

Territorial NEWSLETTER CIS Countries

EPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



India's engineering exports to CIS registered year-on-year growth for the first time on a cumulative basis driven by impressive growths during the last three months to September 2017. Russia, needless to say, led the recovery with over three-fourth of share in total demand from the CIS region. Although, the cumulative growth for the first half of fiscal 2017-18 is not very sizeable, at least this leads to the optimism that more demand for Indian engineering will be generated from CIS region in the months to come.

Meanwhile, a joint report from the think tanks of both the nations has been published that analysed the present status of Indo-Russian relation and suggested some effective measures to make a stronger bilateral relation leading to higher trade and investments. The importance of CIS in Indian engineering export is expected to increase in future.

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



We have just published the 25th issue of our newsletter on the CIS region and in this edition, we have highlighted the crux of an analytical report published jointly by an Indian and a Russian Think-tank focusing on a wider as well as deeper bilateral relation between India and Russia. The report came out with some suggested measures towards the same.

The newsletter also include analysis of Indian engineering exports to CIS region for Apr - Sep of fiscal 2017-18 from both country-wise and DGCI&S panel-wise perspectives. Other sections include News section, upcoming events in the concerned 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

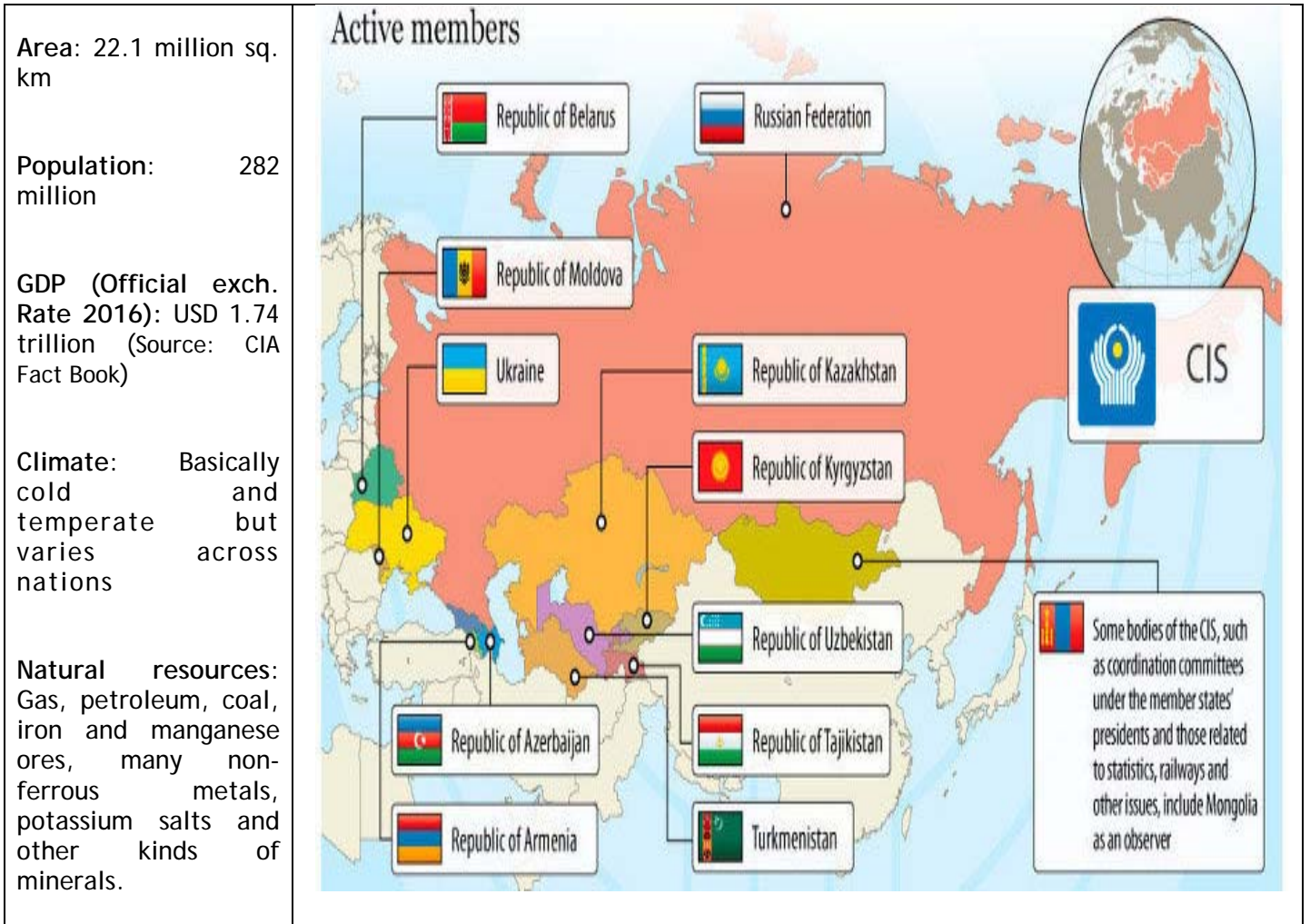
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Basic Facts: CIS



Report Suggested Ways for Deepening Indo-Russian Bilateral Relation

India and Russia celebrates 70-years of their diplomatic engagement in this year. A lot of official meetings have been held between these two nations on the eve of this 70th anniversary and a series of agreements/MoUs have been signed by the two nations that have been discussed in our earlier issues. Now, a recent report prepared by two think tanks namely New Delhi-based "Vivekananda International Foundation (VIF)" and Moscow-headquartered "Russian International Affairs Council" has recommended a major revamp of the relationship and calls for increased interaction at the ministerial and bureaucratic levels throughout the year. The Report opens up a new discussion on the prospects of Russia-India relations and the steps required to develop them further.

The report identifies some factors as critical constraints those are standing in the way of a new and enriched partnership between these two nations. The major bottlenecks identified in this regard include tariff and non-tariff trade limitations, lack of up-to-date information on political processes in both countries; low level of business contacts and the outdated images of both Russia and India their citizens have, among others.

The report suggested some measures towards a stronger as well as deeper India-Russia tie. The suggestions, as obtained from the Press Release of the report on the website of "VIF" are as follows:

- While Russia and India enjoy a special and privileged partnership based on deep trust and understanding, but there is a need to do more to forge common positions various bilateral and international fora.
- To achieve substantial progress in bilateral relations it is necessary to renew their strategic paradigm. Working on a range of cooperation projects that meet the new economic needs of Russia and India will make a qualitative leap in economic ties possible.
- Joint initiatives should be based on the global competitive edge of both countries and transition to new development models. The cooperation mechanisms must be revised to adapt to new realities.
- The ultimate goal of this revision is to make Russia-India relations independent of their ties with third countries and impervious to crises and changes in global circumstances.
- It is important to further expand Russia-India engagement on the international arena and to strengthen international groups such as the SCO and BRICS, where China seems to dominate to the detriment of India.
- Ideally, Russia should continue to actively support India's claim for greater participation in international affairs, particularly in reforming the United Nations, expanding the number of permanent members in the Security Council and membership of technology-related international regimes of which Russia is a member.
- There is a need to build an economic stake in this relationship. It is important to increase the efficiency of existing economic cooperation mechanisms at all levels - by encouraging direct contacts between the business communities of the two countries.
- Both need to look at ways to strengthen industrial cooperation and create close technological alliances and integrated manufacturing chains in those sectors where both Russia and India have significant capacities in terms of personnel and resources.

The report also mentioned the effectivity of the ambitious multi-modal transport system called "North-South international Corridor" established in 2000 by Iran, Russia and India to facilitate trade among them. This corridor will definitely be instrumental in solving the logistic problem of international trade especially between India and Russia to a large extent and is expected to enhance volume of trade between India, Russia and Iran significantly in the near future.

Russia is an all-weather friend of India and its largest trade partner in the CIS region. Engineering trade with Russia has been dropped in the recent past due to economic recession in Russia but then recovered well during the last few months of the current fiscal. India's engineering exports to this richest CIS member also increased in the current fiscal as on date after Russia witnessed signs of turnaround in economic activities. Therefore, the report has come out at the very right time as there has been a need for such a report that will open up a new discussion on the prospects of Russia-India relations and the steps required to develop them further.

Source: <http://www.vifindia.org>
<http://www.livemint.com>

Trend Analysis of India's Engineering Export to CIS

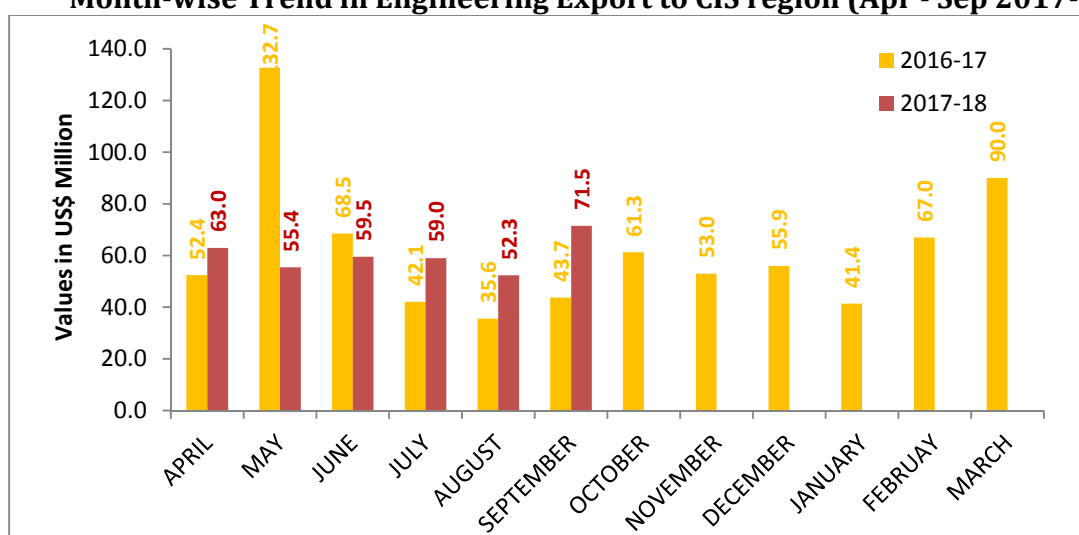
The following table described the exports of Indian engineering products to top five importers from the CIS region during September 2017 as well as during April - September 2017-18 (Value of Exports measured in USD Million):

Country	Export in Sep 2016	Export in Sep 2017	Growth (%)	Exports in Apr-Sep 2016-17	Exports in Apr-Sep 2017-18	Growth (%)
RUSSIA	32.12	57.84	80.09	290.61	298.06	2.57
UKRAINE	4.26	6.07	42.28	23.92	33.77	41.17
UZBEKISTAN	1.60	2.31	44.42	11.17	21.03	88.29
KAZAKHSTAN	1.31	1.09	-16.30	7.90	9.04	14.47
AZERBAIJAN	0.95	1.98	109.43	3.46	7.51	117.07

Indian engineering exports to CIS continued to enjoy substantial year-on-year growth for the third straight month to September 2017. The growth number was much higher at 63.5% in September 2017 as against 47.1% in August 2017 and against 40.2% in July 2017. Russia, the largest importer of Indian engineering products among the CIS nations witnessed a whopping 80.1% growth in imports during September 2017 demanding over three-fourth of the total exports to CIS. Second highest importer Ukraine also achieved a higher 33.8% year-on-year growth during the same month as against 27.1% in August 2017. All of the top-5 importers of Indian engineering products achieved year-on-year growth during the month concerned except Kazakhstan while three of the bottom-seven conceded decline.

Cumulative engineering exports to CIS also witnessed year-on-year increase during the first half of fiscal 2017-18 after witnessing decline in the previous months. However, the growth was feeble at 1.45% as the trend setter Russia recorded a feeble 2.57% growth on a cumulative basis for the first six months. Three out of the 12 CIS nations recorded year-on-year decline in cumulative imports during the reporting period.

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



Source: DGCIS Data, EEPC Research

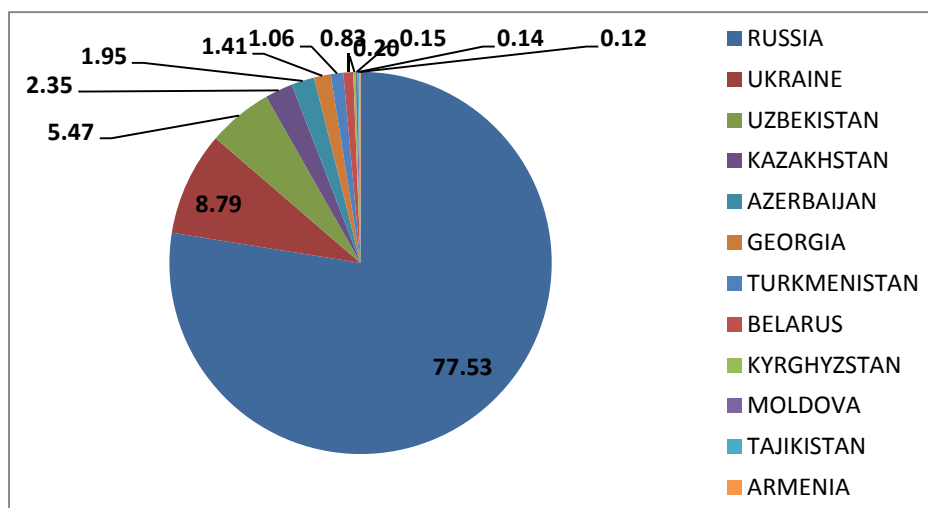
Panel-wise trend in engineering exports to CIS during Apr - Sep 2017-18

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

Panel	Export in Sep 2016	Export in Sep 2017	Growth (%)	Exports in Apr-Sep 2016-17	Exports in Apr-Sep 2017-18	Growth (%)
Aircrafts, Spacecrafts and Parts	4.32	10.92	152.60	53.00	55.53	4.77
Auto Components/Parts	5.67	11.13	96.30	36.79	53.30	44.85
Iron and Steel	6.42	12.78	98.97	29.69	51.94	74.94
Industrial Machinery	3.92	5.77	47.06	23.13	35.93	55.33
Other Construction Machinery	2.62	2.63	0.31	10.16	22.57	122.25
Electric Machinery and Equipments	3.49	4.32	23.77	18.12	18.99	4.80
Machinery for ATMs	3.08	3.31	7.65	15.51	18.67	20.38
Products of Iron and Steel	2.63	2.43	-7.68	18.89	16.03	-15.15
Nuclear Reactors, Industrial Boilers and Parts	0.78	0.08	-90.20	6.35	13.04	105.41

'Aircrafts, Spacecrafts and Parts' replaced remained the top engineering product group exported by India to CIS region during the first half of 2017-18 and this time it registered 4.77% year-on-year growth driven by a robust 152.6% growth in Sep 2017. 'Auto components/parts' was the second highest exporting engineering product to CIS during Apr - Sep 2017-18 with a handsome 44.9% rise in year-on-year exports. 'Iron and Steel' dropped to third place but achieved an impressive 74.9% growth in exports to CIS during the same time period. Only one out of the top 10 exported product-panels conceded negative export growth on a cumulative basis during the first six months of 2017-18 while 8 among all the 33 products panels witnessed declines in exports to CIS during the months concerned.

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



Source: DGCIS Data, EEPC Research

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

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing 77.53% of India's engineering exports to CIS during Apr - Sep 2017-18

Top exported product: Aircraft, spacecrafts and Parts; Iron & Steel; Auto components and parts; Other construction machinery.

Ukraine:

Ukraine is the immediate follower of Russia but with a much lower share at 8.79% during the first half of fiscal 2017-18.

Top exported products: Iron & Steel; Aluminium & products; Products of Iron and Steel; Industrial machinery; Hand tools & cutting tools etc.

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
TECHSTROYEXPO. ROADS 2018	23-Jan-2018 to 26-Jan-2018	Siberia International Exhibition Business Centre 19, Aviatorov Street, Krasnoyarsk city, Russia	https://www.eventseye.com/fairs/f-techstroyexpo.-roads-25167-1.html
METALWORK AND WELDING SHOW 2018	31-Jan-2018 to 02-Feb-2018	Siberia International Exhibition Business Centre 19, Aviatorov Street Krasnoyarsk city, Russia	https://www.eventseye.com/fairs/f-metalwork-and-welding-show-14558-1.html
EXPO TECHMASH 2018	Feb-2018	KievExpoPlaza Exhibition Center, Salyutna str., 2B Kiev, 04111, Ukraine	https://www.eventseye.com/fairs/f-expo-techmash-6112-1.html
BELLEGMASH 2018	21-Feb-2018 To 23-Feb-2018	Belexpo - 27, Yanka Kupala str. 27, Yanka Kupala str Minsk, 220035, Belarus	https://www.eventseye.com/fairs/f-bellegmash-272-1.html

News in Focus

New Kyrgyz President Vows Balanced Foreign Policy with Russia as Main 'Strategic Partner'

Kyrgyzstan's new president, Sooronbai Jeenbekov, has called Russia his country's "main strategic partner" but signaled that he will seek to balance ties with Moscow, China, and the European Union during his six-year term.

Link: <https://cis.einnews.com/article/418124853/uRCQlWFpIX3v4511?lcf=n6akwSxISFexT6QvoahKuw%3D%3D>

Georgia's Foreign Trade increased 12.1% year-on-year in January-September 2017

Georgia's foreign trade turnover in the first nine months of 2017 increased by 12.1%, compared to the same period of last year, reaching USD 7.56 billion, according to the preliminary figures released by the state statistics office, Geostat.

Link: <http://cis.einnews.com/article/410736310/qVUq-S-1wKvXfGTI?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=7>

Russian and other regional energy majors look East

India, meanwhile, is on pace to challenge China's appetite for oil because the pace of economic growth is stronger. OPEC Secretary General Mohammad Sanusi Barkindo said at an energy conference in New Delhi last week that an expanding middle class in India "represents a growing source of demand."

Link: https://cis.einnews.com/article/410340388/Cdk_PFE09p70NUQh?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=7

CIS of high importance in Iran's foreign policy

During his recent visit to the Kazakh capital, Astana, to attend the first summit of Organization of Islamic Cooperation (OIC) on science and technology, Iranian President Hassan Rouhani met with some leaders of the Commonwealth of Independent States.

Link: https://cis.einnews.com/article/404281967/IV_262_fjYFdy0J7?lcf=n6akwSxISFexT6QvoahKuw%3D%3D&pg=11

Tender Information in CIS

Prior information Notices

Location	Title	Deadline
Russian Federation	Maintenance And Repair Of Vehicles During The Warranty Period Of Toyota, Volkswagen, Skoda Oktavia Brands In 2018	12-Dec-2017
Russian Federation	Open Request For Proposals For The Supply Of Stop Valves Estimated Cost: RUB 1,802,288,454	12-Dec-2017
Belarus	Services For Maintenance Of Engineering Systems Estimated Cost: BYR 3,505,376	11-Dec-2017
Georgia	Repair And Maintenance Of Motor Vehicles And Related Equipment	11-Dec-2017

For more contract notices, Please register with Tenderinfo and follow the link:

<http://www.tendersinfo.com> and search for CIS.

EPEC India CIS Territorial Newsletter

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