



INDIA - RUSSIA TRADE RELATIONS

Tracing the presence of Non-Tariff
Measures

March 2018

PHD RESEARCH BUREAU
PHD CHAMBER OF COMMERCE AND INDUSTRY



India – Russia Trade Relations: Tracing the presence of Non-Tariff Measures

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India - Russia Trade Relations

Tracing the presence of Non - Tariff Measures

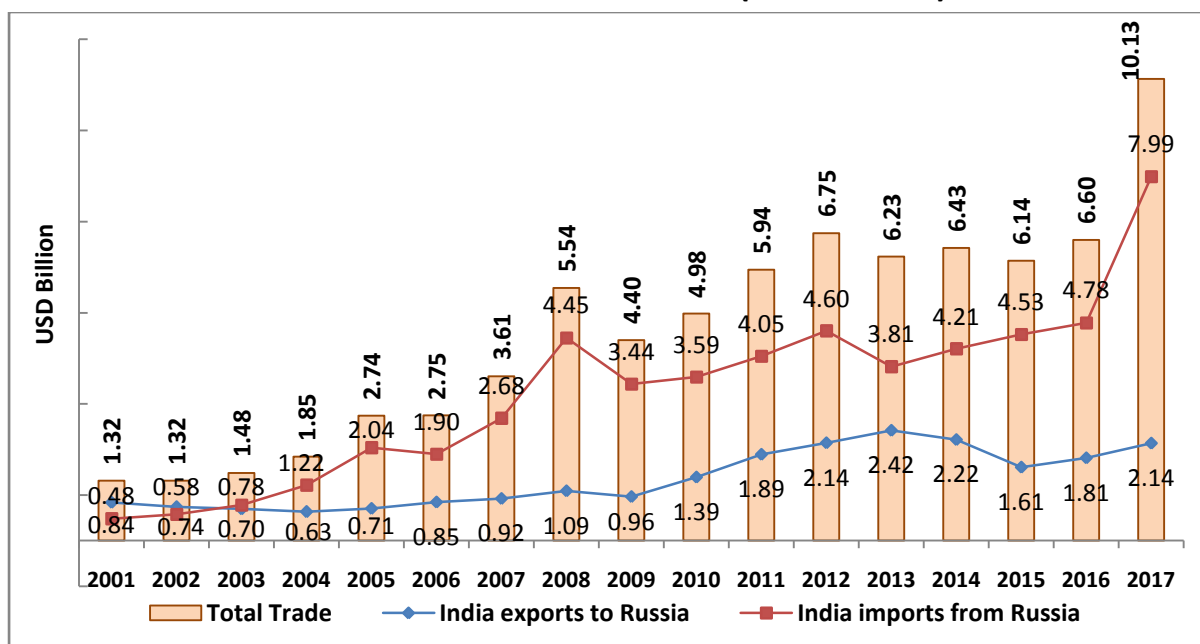
1. Introduction

India - Russia holds a longstanding and time-tested partnership with each other. Since the signing of the Declaration on the India-Russia Strategic Partnership in October 2000, India-Russia ties have attained a new phase with greater levels of cooperation in almost all areas of the bilateral relationship including trade and economy. Under the Strategic Partnership, several institutionalized dialogue mechanisms operate to ensure regular interaction and follow up on cooperation activities.¹

2. Trade Dynamics between India and Russia

India – Russia Trade has grown tremendously from USD 1.32 billion in 2001 to USD 10.13 in 2017, wherein India’s exports to Russia grew from USD 0.84 billion in 2001 to USD 2.14 billion in 2017 whereas India’s imports from Russia grew from USD 0.48 billion to USD 8 billion during the same period previous year.

India Russia Trade at a Glance (2001 – 2017)

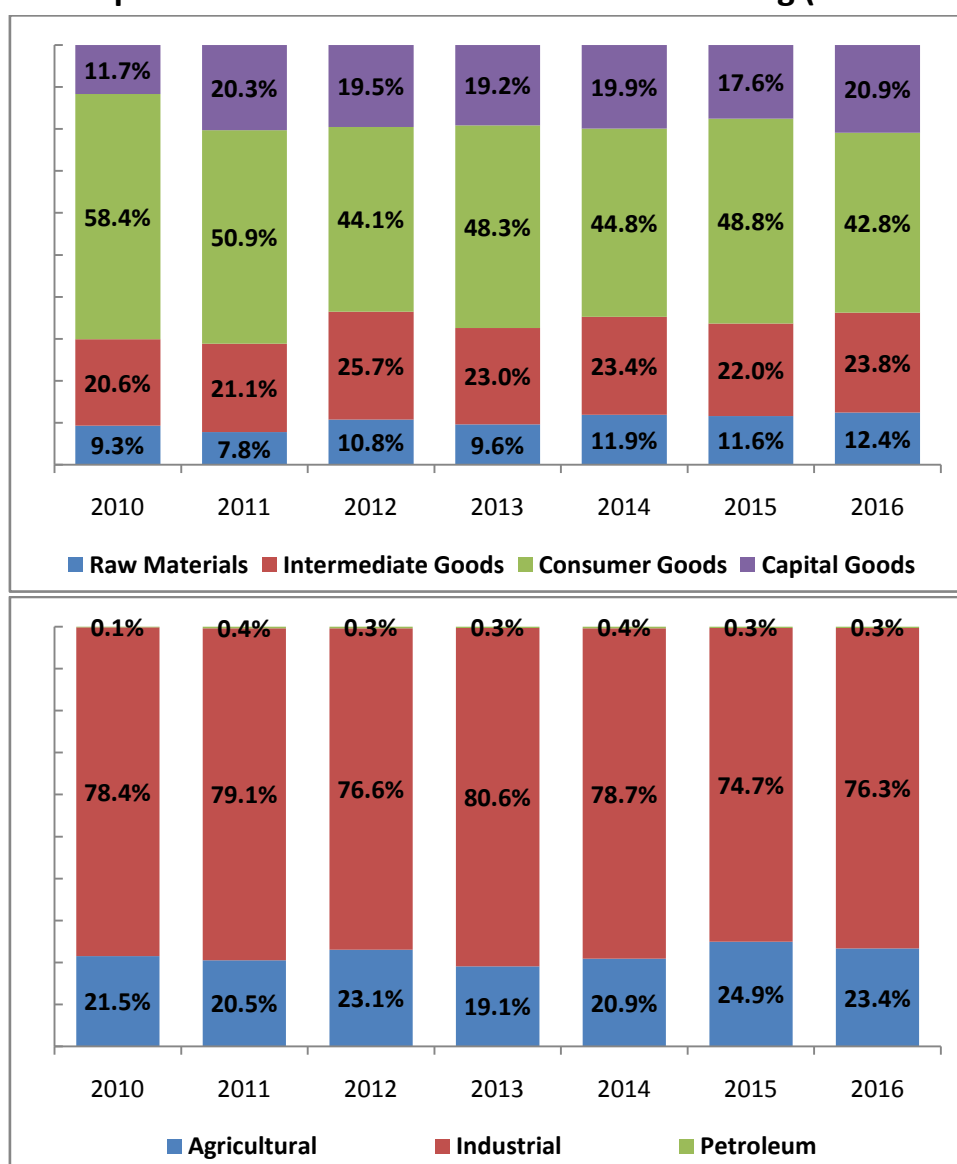


Source: PHD Research Bureau; Trademap Database

¹ http://mea.gov.in/Portal/CountryQuickLink/597_Russia_January_2014.pdf

Major items of export from India include pharmaceuticals, tea, coffee and tobacco, machinery and mechanical appliances, organic chemicals, and electrical machinery and equipment. Major items of import from Russia include pearls, precious and semi-precious stones & metals, nuclear power equipment, electrical machinery and equipment, mineral oil & products, iron & steels, and optical, precision and surgical equipment.

India's exports to Russia based on State of Processing (2010 – 2016)



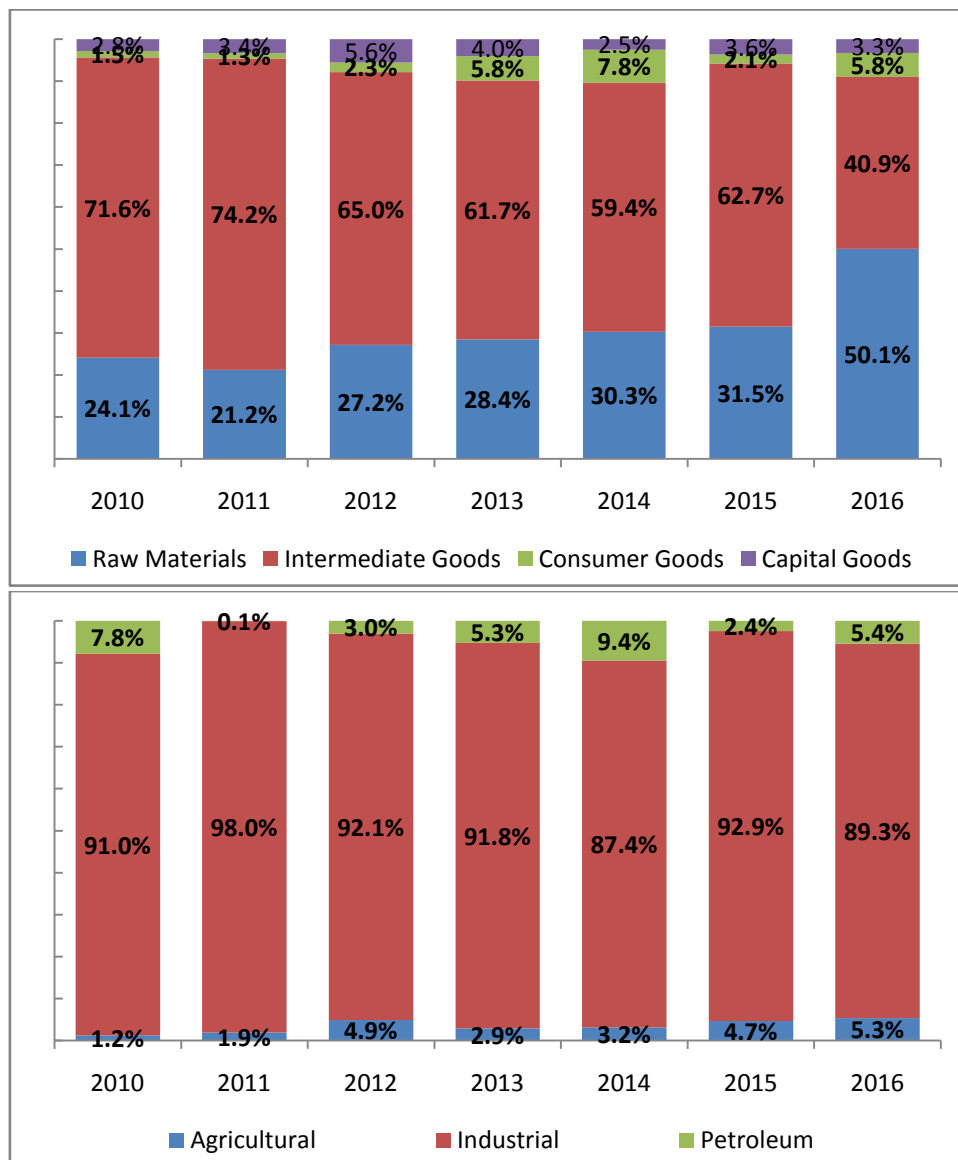
Source: PHD Research Bureau; WITS Database

The export pattern of India to Russia has undergone a shift during 2010 – 2016. Though the majority of the exports from India to Russia were consumer goods,

its share has fallen from 58.4% in 2010 to 42.8% in 2016. On the other hand, share of capital exports from India to Russia has risen from 12% to 21% during the same period.

Based on WTO's categorization of products, around 76% of Indian exports to Russia were industrial products whereas 23% were agricultural products and remaining 1% were petroleum products during 2016.

India's imports from Russia based on State of Processing (2010 – 2016)



Source: PHD Research Bureau; WITS Database

Based on the state of processing of products, there has been a significant shift in India's import pattern from Russia. India has started importing more of raw materials compared to intermediate goods. The share of intermediate goods

fell from 72% in 2010 to 41% in 2016 commensurating with a rise in raw materials from 24% to 50% during the same period.

Based on WTO's categorization of products, around 89% of India's imports from Russia are in the form of industrial products whereas 5% were petroleum and agricultural products each.

3. Role of non-tariff measures in India – Russia trade

Due to trade barriers in existence between India and Russia, trade cost between India and Russia is greater than many countries – although the rate is declining.

India – Russia Trade Cost at a Glance

	2011	2012	2013	2014	2015
Agriculture	202.3	171.2	202.4	217.1	191.2
Manufacturing	133.3	126.2	122.0	120.9	120.8
Total Trade	138.6	130.7	132.1	130.7	129.6

Source: PHD Research Bureau; Compiled from World Bank's Trade Cost Database

There are various quantitative restrictions imposed by Russia like export licensing for export of precious metals, gems, and minerals. Further, various Sanitary and Phytosanitary measures are imposed by Russia on imports of Meat, fish and products thereof like stringent guidelines for inspectors regarding the equivalence of veterinary and sanitary measures. These restrictions need to be eased to further increase the volume of exports to Russia.

The issue of non-tariff barriers (NTBs) needs to be addressed to propel India's export to Russia. For instance, the Indian pharmaceutical industry faces some sticky non-tariff barriers in Russia. The lack of specified time periods for implementation of new variations, registration and confirmation in Russia leads to delays in supplies, starting production and launch of new products in the market due to which the trade potential gets evaded.

In a holistic view, India-Russia rapport has been slowly but definitely changing for better. Efforts need to be made so that the relationship is equally beneficial for both the countries and the fear of lopsided trade is discarded.

However, the policy of inordinate non-tariff barriers and exorbitant tariff rates should be avoided by both the countries to further expand the trade relationship. Going ahead, as India is moving ahead as the front runner in growth of its economy, it needs extrinsic support from all the countries and Russia is one such nation which can truly transform into a sustainable partner on whom India can rely for trade growth.

4. List of Non- Tariff Measures imposed by Russia on Indian Products²

Barriers ³	Category	Measure description	Product Affected	Avg. MFN
QR	Non-automatic licensing	Export licensing for export of collectible materials in mineralogy and paleontology.	Collections and collectors' pieces of mineralogical interest, Collections and collectors' pieces of paleontological interest Fossil animals bones	10.00
QR	Non-automatic licensing	Export licensing for export of rare and endangered species of wild animals and wild growing plants and parts thereof and/or derivatives inscribed in the "Red book" of the Russian Federation.	Wild animals Wild growing plants	10.86
QR	Non-automatic licensing	Export licensing for export of precious metals and gems (except for precious metals exported by the Central (National) Bank of the Russian Federation).	Natural diamonds (industrial, unworked or simply sawn, cleaved or bruted, except for those which have a form "bort" and "drilling", regardless of their size and degree of processing, as well as diamonds of sieve classes " - 3 + 2 " and below, including waste from any kind of diamond cutting, diamond concentrate) Natural diamonds(non-industrial, unworked or simply sawn, cleaved or bruted, which can be used for the production of diamonds) Natural pearls Natural precious stones, whether worked or not Other mineral substances (only nique amber formations) Unwrought gold and silver (only refined gold and silver in the form of ingots, plates, powders and granules, as well as gold used for coinage) Unwrought platinum and platinum group metals (only refined platinum and platinum group metals in the form of ingots, plates, powders and granules) Unwrought precious	18.37

² Data gathered from WTO's Integrated – Trade Intelligence Portal (i-TIP) on January 2018; includes universal as well as India specific measures.

³ QR: Quantitative Restriction; TRQ: Tariff Rate Quota; SPS: Sanitary and Phytosanitary Measures; TBT: Technical Barriers to Trade

			metals (not only nuggets for affinage)	
QR	Non-automatic licensing	Import and/or export licensing for import and/or export of office and civil weapon, its main parts and cartridges	Cartridge cases for gas weapon of self-defence, including capsuled Gas pistols and revolvers, including those with the possibility of firing by rubber bullets. Other cold bladed arms (cold bladed arms designed to be worn with a Cossack uniform, as well as with national costumes of the peoples of the customs union, intended for collectors) Arms, structurally designed for the delivery of luminous, smoke and sounds signals of more than 6 mm calibre Barrels of hunting and sporting shotguns and carabines Barrels of rifled hunting and sporting rifles and carabines Capsules for cartridges of office and civil arms Cartridge cases for hunting and sporting weapons with a rifled barrel (other than pistols and revolvers), including capsuled Cartridge cases for smooth-bore hunting and sporting arms, including capsuled Cartridge cases for sports and office pistols and revolvers, including capsuled Cartridges for sporting and hunting arms with a rifled barrel (other than pistols and revolvers), for gas arms of self-defense, including test Cartridges for sporting and hunting shotguns, including test Cartridges for sports, office, tubeless firearms of self-defense pistols and revolvers Cold bladed hunting weapons (knives and hunting knives) Cold bladed sporting arms Electric arms: electric shock devices and spark-gaps with output parameters corresponding to the norms established by the authorized body in the field of health Hunting arms with a rifled barrel Hunting double-barreled and combined arms Hunting double-barrelled smoothbore arms, including with the barrels of various calibres Hunting single-smoothbore	17.96

			long-bored guns Office pistols and revolvers with a rifled barrel. Other main (composite) parts of hunting and sporting rifled shotguns (shutter, drum, frame, receiver (block), forearm, trigger mechanism and parts and accessories thereto) Other main (composite) parts of hunting and sporting shotguns (shutter, drum, frame, receiver (block), forearm, trigger mechanism and parts and accessories thereto) Pneumatic and hunting weapon with muzzle energy up to 25 J Sporting rifle with a rifled barrel Sports bows and crossbows Sports pistols and revolvers with a rifled barrel. Sports pneumatic pistols and revolvers with a muzzle energy more than 3 J Sports pneumatic rifles and shotguns with a muzzle energy more than 3 J Sports smoothbore shotguns The main (composite) parts of office pistols and revolvers The main parts of sports pistols and revolvers Tubeless firearms of self-defence revolvers and pistols, including traumatic cartridges.	
QR	Non-automatic licensing	Export licensing for export of collectible materials in mineralogy and paleontology.	Collections and collectors' pieces of mineralogical interest, Collections and collectors' pieces of paleontological interest Fossil animals bones	10.00
QR	Non-automatic licensing	Types of wild fauna and flora subject to the effect of the Convention on International Trade in Wild Fauna and Flora, endangered to vanish, restricted to the movement across the customs border of the CU.	Wild animals Wild growing plants	10.86
QR	Non-automatic licensing	Export licensing for export of precious metals and gems (except for precious metals exported by the Central (National) Bank of the Russian Federation). Precious metals and	"Natural diamonds, industrial, unworked or simply sawn, cleaved or roughly shaped ""board"" and (non-industrial, unworked or simply sawn, cleaved or bruted, which can be used for the production of diamonds) coins Dust and	12.34

		precious stones. Export from States of the customs union - without license	powder of diamonds Industrial diamonds and other Natural diamonds (industrial, unworked or simply sawn, cleaved or bruted, except for those which have a form "bort" and "drilling", regardless of their size and degree of processing, as well as diamonds of sieve classes " - 3 + 2 " and below, including waste from any kind of diamond cutting, diamond concentrate) Natural pearls Natural precious stones, whether worked or not Other mineral substances (only unique amber formations) Precious metals in the form of products Products from precious stones and natural pearls Unwrought gold and silver (only refined gold and silver in the form of ingots, plates, powders and granules, as well as gold used for coinage) Unwrought platinum and platinum group metals (only refined platinum and platinum group metals in the form of ingots, plates, powders and granules) Unwrought precious metals (not only nuggets for affinage)	
QR	Non-automatic licensing	Import and/or export licensing for import and/or export of office and civil weapon, its main parts and cartridges.	1. Gas pistols and revolvers, including those with the possibility of firing by rubber bullets 10. Hunting arms with a rifled barrel 11. Pneumatic and hunting weapon with muzzle energy up to 25 J 12. Sports pneumatic rifles and shotguns with a muzzle energy more than 3 J 13. Sports pneumatic pistols and revolvers with a muzzle energy more than 3 J 14. The main parts of sports pistols and revolvers 15. The main (composite) parts of office pistols and revolvers 16. Barrels of hunting and sporting shotguns and carbines 17. Barrels of rifled hunting and sporting riffles and carbines 18. Other main (composite) parts of hunting and sporting shotguns (shutter, drum, frame, receiver (block), forearm, trigger mechanism and	17.96

parts and accessories thereto) | 19. Other main (composite) parts of hunting and sporting rifled shotguns (shutter, drum, frame, receiver (block), forearm, trigger mechanism and parts and accessories thereto) | 2. Sports pistols and revolvers with a rifled barrel | 20. Cartridges for sporting and hunting shotguns, including test | 21. Cartridges for sports, office, tubeless firearms of self-defense pistols and revolvers | 22. Cartridges for sporting and hunting arms with a rifled barrel (other than pistols and revolvers), for gas arms of self-defense, including test | 23. Cartridge cases for smooth-bore hunting and sporting arms, including capsule | 24. Cartridge cases for hunting and sporting weapons with a rifled barrel (other than pistols and revolvers), including capsule | 25. Cartridge cases for gas weapon of self-defense, including capsule | 26. Cartridge cases for sports and office pistols and revolvers, including capsule | 27. Capsules for cartridges of office and civil arms | 28. Cold bladed hunting weapons (knives and hunting knives) | 29. Cold bladed sporting arms | 3. Office pistols and revolvers with a rifled barrel | 30. Other cold bladed arms (cold bladed arms designed to be worn with a Cossack uniform, as well as with national costumes of the peoples of the customs union, intended for collectors) | 31. Sports bows and crossbows | 32. Electric arms: electric shock devices and spark-gaps with output parameters corresponding to the norms established by the authorized body in the field of health | 33. Arms, structurally designed for the delivery of luminous, smoke and sounds signals of more than 6 mm caliber | 4. Tubeless firearms of self-defense revolvers and

			pistols, including traumatic cartridges 5. Sports smoothbore shotguns 6. Sporting rifle with a rifled barrel 7. Hunting single-smoothbore long-boled guns 8. Hunting double-barreled and combined arms 9. Hunting double-barreled smoothbore arms, including with the barrels of various calibers	
QR	Non-automatic licensing	Goods which are under import licensing on the basis of decisions on the establishment of import quotas as a special safeguard measure		15.00
QR	Prohibition	Prohibition to import/export/transit office or civil weapon, its main parts and cartridges (excluding goods, subject to the export control system).	Arms and ammunition which characteristics failed to comply with requirements of forensic science; arms and ammunition failed to comply with safety requirements established by technical regulations in the sphere of civil and office weapons and ammunition circulation; arms and other items which damaging action is based on use of electromagnetic, optical, thermal, infrasonic or ultrasonic radiation in accordance with the laws of the Russian Federation; arms made of materials that do not allow to detect it by metal detectors. Arms and other items which damaging action is based on use of radiation and biological influence Barelless firearms of self-defence, electroshock devices and spark gaps, which have output parameters that exceed the values set by state standards in accordance with the laws of the Russian Federation Bludgeons, brass knuckles, shurikens, boomerangs and other items of shock-crushing, missile, stabbing action specially adapted for use as a weapon, except for sports equipment in accordance with the laws of the Russian Federation; cold bladed weapons and knives, which blades	20.00

are either automatically extracted from the handle by pressing a button or lever and fixed by them, or moved out by the force of gravity or accelerated motion and automatically fixed, with the blade length more than 90 mm | Bludgeons, brass knuckles, shurikens, boomerangs and other items of shock-crushing, missile, stabbing action specially adapted for use as a weapon, except for sports equipment in accordance with the laws of the Russian Federation; gas weapons, equipped with neuroparalytic, toxic and other substances prohibited for use in health service by the authorized body, as well as gas weapons that can inflict, in a distance of more than one meter, the damage non dangerous to human life, but resulted in long-term health disorder (more than 21 days), or in significant persistent loss of working capacity by 10% or more | Cartridges with armour-piercing, incendiary, explosive or tracer bullets, with a displaced centre of gravity, as well as cartridges with shot shells for gas pistols and revolvers, in accordance with the laws of the Russian Federation | Long-bored firearms with a magazine (drum) capacity for more than 10 rounds, with a barrel length or barrel length with body less than 500 mm and overall length of arm less than 800 mm, as well as arms with a construction that enables to make its length less than 800 mm and not to lose the possibility of firing; civil firearms enabling firing bursts; firearms, which has a form that mimics other items; smooth-bore firearms, manufactured for cartridges for rifled barrel firearms, except for arms of "paradox system" with the rifled barrel length no more than 40% of the total barrel length; gas weapons, equipped with neuroparalytic,

			toxic and other substances prohibited for use in health service by the authorized body, as well as gas weapons that can inflict, in a distance of more than one meter, the damage non dangerous to human life, but resulted in long-term health disorder (more than 21 days), or in significant persistent loss of working capacity by 10% or more; bareless firearms of self-defence, electroshock devices and spark gaps, which have output parameters that exceed the values set by state standards in accordance with the laws of the Russian Federation	
QR	Prohibition	Prohibition to import/export/transit service or civilian weapon, its main parts and cartridges (excluding goods, subject to the export control system)	Arms and ammunition failed to comply with safety requirements established by technical regulations in the sphere of civil and office weapons and ammunition circulation Arms and ammunition which characteristics failed to comply with requirements of forensic science Arms and other items items which damaging action is based on use of electromagnetic, optical, thermal, infrasonic or ultrasonic radiation in accordance with the laws of the Russian Federation Arms and other items which damaging action is based on use of radiation and biological influence Arms made of materials that do not allow to detect it by metal detectors Bareless firearms of self-defense, electroshock devices and spark gaps, which have output parameters that exceed the values set by state standards in accordance with the laws of the Russian Federation Cartridges with armor-piercing, incendiary, explosive or tracer bullets, with a displaced center of gravity, as well as cartridges with shot shells for gas pistols and revolvers, in accordance with the laws of the Russian Federation Civilian spitfire weapon enabling firing popple	20.00

			<p> Cold bladed weapons and knives, which blades are either automatically extracted from the handle by pressing a button or lever and fixed by them, or moved out by the force of gravity or accelerated motion and automatically fixed, with the blade length more than 90 mm Firearms, which has a form that imitates other items Flail, Bludgeons, brass knuckles, shurikens , boomerangs and other items of shock-crushing, missile, stabbing action specially adapted for use as a weapon, except for sports equipment in accordance with the legislation of the country - member of CU Gas weapons, equipped with neuroparalytic, toxic and other substances prohibited for use in health service by the authorized body, as well as gas weapons that can inflict, in a distance of more than one meter, the damage non dangerous to human life, but resulted in long-term health disorder (more than 21 days), or in significant persistent loss of working capacity by 10% or more Long-barreled spitfire weapon with a magazine (drum ??????? - chamber?) capacity for more than 10 rounds, with a stock length or barrel length with body less than 500 mm and overall length of weapon less than 800 mm, as well as weapons with a construction that enables to make its length less than 800 mm and not to lose the possibility of firing Smooth-bore spitfire weapon, manufactured for cartridges for spitfire rifled barrel weapon, except for weapons of "paradox system" with the rifled barrel length no more than 40% of the total barrel length </p>	
SPS	Regular	Draft of the Eurasian Economic Commission Collegiums' Decision on Guidelines for	Meat, fish and fishery products, milk and milk products	11.13

		inspectors regarding the equivalence of veterinary and sanitary measures related to inspections of objects subject to veterinary control (supervision) in third countries The draft was developed in accordance with paragraph 932 of the WT/ACC/RUS/70.		
SPS	Regular	Draft of the Eurasian Economic Commission Collegiums' Decision on amendments to the Customs Union Commission Decision on Common forms of veterinary certificates for goods subject to veterinary control (supervision) from third countries No. 607 as of 7 April 2011 The document introduces amendments to CU legislation specifically to the 18 Common forms of veterinary certificates for goods subject to veterinary control (supervision). These amendments - a footnote - apply for the preamble of the point 4 of the Common forms of veterinary certificates. It deals with the providing information in table format on pre-export certificates. This table should be fulfilled only by EU members States.	HS Codes: 0201, 0202, 0203, 0204, 0205 00, 0206, 0207, 0208, 0210, 0302, 0303, 0304, 0305, 0306, 0307, 0308, 0401, 0402, 0403, 0404, 0405, 0406, 0407, 0408, 0409 00 000 0, 0410 00 000 0, 0502, 0504 00 000 0, 0505, 0506, 0507, from 1208, from 1211, from 1212 99 950 0, 1213 00 000 0, 1214, from 1301 90 000 0, 1516 20, 1518 00, 1601 00, 1602, 1604, 1605, from 2102 20, 2301, from 2302, from 2303, from 2304 00 000, from 2306, 2308 00, 2309, 4301	10.20
SPS	Regular	Draft of the Eurasian Economic Commission Council Decision on Amendments to the Customs Union Commission Decision on Common System of Joint Inspection of Objects and Sampling Goods (Products) Subject to Veterinary Control (Supervision) No. 834 as of 18 October 2011 The document	HS Codes: 0201, 0202, 0203, 0204, 0205 00, 0206, 0207, 0208, 0209, 0210, 0301, 0302, 0303, 0304, 0305, 0306, 0307, 0308, 0401, 0402, 0403, 0404, 0405, 0406, 0407, 0408, 0504 00 000 0, 1601 00, 1602, 1604, 1605, from 2105 00, from 2106, from 3501, 3503 00	11.34

		introduces amendments to CU legislation specifically to the Chapters II, IV, X and XI of the Regulation on veterinary control at the Customs Border of the Customs Union and on the customs territory of the Customs Union. These amendments were designed to unify approaches while conducting monitoring analyses of the goods (products). This document also specifies the terms of listing establishments into the Register of establishments of third countries.		
SPS	Regular	Draft of the Eurasian Economic Commission Collegiums' Decisions on amendments to the Common veterinary (veterinary and sanitary) requirements No. 317 as of 18 June 2010 The document introduces amendments to CU legislation specifically to the General provisions of the Common veterinary requirements. These amendments specify that establishments of the third countries are obliged to use raw materials of animal origin produced by establishments which have the right to supply the products to the Customs Union territory. This requirement applies for the products which contain components of animal origin.	HS Codes: 0201, 0202, 0203, 0204, 0205 00, 0206, 0207, 0208, 0209, 0210, 0301, 0302, 0303, 0304, 0305, 0306, 0307, 0308, 0401, 0402, 0403, 0404, 0405, 0406, 0407, 0408, 0504 00 000 0, 1601 00, 1602, 1604, 1605, from 190220, from 190420, from 20, from 2104, from 2106, 2301, from 2105 00, 2309, from 2106, from 3501, 3502, 3503 00	10.99
SPS	Regular	Draft of the Eurasian Economic Commission Collegiums' Decision on amendments to the Common veterinary (veterinary and sanitary) requirements, adopted by the Decision of the	HS Codes: 0210, 1601 00, 1602, from 1902 20, from 1904 20, from group 20, from 2104, from 2106	13.65

		<p>Customs Union (CU) Commission No. 317 as of 18 June 2010 The document introduces amendments to CU legislation specifically to the Common veterinary requirements on finished meat products (Chapters 25 and 40). These amendments divide current requirements into two parts:</p> <ul style="list-style-type: none"> - products produced without heat treatment or heat treated below - products produced with heat treatment above 70°C. 		
SPS	Regular	<p>The draft of Technical Regulation of the Customs Union on safety of milk and milk products The draft of Technical Regulation establishes common safety requirements for milk and milk products and requirements for production, storage, marketing, transportation and utilization of milk and milk products. These requirements are obligatory for implementation on the territory of the Custom Union.</p>	Milk and milk products	20.71
SPS	Regular	<p>The draft of Technical Regulation of the Customs Union on safety of fish and fish products The draft of Technical Regulation establishes common safety requirements for fish and fish products and requirements for production, storage, marketing, transportation and utilization of fish and fish products. These requirements are obligatory for implementation on the territory of the</p>	Fish and fish products	10.02

		Custom Union.		
SPS	Regular	Order of the Ministry of Agriculture of the Russian Federation as of 15 December 2014, No. 501 This document adopts the list of quarantine pests for the Russian Federation.	List of the regulated products, adopted by Eurasian Economic Commission Decision as of 18 June 2010, No. 318	10.94
SPS	Regular	Draft of the Eurasian Economic Commission Council Decision on common rules and standards to ensure plant quarantine This document introduces common rules and standards concerning the organization of quarantine phytosanitary examinations, the disinfection of the regulated products and objects, basic approaches and requirements to phytosanitary certification system, methodological approaches to quarantine phytosanitary zones establishment in the territories of the EEU member States for the objects included in the common list of quarantine objects of the Eurasian Economic Union.	Plants, plant products and other goods subject to phytosanitary control	10.94
SPS	Regular	Draft of the Eurasian Economic Commission Council Decision on amendments to Customs Union Commission Decision as of 18 June 2010 No. 318 This document introduces a minimum of plant products (except for planting and seed material or potatoes) that is allowed to pass the Eurasian Economic Union customs border without a phytosanitary certificate (less than 5kg per person) in mail deliveries, accompanied and	Plants, plant products and other goods subject to phytosanitary control	10.94

	unaccompanied baggage of ships, aircraft, carriages, motor vehicles passengers, ships and aircraft crew members.		
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5. Non Tariff measures in trade, economic and investment areas imposed by India on Russia

S. No.	Description of barriers/restrictions
BANKING & FINANCE RESTRICTIONS	
1.	Non-acceptance by the Indian banks of the guaranties issued by major Russian banks
2.	<u>Restrictions for borrowers-Indian residents to undertake External Commercial Borrowings</u> Reference: According to the primary activity of the borrower and objective of use of borrowings, there are limitations for attracting external commercial borrowings on implementing investment projects in respect of amount (up to 50 million USD, maximum average cost and minimum average term (from 3 to 5 years) of the debt instrument,
3.	<u>Asymmetry in levying Dividend Tax on Russian and Indian investors</u> When it comes to dividend payment by the Russian companies to Indian shareholders in Russia, the tax rate is less than 10% according to the current Double Taxation Avoidance Agreement in respect of income tax (March 25, 1997), which can be accounted against the profit tax of the Indian company – recipient of dividends. During dividend payment by the Indian companies to Russian shareholders in India the tax rate is 20.36%
TRANSPORT & LOGISTIC RESTRICTIONS	
4.	Absence of direct air cargo transportation between the capital airports of Russia and India (including qualified services on logistics and customs operations in import /export from India)
5.	<u>Limitations on customs stations in India for import of motor vehicles</u>

	<p>Reference:</p> <ul style="list-style-type: none"> - New motor vehicles can be imported to India, exclusively, via ports of Chennai, Mumbai, Kolkata; - Second-hand vehicles, not older than three years, can be imported to India, exclusively, via Mumbai (import of vehicles older than three years is prohibited)
6.	<p><u>Delay in prolongation of accreditation of the insurance company Ingosstrakh on ship-owners liability insurance.</u></p> <p>Reference:</p> <p>According to the acting legislation in India (w.e.f 2012) commercial ships are prohibited to enter the ports without appropriate insurance coverage. At the end of 2017, the period of accreditation validity of IPSC Ingostrakh will be expired. The company submitted the set of necessary documents to the Directorate General of Shipping, GoI. The decision is delaying due to incompatibility of the company to the criteria of the international rating (should be not less than BBB+, IPSC Ingostrakh has: S&P – BB+ and A.M. Best –BBB-)</p>
FISCAL RESTRICTIONS	
7.	Lack of information (misunderstanding by the Russian operators) on levying Goods and Services Tax (GST)
8.	Absence of the possibility of direct sales to Indian clients of rough diamonds, demonstrated at the Special Customs Zone in Mumbai Diamond Bourse, by JSC ALROSA
STATE ADMINISTRATION	
9.	<p><u>Penalties for uncertain estimate of the customs duties</u></p> <p>Reference:</p> <p>In 2011 in India there was introduced the system of “self- estimation”, according to which importers/exporters should on their own declare the description, cost, classification, number of notification (if any), and calculate customs duties (if any) on import /export. Declaration can be estimated and revised by customs officials. Importers /exporters, that don’t comply with stipulated requirements, can be fined due to uncertain estimate made with intention to avoid responsibility to pay duties or execution of terms of appropriate legislative and regulatory acts</p>

10.	Special qualifications to applications for tenders, which complicate participation of Russian companies
10.1	Requirements on localization for participants of tenders. In fact, only Indian legal entities can participate in tenders
10.2	Necessity of submission of proved information regarding availability of experience of implementation of similar projects in India
10.3	One of the stages of tender's application consideration (along with test demonstration in India) is the inspection of supplier's manufacturing facilities. If production plant is located in Russia it leads to higher expenditures

IN AGRICULTURE

11.	<p><u>Lack of information about Indian national requirements to import procedures of pork, mutton, poultry and products made from it, as well as of inedible raw animal material (cattle hides).</u></p> <p>The Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation didn't receive the response to the requests on above-mentioned issue.</p>
12.	<p><u>New phytosanitary requirements on decontamination by methyl bromide of grain and leguminous plants imported to India (from April 1, 2017)</u></p> <p>Reference: During the transition period (till December 31, 2017) aimed at easing mentioned rules, products imported not in compliance with new rules are to be fined only.</p> <p>Taking into account a temporality of this decision, the Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation had sent letters to the Government of India and to the Ministry of Agriculture and Farmers Welfare, Gol (totally, 11 letters) with a request to consider the matter of granting to the Russian Federation the possibility to conduct the grain fumigation by pesticides based on phosphine. However, a response from the Indian side is still not received.</p>

IN NUCLEAR POWER

13. Only end-consumers of equipment for power project with a status “Ultra Mega Power Project” or its components (for example NPP operator) are granted exemptions from import duties.
In case of import of equipment or its components to India by other importers, appropriate taxes are imposed.
Result: mentioned customs duties in India lead to increase in costs of equipment and its components, which decreases competitiveness of export from Russia.
In case of production of equipment in India with technical assistance from the Russian side the price of this equipment rises at the expense of internal Indian taxes and duties that lead to decrease of competitiveness of production localization in India.
14. Requirement about mandatory involvement of an Indian resident as a domestic agent for sales of isotopic production in the Indian market.
Result: increase of expenditures for promotion and final cost by 7%

TECHNICAL BARRIERS. LICENSING & CERTIFICATION OF GOODS

15. Obtaining of special (non-automatic) license for the goods with the restricted import, as well as a permission for import (including sanitary and phytosanitary permission)
Reference: The list of the goods restricted for import consists of 430 items. Validity of the license is 18 months. The cost of application for obtaining the license depends on CIF price of the imported goods
16. Necessity of obtaining a license for import that stipulates demonstration of technical presentation for medical items including heart stents and valves, implants, eye lenses, blood bags and other items.
Reference: in case the certain imported medical device or equipment is not included in the list of goods, which shall be registered, the importer has the right to apply to the authorities concerned for obtaining an import license. Approximately 75% out of total applications for import licenses require a technical presentation for the authorities (CDSCO). The presentation is held as discussion on the product, its specifications, application, usage, results of market research, etc. Compulsory presence of the manufacturer (for instance, engineer) is required along with an Indian agent. A compulsory clinical

	test for new equipment (which is not available on the Indian market) is required on the territory of India prior to issuance of approval for import.
17.	<p><u>Differences in technical standards, technical regulation requirements, certification requirements.</u></p> <p>Reference: The Indian Bureau of Standards (IBS) requires a compulsory certification of broad range of material and technical resources (inventory). Representatives of IBS issue licenses to the producers after their inspection and completion of the on-site technical audit only. This procedure is to be conducted on an annual basis at the expense of producers, which brings to additional difficulties for export of Russian goods to the Indian market</p>
FIXED (IMPOSED) PRICES FOR IMPORT	
18.	<p>Restrictions on import of certain products with the price less than minimum import price on CIF terms.</p> <p>Reference:</p> <p>The list of the goods having minimum import prices (imposed in 2014-2015):</p> <ul style="list-style-type: none"> - Marble or travertine: minimum import price was 325 USD per ton (25151100, 25151210) in the frame of quota of 0,8 mln.tons; -Restored tires: 175 USD per piece (40121100, 40121200, 40121300, 40122010); -Second hand tires: 25 USD per piece (40122020); -Plates, blocks and similar items made of stone, marble, travertine, alabaster for building purpose and monuments: above 60 USD per sq. meter on CIF terms (68021000, 68022110, 68022120, 68022190, 68029100, 68029200); - Granite blocks for building purpose and monuments: above 80 USD per sq.meter on CIF terms (68022310, 68022390, 68022900, 68029300); -Items made of cement, concrete or artificial stone (68101110, 68101190, 68101910, 68101990, 68109100, 68109910, 68109990). -Some varieties of nuts (08028010, 08028020, 08028030, and 08028090): minimum import price of 251.000 INR per ton was imposed on 17.01.2017 Price of nuts under code 080280 is equal to 2613 USD per ton for taxation purpose.
19.	<u>Fixed (imposed) customs price for certain items with purpose of customs payments calculation (as per Section 14 of the</u>

Customs Act of India, 1962).

Reference:

Palm oil and its fractions:

- code 15111000: 798 USD per cubic meter;
- code 15119010: 827 USD per cubic meter;
- code 15119090: 813 USD per cubic meter;
- code 15111000: 828 USD per cubic meter;
- code 15119020: 831 USD per cubic meter;
- code 15119090: 830 USD per cubic meter;

Soy oil and its fractions (15071000): 869 USD per cubic meter; Copper scrap (74040022): 3165 USD per cubic meter ;

Seeds and fruits of other oil-bearing plants (12079100): 2602 USD per cubic meter;

Other nuts (080280): 2613 USD per cubic meter

20. Additional customs payments (Countervailing Duty (CVD), Special Additional Duty, CESS).

Reference: the rates of the Special Additional Duty and CESS are fixed and equal to 4% and 3% accordingly. The rates of the Countervailing Duty are equal to the national excise duty (from 12,5% to 15%), which applicable to all items and cited at the official website of the Central Excise and Customs Authority of the Republic of India.

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The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. Recently, the Research Bureau has undertaken various policy projects of Government of India including Framework of University-Industry Linkages in Research assigned by DSIR, Ministry of Science & Technology, Study on SEZ for C&AG of India, Study on Impact of Project Imports under CTH 9801 for C&AG of India and has attracted a World Bank Project on free trade zones.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
<ul style="list-style-type: none"> • Research Studies 	<ul style="list-style-type: none"> • Macro Economy 	<ul style="list-style-type: none"> • Economic Affairs Newsletter (EAC) 	<ul style="list-style-type: none"> • Trade & Inv. Facilitation Services (TIFS)
<ul style="list-style-type: none"> • State Profiles 	<ul style="list-style-type: none"> • States Development 	<ul style="list-style-type: none"> • Global Economic Monitor (GEM) 	<ul style="list-style-type: none"> • Business Research Consultancy
<ul style="list-style-type: none"> • Impact Assessments 	<ul style="list-style-type: none"> • Infrastructure 	<ul style="list-style-type: none"> • Trade & Inv. Facilitation Services (TIFS) newsletter 	
<ul style="list-style-type: none"> • Thematic Research Reports 	<ul style="list-style-type: none"> • Foreign exchange market 	<ul style="list-style-type: none"> • State Development Monitor (SDM) 	
<ul style="list-style-type: none"> • Releases on Economic Developments 	<ul style="list-style-type: none"> • International Trade 	<ul style="list-style-type: none"> • Forex and FEMA Newsletter 	
	<ul style="list-style-type: none"> • Global Economy 		

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Studies Undertaken by PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September 2011)
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5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
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21. Budget 2014-15: Promise of Progress (July 2014)
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24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
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B: State profiles

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80. Suggestions for Pr
81. ogressive Uttar Pradesh (August 2015)
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88. Kashmir: The Way Forward (February 2018)



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