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Russia lifts ban on import of rice from India

PTI

New Delhi, 10 September 2013: Russia has lifted an eight-month-old ban on the import of Indian rice and peanuts, effective from this month, a move that would help traders regain their lost market. The Russian federation had imposed the ban due to the presence of khapra beetles pest in rice and aflatoxin contamination of peanuts.

"Russia has cancelled the temporary restriction on import of rice, rice cereals and peanuts from India. Exporters can resume export of these products effective from September 1," a senior government official told PTI.

Russia decided to remove restrictions after its officials visited processing units in India in June. The delegation was convinced about the safety measures that were put in place here while processing these food items, the official said.

The resumption of trade comes as the country seeks to boost exports to address the current account deficit.

India, the world's second-biggest producer of rice, had shipped 61,000 tonne of rice and 3,700 tonne of peanuts in the last financial year, earning \$31 million from the export of the two food items.

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Russia to review decision on allowing buffalo meat from India

Business Line (The Hindu)

New Delhi, 20 **September 2013**: Russia has agreed to hold a review on allowing import of buffalo meat and egg powder from India next month and has assured a satisfactory resolution of the issue.

The issue, discussed between Commerce and Industry Minister Anand Sharma and his Russian counterpart Denis Manturov in St Petersburg, is important as Russia is a large importer of bovine meat and India is one to the top exporters of the same.

Russia recently lifted a temporary ban on import of rice/rice cereals and peanuts that was placed after traces of khapra beetle was found in some rice and peanuts consignments.

Sharma pressed for regulatory simplification for supply of Indian generic medicines to Russia. He said that as Indian pharma companies are keen to establish manufacturing facilities in Russia, it is imperative that the Government addresses their concerns in an expeditious manner.

Both sides agreed that that there was considerable scope of cooperation in modernisation of steel manufacturing facilities. Sharma was informed that Russian companies in power sector are keen to participate in modernisation of old power plants and heavy engineering units based in India.

While acknowledging India's efforts in opening up the economy further, the Russian Minister said it was important to maintain regulatory certainty and stability in policy regime.

He was alluding to the problems faced by Russian telecom company Sistema in India after the Supreme Court cancelled its licences as a fallout of the 2G scam.

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Plan to route crude from Russia in pipeline

Pranav Nambiar, Financial Express

New Delhi, 15 January 2014: India is in talks with Russia, the world's largest oil producer, to build a pipeline that will bring crude oil to the country on the lines of the TAPI pipeline, a senior official from the external affairs ministry told FE.

Ajay Bisaria, joint secretary (Eurasia), said the issue was discussed between the two sides during PM Manmohan Singh's visit to Russia in late October. India has already broached the idea of a crude oil pipeline with Kazakhstan, and this could be extended to Russia.

The plan is to route crude oil from Russia to Kazakhstan to Uzbekistan and then follow a parallel route through the Turkmenistan, Afghanistan, Pakistan and India (TAPI) pipeline.

Total investment for the Russia-India pipeline could go upto \$30 billion. The TAPI pipeline is a natural gas pipeline and, therefore, the proposed crude oil pipeline cannot be connected to it.

India currently buys very little crude oil from Russia and therefore wants to increase its oil procurement from the country. According to the Indian embassy website, mineral fuel and oil imports from Russia stood at \$176 million in 2012. It did not provide the 2013 numbers.

Russia is largely focused on supplying oil to Europe and other Asia Pacific countries and China. "Now we want to build a north-south land route to buy more oil from Russia," said Bisaria.

Most hydrocarbon pipelines from Russia and Central Asia are on an east-west axis. The pipeline will provide a new route to South Asia for hydrocarbons.

Shipping oil from Russia is an expensive proposition and, therefore, even ONGC Videsh (OVL), which has a stake in the Sakhalin-1 project, prefers to sell it in other markets. The success of the pipeline from Russia to India could hinge on the TAPI pipeline as a part of it will run parallel to TAPI. According to oil minister Veerappa Moily, the TAPI pipeline is expected to be ready by August 2017.

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India, Russia to set up study group for free trade agreement

Business Line (The Hindu)

New Delhi, 26 February 2014: India and Russia will set up a joint study group to examine the feasibility of a free trade agreement for boosting bilateral trade and investment flow.

The two countries have also decided to hold formal discussions on the possibility of launching the production of Russia's Sukhoi SuperJet 100 and IS-21 aircraft in India.

The proposed free trade pact, formally called a Comprehensive Economic Cooperation Agreement, is to be signed between India and the Customs Union of Russia, Kazakhstan and Belarus.

Priority projects

The decisions were taken in a meeting between Commerce and Industry Minister Anand Sharma and visiting Russian Deputy Prime Minister Dmitry Rogozin on Wednesday. India had been pushing for a study group for some time as an FTA with Russia could help reduce the country's economic dependence on the US and the EU.

Russia was, however, earlier insisting that a road map of priority investment projects be drawn up first. India did not agree to the condition on the ground that investment projects were business decisions and not controlled by the Government in India.

"It is encouraging that Russia finally agreed to drop its pre-condition for setting up of the JSG," a Commerce Ministry official said.

India, on its part, has agreed to formally discuss Russia's interest in joint production of its civilian aircraft in India either in the working group on trade and economic cooperation or sub-group on civil aviation. Both sides also reviewed the progress of identified 'priority projects'.

These projects include establishment of joint stock Indo- Russian enterprises for manufacturing light helicopters, plant construction for manufacturing butyl rubber with capacity of 1 lakh tonne per year at the production site in Jamnagar.

"Seeking to further strengthen the special and privileged strategic partnership and specifically to enhance the economic and investment cooperation between India and Russia on a bilateral basis, we have identified investment projects and proposals for special attention," Sharma said.

Trade numbers

India's trade with Russia in 2012 was \$6.9 billion which was 14 per cent higher than \$6 billion in 2011.

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