

# Territorial NEWSLETTER CIS Countries

**EPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



India and Russia have a warm and cordial relation ever since the birth of the later following the disintegration of USSR. Now, both the nations have decided to make the bilateral relationship stronger and deeper. The most interesting fact is that this time the focus is mainly on extending economic ties across all sectors. Several new areas have been identified for further cooperation and several agreements have been signed towards a wider economic relation between these two. Another important aspect of the relationship is more direct interaction between the regions/states of these two countries without waiting for the union government.

The emphasis on economic ties has been decided at a time when trade with Russia witnessed handsome increase over the previous fiscal till the month of October 2016. This focus on economic relation, in my view, will certainly enhance trade volume between the two nations.

I do hope that our member exporters will find this newsletter useful, and this will help them to take informed business decision.

Tarvinder Singh Bhasin

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



The fifteenth issue of our Territorial Newsletter on CIS Region is released and we have reviewed the new agreements and decisions of the governments of both India and Russia towards a better bilateral tie. Thanks to the initiatives of the heads of both the states that led to the identification of new sectors for extending mutual cooperation that will ultimately lead to stronger investment and trade relation as economic relations automatically include both of them.

An analysis of India's engineering exports to CIS region for October 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 beneficial for our member exporters and help them to expand their export base in the CIS region.

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.

## India-Russia Bilateral Relation Strengthened in 2016

During 2016, the foreign policy of both India and Russia included strengthening the bilateral tie-up between them as one of the key priorities. Russia has been eyeing India as an important partner as Russia is still facing the sanctions by some of the major western nations while Indian economy has been moving towards higher growth trajectory for the last couple of years. Both the nations are now in regular discussion with each other to deepen the relation in existing areas of as well as to find new areas of cooperation with focus mostly on economic ties.

In its 'Foreign Policy Concept' for 2016, Russia says that it is committed to take its special privileged partnership with the Republic of India to a new high based on the convergence of foreign policy priorities, historical friendship and deep mutual trust, as well as enhancing mutually beneficial bilateral ties in all areas, primarily in trade and economy, with a focus on implementing long-term cooperation programmes approved by the two countries.

On the other hand, relations with Russia are a key pillar of India's foreign policy. The Indian Prime Minister said that India and Russia would be working to model a partnership by considering the common ambition and satisfying the shared goals of these two nations for the twenty-first (21st) century.

Bilateral relations between these two however peaked for the year in October, when Russian President Mr. Vladimir Putin met Indian Prime Minister Narendra Modi for their 17th annual bilateral summit. A total of 16 agreements were signed between the heads of two states while a series of pending deals were executed in the fields of defence cooperation, like an inter-governmental agreement on the purchase of the S-400 'Triumpf' missile defence system, energy security, nuclear issues, cyber security and anti-terrorist cooperation.

A range of events were approved by the heads of states of both the nations that reflected the multi-faceted relations that the two nations have been maintaining since years spanning diverse fields including political, defence, energy, trade, economy, finance, investment, culture, education, think-tanks, science and technology, sports, youth, tourism, people-to-people exchanges as stated by the govt. of India.

Russia is one of the nations to respond with regard to the unique 'Make in India' initiative launched by Mr. Narendra Modi at the very first stage of its inception. Russian boost to 'Make in India' includes the strategically important 'Kamov' deal and joint production of missiles among others.

A key feature of the enhanced economic engagement between the countries this year has been the increased direct involvement of the Regions of Russia and the states of India with each other without waiting for the central governments initiative to power their ties.

Another big boost to the India-Russia relationship is The North South International Transport Corridor that is likely to become functional very soon, raising the prospects for reduced transportation time and costs between the two countries, and providing a much required boost to bilateral economic ties.

There is no doubt that the year 2016 has been seen as the beginning of a new era in Indo-Russian bilateral relation where more economic partnership between these two nations have been proposed and more direct interaction between the regions/states of the nations have been ensured.

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

### Trade Trend Analysis in the CIS

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

Country	Export in Oct 2015	Export in Oct 2016	Growth (%)	Exports in Apr-Oct 2015	Exports in Apr-Oct 2016	Growth (%)
RUSSIA	39.52	39.61	0.22	222.46	326.55	46.79
UKRAINE	3.13	11.75	274.91	29.33	36.13	23.18
GEORGIA	2.54	1.49	-41.11	13.77	23.83	73.10
UZBEKISTAN	1.71	3.72	117.66	13.41	14.88	11.02
TURKMENISTAN	0.82	0.27	-67.38	8.15	13.75	68.76

After 35.4 percent year-on-year drop in Sep 2016, India's engineering exports to CIS region bounced back with 21.3 percent growth during October 2016 over the same month last year. On a cumulative basis, exports surged by 38 percent year-on-year during the first seven months of 2016-17. Russia remained the largest importer of Indian engineering products in the CIS region that revived from a year-on-year decline in Sep 2016 and recorded a marginal 0.22 percent growth in Oct 2016. However, on a cumulative basis, India's engineering exports to Russia jumped by an impressive 46.8 percent during Apr - Oct 2016. Ukraine was the immediate follower of Russia in terms of engineering imports from India with a massive 274.9 percent growth in Oct 2016 and 23.2 percent growth during Apr - Oct 2016. Among the top five importers of Indian engineering product in the CIS regions, Georgia and Turkmenistan conceded decline in import during Oct 2016 but on a cumulative basis, all 5 nations recorded growth in engineering import from India during Apr - Oct 2016. The good sign is that engineering exports to CIS has been increasing this fiscal.

#### Panel-wise trend in engineering exports to CIS during Oct 2016

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

Name of the Panel	Export in Oct 2015	Export in Oct 2016	Growth (%)	Exports in Apr-Oct 2015	Exports in Apr-Oct 2016	Growth (%)
IC Engines and Parts	4.66	8.65	85.72	9.67	117.86	1118.30
Aircrafts and Spacecrafts	14.99	9.47	-36.81	61.91	58.54	-5.45
Auto Components/Parts	4.37	6.36	45.61	33.65	43.16	28.28

Iron and Steel	5.34	5.95	11.44	35.51	35.64	0.37
Industrial Machinery	3.14	5.15	64.01	39.39	28.29	-28.18
Products of Iron & Steel	3.32	2.75	-17.26	19.77	21.81	10.34
Electric Machinery and Equipments	1.42	3.53	147.99	22.39	21.66	-3.30
Machinery for ATMs	1.55	1.91	23.12	5.75	17.58	205.85
Medical and Scientific Instruments	1.73	2.74	58.36	10.56	14.38	36.11
Other Construction Machinery	0.96	3.46	260.28	6.64	13.62	104.96

Panel-wise scenario was more or less the same in Oct 2016 as in the previous month. IC Engines and parts continued to remain the panel with highest exports to CIS nations among the 33 panels classified by DGCI&S during the first seven months of fiscal 2016-17 with a huge 1118.3 percent growth over the same period last fiscal driven by low statistical base. 'Aircrafts & Spacecrafts' and 'Auto Components/Parts' also remained the second and third highest exporting panels of Indian engineering products to the CIS region during April - October 2016-17. Like the previous month, only three out of the top ten panels recorded decline in exports to CIS region during Apr - Oct 2016 while 13 out of the total 33 panels recorded decline in exports to CIS region. Monthly data showed two out of top ten panels recorded decline in exports to CIS in Oct as against five in the previous month.

### 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
METALWORK AND WELDING SHOW 2017	1-Feb 2017 to 03-Feb-2017	Siberia International Exhibition Business Centre 19, Aviatorov Street Krasnoyarsk city, Russia	<a href="http://www.eventseye.com/fairs/f-metalwork-and-welding-show-14558-1.html">http://www.eventseye.com/fairs/f-metalwork-and-welding-show-14558-1.html</a>

AQUA-THERM MOSCOW 2017	7-Feb-2017 to 10-Feb-2017	Crocus-Expo IEC Krasnogorsk 65-66 km Moscow Ring Road, Russia	<a href="http://www.eventseye.com/fairs/f-aqua-therm-moscow-5440-1.html">http://www.eventseye.com/fairs/f-aqua-therm-moscow-5440-1.html</a>
AQUA-THERM NOBOSIBIRSK 2017	14-Feb-2017 to 17-Feb-2017	Novosibirsk Expocentre Stantsionnaya Street, 104 630071, Novosibirsk Russia	<a href="http://www.eventseye.com/fairs/f-aqua-therm-nobosibirsk-18763-1.html">http://www.eventseye.com/fairs/f-aqua-therm-nobosibirsk-18763-1.html</a>
10th International Specialized Exhibition equipment and technologies for composite materials producing	28-Feb-2017 to 2-Mar-2017	Expocentre, Moscow, Russia	<a href="https://www.jetro.go.jp/j-messe/tradefair_en/CompositeExpo2017_51404">https://www.jetro.go.jp/j-messe/tradefair_en/CompositeExpo2017_51404</a>

## News in Focus

### Oil Price Recovery Bolstered CIS Economies in 2016- Moody's

Moody's rating agency said that The 2016 upswing in oil prices has eased fiscal problems faced by the Commonwealth of Independent States countries and has propelled the region toward economic recovery in 2017.

Link: <https://cis.einnews.com/article/361477901/rFV4ejgsgP6t21TG?lcf=n6akwSxISFexT6QvoahKuw%3D%3D>

### Government of Moldova: Italy to further back Moldova in European integration

The Moldo-Italian business and social-economic cooperation, as well as opportunities for deepening the bilateral partnership were the main topics discussed at today meeting between Prime Minister Pavel Filip and Ambassador of Italy in Chisinau, Enrico Nunziata.

Link: <http://cis.einnews.com/article/358624556/rMAjW2SriwMxi5Xb?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=3>

### Armenia's foreign trade increases 5.7% to \$3 588.1 million in Jan-Sept 2016

Armenia's foreign trade turnover amounted to \$3 588.1 million in Jan-Sept 2016 showing a 5.7% year-on-year growth, as per the National Statistical Service reports.

Link: <http://world.einnews.com/article/358468364/0N4nieiOtWeYKrrK?lcf=rYJk0YUIOaKeZMOBXli3Hy2fnKk253vZsvgJEPgXFtM%3D&pg=29>

### Effective Government for Stronger Growth

In Russia, the pace of economic contraction has moderated, as the economy appears to have adjusted to lower oil prices and the sanctions shock. Other CIS economies are gradually exiting from recessions on improved external demand. For the region as a whole, GDP growth is projected to reach 1.3 percent in 2016 and 2.1 percent in 2017, largely reflecting the improved outlook in the CIS.

Link: [http://cis.einnews.com/pr\\_news/352105706/central-eastern-and-southeastern-europe-cesee-effective-government-for-stronger-growth-november-2016](http://cis.einnews.com/pr_news/352105706/central-eastern-and-southeastern-europe-cesee-effective-government-for-stronger-growth-november-2016)

## Tender Information in CIS

### *Prior information Notices*

Location	Title	Deadline
Georgia	71300000 Engineering Services	01-Feb-2017
Belarus	Design And Survey Work, Including Development Of Project Documentation For Reconstruction UI. umanskoy	06-Feb-2017
Russian Federation	Design Work On The Project: "ski Base S.malaya Purga Udmurt Republic"	31-Jan-2017
Russian Federation	Execution Of Works (actions), Aimed At Energy Conservation And Energy Efficiency Use Of Energy Resources	30-Jan-2017

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

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