

Territorial NEWSLETTER CIS Countries

EEPCINDIA
ENGINEERING THE FUTURE

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Chairman's Pen



Russia is called India's 'all weather friend' since India got its independence. That is, the period of erstwhile USSR. Both India and Russia over the years have developed a strong bilateral relation in almost all spheres including diplomatic, economic and cultural front. With time, India along with many other developed nations has showed investment interest in Russia's resource-rich and geostrategic far Eastern Region. Now this 4 year old Eastern Economic Forum is actually an invitation by Russia for foreign investors to exploit the potential of the region. An opportunity for Indian businesses for sure.

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 37th issue of CIS Newsletter has been published. In this issue, we have briefly highlighted the 4th eastern economic Forum held, an international forum held in this month at Far Eastern Federal University in Vladivostok, Russia each year since 2015 in September. The main purpose of organizing such a forum is to encourage foreign investment in the Russian Far East.

The newsletter also includes brief analysis of Indian engineering exports to the countries of the CIS region during Apr-Sep 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

Area: 22.1 million sq. km

Population: 282 million

GDP (Official exch. Rate 2017): USD 2.082 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.

Active members



Fourth Eastern Economic Forum 2018

Eastern Economic Forum is an international forum held each year since 2015 in September, at Far Eastern Federal University in Vladivostok, Russia, for the purpose of encouraging foreign investment in the Russian Far East. The 4th Eastern Economic Forum took place in Vladivostok on 11-13 September 2018. The theme of the Forum was 'The Far East: Expanding the Range of Possibilities'. Heads of States from Russia, China, Japan, Korea and Mongolia attended the forum.

These four countries, as well as Eurasian Economic Union partner Vietnam and Russia's decades-long partner India have shown an increased interest in investing in Russia's resource-rich and geostrategic Far Eastern Region, which has traditionally lagged behind all other parts of the country in terms of its development. That's actually one of the reasons why the Russian President Putin originally thought of creating the forum in order to encourage these up-and-coming nations to establish a stake in the Far East's success and cordially compete with one another in order to rapidly integrate it into the larger Asia-Pacific region.

The 4th Forum's programme comprised of over 100 business events including panel sessions, business breakfasts, roundtables and TV debates on the most relevant issues of regional, national as well as international agenda. There were four main theme blocks:

- Tools to Support Investors: Next Steps;
- Industry Priorities In The Far East;
- The Global Far East: International Projects for Cooperation;
- Improving Living Conditions.

The forum was attended by over 6000 delegates, around 1400 media representatives from around 60 countries. During the forum, over 200 agreements worth more than 3.1 billion Russian Rubbles were signed. The main attraction of the Forum was the plenary session entitled 'The Far East: Expanding the Range of Possibilities'.

Source: Wikipedia;

<https://forumvostok.ru/en/news/itogi-raboty-vostochnogo-ekonomicheskogo-foruma-2018/>

https://sputniknews.com/radio_trendstorm/201809081067841353-eastern-economic-forum-russia-asian-balancing-act/

Trend Analysis of India's Engineering Export to CIS

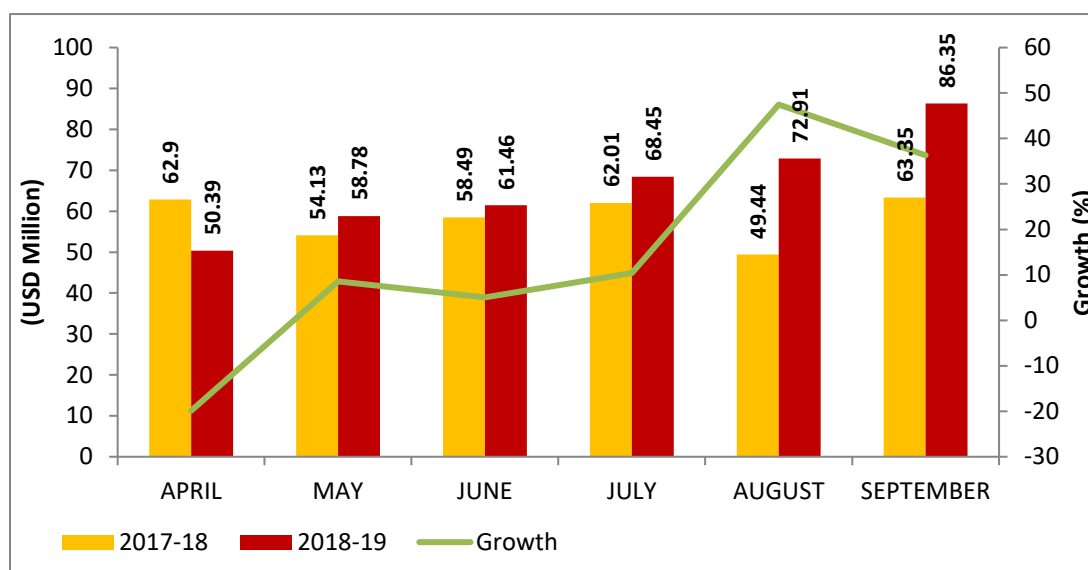
The following table described the exports of Indian engineering products to top five importers from the CIS region during Sep 2018 (Value of Exports measured in USD Million):

Country	Export in Sep 2018	Export in Sep 2019	Growth (%)	Export in Apr-Sep 2018	Export in Apr-Sep 2019	Growth (%)
RUSSIA	49.72	47.68	-4.10	264.52	275.19	4.03
UZBEKISTAN	2.32	22.87	884.40	21.04	52.80	150.90
UKRAINE	6.01	6.88	14.42	33.23	32.54	-2.07
GEORGIA	0.52	0.81	55.46	5.44	11.01	102.59
AZERBAIJAN	1.98	5.36	170.20	7.51	10.02	33.55

India's engineering exports to CIS region registered year-on-year growth for the fifth straight month to Sep 2018 but the growth was somewhat slower at 36.3% as against 47.5% in Aug 2019. During this month, this growth was attributed to over 8 times increase in exports to Uzbekistan which is now the second largest destination for Indian engineering exports among all CIS nations while the largest destination Russia conceded decline in imports. Other than Russia, all the top five destinations in CIS recorded year-on-year growth in imports of Indian engineering. However, out of the twelve CIS members, six countries recorded decline in exports during the said month.

Cumulative engineering exports to CIS recorded a higher 13.7% growth during Apr-Sep 2018-19 over the same period last fiscal. Again, this surge in exports was driven by over 150% increase in shipments to Uzbekistan while exports to Russia increased by only 4%. 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 the said time period.

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



Source: DGCIS Data, EEPC Research

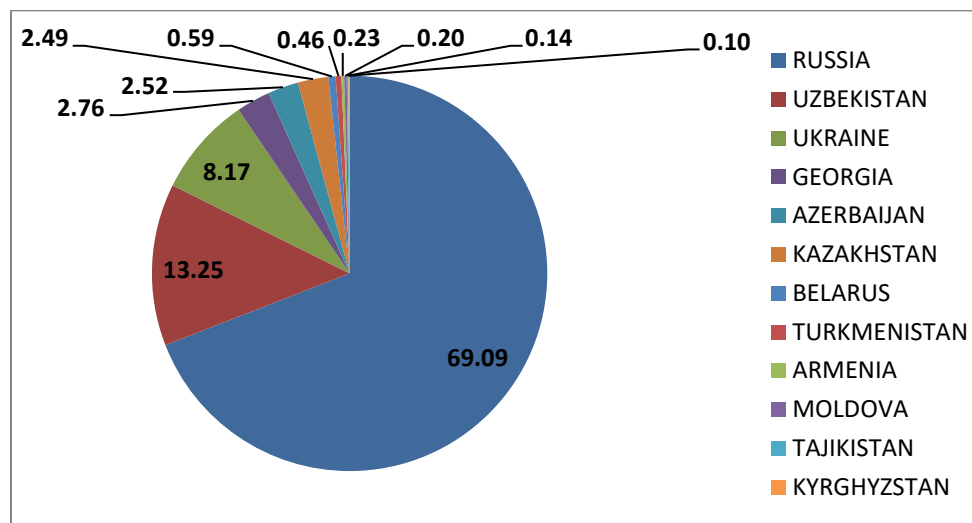
Panel-wise trend in engineering exports to CIS during Apr-Sep 2018-19

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

Panel	Export in Sep 2018	Export in Sep 2019	Growth (%)	Export in Apr-Sep 2018	Export in Apr-Sep 2019	Growth (%)
Auto Components/Parts	11.13	15.54	39.61	53.30	58.58	9.92
Industrial Machinery	5.78	23.76	311.40	37.64	57.26	52.11
Iron and Steel	12.78	9.39	-26.55	51.94	52.62	1.32
Other Construction Machinery	2.63	6.40	142.99	22.57	40.53	79.54
Electric Machinery and Equipment	4.32	7.23	67.28	18.99	29.53	55.49
Products of Iron and Steel	2.42	2.77	14.34	16.02	20.05	25.15
Machinery for ATMs	3.31	2.18	-34.06	17.37	17.02	-2.02
Medical and Scientific Instruments	2.06	2.79	35.14	12.85	16.26	26.47
Aircrafts Spacecraft and parts	2.74	0.58	-78.91	25.40	12.43	-51.05
Nuclear Reactors, Industrial Boilers and Parts	0.08	0.36	371.33	13.00	11.90	-8.50

'Iron & Steel' went down to the third place in terms of value of engineering product groups exported to CIS during Apr-Sep 2018-19 due to a drop in exports in Sep 2018. 'Auto Components/Parts' 'Iron & Steel' to become the highest exported product group during the first six months of 2018-19 with 15.5% rise in exports during Sep 2018. 'Industrial Machinery' stepped up as the second highest product group exported to CIS on a cumulative basis with export value more than trebled in Sep 2018. Out of 33 product panels, 14 saw drop in exports to CIS during Apr-Sep 2018-19.

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



Source: DGCIS Data, EEPC Research

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

Russia:

Russia is the largest importer of Indian engineering products in the CIS region sharing around 70% of India's engineering exports to CIS during Apr-Sep 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 13.25% during the first six months of 2018-19.

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

Iran officials discuss boost of trade ties with Azerbaijani entrepreneurs

Iranian officials and Azerbaijani entrepreneurs held talks in Tehran to explore ways for enhanced trade ties between the two nations. Members of Iran-Azerbaijan Joint Chamber of Commerce held a specialized meeting in the Iranian capital on Friday and discussed ways to remove obstacles in a way for Tehran and Baku to promote economic ties, IRIB news agency reported on September 8.

Link: <https://www.azernews.az/business/137269.html>

CIS countries to automatically share tax data of individuals, corporations

The CIS states intend to share information about taxes paid by individuals and corporations as well as information about the real estate they own in an automatic mode. The plans are stipulated by a draft CIS protocol on sharing digital information for the sake of tax administration, BelTA has learned. The draft protocol was approved by the CIS Economic Council during the session in Moscow on 14 September.

Link: <https://eng.belta.by/economics/view/cis-countries-to-automatically-share-tax-data-of-individuals-corporations-114809-2018/>

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>

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