

Territorial NEWSLETTER CIS Countries

EEPCINDIA
ENGINEERING THE FUTURE

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



Issue XIX: March 2017

Chairman's Pen



Despite having a long standing bilateral relationship between India and Russia across different stratum, economic relationship is lying well below potential due to the constraints of poor logistics and lack of media coverage. This year in April, both the nations have celebrated 70 years of their bilateral diplomatic relationship and these two major problems should be brought into the notice of the policymakers.

The completion of the North-South International Corridor will definitely solve the problem of logistics between these two nations to a large extent as it will connect Russia and northern Europe to India and Southeast Asia. However, the problem of communication is an issue to ponder on due to difference in languages between the people of these two nations. Deepening of economic relation is definitely the need of the hour to fulfill the trade and investments target set by the heads of both the nations.

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 nineteenth issue of our Newsletter on CIS has been published. This issue contains a discussion on further deepening of Indo-Russian economic relationship on the 70th anniversary of our diplomatic relation. Two major shortcomings like problems of transportation and lack of information has been pointed out but some initiatives have already been taken by the policymakers to boost trade and investment relation. Analysis of India's engineering exports to CIS region for February 2017 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.

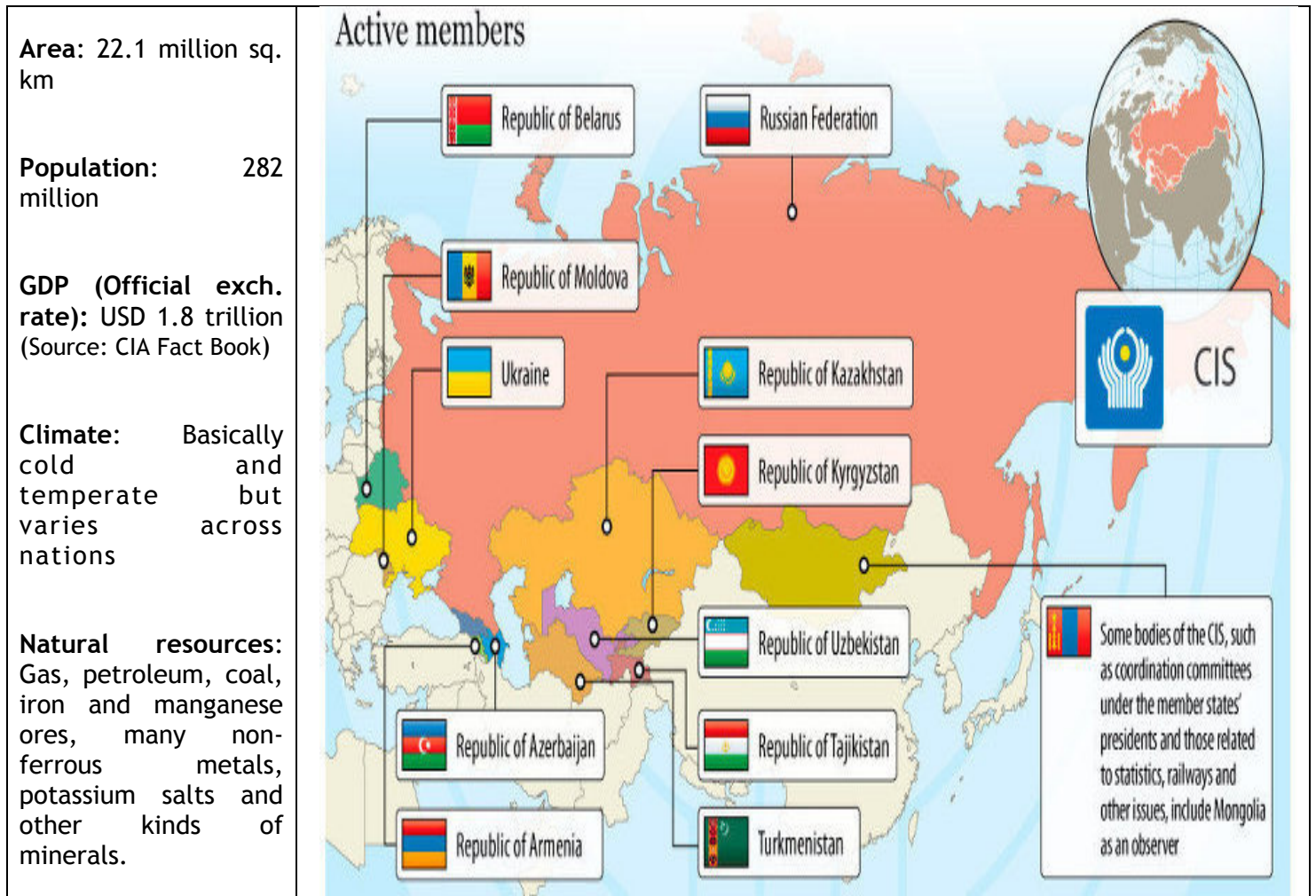
Aman Chadha

Territorial
NEWSLETTER – CIS Countries

EEPCINDIA
ENGINEERING THE FUTURE
www.eepcindia.org



Basic Facts: CIS



India and Russia joined hands for deeper relationship

India and Russia celebrated 70 years of their diplomatic relationship on 13th April 2017 and there was serious discussion about how relations could develop between the two countries in the upcoming decades. The relationship was established even before India officially proclaimed independence but the situation changed drastically since then. Both countries have changed a lot in these years. India became one of the fastest growing economies in the world with a population of almost 1.3 billion people while Russia struggled to find its place in the world following the collapse of the Soviet Union in 1991 but in two decades managed to make its way back on the international stage as an important player.

Today, the world has again clearly become bipolar, and the main opposing poles are the United States and China. The fact that China is the main competitor of the United States has been clear to experts for a long time, but at an official level China has been trying to deny this obvious fact for a long time, and presenting itself more as a developing country than as a developed one. Now, with the arrival of the new US president, China was identified as the main competitor of the USA. It became the prime concern for all other major power how to position them in this new geopolitical reality.

In reality, the situation that emerged opened up prospects for Russia, India, and a number of other countries like Iran and ASEAN countries as a whole to unite their efforts to create a new and alternative centre of power that would not oppose the two main competitors in the global arena, but would create the prototype for a new world order based on combining efforts not against someone but for the interests of all involved.

This proposed extension of bilateral relation also included economic relation as an important integral part. The Russian 'Business Council for Cooperation with India' took lots of initiatives towards the same and agreed to work on promoting tie-ups in the pharmaceutical, energy and digital trading industries. They hoped that an agreement would be signed between Moscow and Delhi about the cooperation in 2018-20. The committee also planned to attract more partners from India and to intensify the work in the profile committee of the council.

Diplomats from Russia stated that further deepening of the privileged strategic partnership with India was among the key priorities of Russian foreign policy. The upcoming accession of India to the Shanghai Cooperation Organization (SCO) in June would provide more opportunities for the countries to discuss common agenda on yet another platform.

However, logistics and information gap are the major setbacks for deepening the relationship and that's the reason why economic relationship is performing well below potential. Completion of the North South Transport Corridor project might be a giant step in providing the necessary momentum for boosting trade between the countries. Lack of media coverage between the nations is another constraints limiting people to people relationship for long that in turn have also been restricting business and other relations.

A new TV channel called Big Asia is going to be launched in June 2017. This channel will be dedicated to Asian countries including India with focus on news, cultural, political and economic issues of Asia. This will be a media platform that would help Russians understand India better and in turn will help to develop business contacts across all sectors.

With Russia aiming to boost its role in the Asia-Pacific region, India is one of the most important countries to have a healthy and stable relationship with. A series of discussions along with several high profile visits from both sides in the last couple of years is expected to take the relationship to a new level in the near future.

Source: Articles published in <https://in.rbth.com>

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 - February 2016-17 are as follows (Value of Exports measured in USD Million):

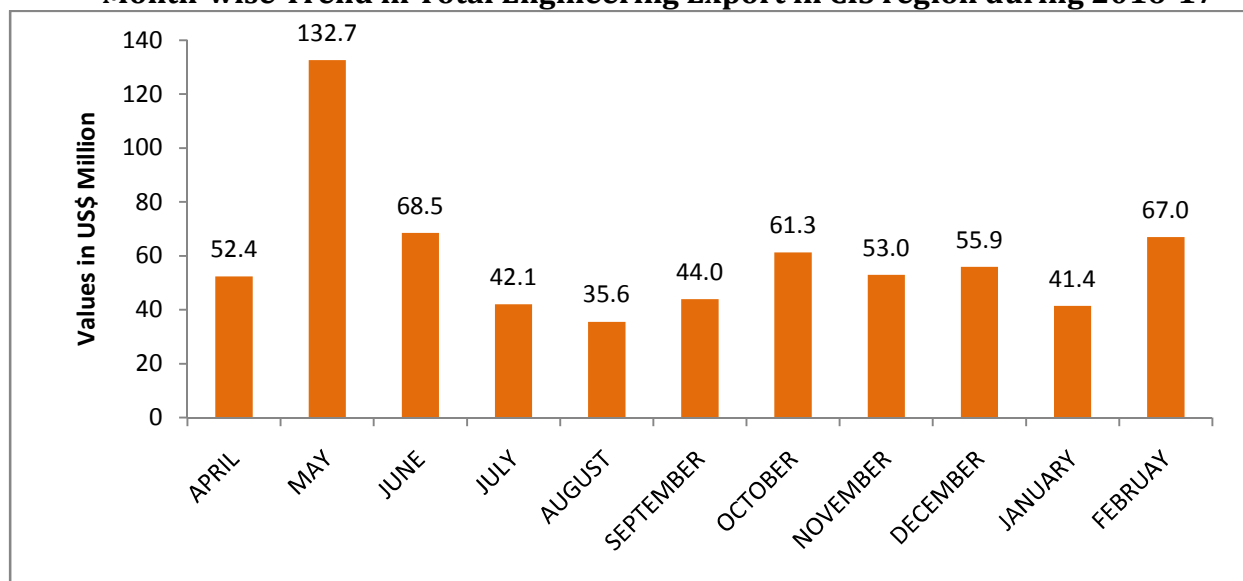
Country	Export in Feb 2016	Export in Feb 2017	Growth (%)	Exports in Apr-Feb 2015-16	Exports in Apr-Feb 2016-17	Growth (%)
RUSSIA	24.73	45.18	82.69	351.87	482.57	37.15
UKRAINE	2.46	5.57	126.05	42.65	57.00	33.63
GEORGIA	4.22	4.12	-2.34	28.35	29.85	5.31
UZBEKISTAN	3.56	3.58	0.59	23.63	25.13	6.32
AZERBAIJAN	0.16	5.23	3268.71	8.47	18.53	118.65

After conceding year-on-year decline in the previous two months, Indian engineering exports to CIS recorded an impressive 68% growth in February 2017 as Russia, the largest trade partner of India in CIS region with

74% share in engineering exports came back to growth path with a substantial 82.7% rise in year-on-year growth during February 2017. Second largest importer Ukraine also recorded a higher 126% year-on-year growth during the reporting month but the export volume was only 8.7% of total engineering exports to CIS. Among the top five CIS importers of Indian engineering products, Azerbaijan recorded highest growth in February 2017 but on top of a very low base. Georgia is the only nation to witness marginally lower year-on-year import in February 2017.

A cumulative analysis of Indian engineering exports during April - February 2016-17 showed good growth year-on-year at 31% led by 37.2% increase in exports to Russia. Uzbekistan again recorded highest 118.7% year-on-year growth in imports among the top five importers and Georgia also witnessed mild growth during this period.

Month-wise Trend in Total Engineering Export in CIS region during 2016-17



Panel-wise trend in engineering exports to CIS during Apr - February 2016-17

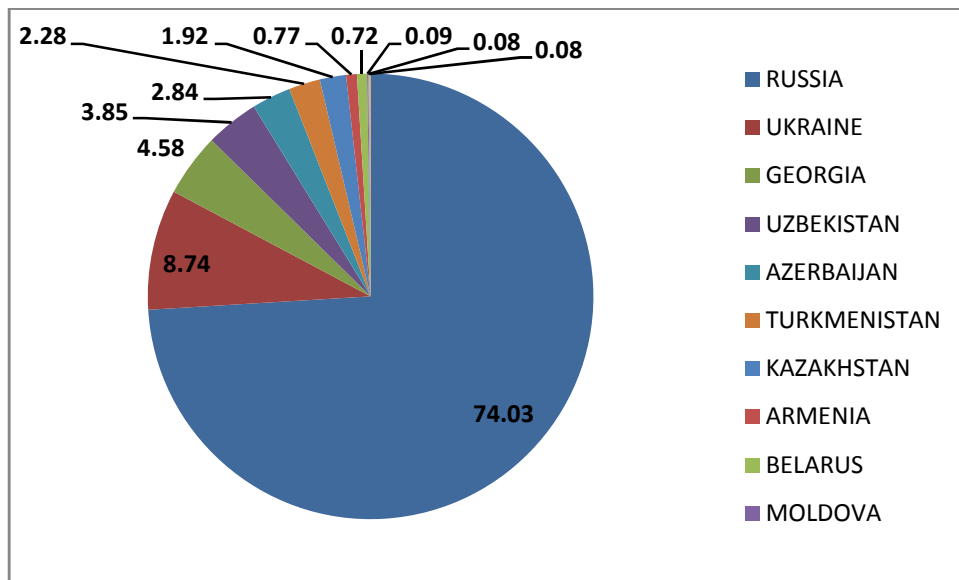
Top 10 panels exported to CIS during April - February 2016-17 are listed below (Value of Exports measured in USD Million).

Name of the Panel	Export in Feb 2016	Export in Feb 2017	Growth (%)	Exports in Apr-Feb 2015-16	Exports in Apr-Feb 2016-17	Growth (%)
IC Engines and Parts	0.75	1.81	141.44	22.17	127.66	475.88
Aircrafts and Spacecrafts	1.55	8.43	443.64	95.57	100.71	5.37
Auto Components/Parts	5.53	5.25	-5.10	50.19	67.68	34.86
Iron and Steel	6.19	7.52	21.48	54.89	60.15	9.58
Industrial Machinery	4.65	6.42	38.12	61.58	47.35	-23.11
Products of Iron and Steel	4.14	7.97	92.42	34.34	39.24	14.24
Electric Machinery and Equipments	0.96	5.03	423.83	28.43	30.50	7.30
Machinery for ATMs	1.19	2.66	122.90	14.19	26.75	88.57
Other Construction Machineries	1.09	3.84	250.60	10.21	25.55	150.21

Medical and Scientific Equipments	1.99	2.01	0.89	17.66	23.22	31.48
--	------	------	------	-------	-------	-------

Panel-wise analysis showed 'IC Engines and Parts' continued to remain the highest exported product group to CIS region during Apr - Feb 2016-17 with a sizeable growth in both monthly as well as cumulative basis. The product group 'Aircrafts and Spacecrafts' was the second highest on a cumulative basis with a robust year-on-year growth in exports to CIS during February 2017. 'Auto Components/Parts' was the immediate follower with 34.9% growth in exports to CIS during Apr - Feb 2016-17 but recorded a decline in exports during February 2017. Out of the top ten panels, only Industrial Machinery witnessed drop in exports to CIS on a cumulative basis over the same period last year and when out of the 33 panels 11 conceded decline in cumulative exports.

India's engineering Exports to CIS: Country-wise Share (%) during April - February 2016-17



Major Importers of Indian Engineering Products in the CIS Region during Apr - Feb 2016-17

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 74.3% of India's engineering exports to CIS during Apr - Feb 2016-17

Top exported product: IC engines & parts, Aircrafts & spacecrafts, Auto components/parts, Iron & Steel, Industrial machinery.

Ukraine:

Ukraine is the immediate follower of Russia but with a much lower share at 8.7% during the same time period.

Top exported products: Iron & Steel, Products of iron & steel, non-ferrous metals like copper, aluminium, nickel, nuclear reactors etc.

Anti-dumping measures

At present, there is no anti-dumping case being investigated by India against Russia, Ukraine or Georgia.

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
Metalloobrabotka 2017	15-May-2017 to 19-May-2017	Expocentre. 14 Krasnopresnenskaya nab. Moscow	http://www.metobr-expo.ru/en/
MinTech - 2017	17-May-2017 to 19-May-2017	"KAZEXPO" International Exhibition Complex, Ust-Kamenogorsk, Kazakhstan.	http://www.exponet.ru/exhibitions/by-id/mintechal/mintechal2017/index.en.html
Caspian Power 2017	31-May-2017 to 3-Jun-2017	Baku Expo Centre, Baku, Azerbaijan	http://www.caspianpower.az/
CTT 2017	30-May 2017 to 3-Jun-2017	Crocus-Expo IEC Krasnogorsk 65-66 km Moscow Ring Road, Russia	http://www.eventseye.com/fairs/f-ctt-(construction-equipment-technologies)-19258-1.html
Industrial Armenia EXPO - 2017	8 -Sep -2017 to 10 - Sep - 2017	"LOGOS" Expo-Center, Yerevan, Armenia.	http://www.exponet.ru/exhibitions/by-id/industrialer/industrialer2017/index.en.html
Metaltech Central Asia - 2017	20 - Sep - 2017 to 22 - Sep - 2017	Almaty, Kazakhstan	http://www.exponet.ru/exhibitions/by-id/metaltechal/metaltechal2017/index.en.html

News in Focus

Georgia's Foreign Trade in Jan-March 2017

Georgia's foreign trade turnover in the first quarter of 2017 increased by 18%, compared to the same period of last year, reaching USD 2.28 billion, according to the preliminary figures released by the state statistics office, Geostat, on April 19.

Link: http://cis.einnews.com/article/376952565/zeHe_0X882xmJHcN?lcf=n6akwSxISFexT6QvoahKuw%3D%3D

India to initiate free trade talks with Georgia

India and Georgia decided to initiate talks on a free-trade agreement (FTA). Commerce and industry minister Nirmala Sitharaman signed a joint statement to start a feasibility study on a potential FTA. Upon the completion of a joint feasibility study, the two nations may proceed to negotiate on the FTA.

Link: <http://cis.einnews.com/article/375548776/du975vT08VCzBxII?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=2>

Russia's ties with China, Pakistan disturb India - experts

Moscow's military engagement with Pakistan, alleged dialogue with the Taliban, and growing ties with the Taliban are upsetting New Delhi, experts said at a recent conference. However, a source in the Indian Ministry of External Affairs said Russia-India diplomatic ties were strong and growing.

Link: http://rbth.com/international/2017/04/05/russias-ties-with-china-pakistan-disturb-india-experts_735271

China snubs Russian request for RIC Defence Ministers meeting

Moscow's attempts to arrange a trilateral meeting between the defence ministers of Russia, India and China have been thwarted by Beijing. The latest standoff over the Dalai Lama visiting Tawang may have influenced the Chinese decision.

Link: https://in.rbth.com/politics/2017/04/12/china-snubs-russian-request-for-ric-defence-ministers-meeting_740562

New Development Bank to work closely with BRICS Business Council

Members of the BRICS Business Council will suggest specific projects that could be supported by the New Development Bank. The bank has agreed to finance road construction projects in Madhya Pradesh and hydropower plants in Karelia.

Link: https://in.rbth.com/economics/2017/04/03/new-development-bank-to-work-closely-with-brics-business-council_733782

Tender Information in CIS

Prior information Notices

Location	Title	Deadline
Belarus	Development Of Design And Estimate Documentation	21-Apr-2017
Russian Federation	Provision Of Services For Development Of Project Documentation For The Reconstruction Of The Central Heat Supply Station Estimated Cost: RUB 1,406,095	23-May-2017
Russian Federation	Development Of Working Documentation For The Construction Of The Road Entrance To The Village.	15-May-2017
Georgia	Whole Or Part Construction Civil Engineering Work	15-May-2017
Russian Federation	Project Documentation For Construction	11-May-2017
Russian Federation	Design Of The Project ". Reconstruction Of The Street	10-May-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@eepcindia.net

Phone no: 033-22890651