

EXPORT-IMPORT BANK OF INDIA

WORKING PAPER NO. 42

**POTENTIAL FOR ENHANCING INDIA'S TRADE WITH
RUSSIA : A BRIEF ANALYSIS**

EXIM Bank's Working Paper Series is an attempt to disseminate the findings of research studies carried out in the Bank. The results of research studies can interest exporters, policy makers, industrialists, export promotion agencies as well as researchers. However, views expressed do not necessarily reflect those of the Bank. While reasonable care has been taken to ensure authenticity of information and data, EXIM Bank accepts no responsibility for authenticity, accuracy or completeness of such items.

© Export-Import Bank of India
August 2015

CONTENTS	
	Page No.
List of Tables	5
List of Charts	7
List of Boxes	7
Executive Summary	9
1. Economic Environment of Russia	13
2. International Trade of Russia	17
3. India-Russia Bilateral Relations	22
4. Potential for Enhancing Indo-Russian Trade Relations	27

Project Team

Mr. David Sinate, Chief General Manager

Ms. Debapriya Chakrabarti, Manager

LIST OF TABLES		
Table No.	Title	Page No.
1.1	Macroeconomic Snapshot of Russia	14
2.1	International Trade of Russia, US\$ bn	17
2.2	Russia's Major Export Items, US\$ mn	18
2.3	Russia's Major Export Partners and Share	19
2.4	Russia's Major Import Items, US\$ mn	20
2.5	Russia's Major Import Sources and Share	21
3.1	Trends in Russia's Trade with India, 2005-2014 (US\$ mn)	22
3.2	Russia's Exports to India, US\$ mn	23
3.3	Russia's Imports from India, US\$ mn	24
4.1	Russia's Import Partners and India's Share	27
4.2	Russia's Major Imports and India's Share, 2014	29
4.3	Russia's Imports of Pharmaceuticals (HS-30), 2005-2014, Major Suppliers	30
4.4	Pharmaceuticals (HS-30) - India's Export Potential to Russia	31
4.5	Russia's Imports of Machinery and instruments (HS-84) , 2005-2014, Major Suppliers	32
4.6	Machinery and instruments (HS-84) - India's Export Potential to Russia	33
4.7	Russia's Imports of Electrical, electronic equipment (HS- 85), 2005-2014, Major Suppliers	34
4.8	Electrical, electronic equipment (HS- 85) - India's Export Potential to Russia	35
4.9	Russia's Imports of Vehicles other than railway, tramway (HS-87), 2005-2014, Major Suppliers	36
4.10	Vehicles other than railway, tramway (HS-87) - India's Export Potential to Russia	37
4.11	Russia's Imports of Plastics and articles (HS-39), 2005-2014, Major Suppliers	38
4.12	Plastics and articles (HS-39) - India's Export Potential to Russia	39
4.13	Russia's Imports of Optical, photo, technical apparatus (HS-90), 2005-2014, Major Suppliers	40
4.14	Optical, photo, technical apparatus (HS-90) - India's Export Potential to Russia	41
4.15	Russia's Imports of Articles of iron or steel (HS-73), 2005-2014, Major Suppliers	42
4.16	Articles of iron or steel (HS-73) - India's Export Potential to Russia	43
4.17	Russia's Imports of Iron and steel (HS-72), 2005-2014, Major Suppliers	44
4.18	Iron and steel (HS-72) - India's Export Potential to Russia	45
4.19	Russia's Imports of Meat and edible meat offal (HS-02), 2005-2014, Major Suppliers	46

Table No.	Title	Page No.
4.20	Meat and edible meat offal (HS-02) - India's Export Potential to Russia	47
4.21	Russia's Imports of Edible fruits and nuts (HS-08), 2005-2014, Major Suppliers	47
4.22	Edible fruits and nuts (HS-08) - India's Export Potential to Russia	48
4.23	Russia's Imports of Furniture, lightings, signs(HS-94) 2005-2014, Major Suppliers	49
4.24	Furniture, lightings, signs(HS-94) - India's Export Potential to Russia	49
4.25	Russia's Imports of Articles of apparel, accessories, not knit or crochet (HS-62), 2005-2014, Major Suppliers	50
4.26	Articles of apparel, accessories, not knit or crochet (HS-62) - India's Export Potential to Russia	51
4.27	Russia's Imports of Articles of apparel, accessories, knit or crochet (HS-61), 2005-2014, Major Suppliers	52
4.28	Articles of apparel, accessories, knit or crochet (HS-61) - India's Export Potential to Russia	53
4.29	Russia's Imports of Footwear and gaiters (HS- 64), 2005-2014, Major Suppliers	54
4.30	Footwear and gaiters (HS- 64) - India's Export Potential to Russia	55
4.31	Russia's Imports of Mineral fuels, oils, distillation products (HS-27), 2005-2014, Major Suppliers	56
4.32	Mineral fuels, oils, distillation products (HS-27) - India's Export Potential to Russia	57
4.33	Russia's Imports of Misc. chemical products (HS- 38), 2005-2014, Major Suppliers	58
4.34	Misc. chemical products (HS- 38) - India's Export Potential to Russia	59
4.35	Russia's Imports of Organic chemicals (HS-29), 2005-2014, Major Suppliers	60
4.36	Organic chemicals (HS-29) - India's Export Potential to Russia	61
4.37	Russia's Imports of Fish, crustaceans, molluscs (HS-03), 2005-2014, Major Suppliers	62
4.38	Fish, crustaceans, molluscs (HS-03) - India's Export Potential to Russia	63
4.39	Russia's Imports of Aluminium and articles (HS-76), 2005-2014, Major Suppliers	64
4.40	Aluminium and articles (HS-76) - India's Export Potential to Russia	65
4.41	Russia's Imports of Residues, wastes of food industry (HS-23), 2005-2014, Major Suppliers	66
4.42	Residues, wastes of food industry (HS-23) - India's Export Potential to Russia	67

LIST OF CHARTS		
Chart No.	Title	Page No.
1.1	Map of Russia	13
2.1	International Trade of Russia, US\$ bn	17
3.1	Trends in Russia's Trade with India, 2005-2014 (US\$ mn)	22

LIST OF BOXES		
Box No.	Title	Page No.
1	Sanctions on Russia	16

Executive Summary

Introduction

Russia is the largest country in the world, in terms of surface area, spanning over an area of 17,075,400 sq km, in two continents, Europe and Asia. Russia has transitioned from a centrally-planned economy to a more market-based economy in which many state-controlled firms have been privatized and sectors of the economy are liberalized. Services sector dominate the Russian economy, accounting for 58.3 percent of GDP, followed by industry (37.5 percent) and agriculture (4.2 percent). Major industries in Russia include mining and extractive industries producing coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries including radar, missile production, and advanced electronic components; shipbuilding; road and rail transportation equipment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs, and handicrafts.

Economic Environment of Russia

Russia's economy has been impaired by international sanctions, which have compounded the effects of underlying structural weakness. Falling oil prices and rapid capital flight have led to a steep devaluation of the rouble (local currency), which has in turn driven up inflation, and curbed household consumption.

Russia's GDP contracted by 7.9 percent in 2009, resulting from depressed external demand, credit squeeze, declining investment and lower consumption. However, the return to growth of

4.5 percent in 2010 has been underpinned by a large stimulus package, an upturn in external demand, and lower interest rates. Growth remained modest in 2011, buoyed by a strong fiscal stimulus, coupled with high commodity prices. Growth slowed to 3.4 percent in 2012 and further to 1.3 percent in 2013, in line with slowdown in global growth. In 2014, growth of the economy eased to 0.6 percent, owing to weak consumer and investment demand, sluggish exports, as well as geopolitical uncertainty arising from conflict between Russia and Ukraine. The IMF projects a negative growth outlook for Russia in 2015-2016, with the economy expected to contract by 3.8 percent in 2015 and modestly decline by 1.1 percent in 2016.

The impact of the drought and wildfires in mid-2010 in Russia drove up food prices in 2011. This coupled with high budgetary spending and the rapid growth of money supply in 2010 underpinned inflationary pressures. In 2012, inflation moderated to 5.1 percent, resulting from government's imposition of a temporary freeze on some energy prices, and was within the Central Bank target of 5-6 percent in 2012. Food prices remained the main driver of inflation in 2013. In 2014, rise in inflation primarily stemmed from the fall in value of rouble, which was a result of falling oil prices and rapid capital flight.

Following a steep managed depreciation in late 2008 and early 2009, the rouble strengthened in 2010, under the influence of a rise in oil prices and renewed capital inflows. The strong oil prices resulted in a higher value of the currency in 2011. However, uncertain global outlook and flight from risk led to a fall in value of the currency in 2012. In line with its goal of gradually moving to a free-floating regime, the Central Bank had

allowed a large drop in the rouble in 2013. Since the beginning of 2014, the rouble has been constantly depreciating and the Bank of Russia has been using currency interventions, spending US\$90 billion of its gold and foreign currency reserves to manage the currency's slide. However, in November 2014, the Central Bank abolished its policy of letting the Russian currency move within a certain band relative to a dollar-euro basket and of intervening when the boundaries were crossed, and thus essentially allowed the rouble to float freely. Nonetheless, the Russian Central Bank kept the right to intervene in case of a threat to financial stability.

During 2014, foreign direct investment (FDI) inflows to Russia fell sharply to US\$ 20.9 billion from US\$ 69.2 billion in 2013, owing to the country's negative growth prospects stemming from the series of sanctions implemented by a number of countries on Russia, coupled with strong depreciation of the rouble. At the same time, FDI outflows from Russia also moderated, to US\$ 56.4 billion in 2014, compared to US\$ 86.5 billion in 2013. Natural-resource-based MNEs from Russia reduced investments in response to constraints in international financial markets, low commodity prices and the depreciation of the rouble.

International Trade of Russia

During the last decade, global trade of Russia increased from US\$ 340.2 billion in 2005 to US\$ 774.7 billion in 2014, underlined by robust exports and imports. During the same period Russia's global exports increased two-fold, while imports of Russia increased close to three-fold. Russia maintains a surplus in its trade balance. Russia acceded to the World Trade Organization in 2012.

Russia is a major global exporter of mineral fuels and products, fertilizers, iron and steel, nickel,

inorganic chemicals, copper and articles, and aluminium and articles. In 2014, Netherlands emerged as Russia's key global export destination, followed by China, Germany, Italy and Turkey.

Machinery and instruments formed the key imports of Russia, accounting for 18.2 percent of Russia's global imports. Other items of imports include electrical, electronic equipment; vehicles other than railway, tramway; pharmaceutical products; and plastic and articles. In 2014, Russia's imports were primarily sourced from China, Germany, USA, Italy, and Belarus.

India-Russia Bilateral Relations

Since the signing of "Declaration on the India-Russia Strategic Partnership" in October 2000, India-Russia ties have acquired a qualitatively new dimension, with enhanced levels of co-operation in almost all areas of bilateral relationship.

Reflecting rise in both Russia's total exports and imports from India, total trade between India and Russia increased three-fold, from US\$ 3.1 billion in 2005 to US\$ 9.4 billion in 2014. While Russia's exports to India has risen close to three fold from US\$ 2.3 billion in 2005 to US\$ 6.2 billion in 2014, Russia's imports from India have risen almost four-fold from US\$ 784 million in 2005 to US\$ 3.1 billion in 2014. Russia generally maintains a trade surplus with India, which has risen from US\$ 1.5 billion in 2005 to US\$ 3.1 billion in 2014, more than a two-fold increase.

Russia's major exports to India comprised pearls and precious stones (17.8 percent of Russia's total exports to India), machinery and instruments (11.3 percent), electrical, electronic equipment (7.6 percent), fertilizers (5.9 percent), and optical, photo and technical apparatus (4.9 percent).

Pharmaceutical products dominate Russia's import basket from India, accounting for 21.2

percent of Russia's global imports in 2014. Other major items in Russia's import basket from India include machinery and instruments; electrical, electronic equipment; articles of apparel; pearls and precious stones, and coffee and tea among others.

During April 2000 to March 2015, the cumulative FDI inflows to India from Russia stood at US\$ 1.1 billion (0.4 percent of India's total FDI inflows). Russia is the 19th largest FDI investor in India. Major investments by Russia in India include AFK Sistema in Sistema Shyam Telelink Services; India - Russia JV for production of titanium products; branches by VTB and Sber Bank; JV between Russian Kamaz Inc and India's Vectra Group.

During April 1996 to March 2015, the cumulative Indian FDI in joint ventures and wholly owned subsidiaries (FDI outflows) in equity, loan and guarantees issued in Russia stood at US\$ 4.4 billion. Major Indian companies in Russia include ONGC Videsh Ltd.; Imperial Energy; Commercial Bank of India Ltd. (JV of SBI and Canara Bank); ICICI Bank Eurasia LLC (ICICI Bank had acquired InvestitsionnoKreditny Bank (IKB) in May 2005. The acquisition is now formalized and IKB operates as ICICI Bank subsidiary, ICICI Bank Eurasia LLC.); TATA Motors; SUN Group; Carbonandum Universal; Tata Tea; De Core; Choron Diamonds; L&T, and Universal Food Technologies. Indian pharma companies present in Russia include Dr. Reddy's Laboratories Ltd; Cadila Pharmaceuticals Ltd; Pharmasyn tez; Unique Pharmaceutical Laboratories; Torrent Pharmaceuticals, and Sun Pharmaceuticals.

Potential for Enhancing Indo-Russian Trade Relations

As a partner country for Russia's foreign trade, India's share in both Russia's global exports

and Russia's global imports is relatively low, as compared to other major partners of Russia such as Netherlands, China, Germany, Italy, among others.

While India's ranking as Russia's export market has seen an improvement from 28th position in 2005 to 18th position in 2014, however, India's ranking in Russia's global imports is relatively low, at 23rd position, compared to 26th position in 2005. Hence there is a need to enhance India's ranking as Russia's import partner.

To further enhance bilateral trade relations, and in particular to address India's rising trade deficit with Russia, which has grown two-fold during the last decade, strategy to enhance bilateral trade relations would entail identification of potential items of India's exports to Russia, in line with India's global export capability, as also demand existing in Russia, as exhibited by the rising trend in major import items of Russia. This in turn would also serve to enhance India's ranking as Russia's import partner. Such a strategy would entail:

- Identification of major items in Russia's import basket, and share of India in each product line (based on 2-digit HS Commodity Code)
- Selection of potential export items based on low share of India in Russia's import basket of major commodities, keeping in view India's global export capabilities. This would entail identification of potential export items under each product category, upto 6-digit HS commodity code.

India has achieved a relatively healthy share in Russia's imports of only four items, viz. pharmaceuticals (HS-30), coffee, tea and spices (HS-09), tobacco and manufactured tobacco substitutes (HS-24), and pearls, precious stones

(HS-71), with shares ranging from 5.3 percent for pharmaceuticals to 13.7 percent for pearls and precious stones in Russia's imports from India.

Even in the case of pharmaceuticals, while India currently maintains a healthy share of 5.3 percent in Russia's global imports in 2014, an analysis of the recent trends in Russia's global imports of pharmaceutical products would highlight the declining share of India in Russia's import basket from a robust 8.2 percent share in 2001, to 6.7 percent in 2005, and further 5.3 percent in 2014.

In the case of other major import items in Russia's global import basket, India's share is still low and even declining. This would serve to highlight the potential to further enhance exports to Russia, in line the huge existing demand. At the same time, some of these items are amongst India's leading global export items in the global market, which highlights India's export capability of these items.

Based on the above criterion, potential items of export to Russia, as per 2-digit HS commodity classification, would include:

- Machinery and instruments (HS-84)
- Electrical, electronic equipment (HS- 85)
- Vehicles other than railway, tramway (HS-87)
- Pharmaceutical products (HS-30)
- Plastics and articles (HS-39)
- Optical, photo, technical apparatus (HS-90)
- Articles of iron or steel (HS-73)
- Iron and steel (HS-72)
- Meat and edible meat offal (HS-02)
- Edible fruits and nuts (HS- 08)
- Furniture, lightings, signs (HS-94)
- Articles of apparel, accessories, not knit or crochet (HS-62)
- Articles of apparel, accessories, knit or crochet (HS-61)
- Footwear and gaiters (HS-64)
- Mineral fuels, oils, distillation products (HS-27)
- Miscellaneous chemical products (HS-38)
- Organic chemicals (HS-29)
- Fish, crustaceans, molluscs (HS-03)
- Aluminium and articles (HS-76)
- Residues, wastes of food industry (HS-23)

1. Economic Environment of Russia

Introduction

Russia is the largest country in the world, in terms of surface area, spanning over an area of 17,075,400 sq km, in two continents, Europe and Asia. Russia shares boundaries with the Arctic Ocean on the north, northern Pacific Ocean on the east, China, Mongolia, Kazakhstan, the Caspian Sea, Azerbaijan, Georgia on the south, and the Black Sea, Ukraine, Belarus, Latvia, Estonia, Finland on the west, while the Kaliningrad region of Russia is bordered by Lithuania and Poland (**Chart 1.1**). Russia is a member of the Eurasian Economic Community (EAEC), Asian Pacific Economic Co-operation (APEC), and Black Sea Economic Co-operation (BSEC).

Russia has transitioned from a centrally-planned economy to a more market-based economy in which many state-controlled firms have been privatized and sectors of the economy are liberalized. Services sector dominate the Russian economy, accounting for 58.3 percent of GDP, followed by industry (37.5 percent) and agriculture (4.2 percent). Major industries in Russia include mining and extractive industries producing coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries including radar, missile production, and advanced electronic components; shipbuilding; road and rail transportation equipment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating

Chart 1.1: Map of Russia



Source: CIA World Factbook

and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs, and handicrafts.

The Russian economy is highly commodity driven. Russia is endowed with a wide array of natural resources including major deposits of oil, coal, natural gas, diamonds and timber. It also has rich deposits of bauxite, alumina, antimony, asbestos, bismuth, borates, coal, cobalt, gold, gypsum, iron-ore, lead, manganese, and nickel. Russia is one of the world's leading producers of oil and natural gas and is also a top exporter of metals such as steel and primary aluminum. The economic zone along the 23,533 mile (37,653 km) long coastline (Arctic and Pacific Oceans, Baltic, Black and Caspian Seas) holds significant reserves of fish and oil and natural gas on the sea shelf. Oil and natural gas activities make up a large portion of Russia's federal budget. According to the Ministry of Finance, 50 percent of Russia's federal budget revenue in 2014 came from mineral extraction taxes and export customs duties on oil and natural gas.

Economic Environment of Russia

Russia's economy has been impaired by international sanctions, which have compounded the effects of underlying structural weakness. Falling oil prices and rapid capital flight have led to a steep devaluation of the rouble (local currency), which has in turn driven up inflation, and curbed household consumption.

Russia's GDP contracted by 7.9 percent in 2009, resulting from depressed external demand, credit squeeze, declining investment and lower consumption. However, the return to growth of 4.5 percent in 2010 has been underpinned by a large stimulus package, an upturn in external demand, and lower interest rates. Growth remained modest in 2011, buoyed by a strong fiscal stimulus, coupled with high commodity prices. Growth slowed to 3.4 percent in 2012 and further to 1.3 percent in 2013, in line with slowdown in global growth. In 2014, growth of the economy eased to 0.6 percent, owing to weak consumer and investment demand, sluggish exports, as well as geopolitical uncertainty

Table 1.1: Macroeconomic Snapshot of Russia

Indicator	2010	2011	2012	2013	2014	2015 ^f	2016 ^f
Nominal GDP (US\$ bn)	1,524.9	1,904.8	2,015.2	2,079.1	1,857.5	1,176.0	1,375.6
Real GDP growth (%)	4.5	4.3	3.4	1.3	0.6	-3.8	-1.1
GDP, per capita (US\$)	10671.2	13320.2	14062.5	14468.6	12926.0	8183.7	9572.4
Consumer price inflation (% average)	6.9	8.4	5.1	6.8	7.8	17.9	9.8
Population (mn)	142.9	143.0	143.3	143.7	143.7	143.7	143.7
Fiscal balance (% of GDP)	-3.9	0.8	-0.1	-0.5	-0.5	-3.5	-1.6
Public debt (% of GDP)	7.5	8.2	9.2	9.7	10.4	13.4	14.3
Current account balance (% of GDP)	4.4	5.1	3.5	1.6	3.1	5.4	6.3
International reserves (US\$ bn)	479.4	498.6	537.6	509.6	385.5	308.1	278.1
Exchange rate (RB: US\$, average)	30.4	29.4	30.8	31.8	38.4	55.1	58.4

Note: ^f: Forecasts

Source: International Monetary Fund (IMF); Economist Intelligence Unit (EIU)

arising from conflict between Russia and Ukraine (**Table 1.1**). The IMF projects a negative growth outlook for Russia in 2015-2016, with the economy expected to contract by 3.8 percent in 2015 and modestly decline by 1.1 percent in 2016.

The impact of the drought and wildfires in mid-2010 in Russia drove up food prices in 2011. This coupled with high budgetary spending and the rapid growth of money supply in 2010 underpinned inflationary pressures. In 2012, inflation moderated to 5.1 percent, resulting from government's imposition of a temporary freeze on some energy prices, and was within the Central Bank target of 5-6 percent in 2012. Food prices remained the main driver of inflation in 2013. In 2014, rise in inflation primarily stemmed from the fall in value of rouble, which was a result of falling oil prices and rapid capital flight.

Following a steep managed depreciation in late 2008 and early 2009, the rouble strengthened in 2010, under the influence of a rise in oil prices and renewed capital inflows. The strong oil prices resulted in a higher value of the currency in 2011. However, uncertain global outlook and flight from risk led to a fall in value of the currency in 2012. In line with its goal of gradually moving to a free-floating regime, the Central Bank had

allowed a large drop in the rouble in 2013. Since the beginning of 2014, the rouble has been constantly depreciating and the Bank of Russia has been using currency interventions, spending US\$90 billion of its gold and foreign currency reserves to manage the currency's slide. However, in November 2014, the Central Bank abolished its policy of letting the Russian currency move within a certain band relative to a dollar-euro basket and of intervening when the boundaries were crossed, and thus essentially allowed the rouble to float freely. Nonetheless, the Russian Central Bank kept the right to intervene in case of a threat to financial stability.

During 2014, foreign direct investment (FDI) inflows to Russia fell sharply to US\$ 20.9 billion from US\$ 69.2 billion in 2013, owing to the country's negative growth prospects stemming from the series of sanctions implemented by a number of countries on Russia, coupled with strong depreciation of the rouble. At the same time, FDI outflows from Russia also moderated, to US\$ 56.4 billion in 2014, compared to US\$ 86.5 billion in 2013. Natural-resource-based MNEs from Russia reduced investments in response to constraints in international financial markets, low commodity prices and the depreciation of the rouble.

Box 1: Sanctions on Russia

The European Union (EU) and USA have imposed an array of sanctions on Russian individuals and businesses in response to the annexation of Crimea and the crisis in eastern Ukraine.

The EU and USA have targeted certain key sectors of the Russian economy which are closely connected to the ruling elite.

Eight defense companies and a port in Crimea had their assets frozen and all transactions with USA have been banned. Four other entities are banned from raising financing of more than 90 days from USA. Two of these include two major energy sector players: Rosneft, a state-owned company that is Russia's largest oil producer, and Novatek, the largest independent natural gas producer. Two major banks including VEB, the state-owned development bank, and Gazprombank, the financial arm of Gazprom, Russia's largest state-controlled natural gas producer, are also affected.

In addition to suspending activities of EBRD and EIB in Russia, the EU imposed a new round of sanctions against 15 individuals and 18 companies from Crimea and the self-proclaimed "peoples' republics" in Eastern Ukraine (but no major Russian entities).

Exports of dual-use equipment for military use in Russia are banned and future EU-Russia arms deals are banned. There is now an EU-USA ban on exports of some oil industry technology and services to Russia.

The EU-USA sanctions also target many senior officials in the pro-Russian separatist revolt in eastern Ukraine, including Crimea, and organisations linked to them.

Dozens of senior Russian officials, separatist commanders and Russian firms accused of undermining Ukrainian sovereignty are now subject to Western asset freezes and travel bans. The EU, but not USA, has blacklisted the heads of Russia's intelligence services.

Source: Institute of International Finance (IIF); US Department of State; European Union Newsroom

II. International Trade of Russia

Introduction

During the last decade, global trade of Russia increased from US\$ 340.2 billion in 2005 to US\$ 774.7 billion in 2014, underlined by robust exports and imports (Table 2.1 and Chart 2.1).

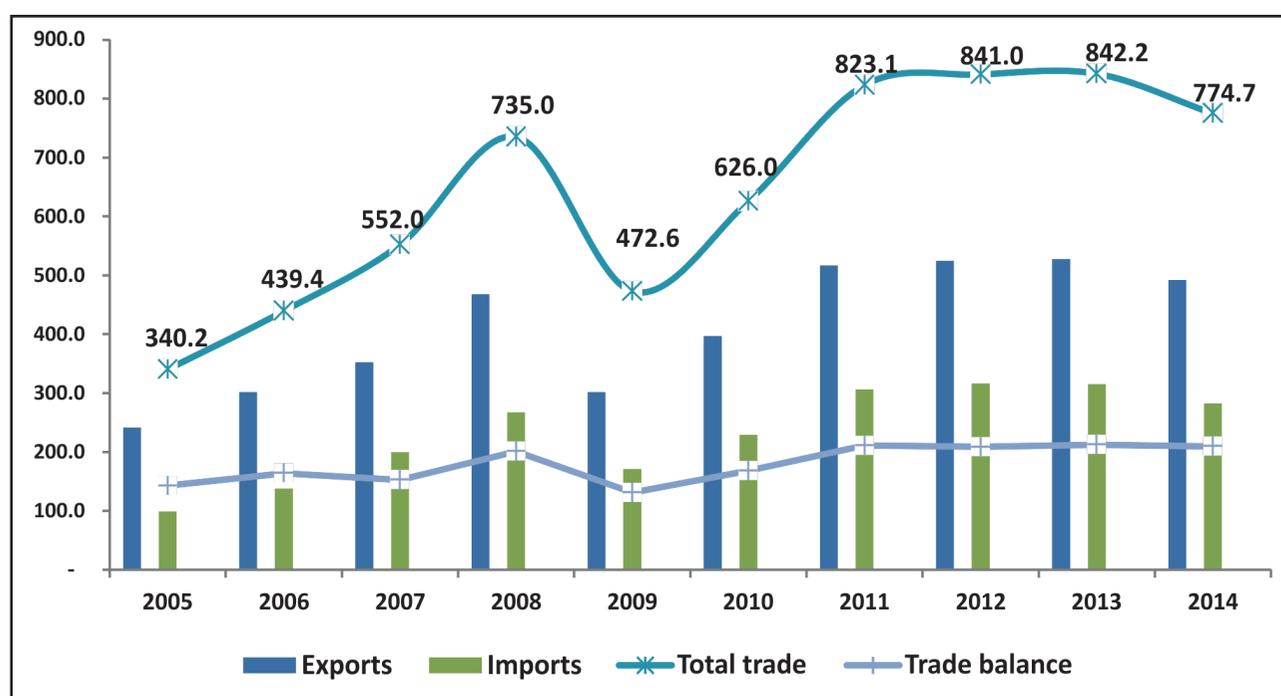
During the same period Russia's global exports increased two-fold, while imports of Russia increased close to three-fold. Russia maintains a surplus in its trade balance. Russia acceded to the World Trade Organization in 2012.

Table 2.1: International Trade of Russia, US\$ bn

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Exports	241.5	301.6	352.3	468.0	301.8	397.1	517.0	524.8	527.3	492.1
Imports	98.7	137.8	199.7	267.1	170.8	228.9	306.1	316.2	314.9	282.6
Total trade	340.2	439.4	552.0	735.0	472.6	626.0	823.1	841.0	842.2	774.7
Trade balance	142.7	163.7	152.5	200.9	131.0	168.2	210.9	208.6	212.3	209.5

Source: Trade Map, ITC Geneva

Chart 2.1: International Trade of Russia, US\$ bn



Source: Trade Map, ITC Geneva

International Trade of Russia

Russia's increasing reliance on energy and on metals, leaves the country's trade balance exposed to swings in international commodity prices. As can be observed from the table and chart above, in 2009, Russia's exports fell sharply, to the same level, as seen in 2006, owing to steep fall in international oil prices. Similarly in 2014, tumbling price of oil affected export revenues. In 2014, Russia was the 11th largest exporter, accounting for 2.6 percent of global exports.

Russia is a major global exporter of mineral fuels and products, fertilizers, iron and steel, nickel,

inorganic chemicals, copper and articles, and aluminium and articles. Russia's major items of exports are illustrated in **Table 2.2**.

Mineral fuels and oils accounted for close to 59 percent of Russia's global exports in 2014. The top export markets for Russia's fuel exports are Netherlands, China, Italy, Germany and Japan, which together accounted for 50 percent of Russia's fuel exports in 2014. Crude petroleum oils (HS-2709), petroleum oils, not crude (HS-2710), coal (HS-2701), and petroleum gases (HS-2711) were the major items of Russia's mineral fuel exports. Although Russia exports less crude oil and less natural gas than it consumes

Table 2.2: Russia's Major Export Items, US\$ mn

HS Code	Commodity	2005	2007	2009	2011	2012	2013	2014
	All products	241451.7	352266.4	301796.1	516992.6	524766.4	527265.9	492144.9
27	Mineral fuels, oils, distillation products, etc	149534.9	216515.4	190171.2	352185.4	368853.4	372036.1	288361.7
72	Iron and steel	17870.9	21114.8	14724.7	21980.1	22607.9	20069.8	20202.9
71	Pearls, precious stones	1682.1	3674.0	4072.9	3726.6	13823.1	14301.0	11579.1
84	Machinery and instruments	4213.2	5881.2	5580.5	5330.0	7642.2	8867.9	8985.4
31	Fertilizers	3881.1	5696.8	5504.9	10078.0	11176.9	9121.2	8909.5
44	Wood and articles of wood	5690.2	8850.1	5573.4	6973.8	6735.5	7330.2	7638.2
10	Cereals	1350.4	4083.9	3444.4	4438.7	6251.7	4752.1	6972.5
76	Aluminium and articles	5471.5	8147.3	5791.2	7739.9	7262.3	7124.6	6298.1
28	Inorganic chemicals	1851.5	2608.4	2212.5	7892.2	7838.7	8035.1	5079.8
74	Copper and articles	2535.2	4658.6	3557.6	4999.2	5789.9	4964.9	4873.5
85	Electrical, electronic equipment	1851.4	2683.1	2620.0	3306.3	4530.2	4977.3	4745.5
29	Organic chemicals	2673.5	3679.5	2205.4	4289.2	4518.1	4600.5	4438.2
75	Nickel and articles	3605.6	8837.2	3669.1	4688.9	3950.3	3775.3	4026.8
26	Ores, slag and ash	1081.9	1592.1	1176.8	4027.5	3888.2	3615.7	3243.4
73	Articles of iron or steel	1957.3	2494.3	3104.0	2070.8	3057.8	3439.6	3100.5

Source: Trade Map, ITC Geneva

domestically, domestic sales of crude oil and natural gas are much lower in value than exports because of vertical integration of the oil and natural gas industry and subsidized domestic prices.

Iron and steel formed Russia's second largest exports, accounting for 4.1 percent of Russia's global exports. Turkey, USA, Chinese Taipei, Belarus and Mexico were Russia's key export markets for the product.

Pearls, precious and semi precious stones accounted for 2.4 percent of Russia's global exports in 2014, and were primarily exported to Belgium, Switzerland, India, UAE and Israel.

In 2014, Netherlands emerged as Russia's key global export destination, followed by China, Germany, Italy and Turkey (**Table 2.3**). Infact,

Netherlands, China, Italy and Germany were Russia's top four destinations for exports of mineral fuels. China is a major market for Russia's exports of fertilizers and articles of wood. Germany is key destination for Russia's exports of copper and articles; Italy is a major market for inorganic chemicals; while Turkey is the largest market for Russia's exports of iron and steel.

As regards imports, the strong growth in imports in recent years reflect a surge in spending on consumer goods and, most recently, booming investment. However, imports eased in 2014 by 10.3 percent, stemming from a weak rouble. Russia's key imports in 2014 are illustrated in **Table 2.4**. In 2014, Russia was the 17th largest importer, accounting for 1.5 percent of global imports.

Table 2.3: Russia's Major Export Partners and Share

Ranking	Country	% share, 2005	Country	% share, 2010	Country	% share, 2014
	World	100.0	World	100.0	World	100.0
1	Netherlands	10.2	Netherlands	13.4	Netherlands	13.8
2	Germany	8.2	Italy	6.1	China	7.6
3	Italy	7.9	China	5.0	Germany	7.5
4	China	5.4	Belarus	4.6	Italy	7.3
5	Ukraine	5.1	Germany	4.0	Turkey	5.0
6	Turkey	4.5	Poland	3.6	Japan	4.0
7	Switzerland	4.5	Turkey	3.5	Belarus	3.9
8	Belarus	4.2	Ukraine	3.4	South Korea	3.6
9	Poland	3.6	Japan	3.1	Ukraine	3.5
10	UK	3.4	USA	3.0	Poland	3.2
11	Finland	3.2	Finland	2.7	Kazakhstan	2.8
12	Kazakhstan	2.7	Kazakhstan	2.7	Latvia	2.6
13	USA	2.6	South Korea	2.6	UK	2.3
14	France	2.5	UK	2.4	Finland	2.3
15	Cyprus	2.1	France	2.3	USA	2.1

Source: Trade Map, ITC Geneva

Table 2.4: Russia's Major Import Items, US\$ mn

HS Code	Commodity	2005	2007	2009	2011	2012	2013	2014
	All products	98707.3	199726.0	170826.6	306091.5	316192.9	314945.1	282602.4
84	Machinery and instruments	15713.8	32478.7	27503.6	51672.1	57818.0	56964.8	51321.3
85	Electrical, electronic equipment	9920.7	22133.1	18506.3	30943.1	35592.2	35547.5	33362.0
87	Vehicles other than railway, tramway	11274.2	33502.4	14161.2	37860.5	44605.0	40193.7	30977.8
30	Pharmaceutical products	4311.1	6696.1	8509.9	13185.3	13393.9	14552.5	12624.6
39	Plastics and articles	3542.1	6741.5	5753.0	10057.3	11503.3	11466.6	10873.3
90	Optical, photo, technical, apparatus	2304.0	5911.1	4855.2	7604.4	10515.9	8943.0	7809.5
73	Articles of iron or steel	2703.4	5580.9	3726.0	7731.7	7622.2	8185.2	6822.9
72	Iron and steel	2546.7	5722.3	3324.6	6303.3	6402.6	5891.7	5520.7
02	Meat and edible meat offal	3020.4	5097.5	6244.7	6190.0	7385.3	6748.2	5485.7
08	Edible fruit, nuts	2134.7	3738.1	4393.8	6204.6	6279.8	6401.9	5407.3
94	Furniture, lighting,	926.5	2167.5	1998.1	3791.9	4498.7	4672.5	4228.1
40	Rubber and articles	965.9	1866.8	1630.5	3923.4	4787.4	4769.2	4068.4
62	Articles of apparel, accessories, not knit or crochet	448.5	1656.5	2045.0	3470.1	4097.2	4124.9	3986.5
04	Dairy products, eggs, honey,	988.6	1236.8	1259.4	2172.7	3278.4	4407.6	3677.7

Source: Trade Map, ITC Geneva

Machinery and instruments formed the key imports of Russia, accounting for 18.2 percent of Russia's global imports. Key sources of imports were China, Germany, Italy, USA and Japan.

In recent years, China has emerged as a major global import source for Russia, overtaking countries such as Germany, and Belarus (Table 2.5). China, Germany, USA and Italy were the top four sources for Russia's imports of machinery and instruments. China and Germany were also the key sources for Russia's imports of electrical, electronic equipment. Germany was an

important source for Russia's imports of transport equipments and pharmaceuticals. Belarus was an important source for imports of plastics and articles.

Electrical, electronic equipment formed 11.8 percent of Russia's global imports, primarily sourced from China, Germany, UK, South Korea and Estonia.

Russia's imports of vehicles were mainly sourced from Japan, Germany, USA, South Korea and China.

Table 2.5: Russia's Major Import Sources and Share

Ranking	Country	% share, 2005	Country	% share, 2010	Country	% share, 2014
	World	100.0	World	100.0	World	100.0
1	Germany	13.4	China	17.0	China	17.8
2	Ukraine	7.9	Germany	11.6	Germany	11.5
3	China	7.4	Ukraine	6.1	USA	6.5
4	Japan	5.9	Japan	4.5	Italy	4.5
5	Belarus	5.8	Italy	4.4	Belarus	4.1
6	USA	4.6	Belarus	4.3	Japan	3.8
7	Italy	4.5	USA	4.3	Ukraine	3.8
8	South Korea	4.1	France	3.6	France	3.7
9	France	3.7	South Korea	3.2	South Korea	3.2
10	Kazakhstan	3.3	Poland	2.5	UK	2.7
11	Finland	3.1	Turkey	2.1	Kazakhstan	2.5
12	UK	2.8	Finland	2.0	Poland	2.5
13	Poland	2.8	UK	2.0	Turkey	2.3
14	Brazil	2.4	Kazakhstan	1.9	Netherlands	1.9
15	Netherlands	2.0	Netherlands	1.9	Czech Rep	1.7

Source: Trade Map, ITC Geneva

Germany, France, USA, Italy and India were the key sources for imports of pharmaceutical products, which accounted for 4.5 percent of Russia's global imports.

Foreign Trade Zones/Free Ports/Trade Facilitation

Russia has 32 Special Economic Zones (SEZs), which fall in one of four categories, namely industrial and production zones, technology and innovation

zones, tourist and recreation zones, and port zones. Specifically, investors enjoy streamlined administrative requirements and procedures, a more favorable customs regime (including the waiver of import duties and refunds of the value-added-tax), and reduced tax rates on income, property, land, and transport. SEZ investors also receive discounts on infrastructure expenses, including facilities and utilities costs. Such benefits are extended for an agreed introductory period, often lasting five years.

III. India- Russia Bilateral Relations

Introduction

Since the signing of “Declaration on the India-Russia Strategic Partnership” in October 2000, India-Russia ties have acquired a qualitatively new dimension, with enhanced levels of co-operation in almost all areas of bilateral relationship.

India’s Bilateral Trade with Russia

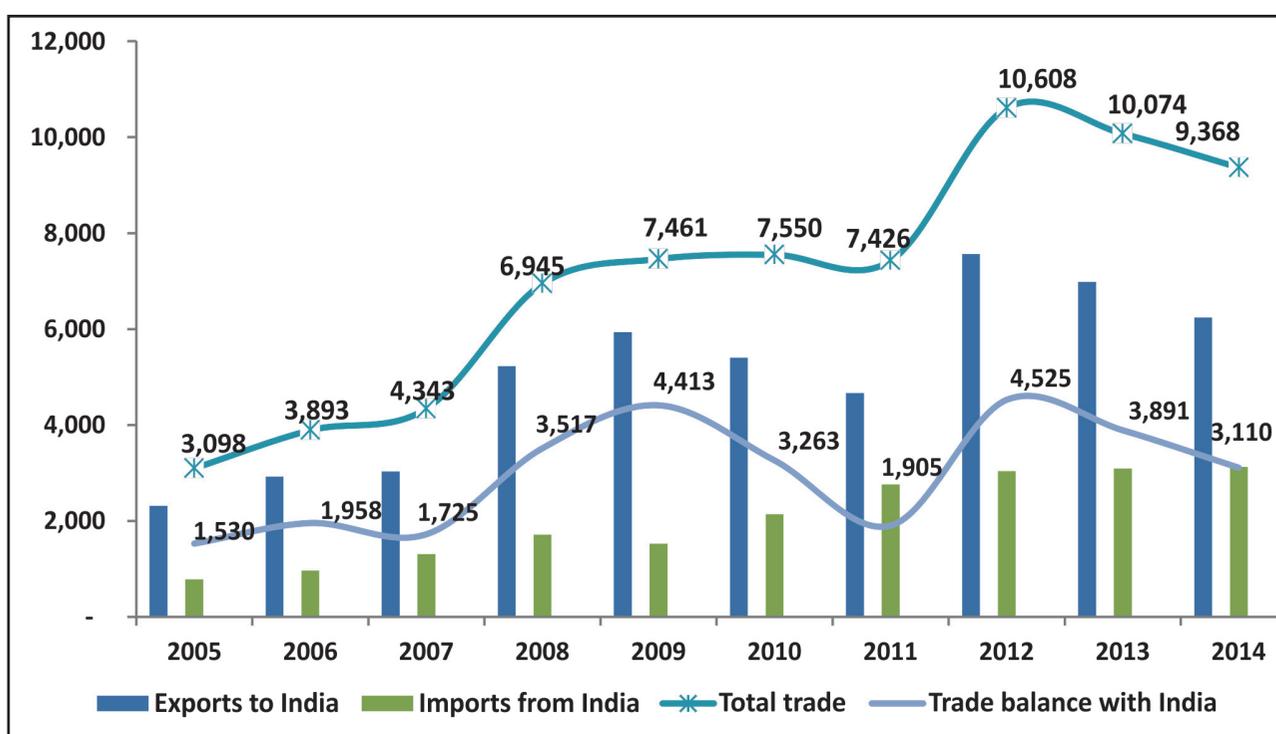
Reflecting rise in both Russia’s total exports and imports from India, total trade between India and Russia increased three-fold, from US\$ 3.1 billion in 2005 to US\$ 9.4 billion in 2014. (Table 3.1 and chart 3.1).

Table 3.1: Trends in Russia’s Trade with India, 2005-2014 (US\$ mn)

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Exports to India	2,314	2,926	3,034	5,231	5,937	5,406	4,666	7,567	6,983	6,239
Imports from India	784	967	1,309	1,714	1,524	2,143	2,761	3,041	3,091	3,129
Total trade	3,098	3,893	4,343	6,945	7,461	7,550	7,426	10,608	10,074	9,368
Trade balance with India	1,530	1,958	1,725	3,517	4,413	3,263	1,905	4,525	3,891	3,110

Source: Trade Map, ITC Geneva

Chart 3.1: Trends in Russia’s Trade with India, 2005-2014 (US\$ mn)



Source: Trade Map, ITC Geneva

While Russia's exports to India has risen close to three fold from US\$ 2.3 billion in 2005 to US\$ 6.2 billion in 2014, Russia's imports from India have risen almost four-fold from US\$ 784 million in 2005 to US\$ 3.1 billion in 2014. Russia generally maintains a trade surplus with India, which has risen from US\$ 1.5 billion in 2005 to US\$ 3.1 billion in 2014, more than a two-fold increase.

Russia's major exports to India comprised pearls and precious stones (17.8 percent of Russia's total exports to India), machinery and instruments

(11.3 percent), electrical, electronic equipment (7.6 percent), fertilizers (5.9 percent), and optical, photo and technical apparatus (4.9 percent) (Table 3.2).

For India, Russia was the third largest global source for imports of fertilizers; the fourth largest source for salt, sulphur, plaster and lime; the sixth largest source of paper and paperboard; the ninth largest source for pearls and precious stones, as well as rubber and articles; and the tenth largest source for iron and steel.

Table 3.2: Russia's Exports to India, US\$ mn

HS Code	Product label	2005	2010	2011	2012	2013	2014
	All products	2,314.0	5,406.3	4,665.7	7,566.7	6,982.7	6,239.4
71	Pearls, precious stones	11.6	433.2	589.7	749.5	870.9	1,113.7
84	Machinery and instruments	474.3	586.2	577.3	543.5	750.4	707.4
85	Electrical, electronic equipment	268.7	393.6	490.6	530.8	545.6	472.7
31	Fertilizers	182.0	1,124.3	779.3	1,083.5	278.3	366.8
90	Optical, photo, technical apparatus	145.8	249.1	203.2	314.5	285.4	302.7
27	Mineral fuels, oils, distillation products, etc	33.5	324.5	283.4	175.6	189.5	223.8
72	Iron and steel	368.6	395.4	377.7	501.8	137.5	167.4
48	Paper and paperboard, articles of pulp	107.0	145.7	157.5	145.5	125.7	136.8
28	Inorganic chemicals	15.5	94.0	118.2	126.8	121.7	127.4
25	Salt, sulphur, plaster and lime	22.6	73.1	65.7	117.6	79.1	105.1
29	Organic chemicals	15.9	40.3	29.7	46.0	112.0	76.5
40	Rubber and articles	11.1	17.0	66.1	46.0	55.5	76.2
73	Articles of iron or steel	103.8	66.8	124.2	79.4	114.1	62.4
49	Printed books, newspapers	57.9	31.2	52.8	28.6	75.7	55.1
39	Plastics and articles	2.2	27.4	46.7	28.3	38.8	54.7
15	Animal ,vegetable fats and oils	-	19.2	6.0	18.3	-	44.0
81	Other base metals	8.2	41.8	40.8	45.8	33.7	38.7
47	Pulp of wood, fibrous cellulosic material	3.5	14.2	22.7	22.3	13.2	33.7
76	Aluminium and articles	9.3	16.9	59.3	46.8	54.2	31.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva

Table 3.3: Russia's Imports from India, US\$ mn

HS Product code	Product label	2005	2010	2011	2012	2013	2014
	All products	784.4	2,143.3	2,760.6	3,041.3	3,091.2	3,128.9
30	Pharmaceutical products	289.7	621.0	722.2	775.9	819.1	663.4
84	Machinery and instruments	37.7	104.9	136.6	141.9	159.4	264.3
85	Electrical, electronic equipment	40.2	262.7	476.3	488.9	382.3	182.2
62	Articles of apparel, accessories, not knit or crochet	7.1	64.2	106.9	108.1	135.7	151.6
71	Pearls, precious stones	0.5	23.9	1.7	27.7	27.9	150.4
09	Coffee, tea, mate and spices	54.6	134.4	143.4	142.8	131.7	130.0
72	Iron and steel	8.1	64.6	91.7	163.7	149.1	123.0
61	Articles of apparel, accessories, knit or crochet	4.4	54.1	86.0	75.5	97.9	122.7
24	Tobacco and manufactured tobacco substitutes	63.4	94.1	110.2	97.3	113.9	121.9
87	Vehicles other than railway, tramway	16.5	104.4	53.9	76.5	111.1	108.5
29	Organic chemicals	30.2	60.4	61.8	81.2	68.4	105.6
21	Miscellaneous edible preparations	44.6	95.2	121.0	103.9	77.7	74.5
03	Fish, crustaceans, molluscs	0.6	20.9	29.4	29.4	40.3	72.5
64	Footwear, gaiters and the like, parts thereof	1.4	22.1	43.2	44.6	59.4	52.4
12	Oil seed, oleagif fruits	3.2	10.3	24.2	36.8	20.3	50.3
39	Plastics and articles	28.1	37.7	52.2	59.5	53.2	49.7
10	Cereals	6.6	0.2	0.6	28.6	11.5	45.6
40	Rubber and articles	3.3	29.8	34.0	36.3	44.1	40.9
42	Articles of leather, animal gut	1.3	18.0	29.6	34.3	39.0	38.6
08	Edible fruit, nuts, peel of citrus fruit	5.0	13.4	13.0	22.3	34.7	38.3
73	Articles of iron or steel	5.1	20.8	25.6	32.2	50.8	37.6
07	Edible vegetables	3.3	10.6	34.2	20.8	17.9	37.5
38	Miscellaneous chemical products	1.7	22.6	30.0	33.0	37.6	37.3
82	Tools, implements, cutlery, etc of base metal	7.5	20.2	36.0	38.7	39.0	35.5

Source: Trade Map, ITC Geneva

Russia's major items of imports from India during the period 2005-2014 have been presented in **Table 3.3**. Pharmaceutical products dominate Russia's import basket from India, accounting for 21.2 percent of Russia's global imports in 2014. India is an important market for Russia's imports of pharmaceuticals and was the fifth largest source of imports of the product during 2014. For India, Russia was the third largest export destination for pharmaceuticals, after USA and South Africa.

Other major items in Russia's import basket from India include machinery and instruments; electrical, electronic equipment; articles of apparel; pearls and precious stones, and coffee and tea among others.

India's Investment Relations with Russia

During April 2000 to March 2015, the cumulative FDI inflows to India from Russia stood at US\$ 1.1 billion (0.4 percent of India's total FDI inflows). Russia is the 19th largest FDI investor in India. Major investments by Russia in India include AFK Sistema in Sistema Shyam Telelink Services, India - Russia JV for production of titanium products; branches by VTB and Sber Bank; JV between Russian Kamaz Inc and India's Vectra Group.

During April 1996 to March 2015, the cumulative Indian FDI in joint ventures and wholly owned subsidiaries (FDI outflows) in equity, loan and guarantees issued in Russia stood at US\$ 4.4 billion. Major Indian companies in Russia include ONGC Videsh Ltd., Imperial Energy, Commercial Bank of India Ltd. (JV of SBI and Canara Bank), ICICI Bank Eurasia LLC (ICICI Bank had acquired InvestitsionnoKreditny Bank (IKB) in May 2005. The acquisition is now formalized and IKB operates as ICICI Bank subsidiary, ICICI

Bank Eurasia LLC.), TATA Motors, SUN Group, Carbonandum Universal, Tata Tea, De Core, Choron Diamonds, L&T and Universal Food Technologies. Indian pharma companies present in Russia include Dr. Reddy's Laboratories Ltd, Cadila Pharmaceuticals Ltd, Pharmasyntez, Unique Pharmaceutical Laboratories, Torrent Pharmaceuticals and Sun Pharmaceuticals.

Construction of the Kudankulam Nuclear Power Plant (KKNPP) Units 1 & 2 (VVER 1000 MW units) is an example of fruitful co-operation between India and Russia. KKNPP Unit 1 has become operational in July 2013, while its Unit 2 is at an advanced stage of construction. India signed a Bilateral Investment Promotion and Protection Agreement (BIPA) with Russia on December 23, 1994, which came into effect on August 5, 1996. India and Russia also signed an agreement for the avoidance of double taxation with regard to taxes on income, which has entered into force on April 11, 1998.

Other Areas of Co-operation

- Annual Summit meeting between the Prime Minister of India and the President of Russia is the highest institutionalized dialogue mechanism under the Strategic Partnership between India and Russia. So far, 15 Annual Summit meetings have taken place alternatively in India and Russia. The 15th Annual Summit was held in New Delhi during the visit of President Putin to India on December 11, 2014. During the Summit, 20 documents were signed covering co-operation in nuclear energy, defence, hydrocarbons, science & technology, trade and investment etc. A Joint Statement "Druzhba-Dosti: A Vision for strengthening the Indian-Russian

Partnership over the next decade” was also adopted.

- India and Russia has signed “Declaration on the India-Russia Strategic Partnership” in October 2000, during the visit of President Vladimir Putin to India. During the visit of Russian President to India in December 2010, the Strategic Partnership was elevated to the level of a “Special and Privileged Strategic Partnership”.
- The India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Co-operation (IRIGC-TEC) is the apex government-to-government forum for bilateral economic co-operation. The IRIGC integrates inputs from six working groups on economic and trade co-operation, energy, tourism and culture, science and technology and IT and a sub-group on banking and financial matters and sub group on conservation of tigers & leopards. The 20th Session of IRIGC-TEC was held in New Delhi on November 5, 2014.
- The India-Russia Trade and Investment Forum established in 2007 and the India-Russia CEO's Council established in February 2008 are the two primary mechanisms to promote direct bilateral business-to-business contacts between both countries. The 8th meeting of the India-Russia Trade and Investment Forum was held in New Delhi on November 5, 2014; and the India-Russia CEOs' Council met in Moscow in October 2013. Mechanisms such as India - Russia Business Council (partnership between FICCI of India and CCI of Russia), India - Russia Trade, Investment and Technology Promotion Council (partnership between CII of India and RUIE of Russia), India - Russia Business Dialogue (partnership between CII of India and Russia's Business Council for Co-operation with India) and India - Russia Chamber of Commerce (with focus on SMEs) supplement the efforts to build direct business - to - business (B2B) ties.
- India and Russia have agreed to have enhanced Indian participation in the prestigious St. Petersburg International Economic Forum (SPIEF). CII and SPIEF Foundation have entered into an MoU for regular institutionalized B2B interactions and exchanges. In May 2014, the 5th India-Russia Business Dialogue was held within the framework of the annual St. Petersburg International Economic Forum (SPIEF).
- An MoU was signed between Severstal, Russia and NMDC in establishing 2 MTPA (expandable to 5 MTPA) Integrated Steel Plant in Karnataka, using Indian iron ores and Russian coking coal.
- An MoU between the Central Drug Standard Control Organization of India and the Federal Service on Surveillance in Healthcare and Social Development of Russia on assurance of quality, safety and efficacy of medicines was signed in December 2011.
- Another MoU between the Competition Commission of India and the Federal Antimonopoly Service of Russia to promote co-operation in the field of competition policy was signed during December 2011.

IV. Potential for Enhancing Indo-Russian Trade Relations

Introduction

As highlighted in the previous chapter, bilateral trade relations between India and Russia have witnessed significant rise in recent years, with total trade between the two countries increasing three-fold, from US\$ 3.1 billion in 2005 to US\$ 9.4 billion in 2014.

As observed in chapter 2, as a partner country for Russia's foreign trade, India's share in both Russia's global exports and Russia's global

imports is relatively low, as compared to other major partners of Russia such as Netherlands, China, Germany, Italy, among others.

While India's ranking as Russia's export market has seen an improvement from 28th position in 2005 to 18th position in 2014, however, India's ranking in Russia's global imports is relatively low, at 23rd position in 2014, compared to 26th position in 2005 (**Table 4.1**). Hence there is a need to enhance India's ranking as Russia's import partner.

Table 4.1: Russia's Import Partners and India's Share

Ranking	Country	% share, 2005	Country	% share, 2010	Country	% share, 2014
	World	100.0	World	100.0	World	100.0
1	Germany	13.4	China	17.0	China	17.8
2	Ukraine	7.9	Germany	11.6	Germany	11.5
3	China	7.4	Ukraine	6.1	USA	6.5
4	Japan	5.9	Japan	4.5	Italy	4.5
5	Belarus	5.8	Italy	4.4	Belarus	4.1
6	USA	4.6	Belarus	4.3	Japan	3.8
7	Italy	4.5	USA	4.3	Ukraine	3.8
8	South Korea	4.1	France	3.6	France	3.7
9	France	3.7	South Korea	3.2	South Korea	3.2
10	Kazakhstan	3.3	Poland	2.5	UK	2.7
23	Denmark	0.9	Austria	1.1	India	1.1
25	Switzerland	0.9	India	0.9	Hungary	1.0
26	India	0.8	Denmark	0.7	Vietnam	0.8

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Potential for Enhancing Bilateral Trade Relations

To further enhance bilateral trade relations, and in particular to address India's rising trade deficit with Russia, which has grown two-fold during the last decade, strategy to enhance bilateral trade relations would entail identification of potential items of India's exports to Russia, in line with India's global export capability, as also demand existing in Russia, as exhibited by the rising trend in major import items of Russia. This in turn would also serve to enhance India's ranking as Russia's import partner.

Such a strategy would entail:

- Identification of major items in Russia's import basket, and share of India in each product line (based on 2-digit HS Commodity Code)
- Selection of potential export items based on low share of India in Russia's import basket of major commodities, keeping in view India's global export capabilities. This would entail identification of potential export items under each product category, upto 6-digit HS-commodity code.

Table 4.2 presents Russia's major import items, in terms of 2-digit HS commodity code, and India's share in Russia's global imports of these items in 2014. As can be seen from the table, India has achieved a relatively healthy share in Russia's imports of only four items, viz. pharmaceuticals (HS-30), coffee, tea and spices (HS- 09), tobacco and manufactured tobacco substitutes (HS-24), and pearls, precious stones (HS-71), with shares ranging from 5.3 percent for pharmaceuticals to 13.7 percent for pearls and precious stones in Russia's imports from India.

Even in the case of pharmaceuticals, while India currently maintains a healthy share of 5.3 percent in Russia's global imports in 2014, an analysis of the recent trends in Russia's global imports of pharmaceutical products would highlight the declining share of India in Russia's import basket from a robust 8.2 percent share in 2001, to 6.7 percent in 2005, and further 5.3 percent in 2014.

In the case of other major import items in Russia's global import basket, India's share is still low and even declining. This would serve to highlight the potential to further enhance exports to Russia, in line the huge existing demand. At the same time, some of these items are amongst India's leading global export items in the global market, which highlights India's export capability of these items.

Based on the above criterion, potential items of export to Russia, as per 2-digit HS commodity classification, would include:

- Machinery and instruments (HS-84)
- Electrical, electronic equipment (HS- 85)
- Vehicles other than railway, tramway (HS-87)
- Pharmaceutical products (HS-30)
- Plastics and articles (HS-39)
- Optical, photo, technical apparatus (HS-90)
- Articles of iron or steel (HS-73)
- Iron and steel (HS-72)
- Meat and edible meat offal (HS-02)
- Edible fruits and nuts (HS- 08)
- Furniture, lightings, signs (HS-94)

Table 4.2: Russia's Major Imports and India's Share, 2014

HS Code	Product Label	Russia's imports from world, 2014	Russia's imports from India, 2014	India's share in Russia's imports, 2014	India's exports to world, 2014
		(US\$ mn)	(US\$ mn)	(%)	(US\$ mn)
	All products	282,602.4	3,128.9	1.1	317,544.6
84	Machinery and instruments	51,321.3	264.3	0.5	13,596.1
85	Electrical, electronic equipment	33,362.0	182.2	0.5	9,002.3
87	Vehicles other than railway, tramway	30,977.8	108.5	0.4	14,482.0
30	Pharmaceutical products	12,624.6	663.4	5.3	11,663.3
39	Plastics and articles	10,873.3	49.7	0.5	5,398.3
90	Optical, photo, technical apparatus	7,809.5	16.2	0.2	2,334.6
73	Articles of iron or steel	6,822.9	37.6	0.6	7,518.7
72	Iron and steel	5,520.7	123.0	2.2	9,080.6
02	Meat and edible meat offal	5,485.7	-	-	5,075.6
08	Edible fruits and nuts	5,407.3	38.3	0.7	1,632.9
94	Furniture, lighting, signs	4,228.1	11.3	0.3	1,204.4
40	Rubber and articles	4,068.4	40.9	1.0	2,763.2
62	Articles of apparel, accessories, not knit or crochet	3,986.5	151.6	3.8	9,055.7
61	Articles of apparel, accessories, knit or crochet	3,675.6	122.7	3.3	7,482.5
64	Footwear and gaiters	3,666.5	52.4	1.4	2,990.7
27	Mineral fuels, oils, distillation products	3,641.5	10.6	0.3	62,348.5
38	Miscellaneous chemical products	3,084.9	37.3	1.2	3,164.4
29	Organic chemicals	3,055.7	105.6	3.5	12,035.1
03	Fish, crustaceans, molluscs	2,518.5	72.5	2.9	5,358.6
32	Tanning, dyeing extracts	2,420.1	28.1	1.2	2,907.1
82	Tools, implements, cutlery, of base metal	1,910.1	35.5	1.9	914.9
26	Ores, slag and ash	1,879.5	0.6	-	1,356.8
12	Oil seed, oleagif fruits	1,854.5	50.3	2.7	2,151.4
76	Aluminium and articles	1,534.8	1.7	0.1	2,582.5
89	Ships, boats and other floating structures	1,412.7	13.8	1.0	4,556.6
25	Salt, sulphur, lime and cement	1,410.6	8.2	0.6	1,990.0
69	Ceramic products	1,324.8	6.7	0.5	768.6
09	Coffee, tea and spices	1,286.5	130.0	10.1	2,771.0
23	Residues, wastes of food industry	1,266.4	3.2	0.3	2,042.8
15	Animal, vegetable fats and oils	1,228.4	6.3	0.5	903.7
24	Tobacco and manufactured tobacco substitutes	1,202.9	121.9	10.1	957.2
68	Stone, plaster, cement	1,186.0	22.5	1.9	1,406.0
70	Glass and glassware	1,140.0	7.7	0.7	702.5
71	Pearls, precious stones	1,094.5	150.4	13.7	40,703.5

Note: Potential items identified based on Russia's imports of more than US\$ 1 billion

'-' denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

- Articles of apparel, accessories, not knit or crochet (HS-62)
- Articles of apparel, accessories, knit or crochet (HS-61)
- Footwear and gaiters (HS-64)
- Mineral fuels, oils, distillation products (HS-27)
- Miscellaneous chemical products (HS-38)
- Organic chemicals (HS-29)
- Fish, crustaceans, molluscs (HS-03)
- Aluminium and articles (HS-76)
- Residues, wastes of food industry (HS-23)

Based on analysis of the above table, potential items of exports to Russia under identified categories up to the 6-digit HS commodity classification have been presented below.

Table 4.3: Russia's Imports of Pharmaceuticals (HS-30), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	4,311.1	11,124.7	12,624.6	100.0	100.0	100.0
Germany	882.5	2,019.9	2,674.5	20.5	18.2	21.2
France	522.2	1,147.6	1,242.3	12.1	10.3	9.8
USA	122.0	604.3	857.6	2.8	5.4	6.8
Italy	252.1	602.6	726.2	5.8	5.4	5.8
India	289.7	621.0	663.4	6.7	5.6	5.3
Netherlands	164.7	518.9	526.4	3.8	4.7	4.2
Switzerland	224.1	881.7	525.7	5.2	7.9	4.2
Hungary	282.7	540.8	510.8	6.6	4.9	4.0
Slovenia	207.7	482.2	499.4	4.8	4.3	4.0
UK	140.2	534.8	482.1	3.3	4.8	3.8
Austria	179.0	433.2	370.4	4.2	3.9	2.9
Spain	27.2	177.7	353.4	0.6	1.6	2.8
Belgium	125.5	311.5	322.0	2.9	2.8	2.6
Ireland	37.0	112.1	309.6	0.9	1.0	2.5
Denmark	170.3	259.9	221.4	4.0	2.3	1.8
Poland	158.3	273.5	197.0	3.7	2.5	1.6
Israel	28.3	102.4	190.0	0.7	0.9	1.5

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Pharmaceutical Products (HS-30)

Pharmaceutical products are the fourth largest item of Russia's imports, amounting to US\$ 12.6 billion in 2014, with a share of 4.5 percent of Russia's total imports. During the period 2005-2014, Russia's imports of pharmaceuticals have risen close to three-fold from US\$ 4.3 billion in 2005 to US\$ 12.6 billion in 2014. Traditionally, Germany, France, USA and Italy have been the main import sources (**Table 4.3**).

For India, the importance of Russia as an export market for pharmaceuticals can be accessed from the fact that Russia is the third largest export market, accounting for 3.9 percent of India's global exports of the product in 2014.

While India's exports of pharmaceuticals to Russia have risen from US\$ 289.7 million in 2005 to US\$ 663.4 million in 2014, the share of India in Russia's import basket of the commodity have however been on a decline, from 8.2 percent in

2001, to 6.7 percent in 2005, to 5.6 percent in 2010, and further 5.3 percent in 2014.

While pharmaceutical products are one of the major export items of India, however, India's declining share in Russia's import basket would call for renewed efforts to enhance exports to Russia, in light of the rising demand in Russian market. Accordingly, potential items of India's exports to Russia have been identified, up to 6-digit HS commodity classification and have been presented in **Table 4.4**.

Machinery and instruments (HS-84)

Machinery forms the largest item in Russia's import basket, amounting to US\$ 51.3 billion in 2014, with a share of 18.2 percent of Russia's total imports during the same year. In recent years, China has emerged as the largest supplier, catering to 21.1 percent of Russia's import demand. China has surpassed Italy and Germany to emerge as Russia's largest supplier (**Table 4.5**).

Table 4.4: Pharmaceuticals (HS-30) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
300210	Antisera and other blood fractions	1,369.0	0.1	-	47.8
300439	Hormones, in dosage	494.6	11.6	2.3	78.3
300431	Insulin, in dosage	193.5	0.5	0.3	108.4
300220	Vaccines, human use	174.3	0.3	0.2	578.0
300410	Penicillins or streptomycins and their derivatives	149.9	0.7	0.5	608.7
300660	Contraceptive preparations, based on hormones	145.1	-	-	96.3

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.5: Russia's Imports of Machinery and instruments (HS-84) , 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	15,713.8	36,982.5	51,321.3	100.0	100.0	100.0
China	1,427.9	8,911.5	10,840.0	9.1	24.1	21.1
Germany	3,640.6	6,560.9	8,810.5	23.2	17.7	17.2
Italy	1,828.9	3,062.9	4,564.9	11.6	8.3	8.9
USA	972.8	2,130.4	2,615.1	6.2	5.8	5.1
Japan	628.2	1,779.5	2,403.9	4.0	4.8	4.7
South Korea	713.7	1,371.1	1,826.8	4.5	3.7	3.6
Ukraine	957.9	1,696.3	1,698.4	6.1	4.6	3.3
France	539.1	916.4	1,601.3	3.4	2.5	3.1
Czech Republic	222.7	815.8	1,569.7	1.4	2.2	3.1
Belarus	-	-	1,095.5	-	-	2.1
UK	392.8	644.8	1,033.2	2.5	1.7	2.0
Netherlands	366.4	558.6	1,013.3	2.3	1.5	2.0
Austria	355.7	682.5	993.4	2.3	1.8	1.9
Poland	299.5	599.5	930.7	1.9	1.6	1.8
Kazakhstan	101.1	-	846.8	0.6	-	1.6
Turkey	141.3	278.3	742.8	0.9	0.8	1.4
Finland	546.3	775.5	719.0	3.5	2.1	1.4
Spain	136.7	354.6	638.5	0.9	1.0	1.2
Thailand	75.2	338.6	606.7	0.5	0.9	1.2
Sweden	395.7	558.6	593.9	2.5	1.5	1.2
India	37.7	104.9	264.3	0.2	0.3	0.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.6: Machinery and instruments (HS-84) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
840734	Engines, spark-ignition reciprocating displacing more than 1000 cc	1,982.5	2.5	0.1	166.0
848180	Taps, cocks, valves and similar appliances	1,658.9	10.2	0.6	717.7
847989	Machines & mechanical appliances, having individual functions	1,089.2	2.9	0.3	344.9
841370	Centrifugal pumps	1,013.2	20.5	2.0	201.5
841480	Air or gas compressors, hoods	976.9	2.6	0.3	327.2
847330	Parts & accessories of automatic data processing machines & units thereof	856.3	0.2	-	115.9
842139	Filtering or purifying machinery and apparatus for gases	835.0	0.2	-	104.6
840820	Engines, diesel, for vehicles	726.8	-	-	134.9
842952	Shovels and excavators with a 360 revolving superstructure	667.4	1.0	0.1	145.8
843143	Parts of boring or sinking machinery, whether or not self-propelled	421.0	0.2	-	170.4
841950	Heat exchange units, non-domestic, non-electric	366.9	1.2	0.3	144.9
843149	Parts of cranes, work-trucks, shovels, and other construction machinery	362.4	3.2	0.9	332.0
840999	Parts for diesel and semi-diesel engines	327.5	5.1	1.6	584.9
842199	Parts for filtering or purifying machinery & apparatus for liquids or gases	279.4	1.0	0.3	109.4
848340	Gears & gearing, ball screws, gear boxes, speed changers/torque converters	262.6	0.9	0.3	155.0
842959	Self-propelled excavating machinery	222.9	1.0	0.5	109.8
840991	Parts for spark-ignition type engines	178.9	8.0	4.5	283.3
847490	Parts of sorting / screening / mixing / crushing / grinding / washing / agglomerating mach	178.2	3.1	1.7	147.2
841330	Fuel, lubricating or cooling medium pumps for internal comb piston engines	175.3	7.3	4.2	124.6
848310	Transmission shafts and cranks, including cam shafts and crank shafts	170.9	6.0	3.5	255.7
841391	Parts of pumps for liquid whether or not fitted with a measuring device	161.0	0.5	0.3	290.9
848390	Parts of power transmission equipment/other goods used to transmit power	145.0	0.9	0.6	124.1
840890	Engines, diesel	122.6	0.1	0.1	311.9
848190	Parts of taps, cocks, valves or similar appliances	113.6	0.6	0.5	337.4
841490	Parts of vacuum pumps, compressors, fans, blowers, hoods	105.1	0.4	0.4	248.5

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

India is still a marginal supplier, accounting for only 0.5 percent of the country's imports. In light of the growing demand for machinery in the Russian market, and India's global export capability, potential items of India's exports to Russia have been presented in **Table 4.6**.

Electrical, electronic equipment (HS- 85)

These items are the second largest in Russia's import basket, amounting to US\$ 33.4 billion

in 2014. Imports of these items by Russia has increased more than three-fold during the last decade, thereby depicting the huge and rising demand in the Russian market.

China is the largest supplier, accounting for as much as 37.2 percent of Russia's imports of the product in 2014 (**Table 4.7**). Other important suppliers during the same year include Germany, UK and South Korea, among others.

Table 4.7: Russia's Imports of Electrical, electronic equipment (HS- 85), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	9,920.7	25,774.8	33,362.0	100.0	100.0	100.0
China	1,862.3	8,607.8	12,414.1	18.8	33.4	37.2
Germany	1,641.6	2,064.5	2,344.2	16.5	8.0	7.0
UK	249.8	321.6	1,633.1	2.5	1.2	4.9
South Korea	994.8	1,476.1	1,239.1	10.0	5.7	3.7
Estonia	6.3	110.4	1,187.0	0.1	0.4	3.6
Poland	146.2	856.3	1,007.6	1.5	3.3	3.0
USA	279.2	1,093.5	939.2	2.8	4.2	2.8
France	342.6	871.9	851.2	3.5	3.4	2.6
Italy	288.6	724.7	803.3	2.9	2.8	2.4
Vietnam	4.1	333.9	747.2	0.0	1.3	2.2
Ukraine	353.7	830.6	685.9	3.6	3.2	2.1
Slovakia	34.5	323.1	676.5	0.3	1.3	2.0
Japan	314.3	893.0	648.9	3.2	3.5	1.9
Belarus	-	-	623.5	-	-	1.9
Czech Republic	140.5	387.9	604.8	1.4	1.5	1.8
Malaysia	264.3	521.0	562.1	2.7	2.0	1.7
Finland	727.4	463.3	550.9	7.3	1.8	1.7
Taipei, Chinese	108.2	590.1	548.8	1.1	2.3	1.6
Sweden	476.2	559.2	507.4	4.8	2.2	1.5
India	40.2	262.7	182.2	0.4	1.0	0.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

India's exports of these commodities to Russia have increased more than four-fold in the last decade, from US\$ 40.2 million in 2005 to US\$ 182.2 million in 2014. In line with the rising

demand in Russia, and India's export capability, potential items to Russia have been identified and presented in **Table 4.8**.

Table 4.8: Electrical, electronic equipment (HS- 85) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
851712	Telephones for cellular networks mobile telephones	4,707.5	19.3	0.4	561.6
852990	Parts suitable for use solely with the appliances	2,282.1	1.5	0.1	133.6
851762	Machines for the reception, conversion and transmission or regeneration	1,501.1	0.6	-	135.9
853710	Boards ,panels, including numerical control panels, for a voltage <=1000 V	1,206.2	10.2	0.8	321.7
850440	Static converters	825.6	10.8	1.3	453.3
851770	Parts of telephone sets, telephones for cellular networks	551.6	20.7	3.8	501.9
853690	Electrical app for switching ,not exceeding 1,000 V	314.2	3.8	1.2	201.5
853720	Boards, panels, including numerical control panels, for a voltage > 1,000 V	297.2	-	-	104.2
853400	Printed circuits	259.5	-	-	151.5
853890	Parts for use with the apparatus	253.4	1.6	0.6	337.1
854430	Ignition wiring sets & other wiring sets used in vehicles, aircraft	236.4	0.5	0.2	162.0
853650	Electrical switches for a voltage not exceeding 1,000 volts	235.5	0.9	0.4	114.4
852871	Reception apparatus for television, whether or not incorporating radio	187.1	-	-	193.1
854511	Carbon or graphite electrodes, of a kind used for furnaces	177.2	6.4	3.6	283.8
854140	Photosensitive semiconductor device, photovoltaic cells& light emit diodes	176.7	-	-	174.7
853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts	166.7	2.0	1.2	108.3
854460	Electric conductors, for a voltage exceeding 1,000 V	135.0	-	-	259.9
853810	Boards, panels, etc for goods, not equipped w their app	119.0	-	-	213.1
850110	Electric motors of an output not exceeding 37.5 W	115.4	0.3	0.3	148.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Vehicles other than railway, tramway (HS-87)

As can be seen from **Table 4.9**, in 2014, Japan was the largest supplier to Russia of vehicles other than railway, tramway, catering to 17.8 percent of Russia's global imports of the product. However

India's share in Russia's imports of the commodity was marginal at 0.4 percent.

Potential exports from India of the commodity, identified at 6-digit HS commodity code are presented in **Table 4.10**.

Table 4.9: Russia's Imports of Vehicles other than railway, tramway (HS-87), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	11,274.2	22,677.5	30,977.8	100.0	100.0	100.0
Japan	3,687.8	5,415.7	5,526.2	32.7	23.9	17.8
Germany	1,843.8	3,983.7	5,243.9	16.4	17.6	16.9
USA	566.9	1,020.5	3,048.5	5.0	4.5	9.8
South Korea	1,101.6	2,319.4	2,696.9	9.8	10.2	8.7
China	144.9	1,017.2	2,137.9	1.3	4.5	6.9
UK	857.2	1,111.2	1,983.5	7.6	4.9	6.4
Czech Republic	128.8	568.8	1,236.0	1.1	2.5	4.0
Slovakia	139.9	1,359.7	1,189.9	1.2	6.0	3.8
Belarus	-	-	855.4	-	-	2.8
Turkey	291.6	530.4	745.1	2.6	2.3	2.4
Sweden	341.2	498.1	664.4	3.0	2.2	2.1
Spain	149.1	342.8	584.0	1.3	1.5	1.9
France	363.3	660.1	565.7	3.2	2.9	1.8
India	16.5	104.4	108.5	0.1	0.5	0.4

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.10: Vehicles other than railway, tramway (HS-87) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
870323	Automobiles with reciprocating piston engine displacing > 1500 cc to 3000 cc	6,595.5	-	-	835.5
870840	Tansmissions for motor vehicles	1,440.8	1.6	0.1	331.2
870899	Motor vehicle parts	1,089.3	9.0	0.8	2,696.1
870870	Wheels including parts and accessories for motor vehicles	1,053.3	11.8	1.1	92.3
870880	Shock absorbers for motor vehicles	988.6	2.8	0.3	97.5
870830	Brakes and servo-brakes and their parts, for tractors, motor vehicles	778.1	22.7	2.9	156.6
870421	Diesel powered trucks with a GVW not exceeding five tonnes	764.2	-	-	271.1
870322	Automobiles with reciprocating piston engine displacing > 1000 cc to 1500 cc	730.7	-	-	3,236.8
870423	Diesel powered trucks with a GVW exceeding twenty tonnes	653.0	-	-	94.8
870850	Drive axles with differential for motor vehicles	596.8	21.1	3.5	184.6
870190	Wheeled tractors	381.9	0.1	-	903.5
870410	Dump trucks designed for off-highway use	322.9	7.9	2.4	92.2
870810	Bumpers and parts for motor vehicles	307.8	1.1	0.3	209.1
870422	Diesel powered trucks with a GVW five tonnes but not exceeding twenty tonnes	242.1	1.1	0.5	218.7
870210	Diesel powered buses with a seating capacity of > nine persons	207.5	-	-	259.5
870321	Automobiles with reciprocating piston engine displacing not more than 1000 cc	199.0	-	-	1,199.8
871120	Motorcycles with reciprocating piston engine displacing > 50 cc to 250 cc	63.3	0.8	1.2	1,753.4

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Plastics and articles (HS-39)

As can be seen from **Table 4.11**, China has emerged as the largest supplier of Russia's imports of plastics and articles, overtaking Germany. In recent years, Belarus has also emerged as an important supplier to the Russian market.

India's share in Russia's imports of plastics and articles continue to be marginal at 0.5 percent. Hence, potential items of India's exports of the commodity have been identified and presented in **Table 4.12**.

Table 4.11: Russia's Imports of Plastics and articles (HS-39), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	35421.4	8125.5	10873.3	100.0	100.0	100.0
China	263.9	1304.3	1933.5	0.7	16.1	17.8
Germany	644.1	1526.0	1906.2	1.8	18.8	17.5
Belarus	-	-	678.9	-	-	6.2
South Korea	505.1	585.4	600.9	1.4	7.2	5.5
Italy	166.0	373.4	500.8	0.5	4.6	4.6
USA	138.6	386.4	441.8	0.4	4.8	4.1
Poland	202.0	398.4	435.1	0.6	4.9	4.0
Belgium	130.2	402.1	389.3	0.4	4.9	3.6
France	114.4	305.3	370.2	0.3	3.8	3.4
Netherlands	89.8	257.1	348.0	0.3	3.2	3.2
Finland	143.1	325.1	340.6	0.4	4.0	3.1
Turkey	88.8	215.5	311.3	0.3	2.7	2.9
Ukraine	172.5	294.9	219.0	0.5	3.6	2.0
UK	94.8	160.9	217.3	0.3	2.0	2.0
Saudi Arabia	1.8	50.7	200.5	0.0	0.6	1.8
Spain	41.3	122.4	174.9	0.1	1.5	1.6
Sweden	103.4	138.2	167.8	0.3	1.7	1.5
India	28.1	37.7	49.7	0.1	0.5	0.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.12: Plastics and articles (HS-39) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
392690	Articles of plastics or of other materials	971.1	6.8	0.7	506.5
392190	Film and sheet etc, of plastics	487.9	4.0	0.8	152.6
390110	Polyethylene having a specific gravity of less than 0.94	446.9	1.5	0.3	54.0
390690	Acrylic polymers, in primary forms	391.8	0.2	0.1	65.7
390760	Polyethylene terephthalate	277.1	4.4	1.6	517.7
390720	Polyethers	209.7	-	-	66.1
392020	Film and sheet etc, non-cellular etc, of polymers of propylene	203.7	7.1	3.5	274.9
390210	Polypropylene	180.1	0.3	0.1	1,209.5
392049	Plates, sheets, film, foil and strip, of non-cellular polymers	159.3	0.1	0.1	44.6
392321	Sacks and bags (including cones) of polymers of ethylene	119.6	0.2	0.2	137.8
392410	Tableware and kitchenware of plastics	95.0	1.4	1.5	147.7
390319	Polystyrene	94.3	-	-	105.0
391000	Silicones in primary forms	76.2	0.1	0.1	53.4
392390	Articles for the conveyance or packing of goods, of plastics	74.1	0.1	0.1	76.4

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Optical, photo, technical apparatus (HS-90)

Russia's imports of optical, photo, technical apparatus (HS-90) have risen over three-fold, from US\$ 2.3 billion in 2005 to touch US\$ 7.8 billion in 2014. Germany and USA are the major suppliers, together accounting for 40.6 percent of Russia's total imports in 2014. In recent years, China has also emerged as the third

largest supplier, with a share of 11.6 percent of total imports in 2014, up from 5.9 percent in 2005 (Table 4.13).

India's exports of these commodities to Russia have risen little from US\$ 15.4 million in 2005 to US\$ 16.2 million in 2014, accounting for a marginal share of 0.2 percent.

Table 4.13: Russia's Imports of Optical, photo, technical apparatus (HS-90), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	2,304.0	5,994.0	7,809.5	100.0	100.0	100.0
Germany	589.2	1,416.8	1,731.9	25.6	23.6	22.2
USA	394.1	1,090.8	1,437.6	17.1	18.2	18.4
China	135.4	699.3	905.4	5.9	11.7	11.6
Japan	221.2	496.6	450.2	9.6	8.3	5.8
France	94.2	332.7	309.9	4.1	5.5	4.0
UK	67.6	228.8	279.5	2.9	3.8	3.6
Switzerland	65.3	171.0	261.9	2.8	2.9	3.4
Italy	102.5	233.8	259.9	4.5	3.9	3.3
South Korea	78.1	157.0	223.9	3.4	2.6	2.9
Belarus	-	-	211.6	-	-	2.7
Ireland	19.1	83.1	172.4	0.8	1.4	2.2
Netherlands	54.6	122.3	123.3	2.4	2.0	1.6
Kazakhstan	11.5	-	116.4	0.5	0.0	1.5
Sweden	26.2	57.1	90.2	1.1	1.0	1.2
Austria	23.7	72.3	87.7	1.0	1.2	1.1
Mexico	16.0	28.1	87.0	0.7	0.5	1.1
Israel	30.9	56.4	82.6	1.3	0.9	1.1
Ukraine	65.9	107.6	77.6	2.9	1.8	1.0
Malaysia	11.9	21.4	77.3	0.5	0.4	1.0
Singapore	11.7	23.0	75.9	0.5	0.4	1.0
India	15.4	13.8	16.2	0.7	0.2	0.2

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

In line with the rising demand in the Russian market, potential items of India's exports to Russia under this category have been presented in **Table 4.14**.

Articles of iron or steel (HS-73)

Russia's imports of articles of iron or steel amounted to US\$ 6.8 billion in 2014, increasing

more than two-fold from US\$ 2.7 billion in 2005. China, Germany and Ukraine are the three largest suppliers, together accounting for 44.8 percent of Russia's global imports of the commodity. In recent years, China has overtaken Russia's traditional suppliers of the product like Ukraine and Germany, to emerge as the single largest supplier (**Table 4.15**).

Table 4.14: Optical, photo, technical apparatus (HS-90) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
901890	Instruments and appliances used in medical or veterinary sciences	1,239.5	2.6	0.2	208.9
903180	Measuring or checking instruments, appliances and machines	349.6	0.7	0.2	75.8
903289	Automatic regulating or controlling instruments and apparatus	335.4	0.2	0.1	159.9
901812	Ultrasonic scanning apparatus	273.1	-	-	88.8
901839	Needles, catheters, cannulae and the like	185.2	1.0	0.5	221.0
902214	X-rays apparatus, medical/surgical/veterinary use	137.1	-	-	63.4
902620	Instruments and apparatus for measuring or checking pressure	124.9	-	-	38.1
902610	Instruments & apparatus for measuring or checking the flow or level of liquids	98.2	-	-	49.8
900150	Spectacle lenses of other materials	72.4	0.1	0.2	98.4
901819	Electro-diagnostic apparatus	68.6	0.2	0.2	80.4
902290	Parts & accessories for app based on the use of X-rays or other radiations	50.2	0.2	0.4	53.6
900110	Optical fibs, optical fibre bundles & cables	47.7	1.3	2.8	162.9

--denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.15: Russia's Imports of Articles of iron or steel (HS-73), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	2,703.4	5,900.7	6,822.9	100.0	100.0	100.0
China	164.9	1,252.6	1,594.2	6.1	21.2	23.4
Germany	251.2	876.4	819.4	9.3	14.9	12.0
Ukraine	712.2	961.7	644.1	26.3	16.3	9.4
Italy	253.9	345.3	435.8	9.4	5.9	6.4
Belarus	-	-	644.1	-	-	9.4
USA	122.5	231.3	345.5	4.5	3.9	5.1
Poland	82.6	170.4	224.5	3.1	2.9	3.3
South Korea	162.0	142.1	203.5	6.0	2.4	3.0
Turkey	89.6	102.5	171.5	3.3	1.7	2.5
Belgium	30.5	57.4	167.3	1.1	1.0	2.5
France	50.0	127.5	150.2	1.8	2.2	2.2
Spain	36.9	61.0	141.7	1.4	1.0	2.1
Japan	200.6	261.6	140.0	7.4	4.4	2.1
Czech Republic	38.5	88.5	138.5	1.4	1.5	2.0
UK	59.2	125.0	129.3	2.2	2.1	1.9
Kazakhstan	14.6	-	109.1	0.5	-	1.6
Sweden	24.1	71.5	101.6	0.9	1.2	1.5
India	5.1	20.8	37.6	0.2	0.4	0.6

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Though India's exports of the commodity has increased more than seven-fold during the last decade, from US\$ 5.1 million in 2005 to US\$ 37.6 million in 2014, however India's share

in Russia's global imports of the commodity remains a marginal 0.6 percent. Potential items of India's exports to Russia have been presented in **Table 4.16**.

Table 4.16: Articles of iron or steel (HS-73) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
732690	Articles, iron or steel	1,272.7	9.6	0.8	454.7
730890	Structures & parts of structures, iron or steel	719.2	0.5	0.1	418.0
730429	Casings, tubing, drill pipe, for oil drilling use	373.4	-	-	58.2
731815	Bolts or screws, with or without their nuts or washers, iron or steel	276.3	1.2	0.4	325.6
732393	Table, kitchen or other household articles & parts thereof, stainless steel	136.4	6.0	4.4	359.4
730799	Fittings, pipe or tube, iron or steel	134.6	0.2	0.1	81.9
730840	Props & similar equipment for scaffolding, shuttering/pit-propping	114.8	1.8	1.6	145.1
730423	Drill pipe, seamless, of a kind used in drilling for oil or gas	108.8	-	-	76.4
732399	Table, kitchen or other household articles & parts thereof, of iron or steel	106.3	1.7	1.6	64.1
731816	Nuts, iron or steel	103.5	1.5	1.4	473.5
732510	Cast articles of non-malleable cast iron	99.6	-	-	109.0
732599	Articles of iron or steel, cast	97.7	0.8	0.9	823.0
731100	Containers for compressed or liquefied gas of iron or steel	90.7	-	-	101.6
731819	Threaded articles of iron or steel	88.8	0.5	0.6	86.2
731210	Stranded wire, rope s & cables of iron or steel, not electrically insulated	85.6	1.0	1.2	101.8
730630	Tubes, pipe & hollow profiles iron, welded, of circ cross section	75.4	0.1	0.1	183.9
730441	Tube, pipe & hollow profile, stain steel	54.7	1.3	2.4	80.5
730791	Flanges, iron or steel	52.3	0.05	0.1	187.7

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Iron and steel (HS-72)

Russia's imports of iron and steel amounted to US\$ 5.5 billion in 2014, with Ukraine being the major supplier, accounting for 25.9 percent of Russia's global imports of the commodity. Other important sources of the commodity include Kazakhstan, China, and South Korea (**Table 4.17**).

In line with the rising demand in Russia, India's exports of iron and steel to Russia have also risen from US\$ 8.1 million in 2005 to US\$ 123 million in 2014, accounting for 2.2 percent of Russia's global imports of the commodity. In line with India's global export capability, potential export items to Russia have been presented in **Table 4.18**.

Table 4.17: Russia's Imports of Iron and steel (HS-72), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	2,546.7	4,410.0	5,520.7	100.0	100.0	100.0
Ukraine	1,335.4	1,692.4	1,429.2	52.4	38.4	25.9
Kazakhstan	305.2	-	978.2	12.0	-	17.7
China	33.5	751.9	674.4	1.3	17.0	12.2
South Korea	31.5	187.9	310.1	1.2	4.3	5.6
Germany	126.2	349.0	296.9	5.0	7.9	5.4
Belarus	-	-	266.6	-	-	4.8
Belgium	30.0	111.0	176.8	1.2	2.5	3.2
Austria	23.4	94.1	166.9	0.9	2.1	3.0
India	8.1	64.6	123.0	0.3	1.5	2.2
Turkey	31.4	21.8	113.7	1.2	0.5	2.1
Finland	67.6	101.4	111.0	2.7	2.3	2.0
Taipei, Chinese	9.0	112.4	87.3	0.4	2.5	1.6
France	17.7	141.1	83.0	0.7	3.2	1.5

--denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.18: Iron and steel (HS-72) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
721070	Flat rolled product, painted, varnished or plastic coated, >=600mm wide	871.9	19.9	2.3	319.8
721049	Flat rolled product, plated or coated with zinc, >=600mm wide	463.2	1.0	0.2	993.3
720230	Ferro-silico-manganese	316.9	5.1	1.6	867.8
720851	Hot roll iron/steel, not coil >600mm x >10mm	250.2	-	-	276.4
721012	Flat rolled product plated or coated with tin, >=600mm wide	132.7	-	-	57.7
720839	Hot roll iron/steel coil >600mm x <3mm	70.8	-	-	303.7
720916	Cold rolled iron/steel, coils >600mm x 1-3mm	58.8	-	-	53.6
720838	Hot roll iron/steel, coil >600mm x 3-4.75mm	43.8	-	-	124.3

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Meat and edible meat offal (HS-02)

Brazil was the largest source of Russia's imports of edible meat offal, accounting for 44 percent of Russia's global imports of the commodity (**Table 4.19**). Other important sources for Russia were Belarus, Paraguay, Canada, and Argentina, among others.

India's global exports of edible meat offal amounted to US\$ 5 billion during 2014, with the major markets being Vietnam, Egypt, Malaysia and Thailand. To further enhance exports, focus could be on the Russian market, which is India's ninth largest market for edible meat offal. Towards this end, potential items of India's exports to Russia have been identified and presented in **Table 4.20**.

Table 4.19: Russia's Imports of Meat and edible meat offal (HS-02), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	3,020.4	5,831.4	5,485.7	100.0	100.0	100.0
Brazil	1,194.0	1,955.6	2,411.9	39.5	33.5	44.0
Belarus	-	-	672.0	-	-	12.3
Paraguay	71.2	228.1	601.7	2.4	3.9	11.0
Canada	43.4	228.9	338.2	1.4	3.9	6.2
Argentina	268.6	214.6	261.1	8.9	3.7	4.8
USA	552.7	659.5	257.3	18.3	11.3	4.7
Uruguay	8.7	281.4	135.4	0.3	4.8	2.5
Chile	-	9.2	99.3	-	0.2	1.8
Ukraine	152.1	46.4	68.7	5.0	0.8	1.3
Germany	226.7	734.9	61.2	7.5	12.6	1.1
Serbia	-	-	57.4	-	-	1.0
New Zealand	4.3	22.1	55.5	0.1	0.4	1.0
Australia	33.6	207.3	50.1	1.1	3.6	0.9
Denmark	87.3	323.4	45.6	2.9	5.5	0.8
China	7.5	5.8	36.3	0.2	0.1	0.7

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.20: Meat and edible meat offal (HS-02) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn)
020130	Bovine cuts boneless, fresh or chilled	118.8	-	-	81.0
020230	Bovine cuts boneless, frozen	2157.2	-	-	4719.0
020421	Sheep carcasses and half carcasses, fresh or chilled	1.9	-	-	100.0
020629	Bovine edible offal, frozen	84.7	-	-	119.3

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.21: Russia's Imports of Edible fruits and nuts (HS-08), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	2,134.7	5,471.2	5,407.3	100.0	100.0	100.0
Ecuador	413.6	651.2	901.6	19.4	11.9	16.7
Turkey	211.6	825.8	813.0	9.9	15.1	15.0
China	137.6	257.9	295.0	6.4	4.7	5.5
Poland	109.9	271.7	281.7	5.2	5.0	5.2
Spain	43.0	230.0	260.9	2.0	4.2	4.8
Morocco	111.1	210.4	247.4	5.2	3.8	4.6
South Africa	47.2	195.9	229.9	2.2	3.6	4.3
Egypt	45.1	155.4	222.6	2.1	2.8	4.1
Argentina	156.2	225.7	196.3	7.3	4.1	3.6
Serbia	-	98.2	182.6	-	1.8	3.4
Greece	30.6	112.3	149.2	1.4	2.1	2.8
Azerbaijan	69.3	137.9	146.8	3.2	2.5	2.7
USA	18.9	129.7	143.9	0.9	2.4	2.7
Belgium	51.6	186.9	118.8	2.4	3.4	2.2
Chile	48.6	148.1	113.0	2.3	2.7	2.1
India	5.0	13.4	38.3	0.2	0.2	0.7

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Edible fruits and nuts (HS-08)

In 2014, Russia's imports of edible fruits and nuts amounted to US\$ 5.4 billion. Ecuador and Turkey are the largest suppliers, together accounting for 31.7 percent of Russia's total imports. Other countries such as China, Poland, Spain have also emerged as important suppliers to Russia (Table 4.21).

India's exports to edible nuts and fruits to Russia have also registered a healthy rise, from US\$ 5 million in 2005 to US\$ 38.3 million in 2014, although India is yet to attain a respectable share in Russia's import basket. To further enhance exports to Russia, which is the fifth largest global importer of the commodity, with a share of 4.8

percent of global imports in 2014, potential items of India's exports to Russia have been identified, and presented in Table 4.22.

Furniture, lightings, signs (HS-94)

In 2014, Russia's imports of furniture and lightings amounted to US\$ 4.2 billion, with the largest supplier being China, with a share of 29.7 percent of Russia's total imports (Table 4.23).

In 2014, Russia's imports of these items from India stood at US\$ 11.3 million, up from US\$ 1 million in 2005. To enhance India's exports to Russia, the potential items of exports to Russia have been presented in Table 4.24.

Table 4.22: Edible fruits and nuts (HS-08) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
080132	Cashew nuts, without shell, fresh or dried	67.9	2.7	4.0	861.0
081090	Fruits, fresh	221.1	2.3	1.0	70.3
080620	Grapes, dried	48.0	1.6	3.4	22.9
080450	Guavas, mangoes and mangosteens, fresh or dried	16.7	-	-	196.1
080300	Bananas including plantains, fresh or dried	926.6	-	-	34.9

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.23: Russia's Imports of Furniture, lightings, signs(HS-94) 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	926.5	2,820.1	4,228.1	100.0	100.0	100.0
China	155.0	873.1	1,257.4	16.7	31.0	29.7
Italy	199.7	528.6	426.7	21.6	18.7	10.1
Belarus	-	-	323.3	-	-	7.6
Germany	91.4	255.6	306.7	9.9	9.1	7.3
Poland	77.7	128.8	270.9	8.4	4.6	6.4
South Korea	24.4	116.9	238.7	2.6	4.1	5.6
Ukraine	55.9	121.9	232.2	6.0	4.3	5.5
Turkey	31.5	53.6	120.7	3.4	1.9	2.9
USA	19.5	41.7	81.3	2.1	1.5	1.9
Spain	24.6	51.0	71.4	2.7	1.8	1.7
Finland	34.7	79.7	69.8	3.7	2.8	1.6
Malaysia	12.1	38.0	59.5	1.3	1.3	1.4
India	1.0	6.6	11.3	0.1	0.2	0.3

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.24: Furniture, lightings, signs(HS-94) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
940360	Furniture, wooden	600.3	2.4	0.4	397.7
940490	Articles of bedding/furnishing, stuffed or internally fitted	73.4	1.1	1.4	296.0
940510	Chandeliers & other electric ceiling or wall lighting fittings	293.7	1.0	0.3	57.3
940320	Furniture, metal	220.9	0.4	0.2	72.7
940169	Seats with wooden frames	51.2	0.3	0.6	44.3
940599	Lamps and lighting fittings	35.6	0.3	0.7	25.6

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Articles of apparel, accessories, not knit or crochet (HS-62)

Russia's imports of apparel, accessories, not knit or crochet amounted close to US\$ 4 billion in 2014, representing more than an eight-fold increase from US\$ 448.5 million in 2005. China is the largest supplier to the Russian market, with a dominant share of 49 percent of Russia's import basket (Table 4.25).

Russia's imports from India have also witnessed a healthy rise from US\$ 7.1 million in 2005 to US\$ 151.6 million in 2014, making India one of the important source partners for Russia.

In line with India's global export capability, and Russia's rising demand, potential items of India's exports under this category have been presented in Table 4.26.

Table 4.25: Russia's Imports of Articles of apparel, accessories, not knit or crochet (HS-62), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	448.5	2,971.4	3,986.5	100.0	100.0	100.0
China	151.2	1,703.2	1,954.0	33.7	57.3	49.0
Italy	43.1	177.6	243.9	9.6	6.0	6.1
Turkey	55.7	204.3	232.1	12.4	6.9	5.8
Bangladesh	4.1	48.6	229.8	0.9	1.6	5.8
Vietnam	9.3	85.9	208.7	2.1	2.9	5.2
Belarus	-	-	199.8	-	-	5.0
India	7.1	64.2	151.6	1.6	2.2	3.8
Morocco	4.7	44.2	78.3	1.0	1.5	2.0
Romania	2.5	31.1	74.0	0.6	1.0	1.9
Indonesia	13.3	38.2	63.2	3.0	1.3	1.6
Sri Lanka	2.8	17.8	52.1	0.6	0.6	1.3
Pakistan	0.9	24.3	47.3	0.2	0.8	1.2
Cambodia	3.4	11.6	38.0	0.8	0.4	1.0

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Articles of apparel, accessories, knit or crochet (HS-61)

In 2014, Russia's imports of apparel, accessories, knit or crochet amounted to US\$ 3.6 billion, more than a ten-fold rise, from US\$ 353.9 million in

2005. China is the leading supplier to the Russian market, with a dominant share of 43.4 percent of Russia's imports of the commodity in 2014. Other important suppliers of Russia include China, Bangladesh, Turkey, among others (**Table 4.27**).

Table 4.26: Articles of apparel, accessories, not knit or crochet (HS-62) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
620462	Womens/girls trousers and shorts, of cotton, not knitted	384.7	9.6	2.5	257.6
620463	Womens/girls trousers and shorts, of synthetic fibres, not knitted	113.6	2.3	2.0	100.2
620343	Mens/boys trousers and shorts, of synthetic fibres, not knitted	122	1.4	1.2	92.2
621210	Brassieres and parts thereof, of textile materials	176.7	1.1	0.6	101.8
621143	Womens/girls garments nes, of man-made fibres, not knitted	26.7	0.9	3.5	467.6
620449	Womens/girls dresses, of other textile materials, not knitted	28.4	0.7	2.5	70.3

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.27: Russia's Imports of Articles of apparel, accessories, knit or crochet (HS-61), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	353.9	2,580.7	3,675.6	100.0	100.0	100.0
China	121.4	1,294.6	1,594.4	34.3	50.2	43.4
Bangladesh	4.8	97.0	309.8	1.3	3.8	8.4
Turkey	34.1	229.2	268.0	9.6	8.9	7.3
Belarus	-	-	165.8	-	-	4.5
Italy	47.1	237.2	161.3	13.3	9.2	4.4
Uzbekistan	4.9	112.5	152.4	1.4	4.4	4.1
India	4.4	54.1	122.7	1.2	2.1	3.3
Serbia	-	2.4	111.3	-	0.1	3.0
Vietnam	2.8	19.3	79.6	0.8	0.7	2.2
Sri Lanka	2.1	26.8	71.2	0.6	1.0	1.9
Cambodia	2.1	17.1	64.2	0.6	0.7	1.7

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

India's exports of these items have increased from US\$ 4.4 million in 2005 to US\$ 122.7 million in 2014. Bangladesh, whose exports to Russia of the commodity were similar to India in 2005, have

surpassed India in 2014. With a view, therefore, to enhance India's exports to Russia, potential items of exports have been presented in **Table 4.28**.

Table 4.28: Articles of apparel, accessories, knit or crochet (HS-61) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
610990	T-shirts, singlets and other vests, of other textile materials, knitted	164.7	4.1	2.5	894.0
610342	Mens/boys trousers and shorts, of cotton, knitted	80.0	3.3	4.1	88.4
610711	Mens/boys underpants and briefs, of cotton, knitted	73.3	2.5	3.4	187.1
610821	Womens/girls briefs and panties, of cotton, knitted	66.7	2.3	3.4	150.6
610444	Womens/girls dresses, of artificial fibres, knitted	60.4	1.4	2.4	12.7
610620	Womens/girls blouses and shirts, of man-made fibres, knitted	55.4	1.3	2.4	28.8
611030	Pullovers, cardigans and similar articles of man-made fibres, knitted	410.3	1.3	0.3	63.0
610443	Womens/girls dresses, of synthetic fibres, knitted	99.4	0.9	0.9	103.3
611595	Full-length or knee-length stockings, socks and other hosiery	103.9	0.7	0.7	19.7
611710	Shawls, scarves, veils and the like, of textile materials, knitted	31.0	0.5	1.7	112.3
610220	Womens/girls overcoats, anoraks etc, of cotton, knitted	12.5	0.4	3.3	2.5

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Footwear and gaiters (HS- 64)

In 2014, China had a dominant share of 56.4

percent in Russia's imports of footwear and gaiters. India was the eighth largest supplier with a share of 1.4 percent in 2014 (**Table 4.29**).

Table 4.29: Russia's Imports of Footwear and gaiters (HS- 64), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	572.2	3,904.6	3,666.5	100.0	100.0	100.0
China	393.7	2,888.6	2,066.6	68.8	74.0	56.4
Italy	31.7	254.4	371.7	5.5	6.5	10.1
Vietnam	24.9	125.0	276.8	4.4	3.2	7.5
Indonesia	11.1	70.0	130.8	1.9	1.8	3.6
Belarus	-	-	96.0	-	-	2.6
Turkey	6.5	100.6	79.2	1.1	2.6	2.2
Portugal	4.1	28.9	69.0	0.7	0.7	1.9
India	1.4	22.1	52.4	0.2	0.6	1.4
Romania	5.2	27.3	50.2	0.9	0.7	1.4
Slovakia	1.9	33.7	48.7	0.3	0.9	1.3
Spain	5.4	20.8	40.4	0.9	0.5	1.1
Germany	13.5	49.1	36.4	2.4	1.3	1.0
Poland	14.1	29.6	35.8	2.5	0.8	1.0
Ukraine	10.2	33.4	33.6	1.8	0.9	0.9

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Potential exports from India of these items, identified at 6-digit HS code classification are presented in **Table 4.30**.

Mineral fuels, oils, distillation products (HS-27)

Besides being the world's leading exporter of

mineral fuels, Russia also imports large volume of petroleum products from partner countries such as Kazakhstan, Belarus and Ukraine (**Table 4.31**). Petroleum oils not crude, coal, and coke are the major items imported by Russia under this category.

Table 4.30: Footwear and gaiters (HS- 64) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
640399	Footwear, outer soles of rubber/plastics uppers of leather	940.3	18.8	2.0	257.6
640391	Footwear, outer soles of rubber/plastic uppers of leather covering ankle	723.5	12.0	1.7	535.4
640699	Parts of footwear	110.9	4.1	3.7	8.7
640419	Footwear of rubber/plastics	518.9	3.3	0.6	56.2
640359	Footwear, outer soles and uppers of leather	116.3	1.4	1.2	214.1
640299	Footwear, outer soles/uppers of rubber or plastics	579.3	0.4	0.1	95.3
640351	Footwear, outer soles and uppers of leather, covering the ankle	43.8	0.3	0.7	858.0

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Table 4.31: Russia's Imports of Mineral fuels, oils, distillation products (HS-27), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	1612.7	2829.3	3641.5	100.0	100.0	100.0
Kazakhstan	845.9	-	1016.2	52.5	-	27.9
Belarus	-	-	952.7	-	-	26.2
Ukraine	161.5	1298.6	389.9	10.0	45.9	10.7
Finland	133.2	239.3	270.1	8.3	8.5	7.4
Germany	24.5	186.4	193.2	1.5	6.6	5.3
Belgium	25.2	67.6	114.6	1.6	2.4	3.1
South Korea	21.1	65.4	104.4	1.3	2.3	2.9
UK	11.2	59.9	65.4	0.7	2.1	1.8
Azerbaijan	10.0	47.4	60.5	0.6	1.7	1.7
Japan	12.2	33.9	52.5	0.8	1.2	1.4
Romania	-	-	49.0	-	-	1.3
USA	15.9	202.3	48.6	1.0	7.2	1.3
Netherlands	10.2	63.8	48.4	0.6	2.3	1.3
Poland	3.7	13.0	47.3	0.2	0.5	1.3
Italy	1.0	20.1	22.7	0.1	0.7	0.6
France	8.9	11.3	22.0	0.6	0.4	0.6
Turkey	2.0	16.9	21.9	0.1	0.6	0.6
Canada	0.9	9.3	20.4	0.1	0.3	0.6
China	88.8	157.0	18.5	5.5	5.6	0.5
India	-	4.5	10.6	-	0.2	0.3

--denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

In light of India's global export capability, with total exports of petroleum products amounting to US\$ 62.3 billion in 2014, and in line with demand

in Russian market, potential items of exports to Russia have been identified and presented in **Table 4.32**.

Table 4.32: Mineral fuels, oils, distillation products (HS-27) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
271019	Other petroleum oils and preparations	1047.6	10.2	1.0	40803.2
271311	Petroleum coke, not calcined	71.3	-	-	25.2
271312	Petroleum coke, calcined	44.3	-	-	95.6
270119	Coal, whether or not pulverised but not agglomerated	404.2	-	-	93.2
270799	Oils & other products of the distillation of high temp coal tar etc	34.3	-	-	456.6
271011	Light petroleum oils and preparations	924.8	-	-	19742.8

'-' denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Misc. chemical products (HS- 38)

During the last decade, Russia's imports of misc. chemical products increased more than three-fold from US\$ 1 billion in 2005 to US\$ 3.1 billion

in 2014. Germany, France, and USA were the top three suppliers, together accounting for 45.7 percent of Russia's total imports of the product in 2014 (Table 4.33).

Table 4.33: Russia's Imports of Misc. chemical products (HS- 38), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	1,020.8	2,044.9	3,084.9	100.0	100.0	100.0
Germany	240.3	481.3	679.0	23.5	23.5	22.0
France	139.5	278.6	414.5	13.7	13.6	13.4
USA	83.9	216.9	319.0	8.2	10.6	10.3
China	28.0	142.6	205.4	2.7	7.0	6.7
Belgium	61.9	76.7	161.3	6.1	3.7	5.2
UK	45.5	102.3	152.9	4.5	5.0	5.0
Italy	31.3	98.2	136.3	3.1	4.8	4.4
Netherlands	88.6	62.2	80.5	8.7	3.0	2.6
Switzerland	28.6	43.9	78.9	2.8	2.1	2.6
Belarus	-	-	72.0	-	-	2.3
Denmark	27.9	40.7	71.7	2.7	2.0	2.3
Spain	22.4	27.4	60.8	2.2	1.3	2.0
Finland	25.7	42.3	60.6	2.5	2.1	2.0
Austria	24.9	54.4	55.9	2.4	2.7	1.8
Turkey	6.1	37.4	51.7	0.6	1.8	1.7
Poland	12.3	32.7	47.6	1.2	1.6	1.5
Ukraine	22.6	42.0	42.5	2.2	2.1	1.4
Japan	9.7	20.0	38.6	0.9	1.0	1.3
India	1.7	22.6	37.3	0.2	1.1	1.2
Ireland	5.8	25.7	33.1	0.6	1.3	1.1

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

India's exports to Russia of misc. chemical products saw a significant rise, from US\$ 1.7 million in 2005 to US\$ 37.3 million in 2014. To further enhance India's exports to Russia, in line with demand

existing in the Russian market, as also India's global export capability, potential items of exports to Russia have been identified and presented in **Table 4.34**.

Table 4.34: Misc. chemical products (HS- 38) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
382490	Chemical/allied industry preparations/products	657.8	4.9	0.8	218.2
380891	Insecticides	126.8	2.1	1.7	784.4
381190	Prepared additives for mineral oils or for other similar liquids	129.8	1.2	0.9	50.6
380892	Fungicides	151.8	0.2	0.1	351.1
380893	Herbicides, anti-sprouting products and plant-growth regulators	248.6	0.1	0.1	333.1

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Organic chemicals (HS-29)

In 2014, China and Germany together accounted for 46.1 percent of Russia's global imports of organic chemicals (Table 4.35).

Table 4.35: Russia's Imports of Organic chemicals (HS-29), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	741.9	2,162.2	3,055.7	100.0	100.0	100.0
China	106.8	500.0	790.7	14.4	23.1	25.9
Germany	123.7	396.0	616.0	16.7	18.3	20.2
France	53.1	127.4	257.4	7.2	5.9	8.4
USA	39.8	110.9	139.4	5.4	5.1	4.6
Belgium	24.2	75.4	133.2	3.3	3.5	4.4
Netherlands	59.7	142.6	117.3	8.0	6.6	3.8
India	30.2	60.4	105.6	4.1	2.8	3.5
South Korea	18.4	73.9	93.9	2.5	3.4	3.1
Italy	25.8	168.8	79.0	3.5	7.8	2.6
Slovenia	1.8	12.9	76.1	0.2	0.6	2.5
Hungary	7.7	18.2	53.0	1.0	0.8	1.7
Ukraine	34.8	67.6	50.2	4.7	3.1	1.6
UK	39.6	47.6	45.5	5.3	2.2	1.5

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

During the last decade, India's exports of organic chemicals increased more than four-fold, from US\$ 30.2 million in 2005 to US\$ 105.6 million in 2014, accounting for a modest share of 3.5 percent.

Given India's global exports capability, with India's exports in 2014 amounting to US\$ 12 billion, potential items of exports to Russia have been identified and presented in **Table 4.36**.

Table 4.36: Organic chemicals (HS-29) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
294190	Antibiotics, in bulk	63.6	1.3	2.1	581.8
293190	Separate chemically defined organo-inorganic compounds (excl. organo- sulphur compounds)	92.3	0.3	0.4	110.5
293690	Vitamin concentrates; intermixtures of vitamins, of pro-vitamins	48.0	0.3	0.6	27.1

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Fish, crustaceans, molluscs (HS-03)

Russia's main sources of imports of fish, crustaceans in 2014 were Norway, Chile and

China, which together accounted for more than 50 percent of Russia's global exports of the commodity (**Table 4.37**).

Table 4.37: Russia's Imports of Fish, crustaceans, molluscs (HS-03), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	957.0	2,012.4	2,518.5	100.0	100.0	100.0
Norway	450.4	889.0	566.5	47.1	44.2	22.5
Chile	30.0	76.9	403.4	3.1	3.8	16.0
China	38.2	191.4	303.0	4.0	9.5	12.0
Iceland	25.0	101.2	229.1	2.6	5.0	9.1
Faroe Islands	3.1	15.1	159.4	0.3	0.7	6.3
Belarus	-	-	97.2	-	-	3.9
Vietnam	22.5	74.7	90.2	2.4	3.7	3.6
Canada	34.0	91.4	73.9	3.5	4.5	2.9
India	0.6	20.9	72.5	0.1	1.0	2.9
Turkey	-	8.4	58.4	0.0	0.4	2.3
USA	43.4	53.4	43.9	4.5	2.7	1.7
Ecuador	0.6	8.5	41.6	0.1	0.4	1.7

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

India's exports increased significantly, from 2014. To enhance India's exports further, potential US\$ 0.6 million in 2005 to US\$ 72.5 million in items have been presented in **Table 4.38**.

Table 4.38: Fish, crustaceans, molluscs (HS-03) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
030269	Fish fresh or chilled excl heading No 03.04, livers and roes	62.0	0.2	0.3	21.1
030749	Cuttle fish and squid, shelled or not, frozen, dried, salted or in brine	42.3	0.1	0.3	306.2
030379	Fish frozen, excluding heading No 03.04, livers and roes	176.5	0.1	0.1	522.8
030374	Mackerel, frozen, excluding heading No 03.04, livers and roes	178.9	-	-	46.8

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Aluminium and articles (HS-76)

In 2014, the top four sources for Russia's imports of aluminium and articles, viz. China, Kazakhstan,

Germany and Italy, accounted for over 59 percent of Russia's global imports of the commodity (Table 4.39).

Table 4.39: Russia's Imports of Aluminium and articles (HS-76), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	484.2	1041.1	1534.8	100.0	100.0	100.0
China	16.3	324.3	407.9	3.4	31.2	26.6
Kazakhstan	2.1	0.0	183.5	0.4	-	12.0
Germany	201.0	146.1	158.8	41.5	14.0	10.3
Italy	36.7	166.1	156.0	7.6	16.0	10.2
Belarus	-	0.0	114.4	-	-	7.5
UK	13.0	13.9	52.4	2.7	1.3	3.4
Serbia	-	20.6	42.0	-	2.0	2.7
Turkey	13.3	19.4	37.7	2.8	1.9	2.5
Netherlands	18.9	23.4	36.6	3.9	2.3	2.4
Poland	19.3	30.6	35.8	4.0	2.9	2.3
Finland	11.1	14.4	32.8	2.3	1.4	2.1
USA	6.2	13.7	28.6	1.3	1.3	1.9
France	23.7	35.2	27.3	4.9	3.4	1.8
Czech Republic	18.0	18.7	22.2	3.7	1.8	1.4
Ukraine	39.0	54.0	21.5	8.1	5.2	1.4
Greece	5.9	15.8	19.0	1.2	1.5	1.2
Spain	6.7	19.2	17.8	1.4	1.8	1.2
Hungary	4.0	7.1	15.2	0.8	0.7	1.0
South Korea	4.5	9.9	14.2	0.9	1.0	0.9

- denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Potential exports from India to Russia of the commodity, identified at 6 digit HS code classification are given in **Table 4.40**.

Table 4.40: Aluminium and articles (HS-76) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
761699	Articles of aluminium	191.4	-	-	347.7
761519	Table, kitchen, household goods of aluminium	87.6	-	-	70.2
760612	Plate, sheet or strip, aluminium alloy, rectangular or square, exceeding 0.2mm thick	102.2	-	-	157.2
760110	Aluminium unwrought, not alloyed	167.5	-	-	1126.8

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

Residues, wastes of food industry (HS-23)

Russia's imports of residues, wastes of food industry have more than doubled during the last decade, from US\$ 471.7 million in 2005 to

US\$ 1.2 billion in 2014. France was the largest supplier of the commodity, followed by Argentina, Netherlands and Germany. India's share was marginal at 0.3 percent (**Table 4.41**).

Table 4.41: Russia's Imports of Residues, wastes of food industry (HS-23), 2005-2014, Major Suppliers

Exporters	Russia's Imports (US\$ mn)			% share		
	2005	2010	2014	2005	2010	2014
World	471.7	952.5	1266.4	100.0	100.0	100.0
France	19.0	76.1	141.7	4.0	8.0	11.2
Argentina	66.1	105.9	134.4	14.0	11.1	10.6
Netherlands	97.3	192.3	114.5	20.6	20.2	9.0
Germany	42.1	99.0	108.5	8.9	10.4	8.6
Brazil	9.4	26.0	103.8	2.0	2.7	8.2
Belarus	-	-	73.6	-	-	5.8
Italy	6.1	21.9	55.6	1.3	2.3	4.4
Hungary	32.8	36.0	55.1	7.0	3.8	4.4
Denmark	20.1	38.9	46.6	4.3	4.1	3.7
Belgium	21.7	46.5	43.6	4.6	4.9	3.4
China	0.5	12.7	42.2	0.1	1.3	3.3
US	22.6	45.4	32.3	4.8	4.8	2.5
Norway	2.0	13.4	30.8	0.4	1.4	2.4
Finland	16.4	18.9	27.7	3.5	2.0	2.2
Morocco	11.6	25.2	26.7	2.5	2.6	2.1
Austria	8.1	9.8	25.2	1.7	1.0	2.0
Poland	8.2	15.5	24.5	1.7	1.6	1.9
India	1.3	-	3.2	0.3	-	0.3

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis

In line with Russia's rising imports of the commodity as well as India's global export capability, potential items of India's exports to

Russia of the commodity at 6-digit HS code classification are presented in **Table 4.42**.

Table 4.42: Residues, wastes of food industry (HS-23) - India's Export Potential to Russia

HS Product Code	Product Label	Russia's Imports from the world, 2014	Russia's imports from India, 2014		India's exports to world, 2014
		US\$ mn	US\$ mn	Share in Russia's imports (%)	US\$ mn
230400	Soya-bean oil-cake & other solid residues, whether or not ground or pellet	326.0	1.9	0.6	1180.7
230990	Animal feed preparations	535.3	-	-	165.1
230120	Flour ,meal & pellet of fish, other aquatic invertebrate	41.8	-	-	64.5

'-'denotes nil/negligible

Source: Trade Map, ITC Geneva and Exim Bank India Analysis