



सत्यमेव जयते

Contents

In News Russia	2
In News India	3
Bilateral/Multilateral	3
Visits	5
Events in Russia	6
Events in India	6

Newsletter

Economic and Commerce Wing

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In news Russia

Macroeconomic forecast for 2015–2018:

Russia's Economic Development Ministry has submitted a new version of its macroeconomic forecast for 2015–2018 to the government, and it believes that private investments will trigger economic recovery in 2017. The processing industry, construction and trade may trigger the growth while exports and investments in the oil and gas sector will keep on stagnating. In 2016, gross domestic product will rise 2.3%, but mainly on low base effect. The ministry has reduced its forecast for the average oil price to U.S. \$65 per barrel from \$68.8 per barrel in 2015–2018, but according to the forecast, the price will reach \$80 in 2018.

Problems for Russian economy caused by sanctions are over:

President Putin has said that the problems for Russian economy caused by sanctions are likely to be over barriers and stated that Russia's priority task is to increase its economic sovereignty. He emphasized that Russia should also establish an open economy and added that Russia's ban on imports of agricultural products from the U.S. and the E.U. and several more countries is an opportunity to develop its own facilities. However, Russia does not aim to introduce import substitution everywhere, since interdependence in a modern world is right and good.

Russia's Industry and Trade Ministry has approves:

an import substitution plan, under which it is to fully substitute some imported parts for the transport machine industry and decrease imports in the oil and gas machine building, the aircraft industry and others until 2020. The ministry plans to fully substitute imports in the production of tank wagons, locomotive generators and engines, some railway equipment produced by Wabtec and Knorr Bremse, imports of high-speed modules for railroad infrastructure services and imports of components for the production of some

locomotives and launch the production of the Barber rail truck. The import substitution program will cost Russia 1.265 trillion rubles, as per First Deputy Industry and Trade Minister Gleb Nikitin. Under the plan production of no less than 800 new goods will be created in Russia by 2020, which will decrease the influence of Western sanctions on the country's economy, however Russian authorities will actively invite foreign companies to participate in the state program of import substitution.

90% of Life Saving medicines would be Russian:

Prime Minister Dmitry Medvedev told that the government's aim is to ensure, or reach 90% coverage with life-saving and the most important medicines by production on facilities based in Russia, so that 90% of these medicines would be Russian.

Russia may ban re-exports:

of plant products made in non-E.U. countries by E.U. member-states, the Federal Veterinary and Phytosanitary Oversight Service said in a report of April 25. Recently, Russian authorities have introduced a re-export ban on Bulgaria due to alleged falsification of phyto-sanitary certificate.

A sub-commission of the Russian Economic Development Ministry:

has decided to slash import duties for paper and abolish duties for some expendable materials for 1.5 and three years respectively, the Federal Agency for Press and Mass Media said in a statement. The sub-commission has decided to cut import duties for chemical chalk-coated paper to 5% for 1.5 years, and to lift import duties for offset plates and black printer ink for three years.

Russia's Internet trade market : amounted to 683 billion rubles in 2014, and a compound annual growth rate (C CAGR) was at 31% per year in 2009–2014 and is seen at 7% in 2014–2018

News in India

PM Modi launches bank for smallfirms with Rs.20,000 crore corpus:

Prime Minister Narendra Modi on April 8 launched a bank with a corpus of Rs.20,000 crore to extend credit of up to Rs.10 lakh to small businesses and regulate micro-finance institutions, to promote their growth, add to the country's output and create jobs. The move is aimed at benefiting some 58 million small businesses in the country, who account for a mere four percent of institutional funding, despite employing over 120 million people, many from unprivileged strata of society, the officials said. "After 'banking the un-banked' with the Jan Dhan Yojana, it's time to 'fund the unfunded'," the prime minister said at an event to launch what is called Micro Units Development and Refinance Agency – Mudra.

India's new trade policy merges all export schemes into two:

With Prime Minister Narendra Modi's "Make in India" initiative in the backdrop and a target of raising India's exports to \$900 billion by 2020, a new five-year Foreign Trade Policy was unveiled on April 1 that recasts all external commerce programmes into two schemes. "The new five-year Foreign Trade Policy, 2015-20 provides a framework for increasing exports of goods and services, as well as generation of employment and increasing value addition in the country, in keeping with the "Make in India" vision of the prime minister," Commerce Minister Nirmala Sitharaman said. "The focus of the new policy is to support both the manufacturing and services sectors, with a special emphasis on improving the ease of doing business," she said during the unveiling of the new policy at the Vigyan Bhavan here. In its blueprint for enhancing

exports, she said, the government has now merged all the earlier export promotion projects under two plans - the Merchandise Exports from India Scheme (MEIS) and the Served from India scheme (SFIS) for services exporters. As part of this initiative, the import duty exemption scheme valued at 10 percent of the foreign exchange earned, which are given to service exporters as an incentive, have now been made "tradable" and can be used for service tax, customs and excise duty payments.

India to become fifth largest market in infrastructure projects:

The Royal Institution of Chartered Surveyors, (RICS) research report says India is all set to become fifth largest market in the world in infrastructure projects, up from 5.3 per cent in 2015 to 9.8 per cent in 2030. The report "Our Changing World: Let's be ready", calls for action in six areas support the profession and the sector in preparing for the challenges and opportunities. The report examines how global social and economic changes will require new skills, business models and responses to developing technologies over the next 15 years.

Bilateral/ Multilateral

PM Modi's three-nation tour: to attract foreign investors and CEOs to start business in India.

France:

PM Modi held wide-ranging consultations with French PM Francois Hollande and conducted round-table discussions with French CEOs. His focus was on giving a boost to the 'Make in India' campaign and to re-energize key infrastructure deals. Several key agreements were signed between the two countries.

Germany

The PM's inaugurated the famous Hannover industrial fair along with German Chancellor Angela Merkel. Both leaders spoke in favour of a free trade agreement between the European Union and India. PM Modi said that this was important for the expansion of India as a manufacturing hub.

Canada

PM Modi became the first PM to arrive in Canada in a stand-alone bilateral visit in 42 years. His visit was largely welcomed by Canada, a country home to a big Indian diaspora. PM Modi held talks with Canadian PM Stephen Harper and addressed a 8,000-strong audience of Indo-Canadians at Toronto's Ricoh Coliseum. Both countries signed an agreement for long-term supply of Uranium to India. 13 MoUs were signed between the National Skill Development Council of India and 13 Canadian colleges, institutes, and Sector

Skills Councils in the fields such as agriculture, automotive, aviation, construction, healthcare, hydrocarbons and IT.

First ruble-denominated import contract with Indian company: Russian children goods retailer Detsky Mir has signed its first ruble-denominated import contract with Indian company Fashion Square to sell 260,000 items of children clothes for 100 million rubles, the company said in a statement. "In order to minimize the consequences of currency rate fluctuations, we have signed a new contract with Indian company Fashion Square to sell goods worth 100 million rubles, under which all settlements with the contractor are carried out only in rubles.

Imports from India: Russia's Federal Service for Veterinary and Phytosanitary Oversight (FSVPS) may allow cheese imports from two Indian companies, Mr. Alexei Alekseyenko, aide to the service's Director said after discussions with Shri Krishan Kumar, a representative for India's Agricultural and Processed Food Products Export Development Authority. He gave two protocols, signed by him, to the Indian side, which will be signed soon. The sides also discussed possible imports of buffalo meat from six Indian companies to Russia, and the expansion of access of Russian companies to the Indian market, including for poultry supplies. He added that Indian fish producers have expressed interest in making supplies to Russia, moreover, Indian agricultural producers are also quite active and offer a wide range of vegetable supplies.

Trade transactions between Russia and India in their national currencies: There are no regulatory limits on trade

transactions between Russia and India in their national currencies, Russia's central bank said in a statement after a meeting between First Deputy Chairwoman Ksenia Yudayeva and Deputy Chairman of the Reserve Bank of India Shri Harun Rashid Khan. "The subpanel of the workshop proposed models of transactions which in general, are in line with the existing commercial practices of banks in the two countries, the central banks will discuss measures to cut transaction costs, as well as practical aspects of trade in national currencies with the two countries' business communities.

Visits

- Hon'ble Minister of State for Defence, Mr. Rao Inderjit Singh, participated in the Fourth Moscow Conference on International Security was held on April 16-17 in Moscow which was organized by the Defense Ministry of Russian Federation. On the sidelines of this visit, ASSOCHAM and Sberbank jointly organized a seminar on April 17, 2015 in Moscow to discuss intensification of defence and economic cooperation between the two countries especially the possibilities of joint collaboration in defence manufacturing under 'Make in India' program.
- Shri Prakash Javadekar, Hon'ble Minister of State (IC) for Environment, Forest and Climate Change visited Moscow on 21-22 April 2015 to participate in BRICS Environment Ministers Meeting. Apart from projecting India's perspectives on environmental issues and BRICS cooperation, the Minister also held a bilateral meeting with his Chinese counterpart, Mr. Chen Jining, on the sidelines of BRICS meeting.
- A business delegation from PHD Chamber of Commerce and Industry

(PHDCCI) visited Russia from 16-20th April, 2015. After participating in the 7th Spring Summer Fair held at Saint Petersburg Sport and Concert Complex, St. Petersburg, the delegation arrived in Moscow and had a meeting with Representatives of Moscow Chamber of Commerce and Industry, wherein it was agreed to renew the Memorandum of Understanding between two chambers, signed in 1993. An interaction with members of the Indian and Russian business community was organized in the Indian Embassy, where Ambassador highlighted the huge potential for bilateral cooperation in economic field and emphasized the need for information sharing through participation in trade fairs and business events.

- An interactive session for the representatives of Indian pharmaceuticals companies based in Moscow was organized at the Embassy of India on April 8, 2015. H.E. Mr. P.S. Raghavan, Ambassador of India to the Russian Federation presided over the meeting, which discussed current trends in bilateral trade in pharmaceuticals sector. The meeting discussed the impact on Indian exports of pharmaceutical products of anti-crisis measures announced by Russian Government, depreciation of rouble and other factors. Representatives of the pharmaceuticals companies shared their experiences and made suggestions on issues that could be taken up at India-Russia governmental levels.

Ambassador of India to the Russian Federation. Shri P.S. Raghavan, visited Sverdlovsk region from April 21-23, 2015. He was accompanied by officials from the Embassy and Indian businesspersons. Ambassador met with the Governor of the region H. E. Mr Evgeniy Kuyvashev and discussed the possibilities for future cooperation. Ambassador also met with the Council of Rectors, members of the Indian community and the 'Friends of India' group.

- Ambassador of India to the Russian Federation. Shri P.S. Raghavan, visited Astrakhan region from April 28-29, 2015. He was accompanied by the Embassy officials and representatives from the Indian business Community in Moscow. Ambassador had a meeting with H.E. Mr. Alexander Zhilkin, Governor of the Astrakhan Region, wherein the two sides highlighted the active & close long-standing friendship between India and Astrakhan and the enormous potential to intensify mutual cooperation in economic, trade, education, tourism and cultural exchanges. Cooperation in activating International North South Transport Corridor was also discussed.

Events in Russia

RosUpack: The 20th International Exhibition for the Packaging Industry, 16 - 19 June 2015 Moscow Crocus Expo www.rosupack.com

Printech: The 1st International exhibition of equipment, technologies and supplies for print and advertising production, 16 - 19 June 2015 Moscow Crocus Expo www.printech-expo.ru

MIOGE: The 13th Moscow International Oil and Gas Exhibition / MIOGE, 23 - 26 June 2015 Moscow Expocentre www.mioge.ru

RPGC Russian Petroleum Congress: 23 - 25 June 2015 Moscow Expocentre www.mioge.com/RPGC-Conference/About-the-Conference.aspx

Stomatology: The 18th International exhibition of equipment, instruments, materials and services for dentistry. 03 -

05 June 2015 St. Petersburg Expoforum
[CEC stomatology-expo.ru](http://CEC.stomatology-expo.ru)

Events in India

INSTC-Stakeholder's Conference: will be held at Mumbai on 12th June, 2015. The theme of the conference is "Exploring Opportunities on the INSTC" and it is being organised by The Federation of Freight Forwarders' Associations in India (FFFAI).

Clean Ganga

India Development Foundation of Overseas Indians (IDF-OI) and Overseas Indian Facilitation Centre (OIFC) are both working with the National Mission for Clean Ganga (NMCG). We are attaching the soft copy of an advertisement issued recently by the NMCG, which among other things, invites the Overseas Indians to participate in specific projects related to the Clean Ganga Mission, through the channel of OIFC and IDF-OI. Overseas Indians willing to contribute to this cause can contact: IDF-OI and OIFC at following coordinates-

OIFC

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