

Entering a new phase in ties

**B2B: Target
\$10 billion
by 2010**

In This Issue



COVER STORY

06

B2B contacts vital to boost Indo-Russian bilateral trade; 2010 target set at \$10 billion

Giving a new depth to strategic partnership



ECONOMY

10

Regional co-operation is the key, says Study

Central Asian CIS members can double incomes in 10 years



REPORT

14

Agri-food business, a vast untapped avenue in Indo-CIS trade: FICCI



EVENT

16

Displaying air defense system to model mobile field hospital...

Russia dominates DefExpo India 2006



TOURISM

28

Land of Rolling Fields, Dense Forests & Deep Lakes



TOURISM

34

Where crossroads of cultures meet & merge

**Российская Секция
42 - 46**

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Dear Reader,

Greetings. India's economic relations with Russia received a shot in the arm recently with both countries reaffirming faith in their abiding friendship. A series of agreements, signed during Russian Prime Minister Mikhail Fradkov's visit to India on March 16 and 17 on co-operation in areas ranging from nuclear energy to civil aviation and defence, indicate the depth of understanding between the two nations. India's relationship with Russia has survived the trauma of the Soviet Union's collapse in 1991 and the turmoil that preceded the emergence of the fragmented region as the Commonwealth of Independent States (CIS). India has quickly realized the importance of the CIS region as a whole and has since initiated a focused campaign to boost bilateral trade with its member countries. With economic reforms sweeping both India and the CIS region, the focus has now turned to "Business-to-Business" relations and private sector collaboration. This issue was stressed during the discussions that Fradkov had with his Indian counterpart Dr. Manmohan Singh, who said that private sector partnerships must now become the new cementing force in relations between India and Russia. The two leaders have agreed that there is a vast potential to step up Indo-Russian bilateral trade to \$10 billion by 2010 from the current level of \$2 billion annually. The current issue of Indo-CIS Business carries its cover story on the efforts of the two countries in giving a new depth and meaning to their economic relations. The United Nations Development Programme (UNDP) has recently conducted a study of five CIS countries, concluding that regional cooperation is key to the economic success of the region as a whole. We carry a report. The Federation of Indian Chambers of Commerce and Industry (FICCI) has been in the forefront in promoting trade between India and the CIS region. Identifying agri-food business as an area of immense untapped potential, FICCI has recently organized an Indo-CIS conference on agri-food business. The issue covers the conference. Defence has been one key area of Indo-Russian collaboration. India has been a major importer of Russian equipment and weapons. India signed agreements to get Russian air defence systems during the biennial DefExpo 2006 held recently. We present the event in detail. The issue also gives the glimpses of the Russian economy, its projected GDP for 2006 and its ability to remain a major supplier of energy products. Ukraine, which boasts a large number of spas and mineral springs and mud cures, has been a popular destination for the fitness freaks as well as those looking for recuperative climate and recreational facilities. We carry a write-up on Ukraine. Belarus is another CIS country, whose tourist potential the current issue highlights. All these and other regular features make up for the current issue.

Wish you happy reading

A handwritten signature in blue ink, appearing to read 'Satya Swaroop', with a long horizontal flourish extending to the right.

Satya Swaroop

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B2B contacts vital to boost Indo-Russian bilateral trade; 2010 target set at \$10 billion



Giving a new depth to strategic partnership

By Dev Varam

India and Russia have reaffirmed their faith in each other through a series of comprehensive agreements that promise to rejuvenate and boost the bilateral trade between the two countries to \$10 billion in the next five years. The agreements signed in New Delhi during Russian Prime Minister Mikhail Fradkov's visit to India on March 16 and 17 have lent a new meaning to an abiding friendship that has survived the trauma of the collapse of the Soviet Union and its re-emergence as the Commonwealth of Independent States (CIS).

"Our discussions have focused on giving a new depth to our strategic partnership. As large modernizing economies, we have an interest in strengthening bilateral cooperation and in jointly making global interdependence beneficial," said the Prime Minister, Dr. Manmohan Singh at the end of his talks with Fradkov.

A major outcome of the talks is the formation of the India-Russia Trade and Investment Forum headed by India's Commerce Minister and his Russian counterpart, which is a crucial step forward in revitalizing trade and economic relations between the two countries.

"We aim to expand bilateral trade to \$10 billion in the next

five years," said Dr. Singh.

In addition, a Joint Study Group has been formed to recommend ways to achieve this goal and to examine the feasibility of signing a Comprehensive Economic Cooperation Agreement. The two sides have also decided to soon conclude an agreement allowing investment of funds from the Rupee Debt Account in India.

In the context of the globalization of India's economy, Dr. Singh has an advice to offer to India's private sector, which has emerged as a key engine of growth in the last decade and a half.

"While we explore ways at the government level to promote our economic ties, business communities must develop greater interaction and business-to-business contacts. Private sector partnerships must be the new cementing force in our relations. Greater facilitation of business travel will help in this regard," Dr. Singh said.

He said the growing economies of India and Russia offered considerable scope for cooperation in energy, information technology and biotechnology and high technology commerce and banking, adding that some Indian banks

had already started entering into agreements with their Russian counterparts.

"Along with trade, these sectors must supplement the excellent cooperation we enjoy in the political, strategic and defence spheres. I therefore, welcome the various agreements signed during Prime Minister Fradkov's visit," Dr. Singh said. Two of the agreements are related to the implementation of cooperation in respect of the Global Satellite Navigation System [GLONASS].

Dr Singh expressed India's keen interest in the forthcoming G-8 Summit to be chaired by Russia this year, where energy security is one of the principal themes.

"I have accepted with pleasure President Putin's invitation to attend the G-8 Summit being hosted by Russia in St. Petersburg in July this year. In this context, we envision a substantial increase in the share of nuclear energy in India's overall energy mix," Dr. Singh said. India hopes to see the Kudankulam project as a flagship of Indo-Russian cooperation in the area of nuclear energy. India is also confident that both sides will utilize opportunities to expand their partnership in civil nuclear energy cooperation.

"In this context, I would also like to convey our warm appreciation to the Russian Government for responding positively to meet the requirements for nuclear fuel supplies to Tarapur I and II, Dr. Singh said.

The month of March has been momentous for Dr. Singh. In the first week of the month, Dr. Singh had signed a historic

treaty with President George Bush of the United States on cooperation in many areas, including civilian nuclear energy. It was followed by a bilateral trade agreement with Australia during Prime Minister John Howard's visit to this country. Fradkov's visit was the thirteenth most important event of the month.

Summing up Indo-Soviet friendship, Dr Singh said: "We look forward to working closely, bilaterally and multilaterally, with Russia. Ours is a strategic partnership based on trust, confidence and abiding convergence of national interests. Russia is a tried and tested friend. The steady development of our bilateral ties is a matter of great satisfaction to our Government and to me personally."

The agreements signed between concerned agencies of India and Russia have addressed many key areas of mutual interest, including energy. Prominent among them is the Memorandum of Understanding (MoU) signed between the Indian Oil Corporation (IOC) and Russia's Sroytransgaz to pursue joint pipeline projects in India and abroad. Sroytransgaz, a major oil and gas construction company, is implementing projects worldwide, including in Syria and Iran, and is also branching off into refining and marketing, which is IOC's area of expertise. Indian Oil and STG had earlier figured in a consortium with Essar Construction for the implementation of the 133-km Baroda-Ahmedabad-Kalol gas pipeline project of Gujarat State Petronet. The two companies had also jointly bid for the 300-km Iraq-Jordan crude oil pipeline project.



The Russian leader talked about the importance of taking quick and extraordinary steps to increase bilateral trade between the two countries, while Mr Singh spoke of strengthening India's traditional exports to Russia like tea, tobacco and pharmaceuticals and increasing co-operation in diamonds and jewellery manufacture.

A number of intra-agency agreements were also signed by the two countries to increase co-operation in the economic sphere: Agreement between Vneshtorg Bank of Russian Federation and Export Import Bank of India on new credit line was also signed. It is understood that Export Import Bank would open a credit line of \$100 million with Vneshtorg Bank, and this is the largest of such credit line so far.



Other important steps include; Agreement on cooperation between ICICI Bank and Vnesheconom Bank of the Russian Federation. Agreement on co-operation between Confederation of Indian Industries and the Russian Union of Industries & Enterprises. Agreement between the Federation of Indian Chambers of Commerce & Industry and the Indo-Russian Business Council set up by the Russian Federation Chamber of Commerce & Industry and the Expert Magazine of Russia.

A crucial deal that Russian Premier Mikhail Fradkov sealed with his Indian counterpart as is in regards is in regard to the supply of nuclear equipment for the construction of the Kundakulam plant in Tamil Nadu, expected to go critical by 2008. Fradkov announced the decision when he arrived in New Delhi on March 16, 2006.

Russia will also supply low-enriched uranium for India's Tarapur atomic power plant in the western state of Maharashtra, said Fradkov, who was accompanied on the visit by Federal Atomic Energy Agency chief Sergei Kiriyenko. The Ministry of External Affairs said Delhi had asked the US to supply fuel for Tarapur, but "as this was not

possible under current US laws," India had to look elsewhere. And Russia filled the bill.

Earlier this month, President Bush and Indian Prime Minister Manmohan Singh signed an agreement by which India will receive US nuclear technology in return for separating its military and civil facilities and opening its civilian plants international inspections.

The deal requires amendments to US law as well as the go-ahead of the Nuclear Supplying Group (NSG), a group of 45 nations that oversees the transfer of material that could be used for nuclear weapons.

Right now, India needs to replenish its dwindling stocks of nuclear fuel and equipment. The timing of the purchase from Russia could also strengthen the hand of US lawmakers who may be skeptical of the Indo-U.S. agreement.

Some non-proliferation experts in the US are deeply uneasy about a deal that makes a special case for India, a non-signatory to the nuclear Non-Proliferation Treaty (NPT), warning that it will make it more difficult to deal with nuclear rogues like North Korea and Iran.

India and Russia have close ties going back half a century. Russia has been India's main weapons supplier for decades and could become an important source for energy-related purchases in future. Russia is helping India to build the Kudankulam nuclear plant. Russia had agreed in 2001 not only to design the plant but also to supply 90 percent of the equipment and materials.

On the other hand, the Tarapur plant was built by the US company General Electric in the 1960s, but Washington halted uranium supplies after India conducted the 1974 nuclear tests and refused to sign the Non-Proliferation Treaty (NPT). Since then, Tarapur has received sporadic supplies from France and Russia.

On the economic relations front, Russia's accession to WTO has opened new avenues. Moscow wanted to introduce a new level of dialogue involving Fradkov in order to take necessary pragmatic steps to expand economic and business interaction between India and Russia. The ground for this has already been created after the signing recently of the important agreements, including one on civil aviation and the setting up of Joint Study Group to examine the feasibility of a comprehensive economic cooperation agreement. The most important outcome of all these efforts has been the resolve of the two countries to step up the bilateral trade turnover from the current \$2 billion to \$10 billion by the year 2010. ■

Regional Co-operation is the key, says Study

Central Asian CIS members can double incomes in 10 years

The five Central Asian republics—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—could as much as double their incomes over the next 10 years by strengthening regional economic cooperation, says a report released recently by the United Nations Development Programme (UNDP).

The report, "Bringing Down Barriers: Regional Co-operation for Human Development and Human Security", is a comprehensive analysis of the many challenges that confront Central Asia, that include high trade costs, environmental devastation, increased inequality, rising migration, the rapid spread of HIV/AIDS and poor governance.

There has been recent progress towards regional co-operation, but the report shows that the barriers created by borders negatively affect peoples' lives. It contends that increased co-operation among the Central Asian republics would produce substantial political and economic gains, including income increases of 50 percent to 100 percent over the next 10 years.

The cost of non-co-operation is continued deterioration in income distribution, social services and general living conditions and possibly a descent into the vicious cycle of

economic crisis and corrupt governance that often leads to social unrest.

"This report clearly identifies the immense potential economic and human benefits of regional co-operation for Central Asia and its neighbors," said Kalman Mizsei, UN Assistant Secretary-General and UNDP Director for Europe and the Commonwealth of Independent States (CIS).

"Improved trade, transport and transit, and better water and energy management on a region-wide basis would bring the biggest gains. But co-operation to deal with natural disasters, drug trafficking and epidemics, such as avian flu, is also essential."

Among the report's key recommendations for the Central Asian governments are:

- Upgrade regional transport links; simplify and harmonize transit, customs and border management; and join the World Trade Organization (WTO).
- Work toward more efficient pricing and effective management of infrastructure at the national level.
- Establish a regional Water-Energy Consortium to manage the abundant regional water and energy resources for greater efficiency, human development and regional stability.
- Work together to address the risks from potentially catastrophic environmental hot-spots, strengthen the regional, national and civil society environmental organizations.
- Create regional plans for disaster preparedness, especially for devastating earthquakes and floods.
- Control drug trafficking through better cross-agency coordination and a balance between enforcement and developmental approaches.
- Strengthen regional networks of governments, academic and civil society organizations in the areas of



health, education and culture. Use regional benchmarking to measure progress on Millennium Development Goals.

- Clarify the mandates and strengthen the capacity of regional institutions.

"Regional co-operation is essential, but must go hand-in-hand with domestic reform," the report said. "Progress on the problems facing Central Asia, including a poor investment climate, threats from natural disasters, health epidemics and terrorism, is hindered by corruption, poor administrative capacity and lack of accountability," it added.

The five Central Asian republics are home to almost 60 million people. Located at the centre of the Eurasian continent, these landlocked countries became independent with the collapse of the Soviet Union in 1991. One of the poorest regions of the world, Central Asia has been the focus of intense international attention because of the region's geopolitical importance and long-term economic potential, including large reserves of hydrocarbons and other natural resources.

The report calls on the regional organizations and international donors to help the five countries to reduce the barriers that separate them and create "borders with a human face", so that people can travel, trade and invest across borders without undue delay, harassment and cost. Donors are urged to strengthen their support for region-wide initiatives, such as on transport and transit, HIV/AIDS, disaster preparedness and drug trafficking in Central Asia. The report recommends the appointment of a Special UN Envoy of Central Asia to help move the agenda for regional co-operation forward.

Key Challenges

The disintegration of the Soviet Union brought on a severe economic recession in Central Asia, as payment systems, budgetary support and investment subsidies estimated at \$40 billion evaporated and exports among CIS members plummeted from \$320 billion to \$20 billion between 1990 and 1992. Poverty and unemployment increased, output decreased, and social and education expenditures suffered an extreme drop in the five countries between 1991 and 1995. All but one had a lower Human Development Index (HDI) rank relative to the rest of the world in 2003 than in 1992.

Recovery

But since 1998 the region has enjoyed a significant

rebound, pulled up by rapid economic growth in Russia and China, improved conditions in neighboring Afghanistan, high energy prices and progress with economic reforms in some of the Central Asian countries. The Report argues that regional co-operation is essential to sustain and reinforce these gains. For maximum benefit, all countries in the region should work together, but even co-operation among some of the countries will bring benefits and demonstrate the risk of being left behind for those who stand apart.

Trade and Investment

Central Asian countries are landlocked and far from ports and markets. The poor condition of Central Asia's extensive transport network and high barriers to transit double the costs and time required for trade within the countries and to major markets abroad. Corruption hampers trade and investment. According to one survey, more than 30 per cent of firms make bribes frequently. "Around 3.3 per cent of annual firm revenue is soaked up by unofficial payments (almost twice the eight post-communist EU states)," the report states. The halving of tariffs, transport and transit costs -- a prime area for improved regional co-operation -- would increase real GDP in 2015 by about 20 per cent in Kazakhstan and by 55 per cent in Kyrgyzstan, and allow increased consumption and employment, especially among the poor.

The report recommends that the governments of Central Asia pursue multilateral trade liberalization with WTO membership, and that they use bilateral and regional trade agreements to ease trade and transit by improving customs, visa and border management. Governments should avoid costly transport investments in detours around borders, liberalize air traffic, reduce interference with shuttle traders and improve the investment climate at home. Regional



organizations need a clear mandate for improving regional transport networks and transit.

Natural Resources

"Water, energy and the environment in Central Asia are inseparably interlinked and have region-wide dimensions that call for coordinated action," the report concludes. Vast regional river and irrigation networks connect the countries of the region, cross-border energy pipelines and transmission networks need to be developed and maintained, upstream power production competes with downstream water use for agriculture, and natural resources systems that were previously shared among neighboring communities are now disrupted by the new national boundaries.

Measures to ensure more efficient irrigation and drainage could save some \$1.75 billion per year in lost agricultural yield and raise farmers' incomes accordingly. The massive diversion of water for irrigation has resulted in the widespread destruction of ecosystems, especially in the Aral Sea. Other environmental "hot spots" include deposits of tailings from mining of uranium and other toxic metals in Kyrgyzstan, Tajikistan and Uzbekistan.

The report calls on national governments to improve the management of their natural resources, cooperate with each other on key issues of natural resource use and protection, help border communities to solve cross-border water, energy and environmental problems and support civil society in its work on these issues. The report advises that regional organizations be given clear mandates for natural resource management, a Water-Energy Consortium (WEC) be created and that regional academic and civil

society networks be strengthened with the support of the international community. In addition, there is an urgent need to address the many environmental hot-spots and to ratchet up research on long-term natural resource problems in the region.

Natural Disasters

Central Asia is exposed to more than 20 different types of natural hazards, including earthquakes, floods, landslides and avalanches. Potential annual economic losses from major disasters range from 70 per cent of GDP in Tajikistan to 20 per cent in Kyrgyzstan. Most major cities in Central Asia are located in high-risk seismic areas. Considering recent world experience with the dramatic human costs of earthquakes and floods, the report recommends intensified regional disaster preparedness in Central Asia. At a national level this means improved legislation and capacity building, the involvement of civil society organizations and communities, and adequate finance. At the regional level it is necessary to assign the responsibility for disaster preparedness and response, including setting up a regional early warning center, to a regional entity. At the international level, support from donors is required not only for relief, but for preparedness.

Drug Trafficking

Central Asia is the main drug trafficking route for European, Russian and Chinese markets. "The drug-trafficking problem is endemic in all five republics, although a large proportion of heroin seizures have taken place in Tajikistan," the report notes. Up to 100 tonnes of heroin are estimated to pass through Tajikistan each year, which is equivalent to

the estimated annual North American and West European demand. The report focuses on the responsibility and vital interest of the international community to recognize and act on the need to control drug supply and demand in principal hubs outside Central Asia, and to better coordinate and fund donor assistance for controlling drug trafficking. Central Asian governments need to look for developmental, as well as control-oriented solutions to the trafficking problem, link their drug control efforts to governance reform and involve civil society fully in their initiatives.

Concern over terrorism

Concern is also growing over various extremist, terrorist, and criminal networks operating in





Central Asia, the report says, which could have "destabilizing impacts on internal political systems and regional trade." Terrorism is also linked with money laundering, drug trafficking, human trafficking and lawlessness, the report notes. Threats from terrorism have spurred a tendency in Central Asia to meet opposition with repression. But the report warns that repression is more likely to foment the threats it seeks to counter by increasing social and political tensions. Suppression of political dissent has not ensured stability, but instead has likely contributed to the radicalization of their populations.

Migration and Health



Migration is of region-wide significance, states the report. Kyrgyzstan estimates that there are 30,000 Kyrgyz migrants in Russia, but unofficial sources put the number at 200,000 to 500,000, with the higher number equaling almost 10 per cent of Kyrgyzstan's total population. Out-migration can have positive effects. For example, Tajikistan officials have estimated that up to 20 per cent of GDP is generated by remittances from emigrants. The 2004 agreement between Russia and Tajikistan to allow migrants to become legally registered workers with health insurance is the kind of positive step that will contribute to both the host and origin countries.

One critical problem is the growth in communicable diseases, especially tuberculosis (TB) and HIV/AIDS. From 1990 to 2002, TB incidence doubled or worse in most Central Asian countries, affecting mostly poor and young people and resulting in productivity losses of 0.5 per cent to 0.8 per cent of GDP every year, the report states. Recorded cases of HIV/AIDS soared from 2000 to 2004, when 8,078 cases were registered. In 2005 international donors in co-operation with a regional organization funded a project to fight HIV/AIDS, which can serve as a model of other similar region-wide interventions.

Political and Institutional Aspects

The report notes that there are political and institutional obstacles to regional co-operation in Central Asia. Not all political and economic interests benefit from co-operation and, even where there is interest in co-operation at the top, implementation may be blocked by those who would lose. Corruption, poor administrative capacity and lack of accountability hinder reforms. More participation by communities would help by giving voice to those who suffer from poor borders.

The report concludes that comprehensive, region-wide co-operation may not occur in Central Asia for some time, due to political and institutional constraints, but progress on many selected issues is possible and desirable. The neighbors and international partners of Central Asia should work together toward their strong, shared interest in a stable, prosperous and cohesive Central Asia region. Differing interests among partners and fragmented support have impeded effective international support. Neighbors and international partners must find common ground in their support for political and economic progress. ■

Agri-food business, a vast untapped avenue in Indo-CIS trade: FICCI

The Federation of Indian Chambers of Commerce and Industry (FICCI) has described agri-food business as a vast untapped avenue in India's trade with members of the Commonwealth of Independent States (CIS).

Making a presentation at an Indo-CIS conference on agri-food business held in New Delhi FICCI's Agriculture Committee Chairman P M Sinha said the agriculture sector was central to the economies of both India as well as the CIS member-countries.

According to Sinha, the CIS countries have a small population base with large arable area and they produce a vast range of fruits and vegetables. Despite the abundance of produce, the CIS countries have constantly been scouting for agribusiness solutions that are cheaper and affordable for small and medium scale business, he said.

Sinha said the CIS countries had sought technologies across the agri-food value chain at farm level, in processing and in food safety systems, which India could provide. Following is the gist of Sinha's presentation at the conference, which is a FICCI initiative.

India is in the process of evolving a wide range of technology & R&D solutions appropriate for small scale and medium agri-food business industry. India can offer technology & R&D solutions through its leading technical institutions like Indian Agricultural Research Institute (IARI), Central Food Technological Research Institute (CFTRI) & Defence Food Research Laboratory (DFRL) and in the process engage in effective cooperation with CIS in agro

and food processing sector. Agriculture universities and private agri-institutions also have contributed substantially for research and development in hybrid seeds, agri inputs, etc.

On the trade side, most of CIS countries are major importers of food but India's share in their imports is miniscule. India is rapidly trying to change the cropping pattern, moving from cereals to fruits, vegetables, floriculture, etc. CIS region look at India as a reliable hub for sourcing their requirements.

India ranks first in world in terms of milk production growing at a CAGR of 4.0 percent. The sector is also well diversified into dairy products like cheese, condensed milk, etc.

According to FICCI, India's trade and economic relations with the CIS region suffered after its emergence as a separate entity in the wake of the Soviet Union's collapse. The entire matrix of economic ties with this region needed a fresh look.

Keeping the changed dynamics of the regions in view, FICCI initiated a new strategy by opening dialogue with business associations in the newly born republics and setting up Joint Business Council (JBC) Agreements with countries like Kazakhstan, Kyrgyzstan, Russia, Uzbekistan and Ukraine.

During the discussions at the JBC Forums with these CIS members, a point, which cropped up repeatedly, was the untapped potential for cooperation between India and CIS in the agri-food sector. This is the genesis of the conference that FICCI has initiated to step up co-operation between

India and CIS on the agri-food business front.

India's exports of agricultural and food products are about US \$ 8 billion which constitutes about 1.6 percent of total global trade in food and agriculture. Exports of agriculture and food products have grown at 15 percent annually, vis a vis total exports which are grown at 19 percent at the last decade.

Blessed with varied agro-climatic conditions and soil, India is capable of producing a wide range of cereals, horticulture products, fruits, etc. This strong base in agriculture provides India a large and varied raw material base for food processing. If leveraged optimally, this can translate into India, becoming a leading food supplier to the world.

India exports about 500,000 tonnes of meat of which over 90 percent is buffalo meat. Indian buffalo meat is witnessing strong demand in international market due to its lean character and its near organic nature. India is the 5th largest exporter of bovine meat in the world and currently exports to over 60 countries. Poultry meat is the fastest growing animal protein in India growing at CAGR of 11 percent. All these sectors provide excellent opportunities for Indo-CIS co-operation.

Another vital area where Indian and CIS can develop critical linkages is in the area of water management systems and micro irrigation.

As the apex Chamber, FICCI has taken the initiative to provide a forum for interaction for stakeholders of both the regions. With its proven expertise in the agrifood business, it is only right that FICCI has identified this opportunity. And the Ministry of Commerce has been quite forthcoming with their support.

FICCI's unique initiatives and contributions to the agri-food Industry include specialized agriculture and food processing committees. Both committees contribute to the government in policy making; Confederation of Indian Food Trade and Industry (CIFTI), the apex food industry association of the country promoted by FICCI; Agribusiness Information Centre (AIC), specialised center for international agribusiness information; Food Research and Analysis Centre (FRAC), one of

the most modern and sophisticated food testing laboratories in the country. FICCI has been actively involved in drawing up agricultural reforms to accelerate the second green revolution, a critical need of our country. FICCI organized a National Agricultural Summit and several presentations to the Government on this sector.

The FICCI conference also marked the beginning of a three-year programme for development of cooperation in the agri-food sector, covering three strategic areas:

Joint ventures and co-production possibilities between Indian and CIS agrifood business companies.

- Provide technologies across agri-food value chain to the CIS regions that are affordable, cheaper and relevant to small and medium business.
- Trigger growth in food exports and enhance in market access for Indian agro-food processing companies in the CIS region.

For the successful implementation of this project, as members of the private sector FICCI looks up to governments of India as well as CIS members for removing hindrances in the expansion of economic cooperation. Some of these hindrances are inadequate transit facilities, lack of banking mechanism, information gap about business opportunities, and mutual capabilities, etc.

FICCI has also urged the government to look at alternate options for goods transit and take necessary steps to persuade Indian banks to open branches in the region.

To address the issue on information gap, the government needs to support FICCI for setting up a portal on the CIS region. This could cover information on import/export rules and regulations, emerging business opportunities, classified trade information, etc.

The participants in the agri-food conference from the CIS countries were: Abdumalik Anarbaev, Minister of Agriculture & Processing Industry, the Kyrgyz Republic, A. Shaykhov, Minister for Foreign Economic Relations, Uzbekistan, S. Bekenov, Deputy Minister of Finance, Uzbekistan, Abdivokhid Djuraev, First Deputy Minister of Agriculture, Uzbekistan and N.A. Pavlyuk, Deputy Minister, Ministry of Agriculture Policy, Ukraine. ■



Displaying air defense system to
model mobile field hospital...



Russia Dominates DefExpo India 2006

India's prestigious biennial defense exhibition has assumed global importance over the years, since its launch in 1999. DefExpo India 2006, which was held in the Indian capital New Delhi from January 31 to February 3. As many as 420 companies from 39 countries including the USA, UK, Russia, Italy, Sweden, France, South Africa, South Korea, Ukraine, Germany, Czech Republic, Israel, Poland, Austria, Canada, Finland, Greece, Hungary, Romania and Spain participated in the 4th Defence Expo jointly organized by the Ministry of Defence and Confederation of Indian Industry (CII). With a vast range of products Russia clearly dominated the DefExpo India show.

Contracts worth \$10 billion with Russia

Russia was represented by Ambassador Vyacheslav Trubnikov, and Chief Delegate and Official in charge of military and technological cooperation, Vladimir Dzirkaln. Speaking ahead of the exhibition, Dzirkaln said that Russia expected to conclude specific agreements with India on joint projects, which would continue the two countries' long history of military cooperation. They are currently working on contracts worth \$10 billion. India accounts for nearly 40 percent of Russian exports of military hardware. New Delhi says Russia is its primary supplier of armaments and military hardware. Notable deals in recent years include a contract for the modernization and sale of the Admiral Gorshkov aircraft carrier and deals on Sukhoi fighters and the T-90 battle tank. Russian defense supplies in the past five years alone amounted to more than seven billion dollars.

The Russian exhibits at the Indian arms show attracted a great deal of interest among other participants and visitors, including India's top military officials.

Russia had 350 items on show and concluded specific agreements with India on joint projects, thereby continuing the long history of military cooperation.

Russia's goal was evident and aimed at preserving its dominant position on the Indian market in the tough battle with foreign manufacturers.

Among the high-tech Russian products are Su-30MKI fighters, Mi-17 transport helicopters, Ka-31 navy helicopters, and Krasnopol artillery complexes.

According to Russia's main defense industry exporter, Rosoboronexport, the country's exhibits included a variety of new weapon systems at the arms show, such as the Club M mobile high-precision coastal cruise missile system equipped with 3M-14E, 3M-54E and 3M54E1 missiles, which are capable of destroying naval and land targets.

The missiles have an effective range of 300 kilometers (about 185 miles) and flight altitude from 10 to 50 meters (30-160 feet). When approaching a target, the missiles fly at supersonic speed.

Another innovation was the 2S31 Vena 120-mm self-propelled artillery system installed on BMP-3 IFV chassis. The system can fire regular 120-mm artillery rounds and NATO-standard mortar shells. It also has Glonass-supported targeting system. Russia has attended the show since its inauguration in 1999.

Mobile Field Hospital from Russia



Another innovative Russian product was a mobile Hospital, designated to provide rapid flexible and mobile acute medical and surgical care in support of armed forces' units. It is also a full-service hospital asset for use by appropriate government agencies involved in the support of disaster and humanitarian operations worldwide

The Mobile Hospital is based on a modular system consisting of 13 non-expandable and 7 laterally expandable containers. All containers can be easily combined with docking modules, connecting passages and tents.

The Mobile Hospital modules are transported by heavy cross-country trucks (14*Ural-4320-0811-31 or KamAZ-43114) and full-trailers (13*ChMZAP), or by other trucks and trailers having similar specifications.

Thanks to the Mobiles Hospital's self-contained configuration of the modular structure, providing the linking up of all functional units and wards via transfer passages and docking modules, it can be deployed autonomously in areas of various environments, ranging from arctic climates to desert regions (including high (+50c) and low(-40c) temperatures, precipitations, wind, sand, dust, etc.).

The Mobile Hospital is established to the full-strength capacity within 15 hours. it has an 230-member qualified staff, which is combination of doctors, nurses, corpsmen and others.

Aircraft-Repair Venture

During the exhibition, Russia made another step

towards continuing its long traditions of military cooperation with India with a proposal to establish a joint venture to carry out aircraft repairs.

"We have proposed a new project to establish a joint Russian-Indian venture to conduct aircraft repairs in India,"

For example, the mobile multi-channel long-range systems S-300PMU-2 Favorit and Antei-2500 have better performance characteristics than the U.S. Patriot PAC-3. Medium-range models include the Buk-M1-2 and Tor-M1 systems.

Head of an Almaz-Antei department Boris Tsybenko said the concern had already supplied to India the Shtil, Kortik, Klinok and Rif air defense systems.

The celebrity visitors to the Russian pavilion at the exhibition included Indian Defense Minister Pranab Mukherjee.

F-18 Hornet fighter on offer

US major, Boeing Integrated Defence System, while strongly pitching its F-18 Hornet fighter aircraft to India, made it clear that all sales of sophisticated weapons and sensors would have to be cleared by the US administration.

Mike Rietz, Boeing's director of naval systems,

Rosoboronexport Deputy General Director Viktor Komardin said.

Joint Air Defense System

Russia and India are also involved in a joint venture project to develop a complex air defense system, deputy director of the federal service for military cooperation Vyacheslav Dzirkaln said.

Dzirkaln, who led a Russian delegation at the DefExpo India-2006, said Russia offers India not only to buy air defense systems, but set up a complex air defense perimeter capable of fulfilling a broad range of tasks to protect the military and civil infrastructure and effectively combat enemy aircraft and cruise and ballistic missiles.

A complex air defense system implies a single closed radar location field and the use of small, medium and long-range air defense systems.

The Almaz-Antei concern designs and manufactures a complete array of air defense systems. Many of its models surpass the best foreign counterparts.

told newsmen at the DefExpo-2006 that if the F-18 was selected by the IAF, the contract would be designated government-to-government sale, conducted by the US Navy.

He added that Boeing and its partners, Northrup Grumman and General Electric would commit to offsets if they were selected for India's 126 multi role aircraft deal. ■





India invites global firms to develop hi-tech weapons

India has invited large global armament companies to forge collaborations to develop hi-tech weapons that can be marketed around the world.

Inaugurating the DefExpo, Defence Minister Pranab Mukherjee said India had emerged as "the largest arms importer" among the developing nations in 2004 and said the country was keen on forging "collaborations for export of Indian products". The minister outlined India's ambitious plans to purchase combat jets and artillery guns to modernize the armed forces.

"I invite guests to take advantage of skills in India and collaborate with companies here for exporting defence products to other countries," Mukherjee said.

The Minister's offer came in the wake of a recent slump in the country's armament exports with official figures putting it at less than Rs 80 crore compared to the peak of Rs 160 crore in 2002-03.

Mukherjee's remarks indicated the government's resolve to evolve a new offset policy which would make it mandatory for foreign suppliers to source from Indian firms 30 percent of the goods and services for their defence supplies in contracts of over Rs 300 crore.

He said India owned eight defence public sector enterprises, 39 ordnance factories and 50 laboratories under the Defence Research and Development Organization.

Latest figures indicate that India's expenditure on procurement touched a staggering Rs 25,000 crore.

"The government is encouraging joint ventures, co-production and co-marketing to improve the utilization of our production units and to improve their capabilities," he said adding, "with the support of our private sector, we aspire to bring in the latest technology, incorporate the same in the development of the state-of-the-art defence



products for our armed forces and also export them."

Mukherjee said the government would soon issue "request for proposals" to buy 126 front line aircrafts for the Indian Air Force and take a decision on modernizing the artillery by inducting hundreds of towed and self-propelled Howitzers.

Responding to questions, he said, "If we can produce quality weapons systems that are competitively priced, there is possibility for exports."

However, Mukherjee said there had been a lukewarm response from the private sector to the opening up of defence production to private investment. Pointing out that private companies had only submitted 26 letters of intent, he said, "There has not been much response."

Private investment would not be seen from an "ideological" viewpoint and the government would welcome all, who offer competitive prices and efficient production, he said.

The objective of the exhibition is to showcase India's technological capability in the field of land and naval systems, provide a platform to promote exportable products manufactured by the Indian Defence Industries and invite private sector involvement in defence production.

The exhibition also aims at inviting participation of international companies seeking to exhibit technologies and products. DefExpo India-2006 has shown nearly forty percent average growth over the last edition in 2004. The next DefExpo is to be held on Feb 16-19, 2008. ■

Russian frigates for Indian Navy



On January 12 Russia and India signed a \$156 billion contract for three Krivak-class frigates to be built for the Indian Navy. The Russian state-controlled, Kaliningrad-based Yantar Shipbuilding got the deal, outstripping St. Petersburg-based rivals Severnaya Verf and Baltiysky Zavod. The first vessel will take more than four years to deliver, according to Yantar first deputy general director Vladimir Kiselyov. The frigates are expected to become operational in 2010-2011.

It may be recalled that the first three frigates were ordered in 1997 at the Baltiysky Zavod for \$1 billion. The first one was to be finished by May 2002, but it was delivered 13 month later.

The price of the new batch is much higher, as they will be equipped with the newest Russian weapon systems. Also the frigates will carry BrahMos Supersonic Anti-Ship Cruise Missile PJ-10 jointly produced by Russia and India. These missiles are proposed by India to be sold to other countries. As the deputy head of the Federal Service for Military and Technical Cooperation Vyacheslav Dzirkaln said the price at

which missiles would be sold had yet to be determined.

A few days before the start of DeExpo India 2006, Rosoboronexport announced the signing of two contracts with the Indian Defense Ministry. The first is to deliver modernized rockets for the Grad multiple launch rocket systems deployed in the Indian army.

"These rockets will significantly improve the combat effectiveness of the Grad system," said Viktor Komardin, the Deputy Director General of Rosoboronexport. The modernized rockets have an extended range of 40 km and more powerful warheads. The second agreement is on delivery of Smerch multiple launch rocket systems for two Indian army regiments.

India and Russia will be working for a new economic agreement in a handful of sectors including tea, tobacco and leather, the Minister of Commerce and Industry, Kamal Nath, said in a meeting with the Indian press at the World Economic Forum in Davos. He also said that Russia had made a proposal for investing in India. ■



India, US have entered new era of ties: Mulford

US Ambassador David Mulford has said Washington and New Delhi had "entered a new era" of relationship and defence cooperation between them would

help improve regional and global security and stability.

Visiting the American exhibits at the DefExpo-2006 Mulford described the defence ties between India and the US as a strategic partnership. "The US and India have entered a new era," Mulford said.

He noted that there was growing cooperation between the US and India on security and a wide range of issues. "Our defence cooperation enhances both of our nations' capabilities and will help to improve regional and global security and stability," Mulford said.

As many as 22 major US companies participated in the DefExpo reflecting the growing interest of the US industry in the Indian defence market. The US Army also participated in the exposition for the first time and set up a Technology Booth. This made it one of the five international shows to witness the participation of American Army. ■



Rehabilitation of Roma & other wandering groups in CIS

Business leadership vital to provide jobs

- Ernst & Young Report

Soaring Roma unemployment represents a threat to economic growth in Central and Eastern Europe, which today constitutes the Commonwealth of Independent States (CIS), and business leadership is needed to help bring Roma groups into the workforce, according to a report.

The report prepared by Ernst & Young said, "Businesses are the real drivers of employment, and private sector engagement is critical if we are to integrate Roma into the labour market." The report was commissioned by the United Nations Development Programme (UNDP).

The report, titled "Employing the Roma: Insights from Business" is based on in-depth interviews with companies in Hungary, Slovakia and the Czech Republic conducted by Ernst & Young between May and September 2005. The report shows business perspectives on the barriers to and the benefits of, employing Roma.

Roma are one of Europe's most vulnerable and marginalized groups, with poverty and unemployment rates that far outstrip national averages. They comprise traveling people, such as gypsies. The Roma and travelers number about 8-10 million people in Europe. They represent over 5.0 percent of the population. Yet, although they have been in Europe since the 14th century, very often they are not recognized by the majority society as a fully-fledged European people and they have suffered throughout their history in Europe from rejection and persecution, culminating in the Nazi's attempt to exterminate them.

As a result of centuries of rejection many Roma and traveler communities today live in very difficult conditions, often on the fringe of the societies in the countries where they live, and their participation in public life is very limited. It is also very difficult for them to ensure that their contribution to European culture is fully acknowledged.

According to the report, Roma unemployment is an estimated 64 per cent in Slovakia, 51 per cent in Bulgaria, 32 per cent in the Czech Republic and 25 per cent in Hungary and Romania.

While Roma employment issues have to date been primarily a concern of social workers and civil society, demographic trends are increasing the importance of young Roma workers for continued growth in some of Central Europe's most dynamic economies. With this report, UNDP is bringing companies into the development dialogue.

"Business can complement government and civil society efforts to combat discrimination and help find innovative solutions to Roma unemployment," says the report. "Better recruitment and retention of Roma employees is also better business - Roma integration can raise growth through higher productivity, increased consumption and investment."

However, the report found that practical guidance for companies seeking to implement diversity policies is lacking, and more support was needed to help companies

boost Roma employment and maximize the associated business benefits.

Building on the comments and suggestions of the companies themselves, some of the report's key recommendations include:

- Define policies & practice: target Roma discrimination - Companies need to define practical steps for the implementation of Roma employment programmes, and measurable indicators to monitor implementation.
- Lowering hiring costs and risks & raising standards: Building local partnerships By building links with local Roma and educational establishments, companies can establish effective Roma recruitment systems. Such partnerships can reduce the costs of searching for and employing Roma workers.
- Support integration Wherever possible, training and induction should be conducted for all staff, with the participation of Roma employees. Contracts and conditions between equivalent grades of staff should be the same.

Companies should seek to minimize the use of short-term contracts that place Roma workers in insecure positions.

- Promote senior management & staff awareness Managers can build awareness about the benefits of diversity, and a promote appreciation for Roma customs and culture, within their companies.
- Promote role models By identifying capable candidates and promoting them to suitable managerial positions, companies can showcase their confidence in Roma staff's career advancement prospects. In addition to showing Roma employees that hard work can pay dividends, such movement up the ladder can help inaccurate preconceptions give way to new role models.
- Engage in dialogue, establish a business discussion forum Businesses would gain from the establishment of a forum for sharing experiences with Roma employment. Ideally, such a forum would bring together business leaders, key thinkers in government and academia, as well as Roma representatives. ■

UNDP, LSE to host forum on CIS development

The United Nations Development Programme (UNDP), in cooperation with the London School of Economics and Political Science (LSE), is organizing a forum on growth, productivity and development of the Commonwealth of Independent States (CIS) in the Ukrainian capital of Kiev on March 3, 2006.

Topics to be discussed are part of the "Development and Transition" newsletter, a joint initiative of LSE and UNDP. It focuses on key issues of economic development and transition in the CIS countries, Southeast Europe, and the new member states of the European Union. This newsletter focuses on prospects and drivers for economic growth and development in this entire region.

Presentations and discussions will focus on the following areas:

- Economic Performance in the CIS: From Recovery Growth to Sustainable Development
- Ukraine's Economic Performance in 2006 and Beyond: Growth, Policy, and Poverty Reduction

The key speakers are:

Francis M.O'Donnell, UNDP Resident Representative and UN

Resident Coordinator in Ukraine

Ben Slay, Director of UNDP's Bratislava Regional Centre

Andrei Sarychev, Department of Economics, LSE

Tom Coupe, EERC, Kiev

Oleksandr Paskhaver, Advisor to the President, Ukraine

Ms. Iryna Akimova, UNDP Blue Ribbon Commission Director, Ukraine

UNDP is the UN's global development network, focused on helping countries build and share solutions to the challenges of democratic governance, poverty reduction, crisis prevention and recovery, energy and environment, and information and communications technology. It is operative in 166 countries, working with them on their own solutions to global and national development challenges. ■





Economy satisfactory, GDP up 6.4 percent

- Putin

Reeling off volumes of statistical data at a news conference in Kremlin, President Vladimir Putin has said he is satisfied with the country's overall economic achievements in 2005.

"Russia's GDP grew 6.4 percent in 2005. This was not bad, given that GDP growth had been projected at 5.9 percent," Putin said at a news conference in the Kremlin.

Putin also noted the performance of the Russian stock market, which he said grew at an unprecedented rate of 88 percent in 2005, setting a new world record. Another landmark performance was recorded in the financial sector, specifically, the volume of gold and foreign currency reserves soared to \$182 billion in 2005, while the Stabilization Fund, a special reservoir set up to hold excess cash from the unexpected windfall of petrodollars from the sky-high oil prices, also expanded significantly.

These positive trends helped improve the general welfare and standard of living in the country due to increase in wages and social programs. Summing up the general economic picture, Putin said, "the average salary rose by 9.8 percent, personal incomes increased by 8.7 percent, while pensions grew by 13 percent in 2005."

Russian Finance Minister Alexei Kudrin too endorsed Putin's optimism about the Russian economy. In an interview he said: "In the past five years, the Russian economy has been developing at record high rates. The year 2005 was successful for the Russian economy."

Russia has created good conditions for the economy and investment, and citizens' wages and incomes are growing, the finance minister said.

"From January 1, 2006, the government will raise the servicemen's money allowance by 15 percent and wages in

the budget-dependent sector at the federal level will rise by 27 percent. Wages in the budget-financed sphere in regions will also go up," Kudrin said.

The finance minister was optimistic about next year. According to Kudrin, next year Russia will see GDP growth come in at 5.8 percent, which will be above the global average.

He said Russia would reach a record low level of inflation in 2006 for the past 15 years at just 8-9 percent. The 2006 federal budget surplus would exceed 1 trillion rubles (about \$35 billion).

A source in the government, however, has said the state program for socio-economic development from 2006 to 2008 does not rule out the doubling of GDP. In the medium term, the government plans to create conditions to achieve effect in the most advanced sectors, points of growth. At the same time, quick results were impossible, the source said.

Those who speak confidently of doubling GDP in the medium-term are not quite honest, he said. There are objective tendencies and there is the global situation, that's why we will only be able to grow by 6-7 percent, in the best case, he said. However, if everything goes to plan, notably if infrastructure projects are implemented, economic growth could accelerate much more than planned in 2009-2012. The medium-term program does not say that GDP cannot be doubled by 2012, he said.

Under the socio-economic program, Russia's GDP is projected to grow 6 percent from 2006 to 2008, industrial production is expected to expand by 4.8 percent, and capital investment will increase 11 percent. Inflation is projected to be between 7 and 8.5 percent in 2006, from 6 to 7.5 percent in 2007 and between 4 and 5.5 percent in 2008. Oil prices are expected to be \$50 per barrel next year, \$48 in 2007 and \$50 in 2008. ■



Russia will remain a major global energy supplier - Zhukov

For many years to come, Russia is set to remain an energy donor not only for Europe but for the whole world, Alexander Zhukov, Deputy Prime Minister of Russia, said at a conference held recently in Moscow.

Speaking on the theme, "Transition economies in the post-industrial world: challenges of the decade," Zhukov said that Russia has signed contracts for energy supplies to India, China, Japan, Europe and the United States. Russia would remain a reliable supplier of energy, he said, adding, "This prospect will remain for the next few decades, we can give firm supplier guarantees to business."

Russia's revenues from oil exports increased 1.7-fold in January 2006 compared with January 2005, to \$6.7188 billion, the Federal Customs Service reported earlier this

month. Russia exported 17.2169 million tones of oil in January 2006, up from 15.9343 million in the same period, the previous year.

Fuel and energy products accounted for 73 percent of Russia's exports to foreign countries outside the CIS in January 2006, up from 64.3 percent 12 months before. Natural gas sales increased by 5.9 percent.

Balance of trade surplus was \$14.3 billion in January 2006, against \$9.3 billion in January 2005. Russia's foreign trade turnover totaled \$26.7 billion in the first month of this year, 42.2 percent more than in January 2005. Russia's exports were \$20.5 billion in January 2006, 45.8 percent more than 12 months before, while imports stood at \$6.2 billion, an increase of 31.4 percent on the year. ■



Russia to allow 50 pc foreign equity in insurance business

Russia may double the quota on foreign equity in its insurance companies and banks as part of a bid to join the World Trade Organization, an economics ministry official has said.

Maxim Medvedkov, who is the country's chief negotiator at the WTO accession talks, said the foreign-interest ceiling will be raised to 50 percent from the current 25 percent if the United States stops insisting that its banks and insurance companies should have the right to open affiliates in Russia.

According to the Bank of Russia, non-residents now hold less than 4.5 percent in the country's insurance companies and their stakes in Russian banks total 9.0 percent.

Medvedkov dismissed media reports that the Russian delegation to the WTO accession talks had agreed to allow U.S. banks and insurance companies to open affiliates in Russia. "That information is false," he said. Russia will hold bilateral talks with the U.S., Canada, Australia and Columbia during the next round of its WTO accession negotiations, opening in Geneva shortly.

Russia's foreign trade turnover increased by 32 percent last year, to \$370.4 billion, the Economy Ministry said in its report on the country's socio-economic development for

2005. The trade surplus for 2005 balance was \$120.1 billion, up from \$85.8 billion in 2004.

Exports amounted to \$245.3 billion, an increase of 33.9 percent from the previous year. Exports to the Commonwealth of Independent States stood at \$33.6 billion (up 11.3 percent), and exports to other foreign countries made \$211.6 billion, an increase of 38.3 percent.

Imports were reported at \$125.1 billion, up 28.5 percent on the year. Imports from CIS countries were worth \$21.8 billion, 9.5 percent more than in 2004, and imports from other countries increased by 33.4 percent to \$103.3 billion.

Trade with CIS countries accounts for 15 percent of Russia's total trade turnover (down from 17.9 percent), and trade with other countries made 85 percent, up from 82.1 percent in the previous year.

Meanwhile, the Federal Customs Service earlier estimated Russia's balance of trade surplus at \$142.8 billion, \$36.7 billion or 34.6 percent more than in 2004. The country's foreign trade turnover was put at \$339.8 billion, up 32.1 percent. Exports were estimated at \$241.3 billion, an increase of 32.9 percent on the year, and imports were put at \$98.5 billion, up 30.4 percent from 2004. ■



Buoyant energy & metals' prices boost export earnings

CIS Economies on Road to Robust Growth

By **David Sinate**,
Deputy General Manager, Export-Import Bank of India

Economic growth in the CIS region has registered robust growth in recent years, reflecting among other factors, buoyant energy and metals prices and strong domestic demand. The real GDP growth for the region as a whole strengthened from 7.9 percent in 2003 to 8.4 percent in 2004. Strong growth momentum in the largest economies in the region, such as Russia, Ukraine, Belarus, and Kazakhstan, has supported economic activity in other member countries. During 2005, growth momentum is estimated to have been sustained, although at a lower level of 6.0 percent.

Reflecting increased earnings from oil and commodity exports, the current account surplus of the CIS region has risen from 6.3 percent of GDP in 2003 to 8.3 percent in 2004, and is estimated to have increased further to 10.6 percent in 2005. For net energy exporters such as Azerbaijan, Kazakhstan, Russia, Turkmenistan and Uzbekistan, the current account surplus was as high as 8.9 percent of GDP in 2003, which increased further to an estimated 11.9 percent in 2005. Total exports of the CIS region rose from US\$ 196 billion in 2003 to an estimated US\$ 349.5 billion in 2005, while total imports also rose

from US\$ 133 billion to US\$ 210.8 billion during the same period. Macro-economic indicators of select CIS member countries have been presented in Table 1.

Among the major economies in the region, economic activity in Russia has remained buoyant with a real GDP growth of 7.2 percent in 2004, and soaring exports have strengthened the country's external position. The growth in Russia's GDP is increasingly driven by a combination of strong domestic demand and a continued boom in oil and gas sector. In 2005, real GDP growth stood at an estimated 6.0 percent.

In Ukraine, real GDP growth stood at 12.1 percent in 2004, up from 9.6 percent in 2003, due largely to buoyant external and domestic demand, which fuelled a rapid expansion in manufacturing, construction and domestic trade. Strong increase of manufacturing exports - particularly steel, and also chemicals and machinery - were one of the most important factors driving growth.

In Kazakhstan, reflecting boom in the oil and gas sector, real GDP growth stood at 9.4 percent in 2004, with industrial output growth of 10.0 percent and construction growth of 11.2 percent. In 2005, real GDP growth was sustained at a robust 9.3 percent. In case of Uzbekistan, real GDP growth rate increased from 1.5% in 2003 to 7.1% in 2004, which can be attributed to growth in the industrial sector as well as an expansion in the agricultural sector. In 2005, real GDP growth stood at an estimated 5.7%.

In Belarus, real GDP growth stood at a robust 11.0% in 2004, reflecting strong Russian demand for Belarusian manufactured outputs. Domestic demand also remains an important driver of growth in Belarus, aided by government prioritizing ambitious wage targets. During 2005, real GDP growth stood at an estimated 8.3%. In Armenia, real GDP growth at 13.9% during 2003 was the highest since independence, and remained strong in 2005 at 10.5%. Investment by Russian and several western companies into the mining and non-ferrous metallurgy sectors resulted in a pick-up in the growth rate in industry.



In case of Azerbaijan, after the sharp decline in output in the early nineties, rapid growth commenced in 1997, mainly owing to large-scale FDI into the oil and gas sector. Real GDP growth since 2000 has averaged over 10% per year, and stood at 10.2% in 2004. Economic growth has been rapid in Georgia in the last few years, with real GDP growing by 6.2% in 2004 and 8.0% in 2005, reflecting strong growth in construction due to building of the two oil pipelines, and also robust growth in the extraction and manufacturing sector.

Moldova's economy grew by around 7.5% in 2005, as compared to 7.3% in the previous year, aided by a significantly improved agricultural performance and strong export performance due to Russia's robust economic performance, which plays a key role in Moldovan exports. In Tajikistan, strong increase in industrial output and agricultural production underpinned real GDP growth which registered a robust 10.6% growth in 2004, before slowing down to an estimated 6.0% in 2005. According to official figures, Turkmenistan registered a real GDP growth of 9.0% in 2004, as high global oil and commodity prices boosted export growth. During 2005, real GDP growth increased to an estimated 11.0%.

Table 1: Macro-Economic Indicators of Select CIS Countries, 2002-2005

	Year	Russia	Ukraine	Kazakhstan	Uzbekistan	Belarus	Armenia	Azerbaijan
GDP (US\$ bn)	2003	431.5	50.1	29.7	10.0	17.5	2.8	7.1
	2004	581.4	64.8	40.7	10.3	22.9	3.6	8.5
	2005*	744.2	80.3	52.6	10.7	29.1	5.0	11.9
Real GDP growth (%)	2003	7.3	9.6	9.2	1.5	7.0	13.9	11.2
	2004	7.2	12.1	9.4	7.1	11.0	10.1	10.2
	2005*	6.0	3.7	9.3	5.7	8.3	10.5	21.0
Inflation (%)	2003	13.7	5.2	6.5	13.1	28.4	4.7	2.1
	2004	10.9	9.0	6.9	1.7	18.1	7.0	6.7
	2005*	12.7	13.9	7.4	7.1	10.5	1.0	12.0
Per Capita Income (US\$)	2003	2974.4	1057.0	2053.3	390.6	1785.7	903.2	855.4
	2004	4043.8	1378.7	2695.4	397.7	2336.7	1193.5	1024.1
	2005*	5204.2	1719.5	3483.4	408.4	2969.4	1666.7	1416.7
Current a/c. bal (US\$ mn)	2003	35,845	2,891	-270	862.8	-424	-189.5	-2020.9
	2004	59,920	6,804	533	936.7	1043	161.7	2589.8
	2005*	88,274	4,338	3,343	831.9	441	217.0	1,557.8
Exchange rate, avg. (Local currency: US\$1)	2003	Rb	HRN 5.33	Tenge	Som	BRb	Dram	Manat
	2004	30.69		149.6	971.3	2051	579	4911
	2005*	Rb	HRN 5.32	Tenge	Som	BRb	Dram	Manat
Local currency	2003	28.81		136.0	1020.0	2159	534	4914
	2004	Rb	HRN 5.13	Tenge	Som	BRb	Dram	Manat
	2005*	28.28		133.4	1114.6	2154	455	4756
		Rouble (Rb)	Hryvnya (HRN)	Ten ge	Som	Belarusian Rubel (BRb)	Dram	Manat

* - Data for 2005 are estimates

Source: IMF, World Bank, Institute of International Finance

Trends in FDI Inflows into CIS Countries

Total FDI inflows into the CIS region have been rising continuously from an average of US\$ 4 bn during 1992-97 to reach a peak of US\$ 24.1 bn in 2004 (Table 2). Four countries, Russia, Azerbaijan, Kazakhstan and Ukraine, in that order, together accounted for 93% of the total FDI inflows in 2004. While in the first three countries, FDI has been driven by projects in natural resources

(especially petroleum and natural gas), in Ukraine it has been more broad-based.

Table 2: FDI Inflows in the CIS Countries (US\$ mn)

	1992-97 Ann. Avg	2000	2001	2002	2003	2004	Share in 2004*	FDI Stock, 2004
Armenia	18	124	88	144	157	235	1.0	1004
Azerbaijan	419	130	227	1392	3285	4769	19.8	13408
Belarus	84	119	96	247	172	169	0.7	2057
Georgia	62	131	110	165	338	499	2.1	1536
Kazakhstan	909	1283	2835	2590	2088	4269	17.7	22399
Kyrgyzstan	55	-2	5	5	46	77	0.3	568
Moldova	35	134	146	132	71	151	0.6	940
Russia	2018	2714	2469	3461	7958	11672	48.4	98444
Tajikistan	13	24	9	36	32	272	1.1	495
Turkmenistan	126	126	170	100	100	150	0.6	1464
Ukraine	328	595	792	693	1424	1715	7.1	9217
Uzbekistan	61	75	83	65	70	140	0.6	1057
Total for CIS	4016	5452	7030	9032	15741	24119		152590

Source: UNCTAD, World Investment Report 2004 & 2005 * - Implies the share of each of the CIS countries in total FDI in CIS region

Trends in Indo-CIS Trade

Trends in India's overall trade with the CIS region during the period 2000-01 to 2004-05 have been presented in Table 3. India's total exports to the CIS region contracted from US\$ 1.04 bn in 2000-01 to US\$ 924 mn in 2002-03, due primarily to decline in exports to Russia which is India's largest trading partner in the CIS region. Exports to CIS region thereafter picked up and stood at US\$ 1.05 bn in 2004-05. India's imports from the CIS region, on the other hand, have registered a continuous rise from US\$ 681 mn in 2000-01 to US\$ 1.85 bn in 2004-05. Reflecting this trend, India's total trade (exports plus imports) with the CIS region has risen from US\$ 1.72 bn in 2000-01 to US\$ 2.9 bn in 2004-05. India's trade balance with the CIS region, which registered a surplus till 2002-03, has moved into a deficit of US\$ 225 mn in 2003-04, which increased further to US\$ 810 mn in 2004-05, due to the faster rise in imports as compared to the rise in exports to the CIS region.

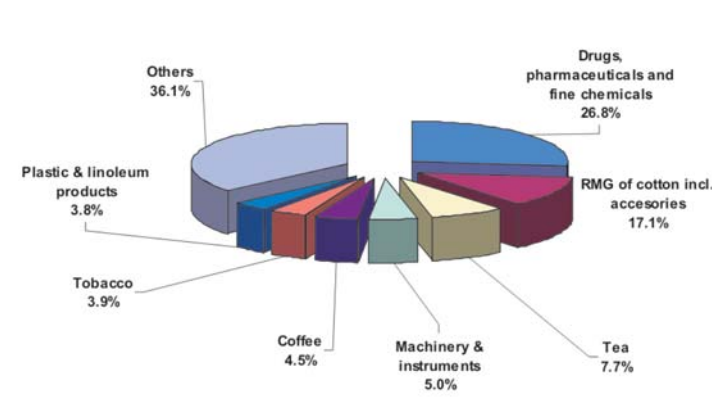
Table 3: India's Trade with CIS Countries, 2000-01 to 2004-05 (US\$ mn)

	2000 - 01	2001 - 02	2002 - 03	2003 - 04	2004 - 05
Exports	1036.48	975.68	923.98	1039.28	1045.39
Imports	681.02	739.15	846.5	1264.79	1855.75
Trade Balance	355.46	236.53	77.48	- 225.51	- 810.36
Trade Turnover	1717.5	1714.83	1770.48	2304.07	2901.14

Source: Directorate General of Commercial Intelligence & Statistics (DGCIIS), Ministry of Commerce & Industry (MOCI)

A significant portion of India's exports to the CIS region is to Russia. India's exports to Russia accounted for 57.3 percent of India's total exports to the CIS region in 2004-05 down from 84 percent in 2000-01. Ukraine is the second largest export destination in the region, with a share 19.4 percent in 2004-05, followed by Kazakhstan's (7.6 percent), Kyrgyz Republic (4.7 percent), Azerbaijan (2.5 percent share), and Georgia (2.48 percent). Drugs, pharmaceuticals & fine chemicals are the largest export items, accounting for 26.8 percent of India's exports to the CIS in 2004-05 (Chart 1). The second major item of export is cotton readymade garments including accessories, with a share of 17.1 percent. Tea and machinery & instruments accounted for 7.7 percent and 5.0 percent, respectively, of total India's exports to the CIS in 2004-05. Other important exports to the CIS region include coffee, tobacco, plastic and linoleum products, gems & jewellery, and transport equipment.

Chart 1: Composition of India's Exports to CIS (2004-05)

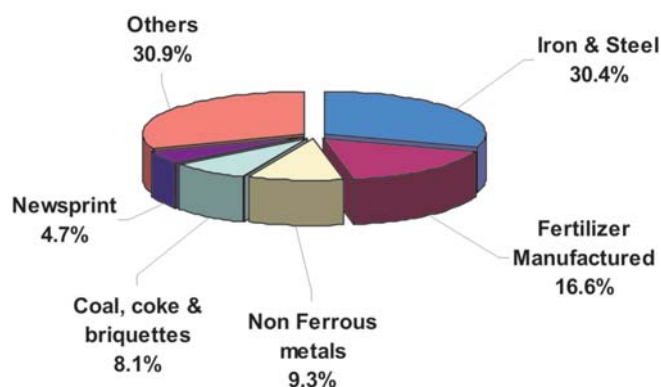


items were non-ferrous metals (9.3 percent), coal, coke & briquettes (8.1 percent), and newsprint (4.7 percent).

Chart 2: Composition of India's Imports from CIS countries (2004-05)

As in the case of exports, India's imports from the CIS region are also dominated by Russia, with a share of 68 percent in India's total imports from the region in 2004-05. Ukraine is the second largest import source with a share of 26.5 percent in 2004-05. Uzbekistan and Kazakhstan followed with a share of 1.6 percent and 0.8 percent, respectively.

The composition of India's imports from CIS countries is given in Chart 2. Iron and steel have emerged as the largest import item from the CIS region, with a share of 30.4 percent of total imports in 2004-05. Manufactured fertilizers are the second largest import items with a share of 16.6 percent. Other important





Rouble seen appreciating by 4 to 6 pc in 2006-08

The real effective exchange rate of the rouble will be appreciating by between 4 and 6 percent in 2006-2008, Economy Minister German Gref has said at a government

meeting recently.

He said the appreciation of the rouble's real effective exchange rate would more than halve next year, decreasing by 1 percent a year later.

If there is a significant investment growth, it will offset the appreciation of the rouble, and economic growth would not be affected, he said. The strengthening of the rouble will force the government to pursue a more active economic policy to compensate for losses sustained by businesses, he said. Finance Minister Alexei Kudrin called it an interesting proposal.

According to the Economy Ministry's preliminary

estimates, the rouble's real effective exchange rate could appreciate by 11 to 11.1 percent in 2005.

Gref said inflation might go down to 5.5 percent by the end of 2008. This seems to be a feasible task but a very difficult one, he said. The government's socio-economic programme projects inflation at between 4 and 5.5 percent in 2008. Gref said 4 percent was unrealistic, and 5.5 percent was difficult but not impossible to achieve.

The government planned to approve the innovative development system in 2006, Gref said, noting that this system should ensure an effective cooperation between business and science. In this respect, Gref said the government had already considered and approved various strategies and concepts of the country's innovative development. We need to replace those many concepts and strategies with a single document clearly defining the innovative development and the government's action plan to support the innovative sectors of the economy, the Economy Minister said. ■

\$5 billion rescue plan for automotive industry

The Russian largest carmaker, AvtoVAZ, could form the cornerstone of a new, sprawling state automotive conglomerate currently being worked on by government ministries, according to a preliminary proposal signed last month by President Vladimir Putin.

Drawn up by Federal Industry Agency head Boris Alyoshin, who sits on the board of AvtoVAZ, the proposal calls for the formation of a single corporation comprising car, truck and bus production.

The document also says the state should consider a \$5 billion rescue plan for the automotive industry to help fight off foreign competition, confirming a figure cited in a

media report in December.

The Industry and Energy Ministry said Friday that it, along with the Finance Ministry and the Economic Development and Trade Ministry, was fine-tuning Alyoshin's plan. The Federal Industry Agency is part of the Industry and Energy Ministry.

The government document comes to light as speculation mounts over growing state interest in a number of companies, with state arms dealer Rosoboronexport emerging as a possible vehicle for government-led acquisitions. ■

Siemens buys 20 pc stake in Power Machines

German industrial giant Siemens said it has purchased a 20.62 percent stake in Power Machines, Russia's largest producer of energy equipment, from Russia's Interros investment company for \$93 million. This acquisition raises Siemens' holding in the company to 25 percent.

Interros retains a 30.4 percent stake in Power Machines, RAO Unified Energy Power Machines have 25 percent plus one share, and the remaining 19.5 percent is held by minority shareholders.

"Our new stake in Power Machines opens up interesting growth opportunities in the upcoming modernization of the Russian power plant network. At the same time, we see our investment as a chance to make a real contribution towards the development of a competitive Russian industry in the power plant sector," Siemens CEO Klaus Kleinfeld was quoted as saying.

On December 23 Russia's Anti-Monopoly Service allowed Siemens to buy a stake in Power Machines. The German group filed its application with the anti-monopoly service on December 14. Earlier, Russian authorities declined

Siemens' bid to buy a controlling interest in Power Machines, saying this would affect Russia's defense capacity. However, both RAO UES and Interros said they were interested in getting access to western technology by selling a block stake to a large corporation, and Siemens was first in line.

Power Machines produces equipment for hydraulic, thermal, gas and nuclear power plants, as well as transportation and railroad equipment. The company has 16 offices abroad, and its shares are exchanged on the Russian Trading System. Power Machines' net loss in the first half of last year stood at \$1.027 million under International Accounting Standards, against a net profit of \$8.067 million in the same period of 2004. Revenue was RUR \$327.018 million, up 16 percent.

Siemens AG is Germany's largest engineering company. It employs over 460,000 people and has customers in more than 190 countries. ■





Economic development scheme for 2006-08 approved

Russian Prime Minister Mikhail Fradkov has approved a programme for Russia's socio-economic development in 2006-2008. He also approved the government's action plan to implement the programme in 2006.

Ministers and the heads of government departments will bear personal responsibility for the performance of the programme. The Economy Ministry will make monthly reports to the government on the programme implementation.

The programme was approved by the government on December 29. It is designed to reduce inflation and support macroeconomic stability.

Proposed measures to curb inflation include the creation of conditions to stimulate trade in oil products on commodity exchanges, developing financial institutes and

instruments allowing people to invest in government and corporate securities, establishing rules for control of tariffs for communal services, improving the mechanism of VAT calculation and payment, and reducing excise duties on high quality fuel.

Provided that the Russian economy continues growing and the budget system remains balanced over the next few years, the program suggests cutting VAT to 13 percent. Lower VAT rates will boost the country's economic growth, contributing to the development of hi-tech sectors and stimulating capital investment, the document says. VAT is currently charged at 18 percent in Russia.

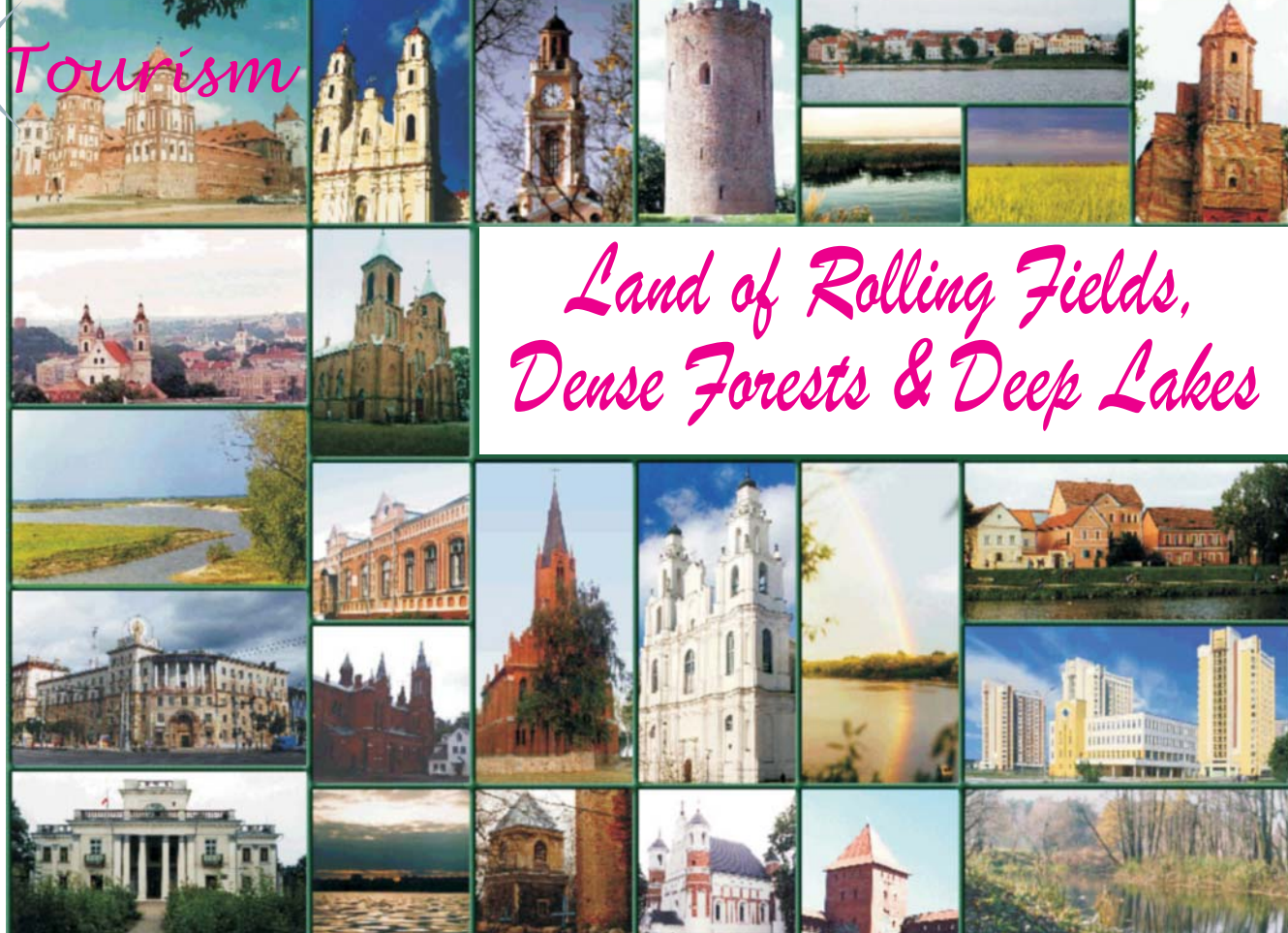
The programme also includes measures to support exporters, increase the Stabilization Fund and Investment Fund and create the Innovation Fund. ■

Gazprombank's assets rise by 28 pc



Gazprombank's assets grew by 28 percent to RUR434.9bn (approx. USD15.47bn) in 2005, the bank's press service reported. Gazprombank's equity, calculated in accordance with the Central Bank's regulations, were up 21 percent to RUR43.9bn (approx. USD1.56bn), deposits on personal accounts surged 43 percent to RUR43.9bn (approx. USD1.56bn).

The bank's pretax profit amounted to RUR17.6bn (approx. USD625.89m), up almost 45 percent from the year before. The balance sheet total was up 28 percent to RUR536.3bn (approx. USD19.07bn) on January 1, 2006. ■



Land of Rolling Fields, Dense Forests & Deep Lakes

Belarus means "White Russia", a tender and poetic metaphor, connoting clean, clear and charming innocence. The highest point in Belarus is 346 meters. Averaging only 200 meters above sea level, the country is predominately gently rolling fields in the north and marshy lowlands in the south. More than half the land is used for agriculture. Some one-third is densely forested with large stands of spruce, pine, oak and beech, everywhere interspersed with beautiful silvery white birch. People of more than 100 nationalities live in Belarus. The majority of the population is Belarusian, significant numbers of Russians, Poles, Ukrainians and other nationalities. Belarus is a land of a thousand crisscrossing streams and lakes. Naroch is the largest lake in Belarus (79.2 sq m, the deepest point about 25 m). The most important river is the Dnepr, which flows well into Belarus from Russia, then south into Ukraine ultimately providing an all-important shipping channel between the Baltic and Black Seas.

Minsk the capital of Belarus

Founded more than 900 years ago, Minsk is the city where one can find the best of the Belarusian cultural heritage museums and exhibitions, theatres, world-famous Belarusian ballet. Important landmarks are: Cathedral of the Holy Spirit and Sts. Peter and Paul Church, Trinity Suburb - an example of Minsk urban architecture of the previous century, Independence Square with its Government Building and Red Roman Catholic Church, Victory Square with its 38-m obelisk and the Eternal Flame commemorating the heroes of World War II, parks and modern architectural ensembles.



The Hill of Glory

A memorial complex is on the crossroads to Moscow and to the airport "Minsk-2" (21 km from the capital). The majestic hill, topped with four rising bayonets, in honor of the victory in the Great Patriotic War, was built by the whole country - soil for it has been brought from nine Hero-cities of the USSR and from the fields of the most fierce battles

Sport Complex "Raoubichi", National Folk Arts Museum

This sports and recreation complex in 22 km from Minsk was built for ski competitions and was the site of biathlon world championships three times. Nowadays it is a popular place for festivals and weekend holidays - guests are accommodated in two small hotels and comfortable cottages. There is a forest and a lake, a sauna and shashlyks there and in winter they have additional entertainments ski-jumps, riding on sledges and a cross-country ski-race. Right here there is a historical monument - a Cross Mount Roman-Catholic church in neo-Gothic style with interesting exhibits of the Belarusian Museum of Belarusian Folk Arts with a wide exposition of folk costumes from all regions of Belarus, fine fabrics, traditional weaving, pottery, articles made of straw, carved wood, earthenware

Museum of Everyday Life and Architecture of Belarus

Strochitsy (18 km from Minsk) is a pretty tiny village situated on the picturesque banks of the River Ptich. Collections of original pieces of architecture let you compare Belarusian rural styles from different parts of the country. It offers you an open exposition of country buildings, hundreds of articles of domestic use, agricultural implements formerly used by peasants, and works of applied art.



Ethnographical museum Dudutki

The ethnographical museum Dudutki (40 km from Minsk) is the first and only private museum of material culture. Here the past and present are brought together. This is a museum of handicrafts where a piece of clay, steel or wood is brought to life before your eyes. The museum was founded in 1993, and it covers the territory of 160 hectares. In the Dudutki museum activities and entertainment combine in harmony with nature and history. Former inhabitants of Dudutki estate in the 19th century owned it for 130 years. An attempt to reconstruct an 18th, 19th, and early 20th century Belarusian village is being made. They made Dudutki one of the centres of cultural life in Belarus. Whoever you are, irrespective of age or position, plunge yourself into the atmosphere of the 19th century, get to know the ways of country life and discover the secrets of ancient handicrafts

Zaslavl, National State Historical Reserve

Zaslavl, National State Historical Reserve (30 km from Minsk) - a town with the history of above 1,000 years. The interesting sights here are the ruins of a castle and its fortifications - the first and the oldest fortification system in Belarus (16-17th century) The Reformist Church, now the Church of the Saviour and Transfiguration (17th century). Monument of the later Renaissance architecture. The Virgin Mary catholic church (18th century) on the Marc et Square is a magnificent monument of baroque architecture. It might be of great interest to visit the Zaslavl historical and cultural preserve, which includes a real steam mill of the 19th century, a miller's house, an ancient barn and a smithy



Monuments of Mir & Nesvizh

Mir town (105 km from Minsk) was first mentioned in the chronicles of 1345. Mir is famous for its outstanding example of Belarusian stone architecture: the ancient castle, founded at the beginning of the 16th century which staggers imagination by its beauty, grandeur, and artistic elegance. Mir Castle is an exceptional example of a central European castle, reflecting in its



design and layout successive cultural influences (Gothic, Renaissance and Baroque) that blend harmoniously to create an impressive monument to the history of this region. The red-brick castle is currently being restored, but one tower and the courtyard are open to visitors

Novogrudok town (155 km from Minsk) the historical "Novogrudok" was founded in 1044. Therefore it was this area - now part of Belarus', and at the time called Black Russ' with its capital Novogrudok - that became the cradle of the Grand Duchy of Litva, a new and powerful state in Eastern Europe. The old city had two castles: the residence of the Grand Dukes. Both castles existed from the 10th - 17th century.

Brest Fortress

Brest (350 km from Minsk) is a city and administrative centre of the Brest region of the Republic of Belarus. The city is located on the right bank of the Western Bug River. Brest is the traditional "western gate"

of the country. The first mentioning of it is dated by 1019. Again here in 1917 Lenin's government concluded the "Brest-Litovsk Peace Treaty" with Germany during the First World War. The fortress is the main attraction of the city. The history of this defensive construction started in 1842 when the entire city of Brest was moved 3 km east, and on its place a massive fortress was set up. The fortress made a prolonged defense against Germans in 1941 and was ruined in the result of severe battles. After the war the remains of the fortress were turned into a grandiose memorial to its defenders



Polotsk town

Polotsk town (228 km from Minsk) is the centre of the Polotsk district, situated on the Dvina river, 100 km to the North-West of Vitebsk. Polotsk is the most ancient city on Belarusian territory, was first mentioned in the chronicles of 862. In our century, Polotsk became a district centre within the Vitebsk region. Its old town has been declared a monument of national heritage. The most famous architectural monument is the Polotsk Sofia Cathedral - a unique masterpiece of the early Slavonic architecture built in the 10th century after Christianity has come to Belarusian land. Another example of the original Polotsk School of architecture is the Spaso-Euphrasinia church of the 12th century. In 1992 restoration works were completed in the Spaso-Euphrasinia nunnery, which was set up in the XII century by the reverend Euphrasinia ranked as a Saint. You will get information about other interesting places: a museum of Belarusian book printing, the Polotsk Picture Gallery and the Holy Saviour Church.



Vitebsk city

Vitebsk city. Marc Chagall Museum (290 km from Minsk). Vitebsk is known today as the cultural capital of Belarus. Founded in 974 on the high banks of the Western Dvina, the city was badly damaged during World War II. Nevertheless, the city has a number of historic places of interest. The birth place of Marc Chagall, an outstanding artist of the early 20th cent, Vitebsk is the site of Chagall Plain air Festival of Arts. The annual Slavyansky Bazar (Slavic Bazaar) Music and Arts Festival held in July is a most popular cultural events in this country

Slonim town

Slonim town (210 km from Minsk) is the centre of the Slonim district, Grodno region, situated at the confluence of the Shchara and Isa rivers. According to archaeological data, a fortified settlement on the territory of the modern day city may have been founded in 1036. The Catholic Church dating from the 16-17 century. The Bernardinian Convent dating from the 17 century. The synagogue 17-19 century.

Zhirovichi

Village Zhirovichi (10 km from Slonim) is a famous village. The only seminary in Belarus, the Minsk Priesthood Seminary, is operating there. The Zhirovichi Convent and Monastery (1613-1650) is a set of buildings with architectural and historical importance. This convent and monastery holds one of the most revered icons of Maria called the "Icon of Zhirovitsy's God's Mother". Yavlenskaya Church (1672) and Cross-Erecting Church (1768) play an important role in the architectural composition of the monastery



Grodno city

Grodno city (275 km from Minsk). The first mention of Grodno appeared in 1128 A.D. Grodno is one of the oldest cities in Belarus. It was founded in the 11th century on the picturesque hilly banks of the Neman River. The city takes the first place among Belarusian towns in safety its monuments. The Old Town is one of the most interesting sights of Grodno, where nearly whole city quarters carry architectural styles of different epochs. The Museum of the History of Religion, famous for the unique exhibits; where animals from almost all corners of the Earth found home.

National Park "Pripyatsky"

National Park "Pripyatsky" is situated in the very centre of the Belarusian Polesie, at 250 km to the south from Minsk. The protected territory in the Pripyat area - the State Landscape Hydrological Reserve - was set up in 1969. The total area of the park is more than 83,000 hectares. Its territory stretches for 64 km from west to east and is a vast plain in the south of the Pripyat Polesie consisting of the area at the river Pripyat and terraces, which turned into a water-glacial plain at the very south. More than 30 amazing riverside lakes and several small rivers can be found among them. The flora of the park is presented by 826 higher-type plants and above 200 types of moss. All types of woods and marshes typical for Polesie can be found here. The fauna of the National park includes 45 types of animals, 265 types of birds, 7 types of reptiles, 11 types of amphibians, 37 types of fish. Other dwellers here are also European bison, badgers, lynxes, black storks, grey cranes, snake-birds, eagle-owls, big sub-eagles, marsh turtles, reed toads, grass-snakes, sterlets. The administration of the park located in the town of Turov - the centre of an oldest Principality of the Ancient Russia in the period of early feudalism.



Naroch region. National Park "Narochanski"

Naroch region. National Park "Narochanski" (170 km from Minsk). The Narochansky land is famous for the lake Naroch, a pearl of the Belarusian nature, and most picturesque Blue Lakes. This land also means quiet rustle of pine forests and the largest recreational and resort complex in the country. The beauty of Naroch, wonderful woods and soft climate were the main reasons for establishing of a great recreational centre at the lake's shores. Nowadays there are 18 sanatoriums and rest-homes here. The newest National Park "Narochansky" was established in 1999 with to preserve the natural ecological complexes of this land. The total area of the park is 94 thousand hectares, 37.9 thousand of which are covered with forests.

There are 42 lakes covering 18300 hectares. The Naroch land has the largest number of pinewoods in the country. The area is famous for its mineral waters, too. Numerous monuments of Belarusian architecture, culture and history are situated on the territory of the park, and its incomparable landscapes and unique natural systems in the area of the Blue lakes has long ago made this land famous for nature-studying tourism.

National Park "Belavezhskaya Pushcha"

16 hours National Park "Belavezhskaya Pushcha" (380 km from Minsk). Located part in Belarus and part in Poland Belavezhskaya Pushcha is a National Park, a Biosphere Reserve and an Europe's last surviving primeval forest which has preserved its prehistoric nature with relic plants and animals, the European



bison in the first place. And as such it is placed on the United Nations World's Heritage list. UNESCO gave the Pushcha the status of biosphere reserve. Thus Pushcha entered a world system for surveying changes in the environment. This National Park located in the southwest of Belarus, at 340 km from Minsk. Its territory is about 90,000 hectares. The flora and fauna of the Belavezha Forest Reserve is remarkable because of the great number of various types of plants and animals. Experts registered here more than 1000 oaks aged 300-700 years, 450-year-old ash-trees, 220-year-old pine-trees, 150-year-old junipers. You can also find here white firs, various types of spruce, pines, hornbeams. The governmental residence was built in the part of Pushcha called Viskuli. The World learnt about Viskuli in December 1991 when the USSR ceased to exist. It is in Viskuli where the leaders of three Slavonic republics of the USSR were summoned to dissolve the Soviet Union.

National Park "Braslav Lakes"

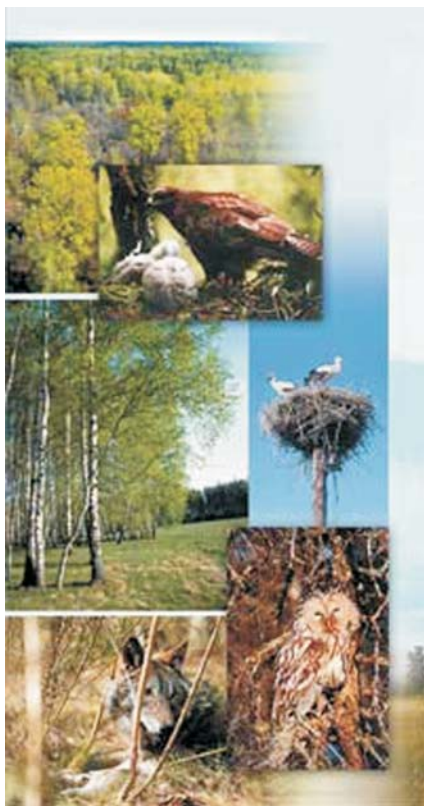
16 hours National Park "Braslav Lakes" (in the northwest of the country at 250 km from Minsk) is one of the most beautiful places in Belarus. The park was created in 1995, its territory is about 70,000 hectares. The unique ecological environment of this Lakeland has the features of the glacial period. The total area of the "mirror" of those lakes scattered around in the hilly relief is 183 sq. km. And each of them has its own distinctive peculiarity. The maximum depth of the lake South Volos is 40.4 m, water limpidity in some lakes reaches 10m. Lake Strusto has the second largest isle in Belarus - Chaichyn, which in its turn has its own small inner lake. Water ecological systems with diverse and sometimes unique flora and fauna are the main wealth of the Braslav Lakes. They have more than 800 types of plants, 20 of them are rare and disappearing, they are registered in the Red Book and are under the State protection. There are



more than 30 types of fish in the lakes. One of them is the eel, which is industrially grown. About 35% of all the birds nesting in Belarus are concentrated on the territory of the park. 45 of them are registered in the Red Book. Such rare animals as badgers, lynxes, brown bears, fly-squirrels, lots of elks, wild boars, roe deer. The centre of the National Park is live in the local forests Braslav, one of the most ancient towns in Belarus, was first mentioned in early XI century.

Biosphere Reserve "Berezinsky"

Biosphere Reserve "Berezinsky" (120 km from Minsk). Boundless forests, deep rivers, and beautiful lakes have existed here for thousand years. The reserve, set up in 1925, is a unique place in the world with no analogues in Europe (approved by UNESCO in 1979). Until now its territory of 82000 hectares has untouched corners of nature, with one of the largest marsh tracts in Europe. It's famous for its natural variety. The reserve is an ideal place for living for multiple species of animals and birds. It is inhabited with 52 types of mammals, 217 types of birds, 10 types of amphibians, 5 types of reptiles and 34 types of fish. The flora is also diverse, the number of flower plants only exceeds 780 types. The river Berezina flows for of 110 km in the reserve. There are also a lot of big and small rivers and lakes here. You will have a chance to visit the Nature museum and open-air cages with wild animals, investigate natural environment while hiking on an ecological route (4 km), enjoy boat riding along Berezina waterway - part of the former waterway from the Scandinavian countries to the Old Greece, "from the Vikings to the Greeks" as we call this route. Lakes on the route are good for fishing. If you go in for fishing you can try your luck. ■



Where crossroads of cultures meet & merge

For long, Ukraine has been the meeting-place for the East and the West in Europe. People came from different lands came and stayed in this country creating a singular and original culture. Unique monuments of history, architecture and archeology, ethnographic peculiarities of the area and attract millions of tourists. As many as 48,690 objects are the architectural-historical monuments protected by the State and the Church. The country's curative climate and its recuperative facilities offer an ultimate health destination for tourists across the globe.

Ukraine is situated in Central Europe between Russia, Poland and Romania. The people are friendly and the culture is rich and diverse. Architecture is a mixture of styles often found in the surrounding countries and this can leave you feeling as if you've stepped into another country from time to time. The Black Sea, the Sea of Azov and the Carpathian and Crimean mountain ranges are wonders to behold. Some of the mountains peak at more than 5000 feet and are covered with pine, fir, beech, lime, elm and oak trees. In other parts of the country you will find broad grassy steppes. There are several lakes and rivers that enhance the natural scenic beauty of the country. The Dnieper - which is one of the longest rivers in Europe - is not only attractive but also provides Ukraine with hydroelectric power. Cities such as Kiev, Yalta and Odessa are rich in history and architecture and are great for exploring and touring. While

winters can be typically European with temperatures below 30 degrees in some places, Summers are mild and enjoyable though they can get warm in certain parts of the country and the country often experiences good rainfall during this season. The country grows a number of different crops - both for local use and for export.

Beautiful Kiev

Situated on the Dnipro River, Kiev is Ukraine's capital. After a rough and turbulent history, the city has become an interesting array of old and new buildings. The culture is a mix of the characteristics of both Western and Eastern European customs. Ukrainians still cling proudly to tradition. Once catapulted onto the world scene by the nuclear reactor blast at Chernobyl, the stunning city of Kiev is a world away from the tragedies of the past.



Kyiv is home to three million people. Foreign diplomatic core and students from other parts of the world lend Kyiv a somewhat cosmopolitan feel. While many of the city's greater architectural and art treasures were destroyed in the second world war, but what was left has been restored. For a while there were understandable concerns about the safety of living in such close proximity to the destroyed nuclear reactor plant but most scientists agree that the city is safe from the effects of radiation.

Known as the 'Green City' for its many botanical gardens, parks and beautiful trees, the city is a wonder to behold in summer and spring. The nearby river provides hours of leisure activity in the form of swimming and boat rides while many enjoy leisurely strolls and cycling trails along its banks. In the winter the lake freezes over to make way to ice fishermen and ice-skaters.

Diversity is Odessa's USP

Odessa, situated on the shores of the Black Sea is Ukraine's most important city of trade. Many years ago, Odessa was once the 3rd leading city in old Russia, after Moscow and St. Petersburg. Odessa looks more like a city located on the

Mediterranean, having been heavily influenced by French and Italian styles. Odessa has always had a spirit of freedom, probably gifted to her by her location and by her ability to accept many different peoples. The city has a wide variety of people including Ukrainian, Russian, Moldavian, Greek, Romanian, Bulgarian, Caucasian, Jewish, Turkish and Vietnamese. Odessa's mild climate, warm waters and sunlit beaches attract thousands of tourists year around. Its shady streets, gorgeous buildings and their stunning architecture, pleasant squares give the city a certain air of closeness and charm. Odessa is beautifully situated on green rolling hills, overlooking a small picturesque harbour. The best time to visit Odessa is during summer, when everything is in bloom and absolutely beautiful. The summer is especially favourable for those who are looking to tan on one of her tranquil white beaches.

Fascinating Kharkov

The second largest city in the Ukraine, Karkov (also known



as Kharkiv) is situated in the northeast of the country and serves as one of the main industrial, cultural and educational centers in the country. The country's industry and research has been focused on arms production and machinery for many years. Today the city is home to such mega-companies as the Morozov Design Bureau, the Malyshev Tank Factory, Harton and Turboatom. These companies specialize in fields such as tank and turbine production, and aerospace and nuclear electronic research.

Yalta

Yalta is situated on a shallow bay facing south towards the Black Sea, on the site of an ancient Greek colony. It is said





that Yalta was found by some Greek sailors many years ago who were looking for a safe shore to land on. Yalta is surrounded by many beautiful woody mountains. It enjoys a spectacular

Mediterranean climate with many vineyards and orchards in its vicinity. Yalta is a dramatically handsome resort on the southern tip of Crimea. It will always be a favored destination with its mild climate, lush green landscape and rugged beaches.

Dnepropetrovsk

Dnepropetrovsk is perhaps best known for its role in the space industry. For many years the city was closed to foreigners because of its role in the military industry. One of the key centers of the nuclear, arms and space industries for

The Land of Mineral Springs & Miracle Mud Cures

Unique, natural, curative and recreational, Ukraine is the ultimate health resort of the CIS region. Spas and mineral springs that dot the country contribute to successful development of Ukrainian tourism. Mud cures and recuperative recreational facilities are Ukraine's specialty. Due to the availability of natural recreation resources - climatic, biological, landscape, spas, curative mud etc. - Ukraine has been a popular tourist destination. The total area of land suitable for recreation accounts for more than 15 percent of Ukraine's territory. Tourist and sanatorium-resort complexes of Ukraine add up to 4,500 establishments with a capacity to accommodate 600,000 tourists.

Different balnearies (mineral water springs with healing qualities) are found almost in all the Ukrainian regions. Most of them are located in Zakarpattje region. Besides, their large number is in Lugansk, Dnepropetrovsk, Poltava, and Rivne regions. As well, some balnearies are in Ivano-Frankivsk, Kharkiv, Zhytomyr, Vinnitsa, Khmel'nitsk, Kyiv, Kirovograd, Cherkassy, Donetsk and Zaporozhje regions.

Mud resorts of Berdyansk, Kuyalnik, Saki, etc are popular on the basis of curative mud basins. In the North-Western regions, there are basins of turf mud utilized in the resorts of Mirgorod, Morshin, Nemyrov, Cherche and others.

Today, the most rational and efficient type of recreation is leisure of parents with their children. The best establishments for family leisure featuring broad experience in recreational facilities and medicinal services are recreational centers of children's resorts of Priazoyje and Northern Prichemomorje. Shallow sea, sandy beaches, influence of steppe winds, along with utilized curative mud and mineral waters, create perfect conditions to treat

respiratory organs, cardiovascular and nervous systems, orthopedic diseases and other diseases of children and adults.

The Autonomous Republic of Crimea is one of the most developed resort and tourist regions. Crimea has been the favorite place of leisure for artists, poets and tourists for a long time.

Resorts and tourism were determined as priority directions in the development of the region's economy. At the present, 15 basins of curative mud and 13 large basins of mineral waters are within the category of curative. Over 600 sanatorium-resort and tourist establishments function on the territory of the Peninsula.

Resorts of the Crimean south seacoast provide extremely favorable conditions for climatic treatment. Recreational centers of these resorts provide treatment for patients with lasting illness of nervous system, respiratory organs, circulation and orthopedic diseases all year round. Many of these after staying in Yevpatoriya or Saki are grateful to brine and mud of the Moynak Lake. Bathing in this reservoir is similar to that in the Dead Sea, gives stimulus to muscles, bones, knuckles, nervous system, accelerates metabolism. Flat coast of Yevpatoria, sandy bottom of beaches allow bathing and thalassotherapeutic cure both to children and elderly people. One of the most popular children's resorts is situated here.

The Carpathians are deservedly regarded among the best resort regions of Ukraine. Diverse unique mineral springs, curative mud, ozocerite, favorable climate create all the conditions to successfully treat different diseases of the digestive tract, nervous and cardiovascular systems, orthopedic diseases, diseases of respiratory organs etc. Recreational centers nestle in picturesque places on the



the former Soviet Union, it is understandable that only natives were allowed access to the city. Today things have changed somewhat. The city is open to any and all who wish to visit and the space

industry heritage of the place is proudly on display. Interestingly enough, the largest street here is named after the German Karl Marx. It is bordered by some impressive 18th century architecture which is most beautiful to behold. As you make your way through the city you will also find the majestic Katherine II Cathedral which was built in 1787. The Museum of History, the Diorama and many beautiful parks are also a treat.

Zaporozhye

The town of Zaporozhye is situated in the south-east of the

banks of the rivers, in the valleys, high in the mountains and in the forests. The resorts of Truskavets, Morshyn, Yaremcha and Polyana among others, specializing in the cure of diseases of digestive system, kidneys, cholecyst and pancreas, have won popular acclaim. Due to curative properties of the unique mineral water "Naftusya", the resort-polis Truskavets is unrivalled among the CIS resorts. This water has cholagogue, resolvent, anaesthetic effect, activates endocrine functions, extrudes radionuclides, provides scouring and strengthens immunity.

Scientifically developed treatment methods, reach natural factors and comfort of the resort won Truskavets a strong popularity. The most well-known recreational centers of Truskavets are "Perlyna Prikarpattya", "Karpaty", "Prikarpatje", and "Kristall" providing 1-2 bedded rooms with a TV set, refrigerator, telephone and bathroom. Children's sanatorium "Dzherelo" accommodates 5-14 aged children, "Yantar" sanatorium renders services to mothers and children. Famous gastroenterologic resort Morshyn is situated 82 km far from Lvov, in the forest range of Prikarpatje lowland, 340 meters above the sea level. Sanatoria of this resort, "Dnestr", "Rassvet", "Mramorny Palaz", "Perlyna Prikarpatja" and others provide facilities to recuperate, recreate and rest all year round.

The climate of Zakarpatje is mild and warm, adverse weather conditions last no longer than one week. The sun shines about 2,000 hours like in the resort city of Sochi. By their physical and chemical properties,

mineral waters of Zakarpatje infused with carbon dioxide or hydrocarbonate, chloride, and sodium are similar to "Borzhomi" and "Yessentuki", except for some additional curative properties. "Polyana Kvasova", mineral water of Svalyavskiy resort district can be related to spas similar to "Borzhomi". However, it comprises twice the amount of sodium hydrocarbonate and one and a half amount of carbonic acid. By this indicator, "Polyana Kvasova" is similar to famous "Narzan". Its value is even higher due to fluorine and boron impregnated. "Polyana Kupel" and "Luzhanskaya" mineral waters are also similar to the mentioned waters by their composition. Some unique spas bring original characteristics to many recreational establishments. Mineral water of Kvasy resort can be found only in Germany and Sakhalin. High in the mountains, around the Sinevir Lake, the water spa "Soimy" has been discovered. This basin does not have any analogues in Ukraine. Its water is infused with large amount of mineral compounds and microelements widely used for therapeutic treatment. The only specialized department to treat patients with blood illnesses functions in "Ukraina" sanatorium.



Poltava region is one of the most ecologically healthy in Ukraine. Both air and underground spas are curative here, which is helpful to treat practically all the diseases of the digestive tract. 43 recreational establishments were created on the basis of these spas located around the entire region. Over 50,000 people annually recuperate in the city of Mirgorod only. ■



Ukraine on the both banks of the Dnieper River. The town itself is about 200 years old though stone-age remnants excavated in the area show that the area has been inhabited for much longer than that. History tells us that Scythians, Samatians and Slavs have all had a chance to make a home on this beautiful little spot by the river. However, the last remaining Slavs fled the area by the end of the 15th century for fear of the Golden Horde Invasion. It was only in the 16th century that the Zaporozhye Cossacks made their way past the rapids of the Dnieper River to this idyllic spot on its banks.

Poltava's interesting past

Situated in central Ukraine on the Vorskla River, Poltava is probably one of the oldest Ukrainian cities as it was a Slavic settlement in the 8th and 9th centuries. Today Poltava is mainly an industrial center and an important rail junction in the region. Besides food and tobacco which is grown in the rich, fertile soil, Poltava also exports items such as machinery, railroad equipment, building materials, tractors, automobiles, leather goods, textiles, wood products and footwear. Lvov



Founded in 1256, Lvov is one of the Ukraine's leading cultural centers. The first high school in the city was founded by King Jan Kazimierz in 1661 and today the city is the proud home of the Lviv State University. It also boasts a number of theatres and museums. It also happens to be the seat of the Roman Catholic Ukrainian Orthodox and Armenian Orthodox archbishops. Two of its churches date back as early as the 14th century. You can walk to the top of the Vysoky Zamok hill which overlooks the historical centre. This is where the Union of Lublin mound is situated. For entertainment, the Philharmonic orchestra and the Lviv Opera and Ballet Theatre are a real cultural treat. On a more macabre note, the Lychakivskiy Cemetery is one of the biggest and more scenic in the region. Lvov is an inviting and interesting place to visit. The cultural scene is constantly changing while history abounds and relics of the past remind us of what once transpired many hundreds of years ago. Book your ticket for Lvov today and enjoy the city's timeless appeal for yourself

Ivano-Frankovsk



Ivano-Frankovsk started life as a fortress which was built to protect the Polish-Lithuanian commonwealth from repeated Tatar invasions. This it did quite well and it wasn't long before the city-fortress began to grow under the safety provided by this fortification. The city went on to survive not only Tatar attacks but also those thrust upon it by invading Turkish and Russian forces. The Renaissance was a period of extensive growth and rebuilding which led to it becoming a somewhat more picturesque city. In fact it gained the nickname "little Leopolis" - Leopolis being the Latin name for Lviv. It was also at about this time that Ivano-Frankovsk, Ukraine, became an important center of Armenian culture.

Lovely Uzhgorod

Uzhgorod (Uzhhorod in Ukrainian) is a city which is situated

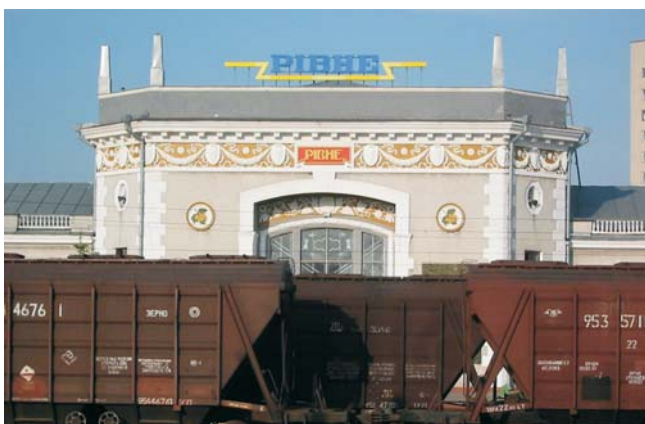


in the Ukraine on the Slovakian border. It gets its name from the Uzh River which flows through the middle of the city and divides it into two. On one side of the river lies the old section of the city and on the other side lies the new. Roughly translated, Uzh means eel and so the name could be literally translated as 'eel city'. However, the city was named for the river that runs through it and not the creature which populates its waters.

Today Uzhgorod may be the smallest and westernmost regional capital in the Ukraine, but it is still distinct. It has a State University and is the center of the Zakarpatska oblast. The old half the city is immensely interesting and well worth exploring if you have the time. Uzhgorod is not a big tourist spot, but for many that only adds to the city's immense charm

Chernovtsy

Chernovtsy (Chernivtsi) is a city with a long and interesting history. According to archeological remains, the area has been populated since Neolithic times. Some of the most interesting artifacts found here are those that relate to the



Trypillian and Corded Ware cultures. Bronze and Iron Age relics are numerous and evidence of Slavic tribes and Tiverians is also present.

Rovno

Rovno is one of Ukraine's biggest industrial, cultural and educational centers. Its leading industries include machine engineering, large-panel construction and furniture-making. This city is home to three Institutes, theatres, the Philharmonic Society and the Museum of the Regional Studies, which includes the museum-reserve "The Cossack Graves". "The Cossack Graves" are situated on the island of Zhuravlykha (Crane) in the riverhead of the Styr River. This museum was built in 1966 in honour of the Cossacks who fell in action in the battle of Berestechko during the Liberation War of the Ukrainian people in 1648 to 1653. It



includes the Temple-monument and the wooden church which was built in 1650.

Kherson

Kherson is situated on the Dnieper river and seaport. Kherson is a city filled with industries, education and culture. Kherson's main industries are ship-building and mechanical engineering. It is home to some interesting theatres, museums and monuments of architecture, such as the Greek-



Sophia Church which was built in 1780, the Gates of the Kherson fortress which was built in the 18th century and the Holy Spirit Church with the Bell Tower which was built in 1836.

Busk

Located just 53 km from Lviv, Busk is a small town. The name 'Busk' comes from the west Ukrainian word 'busko' which means crane. Appropriately, the heraldic crest of the town is a white stork on a blue shield and the stork is the town symbol. For many years, the land where Busk is located was part of either Austria or Poland. This means that much of the cultural heritage and influences to be seen in the city bare distinctive marks from the Austrian and Polish cultures. If you are planning to visit this picturesque little Ukrainian town, you might want to mark the differences in architecture and culture from other parts of the Ukraine. It is all very interesting and makes for fascinating sight-seeing. One of the most notable attractions at Busk is the Olesko Castle. This beautiful old building is situated on the top of a hill and commands an amazing view of the valley. Currently it houses the weapon museum as well as a display of civilian objects from the 18-19th centuries such as a tapestry which depicts the famous Vienna battle.

Uman

Uman is situated in central Ukraine, at the meeting place of the Karnenka and Umanka rivers. Uman's hospitality is unmatched. The people of Uman will greet you in such a manner that it will almost feel as if they are holding a homecoming for you, to a home you have never seen before. As any other Ukrainian city, Uman's most productive output by far is food. The size of the portions and the variety of the food is breathtaking. Simply stated, most Ukrainian meals consist of two or more main dishes, 8 - 12 side dishes, at least two kinds of bread, water, wine, and of course lots of vodka. One of Uman's proudest landmarks is their magnificent Sofivka Park, similar to New York's Central Park or San Francisco's Golden Gate Park. Sofivka Park is over 200 years old and has a long and very interesting history that is essentially a love story with soap opera subplots. Uman has a huge selection of beautiful,



comfortable hotels and it is the perfect place to go and relax and to get away from the hustle and bustle of the city life

Hlukhiv

Hlukhiv, is a significant city in the Sumy region of Ukraine, just south from the Russian border. A capital of the small principality in the Middle Ages, the town was revived by



Peter the Great who transferred the hetman's capital from Baturin here in 1708. Under the last hetmans of Ukraine, the town was remodeled in the baroque style. Subsequently it declined in consequence of frequent fires. The town has a rich musical heritage. It was once home to famous composers such as, Dmytro Bortniansky and Maksym Berezovsky ■

Деловые контакт поднимают
индийско-российскую двустороннюю
торговлю; цел 2010г.
10 миллиардо долларов.

Углубление стратегического партнёрства

Текст Дев Вармы

Индия Россия подтвердил свою вер в дру друга
ряде всеобъемлющи соглашений, обещаючи
возобновить увеличить двустороню торговлю
межд двумя странам до 10 миллионо долларов
следующие пят лет. Эт соглашения был
подписаны Нью Дел во врем визита премьер-
министра Росси Михаила Фрадков 16 17 марта.
Он придали ново значение крепко дружбе,
выживше колапс Советског Союза создание
Содружеств независимых Государст (СНГ).

«Наши переговор фокусировались н углублении
нашег стратегического партнёрства. Мы, ка
крупные модернизирующиес экономики,
заинтересован в упрочении двустороннег
сотрудничества взаимной выгод от глобальног
взаимодействия, премьер-министра Инди Др.
Манмоха Сингх.

Важным результато переговоров был
формирование индийско-российског торговог
и инвестиционног форума, возглавляемог
министром торговл Индии его российски
коллегой, что являеьтс чрезвычайно важны
шагом возобновлении торговл и экономических
отношени между двум странами.

«Наша цел увеличить двустороню торговлю д
10 миллиардо долларов следующие пят лет,»
сказа Др. Сингх.

Также был сформирована совместна группа п
изучению рекомендации методо достижения
это цели изучению целесообразност
подписания соглашени по всеобъемлемом
экономическому сотрудничеству. Дв стороны
такж согласились вскор заключить соглашение,
позволяюще инвестировать Индии фонд из
счетов рупьево задолженности.

В контекст глобализации индийско экономики,
Др. Синг дал сове индийскому частному
сектору, которы стал ключевым двигателе
роста последние 15 лет.

«В т время ка мы, н правительственном
уровне, изучаем пут поощрения наши
экономических связей, деловы круги должн
развить боле тесное взаимодействи контакти
межд собою. Партнёрство частного сектор
должно стат новой цементирующе силой наших
отношениях. Предоставлени лучших услови для
бизнесмено поможет этом отношении,» сказа
Др. Сингх.

Он сказал, что растуши экономики Инди и
Росси предлагают значительные перспектив
сотрудничества энегетике, информационно
технологии, биотехнологии, высоко
технологии, торговл и банковско секторе,
сказав, что некоторы индийские банк уже

входя в соглашения со своим российским коллегами.

«На ряд с торговлей, этот сектор должен дополнять такое замечательное сотрудничество, которое мы имеем в политической, стратегической оборонной областях. Поэтому я приветствую подписание различных соглашений во время визита премьер-министра Михаила Фрадкова,» сказал Др. Сингх. Два соглашения касаются осуществления соглашений по сотрудничеству в отношении глобальной навигационной спутниковой системы (ГЛОНАСС).

Др. Сингх выразил глубокую заинтересованность Индии в том, чтобы и предстоящем этом году саммите было восьмеркой председательствовала Россия, где энергетическая безопасность будет основной темой.

«Я большим удовольствием принял приглашение президента Путина участвовать саммите Санкт-Петербурге июле этого года. В этом контексте, мы предвкушаем существенно увеличение доли ядерной энергии общей энергетической корзины Индии,» сказал Др. Сингх. Индия надеется увидеть, что Куданкуламский проект станет флагманом индийско-российского сотрудничества в области атомной энергии. Индия также уверен в том, что обе стороны используют возможности расширения своего партнерства в сотрудничестве в области гражданской атомной энергии.

«В этом контексте, хотел бы передать наше сердечное благодарное российскому правительству за положительный отклик и наше предложение поставить топливо в первом блоке тарапурской АЭС,» сказал Др. Сингх.

Месяц март был очень важен для Др. Сингха. В первую неделю месяца он подписал исторический договор с президентом США Дж. Бушем по

сотрудничеству во многих областях, том числе гражданская атомная энергия. За этим последовало двустороннее соглашение с Австралией во время визита премьер-министра Джона Ховарда в Индию. Визит Фрадкова был третьим самым важным событием этого месяца.

Суммируя индийско-российскую дружбу, Др. Сингх сказал: «Мы хотим работать Россией тесно, двусторонне и многосторонне. Наше партнерство стратегическое, основано на доверии и приверженности нашим совпадающим национальным интересам. Россия испытанный надежный друг. Неуклонно развитие наших двусторонних связей вызывает большое удовлетворение нашего правительства и лично во мне...»

Соглашения подписанные соответствующими агентствами Индии и России касаются многих областей взаимного интереса, том числе энергия. Одни из самых важных являются меморандум взаимопонимания (MoU), подписаны индийской нефтяной корпорацией (IOC) российским Стройтрансгазом, предусматривающие совместное строительство трубопроводов Индии в других странах. Стройтрансгаз, крупная компания по прокладке нефтяных и газовых трубопроводов, осуществляя проекты по всему миру в том числе Сирии, Иране, также развлекается в нефтеочистке, маркетинге, которые являются сферой экспертизы индийской нефтяной корпорации (IOC). Ранее (IOC) Стройтрансгаз фигурировал в строительстве газопровода Baroda-Ahmedabad-Kolol 133 км в штате Гуджарат в соответствии с проектом Петронет. Эти две компании совместно подали заявление на строительство нефтепровода Ирак-Иордания.

Российский руководитель говорил о важности принятия быстрых экстренных мер с целью увеличения двусторонней торговли между двумя странами. Др. Сингх говорил о упрочении традиционного экспорта Индии в Россию таких товаров как чай, табак и фармацевтика и поднятии сотрудничества в производстве бриллиантов и ювелирных изделий.

Были подписаны также ряд



соглашений между различными агентствами двух стран с целью расширения сотрудничества в экономической сфере. Был подписан договор по новой кредитной линии между Внешторгбанком Российской Федерации Экспорт-Импорт банком Индии. Согласно соглашению Экспорт-Импорт банк Индии откроет кредит на 100 миллионов долларов Внешторгбанку и эта самая крупная кредитная линия за все время.

Другими важными мерами являются; соглашения по сотрудничеству между банком ICICI Внешэкономбанком Российской Федерации, соглашения по сотрудничеству между Конфедерацией индийской промышленности российским союзом промышленности предприятий, соглашения между Федерацией индийских торговых и промышленных

министр Индии Манмухан Синг подписали соглашение, соответствующее которому Индия получит ядерную технологию США, если Индия разделит свою программу на гражданскую и военную и откроет свои гражданские ядерные объекты международной инспекции.

Это соглашение нуждается в поправке закона США одобрении групп ядерных поставок, состоящие из 45 стран, следящие за передачей материалов, которые можно использовать в ядерном оружии.

Сейчас Индии нужно пополнить иссякающий запас ядерного топлива и оборудования. Своевременная покупка у России сможет упрочить руки законодателей США, которые были скептически настроены по отношению к индийско-американскому соглашению.



Некоторые американские эксперты по нераспространению очень озабочены сделкой Индией, подписавшей договор о нераспространении ядерного оружия, предупреждают, что это еще больше затруднит дела с такими ядерными бандитами как Северная Корея и Иран.

Индия и Россия имеют давние полувековые тесные отношения. Россия была основным поставщиком оружия десятилетиями и может стать важным источником энергопокупок в будущем. Россия помогает Индии построить Кундакуламскую АЭС. Россия согласилась в 2001 г. не только осуществить проектно-конструкторские работы для АЭС, но и поставить 90% оборудования и материалов.

С другой стороны, Тарапурская АЭС построена американской компанией General Electric в 1960 г., но Вашингтон прекратил поставки урана после того как Индия провела ядерные испытания в 1974 г. отказавшись подписать договор о нераспространении ядерного оружия. Теперь по Тарапур получает спорадические поставки из Франции и России.

На фоне экономических отношений, вхождению России в ВТО открываются новые перспективы. Москва желает ввести новый уровень диалога вовлечением Фадкова с целью принятия некоторых прагматических шагов на расширение экономического делового взаимодействия между Индией и Россией. Подготовительная работа для этого уже была проведена, после подписания важных соглашений их числе по гражданской авиации и учреждению совместной группы по изучению целесообразности соглашения по всеобъемлющему экономическому сотрудничеству. самым важным результатом всех этих усилий было решение двух стран увеличить двусторонний торговый оборот от нынешних 2 миллиардов до 10 миллиардов долларов к 2010 году.

палат и индийско-российским деловым советом, учрежденным торговой и промышленной палатой Российской Федерации журналом Эксперт России.

Самым важным договором, который подписал российский премьер Михаил Фрадков, касался поставки ядерного оборудования для строительства АЭС в Кундакуламе, Тамил-Наду, который, как полагают, начнет производить электроэнергию в 2008 году. Решено в этой связи объявить Михаилу Фрадкову, когда он прибыл в Нью-Дели 16 марта 2006 г.

Россия также поставит низкообогащенный уран для тарапурской АЭС, что штате Махараштра на западе страны, сказал Фрадков, который сопровождал глав федерального агентства по атомной энергии Сергея Кириенко. МИ заявило, что дел обратился с просьбой США поставить топливо тарапурской АЭС, но «так как это было не возможно в соответствии с нынешними законами США», то Индия обратилась к России, которая выполнила просьбу.

Ранее в этом месяце, президент Буш премьер-

Индия приглашает глобальные фирмы к разработке высокотехнологичного оружия

Индия предложила крупнейшим глобальным компаниям заключить соглашение о развитии высокотехнологичного оружия, которое впоследствии может быть предложено мировому рынку.

Открывая выставку обороны Индии 2006, министр обороны Пранаб Мукхерджи сказал, что в 2004 г. Индия стала "самым большим импортером оружия" среди развивающихся стран и обозначил интерес страны к заключению "соглашений по экспорту индийской продукции". Министр говорил также об амбициозных планах Индии по закупке военных самолетов и артиллерийского оружия с целью дальнейшей модернизации вооруженных сил.

"я призываю гостей воспользоваться преимуществом опыта и навыков Индии в данном вопросе и сотрудничать с компаниями здесь для экспорта продукции обороны в другие страны" сказал Мукхерджи.

Предложение министра пришло накануне недавнего резкого падения экспорта оружия страны, который по официальным данным снизился до цифры меньше 8 миллиардов индийских рупий, тогда как в 2002–03 г. он составлял 16 миллиардов индийских рупий.

Комментарии Мукхерджи показали решительность правительства развивать новую компенсирующую политику, предусматривающую обязанность иностранных поставщиков закупать у индийских фирм 30 процентов товаров и услуг их оборонной продукции, что превысит сумму в 30 миллиардов индийских рупий.

Он сказал, что Индия владеет 8 предприятиями обороны публичного сектора, 39 оборонными заводами и 50 лабораториями по организацией Научных Исследований и Разработке Оборонны.

Последние данные показывают, что закупки Индии достигли почти 2.500 миллиардов индийских рупий.

"правительство приветствует совместные предприятия, совместное производство и совместное продвижение продукции с целью улучшения использования наших

производственных возможностей," сказал он и добавил, "с поддержкой нашего частного сектора, мы намерены привнести самые последние технологии и использовать их для развития самой современной продукции обороны как для наших вооруженных сил, так и для экспорта,"

Mukherjee сказал, что правительство скоро "запросит предложения" для приобретения 126 самолетов передней линии для индийских Военно-воздушных сил и примет решение о модернизации артиллерии путем включения сотен отбуксированных и самоходных гаубиц.

Отвечая на вопросы, он сказал - "если мы сможем производить качественные системы вооружения по конкурентоспособной цене, то возможность для экспорта уже существует."

Однако, Макэрджи сказал, что частный сектор принял без энтузиазма предложение об открытии производства оборонных продукции к частной инвестиции. Указывая на то, что частные компании подали только 26 писем-обязательств, он сказал, "не было большого ответа."

Частные инвестиции не будут рассматриваться с "идеологической" точки зрения и правительство будет приветствовать всех, кто предложит конкурентоспособную цену и эффективное производство, сказал он.

Задачей выставки было показать научно-технический потенциал Индии в области наземных и морских систем, обеспечить платформу для продвижения на экспорт продукции, изготовленные индийской оборонной отраслью и пригласить частный сектор к участию в производстве военной продукции.

Выставка также стремится пригласить к участию транснациональных компаний, заинтересованных в продвижении своих технологий и продукции. Выставка обороны Индии 2006 показывала почти 40 процентов роста по сравнению с 2004 годом. Следующая Выставка обороны Индии будет организована с 16 до 19 февраля 2008 г.. ■



Русские фрегаты для индийского военно-морского флота

12 янв Рос и Ин подписали соглаше на су 1, 56 миллиар долларов для 3 фрега типа Кривак, кото будут постро индийского военно-морского флота. Государственн судостроительная компа в Калинингр выиграла сделку, остав позади Санкт Петербургс соперников Север Верфы Балтийскг Зовода. словам замгенеральн директора Владим Киселева Января поста первого су примет бол чем 4 года. Фрега буду рабочем состоя в 2010-2011 г.

Здесь ну напомнить том, что пер 3 фрег были заказ в 1997 г. Балтийскг Зово стоймость 1 миллиа долларов США. Пер судно дол было 6 построено м 2002 г., оно 6 поставлено 13 меся позже.

Цена но серии гора выше, как будет оборудов с новой русской систе оружй. Фрег также не BrahMos сверхзвуко противосудную крылат ракету т РЖ -10 БрахМоса, произведенную совмес Россией Индией. ракеты предлож Индией продажу дру странам.

Как ска замначальника федеральн обслуживания военн и технического

сотрудничества Вячеслав Дзиркалн, ц на ракеты продаж бу установлена.

Несколько д до начала выста обороны Ин 2006, Рособоронэксп объявил подписа двух соглаше Министерства Обор Индии. Пер должно постав модернизированные рак для множествен выпускных сис ракет т Град принимае в индийс армии.

"Эти рак значительно улучшат эффективно боя сис Град," ска замгенеральн директора Рособоронэксп Виктор Комардин. Модернизирован ракеты им выдвинутую дальнос на 40 километ и бо мощные боеголовки. Вто соглашение поставке множественных выпуск систем ра типа Сме для д полков индийс армии.

Индия Росси буд работат д новог хозяйственно соглашени ряде секто включая чай, та и кожу, ска министр торго и промышленно Камал Н на встрече индийско пресс н международн Экономическом фор в Давосе. также сказал, что Рос сделала предложе для инвести в Индии. ■



Плавающая цена на энергию и металлы повышает доход от экспорта

Экономические системы СНГ находятся на пути к сильному росту.

Дэвид Синэйт,
Заместитель генерального директора, Экспорт-Импорт Банка Индии.

Сильный экономический рост был зарегистрирован на регионе СНГ в недавних годах с отражением факторов, включая плавающую цену на энергию и металлы, и сильный внутренний спрос. Реальный рост валового внутреннего продукта региона в целом увеличился от 7,9 % в 2003 г. до 8,4 % в 2004 г. Сильный импульс роста в наибольших экономических системах в регионах таких как Россия, Украина, Белоруссия, и Казахстан, поддержал экономическую деятельность в других государствах членах СНГ. В течение 2005 г., импульс роста, как оценивают, был поддержан, хотя на более низком уровне, на 6,0 %.

Отражая увеличенный доход от экспорта нефти и товаров, излишки регионов СНГ на текущий счет вырос от 6,3% валового внутреннего продукта в 2003 г. к 8,3% в 2004 г., и по данным, увеличился далее к 10,6 % в 2005 г. Для экспортеров чистой энергии таких как Азербайджан, Казахстан, Россия, Туркмения и Узбекистан, излишки на текущий счет был столь же высоки как 8,9 процентов валового внутреннего продукта в 2003 г., который увеличился далее приблизительно до 11,9% в 2005 г. Общий экспорт области СНГ вырос от 196 миллиардов долларов США в 2003 г. до 349,5 миллиардов долларов США в 2005 г., в то время как общий импорт также увеличился от 133 миллиарда до 210,8 миллиардов долларов США в течение того же самого периода. Макроэкономические показатели некоторых

государств - членов СНГ представлены в Таблице №1.

Среди главных экономических систем региона экономическая деятельность России осталась плавающей с реальным ростом валового внутреннего продукта до 7,2% в 2004 г., и растущий экспорт укрепил внешнее положение страны. Рост ВВП России все более и более приводился комбинацией сильного внутреннего спроса и длительного бума в секторе нефти и газа. В 2005 г., реальный рост валового внутреннего продукта был приблизительно 6,0%.

На Украине, реальный рост валового внутреннего продукта достиг до 12,1% в 2004 г., по сравнению с 9,6% в 2003 г., в значительной степени, благодаря сильному внешнему и внутреннему спросу, который весьма помог быстрому расширению в производстве, строительстве и внутренней торговле. Сильное увеличение производства на экспорт, особенно стали, и также химикатов и оборудования, было одним из самых важных факторов, приводящих к росту.

В Казахстане, отражая бум в секторе нефти и газа, реальный рост валового внутреннего продукта, достиг 9,4% в 2004 г., норма роста промышленного производства была 10,0% и рост строительства 11,2 %. В 2005 г. реальный рост валового внутреннего продукта был сильно удержан на 9,3 %. В Узбекистане реальный темп роста валового внутреннего продукта увеличился с 1,5 % в 2003 г. до 7,1 % в 2004 г., который может быть приписан к росту в индустриальном секторе и так же расширению в сельскохозяйственном секторе.

В Белоруссии, реальный рост валового внутреннего продукта устоял крепко на 11,0 % в 2004 г., отражая сильный российский спрос на готовые продукции из Белоруссии. Внутренний спрос также остается важным фактором роста в Белоруссии, поддержанный правительством, располагающим по приоритетам, амбициозные цели заработной платы. В течение 2005 г. реальный рост валового внутреннего продукта был приблизительно 8,3 %. В Армении реальный рост валового внутреннего продукта был 13,9 % в течение 2003 г. и был самым высоким со времени независимости, и оставался сильным в 2005 г., - 10,5 %. Инвестиции русскими и несколькими западными компаниями в горной промышленности и в секторе цветных металлов привели к увеличению темпа роста в промышленности.

В Азербайджане, после острого снижения



производства в начале девяностых годах, быстрый рост, начатый в 1997 г., главным образом, как следствие крупномасштабной прямой иностранной инвестиции в секторе нефти и газа. Реальный рост валового внутреннего продукта с 2000 г. составил в среднем более чем 10 % в год, и достиг 10,2 % в 2004 г. Экономический рост был быстрым в Грузии в последние годы с реальным валовым внутренним продуктом, растущим на 6,2 % в 2004 г. и 8,0 % в 2005 г., отражая сильный рост в строительстве из-за построения двух нефтепроводов, и также сильного роста в секторе горных дел и производства.

Экономика Молдовы выросла приблизительно на 7,5 % в 2005 г., по сравнению с 7,3 % в предыдущем году, благодаря значительно улучшенной сельскохозяйственной и сильной экспортной деятельности из-за сильной экономической деятельности России, которая играет ключевую роль в экспорте Молдовы. В Таджикистане сильное увеличение объема промышленного и сельскохозяйственного производства подкрепило реальный рост валового внутреннего продукта, который зарегистрировал сильный рост на 10,6 % в 2004 г., перед замедлением приблизительно до 6,0 % в 2005 г. Согласно официальным данным, Туркмения зарегистрировала реальный рост валового внутреннего продукта в 9,0 % в 2004 г., поскольку высокие глобальные цены на нефть и товары повысили рост экспорта. В течение 2005, реальный рост валового внутреннего продукта увеличился приблизительно к 11,0 %.

Таблица № 1: Макроэкономические показатели некоторых стран СНГ за период с 2002 г. до 2005 г.

	Год	Россия	Украина	Казахстан	Узбекистан	Белоруссия	Армения	Азербайджан
ВВП (US\$ млрд)	2003	431,5	50,1	29,7	10,0	17,5	2,8	7,1
	2004	581,4	64,8	40,7	10,3	22,9	3,6	8,5
	2005*	744,2	80,3	52,6	10,7	29,1	5,0	11,9
Реальный рост ВВП (%)	2003	7,3	9,6	9,2	1,5	7,0	13,9	11,2
	2004	7,2	12,1	9,4	7,1	11,0	10,1	10,2
	2005*	6,0	3,7	9,3	5,7	8,3	10,5	21,0
Инфляция (%)	2003	13,7	5,2	6,5	13,1	28,4	4,7	2,1
	2004	10,9	9,0	6,9	1,7	18,1	7,0	6,7
	2005*	12,7	13,9	7,4	7,1	10,5	1,0	12,0
Доход на душу населения (US\$)	2003	2974,4	1057,0	2053,3	390,6	1785,7	903,2	855,4
	2004	4043,8	1378,7	2695,4	397,7	2336,7	1193,5	1024,1
	2005*	5204,2	1719,5	3483,4	408,4	2969,4	1666,7	1416,7
Текущий счет: баланс (US\$ млн)	2003	35.845	2.891	-270	862,8	-424	-189,5	-2020,9
	2004	59.920	6.804	533	936,7	-1043	-161,7	-2589,8
	2005*	88.274	4.338	3.343	831,9	441	-217,0	-1,557,8
Обменный курс, в среднем. (Местная валюта: US\$1)								
	2003	Rb 30,69	HRN 5,33	Tenge 149,6	Som 971,3	BRb 2051	Dram 579	Manat 4911
	2004	Rb 28,81	HRN 5,32	Tenge 136,0	Som 1020,0	BRb 2159	Dram 534	Manat 4914
	2005*	Rb 28,28	HRN 5,13	Tenge 133,4	Som 1114,6	BRb 2154	Dram 455	Manat 4756
Местная валюта		Rouble (Rb)	Hryvnya Tenge (HRN)		Som	Belarusian Rubel (BRb)	Dram	Manat

* - подсчет поданным на 2005 г.

Источник: Международный валютный фонд,

Международный банк, Институт Международных Финансов

Тенденции в притоках прямой иностранной инвестиции в страны СНГ

Общие притоки прямой иностранной инвестиции на регион СНГ увеличились непрерывно от среднего числа 4 миллиарда долларов США в течение 1992-97 гг., и достигли до 24,1 миллиарда долларов США в 2004 г. (см. Таблицу № 2). четыре страны - Россия, Азербайджан, Казахстан и Украина - вместе составляло 93 % общих притоков прямой иностранной инвестиции в 2004 г. В то время как в первых трех странах прямая иностранная инвестиция была вложена в проекты природных ресурсов (особенно нефти и природного газа), и на Украине она иела более всеобъемлющий характер.

Таблица № 2: Притоках прямой иностранной инвестиции в страны СНГ (US\$ млн)

	1992-97 Ann. Avg	2000	2001	2002	2003	2004	Share in 2004*	FDI Stock2004
Армения	18	124	88	144	157	235	1,0 1004	
Азербайджан	419	130	227	1392	3285	4769	19,8	13408
Белоруссия	84	119	96	247	172	169	0,7	2057
Грузия	62	131	110	165	338	499	2,1	1536
Казахстан	909	1283	2835	2590	2088	4269	17,7	22399
Кыргызстан	55	-2	5	5	46	77	0,3	568
Молдова	35	134	146	132	71	151	0,6	940
Россия	2018	2714	2469	3461	7958	11672	48,4	98444
Таджикистан	13	24	9	36	32	272	1,1	495
Туркмения	126	126	170	100	100	150	0,6	1464
Украина	328	595	792	693	1424	1715	7,1	9217
Узбекистан	61	75	83	65	70	140	0,6	1057
Итого (для СНГ)	4016	5452	7030	9032	15741	24119		152590

Источник: UNCTAD, Мировое Инвестиционное Сообщение 2004 и 2005 (UNCTAD, World Investment Report 2004 & 2005)

*- Подразумевает долю каждой из стран СНГ в общей сумме прямой иностранной инвестиции на регион СНГ

Тенденции в Индо-СНГ Торговле

Тенденция в общей торговле Индии с регионом СНГ в течение периода с 2000-01 г. до 2004-05 г. была представлена в Таблице № 3. Общее количество экспорта Индии на регион СНГ, уменьшалось от 1,04 миллиарда долларов США в 2000-01 г. до 924 миллионов долларов США в 2002-03 г., прежде всего из-за уменьшения экспорта в Россию, которая является наибольшим торговым партнером Индии на регионе СНГ. Далее, экспорт на регион СНГ увлеклся и достиг до 1,05 миллиарда долларов США в 2004-05 г. Импорт Индии с региона СНГ, с другой стороны, зарегистрировал непрерывное повышение от 681 миллионов долларов США в 2000-01 г. до 1,85 миллиарда долларов США в 2004-05 г. отражая эту тенденцию, общая торговля Индии (экспорт плюс импорт) на регион СНГ увлеклся от 1,72 миллиарда долларов США в 2000-01 г. до 2.9 миллиарда долларов США в 2004-05 г. Торговый баланс Индии на регион СНГ, который зарегистрировал излишек до 2002-03 г., переместил в дефицит на сумму 225 миллионов долларов США в 2003-04 г., который увеличился далее до \$ 810 миллионов долларов США в 2004-05 г, из-за более быстрого повышения импорта по сравнению с повышением экспорта на регион СНГ.

Таблица № 3 : Торговля Индии со странами СНГ за период с 2000-01 г. до 2004-05 г. (в миллионах долларов США)

	2000-01	2001-02	2002-03	2003-04	2004-05
Экспорт	1036,48	975,68	923,98	1039,28	1045,39
Импорт	681,02	739,15	846,5	1264,79	1855,75
Баланс Торговли	355,46	236,53	77,48	-225,51	-810,36
Товарооборот	1717,5	1714,83	1770,48	2304,07	2901,14

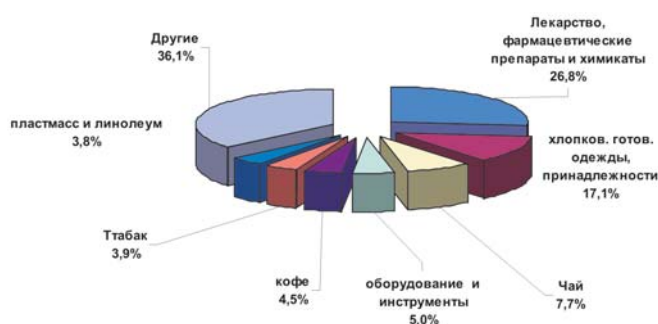
Источник: Генеральное Управление Коммерческих Сведений и Статистики, Министерство Торговли и промышленности (Directorate General of Commercial Intelligence & Statistics (DGCIIS), Ministry of Commerce & Industry (MOCI))

Существенная часть экспорта Индии на регион СНГ относится к России. Экспорт Индии в Россию составлял 57,3 % общего количества экспорта Индии на регион СНГ в 2004-05 г., по сравнению с 84 % в 2000-01 г. Украина – второе по величине экспортного предназначения на регион, с долей 19,4 % в 2004-05, сопровождаемый Казахстаном (7,6

процентов), Киргизской Республикой (4,7 процента), Азербайджаном (доля на 2,5 процента), и Грузией (2,48 процента).

Лекарство, фармацевтические препараты и химикаты являются наибольшими предметами экспорта и составляют 26,8 процентов экспорта Индии в СНГ в 2004-05 г. (диаграмма № 1). Второй главный предмет экспорта – хлопковые готовые одежды, включая принадлежности имеет долю на 12,2 процентов. Чай и оборудование и инструменты составляют 7,7 процентов и 5,0 процентов, соответственно, общего экспорта Индии в СНГ в 2004-05 г. В другие важные продукции экспорта на регион СНГ входят кофе, табак, пластмасс и линолеум, драгоценные камни и драгоценности, и транспортирующие оборудование

Диаграмма № 1: Состав Экспорта Индии в СНГ (2004-05 г.)

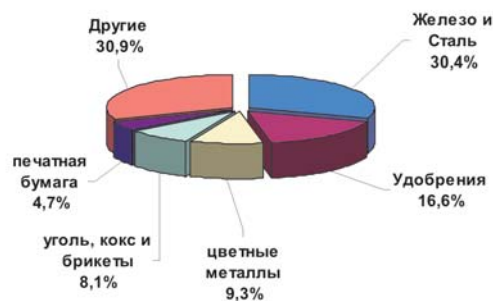


Как в случае экспорта, так и в случае импорта Индии с региона СНГ Россия также занимает ведущее место с долей 68 процентов общего импорта Индии с региона в 2004-05 г. Украина второй, по величине, источник импорта, имеет долю на 26,5 процентов в 2004-05 г. Узбекистан и Казахстан имеет долю на 1,6 % и 0,8 % соответственно.

Состав импорта Индии из стран СНГ дается в диаграмме № 2. Железо и сталь стали как наибольший предмет импорта с региона СНГ и имеет долю на 30,4 процентов общего импорта в 2004-05 г. Удобрения второй, по величине, предмет импорта, имеет долю на 16,6 процентов. Другими важными предметами импорта были

цветные металлы (9,3 процентов), уголь, кокс и брикеты (8,1 %), и печатная бумага (4,7 процента).

Диаграмма № 2 : Состав Импорта Индии из стран СНГ (в 2004-05 г.)



Заграничные инвестиции Индии обеспечивают доступ к новым рынкам и технологиям

Россия получает самый большой кусок пирога

Дэвидом Синэйт,
Заместитель генерального директора, Экспорт-импорт Банка Индии



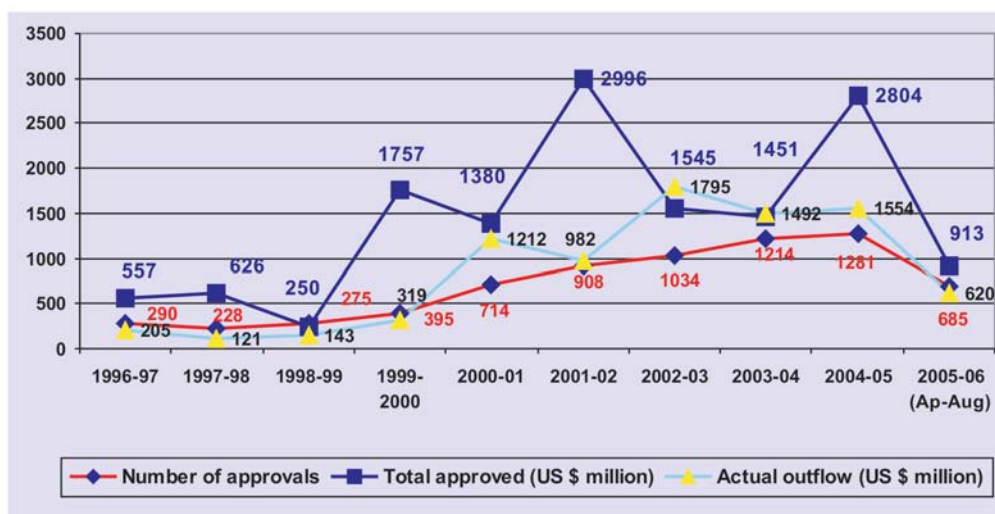
Заграничная инвестиционная политика Индии была упрощена в 1995 с уведомлением Руководящих принципов по индийским инвестициям за границей. Политика была с тех пор последовательно стала либеральной. Цель либерализации индийских инвестиций за границей состояла в том, чтобы главным образом обеспечить индийской промышленности доступ к новым рынкам и технологиям в целях увеличения их конкурентоспособности глобально и помочь экспортным усилиям страны.

Успех индийской заграничной инвестиционной политики мог быть замечен по приливающим инвестиционным одобрениям и оттокам с 1996. Число одобренных индийских заграничных инвестиций увеличилось от 290 в 1996-97 гг., до 1214 в 2003-04 гг., и далее до 1281 в течение 2004-05

г. Отражая это, сумма одобренных индийских заграничных инвестиций увеличилась более чем пятикратно: от 556,6 миллионов долларов США в 1996-97 г. до 2,8 миллиардов долларов США в 2004-05 г. В то же самое время, сумма фактических оттоков также увеличилась более чем семикратно: от 205 миллионов долларов США до 1,55 миллиарда долларов США в течение того же самого периода. В течение апреля-августа 2005-06 г, число одобренных индийских заграничных инвестиций достигло до 685 с одобренной суммой на 912,5 миллионов долларов США, и с фактической инвестицией на сумму 620,2 миллионов долларов США (см. Диаграмма № 1). На совокупном основании, в течение периода с 1996-97 г. по 2005-06 г. (Апрель-август), в общей сложности 7024 индийских заграничных инвестиций были одобрены, вовлекая одобренную сумму на 14,2 миллиардов долларов США, и влекущий за собой фактический отток на сумму 8.44 миллиардов

долларов США.

Диаграмма № 1:
Одобрения индийских заграничных инвестиций и фактических оттоков



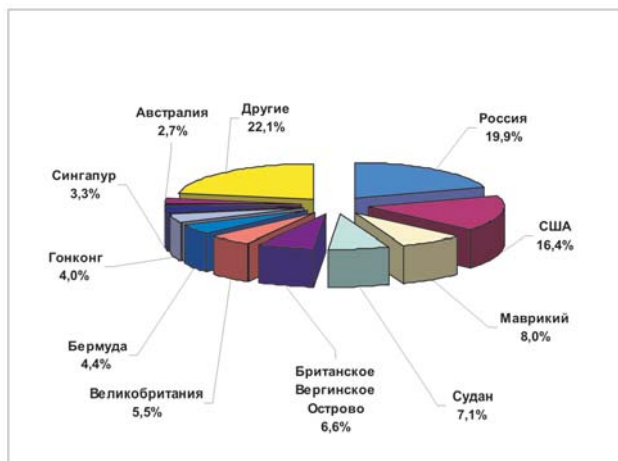
Источник: Министерство финансов, Правительство Индии

Россия – Ведущее предназначение для заграничных инвестиций Индии

Совокупность одобренных индийских заграничных инвестиций по странам предназначения в течение периода с 1996-97 г. по 2005-06 г. (Апрель-август) представлена в диаграмме № 2. 10 стран по предназначению получили более чем три четверти из совокупных общих инвестиционных одобрений с 1996 г. Россия – ведущая страна по предназначению получила 19,9% общих совокупных инвестиций, следует за ней США (16,4 %), Маврикий (8,0 %), Судан (7,1 %), Британские Виргинские Острова (6,6 %), Великобритания (5,5 %), Бермуды (4,4 %), Гонконг (4,0 %), Сингапур (3,3 %) и Австралия (2,7%).

Диаграмма № 2: Совокупность одобренных индийских заграничных инвестиций по странам предназначения в течение периода с 1996-97 г. по 2005-06 г.

(Апрель-август)



В то время как России и США остались ведущими странами по предназначению одобренных зарубежных инвестиций Индии, страны как Судан, Австралия, Мальта и Иран появились среди главных стран предназначения течение периода с Апреля 1996-97 г. по август 2005-06 г. (см. Таблицу № 1)

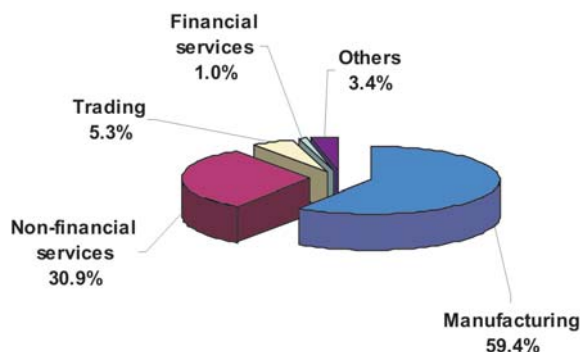
Таблицу № 1: Образец изменение индийских зарубежных инвестиционных одобрений

Распределение по секторам

S.No С апреля 1996 по март 2002 (в миллионах долларов США)				Доля %	С апреля 2002 г. по август 2005 (в миллионах долларов США)			Доля %
1	Россия	1748,68	23,18		Россия	1078,82	16,24	
2	США	1540,83	20,43		США	1006,71	15,15	
3	Британское Виргинское Острово	776,53	10,29		Маврикий	779,97	11,74	
4	Маврикий	618,34	8,20		Судан	514,22	7,74	
5	Гонконг	445,12	5,90		Великобритания	395,27	5,95	
6	Великобритания	410,62	5,44		Британское Виргинское Острово	375,57	5,65	
7	Бермуда	232,63	3,08		<i>Australia</i>	364,96	5,49	
8	Вьетнам	228,79	3,03		Малта	321,16	4,83	
9	Оман	204,88	2,72		Иран	201,31	3,03	
10	Нидерланды	157,92	2,09		Бермуда	154,31	2,32	

При распределении по секторам производство составляло 59.4 % общих индийских зарубежных инвестиций, одобренных течение периода с Апреля 1999 г. по август 2005 г. следуя за ним сектор нематериальных услуг (31 %), торговли (5,3 %), и финансовых услуг (1,02%) (см. Диаграмма № 3).

Диаграмма № 3: Распределение по секторам одобренных зарубежных инвестиций Индии (с апреля 1999 г. по август 2005 г.)



Недавние инициативы политики

В целях продвижения индийских инвестиций за границы и позволять индийским компаниям, чтобы извлекать выгоды глобализации, ограничение на зарубежных инвестициях было поднято от 100 процентов до 200 процентов собственного капитала компании вложения, под автоматическим маршрутом. Далее, чтобы обеспечить признанным ключевым экспортерам с доказанным отчетом и последовательной высокой экспортной деятельностью извлекать выгоды глобализации, составляющей собственность / незарегистрированным фирмам товариществ разрешили настроить совместные предприятия / филиалы вне Индии со 100 % капиталом. ■