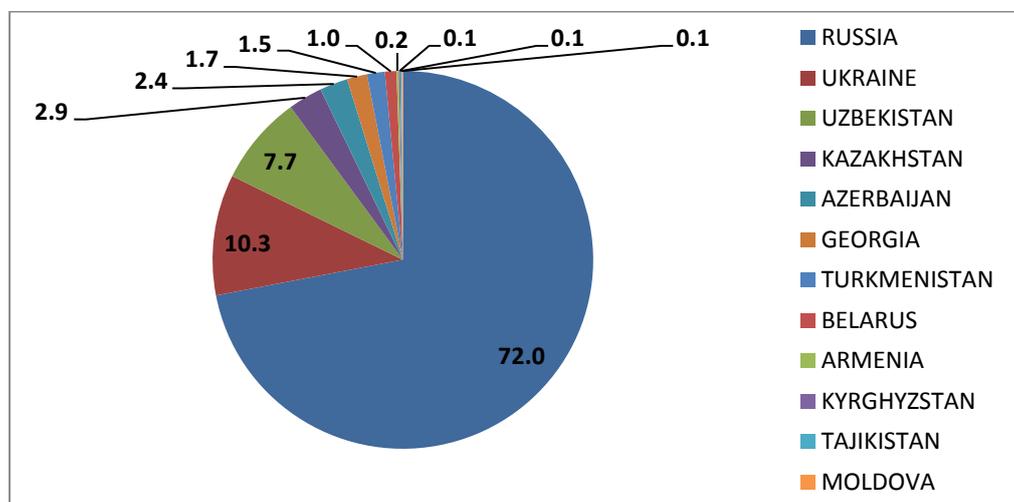
Top 10 panels exported to CIS during April - Jun 2017-18 are listed below (Value of Exports measured in USD Million).

Panel	Export in Jun 2016	Export in Jun 2017	Growth (%)	Exports in Apr-Jun 2016-17	Exports in Apr-Jun 2017-18	Growth (%)
Iron and Steel	4.74	8.20	73.17	14.95	26.43	76.78
Auto Components/Parts	7.43	8.71	17.23	17.40	23.30	33.87
Industrial Machinery	2.84	9.12	220.81	11.35	19.89	75.25
Other Construction Machinery	1.49	2.79	87.62	3.46	12.88	272.11
Electric Machinery and Equipments	3.27	3.70	13.30	11.64	9.40	-19.25
Aircrafts Spacecrafts and parts"	21.35	4.54	-78.74	39.10	9.05	-76.85
Products of Iron & Steel	3.11	3.84	23.71	8.93	8.25	-7.56
Machinery for ATMs	1.66	2.48	48.75	8.09	7.09	-12.38
Medical and Scientific Instruments	1.91	2.24	17.43	5.43	6.06	11.48
Hand Tools Cutting Tools	1.57	2.04	29.68	3.64	5.85	60.81

'Iron & Steel' continued to be the top engineering product group exported by India to CIS region with a 76.8% growth during Apr - Jun 2017-18 over the same period last year while the later conceded 96.1% decline during this time period. 'Auto components / parts' was the second highest exporting engineering product to CIS during Apr - Jun 2017-18 with around 34% rise in year-on-year exports. Four out of the top 10 exported product-panels conceded negative export growth on a cumulative basis during the first quarter of 2017-18.

Among all the 33 products panels comes under engineering, 15 experienced negative growths in exports to CIS during Apr - Jun 2017-18.

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



Source: DGCIS Data, EEPC Research

### Major Importers of Indian Engineering Products in the CIS Region during Apr - Jun 2017-18

#### Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 72% of India's engineering exports to CIS during Apr - Jun 2017-18

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

#### Ukraine:

Ukraine is the immediate follower of Russia but with a much lower share at 10.3% during the same time period.

Top exported products: Iron & Steel and products made of Iron and Steel, Industrial machinery, Aluminium & products, Auto components and parts etc.

### Anti-dumping measures

**Measure 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-	7208 7211 7225 7226	11/04/2016

		alloy steel not in coils of a width up to 4950mm and thickness up to 150mm		
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 and 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
BUDPRAGRES 2017	5-Sep-2017 to 8-Sep-2017	Minsk-Arena - Football Manege Sport Complex, pr-t Pobediteley 111 Minsk, Belarus	<a href="http://www.eventseye.com/fairs/f-budpragres-339-1.html">http://www.eventseye.com/fairs/f-budpragres-339-1.html</a>
MIMS - MOSCOW INTERNATIONAL MOTOR SHOW 2017	21-Aug-2017 to 24-Aug-2017	Expocentr' Krasnaya Presnya Fairgrounds 14, Krasnopresnenskaya naberezhnaya Moscow 123100, Russia	<a href="http://www.eventseye.com/fairs/f-mims-moscow-international-motor-show-207-1.html">http://www.eventseye.com/fairs/f-mims-moscow-international-motor-show-207-1.html</a>
Industrial Armenia EXPO - 2017	8 -Sep -2017 to 10 - Sep - 2017	"LOGOS" Expo-Center, Yerevan, Armenia.	<a href="http://www.exponet.ru/exhibitions/by-id/industrialer/industrialer2017/index.en.html">http://www.exponet.ru/exhibitions/by-id/industrialer/industrialer2017/index.en.html</a>
Metaltech Central Asia - 2017	20 - Sep - 2017 to 22 - Sep - 2017	Almaty, Kazakhstan	<a href="http://www.exponet.ru/exhibitions/by-id/metaltechal/metaltechal2017/index.en.html">http://www.exponet.ru/exhibitions/by-id/metaltechal/metaltechal2017/index.en.html</a>

## News in Focus

## 7th Meeting of BRICS Trade Ministers- Shanghai

The 7th Meeting of BRICS Trade Ministers was held in Shanghai from 1-2 August. A six-member delegation led by Commerce and Industry Minister Smt. Nirmala Sitharaman, along with Ambassador J.S. Deepak, PR to WTO participated in the meetings. Mr. Zhong Shan, Minister of Commerce from China, presided over the meetings. The other delegations were represented by Mr. Rob Davies, Minister of Trade and Industry (South Africa), Mr. Marcelo Maia Tavares de Araujo, Secretary of Commerce and Services of Ministry of Industry (Brazil) and Mr Maxim Oreshkin, Minister of Economic Development (Russia).

Link: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=169426>

## Security and economic development are a priority for the CIS

Ensuring the security and economic development of the CIS member countries is a priority for the integration association. This was stated by the Chairman of the Executive Committee - CIS Executive Secretary Sergey Lebedev, who took part in the meeting of the Council of Permanent Plenipotentiary Representatives of the CIS member states under the statutory and other bodies of the Commonwealth, BelTA.

Link: <http://www.belta.by/printv/opinions/view/obespechenie-bezopasnosti-i-ekonomicheskoe-razvitie-v-prioritete-dlja-sng-5687/>

## Uzbek authorities intend to modernize the country's financial market

The leadership of the republic wants to create a competitive, efficient and reliable financial market for stable economic growth.

Link: <http://e-cis.info/news.php?id=16499>

## The growth of Kazakhstan's economy in the first half of the year was 4.2%

In January-June this year, GDP grew by 4.2%, while the positive contribution to the economy was made by the production of goods (2.6%), services (1.3%) and food taxes (0.3%)," said Minister of National Economy Timur Suleimenov at a government meeting.

Link: <http://e-cis.info/news.php?id=16462>

## Armenian exports to Russia last year surged by 50 percent

Recalling that this year marks the 25th anniversary of the establishment of diplomatic relations between Russia and Armenia, The Armenian president Serzh Sargsyan informed that in 2016 Armenian exports to Russia surged by more than 50%.

Link: [http://www.arka.am/en/news/economy/armenian\\_exports\\_to\\_russia\\_last\\_year\\_surged\\_by\\_50\\_percent/](http://www.arka.am/en/news/economy/armenian_exports_to_russia_last_year_surged_by_50_percent/)

## Tender Information in CIS

### Prior information Notices

Location	Title	Deadline
Kazakhstan	Analysis Of Transport System Of Petropavl City And Development Of	21-Aug-2017

Location	Title	Deadline
	Recommendations And Action Plan For Sustainable Urban Mobility	
Russian Federation	Implementation Of Works On The Overhaul Of The Heating Network On The Street. Krasnorechenskaya, 187 In The City Of Khabarovsk Estimated Cost: RUB 4,460,221	23-Aug-2017
Belarus	The Choice Of The Design Organization For The Production Of Design Estimates For The Facility "overhaul The Building Of The Hostel On Yuri Bobkov Street, 4 In Orsha"	28-Aug-2017
Russian Federation	Implementation Of Works On The Complex Improvement Of The Yard Territory At The Address: Moscow, Schelkovskoe Shosse, 61 Estimated Cost: RUB 9,638,217	23-Aug-2017
Georgia	Services In Urban Planning And Landscape Architecture	07-Sep-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  
Contact: Rajarshi Sarma Sarkar  
Email: [rsarkar@eepecindia.net](mailto:rsarkar@eepecindia.net)  
Phone no: 033-22890651