

Territorial NEWSLETTER CIS Countries

EPCINDIA

ENGINEERING THE FUTURE

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Chairman's Pen



Like India, one of our BRICS partner Russia is also worried about the growing restrictions, sanctions and barriers in international trade and business practices. The Russian President Mr. Vladimir Putin, during the 22nd Annual International Economic Forum, more familiar as SPIEF, expressed his anxiety over the increasing interference of several nations in order to protect their own interest that has been destroying the current practice of liberal international trade and business advocated by international organisations and the developed nations. In his speech, he separately mentioned protectionist measures as well as counter-measures being adopted by some economies or regions as one of the major factors damaging the prospect of global businesses to a large extent.

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

Ravi Sehgal

Committee on Trade with CIS Countries - Chairman's Note



In our 30th issue (Feb 2018), we highlighted the relationship between India and Russia in heavy engineering segment and discussed how the Indian heavy engineering segment was benefitted from that. In this issue, we have highlighted the reaction of Russia on trade restrictions and barriers. In line with the response of India, the Russian President also expressed his unhappiness and concern on growing protectionism and other restrictions advocated by some nations on global trade and businesses, which has been severely affecting the practice of freedom of trade, business and investments among the nations.

The newsletter also includes brief analysis of Indian engineering exports to the countries of the CIS region during Apr - Mar of fiscal 2017-18 from both country-wise and DGCI&S panel-wise perspectives. Other sections include Recent news on CIS, 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

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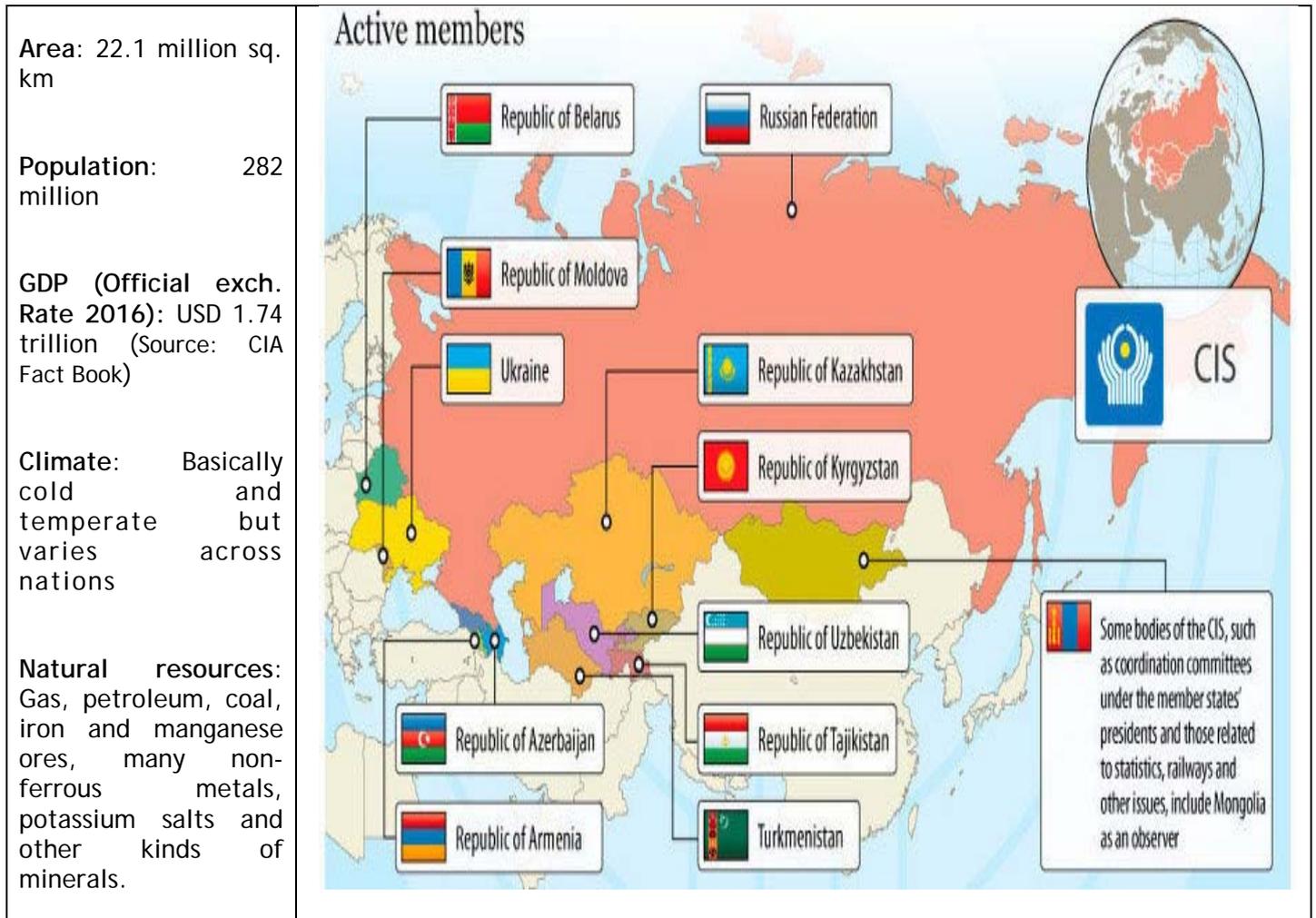
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Basic Facts: CIS



Russian President Expressed his concern on Restrictions and Sanctions in 22nd SPIEF

The 22nd annual International Economic Forum, abbreviated as SPIEF was held in Russia during 24 - 26 May 2018 at the ExpoForum Convention and Exhibition Center of St. Petersburg. The SPIEF is a leading international business event and platform for discussing key economic issues in Russia, emerging economies and the world as a whole. The forum's attendance is estimated at nearly 10,000 participants from Russia and other countries, including heads of state and government, corporate leaders, as well as representatives from the research and media communities and civil society institutions.

The key theme of SPIEF 2018 was "Building a Trust Economy." The central event of the forum was a plenary session with participation of Putin, French President Emmanuel Macron and Japanese Prime Minister Shinzo Abe.

Following are the excerpts of the speech delivered by Russian President Mr. Vladimir Putin in the panel discussion of the plenary session held during the said forum where he mentioned restrictions and sanctions have been destroying the process of global integration and multilateral cooperation. This was published in the website <http://en.kremlin.ru>.

"Russia is part of the global economy. We are taking an active part in integration processes and exerting serious influence on the energy, food and other markets. This country and our companies are deeply involved in international trade, financial and production ties.

This is why we are attentively studying what strategies of economic, technological and social growth other countries are planning to carry out. Naturally, we are not indifferent to what global trends prevail in long-term perspective.

Until recently, global development was based on two most important, determining principles. The first is the freedom of business, trade and investment, which is recorded in the general rules adopted by the participants in international relations. The second is sustainability and predictability of these rules, which is guaranteed by clear-cut legal mechanisms.

Based on these values and principles, the world economy managed to achieve impressive results and put into the orbit of development the overwhelming majority of international players, the majority of countries.

However, today we are witnessing not even erosion - and I say this with regret - but the undermining of these foundations. The system of multilateral cooperation that was built for decades is being crudely destroyed instead of undergoing natural and needed evolution. Violating rules is becoming a rule.

Open markets and fair competition are gradually replaced by all kinds of exemptions, restrictions and sanctions. Different words can be used to describe these notions but the meaning remains the same. Many countries now use these approaches as their official trade policy tools. And some countries simply had to adapt to this environment, respond and come up with tit-for-tat measures.

Finally, we used to face what we can refer to as traditional protectionist measures that were also regrettable, of course, and consisted of introducing import duties, technical requirements and covert subsidies. Now, however, we are facing a new kind of protectionism. What is the purpose of all these far-fetched pretexts and references to national security interests? Their purpose is to suppress competition and extort concessions.

The spiral of sanctions and restrictions is only widening, harming more and more countries and companies, including those that never expected to face any trade restrictions or problems of this kind.

Arbitrary action and lack of control inevitably create a temptation to use restrictions more and more at a much broader scale and in any circumstances, without regard for political loyalties, solidarity or pre-existing agreements or cooperation ties dating back many years."

Source: i) "Excerpts from transcript of St Petersburg International Economic Forum plenary session" published in <http://en.kremlin.ru/events/president/news/57556>

ii) <https://sputniknews.com/russia/201805241064751245-spief-economic-forum/>

Trend Analysis of India's Engineering Export to CIS

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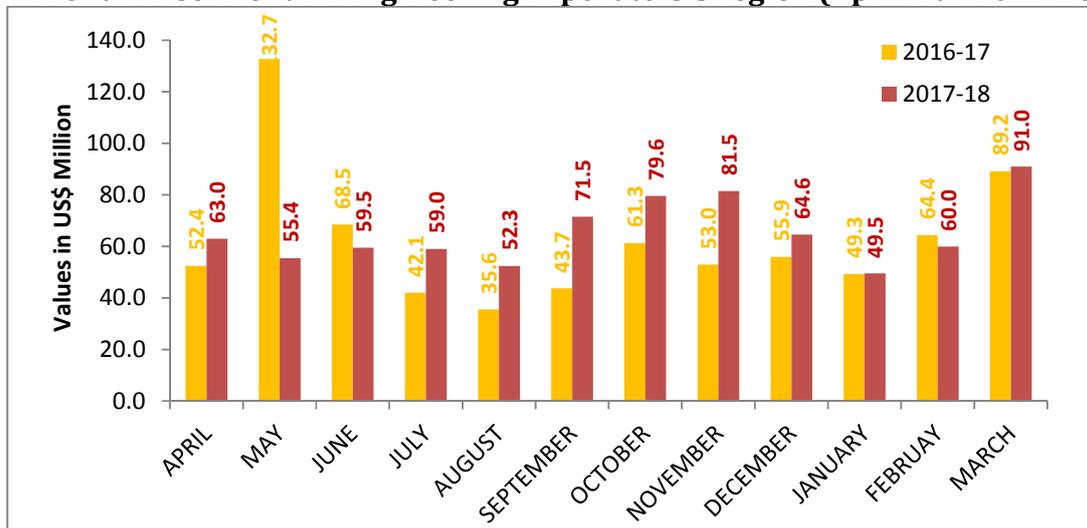
The following table described the exports of Indian engineering products to top five importers from the CIS region during March 2018 as well as during April - March 2017-18 (Value of Exports measured in USD Million):

Country	Export in Mar 2016	Export in Mar 2017	Growth (%)	Exports in Apr-Mar 2016-17	Exports in Apr-Mar 2017-18	Growth (%)
RUSSIA	59.57	70.02	17.55	553.50	533.12	-3.68
UKRAINE	5.22	8.52	63.04	61.98	77.80	25.53
UZBEKISTAN	20.01	6.76	-66.20	45.14	53.18	17.82
KAZAKHSTAN	1.04	1.62	55.64	13.55	23.72	75.09
AZERBAIJAN	1.43	0.24	-83.31	19.96	11.12	-44.31

Indian engineering exports to CIS inched up by 1.99% during Mar 2018 over the same month last year. After a year-on-year drop in Feb 2018. Russia, consumer of 72.8% engineering share rose by 17.55% during the reporting month. The second highest importer Ukraine also recorded a huge 63% growth in engineer import from India during Mar 2018. Out of the top-5 CIS importers of Indian engineering products, 2 conceded year-on-year decline in engineering imports from India during Mar 2018 while out of 12 CIS nations, 5 conceded year-on-year decline.

Rise in export growth during Mar 2018 however could not resist the 3.3% decline in Cumulative engineering exports to CIS during the entire fiscal 2017-18. Leading exporter Russia once again set the trend with 3.68% decline in imports of Indian engineering during fiscal 2017-18. Engineering exports to Ukraine however recorded 25.53% growth during the fiscal over the same period last fiscal. Out of the top 5 importers in the CIS region, 2 conceded year-on-year decline in imports of Indian engineering product during fiscal 2017-18 while out of 12 CIS nations, 5 nations witnessed the same scenario.

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



Source: DGCIS Data, EEPC Research

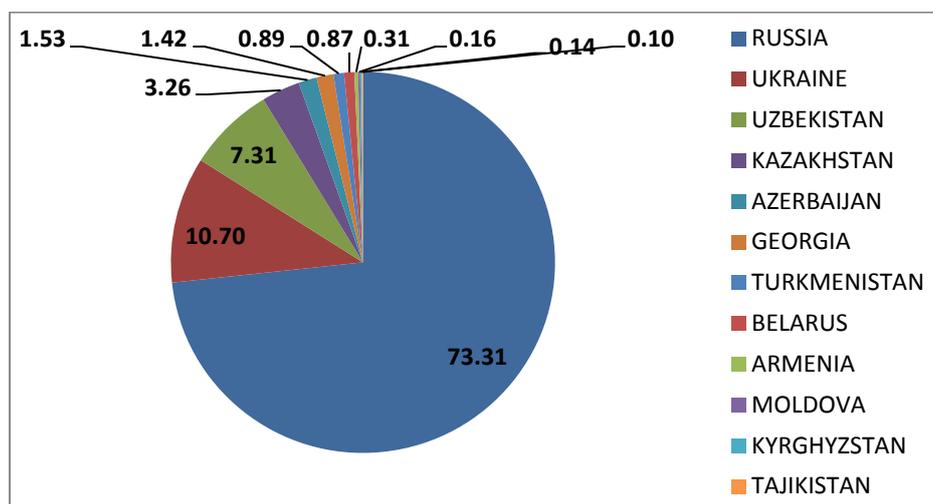
Panel-wise trend in engineering exports to CIS during April - March 2017-18

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

Panel	Export in Mar 2017	Export in Mar 2018	Growth (%)	Exports in Apr-Mar 2016-17	Exports in Apr-Mar 2017-18	Growth (%)
Aircrafts, Spacecrafts and Parts	9.18	4.30	-53.16	114.08	110.83	-2.85
Auto Components/Parts	6.89	12.61	83.11	74.57	110.69	48.43
Iron and Steel	11.66	5.37	-53.94	71.81	90.99	26.72
Industrial Machinery	25.23	7.37	-70.80	72.06	80.28	11.40
Electric Machinery and Equipments	2.48	9.69	290.71	32.99	54.89	66.39
Other Construction Machinery	7.60	7.05	-7.24	33.15	48.27	45.62
IC Engines and Parts	1.02	22.63	2112.72	128.68	40.51	-68.52
Machinery for ATMs	3.78	2.47	-34.49	30.41	36.28	19.30
Products of Iron and Steel	3.33	3.89	16.95	42.51	34.61	-18.59
Medical and Scientific Instruments	2.03	2.49	22.91	25.33	26.45	4.40

'Aircrafts, Spacecrafts and Parts' was the largest engineering product group exported by India to CIS region during fiscal 2017-18. However, exports of this product group recorded 2.85% decline on a year-on-year basis due to lower exports in the last few months. 'Auto components/parts' was the second highest exporting engineering product to CIS during fiscal 2017-18 with 48.43% increase in year-on-year exports. 'Iron and Steel' dropped to third place in this fiscal but witnessed 26.72% higher overseas shipment from India. Among the top 10 engineering product panels exported to CIS during the entire fiscal 2017-18, 3 panels witnessed lower exports over the previous fiscal while out of the 33 product groups 10 panels saw lower exports to CIS.

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



Source: DGCIS Data, EEPC Research

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

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 73.31% of India's engineering exports to CIS during Apr - Mar 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 10.70% during the same time period.

Top exported products: Iron & Steel; Electric Machinery; Products of Iron and Steel; Industrial machinery; Aluminium & products.

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 or 'Anti-dumping measures' imposed by India against CIS member nations in relation to engineering products.

Country Affected	Measure	Product Description	HS Code	Initiation In Force
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 11/05/2017
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 12/05/2017

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

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
INNOPROM 2018	9 - 12 July, 2018	IEC 'Ekaterinburg-Expo' Expo Blvd, 2 Ekaterinburg, Russia	https://www.eventseye.com/fairs/f-innoprom-17369-1.html
ROSUPAK 2018	26 - 29 June, 2018	Crocus-Expo IEC Krasnogorsk 65-66 km Moscow Ring Road, Russia	https://www.eventseye.com/fairs/f-rosupak-7743-1.html
AEROSPACE TECHNOLOGIES, MODERN MATERIALS AND EQUIPMENT. KAZAN 2018	9 - 11 Aug, 2018	Kazanskaya Yarmarka Exhibition Centre 8, Orenburgsky Trakt Kazan, 420059, Russia	https://www.eventseye.com/fairs/f-aerospace-technologies-modern-materials-and-equipment.-kazan-15139-1.html
AUTOMECHANIKA MOSCOW 2018	27 - 30 Aug, 2018	Crocus-Expo IEC Krasnogorsk 65-66 km Moscow Ring Road Russia	https://www.eventseye.com/fairs/f-automechanika-moscow-9688-1.html

News in Focus

Ukraine to reconsider all international agreements with CIS

Ukraine intends to re-view all previously signed agreements with the CIS (Commonwealth of the Independent States, - 112 International). According to President Petro Poroshenko, Kyiv will withdraw from those not meeting this state's national interests.

Link: <https://112.international/politics/ukraine-to-reconsider-all-international-agreements-with-cis-poroshenko-28663.html>

India eyes to export \$178bn software by 2022

Seeking to augment India's software exports to \$ 178 billion in the next four years, Commerce and Industry Suresh Prabhu has said the government will extend all possible support to the industry for intensifying the exports to traditional markets and to make forays into alternative markets like Africa, Latin America and Commonwealth of Independent States (CIS).

Link: <http://www.thebangladeshpost.com/business/29178>

Heads of CIS Governments sign 13 cooperation documents in Dushanbe

Heads of Governments of the Commonwealth of Independent States signed 13 documents on cooperation as a result of meeting in Dushanbe during the first week of April 2018, the Russian Government's press service said. The session was attended by Prime Ministers of 6 CIS countries, including Russia, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan.

Link: <https://akipress.com/news:607241>

Kyrgyzstan, Kazakhstan adamant to step up two-way trade to \$1B

Prime Minister of Kyrgyzstan Mukhammedkalyi Abylgaziev met with his Kazakh counterpart Bakytzhan Sagintayev in Dushanbe, Kabar reports. At the meeting, Kyrgyz PM praised dynamic character of Kazakh-Kyrgyz political and economic dialogue. "Strengthening of strategic partnership with Kazakhstan is one of priorities of Kyrgyzstan's foreign policy," he noted.

Link: <https://www.azernews.az/region/132874.html>

Tender Information in CIS

Prior information Notices

Location	Title	Deadline
Russian Federation	Provision Of Services For Maintenance And Repair Of Cars, Including Spare Parts Estimated Cost: RUB 4,422,823	18-Jun-2018
Russian Federation	Supply Of Equipment For Automatic Line For Forming Group Packaging And Palletizing Boxes For Pallets	18-Jun-2018
Belarus	Injection Molding Machine Estimated Cost: BYR 130,000	18-Jun-2018
Kazakhstan	Replacement Of Boilers Of Air Heaters	22-Jun-2018

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

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