

Territorial NEWSLETTER CIS Countries

EEPCINDIA

ENGINEERING THE FUTURE

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Chairman's Pen



Indian engineering exports to the CIS region conceded year-on-year fall during the month of July and August 2016 after a very good start in this fiscal. However, cumulative exports were optimistic. Russia, the largest importer of Indian engineering products in this region with nearly 77 percent share in total imports of CIS nations saw 95 percent growth in imports of Indian engineering products during April - August of the current fiscal. Russia is the most important nation in the CIS region by all means and it needs to play a key role in further integration of this region. This is what has been stressed in the 25th Summit of the CIS region held in Bishkek, the capital city of the Republic of Kyrgyzstan during September 2016. 16

documents were signed and four statements were released during the one-day summit focusing on strengthening trade and economic relation between the states and tightening the defence security. The bilateral trade between India and the CIS is expected to be benefited with changing face of CIS and Russia leading from the front.

I believe this newsletter will certainly be beneficial for our member exporters to expand their export base in the CIS region.

Tarvinder Singh Bhasin

Committee on Trade with CIS Countries - Chairman's Note



This is the thirteenth issue of our newsletter where we have focussed on the Jubilee Summit of the CIS region held in Bishkek, the capital city of the Republic of Kyrgyzstan during September 2016. The summit decided towards greater integration of the CIS region on the economy and security where Russia was supposed to play a lead role.

An analysis of India's engineering exports to CIS region for Aug 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 helpful for our member exporters to take more informed business decisions.

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.

Jubilee Summit of CIS Nations focused on greater economic integration

During September 2016, the constitutional heads of the CIS member states met in Bishkek, the capital city of the Republic of Kyrgyzstan to take part in the 25th or Jubilee summit of the organization. The focus of the summit was to strengthen trade and economic relation between the states and to tighten the defence security. This one-day summit was a marked success in reaching consensus on vital for Russia on the preservation of the CIS full-fledged international organization status. The summit ended with signing of a number of fundamental documents, including several statements on regional security, evidence of the unanimous desire of all Member States to intensify multilateral cooperation.

The summit also demonstrated that the Heads of all member states of CIS attach great importance to the CIS activities related to security, economic, political and military issues. The Commonwealth, of course, managed to develop a strong regulatory framework in many areas, including customs, transport, communications and greater integration on the economy and security. However, the main advantage of the CIS is the ability of the flexible organization to adapt to the new global realities. Since the CIS is part of the international security system, the priorities of multilateral cooperation are formulated in accordance with the emerging challenges in the international arena.

Two sensible issues of the present day, Terrorism and Extremism were also discussed during the summit with utter importance as the heads of all CIS states unanimously agreed that was one major issue hampering the economic development and damaging foreign trade of this region. Eradication of these two most damaging activities would help this region to see a full-fledged development across all sectors including international trade. It was realized in the summit that within the CIS, there was still untapped potential of cooperation, which needed to be nurtured and used to the maximum. A package of 16 documents was signed here at the 25th session.

The Russia-factor: Russia is the largest as well as the richest member nation in the CIS region. The economic and political situation in the CIS countries is largely dependent on their relations with Russia, and vice versa. This means that the Russian factor remains important for the foreign policies of the CIS countries. As a result, they see cooperation with Russia, both bilateral and multilateral, as the best solution. Russia was also showed its concern on the bottlenecks of development of the CIS region. The president of Russia is well aware that Russia's security is directly linked to the political and economic situation in the CIS countries. For this reason, in its geopolitical reasons Russia pays special attention to the strategic relations with the CIS member states, regardless of whether they have common geopolitical

interests and concerns. It seems that Russia intends to tackle the problem of reformatting existing system integration within the CIS. Indeed, given the rapidly changing geopolitical realities, the CIS cannot be maintained in its current form, but needs to be improved in order to enhance its effectiveness and relevance.

The outcomes of the latest Bishkek summit raised hope for further integration of this region in all respects. The next summit, scheduled in Moscow during October 2017 may well be a decisive step towards the strengthening of regional integration trends. If this is so, then it will be possible to turn the weaknesses of the CIS in real benefits with Russia leading the process of restructuring right from the front.

Trade Trend Analysis in the CIS

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

Country	Export in Aug 2015	Export in Aug 2016	Growth (%)	Exports in Apr-Aug 2015	Exports in Apr-Aug 2016	Growth (%)
RUSSIA	24.09	23.95	-0.59	130.46	254.52	95.10
UKRAINE	6.29	4.26	-32.26	22.54	19.91	-11.63
GEORGIA	2.18	1.89	-13.48	8.12	19.30	137.54
TURKMENISTAN	1.69	2.59	53.49	6.60	13.07	98.01
UZBEKISTAN	0.92	1.30	41.11	10.30	9.58	-7.01
CIS	36.69	35.99	-1.89	195.84	331.67	69.36

Engineering exports of India in the CIS region dropped by around 2 percent during August 2016 over the same month last year. Top importer of Indian engineering product in the CIS region, Russia, saw its imports dropped by 0.6 percent during the said month while the second and third highest importers Ukraine and Georgia conceded bigger year-on-year decline in importers of Indian engineering products during the month. Three out of top 5 importers saw their imports of Indian engineering products dropped in August 2016 over the same period last year and 5 out of 12 CIS nations witnessed the same. However, cumulative engineering exports to CIS region recorded over 69% growth during April - August 2016 over the same period last year with biggest importer Russia witnessing 95 percent more exports this fiscal. Lower import by Ukraine was probably due to the economic recession and political commotion therein but Georgia recorded much higher import on a lower base. Five CIS nations registered drop in imports during the first five months of fiscal 2016-17 on a year-on-year basis.

Panel-wise trend in engineering exports to CIS during Aug 2016

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

Name of the Panel	Export in Aug 2015	Export in Aug 2016	Growth (%)	Exports in Apr-Aug 2015	Exports in Apr-Aug 2016	Growth (%)
IC Engines and Parts	3.41	0.67	-80.27	4.88	108.60	2125.53
Aircrafts & Spacecrafts	1.12	1.85	66.04	23.59	44.74	89.65
Auto Components/Parts	6.18	6.48	4.94	24.33	31.12	27.94
Iron and Steel	6.89	4.67	-32.32	23.10	23.27	0.71
Industrial Machinery	3.59	2.99	-16.86	30.66	19.22	-37.33
Products of Iron & Steel	2.94	3.32	12.89	9.84	16.36	66.34

Electric Machinery and Equipments	2.22	1.14	-48.67	18.26	14.63	-19.89
Machinery for ATMs	0.60	1.60	166.73	2.86	12.43	334.68
Medical and Scientific Equipments	1.56	2.60	66.96	6.82	10.19	49.25
Air condition and Refrigeration Machinery and Parts	0.64	0.80	24.02	2.48	7.93	219.60

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 five months of fiscal 2016-17 with a robust 2125.5 percent growth over the same period last fiscal. A very low import during the last fiscal basically lifted the growth. 'Aircrafts & Spacecrafts' and 'Auto Components/Parts' were the second and third highest exporting panels of Indian engineering products to the CIS region during April - August 2016-17 with substantial growth. Only two out of the top ten panels recorded decline in exports to CIS region during the said time period while 13 out of the total 33 panels recorded lower exports to CIS region. Monthly data showed a slightly different picture where 4 out of the top 10 panels witnessed decline in exports.

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
18th Specialized Exhibition of Construction Materials	24-Jan-2017 to 27-Jan-2017	Expocentre, Moscow, Russia	https://www.jetro.go.jp/j-messe/tradefair_en/OCM2017_52042
10th International	28-Feb-2017	Expocentre, Moscow,	https://www.jetro.go.jp/j-

Specialized Exhibition equipment and technologies for composite materials producing	to 2-Mar-2017	Russia	messe/tradefair_en/CompositeExpo2017_51404
XV INTERNATIONAL INDUSTRIAL FORUM - 2016	22-Nov-2016 to 25-Nov-2016	International Exhibition Centre, Kiev, Ukraine	https://www.jetro.go.jp/j-messe/tradefair_en/XVINTERNATIONAL_49981
YUGAGRO -2016	22-Nov-2016 to 25-Nov-2016	Expograd, Yug, Krasnodar, Russia.	https://www.jetro.go.jp/j-messe/tradefair_en/YUGAGRO2016_51519

News in Focus

Armenia's foreign trade grows 4.6% to \$3 114.7 million in Jan-Aug 2016

Armenia's foreign trade turnover amounted to \$3 114.7 million in Jan-Aug 2016 showing a 4.6% year-on-year growth, the National Statistical Service of Armenia reports.

Link: http://arka.am/en/news/economy/armenia_s_foreign_trade_grows_4_6_to_3_114_7_million_in_jan_aug_2016/

Armenia may improve its standing in Doing Business ranking by ten points

Armenia may improve its position in the World Bank's "Doing Business" ranking by 10 points, acting economy minister Artsvik Minasyan said.

Link: http://arka.am/en/news/business/minister_armenia_may_improve_its_standing_in_doing_business_ranking_by_ten_points/

Will Uzbek transition impact Russia's economy?

Analysts say Russia may have to cope with a wave of migrants seeking work if the transition creates political turmoil.

Link: https://in.rbth.com/economics/finance/2016/09/08/will-uzbek-transition-impact-russias-economy_627915

Tender Information in CIS

Prior information Notices

Location	Title	Deadline
Azerbaijan	Second Phase Of The Restoration Project Of The Lake Boyuk Advisory Services, Research, Engineering Etc.	16-Nov-2016
Georgia	Architectural Related Services	17-Nov-2016
Uzbekistan	Provision Of Agreement For Development Of Design Estimates For Construction Work	11-Nov-2016
Armenia	Bridges, Overpasses, Transportation Hubs, Subways And Elevated Bridge Structure	05-Dec-2016

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

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