

Territorial NEWSLETTER CIS Countries

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



In our last issue, we have highlighted the detail of Indo-Russian engineering trade on the eve of 70th anniversary of Indo-Russian bilateral relationship. Several discussions have been taking place between the think-tanks of both the nations on deepening of bilateral relation which is yet to exploit the full potential. According to a renowned Political Scientist of Russia, the country did not emphasize on strengthening relationship with India in the last 20 years which was one of the major mistakes of Russian foreign policy. Measures like restoring connectivity by all means, building close academic interlink and developing business-to-business relationship have been prescribed among others in order to exploit the potential of

bilateral relation to the maximum possible extent.

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

Tarvinder Singh Bhasin

Committee on Trade with CIS Countries - Chairman's Note



Our 27th issue of newsletter on CIS has just been published and once again, our focus is on Russia, our largest trade partner in the CIS region consuming three-fourth of our engineering products shipped to that region. We have, in this issue, come up with the views of a Russian think-tank on the past as well as the present status of the Indo-Russian relationship and the possible ways pointed out by him to exploit the full potential of this 70 years' old bilateral relationship.

The newsletter also includes brief analysis of Indian engineering exports to the countries of the CIS region during Apr - Nov of fiscal 2017-18 from both country-wise and DGCI&S panel-wise perspectives. Other sections include News section, upcoming events in the CIS regions and tenders.

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

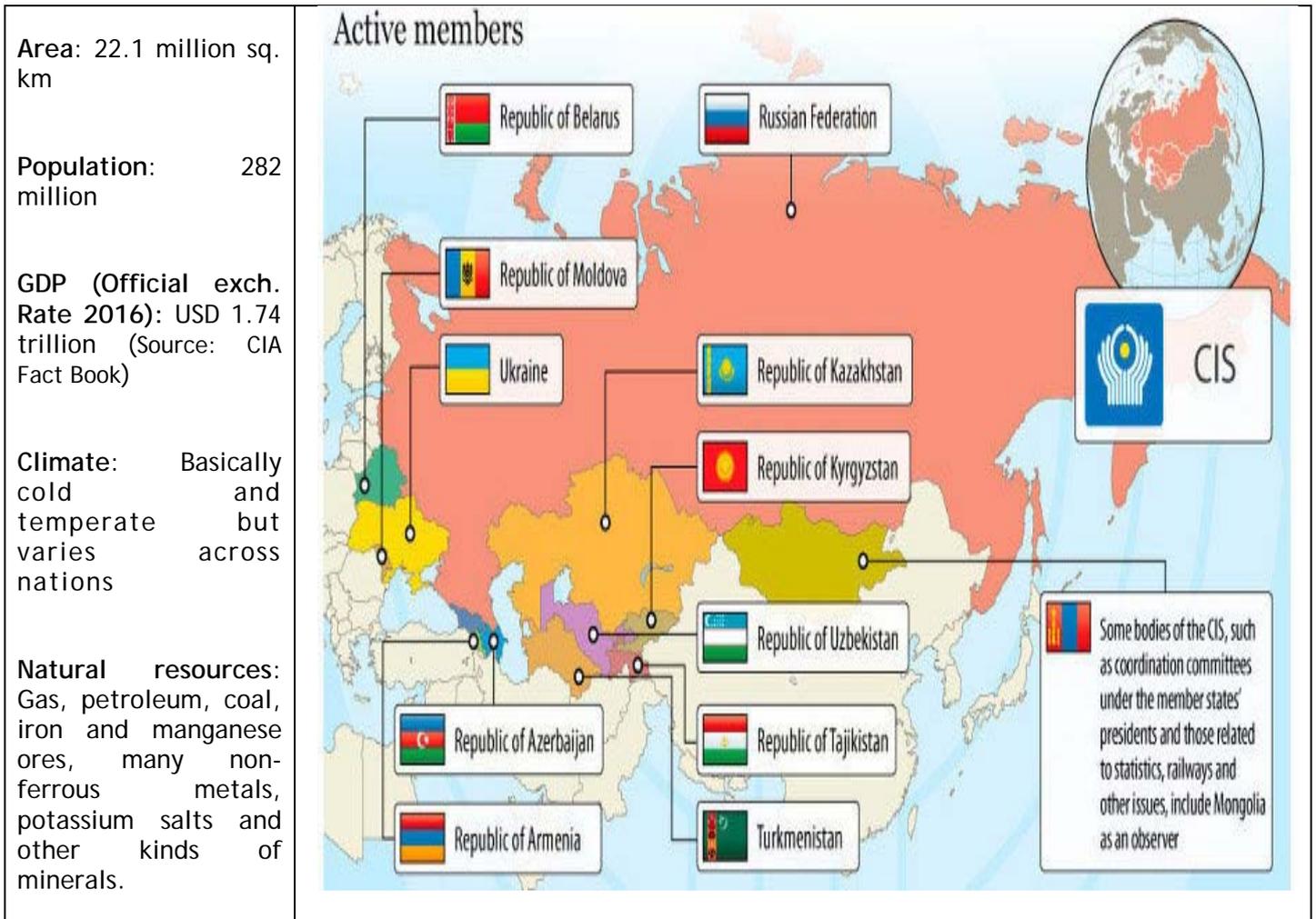
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Basic Facts: CIS



Russia's Top Political Scientist is Optimistic about a stronger Bilateral Relation with India

Professor Sergei Karaganov, Russia's top political scientist, visited New Delhi on the invitation by the Federation of Indian Chambers of Commerce and Industry (FICCI). In an interview with Sputnik, he expressed his concern on the fact that the Indo-Russian bilateral engagement has been far below the potential level in the last 20 years or so and also prescribed measures to explore the full potential of bilateral relation from both ends.

The interview, as published in the website of 'Sputnik International', is as follows:

Sputnik: India and Russia have a legacy of mutual relations especially in the cultural and scientific fields. Of late, has it come down a bit?

Sergei Karaganov: For sure we have lost an opportunity of around 20 years. Soon after the economic situation in Russia collapsed we had a gap and after that, we were first focused with Europe and then with China and, in the meantime India was not anywhere on the radar. Maybe the web of relationship weakened

with time. Today we consider it as one of the major mistakes of Russian foreign policy and I don't know if it is seen as the same way here also.

Sputnik: What's the way ahead for India and Russia to make up for the loss?

Sergei Karaganov: First and foremost, we need to restore connectivity and it could be by all means including rail, etc. The relationship between the intellectual and elites of our societies need to be restored by some steps like starting joint courses. There needs to be more and more centers of Indian and Russian studies on both sides. I think today we have an excellent relationship at the top level but it is not the same at other levels. We need to talk more because we have so much to tell each other.

Sputnik: Are there cultural avenues and common meeting points which can be explored like it was in the past?

Sergei Karaganov: Cultural relations are not as bad as we think. Just to tell you, Indian films are a staple for a Russian family even today and the Bollywood channel is one of the most popular and watched channels in Russia. So, there is hope you see.

Sputnik: Observers say business to business relationships between India and Russia have lagged way behind what it was supposed to be. Do you see the possibility of a comeback? What are the opportunities ahead?

Sergei Karaganov: We have lost many opportunities which need to be restored and business is one of the most important. Indian goods are everywhere across the world but for Russians, we have to buy from the US or the European market. That is a shame.

Russia has huge opportunities in energy collaboration with India and that must be explored. Another opportunity to work together is in the Middle East. In the next three years' time if something is left out of the countries in Iraq and Syria then all the three countries India, China and Russia have to come together in the reconstruction. And India can play a major role with labor and capital.

Sputnik: In the last few years, do you see India pursuing an aggressive diplomacy and how important is this Indian position in the global scenario?

Sergei Karaganov: I would prefer India to be more assertive...it is not aggressive. You are right, India is increasingly playing an important role but it should be more so. It is also important where to direct this assertiveness. The more assertive India is, the more it is good for humanity. India is a peaceful power and Gandhi is a shining example to us all. We need India and everybody needs India. India's history of the non-aligned movement is one of the greatest achievements ever.

Source: <https://sputniknews.com/analysis/201803051062246563-india-russia-relations/>

Trend Analysis of India's Engineering Export to CIS

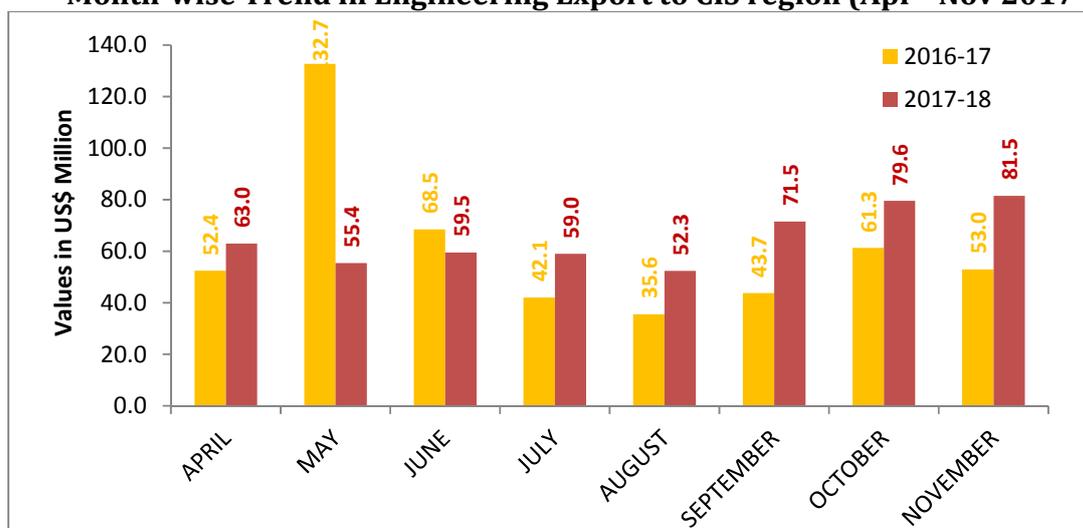
The following table described the exports of Indian engineering products to top five importers from the CIS region during November 2017 as well as during April - November 2017-18 (Value of Exports measured in USD Million):

| Country | Export in Nov 2016 | Export in Nov 2017 | Growth (%) | Exports in Apr-Nov 2016-17 | Exports in Apr-Nov 2017-18 | Growth (%) |
|------------|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| RUSSIA | 41.61 | 58.91 | 41.59 | 371.81 | 421.93 | 13.48 |
| UKRAINE | 5.73 | 12.26 | 114.13 | 40.93 | 52.20 | 27.55 |
| UZBEKISTAN | 1.84 | 7.25 | 293.49 | 16.73 | 32.73 | 95.66 |
| KAZAKHSTAN | 1.51 | 0.70 | -53.25 | 10.35 | 10.37 | 0.16 |
| AZERBAIJAN | 0.52 | 0.41 | -20.75 | 6.48 | 10.07 | 55.44 |

Indian engineering exports to CIS continued to grow for the fifth straight month to Nov 2017 on a year-on-year basis and this time the growth was much higher at 54% as against 29.8% in October 2017. The paces of growth were 63.5% in September 2017, 47.1% in August 2017 and 40.2% in July 2017. Russia, the largest importer of Indian engineering products among the CIS nations witnessed a slower 41.6% year-on-year growth in imports in comparison to 63.7% in October 2017 and 80.1% in September. Second highest importer Ukraine recorded 114.13% growth in Nov 2017 as against a decline in year-on-year imports during October 2017. Out of the top-5 CIS importers of Indian engineering products, 2 conceded year-on-year decline during November 2017 while 4 of the 12 CIS nations faced the same.

Cumulative engineering exports to CIS continued to see year-on-year increase during the first eight months of fiscal 2017-18 with an accelerating pace of 10.6% as against 5.43% growth during the first seven months on a cumulative basis. Needless to say, growth during Apr - Nov 2017-18 was led by the leading exporter Russia who saw 13.5% increases in import of Indian engineering products over the same period last year. Engineering exports to Ukraine went up by 27.6% during this time period. Engineering exports to Uzbekistan nearly doubled to that of the previous fiscal. Out of 12 CIS nations, 3 recorded year-on-year decline in imports from India during this time period.

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



Source: DGCIS Data, EEPIC Research

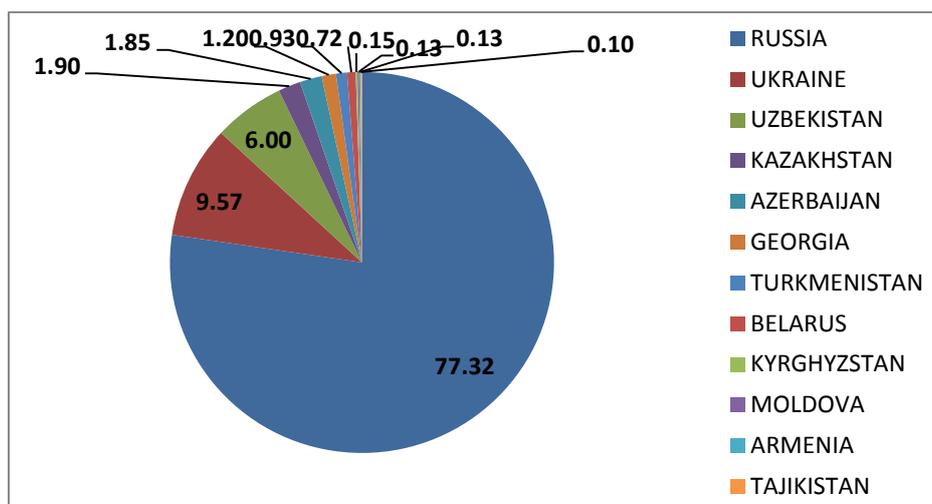
Panel-wise trend in engineering exports to CIS during Apr - Nov 2017-18

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

| Panel | Export in Nov 2016 | Export in Nov 2017 | Growth (%) | Exports in Apr-Nov 2016-17 | Exports in Apr-Nov 2017-18 | Growth (%) |
|-----------------------------------|--------------------|--------------------|------------|----------------------------|----------------------------|------------|
| Aircrafts, Spacecrafts and Parts | 18.66 | 14.26 | -23.53 | 81.14 | 95.18 | 17.31 |
| Auto Components/Parts | 6.21 | 9.18 | 47.87 | 49.36 | 70.40 | 42.61 |
| Iron and Steel | 4.22 | 5.82 | 38.18 | 39.85 | 64.77 | 62.53 |
| Industrial Machinery | 3.40 | 8.10 | 138.32 | 31.64 | 50.40 | 59.26 |
| Electric Machinery and Equipments | 1.20 | 9.67 | 708.72 | 22.85 | 35.38 | 54.85 |
| Other Construction Machinery | 2.14 | 3.05 | 42.32 | 15.76 | 29.38 | 86.42 |
| Machinery for ATMs | 3.03 | 4.55 | 50.19 | 20.45 | 25.56 | 24.98 |
| IC Engines and Parts | 5.47 | 10.57 | 93.08 | 123.34 | 22.96 | -81.38 |
| Products of Iron and Steel | 2.24 | 2.34 | 4.55 | 23.76 | 20.25 | -14.77 |

'Aircrafts, Spacecrafts and Parts' remained the top engineering product group exported by India to CIS region during Apr - Nov of 2017-18 but with a slower growth rate of 17.3% as compared to 27.66% during Apr - Oct 2017-18. 'Auto components/parts' was the second highest exporting engineering product to CIS during Apr - Nov 2017-18 with 42.6% increase in year-on-year exports. 'Iron and Steel' dropped to third place in this fiscal but achieved an impressive 62.5% growth in exports to CIS during the same time period. However, 'IC Engines and Parts' and 'Products of Iron and Steel' conceded decline in export on a cumulative basis during the first eight months of 2017-18 out of the top 10 exported product panels. while 7 among all the 33 product panels witnessed declines in exports to CIS during the period concerned.

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



Source: DGCIS Data, EEPIC Research

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

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 77.3% of India's engineering exports to CIS during Apr - Nov 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 9.6% during the same time period.

Top exported products: Electric Machinery, Iron & Steel; Products of Iron and Steel; Aluminium & products; Hand tools & cutting tools.

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 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-alloy steel not in coils of a width up to 4950mm and thickness up to 150mm | 7208 7211 7225 7226 | 11/04/2016 |
| 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 or 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 |
|-------------------------------------|---------------------|---|---|
| AUTOWORLD 2018 | April 11 - 15, 2018 | Petersburg Sports and Concert Complex Yuriya Gagarina prosp., 8 St. Petersburg, Russia | https://www.eventseye.com/fairs/f-autoworld-5483-1.html |
| ELECTROTECHNOEX PO 2018 | April 16 - 19, 2018 | Expocentr' Krasnaya Presnya Fairgrounds 14, Krasnopresnenskaya naberezhnaya Moscow 123100, Russia | https://www.eventseye.com/fairs/f-electrotechnoexpo-673-1.html |
| KYIV TECHNICAL FAIR 2018 | April 03 - 05, 2018 | Kiev International Exhibition Center 15, Brovarsky Ave Kyiv, Ukraine | https://www.eventseye.com/fairs/f-kyiv-technical-fair-23068-1.html |
| GREENEXPO / ALTERNATIVE ENERGY 2018 | April 17 - 20, 2018 | KievExpoPlaza Exhibition Center Salyutna str., 2B Kiev, 04111, Ukraine | https://www.eventseye.com/fairs/f-greenexpo-alternative-energy-14910-1.html |
| METALWORKING. TOOLS. PLASTICS 2018 | April 03 - 05, 2018 | Kiev International Exhibition Center 15, Brovarsky Ave Kyiv, Ukraine | https://www.eventseye.com/fairs/f-metalworking.-tools.-plastics-23069-1.html |
| MECHANICAL ENGINEERING MINSK 2018 | April 10 - 13, 2018 | Minsk-Arena pr-t Pobediteley 111 Minsk, Belarus | https://www.eventseye.com/fairs/f-mechanical-engineering-minsk-16419-1.html |

News in Focus

Trump's Tariffs Plan Could Lead to Deep Global Recession - WTO

Director-general of the World Trade Organization (WTO) Roberto Azevedo warned on Monday that US President Donald Trump's decision to place stiff tariffs on aluminum and steel imports could lead the world into a "deep recession".

Link: <https://sputniknews.com/world/201803061062261604-trump-tariffs-global-recession/>

US\$32 million loan to boost production, exports of Armenian produce: ADB

The Asian Development Bank (ADB) on March 2, 2018 signed a US\$32 million loan agreement with Spayka Limited Liability Company (Spayka), a leading food producer and exporter in Armenia, to help the company expand greenhouse operations and increase exports.

Link: <http://cis.einnews.com/article/434950886?lcf=n6akwSxISFexT6QvoahKuw%3D%3D>

Foreign Minister: Moldova wants normal economic relations with Russia

In a wide-ranging interview, the minister of foreign affairs and European integration of Moldova, Tudor Ulianoschi, talks about his country's relations with the EU and Moscow, the political situation ahead of crucial elections, and the prospects for frozen conflicts in Transnistria as well as other issues.

Link: <https://cis.einnews.com/article/434503946?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=2>

Azerbaijan, Russia discuss strategic partnership

Chairman of Azerbaijan's Parliament Ogtay Asadov has met with Chairman of the Russian State Duma Vyacheslav Volodin as part of his visit to Russia on the occasion of the 25th anniversary of the establishment of diplomatic relations between the two countries.

Link: <http://cis.einnews.com/article/430938451?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=4>

Tender Information in CIS

Prior information Notices

| Location | Title | Deadline |
|--------------------|---|-------------|
| Russian Federation | A Set Of Refrigeration And Commercial Equipment With Installation And Commissioning (department "fish") Estimated Cost: RUB 6,454,296 | 23-Mar-2018 |
| Russian Federation | Provision Of Services For Maintenance And Repair Of Vehicles For The Needs Of The Branch Of Fgbu "roslesinforg" "centrlesproekt" Estimated Cost: RUB 3,031,841 | 22-Mar-2018 |
| Russian Federation | Complex Services In Maintenance Of Buildings; services For Maintenance Of Internal Engineering Networks And Equipment, Maintenance By Duty (plumber, Electrician) | 27-Mar-2018 |
| Georgia | Parts And Accessories For Vehicles And Their Engines | 19-Mar-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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