

Territorial NEWSLETTER CIS Countries

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



After the Dushanbe summit in Oct 2018, CIS Heads of states met in Kazakhstan in a scheduled meeting where 15 agenda points were discussed. Like Dushanbe summit, the importance of closer cooperation was stressed ahead of all in order to solve issues on social and economic fronts. The CIS members over the years witnessed noticeable success in removing trade barriers, improved transportation, logistics and tourism coordination, joint space projects, developing digital economy and adopting innovative solutions. This is likely to continue at a faster pace in future that will help CIS nations to develop their relations with the outer world.

Like the previous ones, I believe this newsletter will also help our member exporters to take informed decision in setting off or expanding their businesses in the CIS region.

Ravi Sehgal

Committee on Trade with CIS Countries - Chairman's Note



The heads of the governments of all the 12 member nations of CIS region met in Astana, the capital of Kazakhstan during the month to discuss a number of issues focussing on better cooperation among them. The delegates realized the fact that with time cooperation became more and more important for eliminating the bottlenecks to economic as well as social development of all the individual nations. Expansion of intra-regional trade was also on the focus and was discussed on a priority basis. This issue was highlighted in this edition of the newsletter.

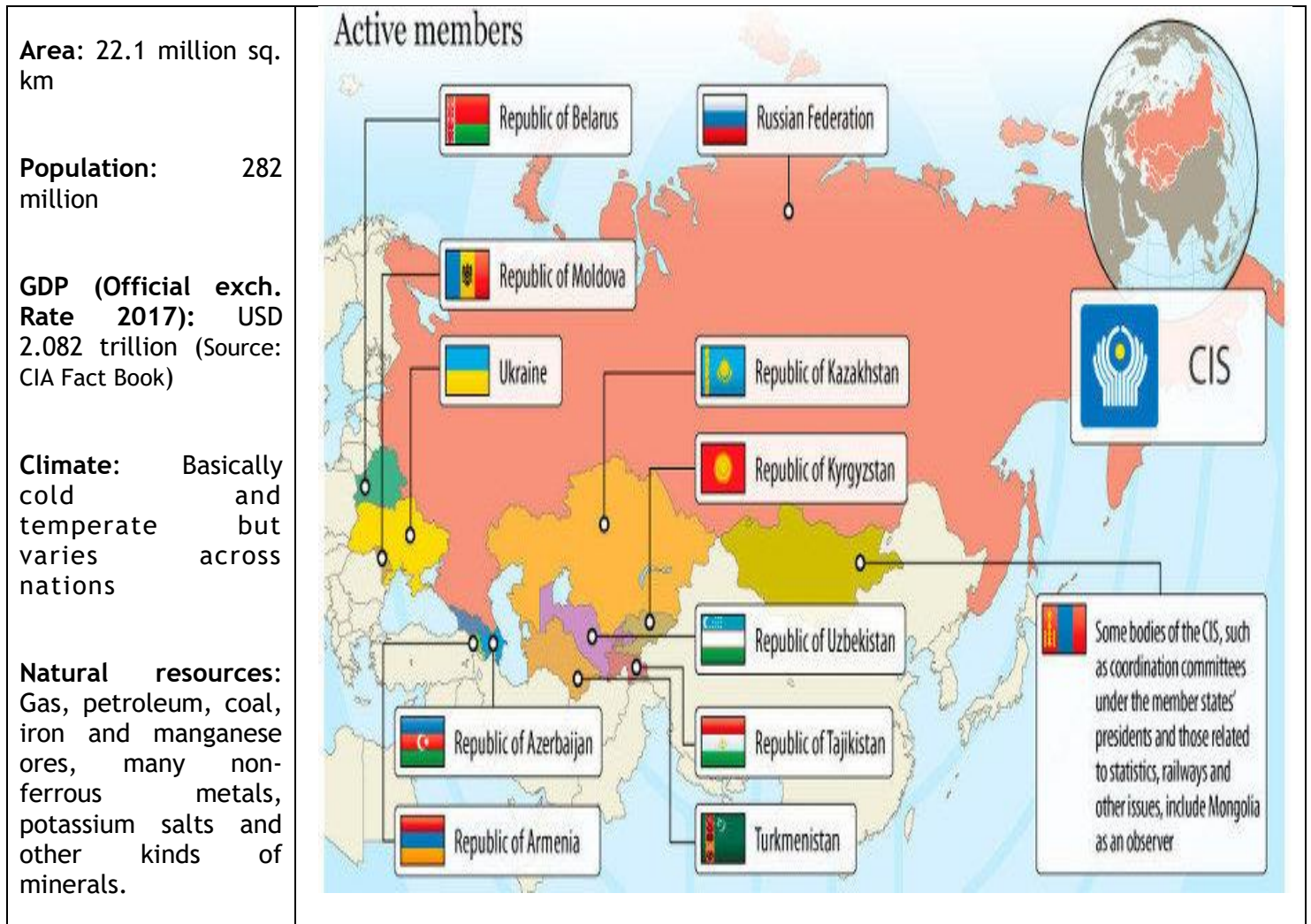
The newsletter also includes brief analysis of Indian engineering exports to the countries of the CIS region during Apr-Nov 2018-19 from both country-wise and DGCI&S panel-wise perspectives. Other sections include recent news on CIS, upcoming events in the CIS regions and tenders.

I believe this newsletter will be beneficial for our member exporters and help them in understanding the emerging opportunities in the CIS region.

P. C. Shah



Basic Facts: CIS



Expanding Intra-regional Trade Relation by CIS Members

The Council formed by the heads of Government of CIS member nations attended a scheduled council meeting in Astana, the capital city of Kazakhstan in early-Nov 2019 where 15 agenda points spread over different areas of focus were discussed. One of the unanimously decided priority areas was enhancing economic and trade cooperation.

The Kazakh President on welcoming the designated officials from other CIS member nations praised all the members for its service as a full-fledged organization preserving historical ties between the member nations and strengthening the sovereignty of each country. He stressed on continuing close cooperation within the commonwealth by all means including social, economic and diplomatic fronts and especially mentioned the importance of substantial growth on intra-regional trade as a means to enhance closeness among members. According to the statistics provided by him, trade turnover amounted to USD164 billion last year which was an increase of 25 percent over the previous year. He also stressed the importance of strengthening the commonwealth by promoting its modernization and efficiency and adapting to new realities, and mentioned the need to update the economic development strategy and accelerate the adopted projects of the

agreement on free trade in CIS countries in order to expand economic cooperation within the commonwealth. This region has already made significant progress in removing trade obstacles, improved transportation, logistics and tourism coordination, joint space projects, developing digital economy and adopting innovative solutions.

The formal part of the council was conducted in narrow and extended formats. As the formats allow proposals for further interaction, the Kazakh side once again raised issues of enhancing trade, implementing joint space projects, stepping up work on transitioning economies to digitization and implementing CIS joint initiatives in the green sphere. The delegations highlighted the importance of the CIS Concept of Cooperation in developing and producing high-tech energy equipment. They believe it allows for expanding and modernizing production facilities and creating new high-performance jobs, as well as increasing research potential and, in general, strengthening development of the energy sector, engineering and industry.

Source: The Astana Times

<https://astanatimes.com/2018/11/cis-heads-of-government-council-in-astana-kazakhstan-calls-for-expanding-trade-relations/>

Trend Analysis of India's Engineering Export to CIS

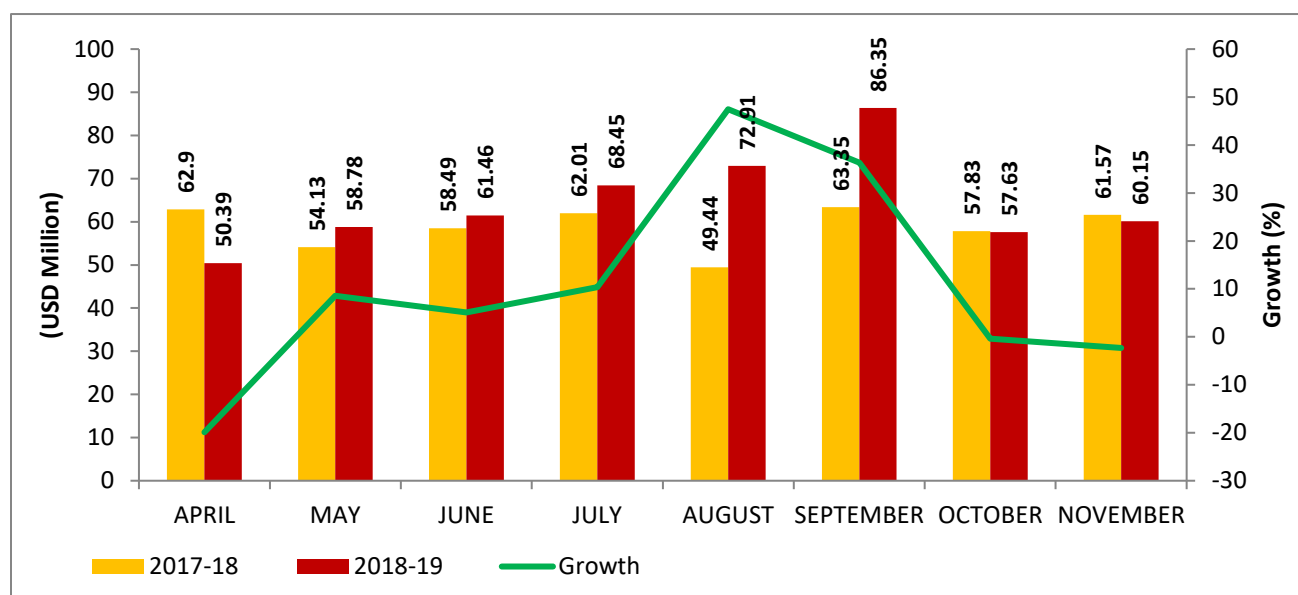
The following table described the exports of Indian engineering products to top five importers from the CIS region during Nov 2018 (Value of Exports measured in USD Million):

Country	Export in Nov 2018	Export in Nov 2019	Growth (%)	Export in Apr-Nov 2018	Export in Apr-Nov 2019	Growth (%)
RUSSIA	38.93	40.51	4.04	346.54	355.74	2.65
UZBEKISTAN	7.25	9.04	24.64	32.73	70.58	115.64
UKRAINE	12.27	5.30	-56.82	51.66	42.85	-17.05
KAZAKHSTAN	0.71	1.79	151.22	10.38	13.13	26.52
GEORGIA	0.69	0.84	21.51	6.56	12.18	85.56

After five months of continuous year-on-year growth from May 2019, India's engineering exports to CIS declined in two straight months to Nov 2018 due to over 50% decline in import from the third largest CIS importer Ukraine. Russia recorded 4% growth while the second largest importer Uzbekistan saw around 25% growth in imports of engineering products from India over the same month last fiscal. Out of the top five destinations in CIS recorded, none other than Ukraine recorded year-on-year decline in imports while out of the twelve CIS members, three countries witnessed drop in imports during the said month.

Growth in cumulative engineering exports to CIS slowed down to single digit at 9.87% during Apr-Nov 2018-19 from 11.71% year-on-year during Apr-Oct 2018-19 and 13.7% growth during Apr-Sep 2018-19 over the same period last fiscal. While exports to Uzbekistan was more than doubled, Russia was the spoilsport to manage only 2.65% growth. Four out of twelve CIS countries, including the third largest destination Ukraine conceded year-on-year decline in imports of engineering products from India during Apr-Nov of fiscal 2018-19.

Month-wise Trend in Engineering Export to CIS region (Apr-Nov 2018-19)



Source: DGCIS Data, EEPC Research

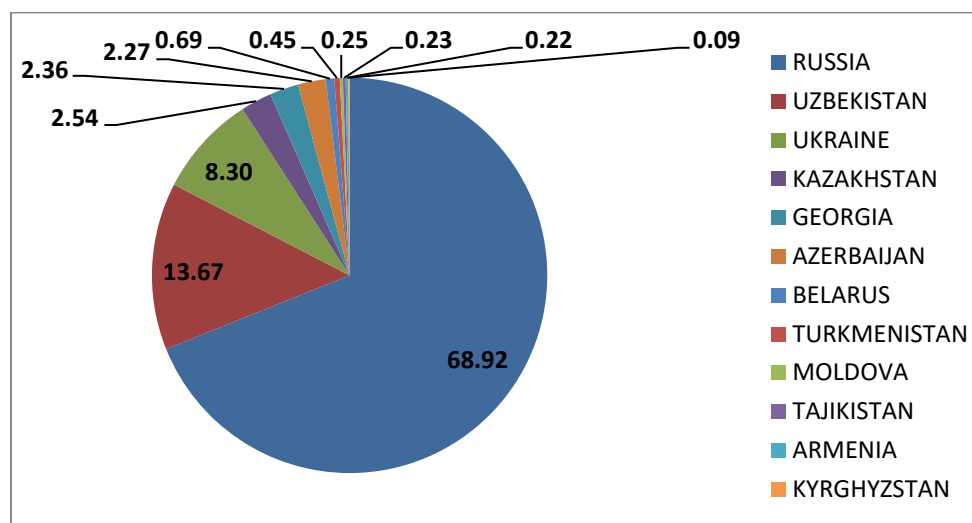
Panel-wise trend in engineering exports to CIS during Apr-Nov 2018-19

Top 10 panels exported to CIS during Apr-Nov 2018-19 are listed below (Value of Exports measured in USD Million).

Panel	Export in Nov 2018	Export in Nov 2019	Growth (%)	Export in Apr-Nov 2018	Export in Apr-Nov 2019	Growth (%)
Auto Components/Parts	9.18	11.44	24.64	70.40	78.48	11.48
Industrial Machinery	8.09	9.45	16.80	52.08	75.73	45.41
Iron and Steel	5.82	6.92	18.78	64.77	66.73	3.03
Other Construction Machinery	3.05	4.66	52.84	29.38	48.90	66.47
Electric Machinery and Equipment	9.68	6.06	-37.36	35.39	38.03	7.47
Products of Iron and Steel	2.34	2.36	0.65	20.25	25.19	24.36
Machinery for ATMs	4.55	3.48	-23.65	24.26	22.80	-6.00
Medical and Scientific Instruments	2.13	2.08	-2.55	17.63	20.77	17.78
IC Engines and Parts	1.53	1.79	16.79	12.42	16.58	33.45
Air condition and Refrigeration Machinery and Parts	1.86	0.88	-52.67	10.23	15.23	48.85

'Auto Components/Parts' continued to remain the largest exported engineering product group exported to CIS during Apr-Nov 2018-19 with 11.5% year-on-year growth. 'Industrial Machinery' was the immediate follower of 'Auto Components/Parts' with over 45.4% growth in exports to CIS during the first eight months of fiscal 2018-19. Out of 33 product panels, 17 saw drop in exports to CIS during Apr-Nov 2018-19.

India's Engineering Exports to CIS: Country-wise Share (%) during Apr-Nov 2018-19



Source: DGCIS Data, EEPC Research

Major Importers of Indian Engineering Products in the CIS Region during Apr-Nov 2018-19

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 68.9 of India's engineering exports to CIS during Apr-Nov 2018-19.

Top exported product: Auto components and parts; Iron & Steel; Other construction machinery; Electric machinery and equipment, Industrial Machinery.

Uzbekistan:

Uzbekistan is now the second largest export destination for Indian engineering products among all CIS nation but with a much lower share of around 13.7% during the same time period.

Top exported products: Industrial Machinery; Auto Components/Parts, Nuclear Reactors, Industrial Boilers and Parts.

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.
- **Investigation Initiated by Ukraine against India:** Ukraine has initiated anti-dumping investigation on imports of 'Syringes' (HS Code - 901831) from India on 2nd November 2017.

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>

News in Focus

Kazakhstan jumps 8 points in World Bank's Doing Business ranking

Kazakhstan improved in three areas of the Ease of Doing Business (EODB) score, including enforcing contracts, starting businesses and trading across borders.

Link: <https://astanatimes.com/2018/11/kazakhstan-jumps-8-points-in-world-banks-doing-business-ranking/>

Eurasian Economic Union to protect itself from anti-Russian sanctions – official

The Eurasian Economic Union (EAEU) will find effective mechanisms of protection from anti-Russian sanctions that affect other member states of the association, First Deputy Head of the Russian Government Office Sergei Prikhodko said ahead of the session of the Eurasian Inter-Governmental Council.

Link: <https://tass.com/economy/1032783>

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 (India-EAEU 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>

EEPC India CIS Territorial Newsletter

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