

**Protocol of the 23^d Session of the
Working Group on
Trade and Economic Cooperation
under the aegis of the Indian-Russian
Inter-Governmental Commission on
Trade, Economic, Scientific, Technological
and Cultural Cooperation**

May 22, 2018

Moscow

Protocol
of the 23^d Session of the Russian-Indian Working Group on Trade and Economic Cooperation

- (i) The 23^d Session of the Russian-Indian Working Group on Trade and Economic Cooperation (hereinafter referred to as IRWGTEC) was held on May 22, 2018 in Moscow, Russia.
- (ii) IRWGTEC Session was co-chaired by:
- Ms Rita Teatota,
Secretary, Ministry of Commerce and Industry, GoI.
 - Mr Alexey Gruzdev, Deputy Minister of Economic Development of the Russian Federation.

The composition of the Russian and the Indian delegations (hereafter referred to as 'Sides') is at Annex 1.
The 23^d Session of IRWGTEC was held in a business-like, constructive and cooperative atmosphere.

- (iii) The subject-wise deliberations and recommendations of the 23^d Session are elaborated in the subsequent paragraphs.

1. Current state and prospects of development of the Russian-Indian trade in goods and services

IRWGTEC deliberated on the current state of trade between the two countries and noted the following:

1.1 Trade in goods

- i. The Working Group noted the positive growth in bilateral trade and at the same time took note of the trade deficit. The Working Group also noted that the significant enhancement of the trade and economic relations between Indian and Russian companies will also lead to more balanced trade.
- ii. The Sides took into account, the trade data between the countries and emphasized that their volumes do not fully correspond to the potential and capabilities of both the countries. The Sides recognized the need for implementation of measures to increase trade between the

countries and diversifying the structures of exports and imports of goods and services.

1.2 Trade in services

- i. The Sides noted growth of the bilateral trade in services in banking and financial sector; tourism, transport, engineering, IT, etc. and emphasized the considerable potential for further growth in this sphere.
- ii. The Sides also agreed to explore the possibility to collaborate on capturing trade in services data.

1.3 Cooperation in enhancing the bilateral trade

- i. In order to promote trade, both sides agreed to mutually share on best endeavour basis the mandatory inspection / regulations requirement to be fulfilled at the time of exporting / importing of any product so that any delay related to such inspection could be reduced. This will also create a positive atmosphere for doing business. Both sides also agreed to share the list of their trade exhibitions and fairs so that more participation could be made to provide fillip to bilateral trade.
 - ii. Indian side informed about various export promotion councils and other export related institutions from where one can get the details of exporters /importers and agreed to share the list of such institutions. Therefore, on the same lines, the Russian Side informed the Indian Side of its specialized institutions, such as Russian Export Centre, Chamber of Commerce and Industry of the Russian Federation, Russian Union of Industrialists and Entrepreneurs, Business Russia, the Business Council for cooperation with India, Opora Russia, Trade Representation of the Russian Federation in the Republic of India, and the specialized website ved.gov.ru, so that exporters/importers from both sides could interact and through this mechanism bilateral trade could be facilitated and enhanced.
- 1.4 The Sides welcomed the opening of the Russian Export Centre representation offices in Mumbai and New Delhi.

2. Current state and prospects of development of the investment cooperation between Russia and India

- i. The Sides noted considerable enhancement of the investment cooperation between Indian and Russian companies.
- ii. The Sides agreed to further promote investment cooperation in various spheres including mining and mineral processing, metallurgy, power (including nuclear), oil and gas, railways, pharmaceuticals and biotechnology, fertilizer production, water and waste treatment, IT, telecommunications, agriculture, food processing, automobile and aviation industries, shipbuilding and manufacturing of different equipment.
- iii. The Sides noted the need to put in place an effective mechanism to provide adequate protection for investment made so as to give an impetus to enhance two way investments and welcomed the decision to hold technical consultations on elaboration of the main parameters of the Bilateral Investment Treaty by the end of 2018.
- iv. The Sides informed each other about significant changes in the FDI policy regimes in order to make countries increasingly attractive and investor-friendly.
- v. The Sides highlighted the increased investment cooperation and emphasized the contribution of the Working Group on Priority Investment Projects and urged the Group to seek for new investment projects.
- vi. The Sides exchanged information on major governmental initiatives and measures undertaken by the Governments of both countries in order to increase investment attractiveness, create favourable conditions for doing business, support innovation and startups in the countries.

3. Free Trade Agreement between India and EAEU

- i. The Joint Feasibility Study Report was finalised by India and EAEU on 19th September, 2016. Indian side had got the mandate in December, 2016 to commence the negotiation on comprehensive Free Trade Agreement with EAEU.
- ii. The EAEU had discussed the JFSG Report in their Supreme Council in the month of December, 2016 and got the approval in the month of April, 2017. A Joint Statement between the Trade Ministers of the EAEU and the Republic of India was signed on 3 June 2017 in St. Petersburg. The Joint Statement, taking into account the officially adopted JFSG Report's recommendations, mandated commencing negotiations for a comprehensive Free Trade Agreement (FTA).

- iii. Both Sides decided to make efforts for the earliest start of EAEU-India FTA negotiations process and their effective conduction.

4. Working Group on Harmonization of Standards

- i. The Sides recommended for both countries' authorities concerned to consider the possibility of creating a Working Group on harmonization of standards.

5. Fulfilment of agreements reached between Minister of Economic Development of the Russian Federation Maxim Oreshkin and Minister of Commerce and Industry of the Republic of India Suresh Prabhu

- i. The Sides are working towards the fulfilment of agreements reached between Minister of Economic Development of the Russian Federation Maxim Oreshkin and Minister of Commerce and Industry of the Republic of India Suresh Prabhu, as well as with other representatives of Indian Government in March 2018 in New Delhi.

5.1 Preparation of the Strategy of Joint Action for the Development of the Russian-Indian Economic Cooperation

- i. In the course of negotiations between H.E. Mr Maxim Oreshkin, Minister of Economic Development of the Russian Federation and H.E. Mr Suresh Prabhu, Minister of Commerce and Industry, Government of India an agreement was reached on preparation of the Strategy of Joint Action for the Development of the Russian-Indian Economic Cooperation. From the Russian Side All-Russian Academy of Foreign Trade and from the Indian Side Indian Institute of Foreign Trade will be the partner organizations working on the Strategy of Joint Action with timelines for each action.
- ii. The Strategy will focus on identifying prospective areas for cooperation, in the spheres of trade, services and investments, as well as on identifying and eliminating barriers in bilateral trade and investment cooperation.
- iii. The Sides agreed to do their best to develop the Strategy of Joint Action for the Development of the Russian-Indian Economic Cooperation. The Sides agreed to present the Framework of the Strategy during the Indian-Russian Summit in New Delhi in October 2018.

5.2. Organization of the 1st Russia-India Economic Summit

- i. The Indian Side took note of the intention of the Russian Side to organize the 1st Russia-India Economic Summit in July 2018 in Saint-Petersburg, Russia, where the economic policy of Russia and India will be discussed.
- ii. The Sides agreed to make every effort to invite as participants representatives from Russian and Indian governments and businesses in such spheres as finance and banking, transport, agriculture, small and medium enterprises, digital transformation.

5.3. Joint activities in the Framework of SPIEF-2018

- i. The Sides welcomed the organization of the Russia-India Business Dialogue at the St. Petersburg International Economic Forum on 25 May 2018.
- ii. The Russian Side informed the Indian Side that presentations on Russian regions and their investment potential will be held at the event.

5.4. Launch of the Single-Window Service

- i. The Sides welcomed the launch in the Ministry of Economic Development of the Russian Federation of a single window service for assisting and consulting Indian companies that operate in Russia.
- ii. Respective Indian companies may forward their concerns to the Ministry of Economic Development of the Russian Federation either through the Ministry of Commerce and Industry of the Republic of India or through the Embassy of the Republic of India in the Russian Federation.

6. Elimination of barriers in trade and investment spheres

- i. The Sides highlighted the necessity of the joint work on elimination of restrictions in trade and investment spheres for creation of the open environment for the Russian-Indian economic partnership.
- ii. The Sides exchanged the lists of identified restrictions and barriers, faced by Russian and Indian companies.

- iii. The Sides welcomed the first consultations on elimination of restrictions and barriers in trade, economic and investment spheres, held on March 14, 2018.
- iv. The Sides agreed to continue the work of the mechanism which will function as a Sub-Working Group within the Joint Working Group on Trade and Economic Cooperation.
- v. The Sides agreed to exchange information about the outcomes of the work on elimination of barriers on quarterly basis.
- vi. The Russian side expressed its deep concerns regarding the initiation of anti-dumping investigations, concerning sodium dichromate and sodium nitrite originated from Russia.
- vii. The Indian side mentioned that the DGTR which handles such issues is a quasi-judicial body, however, such issues are dealt with in a transparent manner and there is a fair opportunity to all stakeholders concerned.

7. Cooperation in Special Economic Zones

- i. The Sides recognized the necessity of developing bilateral cooperation in terms of attracting companies of both countries to their respective Special Economic Zones (SEZs).
- ii. The Sides emphasized the importance of exchanging experience in the sphere of SEZs in the Russian Federation and SEZs in the Republic of India.
- iii. The Russian Side invited the representatives of the Ministry of Commerce and Industry of the Republic of India and Indian investors to visit Russian SEZs.

8. Collaboration in Banking and Financial Sector.

- i. The Sides agreed to support an exchange of information between banking and financial institutions of both countries in order to expand cooperation in this field to facilitate export-import transactions between Russian and Indian companies.
- ii. The Indian Side requested Russian side to consider providing information on the banking system and procedures in Russia as there is a lack of clarity in areas such as bank transfers routed through

intermediate banks; difficulty in encashing traveler's cheque and discrimination against buyers in opening LCs, etc. The Russian Side suggested to the Indian Side to send to the Bank of Russia an official request with a list of questions of interest to the Indian Side.

9. **Cooperation in Pharmaceuticals and Health Sector**

- i. Both Sides highlighted that there is considerable scope for enhancement of trade & investment in the pharmaceuticals sector.
- ii. The Sides expressed readiness to address the agencies concerned to discuss the establishment of a Joint Working Group on Pharmaceuticals, which could focus on building and enhancing cooperation in such spheres as trade in medical devices, clinical trials for medicine exported by India, drug testing, etc.

10. **Cooperation in Agriculture**

- i. The Sides emphasized upon the significant potential both countries have in the sphere of trade in agricultural products.
- ii. The Sides expressed readiness to extend support in creating favourable conditions for bilateral trade in agricultural goods to both countries' agencies that are in-charge.
- iii. The Russian Side informed the Indian Side of the interest to organize supplies of Russian grain, legumes, meat products (pork, lamb), poultry meat to the Indian market.
- iv. The Indian Side will provide its commentaries on the questionnaire on the access of Russian poultry to the Indian market, and will consider the possibility to apply the principles of regionalization of the territory of the Russian Federation with regard to avian influenza.
- v. The Indian Side will provide comments on the model veterinary certificates required by the Russian side for export of poultry meat and its products and sub products to India.
- vi. The Indian Side will provide comments on the model veterinary certificates required by the Russian side for export of fish and marine products to India.
- vii. The Indian Side will inform the Russian Side of the veterinary and Phytosanitary requirements towards sheep's wool, feed and feed

- supplements, as well as meat products imported to India. This information has been earlier officially requested by the Federal Service for Veterinary and Phytosanitary Surveillance (FSVPS).
- viii. The Russian Side awaits the decision of the Indian Side on the issue of granting the Russian Federation the permission to fumigate grain with phosphine.
 - ix. The Indian Side conveyed to the Russian Side the information about the steps made towards gaining access to the Russian market with regard to supplies of Indian milk products, fish and fishery products, eggs, marine products, potatoes, buffalo meat.
 - x. The authorized organization of India will certify dairy products of the mentioned establishments for export to the Russian Federation only upon the final approval of the certificate for the mentioned products which is currently being agreed upon by the member states of the EAEU. FSVPS will inform the Indian Side after above-mentioned approval is received in due time.
 - xi. FSVPS will consider the possibility of including Indian fish and marine products-processing enterprises into the Register of third country enterprises (Register of enterprises responsible for production, processing and storage of the products subject to control entering the Customs territory of the Customs Union), after receiving the updated list of Indian fish and marine products-processing establishments currently authorized to export as well as monitoring results for the incoming products to check the content of prohibited and hazardous substances.
 - xii. The issue of including Indian egg-producing establishments into the Register can only be considered after providing the information about the measures adopted by the concerned authority of India towards identification of contaminated areas and measures to control the spread of highly pathogenic avian influenza.
 - xiii. FSVPS appreciates the establishment of Potatonet Traceability system and notifies the Indian party that the Export to the Customs territory of the EAEU and the transportation of the controlled products on the territory of the EAEU shall comply with the clauses of the general documents of the EAEU in the field of plant quarantine.
 - xiv. FSVPS will consider the possibility to prepare and to carry out inspections for the production of Indian buffalo meat producing establishments after receiving the official request by the competent authority.

- xv. Phytosanitary issues raised by the Indian Side with regard to supplies of Indian tobacco and spices to Russia, including matters of zoning, electronic certification, and container fumigation will be discussed during the bilateral meeting between Phytosanitary authorities of India and Russia at the end of May in Russia.
- xvi. The Sides agreed to discuss the above-mentioned issues in more detail within the framework of the Joint Working Group on Agriculture.

11. Cooperation in the Diamond Sector

- i. The Sides expressed appreciation of the level of the bilateral cooperation in the diamond sector, including
 - Signing of Memorandum of Cooperation between PJSC ALROSA and the Gem & Jewellery Export Promotion Council of India (GJEPC) on the margins of the Russia-India Summit on 1 June 2017 in Saint Petersburg in the presence of the leaders of the two states;
 - Opening of ALROSA's Representative Office in Mumbai in January 2018;
- ii. To further promote the cooperation in the diamond sector the Russian Side called on the Indian Side:
 - To work for a comprehensive differentiation between diamond and synthetic diamond markets at the national level, including adoption and application of the unified Diamond Terminology Guideline, developed with the participation of the DPA and the GJEPC, by all sector bodies, organizations and traders, as well as the further work for establishment of an obligation to disclose information concerning the origin of synthetic diamond products;
 - To examine the initiative for including a specific subheading for unworked synthetic diamonds into the national commodity nomenclature, along with bringing the terminology of the current subheading for worked synthetic diamonds in line with the international standards.
- iii. Within the framework of the multilateral international cooperation in the diamond sector the Sides took cognizance of the mutual interest in cooperation within the Kimberley Process (KP) to ensure its effective reform.

12. **Cooperation in the area of Textiles and Leather:**

- i. The Indian Side requested the Russian Side to allow for trade samples to be carried into Russia based on Letter issued by the Council of Leather Exports (CLE) rather than present system of ATA Carnet.
- ii. The Sides agreed to discuss issues relating to trade in textiles and leather at large within the framework of the Working Group on Modernization and Industrial Cooperation.

13. **Cooperation in the Spices and Tobacco Sector:**

- i. The Sides discussed cooperation in the spices and tobacco sector and agreed to work together towards creating favourable and predictable conditions for trade in these goods.
- ii. The Sides agreed that the Indian Side will officially forward its concerns to the Russian Side.

14. **Cooperation in Tea Sector**

- i. The Russian Side took note of the approaches of the Indian Side with regard to Indian tea in the Russian market, including:
 - requirements of blend indications on the label to facilitate customer choice,
 - blending norms with appropriate origin criteria for Indian tea, as well as recognition of GIs with respect to Indian tea,
 - need for lifting customs restrictions on tea samples.

15. **Cooperation in the area of Logistics, Transportation and Shipping /Sea-Transport**

15.1 **INSTC**

- i. To operationalize INSTC route, an inter-Governmental agreement between India, Iran and Russia was signed in St. Petersburg on 12th September 2000 and same has been ratified by them on 16th May 2002.
- ii. In 2014, the dry-run conducted by Federation of Freight Forwarders Association in India (FFAI) indicated that there is an existing road network connecting Bandar Abbas and Astra and there is an alternative road connecting Iranian Transport network with Azerbaijan and Turkey for

Russian and European markets. The dry run also came to the conclusion that there would be reduction of 30% in the time and 40% in the cost if we move the cargo through INSTC Route.

- iii. The 6th meeting of INSTC Coordination council and 7th Expert Group Meeting were held at New Delhi from 19-21 August, 2015 and various issues which restrict the operationalisation of INSTC were discussed and these issues are custom/shipping/port/railway/tariff/common documentation for INSTC/ cargo/ insurance/banking/visa/IT/common competition of INSTC website.
- iv. Indian side has also taken up the matter with INSTC secretariat to organise the next expert group and coordination council meeting vide letter dated 29.08.2016 and also through various diplomatic channels but no confirmation has been received.
- v. To further develop INSTC and to ensure that actual cargo moves through this route, the Sides agreed upon the following:
 - to propose to Iranian authorities to convene the meeting of the coordination council and expert group so that all outstanding issues could be discussed and resolved.
 - to propose to all the member countries to use and accept INSTC route for exporting and importing the cargo with respect to India.
 - to urge Russian and Indian importers of major commodities to use INSTC for supplies of goods.

15.2. The Russian Side shared with the Indian Side the list of representatives of the Contact Centre for the development of INSTC.

15.3. Both Sides agreed to consider the possibility of establishing a Working Group on Transport and identify the list of questions to be discussed during its session.

15.4. The Russian Side invited the Indian Side to study the experience of modern technologies' implementation on transport, including the sphere of construction of electronic toll collection systems based on satellite navigation technologies. The Russian Side expressed readiness to present its products to the Indian Side at any convenient time.

16. **Green Corridor Mechanism between India and Russia**

- i. The Indian side expressed happiness as the Russian side has agreed to create a common folder and to undertake testing of actual data exchange to resolve the issue of the SFTP server and the hashing algorithm to facilitate operationalization of the Green Corridor Protocol.
- ii. The Indian Side requested the Russian Side to ease the customs clearance procedure to facilitate faster movements in shipments and clearance at ports of entry.

17. **Cooperation for Shipping in the Arctic Region**

- i. The Indian side requested Russian side to provide training to Indian seafarers to comply with the requirements as per Polar Code, developed by the International Maritime Organization.
- ii. The Indian side sought cooperation from Russian side for IRNSS (Indian Regional Navigation Satellite System based on the outcome of the NCSR (Navigation, Communication & Search and Rescue) of IMO (International Maritime Organization).

18. **Visa Issues**

- i. The Indian Side requested the Russian Side for prompt issuance of business visa.

19. **Provision of Documents**

- i. The Indian Side requested the Russian Side to provide Russian regulations/standards and export documents in English. The Russian Side requested the Indian Side to provide a list of documents of their interest.

20. **Proposals of the Companies**

- i. The Russian Side expressed gratitude of the Russian company Ingosstrakh to the Indian Side for prolonging its accreditation up till 20 February 2019, and asked the Indian Side to consider the possibility of prolonging the accreditation for a 5-year period.
- ii. The Russian Side drew the attention of the Indian Side to the difficulties faced by Russian company PJSC Power Machines in India in the view of its inclusion into the third country's sanctions list.


- iii. The Sides noted the mutual interest in the participation of Russian Railways Holding in railway infrastructure projects in India, including electrification, increase in train speeds, construction and design of heavyweight railways, tunnels and highland railways.
- iv. The Russian Side expressed the interest of UC Rusal Ltd in cooperation with the Indian side in the sphere of aluminum industry, including improving market access conditions in bilateral trade in aluminum, creation of joint production capacities in Russia, cooperation with Indian partners in financial sector and banking transactions.

21. **24th Session of IRWGTEC**

The 24th Session of IRWGTEC will be held in India in 2019. Dates and Agenda of the meeting will be agreed upon by the Sides through official channels.

Signed in Moscow in duplicate in English on May 22, 2018.

Co-Chair from the Indian side



Ms Rita Teotia,
Secretary, Ministry of Commerce
and Industry, GoI

Co-Chair from the Russian side



Mr Alexey Gruzdev,
Deputy Minister of Economic Development
of the Russian Federation

List of participants:**Russian Side**

Ministry of Economic Development of the Russian Federation		
1.	Mr Alexey Gruzdev	Deputy Minister, Co-chair
2.	Mr Evgeny Popov	Director, Department of Asia, Africa, and Latin America, Deputy Co-chair
3.	Mr Andrey Zelenev	Deputy Director, Department of Asia, Africa, and Latin America
4.	Ms Marya Baranova	Deputy Director, Department of Trade Negotiations
5.	Mr Anatoly Chaplin	Deputy Director, Department of Foreign Trade development and regulation
6.	Mr Michael Pirdzhanyan	Head, Asia Division, Department of Asia, Africa, and Latin America
7.	Mr Andrey Schegolev	Deputy Head, Trade in Goods Division, Department of Trade Negotiations
8.	Ms Ekaterina Evgrafova	leading expert, Asia Division, Department of Asia, Africa, and Latin America
9.	Ms Alexandra Pronicheva	expert, Asia Division, Department of Asia, Africa, and Latin America
Ministry of Agriculture of the Russian Federation		
10.	Mr Evgeny Gromyko	Deputy Minister
11.	Mr Roman Eschenko	consultant, Europe and Asia countries Division, Department of International Cooperation

Ministry of Transport of the Russian Federation

12.	Mr Roman Aleksandrov	Director, Department of International Cooperation
13.	Mr Roman Svirin	expert, Bilateral cooperation Division, Department of International Cooperation
FSVPS		
14.	Mr Vasiliy Lavrovskiy	advisor to the Head
Russian Railways		
15.	Mr Alexey Terekhov	Deputy Head of Division, Department of international projects and international cooperation
Business Council on Cooperation with India		
16.	Ms Sofiya Zdunkevich	expert
All-Russia Academy of Foreign Trade		
17.	Mr Aleksander Knobel	Director, Institute of International economy and finance
18.	Mr Andrey Spartak	professor, Head of the Faculty of International and Foreign Trade of the Russian Federation
PJSC Alrosa		
19.	Mr Petr Karakchiev	Head, International Cooperation Department
20.	Mr Maksim Makogorenko	Deputy Head, International Cooperation Department
JSC Natsimbio		
21.	Ms Diana Karapetyan	Director, International Cooperation Division
22.	Ms Anna Fomina	Head, Department of International economic relations, JSC Sintez

Ingosstrakh		
23.	Mr Sergey Trubytsin	Head, Division of ship insurance
24.	Mr Mikhail Abashkov	Deputy Head, Division of ship insurance
UC Rusal		
25.	Mr Nikolay Krasavin	Director, Department of International Projects Development
26.	Mr Gleb Anikiyev	Director, Department of South East Asia Projects

Indian Side

1.	Ms. Rita Teatia	Commerce Secretary and co-chair of IRWGTEC
2.	Mr. Bidyut Behari Swain	Additional Secretary, Department of Commerce, Ministry of Commerce & Industry of India
3.	Prof. Ram Upendra Das	Head, Centre for Regional Trade, Indian Institute of Foreign Trade.
4.	Mr. S.K. Ranjan	Deputy Secretary, Department of Commerce, Ministry of Commerce & Industry of India
5.	Mr. Uday Singh Mina	Director, Department of Industrial Policy and Production, Ministry of Commerce & Industry of India
6.	Mr. Upendra Kumar Vats	General Manager, Agriculture Product Export Development Authority (APEDA)
7.	Mr. Ravi Uday Bhaskar	Director General, Pharmaceuticals Export Promotion Council (PHARMEXIL)
8.	Mr. Inbasekar	Councillor, Economic and Commercial Wing, Embassy of India, Moscow
9.	Ms. Vrindaba Gohil	First Secretary, Head of Trade wing, Embassy of India, Moscow
10.	Ms. Veena Prabha Tirkey	Second Secretary (Trade), Embassy of India, Moscow
11.	Mr. George Thomas	Second Secretary (Economic and Commercial Wing), Embassy of India, Moscow