Joint Feasibility Study Report on the Free Trade Agreement between the Eurasian Economic Union and its Member States, of the one Part, and the Republic of India, of the other Part

2016

Joint Feasibility Study Group on the Free Trade Agreement
between
The Eurasian Economic Union and its Member States and The Republic of India

Final Meeting

Moscow - September 19, 2016

PROTOCOL

On the 19th of September 2016 the representatives of the Republic of India (India), represented by Mr. Sunil Kumar, Joint Secretary (Foreign Trade – CIS), Ministry of Commerce and Industry of the Republic of India, Co-Chair of the Joint Feasibility Study Group (JFSG) on the EAEU-Indian Free trade Agreement (FTA) from the Indian Side, and the representatives of the Eurasian Economic Commission (EEC), the Eurasian Economic Union (EAEU) of the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation, represented by Mr. Anton Kudasov, the Director of the Trade Policy Department of the EEC, Co-Chair of the JFSG from the EAEU Side (hereinafter referred to as the Sides) held the JFSG final meeting in a friendly and constructive atmosphere. The Agenda of the Final Meeting is in Annex I. The list of delegations of the two Sides is in Annex II.

During the meeting the Sides discussed the draft text of the JFSG Report (Report) on the EAEU-Indian FTA and provided relevant comments in order to achieve full understanding of the relevant comprehensive information provided and analysis presented by both Sides.

Both Sides agreed to finish the work of the JFSG in this meeting, which resulted in a finalized Report, containing Conclusions and Recommendations of the JFSG on the prospects of the feasibility of conclusion of an FTA between the Sides.

The Sides agreed on the following:

- the JFSG has conducted a comprehensive study of existing bilateral economic relations covering trade in goods, trade in services, investments and other trade related issues between the EAEU, its Member States and the Republic of India with a view to examine ways and opportunities to enhance economic ties between the two Sides;
- the JFSG work showed that a possible FTA between the EAEU and India will have a positive impact on overall economic welfare and bilateral trade in goods, enhance the scope of economic relations and open new opportunities for business of both Sides;
- the results of joint feasibility study demonstrate some of the following major **benefits** of a possible FTA:
    - economic modeling shows a potential for substantial increase in welfare gains as a percentage of GDP for both Sides due to a possible FTA;
    - the total bilateral trade due to possible FTA has the potential of additional growth up to USD 37-62 billion;
    - the exports from the EAEU Member States to India has the potential of additional growth up to USD 23-38 billion;
    - the exports from India to the EAEU Member States has the potential of additional growth up to USD 14-24 billion;
    - elimination of tariffs by India may increase the EAEU Member States' exports to India for different categories of products including:
        - for agricultural products: crops, vegetables oils, food preparation products, vegetables , beverages, including mineral water;
        - for industrial products: fertilizers, machinery and equipment, motor vehicles, some types of turbojets, salt, steel products, chemical, rubber, plastic, including polyimides, wood products;
    - elimination of tariffs by the EAEU may increase India's exports to the EAEU for different categories of products including:

- for agricultural products: crops, other food processing, tea, miscellaneous edible preparations;
- for industrial products: pharmaceutical, textiles, clothing, chemicals, electrical equipment and machinery;

- possible liberalization in trade in goods would contribute to:
  - improvement of business environment and cooperation in all sectors of economies;
  - tightening the bilateral trade relationship between the EAEU and India;
  - improvement in market efficiency, manufacturing productivity and further utilization of comparative advantages of both Sides;
  - price decrease for consumer goods and raw materials produced and exported by both Sides;
  - other cooperation initiatives in different economic areas;
- the JFSG Report also shows rich potential in a wide range of sectors amenable to enhanced bilateral trade in services and investment; and
- in order to achieve effectively potential trade and economic cooperation between the Sides JFSG Report also looked into various trade-related aspects, including provision on Customs Procedures and Trade Facilitation, Rules of Origin, Sanitary and Phytosanitary measures, Technical Barriers to Trade, Trade Remedies, etc.

The Sides also noted:

- The Sides have great possibilities to contribute to the competitiveness of industrial sectors in each Member country to the FTA, enhancing two-way trade and improving conditions for business cooperation. Also the findings of the JFSG Report indicate that the liberalization of trade in agricultural and industrial goods could bring sufficient positive opportunities for both Sides;
- Special attention during negotiations on tariff liberalization should be paid to the goods of the main export interest of both Sides. The successful accomplishment of improvement of market access conditions for the key export products will boost trade in both agricultural and industrial goods, maximizing the mutual benefits from an FTA. At the same time specific differences in economic development and other relevant elements of the economies of both Sides should also be taken into account; and
- Although the possible FTA would bring significant benefits for both the EAEU and India, there are a number of possible **challenges**, including inter alia the need to balance the benefits for the Member countries to the FTA, securing proportionate protection to sensitive industries etc.

The Sides agreed to initiate internal proceeding to examine the opportunities of taking necessary decisions on launch of negotiations on FTA between the EAEU and its Member States and the Republic of India.

For the Republic of India	For the Eurasian Economic Commission, the Eurasian Economic Union
Mr. Sunil Kumar, Joint Secretary (Foreign Trade -CIS), Ministry of Commerce and Industry of the Republic of India	Mr. Anton Kudasov, Director of the Trade Policy Department, the Eurasian Economic Commission

Annexure I

Agenda of the final meeting of the JFSG

1. Opening Remarks by Co-Chairs of the JFSG
2. Adoption of Agenda
3. Discussion on finalization for the following:

   a. technical work on modelling and trade creation effects of the proposed FTA in terms of potential trade and economic gains
   b. results of the expert work
   c. open issues on the certain items

4. Time-line for finalization of JFSG Report
5. Any other matters.
6. Deliberation and Adoption of Record of Discussion.
7. Vote of thanks.

Annexure II

List of Delegations

Indian side:

1. Mr. Sunil Kumar, Joint Secretary (Foreign Trade-CIS), Ministry of Commerce and Industry, Government of India, Leader of the Delegation and Co-Chair from the Indian side
2. Mr. S. K. Ranjan, Deputy Secretary, Ministry of Commerce and Industry, Government of India
3. Mr. Lakshmikant Kumbhar, Second Secretary (Com), Embassy of India, Moscow
4. Dr. Vipin Kumar, Deputy Head, Commerce Wing, Embassy of India, Moscow

Expert

5. Dr. Ram Upendra Das, Professor, Research and Information System for Developing Countries, (RIS), New Delhi

EAEU side:

1. Anton Kudasov, Director of the Trade Policy Department, Eurasian Economic Commission, Co-Chair from the EAEU side
2. Stanislav Georgievskiy, Acting Deputy Director, Trade Policy Department of the Eurasian Economic Commission
3. Anton Tsetsinovsky, Head of the Division, Trade Policy Department, Eurasian Economic Commission
4. Anna Sysoeva, Counsellor, Trade Policy Department, Eurasian Economic Commission
5. Vitaly Ponomarev, Deputy Head of the Division, Trade Policy Department, Eurasian Economic Commission
6. Dmitry Popov, Head of the Division, Trade Policy Department, Eurasian Economic Commission
7. Alexey Vinokurov, Consultant, Trade Policy Department, Eurasian Economic Commission
8. Artur Zavyalov, Head of the Division, Trade Policy Department, Eurasian Economic Commission
9. Ilya Kabanov, Counsellor, Trade Policy Department, Eurasian Economic Commission
10. Olga Burundukova, Consultant, Trade Policy Department, Eurasian Economic Commission
11. Victoria Chepelova, Adviser, International Cooperation Division, Department for Technical Regulation and Accreditation, Eurasian Economic Commission
12. Mironova Maria, Counsellor, Department of customs tariff and non-tariff regulation, Eurasian Economic Commission

13. Dmitry Dorochevich, Counsellor of the Division for trade disputes and trade remedies of the Department of export economic activities of the Ministry of Foreign Affairs of the Republic of Belarus
14. Alexander Tatun, Head of Department of the State Committee for Standardization of the Republic of Belarus International Cooperation
15. Lyazat Baltabayeva, Chief Expert of AO "Center for trade development policy " under the Ministry of national economy of the Republic of Kazakhstan
16. Darkhan Beisenbai, Chief Expert of AO "Center for trade development policy " under the Ministry of national economy of the Republic of Kazakhstan
17. Zukhra Galieva, Chief Expert of the expertise of projects on economic integration Division of the Ministry of justice of the Republic of Kazakhstan
18. Zildisbek Zhumakov, Chief specialist of Trade Division of the Department of the EAEU and the WTO issues of the Ministry of economy of the Republic of Kazakhstan
19. Maria Baitokova, Chief Specialist of the Trade in Goods Division, Department for Trade Negotiations of the Ministry of Economic Development of the Russian Federation
20. Evgenia Litvin, Third Secretary of the First Department of the CIS countries Ministry of foreign affairs of the Russian Federation
21.Valentina Scryabina, Adviser of the Tariff regulation Division, Department of International cooperation of the Ministry of Industry and Trade of the Russian Federation
22. Igor Nazarov, the Head of Department of technical regulation of the Ministry of Agriculture of the Russian Federation
23. Anzor Kyzukov, Consultant of foreign trade and the WTO Division of the Department of international cooperation of the Ministry of Agriculture of the Russian Federation
24. Maria Platova, Chief specialist-expert of the Divisio 21. Maria Baitokova, Chief Specialist of the Trade in Goods Division, Department for Trade Negotiations of the Ministry of Economic Development of the Russian Federation
25. Evgenia Litvin, Third Secretary of the First Department of the CIS countries Ministry of foreign affairs of the Russian Federation
28.Valentina Scryabina, Adviser of the Tariff regulation Division, Department of International cooperation of the Ministry of Industry and Trade of the Russian Federation
26. Igor Nazarov, the Head of Department of technical regulation of the Ministry of Agriculture of the Russian Federation
27. Anzor Kyzukov, Consultant of foreign trade and the WTO Division of the Department of international cooperation of the Ministry of Agriculture of the Russian Federation
28. Maria Platova, Chief specialist-expert of the Division for cooperation with foreign countries concerning export and import of animal products and inspection work, Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation n for cooperation with foreign countries concerning export and import of animal products and inspection work, Federal Service for Veterinary and Phytosanitary Surveillance of the Russian Federation
29. Oleg Ashurkov, Deputy Head of the Devision of trade restrictions, currency and export control of the Federal Customs Service of Russian Federation

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List of Abbreviations

AICTE: All India Council for Technical Education
AMFI: The Association of Mutual Funds in India
APTA: Asia-Pacific Trade Agreement
AYUSH : Ayurvedic, Yoga & Naturopathy, Unani, Siddha and Homeopathy
BCA: Bilateral Cooperation Agreements
BCG : Boston Consulting Group
CECA: Comprehensive Economic Cooperation Agreement
CEPA: Comprehensive Economic Partnership Agreement
CSIR: Council of Scientific and Industrial Research
CSTRQ: Country-Specific Tariff Rate Quotas System
DGAD: Director General of Anti-Dumping
DGFT: Directorate General of Foreign Trade
DIPP: Department of Industrial Policy and Promotion
EAEU: Eurasian Economic Union
EEC: Eurasian Economic Commission
EPPO: European and Mediterranean Plant Protection Organization
FASIE : Foundation for Assistance to Small Innovative Enterprises
GATS :General Agreement on Trade in Services
GATT :General Agreement on Tariffs and Trade
GI: Geographical Indications
GSP: Generalized System of Preferences
GSTP: Global System of Trade Preferences
IPPC: International Plant Protection Convention
IRIGC-TEC: Inter-Governmental Commissions on Trade, Economic, Scientific, Technological and Cultural Cooperation
IRIGC – MTC: Inter-Governmental Commissions on Military Technical Cooperation
KAZMEMST: Metrology of the Ministry of Investments and Development of the Republic of Kazakhstan
MCI: Medical Council of India
MPEDA: Marine Products Export Development Authority
MRA: Mutual Recognition Agreements
NASKR: National Academy of Sciences of the Kyrgyz Republic
NFSA: National Foundation of Science and Advanced Technologies
PFRDA: Pension Fund Regulatory and Development Authority
RCEP: Regional Comprehensive Economic Partnership
RTTN: Russian Technology Transfer Network
TRQ: Tariff Rate Quotas

Executive Summary

I. Introduction

- The economic relationship between India and the Member States of the Eurasian Economic Union has developed rapidly in recent years, however, it remains weak. The existing institutional framework for economic cooperation between the two sides primarily includes two mechanisms: Inter-Governmental Commissions (IGCs) and Joint Working Groups (JWGs). Despite these mechanisms the bilateral institutional frameworks have remained weak and there is a lack of comprehensive strategy to economically integrate India and EAEU through trade in goods, trade in services and investment, along with other areas of cooperation.
- Consequently, a potential FTA between the EAEU and its Member States and India could most certainly create favourable conditions for the development of trade and economic relations between the sides. Taking into consideration the potential complementarities between India and EAEU comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation, a Joint Feasibility Study Group (JFSG) was established to assess the feasibility of an FTA and to recommend the approach and modalities for mutually beneficial economic cooperation. Given India's recent economic dynamism as well as the economic performances of the Member States of the EAEU, it appears imperative to engage with each other in a comprehensive manner that could include trade in goods, trade in services and investment, as well as other areas of economic cooperation
- It is in this context that JFSG study has tried to construct a systemic analysis of the prospects of establishing an FTA between the EAEU and its Member States and India, taking into consideration the desire to create a modern FTA aimed at initiating an environment for the further development of trade and economic cooperation. In this way there is an intention to include in a future agreement not only the issues of trade liberalization by lowering customs duties, but also develop new liberal conditions of transboundary trade in services and measures facilitating mutual investments, ensuring the necessary level of protection, promotion of investments and other trade related issues.

II. Overview of the EAEU and Indian Trade Profile

- The EAEU is constantly evolving. The establishment of the Customs Union (CU) has created a single market of 170 million consumers. In 2014, the EAEU GDP amounted to USD 2.18 trillion.
- The EAEU Member States' trade with the rest of the world has been growing. Recently, the growth of the internal demand in the EAEU Member States and decline in external demand led to a deterioration of balance of foreign trade in goods. Due to this fact, the EAEU Member States' trade with the rest of the world decreased in 2014 by 5.8%. Both import and export decreased by 8% and 4.5%, respectively. These countries are considered as major players in world's energy sector, raw materials, arms industry and agricultural production.
- Major trading partners of EAEU member states have not significantly changed since 2010. In 2014 the major trading partners of EAEU in terms of imports were EU (43.8%) followed by China (19.4%) and USA (6.7%) while for exports EU (56.5%) remained the most important destination of EAEU followed again by China (8.6%) and Turkey (4.8%). In terms of structure of trade the product categories machinery, equipment and transport together with chemicals are the most buoyant import categories of the EAEU making up 45.5% and 16.4% of total imports in 2014, respectively. If we take into account the agriculture products (13.5%) also then these three major categories account for almost 80% of the EAEU imports. If we look at the exports structure of EAEU trade in 2014 it emerges that though the structure has not changed much as the products categories are still the same but their share has decreased when compared to 2010. In 2014, fuel and mining (73.3%), iron and steel (7.7%) and chemical (5%) were the top products exported by EAEU Member States.

- Indian economy is the fastest growing economy in the world and is expected to remain so in the coming years. India's annual GDP growth rate hovered around 6-7% even after the post-2008 global economic meltdown. Not only the GDP at current prices but also the GDP per capita has increased over the years and is over USD 2 trillion and above USD 1630 in 2014, respectively.
- Both exports and imports as percent of GDP have remained quite stable, with both together accounting for around 50 percent of GDP. Foreign Direct Investments have also displayed a steady trend in terms of annual inflows. India's trade with rest of the world has been growing until recent years when this trend stopped due to the adverse global economic conditions.
- In terms of major trading partners for India, in 2014 China was the largest source of import with 13% of the market share followed by Africa (8%), Saudi Arabia (7%) whereas in 2010 it was China followed by United Arab Emirates and Africa. With regards to export partners, United States is the most important destination for India with 13% of the market share in 2014, followed by United Arab Emirates (11%) and Africa (10%). In terms of the structure of trade mineral, fuels followed by natural or cultured pearls, precious or semiprecious stones pre-metals are the products that are mostly imported by India and they account for 39% and 26% of total imports in 2014 respectively which were earlier 45% and 18% in 2010 respectively. Diamonds and jewellery followed by mineral fuels were the most traded export categories in 2010 as well as in 2014, with 29% and 28% export share in 2010 and 32% and 23% share in 2014 respectively.

III. Bilateral Trade in Goods: Status and Potential

- The bilateral trade between India and the EAEU has improved in the recent years but has remained low. The total trade increased from USD 9.3 Billion in 2010 to USD 11.3 Billion in 2014. However, in terms of India's exports to EAEU as a proportion of India's total exports to world or India's imports from EAEU as a proportion of India's imports from the world, the mutual importance between India and EAEU turnout to be low suggesting weak trade linkages. Hence, it is imperative to study the ways and means to strengthen trade in goods partnership between India and the EAEU. Within the EAEU, the Russian Federation accounts for the highest share of bilateral trade with India followed by the Republic of Kazakhstan. Conversely, the level of trade between India and Republic of Armenia and India and Republic of Kyrgyzstan is low reflected in terms of the trade turnover which doesn't exceed 0.001% of total EAEU's trade turnover.
- Sectorally, the agricultural trade linkages between India and the EAEU registered an overall decline in percentage terms when compared to India's total agricultural trade with the world. The share of India's agricultural export to EAEU has declined to 1.5% from 4.4% during the period 2000-2014. However, the EAEU has gained importance in terms of India's agricultural imports with its share witnessing a marginal increase during the same period. Similarly, India's industrial exports to EAEU also witnessed a decline in its share over 2000-2014. Whereas, share of industrial imports from EAEU remained almost constant during the same period. Hence, India's share of industrial goods trade with the EAEU as a percentage of India's total trade with world experienced a decline from 1.42% to 0.99% during the 14 years since 2000.
- With respect to Tariff Structure, there exists a difference between the tariff structure in India and the individual EAEU Member States. India's average MFN tariff rates are higher than the corresponding figure for EAEU as a group but not too high. Also, there exist differences within the tariff structure governing agriculture and industrial goods. An analysis of average level of tariffs applied to trade in goods in India in 2015 suggests that most of the products that fall under agriculture sector have higher levels of tariffs at HS 2 digit level compared to the products categorized under industrial goods.
- The Non-Tariff Measures, mainly Rules of Origin, Sanitary and Phytosanitary Measures (SPS), Technical Barriers to Trade (TBT), Import Licensing, Quantitative Restrictions and others, with respect to both India and the EAEU are analysed in the study in order to achieve potential trade and economic cooperation between the two Sides.

- In order to determine the potential gains of bilateral trade to India and the EAEU due to the proposed FTA, three methodologies are used viz. CGE Simulations, Partial Equilibrium Analysis based on Augmented Gravity Model and Estimating Trade Potential at HS-six digit level i.e. Trade Creation. These methodologies complement each other and help taking advantage of the merits of each methodology while countervailing their respective demerits at the same time.
- The economic modelling results show a potential for substantial increase in **welfare gains** as a percentage of GDP for both Sides due to a possible FTA. The total bilateral **trade in goods** due to possible FTA has the potential of additional growth up to USD 37-62 billion. The exports from the EAEU Member States to India has the potential of additional growth up to USD 23-38 billion. The exports from India to the EAEU Member States has the potential of additional growth up to USD 14-24 billion.
- Elimination of tariffs by India may increase the EAEU Member States' exports to India for different categories of products including: for agricultural products: crops, vegetables oils, food preparation products, vegetables , beverages, including mineral water; and for industrial products: fertilizers, machinery and equipment, motor vehicles, some types of turbojets, salt, steel products, chemical, rubber, plastic, including polyimides, wood products.
- On the other hand, elimination of tariffs by the EAEU may increase India's exports to the EAEU for different categories of products including: for agricultural products: crops, other food processing, tea, miscellaneous edible preparations; and for industrial products: pharmaceutical, textiles, clothing, chemicals, electrical equipment and machinery.

IV. Trade in Services and Potential

- Trade in goods which is expected to grow as a result of the FTA would benefit bilateral services trade, due to the necessity of "trade-enabling" services such as transport services, insurance and banking services, telecommunication services and distribution services. Moreover, an FTA in services could further strengthen sectors already dominant in the bilateral trade – such as travel services, computer & related services, other business and professional services.
- In addition to this, an FTA could provide the basis for increasing trade in other areas of mutual interest where strong complementarities exist, such as hi-tech research and development, tourism, engineering services, environmental and agricultural services, energy, academic studies, etc.
- Statistics on trade in services is often not available in terms of bilateral trade. However, according to the statistics of the EAEU, in recent years, trade in services between India and EAEU shows stable growth. The majority of the bilateral trade in services was conducted between India and Russia, for instance in 2014, accounting for approximately 80% of the EAEU exports to India, and almost 89% of its services imports from it.
- The analysis suggests that the proposed FTA including trade in services may bring a number of positive benefits to the EAEU Member States and India, which could be observed under two categories "services sectors linked to the growth in exports of goods" and "services sectors independent from the growth in exports of goods". With regard to the latter category, one can expect a boost in mutual trade in services following an inclusion of a "Trade in Services" Chapter in the FTA, due to a possible reduction in market access or national treatment impediments and enhanced transparency and predictability with regard to measures affecting trade in services.
- The provisions of such a chapter will contribute to creating legal certainty having positive, though hard to quantify, benefits for economic activity and foreign direct investments through Mode 3. Increased trade in services following the FTA may contribute to lowering costs through competition and stimulating innovation and productivity gains across sectors. As import of services such as transport, communication, finance and business services often serves as an intermediary input for the manufacturing of goods, better access to key competitive services may strengthen export competitiveness in both goods and services. It should be noted that each EAEU

Member State makes its own decision on the participation in an FTA's Chapter on Trade in services.

- The Trade In Services chapter would require understanding on domestic regulations and evolving modalities for Mutual Recognition Agreements (MRAs) and focus on different modes of service delivery including the Mode 4.
- Some of the sectors with potential for mutually beneficial bilateral **trade in services** include: Business and Professional services; Telecommunications services; Transport Services; Financial Services; Energy-related services; Travel services; Tourism; Research and Development; Computer and related services; Audio-Visual Services and Environment Services.

V. Investment

- FDI is associated with economic growth, which is reflected by the absorption and distribution of technological know-how, the growth in the overall investment, promotion of human capital, and the strengthening of trade relations and R&D cooperation. The possible inclusion of investment chapters in FTA can be a way to create a legal framework that would support the operation of foreign investors within the business environment of the parties by protecting the investors' rights and bringing an element of certainty to their investment activities.
- Generally, the promotion of bilateral investments, achieved by including this chapter, could increase the magnitude of investments flows between the EAEU and India and have a sustainable impact on Indian and the EAEU's economies. It may be noted that each EAEU Member State makes its own decision on the participation in the FTA's Chapter on Investment.
- If we have a look at the number of Investment treaties with third countries then the Republic of Armenia has signed over 40 bilateral investment treaties with third countries. The Republic of Belarus has signed over 60 BITs with third countries. The Republic of Kazakhstan has concluded about 49 BITs with third countries. The Kyrgyz Republic has concluded about 30 BITs with third countries. The Russian Federation has signed over 70 BITs with third countries.
- The Bilateral Investment Treaties (BIT) between India and Armenia was signed in 2003 and entered into force in 2006. The BIT between India and Belarus was signed in 2002 and entered into force in 2003. The BIT between India and Kazakhstan was signed in 1996 and entered into force in 2001. The BIT between India and Kyrgyzstan was signed in 1997 and entered into force in 1998. The BIT between India and the Russian Federation was signed in 1994 and entered into force in 1996. As of May 2016, the treaties are in force.
- Bilateral investment statistics is not available in a comprehensive manner, however available data suggests that the bilateral FDI linkages are weak in general and asymmetric across EAEU members links vis-à-vis India.
- The dynamics of bilateral investment flows are best captured over a period of time. Over the period under consideration i.e. 2000-2015, total FDI inflows in India from EAEU have been very low and volatile and mainly from Russia and to a small extent from Kazakhstan. Other countries have either no presence in India or negligible presence in terms of FDI inflows.
- There are various sectors amenable to bilateral **investment** flows. Potential areas for investment from India to EAEU could include Oil and Gas, Textiles and Clothing, Leather products, Iron and Steel, Pharmaceuticals, Automobiles, including parts and components, Engineering goods, IT Services, Health Services, Telecommunication etc. while the potential areas for investment from EAEU to India could include Processed food, Heavy Engineering goods, Transportation goods, Minerals and Metallurgy, Tourism services, R&D Centres, Space Technology and Energy-efficient technology etc.
- The conclusion of the FTA in relation to investments would bring a positive impact for the EAEU Member States and India. One can expect a boost in mutual investments, due to a possible reduction in national treatment impediments and enhanced transparency and predictability with regard to measures affecting investments and investors. The provisions of an Investment chapter

will contribute to creating legal certainty having positive, though hard to quantify, benefits for economic activity and foreign direct investment.

VI. Trade Related Issues

- Several trade related issues were also studied in terms of respective regimes and provisions relating to Intellectual Property Rights (IPR); Competition Policy; Government Procurement; Environmental Policy; Labour Standards; and E-commerce. India does not include these in its FTAs. However, information exchange, capacity building and other cooperation to discuss these issues is considered important.
- **Mutual Recognition Agreements:** Mutual Recognition Agreements (MRAs) pave the way for recognition of the professional services of one country by the other. This is expected to enhance trade in services between any two countries in a mutually beneficial manner. These need to be concluded for any meaningful trade in services liberalisation commitments to actually result in trade in services flows.
- **International North-South Transport Corridor:** Trade in goods, trade in services, and investment between the two sides can only be scaled up by having seamless connectivity. One of the important dimensions of this is transport connectivity. It is in this context that the International North-South Transport Corridor (INSTC) assumes critical importance. The INSTC is a multi-modal transport network that includes rail, road, and water transport from Mumbai in India via Bandar Abbas in Iran to Moscow in Russian Federation and Central Asia. In this context, port development in Chabahar has received increased attention. The proposed INSTC trade corridor could help the EAEU Member States and India to secure its interests in developing trade relations as it would substantially reduce the cost of transporting goods from India to Eurasia and surrounding regions, because it is shorter than the existing routes and enable seamless movement of goods from India to Russian Federation and neighbouring countries.
- **Green Corridor:** India and Russia are trying to put in place a 'Green Corridor' between the two countries for smooth facilitation of goods. It has proposed that the two countries create a list of entrepreneurs or companies whose goods, on a reciprocal basis, will not have to pass customs inspection during border crossings. The main advantage of the 'green corridor' is that goods being transported by entrepreneurs will not have to undergo customs inspection and examination when crossing the border -- measures now commonly used to minimize risks. This also applies to documents. Samples and specimens will not be taken. The provision of original copies of documents is not needed, and so on. This concept may be extended between India and the entire EAEU region.

VII. Conclusion and Recommendations

- The Study concludes that the proposed FTA is **feasible** and **mutually beneficial** with substantial potential welfare gains and augmentation in trade in goods. This is also based on the assessed potential in various sectors amenable to bilateral trade in services and investment.
- The Study recommends launching of FTA negotiations with the help of setting up of a **Trade Negotiating Committee**.
- It also recommends that the negotiations should be pursued on **three tracks simultaneously** viz. trade in goods, trade in services and investment.
- It is also recommended that adequate focus is given to the operationalization of the **INSTC** and **Green Corridor** between India and the EAEU to take full advantage of the FTA.

1. Introduction

On June, 18, 2015 during the St. Petersburg International Economic Forum the Joint Statement on the launching of the Joint Feasibility Study on the FTA between the EAEU and its Member States, of the one part, and the Republic of India, of the other part, was signed between the Eurasian Economic Union, represented by the Member of the Board of the Eurasian Economic Commission, Minister for Trade Andrey Slepnev, and the Republic of India, represented by the Minister of State (Independent Charge) for Commerce & Industry of the Republic of India, Smt. Nirmala Sitharaman, recognizing the importance of further development of economic, trade and investment relations between the EAEU and the Republic of India.

The purpose of establishing the JFSG is to provide an opportunity for more in-depth and systematic examination of a potential FTA.

JFSG has discussed and researched the possible scope of a potential FTA and analyzed the sensitivities of specific sectors. As the result of its work JFSG issued the present report with the relevant analysis and recommendations at the earliest.

1.1 Background

The economic relationship between India and the Member States of the Eurasian Economic Union has developed rapidly in the recent years, particularly under the impetus of India's far-reaching process of economic reform of the last year (Indian Government's emphasis on developing infrastructure, creating a roadmap for reforms, promoting ease of doing business, ramping up investment, creating a competitive, predictable, and clean tax policy environment, etc.) and deepening economic integration processes between the EAEU Member States.

Consequently, a potential FTA between the EAEU and its Member States and India could most certainly create favorable conditions for the development of trade relations between the parties.

In recognition of the growing synergies between the EAEU and its Member States of the one part, and the Republic of India, of the other part, agreed in 2014 to consider a feasibility study for a possible FTA.

On 28 March 2014 the Council of the Eurasian Economic Commission has adopted Decision No. 14 "On the establishment of JFSG for the study of expediency of the conclusion of the Free Trade Agreement between the member States of the Customs Union and the Single Economic Space and the Republic of India".

As it was mentioned above in June 2015 the Joint Statement on the launching of the JFS on the FTA between the EAEU and its Member States, of the one part, and the Republic of India, of the other part, has been signed.

Taking into consideration the potential complementarity between India and the EAEU comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation, a JFSG has been established to assess the feasibility of an FTA and to recommend the approach and modalities for mutually beneficial economic cooperation. Given India's recent economic dynamism as well as the economic performances of the Member States of the EAEU, it appears imperative to engage with each other in a comprehensive manner that could include trade in goods, trade in services and investment, as well as other areas of economic cooperation.

In addition, the EAEU region is rich in natural resources, most notably energy resources, characterized by significant production and exports while India remains a net importer of the very same energy resources.

On the other hand, India's economic integration initiatives have largely been in the immediate neighborhood of South Asia and as part of the Look East Policy with the North and South-East Asia and Oceania. It is time that a much wider objective and canvass of cooperation is kept in mind whereby India could become an Economic Hub due its strategic peninsular geographic location connecting various sub-regions of Asia such as North, South-East, Oceania on one hand with South, Central and West Asia on the other. This could well be facilitated by recent initiatives such as the Make in India, Skill India and Digital India. It could well serve as a mechanism to harness India's demographic dividend as well if India economically integrates with other parts of Asia. This would be most relevant in sub-regions wherein

India has so far not given adequate emphasis in terms of scaling up economic engagements in any comprehensive manner.

1.2 Existing Institutional Framework for Economic Cooperation

There are various extant mechanisms of bilateral economic cooperation between India and the Member States of the EAEU. The existing institutional framework for economic cooperation between the two sides primarily includes two mechanisms: Inter-Governmental Commissions (IGCs) and Joint Working Groups (JWGs). A list of such mechanisms is given below.

IGCs

Country	Nodal Ministry	Level of Head of Delegation
Russia Federation	Ministry of External Affairs	External Affairs Minister from the Indian side and Deputy Prime Minister
Republic of Kazakhstan	Ministry of Petroleum & Natural Gas	MoS (IC) for Petroleum and Natural Gas from the Indian side and Minister of Energy from Kazakh side.
Kyrgyz Republic	Ministry of Economy	MoS (IC) for Commerce and Industry from Indian side and Minister of Energy and Industry from Kyrgyz side.
Republic of Belarus	Department of Policy and Promotion, Ministry of Commerce and Industry	MoS (I/C) for Commerce and Industry from the Indian side and Minister of Industry from the Belarusian side.
Republic of Armenia	Ministry of External Affairs	Secretary (West), MEA from Indian side and Deputy Foreign Minister from the Armenian side.

JWGs

Country	Content	Nodal Ministry
Russian Federation	WG on Priority Investment Projects	Department of Policy and Promotion, Ministry of Commerce & Industry of India and Ministry for Economic Development of the Russian Federation
Russian Federation	WG on Information and Communication Technologies (ICT)	Department of Electronics and Information Technology of India, Ministry of Science and Technology of India and Ministry of Telecom and Mass Communications of the Russian Federation
Russian Federation	WG on Trade and Economic Cooperation (IRWGTEC)	Ministry of Commerce & Industry of India and Ministry for Economic Development of the Russian Federation
Russian Federation	WG on Energy, WG and Energy Efficiency	Ministry of Petroleum and Natural Gas of India and Ministry of energy of the Russian Federation
Russian Federation	WG on Tourism and Culture	Ministry of Culture of India and Ministry of Culture of the Russian Federation
Russian Federation	WG on Science and Technology	Department of Science & Technology of India, Ministry of Science and Technology of India and The Ministry of Education and Science of Russia
Russian Federation	WG on Modernization and Industrial Cooperation	Department of Policy and Promotion, Ministry of Commerce & Industry of India and Ministry of industry and trade of the Russian Federation
Russian Federation	Sub-group on Modernization	Department of Policy and Promotion, Ministry of Commerce & Industry of India and Ministry

		of industry and trade of the Russian Federation
Russian Federation	Sub-group on Fertilizers	Department of Fertilizers, Ministry of Chemical and Fertilizers of India and Ministry of industry and trade of the Russian Federation
Russian Federation	Sub-group on Mining	Ministry of Mines of India and Ministry of industry and trade of the Russian Federation
Russian Federation	Sub-group on Civil Aviation	Ministry of Civil Aviation of India and Ministry of industry and trade of the Russian Federation
Russian Federation	Sub-group on Banking and Financial Matters	Reserve Bank of India and the Central Bank of the Russian Federation
Repblic of Kazakhstan	JWG on Information Technology	Ministry of Information Technology and Ministry of Information of India and Communications of the Republic of Kazakhstan
Repblic of Kazakhstan	JWG on Tea Debt	Department of Commerce & Industry of India and Ministry of Finance of the Republic of Kazakhstan, Ministry of Investment and Development of the Republic of Kazakhstan
Republic of Belarus	JWG on Trade and Investment	Department of Policy and Promotion, Ministry of Commerce & Industry of India and Ministry of Economy of Belarus

Source: Based on inputs from Department of Commerce, Government of India (GOI), 2015

There are a few observations that can be made from the existing institutional mechanisms of economic cooperation between the two sides:

- The mechanisms are essentially bilateral
- Cooperation is spread across various sectors with different Departments /Ministries / GOI agencies acting as nodal points
- Despite these mechanisms the bilateral institutional framework have remained weak
- Absence of one single nodal point to promote and strengthen economic cooperation with the EAEU Members States
- A lack of comprehensive strategy to economically integrate India and EAEU through trade in goods, trade in services and investment, along with other areas of cooperation.

Against this backdrop, it appears important to explore ways and means to strengthen India-EAEU economic linkages. Thus, it is necessary to evolve mechanisms and modalities for a comprehensive economic engagements between the two sides.

The Institutional Framework enhances the strength of commercial relationship between the Parties. It reaffirms each country's commitment to the ongoing development of trade and investment. Besides the above it strengthens bilateral economic cooperation and dialogue, provides that the EAEU Member States and India will through all-round economic cooperation achieve balanced and comprehensive trade and investment facilitation and liberalization basing on the existing database of the bilateral relationships and dialogue on trade and economic issues, high-level bilateral two-way visits, business forums and etc.

The Institutional Framework also provides for a wide range of specific steps to strengthen the trade and economic relationship, including:

- Bilateral agreements in different fields of cooperation and mutual assistance;
- Inter-Governmental Commissions;
- Mechanisms of direct business-to-business contacts;
- Provision for consultations on national government measures affecting bilateral trade and investment, and consultations to exchange trade and economy information;

- Cooperative Activities on improving the commercial and policy linkages in a range of sectors and areas (energy; textile, clothing and footwear; services; investment; information and communications technology and e-commerce; customs cooperation; etc.) and other.

Armenia-India

The Protocol on the establishment of Diplomatic Relations between India and Armenia was signed in 1992. Bilateral dialogue between India and Armenia is conducted through the mechanisms of Foreign Office Consultations and Inter-Governmental Commission on Trade, Economic, Scientific and Technological, Cultural and Educational Cooperation, and periodic high-level interactions. In addition, there are over 30 agreements/Memorandum of understanding (MoUs) covering different areas of possible cooperation.

An MoU exists between the Federation of Indian Chambers of Commerce & Industry and the Armenian business delegation by the Union of Manufacturers & Businessmen (Employers) of Armenia[1].

Belarus-India

The diplomatic relations between the Republic of Belarus and the Republic of India were established in 1992.

Belarus and India have developed a substantive legal basis for bilateral relations. Over 20 intergovernmental agreements, specifying major fields of interaction have been signed.

The most important ones are the agreements on setting up of the Inter-Governmental Commission on Economic, Trade, Industrial, Scientific, Technical and Cultural Cooperation; on Economic Cooperation and Trade; on Avoidance of Dual Taxation and Prevention of Tax Evasion with respect to profits and property; on Cooperation in the field of Science and Technology[2].

Kyrgyzstan-India

The diplomatic relations between the Kyrgyz Republic and the Republic of India were established in 1992.

Between the Kyrgyz Republic and the Republic of India over 32 intergovernmental, interstate and interdepartmental agreements on cooperation in the field of Economics, Trade, Technology, Science, Military Technical cooperation, Art, Media, Sport, Youth, Tourism and Culture; on Promotion and Protection of Investments; on Avoidance of Dual Taxation and Prevention of Tax Evasion; credit agreement and etc have been signed.

The function of Kyrgyz-Indian Inter-Governmental Commission is promotion of trade and economic, scientific and technological, cultural and humanitarian aid cooperation. The Inter-Governmental Commission was established under agreement on trade and economical, scientific and technical cooperation, which have been signed in Bishkek, Kyrgyz Republic on 14 October 1992 between the Government of Kyrgyz Republic and the Government of Republic of India.

Kazakhstan-India

The diplomatic relations between the Republic of Kazakhstan and the Republic of India were also established in 1992. The India-Kazakhstan Inter-Governmental Commission established in 1992 has been instrumental in developing bilateral trade, economic, scientific, technological, industrial and cultural cooperation. Joint Working Groups and Sub-Committees within the Commission or otherwise, in the areas of Counter Terrorism, Trade & Economic Cooperation, Information Technology, Hydrocarbons and Textiles have been actively contributing to the development of bilateral cooperation[3].

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[1] http://mea.gov.in/Portal/ForeignRelation/Russia_unclassified_bilateral_brief_January_2013.pdf
[2] http://india.mfa.gov.by/en/bilateral_relations/law/
[3] http://mea.gov.in/Portal/ForeignRelation/Kazakhstan_July_2014.pdf

Russia-India

There are regular high-level interactions between the two countries. Two Inter-Governmental Commissions - one on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) and another on Military Technical Cooperation (IRIGC - MTC), meet annually. IRIGC-TEC is the main institutional mechanism to review economic cooperation. It integrates eight working groups on trade and economic cooperation, modernization and industrial cooperation, energy, investment projects, tourism and culture, science and technology, and communications & IT, problematic issues of trade and economic cooperation. Since the signing of "Declaration on the India-Russia Strategic Partnership" in October 2000 India-Russia ties have acquired a qualitatively new character with enhanced 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.[4]

Indo-Russian Forum on Trade and Investment and the India-Russia CEO's Council are the two primary mechanisms to promote direct bilateral business-to-business contacts.

The legal framework of trade and economic cooperation includes:

- Agreement between the Government of the Russian Federation and the Government of the Republic of India on the Intergovernmental Commission on trade-economic and scientific-technical cooperation (signed in Delhi 04.05.1992);
- Agreement between the Government of the Russian Federation and the Government of the Republic of India on Trade and Economic Cooperation (signed in Delhi 04.05.1992);
- The Treaty of friendship and cooperation between the Russian Federation and the Republic of India (signed in Delhi 28.01.1993);
- Agreement between the Government of the Russian Federation and the Government of the Republic of India on the promotion and reciprocal protection of investment (signed in Delhi 23.12.1994). Currently work has started on the upgradation of this agreement.

1.3 Aims and Objectives of the Study

The main task of the JFSG is to construct a systemic analysis of the prospects of establishing an FTA between the EAEU and its Member States and India, taking into consideration the desire to create a modern FTA aimed at creation of an environment for the further development of trade and economic cooperation. In this way there is an intention to include in a future agreement not only the issues of trade liberalization by lowering customs duties, but also develop new liberal conditions of transboundary trade in services and measures facilitating mutual investments, ensuring the necessary level of protection, promotion of investments and other trade related issues.

Thus the basic aims of the Study include:

- Strengthening economic linkages between India and the EAEU
- Augmenting bilateral trade in goods and services and investment
- Forging cooperation in other areas of cooperation such as energy, technology, B2B contacts etc.

The main objectives of the Study include:

- Analyzing the macroeconomic situation, bilateral economic linkages and existing relevant policy regimes
- Finding feasibility of FTA between India and the EAEU, including trade in goods, services and investment

1.4 Approach of the Study

There are four approaches for the Study:

- Analyzing macroeconomic situation, bilateral economic linkages and existing relevant trade regimes as well as assessing the feasibility of an FTA between India and the EAEU, including trade

[4] http://mea.gov.in/Portal/CountryQuickLink/597_Russia_January_2014.pdf

in goods, trade in services and investment.

- Stakeholders' consultations with private sector, trade promotion agencies, chambers of commerce and industry associations, banking and financial institutions, among others
- Inter-Ministerial consultations
- Consultations between the governments of the Parties

The Terms of Reference (TOR) for the JFSG have become an integral part of the Joint Statement on the launching of JFSG, which has stipulated the procedures for preparing and conducting meetings and the procedures in regard to the preparation and adoption of documents to be submitted for consideration.

The feasibility study was undertaken by the JFSG, composed of government officials representing the Republic of India, the Member States of the EAEU and the representatives of the Eurasian Economic Commission. The JFSG held its meetings, with co-chairs from the EAEU side by the Director of the Trade Policy Department of the Eurasian Economic Commission, and by Joint Secretary, Department of Commerce of the Ministry of Commerce and Industry of the Republic of India, Co-Chair from the Indian side.

The JFSG met 2 times in July 2015 and September 2016. It conducted much of its work through inter-sessional contact and exchange of material between the Parties.

2. Overview of the EAEU and Indian Economies and Trade Policies

2.1 Overview of the EAEU Economy and Trade Policy

2.1.1 Analysis of the EAEU Economy (Economic Indicators, Structure And Policy)

The EAEU is constantly evolving. The establishment of the Customs Union (CU) has created a single market of 170 million consumers. In 2014, the EAEU GDP amounted USD 2.18 Trillion (Table 1).

Table 1: GDP (USD Billion)

	2010	2011	2012	2013	2014	2015
The Russian Federation	1525.3	2034.0	2154.1	2231.8	2052.8	1332.1
The Republic of Kazakhstan	148.1	200.4	203.5	243.8	227.4	184.3
The Republic of Belarus	54.9	58.8	63.4	72.4	75.8	53.5
The Republic of Armenia	9.3	10.1	9.9	11.1	11.7	10.6
The Kyrgyz Republic	4.8	6.2	6.6	7.3	7.5	6.6
The EAEU	1742.4	2309.5	2449.9	2566.4	2375.2	1587.1

Source: «Member States of the Customs Union and Single Economic Space in figures», brief statistic digest, Moscow 2016.

After a quick recovery of the EAEU Member States' economies in the post-crisis period, starting from the second half of 2012, the GDP growth rates remained high in Kazakhstan (6% in 2013), while in Belarus and Russia economic growth has slowed down (1.0% and 1.3% in 2013 respectively). Armenia's strong growth rates of pre-crisis period (7.2% in 2012) were replaced by a 3.5% rate after the crisis.
In 2014 the GDP per capita of Russia, Kazakhstan, Belarus, Armenia and the Kyrgyz Republic was 12997, 12277, 8004, 3611 and 1332 USD respectively (Table 2).

Table 2: GDP per capita (USD)

	2010	2011	2012	2013	2014	2015
The Russian Federation	10678	13339	13968	14496	12997	9055
The Republic of Kazakhstan	9071	11358	12121	13611	12277	10478
The Republic of Belarus	5789	6207	6695	7644	8004	5790
The Republic of Armenia	3055	3034	3026	3017	3611	3515
The Kyrgyz Republic	922	1183	1233	1339	1332	1146
The EAEU	9835	13009	13757	14358	13072	8711

Source: «Member States of the Customs Union and Single Economic Space in figures», brief statistic digest, Moscow 2016.

The EAEU Member States' trade with the rest of the world has been growing since 2010 until 2013 when this trend stopped due to adverse global economic conditions. The growth of the internal demand in the EAEU Member States and decline in external demand led to a deterioration of balance of foreign trade in goods. Due to this fact, the EAEU Member States' trade turnover with the rest of the world decreased in 2014 by 5.8%. In the course of the year both import and export decreased by 8% and 4.5% respectively (Table 3).

Table 3: Trade in Goods (USD Billion)

	Total	Export	Import	Growth (%)	
				Export	Import
			2010		
The Russian Federation	582.7	368.0	214.7	133.4	136.7
The Republic of Kazakhstan	72.5	54.3	18.2	137.1	95.2
The Republic of Belarus	31.3	14.9	16.2	104.3	137.8
The Republic of Armenia	4.8	1.0	3.7	146.6	112.9

The Kyrgyz Republic	5.0	1.8	3.2	105.0	106.0
The EAEU	**696.3**	**440.0**	**256.0**	**132.6**	**132.7**
2011					
The Russian Federation	762.6	477.9	284.7	129.9	132.6
The Republic of Kazakhstan	98.2	77.2	21.0	142.3	115.1
The Republic of Belarus	46.4	26.3	20.1	176.5	124.2
The Kyrgyz Republic	6.5	2.2	4.2	122.2	131.3
The Republic of Armenia	5.5	1.0	4.0	128.2	110.6
The EAEU	**912.7**	**582.7**	**329.9**	**132.9**	**130.5**
2012					
The Russian Federation	778	484.5	293.5	101.4	103.1
The Republic of Kazakhstan	108.9	80.2	28.7	103.9	136.8
The Republic of Belarus	47.7	29.0	18.7	110.3	93.0
The Kyrgyz Republic	7.5	1.9	5.6	86.4	133.3
The Republic of Armenia	5.6	1.4	4.3	103.4	102.8
The EAEU	**940.2**	**595.1**	**345.2**	**102.1**	**104.6**
2013					
The Russian Federation	784.3	489.2	295.1	101.0	100.5
The Republic of Kazakhstan	107.2	76.7	30.5	95.5	106.3
The Republic of Belarus	39.5	19.5	20.0	67.5	106.9
The Kyrgyz Republic	7.9	2.0	6.0	105.3	107.1
The Republic of Armenia	5.8	1.5	4.4	107.1	102.9
The EAEU	**936.8**	**586.9**	**350.0**	**98.6**	**101.4**
2014					
The Russian Federation	730.4	463.3	267.0	94.7	90.5
The Republic of Kazakhstan	99.8	73.0	26.8	92.7	88.8
The Republic of Belarus	38.4	20.2	18.2	103.5	90.9
The Kyrgyz Republic	7.6	1.9	5.7	95.0	95.0
The Republic of Armenia	6.0	1.5	4.4	100.0	100.0
The EAEU	**882.2**	**559.9**	**322.1**	**95.5**	**92.0**
2015					
The Russian Federation	483.9	315.2	168.7	68.4	63.3
The Republic of Kazakhstan	60.1	40.8	19.3	56.5	73.3
The Republic of Belarus	28.8	15.7	13.1	78.8	72.0
The Kyrgyz Republic	5.7	1.7	4.1	89.0	71.0
The Republic of Armenia	3.5	1.3	2.2	102.8	67.5
The EAEU	**579.5**	**374.1**	**205.4**	**67.3**	**64.7**

Source: Eurasian Economic Commission calculations, based on data provided by the relevant EAEU's statistical agencies, 2016.

The unemployment rate of the EAEU Member States (except for Armenia) in 2014 was 5.9%. However taking into account the fact that the labor market in Armenia has not fully recovered yet from the global crisis and unemployment in Armenia hit 17.6% in 2014, the average unemployment rate of all the EAEU Member States was slightly higher (8.2%).

The EAEU Member States are considered as a major player in the world's energy sector, raw materials, arms industry and agricultural production.

The EAEU Member States produced approximately 18.4% of the world's natural gas and 14.9% of the world's oil and gas condensate in 2013, making them the world's top producers in both domains. The EAEU Member States also produces 5.1% of the world's electrical energy and 5.8% of the world's coal, making them the fourth and fifth producer in the world respectively.

The EAEU Member States are the top producers of sugar beet, sunflower, rye, barley, buckwheat and oats. They are also large producers of wheat, potatoes, grain, grain legumes. The monetary policy of the EAEU Member States is aimed at creating sustainable economic growth by ensuring price stability, maintaining low levels of inflation and efficient operation of the financial system. The EAEU Member

States' inflation rate in 2014 was 8.3%
The interest rates of the EAEU Member States were also reducing in the post-crisis period. In 2014 the refinancing rates of Armenia, Belarus, Kazakhstan, the Kyrgyz Republic and Russia were 8.5%, 20.0%, 5.5%, 10.5% and 8.3% respectively.

2.1.2 Overview of the EAEU Trade Policy

The establishment of the EAEU of the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation is the third stage of economic integration between three of the Member States – the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation, – the first was the establishment of the Customs Union, the second – the creation of the Single Economic Space. The Republic of Armenia and the Kyrgyz Republic have joined the EAEU subsequently.
The Treaty on the Eurasian Economic Union was signed on May 29, 2014.
On January 2, 2015 the Republic of Armenia has joined the EAEU. The Treaty on the Accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union of May 29, 2014 was signed in October 2014.
The Kyrgyz Republic has signed the Treaty on the Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union of May 29, 2014 in December 2014. On August 12, 2015 the Treaty on the Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union came into force. The Kyrgyz Republic has become a full-fledged member of the Union along with Armenia, Belarus, Kazakhstan and Russia.
The purpose of the EAEU trade policy is to promote social and economic development of the EAEU Member States and make the Eurasian economic integration more profound.
The legal framework of the EAEU was initially based on the international practices and the rules of the World Trade Organization (WTO).
The Working Party on the Accession of Belarus was established on 27 October 1993 and held its first meeting in June 1997. Bilateral market access negotiations are ongoing.
The Kyrgyz Republic has been a member of the WTO since December 20, 1998. The Republic of Armenia has been a member of the WTO since February 5, 2003 and the Russian Federation joined the WTO on August 22, 2012.
WTO members formally adopted Kazakhstan's WTO terms of entry at the General Council meeting on 27 July 2015. The Republic of Kazakhstan completed its accession negotiations and the Working Party adopted the accession package and referendum at the 20th and final meeting of the Working Party on 22 June 2015. On 30 November 2015, Kazakhstan became 162nd Member of WTO. .
The relationship between the legal framework of the EAEU and Russia's commitments to the WTO was addressed in the Treaty on the Functioning of the Customs Union in the Framework of the Multilateral Trading System, which was signed on May 19, 2011. Under this Treaty, from the date of accession of any CU Party to the WTO, the provisions of the WTO Agreement, as set-out in its Protocol of Accession, including the commitments undertaken by that CU Party as part of the terms of its accession to the WTO, which related to matters that the Parties had authorized the CU Bodies to regulate in the framework of the CU, as well as to the legal relationships regulated by the international treaties constituting the legal framework of the CU, became an integral part of the legal framework of the CU. As such, these provisions were part of the single undertaking and the CU Agreements that were part of the single undertaking for each CU Party. This Treaty is still a part of a legal framework of the EAEU as well.

Legal framework of the Eurasian Economic Union and the history of its foundation

- The main international treaties which create the legal framework of the EAEU are the following:
- Treaty on the Eurasian Economic Union of May 29, 2014 (Treaty on the EAEU);
- Treaty on the Customs Code of the Customs Union of November 27, 2009;
- Treaty on the Functioning of the Customs Union in the Framework of the Multilateral

Trading System of May 19, 2011;
- Treaty on the Accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union of May 29, 2014 of October 10, 2014;
- Treaty on the Accession of the Kyrgyz Republic to the Treaty on the Eurasian Economic Union of May 29, 2014 of December 23, 2014.

The history of Eurasian integration started with the establishment of the Customs Union.
The Customs Code of the CU came into force on July 1, 2010 for the Republic of Kazakhstan and the Russian Federation; while for the Republic of Belarus it came into force on July 6, 2010. The draft of this code was developed according to the latest international standards in conformity with the Kyoto Convention on the Simplification and Harmonization of Customs Procedures.
On the next stage of integration (from January 1, 2012) the Single Economic Space (SES) of three countries started operating. To enable the establishment of SES, 17 international basic treaties were signed in November-December 2010. In 2011 these 17 treaties were ratified by the Parties and on January 1, 2012 they came into force. This signified the commencement of work of the Single Economic Space between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation.
The Single Economic Space is a deeper form of economic integration which includes, apart from the existing Customs Union, coordination of economic policy, free movement of services, capital and labor force. Uniform mechanisms for regulation of the economy based on market principles, harmonization and unification of legal rules and regulations forms the framework of the SES.

Main goals in forming of the SES between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation are enumerated below :
- effective function of the common market of goods, services, capital and labor force;
- creation of conditions for the stable development of the Parties' economies with the aim to improve the population's living standards;
- coordination of tax, monetary, credit, currency, finance and common trade, custom and tariff policies;
- development of unified transport, energy and information system;
- creation of a unified system of measures for state support of the development of priority economy branches and cooperation in production, science and technology.

The single standing governing body of the Customs Union and the SES with the status of permanent supranational regulatory body – the Eurasian Economic Commission (EEC) –has been functioning since February 2, 2012. The Commission was established to promote functioning and development of the Customs Union and the Single Economic Space and also elaborate proposals for further development of integration.
The third stage of the economic integration came into effect since January 1, 2015 based on the Treaty on the EAEU.
According to the Treaty on the EAEU within the EAEU free movement of goods, services, capital and labor, as well as coordinated, coherent or common policy in the sectors defined in the Treaty and international agreements within the EAEU were established by the Member States of the EAEU.
The legal status of the EAEU is the international organization of regional economic integration with international legal personality.
The official bodies of the EAEU are:
- Supreme Eurasian Economic Council (the level of the Presidents of the Member States);
- Eurasian Inter-Governmental Council (the level of the Prime Ministers of the Member-States);
- Commission;
- Court of the Eurasian Economic Union.

The permanent governing body of the EAEU is the Eurasian Economic Commission which originated from the permanent supranational regulatory body of the Customs Union and the SES. The keystone of its activity are the interests of the Eurasian community as an integrated unit where no national interests prevail over those of the community. Decisions of the Commission are binding on the territory of the EAEU Member states.

The Commission consists of the Council and the Board. The Board of the Commission consists of twelve members (each Member State nominates 3 Members of the Board, Ministers, one of them acts as a Chairman of the Board. All of the Commission's decisions are made by consensus.

The Chairman and Members of the Board are appointed by the Supreme Eurasian Economic Council for a four-year renewable term and act independently from the government that nominates them. Decisions of the Commission are passed by vote, with each Member of the Board representing the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation having one vote, and Members of the Board representing the Republic of Armenia and the Kyrgyz Republic have one joint vote.

The work of the Commission comprises separate functions, each supervised by a Board Member (Minister) and each encompassing a number of areas of economic activity. Members of the Board and Commission's Departments coordinate with the relevant government bodies within their respective fields of expertise.

At present the Commission comprises of 23 Departments, which are divided into several blocks: Integration and Macroeconomics, Industry and Agriculture, Technical Regulation, Energy and Infrastructure, Economy and Financial Policy, Trade, Customs Cooperation, Competition and Antitrust regulation. Besides, 17 consultative committees have been established for the Departments to elaborate proposals for the Commission's Board and to negotiate with national bodies of the Member States. Each committee is supervised by a Board Member (Minister) in compliance with the relevant sphere of competence.

One of the major principles of the Commission's activity is to maintain an inclusive dialogue with key partners. The first level of dialogue is interstate, which entails the establishment of an effective cooperation with national bodies during the decision-making process. The second level is a direct collaboration with business community.

Major spheres of competence of the Eurasian Economic Commission are as follows:

- Customs tariff and non-tariff regulation;
- Customs regulation;
- Technical regulation;
- Sanitary, veterinary and phytosanitary measures;
- Payment and distribution of import customs duties;
- Establishment of trade regimes in respect to third countries;
- Statistics of foreign and mutual trade;
- Macroeconomic policy;
- Competition policy;
- Industrial and agricultural subsidies;
- Energy policy;
- Natural monopolies;
- Government procurement;
- Reciprocal trade in services and investments;
- Transportation and haulage;
- Monetary (currency) policy;
- Intellectual property rights;
- Labour migration;
- Financial market (banks, insurance, foreign exchange market, securities market).

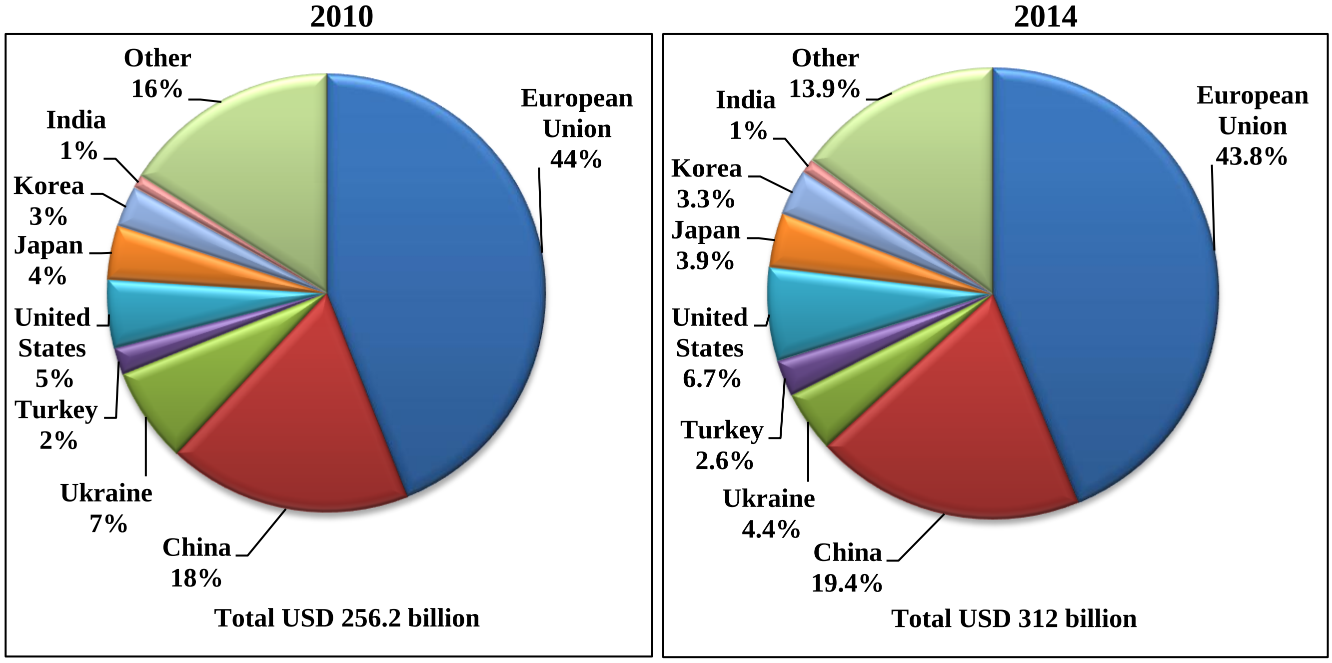
Major trade partners for goods

Since 2010 the top ten trading partners of the EAEU has not significantly changed. In 2014, the EU was the largest source of imports (with 43.8% of market share), followed by China (19.4%), USA (6.7%), Ukraine (4.4%) and Japan (3.9%). The market share of these countries together is almost 80% of the EAEU total imports (Chart 1, Table 4).

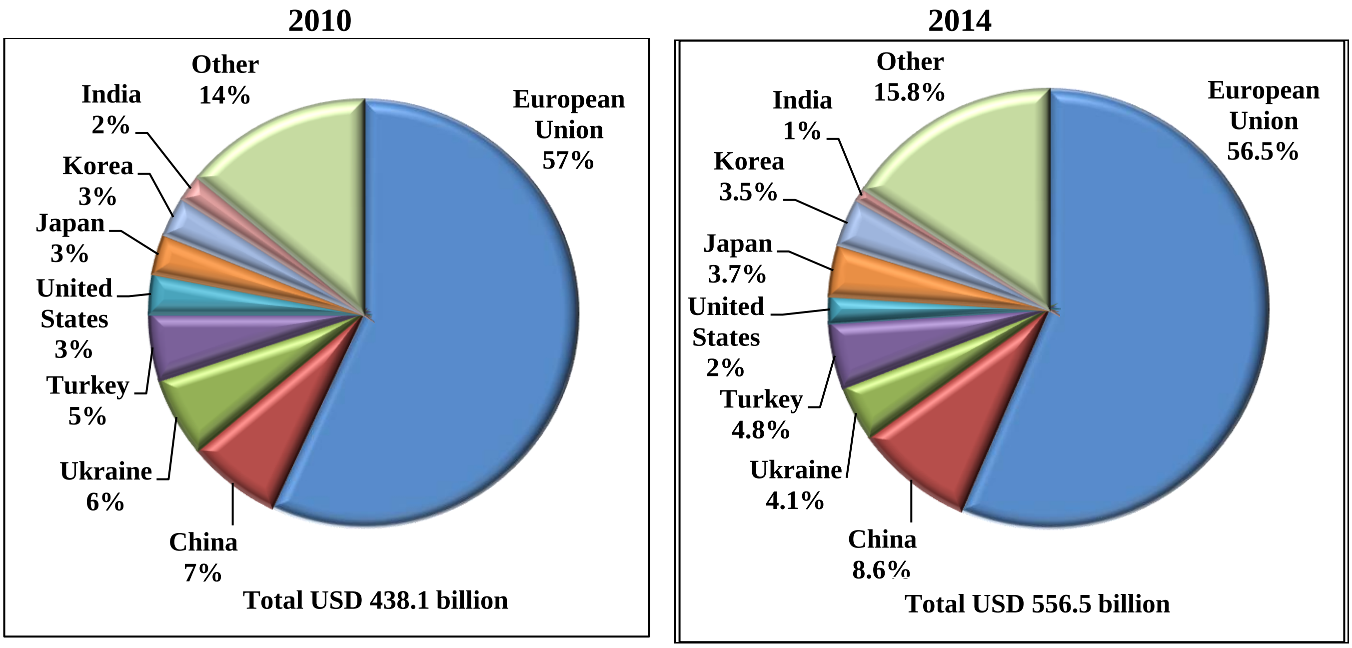
With regard to export partners, the EU remains the most important destination for the EAEU (with 56.5% of market share in 2014), followed by China (8.6%), Turkey (4.8%), Ukraine (4.1%) and Japan (3.7%) (Chart 2, Table 4).

Chart 1: EAEU Major Trade Partners in 2010 and 2014

(a) Import



(b) Export



Source: Eurasian Economic Commission calculations, based on data provided by the relevant EAEU's statistical agencies, 2016.

Table 4: EAEU Trade with 10 Major Trade Partners (USD Billion)

2010				2014			
	Import	Export	Total		Import	Export	Total
EU	110.7	250.6	361.3	**EU**	136.7	314.4	451.1
China	44.6	30.9	75.5	**China**	60.5	47.9	108.4
Ukraine	17.2	26.4	43.6	**Ukraine**	13.7	22.8	36.5
Turkey	5.7	21.7	27.4	**Turkey**	8.1	26.7	34.8
USA	13.0	13.3	26.2	**Japan**	12.2	20.6	32.8
Japan	11.0	13.7	24.7	**USA**	20.9	11.1	32
South Korea	7.9	10.7	18.6	**South Korea**	10.3	19.5	29.8
Switzerland	2.7	10.1	12.8	**Switzerland**	3.1	11.1	14.2
India	2.5	6.8	9.3	**India**	3.1	5.6	8.7
Brazil	4.5	2.5	7.0	**Brazil**	2.6	4.8	7.4

Source: Eurasian Economic Commission calculations, based on data provided by the relevant EAEU's statistical agencies, 2016

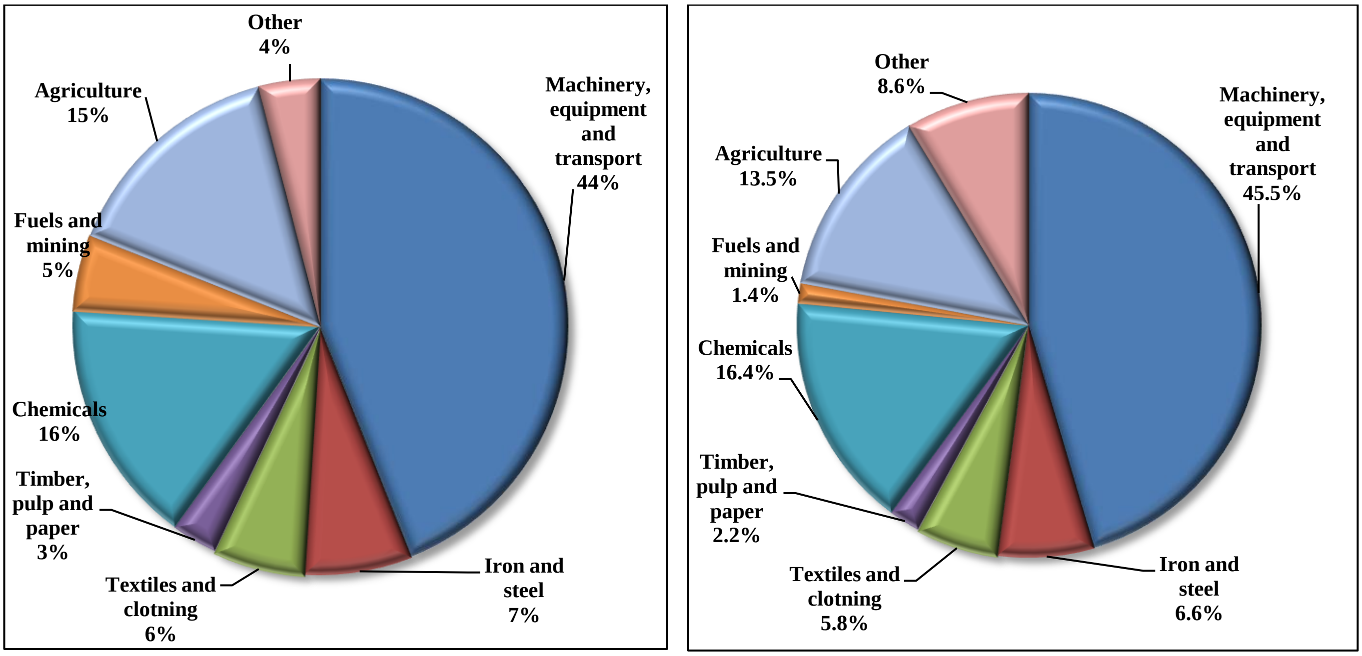
Structure of the EAEU trade in 2010 and 2014

Machinery, equipment and transport, together with chemicals are the most buoyant import categories of the EAEU comprising 45.5% and 16.4% of total imports of the EAEU in 2014 respectively. Together with agriculture products (13.5%), these three major categories account for almost 80% of the EAEU imports. From 2010 to 2014 the share of machinery, equipment and transport in EAEU's exports was declining similarly as is the share of fuels and mining products (76.0% in 2010 and73.3% in 2014) in the EAEU exports. Following the rapid increase of the world energy prices (mostly between 2009 and 2012) the value of fuels and mining exports has increased from USD 332 Billion in 2010 to USD 408 Billion in 2014. In 2014, iron and steel and chemicals accounted for 7.7% and 5% of the EAEU exports respectively (Chart 2).

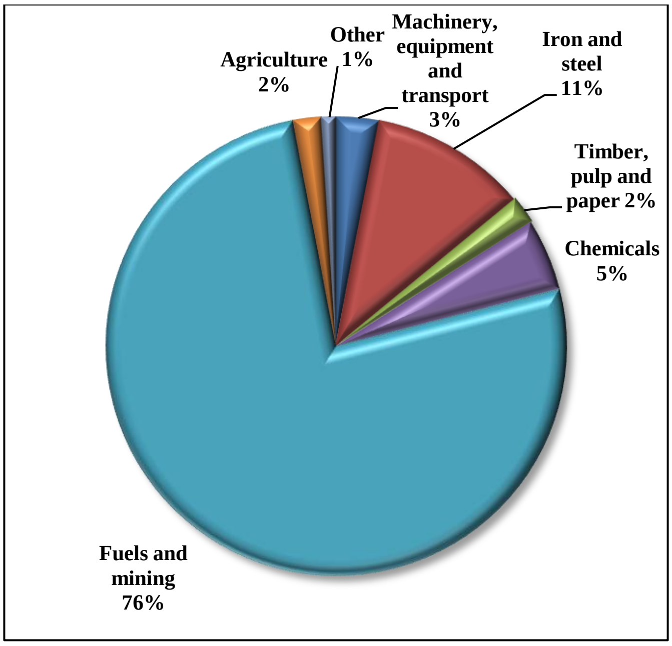
Chart 2: Structure of EAEU Trade in 2010 and 2014

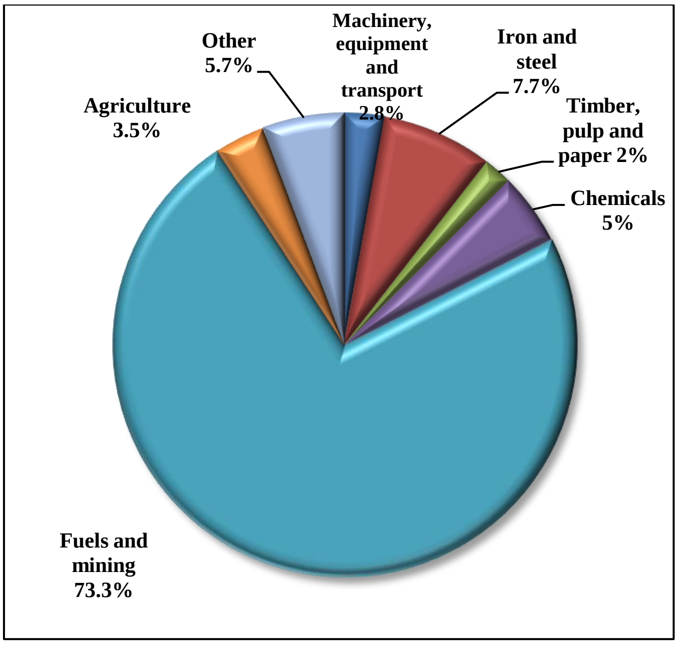
(a) Import

2010 **2014**



(b) Export





Source: Eurasian Economic Commission calculations, based on data provided by the relevant EAEU's statistical agencies, 2016

2.1.3 Overview of the EAEU and its Member States FTAs practice

The EAEU has made serious efforts to strengthen bilateral economic cooperation through the conclusion of free trade agreements. Although this cooperation faced some constraints, as until recently negotiations on possible FTAs were influenced to a large degree by ongoing negotiations on Russia's accession to the WTO.

Commonwealth of Independent States FTA

The Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation are Parties of the Free Trade Area of the Commonwealth of Independent States formed among the five mentioned States and the Republic of Moldova, the Republic of Tajikistan, Ukraine and the Republic of Uzbekistan. The Treaty on a Free Trade (CIS FTA) was singed on October 18, 2011 and entered into force for the Kyrgyz Republic on January 12, 2014, the Republic of Armenia on September 11, 2012, the Republic of Belarus and the Russian Federation on September 20, 2012 and for the Republic of Kazakhstan on December 8, 2012.

The CIS FTA is based on the WTO rules and provides for the free movement of goods within the territory of its Parties. With regard to exemptions from the free trade regime, all the EAEU Member States except the Republic of Armenia include only white sugar in the list of products excluded from the Free Trade Agreement. The Republic of Armenia has no exemptions from the free trade regime within the CIS FTA.

Disputes between the Parties to the CIS FTA concerning its implementation are to be settled by the Economic Court of the CIS or by the arbitral panels within the dispute settlement mechanism provided by the CIS FTA. The disputes arising between the Parties to the CIS FTA out of the WTO rules can also be settled under the WTO dispute settlement procedures (for those Parties to the CIS FTA who are the WTO Members).

The Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation also have bilateral FTAs with the Republic of Azerbaijan (except Armenia), Georgia (except Kyrgyzstan) and Turkmenistan (except Kazakhstan and Kyrgyzstan). The Kyrgyz Republic has bilateral FTAs with the Republic of Moldova, the Republic of Tajikistan and the Republic of Uzbekistan. These agreements were concluded in the period from 1991 to 2004 and generally provide non-application of import customs duties. Some Agreements provide for several exceptions from this rule (like white sugar, ethyl alcohol and tobacco) which are practically the same.

FTA with the Republic of Serbia/the Federal Republic of Yugoslavia

The Republic of Belarus and the Republic of Kazakhstan have signed bilateral free trade agreements with Serbia in March 2009 and October 2010 respectively. The Russian Federation has signed bilateral free trade agreement with the Federal Republic of Yugoslavia in August 2000 and Protocol to this Agreement with Serbia in July 2011.

The aim of these FTAs was to improve and deepen mutual trade and economic ties between the countries.

The EAEU Member States (Armenia and Kyrgyzstan do not have an FTA agreement with Serbia) have the identical exemptions from the free trade regime. The list of products, excluded from the Free Trade Agreements contains the following goods: poultry and edible waste, some sorts of cheese, white sugar, sparkling wine, ethyl-alcohol, cigars and cigarettes, cotton yarn and fabric, special woven fabrics, some types of compressors, tractors and new and used passenger cars.

FTA with the Social Republic of Vietnam

The Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation have signed the Free Trade Agreement with the Socialist Republic of Vietnam on May 29, 2015. The Agreement will enter into force after 60 days from the date of receipt of the last written notification certifying that the Member States of the Eurasian Economic Union and Vietnam have completed their respective internal legal procedures.

The Agreement provides mutual obligations for liberalization in trade in goods. Provisions of the Agreement concerning the liberalization of trade in services, investment and movement of natural persons cover relations only between the Russian Federation and the Socialist Republic of Vietnam.

The list of products, excluded from the Free Trade Agreement contains goods such as certain type of preparation of meat, confectionery, salt, products of precious metals, special purpose vehicles.

FTAs under Negotiations

The EAEU Member States have started negotiations with New Zealand and with the European Free Trade Association in 2010.

The decisions on launching an FTA Joint Feasibility Study with the State of Israel and the Arab Republic of Egypt were taken in 2013 and 2014 respectively.

The EAEU considers that as a rule new FTAs should be of a comprehensive nature and go beyond import tariffs and have provisions concerning non-tariff barriers, sanitary and phytosanitary measures, technical barriers to trade, trade in services and investments, intellectual property rights, government procurement, competition, e-commerce, sustainable development and other trade related issues.

2.2 Overview of Indian Economy and Trade Policy

2.2.1 Analysis of Indian Economy (Economic Indicators, Structure And Policy)

The Indian economy is characterized by strong macroeconomic fundamentals. It has displayed growth dynamism in the recent past. In fact, the Indian economy is the fastest growing economy in the world and is expected to remain so in the coming years as per the projections made by various multilateral institutions such as the IMF and the World Bank. As evident from Table 5, the annual GDP growth has hovered around 6-7 percent in recent years suggesting growth resilience even in the wake of the post-2008 global economic meltdown. Currently, GDP at current prices has crossed USD 2 trillion. What is even more striking is a sustained annual percentage growth in GDP per capita making it reach above USD 1600 in 2014.

In terms of investment expressed as gross fixed capital formation as a percentage of GDP the figure has been in the ranges of 28 to 33 percent; however it has registered a marginal decline in the last couple of years. Similar trends are observed also in the gross domestic savings as a percentage of GDP which was 29 percent in 2014. Nevertheless, both investment ratio and savings ratio suggest that there is considerable head-room to augment both of them. The current account deficit as a percentage of GDP has declined from 3.19 percent (2010) to 1.51 percent (2014). There has been improvement in fiscal deficit as percentage of GDP which currently stands at 4.09 percent in 2014 however it needs to be curtailed further. Inflation measured as GDP deflator has remained under control by registering a steady decline from 8.98 percent (2010) to 3.83 percent (2014).

Exports of goods and services have increased from USD 380 billion (2010) to USD 496 billion (2014), despite a slowdown in global demand. On the other hand, imports of goods and services have also increased from USD 452 billion (2010) to USD 548 billion (2014) due to economic growth dynamism. Resultantly, both exports and imports as percent of GDP have remained quite stable, with both together accounting for around 50 percent of GDP. Foreign Direct Investments have also displayed a steady trend in terms of annual inflows, although the share of FDI in GDP does not show much fluctuation (Table 5).

Table 5: India's Macroeconomic Indicators

Indicator Name	2010	2011	2012	2013	2014
Economic Growth					
GDP (current USD trillion)	1.71	1.84	1.83	1.86	2.07
GDP growth (annual %)	10.26	6.64	5.08	6.90	7.42
GDP per capita (current USD)	1417.07	1503.34	1481.20	1486.90	1630.82
GDP per capita growth (annual %)	8.84	5.28	3.76	5.58	6.12
Domestic Sector					
Gross fixed capital formation (% of GDP)	30.92	33.64	31.40	29.69	28.55
Gross domestic savings (% of GDP)	32.16	32.46	29.60	29.56	29.01
Current account balance (% of GDP)	-3.19	-3.41	-4.99	-2.64	-1.51
Fiscal Deficit (% of GDP)	4.79	5.84	4.91	4.43	4.09
Inflation, GDP deflator (annual %)	8.98	6.40	7.63	6.25	3.83
External Sector					
Exports of goods and services (current USD Billion)	380	450	451	472	496
Exports of goods and services (% of GDP)	21.97	24.27	24.43	25.16	23.59
Imports of goods and services (current USD Billion)	452	560	577	526	548
Imports of goods and services (% of GDP)	26.34	30.75	31.12	28.12	25.96
Foreign direct investment, net inflows (BoP, current USD Billion)	35	41	24	36	38
Foreign direct investment, net inflows (% of GDP)	1.60	1.99	1.31	1.51	1.66

Source: World Bank Indicators, 2016

The structure of the Indian economy, as is well-known, is dominated by the services sector which accounts for more than 50 percent of GDP. The remaining portion is accounted for by industry which has around 30 percent share in GDP (2014) followed by agriculture which is around 17 percent (2014). What needs to be highlighted here, as evident from Table 2, is the fact that as a subset of industry the manufacturing sector has remained stagnant at 17-18 percent of GDP. In terms of growth of these sectors too, services sector leads by around 10.63 percent (2014) followed by industry at 5.94 percent (2014) and agriculture at 1.11 percent (2014). The manufacturing sector has shown a little higher growth than the industrial sector as a whole. Given the low share of manufacturing in GDP, the manufacturing policy adopted aims to increase its share in GDP to 25 percent and the newly launched Make in India is a major effort in this direction (Table 6).

Table 6: Structure of the Indian Economy

Indicator	2010	2011	2012	2013	2014
Agriculture, value added (% of GDP)	18.21	18.37	18.04	17.95	16.96
Industry, value added (% of GDP) (Manufacturing, value added (% of GDP)	27.15 (14.80)	33.10 (18.08)	31.93 (17.88)	30.73 (17.26)	30.05 (17.03)
Services, etc., value added (% of GDP)	54.64	48.52	50.03	51.31	52.99
Sectoral Performance					
Agriculture, value added (annual % growth)	8.60	5.02	1.19	3.66	1.11
Industry, value added (annual % growth) (Manufacturing Value Added (annual % growth)	7.55 (8.86)	7.81 (7.41)	2.43 (6.22)	4.53 (5.32)	5.94 (6.75)
Services, etc., value added (annual % growth)	9.67	6.57	8.04	9.05	10.63

Source: World Bank Indicators, 2016

India's trade with rest of the world has been growing since 2010 until 2013 when this trend stopped due to the adverse global economic conditions. India's trade turnover with the rest of the world decreased in 2013 by 0.58%. In the course of the year imports decreased by 4.5 % and exports increased by 6% (Table 7).

Table 7: Trade in Goods (USD Billion)

Year	Exports	Imports	Total	Growth (%)	
				Exports	Imports
2010	222.92	350.78	573.71		
2011	307.09	465.08	772.16	37.75	32.58
2012	297.26	490.41	787.67	-3.20	5.45
2013	315.13	467.95	783.08	6.01	-4.58
2014	317.73	460.51	778.25	0.83	-1.59
2015	266.25	405.51	671.77	-16.20	-11.94

Source: IMF DOTS, 2016

2.2.2 Overview of Indian Trade Policy

The Foreign Trade Policy (FTP) Statement explains the vision, goals and objectives underpinning the FTP for the period 2015-2020. It describes the market and product strategy envisaged and the measures required not just for export promotion but also for the enhancement of the entire trade ecosystem. The vision is to make India a significant participant in world trade by the year 2020 and to enable the country to assume a position of leadership in the international trade discourse. Government aims to increase India's exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and to raise India's share in world exports from 2 percent to 3.5 percent during the same period.

The FTP for 2015-2020 seeks to provide a stable and sustainable policy environment for foreign trade in merchandise and services; link rules, procedures and incentives for exports and imports with other initiatives such as *Make in India*, *Digital India* and *Skills India* to create an 'Export Promotion Mission'; promote the diversification of India's export basket by helping various sectors of the Indian economy to gain global competitiveness; create an architecture for India's global trade engagement with a view to expanding its markets and better integrating with major regions, thereby increasing the demand for India's products and contributing to the *Make in India* initiative; and to provide a mechanism for regular appraisal in order to rationalize imports and reduce the trade imbalance.

The need to ensure that the FTP is aligned with both India's interests in the negotiations, as well its obligations and commitments under various WTO Agreements has been an important consideration in framing this Policy. In the ongoing Doha Round of trade negotiations, India will continue to work towards fulfilling its objectives and to work with like-minded members to remove any asymmetries in the multilateral trade rules which place a developing country at a disadvantage, such as the rules relating to public stockholding for food security purposes. The current WTO rules as well as those under negotiation envisage the eventual phasing out of export subsidies. This is a pointer to the direction that export promotion efforts will have to take in future, i.e. towards more fundamental systemic measures rather than incentives and subsidies alone.

The three mega agreements that are currently being negotiated namely the Trans Pacific Partnership, Trans-Atlantic Trade and Investment Partnership and the Regional Comprehensive Economic Partnership (RCEP) add a completely new dimension to the global trading system. India is a party to the RCEP negotiations. The mega agreements are bound to challenge industry in many ways, for instance, by eroding existing preferences for Indian products in established traditional markets such as the US and EU and establishing a more stringent and demanding framework of rules. Indian industry needs to gear up to meet these challenges for which the Government will have to create an enabling environment.

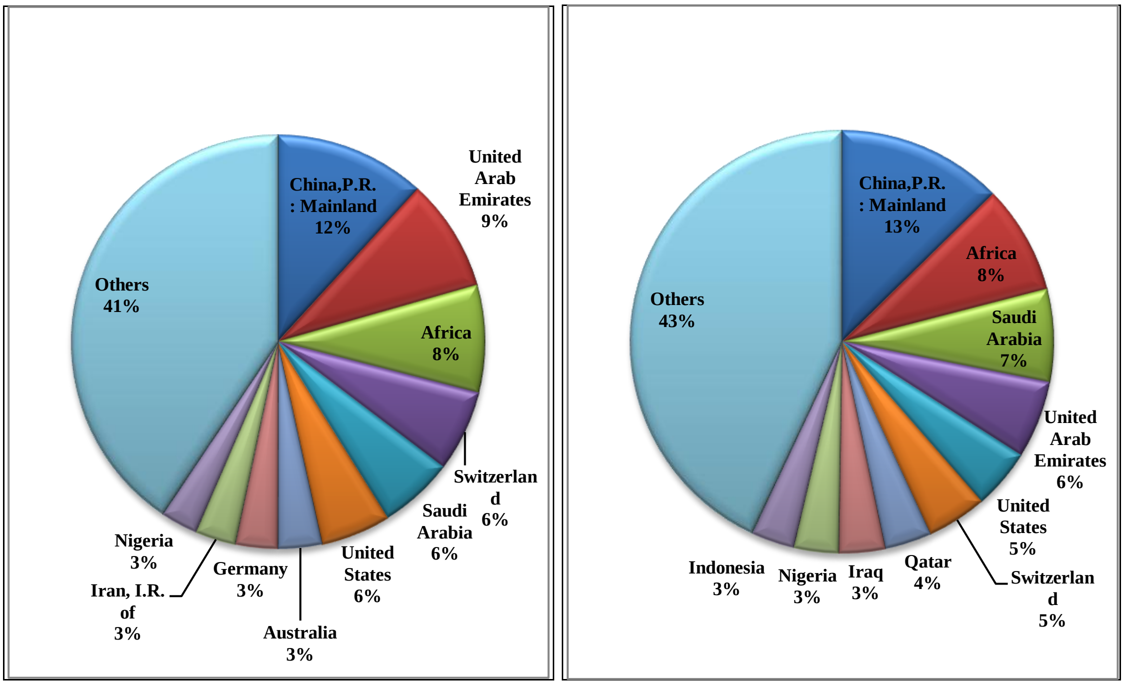
Major trade partners for goods

Since 2010 the list of India's top ten trading partners has not significantly changed but three countries that were in the 10 main trading partners list in 2010 were replaced by Qatar, Iraq and Indonesia in 2014. In 2014, China was the largest source of import (with 13% of the market share) followed by Africa (8%), Saudi Arabia (7%), United Arab Emirates (6%), Switzerland and Qatar (5% each). The total market share of these countries is over 55% of the India's total imports (Chart 3(a), Table 8).

With regards to export partners, United States is the most important destination for India (with 13% of the market share in 2014), followed by United Arab Emirates (11%), Africa (10%), China, Saudi Arabia and Europe (4% each) (Chart 3(b), Table 8).

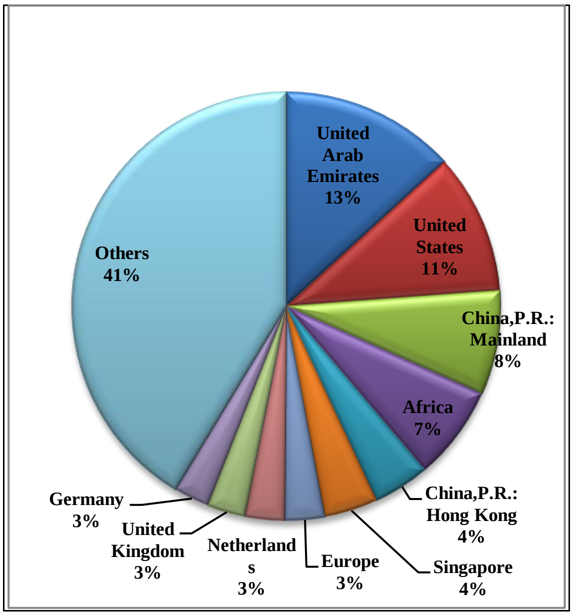
Chart 3: India's Major Trade Partners in 2010 and 2014

(a) Imports

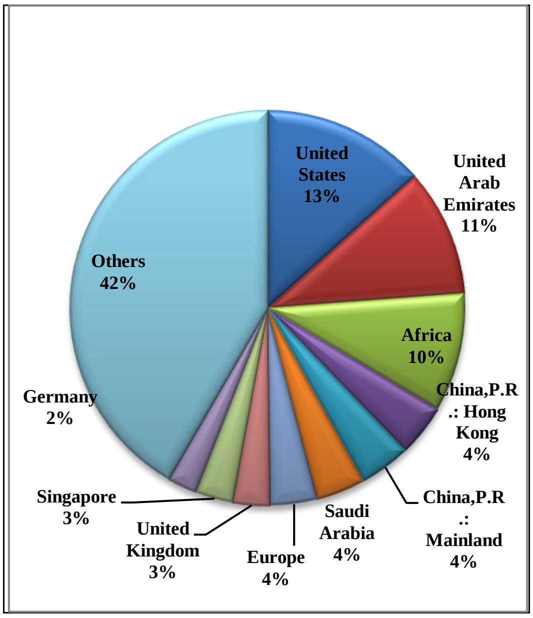


2010 **2014**

(b) Exports



2010



2014

Source: IMF DOTS, 2016

Table 8: India's Trade with 10 Major Trade Partners (USD Billion)

2010	
COUNTRY	**IMPORT**
China,P.R.: Mainland	41.33
United Arab Emirates	30.98
Africa	29.32
Switzerland	22.29
Saudi Arabia	20.41
United States	19.14
Australia	12.07
Germany	11.47
Iran, I.R. of	11.11
Nigeria	10.30
Others	142.37

2014	
COUNTRY	**IMPORT**
China,P.R.: Mainland	58.28
Africa	38.42
Saudi Arabia	32.58
United Arab Emirates	27.21
United States	21.23
Switzerland	21.17
Qatar	16.47
Iraq	16.10
Nigeria	15.67
Indonesia	15.26
Others	198.11

2010	
COUNTRY	**EXPORT**
United Arab Emirates	29.51
United States	23.61
China,P.R.: Mainland	17.52
Africa	15.82
China,P.R.: Hong Kong	9.52
Singapore	9.09
Europe	6.68
Netherlands	6.58
United Kingdom	6.42
Germany	6.00
Others	92.17

2014	
COUNTRY	**EXPORT**
United States	42.50
United Arab Emirates	33.17
Africa	30.86
China,P.R.: Hong Kong	13.51
China,P.R.: Mainland	13.25
Saudi Arabia	12.80
Europe	12.14
United Kingdom	9.68
Singapore	9.64
Germany	7.75
Others	132.44

Source: IMF DOTS, 2016

Structure of India's Trade in 2010 and 2014

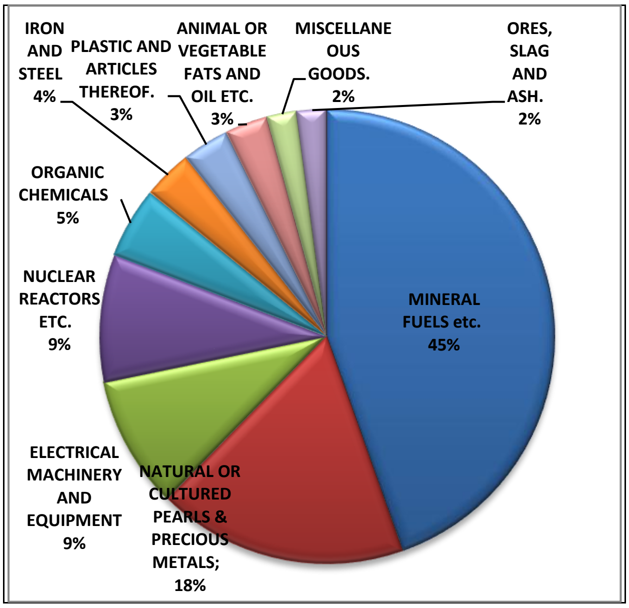
Mineral fuels, mineral oil , mineral waxes along with natural or cultured pearls, precious or semiprecious stones premetals, clad with premetals, jewellery, coin are the most buoyant import categories of India with 39% and 26% of total imports in 2014 which were earlier 45% and 18% in 2010 respectively. Together with nuclear reactor, boilers, machinery and mechanical appliances (10%) and electrical machinery and equipments and parts thereof, sound recorders and reproducers(9%) ,these four major categories account for more than 80% of India's total imports.

Natural or cultured pearls, precious or semiprecious stones premetals, clad with premetals, jewellery, coin along with mineral fuels, mineral oil, mineral waxes were the most buoyant export categories both in 2010 and 2014, with 29% and 28% export share in 2010 and 32% and 23% share in 2014 respectively.

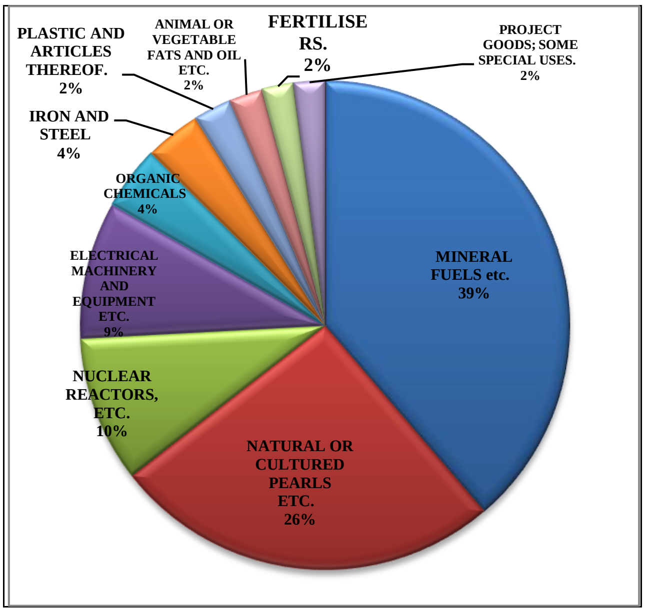
Chart 4: Structure of India's Trade in 2010 and 2014

(a) Imports

2010

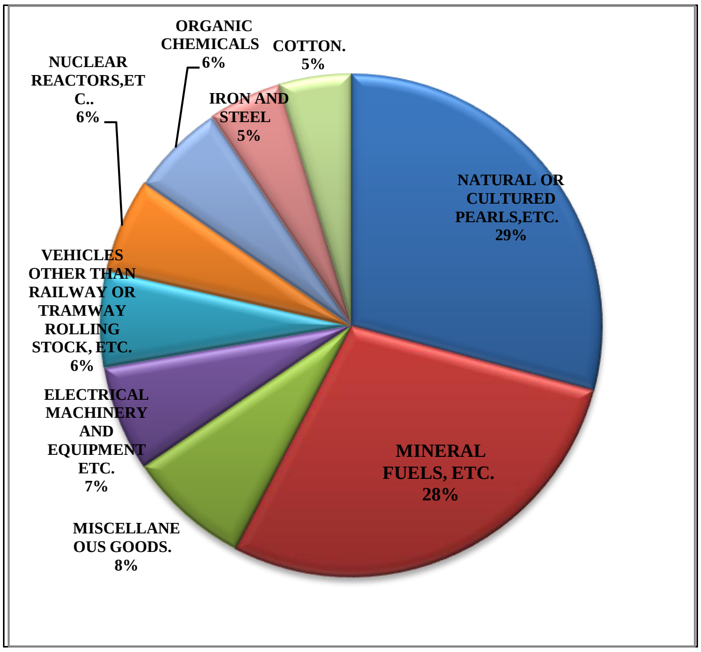


2014

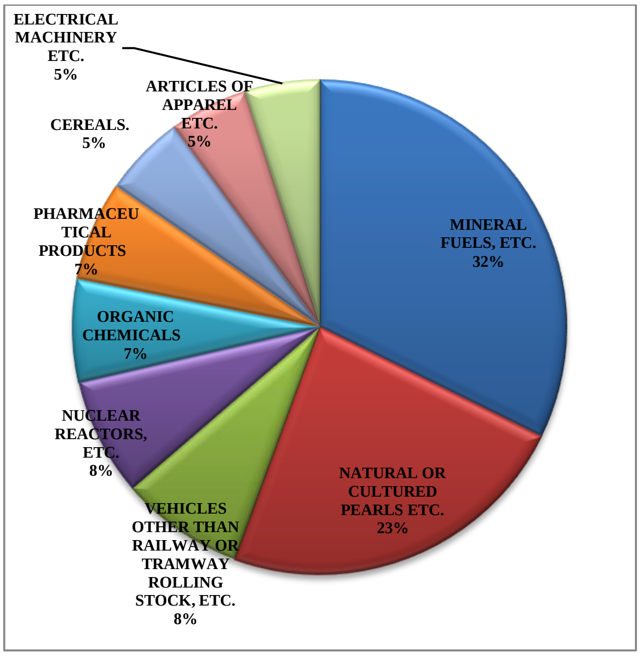


(b) Export

2010



2014



Source: Ministry Of Commerce, Government Of India, 2016

2.2.3 Overview of Indian FTAs and practice

In order to put exports on a high growth trajectory, India needs a market diversification strategy based on the changing dynamics of growth in the world economy. So far India's bilateral trade engagement has been mainly with the industrial powers or driven by multiple considerations. In future engagements, India will engage with regions and countries that are not only promising markets but are also major suppliers of critical inputs and have complementarities with the Indian economy. Bilateral and regional trading arrangements have gradually become permanent features of the global trading architecture. As per WTO statistics there were 398 Regional Trade Agreements (RTAs) in force as of January 2015, covering both goods and services. RTAs have clearly become the rule rather than the exception.

India has been actively engaging in regional and bilateral trade negotiations with a view to diversifying and expanding the markets for its exports as well as ensuring access to raw materials, intermediates and capital goods for stimulating value added domestic manufacturing. RTAs are an important means to take advantage of tariff reduction, address non-tariff barriers, facilitate the integration of the economy into global value chains and production networks and also attract investment in potential growth sectors. With the declining role of tariffs, non-tariff barriers, including TBT and SPS measures, are increasingly becoming more crucial and RTAs provide a potentially effective tool to address such measures. The need to attract foreign investment for boosting manufacturing and increasing competitiveness, thereby generating employment, is also a consideration for entering into Comprehensive Economic Cooperation Agreements (CECAs) and Comprehensive Economic Partnership Agreements (CEPAs).

India has, so far, signed 11 FTAs and 5 limited Preferential Trade Agreements (PTAs) and is negotiating 17 FTAs, including the expansion of some of the existing FTAs/PTAs. While the negotiations are ongoing for several agreements, some new initiatives have been taken. Recognizing the complementarity between India and Peru; and between India and the Customs Union of Belarus, Kazakhstan and the Russian Federation, two Joint Study Groups have been established to recommend the approach and process for RTAs with these countries.

The focus of India's future trade relationship with its traditional markets in the developed world would be to:

- Increase, or at least, retain market share in these markets;

- Move up the value chain in these markets (this in turn, would provide an opportunity to introduce modern, international standards in India's manufacturing and service delivery);
- Optimize applied customs duties in order to enable the import of inputs for India's manufacturing sector; and to
- Supply high quality inputs for the manufacturing sector in these markets.

A List of India's FTAs / CECAs/CEPAs is given in Annex I.

India's Approach to FTAs / CECAs

The broad approach towards bilateral and regional FTAs/CECAs include:

- Substantial Trade Coverage
- Sensitive List with no tariff reduction commitments
- Tariff reduction up to 5 percent in trade in goods
- Tariff reduction over a reasonable Phase-out period
- Benefits of tariff reduction subject to fulfilment of Rules of Origin (ROO)
- Special and Differential Treatment, wherever applicable
- Single Undertaking with trade in goods, trade in services and investment covered

3. Trade in Goods

Trade in goods

The possible FTA between the EAEU and India will have a positive impact on bilateral trade in goods and economic welfare, enhancing the scope of economic relations and opening new opportunities for business of both partners.

The results of joint feasibility study demonstrate some of the following major **benefits** of a possible FTA:

- Economic modeling shows a potential for substantial increase in welfare gains as a percentage of GDP for both Sides due to a possible FTA;
- The total bilateral trade due to possible FTA has the potential of additional growth up to USD 37-62 billion;
- The exports from the EAEU Member States to India has the potential of additional growth up to USD 23-38 billion;
- The exports from India to the EAEU Member States has the potential of additional growth up to USD 14-24 billion;
- Elimination of tariffs by India may increase the EAEU Member States' exports to India for different categories of products including:
  - For agricultural products: crops, vegetables oils, food preparation products, vegetables , beverages, including mineral water;
  - For industrial products: fertilizers, machinery and equipment, motor vehicles, some types of turbojets, salt, steel products, chemical, rubber, plastic, including polyimides, wood products;
- Elimination of tariffs by the EAEU may increase India's exports to the EAEU for different categories of products including:
  - For agricultural products: crops, other food processing, tea, miscellaneous edible preparations;
  - For industrial products: pharmaceutical, textiles, clothing, chemicals, electrical equipment and machinery;
- Possible liberalization in trade in goods would contribute to:
  - Improvement of business environment and cooperation in all sectors of economies;
  - Tightening the bilateral trade relationship between the EAEU and India;
  - Improvement in market efficiency, manufacturing productivity and further utilization of comparative advantages of both Sides;
  - Price decrease for consumer goods and raw materials produced and exported by both Sides;
  - Other cooperation initiatives in different economic areas;
- The JFSG Report also shows rich potential in a wide range of sectors amenable to enhanced bilateral trade in services and investment; and
- In order to achieve effectively potential trade and economic cooperation between the Sides JFSG Report also looked into various trade-related aspects, including provision on Customs Procedures and Trade Facilitation, Rules of Origin, Sanitary and Phytosanitary measures, Technical Barriers to Trade, Trade Remedies, etc.
- The Sides have great possibilities to contribute to the competitiveness of industrial sectors in each Member country to the FTA, enhancing two-way trade and improving conditions for business cooperation. Also the findings of the JFSG Report indicate that the liberalization of trade in agricultural and industrial goods could bring sufficient positive opportunities for both Sides;
- Special attention during negotiations on tariff liberalization should be paid to the goods of the main export interest of both Sides. The successful accomplishment of improvement of market access conditions for the key export products will boost trade in both agricultural and industrial goods, maximizing the mutual benefits from an FTA. At the same time specific differences in economic development and other relevant elements of the economies of both Sides should also be taken into account.
- Although the possible FTA would bring significant benefits for both the EAEU and India, there are a number of possible challenges, including inter alia the need to balance the benefits for the Member countries to the FTA, securing proportionate protection to sensitive industries etc.

The results of JFS shows that in case of full tariff liberalization the most important potential benefits for the EAEU could be reached forthe following items:

- for Armenia: medicaments nes, in dosage, copper ores and concentrates, gold in other semi-manufacted form, household preserving jars from glass, ferro-molybdenum.
- for Belarus: potassium chloride for use as fertilizer, carnallite, sylvite and other crude natural potassium salts and mixtures of potassic fertilizers, polyamides, acrylonitrile, as well as machinery and equipment, motor vehicles
- for Kazakhstan: asbestos, ferro-chromium.
- for Kyrgyzstan: gold in unwrought forms, aircraft nes of an unladen weight exceeding 15,000 kg, cotton, not carded or combed, motor vehicle parts, ferrous waste and scrap, iron or steel.
- for Russia: dried, shelled peas, dried, shelled chickpeas, asbestos, agglomerated iron ores, anthracite, whether or not pulverized.

In accordance with JFS's results, the most important potential benefits for India in trade with Member states will be in case of full tariff liberalization of the following items:

- with Armenia: light petroleum distillates, aviation spirit, aluminium unwrought, not alloyed, cigarettes containing tobacco, chocolate and other food preparations.
- with Belarus: extracts, essences and concentrates, tobacco, partly or wholly stemmed, heterocyclic compounds with nitrogen, medicaments containing antibiotics, medicaments containing alkaloids.
- with Kazakhstan: black fermented tea, cucumbers and gherkins, tobacco, partly or wholly stemmed, medicaments containing antibiotics, medicaments containing alkaloids.
- with Kyrgyzstan: dump trucks designed for off-highway use, shovels and excavators, polyethylene terephthalate, sugar confectionery, towers and lattice masts, iron or steel.
- with Russia: fresh grapes, black fermented tea, mucilages and thickeners, cucumbers and gherkins, extracts, essences and concentrates of coffee.

The EAEU and India have possibilities to contribute to the competitiveness of industrial sectors in each country of the FTA, enhancing two-way trade and improving conditions for business cooperation. Also the findings of JFS indicate that the liberalization of agricultural goods trade could bring sufficient positive opportunities for both sides.

Special attention during negotiations on tariff liberalization should be paid to the goods of the main export interest of both sides. The successful accomplishment of improving market access conditions for the key export products will boost trade in both agricultural and industrial goods, maximizing the mutual benefits from an FTA. At the same time specific differences in economic development and other relevant elements of the economies of both sides should also be taken into account.

India

Some interesting insights emerge when India's trade in goods is analyzed separately for agriculture and industrial goods (see Table 9). Exports of agricultural goods have increased from USD 19 Billion (2010) to USD 32 Billion (2014). It is interesting to note that the share of these goods in total exports has increased from 7.64 percent (2010) to 10.35 percent (2014) but the growth rate of these exports has declined from 35.69 percent (2010) to -6.9 percent (2014). In terms of imports of agricultural goods, an increase from USD 12 Billion (2010) to USD 19 Billion (2014) is observed with their share in total imports increasing from 3.25 percent to 4.41 percent during the same period; also the growth rate has increased from 0.59 percent to 19.5 percent in the same period.

The exports of industrial goods have increased from USD 230 Billion (2010) to USD 278 Billion (2014) registering a marginal decline in the share of total exports from 92 percent to 90 percent along with growth rate declining from 40 percent to -6 percent over 2010-2014. On the imports front, industrial goods has increased from USD 357 Billion (2010) to USD 428 Billion (2014) with their share in total imports registering a slight decline from 97 percent to 96 percent as along with decline in growth rate from 29.42 percent to -1.24 percent between 2010 and 2014. Quite clearly, trade in industrial goods occupies a very high share in India's total trade in goods both in terms of exports and imports. On the other hand, imports of agricultural goods are usually lower than their exports whereas, the converse is true in the case of trade in industrial goods.

Table 9: India's Trade in Agricultural & Industrial Goods

	2010-11	2013-14	2014-15
		Exports	
Trade Value (USD Million)	19089.96	34513.31	32128.95
Share in Total Exports (%)	7.64	10.98	10.35
Growth Rate (%)	35.69	2.23	-6.9
		Imports	
Trade Value (USD Million)	12048.62	16540.47	19767.88
Share in Total Imports (%)	3.25	3.67	4.41
Growth Rate (%)	0.59	-12.15	19.5
		India's Trade in Industrial Goods	
	2010-11	**2013-14**	**2014-15**
		Exports	
Trade Value (USD Million)	230725.07	279891.42	278209.01
Share in Total Exports (%)	92.35	89.02	89.65
Growth Rate (%)	40.1	4.96	-6.01
		Imports	
Trade Value (USD Million)	357720.04	433658.85	428265.05
Share in Total Imports (%)	96.74	96.32	95.58
Growth Rate (%)	29.42	-8.1	-1.24

Source: Ministry of Commerce & Industry, GOI, 2016

3.1 Bilateral Trade: Overview

The bilateral trade between India and EAEU is presented in Table 10. India's total exports to the Member States of EAEU stood at USD 2.6 Billion (2014) which is too meagre. Of which, the majority of exports is accounted by Russia (USD 2.2 Billion) followed by Kazakhstan (USD 243 Million), Armenia (USD 96 Million), Belarus (USD 51 Million) and Kyrgyzstan (USD 36 Million). Although total imports from EAEU by India is higher at USD 5.4 Billion (2014). It also has Russia accounting for the maximum imports (USD 4.2 Billion) followed by Kazakhstan (USD 923 Million), Belarus (USD 199 Million), Armenia (USD 1.85 Million) and Kyrgyzstan (USD 0.49 Million). Evidently enough, not only that bilateral trade linkages between India and the EAEU are very weak except Russia and Kazakhstan, the trade figures are abysmal. From Table 10 it is clear that except Armenia and Kyrgyzstan, India has trade deficit with the rest of the countries of the EAEU. Of these, Russia accounts for almost the entire trade deficit of India vis-à-vis EAEU amounting to USD 2 Billion with Russia, followed by Kazakhstan with USD 680 Million and Belarus with USD 147 Million. The trade surplus with Armenia and Kyrgyzstan amounts to a meager USD 94 Million and USD 36 Million, respectively. This shows that the proposed FTA could be really beneficial for India to increase its exports with the help of greater market access achieved through tariff liberalization.

Table 10: Bilateral Trade between India and the EAEU, 2014 (USD Million)

	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU Total
India's Exports	95.65	51.21	243.11	36.11	2215.66	2641.75
India's Imports	1.85	198.5	923.55	0.49	4221.14	5345.53
Trade Deficit	93.8	-147.29	-680.44	35.62	-2005.48	-2703.78

Source: IMF DOTS, 2016

In order to put things in perspective, mutual importance of India and the EAEU as a group is presented in Table 11. Whether it is India's exports to the EAEU as a proportion of India's total exports to world or India's imports from the EAEU as a proportion of India's total imports from world, the EAEU does not appear to be important at all for India. By the same token India also is not important for the EAEU when viewed from the perspective of either the export or imports of the EAEU with respect to world. Hence, it is imperative to study the ways and means to strengthen trade in goods partnership between India and the EAEU.

Table 11: India's Bilateral Trade with the EAEU (% Share)

	2005	2013	2014
India's Exports to EAEU as a percentage of India's Exports to World	0.86	0.83	0.83
India's Imports from EAEU as a percentage of India's Imports from World	1.36	0.94	1.16
India's Total Trade with EAEU as a percentage of India's Total Trade with World	1.16	0.9	1.03
EAEU's Exports to India as a percentage of EAEU's Exports to World	0.89	1.2	1.25
EAEU's Imports from India as a percentage of EAEU's Imports from World	0.71	0.86	0.96

Source: IMF DOTS, 2016

The EAEU

The level of trade turnover between the EAEU and India increased from USD 9.3 billion in 2010 to USD 11.3 billion in 2014. The latter not only shows a record high in trade flows, but also is a clear sign that India is one of the most important trade partners for the Members States of the EAEU in the South-Asia region. EAEU's total merchandise exports to India increased from USD 6.8 billion in 2010 to USD 7.6 billion in 2014. The average growth rate of exports was 13.9%.

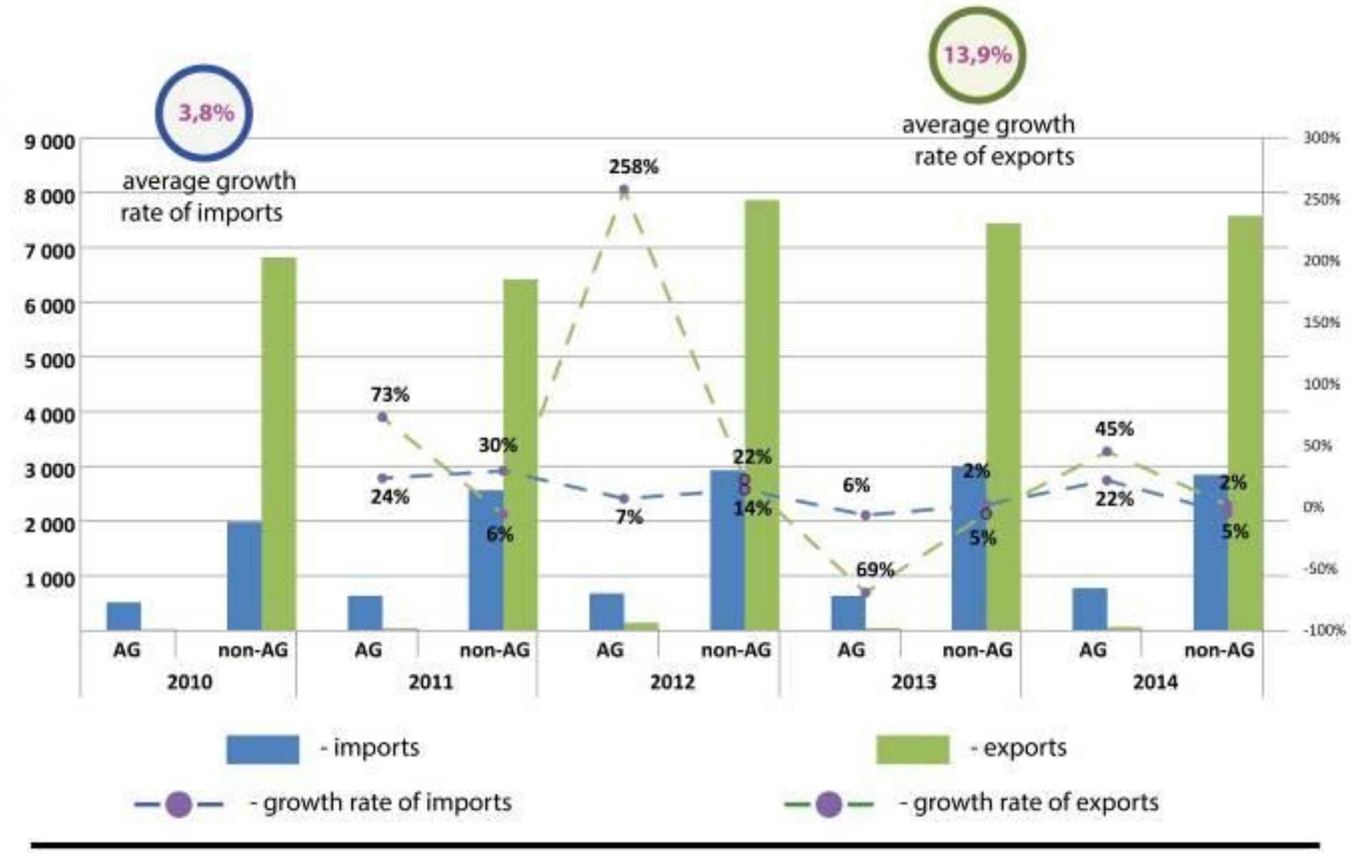
EAEU's imports from India increased over the past 5 years. Volume of imports grew from USD 2.5 billion in 2010 to USD 3.6 billion in 2014. The average growth rate of imports was 10.4%.

The share of India in the EAEU global trade turnover stood at 1.51% in 2010 and decreased to 1.49% in 2014.

The EAEU had the positive balance of trade USD 4.3 billion in 2010 and USD 4.0 billion in 2014.

India has the negative trade balance of USD 120.0 billion in 2010 and USD 137.7 billion in 2014.

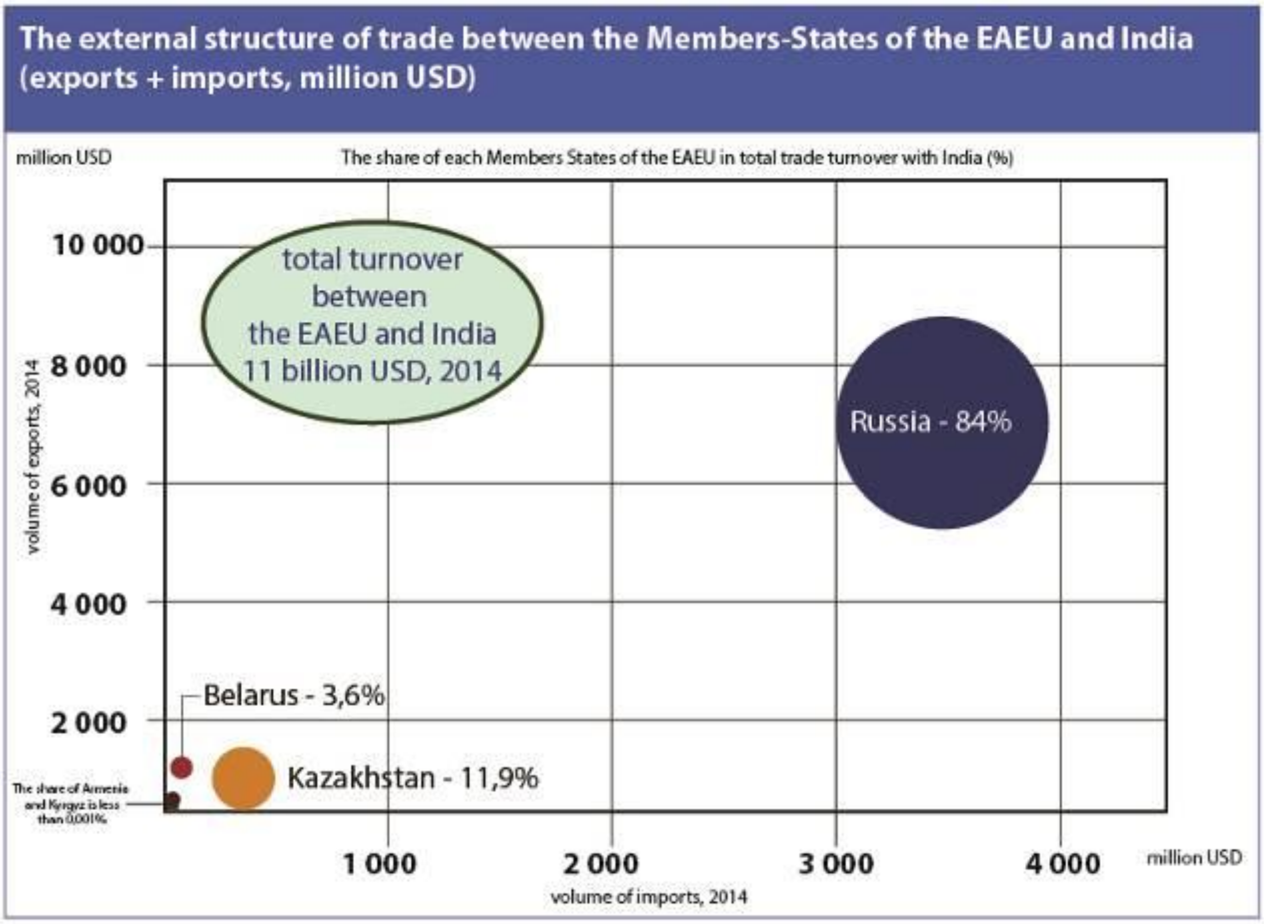
Chart 5: Main Indexes of merchandise trade between the EAEU and India (USD Million)



Source: Eurasian Economic Commission Statistical Division, 2016

Within the EAEU, Russia is the main trade partner of India with 86% share of total EAEU's exports and with 83% share of total EAEU's imports. Kazakhstan is the second most important trade partner of India with 14.2% share of total EAEU's exports and with 7.1% share of total EAEU's imports. Belarus has relatively high level of imports that accounted for USD 187 million USD (5.1% of total EAEU imports) and the level of exports accounted for USD 215 million (2.8% of total EAEU exports). The level of trade between India and Armenia and India and Kyrgyzstan is low which is reflected in terms of the index of turnover that doesn't exceed 0.001% of total EAEU's turnover (Chart 6).

Chart 6: Structure of Trade between the EAEU and India (USD Million)



Source: Eurasian Economic Commission Statistical Division, 2016

3.1.1 Agricultural goods & 3.1.2 Industrial goods

India

A separate analysis of bilateral trade between India and EAEU with respect to agricultural and industrial goods provides interesting insights (see Table 12 and 13). From the Table 12 it is discerneble that the share of India's agricultural exports to EAEU has decline from 4.4% in 2000 to 1.5% in 2014, primarily on account of a huge jump in India's total agricultural exports to the world as compared to increase in India's exports to the EAEU. On the other hand, the EAEU increased its importance albeit marginally in terms of India's imports of agricultural goods vis-a-vis total imports of agricultural goods from world between 2000 and 2014. Notwithstanding this increase, the absolute value of import from EAEU by India remains at a dismal level of USD 160 Million only. These together presents weak agricultural trade linkages between EAEU and India in 2014 registering an overall decline in percentage terms when compared to India's total trade with world.

Table 12: India's Trade of Agricultural Goods with EAEU

	2000	2014
Exports (USD Million)		
EAEU	269.31	568.63
World	6185.75	37372.23
EAEU as a Percentage of exports to World	**4.354**	**1.522**

(%)		
Imports (USD Million)		
EAEU	0.04	159.98
World	2220.47	19821.49
EAEU as a Percentage of Imports from World (%)	**0.002**	**0.807**
Total Trade (USD Million)		
EAEU	269.35	728.61
World	8406.22	57193.72
EAEU as a Percentage of Total Trade with World (%)	**3.20**	**1.27**

Source: Ministry of Commerce & Industry, GOI. 2016

With respect to India's exports of industrial goods to the EAEU, the trends of declining share in India's total exports of industrial goods to world is also evident from Table 13 primarily because of a phenomenal increase in India's total exports of industrial goods to world over 2000-2014. In terms of imports of industrial goods from the EAEU with respect to India's total imports of industrial goods from world, the share has almost remained constant between 2000 and 2014. Overall, India's share of industrial goods trade with the EAEU as a percentage of India's total trade of industrial goods with the World has, in fact, declined from 1.42 percent (2000) to 0.99 percent (2014). Therefore, it may not be over-emphasized that trade in goods between India and the EAEU needs to be augmented with concerted policy efforts.

Table 13: India's Trade of Industrial Goods with EAEU

	2000	**2014**
Exports (USD Million)		
EAEU	692.71	1956.16
World	38374.06	273199.7
EAEU as a Percentage of Exports to World (%)	**1.805**	**0.716**
Imports (USD Million)		
EAEU	538.64	4974.55
World	48315.54	428222.7
EAEU as a Percentage of Imports from World (%)	**1.115**	**1.162**
Total Trade (USD Million)		
EAEU	1231.35	6930.71
World	86689.6	701422.4
EAEU as a Percentage of Total Trade with World (%)	**1.42**	**0.99**

Source: Ministry of Commerce & Industry, GOI, 2016

The EAEU

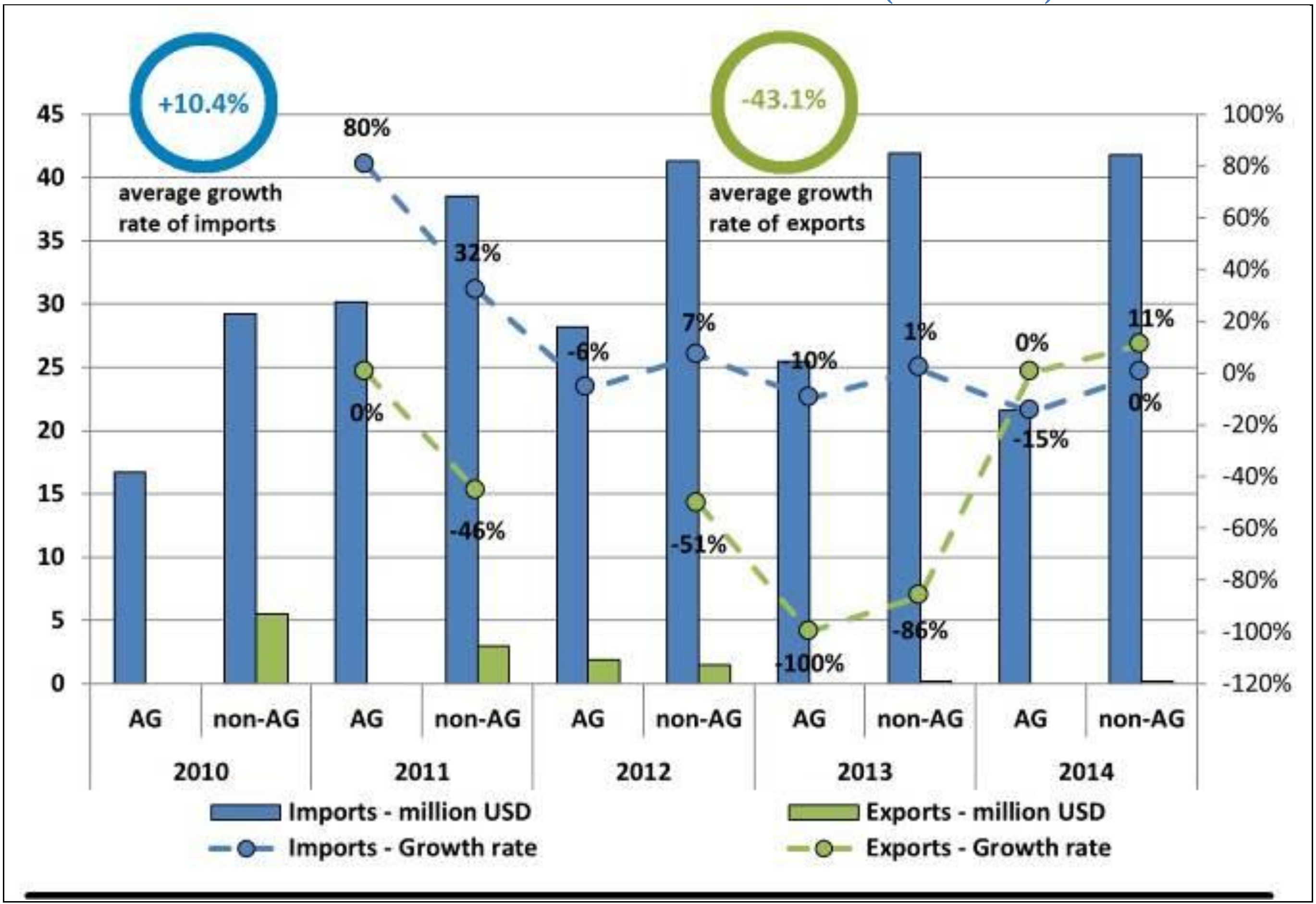
The Republic of Armenia – India

The trade turnover between Armenia and India increased from USD 51.4 million in 2010 to USD 63.6 million in 2014 representing an average of 7% growth rate.

The volume of exports has decreased from USD 5.5 million in 2010 to USD 0.2 million in 2014. The share of exports in total turnover during the last 5 years decreased from 10.7% to 0.4%. The average decline rate of exports was around 43.1%.

The volume of imports has increased from USD 45.9 million in 2010 to USD 63.4 million in 2014. The share of imports in total turnover during the last 5 years has increased from 89.3% to 99.6%. The average growth rate of imports was around 10.4%. The relative importance of both countries for each other as trading partners hasn't changed over the past five years. The share of India in Armenian global trade turnover was 1.1% in 2010 as well as in 2014.

Chart 7: Main indexes of merchandise trade between Armenia and India (USD Million)



Source: Eurasian Economic Commission Statistical Division, 2016

Agricultural products

According to the trade statistics the trade turnover of agricultural goods between Armenia and India increased from USD 16.7 million in 2010 to USD 21.6 million in 2014.

The share of agricultural products in trade flows between two countries can be illustrated by the following numbers:

- The share of agricultural products in total turnover has increased from 32.5% in 2010 to 34.0% in 2014;
- Exports of agricultural products from Armenia to India hasn't been recorded over the last 5 years;
- Imports of agricultural products to Armenia from India increased from USD 16.7 million in 2010 to USD 21.6 million in 2014;
- The growth rate of imports of agricultural products was around 12% on average over the past 5 years;
- The highest level of imports of agricultural products has been reached in 2011 (USD 30.1 million).

Over the last 5 years, the balance of trade in agricultural products was negative and equal to the level of imports due to the fact that Armenia didn't have any exports to India.

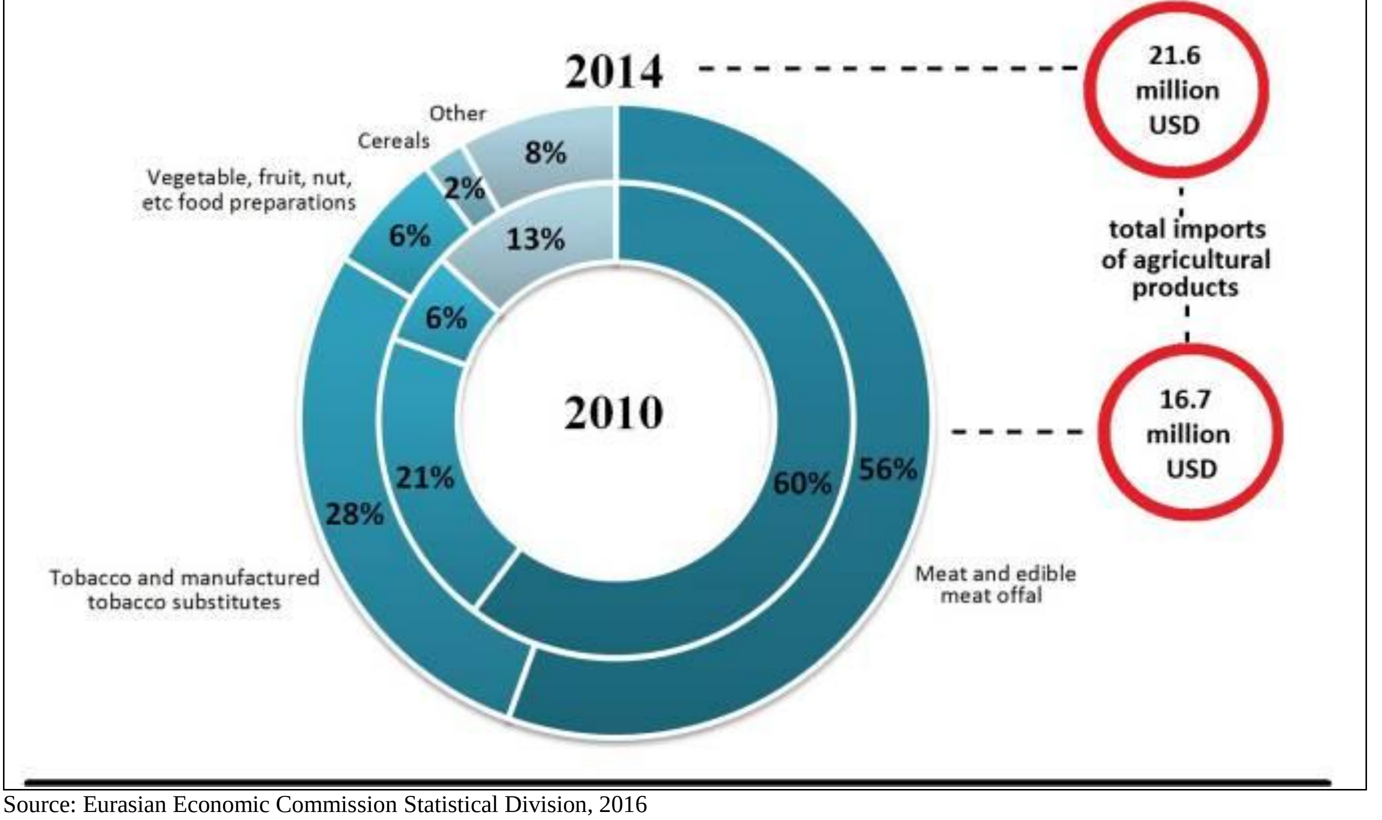
Table 14: Armenia's Imports of Agricultural Products from India (USD Million)

Product	2010	2014	EAEU MFN tariff rate, %
Meat and edible meat offal (mainly HS code 020230)	10.1	12.0	15.0
Tobacco and manufactured tobacco substitutes (mainly HS code 240120)[5]	3.4	6.1	5.0
Vegetable, fruit, nut, etc. food preparation (mainly HS code 200110)	1.0	1.3	12.0, but not less than 0.06 euro for 1 kg
Cereals (mainly HS code 100630)	0.0	0.5	10.0, but not less than 0.03 euro for 1 kg
Others	2.2	1.8	
Total	**16.7**	**21.6**	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of agricultural imports from India to Armenia has the following main elements: Bovine cuts boneless, frozen was the main category of agricultural products imported by Armenia from India in 2014 as well as in 2010; Tobacco was the unmanufactured, partly or wholly stemmed or stripped was the second largest category in agricultural products imported by Armenian companies. The share of these two commodities accounted for 85% of total Armenia's imports of agricultural products. In 2014 Armenia also imported cucumbers fruit and vegetable juices from India. Chart 8 and Table 14 represent the main changes in the structure of Armenian imports from India for the last 5 years.

Chart 8: Commodity Structure of Armenia Imports from India (Agricultural Products)



Source: Eurasian Economic Commission Statistical Division, 2016

[5] As per Indian Statistics, Tobacco and Manufactured Tobacco Substitutes (HS code 24) were not exported in the year 2010 and 2014. There is some data discrepancy.

Armenia didn't export any agricultural goods to India in 2014. Due to such reason, no analysis is provided in this part of the report.

Industrial goods

According to the trade statistics, the trade turnover of industrial goods between Armenia and India increased from USD 34.7 million in 2010 to USD 42.0 million in 2014.

The share of industrial products in trade flows between two countries can be illustrated by the following numbers:

- The share of industrial products in total trade turnover decreased from 67.5% in 2010 to 66.0% in 2014;
- Exports of industrial products from Armenia to India decreased from USD 5.5 million in 2010 to USD 0.2 million in 2014;
- The decline rate of exports of industrial products was around 43% on average over the last 5 years;
- Imports of industrial products to Armenia from India increased from USD 29.2 million in 2010 to USD 41.8 million in 2014;
- The growth rate of imports of industrial products was around 10% on average over the last 5 years;
- The highest level of exports of industrial products has been in the year 2010 (USD 5.5 million);
- The highest level of imports of industrial products has been reached in 2013 (USD 41.9 million);
- Over last 5 years Armenia had negative balance of trade in industrial products.

Table 15: Armenia's imports of industrial products from India (USD Million)

Product	2010	2014	EAEU MFN tariff rate, %
Pearls, precious stones, metals, coins, etc. (mainly HS code 710239)	6.8	10.0	12.5
Plastics and articles thereof (mainly HS code 390760)	3.1	6.4	4.0
Iron and steel (mainly HS code 721049)[6]	2.9	3.9	5.0
Articles of iron or steel (mainly HS code 730890)	0.4	3.6	6.0 – 10.0
Pharmaceutical products (mainly HS code 300490)	1.5	3.1	3.0 – 6.3
Other	14.6	14.8	
Total	**29.2**	**41.8**[7]	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of industrial imports from India to Armenia was quite diversified and had the following main elements: Diamonds, not mounted or set was the main import category of products in 2014; the second largest category in 2014 was polyethylene terephthalate followed by the flat-rolled production of iron and articles (rods, angle, plates) of iron and steel.

Chart 9 and Table 15 represents the main changes in the structure of Armenian imports of key commodities over the last 5 years.

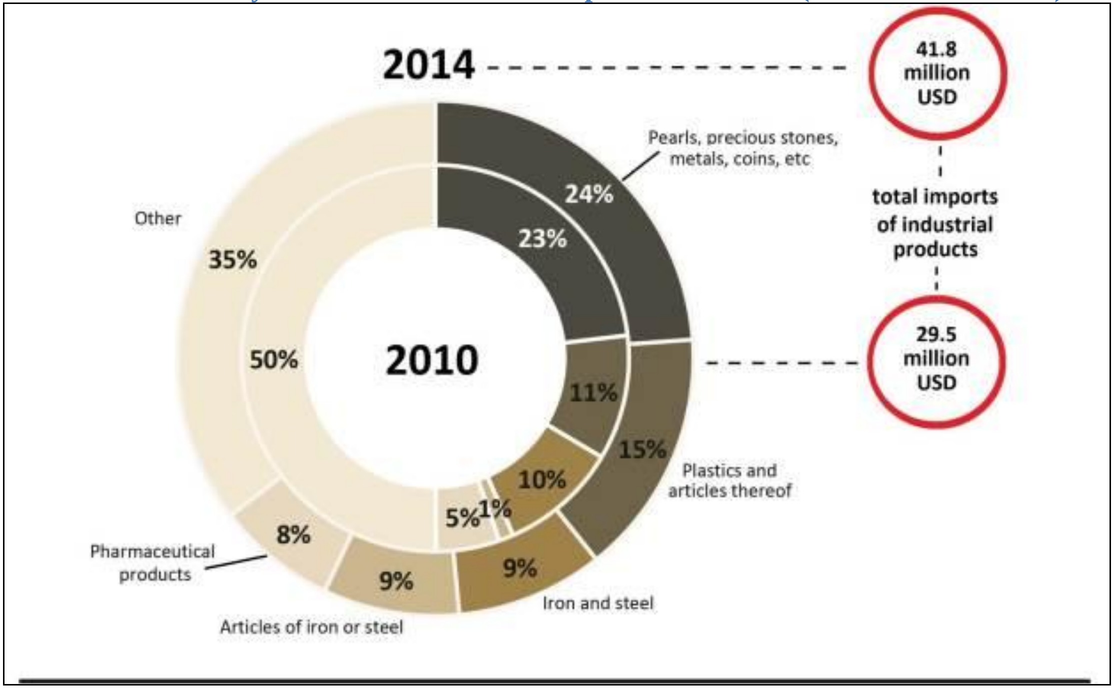
According to the trade statistics data, during the last 5 years Armenia also imported from India pharmaceutical products, cars, electric accumulators

[6] As per Indian Statistics, Iron & Steel (HS code 72) was not exported to Armenia, rather Articles of Apparels and Clothing Accessories (HS code 61) was the main item exported to Armenia in the year 2014 (USD 7.46 Million). Thus, existence of Data Discrepancy.

7 As per Indian Statistics, huge difference is there with respect to the value of India's Total export to Armenia, USD 11.45 million (2010) and USD 76.85 Million (2014). Thus, existence of Data Discrepancy.

and others.

Chart 9: Commodity Structure of Armenia Imports from India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

Table 16: Armenia's Exports of Industrial Products to India (USD Million)

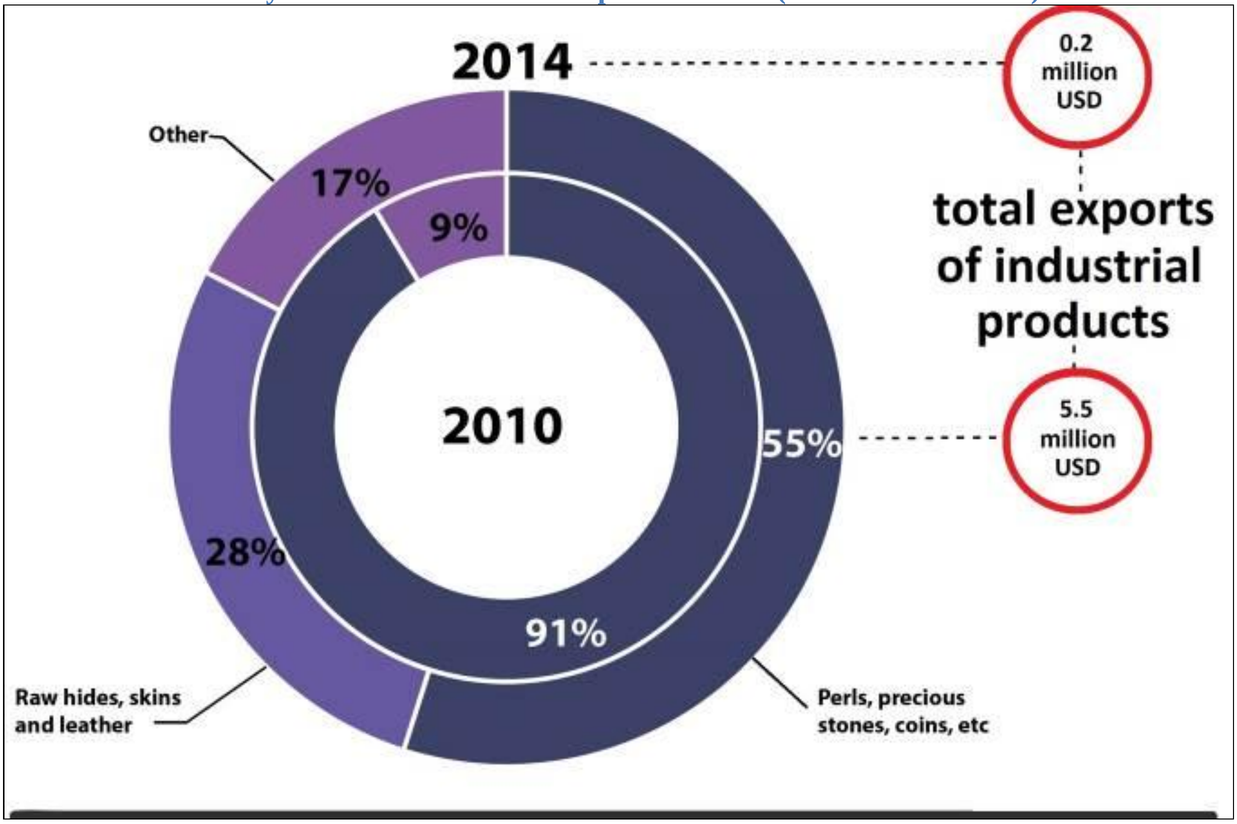
Product	2010	2014	India's MFN tariff rate, %
Pearls, precious stones, metals, coins, etc. (mainly HS code 710231)	5.0	0.1	10.0
Raw hides and skins and leather (mainly HS code 410411)	-	0.1	10.0
Other	0.5	-	
Total	**5.5**	**0.2**	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of industrial exports from Armenia to India has the following main elements. The main category of Armenian exports was diamonds non-industrial unworked or simply sawn, cleaved or bruited in 2014 as well as in 2010; the second major export category of industrial products was leather of bovine/equine animal followed by optical fiber, cables.

Chart 10 and Table 16 represent the main changes in the structure of Armenian exports of key commodities for the last 5 years.

Chart 10: Commodity Structure of Armenia Exports to India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

The Republic of Belarus – India

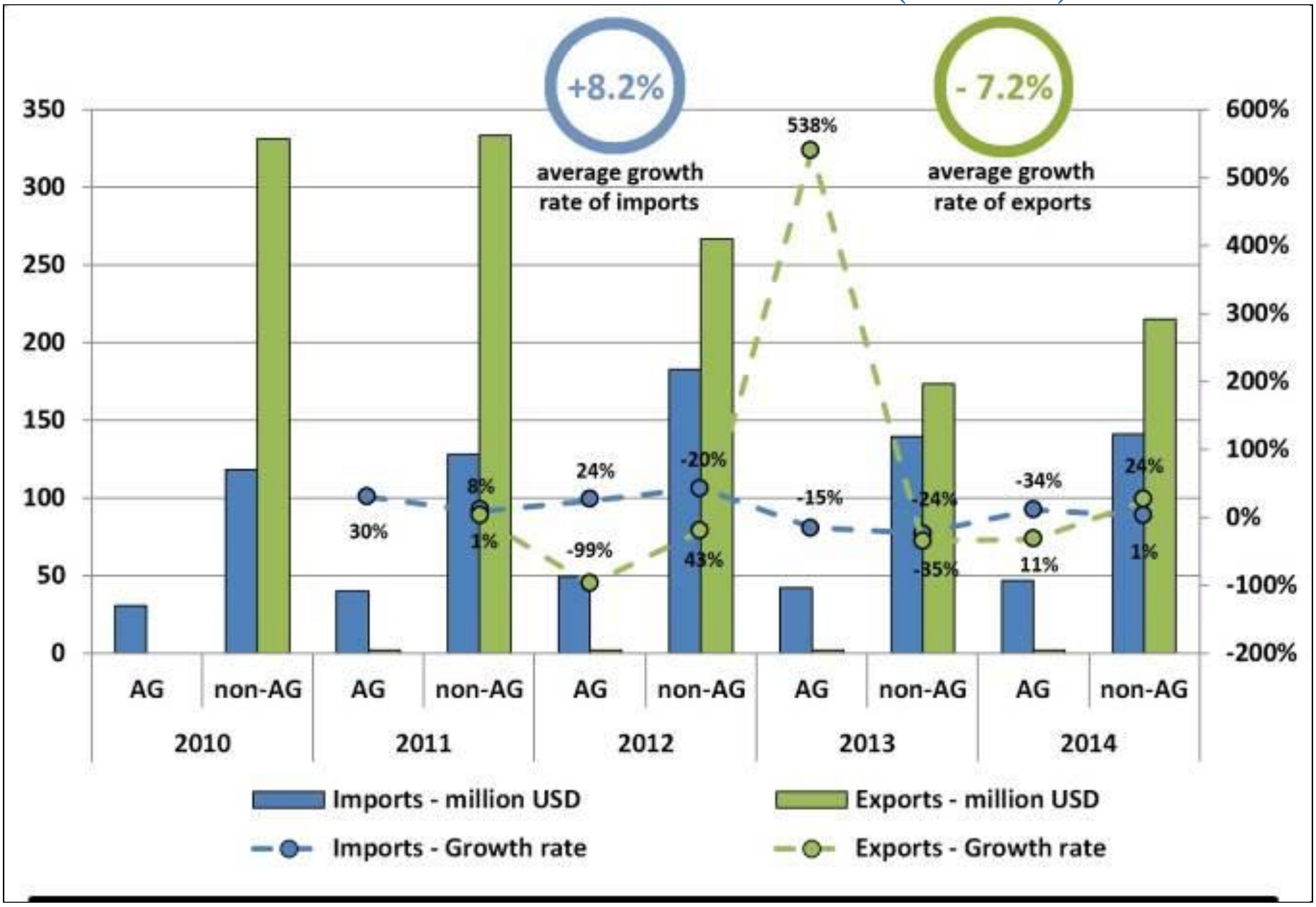
The trade turnover between Belarus and India decreased from USD 480 million in 2010 to USD 403 million in 2014 representing an average decline rate of 3%.

The value of exports has decreased from USD 331 million in 2010 to USD 215 million in 2014. The share of exports in total turnover during the last 5 years was around 60%. The average decline rate of exports was around 7.2%.

The relative importance of both countries for each other as trading partners has increased over the past five years. However, the share of India in Belarusian global trade turnover has decreased from 1.9% in 2010 to 1.3% in 2014.

A Belarusian import from India has increased over the past 5 years. Belarusian value of imports increased from USD 150 million in 2010 to USD 187 million in 2014. The average growth rate of imports was around 8.2%. The share of imports in total turnover during the last 5 years was around 40%.

Chart 11: Main Indexes of Merchandise Trade between Belarus and India (USD Million)



Source: Eurasian Economic Commission Statistical Division, 2016

Agricultural Products

According to the trade statistics the trade turnover of agricultural goods between Belarus and India has increased from USD 30.6 million in 2010 to USD 46.5 million in 2014.

The share of agricultural products in trade flows between two countries can be illustrated by the following numbers:

- The share of agricultural products in total turnover has increased from 6.5% in 2010 to 11.5% in 2014;
- In real value exports of agricultural products from Belarus to India was less than USD 0.2 million during the last 5 years;
- Imports of agricultural products to Belarus from India increased from USD 30.5 million in 2010 to USD 46.5 million in 2014;
- The growth rate of imports of agricultural products was around 12.5% on average over the past 5 years;
- The highest level of exports of agricultural products has reached in 2011 (USD 0.16 million);
- The highest level of imports of agricultural products has reached in 2012 (USD 49.5 million).

Belarus had the negative balance of trade in agricultural products vis-a-vis India.

Table 17: Belarusian Imports of Agricultural Products from India (USD Million)

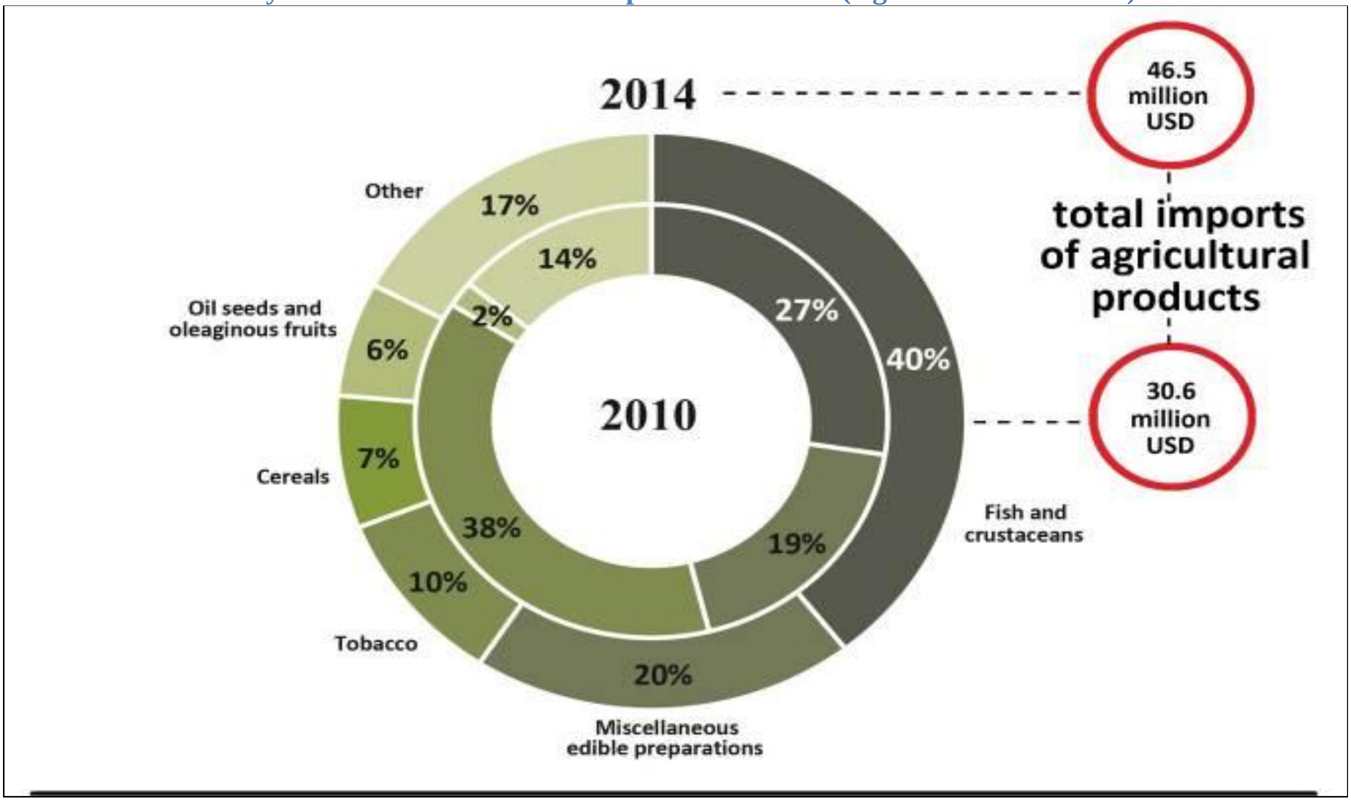
Product	2010	2014	EAEU MFN tariff rate, %
Fish and crustaceans (mainly HS code 030617)[8]	8.4	18.3	3.0 – 11.0, but not less than 0.22 euro for 1 kg
Miscellaneous edible preparations (mainly HS code 210111)	5.7	9.2	7.5, but not less than 0.34 euro for 1 kg
Tobacco (mainly HS code 240120)	11.6	4.6	4.0 – 5.0
Cereals (mainly HS code 100630)		3.4	10.0, but not less than 0.03 euro for 1 kg
Oil seeds and oleaginous fruits (mainly HS code 120242)	0.6	3.0	0.0
Other	4.3	8.0	
Total[9]	**30.6**	**46.5**	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of agricultural imports from India to Belarus has the following main elements: Crustaceans, whether in shell or not was a main category of agricultural products imported by Belarus from India in 2014 followed by fish fillets and other fish meat; extracts, essences and concentrates, of coffee, tea or maté was the third largest category of agricultural products. In 2014 Belarus also imported from India unmanufactured tobacco and tobacco refuse, rise and other food preparations.

Chart 12 and Table 17 represent the main changes in the structure of Belarusian imports from India for the last 5 years. These five commodities are the key top import products of Belarus from India.

Chart 12: Commodity Structure of Belarusian Imports from India (Agricultural Products)



Source: Eurasian Economic Commission Statistical Division, 2016

[8] As per WTO's definition of Agriculture, Fish & Fish product (HS code 03 & 16) are not included.
9 As per Indian Statistics, difference exists between India's total value and EAEU's total value in both 2010 and 2014. Thus, Data Discrepancy exists.

Industrial Goods

According to the trade statistics turnover of industrial goods between Belarus and India decreased from USD 450 million in 2010 to USD 356 million in 2014.

The share of industrial products in trade flows between two countries can be illustrated by the following numbers:

- The share of industrial products in total trade turnover decreased from 93.5% in 2010 to 88.5% in 2014;
- Exports of industrial products from Belarus to India decreased from USD 330 million in 2010 to USD 215 million in 2014;
- The decline rate of exports of industrial products was around 7.5% on average over the last 5 years;
- Imports of industrial products to Belarus from India increased from USD 118 million in 2010 to USD 141 million in 2014;
- The growth rate of imports of industrial products was around 7.1% on average over the last 5 years;
- The highest level of exports of industrial products has reached in 2011 (USD 332 million);
- The highest level of imports of industrial products has reached in 2012 (USD 182 million).

Over the last 5 years Belarus has positive balance of trade in industrial products.

Table 18: Belarusians Imports of Industrial Products from India (USD Million)

Product	2010	2014	EAEU MFN tariff rate, %
Pharmaceutical products (mainly HS code 300490)	55.3	52.3	3.0 – 6.3
Machinery and mechanical appliances (mainly HS code 841899)[10]	7.1	10.3	11.3
Electrical machinery and equipment (mainly HS code 850440)[11]	12.7	9.5	0.0
Iron and steel (mainly HS code 721070)	2.2	9.1	5.0
Organic chemicals (mainly HS code 293399)	6.3	8.8	0.0 – 3.0
Other	34.8	51.2	
Total[12]	**118.3**	**141.2**	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of industrial imports from India to Belarus has the following main elements: Medicaments were the main import category of products in 2014 followed by machinery and mechanical appliances; the third category of products was electrical machinery, including telephones for cellular networks.

Chart 13 and Table 18 represent the main changes in the structure of Belarus's imports of key commodities for the last 5 years.

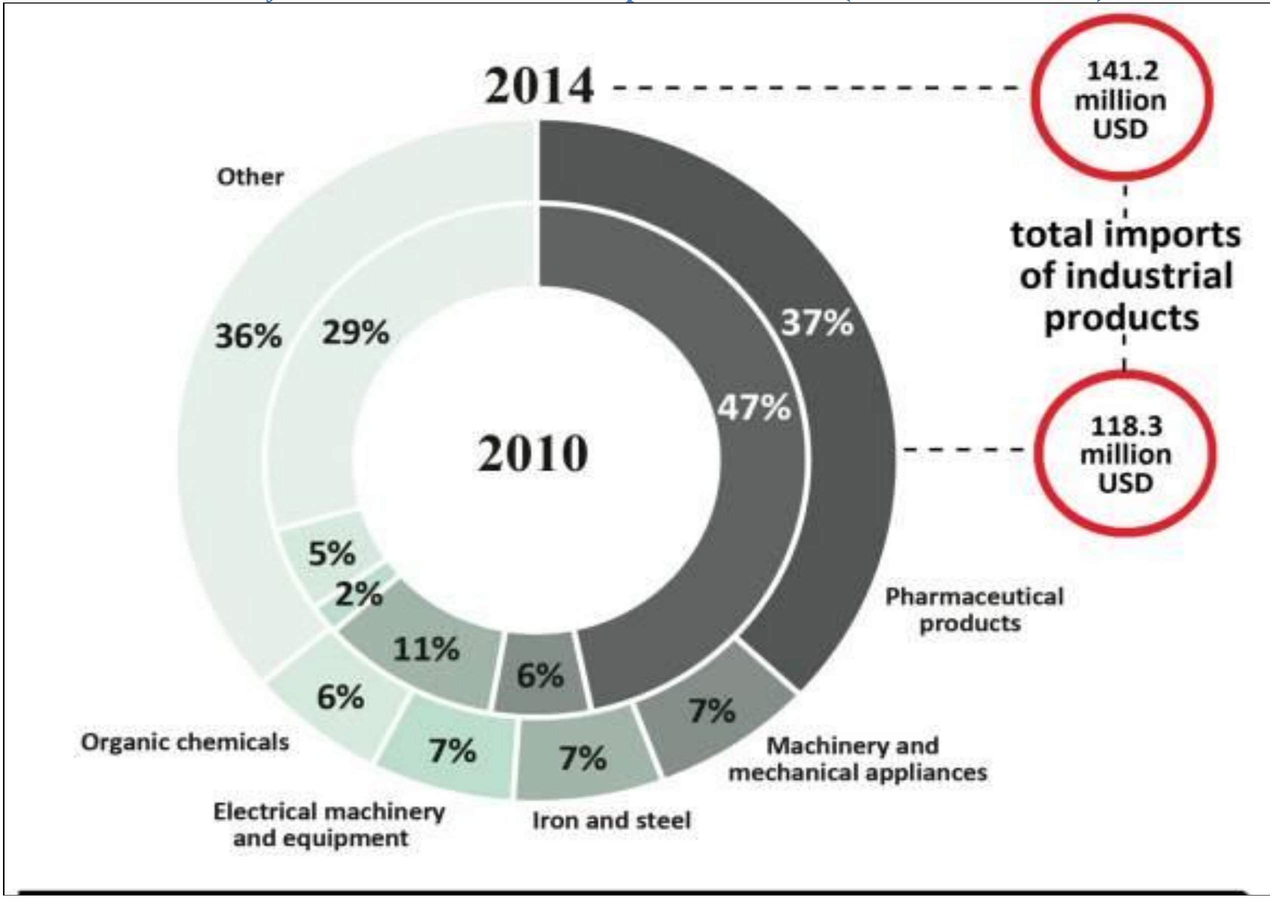
According to the trade statistics data during the last 5 years, Belarus also imported, from India, mineral, instruments and appliances used in medical, surgical, dental or veterinary sciences and others.

10 As per Indian Statistics, HS code 84199 (USD 2.94 Million) was the main item exported to Belarus. Thus, data discrepancy exists.

11 As per Indian Statistics, HS code 850153 (USD 0.21 Million) was the main item exported to Belarus. Thus, data discrepancy exists.

12 Difference exists with respect to India's total Agricultural export to Belarus in 2010 (USD 27.55 Million) and in 2014 (USD 37.11 Million). Hence, data discrepancy exists.

Chart 13: Commodity Structure of Belarusian Imports from India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

Table 19: Belarusian Exports of Industrial Products to India (USD Million)

Product	2010	2014	India's MFN tariff rate, %
Fertilizers (mainly HS code 310420)	297.1	186.0	10.0
Man-made staple fibers (mainly HS code 550130)	6.1	7.1	10.0
Vehicles other than railway or tramway rolling stock (mainly HS code 870423)[13]	-	5.3	6.7
Other	27.6	16.8	
Total	**330.8**	**215.1**	

Source: Eurasian Economic Commission Statistical Division, 2016

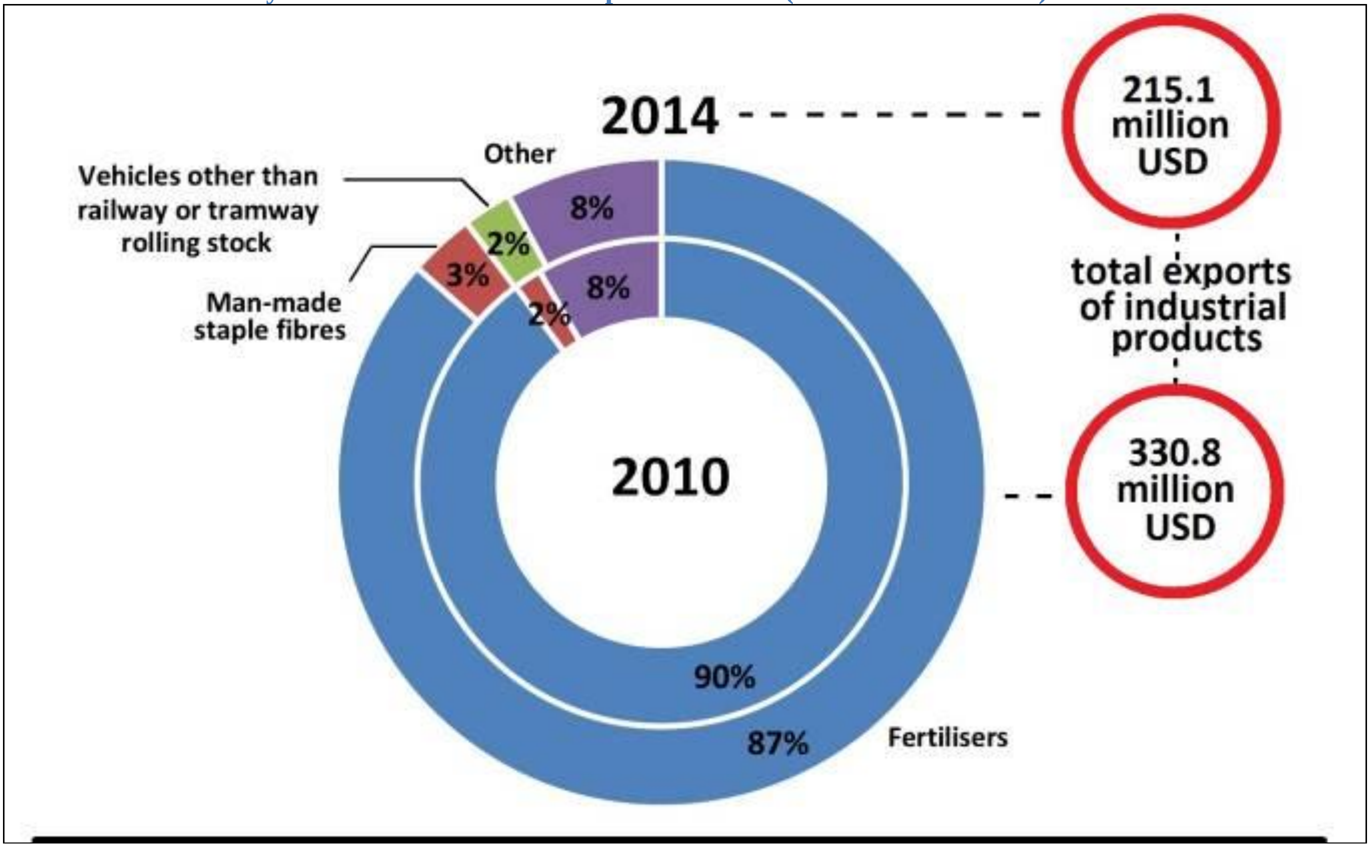
The commodity structure of industrial exports from Belarus to India has the following main elements: The main category of Belarusian exports was mineral or chemical fertilizers, potassic in 2014 as well as in 2010; the second major export category of products was synthetic filament towfollowed by motor vehicles for the transport of goods.

There are some important products in the category "Others". Belarus exported to India synthetic filament yarn, hydrazine and hydroxylamine and their inorganic salts, petroleum gases.

Chart 14 and Table 19 represents the main changes in the structure of Belarussian exports of key commodities for the last 5 years.

[13] As per Indian Statistics, Raw Hides and Skins and Leather (HS code 41) in both 2010 (USD 3.78 Million) and in 2014 (USD 11.57 million), instead of HS code 87, was the main item imported from Belarus. Hence, shows data discrepancy.

Chart 14: Commodity Structure of Belarus's Exports to India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

The Republic of Kazakhstan – India

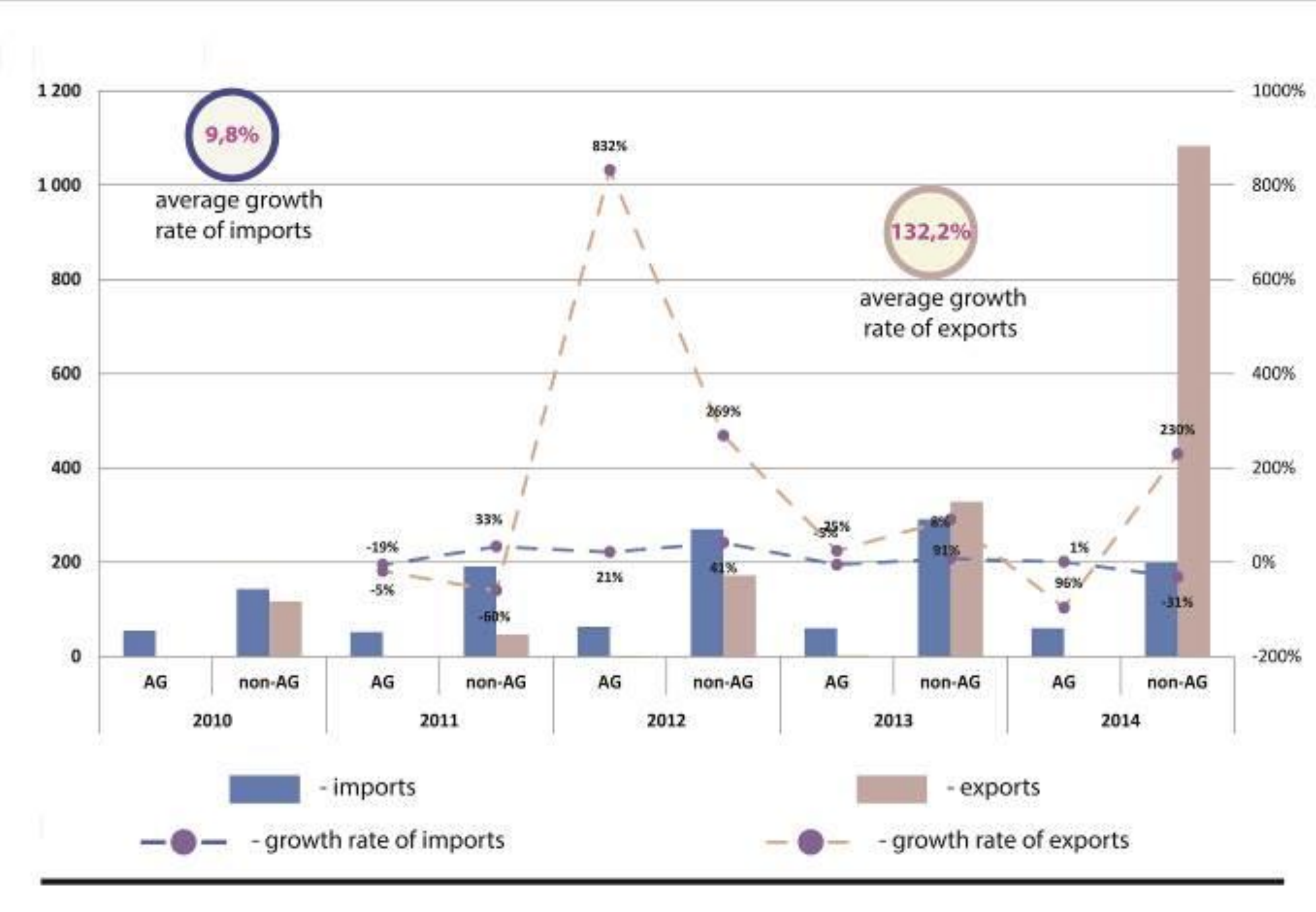
The total value of goods turnover between the two countries increased from USD 315 million in 2010 to USD 1.344 billion in 2014.

The value of exports increased from USD 117 million in 2010 to USD 1.1 billion in 2014. The average growth rate of exports was for 132.8% in this period.

Kazakhstan's value of imports grew from USD 198 million in 2010 to USD 261 million in 2014. The average growth rate of imports was for 9.8% for the same period.

India's share in Kazakhstan global turnover increased from 0.47% in 2010 to 1.48% in 2014.

Chart 15: Main Indexes of Merchandise Trade between Kazakhstan and India



Source: Eurasian Economic Commission Statistical Division, 2016

Agricultural Goods

In 2010-2014 agricultural products played an important role in the trade structure between Kazakhstan and India.

According to the trade statistics the share of trade in agricultural goods in total bilateral trade turnover between two countries decreased from 17.5% in 2010 to 4.5% in 2014. However, in terms of real value the total trade turnover of agricultural goods increased from USD 55.1 million in 2010 to USD 60.4 million in 2014.

It should be noted that there is a substantial imbalance between exports to and imports from India. In 2010-2014 the level of exports to India was 60 times lower than imports. Value of exports declined while imports had minor growth.

In terms of real value, agricultural exports from Kazakhstan to India decreased from USD 251 thousands in 2010 to USD 83 thousands in 2014.

The commodity structure of Kazakhstan's exports is limited by a few products. In 2014 the main products of Kazakhstan's export were sunflower oils, dried vegetables, oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder (USD 83 thousands).

The commodity structure of Kazakhstan's imports has several main segments. In 2010 the largest share of all agricultural-goods imported from India to Kazakhstan belonged to coffee, tea and spices (USD 45 million). The second largest commodity group imported from India was tobacco (USD 2.8 million).

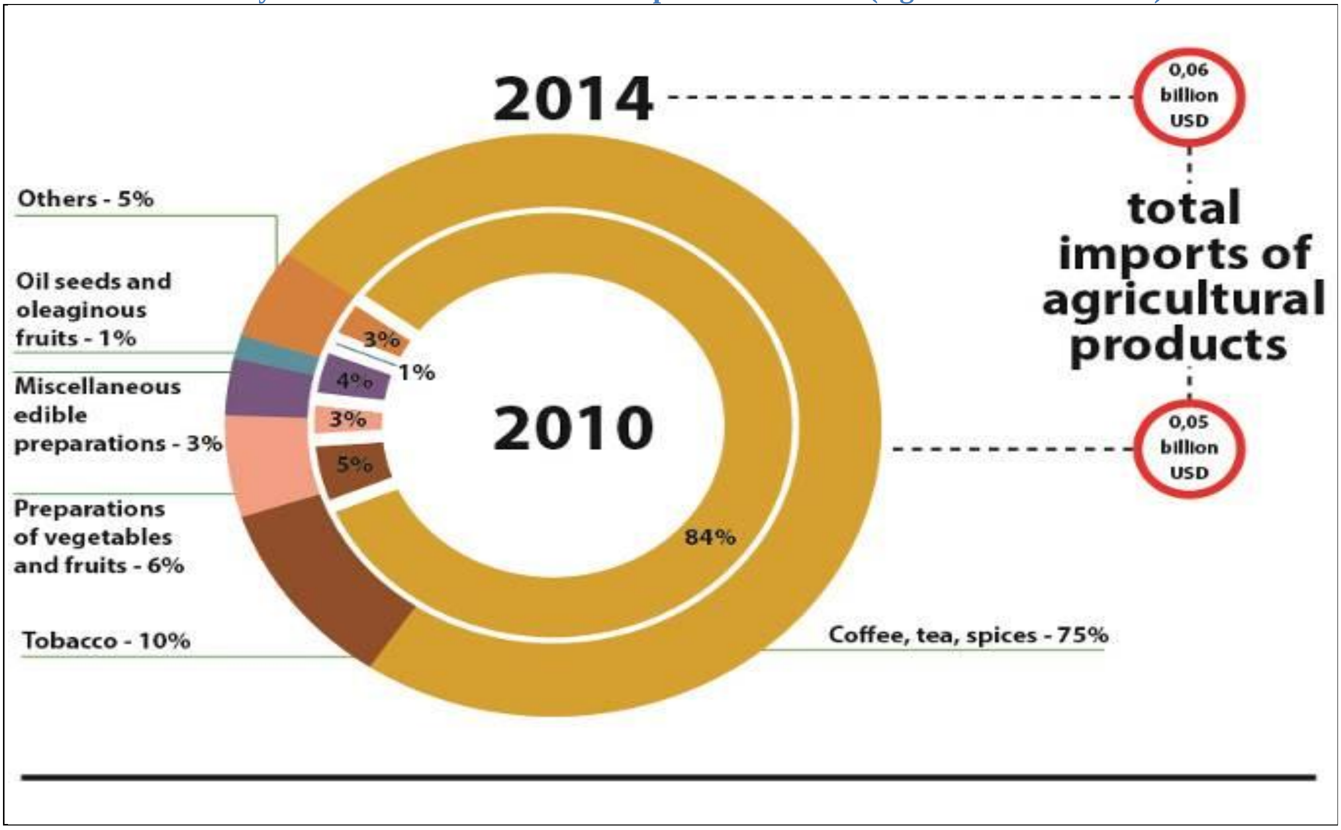
Table 20: Kazakhstan`s Agricultural Import from India (USD Million)

Product	2010	2014	EAEU MFN rate.%
Coffee. tea and spices (mainly HS code 090240)	46.0	44.9	0
Tobacco (mainly HS code 240120)[14]	2.8	6.3	5
Preparations of vegetables. fruit. nuts (mainly HS code 200110)	1.7	3.4	15
Miscellaneous edible preparations (mainly HS code 210111)	2.2	1.9	10
Oil seeds and oleaginous fruits (mainly HS code 120740)	0.4	0.8	0
Others	1.8	3	
Total	**53**	**57.3**	

Source: Eurasian Economic Commission Statistical Division, 2016

Chart 16 shows the main changes in the structure of Kazakhstan's imports from India over the last 5 years. In 2014 the value of imported coffee, tea and spices to Kazakhstan decreased to USD 44.9 million and the respective share from total imports decreased from 84% in 2010 to 75% in 2014. Currently the most important import category for Kazakhstan was coffee, tea and spices. Tobacco was also an important import commodity. Its total share in 2014 accounted for around 10% and in terms of real value amounted for USD 6.3 million.

Chart 16: Commodity Structure of Kazakhstan's Imports from India (Agricultural Products)



Source: Eurasian Economic Commission Statistical Division, 2016

[14] As per Indian Statistics, TOBACCO (HS code 240120) was not exported in the year 2010 & 2014. Hence, data discrepancy is there.

Industrial Goods

The current trade structure is based mainly on imported pharmaceutical products from India which represented about 45% of total Kazakhstan's imports in 2014.

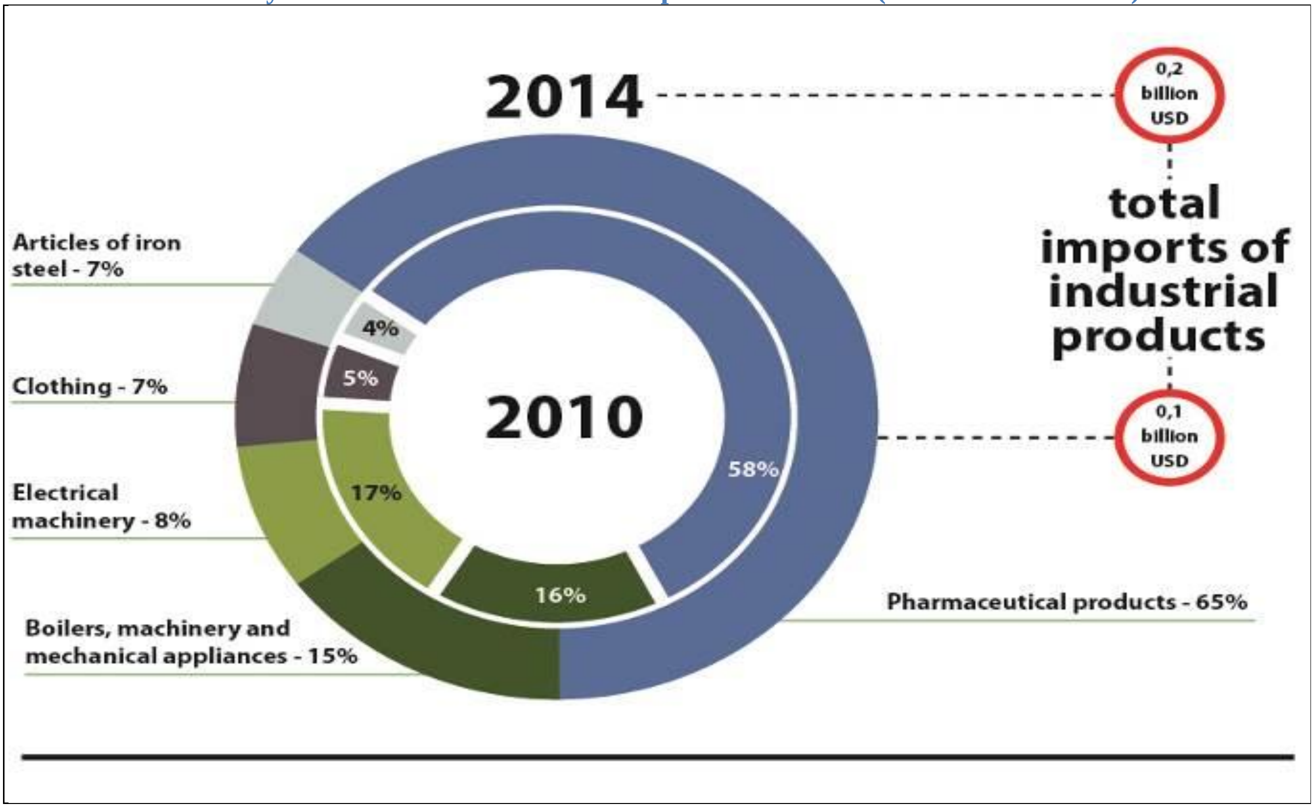
Kazakhstan's imports of industrial products from India can be illustrated by Table 21 and Chart 17. The level of imports of industrial goods from India rose from USD 143.3 million in 2010 to USD 200.2 million in 2014. Kazakhstan's exports of industrial products to India increased from USD 116 million in 2010 to USD 1,081 billion in 2014.

Table 21: Kazakhstan`s Industrial Import from India (USD Million)

Product	2010	2014	EAEU MFN rate.%
Pharmaceutical products (mainly HS code 300490)	63.8	89.3	10
Boilers. machinery and mechanical appliances; parts (mainly HS code 847490)	18.0	20.8	0
Electrical machinery and equipment and parts (mainly HS code 851712)	19.1	11.5	5
Apparel and clothing (mainly HS code 611120)[15]	5.7	9.7	0
Articles of iron or steel (mainly HS code 732591)	4.2	6.4	15
Others	32.4	62.6	
Total	**143.3**	**200.2**	

Source: Eurasian Economic Commission Statistical Division, 2016

Chart 17: Commodity Structure of Kazakhstan's Imports from India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

The main commodities of exports from Kazakhstan to India in 2014 were mineral fuels, mineral oils and products of their distillation (USD 1,008.3 million with share of 96%) and salt, earths and stone (USD 27.6 million with share of 2.5%).

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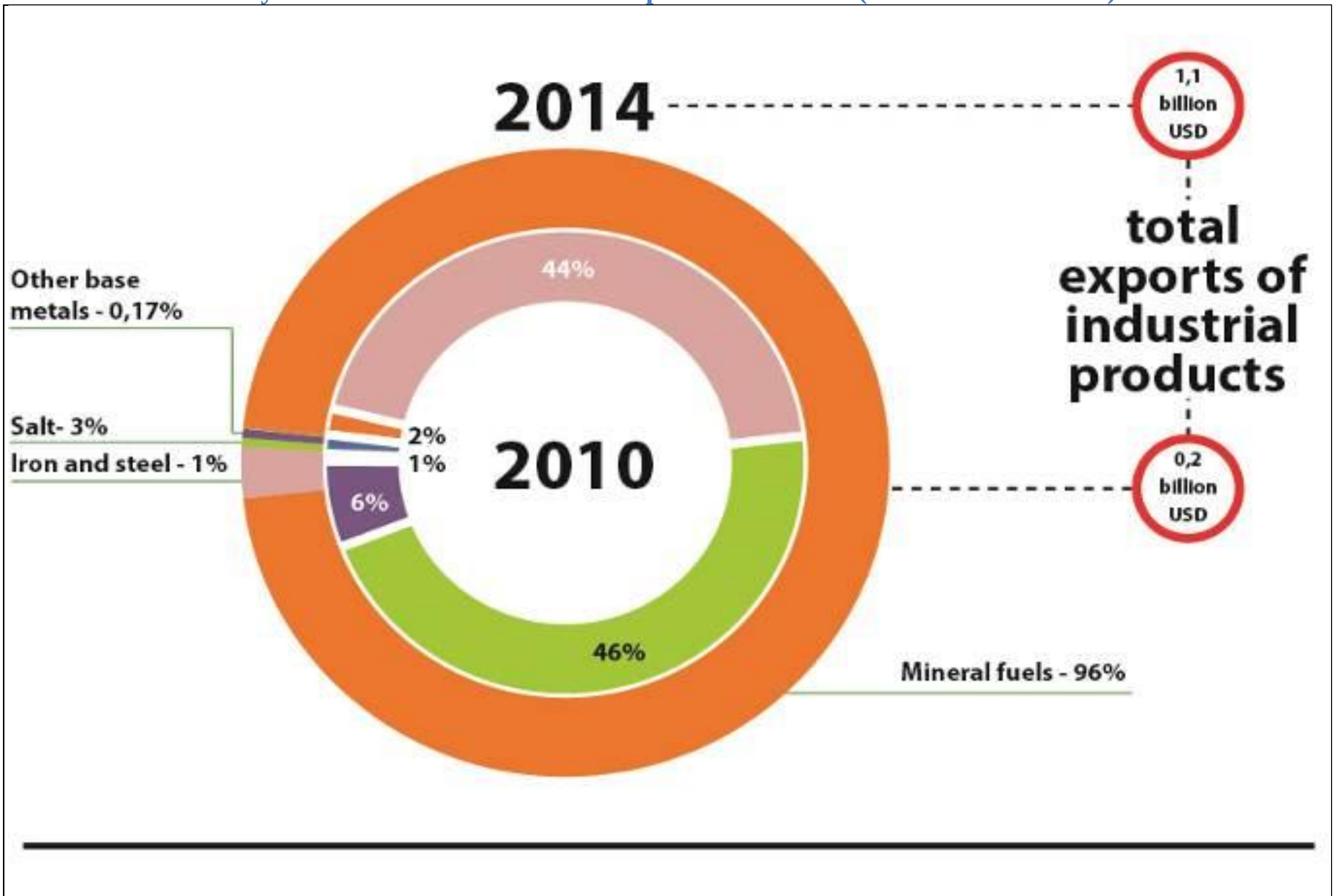
[15] As per Indian Statistics, HS code 611030 (USD 13.68 Million) is the main item exported to Kazakastan. Hence, data discrepancy exists between India and EAEU.

Table 22: Kazakhstan`s Industrial Exports to India (USD Million)

Product	2010	2014	India`s MFN rate,%
Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes (mainly HS code 270900)	0.7	1008.3	0
Salt; Sulphur; earths and stone; plastering materials, lime and cement (mainly HS code 252490)	17	27.6	10
Iron and steel (mainly HS code 720241)	17.6	5	5
Other base metals, cermets, articles (mainly HS code 810820)	2.3	4.6	5
Raw hides and skins and leather (mainly HS code 410411)[16]	0.2	0.5	10
Others	0.5	1.8	
Total	**116.8**	**1083.3**	

Source: Eurasian Economic Commission Statistical Division, 2016

Chart 18: Commodity Structure of Kazakhstan's Exports from India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

The Kyrgyz Republic – India

The level of trade between two countries is low so in the framework of this study the structures of Kyrgyzstan's imports and exports w.r.t. India has been considered without allocation to agricultural and

[16] As per Indian Statistics, HS code 410419 was the main item imported from Kazakastan in the year 2010 (USD 0.79 Million) and in 2014 (USD 1.34 Million). Hence data discrepancy exists between India and EAEU.

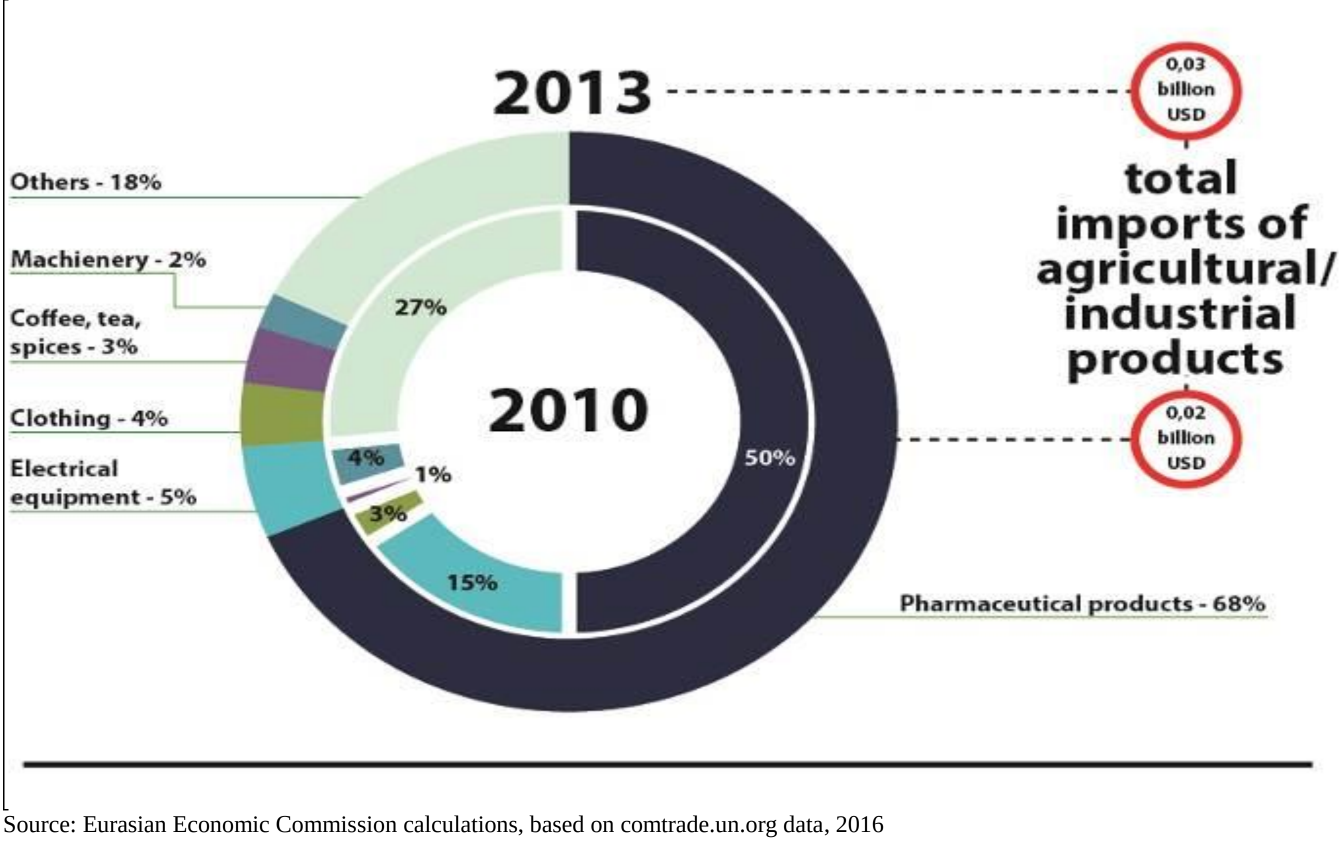
industrial products.
The total value of Kyrgyzstan`s imports from India in 2013 was about USD 25.4 million. The main import product was pharmaceutical products (68%).

Table 23: Kyrgyzstan's Industrial Import from India (USD Million)

Product	2010	2013	EAEU MFN rate,%
Pharmaceutical products (mainly HS code 300420)[17]	10.7	17.4	12.5
Electrical, electronic equipment (mainly HS code 852352)	3.3	1.3	6.7
Articles of apparel, accessories, knit or crochet (mainly HS code 611490)	0.6	0.9	0
Coffee, tea, mate and spices (mainly HS code 090240)	0.3	0.8	0
Machinery, nuclear reactors, boilers, etc (mainly HS code 848220)	0.8	0.5	3.3
Others	5.7	4.5	
Total	**21.4**	**25.4**	

Source: Eurasian Economic Commission calculations, based on comtrade.un.org data, 2016

Chart 19: Commodity Structure of Kyrgyzstan's Import from India



Source: Eurasian Economic Commission calculations, based on comtrade.un.org data, 2016

The total value of Kyrgyzstan`s industrial exports to India in 2013 was about USD 0.56 million. The main products of exports were mineral fuels and oils with share of about 80%.

[17] Acc. to Indian Statistics, HS code 300490 is the main exported item in the year 2010 (USD 0.06 Million) and in 2014 (USD 3.55 Million). Hence, data discrepancy is there between India and EAEU.

Table 24: Kyrgyzstan's Industrial Exports to India (USD Million)

Product	2010	2013	India`s MFN rate,%
Mineral fuels, oils, distillation products, etc (mainly HS code 271019)	0.08	0.45	4.2
Pharmaceutical products (mainly HS code 300490)	0	0.08	10
Raw hides and skins and leather (mainly HS code 410411)	0.38	0.02	10
Meat, fish and seafood food preparations (mainly HS code 160250)[18]	0	0.008	30
Organic chemicals (mainly HS code 292144)	0	0.007	7.5
Others	0.1	0	
Total	**0.56**	**0.56**	

Source: Eurasian Economic Commission calculations, based on comtrade.un.org data, 2016

Table 25: India's Agricultural Goods Exports to Kyrgyzstan (USD Million)[19]

HS Code	Commodity	2010	2014
9	COFFEE, TEA, MATE AND SPICES (mainly HS 090420)	1.21	0.85
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES (mainly HS Code 240311)	0.22	0.10
21	MISCELLANEOUS EDIBLE PREPARATIONS (mainly HS Code 210690)	0.05	0.03
17	SUGARS AND SUGAR CONFECTIONERY (mainly HS Code 170410)	0.03	-
	OTHERS	-	0.41
	TOTAL	**1.51**	**1.49**

Source: Ministry of Commerce & Industry, Government of India, 2016

Table 26: India's Agricultural Goods Imports from Kyrgyzstan (USD Million)

HS Code	Commodity	2010	2014
12	OIL SEEDS AND OLEA. FRUITS; MISC. GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER.	0.01	0
410221	RAW SKNS OF SHP LMB ETC PCKLD WTHOUT WOOL	0.14	0
410120	WHOL HIDS ANDSKNS OF BVNE ANMLS OF WT PR SKNNT EXCDNG AND KG WHN SMPLY DRID,10 KG DRID SLTD,16 KG WHEN FRESH/SLTD/PRSRVD	0.05	0
410190	OTHER HIDES AND SKINS OF BVNE ANMLS INCDNGBUTTS/BENDS/BULLIES FRESH/SLTD/PRSRVD	0.05	0

[18] As per WTO definition of Agriculture, Fish and fish products (HS-Code 03 & 16) are not to be included.
[19] Data on Exports of AGRICULTURAL GOODS between India and Kyrgyzstan is available from India side. Therefore, table is provided from India's Side.

7	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS(mainly HS Code 071333)	0	0.39
	Total	**0.25**	**0.39**

Source: Ministry of Commerce & Industry, Government of India, 2016

The Russian Federation - India

The trade turnover between the two countries increased from USD 8.5 billion in 2010 to USD 9.5 billion in 2014. Russia's total merchandise exports to India in 2014 has increased by USD 0.9 billion in comparison with 2010. The value of exports has decreased slightly from USD 6.4 billion in 2010 to USD 6.3 billion in 2014. The average growth rate of exports was -0.2%.

Russia's imports from India has increased over the past 5 years. Value of imports grew from USD 2.1 billion in 2010 to USD 3.2 billion in 2014. The average growth rate of imports was 10.8% during the period.

The share of India in Russia global turnover stood at 1.6% in 2010 and fell by 1.3% in 2014.

During the observed period of time Russia has positive balance of trade amounting to USD 4.2 billion in 2010 and USD 6.3 billion in 2014.

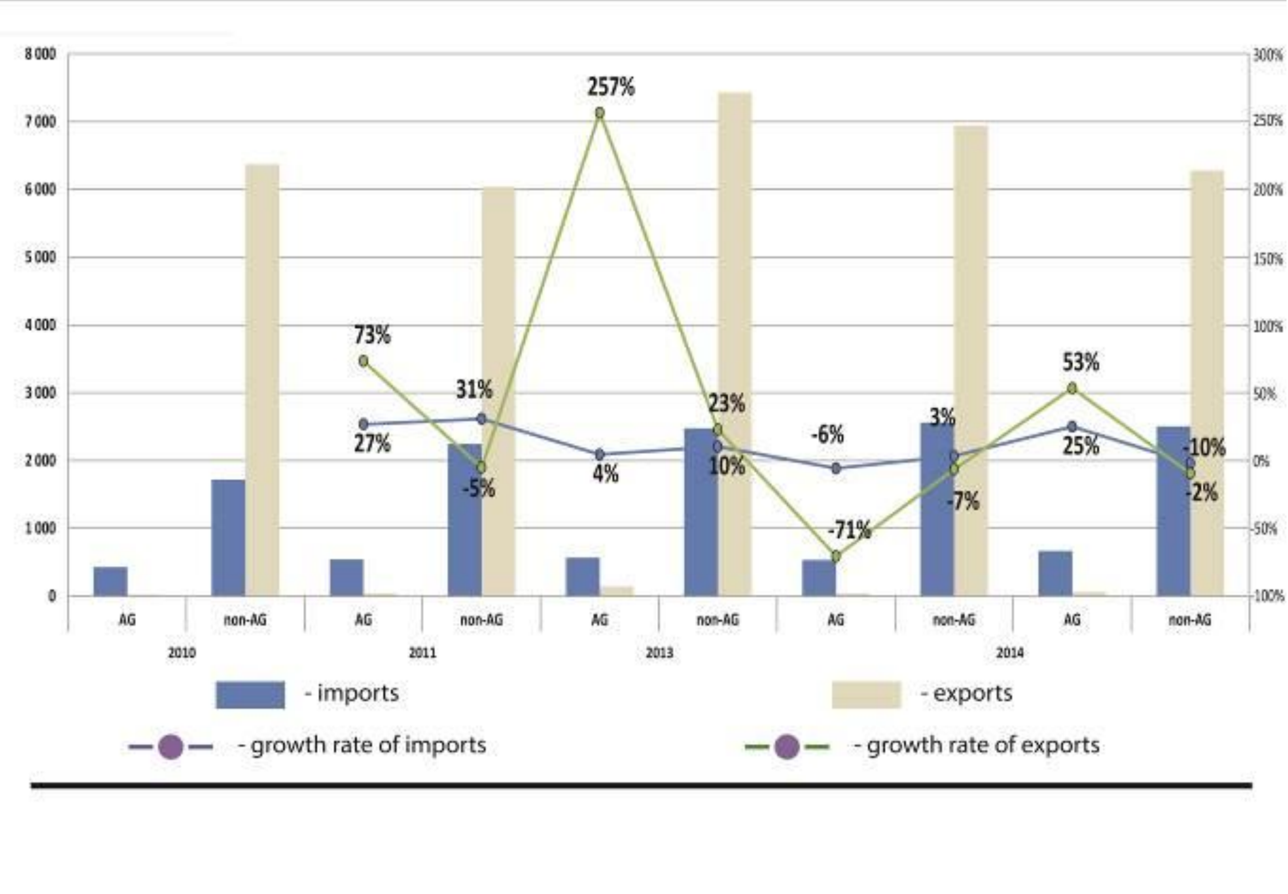
Agricultural Goods

According to the trade statistics, trade turnover of agricultural goods between Russia and India increased from USD 0.4 billion in 2010 to USD 0.7 billion in 2014.

The share of agricultural products in trade flows between two countries can be illustrated by the following numbers:

- The share of agricultural products in total trade turnover increased from 5.3% in 2010 to 7.7% in 2014;
- Exports of agricultural products from Russia to India increased from USD 0.02 billion in 2010 to USD 0.06 billion in 2014;
- Imports of agricultural products to Russia from India increased from USD 0.4 billion in 2010 to USD 0.6 billion in 2014;
- On an average, over the past 5 years the growth rate of exports of agricultural products was 29.2%;
- On an average, over the past 5 years the growth rate of imports of agricultural products was 11.7%;
- The highest level of exports of agricultural products has reached in 2012 (USD 0.14 billion);
- The highest level of imports of agricultural products has reached in 2014 (USD 0.7 billion).

Chart 20: Main Indexes of Merchandise Trade between Russia and India (USD Million)



Source: Eurasian Economic Commission Statistical Division, 2016

Chart 20 shows that over the last 5 years Russia had a negative balance of trade in agricultural products. Trade deficit in agricultural products amounted to USD 0.4 billion in 2010 and USD 0.6 billion in 2014. It should be noted that the structure of total Russian agricultural trade with India mainly consists of agricultural imports. The share of exports of agricultural products to India is quite low and hasn't even exceeded USD 100 million during the last 5 years, except for 2012 when it was recorded that the value of Russia exports amounted to around USD 140 million.

Table 27: Russian Exports of Agricultural Products to India (USD Million)

Product	2010	2014	India's MFN applied tariff, %
Vegetables oils (mainly HS code 151530)[20]	19.2	44	53,8
Vegetables (mainly HS code 0713 20)	2.5	14.7[21]	30
Chocolate (mainly HS code 1806 31)	0	2.8	30
Miscellaneous edible preparations (mainly HS code 2106 90)	0.4	0.9	150
Pepper (mainly HS code 0909 21)	0.1	0.6	30
Total[22]	**22.0**	**63.0**	

Source: Eurasian Economic Commission Statistical Division, 2016

[20] As per Indian Statistics, HS code 151411 was the main item imported from Russia in the year 2014 (USD 36.53 Million). So there is data discrepancy between EAEU and India.

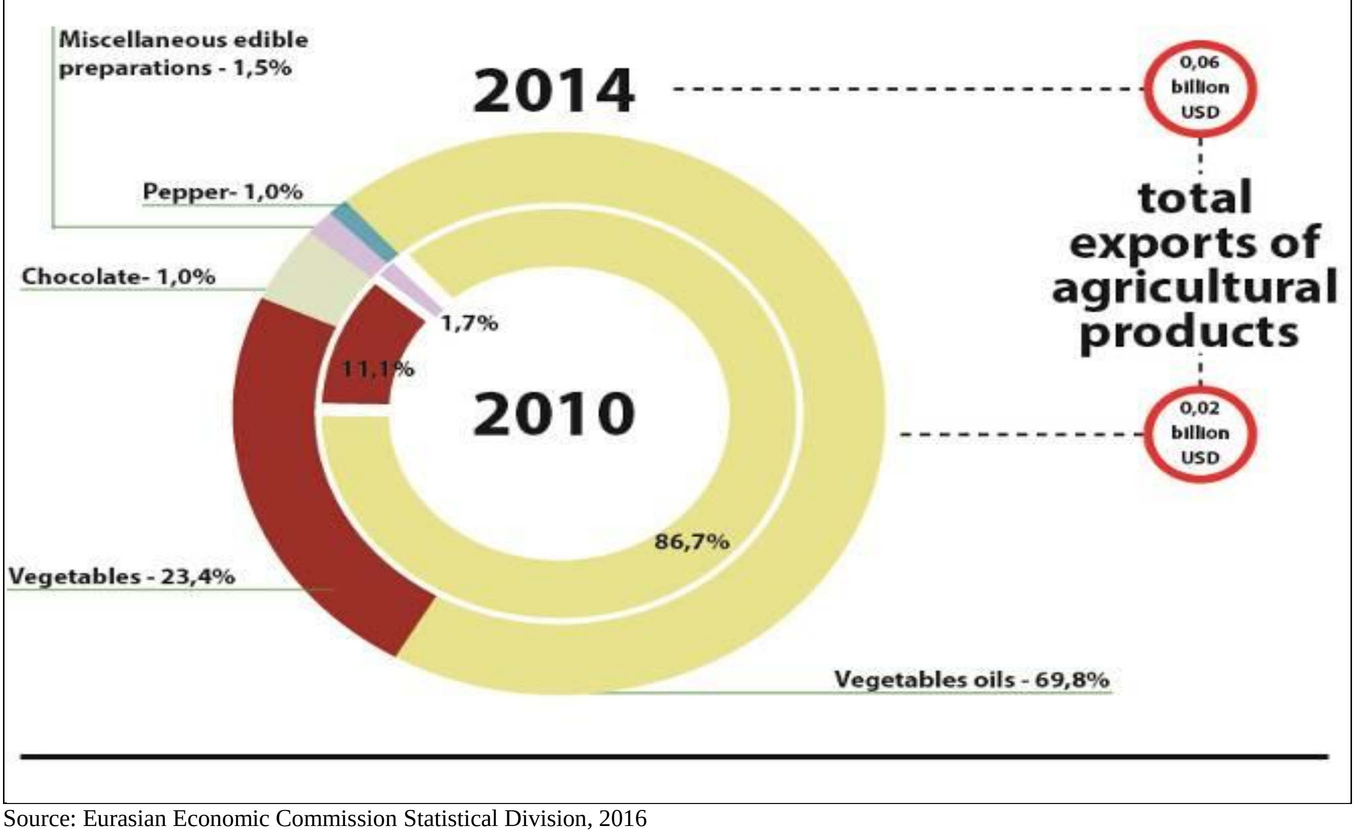
[21] There exists differences in Value of total imports from Russia with respect to Indian data 2010 (USD 11.68 Million) and 2014 (USD 103.16 Million). So there exists discrepancy in data between EAEU and India.

[22] There exist differences in Total values of agricultural import from Russia with respect to India, 2010 (USD 24.12 Million) and 2014 (USD 159.53 Million). So there exists data discrepancy between EAEU and India.

The commodity structure of agricultural exports from Russia to India has the following main elements: the main category of agricultural products imported by India from Russia was vegetables oils in 2010 as well as in 2014. Within the category of vegetables oils the main product of trade is rapeseed oils; vegetables were the second largest category of agricultural products; Among vegetables products Russian companies exported a lot of chick-pea and peas.

In 2014 India also imported from Russia chocolate, miscellaneous edible preparations and some quantity of pepper. Chart 19 and Table 16 represent the main changes in the structure of Russian exports to India for the last 5 years. The mentioned commodities are the key top export products of Russia. The liberalization of tariff by India through reduction or elimination tariff for these goods could bring sufficient benefits.

Chart 21: Commodity Structure of Russian Exports to India (Agricultural Products)



Source: Eurasian Economic Commission Statistical Division, 2016

Except for the 5 indicated commodities, Russia also exported some amount of ethyl alcohol, rapeseed, mineral water, resin, white sugar and etc.

The commodity structure of agricultural imports from India to Russia has the following main elements: tea was the main category of agricultural products imported by Russia from India in 2010 as well as in 2014; it should be stressed that imports of tea mainly includes only black tea; the share of green tea is very small and has been estimated at the level 0.1% of total imports of agricultural products in accordance with statistics data in 2014; unmanufactured tobacco was the second largest category of agricultural products imported by Russian companies; the share of these two commodities accounted for more than 55% of total Russian imports of agricultural products.

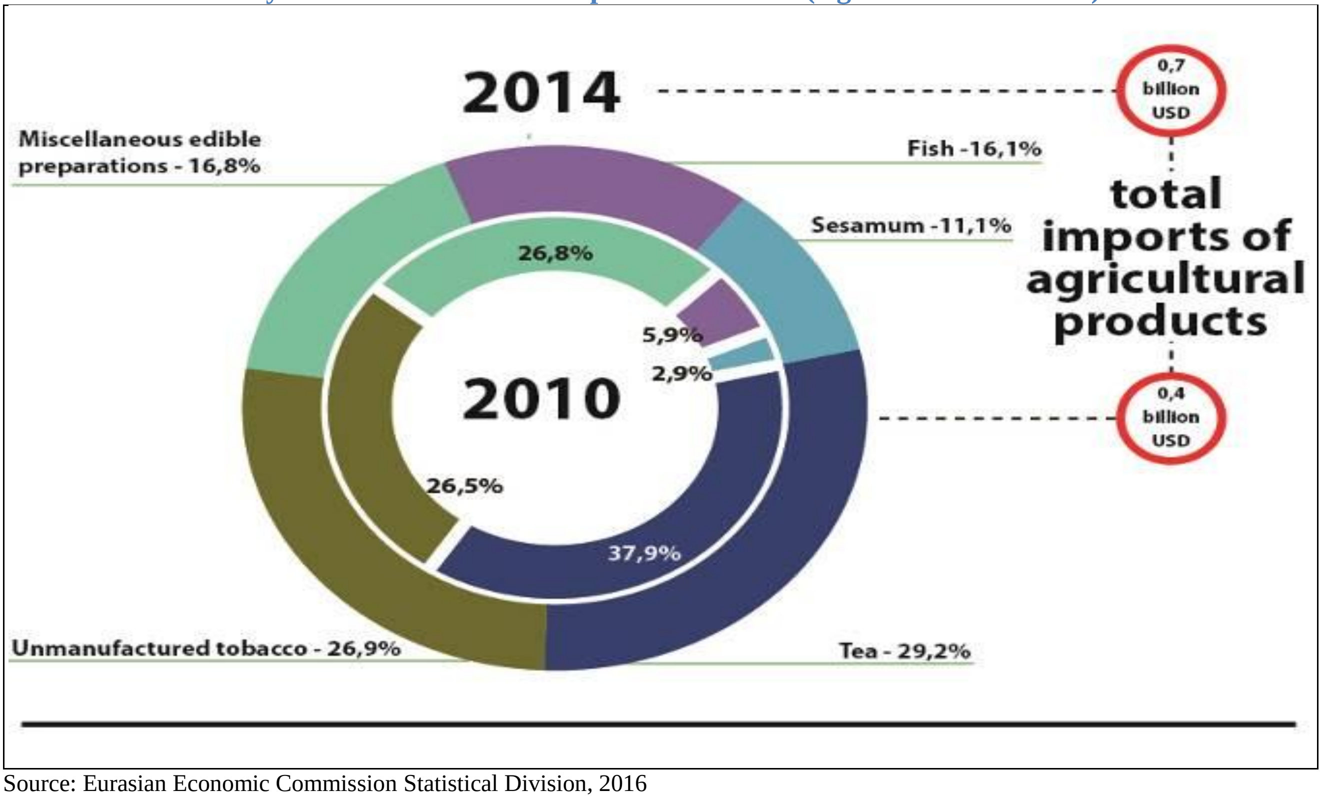
Table 28: Russian Imports of Agricultural Products from India (USD Million)

Product	2010	2014	The EAEU's MFN applied tariff, %
Tea (mainly HS code 090240)	134.5	132.9	0
Unmanufactured tobacco (mainly HS code 240120)	94.1	122.5	4
Miscellaneous edible preparations (mainly HS code 210111)	95.2	76.6	7.5, but not less than 0.375 euro for 1 kg
Fish (mainly HS code 030617)[23]	21	73.3	4.6
Sesamum seeds (mainly HS code 200110)	6	5	12, but not less than 0.006 euro for 1 kg
Total:	**335.1**	**455.7**	

Source: Eurasian Economic Commission Statistical Division, 2016

In 2014 Russia also imported rice, grapes, prepared cucumbers, fresh vegetables and some kind of beef meet from India. Chart 22 and Table 28 represents the main changes in the structure of Russian imports from India for the last 5 years.

Chart 22: Commodity Structure of Russian Imports from India (Agricultural Products)



Source: Eurasian Economic Commission Statistical Division, 2016

Industrial Goods

According to the trade statistics, trade turnover of industrial goods between Russia and India increased from USD 8 billion in 2010 to USD 8.7 billion in 2014.

The share of industrial products in trade flows between two countries can be illustrated by the following numbers:

- The share of industrial products in total turnover decreased from 94.7% in 2010 to 92.3% in 2014;

[23] As per WTO's definition of Agricultural Goods, Fish & Fish products (HS code 03 and 16) are not included.

- Exports of industrial products from Russia to India decreased from USD 6.4 billion in 2010 to USD 6.3 billion in 2014;
- Imports of industrial products to Russia from India increased from USD 1.7 billion in 2010 to USD 2.5 billion in 2014;
- The growth rate of exports industrial products was 2.3% on average over the past 5 years;
- The growth rate of imports of industrial products was 10.6% on average over the past 5 years;
- The highest level of exports of industrial products has reached in 2012 (USD 7.4 billion);
- The highest level of imports of industrial products has reached in 2013 (USD 2.6 billion);
- Chart 22 shows that over the last 5 years Russia has had a positive balance of trade in industrial products. Trade surplus in industrial products accounted for USD 4.7 billion in 2010 and USD 3.7 billion in 2014.

The commodity structure of industrial exports from Russia to India has the following main elements: the main category of Russian exports was natural gas with total share of 50.1% in 2014;

Table 29: Russian Exports of Industrial Products to India (USD Billion)[24]

Product	2010	2014	India's MFN applied tariff, %
Natural gas (2711 21)	2.4	3.1	5
Mechanical equipment (8411 12)	0.6	0.7	7.5
Electric equipment (8529 90)	0.4	0.5	8.3
Fertilizers(3104 20)	1.1	0.4	10
Automatic controlling instruments (9032 89)	0.2	0.3	7.5
Others	1.6	1.2	-
Total	6.3	6.2	-

Source: Eurasian Economic Commission Statistical Division, 2016

In 2010 the main export commodity was natural gas, but its share was slightly less (38%); the second largest group of product exported to India during the last several years has been fertilizers; the share of wood products fertilizer has been declining significantly from 17.7% 2010 to 58% in 2014; saying about the export structure of fertilizers Russia exports potassium fertilizers and phosphorus fertilizers; mechanical equipment was one of the top export products in 2010 with share of 9.2% as well as in 2014 with share of 11.3%; Russian companies mostly exported turbo-jets, special kind of machineries, parts and elements for machinery; the fourth major export category of products was category "electric equipment", including turbo-jets and radio-electronic equipment; the fifth category of exports was automatic controlling instrument with share of 3.9% in 2010 and with share of 5.8% in 2014; it should be noted that the pattern of exports has been changing slowly during the past 5 years. For example, exports of paper played important role five years ago, but its share has been decreasing and its share fell by from 3% in 2010 to 1% in 2014; the similar situation took place in the exports of steel and iron products.

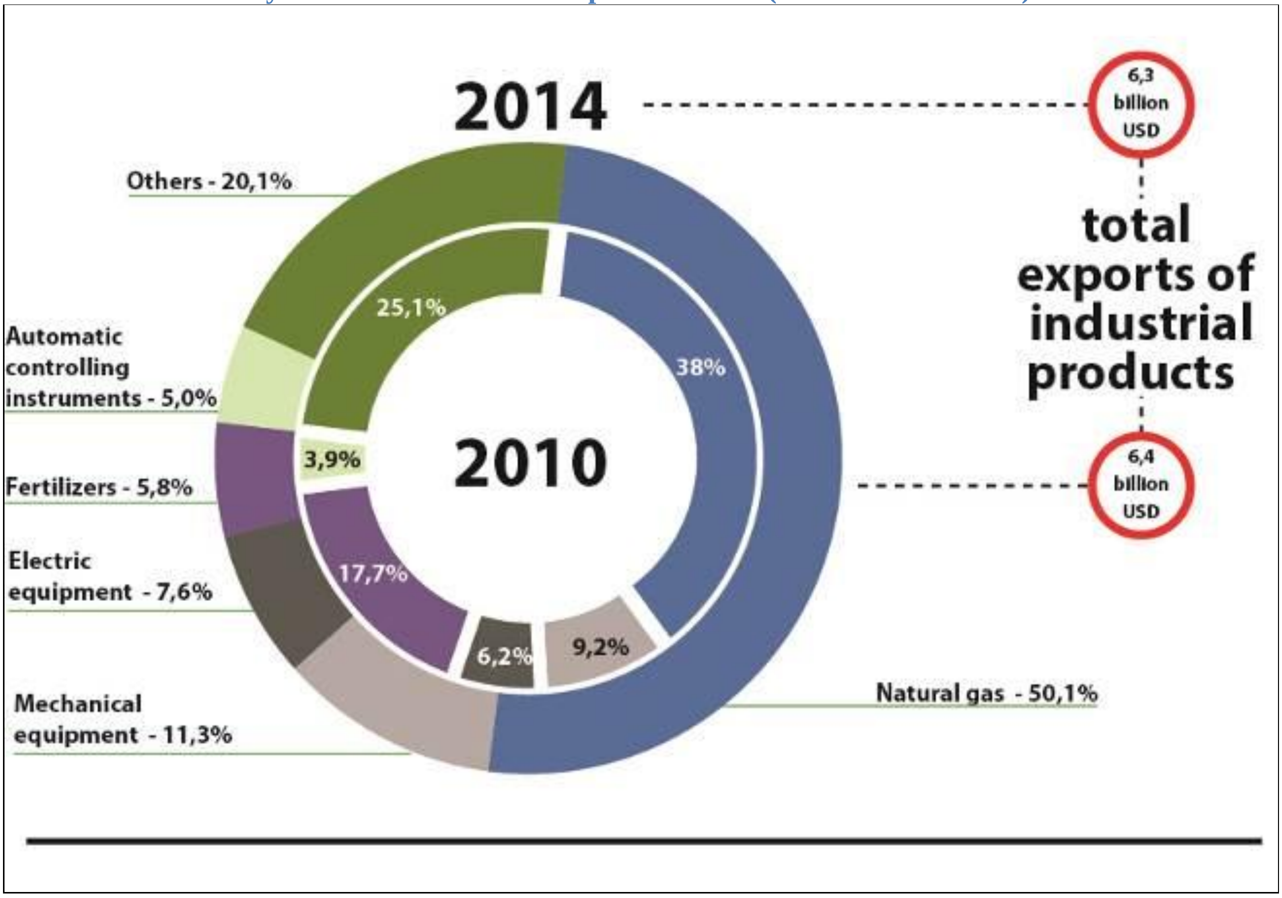
According to the trade statistics exports of flat rolled products significantly dropped down from USD 107 million in 2010 to USD 14 million in 2014, exports of ferro-alloy decreased from USD 24 million in 2010 to USD 6 million in 2014, exports of bar and rod of iron from USD 23 million in 2010 to less than USD 1

[24] As per Indian Statistics, HS code 271019 is the main item imported from Russia- USD 183.45 Million (2014). Acc to Indian Statistics, instead of HS code 84, Natural or Cultured Pearls and Others (HS code 71) [710231] is the main item imported from Russia in both 2010 (USD 385.09 Million) and in 2014 (USD 751.14 Million). SO there exists data discrepancy between India and EAEU. Acc to Indian Statistics, instead of HS code 85,Copper and Articles Thereof (HS code 74) (740811) is the main item imported from Russia in both 2010 (USD 49.11 Million) and in 2014 (USD 207.31 Million). So there is data discrepancy between EAEU and India. Acc to Indian Statistics, instead of HS code 90, Iron and Steel(HS code 72) (722511) is the main item imported from Russia in both 2010 (USD 53.88 Million) and in 2014 (USD 120.72 Million). So there exists data discrepancy between EAEU and India.

million in 2014.

There are some important products in the category “Others”. Russia exported to India a lot of asbestos, different kind of magazines, books, liquid crystal devices, polyamides in primary forms, synthetic rubber. The value of exports of mentioned goods exceeded the level of USD 300 million in 2014.

Chart 23: Commodity Structure of Russian Exports to India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

Table 30: Russian Imports of Industrial Products from India (USD Million)[25]

Product	2010	2014	The EAEU’s MFN applied tariff, %
Pharmaceutical products (mainly HS code 300490)	621.0	667.5	5
Mechanical equipment (mainly HS code 841989)	104.8	270.3	0
Electric equipment (mainly HS code 851761)	262.8	184.7	0

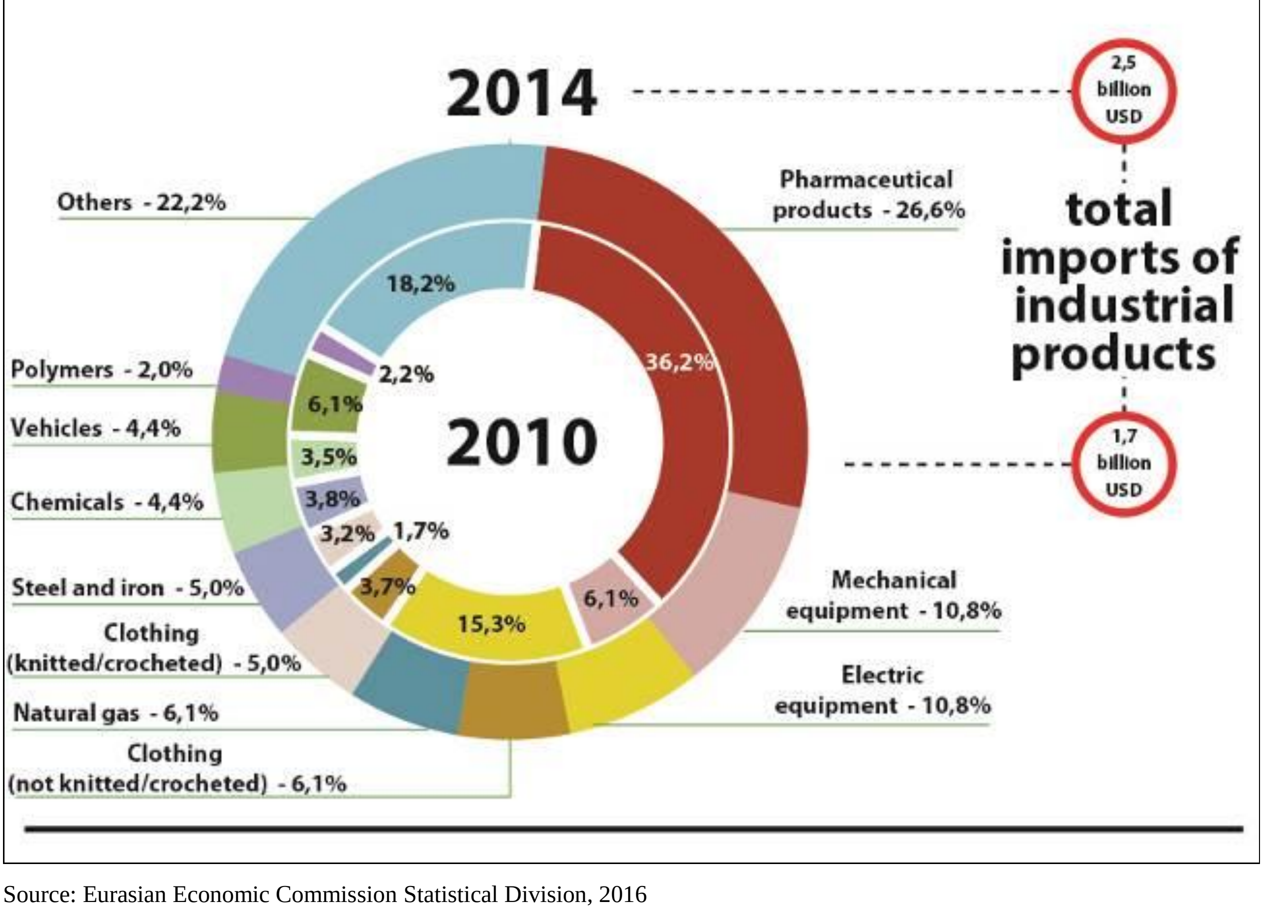
[25] In terms of India’s Industrial Export data to Russia, data discrepancy is evident at HS-6 digit level, as there are certain products at HS-6digit level, as per Indian Statistics, that has not been captured by Russia. Acc to Indian Statistics, instead of HS code 841989, HS code 840710 is the main item exported to Russia with values in 2010 (USD 0.46 Million) and in 2014 (USD 177.88 Million). So there is data discrepancy between EAEU and India. Acc to Indian Statistics, instead of HS code 851761, HS code 851150 is the main item exported to Russia with a value USD 11.22 Million in 2014. So data discrepancy exists between India and EAEU. Acc to Indian Statistics, instead of HS code 851761, HS code 851150 is the main item exported to Russia with a value USD 11.22 Million in 2014. So data discrepancy exists between India and EAEU. Acc to Indian Statistics, instead of HS code 851761, HS code 851150 is the main item exported to Russia with a value USD 11.22 Million in 2014. So data discrepancy exists between India and EAEU. Acc to Indian Statistics, instead of HS code 620520, HS code 620342 is the main item exported to Russia with values USD 0.77 Million in 2010 and USD 10.59 Million in 2014. SO data discrepancy exists between EAEU and India. Acc to Indian Statistics, instead of HS code 721922, HS code 721990 is the main item exported to Russia.with values USD 7.76 Million in 2010 and USD 16.9 Million in 2014. So there is discrepancy of data between India and EAEU.

Clothing (not knitted or crocheted) (mainly HS code 610910)	64.2	152.3	1.75 euro for 1 kg
Natural gas (mainly HS code 271121)	29.6	152.1	0
Clothing (knitted or crocheted) (mainly HS code 620520)	54.1	126.1	1.75 euro for 1 kg
Steel and iron (mainly HS code 721922)	65.0	124.2	5
Chemicals (mainly HS code 320412)	60.4	111.1	0
Vehicles and its parts (mainly HS code 870829)	104.2	110.0	5
Polymers (mainly HS code 392020)	37.7	50.5	6.5
Others	312.1	556.2	
Total:	**1716**	**2505**	

Source: Eurasian Economic Commission Statistical Division, 2016

The commodity structure of industrial imports from India to Russia has the following main elements; the main import category remained pharmaceutical products with a share of 36.2% in 2010 and of 26.6% in 2014; the second largest category was mechanical equipment with a share of 6.1% in 2010 and of 10.8% in 2014 followed by electric equipment with a share of 15.3% in 2010 and of 7.4% in 2014.
Russian companies imported from India a lot of textile products, including both clothing knitted or crotched and not knitted or crotched. The share of textile imports increased from 5.5% in 2010 to 11% in 2014. The value of imports of steel and iron sufficiently increased from USD 65 million in 2010 to USD 125 million in 2014. The same situation took place in the trade flow of chemicals where the volume of imports increased from USD 60 million in 2010 to USD 111 million in 2014. In addition to the mentioned products, Russia also imported from India vehicles and polymers.
Chart 24 and Table 30 represent the main changes in the structure of Russian imports of key commodities for the last 5 years.

Chart 24: Commodity Structure of Russian Imports from India (Industrial Products)



Source: Eurasian Economic Commission Statistical Division, 2016

3.2 Overview of the EAEU and Indian Tariff measures applying to Trade in Goods

3.2.1 Tariffs

The EAEU Tariffs Description

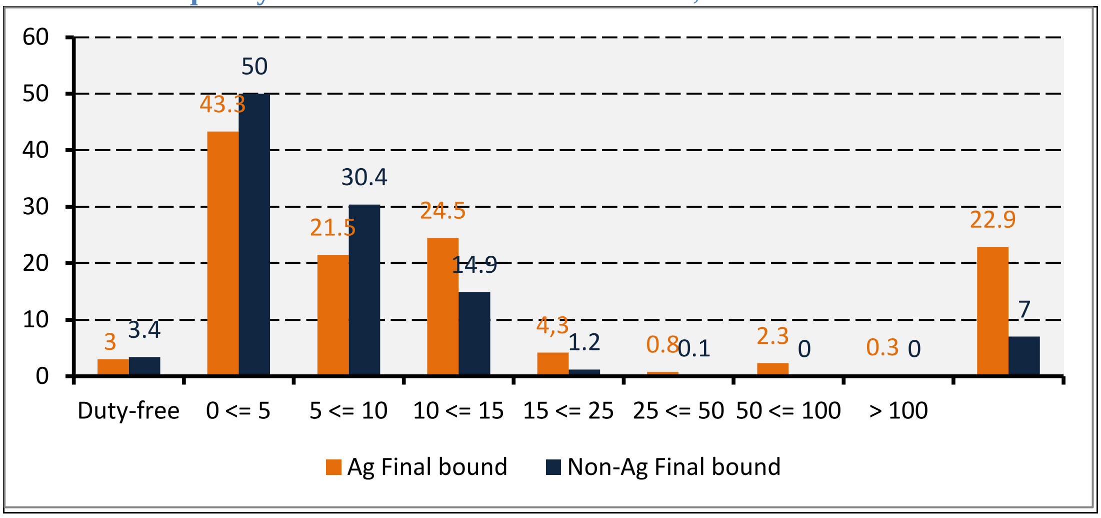
The common customs tariff came into force in the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation on January 1, 2010. In the Republic of Armenia the common customs tariff came into force on January 2 and in the Kyrgyz Republic on August 2015. The common customs tariff of the EAEU is based on the 2012 Harmonized Commodity Description and Coding System of the World Customs Organization and is applied to goods imported in the common customs territory of the EAEU from third countries.

In 2015 the common custom tariff consisted of 11640 tariff lines (at HS ten-digit level). The 1777 tariff lines were subject to non-ad-valorem rates of import duties of which the 330 tariff lines were subject to specific rates and the remaining 1447 tariff lines were subject to compound rates. Certain agricultural products are subject to TRQs.

The common customs tariff of the EAEU is based on Russia's WTO tariff commitments. In accordance with Russian's Schedule of Concessions and Commitments on Goods for certain products, it should be reduced on the annual basis during the transition period. The Russia's final bound rates will be fully implemented as of 2020.

Russia's WTO Tariff Commitments: 100% of tariff lines are bound. The simple average final bound rate is about 7.8% – 11.2% for agricultural products and 7.1% for non-agricultural products.

Chart 25: Frequency distribution of final bound duties, %[26]



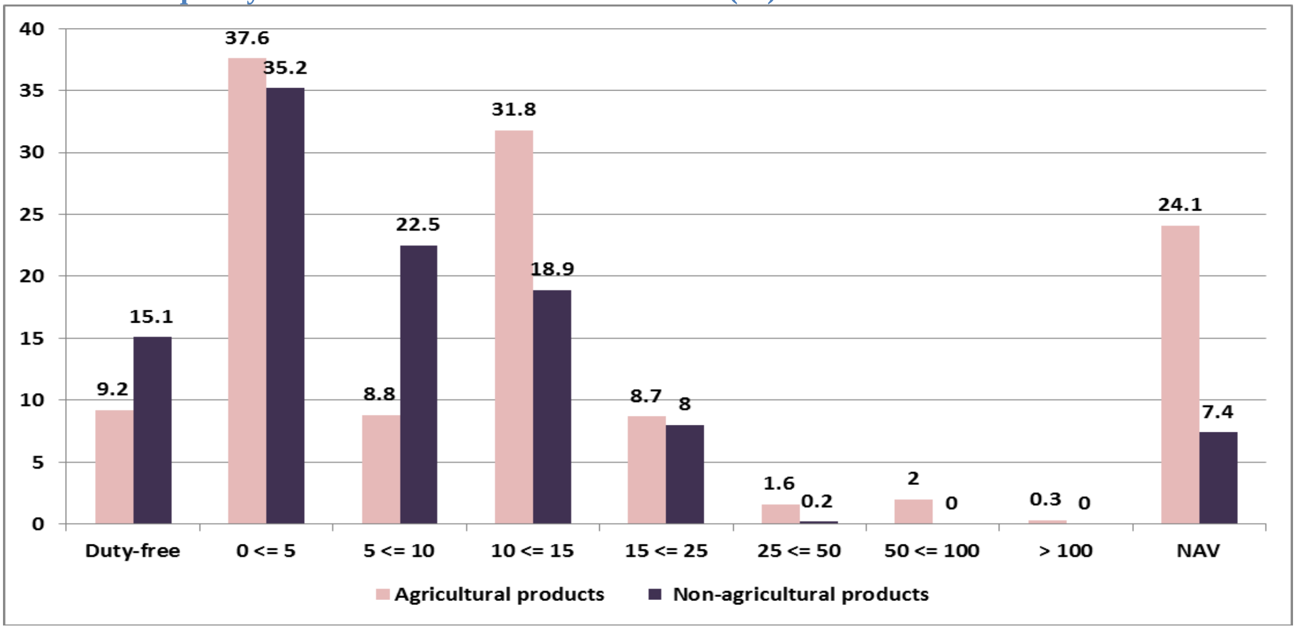
Source: WTO, 2016

Bound rates are high for agricultural products with a maximum ad valorem rate of 100% for alcohol. Over 73% of the Russian's tariff bindings are in ad valorem terms for agricultural products and 93% for non-agricultural products. Non-ad valorem tariff bindings exist mainly for certain agricultural products, textiles and clothing and fish and fishery products. Over 44% of agricultural tariff lines and approximately 50% of non-agricultural tariff lines are in 0-5% range.

Applied Tariff: In 2015, the simple average Most-favored Nation (MFN) applied rate was 8.7%, net weighted – 6.7%.

[26] The right two columns (22.9% and 7%) indicate the share of non-ad valorem tariff-lines in agricultural and non-agricultural sectors, respectively.

Chart 26: Frequency Distribution of MFN duties for 2015 (%)



Source: WTO, 2016

The level of MFN applied custom duties for around 40% of tariff lines (both agricultural and non-agricultural products) are lower than 5%. More than 30% of agricultural tariff lines are in the range of 10-15%. The level of tariff protection for agricultural sector is particularly high on animal products, dairy products, beverages and tobacco. The rates of import customs duties for more than 50% of tariff lines of agricultural products do not exceed 10%. At the end of the implementation period, the rates of import customs duties for 68% of tariff lines will not exceed 10% while for 46.3% of tariff lines the rate of import customs duties will be less than 5%.

The average applied MFN tariff on non-agricultural products is relatively low (9.3%). The average tariff for non-agricultural product groups generally doesn't exceed 10-12%. In industrial sector certain products are particularly sensitive for the EAEU and are protected by higher import tariff rates for the following categories of industrial products: clothing – 22.7%, wood, paper, etc. – 12.6%, fish and fish products – 12.3%.

The rates of import customs duties for more than 65% of tariff lines of non-agricultural products do not exceed 10%. When the respective transition periods phase out, the rates of import customs duties for 83% of tariff lines will not exceed 10% and for 14.6% of tariff lines the rate of import customs duties will be 0%. Around 85% of tariff lines currently applied to industrial products have ad valorem rates, 13% – combined and 2% – specific.

India Tariffs Description

As evident from Table A, there exist difference between the tariff structure of India and the individual EAEU Member States. The comparison suggests that India's average MFN tariff rates are higher than the corresponding figure for the EAEU as a grouping; however it is only marginally higher than some of the members of the EAEU.

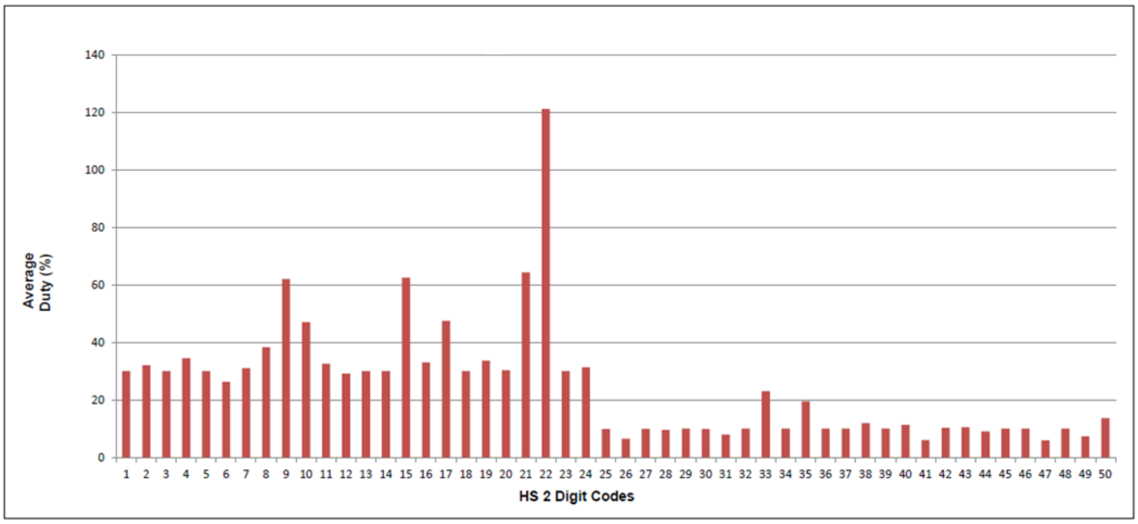
Table A: Average Tariffs MFN rates of India and EAEU members (2015)

	India	**Armenia**	**Belarus**	**Kazakhstan**	**Kyrgyzstan**	**Russia**	**EAEU**
Average MFN **Tariff (%)**	13	4.19	10.26	10.26	4.92	10.26	8.7

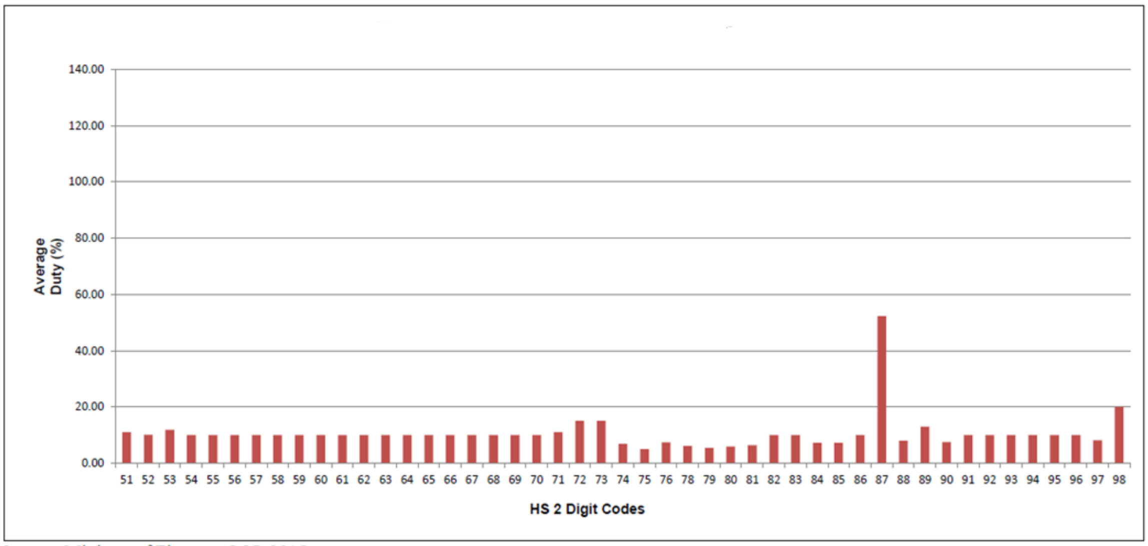
Source: For India, WTO and Trade *Policy Review 2015* and for EAEU, Eurasian Economic Commission and WTO, 2016

An analysis of average level of tariffs applied to trade in goods in India in 2015 suggests that most of the products that fall in the agriculture sector have higher levels of average tariffs at HS 2 digit level whereas the average tariffs on industrial goods have become quite low (see Chart 27). Chapter 22 displays the highest levels of average tariffs touching almost 120 percent whereas there are several chapters that belong to the industrial good where the average tariffs are generally below 20 percent except in the case of Chapter 87. Evidently, India's average duty is much higher with respect to the agricultural sector than the industrial sector.

Chart 27:Average Duty (%), 2015

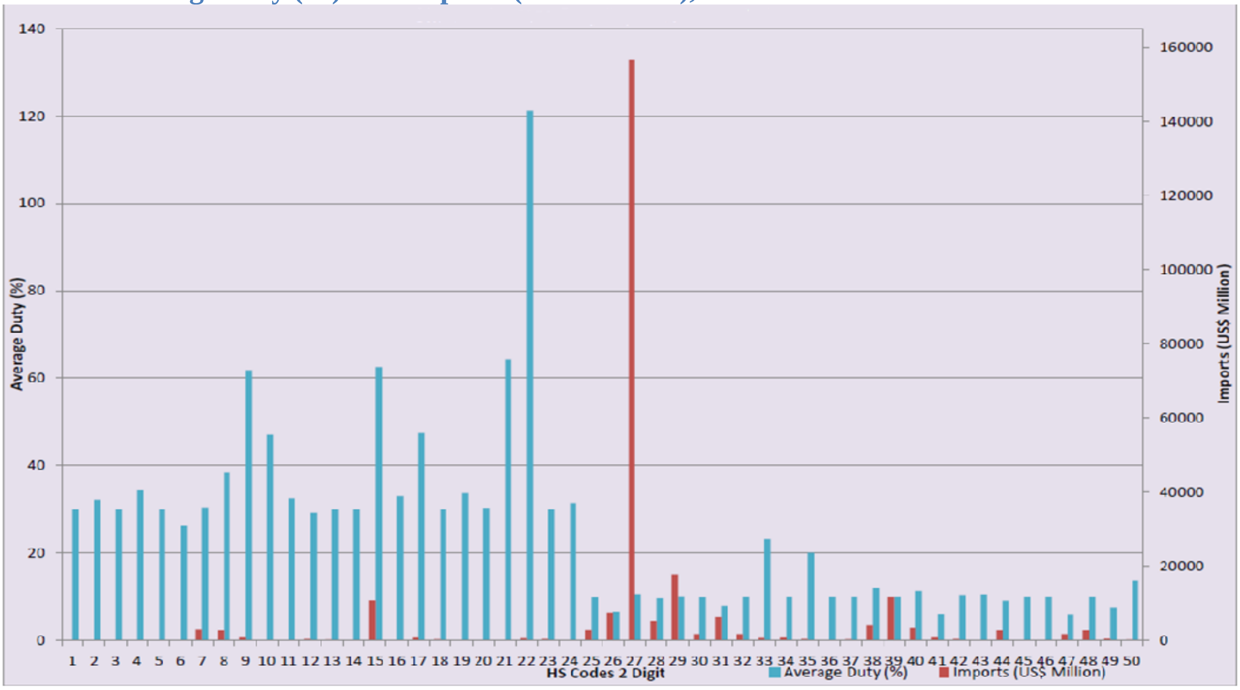


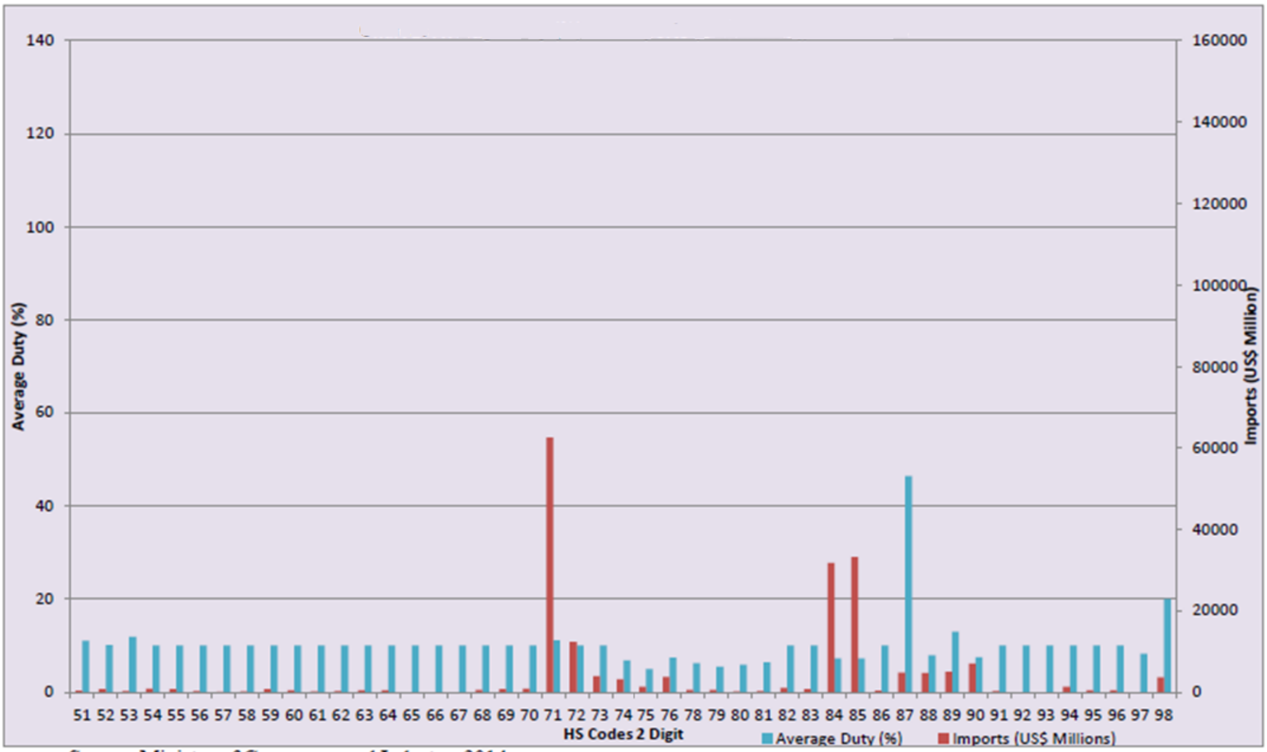
Source: Ministry of Finance, GOI, 2015



Source: Ministry of Finance, GOI, 2015

Chart 28: Average Duty (%) and Imports (USD Million), 2014





Source: Ministry of Commerce and Industry, 2014

However, it is interesting to note from Chart 28 that when the average tariffs are juxtaposed with import coverage at HS 2 digit level the scenario changes. The maximum import coverage is by Chapter 27 which has average tariff levels around 10 percent followed by Chapter 71, 84, 85 etc. Overall, it is quite clear from Chart 28 that higher tariffs pertaining to the agriculture sector have low import coverage and on the contrary, chapters characterized by high levels of imports invite lower average tariffs. A detailed exposition of chapter wise comparison between average tariff level and the concomitant import coverage is presented in Table 30.

Further, in Table 31, India's tariff class intervals are compared with the number of tariff lines at HS 6 digit level and the corresponding import coverage. While the maximum import coverage to the tune of USD 1.3 billion has only one tariff line at HS 6 digit level belonging to 55 to 60 percent tariff range, maximum number of tariff lines at HS 6 digit level fall in the range of 10-15 percent tariff level, i.e., 3231 tariff lines which has import coverage of USD 66 million only. Very high tariff levels are accounted for by not only very few tariff lines at HS 6 digit level but also meagre import coverage.

Table 31: Imports and Tariff Lines covered under India's Tariff Class Intervals

Tariff Class Intervals[1]	Number of Tariff Lines (Codes HS Six Digit)	Import Coverage, 2014 (USD Million)[2]
0-5	115	273.66
5-10	889	204.20
10-15	3231	65.87
15-20	27	41.52
20-25	8	24.08
25-30	10	81.14
30-35	774	12.33
35-40	8	3.91
40-45	9	10.05
45-50	7	306.26
50-55	10	121.13
55-60	1	1336.99
60-65	12	1.83
65-70	1	8.12
70-75	18	26.28
75-80	4	69.54
80-85	5	0.07
100-105	53	211.88
105-110	1	49.85
125-130	9	24.44
145-150	15	23.04

Source: 1. Ministry of Finance, 2014
2. Ministry of Commerce and Industry, 2014

Overview of Trade Policies Applying to Trade in Goods

There are two main forms of trade regulation within the EAEU – tariffs and non-tariff measures. The Commission is the competent authority to determine trade policy including tariffs and non-tariff measures. All these measures are applied in accordance with WTO rules and are fully consistent with WTO relevant agreements and provisions.

The Commission has been authorized to make decisions on the following issues:

- changing of import customs duty rates;
- maintaining the common trade nomenclature of foreign economic activity of the EAEU;
- setting tariff exemptions and tariff quotas;
- defining the system of tariff preferences;
- introducing non-tariff regulations.

EAEU's Generalized System of Preferences (GSP)

Since 2010 the GSP has been applied by the Member States of the EAEU. The common framework of the EAEU's GSP is determined in accordance with the Treaty of the EAEU.
According to the EAEU's GSP, the EAEU Member States may grant tariff preferences in respect of goods originating and imported from developing or least developed beneficiary countries. This preferential

treatment provides facilitated access to the EAEU markets and contributes to the economic growth of beneficiary countries.

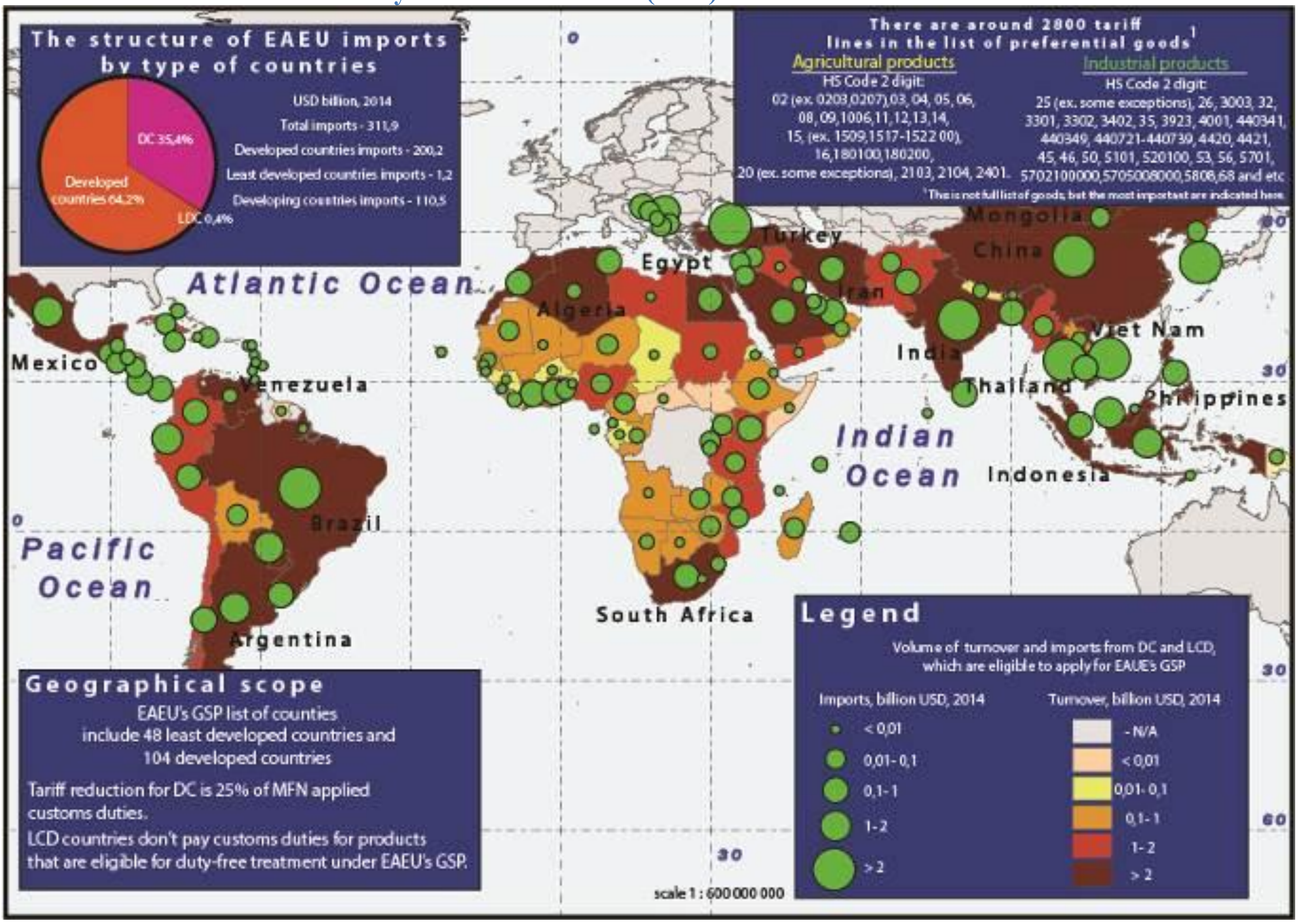
At the present moment the EAEU grants preferential tariff treatment under the GSP regime to 104 developing countries and 48 least developed counties.

For developing beneficiary countries there is tariff reduction of 25% from the MFN applied customs duties for products that are eligible for preferential treatment under the EAEU's GSP.

Least developed beneficiary countries don't pay customs duties for products that are eligible for preferential treatment under the EAEU's GSP.

In concordance with the EAEU's GSP India is eligible for preferential treatment for developing countries.

Chart 29: EAEU's Generalized System of Preferences (GSP)



India

An analysis of average level of tariffs applying to trade in goods in India in 2015 suggests that most of the products that fall in the agriculture sector have higher levels of average tariffs at HS 2 digit level whereas the average tariffs on industrial goods have become quite low (Chart 27). Chapter 22 displays the highest levels of average tariffs touching almost 120 percent whereas there are several chapters that belong to the industrial good where the average tariffs are generally below 20 percent except in the case of chapter 87. Evidently, India's average duty is much higher with respect to the agricultural sector than the industrial sector.

3.2.2 Tariff Quotas

EAEU

The EAEU has a tariff rate quotas system (TRQs) which is applied for agricultural products. TRQs cover

meat products and milk products.
The Commission is the competent authority to introduce TRQs and to determine the rules for allocation of in-quota volume. Both the allocation of quotas among the EAEU Member States and the method of quota allocation among importers within the EAEU are subject to approval by the Commission. The Commission publishes information on the global volume of the TRQs and the period of their implementation, in- and out-of-quota rates, and its allocation among the Member States of the EAEU each year.
In cases when country-specific TRQs (CSTRQs) are allocated, the Commission will inform all interested countries about the volume of their respective CSTRQs. The Commission publishes information on the global volume of the TRQs and the period of their implementation, in- and out-of-quota rates, and their allocation among exporting countries.
At the present moment TRQs are applied only for agricultural products, including different kind of meat (HS group 02) and milk products (HS group 04). The current volume of TRQ and its allocations between the EAEU Member States are regularly published on the official website of Commission.

India

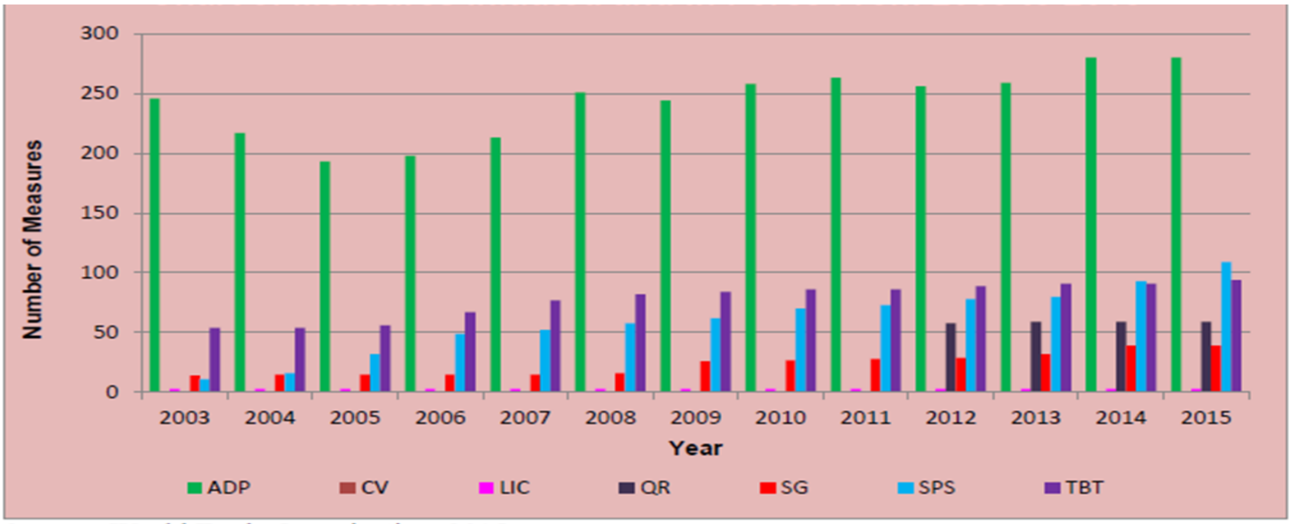
Tariff rate quotas (TRQs) allow imports up to the quota limits to take place at minimal or low tariff rates or zero tariff rates (i.e. below the MFN rates) under a trade agreement; while the MFN rate applies to imports above that quota level. Hence, the term tariff rate quotas or TRQs.
India implemented tariff rate quotas (TRQs) between 2010 and 2014 on five tariff lines at the HS six-digit level viz. skimmed milk powder and whole milk powder, granules or other solid forms (HS 0402.10 and 0402.21), maize (HS 1005.90), sunflower-seed or safflower seed oil and fractions thereof, crude oil (HS 1512.11), and rape, colza or mustard oil and fractions thereof (HS 1514.90).
The quotas are allocated by the DGFT and the eligible importers are state-trading companies depending on the product. Imports by these importers may only take place on behalf of actual users and must be cleared by customs before 31st March of each financial year.
India also maintains bilateral TRQs under its bilateral and regional trade agreements. TRQs for imports of clothing and tea and also desiccated coconut, pepper and vanaspati are maintained under its FTA with Sri Lanka. Imports of textiles and clothing from Bangladesh under the South Asian Free Trade Area (SAFTA) were subject to TRQs whose quantity was raised from 8 million pieces to 10 million in 2011; the TRQ was removed on 9 November 2011[27].

3.3 Overview of the EAEU and Indian Non-tariff measures and Trade measures affecting Trade in Goods

In terms of non-tariff measures initiated by India, the analysis is based on Chart 30. The most commonly used NTM by India is the Anti-dumping followed by TBT and SPS. Safeguards are also used increasingly over the period under consideration between 2003 and 2015. More recently, SPS measures initiated have overtaken TBT. Quantitative restrictions also have been initiated most prominently since 2012. Distribution of different NTMs across HS 2 digit codes is presented in table 10 with maximum measures initiated with respect to the agricultural sector followed by Chapter 29 (organic chemicals), Chapter 28 (inorganic chemicals), Chapter 39 (plastics) etc.

[27] India Trade Policy Review, 2015

Chart 30: Measures Initiated and in force from 2003 to 2015



Source: World Trade Organization, 2015
Note: NTMs Data for 2015 available till Sep 20'2015

3.3.1 Rules of Origin

Rules of Origin
Rules of Origin is one of the most significant and extensive area affecting the practical implementation of preferential tariff treatment. In the possible FTA between the EAEU Member States and India, the rules of origin should be elaborated in order to ensure that preferential tariff treatment under the agreement is only provided for goods originating in the Parties to the agreement and to enhance trade between the Parties.

In the context of the possible FTA, the EAEU Member States and India will have an opportunity to consider *inter alia* the following issues:

- rules of origin should include clear definition of originating products, particularly the list of wholly obtained goods and origin criteria for goods containing non-originating materials;
- according to international practices origin criteria should be based on change of tariff classification, value added content, specific operations and processes or any combination of the mentioned criteria;
- cumulation of origin should be used in order to develop cooperation between the Parties;
- rules of origin should contain requirements for documentary proof of origin;
- provided verification and administrative cooperation mechanisms should allow Parties to check and control origin of goods.

EAEU
The Trade Policy Department of the Commission is responsible for elaboration together with EAEU Member Sates of preferential rules of origin (http://www.eurasiancommission.org/ru/act/trade/dotp/Pages/default.a`spx).
The preferential rules of origin are applied by the EAEU Member States in external preferential trade.
In preferential trade with the CIS states (except the Republic of Uzbekistan) the EAEU Member States apply rules of origin adopted by the Agreement on rules of origin applicable in the CIS signed on November 20, 2009.
Within the framework of preferential trade with the Republic of Serbia, the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation apply their own bilateral rules of origin which were unified after the establishment of the Customs Union.
EAEU-Vietnam FTA from 29.05.2015 also contains Rules of Origin which are applied by all EAEU

Member States.
The EAEU Member States apply the principle according to which an originating status of goods can be conferred upon importation of goods when they are either "wholly obtained or produced" or undergo "substantial transformation process" in the parties to the FTA.
In order to determine whether a good undergoes a substantial transformation process, origin criteria should be based on change of tariff classification (usually), value-added content, specific operations and processes or any combination of the mentioned criteria.
Additionally, the EAEU Member States apply the lists of insufficient operations performance which do not confer the originating status in the production of final products.

The EAEU Member States FTAs also stipulate the additional compulsory requirements for granting preferential treatment to originating goods upon importation such as direct consignment, direct purchase and submission of certificate of origin. Therefore a product is granted tariff preferences provided that the product meets the origin criteria and:

- is exported under an agreement/contract between the residents of exporting and importing parties to the agreement;
- is transported directly from the territory of the exporting party to the territory of the importing party;
- is supported by an appropriate documentary proof of origin.

As a documentary proof of origin the EAEU Member States apply certificates of origin and declaration of origin in respect of low-value consignments.
Due to the establishment of economic union and to the absence of customs declaration at the internal borders, a certificate of origin is not required within mutual trade between the EAEU Member States.
Within the EAEU, preferential certificates of origin are issued by Chambers of Commerce and Industry of the Republic of Armenia, the Kyrgyz Republic, the Russian Federation, and the Republic of Belarus. In the Republic of Kazakhstan the National Chamber of Entrepreneurs "Atameken" is responsible for issuance of preferential certificates of origin.
Additionally in some FTAs within the framework of Rules of Origin the development and implementation of the electronic system of verification may be set forth as for instance in the CIS where the legal basis for the implementation of such system was stipulated in the CIS rules of origin from 20.11.2009 and in the EAEU-Vietnam FTA from 29.05.2015.
If the central customs authority of the importing party and the central competent authority of the exporting party agree to implement and develop an electronic system to verify origin of goods, wherein the possibility and features of using of such a system should be formalized under a separate protocol, the original copy of the certificate of origin (hard copy) is not required to be submitted to the customs authorities of the importing party during electronic declaration of goods. However, the details of such certificate must be specified in the customs declaration for goods.

The National Bodies of the EAEU Member States responsible for the elaboration and application of preferential rules of origin:

- The Ministry of Economy of the Republic of Armenia (http://www.mineconomy.am)
- The Customs Service of the Republic of Armenia (http://www.customs.am)
- The Ministry of Foreign Affairs of the Republic of Belarus (http://mfa.gov.by)
- The State Customs Committee of the Republic of Belarus (http://gtk.gov.by/ru)
- The Ministry of national economy of the Republic of Kazakhstan (http://economy.gov.kz)
- The State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (http://kgd.gov.kz)
- The Ministry of Economy of the Kyrgyz Republic (http://mineconom.gov.kg)
- The State Customs Service of the Kyrgyz Republic (http://www.customs.gov.kg)

- The Ministry of Industry and Trade of the Russian Federation (http://minpromtorg.gov.ru)
- The Ministry of Economic Development of the Russian Federation (http://economy.gov.ru/minec/main)
- The Federal Customs Service of the Russian Federation (http://www.customs.ru)

India

Rules of Origin

The Rules of origin (ROO) for establishing the origin of products are an important part of any Free Trade Agreement. They define rules for ensuring that preferential duty entry may be given only to the products of FTA partner country and not to the products of other countries. In other words, rules of origin are the criteria needed to determine the country of origin of a product for purposes of international trade.

The importance of the rules of origin stems from the fact that they are used:

- to implement measures and instruments of commercial policy such as anti-dumping duties and safeguard measures;
- to determine whether imported products shall receive most-favoured-nation (MFN) treatment or duty free or concessional tariff treatment under a free trade agreement (FTA);
- for the purpose of trade statistics;
- for the application of labelling and marking requirements; and
- for government procurement.

Rules of origin set specific and detailed condition on the level of processing an imported item from a non-FTA partner country must undergo before being called originating product of an FTA partner country. Imported Products are eligible for preferential tariff concessions only if they conform to the origin requirements.
A product meets the origin requirement if it is wholly obtained or is produced from the wholly obtained products in the exporting party. Imported Goods that have undergone a minimum level of transformation are also considered originating. General Rule for deciding the minimum level of transformation is based on the twin criteria based on the Tariff classification change (change in tariff sub-heading (CTSH) level). However, notwithstanding the above Rules, a product is not considered originating in a party if it undergoes only a certain minimal operations like re-packaging, simple assembly/disassembly of parts etc. Rules of Origin Eligibility Criteria for a particular product (at HS level) is called product specific rule or Product Specific Rules (PSRs). For many products it is difficult to meet the General Rule and for such products, Products Specific Rules (PSRs) with different origin criteria are negotiated. A summary of Rules of Origin in India's trade agreements is presented in Table 32.

Table 32: Rules of Origin: Indian Trade Agreements

Agreements	Maximum foreign-content requirements	Minimum cumulative local-content requirements
	Regional	
Asia-Pacific Trade Agreement (APTA)	55% of the f.o.b. value (LDCs: 65%)	60% of the f.o.b. value (LDCs: 50%)
Global System of Trade Preferences (GSTP)	50% of the f.o.b. value (LDCs: 60%)	60% of the f.o.b. value (LDCs: 50%)
South Asian Free-Trade Area (SAFTA)	60% of the f.o.b. value (LDCs: 70%: Sri Lanka: 65%) and change in tariff classification	50% of the f.o.b. value, 20% of the f.o.b. value and change in tariff classification
South Asia Preferential Trade Arrangement (SAPTA)	60% of the f.o.b. value (LDCs: 70%)	50% of the f.o.b. value (LDCs: 40%)
	Bilateral	

Afghanistan	50% of the f.o.b. value and change in tariff classification	40% of the f.o.b. value and 30% of the f.o.b. value
ASEAN FTA	65% of the f.o.b. value and change in tariff classification	35% of the f.o.b. value and change in tariff classification
Chile	60% of the f.o.b. value and change in tariff classification	40% of the f.o.b. value and change in tariff classification
South Korea,	65% of the f.o.b. value and change in tariff classification	35% of the f.o.b. value and change in tariff classification
MERCOSUR	40% of the f.o.b. value	60% of the f.o.b. value
Nepal	70% of the f.o.b. value and change in four-digit tariff classification	
Singapore	60% of the f.o.b. value and change in tariff classification	40% of the f.o.b. value and change in tariff classification
Sri Lanka	65% of the f.o.b. value and change in tariff classification	35% of the f.o.b. value and 25% of the f.o.b. valuec
Thailand	60% of the f.o.b. value and change in tariff classification	40% of the f.o.b. value and change in the tariff classification
Japan	65% of the f.o.b. value and change in tariff classification	35% of the f.o.b. value and change in the tariff classification
Malaysia	65% of the f.o.b. value and change in tariff classification	35% of the f.o.b. value and change in the tariff classification

Source: Department of Commerce, GOI, 2015

The Rules of Origin are important in the context of making an assessment on the application of preferential tariff under an FTA. Hence, without the rules of origin, the preferential tariffs under an FTA cannot be implemented.
The rules of origin are enforced through a certificate of origin that is issued by authorised agencies of the trading partner. An exporter cannot avail the customs tariff preferences under the FTA without submitting the certificate of origin from the authorised agency.

The authorised agencies in India for issuing the preferential certificate of origins are listed in Appendix 2B of the Handbook of Procedures Vol-1 under the Foreign Trade Policy 2015-2020. These are summarized:

S.No	Name of the Agreement	Authorized Agencies
1	Global System Of Trade Preferences (GSTP)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products (iii) Tobacco Board for Tobacco products
2	India Sri Lanka Free Trade Agreement (ISLFTA)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
3	ASEAN-India Free Trade Agreement (ASEAN-India FTA)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
4	India-Korea Comprehensive Economic Partnership Agreement (IKCEPA)	((i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
5	India-Malaysia Comprehensive Economic Cooperation Agreement (IMCECA)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
6	India-Japan Comprehensive Economic Partnership Agreement	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products

	(IJCEPA)	(iii) Textiles Committee –for textiles and made ups
7	India-Afghanistan Preferential Trading, Agreement(India-Afghanistan PTA)	((i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
8	South Asia Free Trade Area(SAFTA)	((i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
9	India-Chile Preferential Trading Agreement (India-Chile PTA)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
10	India-Mercosur Preferential Trading Agreement (India-Mercosur PTA)	((i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
11	Asia-Pacific Trade Agreement (APTA)	Agencies listed in Appendix 2D of Handbook of Procedure (Appendices and Aayat Niryat Forms) 2015-2020
12	SAARC Preferential Trading Arrangement (SAPTA)	Agencies listed in Appendix 2D of Handbook of Procedure (Appendices and Aayat Niryat Forms) 2015-2020
13	India-Thailand Early Harvest Scheme	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
14	India-Singapore Comprehensive Economic Cooperation Agreement (CECA)	(i) Export Inspection Council (EIC)-for all goods (ii) Marine Products Export Development Authority (MPEDA)-for Marine products
15	Generalized System of Preferences (GSP) Scheme	Agencies listed in Appendix 2C of Handbook of Procedure (Appendices and Aayat Niryat Forms) 2015-2020

The exporters would need to apply to the authorised agencies for issuance of the certificate of origin. The fee structure i.e. for the sale of blank form, certification fee and other charges (such as tatkal services) are available on the website of Export Inspection Council (EIC) at www.eicindia.gov.in.
For the purposes of claiming the preferential tariff treatment for an originating good of the exporting party, a certificate of origin is submitted to the customs authority of the importing party by the importer, together with the documents required for the importation of the good in accordance with the laws and regulations of the importing party. The details regarding certification and verification are set out in the individual FTA provisions.

3.3.2 Customs Procedures and Trade Facilitation

Customs procedures and trade facilitation as an important element of promoting the development of trade facilitation process can be considered as a priority for trade cooperation between the EAEU Member States and India. That is why the possible FTA between the EAEU Member States and India should contain provisions on trade facilitation in order to reduce costs and minimize excessive bureaucratic measures restricting free movement of goods. Moreover the provisions of the possible FTA relating to customs procedures and trade facilitation should be based on current standards which are used by the World Customs Organization, as well as reflect the arrangements reached in the WTO Trade Facilitation Agreement (TFA).

Taking into account the similarity of standards which are used by the EAEU Member States and India in the field of customs administration, in the context of the possible FTA, the EAEU Member States and India will have an opportunity to consider *inter alia* the following issues:

- publication of legislation;
- simplification of customs formalities;
- risk management;
- customs cooperation;
- exchange of information;
- advance rulings;
- appeal procedures;
- and others.

EAEU

The Departments of the Commission are responsible for the application of customs procedures: http://www.eurasiancommission.org/ru/act/trade/dotp/Pages/default.aspx; http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/default.aspx.

Customs regulation of the EAEU Member States means legal regulation connected with movement of goods across the customs border of the EAEU, their transportation within the common customs territory of the EAEU under customs control, temporary storage, customs declaration, release or use of goods in accordance with the applicable customs procedures.

The Customs Code of the Customs Union (the Customs Code of the EAEU is currently undergoing an internal review procedure) is the common customs law which regulates the key issues in customs area, sets general customs procedures and operations, rights and obligations for customs officials and declarants, and authorizes the EAEU Member States to designate domestic regulations in the particular customs areas.

Customs regulation in the EAEU is exercised in accordance with the customs law of the EAEU and, to the extent not covered by such law, by the national legislation of the EAEU Member States until appropriate legal relations are established at the level of the customs law of the EAEU.

The Customs Code of the Customs Union is formed to meet the standards of the Kyoto Convention of May 18, 1973.

The common customs territory of the EAEU Member States is the territory of the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation, as well as artificial islands, installations, structures and other objects that are situated outside the territory of the EAEU Member States, but subject to their exclusive jurisdiction.

Regarding the customs legislation of the EAEU goods are released by the customs authority within 1 working day after the date of registration of customs declaration, unless otherwise is provided by the Customs Code of the Customs Union.

The time for release of goods can be extended by the time needed to undertake or complete operations of customs controls subject to written consent of the head or authorized deputy head of the customs authority or their alternates and does not exceed 10 working days from the date of registration of customs declaration.

Goods that are not subject to export duties or placed under the customs procedure of export or temporary export, with the list of such goods determined by the Commission, are released by the customs authority within 4 hours after registration of customs declaration for such goods.

All appropriate customs payments shall be paid at the time of customs declaration procedure which can be made as optional at the place of entrance or at the place of destination.

Customs representatives (brokers, agents) declare goods to customs on behalf and by order of the declarant. This service is not mandatory in the EAEU Member States.

The national bodies of the EAEU Member States responsible for application of customs procedures

- The Customs Service of the Republic of Armenia (http://www.customs.am)
- The State Customs Committee of the Republic of Belarus (http://gtk.gov.by/ru)
- The State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (http://kgd.gov.kz)
- The State Customs Service of the Kyrgyz Republic (http://www.customs.gov.kg)
- The Federal Customs Service of the Russian Federation (http://www.customs.ru)

India

Since its last Trade Policy Review in 2011, the main changes in India's customs procedures have included the adoption, in 2011, of self-assessment with a view of facilitating trade.1 In accordance with Sections 17, 18 and 50 of the Customs Act 1962 and the Bill of Entry (Electronic Declaration) Regulations 2011, and Shipping Bill (Electronic Declaration) Regulations 2011, importers/exporters are required to declare the correct description, value, classification, notification number (if any), and assess the Customs duty leviable (if any) on imports/exports themselves. The declaration may be reassessed or examined by Customs officers. Non-compliant importers/exporters may face penal action on account of wrong self-assessment made with intent to evade duty or avoid compliance of conditions of relevant legal and administrative provisions.

With a few exceptions, importers- Indian or foreign nationals, must obtain an importer-exporter code (IEC) number by registering with the Directorate General of Foreign Trade (DGFT) in order to be able to import commercially. Online registration is available.

Imports into India can be classified as: imports for home consumption, warehousing, trans-shipment, transit, re-importation, and imports for Special Economic Zones (SEZs). All imports for home consumption require clearance of goods after payment of the duties and charges. Importers must file a bill of entry, which may be processed manually or through the electronic data interchange system. As at end October 2014, 126 customs offices out of the total of 377 offices had electronic data interchange (EDI) facilities; about 98% of declaration documents were processed electronically. The bill of entry may be filed prior to the arrival of the goods to allow for faster clearance, but no earlier than 30 days before the arrival date of the vessel or aircraft carrying the goods.

India uses a risk management system (RMS) as a trade facilitation measure to selectively screen only high and medium-risk cargo for customs examination. As at the end of October 2014, about 97.6% of India's imports was processed via RMS. The authorities indicate that RMS for processing imports is operational at almost all customs offices. Importers with a good track record and complying with qualifying criteria are entitled to be accredited for special clearance procedures under the Accredited Client's Programme (ACP). As at 31 October 2014, 251 ACP importers were allowed to self-assess their consignments with no need for examination, with a view to meet India's commitments to simplify and harmonize Customs' procedures under the revised Kyoto Convention. To import specific goods, in certain instances, certificates of registration and import permits (e.g. certificates of origin and sanitary and phyto-sanitary certificates) issued by different agencies are required. These certificates must be submitted at the time of filing the bill of entry.

Regarding time required for customs clearance, the mean evacuation time for import consignments at Chennai Port was 8 days and 19 hours, according to a study conducted by the Central Board of Excise and Customs. The authorities consider that the introduction of EDI, RMS, e-Payment, the ACP as well as direct delivery of containers at the port rather than clearing them after being brought to the container freight stations, and a provision for self-assessment contributed to the reduction of customs clearance time.

If the importer is not satisfied with the assessment (i.e. the classification, rate of duty or valuation) by the customs officer, the importer may appeal against a decision made in writing by an officer ("Assessment Order") to the Appeals Commissioner or the Customs, Excise, and Service Tax Appellate Tribunal (Customs Act 12962, Sections 128-129). In 2013-14, 11,649 and 1,992 appeals were submitted to the Commissioner and the Tribunal, respectively (compared with 8,286 and 2,518 appeals, respectively, in

2012-13).

Trade Facilitation

During the Ninth Ministerial Conference of WTO, held on 3-7 December 2013 at Bali, Indonesia, members decided to conclude the trade facilitation negotiations and enter into an Agreement. On 27th November 2014 the General Council of WTO adopted the Protocol to insert the agreement into Annexure 1A of WTO Agreement. The Trade Facilitation Agreement (TFA in short) will enter into force in accordance with Article X: 3 of the WTO Agreement once two third members ratify the same.

Trade Facilitation refers to the simplification, modernization, rationalization and harmonization of trade procedures that a trader is required to follow in importation or exportation. This includes simplifying trade-related laws and regulations and also ensuring their transparent administration. This also requires creation of essential infrastructure for enabling smooth and hassle free movement of goods across the international borders.

Once implemented, the TF Agreement would result in further transparency in trade administration; enhanced coordination among the border agencies; faster release and clearance of goods; and international cooperation in the areas of trade facilitation and compliance.

Transparency in Trade Administration

The concerned authorities regulating international trade has to publish all relevant information – such as trade related laws & regulations, procedures & formalities etc. – in a non-discriminatory and easily accessible manner. This would also entail information dissemination on government websites. The Agreement further requires setting up of ‘Enquiry Points’ for answering reasonable queries of traders and providing them necessary forms and documents. To further enhance the transparency in a country’s trade regime, the traders would be given an opportunity to comment on any proposed trade related law and regulation, and such laws and regulations would be made publically available as early as possible before their entry-into-force. This would ensure that the traders become aware in a timely manner, and adopt new laws and regulation without difficulties. This would also protect a trader from adverse effects of sudden changes in rules and procedures.

For enhancing predictability in application of laws and regulations, the TF Agreement envisages a system of ‘Advance Ruling’, where a trader may approach to get a legally binding ruling on issues such as customs classification and rules of origin well before the goods are actually imported. The Agreement also requires that the government would provide a system of appeal, whether administrative or judicial, where a trader may find redressal of its grievances against orders issued by administrative authorities.

Simplified trade procedures for faster release of goods

The ultimate objective of the TF Agreement is simplified trade procedures for faster release of goods. It mandates that the goods are not unnecessarily held up and are released as soon as they arrive at the customs borders. For this purpose, the TF Agreement requires that documentation and formalities should be completed before arrival of goods, and in cases of delay in determination of duty, the goods must be released on a guarantee. In order to reduce the release time at ports/airports, the Agreement requires alignment of procedures to established international practices such as adoption of ‘risk management’ and ‘post clearance audit’. The authorities will also regularly conduct time release studies and transparently publish dwell time of each customs ports so as to make the governments and other stakeholders aware of the delay and reduce it appropriately. The TF Agreement places special emphasis on adoption of simplified clearance procedures for authorized traders who demonstrate a high level of compliance with trade-related laws and regulations. It also asks for expedited procedures for goods entering through air cargo, as well as for goods of perishable nature. The Agreement further requires that the authorities would regularly review all trade related formalities and requirements with a view to simplifying them and eliminating those no longer necessary. The prescribed formalities and requirements would be applied uniformly at all customs borders.

Enhancing Coordination among Border Agencies

For a long time, the emphasis of governments and international organizations was simplification and harmonization of 'customs' laws and procedures. The disciplines created through the new TF Agreement would, however, necessitate involvement of all agencies engaged in regulating international trade. For instance the disciplines on 'Publication' would require all concerned agencies to publish trade-related laws, regulations, rules, procedures etc. in official publications and on their websites. This would include publication of all fees and charges that these agencies would require in the process of border clearance.

The TF Agreement would ensure better coordination among the border agencies in order to facilitate faster release and clearance. For instance, the expedited release of perishable goods would require intricate harmonization of the formalities and requirements of customs, SPS authorities, licensing authorities, testing laboratories and port authorities. Likewise, the proposal on Single Window introduces the concept of a single authority, to whom all documentation and data relating to import, export or transit procedures would be submitted by a trader. This authority shall undertake onward distribution of this information to all the relevant authorities or agencies for examination. The results of the examination shall be notified to the trader through the single window in a timely manner. The Agreement requires that all authorities and agencies responsible for border controls and procedures would cooperate with one another and coordinate their activities in order to facilitate trade. The Agreement also creates a mandate for regular consultations among the agencies on TF issues.

In India, because of the autonomous reforms already initiated, we are compliant of most of the provisions of TFA. In the latest budget, some of the announcements made by the Hon'ble FM has taken our customs reforms further forward, like announcement of Single Window, amendment to the Customs Act to widen the scope of Advance Ruling etc. We have also started internal processing to set up a National Committee on Trade Facilitation (NCTF) under Article 23(2) of TFA to facilitate both domestic coordination and implementation of the TFA.

3.3.3 Sanitary and Phytosanitary Measures (SPS)

Since the volumes of mutual trade between EAEU and India in goods covered by SPS-regulation are relatively small with quite modest growth, cooperation in the sphere of SPS with due consideration of the sensitivity of SPS-sphere could contribute to the development of mutual trade.

Both the EAEU and India may benefit from the potential FTA through the following SPS issues:

- ensuring the protection of human, animal or plant life or health, without imposing unjustified barriers to trade;
- strengthening transparency and exchange of information in the sphere of development and application of SPS measures;
- establishment of a bilateral dialogue on SPS issues and a mechanism to address specific SPS issues;
- promotion of cooperation between responsible authorities and increase of mutual understanding of SPS regulatory systems of the EAEU and India in order to eliminate the risks of establishing unnecessary barriers to trade.

EAEU

Sanitary and phytosanitary measures (SPS) are applied only to the extent necessary to protect human, animal or plant life or health from risks arising from additives, contaminants, toxins, disease-carrying organisms or disease-causing organisms. Sanitary and phytosanitary measures are based on international and regional standards, guidelines and recommendations, and/or are not maintained without sufficient scientific evidence. Sanitary and phytosanitary measures shall not be applied in a manner which establishes a disguised restriction for trade. SPS regulation includes all the relative laws, regulations, rules, requirements and procedures.

Overview of SPS regulatory systems

Since 2010 the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation have been engaged in a process of harmonization of their legal framework in the sphere of sanitary, veterinary-sanitary and phytosanitary quarantine measures with the international legislation. Since 2015 the Republic of Armenia and the Kyrgyz Republic have acceded to this process as well after their accession to the EAEU.

Agreed policy in the sphere of application of sanitary, veterinary-sanitary and phytosanitary quarantine measures is conducted in the EAEU in order to ensure the sanitary and epidemiological well-being of the population, as well as veterinary-sanitary and phytosanitary quarantine safety.

Agreed policy is carried out through conjoint development, adoption and implementation by the Member States of international treaties and acts of the Eurasian Economic Commission in the sphere of sanitary, veterinary-sanitary and phytosanitary quarantine measures application.

Within the EAEU institutional framework, the role of the Commission is to provide for coordination with the EAEU Member States (including their respective sanitary, veterinary, and phytosanitary authorities) development of legal framework for SPS measures. The Commission has laid out common principles and adopted common safety requirements for goods marketed within the territory of the EAEU. These safety requirements cover sanitary-epidemiological and hygienic, veterinary and phytosanitary regulations that supervise (control) production and circulation of goods at the EAEU territory. National SPS-rules of the EAEU Member States should not contradict the harmonized rules set at the EAEU level.

The EAEU also sets mechanisms for the consideration by the Member States of the WTO requirements while implementing international SPS standards. The essential issues on SPS measures in the EAEU have been outlined in the Treaty on the EAEU: Articles 56-59, Chapter XI and Protocol on the sanitary, veterinary-sanitary and phytosanitary quarantine measures application (Annex 12 to the Treaty on the Eurasian Economic Union). They include the principles of SPS regulation in the EAEU which are:

- Sanitary measures aimed at ensuring the protection of human life and health:
    a. from the import to and circulation at the EAEU territory dangerous for human life and health products controlled by the sanitary and epidemiologic supervision (control) products (goods) ;
    b. from the entry and spread of communicable and non-communicable diseases that are (poisoning) dangerous to human health.
- Veterinary-sanitary measures aimed at ensuring the protection of the EAEU territory:
    a. from the entry and spread of organisms causing communicable animal diseases, including diseases common to humans and animals;
    b. from the import of products (goods), non-complying with the veterinary (veterinary-sanitary) requirements.
- Phytosanitary quarantine measures aimed at the protection of the EAEU territory:
    a. from the entry and spread of quarantine pests;
    b. from the damage caused by these pests.

Implementation of these principles in the EAEU has provided adjustment and harmonization in the SPS sphere by applying:

- common veterinary-sanitary, sanitary-epidemiological and hygienic requirements for goods subject to control and supervision;
- unified forms of documents;
- common rules of executing sanitary-epidemiological, quarantine phytosanitary and veterinary control for the products, individuals and vehicles at the border and the territory of the customs territory of the EAEU.

Sanitary and Phytosanitary measures in FTAs

In the CIS FTA issues on sanitary and phytosanitary measures are covered in separate chapter, which states that the Parties shall be guided by the rules and principles of the WTO Agreement on the Application of Sanitary and Phytosanitary measures (WTO SPS Agreement). At the same time the EAEU

Member States are the Parties of the international agreements, such as International Plant Protection Convention (IPPC), European and Mediterranean Plant Protection Organization (EPPO), International Office of Epizootics (OIE), Codex Alimentarius, etc.
The free trade agreement between the Russian Federation and the Federal Republic of Yugoslavia includes an article on SPS measures. The Parties agreed to apply national regulation for the mutual trade and transit of products (goods), where information on spread of pests and weeds is provided by relevant international organizations.
The free trade agreement between the Eurasian Economic Union and its Member States, on the one part, and the Socialist Republic of Vietnam, on the other part includes an SPS chapter. In order to facilitate trade the Parties agreed to promote the use of electronic technologies for development of the documents for conforming safety of the products, to hold consultations on emergency measures of the Parties, to inform of significant cases of non-compliance of SPS-measures, admitted an option of addressing controversial issues to the dispute settlement mechanism of this FTA in case of inability to resolve them via consultations.

Overview of SPS regulatory bodies

Regulation in the SPS sphere is divided between the EAEU's supranational level and national level of the Member States. The former one performs the legislative functions, including adopting decisions by the Commission which are obligatory for the EAEU Member States.

The Commission is entitled to establish, amend and expand:

- common sanitary-epidemiological and hygienic, veterinary-sanitary, quarantine phytosanitary requirements;
- common lists of products subject to the sanitary-epidemiological and hygienic, veterinary and quarantine phytosanitary supervision (control);
- common list of EAEU quarantine objects;
- rules and standards ensuring plant quarantine;
- order of laboratory support for quarantine phytosanitary measures;
- requirements for the material and technical equipment and arrangement of plant quarantine stations (phytosanitary control points);
- regulations on the procedure of sanitary-epidemiological supervision, the regulations on the common procedure for the veterinary control, regulations on the common procedure of joint inspections of enterprises and sampling of goods (products) subject to veterinary control and supervision, regulations on the procedure of quarantine phytosanitary control and supervision.
- order of interaction of the Member States competent authorities for implementation of temporary sanitary, veterinary-sanitary and phytosanitary quarantine measures

The subdivision of the Commission in charge of the SPS issues is the Department of sanitary, phytosanitary and veterinary measures (http://www.eurasiancommission.org/en/act/texnreg/depsanmer/Pages/default.aspx).
National bodies of the EAEU Member States deal with executive and supervising functions. Thereby requirements to the conditions of production, rules and procedures of control and supervision over the products and applicable liabilities for the violation of the SPS requirements remain at the national level, though the Member States are engaged in the process of harmonizing these requirements and providing joint SPS supervision.

The National Bodies of the EAEU Member States responsible for the sanitary measures

- The Ministry of Agriculture of the Republic of Armenia (http://minagro.am/)
- The Ministry of Healthcare of the Republic of Armenia (http://www.moh.am/)
- The Ministry of Economy of the Republic of Armenia (http://www.minwconomy.am/)

- The Ministry of Health of the Republic of Belarus (http://minzdrav.gov.by/)
- The Committee for Consumer Protection of Ministry of National economy of the Republic of Kazakhstan (http://kzpp.gov.kz/)
- The Ministry of Health of the Kyrgyz Republic (http://www.med.kg/)
- The Department of state sanitary-epidemiological supervision of the Ministry of Health of the Kyrgyz Republic (http://www.dgsen.kg/)
- The Ministry of Health of the Russian Federation (http://www.rosminzdrav.ru/)
- The Federal Service for Surveillance on Customer Rights Protection and Human Well-Being (Rospotrebnadzor) (http://www.rospotrebnadzor.ru/).

The National Bodies of the EAEU Member States responsible for the veterinary and phytosanitary measures

- The Ministry of Agriculture of the Republic of Armenia (http://minagro.am/)
- The Ministry of Economy of the Republic of Armenia (http://www.minwconomy.am/)
- The Ministry of Agriculture and Food of the Republic of Belarus (http://mshp.minsk.by/)
- The Ministry of Agriculture of the Republic of Kazakhstan (http://www.minagri.gov.kz/)
- The State Inspection on veterinary and phytosanitary safety affiliated to the Government of the Kyrgyz Republic (http://gvfi.gov.kg/)
- The Ministry of Agriculture and Melioration of the Kyrgyz Republic (http://www.agroprod.kg/)
- The Ministry of Agriculture of the Russian Federation (http://www.mcx.ru/)
- The Federal Service on Veterinary and Phytosanitary Supervision of the Russian Federation (http://www.fsvps.ru/).

India

The main changes to SPS measures in India since 2011 included the full implementation of the Food Safety and Standards Act (FSSA) 2006 on 5 August 2011 by way of, *inter alia*, adoption of four regulations related, for example, to Food Safety and Standards (Food Product Standards and Food Additives) Regulation 2011, Food Safety and Standards (Prohibition and Restriction on Sales) Regulation 2011, Food Safety and Standards (Contaminants, Toxins and Residues) Regulation 2011, and Food Safety and Standards (Laboratory and Sampling Analysis) Regulation 2011. In 2013, new standards on titanium dioxide in chewing gum, olive oil, and trans-fat acids in partially-hydrogenated vegetables oils were issued (see WTO, Trade Policy Review: India, 2015).

The FSSA covers, *inter alia*, food standards, general procedures for sampling, analysis of food, powers of authorized officers, nature of penalties and other parameters related to food. It also deals with parameters relating to food additives, preservatives, coloring matters, packing and labelling of foods, prohibition and regulations of sales. In addition to FSSA, SPS matters are governed and enforced through the Livestock Importation Act 1898, Destructive Insects and Pests Act 1914, Plant Quarantine (Regulation of Import into India) Order 2003, and Standards on Weights and Measures (Packaged Commodities) Rules 1977.

The FSSA is intended to increase transparency of the scientific basis upon which India's SPS measures are adopted through, *inter alia*, harmonization with international standards. As Sections 16 and 18 of the Act prescribe, draft standards compiled by the FSSAI need to be reviewed by scientific panels. The scientific committee is chaired by an eminent scientist. After the scientific committee has given recommendations on the draft, the FSSAI authority (i.e. its board) gives approval to be sent to the Ministry of Health and Family Welfare for approval by the Minister. Then the draft is sent for legal vetting by the legislative department to seek consistency with existing legislation and constitutional requirements. After the legal vetting, the draft will be notified for comments by the general public (and also notified to the Committee on SPS Measures of the WTO). The authorities state that, with the aim of aligning India's SPS-related standards with the Codex, the scientific review has been conducted and the formal adoption procedure of standards is continuing.

The Food Safety and Standards Authority of India (FSSAI), established under FSSA, is mandated to establish standards for articles of food and to regulate their manufacture, storage, distribution, sale and import with a view to ensuring availability of safe and wholesome food for human consumption, and contributing to the development of international technical standards for food, sanitary and phytosanitary standards. Other main institutions involved in the establishment and implementation of SPS measures are the Ministry of Health and Family Welfare; the Department of Animal Husbandry, Dairying, and Fisheries in the Ministry of Agriculture; the Directorate of Plant Protection, Quarantine and Storage in the Ministry of Agriculture; the BIS; and other state government agencies. India's national enquiry points under the WTO SPS Agreement are: the Department of Animal Husbandry, Dairying, and Fisheries for animal health and related issues; the Ministry of Health and Family Welfare for food safety related issues; and the Department of Agriculture and Cooperation for plant health or phytosanitary issues. Between 2011 and 2014, India made 23 notifications to the Committee on SPS Measures.

Imports of animal products into India require Sanitary Import Permits (SIPs) issued by the Department of Animal Husbandry, Dairying and Fisheries; permits must be obtained prior to shipping from the country of origin. The Department issues SIPs for livestock products based on an import risk analysis. Permits are valid for one year or six months depending on the nature of the products, and may be used for multiple consignments. A SIP is not a license, but a certificate verifying that India's sanitary requirements are fulfilled. Imports of live animals and animal products falling under the restricted items as per Export-Import Policy require an import license issued by the Director General of Foreign Trade after an import risk analysis is conducted by the Department of Animal Husbandry, Dairying and Fisheries for such import. Imports of animal products are only allowed through designated ports where animal quarantine and certification services are available (Amritsar, Bangalore, Chennai, Delhi, Hyderabad, Kolkata, and Mumbai). Imports of fish products are allowed through the sea port of Vishakhapatnam (in the State of Andhra Pradesh), the sea port and airport of Kochi, and the land customs station at Petrapole (for imports from Bangladesh only).

Imports of plants and plant materials are regulated under the Destructive Insects and Pests Act 1914, the Plant Quarantine (PQ) (Regulation of Import into India) Order 2003, and international conventions. During the period under review, Plant Quarantine (Regulations of Import into India) (Second Amendment) Order 2014 and Plant Quarantine (Regulation of Import into India) (Third Amendment) Order 2014 were issued. The Directorate of Plant Protection, Quarantine & Storage is entrusted with the implementation of Plant Quarantine Regulations issued under the Act.

The authorities consider it imperative to conduct all plant quarantine inspections as per international standards/guidelines. Accordingly, the National Standards for Phytosanitary Measures for Important Activities have been developed and adopted to facilitate the export and import of agricultural commodities. To streamline plant quarantine activities, efforts have been made to fully computerize plant quarantine stations for speedy and transparent functioning. The web-based Plant Quarantine Information System (PQIS) is operational and providing online plant quarantine services. Plants and plant products may only enter Indian territory through designated ports and other border points, including 39 seaports, 15 airports, 11 post offices, and 14 land frontier stations. In addition, 63 inland container depots and container freight stations are designated for import of plants and plant products.

Inspection of agricultural commodities for exportation is carried out to meet the requirements of importing countries under the International Plant Protection Convention (IPPC) of FAO. As per the revised text of IPPC and the model certificate prescribed thereunder, phytosanitary certificates are issued. The Directorate has been working to develop the system of e-certification for phytosanitary requirements.

Plants and seeds that require post-entry quarantine are listed in Schedules V and VI of the PQ Order 2003. These plants and seeds must be grown in post-entry quarantine facilities established by and at the cost of the importer, and approved and certified by the inspection authority. The quarantine period is determined based on the type of plant material and time taken by the plant material to grow to the stage where symptoms of disease appear.

Imports of GM food, feed, and organisms, and living modified organisms for R&D, food, feed, processing in bulk are governed by the Environment Protection Act 1986 and Rules 1989, unchanged since India's previous Review.
India regularly participates in the activities of Codex Alimentarius. The authorities state that India intends to recognize equivalence of its trading partners' SPS measures based on Codex Guidelines, provided that it receives proposals from them; no such proposals have been received by India to date.

3.3.4 Technical Barriers to Trade (TBT)

TBT

Industrial goods occupy a bigger part of the trade between the EAEU Member States and India. Trade in industrial goods is rather diversified (for example, between Russia and India) and the TBT measures could have an impact on this trade. In this connection it is necessary to develop cooperation between the EAEU, its Member States and India in this area by including in the possible FTA the respective chapter. The main goal of this chapter should be to increase transparency of TBT regulation of the Parties.
In the context of the possible FTA, the EAEU Member States and India will have an opportunity to:

- strengthen the understanding of relevant standards, technical regulations and conformity assessment procedures and TBT management systems;
- ensure the transparency of development, adoption and application of technical regulations and conformity assessment procedures;
- improve information exchange between the competent authorities of the Parties;
- explore the role of competent authorities and contact points in facilitating TBT cooperation and information exchange;
- develop the consultation mechanism for discussing TBT issues

EAEU

The system of technical regulation of the EAEU aims to carry out coordinated policy in the field of technical regulation, harmonize the legislation of the EAEU Member States in this sphere and establish common mandatory requirements for products in the territory of the EAEU with a view to create conditions for free movement of products (goods) and to decrease technical barriers to mutual and international trade. The Department for Technical Regulation and Accreditation of the Eurasian Economic Commission is in charge of technical regulation at the supranational level (http://www.eurasiancommission.org/en/act/texnreg/Pages/default.aspx).
Currently, the main international treaty forming the system of technical regulation of the EAEU is the Treaty on the EAEU. The essential issues on technical regulation in the EAEU have been outlined in Chapter X and Annexes 9, 10 and 11 to this Treaty.

In addition to this Treaty, the legal framework of the EAEU technical regulation includes the following legal documents:

- Unified list of products, for which mandatory requirements within the Customs Union are established (approved by the Decision of the Commission of the Customs Union № 526 on January 28, 2011);
- Provision on the procedure of development, adoption, amendment and cancellation of the Technical Regulation of the Customs Union (approved by the Decision of the Council of the Eurasian Economic Commission № 48 June 20, 2012);
- Plan of development of technical regulation of the Customs Union and of making amendments to the technical regulations of the Customs Union (approved by the Decision of the Council of the Eurasian Economic Commission № 79 on October 1, 2014)

- Regulation on registration of declarations of conformity of goods to the requirements of the Customs Union technical regulations (approved by the Decision of the Board of the Eurasian Economic Commission № 76 on April 9, 2013);
- Regulations on application of standard schemes of conformity assessment (confirmation) to the requirements of the Customs Union technical regulations (approved by the Decision of the Commission of the Customs Union № 621 on April 7, 2011);
- Unified forms of documents for conformity assessment (confirmation) (approved by the Decision of the Commission of the Customs Union № 896 on December 9, 2011);
- Provision on the procedure of development and approval of lists of the international and regional standards, and in case of their absence – the national (state) standards of the Member States of the Customs Union ensuring observance of requirements of technical regulations of the Customs Union necessary for carrying out of conformity assessment (confirmation) (approved by the Decision of the Commission of the Customs Union № 306 on December 25, 2012);
- Provision on the uniform mark of product circulation in the Customs Union market (approved by the Decision of the Commission of the Customs Union № 711 on July 15, 2011);
- Provision on the procedure for importation of products (goods) into the customs territory of the Customs Union for which mandatory requirements of the Customs Union are established (approved by the Decision of the Board of the Eurasian Economic Commission № 294 on December 25, 2012).

Technical Regulations

The technical regulations of the EAEU are developed only for the products included in the unified list of products for which mandatory requirements are established in the framework of the EAEU. Currently 66 products are included in the list. Technical regulations of the EAEU have direct application on the territory of the Member States. From the date of entry into force of the EAEU technical regulation, relevant mandatory requirements established by the national legal documents do not apply.

The technical regulations of the EAEU are developed and adopted to ensure the protection of human, animal and plant life and (or) health, property, the environment, prevent actions misleading consumers, as well as to ensure energy efficiency and resource conservation within the EAEU territory.

The technical regulations of the EAEU set mandatory requirements for products or for products and its production, construction, installation, operation, storage, transportation, marketing and utilization processes. The technical regulations of the EAEU also set identification rules, forms, schemes and procedures of conformity assessment. The EAEU technical regulations may also contain the requirements for terminology, packaging, marking, labeling and the rules of their application, as long as they may contain sanitary requirements and procedures, and then veterinary, sanitary and phytosanitary requirements.

Nowadays 35 EAEU technical regulations are adopted, 34 of them came into force in 2012 - 2015, and 1 technical regulation will come into force in 2016.

According to the WTO requirements, the Commission establishes transitional period for each EAEU technical regulation .The average transition period is from 12 to 18 months from the moment of adoption of the technical regulations while the minimum transition period is 6 months.

Conformity Assessment

According to paragraph 5 of Annex 9 of the Treaty on the EAEU, the procedures of conformity assessment are established by the EAEU technical regulations. This allows the formation of common approaches to conformity assessment for the EAEU Member States.

For implementation of the EAEU technical regulations in the EAEU territory basic documents are approved in the sphere of conformity assessment, including unified forms of conformity assessment (confirmation) documents, standard schemes of conformity assessment (confirmation) and its application practice, etc.

Unified forms of a certificate of conformity and a declaration of conformity to the EAEU technical

regulation were approved by the Decision of the Board of the Eurasian Economic Commission № 293 on December 25, 2012.
The assessment of conformity to the requirements of the EAEU technical regulations is carried out by the accredited conformity assessment bodies (certification bodies and testing laboratories (centers))included in the Unified register of conformity assessment bodies of the EAEU.
According to paragraph 5 of Annex 9 of the Treaty on the EAEU, the entry of conformity assessment bodies in this register, as well as its opening and maintenance, are carried out in an order established by the Commission. This Unified register is published on the official website of the Commission (http://www.eurasiancommission.org/en/act/texnreg/Pages/default.aspx).
Article 54 of the Treaty on the EAEU sets the basic approaches for accreditation of conformity assessment bodies of the EAEU Member States. Annex 11 of the Treaty on the EAEU establishes the terms of mutual recognition of the results of works on accreditation of conformity assessment bodies of the EAEU Members States. According to paragraph 3 of this Annex, the EAEU Member States harmonize their legislation in the field of accreditation and mutually recognize the accreditation of conformity assessment bodies of the EAEU subject to provisions of Article 54 of the Treaty of the EAEU.

Standards
For the purpose of conformity, assessment to requirements of the EAEU technical regulations, international and regional (interstate) standards may be applied and in the absence thereof (until adoption of regional standards) – national (state) standards of the Member States. Voluntary application of these standards ensures observance of requirements of the adopted EAEU technical regulations.
For the purpose of research (testing) and measurements within the framework of assessment (confirmation) of compliance of the products with requirements of the technical regulation of the EAEU, the EAEU approves the list of international and regional (interstate) standards and in the absence thereof – national (state) standards of the Member States. These standards contain rules and methods of research (testing) and measurements including rules on taking samples required for application and fulfillment of requirements of the adopted technical regulation of the EAEU and assessment of compliance of the products. These lists of standards are developed and implemented for each EAEU technical regulation. As of now, the lists of standards for 31 EAEU technical regulations have already been approved.

Technical Regulation in FTAs
In the CIS FTA the issues of technical regulation are covered by a separate article which stipulates that when applying technical measures, including technical regulations, standards and procedures for assessment of compliance, the parties shall be guided by the rules and principles of the WTO Agreement on Technical Barriers to Trade. At the same time the EAEU Member States are the parties of the international agreements on TBT adopted within CIS.
There are also specific articles on technical regulation in the FTAs with the Republic of Serbia and also the Federal Republic of Yugoslavia. These articles contain provisions to promote information exchange and to realize and implement the provisions of the Agreement by concluding ad hoc agreements.
The FTA with Vietnam has specific chapters addressing issues on technical regulation. The aim of these chapters is to create the mechanism of consultations, information exchange and cooperation between the parties. The basic principle is the implementation of the WTO TBT Agreement provisions by the parties.

The National Bodies of the EAEU Member States responsible for the TBT regulation
- The Ministry of Economy of the Republic of Armenia, National Institute of Standards (http://www.sarm.am)
- The State Committee for Standardization of the Republic of Belarus (Gosstandart) (http://www.gosstandart.gov.by)
- The Committee on Technical Regulation and Metrology of the Ministry of Investments and Development of the Republic of Kazakhstan (KAZMEMST) (http://www.memst.kz)

- The Center for Standardization and Metrology of the Ministry of Economy of the Kyrgyz Republic (http://www.nism.gov.kg)
- The Ministry of Industry and Trade of the Russian Federation (http://www.minpromtorg.gov.ru)
- The Federal Agency on Technical Regulation and Metrology (Rosstandart) (http://www.gost.ru)

India

Standards in India are established based on the provisions of the Bureau of Indian Standards (BIS) Act 1986 and BIS Rules 1987. The BIS is responsible for formulating and enforcing standards for 14 sectors, and development of activities relating to certification of product and quality systems, testing and calibration, enforcement, international cooperation, and creating awareness among consumers; other agencies are responsible for enforcement of standards (and technical regulations) in other areas. Sectoral coordination committees have been established for food processing, power, steel, automotives, textiles, and information technology in order to develop harmonized standards at the national level. International standards are often adopted as Indian standards under the numbering system of ISO/IEC, or are harmonized with international standards in areas of India's trade interests.

There were around 19,313 Indian standards as of 25 December 2014 (compared with 18,592 on 31st March 2010). According to the authorities, for 5,862 standards that have corresponding international standards, 5,238 (approximately 89.4%) were harmonized (i.e. aligned or identical) with corresponding international standards (compared with 84% as at 31st March 2010).

The BIS is a member of the International Organization for Standardization (ISO) and participates in ISO technical and policy-making committees. It is also a member of the International Electrotechnical Commission (IEC) and participates in IEC technical and policy-making committees. The BIS has bilateral cooperation memoranda of understanding with the national standards bodies of Afghanistan, Bangladesh, Brazil, Egypt, France, Fiji, Germany, Ghana, Greece, Iran, Japan, Mauritius, Nigeria, Oman, the Russian Federation, Slovenia, South Africa, Suriname, the United Arab Emirates, the United States, Ukraine, and Uzbekistan. It also has bilateral cooperation agreements (BCAs) on conformity assessment with the national standards body of Israel, Pakistan and Sri Lanka. BIS is a member of the South Asian Regional Standards Organization (SARSO), which was established in order to strengthen cooperation in areas of standardization and conformity assessment among the members of the South Asian Association for Regional Cooperation (SAARC). BIS is also a member of Pacific Area Standards Congress (PASC), which aims at improving the quality and capacity of standardization in economies of the pacific region and to support development of the region through the promotion of standardization.

Indian standards are formulated according to the procedures stipulated in the BIS Rules 1987 under the BIS Act 1986. A preliminary draft standard prepared by committee members is considered by the respective technical committee. Once the draft is approved by the technical committee, it is circulated among the various stakeholders and posted on the BIS website for comments. Comments should be provided within sixty days. The technical committee finalizes the draft standard taking into account these comments. The finalized standard, its revisions, amendments, and cancellation are published in the *Official Gazette*.

Responsibility for the formulation of technical regulations is with the agency in charge of the respective area. The formulation of a technical regulation follows a similar process to the formulation of a standard. A draft technical regulation is sent out for comments prior to its adoption by the concerned ministry/department/organization and publication in the *Official Gazette*. Comments must be provided within 60 days of the publication of the notice. The draft technical regulations are also notified to WTO Members for comments.

Under the WTO Agreement on Technical Barriers to Trade, the International Relations and Technical Information Services Department of the BIS is the national WTO-TBT enquiry point for disseminating information on standards, technical regulations, and certification. The Ministry of Commerce and Industry is responsible for implementing the Agreement.

Between 2011 and 2014, India made 11 notifications to the WTO TBT Committee. In the TBT Committee concerns were raised regarding, *inter alia*, food labelling requirements, toys and toy products, e-waste, electronics and information technology goods, and hazardous waste, and labelling requirements for Canola oil.

3.3.5 Import Licensing

EAEU
The principles of unified non-tariff regulation for the EAEU are set out in the Treaty on the EAEU, and in follow-up agreements and decisions applied by the Commission. The essential issues on import licensing and quantitative restrictions in the EAEU have been outlined in Article 46 and Annex 7 to this Treaty.

Foreign trade licensing applies in the following cases:

- Introduction of temporary quantitative restrictions on export or import of certain types of goods;
- Granting an exclusive right to export and (or) import certain types of goods;
- Permitting procedure of imports (exports);
- Tariff quotas;
- Import quotas in case of safeguard measure;

Authorized agencies in the Members States of the EAEU issue import and export licenses in accordance with the procedures determined by the Treaty on the EAEU. Such licenses which have been issued by an authorized agency in any Member State of the EAEU, are recognized by the other Members States of the EAEU.
Licensing of import and export of goods included in the list of goods subject to import and export restrictions and constraints is carried out in accordance with the rules provided by the Annex 7 to the Treaty.

Authorized agencies in the Members States of the EAEU issue the following import and export licenses:

- individual license
- general license
- exclusive license

India
India applies import licensing requirements in accordance with the Foreign Trade (Development and Regulation) Act 1992 and Foreign Trade (Regulation) Rules 1993. Licensing requirements may be eliminated without legislative approval. The Import Policy Schedule list items that are restricted and items that are restricted with a condition. Restricted items require a specific import license issued by the DGFT. Restricted items subject to conditions require import permits (e.g. sanitary and phytosanitary permits) in addition to the specific import license. All license requirements are non-automatic. Under the current Import Policy Schedule (Foreign Trade Policy 2009-14), including supplements, some 445 tariff lines at the HS eight-digit level are subject to import restrictions. They represent around 3.9% of total tariff lines. Some 347 tariff lines are restricted while some 98 are restricted subject to conditions.
All importers holding a valid IEC number may apply for a license. Applications for import licenses are made to the DGFT or to the regional licensing authority of the DGFT. The requirements for filing applications for import licenses are published in the Handbook of Procedures. Licenses are valid for 18 months and may be revalidated for six months by the licensing authority on merit; the imported material must be used by the importer and cannot be sold.
The DGFT or an authorized office may, in writing, refuse to grant, renew, or suspend a license to import (or export) on specific grounds. License application fees vary according to the c.i.f. value of imports. Fees are not refundable. The goods imported under a license cannot be exported without the written permission of the DGFT.
On 28 November 2014, India eliminated import restrictions on gold (implemented in June and July 2013), which involved a requirement that 20% of imported gold be held in a bonded warehouse for export

purposes (20:80 scheme), and that gold imports be allowed only to meet the genuine needs of the exporters of gold jewellery.

3.3.6 Quantitative Restrictions

EAEU

Quantitative restrictions may be imposed in case of:

- Temporary bans or temporary quantitative restrictions on exports in order to prevent or reduce the critical shortage in the domestic market important products;
- Bans and quantitative restrictions of exports and imports, necessary in the application of standards or rules of classification;
- Restricting imports of aquatic biological resources in some cases.

Quantitative restrictions may be imposed by means of quotas or prohibitions regarding exclusive export and/or import rights with respect to certain goods, which may be granted by the provision of special privileges to certain foreign trade participants in the form of special licenses issued by a duly authorized agency of the Member States of the EAEU (the right to conduct foreign trade activities with regard to certain types of goods, granted under the license issued by the authorized state executive body).

The legislation of the EAEU establishes a list of goods subject to import/export restrictions and constraints. This list is represented in the Decisions of the Board of the Eurasian Economic Commission № 134 of 16.08.2012 and № 30 of 21.04.2015 and currently includes 8 categories of goods that are not allowed for import/export, and 29 categories of goods subject to limitations in their import/export across the EAEU customs border. These include, *inter alia*, precious metals, precious stones, some types of mineral raw material, pharmaceuticals, radio electronic equipment, high-frequency devices, encryption/cryptographic facilities, cultural values, etc.

India

Quantitative restrictions (QRs) are limits imposed on the volume or value of goods traded by a WTO member. The General Agreement on Tariffs and Trade (GATT/WTO) requires the general elimination of these restrictions — except in defined circumstances. Members' notifications on the quantitative restrictions are compiled in a WTO database which is accessible to the public. A decision adopted by the Council for Trade in Goods on 22 June 2012 establishes the procedures that Members have to follow to notify all QRs they apply. DGFT is the administrative Institution for maintaining and implementing Quantitative Restrictions in India.

India notifies QR Notification in the WTO based upon the inputs received from DGFT. Last such Notification notified by WTO was on 10 June, 2014.

3.3.7 Trade Remedies

Trade Remedies

In the context of the possible FTA, the EAEU Member States and India will have an opportunity to:

- improve cooperation and exchange of information in the field of trade remedies;
- enhance knowledge of trade remedy laws and practice;
- develop communication channels in respect to trade remedies (including investigations);
- adopt bilateral safeguard mechanism to address concerns of an increase in trade flows as a result of tariff reduction or elimination.

The Parties agree that the rules governing the application of trade remedies shall be consistent with the relevant WTO Agreements.

EAEU

Trade Remedies

Anti-dumping, counterveiling and safeguard measures are applied in respect of imports from third countries at the EAEU supranational level. The EAEU trade remedies regime is governed by Articles 48, 49, 50 of the Treaty on the EAEU, and the provisions of Annex 8 to the Treaty on the EAEU (Protocol on the Application of Safeguard, Anti-Dumping and Counterveiling Measures to Third Countries) which are fully consistent with the relevant WTO Agreements.

The Department for Internal Market Defence (hereinafter – "DIMD") of the Commission is the investigating authority of the EAEU responsible for initiating and conducting of anti-dumping, counterveiling and safeguard investigations.

An investigation is initiated upon an application by or on behalf of the EAEU industry that is filed directly to the DIMD. The DIMD prepares a report on the results of the investigation that contains the conclusions based on relevant evidence collected during the course of the investigation and recommends whether or not to impose or extend the application of trade remedies. A decision to impose safeguard, anti-dumping and counterveiling measures is adopted by the Board of the Commission. All notifications as well as reports on provisional and final findings are published on the official website of EEC: (http://eec.eaeunion.org/ru/act/trade/podm/Pages/default.aspx)

A decision to impose safeguard, anti-dumping, and counterveiling measures is adopted by the Board of the Commission after consulting with the EAEU Member States in an Advisory Committee. An Advisory Committee represents a working body composed of the representatives of the interested public authorities of the EAEU Member States.

The decisions on application of trade remedies may be challenged in the Court of the EAEU in accordance with the provisions of Annex 2 to the Treaty on the EAEU (Statute of the Court of the EAEU).

As of August 2015 10 anti-dumping measures[28] are in force in the EAEU, including one anti-dumping measure against imports of graphite electrodes originating in India (the measure is in force from January 26, 2013 till January 25, 2018). Also 2 safeguard measures are applied in the EAEU, India is excluded from the application of the safeguard measures as a developing country using the EAEU preference system. The DIMD is conducting 8 anti-dumping and 1 counterveiling investigations. None of them involves imports from India.

Body responsible for trade remedies in the EAEU

The Department for Internal Market Defence of the Commission is the investigating authority of the EAEU responsible for initiating and conducting of anti-dumping, counterveiling and safeguard investigations. (http://eec.eaeunion.org/ru/act/trade/podm/Pages/default.aspx)

India

Different types of trade remedial tools available under the WTO Agreements are as follows:

a) Tools against Unfair Trade:

(i) Anti-Dumping Measures (AD) taken against dumping (selling at an unfairly low price)

(ii) Counterveiling Measures (Anti-Subsidy Measures) against subsidized imports

b) Tools for Protection of domestic industry against sudden surge in imports:

(iii) Safeguard Measures designed to "safeguard" domestic industries as an 'emergency action'

Similarly, under the bilateral or plurilateral FTAs, these provisions related to unfair trade (AD/CVD) are equally applicable. However, these provisions are limited to certain WTO plus provisions depending on the uses of these measures. Generally, India being a large user of AD measures, tend to be defensive for any WTO plus provisions. However, since India is at the receiving end so far as CVD measures are

[28] The number of measures and investigations is based upon the product under consideration.

concerned, it is in the interest of India so far to have certain transparency-related provisions inbuilt in the FTAs, depending upon the FTA partner.

However, since the purpose of the FTA is to promote trade between the countries signing the Agreement, a limited use of the Safeguard measures is envisaged and accordingly most of the FTAs have the provision of separate "bilateral safeguard mechanisms" with a less punitive duty which is limited to extension of the duty up to the prevailing MFN rate or up to the base rate before the signing of the Agreement. But, such provisions are limited to the transitional period, which would vary from FTA to FTA depending on the extent of liberalization and the state of domestic industry along with the adjustment requirement by the industry on account of the liberalization of the tariffs, in particular. Bilateral safeguard measures have been incorporated in various FTAs such as those between India-ASEAN, India-Japan, India-Korea, India-Singapore, etc.

The introduction of bilateral safeguard measures in a trade agreement may be thought of as anticipating the possibility of such difficult adjustments and the pressure for protectionism that they give rise to and providing a means to deflate this pressure with a temporary reversal of liberalization. This implies that the depth of liberalization that can be achieved by a trade agreement ex-ante may depend on whether there are built-in escape clauses that allow governments to depart temporarily from their liberalization commitments under well-defined and circumscribed conditions. Bilateral safeguard measures address this need. Model text of bilateral safeguards typically have the similar investigation procedure. However, the major differences are in terms of the quantum of duty to be applied, the duration, its transitional nature, its application to the concerned FTA partner under investigation etc. Moreover, there has been confusion as to the applicability of WTO Global Safeguard measures in case of surge in imports on account of the liberalization of tariffs under the FTAs[29].

Also according to Custom Tariff Act, 1975, the list of non-market economy countries is Albania, Armenia, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, North Korea, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and Vietnam.

Body responsible for trade remedies in India

Director General of Anti-Dumping (DGAD) conducts anti-dumping investigations on the basis of a duly substantiated petition filed by the domestic industry alleging dumping of goods into the country causing injury to the domestic industry. The basic intent of the anti-dumping measures is to eliminate injury caused to the domestic industry by unfair trade practices of dumping and to create a level playing field for the domestic industry.

3.4 Impact of Liberalization – Trade in Goods

Extensive modelling with the help of various methodologies for assessing potential gains accruing to India and the EAEU members due to FTA have been undertaken. In order to assess the impact of tariff liberalisation on bilateral trade in goods between India and the EAEU, by way of quantifying the potential bilateral trade, it is considered appropriate to use both the partial equilibrium techniques and the Computable General Equilibrium (CGE) Modelling. This is because both the methodologies complement each other and over-reliance on any one of them can be avoided.

Methodology I: CGE Simulations

The CGE Simulations have been done with the help of GTAP-Version 9. This uses data for 2011. There are three estimates that have been carried out with the help of CGE Simulations. First includes estimated welfare gains due to Bilateral FTA between India and EAEU; second is the bilateral trade potential separately for imports and exports; and third is sector-wise potential for exports-imports between the two sides.

This has been done by using different Scenarios that had various dimensions; (i) Full tariff liberalisation (ii) Trade Facilitation (iii) Shipping transport linkages (iv) Productivity gains and (v) Non-Tariff barriers.

[29] The WTO Dispute related to DR-Polypropylene Bags (DS417)

Only the final results combining all the Scenarios are presented here.

Table 33: Welfare Gains: CGE Simulation

(USD Million)

Countries	Welfare Gains	GDP	Welfare Gains as a % of GDP
India	70208.44	2073542.98	3.39
Armenia	1371.62	10561.40	12.99
Belarus	12454.33	54608.96	22.81
Kazakhstan	25182.53	184360.63	13.66
Kyrgyz Republic	1029.30	6571.85	15.66
Russian Federation	53210.27	1326015.10	4.01

As the Table 33 on Welfare Gains suggests, the proposed FTA would yield enormous welfare gains as a percentage of respective countries' GDPs. It may be as high as 22.81% for Belarus to 3.39% for India. It is easily discernable that the difference between high shares and low shares of welfare gains with respect to GDP is due to large GDP denominator in case of Russia and India.

Table 34: India-EAEU Import-Export Potential: CGE Simulation

(USD Million)

	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU
India's Export Potential to	296.00	689.00	2281.00	185.00	14654.00	18105.00
India's Import Potential to	77.20	1970.00	1278.00	30.40	32318.00	35673.60

The bilateral trade projections on account of CGE Simulations as summarized in the Table 34 indicates that India's total Export Potential to EAEU would be to the extent of USD 18 billion whereas India's Import Potential from EAEU turnout to be USD 36 billion.

Table 35: India's Export Potential: CGE Simulation

(USD Million)

S.No.	Sectors	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU
1	Crop Products	14.10	23.60	228.00	13.60	858.00	1137.30
2	Other Food Processing	3.71	50.70	14.30	2.12	929.00	999.83
3	The Production Of Wool And Plant Fibres	0.07	0.14	0.27	0.03	2.97	3.48
4	Meat Industry	102.00	1.09	0.25	9.61	3.26	116.21
5	Dairy Industry	1.75	0.67	1.24	0.12	14.10	17.88
6	Forestry and Fishing	0.10	0.27	0.47	0.04	6.52	7.40
7	Minerals	6.54	0.92	5.36	0.09	147.00	159.91
8	Textiles	3.64	39.30	63.80	8.22	554.00	668.96
9	Clothing	0.50	19.50	302.00	62.30	440.00	824.30
10	Wood Products, Paper	4.82	4.18	6.84	0.09	78.90	94.83
11	Products Mineral Processing	5.19	24.10	50.80	1.30	242.00	323.39

12	Chemical, Rubber, Plastic Products	17.90	302.00	421.00	38.60	5267.00	6046.50
13	Metallurgy	1.49	11.80	21.10	0.98	733.00	768.37
14	Vehicles And Spare Parts	0.42	3.74	13.40	0.63	1114.00	1132.19
15	Electronic Equipment And Machines	35.70	83.10	454.00	18.20	2912.00	3503.00
16	Other Manufacturing	72.90	34.60	53.60	4.76	385.00	550.86
	Total	**296.00**	**689.00**	**2281.00**	**185.00**	**14654.00**	**18105.00**

Note: The Total includes Services Sector potential, therefore the figures may not add up to the total. Potential for services has been tabulated in the section on Trade in Services.

In terms of sector-wise Export Potential of India to EAEU, sector combining Chemical, Rubber and Plastic Products has the highest export potential of USD 6.46 billion followed by Electronic equipments and machines of USD 3.50 billion and Crop Products of USD 1.13 billion (Table 35).

Table 36: India's Import Potential: CGE Simulation

							(USD Million)
S.No.	**Sectors**	**Armenia**	**Belarus**	**Kazakhstan**	**Kyrgyzstan**	**Russia**	**EAEU**
1	Crop Products	0.491	0.313	0.313	0.313	387	388.43
2	Other Food Processing	0.411	0.087	0.087	0.087	10.5	11.172
3	The Production Of Wool And Plant Fibres	0.034	0.06	0.06	0.06	11.2	11.414
4	Meat Industry	0.516	0.396	0.396	0.396	2.66	4.364
5	Dairy Industry	0.767	2.75	2.75	2.75	1.31	10.327
6	Forestry and Fishing	0.124	0.109	0.109	0.109	0.053	0.504
7	Minerals	6.37	7.64	7.64	7.64	9748	9777.29
8	Textiles	0.043	79.3	79.3	79.3	132	369.943
9	Clothing	0.106	0.431	0.431	0.431	1.13	2.529
10	Wood Products, Paper	0.161	0.324	0.324	0.324	1018	1019.133
11	Products Mineral Processing	0.02	2.71	2.71	2.71	183	191.15
12	Chemical, Rubber, Plastic Products	0.338	1710	1710	1710	5882	11012.338
13	Metallurgy	29.3	4.54	4.54	4.54	8225	8267.92
14	Vehicles And Spare Parts	0.023	2.05	2.05	2.05	1411	1417.173
15	Electronic Equipment And Machines	0.789	65.9	65.9	65.9	3517	3715.489
16	Other Manufacturing	13.4	21.6	21.6	21.6	295	373.2
	Total	77.2	1970	1970	1970	32318	38305.2

Note: The Total includes Services Sector potential, therefore the figures may not add up to the total. Potential for services has been tabulated in the section on Trade in Services.

In terms of sector-wise Import Potential of India from EAEU, Chemical, Rubber and Plastic Products has the highest import potential of USD 11.01 billion followed by Minerals of USD 9.7 billion and Metallurgy of USD 8.26 billion (Table 36).

Methodology II: Partial Equilibrium Analysis based on Augmented Gravity Model
For the partial equilibrium estimation of potential bilateral trade emanating on account of tariff liberalisation, augmented gravity modelling was taken recourse to. The econometric estimation, methodology and data used are summarized briefly in Annex 2. Due to low base of trade and erratic bilateral trends in some cases there were difficulties in estimation and forecasting, however, with advanced model-specification and modern econometric techniques this was made possible.
At this stage, preliminary results in terms of impact on aggregate bilateral trade are presented in Table 37. The estimations presented in Table assume a tariff liberalisation schedule of approximately 10 years from now under the proposed India-EAEU FTA just in goods.

Table 37: India's Export Potential to EAEU

			(USD Billion)
Country/Region	**2013**	**2025**	**Change over 2013-2025 (%)**
Armenia	0.07	1.24	1613.40
Belarus	0.05	1.23	2206.78
Kazakhstan	0.26	2.07	694.52
Kyrgyzstan	0.034	0.04	4.64
Russia	2.12	13.30	526.93
EAEU	**2.534**	**17.88**	**605.60**

The following observations can be made:
(i) Due to tariff liberalisation by the EAEU under the FTA, India’s exports can rise manifold over a ten year time frame by 2025. It could increase from USD 2.5 billion of the current level to USD 17.88 billion by 2025, if tariffs approach zero percent level. This is quite substantial potential increase in India’s trade with 100 percent tariff liberalisation spread over a ten year period up to the year 2025.
(ii) Another important aspect which emerges from this estimation is that India’s potential exports’ gains would be distributed quite symmetrically across the EAEU members, with Russia being an exception.
(iii) Two points are worth-mentioning here. First, the low absolute values of potential exports are due to low-base-effect. Secondly, these projections are based on the existing basket of India’s exports to EAEU members. A more robust and higher impact of tariff liberalisation is surely possible if the forecasting methodology includes new products that may enter the export basket over time. This has the potential to expand the trade volume over time, hence the effects of tariff liberalisation would be much more, hypothetically.
Similar forecast estimation exercise was undertaken in terms of potential increase in India’s imports from the EAEU, or the exports potential of the EAEU with regards to India.

Table 38: India's Import Potential from EAEU

			(USD Billion)
Country/Region	**2013**	**2025**	**Change over 2013-2025 (%)**
Armenia	0.0017	0.0024	41.18
Belarus	0.16	1.58	898.62
Kazakhstan	0.66	9.14	1292.51
Kyrgyzstan	0.00064	0.00095	48.09
Russia	3.89	14.26	266.07
EEU	**4.71**	**24.98**	**430.11**

Overall, India's imports are expected to increase from USD 4.71 billion (2013) to USD 25 billion over a ten year period of 100 percent tariff liberalisation. This is a quite substantial potential increase in India's imports from the EAEU. As we can observe from the table above, though most of this increase is accounted by the two countries viz. Kazakhstan and Russia, the other two countries also stand to gain given their low value of current existing basket of Exports to India. The low-base effect is evident in this estimation too.

Methodology III: Estimations of Potential at HS 6 digit level: Trade Creation
This has been carried out by using two methodologies viz. trade creation effects based on lower unit value items and trade potential assessed on the basis of elasticity approach.

Methodology III.
a Lower Price Items
A detailed Micro Analysis at HS 6 digit level was carried out to capture the Trade Creation effect for estimating product specific potential exports and imports from/to EAEU. The econometric estimation, methodology and data used are summarized briefly in Annex 2.
The results from Micro Analysis at HS 6 digit level for Trade Creation under the two categories viz. a) Lower Price Items and b)Tariff Liberalisation from both Exports and Imports side are presented in detail in Annex 2 and are summarized below from Table 39 –Table 46.

Export Potential: Trade Creation under a) Lower Price Items
A detailed Micro Analysis at HS 6 digit level to capture the Trade Creation effect for estimating product specific potential exports of India to EAEU is presented in this section.
As we can see from the Table 39 below, the value of India's realisable exports potential to the EAEU which emerges from this estimation is approximately USD 14.2 billion which is quite substantial. This realisable potential value seen in light of the fact that the share of realisable potential of India's exports to EAEU in India's total exports potential to EAEU is a mere 6.44 % presents a very prominent case for rich gains and potential opportunities waiting to be exploited. Further the number of items in which potential exists for India's exports to individual EAEU countries ranges from approx 700 to 1900. For most of the countries this number is in excess of 1200 except Kyrgyzstan for which the number of potential exports items from India is 683.

Table 39: India's Realisable Exports Potential-Summary

Country	No. of items	Potential (USD Million)	Realisable Potential (USD Million)	Realisable as a % of Potential
Armenia	1285	95595.85	902.37	0.94
Belarus	1894	45275.09	3961.45	8.75
Kazakhstan	1330	63422.53	2845.01	4.49
Kyrgyzstan	683	31511.18	398.77	1.27
Russia	1243	36963.12	6190.74	16.75
Total EAEU		**272767.77**	**14298.33**	**6.44**

Of these total potential items of India's export we could further analyse the top potential lines. The Table 40 below presents the trade value and share of top 20, top 50 and top 100 potential products line in export potential of India to individual EAEU member countries. As is evident from the Table 40, the top 20 potential products line share lies in the range of 26 % to 60 % for individual EAEU members. Except Belarus, whose top 20 potential products line share in total potential is 26% all other EAEU countries share lies above 40 % highlighting the fact that even if we concentrate on India's exports in 20 products line (which may vary for different countries) we would be able to capture a substantial portion of the India's export potential to individual EAEU members.

Table 40: Export Potential in Top Lines

	Top 20		**Top 50**		**Top 100**		**Top 150**		**All Lines**
Country	Trade Value (USD Million)	Share (%)	Trade Value (USD Million)	Share (%)	Trade Value (USD Million)	Share (%)	Trade Value (USD Million)	Share (%)	Trade Value (USD Million)
Armenia	517.7	57.4	626.3	69.4	707.8	78.4	755.1	83.7	902.4
Belarus	1030.8	26.0	1617.3	40.8	2163.9	54.6	2532.3	63.9	3961.4
Kazakhstan	1167.2	41.0	1606.8	56.5	1974.0	69.4	2204.7	77.5	2845.0
Kyrgyzstan	177.9	44.6	264.5	66.3	319.8	80.2	349.7	87.7	398.8
Russia	3709.7	59.9	4432.2	71.6	4997.1	80.7	5304.2	85.7	6190.7

We also analyzed the picture of potential exports products of India to the EAEU at an aggregated HS 2 Digit level for individual EAEU countries. The Table 41 below summarises the top 10 potential items of India's exports to Individual EAEU countries at HS 2 Digit level rank wise. For comparison those potential items which are present in top 10 potential products of export to two or more EAEU countries have been colored and different products at HS 2 Digit have been given a different color. A very insightful result emerges from this analysis. As we can see from the Table 41, at 2 digits level HS Code 84 colored in yellow (Nuclear Reactors, Boilers, Machinery) is ranked among top two potential export items for India to all the countries except Russia for which it is ranked fifth in importance. Other potential items of exports present in top 10 export items to individual EAEU member countries but common to all or all most of the EAEU member countries are HS Code 73 (Articles of Iron or Steel), HS Code 72 (Iron And Steel), HS Code 39 (Plastic And Articles Thereof) HS Code 48 (Paper And Paperboard), HS Code 27 (Mineral Fuel, Mineral Oils And Products of Their Distillation) etc.

Table 41: Commodities with Maximum Potential for Exports-Individual Countries

Top 10	Armenia		Belarus		Kazakhstan		Kyrgyzstan		Russia	
	HS Code	Description	HS Code	Description	HS Code	Description	HS Code	Description	HS Code	Description
1	27	Mineral Fuel, Mineral Oils And Products of Their Distillation	84	Nuclear Reactors, Boilers, Machinery	84	Nuclear Reactors, Boilers, Machinery	84	Nuclear Reactors, Boilers, Machinery	02	Meat And Edible Meat Offal.
2	84	Nuclear Reactors, Boilers, Machinery	39	Plastic And Articles Thereof.	73	Articles Of Iron Or Steel	72	Iron And Steel	27	Mineral Fuels, Mineral Oils
3	76	Aluminium And Articles Thereof.	72	Iron And Steel	17	Sugars And Sugar Confectionery.	73	Articles Of Iron Or Steel	73	Articles Of Iron Or Steel
4	85	Electrical Machinery And Equipment	73	Articles Of Iron Or Steel	39	Plastic And Articles Thereof.	39	Plastic And Articles Thereof.	72	Iron And Steel
5	24	Tobacco And Manufactured Tobacco Substitutes.	76	Aluminium And Articles Thereof.	72	Iron And Steel	85	Electrical Machinery And Equipment	84	Nuclear Reactors, Boilers, Machinery
6	72	Iron And Steel	85	Electrical Machinery And Equipment And Parts Thereof	27	Mineral Fuels, Mineral Oils	19	Preparations Of Cereals, Flour, Starch Or Milk	25	Salt; Sulphur; Earths And Stone
7	73	Articles Of Iron Or Steel	74	Copper And Articles Thereof.	48	Paper And Paperboard;	48	Paper And Paperboard;	26	Ores, Slag And Ash.
8	87	Vehicles Other Than Railway Or Tramway Rolling Stock	87	Vehicles Other Than Railway Or Tramway Rolling Stock	19	Preparations Of Cereals, Flour, Starch Or Milk	87	Vehicles Other Than Railway Or Tramway	76	Aluminium And Articles Thereof.
9	34	Soap, Organic Surface-Active Agents, Washing Preparations.	23	Residues And Waste From The Food Industries;	25	Salt; Sulphur; Earths And Stone	40	Rubber And Articles Thereof.	48	Paper And Paperboard;
10	39	Plastic And Articles Thereof.	48	Paper And Paperboard; Articles Of Paper Pulp	87	Vehicles Other Than Railway Or Tramway Rolling Stock	28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals	29	Organic Chemicals

Same analysis of identifying top 10 potential items of India's exports to the EAEU in total as a grouping at HS 2 Digit level was also carried out. The table 42 below presents the value of top 10 potential exports items to the EAEU and the values of these top 10 products for each individual EAEU members. The top three potential products code at HS 2 Digit Level of India's Exports to EAEU in total are HS Code 02 (meat and edible meat offal), HS Code 84 (nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.), and HS Code 27 (mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) respectively. The color portion here represents the ranking of the countries i.e. the share of individual EAEU countries in India's export potential at each HS 2 Digit for the top 10 products identified. Different colours here represent different ranks attached. For example, let us consider HS Code 73 i.e. Articles of Iron or Steel which is ranked among top five potential export items of India to EAEU at fourth position which in terms of value is approximately USD 1.0 billion. For this product, the top export destination for India's Export in EAEU is Russia followed by Kazakhstan, Belarus, Kyrgyzstan, and Armenia in that order. Similarly for HS Code 84 i.e. nuclear reactors, boilers, machinery and mechanical appliances; parts thereof, the top export destination for India is Belarus followed by Russia, Kazakhstan, Armenia and Kyrgyzstan in that order. As we can observe from the table for HS Code 27 and 84, Russia and Belarus respectively are in same dark blue color pointing out the top export destination of India within EAEU for these product codes. So here in Table 42 the color indicates the rank or importance of individual EAEU member countries as India's export destination within EAEU for top 10 potential products at HS 2 Digit level.

Table 42: Commodities with Maximum Potential for Exports- EAEU (USD Million)

Top 10	HS Code	Product Description	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU
1	02	MEAT AND EDIBLE MEAT OFFAL.	1.80	6.63	6.28	0.16	1705.82	1720.70
2	84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF.	92.43	501.12	316.43	50.22	317.01	1278.16
3	27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES.	295.46	16.99	137.65	0.26	636.03	1086.84
4	73	ARTICLES OF IRON OR STEEL	25.60	195.55	271.48	34.88	492.95	1020.99
5	72	IRON AND STEEL	30.21	351.99	162.75	40.24	332.20	917.97
6	39	PLASTIC AND ARTICLES THEREOF.	22.62	437.93	240.42	34.06	144.42	880.18
7	76	ALUMINIUM AND ARTICLES THEREOF.	58.99	179.64	42.08	6.72	197.20	484.92
8	48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP,	16.87	113.26	133.26	23.80	167.12	454.59
9	85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF;	41.67	179.49	49.68	31.77	101.28	404.20
10	87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK	25.40	154.99	89.61	20.93	109.71	400.94

Import Potential: Trade Creation under a) Lower Price Items

A detailed Micro Analysis at HS 6 digit level to capture the Trade Creation effect for estimating product specific potential imports of India from EAEU is presented below.

As we can see from the Table 43, the value of India's realisable imports potential from EAEU which emerges from this estimation is approximately USD 23.2 billion which is quite substantial. This realisable potential value seen in light of the fact that the share of realisable potential of India's imports from EAEU in India's total imports potential from EAEU is a mere 6.20 % presents a very prominent case for rich gains and potential opportunities waiting to be exploited. Further the number of items in which potential exists for India's imports from individual EAEU countries ranges from approx 300 to 1400. For Belarus and Russia this number is in excess of 1000 and for remaining three countries the number of potential imports items from India or the potential items of exports of the EAEU with regards to India is in between 300-600.

Table 43: India's Realisable Imports Potential-Summary

Country	No. of items	Potential (USD Million)	Realisable Potential (USD Million)	Realisable as a % of Potential
Armenia	295	34456.24	1318.72	3.83
Belarus	1439	61519.17	11867.11[30]	19.29
Kazakhstan	413	56700.62	1946.06	3.43
Kyrgyzstan	622	202263.66	1655.45	0.82
Russia	1086	19573.27	6415.67	32.78
Total EAEU		**374512.97**	**23203.01**	**6.20**

Of these total potential items of India's import we could further analyse the top potential product lines. The Table 44 below presents the trade value and share of top 20, top 50 and top 100 potential products line in import potential of India from individual EAEU member countries. As is evident from the table, the top 20 potential products line share lies in the range of 50% to 97% for individual EAEU members highlighting the fact that there is huge concentration of import potential items and just 20 items exhaust most countries export potential to India. Even if we concentrate on India's imports in 20 products line (which may vary for different countries) we would be able to capture more than a substantial portion of the India's import potential to individual EAEU members.

Table 44: Import Potential in Top Lines

	Top 20		Top 50		Top 100		Top 150		All Products
Country	**Trade Value (USD Million)**	**Share (%)**	**Trade Value (USD Million)**	**Share (%)**	**Trade Value (USD Million)**	**Share (%)**	**Trade Value (USD Million)**	**Share (%)**	**Trade Value (USD Million)**
Armenia	1153.86	87.50	1236.16	93.74	1285.83	97.51	1305	98.96	1318.72
Belarus	6258.43	52.74	7739.6	65.22	9051.83	76.28	9804.11	82.62	11867.11

30 This result seems to be Overestimated.

Kazakhstan	1881.3	96.67	1910.65	98.18	1927.37	99.04	1935.56	99.46	1946.06
Kyrgyzstan	1174.59	70.95	1324.99	80.04	1455.33	87.91	1524.46	92.09	1655.45
Russia	3752.01	58.48	4579.84	71.36	5129.23	79.95	5459.78	85.10	6415.67

As in the case of exports potential, we also analysed the picture of potential imports products of India from the EAEU at an aggregated HS 2 Digit level for individual EAEU countries. The Table 45 below summarises the top 10 potential items of India's imports from Individual EAEU countries at HS 2 Digit level rank wise. For comparison, those potential items which are present in top 10 potential products of import from two or more EAEU countries have been colored and different products at HS 2 Digit have been given a different color. A very insightful result emerges from this analysis. As we can see from the table, at 2 digit level HS Code 84 colored in orange (Nuclear Reactors, Boilers, Machinery) is ranked among top five potential import items for India to all the countries except Armenia for which it is ranked sixth in importance. Other potential items of imports present in top 10 potential import items from individual EAEU member countries but common to all or all most of the EAEU member countries are HS Code 30 (Pharmaceutical Products), HS Code 71 (Natural Or Cultured Pearls, Precious Or Semiprecious Stones), HS Code 88 (Aircraft, Spacecraft, And Parts Thereof) etc.

Table 45: Commodities with Maximum Potential for Imports-Individual Countries

Rank	Armenia		Belarus		Kazakhstan		Kyrgyzstan		Russia	
	HS code	Description	HS code	Description	HS code	Description	HS code	Description	HS code	Description
1	30	Pharmaceutical Products	27	Mineral Fuels, Mineral Oils And Products	71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones	71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones	27	Mineral Fuels, Mineral Oils And Products
2	26	Ores, Slag And Ash.	84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances	89	Ships, Boats And Floating Structures.	88	Aircraft, Spacecraft, And Parts Thereof.	29	Organic Chemicals
3	71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones	30	Pharmaceutical Products	30	Pharmaceutical Products	87	Vehicles Other Than Railway Or Tramway	84	Nuclear Reactors, Boilers, Machinery
4	72	Iron And Steel	85	Electrical Machinery And Equipment And Parts Thereof	88	Aircraft, Spacecraft, And Parts Thereof.	84	Nuclear Reactors, Boilers, Machinery	89	Ships, Boats And Floating Structures.
5	70	Glass And Glassware.	73	Articles Of Iron Or Steel	84	Nuclear Reactors, Boilers, Machinery	52	Cotton.	30	Pharmaceutical Products
6	84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances	94	Furniture; Bedding, Mattresses, Mattress Supports,	49	Printed Bookds, Newspapers, Pictures	8	Edible Fruit And Nuts; Peel Or Citrus Fruit Or Melons.	88	Aircraft, Spacecraft, And Parts Thereof.
7	74	Copper And Articles Thereof.	39	Plastic And Articles Thereof.	62	Articles Of Apparel And Clothing Accessories	72	Iron And Steel	28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals

8	24	Tobacco And Manufactured Tobacco Substitutes.	87	Vehicles Other Than Railway Or Tramway	85	Electrical Machinery And Equipment And Parts Thereof	62	Articles Of Apparel And Clothing Accessories,	26	Ores, Slag And Ash.
9	86	Railway Or Tramway Locomotives, Rolling-Stock And Parts Thereof	44	Wood And Articles Of Wood; Wood Charcoal.	90	Optical, Photographic Cinematographic Measuring;	61	Articles Of Apparel And Clothing Accessories,	94	Furniture; Bedding, Mattresses, Mattress Supports,
10	73	Articles Of Iron Or Steel	32	Tanning Or Dyeing Extracts;	61	Articles Of Apparel And Clothing Accessories,	41	Raw Hides And Skins (Other Than Furskins) And Leather	31	Fertilisers.

If we compare the above Table 45 with that of exports side one i.e. Table 41 very insightful result appears i.e there are more common potential products to be exported to EAEU countries than those that needs to be imported.

Same analysis of identifying top 10 potential items of India's imports from the EAEU as a grouping at HS 2 Digit level was also carried out. The Table 46 below presents the value of top 10 potential imports items to EAEU and the values of these top 10 products for each individual EAEU member. The top three potential products code at HS 2 Digit Level of India's Exports to EAEU in total are HS Code 27 (mineral fuels, mineral oils and products of their distillation), HS Code 84 (nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.), and HS Code 30 (Pharmaceutical Products) respectively.

The color portion here too represents the ranking of the countries as was the case in exports i.e. the share of individual EAEU countries in India's import potential at each HS 2 Digit for the top 10 products identified. Different colours here represent different ranks attached. For example, let us consider HS Code 71 i.e. Natural Or Cultured Pearls, Precious Or Semiprecious Stones which is ranked among top five potential import items of India from EAEU at fourth position which in terms of value is approximately USD 1.84 billion. For this product the top import destination for India's Import from EAEU is Kazakhstan, followed by Kyrgyzstan, Armenia and Russia in that order. Similarly for HS Code 84 i.e. nuclear reactors, boilers, machinery and mechanical appliances; parts thereof the top import destination for India is Belarus followed by Russia, Kyrgyzstan, Kazakhstan and Armenia in that order. As we can observe from the above table for HS Code 84 and 30, Russia and Armenia respectively are in same brown color pointing out the top import destination of India within EAEU for these product codes. So here in Table 46 the color indicates the rank or importance of individual EAEU member countries as India's import destination within EAEU for top 10 potential products at HS 2 Digit level.

Table 46: Commodities with maximum Potential for Imports- EAEU (USD Million)

HS Code	Commodity	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation	0.34	4005.53	0.00	12.02	1927.41	5945.30
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances	25.07	2105.71	49.58	59.62	469.88	2709.86
30	Pharmaceutical Products	559.16	841.46	306.46	8.06	306.33	2021.48
71	Natural Or Cultured Pearls, Precious Or Semiprecious Stones	109.35	0.00	976.73	719.49	33.44	1839.01

85	Electrical Machinery And Equipment And Parts Thereof;	9.72	707.93	8.94	20.95	89.69	837.24
89	Ships, Boats And Floating Structures.	0.00	0.49	342.13	0.12	353.92	696.66
73	Articles Of Iron Or Steel	15.07	569.97	0.20	8.94	82.65	676.83
88	Aircraft, Spacecraft, And Parts Thereof.	1.64	0.00	205.65	175.58	265.23	648.10
94	Furniture; Bedding, Mattresses, Mattress Supports,	1.35	472.99	0.14	9.47	126.32	610.27
29	Organic Chemicals	0.00	50.83	0.53	0.05	552.38	603.79

III.b Tariff Liberalisation: Elasticity-based Estimation

The methodology pertaining to the elasticity-based estimation of trade potential between India and the EAEU is given in Annex 2.

The results of the detailed Micro Analysis at HS 6 digit level carried out to capture the Trade Creation effect for estimating product specific potential exports and imports from/to the EAEU under Tariff Liberlisation are summarised below in Table 47. With tariff liberalistaion under FTA, India's Export potential to the EAEU is estimated to be approximately USD 23.5 billion while for Imports, the potential is estimated to be approximately USD 37.7 billion. Also the distribution of this gain is more or less symmetric across the EAEU countries with exception being Russia because of its large size and current existing bilateral trade with India.

Table 47: India-EAEU Import-Export Potential: With Tariff Liberalisation

						USD Billion
	Armenia	Belarus	Kazakhstan	Kyrgyzstan	Russia	EAEU
India's Export Potential to	3.069	1.125	3.475	0.089	15.728	23.49
India's Import Potential from	6.87	5.35	1.44	6.32	17.69	37.67

The detailed results of the exercise carried out under Elasticity Approach for potential estimation are given in Annex 3.

4. Trade in Services[31]

Trade in services
Services sectors contribute significantly to the GDP and to employment. An FTA could inject new opportunities and competition in the countries' domestic economy, lower prices for consumers and producers and shift factors of production to more efficient uses. Provisions concerning services if/when included in an FTA would contribute to generating a better business environment generally.
Trade in goods which is expected to grow as a result of the FTA would benefit bilateral services trade, due to "trade enabling" services such as transport services, insurance and banking services, telecommunication and distribution services.
Moreover, an FTA in services could further strengthen sectors already dominant in the bilateral trade – such as travel services, computer & related services, other business and professional services.
In addition to this, an FTA could provide the basis for increasing trade in areas of mutual interest, where strong complementarities exist, such as hi-tech research and development, tourism, engineering services, environmental and agricultural services, energy, academic studies, etc.
Services trade liberalization should seek to remove barriers to trade across various modes of supply, taking into account the impact on income and employment in each sector. Moreover it should be noted that each EAEU Member State makes its own decision on the participation in an FTA's Chapter on Trade in services.

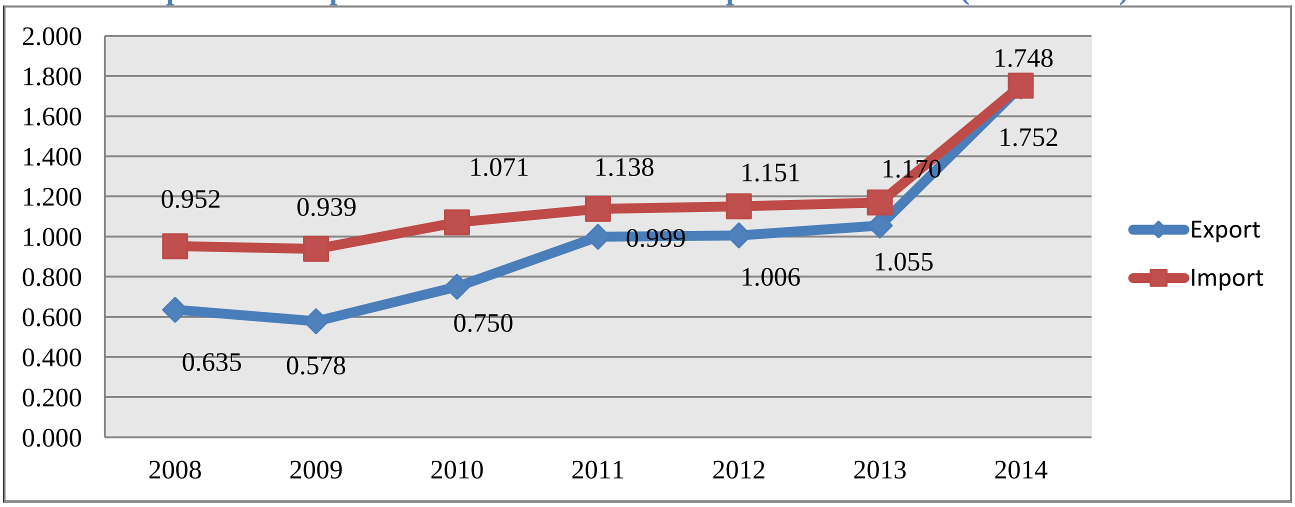
4.1. Overview of trade in services and related policies

4.1.1. Main Export and Import Services Sectors

EAEU

The Republic of Armenia
In 2014 exports of services from the Republic of Armenia amounted to USD 1.748 billion (93rd among WTO members) and imports amounted to USD 1.752 billion (94th among WTO members). In general, exports and imports of services in 2009–2014 demonstrated stable growth (Chart 31).

Chart 31: Exports and Imports of Services from/to the Republic of Armenia (USD Billion)



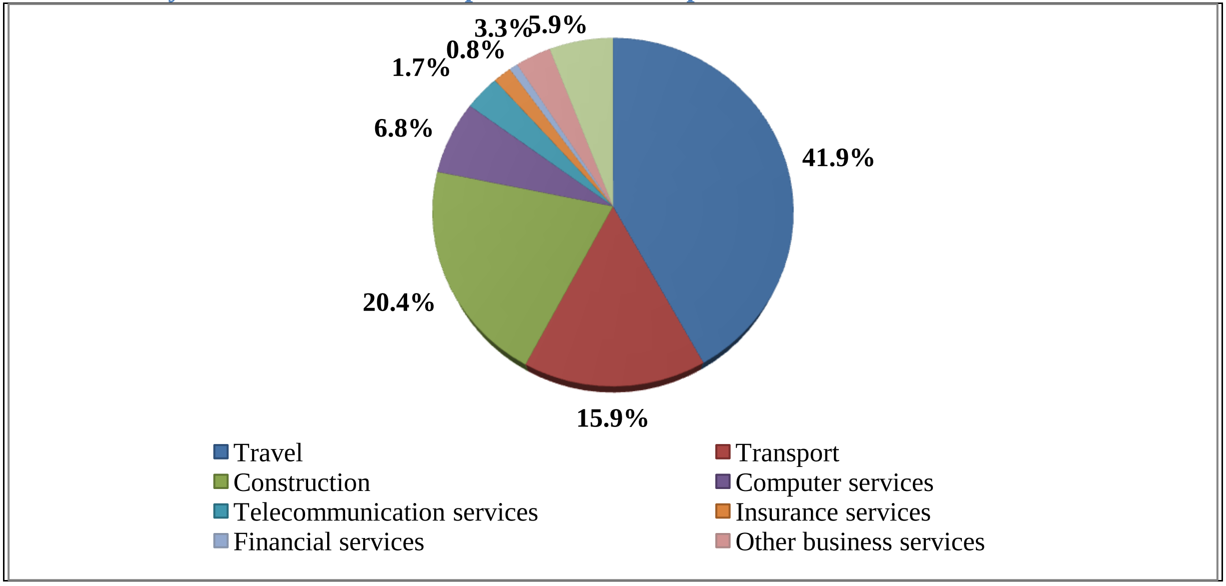
Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

Travel, construction and transport and services are the key services sectors of exports from the Republic

[31] According to International Tade Centre Statistics-2014, India is a major exporter of telecommunications Services. But RBI data on services trade provides data on trade of communication services and not telecommunication specifically.

of Armenia (Chart 32).

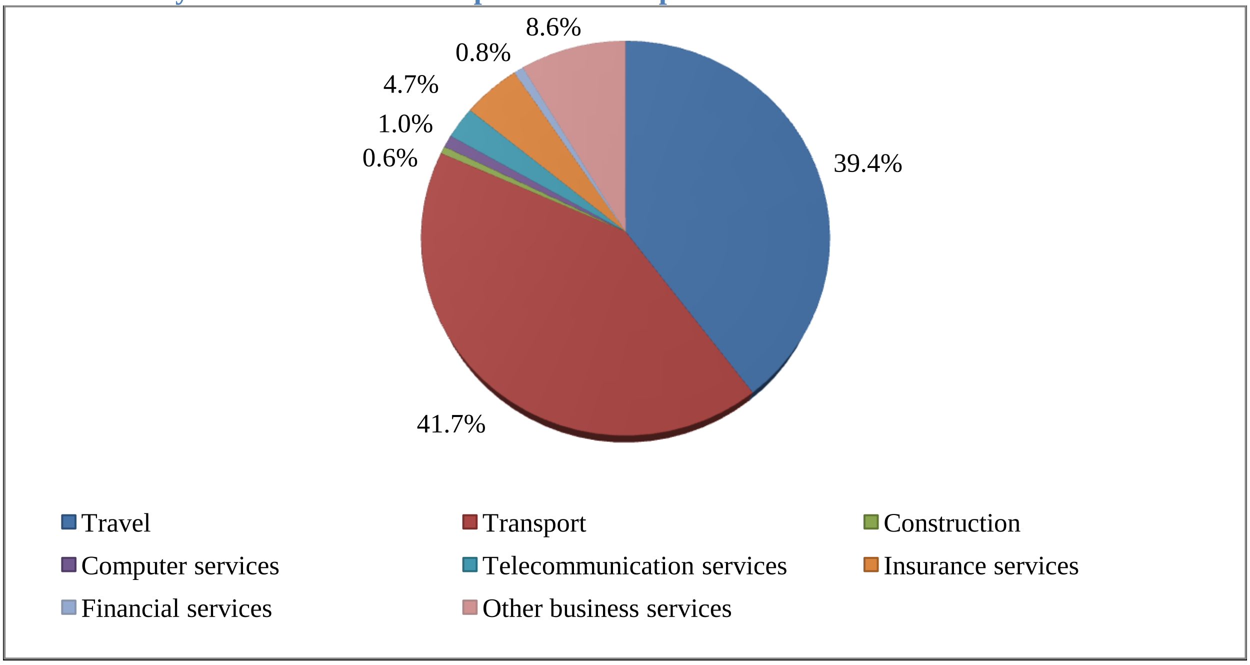
Chart 32: Key Services Sectors of Exports from the Republic of Armenia



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The key sectors of imports to the Republic of Armenia are travel, transport, other business services and insurance services (Chart 33).

Chart 33: Key Services Sectors of Imports to the Republic of Armenia

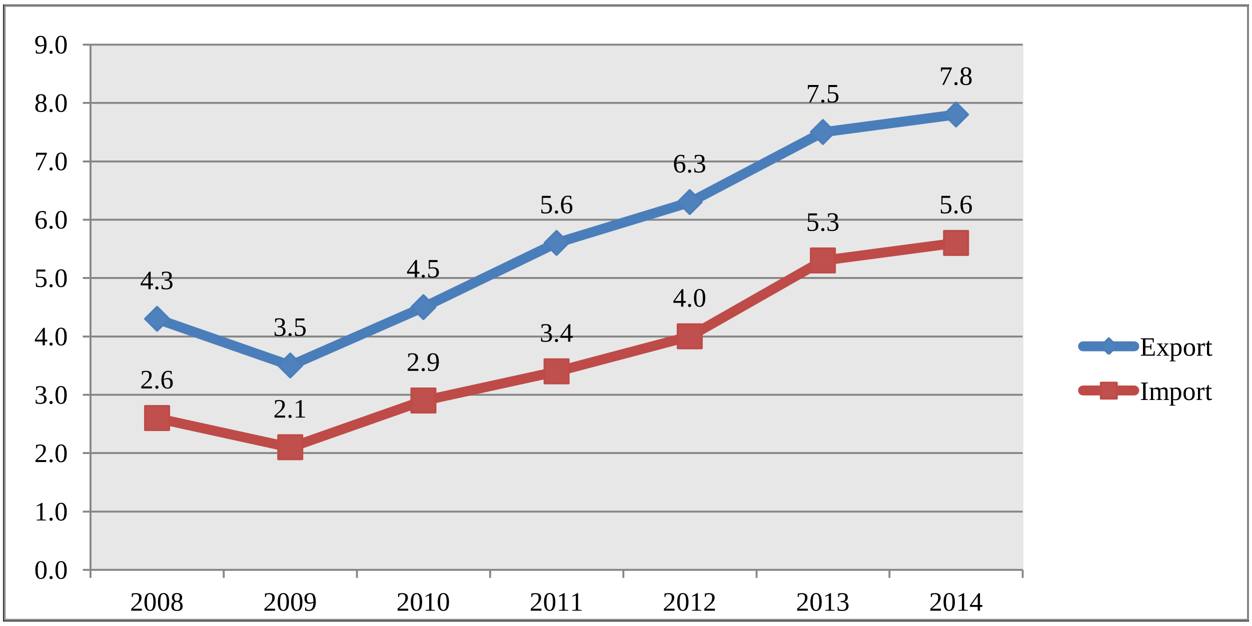


Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The Republic of Belarus

In 2014 the exports of services accounted for USD 7.8 billion (60th among WTO members) while imports of services amounted to USD 5.4 billion (66th among WTO members). From 2009 to 2014 both exports and imports of services demonstrated steady and fast growth (Chart 34).

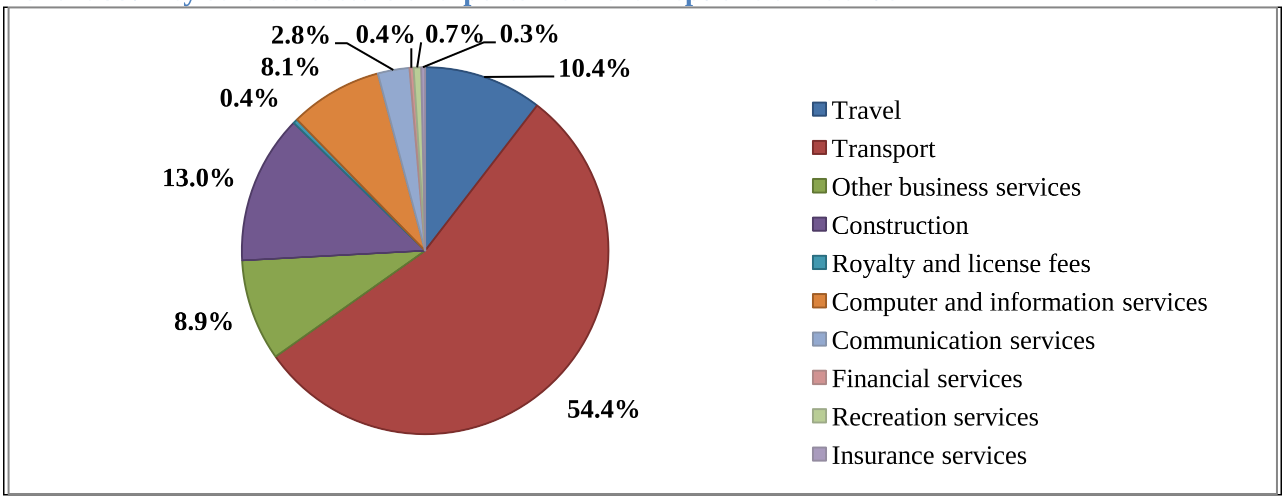
Chart 34: Exports and Imports of Services from/to the Republic of Belarus (USD Billion)



Source: National Bank of the Republic of Belarus. 2015 (http://www.nbrb.by/statistics/ForeignTrade/)

The key services sectors of exports from the Republic of Belarus include transport services, construction, travel, other business services and ICT services. Transport services occupy the most significant share (Chart 35).

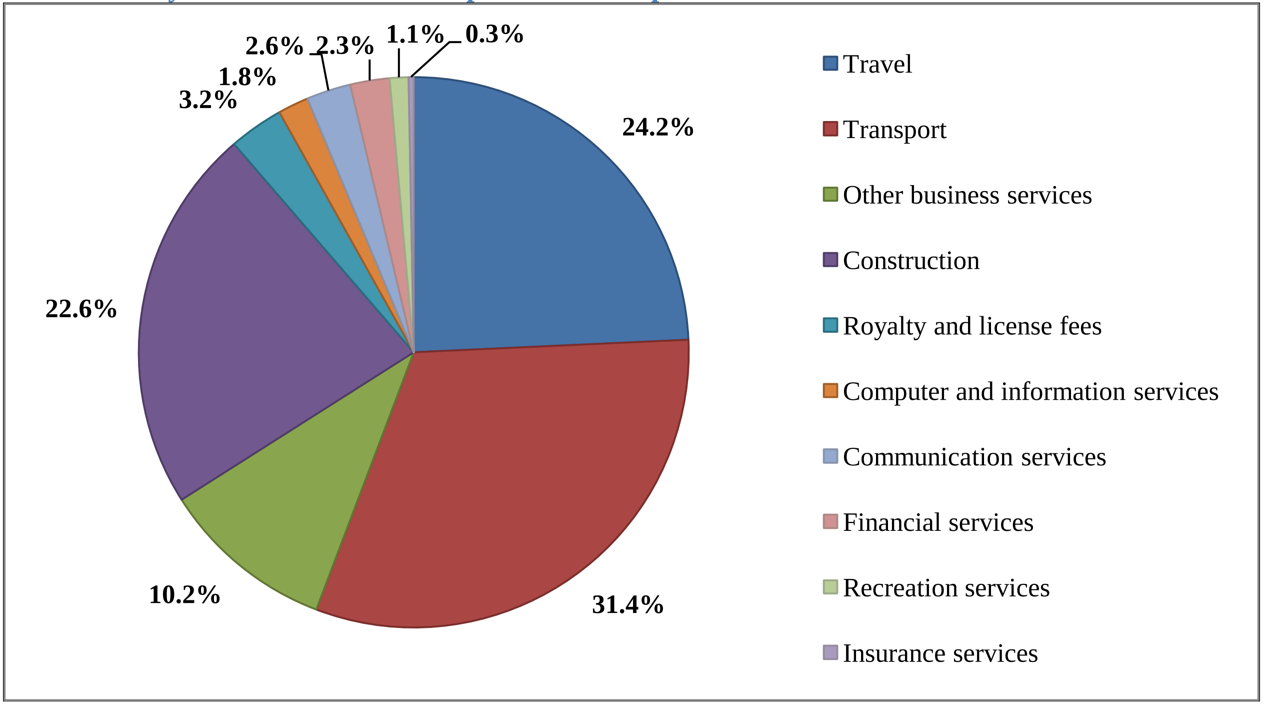
Chart 35: Key services sectors of exports from the Republic of Belarus



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

Generally, the key services sectors of imports to the Republic of Belarus are travel, transport, other business services, construction (Chart 36).

Chart 36: Key Services Sectors of Imports to the Republic of Belarus

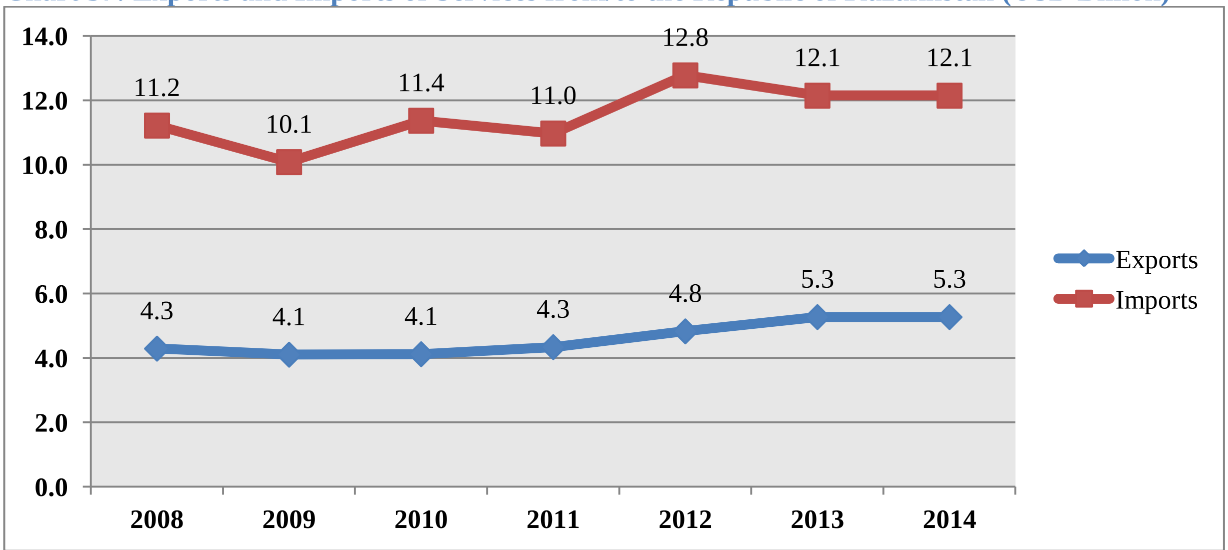


Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The Republic of Kazakhstan

In 2014 the exports of services from Kazakhstan was USD 5.3 billion (68th among WTO members) while imports of services amounted to USD 12.1 billion (52nd among WTO members). Over the years 2008-2013, exports of services demonstrated gradual growth (Chart 37).

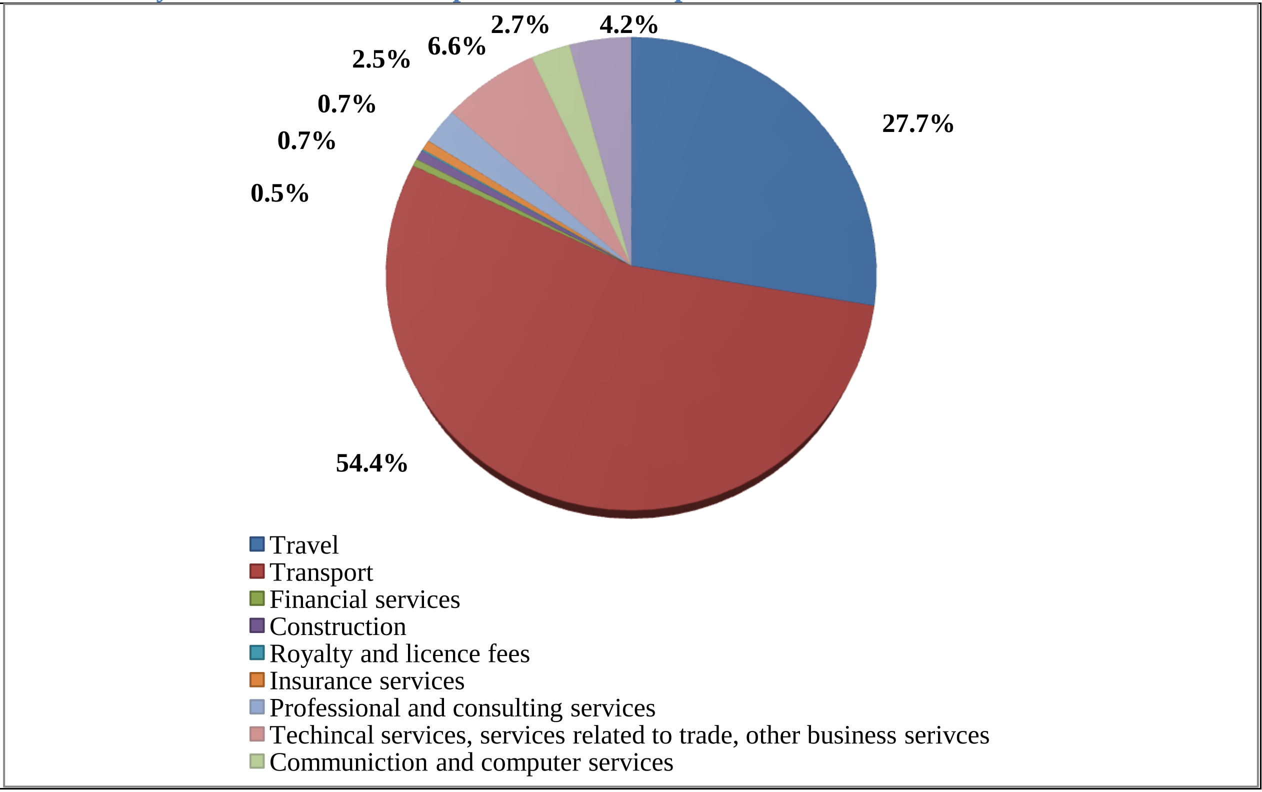
Chart 37: Exports and Imports of Services from/to the Republic of Kazakhstan (USD Billion)



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The main export services sectors in the Republic of Kazakhstan are transport services, travel, technical services, services relate to trade and other business services (Chart 38).

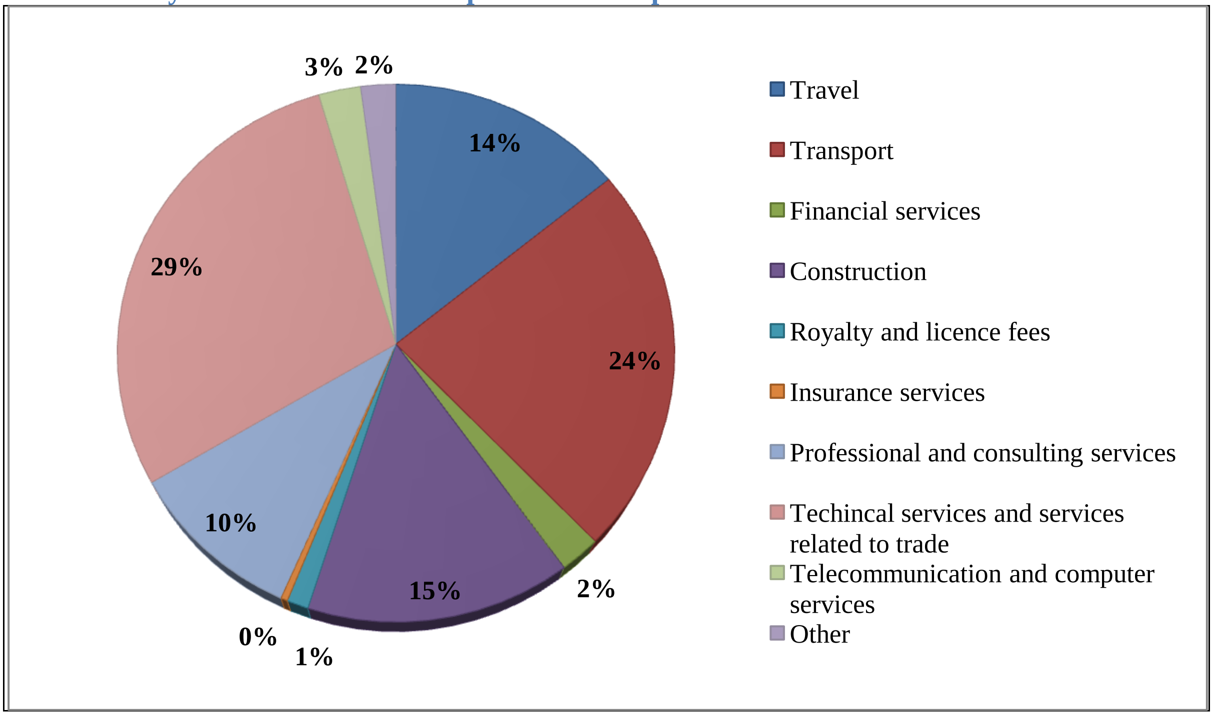
Chart 38:Key Services Sectors of Exports from the Republic of Kazakhstan



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The main services sectors of imports to the Republic of Kazakhstan are other business services, transport, construction, travel (Chart 39).

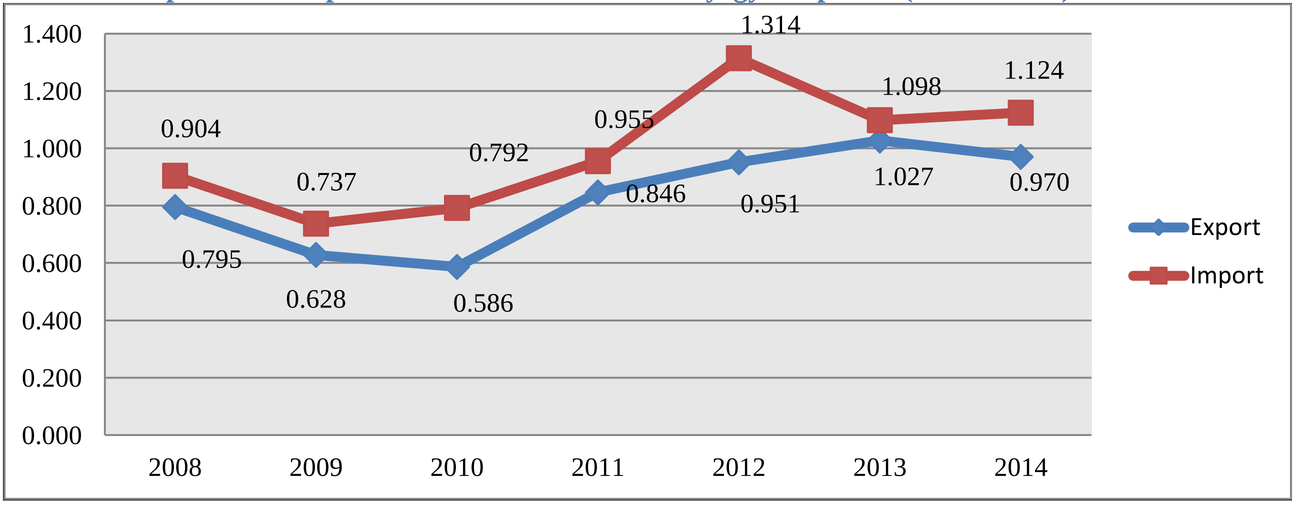
Chart 39: Key Services Sectors of Imports to the Republic of Kazakhstan



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The Kyrgyz Republic
In 2014 exports of services from the Kyrgyz Republic amounted to USD 0.97 billion (105th among WTO members) and imports amounted to USD 1.12 billion (100th among WTO members). In general, exports and imports of services in 2010–2012 demonstrated stable growth. At the same time imports showed a slight fall in 2013 and exports showed a fall in 2014 (Chart 40).

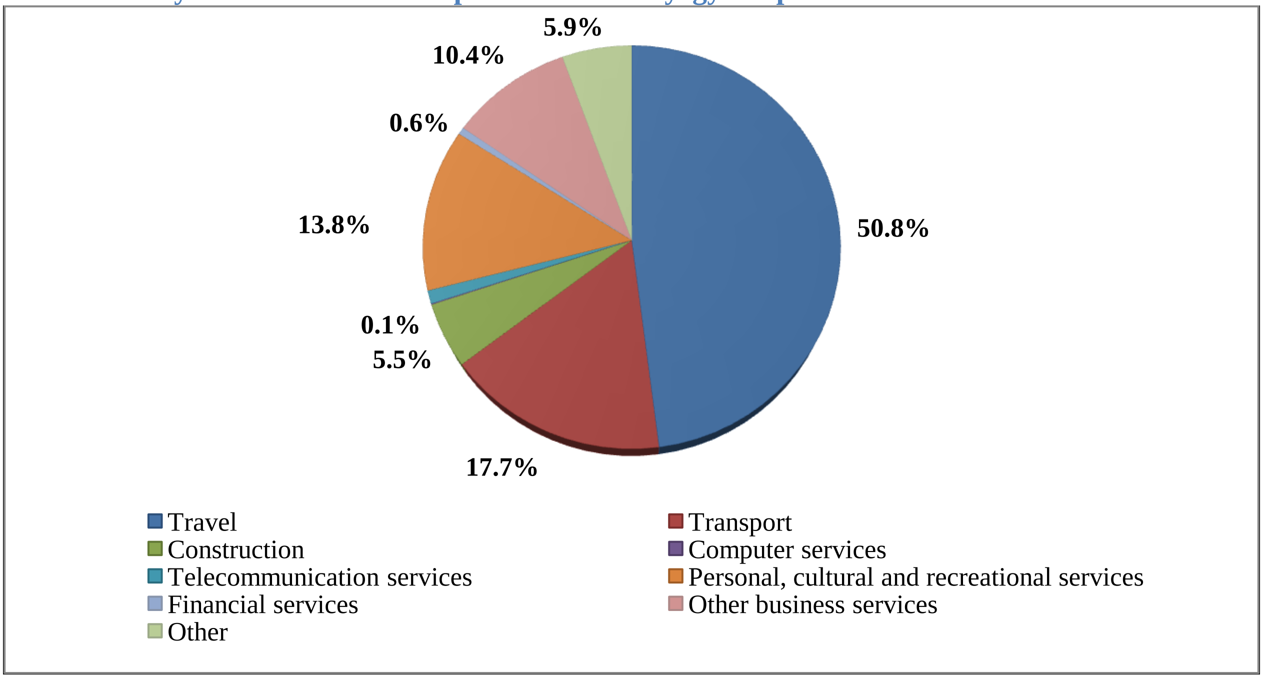
Chart 40: Exports and imports of services from/to the Kyrgyz Republic (USD Billion)



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

Travel, transport services, and personal, cultural services and other business services are the key services sectors of exports from the Kyrgyz Republic (Chart 41).

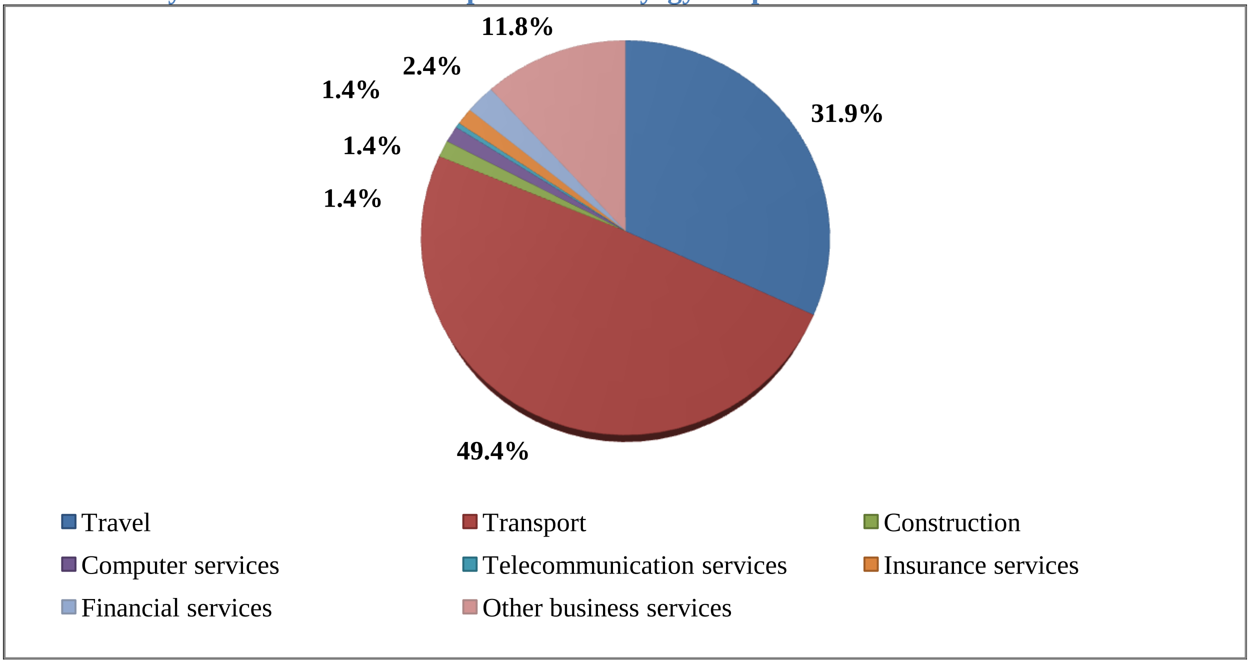
Chart 41: Key services sectors of exports from the Kyrgyz Republic



Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The key sectors of imports to the Kyrgyz Republic are transport, travel and other business services (Chart 42).

Chart 42: Key Services Sectors of Imports to the Kyrgyz Republic

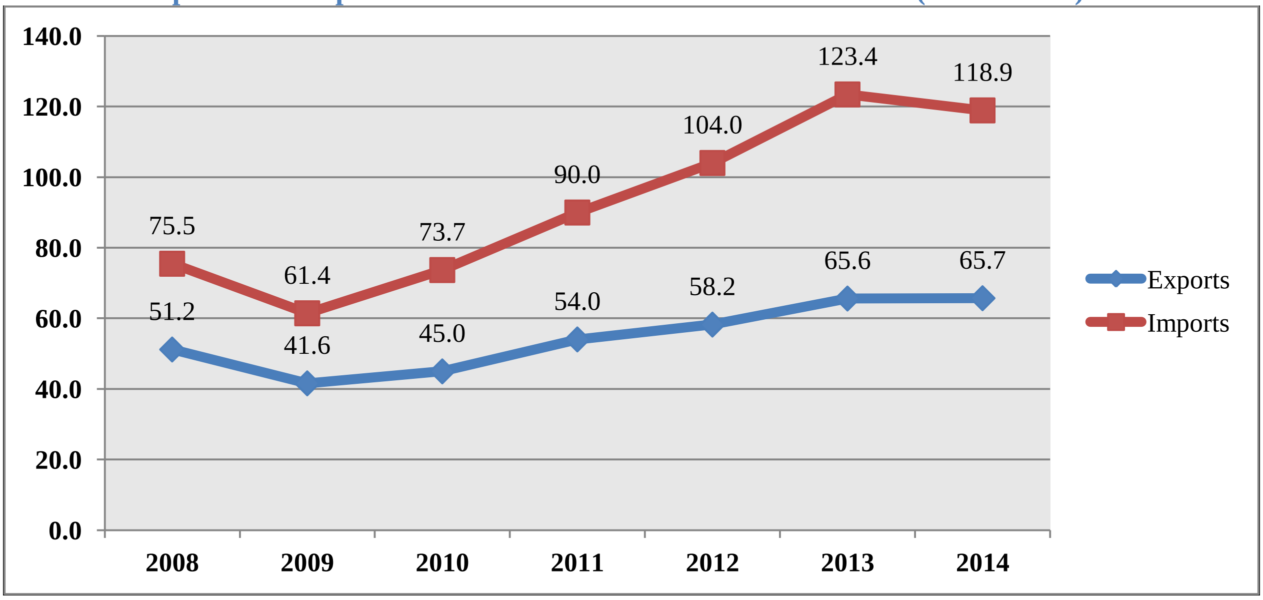


Source: WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The Russian Federation

In 2014 Russia was one of the leading exporters of services, ranking 21st place among all WTO members. In 2014, Russia's exports of services was USD 65.7 billion and imports accounted for USD 118.9 billion (11th place). Generally, exports and imports of services demonstrated steady and fast growth from 2009 to 2013 while the imports showed a slight fall in 2014 (Chart 43).

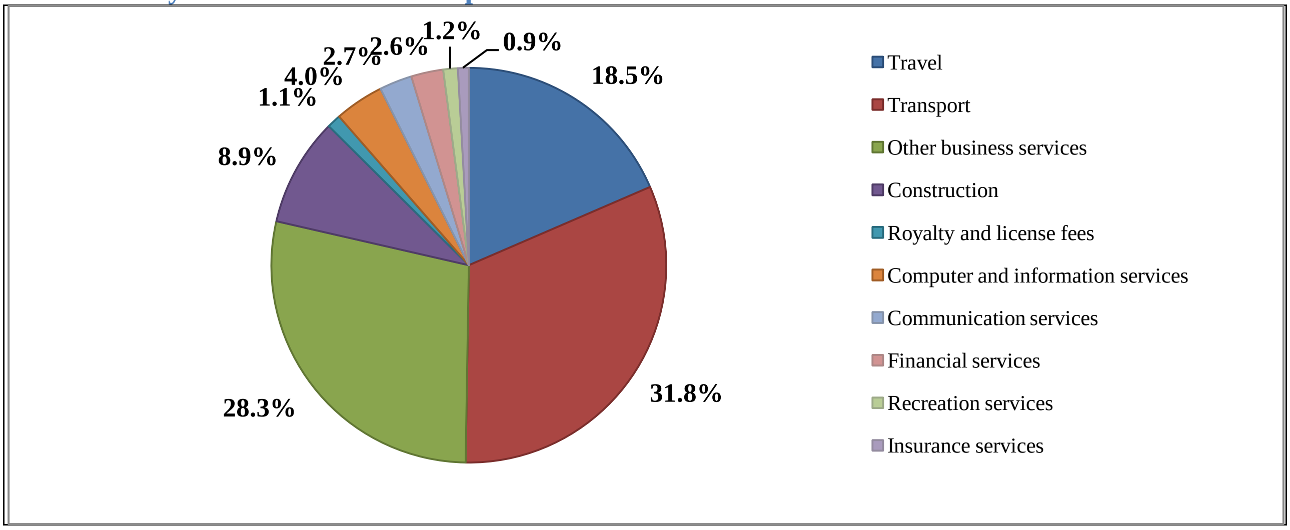
Chart 43: Exports and Imports of Services from the Russian Federation (USD Billion)



Source: Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

The main services sectors of exports from the Russian Federation include transport services, other business services, travel, construction services, IT services and communication services (Chart 44).

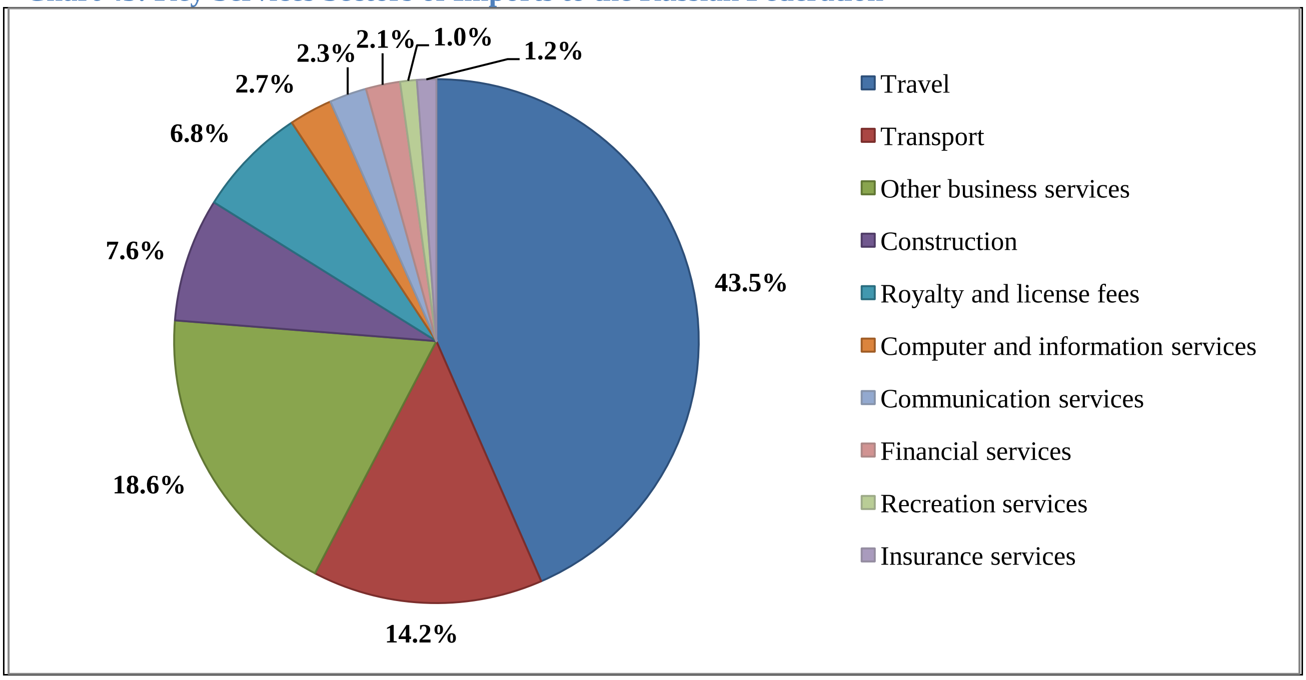
Chart 44: Key Services Sectors of Exports from the Russian Federation



Source: Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

The main services sectors of imports to Russia are travel, other business services, transport, construction, royalty and license payments, as well as IT services (Chart 45).

Chart 45: Key Services Sectors of Imports to the Russian Federation



Source: Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

According to the Article 38 of the EAEU Treaty, the Member States coordinate their actions in respect of trade in services with third states. However, such coordination does not mean a supranational competence of the EAEU in this field.

Regarding membership in the WTO, the Republic of Armenia entered this organization in 2003 (January, 5) and took commitments in 106 services sub-sectors. The Kyrgyz Republic became the member of the WTO in 1998 (December, 20) and took commitments in 105 services sub-sectors, the Russian Federation became member in 2012 (August, 22) and took commitments in 116 services sub-sectors. the Republic of Kazakhstan became member in 2015 (November, 30) taking commitments in 107 services sub-sectors The Republic of Belarus holds negotiations on the accession to the WTO.

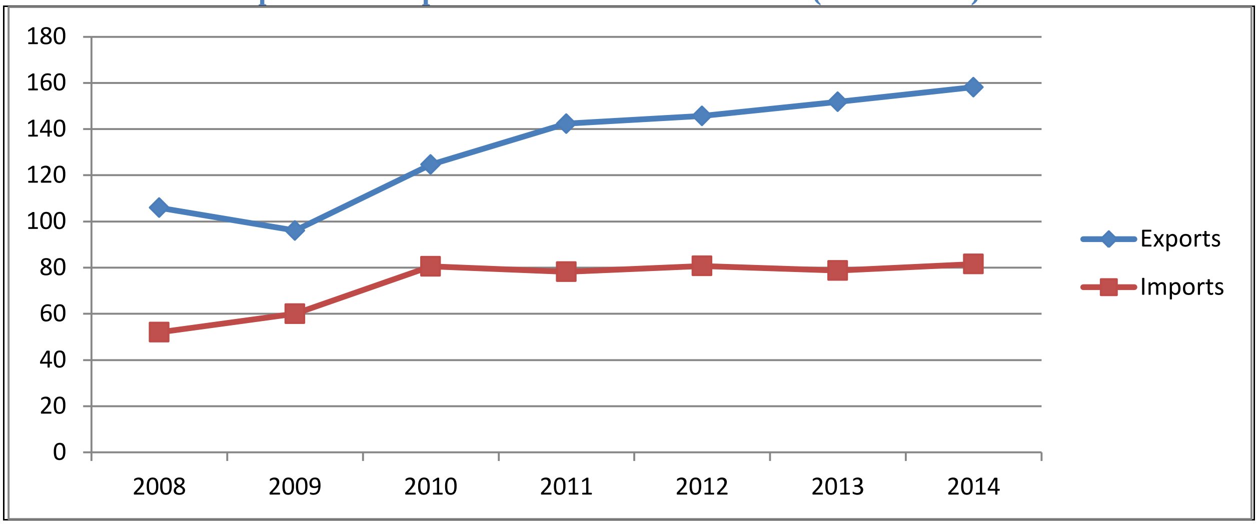
The issues on trade in services are included in the free trade agreement with Vietnam, which was signed

on May, 29 2015. The above mentioned provisions are applied only to the Russian Federation and Vietnam. For the moment this FTA is subject to ratification.
Each of the EAEU Member States individually takes decision on participation in the section on trade in services of the possible FTA and in case of positive decision prepares its individual national schedules of specific commitments.

India

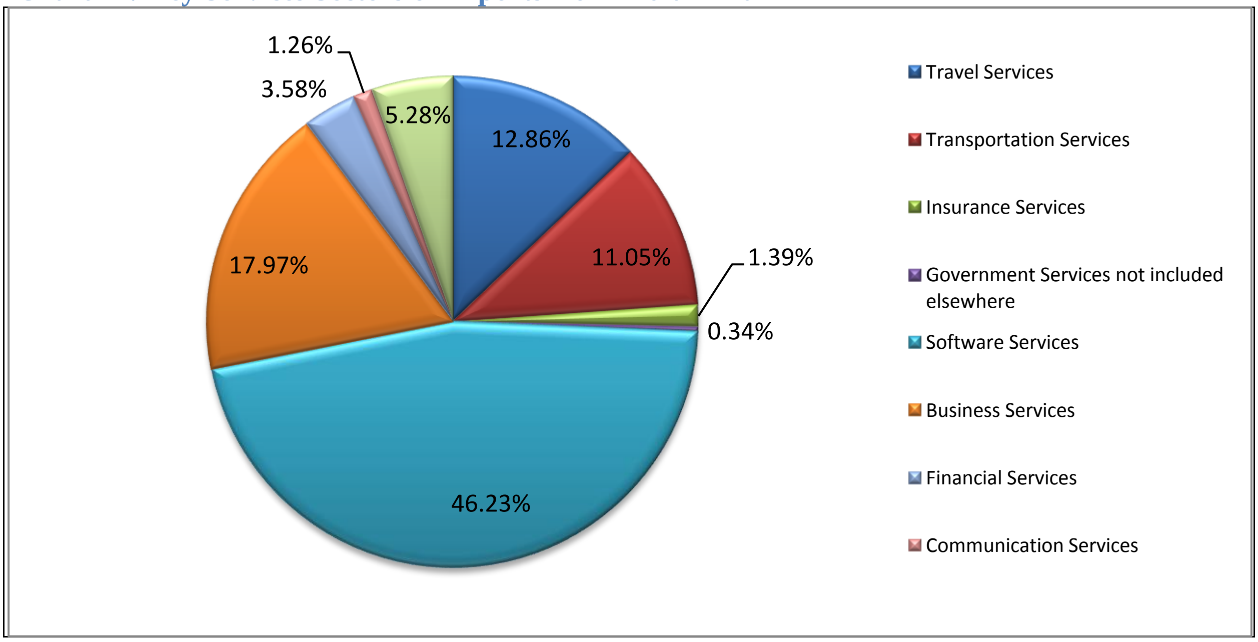
In India’s growth trajectory, the high growth and high share of services sector, has played an important role. India’s services sector has emerged as a prominent sector in terms of its contribution to national and states incomes, trade flows, FDI inflows, and employment. Over the past two decades, the service sector has replaced agriculture as the dominant sector in India. The share of service sector in GDP has risen from 38 percent in 1980’s to around 52 per cent in 2014-15. The growth in the services sector has been increasing at a faster rate and ranges between 8% to 9% making it one of the driving forces of the Indian Economy. The Services sector also contributes to improving efficiencies in the manufacturing sector in addition to playing a significant role in employment generation. India’s comparative advantages and strengths are in Mode 1 (Cross border trade) and Mode 4 (Movement of natural persons).
While there is a services dominated growth, India is also experiencing a services dominated export growth. At the same time, there have been changes in the composition of services trade - from traditional services such as travel and transport towards knowledge-based services and business services. Like Brazil and China, India’s exports of ‘other services’ have grown manifold.
India scores over other countries on availability of a technically qualified workforce with knowledge of English. In India’s export basket of services the share of IT and ITES is prominent. The country’s cost competitiveness in providing IT services, which is cheaper than the US continues to be its USP in the global sourcing market. India’s highly qualified talent pool of technical graduates is one of the largest in the world, facilitating its emergence as a preferred destination for outsourcing.
Various policy reforms have been taking place in India in a number of Services sector such as Financial Services, Telecom Services, Air Transport Services, Education Services, Health Services, Postal Services and Professional Services.
India’s services trade has witnessed consistently high levels of growth in recent years. As per WTO International Trade Statistics, 2014, India was ranked as the 6th largest exporter (with a value of USD 151 billion and share of 3.15%) and 9th largest importer (with a value of USD 125 billion and share of 3.07%) in world trade in commercial services. India’s services exports at USD 155.4 billion in 2014-15 constituted about half of India’s merchandise exports at USD310.57 billion. As per the RBI Press Release dated 15th September, 2015, exports during July, 2015 were valued at USD 13,386 million while imports during July, 2015 were valued at USD 7,502 million. The trade balance in Services (i.e. net export of Services) for July, 2015 was estimated at USD 5,884 million. Surplus on account of India's services exports has been a cushioning factor for financing a large part of the merchandise trade deficit in recent years. During 2014-15, net surplus on account of services exports at USD 75.7 billion stood higher than that in 2013-14 and financed around 50 per cent of trade deficit.

Chart 46: Global Exports and Imports of Services from/to India (USD Billion)



Source- Reserve Bank of India, 2016. Data can be retrieved from http://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics

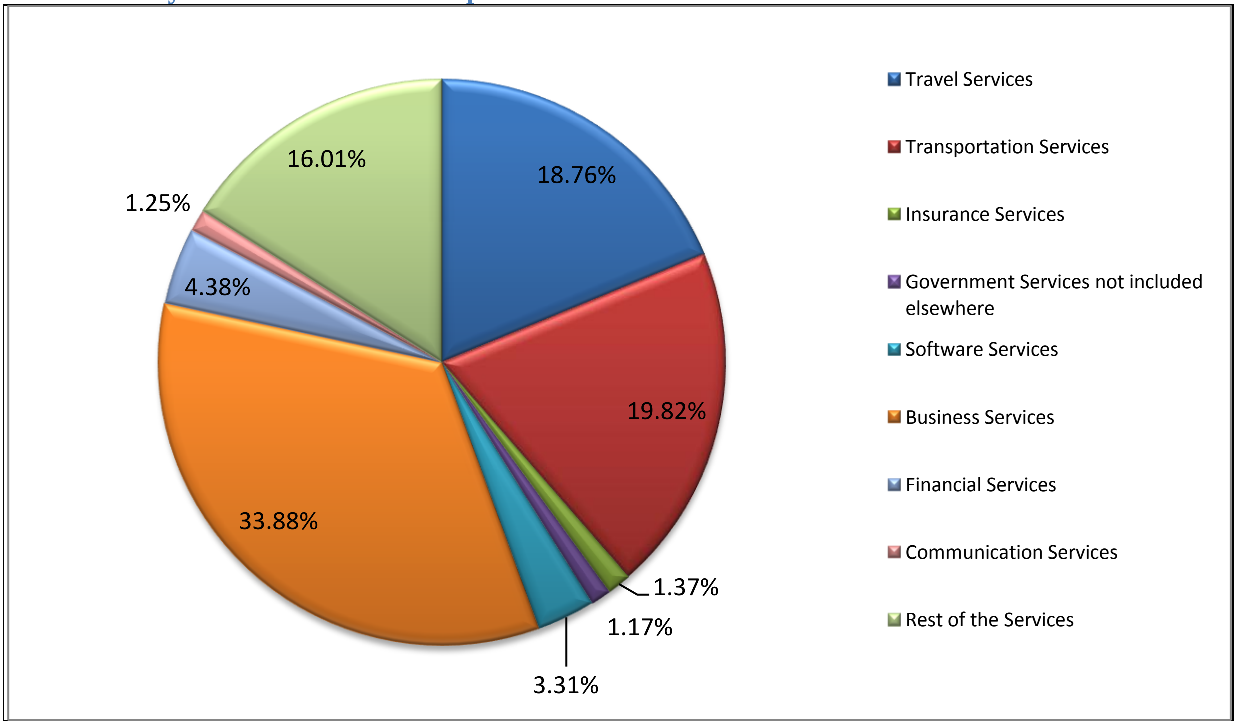
Chart 47: Key Services Sectors of Exports from India in 2014



Source- Reserve Bank of India, 2016. Data can be retrieved from http://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics

In Chart 47, it can been seen that India's major service sector exports in 2014 are software services, Business services and Travel services.

Chart 48: Key Services Sectors of Imports to India in 2014



Source- Reserve Bank of India. Data can be retrieved from http://dbie.rbi.org.in/DBIE/dbie.rbi?site=statistics

The Chart 48 shows that India's major import service sectors in 2014 are Business services, Transportation services and travel services.

Table 48: India's Total Trade during 2015-16

Merchandise	USD Billion	Services	USD Billion
Exports	266.36	Exports	154.31
Imports	396.44	Imports	84.63
Total Trade	662.8	Total Trade	238.94
Trade Balance(Deficit)	-130.08	Trade Balance(Surplus)	69.67
Deficit in merchandise exports offset by % share of services surplus		53.55%	

Source: RBI Balance of Payment Statistics, 2016

So far India has signed 5 FTAs in which Trade in Services Agreement has also been included. These are India-Singapore CECA, India-Korea CEPA, India-Japan CEPA, India-Malaysia CECA and India-ASEAN Services Agreement. All these five agreements are on the web-site of Department of Commerce, including the Schedule of Specific Commitments etc. indicating the sectors in which India has taken commitments.

Main Export and Import Services Sectors of the EAEU Member States and India

On the basis of data available from International Trade Centre Statistics-2014, India is a major exporter of Telecommunications, Computer and Information services, Other Business services, Travel, Transport and Financial services, and mainly imports Transport, Other business services, Travel and Insurance and pension services. The EAEU member states mainly export and import in the following services sectors:

The Republic of Armenia: Mainly exports Travel, Construction, Transportation, Telecommunications, Computer and Information services and Other business services, while it also mainly imports Travel, Transport, Other business services, Insurance and pension services and Telecommunications, computer and information services. The Republic of Armenia is mainly a net exporter of Construction and

Telecommunications, Computer and Information services.
The Republic of Belarus: Main exports of services constitute Transport, Construction, Telecommunications, Computer and Information services, Travel services and Other business services and main imports constitute Transport, Construction, Travel, Other Business services and Financial services. The Republic of Belarus is a net exporter of Transport services, Telecommunications, computer and information services and Other business services.
The Republic of Kazakhstan: Their main exports consist of Transport, Travel and Other business services and imports constitute Other business services, Transport, Travel, Construction and Telecommunications, computer and information services. It is mainly a net exporter of Transport services.
The Kyrgyz Republic: It mainly trades in Travel, Transport, Other business services and Personal, cultural, and recreational services.
Russian Federation: Their main exports consist of Transport, Other business services, Travel, Construction and Telecommunications, Computer and Information services, while imports constitute Travel, Other business services, Transport, Charges for the use of intellectual property n.i.e. and Construction. Russian Federation is mainly a net exporter of Transport services.
India: Their main export and import sectors are transport services, travel, computer services, business services etc.

4.1.2 Major Export and Import Partners of the EAEU Member States and India in Trade in Services

EAEU

Republic of Armenia
As of 2014 the main trading partners of the Republic of Armenia in the sphere of trade in services are the Russian Federation, the European Union, Georgia, and Iran[32].
Republic of Belarus
As of 2014 the main trading partners of the Republic of Belarus in trade in services are the EU, the Russian Federation and China[33].
Republic of Kazakhstan
As of 2014 the main trading partners of the Republic of Kazakhstan in the sphere of trade in services are the Russian Federation, China, the EU, the Kyrgyz Republic and Uzbekistan[34].
The Kyrgyz Republic
As of 2014 the main trading partners of the Kyrgyz Republic in the sphere of services are the Russian Federation, Kazakhstan and China[35].
The Russian Federation
As of 2014 the main trading partners of the Russian Federation in the sphere of services are the EU, the EAEU Member States, Egypt, Turkey and China[36].

India
The US is the largest export destination for India for trade in services, followed by the UK and other

[32] «Spillovers from Global and Regional Shocks to Armenia», International Monetary Fund, 2014 (www.aea.am/files/papers/)
[33] Ministry of foreign affairs of the Republic of Belarus, 2015 (http://mfa.gov.by/export/)
[34] Balance of payments and external debt of the Republic of Kazakhstan, 2014 (www.nationalbank.kz/cont/publish475735_25583.pdf)
[35] Web-site on the external economic activity, Ministry of Economic development, 2015, (http://www.ved.gov.ru/exportcountries/kg/about_kg/ved_kg/)
[36] Central Bank of the Russia Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

European countries and other English speaking countries like Canada. India imports bulk of its services from the US, the UK, Australia, Germany, Japan, France and Korea. The overall major trading partners of the EAEU member states are: EU, China, Ukraine, Turkey, Japan and US.

4.2. Sectoral Analysis

EAEU

Financial services

According to the EAEU Treaty Member States coordinate their actions relating to the regulation of financial markets in order to create a single financial market, which includes harmonization of the requirements for regulation and supervision of financial markets, mutual recognition of licenses, working without establishing an additional legal entity, as well as administrative cooperation between the competent authorities. It is planned that single financial market will be established by 2025.

Within the EAEU the agreement on performing activities on financial markets has being developing; it foresees the harmonization of legislation in the field of banking and insurance services as well as services on the securities market.

In addition to this, the Member States agreed to create a single supranational body in 2025 in the city of the Republic of Kazakhstan – Almaty, which will regulate the financial markets.

The Republic of Armenia

According to the WTO data, imports of financial services to Armenia showed growth in 2011–2014, accounting for USD 13.1 million in 2014 vs. USD 11.1 million in 2010. Exports of financial services demonstrated growth over the above mentioned period from USD 8 million in 2011 to USD 9 million in 2013, except for the decline in 2012, representing USD 3.8 million.[37]

The Central Bank of Armenia (Central Bank) is responsible for supervising the banking and insurance sectors, securities markets and fulfills its functions independently from the public authorities of Armenia.

The Central Bank issues licenses for financial institutions (e.g. banks, insurance companies, participants of the securities markets).

The Law of the Republic of Armenia «On Banks and Banking Activity» №ZR-68 *(*dated June 30, 1996) is the main legal act that regulates banking sector.

This law does not set any restrictions on the participation of foreign capital in the banking sector. Foreign banks may set up subsidiaries, branches or representative offices. To perform cross-border banking services it is required to obtain a license and set up a branch in Armenia.

The legal basis for the regulation of the insurance sector is laid down in the Law (dated April 9, 2007) ZA-177-N «On Insurance and Insurance Activity». According to the law, there are some differences in the number of documents which shall be fulfilled by domestic and foreign insurance companies in order to obtain a license.

However, there are no restrictions on the participation of foreign capital in the Armenian insurance sector. Foreign insurance companies may set up subsidiaries, branches or representative offices.

In the Republic of Armenia the establishment of a quota on participation of foreign capital in the banking system isn’t stipulated.

Foreign companies may carry out activities in the Republic of Armenia through a public offer without establishing a branch or subsidiary if they are incorporated in countries which are parties to the same WTO agreements as the Republic of Armenia. In this case, they may provide insurance services concerning the following risks:

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[37] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

- sea transportation, civil aviation, spacecraft launch, freight. Such insurance may cover all or any of the following: property, the vehicle itself and liability arising out of transportation;
- international freight transportation;
- reinsurance, retrocession and other services related to reinsurance.

The issues relating to securities markets are regulated by the Law «On the Securities Market» №ZR-195 *(*dated October 11, 2007).
The restrictions on activities of foreign participants of the securities market are not stipulated in this law.

The Republic of Belarus

According to statistics published by the National Statistical Committee of Belarus imports of financial services for the period from 2011 to 2012 showed steady growth from USD 172.9 million to USD 294.2 million. Exports of financial services also demonstrated a steady increase from USD 15.1 million to USD 34.0 million.[38]
The National Bank of the Republic of Belarus (the National Bank) regulates and supervises the activities of banks and non-bank credit and financial organizations, and the activities on microfinancial markets and leasing business, while the Ministry of Finance is responsible for the regulation of insurance and securities markets.
The basic legal provisions relating to banks are set-forth in the Banking Code of the Republic of Belarus (dated October 25, 2000) No. 441-Z. According to the Banking Code the amount (quota) of foreign capital participation in the banking system of the Republic of Belarus is established by the National Bank as agreed with the President of the Republic of Belarus. This quota is calculated as a ratio of the total capital belonging to non-residents in the authorized funds of banks with foreign investments to the aggregate authorized fund of banks registered in the Republic of Belarus. At the moment foreign participation is limited to 50%. The creation of branches of foreign banks in Belarus is not allowed.
The banking Code of the Republic of Belarus provides that the national Bank manages the operation of the payment system of the Republic of Belarus and supervises it through the establishment of rules of payment effecting, tariff policy, liquidity management, as well as by collecting, accumulating and analyzing the indicators characterizing the current status of the payment system of the Republic of Belarus. Also the National Bank defines the rules, terms and standards of calculation performance in the Republic of Belarus in cash and non-cash forms and responsibility for their violation.
The National Bank is responsible for issuing licenses for banks.
The activities in the insurance sector are regulated by the Decree of the President of the Republic of Belarus (dated August 25, 2006) N 530 «On insurance activities». According to the Decree the amount (quota) of foreign capital participation in the capital of insurance companies is set by the Government of the Republic of Belarus subject to approval by the President of the Republic of Belarus. As of January 1, 2015, foreign participation was limited to 30%. When exceeding this quota Ministry of Finance stops registration of insurance companies with foreign investors and (or) the issuance of special permits (licenses) for these companies. Only insurance companies which are registered in the Ministry of Finance and obtain a license are allowed to carry out activities in this sphere. The creation of branches of foreign insurance companies in the Republic of Belarus is not allowed.
Insurance companies that are subsidiaries or affiliated companies to foreign investors are not allowed to carry out life insurance (except for life insurance contracts with individuals), mandatory insurance, including compulsory state insurance, property insurance, related to the supply of services or performance of activities for state needs, as well as insurance of the property interests of the Republic of Belarus and its administrative-territorial units.
The activities on the securities markets are regulated by the Law of the Republic of Belarus № 231-Z «On the securities market» (dated January 5, 2015). From 1 January 2016, activity on the securities market of the Republic of Belarus will be governed by the Law of the Republic of Belarus № 231-Z "On the

[38] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

securities market" (dated January 5, 2015). The law of the Republic of Belarus from № 1512-XII "On securities and stock exchanges" (dated March 12, 1992), will be ceased from January 1, 2016.
In order to supply professional services on the securities market of the Republic of Belarus it is required to be a juridical person of the Republic of Belarus and obtain a license in the Ministry of Finance.
The establishment of branches of foreign services supplier which aims to supply services on the securities market are not allowed.

The Republic of Kazakhstan

According to the balance of payments of Kazakhstan in the period from 2011 to 2014, imports of financial services after reaching its maximum level at the end of 2013 - USD 280.7 million, fell to USD 131.1 million in 2014. In 2012 imports amounted to USD 242.8 million, in 2010 – USD 255.3 million. The exports of financial services in 2014 decreased relatively to the level of 2013 (USD 28.6 million) and 2012 (USD 44.8 million) and was USD 23.8 million.[39]
Banks, insurance companies and professional participants of the securities markets are controlled and supervised by the National Bank of the Republic of Kazakhstan (the National Bank).
The National Bank acts as a public authority reporting directly to the head of the state but within the competences granted by the legislation and is independent in its activity. The National Bank is responsible for issuing licenses for banks, insurance companies and professional participants of securities markets.
The activities in the banking sector are regulated by the Law of the Republic of Kazakhstan No. 2444 «On Banks and Banking Activity in the Republic of Kazakhstan» (dated August 31, 1995). Under the Law, a juridical person is required to have a license to carry out activities in this sphere. The creation of branches of foreign banks is not allowed. In the Republic of Kazakhstan the establishment of a quota on participation of foreign capital in the banking system isn't stipulated.
The activities in the insurance sector are stipulated in the Law (2000) N 126-2 «On insurance activities» and in the sphere of securities markets in the Law (2003) N 461-2 «On the securities market». According to these laws the license is required for the activity in the area of insurance or on the securities market. The creation of branches of foreign insurance companies is not allowed.
At the end of the five-year transition period after the accession of the Republic of Kazakhstan to the WTO, foreign banks and insurance (reinsurance) companies, subject to comply with certain requirements, will have the opportunity to open branches on the territory of the Republic of Kazakhstan.

The Kyrgyz Republic

Imports of financial services to Kyrgyz Republic showed growth in 2011–2013, accounting for USD 11.8 million in 2013 vs. USD 6.9 million in 2011. Exports of financial services demonstrated growth over the above mentioned period from USD 1.8 million in 2011 to USD 6.4 million in 2013.
The National Bank of the Kyrgyz Republic (National Bank) is responsible for the regulation and supervision of banks and financial/credit institutions, and carries out its activities independently from government authorities.
The National Bank of the Kyrgyz Republic establishes rules of conducting banking transactions, accounts and records for the banking system.
The Law of the Kyrgyz Republic «On Banks and Banking Activity in the Kyrgyz Republic» №59 (dated July 29, 1997) is the main legal act which regulates the banking sector.
This law does not set any restrictions on the participation of foreign capital in the banking sector. Foreign banks may set up subsidiaries, branches or representative offices. In case of acquiring a significant part of shares and control, the foreign entity shall submit to the National Bank information on the supervision regime applied to it, including a written confirmation of the supervisory body
The National Bank of the Kyrgyz Republic is responsible for issuing licenses to perform bank activities.
In the Kyrgyz Republic the establishment of a quota on participation of foreign capital in the banking system isn't stipulated.

[39] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The legal basis for the regulation of the insurance sector is laid down in the Law «On organization of insurance in the Kyrgyz Republic» №96 (dated July 23, 1998). According to the law, there are some differences in the number of documents which domestic and foreign insurance companies have to fulfill in order to obtain a license, in particular is required to provide legalized written confirmation of the authorized body of the relevant foreign state that the foreign insurance company (founder) holds a valid license to conduct insurance activity including the indication of types of insurance activity.
However, there are no restrictions on the participation of foreign capital in insurance sector. Foreign insurance companies may set up subsidiaries, branches or representative offices.
Moreover, foreign companies may carry out activities in the Kyrgyz Republic without establishing a branch or subsidiary on the following areas of insurance: Cargo Transportation, Brokerage, and Reinsurance.
The Law of the Kyrgyz Republic «On Banks and Banking Activity in the Kyrgyz Republic» №251 (dated July 24, 2009) is the main legal act in the banking sector.

The Russian Federation

According to Russia's official statistics, imports of financial services demonstrated steady growth from 2010 to 2013, from USD 2.7 billion to USD 3.4 billion, and showed a slight fall in 2014 to USD 2.4 billion. However, exports of financial services increased from USD 1.7 billion in 2011 to USD 1.8 billion in 2014. [40]
The Bank of Russia develops and implements a policy of development and ensuring the financial market stability, carries out banking regulation and supervision and regulation, control and supervision in the financial markets over non-credit financial organizations and (or) in the sphere of their activity and is also responsible for issuing licenses for banks and other non-credit organizations.
The Bank of Russia is accountable to the State Duma of the Federal Assembly of the Russian Federation.
The Bank of Russia carries out its activities independently from the federal bodies, regional authorities and local governments.
The Federal Law № 395-1 "On banks and banking activity" (dated December 2, 1990) provides for that «the amount of participation (quota) of foreign capital in the banking system of the Russian Federation shall be fixed by a federal law at the proposal of the Russian Government coordinated with the Bank of Russia.
The creation of branches of foreign banks is not allowed, moreover there are additional requirements for the establishment and activities of credit organizations with foreign investments. The article 18 of the Law №395-1 "On banks and banking activity stipulates the principle of calculation of the quota of foreign participation in the aggregate charter capital of credit institutions which are licensed to carry out banking operations.
Federal law dated 27 June 2011 No. 161-FZ "On national payment system" establishes the legal and organizational basis of national payment system, regulates the provision of payment services, including money transfers, usage of electronic payment instruments and the activities of the subjects of the national payment system; defines the requirements to the organization and operation of payment systems. The Bank of Russia is responsible, inter alia, for the supervision and monitoring of the national payment system.
The activities in the field of insurance sector are regulated by the Law of the Russian Federation No. 4015-1 (dated November 27, 1992) «On Organization of Insurance Activity in the Russian Federation». Pursuant to the Law insurance companies which are subsidiaries of foreign investors (principal organization) and/or in which foreign participation in the charter capital (voting shares) exceeds 49% are not allowed to carry out activities in the field of life, health and property of citizens insurance at the expense of funds allocated for this purpose from the respective budgets of federal executive bodies, insurance related to the procurement of goods, works and services for state and municipal needs.

[40] Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

For insurance companies which are subsidiaries of a foreign investor (investors) and/or in which foreign participation in the charter capital (voting shares) exceeds 51% are not allowed to carry out activities in the field of[41]:

- life, health and property of citizens insurance at the expense of funds allocated for this purpose from the respective budgets of federal executive bodies, insurance related to the procurement of goods, works and services for state and municipal needs, as well as insurance of property interests of the state and municipal organizations;
- insurance of property interests related to the survival of citizens up to a certain age or period or the onset of other events in the life of citizens, and also to their death (life insurance);
- Obligatory insurance of civil liability of vehicle owners.

If the quota of foreign capital in the capital of insurance organizations exceeds 50%, the supervisory authority stops issuing licenses to conduct insurance activities of insurance companies, which are subsidiaries of foreign investors or having a share of foreign investors in its capital of more than 49%.

Insurance companies which are subsidiaries of foreign investors (principal organization) and/or in which foreign participation in the charter capital (voting shares) exceeds 49% are allowed to carry out activities in the field of insurance services if the foreign investor is operating as insurance company for not less than five years and in accordance with the laws of the State.

In addition to the general set of documents, applicants for the license which are subsidiaries of foreign investors (parent companies) or have a share of foreign investors in their charter capital over 49% shall submit (as prescribed by the applicable laws in the country of incorporation of foreign investors) written consent issued by that country's competent insurance supervision authority, which permits the relevant foreign investors to participate in the authorized capitals of insurance organizations incorporated in the Russian Federation, or shall notify the insurance supervision authority that no such consent is required in the country of incorporation of foreign investors.

According to the law the activities of foreign insurance, brokers are not allowed in the Russian Federation except for insurance intermediation. Activities of insurance entities are subject to licensing.

The basic legal provisions relating to the activities of professional participants of the securities markets are set in the Federal law No. 39-FZ (dated April 22, 1996) «On Securities Market». The Federal law does not set restrictions with respect to participation of Russian juridical persons with foreign investments in the activity of self-regulatory organizations and does not establish restrictions with respect to participation of Russian juridical persons with foreign investments in trading at stock exchanges or in clearing activity, provided that such juridical persons met the respective domestic regulations requirements, or those applied by stock exchanges or clearing companies to all market participants.

Regulation of clearing activities, the activities of self-regulating organizations and professional participants of securities market of the Russian Federation, and also relations arising in connection with the issuance and circulation of securities on the territory of the Russian Federation, is carried out on the basis of the Federal law №39-FZ "On securities market" (dated April 22, 1996). The Federal law №7-FZ "On clearing and clearing activity" (dated February 07, 2011) and Federal law №223-FZ "On self-regulating organizations in the sphere of the financial market and on amendments to Articles 2 and 6 of the Federal law "On amendments to certain legislative acts of the Russian Federation" (dated July 13, 2015).

These regulatory legal acts do not set up any restrictions on the participation of Russian legal entities with foreign capital in professional activities on the Russian securities market. From 01.10.2015 the requirements of paragraph 12 of Article 2 of the Federal law No. 460-FZ " On Amending Certain Legislative Acts " (dated December 29, 2014) enter into force, according to which foreign entities, their representative offices and branches cannot perform activities of non-credit financial organizations, including the activities of professional participants of the securities market, as well as to provide their services in financial markets to an unlimited range of persons in the territory of the Russian Federation or

[41] Restrictions apply until 22 August 2017

to disseminate information about themselves and (or) about its activities among the unlimited range of persons in the territory of the Russian Federation.
Activities of branches and representative offices of foreign credit rating agencies on the territory of the Russian Federation under condition of their entering the Bank of Russia in corresponding registers are regulated on the basis of the Federal law №222-FZ "On the Activities of Rating Agencies in the Russian Federation, on Amending Article 76.1 of the Federal law on the Central Bank of the Russian Federation (the Bank of Russia) and on Declaring Invalidated Individual Provisions of Legislative Acts of the Russian Federation"" (dated July 13, 2015). All the international as well as national rating agencies have established common rules for their activities, including requirements on independence, prevention of conflicts of interests, transparency and revision of the methodologies, the rating committees and disclosure of information, and also are provided general rules of control and supervision over activities of such agencies.
The Federal law of №460-FZ "On amending certain legislative acts of the Russian Federation" (dated December 29, 2014), which legislatively had regulated the Forex market, establishes that the activities of the Forex dealers can carry out only by a Russian legal entity having the license of a professional participant of securities market for performance of the activities of Forex dealer. The provision of services at the Forex market by foreign legal entities is prohibited.

Telecommunications Services

EAEU

The Annex 1 to the Annex 16 of the EAEU Treaty establishes the order of trade in telecommunication services. According to this Annex, the EAEU Member States shall provide information on conditions for getting access to public telecommunication networks and telecommunication services.
Also, for the supply of telecommunication services it is required a license and permission to use the corresponding radio frequencies, which are issued by the competent authorities of the Member States. The connection of telecommunications services supplier to the public telecommunications network (regardless of its position on the market of telecommunication services) is realized in accordance with the legislation of the Member State, if it is technically feasible.
The Member States may establish and implement state regulation of tariffs on certain types of telecommunication services.

The Republic of Armenia

The telecommunication industry in Armenia has been developing actively since 2005. Penetration of the mobile communication is approximately 120% in 2014. Telecommunication services account for 4.55% of Armenian GDP in 2014.
In 2014, telecommunication companies' exports and imports of services amounted to USD 56 million[42], with over 3 million subscribers. Currently, Armenia has three mobile operators: Beeline (a subsidiary of ArmenTel), MobileTeleSystems (a subsidiary of K-Telecom, doing business as VivaCell MTS) and Orange.
The Ministry of Transport and Communication carries out policy in telecommunication sector. The Committee on regulation of public services of Armenia is in charge of licensing. The Commission also regulates radio-frequency spectrum usage tariffs, licensing, certification, restriction and control access to radio frequencies and numbering capacity, determines rules governing network deployment and provision of services.
The Committee on regulation of public services of Armenia establishes tariffs for the following communication services:

- Provision of access to local telephone network.

[42] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

- Provision of long distance telephone calls to fixed telecommunication network subscribers.
- Interconnection of land based telecommunication operators

Certain supervisory functions for preventing abuse of dominant position are fulfilled by the Commission for the Protection of Economic Competition of Armenia.
The license is required for carrying out the activities in the following services:

- telephony services;
- telegraph services;
- data transmission services;
- radio and television broadcast services;
- production, sale or import of radioelectronic equipment operating in the band over 9 and 400 kHz.

The Republic of Belarus

In 2014, the total number of mobile subscribers in Belarus reached 11.1 million. In the Republic of Belarus, penetration of mobile communication services reached 117.4 subscribers per 100 people.
In 2014, trade in telecommunication services accounted for USD 0.4 billion.[43] Cellular mobile networks cover 98.4% of the Republic of Belarus, 99.9% of the population. In the Republic of Belarus, cellular mobile communication services are provided by three operators:

- Unitary Enterprise Velcom;
- Mobile TeleSystems JLLC;
- Belarusian Telecommunication Network CJSC.

In the end of 2014, 203 companies had special permits (licenses) to provide communication (including data transmission) services, issued by the Ministry of Communications and Informatization of the Republic of Belarus.
The Ministry of Communications and Informatization of the Republic of Belarus exercises state regulation, manages the activities and carries out the single state policy in communication and informatization, as well as radio band planning, allocation and efficient use.
In the Republic of Belarus, the Analytical Centre under the President of the Republic of Belarus is the independent regulator of information and communication technology. The Operation & Analysis Centre (OAC) is a governmental authority that regulates the activities of protection of data containing information constituting state secrets of the Republic of Belarus or other information protected in accordance with the laws and regulations, from leakage through technical channels, unauthorized and unintended connections.
The following types of communication services are licensed:

- Provision of international telephone connection;
- Provision of long-distance telephone calls;
- Provision of local telephone connection;
- Provision of telecommunication channels;
- Data services, IP-based telephony services, IP-TV;
- Mobile telecommunication services (except cellular mobile telecommunications);
- Broadcasting of television programs;
- On-Air broadcasting of sound programs;
- Fixed-satellite service and mobile-satellite telecommunications;
- Cellular mobile telecommunication services.

The list of public telecommunication services regulated by the government is approved by the Council of Ministers of the Republic of Belarus. Regulation is performed by the Ministry of Economy of the Republic of Belarus, which sets maximum or fixed tariffs and decides how such tariffs shall be assigned

[43] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

and applied. Regulated tariffs are applied by all telecommunication operators holding a license in order to provide the following services:

- Access to a local telephone network using a terminal subscriber device (telephone).
- Local telephone interconnection to a fixed telecommunication network subscribers using a terminal subscriber device (telephone), a fee for which includes a subscription fee and time rates for local telephone network subscribers, whether or not such subscribers have been transferred to time-based billing.
- Long-distance telephone interconnection to fixed telecommunication network subscribers.
- Internet access at public access points, a fee for which includes: time-based fee for Internet access and a fee charged per e-mail message transmitted or received within the republic of Belarus.
- Traffic transmission between mobile network operators per one minute of interconnection

In addition, the list of universal telecommunication services includes the following services regulated by the Ministry of Economy of the Republic of Belarus: access to a local telephone network, coin-box service and Internet access at public access points.

The Republic of Kazakhstan

The telecommunication industry of Kazakhstan is among the most dynamically developing industries. Trade in telecommunication services in 2014 amounted for USD 0.5 billion.[44]

In 2014, penetration of mobile communication in Kazakhstan reached 170%. JSC Kazakhtelecom, GSM Kazakhstan Ltd., KaR-Tel LLC, and JSC Altel are the key mobile operators. JSC Kazakhtelecom is partially owned by the government.

The Ministry of Investments and Development is a public agency responsible for state regulation, coordination and development of the IT sector. The Ministry regulates tariffs on the usage of radio-frequency spectrum, licensing, certification, restricted and controlled access to radio frequencies and numbering capacity, determines the rules governing network deployment and provision of services.

Certain supervisory functions to prevent abuse of dominant position are fulfilled by the Agency of the Republic of Kazakhstan for Competition Protection.

Telecommunication services are regulated by the Law of the Republic of Kazakhstan "On Telecommunications» №567-11 (dated 5 July 2004). At the same time, the Law of the Republic of Kazakhstan "On National Security" on January 6, 2012 № 527-1V stipulates that to foreigners, stateless persons and foreign legal entities is prohibited directly and (or) indirectly own, use, dispose and (or) to manage in the aggregate more than 49 per cent of voting shares and shares, shares of the legal entity carrying out activities in the telecommunications field as an operator of long-distance and (or) international telecommunication, which is holding landlines, without the positive decision of the Republic of Kazakhstan Government, based on the conclusion of the authorized body in the field of communication and information, coordinated with the national security agencies.

The license is required for activities in the field of long-distance telephone communication, international telephone communication, satellite mobile communication and cellular communication.

The Ministry of Investment and Development sets tariffs for the following communication services:

- local telephone services;
- services of intra-zone and long-distance calls;
- services of collective access to the Internet with a connection speed at least 256 Kbit/s.

The Kyrgyz Republic

In the Kyrgyz Republic penetration of the mobile communication is approximately 125%. Telecommunication services account for 4.8% of Kyrgyz GDP (2014).

[44] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

In 2014, exports and imports of services by telecommunication companies amounted for USD 30 million[45], with over 9 million subscribers. Currently, the Kyrgyz Republic has three mobile operators: Beeline, Megacom (a subsidiary of Megafon) and «O». Totally 8 operators have a license on supplying telecommunication services. The main operator of ground based communications “Kyrgyztelecom” is the state enterprise.
According to the decree of the Government of the Kyrgyz Republic №124 “On the state agency of communications under the Government of the Kyrgyz Republic” (dated February 20, 2012) the state agency of communications under the Government of the Kyrgyz Republic is a governmental body responsible for the development of policy and regulation in the area of telecommunication and informatization.
National agency of communication of the Kyrgyz Republic is in charge of licensing and certification of the activity in the area of telecommunications. The National Agency of communication also restricts and controls access to radio frequencies and numbering capacity, determines rules governing network deployment and provision of services, regulates tariffs, and supervises the quality of supplied services. Certain supervisory functions for preventing abuse of dominant position are fulfilled by the State agency of antimonopoly regulation affiliated to the Government of the Kyrgyz Republic.
According to the law “On licensing and permit system” №195 (dated October 19, 2013) the license is required for carrying out the activities in the telecommunication sector, including:

- Cellular phone services (i.e. standards like GSM, CDMA, 3G *UMTS/WCDMA) and etc.);
- Mobile, local, long-distance and international telecommunications services;
- Telematics provider services (telephoto, call-center, messages processing, EMS, conference-calls, information services, voice activated dialing);
- Services on wireless or wired data transmission (SMS, WAP, GPRS, EDGE, VOiP, VPN, EV-DO, EV-DV, HSDPA, HSUPA, Wi-Fi and WiMax);
- Services on design, manufacture, construction, deployment and repair of networks, lines, structures, systems and devices.

As each type of telecommunication services is licensed separately, one license for several services is issued if it technically feasible.
State agency of communications under the Government of the Kyrgyz Republic sets tariffs for the following communication services:

- Provision of long distance calls of all kinds;
- Transmission and reception of TV and radio programs broadcast via satellites;
- Urban and rural telephony, except the tariffs for calls from payphones.

The Russian Federation
In 2014, the telecommunication service market reached USD 11.4 billion. 80% of the Russian telecommunication market falls to the «Big Four» (Rostelecom, MTS, VimpelCom, and MegaFon) and presents almost all segments of the communication sector. In 2014, exports and imports of services by telecommunication companies amounted to USD 11.4 billion[46]
The Ministry of Communications and Mass Media of the Russian Federation is the principal regulatory authority in the field of telecommunication services. The core functions of the Ministry are to develop state policy and exercise regulation in the field of telecommunication technologies (including the use of IT to create governmental information resources and ensure access to them), electric communication (including the use and conversion of radio frequency spectrum), postal communication, mass communications and mass media, including electronic media, personal data processing, regulation of roaming tariffs, and the development of network deployment rules.

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[45] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)
[46] Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

According to the Federal law (dated April 29, 2008) No. 57-FZ «On Foreign Investments in Business Companies Having Strategic Importance for National Defense and State Security», there are restrictions on the participation of foreign persons in the authorized capital of business companies operating or having a dominant position:

- in the communication service market within the geographical boundaries of the Russian Federation (except for Internet access services);
- in the fixed telephone communication market within five or more constituent entities of the Russian Federation;
- in the fixed telephone communication market with the geographical boundaries of Moscow, St. Petersburg and Sevastopol federal cities.
- According to the above-mentioned Federal law the screening procedures are applied towards the following transactions:
- when a foreign investor or a group of persons acquire the right to dispose directly or indirectly of more than 50% of the total number of votes of the voting stocks (shares) constituting the authorised capital of company of strategic importance;
- aimed at acquisition by a foreign state, international organisation or by an organisation controlled by them of the right to dispose directly or indirectly of over 25 % of the total number of votes of the voting stocks (shares) constituting the authorised capital of an economic company of strategic importance, or other ability to block decisions of managerial bodies of such company.

According to the Federal law (dated May 4, 2011) No. 99-FZ «On Licensing of Certain Types of Activity», a license is required to provide communication services. Issuance of a license is realized by the Federal Service for Supervision of Communications, Information Technology and Mass Media. The following communication services are licensed according to the Decision of the Government of the Russian Federation No. 87 “On Endorsement of the List of the Names of Communication Services Entered in Licences and the Lists of Licence Terms” (dated February 18, 2005):

1. Local telephone communications services, with the exception of local telephone communications services using payphones and means of collective access.
2. Long-distance and international telephone communications services.
3. Telephone communications services in dedicated communications network.
4. Intra-zone telephone communication services.
5. Local telephone communication services using payphones.
6. Local telephone services using means of collective access.
7. Telegraphy communications services.
8. Paging communications services.
9. Mobile radio communications services in the public communication network.
10. Mobile radio communications services in dedicated communications network.
11. Mobile radio telephone communications.
12. Mobile satellite radio communication.
13. Provision of communication channels.
14. Communication services in data transfer, except for services in data communications for the purpose of voice information transfer.
15. Communication services in data-transfer, except for services in data communications for the purpose of voice information transfer.
16. Telematic communications services.
17. Communications services for the purpose of cable broadcasting.
18. Communications services for the purpose of air broadcasting.
19. Communications services for the purpose of wired radio broadcasting.
20. Postal communications services.

The Federal Antimonopoly Service sets tariffs for the following communication services:

- Provision of long-distance telephone connection to the subscriber (user) fixed telephone network for voice transmission, fax and data.
- Provision of access to the local telephone network, regardless of the type of subscriber line (wire line or radio link) of the fixed telecommunications network.
- Local telephone calls to the subscriber (user) of the fixed telephone network for voice transmission, fax and data (except for payphones).
- Provision to a subscriber for permanent use of the subscriber line regardless of its type.
- Provision of intra-zone telephone connection to the subscriber (user) of fixed telephone network for the transmission of voice data, fax and data.

Transport Services

EAEU

According to the Article 86 of the EAEU Treaty, member states are presupposed to carry out coordinated transport policy in the EAEU aimed to support the economic integration, consequent and gradual formation of the single transport area based on the principles of competition, openness, safety, reliability, availability and sustainability. As result it is planned to ensure free movement of passengers, cargo and vehicles in the whole EAEU territory, to create a single market of transport services and to integrate transport systems of all EAEU Member States in the world transport system. In addition to this, in the period from 2016 to 2025 it is assumed to liberalize the road cargo transport services.

The Republic of Armenia

For the moment, the transport sector in the Republic of Armenia includes rail, air, road and pipeline transport.

The Ministry of Transport and Communication of the Republic of Armenia is the national executive authority that develops and implements the transport policy, ensures efficient industry management and coordination, develops a common route network, and arranges tenders. The General Department of Civil Aviation manages all flight infrastructure and services in the Republic of Armenia.

The Licensing Agency of the Republic of Armenia is the licensing authority in the sphere of transport activity. According to the Law of the Republic of Armenia (dated June 27, 2001) No ZR-193 «On Licensing», the license is required for carrying out aircraft operations, non-scheduled aircraft operations, railway transportation and natural gas pipeline transportation

In the sphere of the railway transport, Armenian railway is passed on concession to South Caucasus Railway that, in its turn, is a subsidiary of Russian Railways. A corresponding concession agreement for 30 years was signed in 2008 with an option of renewal by mutual agreement for 10 years after the first twenty years of operation. South Caucasus Railway CJSC takes over 34% of freight traffic in Armenia. The remaining share of railway freight transportation market is divided between private companies.

Freight and passenger road transportation is carried out by private companies. These activities do not require a license.

The Republic of Armenia has 6 airports, including two international airports. The two airports were leased out to Aeropuertos Argentina 2000 (Argentina) for 30 years under a concession agreement. Foreign companies have the right to provide airport services and repair services of aircrafts. The legislation of the Republic of Armenia does not impose any nationality requirements regarding the aircraft commander.

The Republic of Belarus

In the Republic of Belarus, transport services are provided by rail, road, air, river and pipeline types of transport.

The Ministry of Transport and Communications of the Republic of Belarus is the main regulatory authority which is responsible for the implementation of a common road transport policy, drafting and implementation of transport development programs, development of intermodal transportation, and implementation of economic, scientific and social policies in the field of transport.

Rail transport services are provided by Belarusian Railway, a state-owned enterprise regulated by the Ministry of Transport and Communications of the Republic of Belarus.

Road transport services are provided by state-owned and private companies. It should be noted that there are 68 state-owned road transport enterprises using the TIR system. Private companies account for over 99% in this sector. According to the legislation, city, suburban, intercity and international road transportation of passengers and international road transportation of goods require a license.

Road transport enterprises are not subject to any restrictions with respect to foreign capital. However, the exception is that a company shall be a resident of the Republic of Belarus.

There isn't a license requirement for activities of passengers and goods transportation by internal waterway transport. There are also no restrictions on foreign capital.

Belarus has 7 international airports. The air transportation market, including cargo handling services, is represented by state-owned companies and companies where a share is held by the state. According to the Air Code of the Republic of Belarus №117-Z (dated May 16. 2006) the foreign entities, engaged in aviation business, have a right to:

- take, within the Republic of Belarus, passengers, baggage, cargo and mail for air transportation to/from a foreign state or within the Republic of Belarus, if allowed by the applicable laws and regulations.
- supply cargo handling services in the airports

Most of air traffic goes through the airports of Minsk, where republican unitary enterprises operate. Foreign companies can not provide airport services and repair services of aircrafts without establishment of a branch. The legislation of the Republic of Belarus does not impose any nationality requirements regarding the aircraft commander.

No license is required for private legal entities for transportation by air transport. However these companies have to go through the relevant procedures of certification and accreditation.

The Republic of Kazakhstan

Transport services in the Republic of Kazakhstan are provided by rail, road, air, sea, internal waterway and pipeline types of transport.

The transport services are regulated by the Ministry of Investments and Development of the Republic of Kazakhstan. The Ministry's key functions are to develop laws and regulations in order to support the operation of different means of transport, to draft occupational rules for the transport sector and requirements to legal entities, as well as to regulate investments.

Railway transport services are provided by Kazakhstan Temir Zholy (KTZ). The company's sole shareholder is the national fund Samruk-Kazyna, with 100% of its shares owned by the Republic of Kazakhstan. The fund addresses the issues of corporate governance improvement and manages KTZ's activity through the board of directors, without interfering in its day-to-day operations. KTZ's activity is controlled by the Ministry of Investments and Development which, as the competent authority, ensures the implementation of state railway transport policy, as well as by the Ministry of National Economy.

Road transport services are represented mainly by private companies (98%). No restrictions on foreign capital are applied when establishing road transport companies.

Kazakhstan has 22 large airports, with 14 airports working with international air traffic. A quota for foreign participation in the authorized capital of airlines is 49%. Airports are owned both by private foreign and Kazakhstan companies and by the state. Foreign companies have the right to provide airport services and repair services of aircrafts. The legislation of the Republic of Kazakhstan does not impose any nationality requirements regarding the aircraft commander.

The Republic of Kazakhstan has 3 major seaports: Aktau, Bautino, and Kuryk. All ports have a public-private partnership. The legislation of the Republic of Kazakhstan set no restrictions on sea and internal waterways transport services.

According to the Law of the Republic of Kazakhstan (dated May 16, 2014) No. 202-5 «On Permits and Notifications», non-scheduled intercity, inter-regional and international passenger transport services by buses or mini-buses, scheduled international passenger transport services by buses or mini-buses, and railway freight transport services require an appropriate license. The license is not required for the supply of maritime and internal waterways transport services.

The Kyrgyz Republic

For the moment in the Kyrgyz Republic there are the following types of transport: air, rail, road and pipeline transport. Also there is internal water ways transport on the Issyik-Kul lake.

The Ministry of Transport and Communication of the Republic of Armenia is the national executive authority that implements the transport policy and exercises control in spheres of road, rail, electric, air and waterway transport, and road and rail networks. Also this Ministry is the licensing authority in relation to transport services.

The railroad transport covers only 3% of cargo transportation. According to the decree of the Government of the Kyrgyz Republic №364 “On organizational issues on railroad construction in the Kyrgyz Republic” passenger cargo and transport services are provided by the national company “Kyrgyz Temir zholu”

The road transport is the main mode of transport in the Kyrgyz Republic, which covers 99.8% of passenger transportation and 95% of cargo transportation.

Freight and passenger road transportation is carried out by private companies. License is required for the following transport services:

- Passenger road transport services, except taxi (internal and international);
- International cargo road transport services.

The Kyrgyz Republic has 18 airports and all of them are state-owned. Airport of Bishkek and Osh are international. More than 30 air companies are registered in the Republic. The following activities related to air transport require a license:

- Passenger and cargo air transport services;
- Ground handling services, except technical maintenance or repair of aircrafts;

There are no restrictions for foreign supplier of above mentioned services.

The legislation of the Kyrgyz Republic does not impose any nationality requirements regarding the aircraft commander.

The Russian Federation

Transport services in the Russian Federation are provided by air, rail, road, internal waterways, sea and pipeline transport.

The rail transport system of Russia has a developed network, one of the largest in the world, which comprises 86,000 km of railways.

From the beginning of the program of economic reforms, the private sector occupied a dominant position in transportation. Currently, private companies account for: in the road transport sector – 95.8% of cargo traffic and 20.8% of passenger traffic; in the sea transport sector – 97.9% and 98.8%, respectively; in the inland water transport sector – 94.4% and 86%, respectively; and in the industrial railway transport sector – 69.1% of cargo traffic.

The Ministry of Transport of the Russian Federation is the main regulatory authority. Its core functions are to develop the state policy and ensure regulation in the field of civil aviation; airspace use and air navigation services for the users of Russia’s airspace; aerospace search and rescue; sea (including seaports), inland water, railway, road transport; electrical city transport (including the underground) and industrial transport; operation and safety of road facilities, hydrotechnical and navigational facilities; transport safety, as well as state registration of title to and transactions with aircrafts, and traffic management to the extent of road traffic.

The Russian Federation has 71 international airports. Airports may be owned by private companies or by the government. Both private companies (national or foreign) and state unitary enterprises may act as

airport operators, i.e. may provide various services, including cargo handling.
The Federal Air Transport Agency provides public services and manages public property in the field of air transport (civil aviation), use of Russia’s airspace, navigational services for the users of Russia’s airspace, aerospace search and rescue, and also provides public services in the field of transport safety in this sector, and state registration of title to and transactions with aircrafts.
The main restriction is that an aviation enterprise with foreign capital may be incorporated in the Russian Federation provided that the share of foreign capital in the authorized capital of the given aviation enterprise does not exceed 49%, the head of the enterprise is a national of the Russian Federation and the number of foreign nationals in its governing body does not exceed one third of all members of the governing body. The legislation of the Russian Federation does not impose any nationality requirements regarding the aircraft commander.
According to the decree of the Government of the Russian Federation №762 (dated August 1, 2014) number of foreign nationals engaged as commanders of the Russian aircraft is limited. The maximum number of foreign pilots for Russian aircraft shall be no more than 200 a year.
In the Russian Federation ports management (of which 67 - maritime) is conducted by Federal Agency of maritime and river transport, which carries out the functions on provision of state services and managing of state property in the field of maritime (including sea ports, sea terminals designed for complex servicing of fishing vessels) and river transport, as well as the functions on provision of state services in maritime and river transport safety enforcement. Simultaneously there are some seaports which operate on the basis of public-private partnership.
Merchant ships are owned and transport services are by legal entities. Foreign persons have the right to be allowed to provide maritime transport services, rental /leasing without operator to any person in Russia: 1) by cross-border supply; 2) by the establishment of a legal entity in Russia; 3) to any persons from Russia, who moved themselves to the state of the service provider to receive the service. The recipients of such services in Russia can be both Russian and foreign persons, and both physical and legal persons, including governmental authorities. In the transportation services sector there are restrictions for foreign companies on the provision of auxiliary services to maritime transport. Foreign companies can provide this type of services only after the establishment of the legal entity of the Russian Federation, without any limitation of foreign equity.
Russia reserves the right to impose any limitations in respect of foreign persons in the crew of the ships, as well as of key personnel of legal entities due to the provision to foreign entities (of the WTO member-states) marine transportation services and rental/leasing without operator from the WTO member-states.
The Federal Agency of railway transport is a federal executive authority that carries out functions on implementation of state policy, provision of state services and managing state property in the sphere of railway transport, as well as functions on provision of state services of transport safety enforcement in the railroads and in the subway.
Today in the market of railway transport services operate: the owners of the railway infrastructure, cargo carriers, carriers of passengers on long-distance and intercity transport, owners of non-public use railway tracks, the operators (owners) of railway rolling stock.
The Federal service for supervision on transport (Rostransnadzor) is a federal executive authority which carries out functions on control (supervision) in the field of civil aviation, use of air space of the Russian Federation, air navigation service of users of air space of the Russian Federation, aerospace search and rescue, maritime (including seaports), inland waterways (except small size vessels used in non-commercial purposes), railway transport, road and urban ground electrical transport (except for matters of traffic safety), industrial transport and road facilities, subway as well as of transport safety in this sphere."

According to Federal law (dated May, 4 2011) No. 99-FZ «On Licensing of Certain Types of Activity», a license is required to pursue the following activities:

- passenger transportation by inland water transport or maritime transport;
- hazardous cargo transportation by inland water transport and maritime transport;
- passenger transportation by air;

- cargo transportation by air;
- passenger transportation by road transport designed to carry more than eight persons;
- passenger transportation by railway;
- hazardous cargo transportation by railway;
- loading and unloading operations with hazardous cargo carried by railway;
- loading and unloading operations with hazardous cargo carried by inland water or in seaports;
- sea towing.

Energy-related Services

EAEU
According to Article 79 of the EAEU Treaty, the Member States develop a long-term cooperation in the energy sector on a mutually beneficial base, carry out a coordinated energy policy and gradually create the common energy market with account of the energy security.

The Republic of Armenia
Armenia is a net exporter of power. Armenia does not produce crude oil and has no refinery. However, there are signs of oil and gas deposits existing in the country, and considerable effort are being devoted to create necessary conditions for private investment in exploration and production. There are no restrictions for foreign equity participation in the upstream or downstream industries of the petroleum sector. Interested companies can apply for a license for the exploration works on the areas free from oil activity.
After the reforms, the Government of Armenia has divided the power sector into three sub-sectors: generation, transmission and distribution. As a result the following closed joint-stock companies have been established: power generators; high voltage power transmission network company; power distribution company; processing center; and power system operator.
The Ministry of Energy and Natural Resources is responsible for the regulation of the energy sector.

The following energy-related activities require a license under the Law «On Licensing» (June 27, 2001):
- production, import and export, transport, distribution and trade in/of natural gas;
- production, import, transmission, export, distribution and trade in/of electrical energy;
- production, import and export, transport, distribution and trade in/of thermal energy;
- services of transmission and centralized dispatch of electrical energy; and
- building of new capacities in the area of electrical and thermal powers;
- selection, construction, placing into operation, operation, usage, maintenance and isolation of nuclear and nuclear waste and sources of ionization radiation recycling plants and storages;
- work with radioactive wastes of nuclear and radioactive materials, including transportation, usage, storage, processing and disposal of such materials;
- import and export of nuclear, radioactive and special materials, radioactive wastes, special equipment and technologies;
- development of materials, equipment and systems for projects with nuclear energy; and
- expertise of atomic energy projects.

The license is issued by the Public Services Regulatory Commission (in the energy sector), or the Government (in the nuclear power sector).
The relevant legislation consists of: the Law №ZR-48 «On Energy» (March 21, 2001); the Energy Saving and Energy Efficiency Law №ZA-122 (November 9, 2004); the Subsoil legislation Code (November 28, 2011).

The Republic of Belarus
Due to natural and geological conditions, the Republic of Belarus are not able cover its demand for

energy with natural resources (small reserves of crude oil, biomass, mainly wood, peat, coal, associated gas and hydro energy). The country has to import fuel and energy.

However, Belarus has a powerful export-oriented petrochemical sector producing high-quality petroleum products.

Much attention is paid to the development of renewable energy. The Government adopted a number of legal acts and introduced a system of beneficial tariffs on renewable electric energy with guaranteed purchase and connection to the state energy system. In addition to this, Belarus has over 9,000 known peat deposits accumulating 4 billion tons of peat. Economically justified annual volumes of peat use as a fuel and peat use targets are determined in the Peat State Program until 2020.

The estimated potential of hydroresources of Belarus is 850 MW, of which technically available - 520 MW, and economically feasible - 250 MW. As of January 1, 2014 in the Republic of Belarus there were 45 hydroelectric power plants with total capacity of 33.1 MW. In 2013, electricity generation from hydro electro stations was 136,700,000 KWh.

The electric energy complex of Belarus is controlled by the state production association Belenergo which is responsible for electricity and heat generation, transmission and distribution. It includes six republican unitary electric energy enterprises, interregional dispatching office, and a number of other enterprises connected with electric energy (construction, R&D, repair, installation, etc.). Belarus has no special electricity transmission system operator, with its functions divided between Belenergo, regional energy enterprises and dispatching office. The electricity transmission system is owned by the government, while day-to-day operations are managed by regional energy companies.

In recent years, the number of independent electricity producers has increased. The legislation of Belarus permits foreign investors to own newly built power plants and guarantees the connection of independent electricity producers to the state power grid and the purchase of electricity generated by them. Special stimulating coefficients are applied to purchase prices for electricity generated by independent electricity producers from renewable energy sources, with the use of local fuel sources and energy efficient technologies.

The Ministry of Energy carries out state regulation of the electricity, gas and peat, the development of the main energy policy guidelines and their implementation, as well as proposals for improving the energy security of Belarus.

Currently, the following legislation is in force:

- The law of the Republic of Belarus (dated December 16, 2002) No. 162-Z «On Natural Monopolies»;
- The law of the Republic of Belarus (dated January 08 2015) No. 239-Z «On Energy Saving»;
- The law of the Republic of Belarus (dated January 4, 2003) No. 176-Z «On Gas Supply»;
- The law of the Republic of Belarus (dated July 30, 2008) No. 426-Z «On the Use of Nuclear Energy»;
- The law of the Republic of Belarus (dated December 27, 2010) No. 204-Z «On Renewable Energy Resources».

A license is required in order to use nuclear energy and carry out activities related to hazardous industrial facilities, such as engineering, installation, maintenance, diagnostics and repair of technical devices, planning of main oil and gas pipelines, oil products, gas distribution system and gas consumption system.

The Republic of Kazakhstan

The Republic of Kazakhstan ranks 2nd place in the world in terms of production, 13th place in terms of recoverable oil and gas condensate reserves, 15th place in terms of natural gas reserves, and 26th place in terms of hydrocarbon production. Total proven hydrocarbon reserves in Kazakhstan are estimated at 5.5 billion tons (39.8 billion barrels), with total proven recoverable oil reserves of 4.8 billion tons, which accounts for 3.2% of total global oil reserves. Hypothetical oil reserves exceed 17 billion tons (124.3 billion barrels). Kazakhstan has 172 oil and 42 condensate deposits, with over 80 deposits developed at the moment. In Kazakhstan, oil and gas areas occupy over 62% of the country’s territory.

Natural gas becomes a more and more promising energy resource for Kazakhstan: its known and estimated reserves (including new deposits at the Caspian shelf) accounting approximately for 3.3 trillion m^3, while hypothetical reserves reach 6-8 trillion m^3.
In the field of electric energy, structural reforms were carried out and energy companies became private. The reform included separation of energy companies based on the types of activity, and creation of a wholesale and a retail electricity market. JSC KEGOC is the system operator of the unified electric energy system of Kazakhstan and offers electricity transmission and control services. JSC KEGOC operates more than 0.4–1150 kV power transmission lines. Their length exceeds 24,000 km.
Moreover Kazakhstan can also use wind, solar and geothermal energy, as well as the energy of small rivers. Kazakhstan has a huge renewable energy potential – more than 1 trillion kWh per year (almost 10 times more than the country's electricity consumption).

The legislation in this sphere includes:

- The law of the Republic of Kazakhstan (dated June 24, 2010) No. 291-IV «On Subsoil and Subsoil Use»;
- The law of the Republic of Kazakhstan (dated January 9, 2012) No. 532-IV «On Gas and Gas Supply»;
- The law of the Republic of Kazakhstan (dated June 22, 2012) No. 20-V ZRK «On Main Pipelines»;
- The law of the Republic of Kazakhstan (dated July 20, 2011) No. 463-IV «On State Regulation of Production and Sale of Certain Oil Products»;
- The law of the Republic of Kazakhstan (dated July 9, 2004) No. 588-II «On Electric Energy»;
- The law of the Republic of Kazakhstan (dated July 4, 2009) No. 165-IV «On Supporting the Use of Renewable Energy Resources»;
- The law of the Republic of Kazakhstan (dated January 13, 2012) No. 514-IV «On Energy Saving and energy efficiency»;
- The law of the Republic of Kazakhstan (dated April 14, 1997) No. 93-I «On the Use of Nuclear Energy».

Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use" dated June 24, 2010 № 291-VI establishes the requirement of local content in the services (works) and personnel. The minimum amount of local content in the works (services) shall not exceed 50%.
Organizer of the tender for the acquisition of works and services during the winner determining process conditionally reduces the price of the competitive bids of participants of Kazakhstani producers by twenty percent.
At the same time, Kazakhstan manufacturers of works and services are recognized as individual entrepreneurs and (or) legal entities established under the laws of the Republic of Kazakhstan, with the location in the territory of the Republic of Kazakhstan, using no less than ninety-five percent of the citizens of the Republic of Kazakhstan in the total number of employees without regard to the number of managers and professionals engaged in labor activity in the territory of the Republic of Kazakhstan in the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on employment and migration.
The number of managers and specialists engaged in labor activity in the territory of the Republic of Kazakhstan in the framework of intra-corporate transfer in accordance with the legislation of the Republic of Kazakhstan on employment and migration of the population, should be no more than 25% of the total number of managers and specialists in each relevant category, and 1 January 2022 year no more than 50% in each respective category.

The Ministry of Energy of the Republic of Kazakhstan is responsible for regulation in this field.
The license is required for:

- gas, oil and gas condensate production;
- production operations at hydrocarbon deposits;
- well blasting operations at gas, oil and gas condensate injection wells;
- well drilling operations at hydrocarbon deposits in onshore and offshore areas, as well as in inland waters,
- underground workover;
- well cementation, development and tests at hydrocarbon deposits;
- well conservation and abandonment at hydrocarbon deposits;
- enhanced oil recovery operations;
- oil spillage prevention and response operations at onshore or offshore hydrocarbon deposits;
- petrochemical production facility (engineering) and/or operation;
- drafting of project documents; technical regulations; project feasibility study for hydrocarbon deposits;
- main pipeline, oil pipeline and product pipeline operation.

The Kyrgyz Republic

The Kyrgyz Republic has several coal (4 pools), oil (6 fields), gas (2 fields) and uranium deposits (1 field) which presuppose their commercial operation. The volume of coal reserves are - 1.3 Billion tons, oil - 10-11 Million tons, natural gas - 7.5 m^3, and uranium - 9.5 thousand. tonnes. The Kyrgyz Republic also has a significant amount of hydropower. Own sources of electricity are received from hydroelectric plants (18 units) and power plants (2 units). In 2014, Kyrgyzstan was a net-exporter of electricity to the CIS countries.

After the reforms of 2010 in the Kyrgyz Republic the power sector has been divided into three sub-sectors: generation, transmission and distribution. As a result the following open joint-stock companies have been established: power generation companies; high voltage power transmission network companies; power distribution companies.

In the Kyrgyz Republic an oil refinery complex was built in 2011. The Government of the Kyrgyz Republic is actively attracts financial resources for the development of mineral resources and the construction of new hydroelectric plants.

The Ministry of energy and industry of the Kyrgyz Republic is the central governmental authority which carries out state policy on development of fuel-energy complex and industry, including electricity, gas, oil, coal industry, main oil and gas pipelines, refined oil and gas products, and renewable energy.

According to the law “On licensing and permit system” №195 (dated October 19, 2013) the license is required for the following energy-related services:

- Production, import, transmission, export, distribution and trade in/of electrical energy;
- Production, transport, distribution and trade in/of thermal energy;
- Refinery of oil and natural gas, except the production of bio-ethanol;
- Production, transport, distribution and trade in/of natural gas;
- Services related with use of mineral resources;
- Mining activity.

The license is issued by State Agency of geology and natural resources affiliated to the Government of the Kyrgyz Republic.

The relevant legislation consists of:

- the Law №56 «On Energy» (October 30, 1996);
- the Law №8 «On Electroenergy» (January 28, 1997);
- the Law №160 «On subsoil» (August 9, 2012);
- the Law №18 «On coal» (February 3, 1999);

- the Law №77 «On oil and gas» (June 8, 1988);
- the Law №238 «On renewable energy sources» (December 31, 2008);

The Russian Federation

Russia is among the leaders in crude oil production, accounting for 12% of global oil trade, and has world's largest natural gas reserves (23% of global reserves) and annual production rates, world's second largest coal reserves (19% of global reserves) and world's fifth largest annual coal production rates (5% of global production).

Russia's nuclear energy sector accounts for 5% of the global nuclear energy market, 15% of the global reactor building market, 45% of the global uranium enrichment market, 15% of the global spent fuel conversion market, and 8% of the global uranium production market.

The Ministry of Energy of the Russian Federation is responsible for the development and implementation of state policy, and regulation in the field of energy and fuel, fulfilling also a number of other functions to provide public services particularly in respect of the electric energy industry, oil producing, oil refining, gas, coal, shale extraction and peat industries, trunk pipelines for transportation of oil, gas and products thereof, renewable energy sources, development of hydrocarbon deposits on the basis of production sharing agreements, and also in the petrochemical industry, as well as the functions of rendering state services, managing, state-owned property in the field of energy resources and fuel production and use.

The relative legislation is the Law of the Russian Federation (dated February 21, 1992) No. 2395-1 «On Subsoil». According to this Law «the Government of the Russian Federation, when determining the procedure and conditions of auctions to award the right to use federal subsoil areas, may set restrictions on the participation of legal entities with foreign investors in such auctions».

A license is required to carry out activities in the field of hydrometeorology and related areas, subsoil use for exploration operations, mineral deposit development, construction and operation of underground constructions having no relation to mining operations, use of waste generated from mining operations and related production facilities, and use of nuclear energy.

Federal law (dated April 29, 2008) No. 57-FZ «On Foreign Investments in Business Companies having Strategic Importance for National Defence and State Security» establishes a general framework that regulates the participation of foreign persons in the authorized capital of such business companies. The Federal law covers 45 sectors, including geological survey and/or exploration of subsoil and mining operations within federal subsoil areas.

Verification procedures for detecting operations that can damage national security of the Russian Federation apply when a foreign person intends to control such company. A 50% share in the capital of such company or, for companies using federal subsoil areas, a 10% share is a threshold value when such control is deemed to exist. In case foreign states intend to hold a share in the capital of such company, the threefold values needed to perform the verification decrease to 25% and 5%, respectively.

For the implementation of this Federal law, the Government of the Russian Federation adopted resolution dated July 6, 2008 No. 510 «On the Government Commission on Control of Foreign Investments in the Russian Federation». The Government Commission approves transactions with participation foreign investments.

The main legislative acts by which in the Russian Federation is provided legal regulation in the energy sphere, including the field of electric power industry, gas industry, pipelines of oil, gas and refined products, renewable energy sources, development of hydrocarbon deposits on the basis of agreement about product sharing are:

- Federal law dated March 31, 1999 № 69-FZ "On gas supply in the Russian Federation";
- Federal law dated August 17, 1995 № 147-FZ "On natural monopolies";
- Federal law dated March 26, 2003 № 35-FZ "On electric power industry";
- Federal law dated July 18, 2006 No. 117-FZ "On gas export";
- Federal law dated December 30, 1995 № 225-FZ "On agreements on production sharing";

- Federal law dated November 21, 1995 No. 170-FZ "On use of atomic energy";
- Federal law dated November 30, 1995 № 187-FZ "On continental shelf of the Russian Federation";
- Federal law dated July 27, 2010 No. 190-FZ "On heat supply".

Travel

The Republic of Armenia

Exports of «Travel» sector services by the Republic of Armenia demonstrated growth in 2013-2014, accounting for USD 458.9 million in 2013 and USD 1.06 billion in 2014. Imports of travel services also increased during the above mentioned period and amounted to USD 1.04 billion in 2014 and USD 477 million in 2011.[47]

Due to its well-preserved natural, cultural and historical sightseeing attractions, included to the UNESCO World Heritage List, the Republic of Armenia has great opportunities to attract tourists.

The Ministry of Economy (the Department of Tourism) is responsible for regulation of relations in the field of tourism. According to the strategy 2008, the goal is to increase the share of tourist services by 2030 to 12% of GDP by increasing the number of tourists (3 million annually), revenues from tourism (USD 3 billion) and employment in the tourism sector.

The Law №ZR-11 «On Tourism» (dated January 14, 2003) is the key legal act in this field. License is required to work as guides. There are no restrictions for foreign service suppliers.

The Republic of Belarus

Exports of «Travel» sector services amounted to USD 814 million in 2014, which is USD 92 million more than in 2013.[48]

In the Republic of Belarus, tourism has received the status of a state priority. Belarus has great tourism potential. The main areas of tourism in Belarus are: rural tourism, military-historical tourism, historical and cultural tourism connected with World Heritage sites declared by UNESCO.

The Ministry of Sport and Tourism of the Republic of Belarus is regulating relations in sphere of tourism.

According to the Law of the Republic of Belarus (dated November 25, 1999) No. 326-Z «On Tourism», tour operations on the territory of the Republic of Belarus is carried out by guides and guides-interpreters who have passed professional certification, confirming their qualifications.

The order and conditions of professional certification, which confirms skills of guides, tour guides and interpreters, are determined by the Council of Ministers of the Republic of Belarus.

The license is not required for carrying out activities in this sphere.

The Republic of Kazakhstan

According to the trade balance, the Republic of Kazakhstan demonstrates annual growth of both exports and imports of private travel services. Such imports totaled USD 1.7 billion in 2014, USD 1.6 billion in 2013 and USD 1.6 billion in 2012. Exports of such services decreased to USD 1.32 billion in 2014 and USD 1.34 billion in 2013.[49]

According to the strategy of the development of tourism in the Republic of Kazakhstan until 2020, tourist traffic at the final third stage (2015-2020) is expected to reach 8.5 million tourist arrivals, with expected revenues from tourism totaling USD10.2 billion. Kazakhstan provides the following types of tourism: sightseeing tours around the country, ethnic and ecotourism, as well as medical treatment, hunting, fishing and climbing.

In the Republic of Kazakhstan, the Ministry of Investments and Development (Department of Tourism) is

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[47] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

[48] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

49 WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

responsible for the regulation of tourism. The law (dated June 13, 2011) No. 211-2 «On Tourism Activity» is the key legal act. It stipulates that «only citizens of the Republic of Kazakhstan are able to become guides (guides-interpreters) or tourist instructors». In addition to this, the license is required to perform the activities of tour operators.

The Kyrgyz Republic

In the Kyrgyz Republic, imports of travel services demonstrated a slight fall in 2014. In 2014, imports of such services decreased to USD 422.7 million from USD 529.6 million in 2013. However, exports of such services showed high increase, accounting for USD 856 million in 2014.[50]

Currently, in the Kyrgyz Republic there are the following types of tourism: adventure, ski, sport hunting, fishing, gathering of medicinal herbs, climbing, sightseeing and educational routes on the south and north of the Republic with the rest on Issyk-Kul Lake and in the mountains.

The Ministry of culture, information and tourism (the Department of Tourism) is responsible for developing of the policy and strategy in the field of tourism. According to the strategy for the development of tourism, the Kyrgyz Republic is promised to become a world recognized tourist destination by 2020 and is expected to increase the number of tourists up to 2.5 times.

The Law №34 «On Tourism» (dated March 24, 1999) is the key legal act that regulates relations in this field. There are no restrictions for foreign service suppliers, as it is not required to obtain a license to carry out tourism activities.

Although tourist trips are governed by the Law of the Kyrgyz Republic dated 21 July 2012 No. 121 "On application of visa-free regime for citizens of some countries for periods up to 6 days".

The Russian Federation

In the Russian Federation, imports of travel services demonstrated a slight fall in 2014. In 2014, imports of such services decreased to USD 50.4 billion from USD 53.4 billion in 2013. However, exports of such services remain practically the same, amounting to USD 11.8 billion in 2014.[51]

Having a vast territory, rich historical and cultural heritage and pristine wild nature in some regions, the Russian Federation possesses a huge potential for the development of tourism.

The Ministry of culture of the Russian Federation is responsible for developing and implementing state policy and normative legal regulation in the sphere of tourist activity.

The Federal Agency for Tourism of the Russian Federation is responsible for the most important areas of state regulation of tourism in the Russian Federation, for maintenance of the unified register of tour operators, promotion of tourist product, both domestically and globally, as well as for implementation of measures to support small and medium business and facilitate its development, etc.

Federal Law (dated November 24, 1996) No. 132-FZ «On the Basics of Tourist Activity in the Russian Federation» is the key legal act in the tourism sector of the Russian Federation.

Russian legislation contains no restrictions on the activities of foreign tour operators, except for the requirement to register a legal entity in Russia.

According to Federal Law «On the Basic of Tourist Activity in the Russian Federation» № 132-FZ (dated November 24, 1996) and in order to protect the rights and legitimate interests of citizens and legal entities, carrying out of tour operator activity in the territory of the Russian Federation is allowed to the legal entity in case of presence of the contract of insurance of a civil liability for nonfulfillment or improper fulfillment of obligations under the contract of realization of tourist product or presence of bank guarantee of execution of obligations under the contract of realization of tourist product.

To carry out activities for inbound tourism, the legal entity requires registration in the Federal Register of tour operators. The license for the activities is not required.

Actually the draft law has been developed in order to increase responsibility of participants of the tourist market and improve legal protection for tourists traveling outside the territory of the Russian Federation

[50] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

[51] Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

and this draft law is being considered in the State Duma.

Research & Development

The Republic of Armenia

In 2014, the Republic of Armenia allocated 0.3% of GDP for research activity. Seismology and agriculture are the key research areas. Research in the Republic of Armenia is actively supported by the National Foundation of Science and Advanced Technologies (NFSAT) which has already carried out programs to the tune of over USD 5 million during the last 15 years. Computer and information technologies are the key areas of research.

The Ministry of Education and Science is the main public authority regulating services in the field of high tech in the Republic of Armenia. In general the Ministry of Economy is the main public authority regulating issues in the field of IT/Hi-Tech.

The legislation of the Republic of Armenia stipulates no restrictions on the usage of foreign capital in R&D services. The license is required for performing activities with nuclear and radioactive materials and radioactive waste, including their transportation, use, storage, processing and dumping, as well as with weapon and ammunition.

The Republic of Belarus

R&D activity in the Republic of Belarus is carried out by approximately 30,000 persons at 530 organizations – institutions of the National Academy of Sciences of Belarus, universities, research centers, and design bureaus. Promotion of the results of research in domestic and external markets is encouraged by the technology parks and technology transfer centers operating in Belarus. An important role in the innovation infrastructure is played by scientific and technical centers that improve the interaction between science and industry. Actually, R&D funding accounted for 0.52% of GDP in 2014.

The ex-budgetary funds are the main source of funding of internal R&D costs. The share of extra-budgetary funds in the total domestic expenditure on research and development in 2012 amounted to 56.4%.

The share of foreign funds used to finance R&D costs (funds of foreign investors, including foreign loans and credits) totaled 7.9% in 2013.

The Republic of Belarus provides appropriate tax advantages in order to encourage research. Moreover, support is also provided by the Belarusian Innovation Fund and by the Belarusian Republican Foundation for Fundamental Research. The key research areas include agriculture, food, IT, pharmaceuticals and biotechnology. The State Committee on Science and Technology is the principal public authority that regulates services in the field of high-tech in the Republic of Belarus. The legislation of the Republic of Belarus stipulates no restrictions on foreign capital in R&D services.

The license is required for developments in the field of fissile materials, scientific and technical activities in the field of fire safety, and weapon development.

The Republic of Kazakhstan

Currently, Kazakhstan invests much effort to promote its scientific potential, developing high-tech and improving the competitiveness of its goods and integrating in the global scientific community. Kazakhstan tries to focus its efforts in expending R&D in IT, agriculture, pharmaceutics, and especially nanotechnology.

Kazakhstan also allocates funds to pursue fundamental research in the field of space monitoring, develop geoinformation technology and study issues of environment and rational use of natural resources, in particular water. However, currently R&D funding accounts only for 0.24-0.25% of GDP in Kazakhstan, and the number of people involved in R&D is 0.21% of all working population as per 2014 figures.

Active support to various research centers is provided by JSC Science Fund. In addition, a sectorial science development program is being implemented in order to build universities, increase the number of patents and launch pilot production sites.

The supply of services in the field of high-tech in the Republic of Kazakhstan is regulated by the Ministry of Education and Science. The legislation of the Republic of Kazakhstan does not impose restrictions on foreign capital in R&D services. The license is required for process engineering in the field of energy; medicine, transport and machine building, as well as developments in the field of weapons and fissile materials.

The Kyrgyz Republic

In 2014, the Kyrgyz Republic allocated 0.1% of GDP to research activities. Seismology and agriculture are the key research areas.

Research in the Kyrgyz Republic is actively supported by the State fund of development of academic and high school science, working together with Russian fund of fundamental research. The priority areas of research are hydrology and agriculture.

The Ministry of Education and Science is the main public authority regulating services in the field of high tech in the Kyrgyz Republic.

The scientific development of fundamental and practical science is carried out by the National Academy of Sciences of the Kyrgyz Republic (hereinafter - NAS KR), which is the highest state scientific institution, that unites NAS members and scientific workers, specialists, service staff and other employees of NAS KR.

The main legal act that regulates the activities of NAS KR is the Law of the Kyrgyz Republic (dated July 25, 2002) No. 132. "On National Academy of Sciences of the Kyrgyz Republic".

The legislation of the Kyrgyz Republic stipulates no restrictions on using foreign capital in R&D services. The license is required for performing activities with microorganism of the 2nd pathogenic level; development, production and distribution of military goods.

The Russian Federation

Russia's share in the global hi-tech market does not exceed 1%. However, 1.39% of GDP was invested in R&D in 2014. India and China are the major importers of Russian technologies. Imports of technologies into Russia are dominated by the OECD member-states, with France, Germany, the United Kingdom and the United States being the leaders in terms of net value of import contracts.

In 2014, the volume of internal costs on research and development amounted to USD 2.07 billion, where the share of extra-budgetary funding was USD 743.91 million. In case of financing joint scientific and technological research with foreign partners the Russian Federation assumes the principle of parity financing.

Currently, Russia has two major technology transfer networks – Russian Technology Transfer Network (RTTN) and Higher School Technology Transfer Network. RTTN contains 711 technological offers, with most of them being industrial technologies (446, i.e. more than 60%). Medicine accounts for 15% of all offers; IT – for 17%; environmental protection – for 14%; and biotechnology – for 13%. New materials have a 13% share. The Higher School Technology Transfer Network currently has 353 technological offers and 129 requests. Major R&D investments in high-tech are provided by JSC Russian Venture Company. In 2015 JSC "RVC" is defined as a project office for the implementation of the National technology initiative (NTI) — a long-term strategy of technological development of the country, directed to the formation of new global markets by 2035.

The key areas of investments include:

- security and counter-terrorism;
- living systems (like biotechnology, medical technologies and medical activities);
- industry of nano-systems and materials;
- information and telecommunication system;
- rational nature management;
- transport, aviation and space systems;
- energy and energy saving.

The Skolkovo Innovation Center and RUSNANO Corporation are also among the major innovation organisations in the Russian Federation. Skolkovo includes five «clusters» specializing in different areas. These include IT, Energy, Nuclear Technologies, Biomedicine and Space Technologies. Also Skolkovo innovation center is an contemporary science and technology platform for support innovation project on the early stage of development.
The key task of RUSNANO Corporation is to facilitate the implementation of state policy aimed at making Russia a global leader in nanotechnology. Its core activities include facilitating the commercialization of nanoindustry developments and coordinating innovations in nanoindustry. The corporation plays the role of a financial co-investor in projects with a considerable economic potential.
The Foundation for Assistance to Small Innovative Enterprises (FASIE) is a non-commercial state organization set up by Russian government resolution No. 65 of February 3, 1994. The Foundation was the first public institution to provide support to small innovative enterprises.
Foundation's main tasks include the implementation of government policy for the development and support of small innovative enterprises; offering direct financial, informational and other aid to small innovative enterprises, implementation of projects to develop and produce new high-tech products; and creating and developing an infrastructure for SME.
FASIE has representation offices in 68 regions of Russia. In addition, FASIE provided direct financial support to establish 29 IT Centers (Information & Technology Centers) in 14 regions of Russia.
Since 1994, FASIE has accumulated a wealth of experience through its support for up to 14,000 projects in Russia from 75 Russian regions, chosen from among 55 thousands of applications for projects.
Russian legislation sets no restrictions with respect to foreign capital in R&D services, except nuclear sphere. The Ministry of Education and Science is the public authority that regulates services in the field of hi-tech in Russia. The license is required for the development of weapon and aviation equipment, research in the field of epidemiological diseases and genetic modifications, space research, and development of fissile materials.

Computer and Related Services

The Republic of Armenia
According to statistics, information and communication technologies contributed 3.6% to Armenian GDP in 2014. The Armenian Government adopted the policy of the creation of knowledge based economy and the development of ICT and high-tech sectors in Armenia, which is the key factor for increasing country competitiveness and productivity.
The sector is dominated by around a dozen, of relatively large companies, which are mainly branches of major multinational IT companies, which contribute to the promotion of innovative ideas in ICT field, venture funding, investments, personnel training and to the achievements of other important initiatives.
The Government of the Republic of Armenia jointly with private sector has opened a number of centers /laboratories for training of IT high-qualified specialists. The first venture fund-was established in 2013, by the Government of Armenia and private sector in order to promote the creation of new, innovative IT startups.
In 2014 the Armenian National Assembly adopted a legislative package on state support of IT sector, which is aimed at promoting the formation of new startup companies and the creation of new jobs. According to this initiative, the tax privileges are given to startup companies for a certain period of time, particularly profit tax is defined 0% and income tax is defined 10% for startup companies. There was also established an administrative statistical register of Armenian ICT companies under the Ministry of Economy of the Republic of Armenia. The legislation of the Republic of Armenia sets no restrictions with respect to foreign capital in computer and related services.
The Ministry of Economy is the main public authority responsible for the development and implementation of IT/Hi-Tech policy in Armenia. Intellectual property issues related to digital products

are regulated by the Intellectual Property Agency under the Ministry of Economy of the Republic of Armenia. The license, which is given by National Security Service of the Republic of Armenia, is required for the development and implementation of cryptographic protection of data.

The Republic of Belarus

The market of computer services in Belarus has been demonstrating a stable growth trend: the contribution of Belarusian programmers to global GDP increased fivefold, from 0.02% to 0.1%, over the last 7 years. Major foreign companies work in Belarus, and Belarusian specialists are considered to be highly qualified, and the government provides a range of incentives (e.g. opened a High-Tech Park).

Currently, 49% of residents in the High-Tech Park are companies with Belarusian capital, while 51% have foreign capital. However, specialists expect an increase in the number of companies with foreign capital, since now ICT is among the top-priority areas for direct foreign investments in Belarus. 80% of software developed in the Park is exported, with 45% delivered to the United States and Canada, 30% – to European countries, and 20% – to Russia and the CIS.

According to the Global Services 100 ranking, the Republic of Belarus ranks 13th among the top 20 countries in IT and high-tech service outsourcing. Moreover, three companies with a Belarusian background are among the TOP 100 global companies in this sector: EPAM Systems, IBA Group and Intetics Co. Belarus ranks 48th in the United Nations IT ranking.

The Ministry of Communication and Information, and the Analytical Center under the President of the Republic are the main public authorities regulating computer services in Belarus.

The legislation of Belarus sets no restrictions with respect to foreign capital in R&D services. The license is required for cryptographic protection of data and related activities.

The Republic of Kazakhstan

In 2014, production of goods (services) in the ICT sector contributed 3.9% to GDP of Kazakhstan.

The IT market in Kazakhstan is focused on hardware that accounts for 82% in the market structure, with IT services accounting for 16% and 2% falling to software as per 2014 figures. In the ICT Development Index of the International Telecommunications Union (ITU), Kazakhstan raised from 72nd place to 68th place. In the Network Readiness Index of the World Economic Forum (WEF), Kazakhstan ranked 55th (out of 142 countries) in 2012, up by 13 positions vs. 2011.

The largest share of the IT market in Kazakhstan falls to orders from the government, banking sector, oil and gas industry, and transport sector. While the public sector aims to develop and streamline the work of its bodies, the corporate sector is focused mainly on performance enhancement.

The legislation of the Republic of Kazakhstan sets no restrictions with respect to foreign capital in computer services.

The Committee on Communication, Information and Informatization is the public authority that regulates computer services in the field in the Republic of Kazakhstan. The protection and enforcement of intellectual property rights issues are regulated by the Ministry of Justice of the Republic of Kazakhstan.

The license is required for the development and sale of means of cryptographic data protection.

The Kyrgyz Republic

Information and communication technologies contributed 8% to GDP of the Kyrgyz Republic in 2013. Total turnover in trade of computer services amounted to USD 10.8 million in 2014.

In 2014, the share of mobile communication in the structure of information and communication technologies (ICTs) is 75%. It is expected that the increase in the spread of broadband Internet will raise the share of ICT in GDP to 1.5%.

The legislation of the Kyrgyz Republic sets no restrictions with respect to foreign capital in R&D services.

The Ministry of Transport and Communication is the public authority that regulates services in the field of high-tech. Intellectual property issues related to digital products are regulated by the State Services of Intellectual Property and Innovation under the Government of the Kyrgyz Republic.

The license is not required for the supply of computer and related services.

The Russian Federation

The volume of external trade in IT services stood at USD 6.4 billion in 2013. Home users constitute the largest group of consumers of computer services, followed by enterprises providing transportation, communications and utility services. The market segment represented by public, educational and healthcare authorities is also considered to be significant, with major investments in this sector falling to public authorities. In general, computer services account for 19% of this market segment (2014).

IT costs are expected to grow by 6% on average from 2013 to 2017, and the market will reach USD 46.7 billion by 2017. Relatively high growth rates, 8.2% annually, are expected for banks, and for retailers – 10.7%.

Major projects in the field of computer services are expected to be implemented in the Russian Federation, such as the state information system for the fuel and energy sector; single state medical information and analysis system; Infosociety; web-portals of public authorities; smart city systems.

Russian companies are well represented in the global market of computer services. As an example, we should mention Kaspersky Lab that develops antivirus software. In total, Russia exported services worth USD 2.6 billion in 2014.

The legislation of the Russian Federation sets no restrictions related to foreign capital in computer services.

The Ministry of Communications and Mass Media of Russian Federation is the public authority that regulates computer services in Russia. Intellectual property issues related to digital products are regulated by the Ministry of Education and Science of the Russian Federation. State registration of computer programs is carried out by the Federal Service for Intellectual Property (Rospatent).

The license is required for production and distribution of encryption-enabled IT systems, and production of copies of audiovisual works, software, databases and phonograms on any media.

Business and Professional Services

EAEU

The statistics as well as other relevant information regarding trade in other business services is provided below. Generally, in order to supply certain professional services in EAEU Member States it is required to obtain a license.

The Republic of Armenia

In the Republic of Armenia, exports of «other business services» in 2014 were USD 52 million and imports were USD 74 million. Also, a license is required to provide healthcare and veterinary services, and services for drafting of town-planning documentation related to capital construction projects and etc. A non-exhaustive list of public authorities dealing with the regulation of business and professional services in the Republic of Armenia is as follows: the Ministry of Finance, Ministry of Justice, Ministry of Economy, Ministry of Healthcare and Ministry of Urban Development.

The Republic of Belarus

With respect to the Republic of Belarus, «other business services» go third in its total exports of services. In 2014 business and professional services amounted to USD 650.4 million. The largest share of exports in this sector falls to the following sub-sectors: repair and maintenance services, architectural services, engineering and other technical services, and operational leasing. In 2014, imports of other business services amounted to USD 545.4 million.

In accordance with the Decision of the State Committee on Standardization of the Republic of Belarus of 16 December 2008 № 60 «On approval of the list of products, services, personnel and other objects of conformity assessment subject to mandatory conformity attestation in the Republic of Belarus» mandatory certification is subject to the following services:

- services for the maintenance and repair of vehicles;
- services for energy audit;
- repair services for measuring instruments;
- services for maintenance and repair of cash registers and special computer systems;
- services for the maintenance and repair of gaming machines;
- service training, retraining and advanced training of drivers of motor vehicles;
- repair services for phone devices of general application (the cord, cordless) and cell phones;
- repair and maintenance of household electronic equipment, electrical machinery and instruments for the population;
- household cleaning services for the population, except for chemical cleaning of carpets, rugs and floor coverings;
- hairdressing services (except for services supplied by legal entities and individual entrepreneurs operating in the territory of rural settlements, postiger services, hairdressing services supplied by individual entrepreneurs in the form of on-site service at the location of the customer);
- accommodation services of hotels and motels, declared to the assessment of the categories established by GOST 28681.4-95;
- veterinary services.

Also, a license is required to provide legal, healthcare and dental care, nursing and physiotherapeutic services and etc. A non-exhaustive list of public authorities dealing with the regulation of business and professional services in the Republic of Belarus is as follows: Ministry of Finance, Ministry of Justice, Ministry of Healthcare and Ministry of Architecture and Construction.

The Republic of Kazakhstan

The trade balance of Kazakhstan shows that in 2014 exports of other business services increased to USD 557 million. The key items of such exports include operational leasing, architectural, engineering and technical services, promotional and market research services.

Imports of other business services to the Republic of Kazakhstan peaked in 2014 at USD 5.9 billion. The leading import services sectors are the following: architectural, engineering and technical services, services in the field of mining, business consulting and management services, and operational leasing.

Also, a license is required to provide services in the field of audit, architecture (design), engineering (survey and design) and town planning, as well as healthcare, dental care, nursing, physiotherapeutic and veterinary services and etc. A non-exhaustive list of public authorities dealing with the regulation of business and professional services in the Republic of Kazakhstan is as follows: the Ministry of Finance, Ministry of Justice, Ministry of National Economy, and Ministry of Health and Social Development.

The Kyrgyz Republic

In 2014 the Kyrgyz Republic exported USD 120 millions of “Other business services”, and imported USD 99 million. The main subsectors of trade in “Other business services” are legal services, consulting services and PR services, public opinion polling services, operational leasing, architectural, engineering and technical services.[52]

Also, a license is required to provide totalizators and betting bookmakers activities, lottery activity, advocacy, private notaries activity, audit activities. A non-exhaustive list of public authorities dealing with the regulation of business and professional services in the Kyrgyz Republic is as follows: Ministry of Justice, Ministry of Economy, Ministry of Finance.

[52] WTO International Trade and Market Access Data – 2015 (https://www.wto.org/english/res_e/statis_e/)

The Russian Federation

As for the Russian Federation exports of other business services in 2014 amounted to USD 23.1 billion. The key sub-sectors in exports of other business services include services in the field of architecture, engineering services, services in technical fields, consulting and PR services, as well as promotional, marketing and public opinion study services.

Imports of other business services in 2014 to the Russian Federation totaled USD 16.7 billion. [53]

The largest imports of other business services were observed in the following sub-sectors: architectural services, engineering services, services in technical fields, services in agriculture, mining and processing industries, consulting services, and PR services.

A non-exhaustive list of public authorities dealing with the regulation of business and professional services in the Russian Federation is as follows: the Ministry of Finance, Ministry of Justice, Ministry of Healthcare and Ministry of Construction of the Russian Federation Also, a license is required to provide healthcare and dental care, nursing, physiotherapeutic services, etc.

Environmental Services

The Republic of Armenia

The Ministry of Environment Protection is the responsible authority in this field.

The main legal act is the Law «On Environmental Impact Examination and Assessment» №ZA-21 (dated June 21, 2014). The license is required for processing, deactivation, storage, transportation and accumulation of hazardous waste.

The Republic of Belarus

The responsible authority is the Ministry of Natural Resources and Environmental Protection of the Republic of Belarus and the main regulatory legal act in this regard is the Law of the Republic of Belarus dated November 26 1992 "On environmental protection". To carry out activities related to environmental impact (works and services for the management of ozone depleting substances, using 1-3 class of hazard, deactivation, dumping of wastes) requires a license.

Environmental certification (Environmental Management Certification) carried out in accordance with the law of the Republic of Belarus by certification bodies accredited by the National Accreditation System.

Environment audit carried out by legal entities or individual entrepreneurs in accordance with the legislation of the Republic of Belarus.

The Republic of Kazakhstan

The Ministry of Agriculture is the responsible authority in this field. The basic regulatory principles for this sector are laid down in the Environmental Code of the Republic of Kazakhstan (dated January 9, 2007) No. 212-Z. In accordance with the Code «foreign environmental audit organizations may engage in environmental audit activity in the Republic of Kazakhstan only if they set up an appropriate environmental audit organization that is a resident of the Republic of Kazakhstan».

The Kyrgyz Republic

The responsible body in this area is the State Agency on Environment Protection and Forestry affiliated to the Government of the Kyrgyz Republic.

The main legal acts are the Law «On environmental protection» №53 and the Law "On environmental expertise" №54 (both dated June 16, 2014).

The license is required for the following types of activities:

- Extraction of lumber on terrains of Timber Fund;

[53] Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

- Utilization, storage, disposal and eradication of toxic materials and substances, including radioactive;
- Withdrawal of flora object for commercial use.

The Russian Federation

The Ministry of Natural Resources and Environment of the Russian Federation develops state policy and exercises regulatory functions in the field of research, reproduction and protection of natural resources, as well as in the field of environmental protection, including issues related to waste handling, highly protected environmental areas and state environmental examination.

The Ministry coordinates and controls its affiliated agencies including the Federal Service for Supervision of Natural Resource Management; the Federal Service for Hydrometeorology and Environmental Monitoring; the Federal Agency for Subsoil Use; the Federal Agency of Water Resources; and the Federal Forestry Agency.

Federal law (dated January 10, 2002) No. 7-FZ *«On Environmental Protection» i*s the key legal act in this field. The license is required to supply certain environmental services related to hazardous waste as provided by the Federal law No. 99-FZ "On Licensing of Certain Types of Activity" (dated May 4, 2011).

India

Services sector is a main driver of India's economic growth as it contributes 53.3% to GVA (2015-16), 53% to FDI (2014-15), 28.5% to employment (2011-12) and 31.5% to total trade (2014-15) as per Economic Survey 2015-16 & RBI Statistics.

India's export growth has largely been driven by software services and business services, followed by travel and transportation services. During 2015-16:

- *Software services* exports accounted for USD 74.15 billion constituting about 48.05% of India's total services exports
- *Business services* exports constituted approx. USD 29 billion, about 18.79%, wherein:
  a) Professional and management consulting services contributed USD 15.95 billion,
  b) Technical, trade-related, and other business services contributed USD 11.55 billion and
  c) Research and development services contributed USD 1.48 billion.
- *Travel services* exports constituted USD 21.26 billion, about 13.78%, wherein:
  a) Business travel contributed USD 2.39 billion
  b) Personal travel accounted for USD 18.87 billion, which includes Education related travel USD 557 million, Health-related USD 252 million and other travel USD 18.6 billion.
- *Transport services* exports constituted USD 14 billion, about 9.08%, which includes Sea transport USD 9.48 billion, Air transport USD 4.24 billion and other modes of transport USD 255 million.

Despite having a strong growth potential in various services sub-sectors, there is no single nodal department for services, various services sectors (as listed below) are headed and governed by different Ministries/Departments and Organizations/Industry Associations.

(i) IT and ITES:

- Department of Electronics and Information Technology
- National Association of Software and Services Companies (NASSCOM)

(ii) Healthcare

- Ministry of Health & Family Welfare
- Ministry of AYUSH
- National Accreditation Board for Hospitals/ National Accreditation Board for Laboratories
- Quality Council of India
- Medical Council of India
- Dental Council of India

• Nursing Council of India
• Department of Commerce
• Ministry of External Affairs
• Ministry of Home Affairs

(iii) Tourism
• Ministry of Tourism
• Ministry of External Affairs

(iv) Financial Services
• Ministry of Finance/Dept of Financial Services
• Reserve Bank of India (RBI)
• Securities and Exchange Board of India (SEBI)
• Insurance Regulatory and Development Authority (IRDA)

(v) Education Services:
• Department of Higher Education, Ministry of Human Resource Development
• University Grants Commission
• All India Council for Technical Education (AICTE)
• Medical Council of India (MCI)
• Pharmacy Council of India (PCI)
• Distance Education Council (DEC)
• Bar Council of India (BCI)
• National Council For Teacher Education (NCTE)
• Indian Council of Agricultural Research (ICAR)
• Indian Council of Medical Research (ICMR)
• Indian Council of Social Science Research (ICSSR)
• Council of Scientific and Industrial Research (CSIR)
• State Regulators
• National Board of Accreditation
• National Assessment and Assessment and Accreditation Council

(vi) Audio-visual Services:
• Ministry of Information and Broadcasting

(vii)Telecommunications Services:
•Department of Telecommunication, Ministry of Information and Broadcasting
•Telecom Regulatory Authority of India (TRAI)

(viii)Professional Services (Accounting & Auditing and Architecture)
•ICAI
•Institute of Cost and Work Accountants of India
•The Council of Architecture

Related Legislation
Domestic Regulation (including but not limited to the necessity to obtain a license) and market access limitations (existing in national legislation, analysis of bilateral and multilateral commitments) are the concerned legislations in this sphere.
There are many Domestic Regulations for Services in other countries and also in India. As per the strict definition given in the WTO documents, domestic regulations basically include licensing requirements,

licensing procedures, qualification requirements, qualification procedures and technical standards and disciplining various domestic regulations could help in growth and exports of services.

(i) IT and ITES:

• Computer and software services should ideally be broken into three different sectors for policy announcements and also for measuring and reporting exports. These sectors are: (1) IT Services (2) BPO and (3) Software products. Currently all the above are clubbed into one single bucket termed as software exports, though they have distinct characteristics which need to be differentiated

• India does not patent any software but can only have a copyright for this, whereas western world can have patents.

• Dual Levies on Software – VAT and Service Tax : For all internet downloads of software and related services such as maintenance contracts, there is a dual levy of both value added tax ("VAT") and service tax, as well as potentially tax deductible at source ("TDS"). Software downloads and aligned services are the only categories of purchases potentially subject to VAT/CST, Excise Duty/Service Tax and TDS simultaneously.

(ii) Healthcare Services:

• While there is no cap on FDI in health services, foreign individuals are prohibited from providing services for profit and their movement is subject to registration by Medical/Dental/Nursing council of India.

(iii) Tourism Services:

• High and multiple tax rates both at Centre (Service tax) and State (Luxury tax, VAT, Road tax and Passenger tax) level.

(iv) Financial Services:

• There are many regulations under the Banking Regulation Act which at present have the requirement that banks obtain regulatory approval for a range of routine business matters including opening branches, remuneration to board members and even payment of fees to investment bankers managing equal capital offerings.

• The Insurance Laws (Amendment) Bill, 2015, provides for enhancement of the foreign investment cap in an Indian Insurance Company from 26% to an explicitly composite limit of 49% with the safeguard of Indian ownership and control. It also enables foreign reinsurers to set up branches in India and defines're-insurance' to mean "the insurance of part of one insurer's risk by another insurer who accepts the risk for a mutually acceptable premium", and thereby excludes the possibility of 100% ceding of risk to a re-insurer, which could lead to companies acting as front companies for other insurers.

• In the case of insurance, restrictions like minimum capitalization norms, funds of policy holders to be retained within the country, compulsory exposure to rural and social sectors and backward classes.

(v) Education Services:

• Education in India comes under the concurrent list with multiple controls and regulations by central and state governments and statutory bodies.

(vi) Audio-visual Services:

• There are regulations related to cable TV channels like getting license and having an agent in India to downlink channels.

• There is valuation of customs duty on DVD including.

(vii) Professional Services (Accounting & Auditing and Architectural Services)

• *Accounting & Auditing Services*

[redacted]hile FDI is not allowed in this sector, Foreign Service providers are not allowed to undertake statutory audit of companies as per the provisions of the Institute of Charted Accountants of India and the Institute of Company Secretaries of India Acts. There are also different domestic regulations like ban on use of logos of accounting firms which need to be disciplined to facilitate tieups and penetrate foreign markets given the potential for exporting these services by the outsourcing mode.

[redacted]he accountancy service providers in India are self-regulated through a combination of legal and professional bodies like the Institute of Chartered Accountants of India (ICAI) and the Institute of Cost and Work Accountants of India. Previously, accountancy professionals were permitted to operate either as a partnership or a as a sole proprietorship firm as the Partnership Act of India permitted only 20 or less professionals under one firm. This restriction has since been removed with the adoption of the LLP format under the Act.

• *Architectural Services*

[redacted]ational law governing the registration of architects requires that an architect registered in India must be a resident of India.

4.3. Movement of Natural Persons

EAEU

The Republic of Armenia

The State Migration Service of the Ministry of Territorial Administration and Development is the main regulatory body in this field.

The provisions on entry, stay and work of foreign natural persons are laid down in the Law «On Foreigners» №ZR-47 (dated December 25, 2006)

The Republic of Belarus

The Ministry of Internal Affairs of the Republic of Belarus provides for control over temporary entry/exit, stay/residence of foreign natural persons.

The Law of the Republic of Belarus dated January 4, 2010 No. 105-Z "On the Legal Status of Foreign Nationals and Stateless Persons in the Republic of Belarus" is a key legal act in this field.

The Republic of Kazakhstan

Authorized government bodies in the field of natural persons movement are the Ministry of Interior Affairs and Ministry of Healthcare and Social Development of the Republic of Kazakhstan.

General conditions of entry/exit, temporary stay, and labor activity of foreign citizens are regulated by the Law of Kazakhstan "On migration of population". Also issues on attraction of foreign labor force arc regulated by the Law of Kazakhstan "On employment of population".

In order to protect the internal labor market a quota on foreign labor is set up annually.

In order to align national legislation with the commitments undertaken in the framework of accession to the WTO, the movement of foreign executives, managers and specialists engaged in labor activity is permitted within the framework of intra-corporate transfer. Annual quota does not apply to the movement of foreigners within the framework of intra-corporate transfer. Intra-corporate transfer of managers and specialists is carried out according to the percentage of the number of foreign workers to the number of Kazakhstan personnel, determined by the central executive body.

The Kyrgyz Republic

The Ministry of Internal Affairs and the State Migration Service under the Government of the Kyrgyz Republic are the responsible authorities in the field of temporary entry of natural persons.

The conditions of temporary entry to the Kyrgyz Republic are regulated by the following legislation: Law №61 «On the external migration» (dated June 17, 2000) and Law №4 «On the external labour migration» (dated January 13, 2006). Foreign labor quotas are set up annually.

The Russian Federation

The responsible authorities for the control over entry, stay, residence and employment of foreign natural persons are the Ministry of Internal Affairs and Ministry of Labor of Russian Federation.

The control of foreign citizens and stateless persons entering the territory of the Russian Federation, arriving by transit to the territory of the Russian Federation, their identification and registration in the border checkpoint of the Russian Federation is carried out by border authorities of the Federal Security Services of the Russian Federation.

The registration of foreign citizens at the place of their stay in the Russian Federation, as well as registration of foreign citizens at their place of residence in the Russian Federation is performed in accordance with the Federal Law of July 18, 2006 № 109-FZ «On Migration Registration of Foreign Citizens and Stateless Persons in the Russian Federation».

Temporary entry and exit and stay in the territory of the Russian Federation is determined in accordance with the Federal Law № 114- FZ «On the Procedure for Exiting and Entering the Russian Federation and entry into the Russian Federation» (dated August 15, 1996).

The procedure of exercising of labor activity, including the order to obtain the permission receipt, is determined in accordance with the Federal law № 115-FZ «On legal status of foreign citizens in the Russian Federation» (dated July 25, 2002). Temporary stay of foreign citizens in the Russian Federation is also regulated by the Federal Law № 115-FZ.

Depending on the category of the foreign individuals, which entry to the territory of the Russian Federation with aim to perform labor activity, a different order of the permission on a labor activity permission by such foreign individuals is provided.

India

In India, immigration legislation and policy, are administered by the Bureau of Immigration in India’s Ministry of Home Affairs.

The Ministry of Home Affairs (Foreigners Division) are concerned with the Immigration Policy/Visa Policy and Citizenship and the relevant legislations that govern entry, stay and movement of foreigners into India are implemented by the Ministry.

4.4 Overview of Volumes and Structure of Bilateral Trade in Services

EAEU

Over the past years, trade in services between India and the EAEU shows stable growth. The majority of the bilateral trade in services was conducted between India and Russia, accounting for approximately 80% of EAEU exports to India, and almost 89% of its services imports from it.

The Republic of Armenia

Statistical data on bilateral trade in services between the Republic of Armenia and India is not available. According to open sources, the main sectors of imports of services are personal travel, freight sea transport services and ICT Services. The main sectors of exports of services are personal travel, accidental services to air transport, ICT services.

The Republic of Belarus

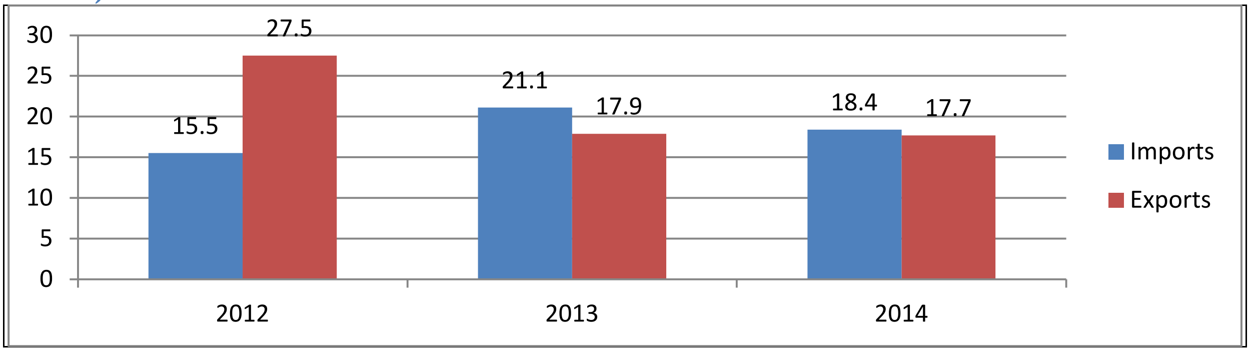
Statistical data on bilateral trade in services between the Republic of Belarus and India is not available. According to open sources, the main sectors of imports of services are personal travel, ICT services, communication services, sea freight services and energy-related services. The main sectors of exports of services are personal travel, ICT services and educational services.

The Republic of Kazakhstan

In 2012 the turnover of trade in services between the Republic of Kazakhstan and India amounted USD 43 million. Exports accounted for USD 15.5 million, and imports amounted to USD 27.5 million. In 2013 the turnover fell up to USD 39 million, of which USD 21.1 million was imports, and USD 17.9 million was exports. In 2014 there was a decline in trade in service to USD 36.1 million. Exports dropped to USD 17.6 million and imports to USD 18.4 million. (Chart 49).

The share of India in exports and imports of services to the Republic of Kazakhstan doesn't exceed 1% as per latest estimates.

Chart 49: Dynamics of Trade in Services between the Republic of Kazakhstan and India in 2012-2014 (USD Million)



Source: Balance of payments and external debt of the Republic of Kazakhstan, 2016 (www.nationalbank.kz/cont/publish475735_25583.pdf)

Main sector of imports is personal travel. Main sectors of exports are other business services, and auxiliary services to air transport.

The Kyrgyz Republic

Statistical data on bilateral trade in services between the Kyrgyz Republic and India is not available. According to open sources, the main sector of imports of services is personal travel. The main sectors of export of services are personal travel.

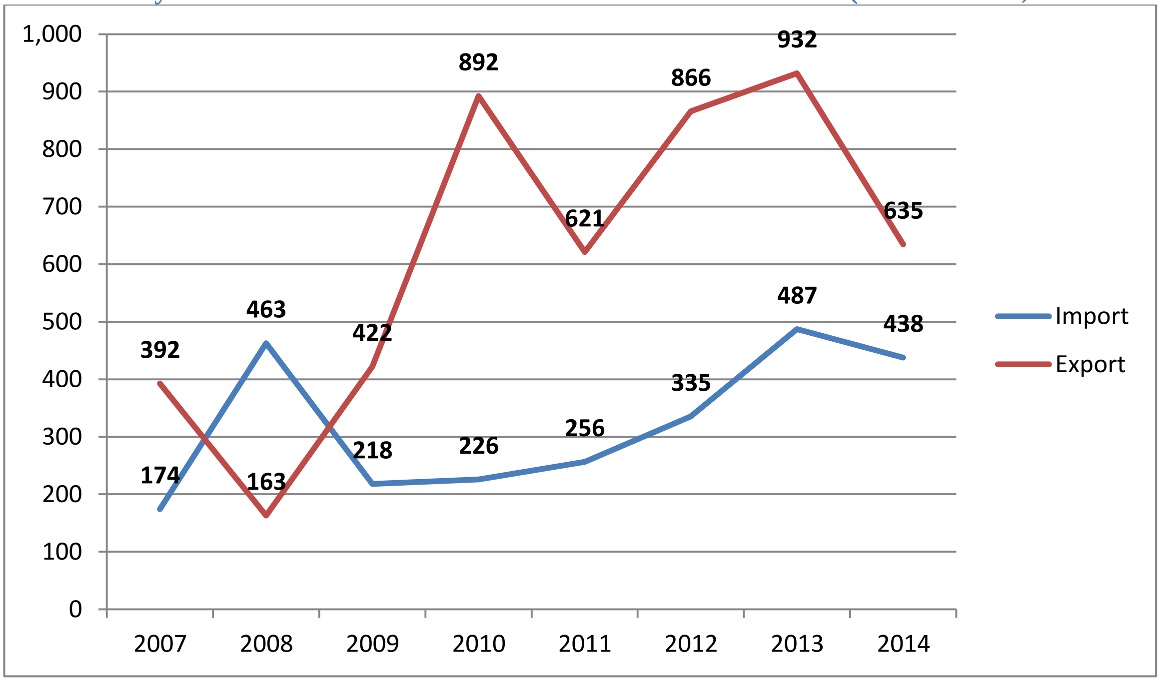
The Russian Federation[54]

Exports of services from Russia to India in 2014 reached USD 635 million. However, the share of India in total exports of Russian services never exceeded 1% in 2007-2014 period.

Imports from India to Russia amounted to USD 438 billion in 2014. The share of India in Russia's imports of services reached 0.4% in 2014.

[54] External trade in services of Russian Federation in 2013 (http://www.cbr.ru/statistics/credit_statistics/External_Trade_in_Services_2013.pdf)

Chart 50: Dynamics of Trade in Services between Russia and India (USD Million)



Source: Central Bank of the Russian Federation, 2015 (http://cbr.ru/statistics/?PrtId=svs)

The structure of imports of services from India to Russia in 2011-2013 was prevailed by personal travel, telecommunications and ICT services, and other business services (Table 49).

Table 49: Imports of Services from India to Russia in 2011-2013 by Types of Services

Service sector/subsector	Total Imports of Services from India, USD million			Share in Imports of Services from India		
Year	**2011**	**2012**	**2013**	**2011**	**2012**	**2013**
Travel[55]	184.3	251	399.8	71.88%	74,90%	82.09%
Personal travel	180	245.6	395.4	70.20%	73.29%	81.19%
Business travel	4.3	5.4	4.4	1.68%	1.61%	0.90%
Other business services	39.7	36.4	30.3	15.48%	10.86%	6.22%
Technical, trade intermediary and other business services	28.8	29,3	17.5	11.23%	8.74%	3.59%
Professional services and management consulting services	10.6	6	11.1	4.13%	1.79%	2.28%
R&D services	0.2	1.1	1.7	0.08%	0.33%	0.35%
Telecommunication and ICT services	12.5	19.8	22.4	4.88%	5.91%	4.60%
Transport services	6.8	8.5	10	2.65%	2.54%	2.05%
Air transport	4.7	5.8	7	1.83%	1.73%	1.44%
Maritime transport	1.7	2.1	2.5	0.66%	0.63%	0.51%
Other types of transport	0.3	0.5	0.4	0.12%	0.15%	0.08%
Postal and courier services	0	0	0	0.00%	0.00%	0.00%
Royalty and license fees	1.1	2	3.8	0.43%	0.60%	0.78%
Personal, cultural and	0.7	0.5	0.9	0.27%	0.15%	0.18%

[55] According to the current method of assessment of international trade in services used by the Central Bank of the Russian Federation, the services sector "Travel" does not include personal, resort and recreational services.

recreational services						
Construction	4	9.3	12.3	1.56%	2.78%	2.53%
Maintenance and repair services	0.5	1.2	0.7	0.20%	0.36%	0.14%
Financial services	4.9	5	6.1	1.91%	1.49%	1.25%
Insurance and services of non-governmental pension funds	1.9	1.3	0.6	0.74%	0.39%	0.12%
Total	256.4	335.1	487			

Source: External trade in services of Russian Federation in 2013
(http://www.cbr.ru/statistics/credit_statistics/External_Trade_in_Services_2013.pdf)

In 2013, the major share in the structure of Russia's exports of services to India falls to maintenance and repair, services transport services, technical, trade intermediary and other business services. (Table 50)

Table 50: Exports of Services from Russia to India in 2011-2013 by Types of Services

Service Sector/Subsector	Total Exports of Services to India, USD million			Share in Exports of Services to India		
Year	2011	2012	2013	2011	2012	2013
Travel	21.2	35	59.4	3.41%	4.04%	6.37%
Personal travel	10.1	21.3	43.4	1.63%	2.46%	4.66%
Business travel	11.1	13.8	15.9	1.79%	1.59%	1.71%
Other business services	126.6	236.7	267.8	20.39%	27.35%	28.73%
Technical, trade intermediary and other business services	97.3	204.3	231.9	15.67%	23.60%	24.88%
Professional services and management consulting services	28.6	30	33.9	4.61%	3.47%	3.64%
R&D services	0.7	2.2	2	0.11%	0.25%	0.21%
Telecommunication and ICT services	4	6.8	3.7	0.64%	0.79%	0.40%
Transport services	82.6	216	269.7	13.30%	24,95%	28.94%
Air transport	59.9	181.8	253.6	9.65%	21.00%	27.21%
Maritime transport	16.6	26.5	11.5	2.67%	3.06%	1.23%
Other types of transport	5.5	7.3	4	0.89%	0.84%	0.43%
Postal and courier services	0.6	0.5	0.7	0.10%	0.06%	0.08%
Royalty and license fees	0.5	3.9	0.6	0.08%	0.45%	0.06%
Personal, cultural and recreational services	0.8	0.4	0.4	0.13%	0.05%	0.04%
Construction	16.2	15.7	18.9	2.61%	1.81%	2.03%
Maintenance and repair services	363.6	344.9	305.9	58.56%	39.85%	32.82%
Financial services	1.3	1.6	1.1	0.21%	0.18%	0.12%
Insurance and services of non-governmental pension funds	2.6	3.8	4.6	0.42%	0.44%	0.49%
Total	620.9	865.6	932			

Source: External trade in services of Russian Federation in 2013
(http://www.cbr.ru/statistics/credit_statistics/External_Trade_in_Services_2013.pdf)

India

States and India
In India, data on services is primarily collected by RBI in the form of BOP statistics under the 'invisibles' head. One of the key issues in Services is lack of robust statistics on services. The Department of Commerce has taken a lead role in this area and is engaged with RBI with regard to sectoral and modal improvement of BOP statistics on trade in services and the CSO and DGCIS for collection of information on specific service sectors through surveys.
RBI has been sharing such statistics with Department of Commerce for internal use only due to the following limitations of trade data:
• **Coverage**: RBI does not provide data covering all the four modes of supply as laid down in the WTO General Agreement on Trade in Services (GATS). Non-availability of services trade data by the mode of supply is a major issue.
• Although, BoP data covers the entire 11 main EBOPS standard components, it does not cover two major categories, namely, Educational and Health-related & social services as mentioned in the GATT GNS/W/120 list which is regarded as a negotiating list for trade in services.
• **Disaggregation**: Even for the individual categories for which data are published, information is available only at aggregate level. No disaggregate value data at 3/4-digit level of Central Product Classification (CPC) is published. Apart from software, tourism & travel related services and transport services a number of other sub-categories like, medical & dental services, printing & publishing services, entertainment services, ship repair services, services provided by midwives, nurses, physiotherapists & paramedical personnel etc. are important for India. But no data are available on these categories which are covered under 3/4-digit level of CPC.
• **Trade by Partner Country**: Data on export & import of services by (i) type of service rendered and partner country, (ii) type of service, partner country & mode of supply are also not available. In the absence of data by trading partner, it is almost impossible to study the impact of liberalization commitments on bilateral trade. The lack of bilateral trade data is one of the major limitations in India's statistics on trade services.
• **Classification issues**: A number of services have been clubbed together in the 'Miscellaneous Services' category although many of its constituents contributes significantly to total services trade.

Potential Sectors
To explore the potential for services sector and strengthen the economic relations with EAEU member states, based on reports, a combination of India's strengths in different service sectors and a prima facie assessment of likely gaps in the sectors are mentioned below:

(1) IT and ITES:

- India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the USD 124-130 billion market. The industry employs about 10 million workforce. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its unique selling proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.
- The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments – IT services, business process management (BPM), software products and engineering services, and hardware.

• The IT-BPM sector in India grew at a Compound Annual Growth rate (CAGR) of 15 per cent over 2010-15, which is 3-4 times higher than the global IT-BPM spend, and is estimated to expand at a CAGR of 9.5 per cent to USD 300 billion by 2020.

• Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth USD 17.575 billion between April 2000 and May 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP).

• Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

(i) The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government departments and the people of India.

(ii) The National Web Portal for promotion of National Apprenticeship Scheme for graduates, diploma holders and 10+2 pass-outs vocational certificate holders has been launched, with a view to bridge the gap between the students and the industry.

(iii)The Government of Telangana has begun construction of a technology incubator in Hyderabad—dubbed T-Hub—to reposition the city as a technology destination. The state government is initially investing Rs 35 crore (USD 5.3 million) to set up a 60,000 sq ft space, labelled the largest start-up incubator in the county, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.

Market Size

• India, the fourth largest base for new businesses in the world and home to over 3,100 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by Nasscom and Zinnov Management Consulting Pvt Ltd.

• India's internet economy is expected to touch Rs 10 trillion (USD 151.6 billion) by 2018, accounting for 5 per cent of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). India's internet user base reached over 350 million by June 2015, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smartphones grew to 160 million.

• Public cloud services revenue in India is expected to reach USD 838 million in 2015, growing by 33 per cent year-on-year (y-o-y), as per a report by Gartner Inc.

Suggestion

India is the topmost off-shoring destination for IT companies across the world. NASSCOM may highlight the growth of the IT-ITES sector and the opportunities available for collaboration between India and EAEU member states.

(2) Collaboration in the field of Traditional Medicine, Yoga and Telemedicine in the area of Healthcare services:

(i) Traditional medicine (TM) refers to health practices, approaches, knowledge and beliefs incorporating plant, animal and mineral-based medicines, spiritual therapies, manual techniques and exercises, applied singularly or in combination to treat, diagnose and prevent illnesses or maintain well-being. In industrialized countries, adaptations of traditional medicine are termed "Complementary" or "Alternative" (CAM). Traditional Medicine can also have an impact on infectious diseases.

India has well-developed systems of traditional medicine, including medicinal plants which have potential in the global health scenario. In order to augment the use of traditional systems of medicine, the Government of India formulated a National Policy on Indian Systems of Medicine & Homeopathy in the year 2002.

The Indian Systems of Medicine and Homoeopathy (Ayurvedic, Yoga & Naturopathy, Unani, Siddha and Homeopathy (AYUSH)) cover both the systems which originated in India and abroad, but which got adopted and adapted in India in the course of time. It is estimated that 65% of the population in rural India use Ayurveda and medicinal plants to help meet primary health care needs.
India has 15 agro-climatic zones, 47,000 plant species and 15,000 medicinal plants that include 7,000 plants used in *Ayurveda*, 700 in *Unani* medicine, 600 in *Siddha* medicine and 30 in modern medicine. This makes India one among 12 mega bio-diverse countries of the world. The Indian systems of medicine have identified 1,500 medicinal plants, of which 500 species are mostly used in preparation of drugs.
In India, Ministry of AYUSH enters into cooperation agreements to strengthen, promote and develop Cooperation in the field of Traditional Indian Systems of Medicines. Such international cooperation facilitates capacity building, training, exchange of information, exchange of experts, health manpower development, and technical support in establishing laboratories / hospitals and research in mutually identified areas, on the basis of equality, reciprocity and mutual benefit. It provides opportunities for sharing and emulating best practices and learning from each other, to address the health challenges faced by the country.

Suggestions: EAEU member states may like to consider:
(i) According approval to AYUSH to set up an information cell in their region
(ii) Recognize educational qualifications in Traditional Medicines/Indian System of Medicines awarded by Central/State recognized Universities of India
(iii) Grant permission to practice Traditional Medicine in EAEU member states by qualified practitioners as per existing laws
(iv) A EAEU delegation could visit research and educational institutes in India and drug manufacturing units where top class quality is maintained at every level.

(ii) Cooperation on popularization of Yoga
Governments across the world seek to encourage individuals and populations to make healthier choices and follow lifestyle patterns that foster good health. The UN General Assembly has declared June 21 as the International Day of Yoga, recognizing Yoga as a holistic system for achieving health and well-being. A record 177 countries have co-sponsored this resolution.
Suggestion: India could seek cooperation in the field of popularization of Yoga in EAEU member states.

(iii) Other areas of Cooperation in Healthcare: India-EAEU member states could explore the possibility of cooperation in the field of telemedicine:

- Telemedicine, most importantly tele-radiology followed by tele-diagnostics, tele-pathology, bioinformatics and continual remote monitoring, is a promising opportunity segment. Telemedicine potentially eliminates a number of other costs, including travel expenses for specialists and patient transfers. In order for telemedicine to succeed, there has to be mutual recognition of qualifications of providers of services.
- Bilateral engagements in the health sector can be established to overcome the problem of inadequate healthcare infrastructure, i.e., understaffed clinics and undertrained practitioners. Indian Hospitals have successfully established a large number of telemedicine facilities in various countries.
- Capacity building in areas such as healthcare is at the core of India’s relationship building with developing nations.

Suggestion: India may explore EAEU member states interest in telemedicine healthcare services, and manufacturing of tropical drugs and joint research for the prevention of communicable diseases.

(3) Tourism Services:
The Indian Tourism and Hospitality industry has emerged as one of the key drivers of growth among the services sectors in India. Tourism in India is an employment generator and a significant source of foreign exchange for the country, apart from being an economic activity that helps local communities. According to Economic Survey 2014-15, during 2012-13, tourism contributed 6.9 percent to total GDP, of which 3.7 per cent was the direct contribution and 3.1 per cent indirect contribution. Tourism also contributed 12.4 per cent to the total employment 12.4 per cent (5.3 per cent direct and 7.0 per cent indirect) during the same period. There was an increase in growth of both foreign tourist arrivals (7.1 per cent) and FEEs (6.6 per cent) in 2014. The sector's direct contribution to gross domestic product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023. The foreign direct investment (FDI) inflows in hotel and tourism sector during the period April 2000–March 2014 stood at USD 7,348.09 million, as per the data released by Department of Industrial Policy and Promotion (DIPP).

The India travel and tourism industry ranked 5th in the long-term (10-year) growth and is expected to be the second largest employer in the world by 2019 (see also Table 51). The following are the emerging segments in Tourism sector:

- Medical Tourism
- MICE Tourism
- Golf tourism
- Education Tourism
- Luxury Trains
- Eco-Tourism
- Sports Tourism

The tourism sector in India has seen an increase in foreign tourist arrivals (FTA) and a larger number of Indians travelling to domestic destinations. Hotels are also an extremely important component of the tourism industry. The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year, adding significant amount of foreign exchange to the economy. The role of the Indian government, which has provided policy and infrastructural support, has been instrumental in the growth and development of the industry. The tourism policy of the government aims at speedy implementation of tourism projects, development of integrated tourism circuits, special capacity building in the hospitality sector and new marketing strategies. Golf Tourism, Education Tourism, Luxury Trains, Eco-Tourism, Sports Tourism and Medical Tourism are emerging new products in tourism.

Table 51: Indian Tourism Fact (2014)

No. of foreign tourist arrivals in India **• Annual Growth Rate**	7.68 million 10.2%
FOREX earnings from Tourism • Annual Growth Rate	USD 20.24 billion 9.7%
Share of India in International Tourist Arrivals	0.68%
• India's rank in World Tourist Arrivals	41
Share of India in International Tourism Receipts (USD terms)	1.58%
● India's rank in World Tourism Receipts	15
Share of India in Tourist Arrivals to Asia & the Pacific Region	2.92%
• India's rank in Tourist Arrivals to Asia & the Pacific Region	12

Source: Ministry of Tourism, GOI, 2016

India is projected to be number one for growth globally in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017.
The Government's decision to introduce the electronic visa facility (e-Visa) will give a much needed boost to inbound travel in India. Enforcing the electronic travel authorization (ETA) before the next tourism season, starting November this year is expected to result in a clear jump of at least 15 per cent.
The hospitality sector in India expects 52,000 new hotel rooms to be added in five years (2013-17), according to a survey by Cushman & Wakefield, 25% of the target having already been achieved. This is going to lead to a rise of over 65 per cent in total hotel inventory in India. Moreover the country also aspires to improve its rankings further which will project it as a more favourable destination on the global map.

Suggestion:
India-EAEU member states may examine the prospects of cooperation in the tourism sector.

(4) Financial Services:
India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The financial services sector has been an important contributor to the country's gross domestic product (GDP) accounting for nearly 6 per cent share in 2014-15. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64 per cent of the total assets held by the financial system.
The Government of India has introduced several reforms to liberalise, regulate and enhance this industry which have been outlined in the Union Budget 2015-16 aiming at reviving and accelerating investment which, inter alia, include fiscal consolidation with emphasis on expenditure reforms and continuation of fiscal reforms with rationalization of tax structure.
Also, the relaxation of foreign investment rules has received a positive response from the insurance sector. The relaxation in the foreign direct investment (FDI) limit to 49 per cent is expected to result in additional investments. Over the coming years there could be a series of joint venture deals between global insurance giants and local players.

Market Size:
The size of banking assets in India reached USD 1.4 trillion as on August 21, 2015. The Association of Mutual Funds in India (AMFI) data show that assets of the mutual fund industry have hit an all-time high of about Rs 12.5 trillion (USD 188 billion) as of August 2015. During April 2014 to February 2015 period, the life insurance industry recorded a new premium income of Rs 90,579 crore or USD 13.6 billion. The general insurance industry grew at a rate of 9.3 per cent at Rs 0.84 trillion (USD 12.6 billion) in 2014-15 from Rs 0.77 trillion (USD 11.6 billion) in 2013-14.
India's life insurance sector is the biggest in the world with about 360 million policies and is the fifteenth largest insurance market in the world in terms of premium volume, and this sector is expected to increase at a compounded annual growth rate (CAGR) of 12-15 per cent over the next five years.
Investment corpus in India's pension sector is expected to cross USD 1 trillion by 2025, following the passage of the Pension Fund Regulatory and Development Authority (PFRDA) Act 2013.

Suggestion: India-EAEU member states may examine possibility of cooperation in the financial sector through banking presence in each other's country.

(5) Higher Education:

Prominent amongst the service sectors is the provision of education services, especially higher education services. Over the past few decades, the global economy has shifted from being a manufacturing centric to a knowledge driven one and as countries move up the ladder of development, the contribution of hi-tech manufacturing and high value added services to the GDP increases. The role of higher education in providing these skill sets is indisputable. Success in leveraging knowledge and innovation is only possible with a sound infrastructure of higher education.

The emergence of India as a service-based, knowledge driven economy has put the spotlight on human capital. Higher education is essential to build a workforce capable of underpinning a modern, competitive economy. While there were just about 20 Universities and 500 colleges at the time of independence, today these numbers have grown exponentially. India, today, has a total of more than 600 universities, 43 central universities, 299 state universities, 30 institutions of National importance, 45 technical institutes, 13 management institutes, 4 information technology institutes, 6 science and research institutes and 3 planning and architecture institutes.

Indian education sector's market size in 2011-12 was estimated at Rs 341,180 crore (USD 54.20 billion). The sector grew at a compounded annual growth rate (CAGR) of 16.5 per cent during 2004-05 to 2011-12. Considering the importance of education and skill development, the Government of India has set itself an aggressive target of achieving 30 per cent gross enrolment ratio (GER) in higher education by 2020.

Realising the fast growth of education sector in India, many private education providers are looking for relevant acquisitions and alliances in this space. The private education sector is estimated to reach USD 115 billion by 2018. India has the third largest higher education system in the world in terms of enrolments, after China and the US. The number of students enrolled

in the universities and colleges (formal system) has been reported to be 16 million in academic year 2010-11.

India has much to offer in cross border supply of education services. E-learning and courses offered on the internet are covered in this Mode. Distance learning on the internet is gaining importance and is helped by development of MOOCs platforms. IGNOU has gained good reputation abroad in marketing education programmes at extremely cost competitive rates compared to similar courses from developed countries. IGNOU is already a recognized distance education provider in the gulf region - Dubai, Abu Dhabi, Sharjah, Doha, Muscat and Kuwait. Its courses are being offered in Mauritius, Maldives, Seychelles, Nepal and Sri Lanka. The Indian market is expected to grow up to USD 30 million. Thus, there exists a potential of providing education services over the internet to EAEU member states by institutions in India.

Many professional bodies in India are also offering courses through the distance education mode (such as the ICAI, etc.).

Suggestions:

a) As far as possibilities for EAEU member states and India to cooperate in e-learning are concerned, our interests are subject to a language barrier. India can offer EAEU member states a partnership status in language training for which various schools of language of Indian Universities and also the English and Foreign Language University, Hyderabad can be considered as channel partners.

b) India and EAEU member states could look at intensifying educational linkages, in the English language especially in scientific, technical and higher education through use of IT enabled services such as e-education. Both sides could look at concluding an Educational Exchange Programme in the near future.

(6) Audio-visual Services:

The Indian media and entertainment industry comprises various segments which include television, print, films, radio, music, animation, gaming and visual effects, and digital advertising. According to a report by FICCI-KPMG, the Indian media and entertainment industry grew by 11.8 per cent to Rs. 918 billion in 2013 and is projected to grow at a CAGR of 14.2 per cent to reach Rs. 1786 billion by 2018. Digital advertising and gaming are projected to drive the growth of this sector in the coming years. With Rs. 18.4 billion inflows, this sector contributed 1.6 per cent of the total FDI inflows in India during April 2000-November 2014.

India has permitted 100 per cent FDI in the film sector. International companies (Disney, Fox, Sony, and Warner Brothers) have entered into coproduction and distribution deals with domestic production houses. India has co-production treaties with ten countries. Some of the aspects to be looked into are enumerated below:

(i) Growth Drivers

• Television and AGV (animation, gaming and VFX) segments are expected to lead industry growth, with opportunities in digital technologies as well.

• Higher penetration and a rapidly-growing young population coupled with increased usage of 3G/4G and portable devices to augment demand.

(ii) Investment Opportunities

Films:

• The size of the Indian film industry is expected to reach INR 219.8 Billion by 2018, up from INR 125.3 Billion in 2013.

• An increasing number of digital screens and 3D films are expected to help industry growth.

• To promote joint productions, co-production agreements have been signed with Italy, Germany, Brazil, UK, France, New Zealand, Poland, Spain and Canada.

• In order to promote India as a location destination for foreign production houses, the government is setting up a single window clearance system for shooting permissions.

Animation & VFX:

• The Indian animation industry was worth INR 39.7 Million in 2013 and is expected to expand at a CAGR of 15.9% reaching INR 82.9 Billion by 2018.

• Growth in international animation films, especially 3D productions and the subsequent impetus for Indian production houses will further help growth in this segment.

Suggestions:

India-EAEU member states may examine the prospects of cooperation in film and animation projects.

(7) Telecommunications Services:

India is currently the world’s second-largest telecommunications market and has registered strong growth in the past decade and half. Reformist policies of the Government of India along with strong consumer demand have been instrumental for this rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework has ensured availability of telecom services to the consumer at affordable prices. The deregulation of foreign direct investment (FDI) norms has made the sector one of the fastest growing and a top employment opportunity generator in the country.

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth of telecom companies. With increasing subscriber base there have been a lot of investments and developments in the sector. The industry has attracted FDI worth USD 17,058.03 million during the period April 2000 to March 2015, according to the data released by Department of Industrial Policy and Promotion (DIPP).

Market Size:

According to research reports, the total mobile services market revenue in India is expected to touch USD 37 billion in 2017 being driven by strong adoption of data consumption on handheld devices, registering a Compound Annual Growth Rate (CAGR) of 5.2 per cent between 2014 and 2017. Smartphones are expected to account for two out of every three mobile connections globally by 2020 making India the fourth largest smartphone market and the broadband services user-base in India is expected to grow to 250 million connections by 2017.

According to a report by Swedish mobile network equipment maker Ericsson, India saw the fastest growth in new mobile-phone connections with 18 million net additions in the third quarter of 2014, followed by China with 12 million new additions.

The Indian telecom sector is expected to generate four million direct and indirect jobs over the next five years according to estimates. The employment opportunities are expected to be created due to combination of government's efforts to increase penetration in rural areas and the rapid increase in smartphone sales and rising internet usage.

Prospects:

India will emerge as a leading player in the virtual world by having 700 million internet users of the 4.7 billion global users by 2025, as per a Microsoft report. With the government's favourable regulation policies and 4G services hitting the market, the Indian telecommunication sector is expected to witness fast growth in the next few years.

Suggestion: India-EAEU member states may examine the prospects of cooperation in the telecommunications sector.

(8) Professional Services: Accountancy & Auditing Services:

• The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) for the regulation of the profession of Chartered Accountants in India. During its 64 years of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for its contribution in the fields of education, professional development, maintenance of high accounting, auditing and ethical standards. ICAI now is the second largest accounting body in the whole world.

• ICAI Vision 2030 emphasizes inter alia that:

- ICAI envisions becoming the world's leading accounting body by playing a predominant role in setting world class standards in identified service areas developing thought leadership and research that addresses concerns of countries, developed, developing and under-developed.
- ICAI will ensure that members have the right skills to serve global markets which are regularly updated and are relevant in the changing economic order. ICAI will provide holistic education, effective practical training and continuous professional development to ensure that the knowledge base of the profession keeps pace with emerging global practices and innovations.
- In accounting, assurance, taxation, finance and business advisory services, ICAI will strengthen facilities available for providing education, training and continuous updation of knowledge as also research and development relevant in current times to establish thought leadership in these areas where members of ICAI have been providing services.
- ICAI will develop skilled professionals with competencies to service clients not only within India but across the globe that requires technical skills as also cross cultural appreciation and understanding of global needs. As one of the largest producers of CAs in the world, ICAI will make sure its members can take the rightful place in the global talent pool.

• As on date membership of ICAI is about 2,55, 000 with more than 8.5 lakh students. The education process of ICAI leads to development of Indian CAs as world class professionals. Members of ICAI are considered to be very competent in the foreign countries as well. Presently, there are about 20,000 members working abroad and performing range of accounting functions.

• CAs in India are trained in International Financial Reporting Standards (IFRS), Forensic Accounting, Fraud Detection, Valuation, Enterprise Risk Management, Business Finance, International Taxation, International Forex and Treasury Management, Derivatives, Arbitration, Information Systems Audit, Computer Accounting and Auditing Techniques and host of other niche capabilities which make them truly combat professionals suited to handle any complex business situation. More than 60,000 ICAI members are trained/ under process of training in emerging area of business enterprise and this is likely to spur newer levels of service delivery innovations.

Suggestion for Possible Collaboration

India and EAEU member states could identify accountancy sector as a potential area for services cooperation. After the nodal points in the professional bodies of the two countries are identified, ICAI could examine the possibility of sharing the broad contours of a MOU/MRA for this purpose. Consultations with stakeholders (Nodal Department/ Industry Association) would be required before proceeding further.

Impact of Liberalization – Trade in Services

According to the expert analysis, conclusion of the FTA in relation to trade in services may bring a number of positive impacts for the EAEU Member States and India, which could be observed in “services sectors linked to the growth in exports of goods” and “services sectors independent from the growth in exports of goods”. With regard to the latter category, one can expect a boost in mutual trade in services following an inclusion of a "Trade in Services" Chapter in the FTA, due to a possible reduction in market access or national treatment impediments and enhanced transparency and predictability with regard to measures affecting trade in services.

The provisions of such a chapter will contribute to creating legal certainty having positive, though hard to quantify, benefits for economic activity and foreign direct investment. Increased trade in services following/due to the FTA may contribute to lowering costs through competition and stimulating innovation and productivity gains across sectors. As import of services such as transport, communication, finance and business services often serves as an intermediary input for the manufacturing of goods, better access to key competitive services may strengthen export competitiveness in both goods and services.

It should be noted that each EAEU Member State makes its own decision on the participation in an FTA’s Chapter on Trade in services.

For **the Republic of Armenia,** the positive impact in relation to trade in services may appear in the following subsectors/departments:

- Services sectors linked to the growth in exports of goods-

The increment of export goods may lead to a sizable increase in exports of transportation service from the Republic of Armenia. A slight growth may be expected in insurance services, banking services, distribution services, business travel and telecommunication services.

Moreover, intensification in the export of market research and public opinion poll services may occur as a vehicle to promote Indian products in Armenia.

- Services sectors independent from the growth in exports of goods-

On the basis of the current data, travel and computer services may also become potential services sectors of export from Armenia.

For **the Republic of Belarus,** the positive impact in relation to trade in services may appear in the following:

- Services sectors linked to the growth in exports of goods-

The conclusion of the FTA may result in an increase in the export of freight road transport services (due to the necessity of delivering products to/from ports), sizeable growth in insurance services and distribution services and a slight increase in banking services, business travel and telecommunication services.

The increment in the export of market research and public opinion polling services may occur as a vehicle to promote Indian products in Belarus.

- Services sectors independent from the growth in exports of goods-

Among services sectors independent from the growth in exports of goods, a slight growth in mutual trade

due to the general positive impact of the Agreement containing a chapter on Trade in Services , may appear in computer and related services sector, private travel, R&D, financial and medical services. Moreover, a slight growth may occur in tour guides services and tourist agencies services vis-à-vis India visitors in Belarus.
In addition, there can be an increment in export of air passenger transportation services and supporting services for air transport.

For **the Republic Kazakhstan,** the positive impact in relation to trade in services may appear in the following:

- Services sectors linked to the growth in exports of goods-

The goods export growth may possibly lead to a sharp increase in export of transportation services and a minor growth in insurance services, banking services and distribution services, particularly in retail trade. The aforementioned export growth may also lead to a slight export rise of business travel and telecommunication services. Similarly, an export growth is expected for market research and public opinion polling services.

- Services sectors independent from growth in exports of goods

Among services sectors, which have a potential for export growth due to the general positive impact of the Agreement containing a chapter on Trade in Services, the emphasis can be placed on computer and related services, other business services and private travel.
A minimal rise in exports is also expected in such sectors as: financial services, technical testing and analysis services, services incidental to energy distribution, services, relating to exploration of mineral resources and R&D services on natural sciences. Also may occur a slight growth in tour guides services and tourist agencies services vis-à-vis Indian visitors in Kazakhstan.

For **the Kyrgyz Republic,** the positive impact in relation to trade in services may appear in the following:

- Services sectors linked to the growth in exports of goods.
- Services sectors independent from the growth in exports of goods.

For **the Russian Federation,** the positive impact in relation to trade in services may appear in the following:

- Services sectors linked to the growth in exports of goods-

The export growth of goods, due to the necessity of being delivered to the ports, may lead to a significant export upsurge of road freight services, rail freight services and sea freight services. The increase of export guarantees may result in a significant growth of insurance services and a medium growth rate of banking services, business travel, distribution services and telecommunication services. The export of market research and public opinion polling services may also grow sharply.

- Services sectors independent from the growth in exports of goods-

Among services sectors independent from the growth in exports of goods, a slight growth in mutual trade due to the general positive impact of the Agreement containing a chapter on Trade in Services may appear in computer and related services, medical services, financial services, accounting services, private travel and services related to agriculture and environment.
It is possible a substantive increment in services of tourist agencies, air passenger transportation services and supporting services for air transport.
In addition, a moderate growth is expected in such sectors as: energy related services, services relating to exploration of mineral resources, R&D services on natural sciences, construction and technical services.

5. Investment

5.1. Current Measures applying to Investment

Bilateral Investments
The possible inclusion of investment chapters in FTAs can be a way to create a legal framework that would support the operation of foreign investors within the business environment of the parties by protecting the investors' rights and bringing an element of certainty to their investment activities.
FDI is associated with economic growth, which is reflected by the absorption and distribution of technological know-how, the growth in the overall investment, promotion of human capital, and the strengthening of trade relations and R&D cooperation.
Each EAEU Member State makes its own decision in terms of their participation in the FTA's Chapter on Investment.
Generally, the promotion of bilateral investments, achieved by including this chapter, could increase the magnitude of investments flows between the EAEU and India and have a sustainable impact on Indian and the EAEU's economies.

EAEU
The Republic of Armenia
The Law *«On Foreign Investments»* No. ZR-115 (dated July 31, 1994) is the key legal act which regulates foreign investments in the Republic of Armenia.
According to the provisions of the above mentioned law, «foreign investment» means any assets, including cash and intellectual property, which are invested by a foreign investor in the course of business or other activity pursued, within the Republic of Armenia to generate profit (income) or achieve any other useful result. This law sets no restrictions for foreign investors.
The Constitution of the Republic of Armenia provides that non-citizens do not have the right to own land, although the Land Code permits foreign citizens, juridical persons, other economic entities and international organizations to lease land in the Republic of Armenia.

The Republic of Belarus
In the Republic of Belarus, the key legal provisions related to the activities of foreign investors are laid down in the Law «On Investments» №53-Z (dated June 12. 2013), which grants national treatment to foreign investors.
According to this law, transfer of funds may be restricted subject to the terms and conditions stipulated by laws of the Republic of Belarus and/or pursuant to an effective court decision adopted in accordance with the legislation of the Republic of Belarus.
According to the Code of the Republic of Belarus on land N 425-3 23 of July 2008 foreign legal entities may only lease land, while foreign natural persons may own land in case of inheritance from relatives.
Legal framework for investments based on concession on the territory of the Republic of Belarus are regulated by the Law of the Republic of Belarus "On Concession" (dated July 12, 2013).

The Republic of Kazakhstan
In the Republic of Kazakhstan, the key legal provisions applicable to the activities of foreign investors are laid down in the Commercial Code №375-V-ZRK (dated October 29, 2015).The abovementioned law sets no restrictions for foreign investors.

The Kyrgyz Republic
In the Kyrgyz Republic, the key legal provisions relating to the activities of foreign investors are regulated by the Law *«On Investments in the Kyrgyz Republic»* №66 (dated March 27, 2003). The above mentioned law sets no restrictions for foreign investors.
According to the Article 5 of the Land Code of the Kyrgyz Republic №45 (date June 2, 1999) allocation

and transfer of agricultural land plots to foreign persons into ownership is not allowed.
In case of transfer of the agricultural land plot to foreign person in the procedure of universal succession, the foreign person shall alienate the right to land plot to a citizen of the Kyrgyz Republic within one year from the moment such right to the land plot has arisen.
The land plots within the boundaries of a settlement (cities, villages, rural settlements) or outside settlements except agricultural land may be provided to foreign persons, foreign legal entities on the rights of fixed-term (temporary) use or may be transferred into ownership in case of mortgage financing of housing construction.

The Russian Federation
In the Russian Federation, the key legal provisions in relation to the activities of foreign investors are laid down in Federal Law (dated July 9, 1999) No. 160-FZ *«On Foreign Investments in the Russian Federation»*. This law covers foreign juridical persons, established in full accordance with laws and regulations of its host country, and which has a right to perform investments on the territory of Russian Federation, and its branches or representative offices, if they have relevant accreditation.
According to the Law, subsidiaries and affiliates of commercial organizations with foreign investments do not enjoy the legal protection, safeguards and privileges, which are granted by the above mentioned law.
According to the Land Code of the Russian Federation foreign natural and legal persons are not able to own land within the border territories designated by the President of the Russian Federation (pursuant to the federal legislation on State Border of the Russian Federation) and in other specially defined territories of the Russian Federation in accordance with Federal laws.
Moreover, Federal Law No. 101-FZ of 24 July 2002 «On Commercial Transactions in Agricultural Land» permits leasehold by foreign natural persons, foreign legal entities and legal entities with foreign participation exceeding 50 per cent for a period of up to 49 years. After the end of the 49-year period of the lease of land for agricultural purpose, the lessee could make a new contract for another term. While the contract for a new term was made on standard basis, the lessee had a right of priority in making a contract for a new term.
According to the Federal Law «On Foreign Investments in the Russian Federation» №160-FZ (date July 9, 1999) the legal regime accorded to the activity of foreign investors and their income cannot be less favorable than the legal regime which is granted to the activity and income received from investments of national investors, except for cases stipulated by other federal laws.
The Federal Law «On the procedure for foreign investment to business entities of strategic importance for national defense and state security» №57-FZ (dated April 29, 2008) stipulates exemptions for foreign investors in case of their participation in the charter capital of legal entities of strategic importance for national defense and state security. The participation in charter capital is allowed after the preliminary approval of such transactions by the competent federal executive authority.

India
The Government of India has put in place an investor-friendly policy on FDI, under which FDI, up to 100% is permitted under the **automatic route** in most sectors/activities. Under this route, no Central Government permission is required for FDI inflow, but the same is subject to applicable laws/regulations, security and other conditionalities.

In most of the sectors under the automatic route, FDI up to 100% is permitted, except the following sectors where FDI limit is capped below 100%:

i. Petroleum Refining by Public Sector undertakings (49%)

ii. Cable Networks (49%)

iii. Scheduled Air Transport Service/ Domestic Scheduled Air Transport Service (49%; 100% for NRIs) (Foreign airlines are allowed to invest in the capital of Indian companies operating scheduled and non-scheduled air transport services, up to the limit of 49% of their paid-up capital through Government approval route)

iv. Commodity Exchanges (49%) (Investment by FII/FPI under Portfolio Investment Scheme is limited to 23% and Investment under FDI scheme limited to 26%)

v. Credit Information Companies (74%) (Investment by FII/FPI under Portfolio Investment Scheme is limited to 24%)

vi. Infrastructure Companies in Securities Markets (49%) (FDI limit of 26% and FII/FPI limit of 23%)

vii. Power Exchanges (49%)

Prohibited Sectors: FDI is prohibited in the following sectors/activities:

i. Lottery Business including Government /private lottery, online lotteries, etc.

ii. Gambling and Betting including casinos etc.

iii. Chit funds

iv. Nidhi company-(borrowing from members and lending to members only).

v. Trading in Transferable Development Rights (TDRs)

vi. Real Estate Business (other than construction development) or Construction of Farm Houses

vii. Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes

viii. Activities / sectors private sector investment e.g. Atomic Energy and Railway Transport (except construction, operation and maintenance of (i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signaling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and (x) Mass Rapid Transport Systems).

Approval Route Sectors: In sectors where FDI is not permitted through the automatic route (and are not the prohibited list), FDI is allowed through **Government approval route**. Under this route, applications are considered for approval by the Foreign Investment Promotion Board (FIPB). FIPB comprises representatives from Department of Economic Affairs, Department of Industrial Policy & Promotion, Department of Commerce, Ministry of External Affairs and Ministry of Overseas Indian Affairs. The Board can also co-opt other Secretaries to the Central Government and top officials of financial institutions, banks and professional experts of Industry and Commerce, as and when necessary.
The proposals involving investments of more than INR Rs 5000 crore under Government approval route, are considered by **Cabinet Committee on Economic Affairs**. Approval from **Cabinet Committee on Security** is required for more than 49% FDI in railway infrastructure projects.

The list of sectors where Government approval is required, along with corresponding the FDI limit, are listed below:

i. Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities (100%)

ii. Terrestrial Broadcasting FM (FM Radio) (49%)

iii. Up linking of ‘news and current affairs’ TV channels (49%)

iv. Publishing/printing of scientific & technical magazines/specialty journals/periodicals (100%)

v. Publishing of newspaper and periodicals dealing with news and current affairs (26%)

vi. Publication of Indian editions of foreign magazines dealing with news and current affairs (26%)

vii. Publication of facsimile edition of foreign newspaper (100%)

viii. Satellites (100%)

ix. Private Security Agencies (49%)

x. Multi Brand Retail Trading (51%)

xi. Public Sector Banking (20%)

xii. Pharmaceuticals-Brownfield (100%)

In addition to the above, there are certain sectors where FDI is partly allowed through automatic route and partly on Government approval route. Such sectors, along with the corresponding FDI limits are listed below:

i. Broadcasting Carriage Services (Automatic up to 49%; Government approval beyond 49% & up to 100%)

ii. Defence (49% on automatic route. Above 49% on case to case basis, wherever it is likely to result in access to modern and 'state-of-art' technology in the country)

iii. Cable Networks (Automatic up to 49%; Government approval beyond 49% & up to 100%)

iv. Airports-Brownfield beyond (Automatic up to 74%; Government approval beyond 74% & up to 100%)

v. Telecom (Automatic up to 49%; Government approval beyond 49% & up to 100%)

vi. Single Brand Retail Trading (Automatic up to 49%; Government approval beyond 49% & up to 100%)

vii. Asset Reconstruction Companies (Automatic up to 49%; Government approval beyond 49% & up to 100%)

viii. Private Sector Banking (Automatic up to 49%; Government approval beyond 49% & up to 74%)

ix. Insurance (Automatic up to 26%; Government approval beyond 26% & up to 49%)

x. Pension Sector (Automatic up to 26%; Government approval beyond 26% & up to 49%)

Non-Banking Finance Companies (NBFC)

Foreign investment up to 100% is allowed under the automatic route in the following 18 NBFC activities:

(i) Merchant Banking	**(x)** Factoring
(ii) Under Writing	**(xi)** Credit Rating Agencies
(iii) Portfolio Management Services	**(xii)** Leasing & Finance
(iv) Investment Advisory Services	**(xiii)** Housing Finance
(v) Financial Consultancy	**(xiv)** Forex Broking
(vi) Stock Broking	**(xv)** Credit Card Business
(vii) Asset Management	**(xvi)** Money Changing Business
(viii) Venture Capital	**(xvii)** Micro Credit
(ix) Custodian Services	**(xviii)**Rural Credit

Government plays an active role in investment promotion through dissemination of information on the investment climate and opportunities in India and by advising prospective investors about investment policies and procedures and opportunities. The responsible authorities for investment is Department of Industrial Policy and Promotion (DIPP) of Ministry of Commerce and Industry of India.

The Government has launched the 'Make in India' initiative, which aims at promoting India as an important investment destination and a global hub for manufacturing design and innovation. The initiative is aimed at creating a conductive environment for investment, development of modern and efficient infrastructure, opening up new sectors for foreign investments and forging a partnership between government and industry through a positive mindset.

A National Workshop was held on 'Make in India' initiative on 29th December 2014 to prepare Action Plans for one year and three years for the 22 identified sectors, viz., (i) Automobiles & Auto Components, (ii) Aviation, (iii) Aerospace & Defence, (iv) Basic Metals & Cement, (v) Biotechnology, (vi) Chemicals and Petrochemicals, (vii) Food Processing, (viii) Gems & Jewellery, (ix) ICTE Manufacturing, (x) Leather and Leather Products, (xi) Media & Entertainment, (xii) MSME, (xiii) Oil & Gas, (xiv) Pharmaceuticals, (xv) Power, (xvi) Ports and Shipping, (xvii) Railways, (xviii) Renewable Energy, (xix)

Roads & Highways, (xx) Skill Development, (xxi) Textiles & Apparel and (xxii) Tourism. Ministries/Departments concerned have updated their action plans to identify quantifiable and measurable milestones in respect of each activity of their Action Plan.
Infrastructure and manufacturing sector are the key sectors where huge funding is required including foreign investment.

Investment Treaties with third countries

The Republic of Armenia
The Republic of Armenia has signed over 40 bilateral investment treaties with such countries as: Argentina, Austria, Belarus, Belgium – Luxembourg, Bulgaria, Canada, China, Cyprus, Egypt, Finland, France, Georgia, Germany, Greece, Jordan, India, Iran, Israel, Italy, Iraq, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Netherlands, Qatar, Romania, Russian Federation, Sweden, Switzerland, Syria, Tajikistan, Turkmenistan, United Arab Emirates, Ukraine, United Kingdom, Uruguay, USA, Vietnam.

The Republic of Belarus
The Republic of Belarus has signed over 60 BITs with such countries as: Azerbaijan, Austria, Armenia, Bahrain, Bulgaria, Bosnia and Herzegovina, the United Kingdom, Venezuela, Vietnam, Germany, Denmark, Egypt, Israel, India, Jordan, Iran, Italy, Qatar, Cyprus, China, North Korea, Cuba, Kuwait, Kyrgyzstan, Latvia, Lebanon, Libya, Lithuania, Macedonia, Mexico, Moldova, Mongolia, Netherlands, UAE, Oman, Poland, Republic of Korea, Romania, Saudi Arabia, Singapore, Syria, Slovakia, Tajikistan, Turkey, Ukraine, Finland, Croatia, Czech Republic, Switzerland, Sweden.

The Republic of Kazakhstan
The Republic of Kazakhstan has concluded about 49 BITs with such countries as: Turkey, China, Germany, , Spain, Mongolia, Hungary, Poland, Italy, Egypt, Iran, Israel, the United Kingdom, Ireland, Republic of Korea, Malaysia, Uzbekistan, Kyrgyzstan, Azerbaijan, Georgia, India, Switzerland, Russian Federation, Belgium--Luxembourg Economic Union, Kuwait, France, Bulgaria, Tajikistan, Latvia, Sweden, Pakistan, Slovakia, Armenia, Greece, the Netherlands, Finland, Jordan, Qatar, Japan, Serbia, Czech Republic, Vietnam, Estonia, Macedonia, Afghanistan, Austria, Romania.

The Kyrgyz Republic
The Kyrgyz Republic has concluded about 30 BITs with such countries as: Armenia, Azerbaijan, Belarus, China, Finland, France, Georgia, Germany, EurAzES, India, Indonesia, Iran, Kazakhstan, Korea, Latvia, Lithuania, Malaysia, Moldova, Mongolia, Pakistan, Sweden, Switzerland, Tajikistan, Turkey, Ukraine, United Kingdom, UAE, United States of America, Uzbekistan, Qatar.

The Russian Federation
The Russian Federation has signed over 70 BITs with such countries as: Abkhazia, Albania, Angola, Argentina, Armenia, Austria, Azerbaijan, Bahrain, Belgium and Luxembourg, Bulgaria, Cambodia Canada, China, Croatia*, Cuba, Cyprus*, Czech Republic, Denmark, Ecuador*, Egypt, Equatorial Guinea, EurAzES, Ethiopia*, Finland, France, Germany, Greece, Guatemala*, Hungary, India, Indonesia, Iran*,Italy, Japan, Jordan, Kazakhstan, Korea (People's Democratic Republic of), Korea (Republic of), Kuwait, Lao People`s Democratic Republic, Lebanon, Libya, Lithuania, Macedonia, Moldavia, Mongolia, Morocco*, Namibia*, the Netherlands, Nicaragua, Nigeria*, Norway, Philippines, Qatar, Romania, Serbia, Singapore, Slovakia, South Africa, South Ossetia, Spain, Sweden, Switzerland, Syria, , Thailand*, Turkey, Turkmenistan, UAE, Ukraine, the United Kingdom, USA*, Uzbekistan, Venezuela, Vietnam, Yemen, Zimbabwe.
(*in process of ratification)

India
Till date, the Government of India has signed BITs with 83 countries. Out of these, 73 BITs have entered into force.
After approval of Model BIT text by Cabinet in December 2015, a Note Verbale is sent through Ministry of External Affairs to 57 countries (Annexure I, II, III and IV) for termination of BIT
For those countries with which India has signed BIT and whose initial duration, for which BIT was signed, is not over, Ministry of Finance sent an OM though Ministry of External Affairs to 25 countries (Annexure V) for issuance of Joint interpretative statement.

Provisions on investment in FTA concluded by India are not uniform. Recently, Indian model BIT text has been approved by the Cabinet in December 2015. In this context, Cabinet approval was obtained for the following:

i. To adopt the revised Indian Model text for BIT (attached in Annex-B) and to replace the existing Indian Model BIT as approved by the Steering Committee of Secretaries on November 25, 1993;

ii. To use the revised Model BIT as the starting point for re-negotiation of existing BITs and negotiation of future BITs and investment chapters in CECAs /CEPAs /FTAs, with appropriate modifications /alterations /concessions, as approved by the Minister of Finance, for the finalization of such BITs or investment chapters in CECAs/CEPAs/FTAs. The revised Model text will not be binding for on-going negotiations, except as decided by the Ministry of Finance.

Bilateral Investment Treaties

- The BIT between India and Armenia was signed in 2003 and entered into force in 2006;
- The BIT between India and Belarus was signed in 2002 and entered into force in 2003;
- The BIT between India and Kazakhstan was signed in 1996 and entered into force in 2001;
- The BIT between India and Kyrgyzstan was signed in 1997 and entered into force in 1998;
- The BIT between India and Russian Federation was signed in 1994 and entered into force in 1996.

(As of May 2016, the treaties are in force.)

The abovementioned BITs contain the following provisions: the definition of investment, access and treatment of foreign investors and their investments, investments protection issues and compensation for losses.
The scope of such treaties is determined through the definition of the term «investments», meaning assets of all types, which are invested by an investor of one Party in the territory of the other Party in accordance with the legislation of such other Party.
According to the treaties the Parties shall grant national treatment and most favoured nation treatment to investments of the other Party's investors.

However the Parties are not obliged to provide privileges stipulated in:

a) treaties or, arrangements relating wholly or mainly to taxation;

b) customs union treaties, free trade agreements or a common market or similar international agreements that either Party has joined or may join;

c) bilateral investment protection and promotion agreements signed by India prior to January 1, 1987.(only for Russian Federation)

The Agreements stipulate that expropriation or nationalization of foreign investments is allowed only for public needs on non-discriminatory basis and entail payment of a prompt, adequate and efficient compensation.
The Agreements include the procedure of settlement disputes that may arise between the parties relating to the interpretation or application of the agreement or between the investor and the government. This instrument provides safeguards to investors and is a sign of an attractive investment climate in the

territory of the state.
Unless otherwise as stipulated under the Agreements, an investor may refer to

- a national court or international arbitration;
- the International Centre for Settlement of Investment Disputes;
- international conciliation under the Conciliation Rules of the United Nations Commission on International Trade Law (UNCITRAL).

Investment Chapters in FTA's
The Investment chapter is a part FTA between EAEU and Vietnam, but it is applied only to the Russian Federation and Vietnam.

5.2 Bilateral Investment Flows

EAEU
Bilateral economic relations between India and the EAEU Member States have been steadily growing since the establishment of diplomatic relations in the 90's. Bilateral investments statistics is difficult to obtain, due to the multinational character of business transactions, that is why there is not enough information on bilateral investments between India and the five countries.

Republic of Armenia
According to the National Statistical Service of the Republic of Armenia, in the analysis of investment, India is not allocated separately and is included in the section "Other" due to small investments or lack of them. Also, there is no definate information on foreign direct investment to / from India by sector.

The Republic of Belarus
Foreign direct investment for the period 2010-2014 from India to the Republic of Belarus as a whole didn’t exceed USD 2 million. The exception is year 2011, when it was invested USD 1.4 million. There are no portfolio investments (Table 52).

Table 52: Investment Flows from India to the Republic of Belarus (USD million)

	2010	2011	2012	2013	2014
FDI	0.1	1.4	0.2	0.2	0.1
Portfolio investments	0	0	0	0	0
Total (cumulative)[56]	0.1	1.5	1.7	1.9	2

Source: National bank of the Republic of Belarus, 2016 (https://www.nbrb.by57/)

The main areas of investment are: information and communication technologies, educational services, energy, pharmaceuticals and mechanical engineering.
Foreign direct investment for the period from 2010 to 2014 from the Republic of Belarus in India were not carried out. Portfolio investments are also zero (Table 53).

Table 53: Investment Flows from the Republic of Belarus to India (USD Million)

	2010	2011	2012	2013	2014
FDI	0	0	0	0	0
Portfolio investments	0	0	0	0	0
Total (cumulative)	0.1	0.1	0.1	0.1	0.1

Source: National bank of the Republic of Belarus, 2016 (https://www.nbrb.by/)

[56] Here, the meaning of total(cumulative) is not clear. It is not equal to summation of FDI and Portfolio investment.
[57] Cumulative means cumultative sum (Total of previous year pul investments in current year). Eg. 1.5 in 2011 means 1.4 (2011) + 0.1 (2010)

The Republic of Kazakhstan

During the period from 2010 to 2014 the inflow of FDI from Indian direct investors to the Republic of Kazakhstan was USD 180.6 million.

As on 1st August 2015, In Kazakhstan are now established 462 juridical persons, branched or representative offices with participation of Indian capital, from which acting are – 210. The main areas of investment: mining and mineral exploration, mining and supply of uranium. There are no portfolio investments (Table 54).

Table 54: Investment Flows from India to the Republic of Kazakhstan (USD Million)

	2010	2011	2012	2013	2014	9 months 2015
FDI	25.5	129.8	15.4	2.4	6.4	8.5
Portfolio investments	0	0	0	0	0	0
Total (cumulative)	29.5	159.3	175.1	186.2	200	8.5

Source: National Bank of the Republic of Kazakhstan, 2016 (http://www.nationalbank.kz/)

During the period from 2010 to 2014 the outflow of FDI from Kazakhstan direct investors to India was USD 41.0 million. The largest volume was observed in 2013. The main areas of investment were transport infrastructure and agriculture. There were no portfolio investments (Table 55).

Table 55: Investment Flows from the Republic of Kazakhstan to India (USD Million)

	2010	2011	2012	2013	2014	9 months 2015
FDI	0.4	4.8	0	26.8	8.9	13.5
Portfolio investments	0	0	0	0	0	0
Total (cumulative)	17.4	17.4	17.4	17.5	26.1	13.5

Source: National Bank of the Republic of Kazakhstan, 2016 (http://www.nationalbank.kz/)

The Kyrgyz Republic

During the period from 2010 to 2014 investments from India in the Kyrgyz Republic amounted to USD 5.5 million. The maximum amount was recorded in 2013 – USD 2.7 million. Investments are directed to trade, repair of cars, household goods and personal items, real estate operations, leasing and provision services to consumers. There are no portfolio investments (Table 56).

Table 56: Investment Flows from India to the Kyrgyz Republic (USD Million)

	2010	2011	2012	2013	2014
FDI	0	1.6	1.2	2.7	0.5
Portfolio investments	0	0	0	0	0
Total (cumulative)	0.3	1.9	3.1	5.8	6.3

Source: National Bank of the Kyrgyz Republic, 2016 (http://www.nbkr.kg/)

During the period from 2006 to 2014 there were no investments from the Kyrgyz Republic to India (Table57).

Table 57: Investment Flows from the Kyrgyz Republic to India (USD Million)

	2010	2011	2012	2013	2014
FDI	0	0	0	0	0
Portfolio investments	0	0	0	0	0
Total (cumulative)	0	0	0	0	0

Source: National Bank of the Kyrgyz Republic, 2016 (http://www.nbkr.kg/)

The Russian Federation

By the end of 2014, accumulated Indian investments to the Russian Federation amounts about USD 3.9 billion. Indian investments are mainly represented in mining, pharmacology and energy sectors (Table 58).

Table 58: Investment Flows from India to the Russian Federation (USD Million)

	2010	2011	2012	2013	2014
FDI	512	612	487	488	490
Portfolio investments	115	127	101	55	n/a
Total (cumulative)	1887	2523	3051	3412	3902

Source: Central Bank of the Russian Federation, 2016 (http://www.cbr.ru/)

By the end of 2014 the volume of accumulated investments from the Russian Federation to India amounts about USD 846 million. Russian investments are mainly represented in the telecommunications sector, machinery assembly (Table 59).

Table 59: Investment Flows from the Russian Federation to India (USD Million)

	2010	2011	2012	2013	2014
FDI	26	0	851	116	21
Portfolio investments	153	126	54	30	0
Total (cumulative)	863	861	608	825	846

Source: Central Bank of the Russian Federation, 2016 (http://www.cbr.ru/)

India

Information available on FDI inflows (see Table 60) from the EAEU members reveals that the inflows if at all have been meagre and are mainly from Russia and to a small extent from Kazakhstan. Other countries have either no presence in India or negligible presence.

Table 60: FDI Inflows from EAEU to India (2000-2014)

Country	**FDI Inflows (USD Million)**
Armenia	0
Belarus	12.27
Kazakhstan	26.12
Kyrgyzstan	0
Russia	1054.08[58]
Total	**1092.47**

Source: DIPP, GOI, 2015

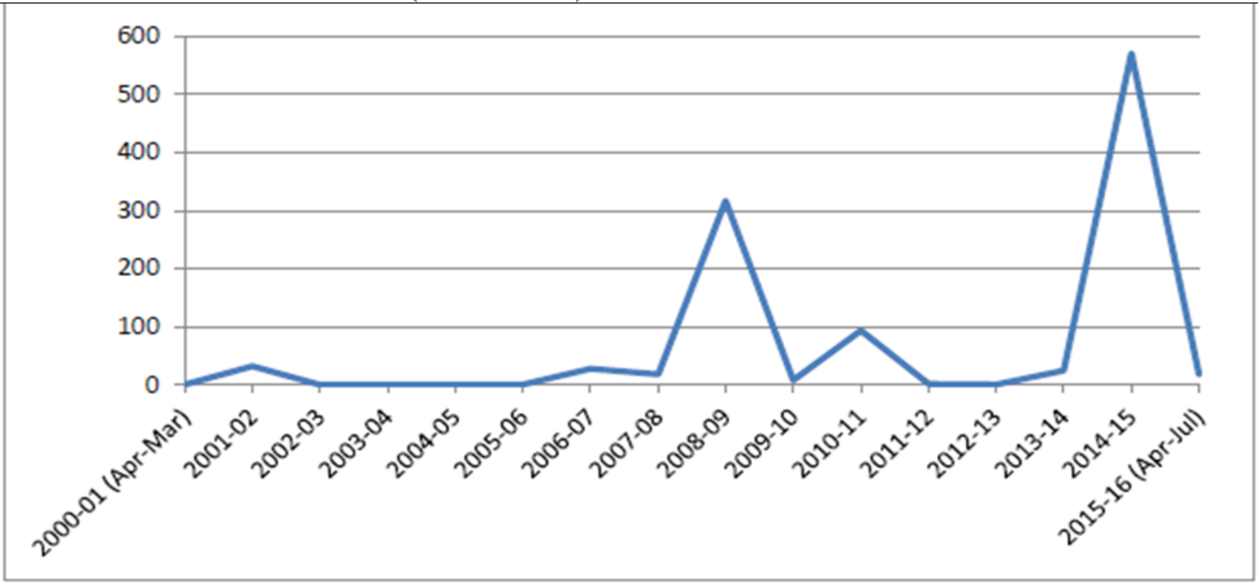
Company-wise FDI inflows from each country of the EAEU are given in Annex 4.

Dynamics of Bilateral Investment Flows, volume of Mutually Accumulated Investments and key areas of investment

The dynamics of bilateral investment flows are best captured over a period of time. Over the period under consideration i.e. 2000-2015, the EAEU's total FDI inflows in India have been very low and volatile (Chart 51). These reflect mainly Russia's investment in India, with minor amounts from Belarus and Kazakhstan.

[58] Data discrepancy between the two countries. The Russion Federation source data for FDI flows from Russia to India is different from data given by DIPP, GOI.

Chart 51: FDI Inflows from EAEU (USD Million)



Source: Department of Industrial Policy and Promotion (DIPP), Government of India

Potential and Risks of Liberalization – Investment

Potential areas for investment from India to the EAEU could include:

- Oil and Gas;
- Textiles and Clothing;
- Leather products;
- Iron and Steel;
- Pharmaceuticals;
- Automobiles, including parts and components;
- Engineering goods;
- IT Services;
- Health Services;
- Telecommunication etc.

Potential areas for investment from the EAEU to India could include:

- Processed food;
- Heavy Engineering goods;
- Transportation goods;
- Minerals and Metallurgy;
- Tourism services;
- R&D Centres;
- Space Technology;
- Energy-efficient technology etc.

Key Investment Areas

The Republic of Armenia

According to statistics, foreign direct investments in the real sector of economy of Armenia accounted about USD 841 million in 2014[59].

[59]Since 2014 foreign investments' estimation methodology has changed. Therefore, the statistics of 2014 is not comparable with the data of the previous periods.

According to National Statistics Service of the Republic of Armenia, in 2014 33% or USD 669 million of total foreign investments in the real sector referred to the supply of electrify, gas, steam and conditioned air, with 24% or USD 478 million referring to mining industry, and 22% or USD 435 million referring to manufacturing industry (Table 61).

Table 61: Volume of Flows of Foreign Investments into the Real Sector of the Republic of Armenia economy by types of activity as of the end of 2014 (USD Thousand)

Type of Activity	2012		2013		2014	
	Total	**FDI**	**Total**	**FDI**	**Total**	**FDI**
Total	**751804.9**	**567409.7**	**597375.1**	**271160.4**	**2017679.7**	**840908.9**
Agriculture, Forestry and Fisheries	36407.9	36126.3	8371.0	7171.0	15209.8	11537.7
Mining Industry and Operation of Open Mines	201372.9	93793.3	168,178.60	40,022.60	477998.3	46284.0
Manufacturing	45634.7	27223.5	46003.3	32657.4	435473.3	65315.5
Electricity, Gas, Steam and Good Quality Air Importation	31342.7	25554.9	41611.9	7,312.60	668882.3	598668.7
Construction	17716.5	17236.5	30,949.10	2,547.40	68199.9	15629.3
Wholesale and Retail Trade, Repair of Automobiles and Motorcycles	28604.1	665.7	8798.2	1148.4	64110.8	2296.7
Transportation and Storage; Information and Communication	314666.5	302229.3	236635.3	130547.8	239039.4	61822.4
Real Estate Activities	56081.5	54444.0	46041.2	45981.2	26305.9	26305.9

Source: National statistic services of the Republic of Armenia, 2015 (www.armstat.am)

The Republic of Belarus

The structure of foreign direct investments by types of business activities (taking into account the debts for goods, work and services provided to entities in 2014) is as follows (Table 62).

Table 62: Structure of Foreign Direct Investments by types of Business Activities (taking into account the debts for goods, work and services provided to entities in 2014)

Type of economic activities	2012	2013	2014	2015
Agriculture, hunt and forestry	44.1	59.8	51.5	107.7
Manufacturing	1023.2	1230.4	1235.6	848.8
Construction	96.4	105.0	126.1	58.9
Wholesale and retail trade	4898.9	4584.5	3851.5	3265.5
Transport and communication	3913.2	4418.9	4222.5	2449.5
Financial activities	50.6	108.6	123.5	88.1
Operations with real estate	283.8	475.0	469.0	388.5
Other	48.2	101.2	89.2	34.4
Total	**10358.4**	**11083.4**	**10168.9**	**7241.4**

Source: National statistical committee of the Republic of Belarus, 2015 (www.besltat.by)

The key sectors of investment are transport and communication, wholesale and retail trade and industry.

The Republic of Kazakhstan

The structure of total inflow of foreign direct investments in 2011 - 2013 was as follows (Table 63).

Table 63: Total Inflow of Foreign Direct Investments to Kazakhstan from Foreign Direct Investors, by types of economic activities (USD Million)

Economic activities	2012	2013	2014	2015 (9 month)
Agriculture, forestry and fisheries	18.3	5.3	0	73.3
Mining industry	7 314.5	7 458.2	8394.7	2706.7
Processing industry	3461.0	2543.6	3 672.4	1994.4
Power, gas and steam supply; air conditioning	261.7	343.9	254.5	47.1
Water supply, sewage system, waste collection and distribution control	0.1	0	5.8	6.9
Construction	1320.7	1 033.3	700.9	201.2
Wholesale and retail trade, repair of cars and bikes	2625.3	3153.4	2726.2	1067.9
Transport and warehousing	416.6	429.7	729.6	469.7
Services on accommodation and alimentation	77.1	0	117.8	0
Information and telecommunication	2 004.8	690.4	416.1	38.1
Financial and insurance activity	2428.5	848.6	501.9	520.4
Transactions with real estate	103.3	157.9	117.1	84.1
Professional, scientific and technical activity	8688.8	7361.0	5916.9	3845.2
Activities in the field of administrative and auxiliary maintenance	29.8	0	55.1	0
Education, health and social services, arts, entertainment and recreation	18.0	16.4	6.1	0
Supply of other types of services	116.5	145.2	101.9	43.3
TOTAL	**28885**	**24098**	**23711**	**11034**

Source: Ministry of national economy of the Republic of Kazakhstan, 2015(www.economy.gov.kz)

The main sectors for investment inflows are mining and processing industry, wholesale and retail trade, professional, scientific and technical activity.

The Kyrgyz Republic

The structure of total inflow of foreign direct investments in 2012 - 2014 was as follows (Table 64).

Table 64: Total Inflow of Foreign Direct Investments to the Kyrgyz Republic from Foreign Direct Investors, by types of economic activities (USD Million)

Economic activities	2012	2013	2014
Agriculture, forestry and fisheries	2.00	23.4	0
Mining industry	27.80	317.7	0.1
Processing industry	255.10	16.1	271.30
Power, gas and steam supply; air conditioning	0.1	0.2	43.60
Water supply, sewage system, waste collection and distribution control	0	15.5	0.1
Construction	3.10	66.6	20.00

Wholesale and retail trade, repair of cars and bikes	32.80	10.1	37.60
Construction	3.10	0.5	6.00
Services on accommodation and alimentation	1.70	4.9	0.3
Information and telecommunication	6.1	99.8	13.20
Financial and insurance activity	42.40	0.3	28.50
Transactions with real estate	4.2	403.3	3.00
Professional, scientific and technical activity	212.10	0.1	228.60
TOTAL	590.50	958.50	652.30

Source: National bank of the Kyrgyz Republic, 2015 (www.nbkr.kg)

The main sectors for investment inflows are processing industry, professional, scientific and technical activity, power gas and steam supply, air conditioning.

The Russian Federation

The structure of total inflow of foreign direct investments in 2012 - 2014 was as follows (Table 65).

Table 65: Total Inflow of Foreign Direct Investments to the Russian Federation from Foreign Direct Investors, by types of economic activities (USD Million)

Type of business operations	2012	2013	2014
Agriculture, forestry and fishery	656	934	595
Mining industry	15535	26219	17 311
Processing industry	32375	51750	23 876
Production and distribution of energy, natural gas, steam	4000	2831	2 150
Gathering, cleaning and distribution of water and wastewater	22	28	13
Construction	6756	5771	4 614
Wholesale and retail trade	42517	43903	31 225
Transportation and storage	3237	2899	3 904
Hotels and restaurants	472	332	381
Telecommunications	5623	5305	2 824
Financial and insurance services	28690	31102	31 710
Real estate	7637	7732	7 623
Research activities	205	255	218
Education	8	3	7

Medical care and social services	482	446	298
Recreational, sport and culture activities	571	413	399
Leasing activities	756	488	836
TOTAL	149542	180411	104108

Source: Central bank of the Russian Federation, 2015 (www.cbr.ru)

The key sectors for investment inflow in 2014 are financial and insurance services, mining industries, processing industries, wholesale and retail trade.

India

Table 66: Statement on top 10 sectors - FDI equity inflows from April 2000 to March 2016:

S.No	Sector	Amount of FDI Inflows		%age of Total Inflows
		(In Rs crore)	(In USD million)	
1	Services sector	258,354.22	50,792.42	17.60
2	Construction development: townships, housing, built-up infrastructure and construction-development projects	113,936.35	24,187.94	8.38
3	Computer software & hardware	112,183.92	21,017.77	7.28
4	Telecommunications	92,728.71	18,382.35	6.37
5	Automobile industry	81,394.21	15,064.59	5.22
6	Drugs & pharmaceuticals	70,097.36	13,849.50	4.80
7	Chemicals (other than fertilizers)	59,555.37	11,900.29	4.12
8	Trading	68,836.54	11,872.47	4.12
9	Power	52,613.34	10,476.15	3.63
10	Hotel & tourism	49,709.68	9,227.33	3.20

Source: DIPP, GOI, 2016

Impact of the FTA on Bilateral Investments

The conclusion of the FTA in relation to investments may bring a positive impact for the EAEU Member States and India. One can expect a boost in mutual investments, due to a possible reduction in national treatment impediments and enhanced transparency and predictability with regard to measures affecting investments and investors. The provisions of an Investment chapter will contribute to creating legal certainty having positive, though hard to quantify, benefits for economic activity and foreign direct investment.

For **the Republic of Armenia** the conclusion of the FTA containing a Chapter on Investments, may lead to the growth of Indian investments into Armenia's economy. Telecommunications, exploration of mineral resources and processing industry are potential spheres for Indian investments in Armenia.

For **the Republic of Belarus** the conclusion of the FTA containing a Chapter on Investments, may lead to the growth of Indian investments in Belarus. Livestock breeding, pharmacology, construction, medicine, ICT, education and light industry are potential spheres of Indian investments in Belarus.

For **the Republic of Kazakhstan** the conclusion of the FTA containing a Chapter on Investments, has a potential to lead to the growth of mutual investments.

Among industries with potential for growth of investments from India to the Republic of Kazakhstan, the emphasis may be placed on oil and gas industry, metallurgy, exploration of mineral resources and processing industries, cable manufacturing, telecommunications, construction, medicine and agriculture.

For **the Russian Federation,** the positive impact in terms of investments and commercial presence is contained in the chapter relating to investment.

The conclusion of the FTA, may lead to the mutual growth of investments. Livestock breeding, agriculture, pharmacology, manufacturing of electrical equipment, pharmaceuticals, medicine, education, banking sector, film industry and light industry may become main spheres for investments in the economy of the Russian Federation.

6. Trade Related Issues

6.1 Intellectual Property Rights (including Geographical Indications (GIs))

Intellectual Property Rights (including Geographical Indications (GIs))

Both sides recognize that effective protection and enforcement of IP rights is a key element in creativity, innovation and technological transformation, which facilitates trade and investment.

EAEU

The basic principles of intellectual property rights (IPR) regulation between the EAEU Member States are established by the Treaty on the EAEU which aims to unify the principles of regulation in protection and enforcement of intellectual property rights (copyright and related rights, trademarks, geographical indications, appellations of origin of goods, patent rights, plant and animal varieties, layout designs (topographies) of integrated circuits and trade secrets), which are also protected by the national legislation of the EAEU Member States.

The Treaty on the EAEU, particularly the Protocol on the protection and enforcement of intellectual property right, (Annex 26 to the Treaty on the EAEU), establishes the main provisions on the regulation of copyright and related rights, trademarks, geographical indications, appellations of origin of goods, patent rights, plant and animal varieties, layout designs (topographies) of integrated circuits, trade secrets (know-how) and procedures of ensuring effective enforcement of intellectual property rights.

Each EAEU Member State accords to the nationals of other EAEU Member State treatment no less favorable than that it accords to its own nationals with regard to protection of intellectual property, subject to the exceptions in relation to judicial and administrative procedures.

All EAEU Member States are parties to the World Intellectual Property Organization (WIPO): the Republic of Armenia – since 1993, the Republic of Kazakhstan – since 1991, the Kyrgyz Republic – since 1994, the Republic of Belarus and the Russian Federation – since 1970 and are members to most international agreements on intellectual property .

The Department of labour migration of the Commission is in charge of intellectual property at the supranational level (http://www.eurasiancommission.org/ru/act/finpol/migration/Pages/default.aspx).

Overview of IPR regulatory system

The regulation of intellectual property rights in the EAEU Member States is established by special laws.

The Republic of Armenia determines the main provisions of regulation of copyright and related rights, genetic resources, geographical indications, industrial designs, patents (inventions), plant variety protection, trade names, trademarks, undisclosed information (trade secrets), utility models and enforcement of intellectual property rights in the Civil Code of the Republic of Armenia (Chapter X "Intellectual property rights").

In the Republic of Belarus intellectual property rights is included in the Civil code of the Republic of Belarus (Chapter V "Intellectual property", special laws on geographical indications, patents for inventions, utility models, industrial designs, patents on plant varieties, on the legal protection of topographies of integrated circuits, trademarks and service marks, copyright and related rights and others.

In the Republic of Kazakhstan the intellectual property provisions are mostly contained in the Civil code of the Republic of Kazakhstan (Chapter V "Intellectual Property Law"), special laws on copyright and related rights, trademarks, service marks, appellations of origin of goods, of patents and some others.

The Kyrgyz Republic establishes the most basic principles of intellectual property rights in the Code of the Kyrgyz Republic dated 5 January, 1998. № 1 "Civil code of the Kyrgyz Republic. Part II", Section V Intellectual property", including list of objects of intellectual property, principles of legal protection of objects of intellectual property, detailed information about the rights of intellectual property right holders and other. Moreover there are some special laws governing separatespheres of intellectual property: Law of the Kyrgyz Republic on Copyright and Related Rights (as amended up to Law No. 14 of January 21, 2014), Law of the Kyrgyz Republic on Trademarks, Service Marks and Appellations of Origin of Goods (as amended up to Law No. 28 of February 6, 2014), Patent Law of the Kyrgyz Republic (as amended up to Law No. 8 of January 25, 2013) and so on.

The main legal act on intellectual property in the Russian Federation is the Civil code of the Russian Federation, Part IV, valid since 2008, which governs various matters previously determined by separate laws, in particular exclusive and moral rights to copyrighted works, databases, computer programs, objects of related rights, inventions, utility models, industrial designs, plant and animal varieties, topographies of integrated circuits, trade secrets, trademarks and appellations of origin. It also provides rules pertaining to registration of intellectual property objects, disposition of intellectual property rights etc. Current legislation is in line with the Agreement on Trade Related Aspects of Intellectual Property Rights (hereinafter - the TRIPS Agreement) and the respective obligations which were accepted by Russia upon its accession to the WTO.

Copyright

The EAEU Member States provide for the protection of copyright basedon the Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886; the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations of October 26, 1961 (the Rome Convention); the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms of October 29, 1971; the WIPO Performances and Phonograms Treaty of December 20, 1996; the WIPO Copyright Treaty of December 20, 1996 under Article 90 of the Treaty on the EAEU.

Copyright under the legal acts of the EAEU Member States applies to scientific, literary, artistic and other works, including computer programs. More recently, the national legislations of the EAEU Member States have provided protection to databases (for example, in the Russian Federation). The author owns, in particular, the following rights: exclusive right to the work; right of authorship; right to the author’s own name; right of inviolability; right to perform or display the work; other rights which are established by national legislations. The EAEU Member States guarantee the time limits for protection of the exclusive right of the author’ ; the exclusive right for work created in co-authorship, the exclusive right for work, published post-mortem, not less than it is established by the Berne Convention for the Protection of Literary and Artistic Works of 1971.

The national legislation of the Republic of Belarus provides that the exclusive right to a work is valid for the life of the author and fifty years after his/her death. In Kazakhstan copyright is valid during the life of the author and for the period of seventy years after his/her death except for special cases. Under the Russian legislation the exclusive right to a work is effective for the whole life of the author plus seventy years, counting from January 1 of the year following the year of death of the author. The Republic of Armenia guarantees the exclusive right to a work for the life of the author and seventy years after his/her death. In the Kyrgyz Republic copyright is valid for the life of the author and fifty years after his death, counting from the first of January of the year following the year of death of the author. Copyright in a work first published within fifty years after the author's death shall have effect for fifty years following its release, counting from the first of January of the year following the year the work was published.

Trademarks

The EAEU Member States provide for the protection of trademarks based on the Paris Convention for the Protection of Industrial Property of March 20, 1883; the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891; the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989 and the Singapore Treaty on the Law of Trademarks of March 27, 2006 under Article 90 of the Treaty on the EAEU.

As for the legal regime of trademarks in the EAEU Member States a “trademark” or a “service mark” (collectively referred to as trademarks) is defined as a designation intended to distinguish goods and (or) services of one party to civil turnover from goods and (or) services of another party to civil turnover; such designations are protected in accordance with the national legislation of the EAEU Member States and the

respective international treaties. Verbal, graphic, three-dimensional and other designations or combinations thereof may be registered as trademarks.
The owner of a trademark has an exclusive right to use and the right to dispose off the trademark and to prevent others from using the trademark in accordance with the national legislation of the EAEU Member State. According to Article III, paragraph 13 of Annex 26 to the Treaty on the EAEU, the initial term of trademark protection shall be at least ten years. This term can be prolonged indefinitely at the request of the trademark owner filed within the final year of the expiring term, each time for at least the next ten years. Currently there are two types of trademark registration procedures in the EAEU – national and international (under the Madrid System for the International Registration of Marks). A new system of EAEU trademark registration is being developed. Article IV of Annex 26 to the Treaty on the EAEU provides for the protection of trademarks of the EAEU and service marks of the EAEU simultaneously in the territories of all the EAEU Member States. The draft Agreement on trademarks, service marks and appellations of origin of goods of the EAEU establishes the respective registration procedures and terms of legal protection. It is currently undergoing the final stage of consideration.
Article V of Annex 26 to the Treaty on the EAEU stipulates regional exhaustion of trademark rights in the territories of all EAEU Member States, whereby no use of a trademark authorized by the owner in the territory of any of the EAEU Member States shall be considered as an infringement in the EAEU.

Appellations of origin of goods and geographical indications

Annex 26 to the Treaty on the EAEU (Articles VI-VIII) defines geographical indications and appellations of origin of goods and provides the respective terms of legal protection. According to it, an “Appellation of origin of goods” (AO) means a denomination that constitutes or contains contemporary or historical, official or unofficial, full or abbreviated name of a country, region or locality or other geographical area, which became known through its use in the country of origin in relation to the goods, the quality and characteristics of which are exclusively or essentially determined by the geographical environment, including natural and (or) human factors.
Article VIII of Annex 26 to the Treaty on the EAEU provides for a system of legal protection of AOs of the EAEU, valid in the territories of all the EAEU Member States.
The draft Agreement on trademarks, service marks and appellations of origin of goods of the EAEU provides specific rules for the unified registration of AOs of the EAEU.

Patent Rights

The EAEU Member States provide for effective protection of inventions, utility models and industrial designs in accordance with Article IX of Annex 26 to the Treaty on the EAEU, other international agreements, such as the Patent Cooperation Treaty of June 19, 1970, Patent Law Treaty of June 1, 2000 and the national legislation of the EAEU Member States. The right to an invention, a utility model or an industrial designis confirmed by a patent, which certifies the priority, authorship and the exclusive right. The author of an invention, a utility model or an industrial design has the exclusive right to that invention, utility model, industrial design, the right of authorship and other rights, as provided by the national legislation of the EAEU Member States.
The EAEU Member States have the right to provide the limitation of rights entitled by a patent, provided that such exceptions do not unreasonably damage the normal use of inventions, utility models or industrial designs and do not unreasonably prejudice the legitimate interests of the patent owner, taking into account the legitimate interests of third parties.

Other objects of Intellectual Property Rights

The Treaty on the EAEU sets the minimum standards of protection to be provided by the EAEU Member States in respect of plant and animal varieties, layout designs (topographies) of integrated circuits and the trade secrets (know-how).
The national legislation of the EAEU Member States establishes detailed legal regulation of the above objects of intellectual property rights, based on the TRIPS Agreement, the main WIPO conventions and

other international agreements.

Enforcement of Intellectual Property Rights

The enforcement procedures are established by the EAEU Member States in order to permit prompt and effective action against any act of infringement of intellectual property rights. These procedures cover civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and criminal procedures.

Authorized bodies of the EAEU Member States carry out the cooperation activities in order to coordinate actions to prevent infringementof intellectual property rights in the territories of the EAEU Member States.

The most efficient enforcement action is generally at the point of production of infringing goods. The EAEU Member States consider that enforcement at that point may not be possible where imported goods are concerned and therefore establish special procedures regarding enforcement of IPRs at the border.

The Customs code of the Customs Union defines peculiarities of customs operations in respect of goods containing intellectual property objects (Chapter 46). The customs authorities of the EAEU Member States take measures to enforce the rights to objects of intellectual property based on the information of the customs register maintained by the customs authorities in each EAEU Member State, as well as the Unified customs register of intellectual property of the EAEU Member States.

The EAEU Member States make available to right holders civil procedures concerning the enforcement of intellectual property rights by judicial procedures.

In the Republic of Armenia, in the Republic of Kazakhstan and in the Kyrgyz Republic there are no special courts for IPR cases. In the Republic of Armenia, Republic of Kazakhstan and the Kyrgyz Republic such disputes are under interdistrict economic courts, the status of which is equal to district courts of general jurisdiction.

The civil cases on disputes in the field of copyright and related rights as well as civil cases on disputes arising from the application of the legislation regulating relations with the creation, legal protection and use of objects of industrial property in the Republic of Belarus since 2000 are considered by the judicial Board on matters of intellectual property of the Supreme Court of the Republic of Belarus.

As of February 1, 2013, a specialized Court for intellectual property rights is instituted within the system of commercial (arbitration) courts of the Russian Federation. The IPR Court was established by the Federal Constitutional Law of December 6, 2011 N 4-FKZ and it became a specialized commercial court that, within its competence, considers cases regarding the enforcement of intellectual property rights as a court of first instance and cassation instance.

Intellectual Property in FTAs

EAEU – Vietnam FTA covers most of the intellectual property objects (copyright and related rights, trademarks, geographical indications (including appellations of origin of goods), inventions (including utility solutions), utility models, industrial designs, layout designs (topographies) of integrated circuits, plant varieties and undisclosed information), providing effective and adequate protection and enforcement of intellectual property rights between the Parties.

The National Bodies of the EAEU Member States responsible for the Intellectual Property Rights

- The Intellectual Property Agency under the Staff of the Ministry of Economy of the Republic of Armenia (http://www.aipa.am/en/)
- The National Center of Intellectual Property (NCIP) (http://www.belgospatent.by)
- The State Committee on Science and Technology of the Republic of Belarus (SCST) (http://www.gknt.gov.by)
- Ministry of Justice of the Republic of Kazakhstan (http://www.adilet.gov.kz)
- Ministry of Economic Development of the Russian Federation (http://economy.gov.ru/wps/wcm/connect/economylib4/en/home)

- The Federal Service for Intellectual Property (Rospatent) (http://www.rupto.ru/rupto/portal/start?lang=en) under the Ministry of Economic Development of the Russian Federation[60]
- The State Intellectual Property Service and Innovation under the Government of the Kyrgyz Republic (Kyrgyzpatent) is the State body of executive power, which realizes the unified policy in the field of protection of intellectual property and Innovation development (http://patent.kg/index.php/en/about-us/regulation.html).

India

The term Intellectual property (IP) reflects the idea that its subject matter is the product of the mind or the intellect. These could be in the form of Patents; Trademarks; Geographical Indications; Industrial Designs; Layout-Designs (Topographies) of Integrated Circuits; Plant Variety Protection and Copyright. IP, protected through law, like any other form of property can be a matter of trade, that is, it can be owned, bequeathed, sold or bought. The major features that distinguish it from other forms are their intangibility and non-exhaustion by consumption. IP is the foundation of knowledge-based economy. It pervades all sectors of economy and is increasingly becoming important for ensuring competitiveness of the enterprises.

The Department of Industrial Policy & Promotion (DIPP) is concerned with legislations relating to Patents, Trade Marks, Designs and Geographical Indications. These are administered through the Office of the Controller General of Patents, Designs and Trade Marks (CGPDTM), a subordinate office, with headquarters at Mumbai as under:

a) The Patents Act, 1970 (amended in 1999, 2002 and 2005) through the Patent Offices at Kolkata (HQ), Mumbai, Chennai and Delhi.

b) The Designs Act, 2000 through the Patent Offices at Kolkata (HQ), Mumbai, Chennai and Delhi.

c) The Trade Marks Act, 1999 (amended in 2010) through the Trade Marks Registry at Mumbai (HQ) Chennai, Delhi, Kolkata and Ahmedabad.

d) The Geographical Indications of Goods (Registration & Protection) Act, 1999 through the Geographical Indications Registry at Chennai.

Intellectual Property Appellate Board (IPAB)

An Intellectual Property Appellate Board (IPAB) has been set up at Chennai to hear appeals against the decisions of Registrar of Trademarks, Geographical Indications and the Controller of Patents.

Other IP Legislations

• Copyright is protected through Copyright Act, 1957, as amended in 2012 – administered by the Department of Higher Education.

• Layout of transistors and other circuitry elements is protected through the Semi-conductor Integrated Circuits Layout-Design Act, 2000 – administered by the Department of Information Technology.

• New Varieties of plants are protected through the Protection of Plant Varieties and Farmers’ Rights Act, 2001 – administered by the Department of Agriculture and Cooperation.

• The Department has taken multi-pronged strategy to develop an Intellectual Property regime in the country to promote creativity and to develop the culture of respect for innovations and creativity. These are:

  - Meeting international obligations
  - Safeguarding national interests

[60] For information: The Ministry of Culture of the Russian Federation is responsible for the control and supervision in the area of copyright and related rights. The Federal Customs Service performs inter alia the functions on enforcement of intellectual property rights in Russia. Nowadays there are plans to create a single regulator in the field of intellectual property rights on the basis of Rospatent which will receive from other ministries and agencies various functions related to intellectual property rights.

- Modernize administration
- Creating awareness

Some of the major achievements in the recent past include:

1. Agreement on TRIPS:

All the legislations related to patents, designs, trademarks and geographical indications have been amended/enacted. These comply with India's international obligations under the Agreement on Trade Related Intellectual Property Rights (TRIPS).

2. Trade Mark (Amendment) Act, 2010:-

The Trade Mark (Amendment) Bill was passed by the parliament and assented to by the President on 21.9.2010. Consequently, the provisions of the amended Trade Mark (Amendment) Act, 2010 were brought into force with effect from 8th July 2013. The necessary amendments in the Trade Marks Rules 2002 have also been made. The amended act and rules enabled India to accede to the Madrid Protocol which is a simple, facilitative and cost effective system for registration of international trade marks. India's membership of the protocol will enable Indian companies to register their trade marks. India's membership of the protocol will enable Indian companies to register their trade in Member Countries of the Protocol through filing a single application in one language and by paying one-time fee in one currency. India has acceded to the Protocol on 8th April 2013. The Madrid Protocol has come into force in India since 8th July, 2013.

Protection of trademarks in India have been forwarded by WIPO to the Indian Trademark Office for further processing. On the other hand, Indian Trade Marks office received 167 applications for international registration of trademarks under the Madrid Protocol, out of which 152 applications have been certified and forwarded to the WIPO.

3. Operationalization of the International Search Authority and the International Preliminary Examining Authority.

• India operationalized the International Search Authority/International Preliminary Examining Authority (ISA/IPEA) status on the 15th October, 2013. As on 30th September, 2014, the Indian Patent Office has received 336 international applications choosing India as the ISA, requesting for international search reports.

4. IPR Awareness Programmes:-

• Awareness creation is one of the major planks of the modernization scheme of IP system, as this will educate the stakeholders about the benefits of registration of their rights as also educate the general public, particularly the business community, on perils of infringement of IPRs held by others/dealing in pirated and counterfeit products. These programmes are also expected to sensitize the enforcement agencies such as the state police forces, the judiciary, etc.

5.National Design Policy, 2007:-

National Design Policy was announced in 2007. This Policy envisages a key role for design in enhancing the competitiveness of Indian industry. The focus is on the spread of design education, branding of Indian designs and the establishment of a Design Council. This period witnessed both the expansion and up gradation of India's premier design institution i.e. the National Institute of Design (NID) with three campuses at Ahmedabad (main campus), Gandhinagar (PG Campus), and Bangalore (R&D Campus). Intake of students at NID was substantially increased and new courses introduced at Undergraduate and Post Graduate levels. India Design Council (IDC), a Society under the aegis of DIPP was constituted on 2.3.2009 as a mandate of the policy. The National Institute Design Act, 2014 declaring NID, Ahmedabad as an 'Institution of National Importance' has been notified on 18th July, 2014. The department is now in the process of establishing 4 new NIDs at, Jorhat (Assam), Bhopal (Madhya Pradesh) & Kurukshetra (Haryana), and Vijayawada (Andhra Pradesh).

6. Bilateral negotiations:

India is negotiating an IPR chapter as part of the proposed India EU Bilateral Trade and Investment Agreement (BTIA) and European Free Trade Association (EFTA). As per the mandate given by the Trade & Economic Relations Committee (TERC), chaired by the Hon'ble Prime Minister, the negotiations are circumscribed by the TRIPS Agreement and the Domestic Legislations. Memorandum of Understanding was signed between India and South Centre (which is a Geneva based think tank working for developing countries) for cooperation in the field of capacity building, human resource development and awareness generation in the field of patents, designs, trademarks and geographical indications. Memorandum of understanding between the Department and European Patent Office for bilateral cooperation in capacity building, human resource development and awareness generation in the field of patents has also been signed on 23rd September 2014.

7. Schemes

Recognizing the importance of modernization of Intellectual Property Offices for the economy, this Department has implemented the following two schemes with objectives of modernization and strengthening of Intellectual Property Offices:-

a. Modernization and Strengthening of Intellectual Property Offices (MSIPO)

DIPP has implemented a plan scheme for Modernization and Strengthening of Intellectual Property Offices during the 11th Five Year Plan. The total Plan outlay for this scheme was Rs 300 crores. The scheme aimed at strengthening the capabilities of Intellectual Property Offices in India and to develop a vibrant Intellectual Property Regime in the country. It also aimed to develop the modern infrastructure for the Indian Patent Offices to function as an International Search Authority and International Preliminary Examining Authority under the Patent Cooperation Treaty, for which, the WIPO had recognized Indian Patent Office in October, 2007 to join an exclusive group of 17 countries/organizations. The scheme also aimed to enable the Trade Marks Registry to meet the requirements of Madrid Protocol for international registration of Trade Marks. The scheme included the components for physical infrastructure, human resources, digitization of IP records, library and awareness creation. Since commencement of the Plan Scheme in March, 2008, various actions in all the said components have been initiated and completed. The Scheme has been continued in the 12th Plan. The project proposal has been recast and limited to Rs. 309.60 Crores of which Rs. 258 Crores (12th Plan Outlay) is to be implemented in the current plan with a spill-over of Rs.51.60 Crores to the 13th plan.

b. National Institute of Intellectual Property Management (NIIPM)

The Rajiv Gandhi National Institute of Intellectual Property Management is being set up as an institute of international importance which would provide training, education, research and function as a think tank on Intellectual Property Rights. The main component of the scheme included construction of the Academic and Residential Blocks, establishment of other infrastructure facilities and creation of posts. The construction work in respect of Academic Block has been completed. The institute has been inaugurated by Hon'ble CITM on the 21st July, 2012, simultaneously commencing the training of newly recruited examiners of patents and designs. The scheme has been continued in the 12th Plan and an overall allocation of Rs. 30 crores was initially made which included the allocation of funds for Residential complex also. However, since all exercise to obtain land from the Urban Development Department has proved infructuous, the current proposal is limited to Rs. 11.5 crores which includes components other than acquisition of land and construction of Residential Block.

6.2 Competition Policy

The interrelation between trade and competition is quite important in a process of increasing economic cooperation and globalization. On the one hand, globalization may increase competition by opening markets, but on the other - may also enhance the risk of anti-competitive practices.

That is why one of the main rationales for including competition- related provisions in an FTA is to ensure that the potential benefits of the liberalization process contained in such agreement are not diminished or cancelled out by anti-competitive business conducts.

The JFS group recognizes that competition-related provisions are an important element of a possible FTA in which the EAEU Member States and India may have an opportunity to:

- acknowledge the necessity to take measures in order to prevent and restrict anticompetitive business practices that affect trade between the Parties;
- ensure that measures each Party adopts or maintains to proscribe anti-competitive practices and the enforcement actions it takes to those measures are consistent with the principles of transparency, non-discrimination and procedural fairness;
- strengthen cooperation in the sphere of competition policy and enforcement activities.

EAEU

Overview of the competition policy in the EAEU

The issues related to competition are regulated in the EAEU at two levels: national and supranational. At the national level the antimonopoly control is carried out by competition authorities subject to national legislation. At the supranational level, competition on cross-border markets is regulated by the Eurasian Economic commission in compliance with the Treaty on the EAEU (Articles 74-77 of the Chapter XVIII «Common principles and rules of competition» and Annex 19 to the Treaty).

The EAEU law also contains the following decisions of the Council of the Eurasian economic commission:

- The criteria for assessment of the cross-border market;
- The procedure for interaction (including the exchange of information), between the Eurasian economic Commission and the competent authorities of the EAEU Member States;
- The procedure for consideration of complaints (materials) on violation of the competition rules;
- The procedure for conducting investigations of violations of the competition rules;
- The procedure for consideration of cases of violations of the competition rules;
- The method for penalties' calculation and the procedures for imposing penalties;
- The method for evaluation of monopolistically high (low) prices;
- The method for evaluation of competition.

The Treaty on the EAEU specifies common principles and rules of competition, which aim to determine and proscribe anti-competitive practices both on the territories of the Member States and on cross-border markets (on the territories of two or more Member States).

The common rules of competition stipulate prohibition of:

- abuse of dominant position on the market;
- unfair competition (false information which interferes business reputation, misinformation about quality, quantity of goods, etc.);
- anti-competitive agreements and concerted practices of enterprises.

The Eurasian economic commission deals with violations of the abovementioned common rules if such violations have or may have an adverse effect on competition on cross-border markets (except for cross-border financial markets).

Generally the Eurasian economic commission carries out the following functions:

- Reviews applications (materials) on the violations of the common competition rules which have or may have an adverse effect on competition on cross-border markets, as well as conduct the necessary investigations;
- Initiates and reviews cases of violations of the common competition rules which have or may have an adverse effect on competition on cross-border markets;
- Requests and receives information necessary to monitor the compliance of general rules of competition on cross-border markets;
- Adopts decisions binding for economic entities of the EAEU Member States, including the imposition of penalties;
- Submits to the Supreme Council the annual reports on competition on cross-border markets and on measures taken to restraint violations of the common competition rules on these markets.

The interaction between the Eurasian economic commission and the competent authorities of the EAEU Member States occurs in the following cases:

- When competent authorities of the EAEU Member States transfers to the Commission applications on violations of the common competition rules;
- During the Commission's investigations of violations of the common competition rules on cross-border markets;
- Other issues (consultations on competition law enforcement, exchange of information, problems of harmonization of the EAEU Member States' legislation).

According to the Article 74 of the Treaty on the EAEU the Member States carry out coordinated competition policy in relation to practices of the companies from third countries if these practices may have an adverse effect on competition on the Member States' commodity markets.

Acts and actions (failure to act) of the Eurasian Economic Commission in the sphere of competition can be appealed in the EAEU Court, while acts and actions of the competition authorities of the EAEU Member States in national courts.

Overview of the competition policy at the national level

The competition legislation of the Republic of Armenia consists of the Constitution, the Civil Code of 1998 and the Law «On Protection of Economic Competition» of November, 6 2000.

In the Republic of Belarus the issues related to competition are included in the Law of December, 12 2013 № 94-Z «On countermeasures to monopolistic activities and on the development of competition» and also to the Constitution of the Republic of Belarus of 1994, the Civil Code of the Republic of Belarus, the Criminal Code of the Republic of Belarus, the Code of Administrative violations of the Republic of Belarus, the Law of January, 8 2014 №128-Z «On the state regulation of trade and public catering in the Republic of Belarus».

In the Republic of Kazakhstan the legislation on competition is developed in line with the Constitution of the Republic of Kazakhstan and consists of the Civil Code, the Code on Administrative Violations and Law No. 112-IV «On Competition» of December, 25 2008.

The legislation of the Kyrgyz Republic on competition policy is based on the Constitution of the Kyrgyz Republic, the Code on administrative responsibility and the Law № 116 «On competition» of July, 22 2011.

In the Russian Federation the regulation of the competition policy is carried out in accordance with the Federal Law of July 26, 2006 № 135-FZ «On Protection of Competition» and also the Civil Code of the Russian Federation, Code of Administrative violations of the Russian Federation and the Criminal Code of the Russian Federation.

The competition legislation of the EAEU Member States contains practically the same provisions on the prohibition of:

- anti-competitive agreements and concerted practices of enterprises;
- abuse of dominant position on the market;
- unfair competition;
- anti-competitive acts, actions (failure to act) of public authorities.

In addition to this, the EAEU Member States' legislation stipulates the control of the economic concentration by national antimonopoly authorities.
Moreover, the Law of the Republic of Armenia «On Protection of Economic Competition» also includes the provisions on state aid, the Law of the Republic of Kazakhstan No. 112-IV «On Competition» – the provisions on state monopolies and the Federal Law of the Russian Federation № 135-FZ «On Protection of Competition» – the provisions on state preferences.

The antimonopoly authorities of the EAEU Member States carry out the following functions:

- Determine and prevent the violations of competition legislation by economic entities if such violations take place on the territory of one EAEU Member State;
- Determine and prevent the violations of competition legislation by public authorities;
- Control the economic concentration;
- Investigate violations of competition rules, initiate and review cases on the violations of antimonopoly legislation and impose penalties;
- Monitor the compliance of economic entities and public authorities with antimonopoly legislation, receive necessary information and documents from them and explanations in written and oral forms.

Competition policy in FTAs

The EAEU – Vietnam FTA contains provisions on cooperation in this field including the cooperation in enforcement activities.

The list of competent authorities

The Department of antimonopoly regulation of the Eurasian economic commission (http://www.eurasiancommission.org/ru/act/caa/dar/Pages/default.aspx)
The State Commission for the Protection of Economic Competition of Republic of the Republic of Armenia (http://www.competition.am)
The Ministry of Economy of the Republic of Belarus (www.economy.gov.by)[61]
Committee on Regulation of Natural Monopolies and Protection of Competition under the Ministry of National Economy of the Republic of Kazakhstan (http://www.kremzk.gov.kz/eng/)/.
The Ministry of economic development of the Kyrgyz Republic (http://mineconom.gov.kg/index.php?lang=en&Itemid=133)
The State Agency of antimonopoly regulation of the government of the Kyrgyz Republic (http://www.antimonopolia.kg/)
The Federal Antimonopoly Service of the Russian Federation (www.fas.gov.ru)

India

The Competition Commission of India (CCI), established under the CCI Act 2002, is responsible for preventing practices having an adverse effect on competition, promoting and sustaining competition in markets, protecting the interests of consumers and ensuring freedom of trade carried out by other participants in the markets in India. It has powers of inquiry and enforcement, and may impose penalties for non-compliance with its procedures. The CCI may also take remedial actions to deal with anti-

[61] Starting with September 2016 - Ministry of antimonopoly regulation and trade of the Republic of Belarus

competitive agreements and abuse of dominant position, and impose penalties of up to 10% of the average turnover of an enterprise for the three preceding financial years. In case of a cartel, the CCI may impose on each member a penalty of up to three times the profit or up to 10% of turnover, whichever is higher, for each year of the continuation of the agreement. After the inquiry, the CCI may issue a cease-and-desist order directing a delinquent enterprise to discontinue and not to re-enter into an anti-competitive agreement or abuse its dominant position. The CCI may self-initiate investigations.

The CCI provides *ex ante* merger consultation free of charge. The CCI also has a role in competition advocacy; the authorities consider it necessity to develop "competition culture" in the economy, and enhance competition compliance by stakeholders. The CCI has organized various workshops, conferences, seminars, used electronic media and undertaken studies in pursuance of the advocacy mandate. The orders, directions or decisions made by the CCI may be appealed before the Competition Appellate Tribunal (CAT). The authorities state that the CCI is an independent body; it has full functional autonomy as a competition regulator in India, furnishes its annual report which provides a full account of its activities to the Government, and is subsequently placed before the Parliament. The chairperson and members are appointed by the Government from a panel of names recommended by a selection committee headed by the Chief Justice of India or his/her nominee. The appointments are subject to their satisfying the qualifications and experience requirements stipulated in the Competition Act 2002.

Legislation dealing with competition issues in India includes the Competition Act 2002, the Competition (Amendment) Act 2007, the Competition (Amendment) Act 2009, and various regulations issued by the CCI.

The provisions related to anticompetitive agreements are mentioned in Section 3 of the Competition Act 2002. The Act states that any agreement which causes or is likely to cause an appreciable adverse effect on competition in India is deemed to be anticompetitive. Section 4 of the Act gives an exhaustive list of practices that shall constitute abuse of dominant position and, therefore, are prohibited.

Section 6 of the Act states that entering into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India is prohibited and such combination shall be void. As per the Act, a firm proposing to enter into a combination shall notify the Commission in the specified form disclosing the details of the proposed combination, if combining parties exceed the thresholds set in the Act.

Sector-specific regulations exist in many sectors, such as capital markets, insurance, telecommunications, electricity, petroleum and natural gas, and civil aviation. The Competition Act does not distinguish between private and government enterprises except for limited exemptions relating to sovereign functions of government (including activity relating to energy, currency, defence and space). The Competition Act stipulates mandatory prior approval of combinations above the notified thresholds. The CCI must decide within 210 days to finalize and notify the decision on a combination filing. In this context, the CCI has a self-imposed limit to clear cases within 180 days on best-endeavour basis. As per provisions in "Combinations Regulations", the authorities consider that most filings are likely to be approved within 30 days and only those with serious competition concerns are likely to go beyond this period to the second stage of investigation.

In June 2011, two new regulations concerning combinations (mergers) and recovery of monetary penalty, respectively, entered into force. The purpose of the CCI (Procedure in Regard to the Transaction of Business Relating to Combinations) Regulations 2011 is to provide detailed procedures to be followed in case of combination matters (e.g. merger review). The Regulations deal with, *inter alia*, the form of notice to be given, timelines, filing fees, procedure for filing notice. Combinations require filing notices within 30 days of: (i) approval of the proposal relating to merger or amalgamation; or (ii) execution of any agreement or other documents of acquisition. The CCI (Manner of Recovery of Monetary Penalty) Regulations 2011 contains, *inter alia,* detailed provisions with regard to issuance of demand notices, modes of recovery, reference to income tax authorities, and interest on penalties. The purpose of the Regulation is to enforce penalty recovery in an effective and pre-determined manner.

The CCI has kept the Combination Regulations aligned with international best practices, such as mandatory filing, clearly defining threshold for notification requirements, and timing of notices to be submitted. From this perspective, CCI amended the Combination Regulations on 23 February 2012, 4 April 2013 and 28 March 2014, respectively, with a view, *inter alia*, to simplifying filing requirements for combinations.143.

In addition, in accordance with clause (a) of Section 54 of the Competition Act, the Government exempted: (i) an enterprise, whose control, shares, voting rights or assets are being acquired has either assets of the value of not more than Rs 2.5 billion in India or turnover of not more than Rs 7.5 billion in India from the provisions of Section 5 of the Act for a period of five years from 4 March 2011; (ii) a banking company, to which the Government has issued a notification under Section 45 of the Banking Regulation Act 1949, from the application of provisions of Section 5 and 6 of the Competition Act for five years from 8 January 2013144; and (iii) the Vessel Sharing Agreements of Liner Shipping Industry from the provisions of Section 3 of the Competition Act (Anti-Competitive Agreements) for a period of one year as from 11 December 2013.

Between May 2009 and December 2014, the CCI received 557 cases (excluding combination filings as described in the next paragraph). As on 31 December 2014, 283 cases (out of 557 cases) were closed at the *prima facie* stage, 144 cases decided/disposed of after the report of the Director General (DG) of Investigation, 55 cases under consideration before the CCI, and 75 cases under investigation before the DG. The CCI has issued cease-and-desist orders in various cases as well as ordered modification of agreements; between 2011 and 2014, 77 cease-and-desist orders were issued. Penalties have been imposed in some cases (e.g. a cartel involving cement) 145; in the same period, there were 58 cases (including combination cases) where penalties were imposed, the total amount of the penalty amounting to Rs 124.7 billion.

On merger review, between June 2011 and March 2014, the CCI received more than 150 combination filings, all of which being cleared by the Commission at the first phase of scrutiny within 30 days of filing in accordance with the provisions of the Combination Regulations.

The CCI identifies the Memorandum of Understanding (MOU) as a potent tool to enhance international cooperation in competition policies. It has signed MOUs with the Federal Antimonopoly Service (Russia) in 2011; the Federal Trade Commission and the Department of Justice (the United States) in 2012; the Australian Competition and Consumer Commission in 2013; the DG Competition, European Commission in 2013; and Competition Bureau, Canada in 2014. In various regional trade agreements that India has signed (e.g. with Japan, and the Republic of Korea), competition chapters are included; the authorities state that all RTAs to be concluded by India are likely to have a chapter on competition. The authorities are currently formulating a National Competition Policy.

(Competition Commission of India can be accessed at http://www.cci.gov.in)

Competition policy in FTAs

In various regional trade agreements that India has signed (e.g. with Japan, and the Republic of Korea), competition chapters are included; the authorities state that all RTAs to be concluded by India are likely to have a chapter on competition.

CCI has been involved in negotiations of Competition Chapter of following free trade agreements under the leadership on Ministry of Commerce:

(i) Regional Comprehensive Economic Partnership (RCEP) agreement
(ii) India- European Union Broad Based Trade and Investment Agreement (India –EU BTIA)
(iii) India – European Free Trade Association (EFTA) Preferential Trading Arrangement

The negotiation on above mentioned three agreements is still going on.

As per information available in public domain, some of the recent FTAs concluded by India which have provisions on competition are mentioned below:

(i) India - Japan Comprehensive Economic Partnership Agreement (CEPA).
(ii) Korea- India Comprehensive Economic Partnership Agreement (CEPA).

These CEPA agreements are trade treaties which contain an abridged chapter on ‘Competition’. The chapter recognises the Competition Act of respective countries in dealing with the matter of anti-competitive practices that affect trade or investment between the parties. The main points covered by the chapter on Competition under CEPA are as follows:

a. Consultation regarding matters arising under the chapter
b. Cooperation amongst competition agencies for effective competition law enforcement
c. Non-application of the dispute settlement mechanism

6.3 Government Procurement

Government procurement

The EAEU Member States have different international obligations on government procurement relating to third countries. On one hand is the commitments of the Republic of Armenia to provide national treatment regime to GPA participants and on the other hand is the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation, which do not provide such treatment for any other countries except the EAEU Member States.

Under these circumstances, the future scope of arrangements between the Parties could be bound for the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation for developing cooperation in procurements without market access commitments, and for the Republic of Armenia to its GPA commitments.

In the FTA the EAEU Member States and India will have an opportunity to:

- Develop cooperation in order to promote the application of electronic forms of procurements;
- Exchange experience and information on procurements, such as regulatory frameworks, best practices and statistics;
- Set up a consultation mechanism between the Parties.

EAEU

Government procurement regulation of the EAEU brings high-standard system of forming, placement and execution of government contracts and provides transparency through the whole cycle of procurement – from planning to analysis of contractual results.

The Treaty on the EAEU (Article 88, Chapter XXII "Government (municipal) procurement" and Annex 25 to the Treaty) is the core legal act which regulates government procurement sphere on the territory of the EAEU. It defines the main principles of functioning of the EAEU procurement market and outlines the basic approaches of the Member States for performing procurements. The EAEU Member States have brought their national legislation on government procurement in line with the Treaty on the EAEU.

In accordance with the Treaty on the EAEU Member States apply national treatment to the suppliers of each other. The total value of the procurement market in the EAEU comes to approximately USD 90 billion as of 2014.

The Treaty on the EAEU provides the following methods of procurement:

- Contest (electronic only, open or closed, could be hold by two-phase and with the prequalification of bidders);
- Request for quotation;
- Request for proposals (the special offer list is used);
- Auction (electronic only, open, the special list of goods, works under contract and services are used);
- Exchange trading;
- Single source procurement or procurement by single supplier, performer, contractor (the special list of single source cases is used).

One of the essential features of procurement in the territory of the EAEU is its electronic format for two methods of procurement (Contest and Auction) by using digital electronic signature (E-procurement system). In order to receive digital signatures foreign potential bidders must have a branch or representative office in the territory of the EAEU Member States with the exception for the Republic of Belarus where the electronic signature could be obtained by a non-resident.
The EAEU Member States endeavor to provide electronic format of the other government procurement methods and to conclude all procurement contracts only by electronic means up to 2016.

The following information is published on the web-portals on government procurement of the EAEU Member States:

- Legislation on government procurement;
- Notices on intended procurement and data on its results;
- Tender documentation and specifications;
- Protocols of tender commissions meetings;
- Supplier blacklist;
- Information on electronic trading platforms;
- Registers of procurement contracts; etc.

In accordance with the Article 88, Chapter XXII "Government (Municipal) Procurement" and Annex 25 to the EAEU Treaty the EAEU Member States set up tender conditions of participation, requirements to the content of tender documentation and specifications, procurement contracts, requirements to procedures of organization and conducting procurement methods.
In order to provide the legal rights and interests of tender participations the EAEU Member States outline the possibility of administrative and judicial appeal of tender procedures to relevant authorities. The government procurement policy and enforcement of the EAEU Member States are coordinated on the supranational level by the Commission. The Commission monitors the legislation of the EAEU Member States to the compliance with the Treaty on the EAEU and removes the existing exemptions of the Member States government procurement regulation. The Department of competition policy and public procurement of the Commission is in charge of government procurement regulation at the supranational level (http://www.eurasiancommission.org/en in the "Competition and Antitrust Regulation" section).
The Treaty on the EAEU has no any restrictions to foreign entities to participate in government procurement procedures in the territory of the EAEU. However national treatment for foreigners is granted in cases and under conditions provided by the national legislation of the EAEU Member States.

National Aspects of Government Procurement Regulation in the EAEU

The Republic of Armenia
The main law of the Republic of Armenia on government procurement is "The Law on Procurement" of December 22, 2010. This law covers purchases of all types of goods, works and services (including rent and lease contracts) procured by state and local government bodies, non-profit organizations, state enterprises, the Central Bank and enterprises with over 50% State and (or) community ownership.
The Law does not contain any provision to promote domestic suppliers or local content and it explicitly guarantees equal rights for foreign providers.
The value of the government procurement market in the Republic of Armenia constitutes approximately USD 836 million as of 2014.
The E-procurement system was launched in 2011. The official website of the system is www.armeps.am.
The Republic of Armenia is a party to the WTO plurilateral Agreement on Government Procurement.

The Republic of Belarus

At present the relations concerning implementation of government procurement are regulated by:

- Law of the Republic of Belarus of July 13, 2012 №419-z "On government procurement of goods (works, services)";
- Decree of the President of the Republic of Belarus of December 31, 2013 №590 "On some aspects of government procurement of goods (works, services)";
- Resolution of the Council of Ministers of August 22, 2012, №778 "On some measures of realizing the Act of the Republic of Belarus "About government procurement of goods (works, services)".

The value of the government procurement market in the Republic of Belarus constitutes approximately USD 4.6 billion as of 2014. The government procurement cover all economic sectors for the purposes of buying goods (works, services) by completely or partly budget finance and (or) finance of governmental off-budget funds.

The current legislation of the Republic of Belarus does not establish the obligatory condition of national content (components) in government procurement with foreign suppliers' participation, at the same time the margin of preference at a rate of 15 percent is granted for goods produced in the territory of the EAEU Member States.

The government procurement information and legislation of the Republic of Belarus are presented by:

- Official website on government procurement information: www.icetrade.by
- Official website of laws and regulations on government procurement: www.pravo.by
- Official websites of the electronic trade platforms: www.zakupki.butb.by, www.goszakupki.by.

The Republic of Kazakhstan

The basic regulations on public procurement market in the Republic of Kazakhstan are:

- Law of the Republic of Kazakhstan dated December 4, 2015 № 434-V "On public procurement";
- Order of the Ministry of Finance of the Republic of Kazakhstan "On approval of rules of public procurement" dated December 11, 2015 № 648;

The marketvalue of government procurement by the Republic of Kazakhstan amounted to approximately USD 6.4 billion in 2014. This value increased to about USD 7 billion in 2015.

Governmental procurement covers all sectors of the economy, except the procurement of subsoil use, procurement of National Governors holdings, national holdings, national companies and their affiliated entities, the National Bank of the Republic of Kazakhstan purchases and its agencies, organizations within the National Bank structure and legal entities in which fifty and more percent of voting shares (stakes in the authorized capital) are owned by the National Bank of the Republic of Kazakhstan or in its fiduciary management, and their affiliated entities;

The law provides the conditions for participation in public procurement procedures in the Republic of Kazakhstan linking several references to national stakeholders.

In the case of single-source procurement can be used as an electronic and paper formats.

Information and legislation on public procurement RK presented by:

Official website of the Governmental Procurement and electronic trading platforms: goszakupki.gov.kz

Official site with the laws and regulations in the area of governmental procurement: www.adilet.zan.kz

The Kyrgyz Republic

Government procurement of the Kyrgyz Republic is regulated by Law of May 24, 2007 № 69 "On government procurement".

The value of the government procurement market of the Kyrgyz Republic constitutes approximately USD 374 million as of 2014.

Government procurement covers all economic sectors for the purposes of buying goods (works, services)

by completely or partly budget finance and (or) finance of governmental off-budget funds.
The Law has some restrictions to foreign entities to participate in government procurement procedures in the territory of the Kyrgyz Republic connected with several preferences for national bidders.
In 2014 the Kyrgyz Republic started to explore and build up E-procurement system by using the digital electronic signatures.
The government procurement information and legislation of the Kyrgyz Republic are presented by official website www.zakupki.gov.kg.

The Russian Federation
Government procurement of the Russian Federation is regulated by Federal law of April 5, 2013 № 44-FZ "On the contractual system in the sphere of purchasing goods, works and services for meeting the state and municipal needs". The value of the government procurement market of the Russian Federation constitutes approximately 76.5 billion USD as of 2014.
The legislation of the Russian Federation on government procurement have no restrictions to foreign suppliers' participation in tenders with the exception of legal entities registered in offshore. In order to protect the constitutional order, national defence and state security, protection of the domestic market of the Russian Federation, development of the national economy, support of domestic producers the current legislation on government procurement establish the possibility of ban on the access of goods originating from foreign countries, works and services, respectively, performed, rendered by foreign entities.

In accordance with the provisions of Law №44-FZ the largest volume of government procurement in the following areas:
- Construction works;
- Supply of medical devices and medicinal products;
- Supply of electricity;
- Services of credit organizations;
- Management services and operation of real estate property;
- Supply of petroleum products.

The predominant method of determination of supplier (contractor, performer) is an electronic auction. In the first half of 2015 the share of electronic auctions amounted to 52% of the total number of purchases. Procurement by a single supplier (contractor, performer) amounted to 23.4% for this period and purchase through an open contest was 13.2 % of the total procurement value.

The government procurement information and legislation of the Russian Federation are presented by:
- Official website on government procurement information: www.zakupki.gov.ru
- Official website of laws and regulations on government procurement: www.pravo.gov.ru
- Official websites of the electronic trade platforms: www.sberbank-ast.ru, www.etp.roseltorg, www.etp.zakazrf.ru, www.rts-tender.ru, www.etp-micex.ru.

The Russian Federation has observer status to the WTO Plurilateral Agreement on Government Procurement since May 2013.

Government Procurement in FTAs
The EAEU and Vietnam FTA of 2015 contains relevant provisions on government procurement cooperation between the Parties for the purposes of improving transparency, promotion of fair competition, use of electronic technologies in the field of government procurement and the provisions on the possibility of negotiations on market access issues.
The Commonwealth of Independent States FTA of 2011 outlines the provisions on government procurement in the territory of the CIS, which are specified in separate agreement between interested Parties of the CIS.

The National Bodies of the EAEU Member States responsible for the Government Procurement

- The Ministry of Finance, Procurement Support Center (PSC) (http://www.armeps.am) and Complaints Council of the Republic of Armenia (http://www.minfin.am)
- The Ministry of Trade of the Republic of Belarus (http://www.mintorg.gov.by)
- The Ministry of Finance of the Republic of Kazakhstan (http://www.minfin.gov.kz), the Committee of Financial Control to the Ministry of Finance of the Republic of Kazakhstan
- The Ministry of Finance of the Kyrgyz Republic (http://www.minfin.kg)
- The Ministry of Economic Development of the Russian Federation (http://www.economy.gov.ru), the Federal Antimonopoly Service (http://www.fas.gov.ru).

India

WTO – GPA (WTO-Government Procurement Agreement) is a plurilateral agreement of 1996 that commits members to certain core disciplines regarding transparency, competition and good governance in one of the most important and growing areas of the economic activity of any country. It covers the procurement of goods, services and capital infrastructure by public authorities. There are 43 signatory countries as on date, primarily the developed countries (counting EU as 28 countries) in the GPA. This agreement has been revised and made effective from 30 March 2012.

Department of Expenditure, Ministry of Finance has been designated as the nodal Department for all the matters related to government procurement. As of now there is no central agency responsible for regulating public procurement at a national level and no common legislation exists governing procurement at different levels of government and by CPSEs (Central Public Sector Enterprises). Currently, Government Procurement is regulated through General Financial Rules (GFRs), 2005; the Delegation of Financial Powers Rules (DFPR); the Manual on Policies and Procedures for Purchase of Goods issued by the Ministry of Finance etc.

India obtained the status of an Observer to the Government Procurement Agreement (GPA) in WTO in February 2010. Issue of India`s accession to GPA of the WTO has been under examination of the Department of Commerce, Ministry of Commerce and Industry, and keeping in view the fact that Indian legislation in this regard i.e. Public Procurement Bill 2012 has still not been passed by the Parliament, it has been decided to keep this issue pending for the time being.

6.4 Mutual Recognition Agreements (MRAs)

EAEU

The Agreement between the Government of the Russian Federation and the Government of the Former Yugoslav Republic of Macedonia on the mutual recognition of diplomas and scientific degrees took place on 19 June 2012.

This Agreement applies to state documents on education and scientific degrees delivered in the Russian Federation and documents on education and scientific degrees delivered by state educational institutions, as well as non-state educational institutions in the Former Yugoslav Republic of Macedonia, having an accreditation at least during a 10-year period.

The Agreement between the Government of the Russian Federation and the Government of the Republic of South Africa on mutual recognition and equivalence of documents on education and scientific degrees was signed in Durban on March 26, 2013.

This Agreement applies to state documents on education and scientific degrees delivered in the Russian Federation, educational documents and scientific degrees registered in accordance with the National qualifications frameworks (NQF) granted in the Republic of South Africa.

India

Mutual Recognition Agreements (MRAs) paved the way for recognition of the professional body of one country by the other. Regulatory bodies of various professional services like engineering, accountancy and architecture are encouraged to enter into these pacts.

Under the India ASEAN Agreement on Trade in Services, Parties to the agreement have agreed to encourage their respective professional bodies or regulatory authorities in any services sector of mutual interest to negotiate and conclude any arrangement for mutual recognition of education, or experience obtained, requirements met, or licenses or certifications granted in that service sector with a view to achievement of early outcomes.

India and South Korea on 8th October 2015 inked an Authorised Economic Operator Mutual Recognition Agreement (AEO-MRA). The deal was signed on the side-lines of the 11th Asia Europe meeting of Directors General-Commissioners of Customs. The MRAs recognize the AEO programme of each other's customs administrations and extends benefits to trade on reciprocal basis.

It is a key element to strengthen and maintain security of international supply chains and serves as a useful tool to avoid duplication of security and compliance controls. The MRA will ensure that Indian AEO exporters, who enter Korea, will be given extensive benefits in terms of speedy clearance lesser examination and checks. Similarly, a party which is recognized by the Korean customs administration as being compliant will be extended benefits in India. This is expected to enhance trade between the two countries and be mutually beneficial to both countries.

6.5 Environment Protection

EAEU

The Environmental Issues in the EAEU

Environmental policy and the relevant provisions of environmental legislation are regulated by the EAEU Member States at the national level. At the moment, the Treaty on the EAEU does not contain provisions on environment protection.

The Regulation of Environment Protection at the National Level

The main legal acts of the Republic of Armenia in the field of environment protection are: the Forest Code, the Water Code, the Land Code, the law «On air protection» dated November 1, 1994 № C-1109-1-ZR-121, the law «On Flora» dated November 23, 1999, the law «On Fauna» dated April 03, 2000, the law «On Waste» dated November 24, 2004, the law «On Specially Protected Natural Areas» dated November 27, 2006, the law «On the substances depleting ozone layer» dated on November 27, 2006, the Underground Resources Code, dated November 28, 2011, the law «On Environmental Impact Assessment and Expertise», dated June 21, 2014.

In the Republic of Belarus the main legal act which regulates the environment protection issues is the Law of November, 26 1992 «On the protection of environment». In addition to this there are about fifteen legal acts in the sphere of environment protection and sustainable use of natural resources such as the Water Code of the Republic of Belarus, the Code of the Republic of Belarus on mineral resources, the Forest Code, the Land Code and the following laws: «On air protection», «On disposal of waste», «On state environment expertise», «On plant life», «On the protection of ozon screen», «On animal life», «On specially protected natural areas». The Ministry of Natural Resources and Environment Protection of the Republic of Belarus is the body responsible for the implementation of the state policy in the sphere of environment protection and sustainable use of natural resources.

The basic legal act of the Republic of Kazakhstan in this sphere is the Environmental Code of the Republic of Kazakhstan. The Code regulates the relations in the field of protection, restoration and preservation of the environment, use and restoration of natural resources during the implementation of economic and other activities related to the natural resources utilization and environmental impacts.

The issues related to environment protection are regulated in the Kyrgyz Republic by the Law «On environmental protection» № 53 as of June 16, 1999. This document determines state police and regulates relations in the field of nature management and environmental protection in the Kyrgyz Republic.

In the Russian Federation the main legal act which regulates environmental issues is the Law of August, 22 2004 № 112-FZ «On Environmental protection». This law regulates interaction between society and nature when carrying out economic and other activities which have the impact on environment».

Environmental Issues in FTAs

The EAEU – Vietnam FTA is the first EAEU FTA which contains provisions on environment protection. The FTA creates the necessary framework for the enlargement of cooperation between the parties on environmental issues.

The List of Competent Authorities

At the national level the environmental regulation is carried out by the following authorities of the EAEU Member States:

The Ministry of Nature Protection of the Republic of Armenia (http://www.Millionp.am)

The Ministry of Natural Resources and Environment of the Republic of Belarus (www.minpriroda.gov.by)

The Committee of environmental regulation, control and state inspection in the oil and gas sector of the Ministry of energy of the Republic of Kazakhstan (http://en.cerc.energo.gov.kz/index.php?id=3044)

The State agency on environment protection and forestry under the Government of the Kyrgyz Republic (www. nature.gov.kg/)

The Ministry of Natural Resources and Environment of the Russian Federation (www.mpr.ru)

The Ministry of Economic Development of the Russian Federation (www.economy.gov.ru)

India

Various efforts are being made to control India's environmental problems. The government has recognized the need for planned land and water resource management. Also, the protection of environmental resources is included in the Constitution since 1976. The Constitution, 42nd Amendment Act of 1977 obligates the Government to protect and improve environment for the good of society as a whole. It also makes environmental protection an obligation of the state and individual citizen and reads, "The state shall Endeavour to protect and improve the environmental and to safeguard forests and wildlife of the country." Article 51-A (9) states "It shall be duty of every citizen of India to protect and improve the natural environment including forests, lakes, rivers, wildlife and to have compassion for living creatures." A lot of Acts like Biodiversity Conservation Act, Environment Protection Act, Wildlife Preservation Act, Water Pollution Prevention Act, Air Pollution Prevention Act etc. are enacted from time to time for environment preservation (PIB, SS-331/SF-331/ 05.06.2015).

The Ministry of Environment, Forest and Climate Change (MoEFCC) is the nodal agency in the administrative structure of the Central Government for the planning, promotion, co-ordination and overseeing the implementation of India's environmental and forestry policies and programmes. The primary concerns of the Ministry are implementation of policies and programmes relating to conservation of the country's natural resources including its lakes and rivers, its biodiversity, forests and wildlife, ensuring the welfare of animals, and the prevention and abatement of pollution. While implementing these policies and programmes, the Ministry is guided by the principle of sustainable development and enhancement of human well-being.

The Ministry also serves as the nodal agency in the country for the United Nations Environment Programme (UNEP), South Asia Co-operative Environment Programme (SACEP), International Centre for Integrated Mountain Development (ICIMOD) and for the follow-up of the United Nations Conference on Environment and Development (UNCED). The Ministry is also entrusted with issues relating to multilateral bodies such as the Commission on Sustainable Development (CSD), Global Environment Facility (GEF) and of regional bodies like Economic and Social Council for Asia and Pacific (ESCAP) and South Asian Association for Regional Co-operation (SAARC) on matters pertaining to the environment.

The broad objectives of the Ministry are:
• Conservation and survey of flora, fauna, forests and wildlife
• Prevention and control of pollution
• Afforestation and regeneration of degraded areas
• Protection of the environment and
• Ensuring the welfare of animals

These objectives are well supported by a set of legislative and regulatory measures, aimed at the preservation, conservation and protection of the environment. Besides the legislative measures, the National Conservation Strategy and Policy Statement on Environment and Development, 1992; National Forest Policy, 1988; Policy Statement on Abatement of Pollution, 1992; and the National Environment Policy, 2006 also guide the Ministry's work (see Ministry of Environment, Forest and Climate Change, 2016). India alongside many developing countries views environmental protection as a non-trade issue. And India is of the view that environmental protection clauses in FTAs may prove to be trade restrictive hence such clauses are not part of the FTAs concluded by India. Ministry of Environment, Forest and Climate Change (http://envfor.nic.in/) is the relevant authority.

6.6 Labor standards

EAEU

The Labour Standards in the EAEU
Labour policy and the relevant aspects of labour law are regulated by the EAEU Member States at the national level. At the same time according to the Article 96 of the Treaty on the EAEU, the EAEU Member States cooperate to harmonize their policies in the field of labour migration within the EAEU.

The Regulation of Labour at the National Level
Each EAEU Member State has national legal acts on labour issues such as the Labour Code of the Republic of Armenia of December 14, 2004 № ZR-124; the Labour Code of the Republic of Belarus of July 26, 1999 № 296-Z; the Labour Code of the Republic of Kazakhstan of November 23, 2015 № 251-Z; the Labour Code of the Kyrgyz Republic of August 4, 2004 № 106 and the Labour Code of the Russian Federation of December 30, 2001 № 197-FZ.
The above mentioned documents establish legal basis for state policy in the sphere of labour standards, provide necessary conditions for the protection of workers' right and promote opportunities for women and men to obtain decent and productive work, which offer freedom, equity, security and dignity.

The Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic and the Russian Federation have ratified the fundamental conventions of the International Labour Organisations which are:

- Forced Labour Convention, 1930 (No. 29);
- Abolition of Forced Labour Convention, 1957 (No. 105);
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No.87);
- Right to Organise and Collective Bargaining Convention, 1949 (No.98);
- Equal Remuneration Convention, 1951 (No.100);
- Discrimination (Employment and Occupation) Convention, 1958 (No.111);
- Minimum Age Convention, 1973 (No.138);

- Worst Forms of Child Labour Convention, 1999 (No.182).

Apart from ILO fundamental conventions EAEU Member States also ratified ILO Labour Inspection Convention, 1947 (No.81), ILO Employment Policy Convention, 1964 (No.122) and etc.

Labour Issues in FTAs

The EAEU – Vietnam FTA is the first EAEU FTA which contains provisions on labour standards. The FTA creates the necessary framework for the enlargement of cooperation between the parties on labour standards.

Bodies Responsible for Labour Issues

At the national level the regulation of labour standards is conducted by the following authorities of the EAEU Member States:

- The Ministry of Labor and Social Affairs of the Republic of Armenia (http://www.mlsa.am).
- The Ministry of Labor and Social Protection of the Republic of Belarus (www.mintrud.gov.by/).
- The Ministry of Healthcare and of Social Development of the Republic of Kazakhstan (www.mzsr.gov.kz/eng).
- The Ministry of Labor, Migration and the Young Generation of the Kyrgyz Republic (http://www.mz.kg/ru/).
- The Ministry of Labor and Social Protection of the Russian Federation (www.rosmintrud.ru).

India

The Labour laws in India are designed for improving the working conditions and the quality of life of workers through laying down and implementing policies/programmes/schemes/projects for providing social security and welfare measures, regulating conditions of work, occupational health and safety of workers, eliminating child labour from hazardous occupations and processes, strengthening enforcement of labour laws and promoting skill development and employment services.
For developing countries like India, Trade- Labor linkage is a sensitive and controversial issue. This linkage poses to be a huge non-tariff barrier which may affect the exports of developing countries. Therefore, labor standards are not part of the FTAs concluded by India.

Indian Labour Laws	
Laws related to Industrial Relations	
1	The Trade Unions Act, 1926
2	The Trade Unions (Amendments) Act, 2001
3	The Industrial Employment (Standing Orders) Act, 1946
4	The Industrial Employment (Standing Orders) Rules, 1946
5	The Industrial Disputes Act, 1947
6	The Plantation Labour Act, 1951
Laws related to Industrial Relations	
1	The Trade Unions Act, 1926
2	The Trade Unions (Amendments) Act, 2001
3	The Industrial Employment (Standing Orders) Act, 1946
4	The Industrial Employment (Standing Orders) Rules, 1946
5	The Industrial Disputes Act, 1947
6	The Plantation Labour Act, 1951
Child Labour	
1	Child Labour Act
2	Child Labour Rule
3	The Schedule

4	Comments sought on proposed amendments on Child Labour (Prohibition and Regulation) Act 1986
Women Labour	
1	Equal Remuneration Act
2	Equal Remuneration Rules
3	The Central Advisory Committee on Equal Remuneration Rules, 1991
Laws Related to Social Security	
1	The Employees' Compensation Act, 1923
2	The Employees' Compensation (Amendments) Act, 2000
3	The Employees' State Insurance Act, 1948
4	The Employees' Provident Fund & Miscellaneous Provisions Act, 1952
5	The Employees' Provident Fund & Miscellaneous Provisions (Amendment) Act, 1996
6	The Payment of Gratuity Act, 1972
7	The Payment of Gratuity Rules
8	Employees liability act 1938
9	The Maternity Benefit Act, 1961

10	The Personal Injuries (Compensation Insurance) Act, 1963
11	The Personal Injuries (Emergency) Provisions Act, 1962
Laws Related to Employment & Training	
1	The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
2	The Apprentices Act, 1961
3	The Apprentices Rule, 1992
4	The Employment Exchanges (Compulsory Notification of Vacancies) Rule, 1960
Laws Related to Wages	
1	The Payment of Wages Act, 1936
2	The Payment of Wages Rules, 1937
3	The Payment of Wages (AMENDMENT) Act, 2005
4	The Minimum Wages Act, 1948
5	The Minimum Wages (Central) Rules, 1950
6	The Working Journalist (Fixation of Rates of Wages) Act, 1958
7	Working Journalist (Conditions of service) and Miscellaneous Provisions Rules, 1957
8	The Payment of Bonus Act, 1965
9	The Payment of Bonus Rules, 1975
10	Working Journalist (Conditions of service) and Miscellaneous Provisions Act, 1955
11	Payment of Bonus Act Notification
12	Majithia Wage Board Notification
Laws Related to Labour Welfare	
1	The Mica Mines Labour Welfare Fund Act, 1946
2	The Limestone & Dolomite Mines Labour Welfare Fund Act, 1972
3	The Beedi Workers Welfare Fund Act, 1976
4	The Beedi Workers Welfare Cess Act, 1976
5	The Beedi Worker's Welfare Cess Act Rules, 1977
6	The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976
7	The Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Cess Act, 1976
8	The Cine Workers Welfare Fund Act, 1981
9	The Cine Workers Welfare Cess Act, 1981
10	The Employment of Manual Scavengers and Construction of Dry latrines Prohibition Act, 1993
11	The Beedi & Cigar Workers (Conditions of Employment) Act, 1966
12	The Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996

13	The Contract Labour (Regulation & Abolition) Act, 1970
14	The Contract Labour Regulation Rules
15	The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
16	The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
17	The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Rules, 1984
18	The Cine Workers' Welfare Fund Act, 1981
19	The Bonded Labour System (Abolition) Act, 1976
20	The Unorganised Workers' Social Security Act 2008
21	The Unorganised Workers' Social Security Rules 2008
Other	
1	The Factories Act, 1948(Draft Amendment Proposals

Source: Ministry of Labour and Employment, GOI, 2016

The relevant authority for Labor standards is the Ministry of Labor and Employment (http://labour.gov.in/)

6.7 E-commerce

Electronic technologies in trade are associated with the facilitation of trade between partners, which is based on the use of paperless document flow and electronic signatures. Switching from paper documents would increase security and transparency in supply chains and provide Governments and the private sector with higher revenues. It reduces the need for repeated data entry and reduces errors and delays. It also promotes R&D in the sphere of electronic technologies applicability for the international trade.

The JFS group sees the inclusion of such provisions in possible FTA as a way to create a legal framework that would promote the use of electronic technologies in trade between the EAEU and India. Such legal framework would increase trade, streamline business, bring element of certainty to cross-border commercial activities and allow to reduce delays and costs at the border. It is the driver in the modernization of administrations.

Taking into account that for the promotion of cross-border e-commerce the creation of legal framework is required, in the context of the possible FTA, the EAEU and India could discuss the following issues:

- Electronic authentication and digital signatures;
- Private data protection;
- E-commerce participant protection;
- Cross-border data flows;
- Use of electronic documents.

EAEU

The rate of Internet access among citizens of the EAEU Member States has been growing steadily over the past 10 years. According to the recent data 66% of the population in the Republic of Belarus and Russian Federation is connected to the Internet, while, for the Republic of Kazakhstan and the Republic of Armenia such indicator is 58%, and for the Republic of Republic of Armenia. The level of internet penetration is only expected to grow in the future, which is part of a government policy as the EAEU Member States took a commitment to increase this number.

To that end, the use of the existing information and computer technologies (ICT) infrastructure in a more productive way has been one of the key areas of work pursued by the EAEU Member States in the field of electronic commerce. The Treaty on the EAEU includes provisions on cooperation in the field of the ICT and on recognition of electronic signatures and the secure use of electronic documents by means of a Trusted Third Party (TTP) service.

Regulation of Electronic Commerce on the National Level

Notwithstanding aforementioned aspects of the electronic commerce, it is also being regulated on a national level by the EAEU Member States.

In the Republic of Armenia the draft laws were developed in order to amend the Civil Code, the law on «Use of Cash Registers», the law on «Trade and Services», the law on «Protection of Consumer Rights». The overall aim of the drafted law amendments is to create a favourable legal environment for development of e-commerce sector. The aforementioned draft laws were adopted by the Government the Republic of Armenia and will be presented to the National Assembly of the Republic of Armenia.

On a national level the Republic of Armenia does not have any legal acts that create a legislative framework for trade that is realized by electronic means. The issues of electronic signature and the use of electronic document is regulated by the Law "On electronic document and electronic signatures" №314-Z adopted on May, 14 2004.

The Republic of Belarus has issued a Decree of the Council of Ministers of the Republic of Belarus on Rules of Wholesale Trade that is Conducted in the Form of Electronic Trade on July 19, 2007 № 924. This Decree establishes the main provisions of the regulation of trade conducted by electronic means that is distinguished from a regular trade, including in the context of possible disputes between companies and certain contracting procedures associated with the electronic documents.

The issue of electronic documents themselves is regulated by the Law of the Republic of Belarus on Electronic Document and Electronic Digital Signature of December 28, 2009 № 113-Z. This Law establishes the main provisions of the regulation of electronic documents and electronic signatures and ensures that electronic documents under certain conditions have the same legal power as paper documents.

The Republic of Kazakhstan established the Decree of the Government of the Republic of Kazakhstan of September 10, 2007 № 786 that sets out basic understandings on the procedure to conduct trade by electronic means, specifically in the context of what types of documents can be used in the form of the electronic document for contracting purposes.

The issue of electronic documents and electronic signatures is being regulated by the Law of the Republic of Kazakhstan on Electronic Document and Electronic Digital Signature of January 7, 2003 № 370-2. This document ensures that electronic documents under certain conditions have the same legal power as paper documents.

In the Kyrgyz Republic was enacted a law "On electronic document and electronic document flow" №22 (dated July 17, 2004). This law establishes requirement for electronic documents, grants the legal basis for uses of digital signature and regulates legal relations, that appear during the electronic document flow". Other laws and regulations that can regulate electronic commerce doesn't exist.

On the national level the Russian Federation does not have any legal acts that distinguish regular trade in goods or services from that conducted by electronic means. The issue of the use of electronic documents and electronic signatures in general is being regulated by the Federal Law on Electronic Signature of April 6, 2011 № 63-FZ and primarily deals with the issue of legal recognition of electronic documents.

The conditions for considering an electronic signature legal by the national laws are:

A) The Republic of Armenia –On the territory of the Republic of Armenia the digital signature certificate issued by certification authorities of other countries, are equivalently recognized to certificates issued by certification authorities of the Republic of Armenia only on the basis of the bilateral agreement on recognition concluded between some country and the Republic of Armenia.

B) The Republic of Belarus - Foreign E-signature corresponding to the requirements of the law of a foreign country in which the certificate is issued, it is recognized in the territory of the Republic of Belarus in cases and order stipulated by international treaties of the Republic of Belarus which allow the mutual recognition of E-signatures.

C) The Republic of Kazakhstan - Foreign E-Signature that has foreign registration certificate is recognized as a legal electronic signature on the territory of the Republic of Kazakhstan in accordance with ratified international treaties the Republic of Kazakhstan or after corresponding entry in the register of the registration certificates.

D) Kyrgyz Republic – Digital signature that has a foreign certificate on the public key of digital signature issued by the state, with whom there is the international treaty on the recognition of such digital certificates.

E) The Russian Federation – E-signatures created in accordance with the law of a foreign state and international standards, are recognized as electronic signatures of the type, the criteria of which are met in the Federal Law of April 6, 2011 №63-FZ "On electronic signature".

The Private data protection is regulated by the following laws:

A) The Republic of Armenia – Law "On protection of personal data" №3P-422 (dated November 7. 2002) based on OECD Guidelines on the protection of privacy and cross border flows of personal data" and Convention of Europe on protection of natural persons data"

B) The Republic of Belarus – Law "On Information, Informatization and data protection" №455-Z (dated November 14. 2008)

C) The Republic of Kazakhstan – Law "On Personal data and its protection" №94-V (dated May 21, 2013) based on OECD Guidelines on the protection of privacy and cross border flows of personal data" and Convention of Europe on protection of natural persons data"

D) The Kyrgyz Republic – Law on "On Information of personal nature" №58 (dated April 14, 2008)

E) The Russian Federation – Federal Law "About personal data" №152-FZ (dated July 27, 2006) based on OECD Guidelines on the protection of privacy and cross border flows of personal data" and Convention of Europe on protection of natural persons data

EAEU Member States, except the Republic of Belarus, undertook a commitment of maintaining the provisional moratorium decision on not imposing customs duties on electronic transmissions, most recently renewed during the WTO Ministerial Conference on Bali in December 2013.

Electronic Commerce in FTAs

EAEU – Vietnam FTA, covers on the framework basis the electronic commerce, particularly the issue of mutual recognition of electronic signatures and electronic documents.

Responsible Authorities

The Department for Competition Policy and Policy in the Area of Government Procurement of the Eurasian Economic Commission is responsible for the legal harmonization of the use of electronic signatures and electronic documents for the purposes of ensuring unrestricted access of the EAEU Member States to each other's government procurement markets

Electronic Commerce regulation at the national level is conducted by the following authorities in the EAEU:

- The Ministry of transportation and communication of the Republic of Armenia (www.mtc.am)
- National certification center CJSC "Ekeng" (www.ekeng.am)
- The Ministry of Trade of the Republic of Belarus (www.mintorg.gov.by)
- The Committee of communication, informatization and information of the Republic of Kazakhstan under the Ministry of investments and development of the Republic of Kazakhstan (www.info-con.mid.gov.kz)
- The Ministry of Finance of the Republic of Kazakhstan (www.minfin.gov.kz)
- The Ministry of transportation and communication of the Kyrgyz Republic (www.mtc.gov.kg)
- The Ministry of Economy of the Kyrgyz Republic (www.mineconom.gov.kg)
- The Ministry of Economic Development of the Russian Federation (www.economy.gov.ru)
- The Ministry of Communications and Mass Media of the Russian Federation (www.minsvyaz.ru)

National authorities of the EAEU Member States that are responsible for personal data protection, the security of the information traded on a national level and e-signature are:

A) In the Republic of Armenia: the Public services regulation commission is responsible for e-signature and the Ministry of Justice is responsible for personal data protection(www.justice.am)
B) In the Republic of Belarus: Operational and analytical centre under the President of the Republic of Belarus is responsible for data protection and E-Signature issues (www.oac.gov.by)
C) In the Republic of Kazakhstan: National verification centre (www.pki.gov.kz/) is responsible for E-signature and the Committee of communication, infomatization and information is responsible for data protection (www.info-con.mid.gov.kz/)
D) In the Kyrgyz Republic: the Ministry of transportation and communication is responsible for e-signature and the Ministry of Justice is responsible for personal data protection (www.minjust.gov.kg)
E) In the Russian Federation: The Federal Service for Supervision of Communications, Information Technology, and Mass Media is responsible for accreditation of certification authorities that assign e- signatures and is responsible for data protection (rkn.gov.ru)

India

As per extant FDI policy, FDI up to 100% under the automatic route is permitted in Business-to-Business (B2B) E-Commerce Activities. The extant FDI policy does not permit FDI in Business-to-Consumer (B2C) E-Commerce.

In India, E-Commerce laws and regulations are at an evolving stage and hence it would be premature to enter into negotiations in this regard. Therefore, India’s stand has been to continue discussions in an exploratory and experience sharing mode so as to enhance on understanding on various aspects of the issues related to E-Commerce.

At the present stage of development India does not include any market access elements in view of the evolving nature of E-Commerce laws and regulations in India. India does not bind itself currently with a set of principles that will restrict sovereign policy space for future regulatory development. Thus, on E-Commerce Bilateral Cooperation issues and sharing of best practices with the EAEU could be discussed.

6.8. State Enterprises

EAEU

The Republic of Armenia

In 2010 the Republic of Armenia notified the WTO that it does not maintain any state-trading enterprises in accordance with the provisions of GATT Article XVII and the Understanding on the Interpretation of Article XVII.[62]

At the end of 2009, state participation in the economy was limited to 400 companies fully or partially owned by the State: approximately 300 of these companies specialize on health care, education, and military activities, while the other 100 are small companies which does not work and await liquidation[63].

The Republic of Belarus

In the Republic of Belarus there was only one State-trading enterprise falling under the scope of Article XVII:4(a) of the GATT 1994 and the Understanding on the Interpretation of Article XVII. The enterprise Belaruskali JSC was the sole producer of potassium fertilizers (HS 3104). Belaruskali JSC and Belarusian Potash Company JSC have the exclusive right to export potassium fertilizers produced by Belaruskali JSC. The exclusive right to export was granted to Belaruskali JSC and Belarusian Potash Company JSC

[62] WTO document G/STR/N/12/ARM, 20 June 2008.
[63] Information provided by the Armenian authorities.

through Presidential Decree No. 398 «On Improvement of Export of Potassium Fertilizers» of 25 August 2005.

The Republic of Kazakhstan

In the Republic of Kazakhstan state enterprises are regulated by the Civil Code, Law No. 413-IV «On State Property» of 1 March 2011 and Law No. 527-IV «On National Security» of 6 January 2012.

Only three companies which are subsidiaries of the National Managing Holding «KazAgro» are involved in import and export operations with the use of budget funding – the National Company «Food Contract Corporation», the JSC «KazAgroProduct» (previously known as «Mal Onimderi Korporatsiyasy») and the JSC «KazAgroFinance». Also export-import activity with use of budget funds is performed by two national holdings such as JSC «National Info-Communication Holding «Zerde» and JSC «National Scientific and Technological Holding 'Parasat». JSC «Kazmunaigaz» has exclusive rights to export energy products.

However these enterprises did not fall under notification obligations of the Understanding on the Article XVII of the GATT 1994 as they did not enjoy either exclusive nor special rights with respect to the importation or exportation of goods.

The Kyrgyz Republic

At the moment, 152 state-owned enterprises work in the Kyrgyz Republic. The legislation of the Kyrgyz Republic does not presupposes special regulation of state enterprises. Currently, the law «On state and municipal enterprises» is developing.

In the Kyrgyz Republic there are none State-trading enterprises falling under the scope of the Article XVII:4(a) of the GATT 1994 and the Understanding on the Interpretation of Article XVII.

The Russian Federation

The participation of state enterprises in the economy of the Russian Federation significantly reduced since 1993 when the privatization program started. Such privatization took place both in relation to state and municipal property. Moreover the privatization is still in place and leads to further reduction of state participation in the economy.

The legislation of the Russian Federation does not stipulate the possibility for the Government (State) to have special rights to control or manage joint-stock companies with state investments, where municipal authorities or authorities of the Russian Federation own shares.

At the moment there are several companies which are considered to be state trading enterprises in accordance with the provisions of GATT Article XVII. These are the following companies: JSC «Gazprom», JSC Neftyanaya kompaniya «Rosneft», JSC «Yamal SPG», LLC «Gazprom export», LLC «Arktic SPG 1», LLC «Arktic SPG 2», LLC «Arktic SPG 3».

India

As per World Trade Organization, State Trading Enterprises (STEs) are defined as governmental and non-governmental enterprises, including marketing boards, which deal goods for export and/or import. Article XVII of the GATT 1994 is the principal provision dealing with state trading enterprises and their operations.

In India, the state trading is carried out through specifically designated State Trading Enterprises which forms only a part of the overall foreign trade. In terms of the extant Foreign Trade Policy of the Government of India, State Trading Enterprises are governmental and non-governmental enterprises, including marketing boards who deal in goods for export and / or import. Any good, import or export of which is governed through exclusive or special privilege granted to State Trading Enterprises, may be imported or exported by the concerned STE as per conditions specified in the policy. Such STE(s) are expected to make any such purchases or sales involving imports or exports solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale in a non-discriminatory manner and afford enterprises of other countries adequate opportunity, in accordance with customary business practices, to compete for participation in such purchases or sales. DGFT may, however, grant an authorization to any other person to import or export any of the goods notified for exclusive trading through STEs.

A brief profile of some of the prominent State Trading Enterprises are given below.

1. The State Trading Corporation of India Limited (STC)

Set up in 1956, the State Trading Corporation of India Ltd. is a premier international trading company owned largely by the Government of India. STC is engaged in exports, imports and domestic trading for almost six decades. Some of the other big trading companies of the Government of India, namely MMTC and PEC are the offshoots of STC which were at some stage carved out of it to handle specific items of business. The Corporation has played a key role in the Indian economy. It has acted as an arm of the Government of India not only to regulate foreign trade but also for intervention in the domestic market.

In the past, STC handled canalized exports and imports of items varying from chemicals and drugs to bulk commodities such as edible oils, cement, sugar, newsprint, wheat, urea, etc. It undertook price support operations to ensure remunerative prices to growers for their crops. As part of its export development effort, STC extended technical, marketing and financial assistance to exporters by arranging import of machinery and raw material for export production, setting up design centers, providing testing laboratories, forming consortia of small manufacturers, participating in exhibitions and trade fairs, etc. The efforts of STC enabled many small manufactures to reach the international markets

STC also undertook import and distribution of bulk quantities of mass consumer items like wheat, sugar, edible oils, pulses etc. to meet the shortages in the domestic market, which it does even today as and when called upon by the Government to do so. At present, no item is exclusively canalized for export/import through STC. Today, STC operates just like a private trader in the competitive global trading environment. STC has a network of branch offices spread across major commercial centers of India. It has built up infrastructure in the form of tank farms, warehouses and god owns for efficient handling of trade.

With a view to maintain a position of strength in the international markets and generating substantial turnover and profitability, STC continuously keeps adjusting its basket of commodities to suit to the market dynamics. The Corporation exports a diverse range of items to countries all over the world. Its export basket includes wheat, rice, castor oil, tea, jute goods, sugar, other agro products, chemicals, pharmaceuticals, steel/plates, iron ore, light engineering goods, construction materials, consumer goods, textiles, garments, etc. The Corporation also monitors counter trade/offset commitments against bulk Government purchases. Major items of import by STC include wheat, sugar, gold, silver, edible oils, fertilizers, metals, minerals, hydro-carbons, and pulses. The Corporation assists small importers in meeting their import requirements. It also undertakes import of technical and security equipment on behalf of Forensic Science Laboratories, State Police and Intelligence Departments and Paramilitary Organizations against specific requests. On domestic front, the Corporation mainly undertakes sales of fertilizers, cardamom, oils, seeds, oil meals, hydrocarbons, minerals, metals, petro-chemicals, tea, pulses and jute. Today, STC is known as a trustworthy buyer and supplier in the international markets and is an ideal partner for structuring trade transaction of any magnitude as per the specific requirement of its clients.

During 2014-15, STC undertook many new initiatives to improve its turnover and profitability. Some of these include the following:

- Exports of steel plates to Iran against agreements entered into with Iranian Government Companies.
- Import of raw cashew for Kerala Government Undertaking.
- Conducting cardamom auctions in Tamil Nadu under license from Spices Board.
- Supply of fertilizers to domestic tobacco growers under arrangement with Tobacco Board.
- Domestic sale of items like packaged drinking water and coffee in STC brand.
- Supply of rice to Government of Puducherry.

The Corporation achieved a turnover of the order of 14,400 Crore during 2014-15 with a profit before tax of 31 Crore. The export turnover of 1884 Crore achieved by STC during 2014-15 was the best in last six years.

As per the current Foreign Trade Policy of the Government of India, STC is the designated STE / one of the nominated agencies to undertake import of the following items:-Copra (Chapter 12 of ITC (HS) – Imports)
- Coconut (copra) oil and its fractions (Chapter 15 of ITC (HS) – Imports)- Crude oil
- Other
- SKO – STC is a nominated STE for supplies to Advance License Holders along with IOC, BPCL, HPCL and IBP. (Import Policy Condition (2) of Chapter 27 of ITC (HS) – Imports)
- Urea, whether or not in aqueous solution – STC is a nominated STE along with MMTC and Indian Potash Limited. (Chapter 31 of ITC (HS) – Imports)

STC along with PEC is permitted to import wheat on behalf of Roller Flour Mills subject to certain conditions. (Import Policy Condition (1) of Chapter 10 of ITC (HS) – Imports)

STC is also one of the nominated agencies to undertake import of gold & silver into the country. (Para 4.41 of Chapter 4 of the EXIM Policy)

Further, actual users may avail the services of STC for import of Crude Palm Stearin, who may import Crude Palm Stearin without a license, approval or authorization from the Government and arrange for its splitting into fatty acids and glycerol. (Chapter 15 of ITC (HS) – Imports)

STC is one of the eligible entities for getting allocation of quota of Milk Powder and White Butter, Butter Oil, Anhydrous Milk Fat, Maize (Corn) and Crude Sunflower Seed or Safflower Oil or fractions thereof and Refined Rape, Colza, Canola or Mustard Oil, Other based on requests received from actual users/applicants. (Para 2.61 of Chapter 2 of Hand Book of Procedures)

However, it may be mentioned that actual trade by STC in respect of most of the above-mentioned items is either insignificant or is nil except in case of the following:
- Import of urea, as per authorizations received from the Government from time to time.
- Import of gold & silver as one of over forty agencies authorized to import bullion into the country.

2. MMTC LIMITED

Over the last five decades, Minerals and Metals Trading Corporation Limited (MMTC) has been consistently providing value-added services to the industry and the nation. MMTC was carved out of State Trading Corporation as a separate entity in 1963 to become a specialized exporter of minerals and ores and importer of essential non-ferrous metals. Thereafter, import of fertilizers and essential raw materials for fertilizer production was added to MMTC's portfolio of business in 1970. Over the years some other products like Steel, Diamonds, Gold and Silver, Agro, Coal etc. were also progressively added to the portfolio of the company.

Keeping pace with the national economic development, MMTC grew over the years into one of the largest state trading organizations of India. Starting from a turnover of Rs 68 crores in 1964-65 (the first year of operation) the turnover increased to Rs 8,116 crores during 1991-92, 91% of which was canalized. The advent of economic reforms from 1991-92 had a major setback for MMTC's business and wiped out 80% of its turnover. Out of the 18 items that were canalized through MMTC, 14 products were decanalized by July 1993. As a result, MMTC's turnover, which was Rs 5,122 crores during 1992-93, dipped to Rs 3,217 crores in 1993-94.

The impact of decanalization however, did not affect nor dampen the company's inherent expertise in bulk-handling capabilities, its network of offices/godowns, its trained and experienced manpower or its indomitable spirit to succeed and grow. To adapt itself to the changing situation, through a planned exercise the company undertook strategic marketing, financial and organizational initiatives which resulted in redefining its objectives, consolidations of its core businesses and selective diversification for sustainable growth. The infrastructure and the mindsets developed hitherto for canalized business till then

was reoriented towards opening bigger avenues for non-canalized business and giving more push and drive towards developing new businesses drawn from core competency areas.
MMTC has today emerged as one of few corporate that has shed the tag associated with a monopolistic trade regime of the canalized era and donned the mantle of a professional, customer oriented organization, in the new ever-changing landscape of international trading.
Today, MMTC is one of India's largest International Trading Company, a major exporter of Mineral, exporter/importer of Agro commodities, one of the largest importer/supplier of Metals including Gold & Silver and a major player in the Coal imports by the country. The company commands extensive market coverage in Asia, Europe, Africa, America etc.
MMTC recorded a business turnover of Rs. 18,241.50 crore (including sale of services Rs 4.62 crore) during 2014-15 as against the business turnover of Rs. 25,074.49 crore registered during last fiscal. This business turnover includes exports of Rs. 2,300.70 crore, imports of Rs. 14.530.15 crore and domestic trade of Rs. 1,406.59 crore. The trading profit earned by MMTC stood at Rs. 207.91 crore as against Rs. 345.57 crore during last fiscal. MMTC had reported Profit After Tax of Rs. 47.91 crore in the current fiscal compared to Rs. 18.64 crore earned last year.
MMTC's wholly owned subsidiary – MMTC Transnational Pvt. Ltd., Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2014-15, MTPL achieved business turnover of USD 248.02 million.
To expand and give impetus to growing trade between India and Africa, MMTC has opened an office at Johannesburg, South Africa. The office was set up to liaison for trading purpose with major producers of minerals, non-ferrous metals etc. based in South Africa and other African countries.
MMTC has set up Neelachal Ispat Nigam Limited (NINL) – an iron & steel plant of 1.1 million tonnes capacity, 0.8 million tonne coke oven and byproduct unit with captive power plant, jointly with Government of Odisha and others. The project has been granted Iron ore mining lease with an estimated reserves of 110 million tonnes. The phase-II of the Project for production of steel, with Basic Oxygen Furnace, Oxygen Plant and SMS got commissioned in March 2013 and Steel Billets Production also started.
MMTC has already diversified into the area of clean, non-conventional and renewable energy sources by setting up a 15MW Wind Mill Project in the state of Karnataka, which was commissioned in March, 2007. The project is running successfully for the last 8 years and has contributed to the development of the area by meeting some portion of the energy needs of Karnataka State.
Besides keeping its position intact in its core areas of activities, MMTC also associates itself in promotion and development of trade related infrastructure. Aiming at diversification and to add value to trading operations, MMTC has taken various strategic initiatives following public private partnership route, which include, in broad terms:

a) The joint venture for precious metal refining and medallion manufacturing unit in collaboration with PAMP Switzerland in the name of MMTC-PAMP India Pvt. Ltd. achieved a turnover of Rs. 22063.97 crore and reported a net profit of Rs. 112.47 crore for the year 2014-15 and has declared 70% dividend on the paid up capital. During the year. MMTC-PAMP became India's first LBMA accredited refiner for Gold and Silver.

b) For effective marketing of the finished products of both medallions and jewellery, MMTC has set up a JV Company, in partnership with a leading Indian company under the name and style of MMTC Gitanjali Limited for setting up retail stores at various cities in India.

c) The JV Company – M/s SICAL Iron Terminals Limited (SIOTL) could not make any progress during 2014-15 due to non-availability of iron ore for exports from Bellary-Hospet Sector in Karnataka State. The JV Company has been pursuing with Kamarajar Port Limited (KPL) for permission to convert this facility for handling discharge of coal imports instead of iron ore exports, so as to meet growing demand of thermal power plants in Tamil Nadu. Ministry of Surface Transport, Government of India have agreed to the proposal of KPL and KPL has already issued tender for selection of operator with first right of refusal to SICAL.

d) To facilitate promotion of two-way trade, the SPV promoted by MMTC in association with IL&FS has been allotted land to set up International Cargo hub at Haldia and Free Trade and Warehousing Zone at Kandla on lines similar to Special Economic Zone. The SPV promoted by MMTC jointly with ILFC IDC Fund has been allotted 75 acres of land at Kandla for development of Phase-1 of Kandla FTWZ Project which is currently in progress. 200 acres of land have also been allotted to the SPV at Haldia to set up an International Cargo Hub outside the purview of SEZ Act, as per State Government policy. Part construction of Compound Wall to secure physical possession of the land for the Haldia project has been started. Work Orders for preparation of Business Plan and architectural Master Plan for the Haldia Project have been issued to the selected bidders. Development work at Kandla has also been started.

e) MMTC has set up a 15 MW Wind Mill Project with 25 Wind Energy Generators (WEGs) of 600 KVA each which was commissioned in March, 2007 by MMTC through M/s. RRB Energy Ltd. Sale of power from the project till 31.3.2015 amount to Rs. 70 crores. Full return of capital on 'real cash receipt basis' has been achieved in February, 2015. The project is connected to 110/33 KV Grid at Gajendragad Sub-station controlled by Karnataka State owned Enterprise i.e. M/s. Hubli Electricity Supply Company Ltd. (HESCOM). The project is running successfully for the last 8 years and has contributed to the development of the area by meeting some portion of the energy needs of Karnataka State.

3. India Trade Promotion Organisation (ITPO)

India Trade Promotion Organisation is the premier trade promotion agency of the Government of India for organizing trade fairs. ITPO is committed to showcase excellence achieved by the country in diverse fields especially trade and commerce and to promote, facilitate, encourage and coordinate various activities and programmes to enhance India's share of export through trade in goods and services.

India Trade Promotion Organization is a PSU set up under Section 25 of Companies Act 1956 under administrative control of Department of Commerce, Government of India. ITPO was formed on January 1, 1992 by merger of Trade Fair Authority of India (a PSU Established in 1977) and Trade Development Authority. ITPO is a Schedule B Miniratna Category-I company 100% shareholding by Govt of India. The registered office and headquarter is situated at Pragati Maidan, New Delhi.

ITPO as the nodal trade promotion agency of the country has had a pioneering role in the national trade growth dynamics since its inception. Apart from its role in bringing the Indian businesses, particularly those in the MSMEs sector, closer to global markets, it was first to popularize trade fairs as a tool of trade promotion within the country. For nearly four decades, it is managing India's world class exhibition complex that is constantly upgraded to keep it in a high standard of readiness. Spread over 123 acres of prime land in the heart of India's capital, New Delhi, Pragati Maidan offers about 65,000 sq. mtrs. of covered exhibition space in 16 halls, besides 10,000 sq. mtrs. of open display area.

The state-of-the-art exhibition halls have enhanced the appeal of Pragati Maidan as the ideal center for an increasing number of fair organizers and business visitors from different parts of the world. ITPO provides a wide spectrum of services to trade and industry and acts as a catalyst for growth of India's trade. ITPO approves holding of international trade fairs in India and regulates holding of various expositions in India primarily to avoid any duplication of efforts while ensuring proper timing.

ITPO has an extensive infrastructure as well as marketing and information facilities that are availed by both exporters and importers. ITPO's regional offices at Bangalore, Chennai, Kolkata and Mumbai, through their respective profile of activities, ensure a concerted and well coordinated trade promotion drive throughout the country.

Subsidiary Companies:-

(i) Tamil Nadu Trade Promotion Organization (TNTPO) is 51:49 joint venture of ITPO & Tamil Nadu Industrial development corporation (TIDCO);

(ii) Karnataka Trade Promotion Organization (KTPO) is 51:49 joint venture of ITPO & Karnataka Industrial Areas Development Board (KIADB);
(iii) National Centre for Trade Information (NCTI) situated at Pragati Maidan is a 50:50 joint venture of ITPO and National Informatics Centre (NIC).

Activities & Services:

- Managing the extensive trade fair complex, Pragati Maidan in the heart of Delhi
- Organizing various trade fairs and exhibitions at its exhibition complex in Pragati Maidan and other centers in India.
- Facilitating the use of Pragati Maidan for holding of trade fairs and exhibitions by other fair organizers both from India and abroad.
- Timely and efficient services to overseas buyers in vendor identification, drawing itineraries, fixing appointments and even accompanying them where required.
- Establishing durable contacts between Indian suppliers and overseas buyers.
- Assisting Indian companies in product development and adaptation to meet buyers' requirements.
- Organising exclusive India shows abroad to promote "Brand India."
- Participating in overseas trade fairs and exhibitions.
- Arranging product displays for visiting overseas buyers.
- Organising seminars/conferences/workshops on trade-related subjects
- Encouraging small and medium scale units in export promotion efforts.
- Conducting in-house and need-based research on trade and export promotion.
- Enlisting the involvement and support of the State Governments in India for promotion of India's foreign trade.
- Trade information services through electronic accessibility at Business Information Centre.

ITPO is committed to continue the trend and recapture the excellence achieved by our forebears in the areas of trade and commerce.

6.9 Other Related Areas of Cooperation

International North-South Transport Corridor (INSTC)
International North-South Transport Corridor (INSTC) is a multi-modal transport network that includes rail, road, and water transport from Mumbai in India via Bandar Abbas in Iran to Moscow in Russia. It could be used to explore further options for developing connectivity with other countries such as Turkey and in Eastern Europe established on 12th of September 2000 in St. Petersburg.
The INSTC was expanded to include eleven new members, namely: Republic of Azerbaijan, Republic of Armenia, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Turkey, Republic of Ukraine, Republic of Belarus, Oman, Syria and Bulgaria (Observer).
The INSTC has particular economic and strategic relevance to India given increasing regional ambitions of China through its One Belt, One Road Initiative. The proposed INSTC trade corridor would help the EAEU Member States and India to secure its interests in developing trade relations.

The prospects of the INSTC are the following:

- The INSTC would substantially reduce the cost of transporting goods from India to Eurasia and surrounding regions, because it is shorter than the existing routes, slashing transit time and cost, enabling the seamless movement of goods from India to Russia and surrounding countries. Specifically, the corridor would be 30 percent cheaper and 40 percent shorter than the current route via St. Petersburg to Moscow on provisional data;
- The INSTC would promote the growing economic potential of the EAEU Member States and India which would be deeper mutually complementary in the framework of the possible FTA in many respects, further broadening of interaction, including trade and economic cooperation in

sectors like conventional and atomic energy, space, science and technology, as well as many other, especially the EAEU Member States natural resources, including petroleum, natural gas and uranium, which could meet India's energy needs.

In that case the INSTC in the framework of the possible FTA would be a real opportunity to expand mutual economic, trade and investment opportunities between the EAEU Member States and India because of the easier accessing to markets and its binding.

Other Issues

EAEU and India have good and high quality human resources and strong scientific and technological establishment. There have been various initiatives taken from both sides with regard to S&T cooperation which can be further strengthened. EAEU and India must explore ways and means to galvanize their efforts towards strengthened cooperation in S&T that may include, but not limited to, joint R&D in:

- New Materials,
- Bio-technology,
- Nano-technology,
- Bio-Informatics,
- Space Technology,
- Nuclear, Atomic and Defense,
- Energy technologies focusing on efficiency, conservation, and eco-friendly manufacturing etc.

These initiatives may include

- Capacity building programs,
- Faculty and students exchanges,
- Information sharing, and
- Evolving common positions for stance to be taken during global discourse on related subjects.
- It may also include cooperation in the realms of transfer of technology and their commercialization as well as efforts to support basic and exploratory research.

Green Corridor

India and Russia are trying to put in place a 'Green Corridor' between the two countries for smooth facilitation of goods. It has proposed that the two countries create a list of entrepreneurs or companies whose goods, on a reciprocal basis, will not have to pass customs inspection during border crossings. The main advantage of the 'Green Corridor' is that goods being transported by entrepreneurs will not have to undergo customs inspection and examination when crossing the border -- measures now commonly used to minimize risks. This also applies to documents. Samples and specimens will not be taken. The provision of original copies of documents is not needed, and so on. This concept may be extended between India and the entire the EAEU region.

7. General Conclusions and Recommendations

With a view to assess the feasibility of a Trade Agreement including trade in goods, trade in services and investment, between India and the EAEU the study initially looked into the rationale for having a new institutional mechanism in the form of a Free Trade Agreement. This was important due to the fact that there were several institutional level interactions existing between the two sides. It was found that: Firstly, the mechanisms are essentially bilateral, i.e. between India and individual EAEU member. Secondly, cooperation is spread across various sectors with different Departments /Ministries/GOI agencies acting as nodal points. Thirdly, despite these mechanisms the bilateral economic relations have remained weak. Fourthly, absence of one single nodal point to promote and strengthen economic cooperation with the EAEU members could be one reason for weak economic relations between the two sides. Finally, a lack of comprehensive strategy to economically integrate India and EAEU through trade in goods, trade in services and investment, along with other areas of cooperation could have also contributed to weakening of economic relations of two sides. Thus, there appeared to be a strong rationale to create a new institutional mechanism by way of a Trade Agreement that could include trade in goods, trade in services and investment between India and the EAEU, hence the need to study its feasibility.

The study has looked into the macroeconomic background and the existing trade and investment linkages at the bilateral level as well as made some projections of the potential trade flows. The JFSG has conducted a comprehensive study of existing bilateral economic relations covering trade in goods, trade in services, investments and other trade related issues between the EAEU Member States and the Republic of India with a view to examine ways and opportunities to enhance economic ties between the two sides.

It may be mentioned that the estimates and analysis indicate that the proposed FTA between India and EAEU region is not only feasible but also mutually beneficial in terms of possible gains in the realms of trade in goods, services and investment.

In order to determine the potential gains of bilateral trade to India and the EAEU due to the proposed FTA, three methodologies are used viz. CGE Simulations, Partial Equilibrium Analysis based on Augmented Gravity Model and Estimating Trade Potential at HS-six digit level i.e. Trade Creation. These methodologies complement each other and help taking advantage of the merits of each methodology while countervailing their respective demerits at the same time.

The economic modelling results show a potential for substantial increase in **Welfare gains** as a percentage of GDP for both Sides due to a possible FTA. The total bilateral **Trade in Goods** due to possible FTA has the potential of additional growth up to **USD 37-62 billion**. The exports from the EAEU Member States to India has the potential of additional growth up to **USD 23-38 billion**. The exports from India to the EAEU Member States has the potential of additional growth up to **USD 14-24 billion**.

Elimination of tariffs by India may increase the EAEU Member States' exports to India for different categories of products including: for agricultural products: crops, vegetables oils, food preparation products, vegetables , beverages, including mineral water; and for industrial products: fertilizers, machinery and equipment, motor vehicles, some types of turbojets, salt, steel products, chemical, rubber, plastic, including polyimides and wood products.

On the other hand, elimination of tariffs by the EAEU may increase India's exports to the EAEU for different categories of products including: for agricultural products: crops, other food processing, tea, miscellaneous edible preparations; and for industrial products: pharmaceutical, textiles, clothing, chemicals, electrical equipment and machinery.

Both the EAEU and India have great possibilities to contribute to the competitiveness of industrial sectors in each Member country to the FTA, enhancing two-way trade and improving conditions for business cooperation. Also the findings of the JFSG Report indicate that the liberalization of trade in agricultural and industrial goods could bring sufficient positive opportunities for both Sides.
Special attention during negotiations on tariff liberalization should be paid to the goods of the main export interest of both Sides. The successful accomplishment of improvement of market access conditions for the key export products will boost trade in both agricultural and industrial goods, maximizing the mutual benefits from an FTA. At the same time, specific differences in economic development and other relevant elements of the economies of both Sides should also be taken into account.

Although the possible FTA would bring significant benefits for both the EAEU and India, there are a number of possible challenges, including inter alia the need to balance the benefits for the Member countries to the FTA, securing proportionate protection to sensitive industries etc.

Some of the sectors with potential for mutually beneficial bilateral **Trade in Services** include: Business and Professional services; Telecommunications services; Transport Services; Financial Services; Energy-related services; Travel services; Tourism; Research and Development; Computer and related services; Audio-Visual Services and Environment Services.

There are several sectors amenable to bilateral **Investment**. Potential areas for investment from India to EAEU could include Oil and Gas, Textiles and Clothing, Leather products, Iron and Steel, Pharmaceuticals, Automobiles, including parts and components, Engineering goods, IT Services, Health Services, Telecommunication etc. while the potential areas for investment from EAEU to India could include Processed food, Heavy Engineering goods, Transportation goods, Minerals and Metallurgy, Tourism services, R&D Centre, Space Technology and Energy-efficient technology etc.

Recommendations

- The Study concludes that the proposed FTA is **feasible** and **mutually beneficial**. This is based on the assessed potential in bilateral trade in goods, trade in services and investment.
- The Study recommends **launching** of FTA negotiations with the help of setting up of a **Trade Negotiating Committee**.
- It is also recommended that the negotiations should be pursued on three tracks **simultaneously** viz. trade in goods, trade in services and investment.
- It is also recommended that adequate focus is given to the operationalization of the **INSTC** and **Green Corridor** between India and the EAEU to take full advantage of the FTA.

ANNEXURES

Annex 1

List of India's FTAs / CECAs/CEPAs

S No.	Acronym	Grouping	No.	Member Countries Names	FTA/PTA/ CEPA/ CECA
1	JICEPA	India-Japan	2	India and Japan	CEPA
2	APTA	Asia Pacific Trade Agreement	5	Bangladesh, China, Laos PDR, Republic of Korea and Sri Lanka	PTA
3	India ASEAN TIG	India ASEAN Trade in Goods Agreement	11	Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam	CECA
4	GSTP	Global System of Trade Preference among Developing Countries	44	Algeria, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, Ghana, Guinea, Guyana, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Myanmar, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Thailand, Trinidad and Tobago, Tunisia, Tanzania, Venezuela, Vietnam, Yugoslavia and Zimbabwe	PTA
5	IKCEPA	Korea Republic of- India	2	India and Republic of Korea	CEPA
6	IMCECA	India-Malaysia	2	India and Malaysia	CECA
7	ISCECA	India-Singapore	2	India and Singapore	CECA
8	SAFTA	South Asian Free Trade Agreement	7	Afghanistan , Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka	FTA
9	ISLFTA	India-Sri Lanka	2	India and Sri Lanka	FTA
10	CIPTA	Chile-India	2	Chile and India	PTA
11	MIPTA	MERCOSUR-India	4	Argentina, Brazil, Paraguay and Uruguay	PTA

Annex 2

Methodologies for assessing Potential Gains accruing to India and EAEU Member States due to FTA

Partial Equilibrium Analysis based on Augmented Gravity Model

Model

The focus of our study was to estimate or predict the intra-regional trade potential of the Central Asian economies. We adopted the gravity model framework to estimate and project trade potential among the Central Asian economies.

As we are aware, the basic gravity model proposed by Tinbergen is given by the equation:

$$EXijt = C(GDPi\ GDPj/ Dijt)$$

where EXijt is bilateral exports of country i (reporter) to country j (partner), economic mass is proxied by each country's respective GDP, the distance, denoted by Dijt, between countries is taken as an indication of the level of trade impediment. The higher is the respective GDP size grater is the possibility of bilateral trade to take place; however, it is inversely related to the bilateral physical distance. Furthermore, this process is impeded by trade costs (e.g., tariffs, lack of trade facilitating infrastructure etc.).

The econometric estimation of this equation could be undertaken by taking logs, adding some reduced form coefficients, and including an error term, giving the familiar empirical gravity model:

$$\ln EXij = \alpha ij+ \beta 1 \ln GDPi + \beta 2 \ln GDPj + \beta 3 \ln Dij + \mu ij$$

$$\beta 1, \beta 2 > 0; \beta 3 < 0$$

In our study an augmented gravity model was used to assess the effect of trade facilitation and trade cost elements on bilateral trade of the Central Asian countries in log-log form:

$$\ln EXijt = \alpha ijt+ \beta 1 \ln GDPit + \beta 2 \ln GDPjt + \beta 3 \ln Dijt + \beta 4 \text{ Ln } ERijt + \beta 5 \text{ Ln } FDIit + \beta 6 \text{ Ln } GDPDEFit + \beta 7 \ln EIit + \beta 8 \ln EIjt + \beta 9 \ln MIit + \beta 10 \ln MIjt + \beta 11\ RTAijt + \beta 12\ Tariffsijt\ \Sigma\ \ h\ 22ijhh + \mu ijt$$

We have augmented the basic gravity model by including various relevant independent variables that are expected to determine export performance of Central Asian countries over time t. These include bilateral exchange rate (ERijt); FDI inflows as percent of GDP in the reporter / exporting countries (FDIit) ; GDP deflator of the reporter (GDPDEFijt); export facilitating infrastructure of reporter and partner countries (EIit , EIjt) ; import facilitating infrastructure of reporter and partner countries (MIit , MIjt); regional trade agreement between trading pairs (RTAijt). The variable RTAijt is taken as a dummy which takes the value 1 if there exists a regional /bilateral trade agreement between bilateral pairs and zero otherwise. Tariffs as simple average MFN applied were used of the importing country.

Our model also includes dummy variables for trading partners sharing a common border, common official language, common colony and also a dummy for having a colony ever before. The sum of these dummy variables is denoted by Σ h 22ijthh wherein Pijth takes the value one when a certain condition is satisfied and zero, otherwise. Some variables are by definition time-invariant in a gravity type model specification.

Econometric Estimation

We have used panel data estimation with a cross-section of India's trade partners of each EAEU country over 2000-2013. Depending on the data availability and trade linkages of each country the number of bilateral pairs varies, country-by-country. We have taken the year as the panel identifier. As is well known, panel data structure has two dimensions: (a) a cross-sectional unit of observation, which in this case is country I and (b) a temporal reference, t, in this case the year. The error term has two dimensions, one for the country and one for the time period. Even though time is nested within the cross-section it is important to note that the cross-sections may be nested within time (Yaffee, 2003 and Sayrs, 1989). Therefore, we took time as the panel variable.

Our panel was a balanced panel. Country dummy is not included because it would create multicollinearity problem. Country-pair dummies are also not included because our data covers only two years and because some of our key independent variables are time-invariant (Kimura and Lee, 2006).

Given the time-invariant properties of some of the variables and due to the fact that we have a short panel data set whereby we have only two years but several bilateral pairs, we have used the random effects model (REM). Since individual effects (αijt) are included in the regression we treated them as random rather than fixed because it is more appropriate when we are estimating trade flows for a randomly drawn sample from a larger population (Martinez-Zarzoso and Nowak-Lehmann, 2003). We also performed the Hausman Test to check whether to use used the fixed or random effects model. However, since the Hausman test has poor properties empirically and often fails to give sensible results, it is advised more recently that the economic rationale should govern the choice of this option which we have done. In order to control for heteroskedasticity it is recommended to always use the option robust to ensure that the covariance estimator can handle heteroskedasticity of unknown form (Shepherd, 2011). Hence, we have used random effects with the option robust standard errors. Additionally, we use Breusch-Pagan Lagrange Multiplier (BPLM) for heteroskedasticity as a whole in the model. For autocorrelation the DW Test was applied.

Data and Measurement of Variables

The empirical analysis is done for the case of bilateral trade between India and each EAEU member as reporter country and India's trading partners worldwide as partner countries. The number of observations therefore varies country by country depending on trading partners. As a measure of bilateral trade, reporter country's export to partner country is taken for the years mentioned. The latest data on exports, which is our dependent variable, is taken from IMF Direction of Trade Statistics. The latest data on reporter and partner's GDP, data on reporter's FDI (as % of GDP) and reporter's GDP Deflator have been taken from World Bank WDI 2012. The bilateral cross-country exchange rate data was taken from UNCTAD for respective years. The CEPII Database provided the statistics for the variables such as distance, contiguity, common language and colony. The dummy variable for RTA was constructed taking the value 1 if there exists any Regional Trade Agreement between the bilateral pairs of country and 0 otherwise, obtained from UNESCAP. The data on export and import facilitating infrastructure of both the reporter and partner countries have been taken from the Ease of Doing Business database of the World Bank. Those bilateral pairs were dropped from the observations for which data was either unavailable or had zero value for any of the variables in any of the two time points.

Prediction: Potential for India-EAEU Trade

After estimating the augmented gravity equation we tried to use the results to predict bilateral trade between each pair of India and EAEU member for 2025. For this as the first step, we used the time series data to predict the values of the independent variables. The second step included using these predicted independent variables to obtain the potential trade between bilateral pairs of Central Asian economies for the 2025 based on the coefficients of independent variables obtained through panel data estimation outlined above. Since some of our independent variables were time-invariant in nature we retained their values while making predictions for potential trade. To handle some of the erratic trade patterns and the low base effects, Autoregressive–moving-average model (ARMA) was used.

Estimation of Potential at HS 6 Digit level: Trade Creation

Methodology for a.

Potential Products have been identified on the basis of comparative advantage of either India or any of the member states of EAEU

Estimation of trade potential is explained by the following five stages:

Stage I: A data set was created of commodities which India and EAEU are exporting and importing to/from world but not from each other.

Calculate- Xi,w-e = Xiw-Xie;
Me,w-i = Mew-Mei;
Mi,w-e = Miw-Mie;
Xe,w-i = Xew-Xei

where X-Exports, M-Imports, i-India, e-EAEU, w-World, f-feasible, p-potential, rp-realisable potential

Stage II: A subset was identified by taking the intersection of products which appears in both the sets Xi,w-e and Me,w-i i.e. which appears in both the sets of India's exports to world but not to EAEU and EAEU imports from world but not from India.

Exports from India to EAEU: Xif = [Xi,w-e] € [Me,w-i]
Imports of India from EAEU: Mif = [Mi,w-e] € [Xe,w-i]

Stage III: Potential Products were determined by taking the price advantage into consideration. A comparison was made of the unit price of each commodity identified in the earlier stages for both exports and imports. The country which has a lower unit price has a comparative advantage in exporting that good.

Potential Exports from India to EAEU: Xip = Xif ; p (Xi,w-e) < p (Me,w-i)
Potential Imports of India from EAEU: Mip = Mif ; p (Mi,w-e) < p (Xe,w-i)

Stage IV: Realisable potential was estimated in terms of products quantity which can actually be supplied given the capacity of the exporting country and demand of the importing country captured by taking the minimum of quantity imported and quantity supplied.

Realisable Exports Potential: Xirp= Xip; min quantity (Xi,w-e, Me,w-i)
Realisable Exports Potential: Mirp = Mip ; min quantity (Mi,w-e, Xe,w-i)

Stage V: A further analysis is underway to estimate that significant portion of this realisable potential which will that add to the current trade basket of both the regions. This will be estimated using the price elasticity of exports and imports for both the countries

Methodology for b: Elasticity Approach for Calculating Potential

Elasticity refers the degree to which individuals, consumers or producers change their demand or the amount supplied in response to price or income changes. It is predominantly used to assess the change in consumer demand as a result of a change in a good or service's price.

$$\text{Elasticity} = \frac{\%\ \text{change in quantity}}{\%\ \text{change in price}}$$

Alternatively

$$El_{iWY} = \frac{(Q_{iWY2} - Q_{iWY1})/Q_{iWY1}}{(P_{i2} - P_{i1})/P_{i1}} \qquad (A)$$

Where

El_{iWY} is Import Elasticity of product i for country Y w.r.t world W i.e Global Elasticity for country Y

Q_{iWY2} is Country Y imports of product i from World in period 2 i.e 2014 = New Import Quantity of product i for Country Y

Q_{iWY1} denotes Country Y imports of product i from World in period 1 i.e 2010 = Old Import Quantity of product i for Country Y

P_{i2} is Import Price of product i for Country Y in year 2014 = New Import Price of product i for Country Y

P_{i1} denotes Import Price of product i for Country Y in year 2010 = Old Import Price of product i for Country Y

Using the two points of time 2010 and 2014 we calculated the global elasticity for partner country Y for each of the products at HS Six Digit level as % Change in Quantity Imported divided by % Change in Import Price.
As a result of a change in import price of the product i, by how much will quantity imported change is what is being measured by Elasticity here.
We can use this elasticity now and measure new import quantity Q2 for a given change in import price P as the other four variables P1, P2, Q1 and El are known. Assuming that all these Imports of Country Y now come from Country X, we could say:
Potential Imports =Q2=Q*= [El*((P2-P1)/P1)*Q1] + Q1 is the Export Potential of Country X to Country Y.
Now suppose we say that Country X and Y should enter into an agreement and have FTA between them that will make the import tariff zero i.e. now Country Y should import from Country X instead of World W.

$$El_{iWY} = \frac{(Q_{iXY2} - Q_{iXY1})/Q_{iXY1}}{(P_{i2} - P_{i1})/P_{i1}} \qquad \text{(B)}$$

El_{iWY} is Import Elasticity of product i for country Y w.r.t world W i.e Global Elasticity for country Y
Q_{iXY2} is Country Y imports of product i from Country X in future i.e period 2 = Potential Exports of Country X
Q_{iXY1} = Min (Country X Exports to World, Country Y Imports from World) of product i (we have taken minimum of the two quantities so that the demand and supply side constraints are taken care of)
P_{i2} is Import Price of product i for Country Y post FTA = Unit Price P*(1+t=0) = P = Unit Price without tariff
P_{i1} denotes Initial Import Price of product i for Country Y = Tariff Inclusive Price = Unit Price P*(1+t) where t is tariff and t = Simple Average Tariff (T) / 100
Rearranging equation (B) we get:
Potential Imports of Country Y=Q2=Q*= [El_{iWY} *((P_{i2}-P_{i1})/ P_{i1})* Q_{iXY1}] + Q_{iXY1} gives the Export Potential of Country X to Country Y.
Now let's consider a sub-part of Equation B i.e. (P_{i2}-P_{i1}) / P_{i1}
(P_{i2}-P_{i1}) / P_{i1} can be re-written as
= [P*(1+t=0) – P*(1 + t)] / P*(1+t)
= (P – P – Pt)/ (P + Pt)
= -Pt / [P (1+t)]
= -t / (1+ t)
Using this we get Potential Imports of Country Y as Q2 = Q*
= [El_{iWY} *(-t / (1+t))* Q_{iXY1}] + Q_{iXY1} which is the Export Potential of Country X to Country Y.

Annex 3

Results from Micro Analysis at HS 6 digit level capturing Trade Creation Effect under category a) Lower Price Items

Table 67: India's Top 20 Export Potential Items to Armenia: Rank wise

HS 6 Digit	Product Description	Value (USD Million)	Share (%)
271019	Light petroleum distillates nes	159.68	17.70
271011	Aviation spirit	134.92	14.95
760110	Aluminium unwrought, not alloyed	45.25	5.01
240220	Cigarettes containing tobacco	36.07	4.00
180690	Chocolate and other food preparations containing cocoa nes	17.30	1.92
340220	Surface-active prep, washing & cleaning prep put up for retail sale	13.58	1.50
230990	Animal feed preparations nes	13.31	1.47
710812	Gold in unwrought forms non-monetary	12.28	1.36
847420	Crushing/grindg machines for earth/ stone/ores o oth minerals subs etc	11.07	1.23
848180	Taps, cocks, valves and similar appliances, nes	8.74	0.97
701090	Household preserving jars - glass	7.90	0.88
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes	7.75	0.86
870410	Dump trucks designed for off-highway use	7.40	0.82
210690	Food preparations nes	6.61	0.73
847410	Sorting/screening/separatg or washg mach for stone/ores or oth min etc	6.46	0.72
720839	Hot roll iron/steel nes, coil >600mm x <3mm	6.12	0.68
481840	Sanitary articles of paper,incl sanit towels&napkin (diapers) f babies	5.90	0.65
340290	Surface-active preparations, washing and cleaning preparations, nes	5.88	0.65
721391	Hot rolled bar/rod, irregular coils, <14mm diam	5.84	0.65
220290	Non-acloholic beverages nes,excludg fruit/veg juices of headg No 20.09	5.71	0.63
Total	**Top 20**	**517.75**	**57.38**

Table 68: India's Top 20 Export Potential Items to Belarus: Rank wise

HS 6 Digit	Product Description	Value (USD Million)	Share (%)
230400	Soya-bean oil-cake&oth solid residues,whether or not ground or pellet	140.66	3.55
740811	Wire of refind copper of which the max cross sectional dimension > 6mm	110.91	2.80
390210	Polypropylene	75.41	1.90
730630	Tubes,pipe & hollow profiles,iron or nas,welded,of circ cross sect,nes	68.72	1.73
390120	Polyethylene having a specific gravity of 0.94 or more	68.40	1.73
720110	Pig iron,non-alloy,containg by wght </=0.5% phosphorus in primary form	56.94	1.44
870840	Tansmissions for motor vehicles	55.39	1.40
280300	Carbon (carbon blacks and other forms of carbon, nes)	50.60	1.28
760612	Plate,sheet or strip,aluminium alloy,rect or sq,exceeding 0.2mm thick	41.48	1.05
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	39.39	0.99
401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars	39.10	0.99
720916	Cold rolled iron/steel, coils >600mm x 1-3mm	36.21	0.91
380830	Herbicides,anti-sproutg prod&plant growth regs,packd f retail/formltd	34.75	0.88
760120	Aluminium unwrought, alloyed	32.37	0.82
252329	Portland cement nes	32.17	0.81
283620	Disodium carbonate	30.99	0.78
760110	Aluminium unwrought, not alloyed	30.63	0.77
841810	Combined refrigerator-freezers, fitted with separate external doors	29.22	0.74
853710	Boards,panels,includg numerical control panels,for a voltage </=1000 V	28.78	0.73
180690	Chocolate and other food preparations containing cocoa nes	28.64	0.72
Total	**Top 20**	**1030.76**	**26.02**

Table 69: India's Top 20 Export Potential Items to Kazakhstan: Rank wise

HS 6 Digit	Product Description	Value (USD Million)	Share (%)
170111	Raw sugar, cane	152.91	5.37
270400	Coke&semi-coke of coal,lignite o peat,agglomeratd o not,retort carbon	134.87	4.74
730519	Pipe,line,i or s,int/ext circ cross sect,wld,ext dia >406.4mm,nes	114.14	4.01
170199	Refined sugar, in solid form, nes	81.38	2.86

252329	Portland cement nes	76.86	2.70
721070	Flat rolled prod,i/nas,painted,varnished or plast coated,>/=600mm wide	64.01	2.25
390760	Polyethylene terephthalate	63.42	2.23
730630	Tubes,pipe & hollow profiles,iron or nas,welded,of circ cross sect,nes	60.62	2.13
260700	Lead ores and concentrates	47.33	1.66
190531	Sweet biscuits	46.05	1.62
040210	Milk powder not exceeding 1.5% fat	46.01	1.62
283620	Disodium carbonate	37.89	1.33
842952	Shovels and excavators with a 360 revolving superstructure	37.74	1.33
841810	Combined refrigerator-freezers, fitted with separate external doors	36.39	1.28
843149	Parts of cranes,work-trucks,shovels,and other construction machinery	35.67	1.25
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers	30.33	1.07
902214	X-rays apparatus, medical/surgical/veterinary use nes	26.60	0.94
081090	Fruits, fresh nes	26.00	0.91
870870	Wheels including parts and accessories for motor vehicles	24.64	0.87
381190	Prepared additives for mineral oils or for other similar liquids, nes	24.32	0.85
Total	**Top 20**	**1167.17**	**41.03**

Table 70: India's Top 20 Export Potential Items to Kyrgyzstan: Rank wise

HS 6 Digit	Product Description	Value (USD Million)	Share (%)
870410	Dump trucks designed for off-highway use	20.59	5.16
842952	Shovels and excavators with a 360 revolving superstructure	15.81	3.96
390760	Polyethylene terephthalate	15.79	3.96
170490	Sugar confectionery nes (includg white chocolate),not containg cocoa	13.85	3.47
730820	Towers and lattice masts, iron or steel	11.99	3.01
850423	Liq dielectric transf havg a power handlg capacity exceedg 10,000 KVA	11.67	2.93
721070	Flat rolled prod,i/nas,painted,varnished or plast coated,>/=600mm wide	9.81	2.46
190531	Sweet biscuits	9.68	2.43
401194	Non-herring bone tyres, ind equip, rim>61 cm	8.69	2.18
730630	Tubes,pipe & hollow profiles,iron or nas,welded,of circ cross sect,nes	8.02	2.01

283711	Cyanides and cyanide oxides of sodium	6.26	1.57
843149	Parts of cranes,work-trucks,shovels,and other construction machinery	6.18	1.55
190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale	6.13	1.54
481840	Sanitary articles of paper,incl sanit towels&napkin (diapers) f babies	5.90	1.48
847490	Pts of sortg/screeng/mixg/crushg/grinding/washing/agglomeratg mach etc	5.36	1.34
080300	Bananas including plantains, fresh or dried	4.94	1.24
820719	Rock drilling/earth boring tools, nes, parts	4.50	1.13
252329	Portland cement nes	4.41	1.10
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers	4.19	1.05
761410	Stranded wire,cables,plaited bands,etc,alum,steel core,not elect insul	4.16	1.04
Total	**Top 20**	**177.92**	**44.62**

Table 71: India's Top 20 Export Potential Items to Russia: Rank wise

HS 6 Digit	Product Description	Value (USD Million)	Share (%)
020230	Bovine cuts boneless, frozen	1635.41	26.42
271011	Aviation spirit	452.63	7.31
730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect,dia >406.4mm	418.33	6.76
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated	200.75	3.24
252329	Portland cement nes	126.95	2.05
720851	Hot roll iron/steel, not coil >600mm x >10mm	99.84	1.61
271312	Petroleum coke, calcined	97.75	1.58
760612	Plate,sheet or strip,aluminium alloy,rect or sq,exceeding 0.2mm thick	72.77	1.18
841182	Gas turbines nes of a power exceeding 5000 KW	71.06	1.15
841199	Parts of gas turbines nes	61.84	1.00
240220	Cigarettes containing tobacco	61.73	1.00
030374	Mackerel, frozen, excluding heading No 03.04, livers and roes	59.43	0.96
290919	Acyclic ethers nes; derivatives of acyclic ethers	53.81	0.87
070990	Vegetables, fresh or chilled nes	50.63	0.82
250100	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water	47.17	0.76
270400	Coke&semi-coke of coal,lignite o peat,agglomeratd o not,retort carbon	44.43	0.72
630900	Worn clothing and other worn articles	41.50	0.67

040700	Eggs, bird, in shell, fresh, preserved or cooked	40.56	0.66
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	38.22	0.62
271311	Petroleum coke, not calcined	34.91	0.56
Total	**Top 20**	**3709.73**	**59.92**

Table 72: India's Top 20 Import Potential Items from Armenia: Rank wise

India's Import Potential from Armenia			
HS 6 Digit	**Product Description**	**Value (USD Million)**	**Share (%)**
300490	Medicaments nes, in dosage	543.3	41.2
260300	Copper ores and concentrates	282.4	21.4
710813	Gold in oth semi-manufactd form n-monetary	103.2	7.8
701090	Household preserving jars - glass	41.0	3.1
720270	Ferro-molybdenum	24.9	1.9
720410	Waste and scrap, cast iron	23.5	1.8
740400	Waste and scrap, copper or copper alloy	22.7	1.7
720429	Waste and scrap, of alloy steel, other than stainless	17.5	1.3
240220	Cigarettes containing tobacco	16.6	1.3
720449	Ferrous waste and scrap, iron or steel, nes	10.6	0.8
392330	Carboys, bottles, flasks and similar articles of plastics	8.4	0.6
903039	Inst & app,for measurg or checkg voltage,current,etc w/o a record dev	8.0	0.6
080610	Grapes, fresh	8.0	0.6
300450	Vitamins and their derivatives,in dosage	7.5	0.6
760200	Waste and scrap, aluminium	7.2	0.5
252329	Portland cement nes	6.5	0.5
860699	Railway cars nes	6.0	0.5
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	5.7	0.4
350699	Glues or adhesives, prepared nes	5.6	0.4
220421	Grape wines nes,incl fort&grape must,unferMilliontd by add alc in ctnr</=2l	5.3	0.4
Total	**Top 20**	**1153.9**	**87.5**

Table 73: India's Top 20 Import Potential Items from Belarus: Rank wise

India's Import Potential from Belarus			
HS 6 Digit	**Product Description**	**Value (USD Million)**	**Share (%)**
271019	Light petroleum distillates nes	3669.1	30.9
300490	Medicaments nes, in dosage	543.3	4.6
840820	Engines, diesel, for the vehicles of Chapter 87	257.7	2.2
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes	160.0	1.3
300410	Penicillins or streptomycins and their derivatives, in dosage	157.4	1.3
841480	Air or gas compressors, hoods	155.2	1.3
271112	Propane, liquefied	150.7	1.3
940360	Furniture, wooden, nes	132.6	1.1
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	128.5	1.1
401110	Pneumatic tire new of rubber f motor car incl station	106.9	0.9
310520	Fertilizers cntg nitrogen,phosphorus&potassium in packs	95.8	0.8
842810	Lifts and skip hoists	89.3	0.8
848180	Taps, cocks, valves and similar appliances, nes	88.6	0.7
841430	Compressors of a kind used in refrigerating equipment	81.3	0.7
271113	Butanes, liquefied	79.3	0.7
840999	Parts for diesel and semi-diesel engines	76.6	0.6
850152	AC motors,multi-phase,of an output exceedg 750 W but not exceedg 75 KW	76.0	0.6
940330	Office furniture, wooden, nes	72.4	0.6
490199	Books, brochures, leaflets and similar printed matter, nes	69.2	0.6
841381	Pumps nes	68.7	0.6
Total	**Top 20**	**6258.4**	**52.7**

Table 74: India's Top 20 Import Potential Items from Kazakhstan: Rank wise

India's Import potential from Kazakhstan			
HS 6 Digit	**Product Description**	**Value (USD Million)**	**Share (%)**
710812	Gold in unwrought forms non-monetary	676.4	34.8
890110	Cruise ships,excursion boats etc principally designd f transp persons	342.0	17.6
710813	Gold in oth semi-manufactd form n-monetary(inc gold platd w	300.3	15.4

	platinum)		
300490	Medicaments nes, in dosage	247.8	12.7
880240	Aircraft nes of an unladen weight exceeding 15,000 kg	175.4	9.0
880212	Helicopters of an unladen weight exceeding 2,000 kg	23.1	1.2
490700	Unusd postage,revenue stamps;cheque forms,banknotes,bond certific,etc	18.7	1.0
300431	Insulin, in dosage	18.2	0.9
841112	Turbo-jets of a thrust exceeding 25 KN	16.7	0.9
847150	Digital processing units not sold as complete systems	14.7	0.8
300410	Penicillins or streptomycins and their derivatives, in dosage	11.8	0.6
300230	Vaccines, veterinary use	6.3	0.3
300420	Antibiotics nes, in dosage	5.8	0.3
300450	Vitamins and their derivatives,in dosage	4.9	0.3
853080	Electrical signalling, safety or traffic control equipment, nes	4.1	0.2
880330	Aircraft parts nes	4.1	0.2
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive	3.7	0.2
300290	Human blood;animl blood f therap,prophltc/diag uses;microbial prep nes	3.3	0.2
810194	Unwrought tungsten	2.0	0.1
901590	Parts and accessories for use with the apparatus of heading No 90.15	1.9	0.1
Total	**Top 20**	**1881.3**	**96.7**

Table 75: India's Top 20 Import Potential Items from Kyrgyzstan: Rank wise

India's Import Potential from Kyrgyzstan			
HS 6 Digit	**Product Description**	**Value (USD Million)**	**Share (%)**
710812	Gold in unwrought forms non-monetary	712.0	43.0
880240	Aircraft nes of an unladen weight exceeding 15,000 kg	172.2	10.4
520100	Cotton, not carded or combed	46.6	2.8
870899	Motor vehicle parts nes	27.6	1.7
720449	Ferrous waste and scrap, iron or steel, nes	27.5	1.7
740400	Waste and scrap, copper or copper alloy	27.2	1.6
080810	Apples, fresh	22.3	1.3
551219	Woven fabrics,containg>/=85% of polyester staple fibres,o/t unbl or bl	16.4	1.0

870323	Automobiles w reciprocatg piston engine displacg > 1500 cc to 3000 cc	14.3	0.9
410411	Tanned bovine hides, wet, grain splits	12.6	0.8
392330	Carboys, bottles, flasks and similar articles of plastics	12.6	0.8
853929	Filament lamps, excluding ultraviolet or infra-red lamps, nes	12.5	0.8
870891	Radiators for motor vehicles	11.8	0.7
252100	Limestone flux;limestone & other calcareous stone,for lime or cement	11.8	0.7
701090	Household preserving jars - glass	10.0	0.6
270119	Coal nes, whether or not pulverised but not agglomerated	8.2	0.5
080610	Grapes, fresh	8.0	0.5
620462	Womens/girls trousers and shorts, of cotton, not knitted	7.5	0.5
481910	Cartons, boxes and cases, of corrugated paper or paperboard	7.0	0.4
720421	Waste and scrap, stainless steel	6.7	0.4
Total	**Top 20**	**1174.6**	**71.0**

Table 76: India's Top 20 Import Potential Items from Russia: Rank wise

India's Import Potential from Russia			
HS 6 Digit	**Product Description**	**Value (USD Million)**	**Share (%)**
271112	Propane, liquefied	1167.5	18.2
271119	Petroleum gases and other gaseous hydrocarbons nes, liquefied	599.1	9.3
890110	Cruise ships,excursion boats etc principally designd f transp persons	342.0	5.3
880240	Aircraft nes of an unladen weight exceeding 15,000 kg	264.8	4.1
290250	Styrene	201.0	3.1
290243	P-xylene	178.6	2.8
300410	Penicillins or streptomycins and their derivatives, in dosage	157.4	2.5
310551	Fertilizers containg nitrates & phosphates,nes,in pack weighg</=10kg	111.8	1.7
284390	Precious metal compounds nes; amalgams	103.3	1.6
281512	Sodium hydroxide (caustic soda) in aqueous solution	86.5	1.3
290110	Saturated acyclic hydrocarbons	69.0	1.1
260300	Copper ores and concentrates	58.7	0.9
270799	Oils&oth products of the distillation of high temp coal tar etc nes	58.0	0.9

270750	Aromatic hydrocarbon mixtures etc nes	57.5	0.9
260800	Zinc ores and concentrates	55.4	0.9
380830	Herbicides,anti-sproutg prod&plant growth regs,packd f retail/formltd	51.9	0.8
940390	Furniture parts nes	49.9	0.8
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated	49.8	0.8
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive	46.2	0.7
220890	Undenatrd ethyl alc <80% alc cont by vol&spirit,liqueur&spirit bev nes	43.7	0.7
Total	**Top 20**	**3752.0**	**58.5**

Annex 4

STATEMENT ON COMPANY-WISE OF FDI EQUITY INFLOWS FROM APRIL 2000 TO JULY 2015

Summary Table

FDI Inflows from EAEU to India (2000-2014)	
Country	**FDI Inflows (USD Million)**
Armenia	0
Belarus	12.27
Kazakhstan	26.12
Kyrgyzstan	0
Russia	1054.08
Total	**1092.47**

Source: Based on Company-wise FDI inflows, DIPP, GOI, 2016

Country Armenia

Sl. No	Name of Indian Company	Name of Foreign Collaborator	Amount of FDI Inflows	
	NONE	NA	(In Rs million)	(In USD million)
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Source: DIPP, GOI, 2016

STATEMENT ON COMPANY-WISE OF FDI EQUITY INFLOWS FROM APRIL 2000 TO JULY 2015

Country Belarus

Sl. No	Name of Indian Company	Name of Foreign Collaborator	Amount of FDI Inflows	
			(In Rs million)	(In USD million)
1	LATTICE SEMICONDUCTOR (INDIA) PVT LTD	LATTICE SEMI CONDUCTOR LTD	0.02	0.00
2	AVEDAS INFORMATION SYSTEMS PVT LTD	Thomas Fuessler	0.22	0.00
3	GUJARAT SIDHEE CEMENT LTD.	THE MEHTA INTERNATIONAL LIMITED	25.00	0.51
4	FTF PHARMA PRIVATE LIMITED	MRS. NANA NADIRASHVILI	0.05	0.00
5	BELAZ-ENRIKA MINING EQUIPMENTS SERVICES	OSJC BELAZ	5.00	0.09
6	FIL INDIA BUSINESS SERVICES PVT LTD	FIL SERVICES (BERMUDA)	0.00	0.00
7	DR REDDYS LABORATORIES LTD	SAAD KHALID	0.00	0.00
8	MAHAAN PROTEINS LTD	SCHRODER CREDIT RENAISSANCE	172.50	4.38
9	ADF FOODS PVT LTD	SCHRODER CREDIT RENAISANCE FUND LTD	154.00	3.88
10	ADF FOODS PVT LTD	SCHRODER CREDIT RENAISANCE FUND L.P.	31.50	0.79
11	ANANT RAJ INDUSTRIES LTD.	LLOYD GEORGE INVESTMENT	87.50	1.90

		MANAGEMENT		
12	AIA CAPITAL INDIA PVT. LTD.,		6.31	0.15
13	GUJARAT SIDHEE CEMENT LTD.	THE MEHTA INTERNATIONAL LTD.	22.27	0.56
14	LOTUS PHARM MANUFACTURING PRIVATE LIMITE	SIARHEI KHVOSHCH	0.80	0.01

Source: DIPP, GOI, 2016

STATEMENT ON COMPANY-WISE OF FDI EQUITY INFLOWS FROM APRIL 2000 TO JULY

Country Kazakhstan

Sl. No	Name of Indian Company	Name of Foreign Collaborator	Amount of FDI Inflows	
			(In Rs million)	(In USD million)
1	KAZAKHASTAN CORPISHELF INDIA PVT LTD	KAZAKHASTAN KARPIYSHELF AO	0.53	0.01
2	KAZSTROY SERVICES INFRASTUCTURE INDIA PV	JSC LOGCC KAZSTROYSERVICE	530.00	8.69
3	UNITED BANK OF INDIA	AKSHAY GARG	0.01	0.00
4	CHETRA MACHINERY INDIA PVT LTD	CHETRA MACHINERY TRADE	0.00	0.00
5	DR REDDYS LABORATORIES LTD.	SAAD KHALID	0.00	0.00
6	M/S DR REDDY LABORATORIES LTD.	VENKATA SATYANARAYANA MURTHY ARVIND	0.00	0.00
7	KAZSTROY SERVICES INFRASTURCTURE IND.P.L	JSC OGCC KAZSTROY SERVICES	280.00	7.05
8	G.V. DISPLAY SOLUTIONS P. LTD.	VLADIMIR LEONIDOVIEH	0.05	0.00
9	DRILL TOOLS (INDIA) PVT LTD	SURENDRA VISVANATHAN	1.00	0.02
10	AMBIS KENNEL P. LTD.	NATALIA POPOVA	0.00	0.00

Source: DIPP, GOI, 2016

STATEMENT ON COMPANY-WISE OF FDI EQUITY INFLOWS FROM APRIL 2000 TO JULY 2015

Country Kyrgyzstan

Sl. No	Name of Indian Company	Name of Foreign Collaborator	Amount of FDI Inflows	
			(In Rs million)	(In USD million)
1	GATEWAY OF GOA HOLIDAY RESORTS PVT LTD	KRIVYH ANASTASIA VLADIMIROVNA	0.10	0.00

Source: DIPP, GOI, 2016

STATEMENT ON COMPANY-WISE OF FDI EQUITY INFLOWS FROM APRIL 2000 TO JULY 2015

Country Russia

Sl. No	Name of Indian Company	Name of Foreign Collaborator	Amount of FDI Inflows	
			(In Rs million)	(In USD million)
1	CENTAUR ENTERTAINMENT PVT LTD	ANDREY PROKHOROV	0.47	0.01
2	DR REDDYS LABORATORIES LIMITED	SAAD KHALID	0.01	0.00
3	DR REDDYS LABORATORIES LIMITED	MARINA VADIMOVNA KASHINIKOVA	0.00	0.00
4	DR REDDYS LABORATORIES LIMITED	ALEXANDER VLADIMIROVICH	0.00	0.00
5	DR REDDYS LABORATORIES LIMITED	LIDIA GRENBENEVA	0.01	0.00
6	EMPROCELL CLINICAL RESEARCH PVT. LTD.	VLADIMIR BABIY	6.17	0.10
7	TRUE AXIZ RESORT PVT LTD	VALUILIN RASHID	0.10	0.00
8	CELLCAP INVOFIN INDIA PVT LTD	Sistema Joint Stock Financial Corporatio	2,845.35	45.56
9	TELETEC FINSEC INDIA PRIVATE LIMITED	Sistema Joint Stock Financial Corporatio	2,841.26	45.80
10	RANBAXY LABORATORIES LTD.	Tatyana Musienko and other 2- non reside	0.00	0.00
11	SHRI MATRYOSHKA TOURISM SOLUTIONS PVT LT	IRINA KURAZHENKO	0.05	0.00
12	B W POWER INFRASTRUCTURE P LTD	ANDREY PUZANOV	1.28	0.02
13	EMPROCELL CLINICAL RESEARCH PVT. LTD.	VLADIMIR BABY	6.18	0.10
14	DASMA HOTELS PVT. LTD.	SERGEY MAXIMOV	0.50	0.01
15	DASMA HOTELS PVT. LTD.	SERGEY MAXIMOV	0.47	0.01
16	DASMA HOTELS PVT. LTD.	MAYYA MAXIMOV	0.70	0.01
17	NATUSANA EXIM PVT LTD	OLEG GLADKIKH	4.38	0.10
18	FRESHPAY IT SOLUTIONS PVT LTD	Evgeny Tarakin (Individual)	5.39	0.09
19	TRUE AXIZ RESORT PVT LTD	BEYZER LEONID	0.00	0.00
20	TRUE AXIZ RESORT PVT LTD	VALIULIN RASHID	22.80	0.37
21	TRUE AXIZ RESORT PVT LTD	VALIULIN RASHID	1.44	0.02
22	FRESHPAY IT SOLUTIONS PVT LTD	Evgeny Tarakin	5.86	0.09
23	FRESHPAY IT SOLUTIONS PVT LTD	Evgeny Tarkin	0.88	0.01
24	BALTCOM IND FOODS PVT LTD	MR DMITRITZ ZASCITNIKOVS	0.08	0.00
25	BALTCOM IND FOODS PVT LTD	ALEXEY BOLOTOV	0.03	0.00
26	ARTEMIDA ENTERPRISES PVT LTD	OLGA ROSNINA	0.05	0.00
27	NIS GLONASS PVT LTD	NAVIGATION INFORMATION SYSTEMS JOINT STO	0.10	0.00
28	NIS GLONASS PVT LTD	M2M ELECTRONICS LTD	0.00	0.00
29	DR REDDYS LABORATORIES LIMITED	Doronina Liya Aleksandrovna	0.00	0.00
30	2P AGENCY INDIA PVT LTD	PRABODH BALAYAN	0.00	0.00
31	RANBAXY LABORATORIES LTD.	LUBOV MALISHEVA	0.00	0.00
32	ALYONA EXCURSIONS PVT LTD	BLAGODAREVA ALENA ALEKSANDROVNA	0.05	0.00
33	LIGHTING TECHNOLOGIES INDIA PVT LTD (LT	LLC, LIGHTING TECHNOLOGIES IGC (LLC,LIGH	52.04	0.83
34	EMPROCELL CLINICAL RESEARCH PVT. LTD.	Vladimir Babiy	6.63	0.11
35	EMPROCELL CLINICAL RESEARCH PVT. LTD.	Vladimir Babiy	8.60	0.14
36	TELETEC FINSEC INDIA PRIVATE LIMITED	Sistema Joint Stock Financial	924.07	14.73
37	BALTCOM IND FOODS PVT LTD	DMITRIJS ZASCITNIKOVS	0.31	0.00
38	J.B.CHEMICALS & PHARMACEUTICALS LTD	SANDEEP NASA	0.76	0.02
39	J.B.CHEMICALS & PHARMACEUTICALS LTD	SANDEEP NASA	0.40	0.01

40	J.B.CHEMICALS & PHARMACEUTICALS LTD	SANDEEP NASA	0.86	0.02
41	RANBAXY LABORATORIES LTD.	MIHIR NIRANJAN CHHAGA	0.13	0.00
42	M/S DR REDDYS LABORATORIES LIMITED	M V RAMANA	0.02	0.00
43	FIFTH ELEMENT PROJECT HOTELS PVT. LTD.	EKATERINA POLUKHANOVA	0.03	0.00
44	SISTEMA SHYAM TELESERVICES LTD	FEDERAL AGENCY FOR STATE PROPERTY MANAGE	26,988.0 0	451.83
45	DR REDDYS LABORATORIES LIMITED	RISHI KAPOOR	0.00	0.00
46	NARADA TRAVELS PVT. LTD.	LENAR SAKHAPOV	0.05	0.00
47	NARADA TRAVELS PVT. LTD.	MAKSIM ANDREEV	0.05	0.00
48	GEOLEADER INDIA EXPLORATION PVT LTD	000 GEOLEADER	0.11	0.00
49	SERENATA DEL CUORE HOSPITALITY AND EXIM	EVGENIA NIKOLAEVNA MOCHNOVA	0.10	0.00
50	RAMPUR HIGHWAY PROJECT LTD	OPEN JOINT STOCK COMPANY SIBMOST	0.13	0.00
51	RANBAXY LABORATORIES LTD.	MIHIR NIRANJAN CHHAGA	0.14	0.00
52	RANBAXY LABORATORIES LTD.	MIHIR NIRANJAN CHHAGA	0.15	0.00
53	TAGANKA HOSPITALITIES PVT. LTD.	KO ANDREY	1.96	0.03
54	TAGANKA HOSPITALITIES PVT. LTD.	MATVEY GRISHIN	1.96	0.03
55	CELLCAP INVOFIN INDIA PVT LTD	SISTEMA JOINT STOCK FINANCIAL CORPORATIO	924.07	14.62
56	AMKODOR INDIA JV PVT. LTD.	AMKODOR CENTER LLC	1.34	0.02
57	FRESHPAY IT SOLUTIONS PVT LTD	EVGENY TARAKIN	5.39	0.08
58	FRESHPAY IT SOLUTIONS PVT LTD	EVGENY TARAKIN	5.86	0.09
59	FRESHPAY IT SOLUTIONS PVT LTD	EVGENY TARAKIN	0.88	0.01
60	FRESHPAY IT SOLUTIONS PVT LTD	EVGENY NIKALAEV	0.10	0.00
61	ROLGA CONSULTANCY SERVICES PVT. LTD.	OLGA VLADIMIROVNA ROSNINA	0.05	0.00
62	ROLGA CONSULTANCY SERVICES PVT. LTD.	DMITRY VICTOROWICH ROSNIN	0.05	0.00
63	DAHLIA HOLIDAY HOMES PVT. LTD.	VIOLETTA SUROVETSEVA	0.75	0.01
64	DAHLIA HOLIDAY HOMES PVT. LTD.	VIOLETTE SUROVETSEVA	1.54	0.02
65	PAYPORTAL SERVICES PVT LTD	SAIT ABDULKARIMOR	0.04	0.00
66	PAYPORTAL SERVICES PVT LTD	ALEXANDER SHISHLOV	0.06	0.00
67	TRUELITE MINING EQUIPMENT SERVICES SUPPL	RUSSO BALT BELAZ LTD	0.25	0.00
68	M/S GCE CONSULTANTS INDIA PVT LTD	OOO UK -GCE	1.58	0.03
69	M/S GCE CONSULTANTS INDIA PVT LTD	OOOGCE ENERGO	0.91	0.01
70	KAMAZ MOTORS LTD (FORMERLY-KAMAZ VECTR	OJSC KAMAZ	504.55	8.23
71	M/S HORNS AND HOOFS COMMERCIALS PRIVATE	Ms Mayya Valeriyevna Bodunova	0.05	0.00
72	M/S GCE CONSULTANTS INDIA PVT LTD	OOO UK GCE	1.60	0.03
73	M/S GCE CONSULTANTS INDIA PVT LTD	OOO GCE ENERGO	1.77	0.03
74	M/S GCE CONSULTANTS INDIA PVT LTD	OOO GCE - ENERGO	1.80	0.03
75	INDIAN OFFSET SERVICES PVT LTD	UNITED AVIONICS CONSORTIUM	1.25	0.02
76	GCE CONSULTANTS INDIA PVT LTD	000UK-GCE	1.58	0.03
77	JUNIPER HOLIDAY HOMES PVT. LTD.	ELENA MATVIENKO	0.00	0.00
78	JUNIPER HOLIDAY HOMES PVT. LTD.	ELENA MATVIENKO	1.29	0.02
79	JUNIPER HOLIDAY HOMES PVT. LTD.	ELENA MATVIENKO	1.85	0.03
80	AMKODOR INDIA JV PVT. LTD.	AMKODR CENTRE LNC	1.36	0.03
81	ANANTA TRAVEL ENTERTAINMENT PVT. LTD.	MS. ANNA ROGOVSKAYA	0.76	0.01
82	ANANTA TRAVEL ENTERTAINMENT PVT. LTD.	MR. EVEGENY SLITSKIY	0.76	0.01
83	GRV CONFECTIONARY &FOODS PVT	GAURAV AHLAWAT	2.98	0.05

	LTD			
84	BOUTIQUE RESORTS PVT. LTD.	MR. ALEXANDER SUKHOCHEY	0.08	0.00
85	BOUTIQUE RESORTS PVT. LTD.	MR. BATSKIKH OLEG	1.98	0.03
86	BOUTIQUE RESORTS PVT. LTD.	MR. BATSKIKH OLEG	0.54	0.01
87	BOUTIQUE RESORTS PVT. LTD.	MR. BATSKIKH OLEG	1.13	0.02
88	BOUTIQUE RESORTS PVT. LTD.	MR. BATSKIKH OLEG	1.51	0.02
89	BOUTIQUE RESORTS PVT. LTD.	MR. BATSKIKH OLEG	2.62	0.04
90	MEIL RUSGAZ ENGINEERING PVT LTD	CJSC RUSGAZ ENGINEERING	0.50	0.01
91	SIAM SERVICES INDIA PVT LTD	CJSC SAIM COMPANY	2.14	0.04
92	FIFTH ELEMENT PROJECT HOTELS PVT. LTD.	OLGA ZHARKOVA	0.03	0.00
93	FIFTH ELEMENT PROJECT HOTELS PVT. LTD.	KSENIA SITNIK	0.04	0.00
94	PHARMULE HEALTHCARE PVT LTD	AMIT SRIVASTAV	0.08	0.00
95	RRT ENGINEERING PVT LTD	RRT LTD	0.64	0.01
96	RADUGA INTERIOR DECORATORS PVT. LTD.	AMALIYA BELYAEVA	0.03	0.00
97	RADUGA INTERIOR DECORATORS PVT. LTD.	IGOR IGNATENKO	0.03	0.00
98	RADUGA INTERIOR DECORATORS PVT. LTD.	SVETLANA EMELKINA	0.03	0.00
99	INTERENERGO JVG ENGINEERING PVT LTD	AMARDEEP WALIA	6.70	0.11
100	CENTAUR ENTERTAINMENT PVT LTD	ANDREY PROKHOROV	0.56	0.01
101	DR REDDYS LABORATORIES LIMITED	Gopinath Balu	0.00	0.00
102	DR REDDYS LABORATORIES LIMITED	MVSMA Raja	0.00	0.00
103	DR REDDYS LABORATORIES LIMITED	Abhishek Khadaria	0.00	0.00
104	BOUTIQUE RESORTS PVT. LTD.	MR. ALEXANDER SUKHOCHEV	0.57	0.01
105	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	1.32	0.03
106	BOUTIQUE RESORTS PVT. LTD.	MR. ALEXANDER SUKHOCHEV	0.71	0.01
107	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	1.67	0.03
108	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	0.70	0.01
109	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	2.07	0.04
110	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	1.12	0.02
111	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	1.09	0.02
112	BOUTIQUE RESORTS PVT. LTD.	MS. OLEG BATSKIKH	0.65	0.01
113	B W POWER INFRASTRUCTURE PVT LTD	ANDREY PUZANOV VICTROVICK	1.28	0.02
114	FLYING CARPET RESORTS PVT. LTD.	MS. MARIA SMIRNOVA	0.08	0.00
115	MAHAMERU HOTELS AND RESTAURANTS PVT. LTD	MS. TATIANA BUZUEVA	0.10	0.00
116	TONY AND SONS RESORTS PVT. LTD.	MR. ANTON SAVCHENKOV	0.05	0.00
117	TONY AND SONS RESORTS PVT. LTD.	MS. MARIA ZHELEZNOVA	0.05	0.00
118	DR REDDYS LABORATORIES LIMITED	DORONINA LIYA ALEKSANDROVNA	0.00	0.00
119	M/S DR REDDYS LABORATORIES LIMITED	GOPINATH BALU	0.00	0.00
120	M/S DR REDDYS LABORATORIES LIMITED	BREVINOV SERGEY NIKOLEVICH	0.01	0.00
121	M/S DR REDDYS LABORATORIES LIMITED	MISHUNIN ANDREY NICHOLEVICH	0.02	0.00
122	M/S DR REDDYS LABORATORIES LIMITED	VASELYUK LARISA VLADIMIRNOVA	0.01	0.00
123	M/S DR REDDYS LABORATORIES LIMITED	PUSHINA NATOLIA ANATOLIEVNA	0.00	0.00
124	M/S DR REDDYS LABORATORIES LIMITED	MILCHENKO MIKHAIN VALENTINOVICH	0.00	0.00
125	SMART JOURNEYS PVT. LTD.	MS. SVETLANA DAVYDOVA	0.10	0.00
126	ALIVA TOURISM TRAVEL PVT. LTD.	MS. TATIANA YUREVNA DERYABINA	0.05	0.00

127	ALIVA TOURISM TRAVEL PVT. LTD.	MR. SERGEY EDUARDOVICH LATO	0.05	0.00
128	MAZAEV TOURS & TRAVEL PVT. LTD.	MR. MIKHAIL MAZAEV	0.10	0.00
129	COSMO BEACH RESORTS GOA PVT. LTD.	MR. DMITRY ZINKEVICH	0.05	0.00
130	COSMO BEACH RESORTS GOA PVT. LTD.	MR. ANDREY KUZMIN	0.05	0.00
131	UTAIR INDIA PVT. LTD.	UTAIR LEASING LLC	30.00	0.61
132	INDEN TECHNOLOGIES(UTTAR PRADESH) PVT LT	JSC UNITED AVIONICS CONSORTIUM	0.46	0.01
133	INDIAN OFFSET SERVICES PVT LTD	JSC UNITED AVIONICS CONSORTIUM	0.00	0.00
134	DR. REDDYS LABORATORIES LTD.	MV RAMANA	0.02	0.00
135	KAMAZ VECTRA MOTORS LTD(TATRA VECTRA MOT	KAMAZ FOREIGN TRADE COMPANY	227.92	4.89
136	YASHODA MEDICARE & RESEARCH CENTRE P LTD	ARTHUR NIKITIN VLADIMIROROTCH	124.95	2.81
137	INDULGE HOLIDAYS & TRAVELS PVT. LTD.	OLGA TRUNOVA	7.17	0.15
138	PAYPORTAL SERVICES PVT LTD	SAIT ABDUL KARIMOV	0.01	0.00
139	PAYPORTAL SERVICES PVT LTD	ALEXANDER SHISHLOV	0.29	0.00
140	SIAM SERVICES INDIA PVT LTD	CJSC-SIAM COMPANY	0.49	0.01
141	MURZILKA SERGEY NATALAYA RESORTS PVT. LT	Ms Natalya Dyudina & Sergy Oclinyan	0.69	0.02
142	M/S DR REDDYS LABORATORIES LIMITED	ELENA Y PYSHAKOVA	0.01	0.00
143	M/S DR REDDYS LABORATORIES LIMITED	DORONINA LIYA	0.00	0.00
144	M/S DR REDDYS LABORATORIES LIMITED	JONATHAN PAUL KILHAM	0.02	0.00
145	AMKODOR INDIA JV PVT LTD	AMKODOR CENTRE LLC	4.46	0.10
146	SITRONICS INDIA PVT LTD	JSC SITRONICS	0.10	0.00
147	SITRONICS INDIA PVT LTD	JSC SITRONICS TELECOM SOLUTIONS	0.00	0.00
148	HARIDWAR HIGHWAYS PROJECT LTD	SIBMOST	0.13	0.00
149	INDIAN OFFSET SERVICES PVT LTD	UNITED AVIONICS CONSERTIUM	1.25	0.03
150	DR REDDYS LABORATORIES LTD.	DONNA S. KOSMAS	0.00	0.00
151	TITANIC RESORTS P LTD	KRIVOSHEIN OLEG	7.98	0.16
152	TITANIC RESORTS P LTD	KOSTRIKIN VLADISLAV	0.60	0.01
153	ZU RESTAURANTS P LTD	MAYYA AVEDIKOVA	0.00	0.00
154	TITANIC RESORTS P LTD	KRIVOSHEIN OLEG	1.79	0.04
155	TITANIC RESORTS P LTD	BAKHSHIEV YUSUF	0.60	0.01
156	TITANIC RESORTS P LTD	KOSTRIKIN VLADISLAV	4.29	0.09
157	COMHOME CONSULTANCY(GOA) P LTD	IRINA SUKHANOVA	0.05	0.00
158	TITANIC RESORTS P LTD	YUSUP BAKHSHIEV	4.29	0.09
159	COMHOME CONSULTANCY(GOA) P LTD	FRANCHESKO DI MEDICHI	0.05	0.00
160	ZU RESTAURANTS P LTD	YURY KOSTYREV	0.07	0.00
161	YOGIS ANGESL ENTAMENT. & DECOR P. LTD.	YULIA PADALKA	0.03	0.00
162	UTAIR INDIA PVT. LTD.	UTAIR LEASING LLC	10.00	0.22
163	ZU RESTAURANTS PVT. LTD.	MAYYA AVEDIKOVA	0.03	0.00
164	PARRA HOLIDAY HOMES PVT. LTD.	VLADIMIR SISTER	0.50	0.01
165	PARRA HOLIDAY HOMES PVT. LTD.	VLADIMIR SISTER	0.66	0.01
166	IVALIN HOLIDAY HOMES PVT. LTD.	ILIN IGOR STANISLAVOVICH	0.10	0.00
167	FIELD TOP RESORTS PVT LTD	IRINA SERGEVNA KURTSEVA	0.18	0.00
168	FIELD TOP RESORTS PVT LTD	SERGEY VIKTOROVICH KURTSEVA	0.20	0.00
169	PICNIC TOUR OPERATORS (GOA) P.LTD	IGOR BABANOV	0.04	0.00
170	SIRIUS ALIYANS RESORTS P. LTD.	INEYT ALIYANS	1.91	0.04
171	SEEOM RESTAURANTS PVT LTD	RUSLAN VAKHITOV	0.05	0.00
172	SEEOM RESTAURANTS PVT LTD	ELINA KHANOVA	0.05	0.00

173	PICNIC TOUR OPERATORS (GOA) P.LTD	ANTONINA KAZAKOVA	0.20	0.00
174	TRAVELLERS CLUB RESORTS PVT. LTD.	VLADISLAV BOGOMOLOV	0.05	0.00
175	TRAVELLERS CLUB RESORTS PVT. LTD.	ANNA KOST	0.05	0.00
176	DR REDDYS LABORATORIES LTD.	SANJAY SINGH	0.00	0.00
177	DR REDDYS LABORATORIES LTD.	MV RAMANA	0.01	0.00
178	RUSAGRO INTL. P. LTD.	NIKALOI LUKIANOV	0.60	0.01
179	RUSAGRO INTL. P. LTD.	LOURI PITTCHANINE	0.60	0.01
180	RAJ RASAYANA HERBALS P. LTD.	TREYKO ALEXANDER	0.79	0.02
181	ROSOBORON SERVICE (INDIA) LTD	FGUP NPO AVRORA	0.47	0.01
182	ROSOBORON SERVICE (INDIA) LTD	FGUP GMZ SALYUT	0.47	0.01
183	ROSOBORON SERVICE (INDIA) LTD	OAO NPF MERIDIAN	0.47	0.01
184	ROSOBORON SERVICE (INDIA) LTD	FGUP GRANIT TSNI	0.47	0.01
185	ROSOBORON SERVICE (INDIA) LTD	FGUP NSNII ELEKTROPRIBOR	0.47	0.01
186	MAGIC VALLEY RESORTS P. LTD.	VALENTIN PETROV	0.05	0.00
187	UNIVED TOURIST SERVICES P. LTD.	ALEXANDER SUKHOCHEV	0.00	0.00
188	MAGIC VALLEY RESORTS P. LTD.	KSENIA PIROGOVA	0.05	0.00
189	M/S VEREMENA GODA RESORT PVT LTD	MR.ALEXEY MELNIKOV	0.05	0.00
190	M/S VEREMENA GODA RESORT PVT LTD	MS.ELENA CHUKARDINA	0.05	0.00
191	BRAHMOS AEROSPACE P. LTD.	FUSE NPO MASHINOSTROY ENIA RUSSIANFED	1,133.80	24.97
192	M/S MAG HOTELS PVT LTD	MR.MOJAHID ALAM	0.05	0.00
193	M/S PERIWINKLE RESORTS PVT LTD	MR.MANIM KALYABIN	0.10	0.00
194	M/S PERIWINKLE RESORTS PVT LTD	MS.YULIA YASKOVA	0.00	0.00
195	FREE SPACE RESORTS P. LTD.	VALDIMIR KOVESHNIKOV	0.05	0.00
196	FREE SPACE RESORTS P. LTD.	ANDREY KIRIYANON	0.05	0.00
197	ARTLIBORI RESORTS PVT LTD	MR.IVANOV SERGEY	0.00	0.00
198	ARTLIBORI RESORTS PVT LTD	MR.LEONID BEYZER	0.10	0.00
199	ROSOBORON SERVICE (INDIA) LTD	ROSOBORN EXPORT	1.76	0.04
200	ARTBIBORI RESORTS P. LTD.	LEONID BEYZER	0.17	0.00
201	ALPHA ELECTROMACHINA POWER SYSTEM P LTD.	ELECTROMASHINA, JSC	2.20	0.05
202	M/S COSMIC CONNECTION RESORTS PVT LTD	MR.SERGEY SARYCHEW	5.00	0.11
203	M/S FREE FLOW YOGA SPACE PVT LTD	MR.RAKIM TIMOFEY	0.05	0.00
204	M/S FREE FLOW YOGA SPACE PVT LTD	YULIYA SOLOVYEVA	0.05	0.00
205	M/S COSMIC CONNECTION RESORTS PVT LTD	MR.AALEXANDER MAMEDOV	5.00	0.11
206	M/S MOSCOW GOA HOTELS AND PVT LTD	MS.IRINA BITSURENKO	0.10	0.00
207	M/S TATTOO ART LABORATORY PVT LTD	MR.MAXIM POPOV	0.05	0.00
208	M/S TATTOO ART LABORATORY PVT LTD	MRS. NATALIA POPO	0.05	0.00
209	M/S ZEN ENTERAINMENT PVT LTD	MR VLADIMIR ZHELTOV	0.03	0.00
210	M/S ZEN ENTERAINMENT PVT LTD	MS.VARVARA KHARICHKINA	0.03	0.00
211	WINCOM TRADING INDIA PVT LTD	RAJIV KHANNA	0.17	0.00
212	OXFORD LABORATORIES PVT LTD	MR SANJAY KUMAR SINGH	1.35	0.03
213	RUSAGRO INTERNATIONAL PVT LTD	MR NIKOLAILOUK LANOV	0.10	0.00
214	DELTA TEA & COFFEE EXIM INDIA PVT. LTD.,		2.09	0.05
215	BRAHMOS PVT. LTD.,		1,425.62	31.68
216	DELTA TEA & COFFEE EXIM INDIA PVT. LTD.,		0.23	0.01
217	DELTA TEA & COFFEE EXIM INDIA PVT LTD.,		1.53	0.03
218	UT PROJECT SERVICES P. LTD.	MS ZADNI P RYANETS NATALIA	0.00	0.00
219	UT PROJECT SERVICES P. LTD.	CENTRE OF ECONOMIC	0.10	0.00

		TRANSPORTATION LTD.		
220	VREMENA GODA RESORT P. LTD.	MR. ALEXEY MELNIKOV	0.82	0.02
221	VREMENA GODA RESORT P. LTD.	MS. ELENA CHUKARDINA	0.82	0.02
222	ROSOBORONSERVICES(I) LTD.	JSC TACTICAL MISSILES CORPN	0.47	0.01
223	ROSOBORONSERVICES(I) LTD.	OAO MILLIONIIRE ALTAIR	0.47	0.01
224	AVRORA I MARINE SYSTEMS PVT LTD	AVRORA CORP.SCIENCE & PRODUCT	0.51	0.01
225	HT SEAFOODS PVT LTD	KESHAV BHAGAT	9.78	0.25
226	DR. REDDY'S LABORATORIES LIMITED	M.V. RAMANA	0.00	0.00
227	AEROFLOTE CARGO P. LTD.	CJSC AEROFLOT CARGO	0.26	0.01
228	UNION BATTERIES PVT LTD	MR.SERGEI MURAZAV AND MR.ANDREW CHERNOV	5.56	0.12
229	GOASTAV HOTELS P. LTD.	DENIS SHULYATSKIY	25.50	0.55
230	GOASTAV HOTELS P. LTD.	DENIS SHULYATSKIY	1.50	0.03
231	QUERI RESORTS P. LTD.	YULIA YASKOVA	0.00	0.00
232	TAGANKA HOSPITALITIES PVT LTD	MR.KO ANDREY	0.05	0.00
233	TAGANKA HOSPITALITIES PVT LTD	MR.MATVEY GRISHIN	0.05	0.00
234	SMARAT PLYWOOD LTD.	CHARAN SAREEN	4.88	0.12
235	DR. REDDY'S LABORATORIES LTD.	M V RAMANA	0.01	0.00
236	TATTOO ART LABORATORY P. LTD.	MAXIM POPOV	0.44	0.01
237	TATTOO ART LABORATORY P. LTD.	NATALIA POPOVA	0.44	0.01
238	RUSAGRO INTERNATIONAL PVT LTD	MR NIKOLAILOUK LANOV	1.70	0.04
239	BEARING POINT BUSINESS CONSULTING P.LTD	BEARING POINT INTL. BURMUDA HOL	0.10	0.00
240	INSIST AUTOMATIKA INDIA	VLADIMAIR MOREN KO	0.08	0.00
241	CLUB NEW ATLANTIDA PVT LTD	VIKTOR IGOLKINE	0.10	0.00
242	BULK CONTAINERS INDIA PVT LTD	ATUL UPADHYAT	7.15	0.16
243	VEROLA TRAVELS AND LEISURE PVT LTD	MR YURY VERGILES	0.10	0.00
244	BULK CONTAINERS INDIA PVT LTD	ATUL UPADHAY	4.79	0.10
245	RUSAGRO INT. P. LTD	NIKOLANI LOUKIANOW	1.19	0.03
246	CENTRODORSTROY INDIA PVT LTD	CENTREODORSTROY	0.49	0.01
247	CENTRODORSTROY INDIA PVT LTD	CJSC CENTRODORSTROY	0.01	0.00
248	BABA YAGA RESTARUANTS & HOTELS PVT LTD	ALEXEY ZHELTOV	0.10	0.00
249	BABANOV & COUTINHO RESORTS P. LTD.	MR. IGOR BABANOV	3.09	0.07
250	SIRIUS ALIYANS RESORTS P. LTD.	INEIT ALYANS	0.10	0.00
251	SIRIUS ALIYANS RESORTS P. LTD.	NAIL BIKBAEV	0.00	0.00
252	QUERI RESORTS P. LTD.	KONSTANTIN ELKIN	1.62	0.04
253	FIELD TOP RESORTS P. LTD.	SERGEY KURTSEV	0.05	0.00
254	COLIBRI RESORTS P. LTD.	ALEX GUSEV	0.01	0.00
255	TATTOO ART LABORATORY PVT LTD	NATALIA POPOVA	0.70	0.01
256	TATTOO ART LABORATORY PVT LTD	MAXIM POPOV	0.70	0.01
257	COLIBRI RESORTS P. LTD.	GALINA GORBUNOVA	0.09	0.00
258	SR MEDICARE P. LTD.	DR RUMAISA SHAMIM	0.32	0.01
259	PARRA HOLIDAY HOMES PVT. LTD.	VLADIMIR SISTER	0.86	0.02
260	PARRA HOLIDAY HOMES PVT. LTD.	VLADIMIR SISTER	0.48	0.01
261	SIRIUS ALIYANS RESORTS PVT LTD	INEYT ALIYANS SIRIUS	1.60	0.03
262	COMHOME CONSULTANCY(GOA) PVT LTD	FRANCHESKO DI MEDICHI	0.10	0.00
263	INDULGE HOLIDAYS & TRAVELS PVT LTD	OLGA TRUNOVA	0.10	0.00
264	COASTAL GATEWAYS P. LTD.	SERGEY VELICHAY	0.05	0.00
265	SHYAMTELELINK LTD	SISTEMA JOINT STOCK FINANCIAL CORPORATIO	14,820.00	304.72
266	SIRIUS ALIYANS RESORTS P. LTD.	INEYT ALIYANS	0.98	0.02
267	AMBIS KENNEL P. LTD.	MARIA MATYUKHINA	0.10	0.00
268	COASTAL GATEWAYS P. LTD.	IGOR OVDIENKO	0.05	0.00

269	HT FOODS PVT LTD	KESHAV BHAGAR	0.64	0.01
270	DEEJA VU IMPEX PVT LTD	BUDKO VADIM GERBERTOVICH RUSSIAN FEDERAT	0.37	0.01
271	AMKODOR INDIA JV PVT. LTD.	AMKODOR CENTER LLC	4.90	0.11
272	SITECH INNOVATIONS TECHNOLOGIES GOA P LT	GALINA BALYAEVA	4.18	0.09
273	SITECH INNOVATIONS TECHNOLOGIES GOA P LT	GALINA BALYAEVA	2.17	0.05
274	ATC BEVERAGES P. LTD.	NONA NOVIK	5.12	0.11
275	SITECH INNOVATIONS TECHNOLOGIES GOA P.LT	GALINA BALYAEVA	3.66	0.07
276	HT FOODS PVT LTD	KESHAV BHAGAT	11.73	0.26
277	SITECH INNOVATIONS TECHNOLOGIES GOA P LT	GALINA BALYAEVA	0.35	0.01
278	KARIOUZ TRADING PRIVATE LIMITED	MOHAMMAD REZA JAFARIFESHARAKI	0.17	0.00
279	ICICI BANK LTD.	HEMANT BHAGAT	0.30	0.00
280	TECHNONICOL INDIA PVT LTD	miara llc	0.44	0.01
281	TECHNONICOL INDIA PVT LTD	tn invest llc	0.00	0.00
282	GCE CONSULTANTS INDIA PVT LTD	OOO GCE-ENERGO	1.50	0.02
283	LIGHTING TECHNOLOGIES INDIA PVT LTD (LT	LLC, LIGHTING TECHNOLOGIES IGC	71.56	1.12
284	MULTIROLE TRANSPORT AIRCRAFT LIMITED	UAC - TRANSPORT AIRCRAFT	235.30	3.75
285	MULTIROLE TRANSPORT AIRCRAFT LIMITED	UAC - TRANSPORT AIRCRAFT	37.50	0.60
286	MULTIROLE TRANSPORT AIRCRAFT LIMITED	UAC - TRANSPORT AIRCRAFT	478.30	7.62
287	MULTIROLE TRANSPORT AIRCRAFT LIMITED	ROSBORONEXPORT	37.50	0.60
288	MULTIROLE TRANSPORT AIRCRAFT LIMITED	UAC - TRANSPORT AIRCRAFT	346.06	5.51
289	LOTUS PHARM MANUFACTURING PRIVATE LIMITE	VIJAY KUMAR SINGH	0.31	0.00
290	ICICI BANK LTD.	HEMANT BHAGAT	0.40	0.01
291	LIGHTING TECHNOLOGIES INDIA PVT LTD (LT	LLC, LIGHTING TECHNOLOGIES IGC	42.33	0.66
292	BOUTIQUE RESORTS PVT. LTD.	Oleg Batskikh	0.73	0.01
293	M/S DR REDDY LABORATORIES LTD.	MANOJ KUMAR DUBEY	0.00	0.00
294	EPK BEARING (I) P. LTD.	OOO TD EPK	5.00	0.10
295	EPK BEARING (I) P. LTD.	OAO EBC	5.00	0.10
296	COMHOME CONSULTANCY (GOA) PVT. LTD.	FRANCHESKO DIMEDICHI	0.05	0.00
297	TEMPOBUR ENGINEERING (I) LTD.	NGS TEMPOTMOR LTD.	0.26	0.01
298	TEMPOBUR ENGINEERING (I) LTD.	PAVEL YURIEVICH PRYAZHMIKOV	0.20	0.00
299	DR. REDDYS LABORATORIES LTD.	KARUN GAUR	0.00	0.00
300	DR. REDDYS LABORATORIES LTD.	MOTUPAALLI VENKATA RAMANA	0.00	0.00
301	DR. REDDYS LABORATORIES LTD.	M.V. RAMANA	0.02	0.00
302	DR. REDDYS LABORATORIES LTD.	KUNUKU SATYANARAYANA	0.00	0.00
303	AMKODAR INDIA J. PVT. LTD.	MITSUI AUTOMOTIVE INVESTMENT BV	0.03	0.00
304	YASHODA MEDICARE & RESEARCH CENT. P. LTD	ARTHUR NIKITA VLAD MIROVITCH	0.79	0.02
305	FIELD TOP RESORTS P. LTD.	SERGEY VIKTOROVICH KURTSEV	0.39	0.01
306	YASHODA MEDICARE & RESEARCH CENT. P. LTD	ARTHUR NIKITA VLAD MIROVITCH	19.30	0.40
307	UTAIR INDIA PVT LTD	UTAIR LEASING LL.C	0.10	0.00
308	KLIM RESTAURANT PVT. LTD.	NATALIA KUNOVA	0.05	0.00
309	HR ONE CONSULTANCY PVT LTD	SANJEEV KUMAR GANGLANI	1.88	0.04

310	KLIM RESTAURANT PVT. LTD.	ALEXANDER KOCHETOV	0.05	0.00
311	SAND & WAVES HOLIDAY HOMES P. LTD.	VALDIMIR GOLOVANOVA	0.05	0.00
312	SAND & WAVES HOLIDAY HOMES P. LTD.	VALDIMIR GOLOVANOVA	2.41	0.05
313	SAND & WAVES HOLIDAY HOMES P. LTD.	MARINA GOLOVANOVA	2.41	0.05
314	SAND & WAVES HOLIDAY HOMES P. LTD.	MARINA GOLOVANOVA	0.05	0.00
315	ESS SOFTWARE DISTRIBUTION & CONSUPVT LTD	OLEG SLANISLAVOVICH	0.10	0.00
316	REMEDIA THERAPEUTICS PVT. LTD.	VICTOR ALEXANDROVICH GOLIKOV	0.00	0.00
317	NORTH LAND RESORTS PVT. LTD.	SHETOKHIN DMITRY	0.10	0.00
318	NORTH LAND RESORTS PVT. LTD.	DARIA MUSALATOVA	0.00	0.00
319	DR REDDYS LABORATORIES LTD	KUNUKU SATYANARAYANA	0.00	0.00
320	YASHODA MEDICARE & RESEARCH CENTRE P LTD	ARTHUR NIKITIN VLADIMIROVITCH	25.46	0.55
321	YASHODA MEDICARE & RESEARCH CENTRE P LTD	ARTHUR N. VLADIMIRROVITECH	48.62	1.05
322	DR REDDYS LABORATORIES LTD	MVSMA RAJA	0.01	0.00
323	QUERI RESORTS PVT LTD	MR.KONSTANTIN ELKIN	0.64	0.02
324	HT SEAFOODS PVT LTD	KESHAV BHAGAT	11.10	0.27
325	MONTANA RESORTS PVT LTD	MR.IGOR OLEGOVICH BABANOV	0.00	0.00
326	PANSAN TRAVELS & HOTELS PVT LTD	MR.SERGEY PANIN	0.08	0.00
327	MONTANA RESORTS PVT LTD	MS.ANTONINA KAZAKOVA	2.04	0.05
328	PANSAN TRAVELS & HOTELS PVT LTD	MR.ALEXEY ZHELTOV	0.02	0.00
329	BULK CONTAINERS INDIA PVT LTD	ATUL UPADHYAY	6.94	0.16
330	FIELD TOP RESORTS P. LTD.	IRINA KURTSEV	0.05	0.00
331	HT FOODS PVT LTD.	KESHAV BHAGAT	28.87	0.63
332	HT FOODS PVT LTD	MR.KESHAV BHAGAT	6.55	0.16
333	HT SEAFOODS PVT LTD	KESHAV BHAGAT	15.00	0.37
334	DEEJA VU IMPEX PVT LTD	VADIM BUDEO GERBERTOVI	0.35	0.01
335	SMS INNOVATIVE ARCHITECTURE PVT LTD	ANIL KUMAR	0.03	0.00
336	SMS INNOVATIVE ARCHITECTURE PVT LTD	MIKHAIL IVANOVSKY	0.03	0.00
337	SMS INNOVATIVE ARCHITECTURE PVT LTD	SERGEY ZUBAKIN	0.03	0.00
338	NEO ECOSYSTEMS AND SOFTWARE PVT LTD	ANDREY PIGALEV	0.02	0.00
339	NEO ECOSYSTEMS AND SOFTWARE PVT LTD	ANIL KUMAR	0.02	0.00
340	NEO ECOSYSTEMS AND SOFTWARE PVT LTD	DIMITRYKOTENKOV	0.02	0.00
341	NEO ECOSYSTEMS AND SOFTWARE PVT LTD	SERGEY KAMINSKI	0.02	0.00
342	ASPIRE HIMAN CAPITAL MANAGEMENT PVT LTD	JESSE LENTCHNER	2.00	0.04
343	SHYAM TELELINK	SISTEMA JOINT STOCK FINANCIAL CORP	478.76	10.22
344	SHYAM TELELINK	SISTEMA JOINT STOCK FINANCIAL	957.51	20.44
345	SHYAM TELELINK	SUSTEMA JOINT STOCK FINANCIAL CORP	478.76	10.22
346	SHYAM TELELINK LTD	SISTEMA JOINT STOCK FINANCIAL CORP	419.48	8.96
347	SHYAM TELELINK	SISTEMA JOINT STOCK FINANCIAL	1,869.43	39.91
348	NATUSANA EXIM PVT LTD	OLEG GLADKIKH	0.05	0.00
349	VENDANTA COMPUTECH P. LTD.	NAVEEN RAO	0.05	0.00

350	OXFORD LABORATORIES PVT LTD	ANDREY MEDUNITSYN	1.85	0.03
351	NATUSANA EXIM PVT LTD	AYA GLADKIKH	0.05	0.00
352	SIBUR PETROCHEMICAL INDIA PVT LTD	OJSC SIBUR HOLDING	0.10	0.00
353	OXFORD LABORATORIES PVT LTD	ANDREY MEDUNITSYN	5.25	0.09

Source: DIPP, GOI, 2016

Annex 5

Table 27: Average Duty and Import Coverage HS 2 digit level

HS Code	Product Description	Average Duty (%)	Imports (USD Million)
1	Live Animals.	30.00	11.96
2	Meat And Edible Meat Offal.	32.03	3.22
3	Fish And Crustaceans, Molluscs And Other Aquatic Invertabrates.	30.00	61.69
4	Dairy Produce; Birds' Eggs; Natural Honey; Edible Prod. Of Animal Origin, Not Elsewhere Spec. Or Included.	34.47	50.05
5	Products Of Animal Origin, Not Elsewhere Specified Or Included.	30.00	37.15
6	Live Trees And Other Plants; Bulbs; Roots And The Like; Cut Flowers And Ornamental Foliage.	26.25	18.52
7	Edible Vegetables And Certain Roots And Tubers.	30.34	2,834.42
8	Edible Fruit And Nuts; Peel Or Citrus Fruit Or Melons.	38.33	2,672.08
9	Coffee, Tea, Mate And Spices.	61.78	729.43
10	Cereals.	47.03	22.17
11	Products Of The Milling Industry; Malt; Starches; Inulin; Wheat Gluten.	32.57	61.4
12	Oil Seeds And Olea. Fruits; Misc. Grains, Seeds And Fruit; Industrial Or Medicinal Plants; Straw And Fodder.	29.11	322
13	Lac; Gums, Resins And Other Vegetable Saps And Extracts.	30.00	182.81
14	Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified Or Included.	30.00	22.55
15	Animal Or Vegetable Fats And Oils And Their Cleavage Products; Pre. Edible Fats; Animal Or Vegetable Waxex.	62.44	10,670.01
16	Preparations Of Meat, Of Fish Or Of Crustaceans, Molluscs Or Other Aquatic Invertebrates	33.04	3.28
17	Sugars And Sugar Confectionery.	47.44	686.48
18	Cocoa And Cocoa Preparations.	30.00	253.58
19	Preparations Of Cereals, Flour, Starch Or Milk; Pastrycooks Products.	33.64	65.38
20	Preparations Of Vegetables, Fruit, Nuts Or Other Parts Of Plants.	30.28	75.07
21	Miscellaneous Edible Preparations.	64.29	124.53
22	Beverages, Spirits And Vinegar.	121.09	541.59
23	Residues And Waste From The Food Industries; Prepared Animal Foder.	30.00	331.54
24	Tobacco And Manufactured Tobacco Substitutes.	31.33	48.66
25	Salt; Sulphur; Earths And Stone; Plastering Materials, Lime And Cement.	9.77	2,717.56
26	Ores, Slag And Ash.	6.44	7,361.19
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes.	10.54	1,56,400.01
28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals, Of Rare-Earth Metals, Or Radi. Elem. Or Of Isotopes.	9.53	5,136.97
29	Organic Chemicals	10.05	17,746.39
30	Pharmaceutical Products	9.86	1,628.06
31	Fertilisers.	7.93	6,386.62
32	Tanning Or Dyeing Extracts; Tannins And Their Deri. Dyes, Pigments And Other Colouring Matter; Paints And Ver; Putty And Other Mastics; Inks.	10.00	1,608.02
33	Essential Oils And Resinoids; Perfumery, Cosmetic Or Toilet Preparations.	23.06	630.96
34	Soap, Organic Surface-Active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing Or Scouring Prep.	10.00	671.85
35	Albuminoidal Substances; Modified Starches; Glues; Enzymes.	20.00	355.83
36	Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations.	10.00	10.58

37	Photographic Or Cinematographic Goods.	10.00	242.79
38	Miscellaneous Chemical Products.	11.92	4,177.54
39	Plastic And Articles Thereof.	10.00	11,690.78
40	Rubber And Articles Thereof.	11.25	3,253.58
41	Raw Hides And Skins (Other Than Furskins) And Leather	6.00	733.43
42	Articles Of Leather,Saddlery And Harness;Travel Goods, Handbags And Similar Cont.Articles Of Animal Gut(Othr Thn Silk-Wrm)Gut.	10.32	318.12
43	Furskins And Artificial Fur, Manufactures Thereof.	10.45	5.24
44	Wood And Articles Of Wood; Wood Charcoal.	8.97	2,624.95
45	Cork And Articles Of Cork.	10.00	5.55
46	Manufactures Of Straw, Of Esparto Or Of Other Plaiting Materials; Basketware And Wickerwork.	10.00	2.71
47	Pulp Of Wood Or Of Other Fibrous Cellulosic Material; Waste And Scrap Of Paper Or Paperboard.	5.95	1,687.74
48	Paper And Paperboard; Articles Of Paper Pulp, Of Paper Or Of Paperboard.	10.00	2,586.03
49	Printed Bookds, Newspapers, Pictures And Other Products Of The Printing Industry; Manuscripts, Typescripts And Plans.	7.35	383.27
50	Silk	13.62	215.13
51	Wool, Fine Or Coarse Animal Hair, Horsehair Yarn And Woven Fabric.	11.05	401.05
52	Cotton.	10.08	739.67
53	Other Vegetable Textile Fibres; Paper Yarn And Woven Fabrics Of Paper Yarn.	11.88	305.41
54	Man-Made Filaments.	10.00	824.87
55	Man-Made Staple Fibres.	10.00	743.74
56	Wadding, Felt And Nonwovens; Spacial Yarns; Twine, Cordage, Ropes And Cables And Articles Thereof.	10.05	242.26
57	Carpets And Other Textile Floor Coverings.	10.00	86.7
58	Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery.	10.00	187.6
59	Impregnated, Coated, Covered Or Laminated Textile Fabrics; Textile Articles Of A Kind Suitable For Industrial Use.	10.00	784.34
60	Knitted Or Crocheted Fabrics.	10.00	469.85
61	Articles Of Apparel And Clothing Accessories, Knitted Or Corcheted.	10.00	213.98
62	Articles Of Apparel And Clothing Accessories, Not Knitted Or Crocheted.	10.00	309.88
63	Other Made Up Textile Articles; Sets; Worn Clothing And Worn Textile Articles; Rags	10.00	495.8
64	Footwear, Gaiters And The Like; Parts Of Such Articles.	10.00	460.54
65	Headgear And Parts Thereof.	10.00	13.64
66	Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips,Riding-Crops And Parts Thereof.	10.00	27.12
67	Prepared Feathers And Down And Articles Made Of Feathers Or Of Down; Artificial Flowers; Articles Of Human Hair.	10.00	11.6
68	Articles Of Stone, Plaster, Cement, Asbestos, Mica Or Similar Materials.	10.00	560.44
69	Ceramic Products.	10.00	762.86
70	Glass And Glassware.	10.00	845.66
71	Natural Or Cultured Pearls,Precious Or Semiprecious Stones,Pre.Metals,Clad With Pre.Metal And Artcls Thereof;Imit.Jewlry;Coin.	11.10	62,379.92
72	Iron And Steel	10.00	12,342.01
73	Articles Of Iron Or Steel	10.00	3,978.75
74	Copper And Articles Thereof.	6.86	3,214.36
75	Nickel And Articles Thereof.	5.00	1,386.82
76	Aluminium And Articles Thereof.	7.42	3,739.75
78	Lead And Articles Thereof.	6.18	630.78

79	Zinc And Articles Thereof.	5.48	560.47
80	Tin And Articles Thereof.	5.91	204.58
81	Other Base Metals; Cermets; Articles Thereof.	6.45	312.9
82	Tools Implements, Cutlery, Spoons And Forks, Of Base Metal; Parts Thereof Of Base Metal.	10.00	1,028.79
83	Miscellaneous Articles Of Base Metal.	10.00	730.28
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof.	7.22	31,730.65
85	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Image And Sound Recorders And Reproducers,And Parts.	7.24	33,149.35
86	Railway Or Tramway Locomotives, Rolling-Stock And Parts Thereof; Railway Or Tramway Track Fixtures And Fittings And Parts Thereof; Mechanical	10.00	397.07
87	Vehicles Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof.	46.36	4,861.67
88	Aircraft, Spacecraft, And Parts Thereof.	7.90	4,707.23
89	Ships, Boats And Floating Structures.	13.00	4,959.36
90	Optical, Photographic Cinematographic Measuring, Checking Precision, Medical Or Surgical Inst. And Apparatus Parts And Accessories Thereof;	7.51	7,049.60
91	Clocks And Watches And Parts Thereof.	10.00	311.09
92	Musical Instruments; Parts And Accessories Of Such Articles.	10.00	32.13
93	Arms And Ammunition; Parts And Accessories Thereof.	10.00	21.68
94	Furniture; Bedding, Mattresses, Mattress Supports, Cushions And Similar Stuffed Furnishing; Lamps And Lighting Fittings Not Elsewhere Specified Or Inc	10.00	1,286.24
95	Toys, Games And Sports Requisites; Parts And Accessories Thereof.	10.00	498.89
96	Miscellaneous Manufactured Articles.	10.00	447.28
97	Works Of Art Collectors' Pieces And Antiques.	8.24	61.55
98	Project Goods; Some Special Uses.	20.00	3,640.61
99	Miscellaneous Goods.	N/A	7,471.64

Source: Ministry of Commerce and Industry, 2014

Annex 6

Table 77: India's NTMs Table by Products

HS Codes	Product Description	SG	SSG	CV	Lie	ADP	TBT	SPS	QR	TRQ	xs
	Total	**39**		**1**	**3**	**280**	**94**	**109**	**59**		
0	Measures Without HS Code	16			1	51	71	35			
1	Live Animals				1			10			
2	Meat And Edible Meat Offal							12	3		
3	Fish And Crustaceans, Molluscs And Other Aquatic				1						
4	Dairy Produce; Birds' Eggs; Natural Honey; Edible Products Of Animal Origin, Not Elsewhere Specified Or Included							12	1		
5	Products Of Animal Origin, Not Elsewhere Specified Or Included							13	21		
6	Live Trees And Other Plants; Bulbs, Roots And The Like; Cut Flowers And Ornamental Foliage				1			28			
7	Edible Vegetables And Certain Roots And Tubers							2			
8	Edible Fruit And Nuts; Peel Of Citrus Fruit Or Melons							4			
9	Coffee, Tea, Mate And Spices							2			
10	Cereals							1	1		
11	Products Of The Milling Industry; Malt; Starches; Inulin; Wheat Gluten								1		
12	Oil Seeds And Oleaginous Fruits; Miscellaneous Grains, Seeds And Fruit; Industrial Or Medicinal Plants; Straw And Fodder				1			3	1		
13	Lac; Gums, Resins And Other Vegetable Saps And Extracts								1		
14	Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified Or Included										
15	Animal Or Vegetable Fats And Oils And Their Cleavage Products; Prepared Edible Fats; Animal Or Vegetable Waxes	1						2	25		

16	Preparations Of Meat, Of Fish Or Of Crustaceans, Molluscs Or Other Aquatic Invertebrates							1	1		
17	Sugars And Sugar Confectionery							1			
18	Cocoa And Cocoa Preparations										
19	Preparations Of Cereals, Flour, Starch Or Milk; Pastrycooks' Products							5			
20	Preparations Of Vegetables, Fruit, Nuts Or Other Parts Of Plants							20			
21	Miscellaneous Edible Preparations						1	1			
22	Beverages, Spirits And Vinegar						1	1			
23	Residues And Waste From The Food Industries; Prepared Animal Fodder							11			
24	Tobacco And Manufactured Tobacco Substitutes										
25	Salt; Sulphur; Earths And Stone; Plastering Materials, Lime And Cement				1		2	2	1		
26	Ores, Slag And Ash						1		1		
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes					1			1		
28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals, Of Rare-Earth Metals, Of Radioactive Elements Or Of Isotopes	7			1	34	1		1		
29	Organic Chemicals	11			1	75			1		
30	Pharmaceutical Products				1		4		1		
31	Fertilisers					4			1		
32	Tanning Or Dyeing Extracts; Tannins And Their Derivatives; Dyes, Pigments And Other Colouring Matter; Paints And Varnishes; Putty And Other Mastics; Inks					2					
33	Essential Oils And Resinoids; Perfumery, Cosmetic Or Toilet Preparations						1		1		

34	Soap, Organic Surface-Active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing Or Scouring Preparations, Candles And Similar Articles, Modelling Pastes, 'Dental Waxes' And Dental Preparations With A Basis Of Plaster						1		1		
35	Albuminoidal Substances; Modified Starches; Glues; Enzymes								5		
36	Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations				1		1		1		
37	Photographic Or Cinematographic Goods					1					
38	Miscellaneous Chemical	1			1	6	7		1		
39	Plastics And Articles Thereof	1				23	3	4	1		
40	Rubber And Articles Thereof					4	8	3	1		
41	Raw Hides And Skins (Other Than Furskins) And Leather										
42	Articles Of Leather; Saddlery And Harness; Travel Goods, Handbags And Similar Containers; Articles Of Animal Gut (Other Than Silkworm Gut)										
43	Furskins And Artificial Fur; Manufactures Thereof								4		
44	Wood And Articles Of Wood; Wood Charcoal	1			1	8		2	1		
45	Cork And Articles Of Cork										
46	Manufactures Of Straw, Of Esparto Or Of Other Plaiting Materials; Basketware And Wickerwork										
47	Pulp Of Wood Or Of Other Fibrous Cellulosic Material; Recovered (Waste And Scrap) Paper Or Paperboard										
48	Paper And Paperboard; Articles Of Paper Pulp, Of Paper Or Of Paperboard	2							1		

49	Printed Books, Newspapers, Pictures And Other Products Of The Printing Industry; Manuscripts, Typescripts And Plans				1				1		
50	Silk					2					
51	Wool, Fine Or Coarse Animal Hair; Horsehair Yarn And Woven Fabric										
52	Cotton										
53	Other Vegetable Textile Fibres; Paper Yarn And Woven Fabrics Of Paper Yarn					2					
54	Man-Made Filaments; Strip And The Like Of Man-Made Textile Materials					10					
55	Man-Made Staple Fibres	1				4					
56	Wadding, Felt And Nonwovens; Special Yarns; Twine, Cordage, Ropes And Cables And Articles Thereof					1					
57	Carpets And Other Textile Floor Coverings										
58	Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery					2					
59	Impregnated, Coated, Covered Or Laminated Textile Fabrics; Textile Articles Of A Kind Suitable For Industrial Use					1					
60	Knitted Or Crocheted Fabrics										
61	Articles Of Apparel And Clothing Accessories, Knitted Or Crocheted										
62	Articles Of Apparel And Clothing Accessories, Not Knitted Or Crocheted										
63	Other Made-Up Textile Articles; Sets; Worn Clothing And Worn Textile Articles; Rags								1		
64	Footwear, Gaiters And The Like; Parts Of Such Articles										
65	Headgear And Parts Thereof										

66	Umbrellas, Sun Umbrellas, Walking Sticks, Seat-Sticks, Whips, Riding- Crops And Parts Thereof										
67	Prepared Feathers And Down And Articles Made Of Feathers Or Of Down; Artificial Flowers; Articles Of Human Hair										
68	Articles Of Stone, Plaster, Cement, Asbestos, Mica Or Similar Materials					4	3				
69	Ceramic Products						1				
70	Glass And Glassware					6	1				
71	Natural Or Cultured Pearls, Precious Or Semi-Precious Stones, Precious Metals, Metals Clad With Precious Metal, And Articles Thereof; Imitation Jewellery; Coin				1				1		
72	Iron And Steel					19	1		1		
73	Articles Of Iron Or Steel					3	3				
74	Copper And Articles Thereof						1		1		
75	Nickel And Articles Thereof						1		1		
76	Aluminium And Articles Thereof					1	1		1		
78	Lead And Articles Thereof						1		1		
79	Zinc And Articles Thereof						1		1		
80	Tin And Articles Thereof						1		1		
81	Other Base Metals; Cermets; Articles Thereof								1		
82	Tools, Implements, Cutlery, Spoons And Forks, Of Base Metal; Parts Thereof Of Base Metal						1				
83	Miscellaneous Articles Of Base Metal					1					
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof				1	9	9		1		

85	Electrical Machinery And Equipment And Parts Thereof; Sound Recorders And Reproducers, Television Image And Sound Recorders And Reproducers, And Parts And Accessories Of Such Articles			1	1	15	2		2		
86	Railway Or Tramway Locomotives, Rolling Stock And Parts Thereof; Railway Or Tramway Track Fixtures And Fittings And Parts Thereof; Mechanical (Including Electromechanical) Traffic Signalling Equipment Of All Kinds										
87	Vehicles Other Than Railway Or Tramway Rolling Stock, And Parts And Accessories Thereof					5	4		1		
88	Aircraft, Spacecraft, And Parts Thereof				1				1		
89	Ships, Boats And Floating Structures								1		
90	Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical Or Surgical Instruments And Apparatus; Parts And Accessories Thereof						5		1		
91	Clocks And Watches And Parts Thereof										
92	Musical Instruments; Parts And Accessories Of Such Articles										
93	Arms And Ammunition; Parts And Accessories Thereof				2				1		
94	Furniture; Bedding, Mattresses, Mattress Supports, Cushions And Similar Stuffed Furnishings; Lamps And Lighting Fittings, Not Elsewhere Specified Or Included; Illuminated Signs, Illuminated Nameplates And The Like; Prefabricated Buildings						5				

95	Toys, Games And Sports Requisites; Parts And Accessories Thereof										
96	Miscellaneous Manufactured Articles								2		
97	Works Of Art, Collectors' Pieces And Antiques								1		

Source: World Trade Organization, 2015

ADP: Anti-dumping; **CV:** Counterveiling; **QR:** Quantitative Restrictions; **SG:** Safeguards; **SPS**: Sanitary and Phytosanitary; **TBT:** Technical Barriers to Trade; **TRQ:** Tariff Rate Quotas