



सत्यमेव जयते

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Newsletter

Economic and Commerce Wing

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News from India

Government pushes for digital invoices to cut transaction cost for businesses: In a major push towards easing procedures for business, the Central Board of Excise and Customs is pitching for replacing paper documents in trade with electronic files and use digitally-signed invoices in Central Excise and Service Tax.

In this year's Budget, legal provisions were amended with the twin purpose of providing that the invoices issued by manufacturers or service providers can be digitally signed to enable manufacturers and service providers to store legally-prescribed documents electronically.

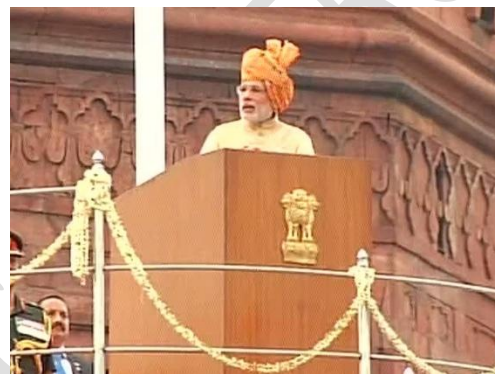
10-time jump in FDI in petroleum and gas sector: Foreign Direct Investment (FDI) in petroleum and natural gas sector witnessed an almost 10-time jump in 2014-15 as compared to the preceding fiscal, touching Rs 6,473.22 crore, government told the Lok Sabha on Monday. Union Minister Dharmendra Pradhan, while replying to questions, said the government is encouraging foreign investment to supplement domestic investment and technological capabilities.

Over the last three financial years, the sector attracted FDI worth more than Rs 8,375 crore, he said.

Bharatmala project: Government to develop 7,000 kms of National Highways for Rs 80,000 crore : The government plans to develop 7,000 kms of National Highways under Bharatmala project at an estimated cost of Rs 80,000 crore to improve connectivity in border and coastal areas. "The Ministry of Road Transport and

Highways has undertaken detailed review of National Highways network with a view to improve connectivity in border areas, including coastal boundary, covering development of about 7,000 kms of NHs under Bharatmala Pariyojana," Minister of State for Road Transport and Highways Pon Radhakrishnan told Rajya Sabha in a written reply.

PM Modi's push for start-ups



PM addressing the Nation on 15th August 2015

Initiative could generate \$200 bn additional wealth from digital economy and \$300-500 bn from other industries

Prime Minister Modi's encouragement of start-ups during his Independence Day speech has evoked much interest from stakeholders who feel it could well add significantly to the Indian economy. Both the Federation of Indian Chambers of Commerce and the Confederation of Indian Industry said the potential and promise of start-ups is immense. Later Finance Minister Arun Jaitley launched India Aspiration Fund to boost startups in India. The fund is under the Small Industries Development Bank of India (SIDBI) in order to boost the startup ecosystem in the country. An initial corpus of Rs 400 crore has been already allocated to various venture funds under it.

News in Russia

Russia's Economic Development Ministry: has changed its forecast for the country's gross domestic product (GDP) contraction in 2015 to 3.3% from 2.8%, Minister Alexei Ulyukayev told reporters Tuesday. In 2016, Russia's economy may grow 1–2% instead of 2.3% projected earlier, he said. Ulyukayev also said he believed the International Monetary Fund's (IMF) forecast for Russia's 2016 economic growth of 0.2% was too pessimistic.

Russia's foreign currency reserves: now at US \$358 billion, are insufficient for the central bank to support the ruble and its only instrument now is the key rate, Presidential Aide Mr. Andrei Belousov said at a youth forum, owing it to the fact that the ruble is now in a floating regime. He added, we do not have the gold and foreign currency reserves we could use like we did in 2013. He said that out of the \$358 billion over \$120 billion is the government's Reserve Fund and the National Wealth Fund. The remainder is enough for about nine months of exports of goods or six months of exports of goods and service

The U.S.-based agency's quarterly Global Macro Outlook report: found that the food industry is Russia's only economic sector benefiting from the government's import substitution campaign, while the machinery and equipment manufacturing sectors are declining rapidly.

The devaluing ruble is not a complete disaster for Russia: A cheaper currency makes for cheaper exports increasing demand for local products abroad, while labor and operating costs are getting cheaper as well. The average monthly nominal wage in Russia fell in dollar terms to slightly more than \$500 in July, according to the official statistics agency Rosstat. Labor in the country became cheaper than in Romania and China, countries known for low wages.

Bilateral/ Multilateral

ONGC Videsh Limited (OVL): has signed an agreement with Russian Oil & Gas company Rosneft for acquisition of 15% stakes in Rosneft's oil field Vankor in Eastern Siberia at USD 1.3 billion. Vankor is the second largest field by production and accounts for 4 per cent of Russian production. It has recoverable reserves of 2.5 billion barrel, and will give OVL 3.3 million tonnes per annum of oil production. The field currently produces around 4.40 lakh billion barrels per day (bpd) of crude oil on an average with ONGC Videsh's share of daily production at about 66,000 bpd.

India's Defence Acquisition Council has approved: procurement of 48 Mi-17-V5 helicopters worth \$1.1 billion from Russia, the Economic Times daily reported. "The contract for 48 Russian-made Mi-17-V5 helicopters worth 70 billion rupees (\$1.1 billion) has topped the package deal on armament and associated materiel acquisition which was considered and approved by a session of the Defence Acquisition Council. India has already bought and introduced into its inventory 139 Mi-17s worth more than \$2 billion.

Russia's Federal Customs Service: will soon participate in a discussion about easier customs procedures for the International North–South Transport Corridor, Service Director Andrei Belyaninov said at a meeting with Indian businessmen on 13 August, 2015. The route beginning in the Jawaharlal Nehru Port near Mumbai and stretching to Russia's Astrakhan and to Azerbaijan was designed to cut transportation time for Indian cargo. "We are looking forward to a meeting at the level of customs administrations soon to discuss harmonization of customs conditions in this project," Belyaninov said.

India's Oil and Natural Gas Corporation Limited (ONGC): wants to expand its footprint in Russia and is in negotiations with oil major Rosneft on investments in several deposits, Ambassador of India to Russian Federation Shri P S Raghavan

told PRIME, an English daily. "The companies are in negotiations on investments in several deposits, they are really interested in that. ONGC has already ensured its presence on the Russian market by investing in such projects as Sakhalin-1 and Nord Imperial in Tomsk. He further elaborated that the main partner of Indian oil companies is Rosneft, also mentioning a deal with Essar, where the Russian oil company will acquire a 49% stake in an Indian refinery in the city of Vadinar. "The State Trading Corporation of India has expressed interest in long-term contracts for supplies of Russian crude and a direct contact was established between the State Trading Corporation and Russian oil and gas companies, and now they are discussing conditions and terms of such contracts. Gazprom Neft is also in talks with Indian companies on oil supplies."

As per media reports, the Russian government: has selected Reliance Defence and Aerospace (RDA), for a joint venture to manufacture almost 200 Kamov 226T helicopters in India. The contract, worth around US\$ 1 billion, is the second deal won by the Ambani venture, after the Pipavav Defence shipyards, part of the Reliance Group, was selected earlier this month by Zvyozdochka Shipyard of Russia for the refit of 24 EKM 877 submarines in India.

Russian multi-industry holding Sistema: hopes to reach an agreement on the option of the Federal State Property Management Agency to sell 17.14% in Indian cellular operator Sistema Shyam Teleservices (SSTL) to the holding by the end of the year.

➤ Visits/Events

The Economic & Commerce Wing of the Embassy of India, Moscow: hosted an interaction with the Head of Federal Customs Service of the Russian Federation on August 13, 2015. H.E. Mr. Andrey Belyaninov, Head of the Federal Customs Service, and his senior officials from the Federal Customs Service interacted with the

Indian Business Community and answered questions posed by the business community. H.E. Mr. P.S. Raghavan, Ambassador of India to the Russian Federation, also addressed the audience and appreciated the support extended by the Head of Federal Customs Service and the customs officials in providing assistance to the business community.

MAKS 2015: A 40 member strong Indian Business Delegation led by Mr. A K Gupta, Secretary (Defence Production), Ministry of Defence participated in MAKS-2015 Airshow held at Zhukovskiy, Moscow Region from 25-27th August 2015. The Economic & Commerce Wing of the Embassy of India, Moscow organised an interaction of Indian companies with their Russian counterparts on the sidelines of MAKS-2015 Airshow in Zhukovskiy, Moscow region. Secretary (Defence Production), Ministry of Defence addressed the gathering and took feedback from participants from both sides. The total value of contracts for Sukhoi Superjet 100 [SSJ] aircraft signed at MAKS-2015 airshow is over \$1 billion, Russian Deputy Minister of Industry Andrey Boginsky told reporters.

Krasnoyarsk region: At the invitation of the Governor of Krasnoyarsk region, Ambassador PS Raghavan visited Krasnoyarsk region on 26-27 August 2015. He was accompanied by an Indian business delegation, representing such diverse sectors as heavy engineering, pharmaceuticals, textiles and garments, precious stones and metallurgy. During the meeting with the Governor and the Ministers from the Krasnoyarsk government, economic and trade cooperation figured as one of the prominent areas for future cooperation. A business interaction was organised on 27 August at the Mix Max business centre which was attended by more than 70 businesspersons. The interaction focused on ways and means to further intensify the trade ties between India and the Krasnoyarsk region, which have

many complementarities. Areas of particular interest were precious metals, engineering equipment, textiles, timber, agriculture & food processing, and cooperation in aerospace sector

Exhibitions/Fairs in India

IMEX :Int'l Machine Tool Exhibition-September 13-15, 2015, Mumbai, India Bombay Convention & Exhibition Centre (BCEC) www.imexonline.com

Jewellery & Gem Fair New Delhi:

26-28 September, 2015

Pragati Maidan Exhibition Center, Mathura Road
110002 New Delhi, Delhi, India

neha.chaudhary@ubm.com

www.ubmindia.in/jewelleryfair

Food India: Int'l Exhibition and Conference for the Food Industry: September 14-16, 2015, Mumbai, India Bombay Convention & Exhibition Centre (BCEC)-www.worldoffoodindia.com

World Tea & Coffee Expo: Int'l Trade Fair Dedicated to Tea and Coffee Sectors-October 01-03, 2015, Mumbai, India Bombay Convention & Exhibition Centre (BCEC)- www.worldteacoffeexpo.com

Exhibitions/Fairs in Russia

Mir Detstva · Мир детства

Int'l Exhibition of Goods and Services for Children and Teenagers

September 22-25, 2015, Moscow, Russia
Expocentre

www.mirdetstva-expo.ru

Domexpo · Домэкспо

Int'l Real Estate Exhibition

October 23-25, 2015, Moscow, Russia
Gostiny Dvor

www.domexpo.ru

PharmTech · Фармтех

Int'l Trade Fair of Pharmaceutical and Cosmetic Manufacturing

November 24-27, 2015, Moscow, Russia
Crocus Expo

www.pharmtech-expo.ru

Woodex · Лестехпродукция

Int'l Exhibition of Machinery, Equipment and Materials for Timber, Wood-working and Pulp and Paper Industries

November 24-27, 2015, Moscow, Russia
Crocus Expo

www.woodexpo.ru