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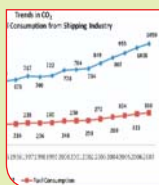
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Dear Reader,

Greetings. India and Russia have successfully completed a decade of strategic partnership. When the two nations met in December 2010 for the annual summit, Prime Minister Manmohan Singh said, the partnership would continue to develop independent of each country's relations with others. "Ours is a special and privileged strategic partnership", he announced in the presence of Russian President Dimitri Medvedev, who visited India to attend the summit. The occasion called for celebrations and the two nations signed a number of deals covering nuclear energy, oil and gas and space among others. The cover story of the current issue of Indo-CIS Business gives an insight into the enduring relationship between the two countries. Marking the occasion, India's Minister for Commerce and Industry Anand Sharma and the visiting Russian Deputy Prime Minister Sergei Invanov announced that bilateral trade between the two countries would touch the \$20-billion mark within the next five years. We carry a report. Bilateral trade between India and ASEAN member-countries is on the upswing in recent years. In this context, we present a study of the immense potential that exists for Indian chemicals' exports to ASEAN, conducted by Export Import Bank of India (Exim Bank). The premier financial institution that helps India's bilateral trade has also made another research study on the impact of emissions by the Indian shipping vessels and the efforts required to reduce their levels. We carry the report. The issue highlights the launch of a pioneering index-linked bond by the European Bank for Reconstruction and Development (EBRD) in Russia to fund its local currency lending in that country. EBRD also concluded the first-ever currency Oversight Index Swap (OIS) that facilitates management of overnight rouble interest rate without using cash assets. We present a report. The magazine also presents an EBRD-sponsored study which says that public-private partnerships are vital for modernizing Russia's agricultural development. There is plenty of news concerning EBRD's activities in other CIS countries like Armenia, Azerbaijan, Tajikistan and Ukraine. The magazine also highlights the tourism potential in the three countries of Azerbaijan, Tajikistan and Ukraine. While mountains and lakes beckon tourists to a tranquil Tajikistan, Azerbaijan offers architectural marvels. Ukraine's rich history and culture is a delight to look at. Apart from these, the magazine carries the usual Russian section.

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

Managing Editor

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Celebrating a Decade of Strategic Ties

India and Russia have celebrated 10 years' of strategic partnership by signing a number of deals that covered nuclear energy, oil and gas, space cooperation and a host of other areas.

Following is the text of Prime Minister Manmohan Singh's opening remarks at a press conference held in New Delhi at the end of the 11th India-Russia Annual Summit on 21 December 2010, which was attended by Russian President Dimitri Medvedev during his three-day visit to this country.

"Our Summit this year marks the completion of 10 years of the India-Russia Strategic Partnership. This is also the third Annual Summit meeting that I have held with President Medvedev. We deeply value the role that President Medvedev has played in taking forward our relationship," said Prime Minister Singh.

The tradition of Annual Summits with Russia symbolizes the richness of the relations between the two countries. Russia is a time-tested friend of India that has stood by us in our times of need in the past. Ours is a special and privileged strategic partnership. It is a partnership that has and will continue to develop independent of our relations with other countries.

Our talks have been comprehensive and result oriented. We have signed several



The Prime Minister, Dr. Manmohan Singh meeting the President of the Russian Federation, Mr. Dmitry A. Medvedev, in New Delhi.

important agreements covering a large number of sectors. This reflects our mutual desire to bring our cooperation in other areas at par with our traditionally strong cooperation in the defence and nuclear fields.

I am particularly glad that we have concluded an inter-governmental agreement on cooperation in the oil and gas sector. This is the result of a lot of hard work put in by both sides, and reflects the complementarities between our two economies. We will work towards its implementation through a mutually agreed roadmap.

We welcome the increasing role being played by the India-Russia Forum on Trade and Investment and the CEOs Council. We have signed agreements in the pharmaceuticals and information technology sectors. These are areas which have immense possibilities for expansion. The agreement on visa simplification that has been signed will help in ease of travel of citizens of our countries. We have also decided to enhance cultural exchanges.

Long before other countries it was Russia which helped us in the development of our scientific and industrial base. I am therefore happy that we have renewed the Integrated Long Term Technology Programme with a mandate to establish an innovation based technology partnership.

In the field of defence cooperation, we reviewed the ongoing



The Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, at the Joint Press Conference, in New Delhi.

projects, including those relating to joint design, development and production.

Discussions have progressed on the construction of additional Russian designed nuclear reactors at Kudankulam, and we have signed an agreement to broaden scientific and technical cooperation in the field of nuclear energy.

We also reviewed the situation in our region and ways and means to further strengthen our coordination on international issues. We have agreed to intensify our consultations on Afghanistan. We look forward to working with Russia in the United Nations Security Council during our term over the next two years. We will work closely within the BRIC and G20 framework.

Our relations with Russia are a factor of peace and stability in the region and the world. This Summit has added even more substance to our cooperation, for which I once again thank President Medvedev and the government.

Joint Statement

\$20-bn Two-Way Trade Target Set for 2020

Russian President Dmitry Medvedev paid an official visit to India on 21 and 22 December 2010 at the invitation of Indian Prime Minister Manmohan Singh for the 10th Annual Summit meeting under the India Russia Strategic Partnership.

The sides noted that the decade which passed since signing of the Declaration on Strategic Partnership between the Republic of India and the Russian Federation on 3 October 2000 in New Delhi had proved the historical significance of this document. Reviewing the breadth and depth of India - Russia relations, the sides observed that in the last 10 years the relationship between the two countries had been built up to the level of a special and privileged strategic partnership.

They stressed that this partnership had been marked by close coordination of foreign policy approaches to a wide range of international and regional issues; large-scale trade and economic interaction involving modernization and deployment of high-technology; greater military and technical cooperation, including in the joint manufacture of modern armaments and the transfer of technologies; and a warm traditional friendship between the peoples of the two countries, particularly manifested in cultural and people-to-people bonds.

During their discussions the two leaders reviewed the rapid progress that had been achieved in all principal areas of bilateral cooperation, including in the military-technical, energy, and high technology sectors of space and tele-communications. The sides also noted the strong congruence of their views on regional and international issues of importance to the security of both countries.

Intensifying Trade & Investments

Both sides noted the substantial progress that had been made in bilateral trade in recent years despite the considerable potential of our trade and economic cooperation which is still to be fulfilled. They agreed to continue their efforts to achieve the strategic target of bilateral trade volume of US \$ 20 billion by 2015. The

sides recognized that considerable potential exists for mutually beneficial investments by the Russian Federation and India in the privatization programmes and programmes aimed at fostering technological innovation in their respective economies. They emphasised the important role that the India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation and its Co-Chairs play. They also noted that the conclusion of the agreement on simplification of visa procedures for nationals of the Republic of India and the Russian Federation, at the Summit, would help enhance contacts between the business communities of the two countries. Both sides agreed to consider the possibility of a Comprehensive Economic Cooperation Agreement taking into account the implementation of the agreements on constituting the Customs Union between Russia, Kazakhstan and Belarus, after due consultation with all parties involved.

Broadening Energy Partnership

The sides noted that Russia as a major energy producing country and India as a major energy consuming country viewed bilateral energy cooperation as an important pillar of the Strategic Partnership. Both sides expressed satisfaction with the progress in bilateral cooperation in the nuclear energy sector and looked forward to further broadening and



The Managing Director, ONGC Videsh Limited, Shri R.S. Butola and the Head of Board of Directors, Joint Stock Finance Corporation, "SYSTEMA" of Russian Federation, Mr. Vladimir Evtushenkov signing the Framework Agreement of Cooperation in Hydrocarbon Sector between ONGC Videsh Limited and "SYSTEMA", in the presence of the Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, in New Delhi.

strengthening ties in this area. They reviewed the progress that has been made for the commissioning of Units 1&2 of the Kudankulam Nuclear Power Project and the discussions for setting up additional units at Kudankulam including Units 3 & 4. India and Russia also agreed on the need for collaboration in scientific research in nuclear energy for peaceful purposes. The Russian side welcomed India's decision to set up a Global Centre for Nuclear Energy Partnership and agreed to discuss future cooperation with this Centre. The sides also agreed to consider cooperation in the peaceful uses of nuclear energy with third countries.

Oil & Gas Sector

The sides also reviewed the ongoing efforts to establish joint cooperation ventures between Indian and Russian companies in the oil and gas sectors. It was agreed that the inter-governmental agreement on cooperation in the hydrocarbon sector signed during the Summit, must serve as an effective enabling legal mechanism to expedite governmental clearances on both sides to facilitate the creation and operation of such joint ventures. The sides agreed to promote specific projects to encourage direct business-to-business dialogue between Indian and Russian oil and gas companies, to ensure that the contacts result in concrete and mutually beneficial commercial agreements between the companies including joint ventures in upstream and downstream activities in India, Russia, and third countries.

Innovation as key to S&T Cooperation

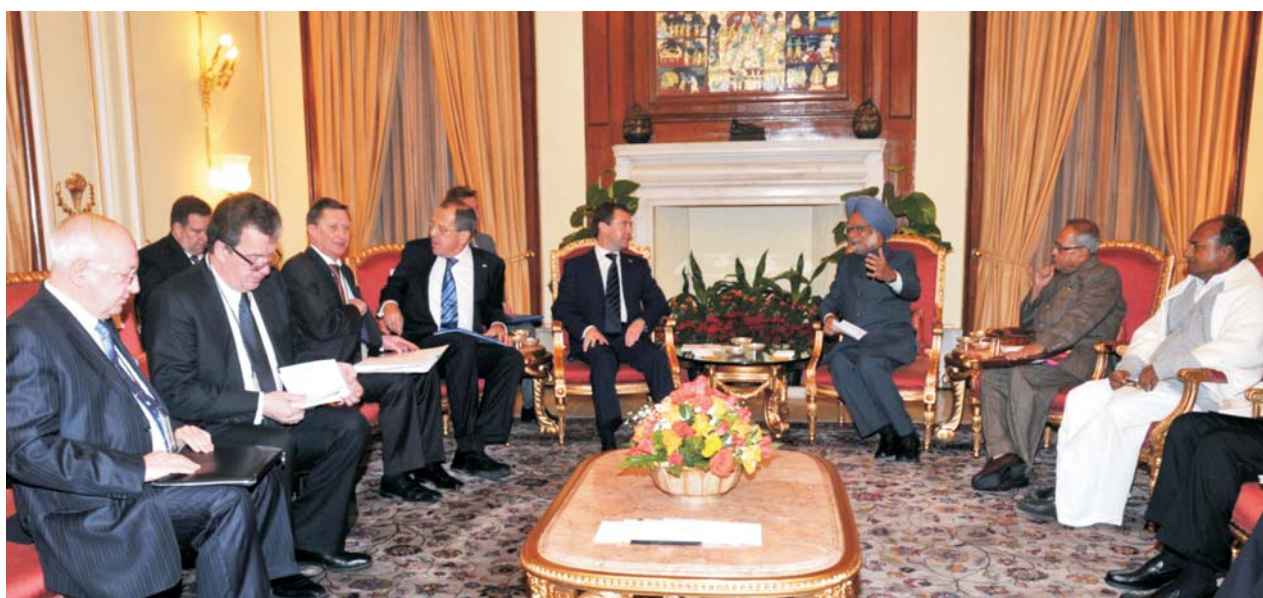
The sides reviewed progress made in bilateral scientific and technological cooperation. They expressed satisfaction at the extension of the Integrated Long Term Program (ILTP) for scientific and technical cooperation for another decade and its focus on identifying innovation-led technology programs. The creation of new and innovative technologies would be at the heart of the respective economic modernization programs in the two countries. Continuous efforts would be made to identify programmes that would be built on the existing linkages between the Indian and Russian scientific establishments. The new Indian-Russian S&T Centre would facilitate such programmes.

New Prospects in Space

Both sides agreed to intensify cooperation in a broad range of flagship cooperation projects in the space sector, including the lunar exploration, human space flight and Youth Sat projects. They also appreciated the progress being made in India's utilisation of Russia's Global Navigation Satellite System, GLONASS.

Stepping Up Military Technical Cooperation

Both sides acknowledged that the traditionally close cooperation between the two countries in the military-technical field is a major pillar of the India-Russia



The Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, at the delegation level talks, in New Delhi.

Strategic Partnership, and a reflection of the trust and confidence that has built up between the two countries over the last half century. The two leaders reviewed the outcomes of the 10th Meeting of the India- Russia Inter-Governmental Commission on Military Technical Cooperation held in October 2010 in New Delhi, and shared the assessment that the Agreement on a Long Term Program for Military and Technical Cooperation for the period 2011-2020 signed in December last year would further accelerate progress of our interaction transforming it from a buyer-seller format to a more substantive engagement that includes joint research and development, manufacturing and marketing activities. The two leaders also expressed satisfaction at the regular service-to-service interactions, and joint exercises that have taken place between the defence forces of the two countries. They noted with satisfaction that the third India - Russia Joint Military Exercises held in India from 13 to 23 October, 2010 focused on counter terrorism operations and had concluded successfully. The sides agreed to make efforts to continuously upgrade joint military exercises in all forms including in the field of counter terrorism.

The sides noted that South Asian Association of Regional Cooperation (SAARC) member states have moved forward to a stage of successful implementation of regional economic integration projects, bringing development benefits to the entire region. Russia will consider the possibility of establishing cooperation with SAARC.

The two sides noted that the Shanghai Cooperation Organization (SCO) had emerged as an important factor for regional security and cooperation in the Eurasian region. The President of the Russian Federation welcomed India's intention to join the organization as a full member, which he said would significantly increase the SCO's political weight and give a new quality and dimension to cooperation in this association. The Russian Federation agreed to make efforts along with other SCO members to accelerate the process of India's entry into the organization.

In their discussions on Asia, the two leaders noted that the economies in the regions were increasingly becoming the main drivers of global economic growth and prosperity and that it was important for India and Russia to work towards the creation of a transparent, open, inclusive and balanced security and cooperation architecture in the Asia Pacific region based upon universally agreed principles of international law and giving due consideration to the legitimate interests of all states. In this regard, the sides agreed to consult further with each other. The sides stressed the need for international cooperative measures to counter both traditional and non-traditional security threats such as terrorism, extremism and weapons of mass destruction proliferation, drug trafficking, organized crime as well as the need for strengthening maritime security and freedom of navigation in accordance with the



The Secretary, Department of Pharmaceuticals, Shri Mukul Joshi and the Deputy Minister of Industry & Trade of Russian Federation, Mr. Denis Manturov signing an MoU on Cooperation in the Pharmaceutical Sector between the Ministry of Chemicals & Fertilizers of the Government of India and the Ministry of Trade & Industry of the Government of Russian Federation, in the presence of the Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, in New Delhi.



The Secretary, Ministry of Information Technology, Shri Shashi Kant Sharma and the Deputy Minister of Mass Communications of Russian Federation, Mr. Ilya Massukh signing an MoU on Cooperation in Information Technology between Ministry of Communication & Information Technology of the India and the Ministry of Telecom and Mass Communications of the Russian Federation, in the presence of the Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, in New Delhi.



The Secretary, Department of Atomic Energy and Chairman, Atomic Energy Commission, Shri Srikumar Banerjee and the Director General, State Corporation on Atomic Energy "ROSATOM" of Russian Federation, Mr. Sergey Kirienko signing an MoU between Department of Atomic Energy of the Government of India and the State Atomic Energy Corporation "ROSATOM" concerning Broader Scientific and Technical Cooperation, in the presence of the Prime Minister, Dr. Manmohan Singh and the President of the Russian Federation, Mr. Dmitry A. Medvedev, in New Delhi.

universally accepted principles of international law, including combating piracy at sea, and to address the humanitarian consequences of natural disasters. The sides resolve to enhance confidence-building amongst all States of the region with a view to promoting regional peace and stability.

The sides noted that the mechanism of the East Asia Summits (EAS) provides new opportunities for strategic dialogue on all aspects of security and cooperation in the Asia-Pacific Region. The Indian Prime Minister welcomed Russia's joining the EAS, which is now encompassing all key States of the region.

Russia affirmed that India joining the Asia-Pacific Economic Cooperation Forum (APEC) would enhance the APEC potential and effectiveness and expand trade and investment cooperation in the region. Russia supports India's application to join the APEC and intends to work in this direction when the moratorium on the new membership is lifted.

The sides noted the importance of the mechanism of Defence Ministers of ASEAN and ASEAN dialogue partners (ADMM-Plus) as a key component of a robust, effective, open and inclusive regional security architecture that would enable the ADMM to cooperate with the eight "Plus" countries to address our common security challenges.

Promoting Cooperation among Emerging Economies

The sides noted that BRIC plays an important role in promoting a multi-polar world order as also a more harmonious international system based on international law, equality, mutual respect, cooperation, coordinated action and collective decision-making. BRIC has also played an important role in promoting international economic and financial stability. The sides observed that meetings of BRIC Finance Ministers and Central Bank Governors have been useful. The sides welcomed the proposed inclusion of South Africa into the BRIC process in 2011.

Iran's Nuclear Energy Program

India and Russia reiterated that all possible efforts should be made to address the Iranian nuclear issue through dialogue and negotiations and agreed that Iran has the right to develop research, production and

use of nuclear energy for peaceful purposes in conformity with its international obligations. The sides call on Iran to comply with the provisions of the respective UN Security Council resolutions and extend full cooperation with the IAEA.

Recovery and Strengthening of Global Economy, Reforming the International Financial Architecture

The Prime Minister of India and the President of the Russian Federation agreed that while a global economic recovery was discernible, it remained fragile, and characterized by wide disparities in the experiences of individual countries. To progress towards the shared goal of strong, sustainable and balanced growth it is essential for G20 countries to fully implement the Seoul Action Plan adopted at the recent G20 summit. The sides welcomed the reform of the World Bank and reiterated their commitment to the successful completion of the reform of the International Monetary Fund as agreed to at the G-20 Seoul Summit which will be a significant achievement in the general reform of the international financial architecture.

Countering Climate Change

The sides stressed the importance of enhancing international efforts to combat climate change under the aegis of the UN Framework Convention on Climate Change. They expressed satisfaction with the outcome of the Cancun Climate Conference and agreed that the post Cancun negotiations should be part of a comprehensive package covering all the pillars of the Bali Action Plan.

The two leaders expressed satisfaction with the deepening engagement between the two countries, which they agreed was in keeping with the vision enunciated in the "Declaration of Strategic Partnership between India and Russia signed on 3 October 2000. They resolved to continue their efforts to shape and advance the India -Russia Privileged Strategic Partnership to an even higher qualitative level. The President of the Russian Federation extended an invitation to the Prime Minister of India to visit Russia for the next Summit; the invitation was accepted with pleasure. ■

Phrama, ICT, Chemicals, Fertilizers, Top Trade Target List



India and Russia have set a target of more than quadrupling the bilateral trade to \$20 billion in five years. The two countries identified pharmaceuticals, energy, IT and communications, chemicals and fertilizers, banking and finance as thrust areas in a protocol on trade and investment signed recently.

An ambitious trade target and renewed focus on key sectors could help both countries increase presence in each other's markets, which has fallen to low levels after disintegration of the USSR.

"We need to make concerted efforts to reinvigorate our economic cooperation and integrate it with market forces," Commerce and Industry Minister Anand Sharma said at the fourth India-Russia forum on trade and investments organized by the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI).

Russian deputy Prime Minister Sergei Ivanov admitted that \$20 billion was a difficult target to work on, but said that both countries were experiencing sustained development under strained circumstances of global economy and hence there was great potential. Bilateral trade in 2009-10 was at \$4.7 billion, with India's exports at less than \$1 billion.

Ivanov is leading a high profile business team from his country and was part of the official delegation of Russian President Dmitry Medvedev, who, during his two-day visit to India for the annual India-Russia Summit, signed far-reaching agreements with Prime Minister Manmohan Singh.

One-fourth of the world's generics (off-patent pharma) were produced in India, and there is scope of huge cooperation between India and Russia in the area, Sharma said. A number of memorandums of understanding were signed between Indian and Russian pharmaceutical companies for joint production of medicines. ■

Dr Reddy's Signs Pact with Russia's R-Pharm

Hyderabad-based Pharmaceutical company Dr Reddy's Laboratories (DRL) has entered into a licensing, technology transfer, manufacturing and marketing agreement with R-Pharm of Russia.

The collaboration will work on a profit sharing model and entail licensing of manufacturing know-how of products by DRL, local manufacturing of products in Russia, co-development of high technology products and knowledge sharing between both parties at regular intervals.

The agreement was signed at the fourth India-Russia Forum on Trade and Investment in New Delhi recently.

DRL Managing Director and Chief Operating Officer Satish Reddy said the collaboration would deepen its engagement with Russia, a key market for the company. "The agreement allows us to bring innovative medicines to the Russian people with active collaboration of a local pharmaceutical company R-Pharm. It will also allow DRL to import and market R-Pharm products in India according to agreed terms," he said.

R-Pharm was founded in 2001 in Moscow and is involved in research and development, manufacturing, promotion and distribution of pharmaceuticals used in hospital and specialty care. Its chairman, Alexey Repik, said the agreement with DRL would help in addressing the unmet medical needs and make medicines more affordable in Russia.

It would signal a change of approach from just imports of finished products to deep integration in technology, manufacturing, marketing and knowledge sharing, he said. ■



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CIS Heads Review Draft of Proposed Free Trade Zone Treaty

A meeting of the Council of CIS Government Heads was held in St. Petersburg, Russia, recently. According to a report by the CIS Executive Committee, the meeting's agenda included 23 draft documents aimed at further development and deepening of cooperation among the CIS countries in the economic, humanitarian and security spheres. Decisions were made on all of them.

A significant set of questions was devoted to the economic sphere. In particular, Heads of Government reviewed the draft Free Trade Zone Treaty.

The meeting also reviewed the work on the project of interstate target program of innovation cooperation of the CIS up to 2020. CIS expert working group have held seven rounds of talks, held discussions with national customers in the states. Work on the draft document will be completed in 2011.

The agenda included the issue of competition in the telecommunications market in the CIS.

An agreement was signed on cooperation in the field of legal protection and enforcement of intellectual property, prepared in accordance with the action plan on implementation of the first phase (2009-2011) of the strategy of CIS economic development till 2020.

Heads of Government approved the preparation of the Interstate exhibition devoted to the 20th anniversary of CIS.

The Council of Government Heads signed an agreement on cooperation in the creation of compatible national telemedicine systems. Such systems are important tools for providing accessible quality health care regardless of place of residence of citizens.

The meeting also reviewed progress in implementing the action plan on implementation of the first phase (2009-2011) of the strategy of CIS economic development till 2020.

Heads of Government approved a plan of priority actions in the sphere of humanitarian cooperation for 2011-2012.

The Council of Government Heads also approved the Russian-proposed interstate program 'Cultural Capital of the Commonwealth'.

In the sphere of security, the Council of Government Heads discussed the use of appropriations for the creation and development of the united air defense system of CIS countries in 2009 and funding in 2011. ■

Ukraine's Pharma Firm Fra-M Gets \$11.5 mln Funding

The EBRD is investing up to \$11.5 million in Fra-M, one of the largest pharmaceutical wholesale distributors in Ukraine. Financing from the equity investment will fund Fra-M's investment programme, which will focus on the expansion of its wholesale operations, including investments in logistics facilities and the replenishment of working capital.

As a result of this investment programme, the Donetsk-based company should increase its market share to 15 percent by 2015 and make it to the top three of the leading pharmaceutical wholesale distributors in the

country. The Bank's investment will also facilitate improvements in Fra-M's logistics, which, in particular, envisage the relocation of its central warehouse to Ukraine's capital Kiev and the opening of a new regional warehouse in western Ukraine.

Fra-M's business development programme, funded by the EBRD, aims to offer a larger range of products and better terms of service to the suppliers, pharmacies and private customers as well as to increase competition in the state hospitals' segment. ■

List of Documents signed on 21 December 2010 in the presence of Prime Minister Manmohan Singh and President Medvedev

S.N.	Name of the Agreement/ MOU	Scope of the Agreement/ MOU	Russian Signatory	Indian Signatory
1	Memorandum on Mutual Understanding and Cooperation in the Field of Elections between the Election Commission of India and the Central Election Commission of the Russian Federation	The MOU envisages exchange of information and expertise on best practices in the field of elections.	Vladimir Churov, Chairman, Central Election Commission	S.Y. Quraishi, Chief Election Commissioner
2	Agreement between the Government of the Republic of India and the Government of the Russian Federation on cooperation in the field of emergency management	The Agreement envisages exchange of information and expertise, and capacity building in the fields of disaster forecasting and disaster management.	Sergey Lavrov, Foreign Minister	P. Chidambaram, Home Minister
3	Agreement between the Government of the Republic of India and the Government of the Russian Federation on Mutual Simplification of Travel Documents for Certain Categories of Nationals of the Republic of India and the Russian Federation	The MOU envisages establishment of simplified procedures for expeditious issuance of visas to citizens holding non-diplomatic/ non-official passports travelling to and transiting through each other's countries for purposes of business, tourism, conferences and seminars.	Sergey Lavrov, Foreign Minister	Shri S. M. Krishna, External Affairs Minister
4	Inter-Governmental Agreement between the Government of the Republic of India and the Government of the Russian Federation for Enhancement of Cooperation in Oil and Gas Sector	The Agreement is expected to provide an administrative framework for joint undertaking of projects in the oil and gas sector in India, Russia and third countries by the oil and gas companies from both countries.	Mr. Sergey Shmatko, Minister of Energy	Shri Murli Deora, Minister of Petroleum & Natural Gas
5	Integrated Long Term Programme of Cooperation in Science, Technology & Innovation between the Government of the Republic of India and the Government of the Russian Federation	The document will guide innovation-led R&D collaboration in the field of science & technology during the period 2011-2020.	Andrey Fursenko, Minister of Education & Science	Kapil Sibal, Minister of S&T

6	Joint Work Document for Establishing of the Indian - Russian Scientific and Technological Centre Between Department of Science & Technology, Government of the Republic of India and Ministry of Education and Science of the Russian Federation	The document lays down the legal and administrative framework for the establishment of Joint R&D Centers in New Delhi and Moscow that will pioneer commercialisation of joint research outcomes.	Andrey Fursenko, Minister of Education & Science	Kapil Sibal, Minister of S&T
7	Memorandum of Mutual Understanding on Combating Irregular Migration between the Government of India and the Government of the Russian Federation	The MOU will provide a framework for checking irregular migration.	Kosntantin Romodanovsky, Director, Federal Migration Service	G. K. Pillai, Home Secretary
8	Memorandum of Understanding between the State Atomic Energy Corporation "Rosatom" and the Department of Atomic Energy of the Government of India Concerning Broader Scientific and Technical Cooperation	The MOU envisages joint research and development in reactor technology and related fields for peaceful uses of atomic energy by nuclear research institutes on both sides.	Sergey Kirienko, Director General, State Corporation on Atomic Energy "ROSATOM"	Srikumar Banerjee, Secretary, Department of Atomic Energy and Chairman, Atomic Energy Commission
9	MOU between Ministry of Communications & Information Technology (Department of Information Technology) of the Republic of India and the Ministry of Telecom and Mass Communications of the Russian Federation on Cooperation in Information Technology	The MOU envisages enhanced cooperation in the area of IT and IT-Enabled Services.	Illya Massukh, Deputy Minister, Telecom and Mass Communications	Shashi Kant Sharma, Secretary, Information Technology
10	Memorandum of Understanding on cooperation in the Pharmaceutical Sector between the Ministry of Chemicals & Fertilizers of the Government of India and the Ministry of Trade & Industry of the Government of Russian Federation	The MOU envisages enhanced cooperation in the area of pharmaceuticals and biopharmaceuticals, inter alia through establishment of JVs, joint research and exchange of know-how.	Denis Manturov, Deputy Minister of Industry & Trade	Mukul Joshi, Secretary, Pharmaceuticals
11	Framework Agreement on Cooperation in Hydrocarbon Sector between ONGC Videsh Ltd. and JSFC Sistema	The Agreement provides a framework for cooperation between the two companies for undertaking joint projects in the hydrocarbon sector	Vladimir Evtushenkov, Chairman, Sistema	R. S. Butola, Managing Director, OVL

List of G2G/B2B documents, being concluded on the margins of the Annual Summit

Political

- | | | |
|---|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Joint Statement: Celebrating a Decade of the India- Russian Federation Strategic Partnership and Looking Ahead | The Joint Statement is the principal political outcome document of the Summit. It summarises the Summit discussions on bilateral, regional and global issues. |
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Defence

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| 2 | Preliminary Design Contract (PDC) for Fifth Generation Fighter Aircraft (FGFA) | The contract envisages joint design and development of Fifth Generation Fighter Aircraft with the involvement of HAL on the Indian side and Sukhoi Design Bureau and Rosoboronexport on the Russian side. |
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Trade/Banking

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| 3 | MOU between Central Board of Excise and Customs (CBEC) and Federal Customs Service on Exchange of Information on Foreign Trade | The MOU will strengthen the regulatory framework for monitoring bilateral trade. |
| 4 | MOU between SBI and Vnesheconombank on banking sector cooperation | The MOU will contribute to further strengthening of banking linkages between the two countries. |
| 5 | MOU between EXIM Bank and Vnesheconombank to operationalise the USD 100 million LOC signed during December 2009 Summit. | The MOU will facilitate the utilisation of the USD 100 million LOC extended by EXIM Bank through Vnesheconombank in December 2009. The LOC is to be utilised for enhancing exports from India to Russia, especially by SMEs. |
| 6 | Opening of Official Representative Office of OJSC "Gazprombank" in India | This will contribute to the ongoing efforts to strengthen banking linkages between India and Russia |

Power

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| 7 | MOU between NMDC Ltd. and OJSC Severstal for setting up a 50:50 joint venture for an integrated steel plant in Karnataka | The MOU, signed on 10 December 2010, envisages setting up of a JV to build an integrated steel plant in Karnataka with a captive coal mining concession in Russia and iron ore mining concession in India. |
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Pharmaceuticals and Biopharmaceuticals

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| 8 | Agreement between JSC "R-Pharm" and "Dr. Reddy's Laboratories Ltd." | The MOU envisages cooperation between the two companies in the areas of licensing, technology transfer, manufacturing and marketing of pharma products. |
| 9 | Memorandum of Understanding between JSC "Pharmasyntez" and "Naprod Life Science Private Ltd." | The MOU envisages joint production of modern oncological medicine in the Russian Federation and / or purchase of raw materials. |
| 10 | Agreement on scientific and technical co-operation between JSC "Arkihin" and "Biopharm" | This Agreement will enable S&T cooperation between the two companies in the area of pharmaceuticals/ biopharmaceuticals. |

Communications and IT

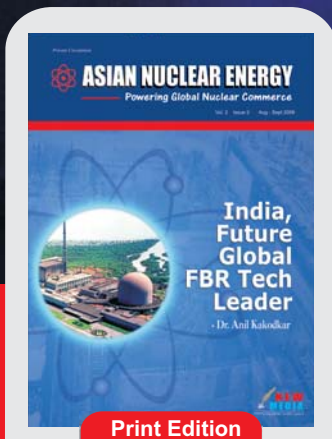
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| <p>11 Agreement on scientific co-operation between "Pereslavl'skiy Technopark" and Asia Pacific Institute of Information Technology</p> <p>12 Memorandum of Understanding between JSC "Sitronics" and Shyam Telecom on joint promotion of telecom products in various markets</p> <p>13 Agreement between Federal network operator JSC "Navigation - Information Systems" and GLONIS SOLUTIONS PRIVATE LTD</p> <p>14 MoU between JSC Navigation-Information Systems and Kerala State Electronics Development Corporation Ltd.</p> <p>15 Agreement on GLONASS High Precision signal access to India</p> <p>16 MOU between TATA SONS and Skolkovo Foundation</p> | <p>This Agreement envisages scientific cooperation between the two institutes in the area of IT</p> <p>This MOU envisages joint promotion of telecom products by the two companies in India, Russia and third countries</p> <p>This Agreement envisages introduction of GLONASS related services in India</p> <p>This MOU envisages collaboration between the two organizations for undertaking joint projects in India.</p> <p>This Agreement envisages Russia providing access to the GLONASS High Precision Navigation signals to India.</p> <p>The MOU envisages joint R&D in high-tech innovations.</p> |
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Chemicals and Petrochemicals

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| <p>17 JV Agreement between Reliance and Sibur (a subsidiary of Gazprom) for setting up a butyl rubber manufacturing facility in India</p> <p>18 Memorandum of Understanding between "Pereslavl'skiy Technopark" and Swastik Polymers"</p> | <p>The Agreement is for setting up a JV for manufacturing butyl rubber in Jamnagar. The project envisages Russian technology capabilities for India in this important sector.</p> <p>This MOU envisages joint production of Master Batches for polymers.</p> |
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Indian Shipping Firms Must Strive to Reduce Emissions

- Exim Bank Study

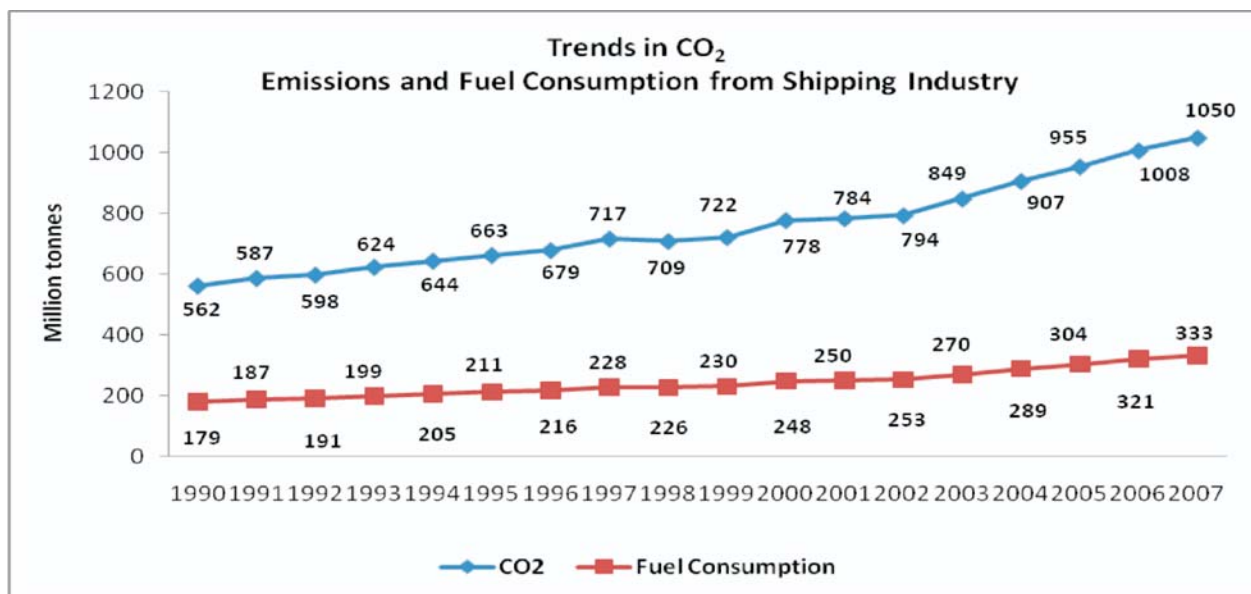
The Indian shipping industry has a role to play in mitigating climate change, says a study made by Export Import Bank of India (Exim Bank). It says that India, though a small player in terms of marine trade, the shipping companies should concentrate on reducing emissions on a sustainable basis. Indian ship building industry should also pay attention in building ships that will be fuel efficient and hence reduce emissions in the future.

More than 90 percent of world's volume of trade is carried out across the world by ocean shipping vessels. Like all modes of transportation, that use fossil fuels, ships produce carbon dioxide emissions that significantly contribute to global climate change and ocean acidification. Besides carbon dioxide, ships also release a handful of other pollutants like black carbon, Nitrogen Oxides (NO₂) and Nitrous Oxides (N₂O) that also contribute to the problem. Compelling scientific evidence and a better understanding of the economics of climate change have moved the issue to the forefront

of the agenda in international shipping. One of the major differences in the shipping industry is that unlike other sectors which contribute to climate change, shipping is one of the very few industries which may also get impacted by it, through associated factors such as rising sea levels, extreme weather events and rise in temperatures. Indian shipping industry, thus, has a significant role to play in addressing this formidable challenge.

According to International Energy Association, the CO₂ emissions and fuel consumption by the shipping sector have been increasing over the years owing to technological advancement and also growth in trade around the world. From a level of 562 million tonnes of CO₂ in 1990, the emissions have doubled to 1050 million tonnes in 2007. The fuel consumption by the shipping industry has also increased during this period, from a level of 179 million tonnes to 333 million tonnes. (Exhibit: 1) However, compared to other sectors, Shipping is the least environmentally damaging

Exhibit: 1

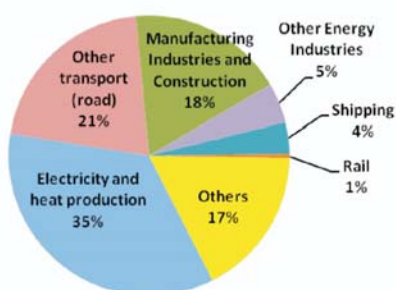


Source: IEA Statistics in CO₂ Emissions from fuel combustion

form of commercial transport and, compared with land based industries, is a comparatively minor contributor to marine pollution from human activities. According to a study (Second IMO GHG Study 2009) by International Maritime Organization (IMO), shipping industry contributed 4.0 percent to the total CO₂ emissions during 2007 and comparatively lesser than the other sectors. (Exhibit: 2).

Exhibit: 2

Comparison of CO₂ Emissions from Shipping & Other Sectors in the Total World Emissions



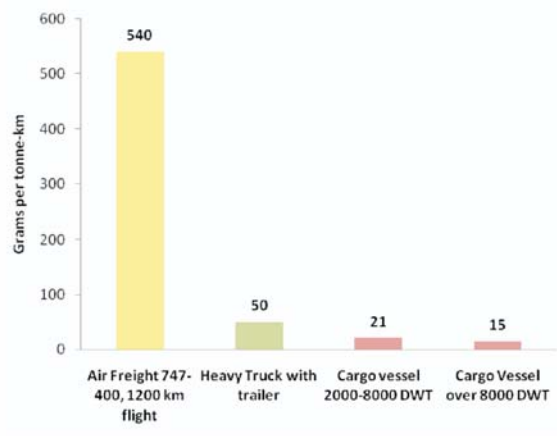
Total emissions:
28.96 billion tonnes

Source: Second IMO GHG Study 2009

In the case of CO₂ emissions from International Marine Bunkers, Singapore was the country with the highest emissions in 2007 constituting a share of 15.9 percent in the total emissions of CO₂ by international marine bunkers. This was because Singapore had the busiest marine bunkering centre, as also one of the world's top export refining centres. Exhibit 4 shows an increasing trend of CO₂ emissions from Singapore over the years to become the highest emitter in 2007. Singapore was followed by USA (15.7 percent), China (9.0 percent), Netherlands (8.3 percent) and UAE (7.2 percent). The share of UAE in the total emission remained almost the same over the years and USA had shown a decline from being the highest emitter in 2007 to be replaced by Singapore. China and Singapore were the countries which had shown considerable increase of emissions over the years. India's share was very minimal owing to minimal

Exhibit: 3

Comparison of CO₂ Emissions Between different modes of transport



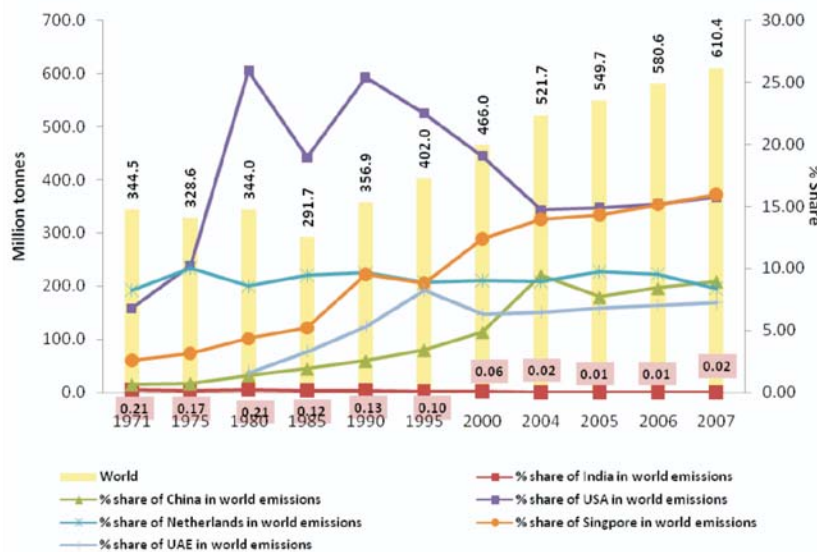
Source: Report by International Chamber of Shipping

bunkering activities in the country. Major refinery activities in all these countries are located near important international marine shipping routes and ports.

The wide-ranging impacts of climate change, including that arise out of maritime transport, underscore the need to integrate climate considerations into strategies for transport planning and development. Increasingly, it is being recognized that considered and concerted

Exhibit: 4

Worlds Largest Emitters of CO₂ From International Marine Bunkers



Source: IEA Statistics in CO₂ Emissions from fuel combustion

action is urgently required to ensure effective control of greenhouse gas emissions and to establish the requisite adaptive capacity in the shipping industry, especially in developing countries.

Recognizing the importance for the maritime transport sector of contributing to global efforts at reducing emissions of greenhouse gases, IMO has established a Marine Environment Protection Committee (MEPC), which is considering a number of mitigation measures aimed at reducing emissions of greenhouse gases from international shipping.

On the pollution front, International Maritime Organization (IMO) has been tightening the levels of NO_x (nitrogen oxide) and SO_x (sulphur oxide) emissions from ships, and ship-owners are made to opt for reducing emissions by means of low sulphur fuels, and fixing of catalytic converters etc.

In shipping, greater speeds lead to more fuel consumption, and thus the emissions level also increase. Hence, experts believe that reducing the speed of the vessel can help in fuel savings and thereby contribute to emissions reductions. According to IMO (International Marine Organization), speed reduction of 10 percent across global fleet would reduce emissions by 23 percent. During the spike in fuel prices in the year 2008, shipping lines have been voluntarily reducing their speeds.

Another suggestion mooted by IMO is to shift from heavy fuel oils to marine diesel oil and marine gas oil, which will help in reducing CO₂ emissions. Switching to low-sulfur fuels would reduce emissions of fine particles, including black carbon, as well as carbon dioxide, nitrogen oxides and nitrous oxide, and enable the use of other emissions control equipment that the sulfur levels in residual fuel would otherwise impede. Some of the other measures that are suggested include: 'weather routing', which is used to establish the shortest time route or the most economical route from a departure to arrival point by applying available information of the weather condition, viz. wind, wave and current; fleets should begin to implement longer-term measures to reduce pollution and thereby global warming, such as fuel efficient design of new ships and engines created specifically for slow steaming; the use of cold ironing at ports, where ships shut off their diesel engines and are connected to shore-based power for their electrical needs, which reduces direct emissions in

port areas and allow energy needs to be met by low-emission sources, such as wind or solar energy. Some of the measures suggested by industry experts from OCEANA (international organization focused solely on ocean conservation) for conserving energy in shipping industry include:

- Improved hull design to achieve reductions in emissions through reduced fuel consumption;
- A bulbous bow can increase a ship's fuel efficiency by reducing its wavemaking resistance;
- A stern flap, a small plate that extends behind a ship's transom, lengthening the bottom surface of the hull, to reduce a ship's resistance and thus increase fuel efficiency;
- Applying special coatings to propellers to reduce fuel use by four to five percent, while simultaneously reducing maintenance requirements. The cost of coatings is likely to be paid back through saving in maintenance cost within a year.

Even though India, compared to other nations have very less emissions from the shipping industry, the players should concentrate on reducing emissions on a sustainable basis. Indian ship building industry should also pay attention in building ships that will be fuel efficient and hence reduce emissions in the future. Shifting to LNG-based fuel vessels would also contribute to achieving lesser emissions from Indian shipping industry, as also in terms of reduction in fuel cost.

Given the critical role of maritime transport, efficient and well functioning ports and services are a necessity for all the activities ranging from production to export. Hence cost efficient and sustainable international shipping services are important. Impact of climate change will vary from country to country hence actions should be tailored according to the circumstances of different countries and regions. Increased focus on responding to the climate challenge is important for the long-term prospects of the maritime transport sector, and more generally for global trade. ■

ASEAN-India Trade Pact to Help Boost Chemical Exports

- Exim Bank Study

The signing of an agreement on trade in goods by ASEAN and India has opened up a huge market for Indian Chemical exports to the region's member countries, according to a study made by Export Import Bank of India (Exim Bank).

In 2009, ASEAN's trade with India remained high at US\$41.2 billion and India remained ASEAN's seventh largest trading partner. Further, the two sides have set a target to reach US\$70 billion by 2012. In chemical trade, ASEAN countries accounted for 11.4 percent of India's total chemical exports and 10.4 percent of India's total chemical imports in 2008-09. During the same period, India remained a net importer of organic and inorganic chemicals, and net exporter of tanning/dyeing extracts and insecticides/pesticides, to ASEAN countries. India's export of organic chemicals to ASEAN countries stood at US\$ 899 million during the period 2008-09, with Indonesia being the major export destination (40 percent share). On the other hand, India's imports of organic chemicals from ASEAN stood at US\$ 1133 million with Singapore alone accounting for two-thirds of India's chemical imports from ASEAN. India's import of tanning and dyeing chemicals was US\$ 108.9 million during 2008-09, with Singapore and Indonesia as major source countries.

Table 1: India's Chemicals Trade with ASEAN (2008-09)

(US \$ Million)			
Items / Category	Exports	Imports	Trade Balance
Inorganic Chemicals	103.28	197.15	-93.87
Organic Chemicals	899.04	1132.93	-233.89
Tanning/Dye Extracts	114.19	108.99	5.20
Insecticides/Pesticides	122.75	1.93	120.82
Total	1239.26	1441	-201.74
Source: DGCIS			

ASEAN India Agreement on Trade in Goods

The Governments of India and ASEAN members signed an

agreement on trade in goods under the Framework Agreement on Comprehensive Economic Cooperation, on 13 August, 2009. Through this Agreement, both would gradually liberalise their respective applied MFN tariff rates in accordance with the schedule of tariff commitments, as set out in the Agreement. The Agreement came into force on 1 January, 2010. The schedules of tariff reduction commitments under this Agreement are given below:

Applied MFN tariff rates for tariff lines placed in normal track will be reduced and subsequently eliminated in accordance with the following schedule:

Normal Track 1 (NT-1)

- Jan 1, 2010 to Dec 31, 2013 for Brunei, Indonesia, Malaysia, Singapore, Thailand, and India;
- Jan 1, 2010 to Dec 31, 2018 for Philippines and India;
- Jan 1 2010 to Dec 31 2013 for India, and Jan 1, 2010 to Dec 31, 2018 for Cambodia, Laos, Myanmar, and Vietnam;

Normal Track 2 (NT 2)

- Jan 1, 2010 to Dec 31, 2016 for Brunei, Indonesia, Malaysia, Singapore and Thailand, and India
- Jan 1, 2010 to Dec 31, 2019 for the Philippines and India
- Jan 1, 2010 to Dec 31, 2016 for India, and Jan 1, 2010 to Dec 31, 2021 for Cambodia, Lao, Myanmar and Vietnam;

Sensitive Track (ST)

- Applied MFN tariff rates above 5 per cent for

tariff lines in the Sensitive Track will be reduced to 5 percent;

Exclusive List (EL)

- This list does not have scheduled commitments; but the tariff rates will be reviewed on annual basis, with a view to improve market access.

Status of Chemical Products in ASEAN-India Agreement on Trade in Goods

As regards chemicals products, the ASEAN-India Agreement on Trade in Goods covers 1,430 items under 8-digit ITC-HS category for phased elimination of tariff, and 69 items are put under EL, wherein, there are no scheduled commitments. It may be mentioned that the peak rate of customs duty on majority of organic and inorganic chemicals covered under this agreement is 7.5 percent, while some of the tanning and dyeing products, and insecticides currently have an import duty of 10 percent. Some chemicals like, carbon black, o-xylene, aldrin, chlorofluorobenzene, benzal-chloride, naphthalene, etc maintains a duty at 5.0 percent.

Table 2: Number of Chemical Items Agreed for Tariff Reduction under the IndiaASEAN Agreement on Trade in Goods (8-digit HS Code)

Items / Category	NT 1	NT 2	ST		EL
			Tariff above 5%	Tariff at 5%	
Inorganic Chemicals	315	0	5	4	2
Organic Chemicals	589	14	138	14	48
Tanning & Dye Extracts	312	3	7	0	12
Insecticides /Pesticides	10	1	18	0	7
	1226	18	168	18	69

Source: AIFTA, Exim Bank Research

Potential for India's Exports of Chemical Products to ASEAN: Post ASEAN-India Agreement on Trade in Goods

India's exports of chemical products to the ASEAN region currently are modest. However, there are select chemical products that have immense potential to be exported to the ASEAN nations, especially after the promulgation of ASEAN India Agreement on Trade in Goods, as the import tariffs in these markets are to be reduced as per scheduled commitments, making India's chemical exports more price competitive than other countries currently serving the ASEAN region.

Table 3: Prospective Chemical Product Market in ASEAN Region¹

HS Code	Product Name	Tariff Commitments Under Category	Key Export Markets for India
290243	P-xylene	NT - 1	Indonesia, Thailand
283620	Disodium carbonate	NT - 1	Indonesia, Thailand
320417	Synthetic organic pigments & preparations	NT - 1	Indonesia, Thailand
281820	Aluminium oxide	NT - 1	Indonesia, Thailand
290124	Buta-1, 3-diene and isoprene	NT - 1	Malaysia, Indonesia
320416	Reactive dyes and preparations based thereon	NT - 1	Singapore, Thailand
320411	Disperse dyes and preparations based thereon	NT - 1	Indonesia, Singapore
294110	Penicillin's and their derivatives, in bulk; salts there of	NT - 1	Thailand, Indonesia
293399	Heterocyclic comp nitrogen hetero-atom only	NT - 1	Singapore, Thailand
281830	Aluminium hydroxide	NT - 1	Indonesia, Thailand
320419	Synthetic organic colouring matter	NT - 1	Singapore, Indonesia
290611	Menthol	NT - 1	Singapore, Thailand

Source: UN Comtrade (2008), AIFTA, Exim Bank Research

The above products (Table 3) show tremendous export potential from India to ASEAN, post- ASEAN India Agreement on Trade in Goods. These products are not only being increasingly imported by the ASEAN countries from World (CAGR of 15 percent during 2004-2008) but at the same time India's exports of these products to the World are also increasing at a faster rate (CAGR of 24 percent during 2004-08). However, there are select items that come under the Exclusion Lists (EL) which shall be subject to an annual tariff review with a view to improving market access.

Table 4: Protected Category under ASEAN India Agreement on Trade in Goods

HS Codes	Product Name	Tariff Commitments Under Category
291813	Salts and esters of tartaric acid	EL
280300	Carbon (carbon blacks and other forms of carbon not elsewhere specified or included).	ST
290244	Mixed xylene isomers	ST
291570	Palmitic acid, stearic acid, their salts and esters	ST
290241	O-xylene	ST

Source: UN Comtrade (2008), AIFTA, Exim Bank Research

Inference

ASEAN countries accounted for around 7.0 percent of India's total chemical exports, and around 9.0 percent of India's total chemical imports. India is a net importer of organic and inorganic chemicals, and net exporter of tanning and dyeing extracts, and insecticides and pesticides, to ASEAN countries. India's export of organic chemicals to ASEAN countries stood at around US\$ 797.09 million during the period April 2009-February 2010, with Indonesia and Malaysia together accounting for 57.7 percent of India's exports to the ASEAN region. India's export share of the identified potential products (Table 3) to ASEAN has increased at a CAGR of over 17 percent during the analysed period 2004-08. India therefore has a much greater opportunity to cater to the import demand for such chemical products in the ASEAN region. To the extent that India is able to capitalise on these product specific opportunities, the impact of the AIFTA would be positive

for the Indian chemical industry.

In the organic chemicals segment, India's imports were around US\$ 1171.1 million, with Singapore alone accounting for 51 percent of India's chemical imports from ASEAN during April 2009 - February 2010. India's import of tanning and dyeing chemicals stood at US\$103.48 million during the same period, with Indonesia, Singapore and Thailand as major source countries. India has sourced negligible volume of insecticides and pesticides from ASEAN countries. It may be surmised that the lowering of customs duty will benefit India as many essential intermediate chemicals could be sourced at low cost from ASEAN countries. However, as the central excise duty for most of the chemical products are kept at 16 percent, the cost competitiveness of indigenous firms in these sectors may be affected. In this context, it may also be noted that the Agreement also provides for bilateral safeguard mechanisms to address sudden surge in imports after the Agreement comes into force. In such an eventuality, if the provisions of the Agreement hurt the domestic industry, safeguard measures including imposition of safeguard duties can be put in place for a period up to four years.

For arriving at a group of chemical products with export potential from India to ASEAN, the methodology undertakes certain benchmarks viz-a-viz, Export value of India's chemical products above US\$ 10 million for the FY 2008 are considered; and Import value of ASEAN's chemical products above US\$ 100 million for FY 2008 are considered.



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Pioneering Index-Linked Bonds to Fund Local Currency Loans

EBRD has launched a pioneering index-linked bonds on Russian domestic market to fund the Bank's local currency lending. The three-structured bonds issues is raise 14 billion roubles to fund Bank's local currency lending.

The EBRD has completed the launch of three index-linked rouble bonds, in one of the first such offerings on the Russian domestic market, raising a total of 14 billion roubles for its local currency lending programme through these eight-year bond issues.

Index-linked bonds allow certain investors to find assets which better match their liabilities and the successful placement of the three EBRD bonds is a landmark event for the Russian capital market, extending its depth and attracting a new class of long-term investors. It also reflects the EBRD's commitment to develop local capital markets and encourage local currency lending in all its countries of operation.

These index-linked bonds allow investors to seek a specific and clearly defined risk to boost their return on capital at a time when short-term rouble yields are below inflation levels. Their structure acts as a hedging mechanism which offers investors the possibility of a positive real yield as well as a measure of protection against future inflation.

Today, the EBRD placed an eight-year, capital-protected seven billion rouble bond whose final return is linked to the performance of the Russian Depository Index. This groups the most liquid depository receipts on Russian shares traded on the London Stock Exchange. The Index itself is sponsored by

the Vienna stock exchange, Wiener Borse.

The capital is 100 percent redeemable on maturity and the fixed coupon on this EBRD bond has been set at 0.01 percent a year. With this bond, investors are looking to maximise possible gains at redemption on the equities index to which this bond is linked and therefore accept a much lower guaranteed yield than they would demand in a classic bond issue.

On September 28, the EBRD placed two eight-year bonds of 3.5 billion roubles, each indexed to an identical basket of commodities. The structure was similar to today's bond with the capital again being wholly protected, but the potential gain on the price of three commodities -- gold, silver and platinum -- in eight years' time was in those bonds capped at a maximum of 200 percent.

The coupon on last month's two EBRD rouble bonds was fixed at 0.015 percent a year.

In the case of today's third EBRD bond, there is no cap on the maximum profit investors can reap from the potential rise in Russian equity values over the next eight years.

On international markets, such index-linked bonds typically appeal to institutional investors such as insurance companies and pension funds, which tend to hold them to maturity.

In another contribution to the development of the rouble market, the EBRD on October 22 bought 4.5 billion roubles of a 20 billion rouble Eurobond issued by RusHydro, the first by a Russian power sector company.

This investment in a client bond supplements the EBRD's own fund-raising



through the domestic bond market and by doing so the Bank is again helping to attract a new class of long-term institutional investors to Russian corporate debt instruments.

The EBRD has since 2005 raised a total of 78.67 billion roubles through 31 bond issues with an average maturity of 5.1 years. Of this, 39.5 billion roubles were raised on the domestic market through eight issues with an average maturity of 6.1 years.

The EBRD's local currency lending programme in Russia has since 2002 seen the Bank arrange 128 rouble

loans for a total of 95.34 billion roubles, of which 69.7 billion roubles remain outstanding. Of the total, the proportion directly held by the EBRD is 56.74 billion roubles with an average maturity of 7.6 years.

The first two EBRD bonds have already been admitted to trading on the Moscow International Currency Exchange (MICEX) and today's third bond will follow. The clearing system for all three is the National Depository Centre. The lead manager for today's seven billion rouble bond is Closed Joint-Stock Company "Investment company "Troika Dialog" and that for the two earlier EBRD bonds was ZAO Citibank. ■

Russian Plastic Packaging Project in Finnish Tie-Up

EBRD has funded a plastic packaging project in Russia in association with Finland's Rani Plast. The Bank has advanced a nine-year loan of eight million euros for the plant.

The EBRD has extended a long-term loan of EUR 8 million to the Russian subsidiary of Finland's Ab Rani Plast Oy to finance the construction of a plant in Russia's Kaluga Region. The plant will supply Russian industrial clients with flexible packaging for agriculture, consumer goods, electric insulation and pallet wrapping.

"This project is a major investment in the future and one of the biggest in Rani Plast's history. Our long-term goal is to become Russia's leading supplier of plastic film and the decision to build a plant next to our customers is our response to the rapid growth of the Russian market. This is something we have dreamt of for 15 years," said

Mikael Ahlbäck, Managing Director of Rani Plast.

Finland's Lemminkäinen is building the EUR 20 million plant on a turnkey basis at its industrial park in Kaluga. Under this type of contract, Lemminkäinen is responsible for the transfer to the Russian subsidiary of Finland's Ab Rani Plast Oy of the land plot, infrastructure, design permission and the plant.

"The EBRD is delighted to support Rani Plast's new plant in Russia. Medium-sized businesses have an important contribution to make to Foreign Direct Investment in Russia. Rani Plast is renowned for good quality products and high environmental and health and safety standards, as well as the very best industry practices," said Eric Rasmussen, the EBRD's Director for Industry, Commerce and Agriculture in Russia. The maturity of this EBRD's loan is nine years.

Rani Plast is a mid-size, family-owned company, specialising in manufacturing of multi-layered plastic film for the flexible packaging sector. It is the biggest producer of plastic film industrial packaging in Scandinavia.

Rani Plast has been exporting its products to Russia since 1963, meeting the Russian packaging industry's demand for high quality polyethylene film. ■



Rouble OIS Concluded to Avoid Risk of Using Cash Assets

European Bank for Reconstruction and Development (EBRD) has concluded the first-ever Rouble Ruonia-indexed Overnight Index Swaps (OIS) in path-breaking transactions with Deutsche Bank and ING over the past few months, thus inaugurating the market in a new Rouble interest rate swap derivative instrument. The new derivative allows management of overnight rouble interest rate risk without using cash assets or resorting to currency swaps.

Derivatives generally allow for more flexible and efficient approach to interest rate risk management than cash instruments. These inaugural EBRD transactions represent a further contribution by the Bank to the development of local capital markets.

The use of the OIS in Russia was made possible by the launch last 8 September 2010 of the Rouble Overnight Index Average (Ruonia), which is calculated on a daily basis by the Central Bank of Russia, based on the contributions of 31 banks.

The creation of a credible overnight index was the precondition for the launch of a market in rouble interest rate derivatives. The Ruonia index offers a fair reflection of rouble overnight rates and can thus act as reliable benchmark for Overnight Index Swaps in Russia.

Ruonia is the Russian equivalent of the Euro Overnight Index Average (Eonia), a weighted average of all overnight unsecured lending transactions made by 57 contributing banks in the Euro area's inter-bank market. The Eonia index is calculated by the European Central Bank.

Since its launch in the 1990s, the OIS has become a widely used, highly credit-efficient and liquid derivative in all major currencies.

An OIS allows better risk management by, for instance, giving banks a possibility to borrow overnight money and swap the overnight interest rate to a three-month one. Its use is particularly appropriate in markets such as the Russian one where the vast majority of inter-bank transactions are concluded on an overnight basis.

"The EBRD's pioneering transactions in this market were one-week swaps tied to Ruonia, marking an important step forward in developing and deepening Russian capital markets. We hope these OIS will serve as the platform for the emergence of longer-dated instruments. Yesterday, we actually traded a one-month Ruonia OIS with ING, so the curve is already extending," said the EBRD's Treasurer, Axel van Nederveen.

EBRD believes the new derivative instrument fills an important gap and is keen on participating in the development of this market, not only as part of its commitment to developing local currency capital markets, but also as an active participant in the market.

"The EBRD is both a significant rouble lender and a borrower on the Russian market and this by definition exposes the Bank to interest rate mismatches, hence the logic of using Rouble derivative instruments to manage this risk," Mr. van Nederveen added.

The EBRD has since 2005 raised a total of 78.67 billion roubles through 31 bond issues with an average maturity of 5.1 years. Of this, 39.5 billion roubles were raised on the domestic market through eight issues with an average maturity of 6.1 years.

The EBRD's local currency lending programme in Russia has since 2002 seen the Bank arrange 128 rouble loans for a total of 95.34 billion roubles, of which 69.7 billion roubles remain outstanding. Of the total, the proportion directly held by the EBRD is 56.74 billion roubles with an average maturity of 7.6 years.

In its latest fund-raising in Russia, the EBRD last month completed the launch of three eight-year index-linked

rouble bonds, one of the first such offerings on the Russian domestic market, gathering a total of 14 billion roubles to finance the Bank's local currency lending programme.

In addition, the EBRD has in the last few weeks supported two bond issues by two Russian power sector companies, each of which set new benchmarks for the market.

On October 22, the Bank bought 4.5 billion roubles of RusHydro's 5-year 20 billion rouble Eurobond, the first by a Russian power sector company. On November 1, the EBRD announced it had bought 3.66 billion roubles of the Federal Grid Company's 7-year 15 billion rouble domestic bond, the longest maturity achieved for corporate bond outside the banking sector since the crisis hit Russia in 2008. ■

15-bn Rouble Loan to Help Russian Automotive SMEs

Europlan, Russia's largest automotive leasing company, is getting a seven-year EBRD loan of up to 1.5 billion roubles (equivalent to \$50 million) to help meet growing demand for local currency leases, particularly for small-ticket transactions in small and medium-sized enterprises (SME's).

Leasing in Russia was expanding at a rate of 50 percent a year immediately before the crisis struck in 2008 and severely reduced both demand for leases and the availability of bank funding for leasing companies.

It had long been an alternative source of finance on the Russian market, particularly for SME's, one of the financial sectors worst affected by the crisis, but whose business is beginning to recover.

Car dealerships had specially favoured leasing but as

the crisis struck across the whole Russian economy, demand for new equipment and vehicles fell dramatically in 2008-09.

Today, the limited availability of medium to long-term funding is the main obstacle to capital investment in Russia.

The total volume of new leasing business in Russia amounted to \$37 billion in 2007, up from \$8 billion in 2005. In 2008, new business volumes dropped 28 percent and in 2009, they plunged 56 percent, according to recently-published industry figures.

As demand for leases now picks up, these are the problems this loan aims to overcome by supporting a company whose prudent financial approach helped it to weather the crisis, said the EBRD's managing Director for Financial Institutions, Nick Tesseyman.

In addition, this loan to Europlan, up to 90 percent of whose clients are SME's, dovetails with the EBRD's wide-ranging programmes to fund the small business sector as part of a strategy to stimulate the real economy, Mr. Tesseyman added.

After leaping in a few years from start-up to market leader, Europlan now operates a branch network in 72 of Russia's 83 regions, giving it the widest footprint of any Russian leasing company. Europlan has been an EBRD partner since 2002 and this is its fifth loan from the Bank. ■



Public-Private Partnerships Key to Revitalize Russian Farm Sector

A study commissioned by EBRD has said that Russia needs a new generation of skilled workers to help revitalize the country's agricultural sector. It has said that Public-Private Partnerships are key to modernizing Russia's agricultural curriculum.

Cooperation between the public and private sector is crucial to reinvigorate Russia's agricultural education system, the study presented in Moscow recently has indicated.

The study was commissioned by the European Bank for Reconstruction and Development (EBRD) and carried out by the Investment Centre of the UN Food and Agricultural Organization (FAO). It was presented at an experts' round table about "Public-Private Partnerships in Russia's Agribusiness Education", organised by the EBRD, the FAO, the ministry of agriculture of the Russian Federation and Moscow's Timiryazev Agricultural Academy.

Lack of Agricultural Expertise

The study identifies several challenges in Russia's agricultural sector, which currently suffers a lack of adequately-trained skilled workers and a decreasing rural population. The lack of attractiveness of the agricultural sector means that many young people leave the countryside and this leads to a reduced number of applications to agricultural universities.

As a consequence there is a mismatch between teachers and students which is overcome by lowering admissions standards, which result in a decrease of the quality of education. The situation is aggravated by the fact that the agricultural education system is underfinanced and lacking corporate expertise in design of curricula, producing graduates with little practical training and ill-equipped to enter the modern agricultural industry.

Rural Areas Suffer

According to the EBRD/FAO report, unemployment rates among Russia's rural population are above the national average. The unemployment rate in urban areas in 2009 was 7.5 per cent, while in rural areas it was as high as 11.3 per cent. Additionally, life expectancy in rural areas is traditionally lower: In 2008, urban life expectancy was 68.5 years, whereas rural life expectancy was only 66 years.

A thriving agricultural sector is therefore an important way to improve livelihoods in rural Russia. As many round table participants commented, the agricultural sector cannot thrive without properly-trained skilled workers, particularly specialised managers. However, the report finds that less than 60 per cent of agricultural enterprises have graduate economists and managers and only 20 per cent have marketing experts.

"There is a need for greater involvement of agribusiness and financial institutions in the preparation of specialists in break-through areas of agricultural science and education," said Vladimir Bautin, rector of the Timiryazev Agricultural Academy.

Public-Private Partnerships Provide a Way Forward

As the public agricultural education sector lacks finance and knowledge to revive the sector, a combined public and private sector approach offers a solution to reinvigorate agricultural education, the EBRD/FAO report finds. The paper outlines several strategies to overcome the current situation:

- Agribusiness ideas and preferences must be taken into account when designing curricula for public agricultural education.
- Business representatives should be involved in establishing new educational standards.
- Competence Based Education, focused on outcomes that are linked to workforce needs, should be included as part of the new curricula.

- On-site practical training should become a standard component of education to allow students to adopt full-time work in the sector.
- Additionally, agribusiness corporations can provide financial support for students and teachers.

The report proposes several strategies including agribusiness-sponsored scholarships for students, grant programmes to expand the research activity of faculties and endowment funds at public universities to provide support for operating costs.

"We want to see Russia's agricultural sector thrive and contribute to an improvement of living standards. Synergies from combining agribusiness expertise with public agricultural education are a powerful step towards revitalising a sound agricultural sector and life

in Russia," said Natasha Khanjenkova, EBRD's managing director for Russia.

A Sustainable Solution

The recommendations presented by the FAO/EBRD report as well as by the participants of the round table are solutions that will contribute to sustainable growth and improvement of Russia's agricultural education. "When agribusiness corporations see a new generation of skilled workers adapted to current modern agriculture, they will see the value in continuing to fund these programmes," commented Eugenia Serova, adviser at the FAO Investment Centre. "Additionally, improved quality of education will create a new generation of teachers, ensuring sustainability of this reinvigoration." ■

Tajikistan's e-Payment Services firm in Debt-cum-Equity Deal

The EBRD is supporting the expansion of electronic payment services in Tajikistan with a US\$ 1.7 million investment in a combination of debt and equity transactions to FG Vavilon, a leading private payment processing company.

Since 2007, the FG Vavilon has developed a country-wide network, servicing about 500 automated self-service terminals and overseeing about 1,500 dealers providing vendor payment services using hand-held mobile devices.

This EBRD financing will help Vavilon put 550 new payment terminals into operation in major cities across southern Tajikistan, expanding its share in Tajikistan's fast-growing electronic payment services market valued at about US\$ 155 million a year.

With Tajikistan lagging behind Russia, Kazakhstan and Ukraine where annual per capita spending through instant electronic payment terminals amounts to US\$ 154, US\$ 108 and US\$ 87 respectively, the country's electronic payment processing market is believed to have a significant development potential currently standing at around US\$ 21.

"The investment is part of the EBRD's wider approach to assist the country in developing its services sector, and

the EBRD's first equity investment in a private Tajik business outside of the banking sector. It brings innovation and demonstrates that privately-owned companies with sound managerial practices and good governance record in Tajikistan are able to attract financing from the international financial institutions. Most crucially, the users of the FG Vavilon's automated payment machines will get faster and better services at more affordable prices," said Ulf Hindstrom, Head of the EBRD Resident Office in Dushanbe.

"We are very excited about future long-term partnership with EBRD, which will lift our Company to a new level. We strongly believe that EBRD investment will not only help FG Vavilon to achieve its strategic goals, but will also have a broader positive effect on Tajikistan's socio-economic development," said Shukhrat Soliev, Chairman of the Board of FG Vavilon.

In Tajikistan, the EBRD focuses on promoting small private businesses, developing the banking sector, and improving critical infrastructure. The Bank is also supporting the development of agricultural sector, with a special emphasis on loans to farmers.

To date, the EBRD has committed over €110 million in various sectors of the Tajik economy, mobilising additional investments in excess of about €60 million. ■

Armenian Sustainable Energy Financing Facility Launched

The European Bank for Reconstruction and Development (EBRD) has launched the Armenian Sustainable Energy Financing Facility, or ArmSEFF, to help Armenia in developing more competitive private businesses.

Within ArmSEFF, the EBRD will offer a total of US\$ 20 million in loans through Armenian lenders such as Anelik Bank that already joined the facility. It is expected that the credit line will be extended with additional US\$ 5 million to support residential energy efficiency projects.

ArmSEFF is a credit line dedicated to investing in energy efficiency and renewable energy projects that aims to increase energy savings and decrease carbon emissions. The credit line is a part of bigger EBRD-led Caucasus Energy Efficiency Programme (CEEP).

It enables commercial banks in Armenia to meet increasing demand for energy efficiency loans and to maintain the availability of these specific credits to private companies and entities in a challenging environment where access to alternative sources of finance remains limited.

Industrial companies, commercial enterprises and private households that wish to invest in energy efficiency or renewable energy projects will be able to apply for assistance if they submit their proposals for evaluation.

Valeriu Razlog, Head of EBRD Office in Armenia, said that companies should consider energy efficiency projects not only for monetary savings, but also to benefit their competitive power in the medium and the long term.

"Armenia's energy need has been surging for the past few years, while Armenia's investments in energy are very important in increasing supply and utilizing resources more efficiently," he added.

The credit line will be complemented by technical cooperation support to engage both international and local energy experts who will review investment proposals, conduct energy audits and support companies in securing funding under ArmSEFF. The technical assistance is absolutely free for companies and is funded by Austria's Federal Ministry of Finance.

In July 2007 the EBRD established the Caucasus Energy Efficiency Programme (CEEP), a dedicated credit line facility to finance energy efficiency and renewable energy projects in the Caucasus aimed at end-users in the industrial sector, renewable energy sources developers and the residential sector.

Earlier in October this year Anelik Bank was the first local bank in Armenia that joined ArmSEFF and received a US\$ 3 million loan (approximately 1 billion Armenian Drams) for on-lending to eligible sub-borrowers. ■



MSMEs Get New Local Currency Financing

The EBRD is increasing the availability of local currency financing to private businesses in Armenia, with a synthetic loan in Armenian Dram (AMD) equivalent to up to US\$ 12 million to ACBA-Credit Agricole Bank for on-lending to micro, small and medium-sized enterprises (MSMEs).

Affiliated to Credit Agricole, the second largest French banking group, ACBA-Credit Agricole Bank, is a key player in Armenia's banking system and one of the leading banks in the microfinance segment, with a strong presence in the country's regions.

Under the synthetic loan structure, the EBRD is providing the financing in US dollars, while ACBA-Credit Agricole Bank's loan obligation is the AMD value of the provided funds. The synthetic loan, a cost-effective tool, helps the institution to manage its foreign exchange risk, to increase the term of its local currency funding, and to expand its portfolio of local currency loans, particularly needed in rural areas of the country where local businesses earn their revenues primarily in Dram.

Under the EBRD's A/B loan structure, the Bank will retain US\$ 9 million on its own account, with the remaining US\$ 3 million syndicated to Dexia Micro-Credit Fund, managed by BlueOrchard, a leading commercial microfinance investment company based in Switzerland.

The EBRD funds will support ACBA-Credit Agricole Bank's strategy to expand its rural and MSME loan portfolio to meet the growing demand for financing from small businesses. In addition, the loan will assist the bank in diversifying its funding base.

"We are pleased to continue our successful cooperation with ACBA-Credit Agricole Bank. Through this transaction the EBRD is reinforcing its commitment to support the development of small businesses in Armenia with much needed funds at a time when access to financing remains constraint", said Henry Russell, EBRD Director for small business finance.

"This is the first local currency loan for our Bank and we are sure that this new facility will further enhance our MSME lending capabilities and will enable us to expand

our AMD denominated loan portfolio. With the support of the EBRD facility ACBA-Credit Agricole Bank will provide financing to local businesses in Armenia, whose cash flows are mainly in local currency, helping them to mitigate foreign exchange risks", said Stepan



Gishyan, CEO of ACBA-Credit Agricole Bank.

"We are thrilled to join hands with the EBRD for our first loan to ACBA-Credit Agricole, and are proud to support an institution dedicated to the financing of rural communities in Armenia. This is a further sign of our deep commitment to financial inclusion and social impact in the underserved areas of Armenia, and more broadly of the Caucasus", said Jean-Pierre Klumpp, BlueOrchard Finance CEO.

The EBRD has a long standing relation with ACBA-Credit Agricole, having previously provided to the bank over US\$ 27 million in various facilities.

This project is the EBRD's second synthetic loan in Armenia. In March 2010 the Bank offered a US\$ 10 million synthetic loan to Byblos Bank for on-lending to local private businesses.

Since the beginning of its operations in Armenia in 1992, the EBRD has invested over €420 million in 82 projects in the country's financial, corporate and energy sectors, and infrastructure, with 96 per cent of the projects' being investments into the development of the private sector. ■

Private Sector Gets Boost through Inecobank Funding

In another important move, the EBRD is extending US\$ 17 million in two facilities to Inecobank, a long standing partner bank in Armenia, to further support the development of the country's private sector.

The EBRD is increasing the availability of financing to private businesses in Armenia with a US\$-6 million loan for financing medium-sized companies through a funded participation in Inecobank loans under the Medium Sized Co-financing Facility. Another US\$ 11-million loan is provided for on-lending to small and medium companies (SMEs).

Established in 1996, Inecobank is a dynamically developing bank with a focus on MSME sector and a strong market position in consumer lending. It is the 11th bank in Armenia by total assets and is among the top three by efficiency indicators - 'Return on equity' and 'Return on assets'.

The EBRD has been providing financial support and technical assistance (TA) to Inecobank since 2005 through its Trade Facilitation Programme (TFP) and loans for on-lending to micro, small and medium enterprises (MSMEs) in the total amount of US\$ 12 million. The new financing will enable Inecobank to keep up its development momentum, and expand its client base through lending to larger clients with EBRD participation and know-how with the help of TA consultancy. A new SME loan will provide additional financing to existing Inecobank SME clients and to new clients.

"The EBRD is delighted to continue to support a long-standing EBRD partner bank with this co-financing facility to Inecobank, which has achieved solid growth since 2007. The EBRD will help to close a financing gap in the market and create funding opportunities to the best-qualified growing private companies in Armenia, which constitute a dynamic segment of the private sector and play a crucial role in the country's economic development", said Valeriu Razlog, Head of EBRD Office in Armenia.

"SME financing is a strategic business line for Inecobank. Over 10 years, more than half of the lending investments of the Bank are concentrated in this sector, and the new funds extended by EBRD will also be directed to the financing of SMEs. Inecobank tends to further develop its activities in SME sector by positioning itself as a friendly and convenient bank ensuring high-quality and affordable banking services.

Inecobank has been effectively cooperating with EBRD since 2005 and within the trade finance sector was recognized by EBRD as the best trade finance bank in Armenia. We enhanced our market penetration within these years and through this cooperation could help our customers to tap into new markets and develop their business. For the purpose of reaching our joint objectives, we make our best efforts" said Avetis Baloyan, the Chief Executive Officer of Inecobank.

The EBRD participation loan is part of the Bank's Medium Sized Co-financing Facility aimed at supporting the increase of financial intermediation in Armenia through medium-term credit lines to local commercial banks for on-lending to commercial customers. Since the facility was launched in 2006, EBRD provided over US\$ 41.7 million to 7 banks operating in Armenia.

SME loan is part of the Armenia Multi-Bank Framework Facility II, aimed at supporting the increase of financial intermediation in Armenia through medium-term credit lines to local commercial banks for on-lending to commercial customers. Since the facility was launched in 2006, over US\$ 150 million was disbursed to 12 banks operating in Armenia.

Since the beginning of its operations in Armenia in 1992, the EBRD has invested over €420 million in 82 projects in the country's financial, corporate and energy sectors, and infrastructure, with 96 per cent of the projects' being investments into the development of the private sector. ■

22.5 pc Stake Bought to Ensure Rouble Eurobond Market

EBRD has bought a stake in Russia's RusHydro Rouble Eurobond, thereby supporting the issue to help expand the reach of rouble borrowers to the Eurobond market.

The EBRD has taken up 22.5 percent of a five-year rouble bond launched by RusHydro in the Eurobond market, the first such instrument issued by a Russian power sector company, in what is a key move for developing the rouble Eurobond market.

The Bank's investment in this non-callable, fixed interest rate bond aims to attract new classes of investors such as pension funds, mutual funds, asset managers and insurance companies seeking to access rouble-denominated credit which is clearable through international depositories.

The issue, the second rouble corporate Eurobond currently traded on the market, also has appeal for investors with a natural appetite for fixed coupon, long-term bonds in emerging market currencies issued by higher quality borrowers.

This broadening of the availability of rouble assets also

serves to support the internationalization of the currency. It represents yet another step towards the Russian government's goal of increasing the international visibility of the Russian economy and promoting the rouble as a future reserve currency.

As long-term bonds are crucial to funding long-term capital expenditures, the success of this issue is expected to encourage other strong Russian borrowers to access capital markets in search of longer maturities. This issue will help establish a pricing benchmark for future Russian borrowers in this market.

Although the rouble corporate bond market has recovered since the crisis, most bond issues on Russia's domestic market continue to include short-term put options, thereby shortening tenors from 7-10 years to 1-3 years in practice.

The coupon on RusHydro's 20-billion rouble bond has been fixed at 7.875 percent. The bond is redeemable at par on maturity.

The EBRD's 4.5 billion rouble investment in this Eurobond issue is intended to provide funding to RusHydro to assist with the refurbishment and rehabilitation of its Saratovskaya Hydro Power Plant. ■

Equity Conversion Deal with Russia's IBS Group Inked

EBRD has signed a convertible loan deal with Russia's IBS Group. The Bank has the option to convert US\$ 20 million debt into equity of the leading Russian IT provider.

The EBRD has provided a USD 20 million loan to the IBS Group Holding Limited (hereinafter "IBS Group") with an option to convert this debt into an equity stake in a leading Russian provider of information technology services and software development at the end of the three-and-a-half year loan period.

IBS Group was founded in 1992 and its Global Depository Receipts (GDR's) are traded on the Frankfurt Stock Exchange under symbols IBSG.F and IBSG.DE (Xetra). The founders and managers of the company currently own 65 percent of its shares. IBS Group Holdings Ltd is registered in the Isle of Man.

The EBRD has an option to convert the principal amount of the loan into newly issued common shares at maturity or have the loan fully repaid.

This transaction is part of the EBRD's commitment to support Russia's high-tech sector which holds the key to

the modernisation and diversification of the country's economy and we are proud to work with such a well-known Russian IT provider, said Alain Pilloux, who heads the EBRD's Telecoms team as Managing Director for Industry and Commerce.

An innovative aspect of this EBRD loan is that USD 4.7 million of it will be earmarked for the expansion of the "IBS Academy" – an educational unit owned by IBS Group which provides unique hi-tech education programs for both undergraduate students and group employees. This body plays a key role in supplying high-quality system integration and software development

professionals both for the company itself and for the wider IT industry in Russia.

The IBS Academy has teamed up with a number of leading technological universities in Russia to run a programme which includes on-the-job training within IBS Group companies as part of the curriculum.

The rest of the EBRD loan will supplement the group's capital expenditure programme for 2010-2011 and will be mainly invested in funding the development of new software products and software development technologies. The loan has already been fully disbursed. ■

24pc Stake to Ensure 15-bn Rouble Bond's Success

EBRD has invested 3.66 billion roubles in seven-year Russian corporate bond. The maturity of Federal Grid's 15-billion rouble bond is longest for the power sector.

The EBRD has taken up 24 percent of a seven-year 15-billion rouble bond issued by Russia's Federal Grid Company, the first Russian power company to achieve such a long maturity on a domestic bond and the only corporate outside the banking sector to do so.

The EBRD investment in this bond amounts to 3.66 billion roubles. The coupon on the bond was set at 7.99 percent.

The Bank sees this facility as supporting the development of the rouble debt capital market through the issuance of a non-callable long-term fixed interest rate corporate bond. Its unique maturity broadens and strengthens a local market in which only a handful of long-term corporate rouble bonds exist at present.

The Russian domestic bond market has the potential to fulfil this much needed capital-raising role, an essential development if power sector companies are to obtain long-term funding for their major investment programmes in an efficient and cost-effective way.

The success of this placement is expected to encourage other borrowers to replicate the Federal Grid's example. This could help build up a critical mass of bond issues, provide benchmark pricing for long-term debt instruments and encourage the market to offer a

wider variety of maturities, thus increasing its attractiveness for both investors and issuers.

In addition to the increased liquidity and price discovery this would bring to the market in longer term bonds, the EBRD views its participation in such issues as helping to create a non-sovereign credit yield curve. This may act as a further incentive for local and international investors, particularly institutional ones, to participate in the market.

Longer-term bonds will encourage longer term investment by institutional investors, such as pension funds, insurance companies and asset management companies. Currently, local banks, which have a shorter investment horizon, account for over 70 percent of the demand for rouble bonds.

At present, the rouble debt capital market remains essentially a short-term market with loan and bond maturities for corporate issuers not exceeding 3-5 years. Although longer nominal maturities do exist, most bonds on Russia's domestic market include short-term put options and such options in practice considerably shorten their real tenor.

In an earlier demonstration of support for Russia's power sector through the capital markets, the EBRD on October 22 bought 4.5 billion roubles of a 20 billion rouble Eurobond issued by RusHydro, the first such instrument launched by a Russian power sector company. ■

15-year Funding for Ukrainian Power Infrastructure

EBRD has boosted the quality of energy supplies in southern Ukraine by extending a loan of €175 million to construct transmission lines, substations and rehabilitate infrastructure.

The EBRD is extending a 15-year sovereign loan of up to €175 million to the Ukrainian National Power Company Ukrenergo to help improve the efficiency, quality and reliability of electricity generation and transmission in southern Ukraine and the Crimea.

The loan, matched by a similar-sized loan from the European Investment Bank, will finance the construction of a 190-km 750-kV transmission line between a nuclear power plant in Zaporizhzhia and a new substation in the town of Kakhovka.

The funding will support the construction of a 750 kV substation at Kakhovka and two 330kV line diversions in the Kherson region of Ukraine. It will also facilitate the rehabilitation of two 330 kV transmission lines in the Zaporizhzhia region and of a 330kV substation in Nova Kakhovka.

The project is of primary importance for Ukraine's

electricity system as it will help reduce energy transmission losses and its dependence on imported fuels. It will make excess generation capacity from Zaporizhzhia Nuclear Power Plant available for businesses and households in southern Ukraine and the Crimean peninsula, which is currently not possible because of the restricted capacity of transmission lines.

With funds provided by the Spanish government and the EBRD's Shareholder Special Fund the Bank carried out full technical, economic and environmental due diligence as well as special due diligence aimed assessing the potential impact of the project on wildlife in the area, with the aim of maintaining the highest possible environmental standards. Other technical assistance for project preparation and implementation was provided by the EU Neighbourhood Investment Facility facility.

The EBRD is facilitating investments in modern and energy efficient generation, transport and distribution as well as in the diversification of energy supply sources.

The implementation of this project will have a positive economic and technical impact not only for Ukrenergo

but also for all the other participants of the Ukrainian wholesale market as well as for the country as a whole. The project is also a step in support of Ukraine's long term strategy of integrating its transmission network with ENTSO-E, the interconnected network of Western Europe.

The European Bank for Reconstruction and Development is the largest financial investor in Ukraine. As of 1 October 2010, it had committed around €5.1 billion through 204 projects. ■



Mountains & Lakes Dot Tranquil Tajikistan



Fann Mountains

In the northwestern corner of Tajikistan, along the border with Uzbekistan, lay the rugged and beautiful Fann Mountains, a branch of the Western Pamir-Alay Range. They divide the northern territory of the country, in the Fergana Valley, from Dushanbe and the south. It is a compact range, with around 100 stunning peaks, many over 5,000m, and renowned alpine lakes.



Pamir Mountains

The Pamir Mountains are a mountain range located in Central Asia which are formed by the junction or knot of the Tian Shan, Karakoram, Kunlun, and Hindu Kush ranges. They are among the world's highest mountains; in Victorian times they were known as the 'Roof of the World'. They are also known by the Chinese name of Congling or 'Onion Mountains'.

Kara-Kul Lake

Kara-Kul or Qarokul is a 25-kilometer (16-mile) diameter lake in the Pamir Mountains in Tajikistan, which lies at an altitude of 3,900 meters (13,000 feet) above mean sea level. A peninsula projecting from the south shore and an island off the north shore divide the lake into two basins, a smaller eastern one which is relatively shallow, between 13 to 19 meters, and a larger western one, with depths of 221 to 230 meters. It has no drainage outlet.



Iskander-Kul Lake

Iskander-Kul is a stunning alpine lake of glacial origin in Sughd Province of northern Tajikistan. Located at an altitude of 2,195 m on the northern slopes of the Gissar Range in the Fann Mountains, it is the highest in the range. Triangular in shape, it has a surface area of 3.4 sq. km and is up to 72 m deep. Widely regarded as one of the most beautiful mountain lakes in all of the former Soviet Union, it is a (relatively) popular tourist attraction, the most visited spot in the Fann Mountains by far. According to tradition, the lake takes its name from Alexander the Great: Iskander is the Central Asian pronunciation of Alexander, and Kul means lake in Tajik.



Pyanj River

The Pyanj (panj, panzh) is one of the most important rivers in Central Asia. It is a glacial river, silty and opaque, originating from the glaciers of the Pamir mountain range, and formed by the confluence of the Wakhan and Pamir rivers near the Chinese border. Also, it serves as most of the border between Afghanistan and the republics of Tajikistan and Uzbekistan before joining the Vakhsh River to become the Amu Darya, the greatest Central Asian River.

Vakhsh River

The Vakhsh River, also known as the Surkhob in north-central Tajikistan and the Kyzyl-Suu in Kyrgyzstan, is a Central Asian river, and one of the main rivers in the nation of Tajikistan. It is a tributary of the Amu Darya River. It is a very important source of water, not only to Tajikistan, but as one of the largest tributaries of the Amu-Darya, supplies huge amounts of water used in Uzbekistan and Turkmenistan for agricultural purposes. ■



Azerbaijan Monuments as Architectural Marvels

The ancient city of Baku has numerous historical and architectural monuments dating to various historical epochs. The Old City of Icheri Sheher occupies 22 hectares in the center of Baku. It hosts over 50 historical and architectural monuments from various eras. The Palace of Shirvanshakhs, the Maiden Tower and Synyg Gala (The Broken Tower) are among the monuments which survived till present day.



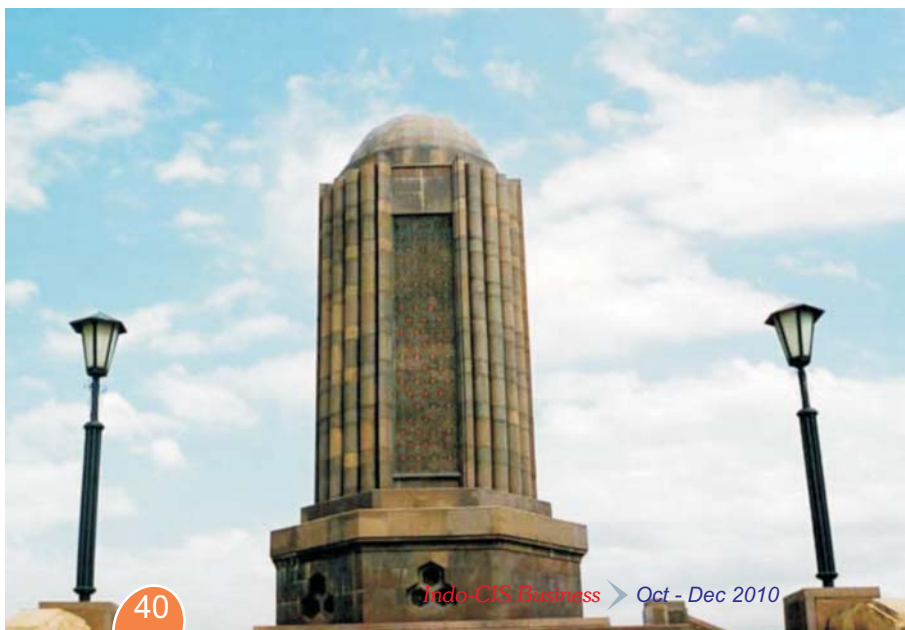
The Palace of Shirvanshakhs is one of the pearls of Azerbaijani architecture. It was built in the beginning of the 15th century. It includes a historical complex, the palace, a divankhana, the Shirvanshah's room, a palace mosque with minarets, bath house, a room of Seyid Yahya Bakuvi, and the Western divankhana monuments, which were built during a later stage. The complex construction began in 1441, while the Western divankhana was completed by architect Amirshah in 1558.

Azerbaijan's unique architectural monument - the Maiden Tower - is located in the south-western part of the Icheri Sheher. The tower



was built in two stages. Its bottom part with a height of 13.7 meters is dated by most experts to the 7th -6th centuries BCE. The Maiden Tower has a total height of 29.7 meters, with a diameter of 16.5 meters. The wall thickness in the bottom part is 5 meters, reducing to 4 meters at the top. The tower consists of 8 tiers and has a 21 meter deep water well.

Another interesting sight in Baku is the Ateshgah temple, situated in south-western part of the Surakhani settlement in





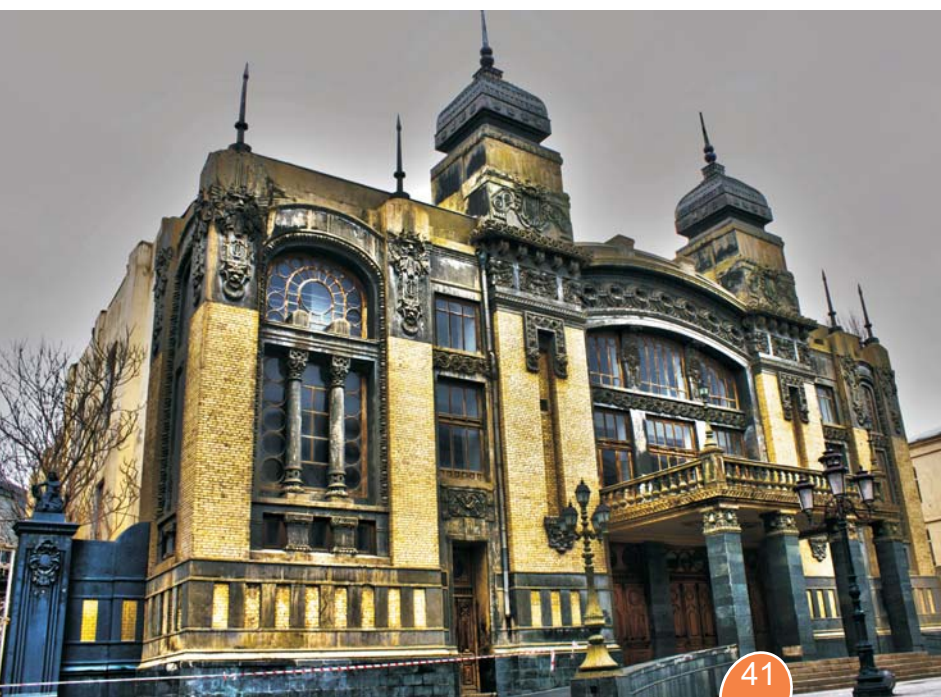
the Absheron peninsula, 30 km away from Baku. Ateshgah is a fire temple, built in the XVII-XVIII centuries. The temple's central stone shrine is located on a natural gas pocket. The present structure was built approximately in 1713 AD, and the building of the central stone shrine was funded by merchant Kanchanagaran in 1810.

One of the most ancient and exciting monuments of Baku is Gobustan, famous around the world for its rock carvings. It has numerous rock carvings, camps, dwelling places, tomb monuments and other sights of the stone period. Gobustan is located in the Boyukdash, Kichikdash, Yindirdag, Sondardag and Shixgaya mountains. The monuments dating from the mesolite to middle ages, can be found in the territory of Boyukdash.

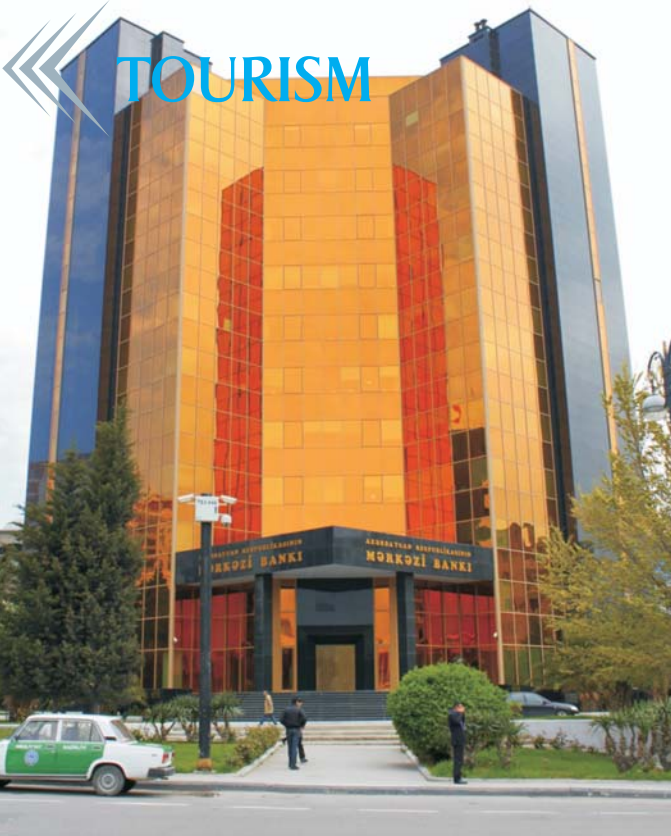
Besides, there are two ancient towers in the Mardakan settlement of Baku. The one with a quadrangular form was built in the 12th century by Akhsitan, the son of Shirvanshah Mechehrin. This tower

was erected on occasion of Akhsitan's victory over his enemies. The tower has a height of 22 meters. The wall thickness in the bottom part is 2.60 meters, reducing to 1.60 meters at the top. The insides of the tower are divided into five tiers. The second tower has a rounded shape and is known as Shih Tower among the local population. This tower has a height of 12.5 meters. Its inner part consists of 3 circles. The inscription on the tower wall reads that it was built by the architect Abdulmejid Masud in 1232.

Azerbaijan has more than 115 museums, galleries and their branches in every



city and region of the republic. Among the most unique landmarks are the ancient mausoleums of Momine-Khatun and Jusif, the towers of Absheron Peninsula. Gobustan mountains, Beyuk-dash, Kichikdash, Dzgingirdag, Shongardag and Shihgai have preserved the evidence of Azerbaijani people centuries old past starting from the Stone Age - rock drawings, prehistoric people's sites, rock fortresses, tombs and burial places."



Azerbaijan History Museum

Azerbaijan History Museum is considered the main Museum of the Republic. It is located in one of the most beautiful buildings of Baku - the mansion where Gadji Tagiyev, the oilman, the notorious sponsor and patron used to live. The total number of the Museum collection artifacts exceeds 300,000. The numismatic collection covers the entire coin minting history and monies circulation of Azerbaijan territory.

The Museum's collection includes numerous stone and obsidian tools of paleolith, mesolite, late Stone Age. The museum's pride is the fragment of a 300 350-thousand old fossil man's jaw found in Azykh Cave (the city of Fizuli).

The ethnographic collection consists of the richest variety of carpets. One can also see the collection of the Bronze Age crockery: boot-type vessels, pitchers, ware.

The armory collection of the Museum is regarded as a very significant collection of material culture. It comprises over 600 armory samples from various ages and nations. Oriental armory plays a major role in the collection representing about 300 samples. The central part of the collection is taken by cold arms and firearms from the Caucasus. Among the big variety of the late Middle Ages are chain armors, breast, calf, arm shields, swords, various pole-axes and head-pieces.

The ceramics collection is rich as well. The ethnographic collection also contains various embossed copper items.

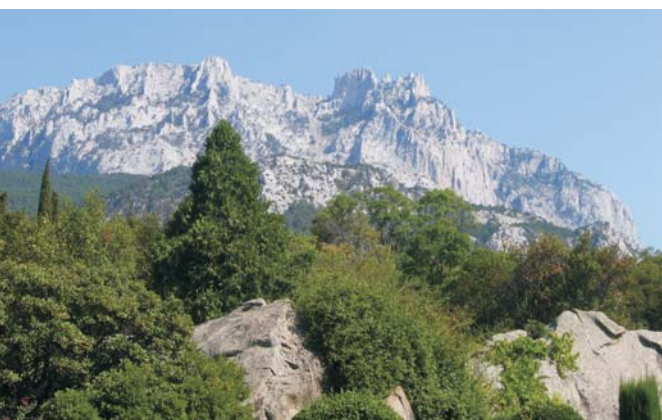
Museum of Carpets & Folk Applied Arts



The Museum was established in 1967. Today the Museum's collection consists of more than 10 thousand valuable artifacts. Among them are ceramic articles from the Bronze Age, 14th- century metal masterpieces, carpets weaved in the 18 th -20 th centuries; skillfully crafted jewelry made silver and gold, national apparel and embroidery. Besides, the collection features the works of modern artists. ■

Ukraine

A Country Rich in History & Culture



Ukraine is a very vivid country, rich in culture and history. There is much to offer tourists, many lovely sights, traditional sounds, decadent flavor and unique smells. A wide variety of attractions in Ukraine capture the interest of tourists from the world over. One such Ukrainian attraction is St. Sophia Cathedral and Monastery, built during the 11th century. Also located in Kiev, the capital of Ukraine, are attractions such as The Golden Gate, Cathedral of St. Vladimir, Museum of Ukrainian Art, Andreyev Hill, the Opera House and the Historical Museum of Ukraine.

Take a walk through time in the historical city of Lviv. In addition to the amazing architecture, visitors can explore great

Ukrainian attractions including the National Museum, Antique Armory, Pharmaceutical Museum, Museum of Ethnography and Crafts, Museum of History and the Opera House of Ivan Franko. The city of Odessa is well-known for the Potemkin Stairway with its 192 steps. Odessa also boasts a beautifully decorated opera house, a statue of the Duke of Richelieu, the Archaeological Museum and the Vorontsov Palace. This is just a small sampling of the many fascinating attractions in Ukraine. Visit this wonderful country and you will soon find there is always more to discover.

The fascinating country of Ukraine is located in Eastern Europe and is bordered by the Black Sea, Poland, Russia, Belarus, Hungary, Moldova, Romania and Slovakia. Ukraine is a geographically interesting country with many variations of climate and terrain taking place in an area which is only slightly smaller than the US state of Texas.

Ukraine enjoys some 2,782 km of varied coastline from stunning white beaches to rocky shores. It has no inland bodies of water but enjoys a large number of fertile plains or steppes nonetheless. The vast majority of the country consists of grassy, fertile plains and plateaus. The only mountains in Ukraine can be found in the west and extreme

south of the country. The Carpathian Mountains are in the west and the Crimean Peninsula is in the south.

Generally speaking, Ukraine enjoys a temperate continental climate. On the southern Crimean coast it becomes somewhat Mediterranean. Winters along the coast may be cool and temperatures drop the further inland you go. Summers are warm to hot depending on what part of the country you are visiting. Ukraine enjoys





a large variety of natural resources which are constantly mined and sourced for both local use and exporting. Some 57.1% of the country's landmass is considered to be very arable and a large portion of this is already being farmed.

There are almost 23,000 rivers within the borders of Ukraine. Its longest river is the Dnieper (Dnipro) which is some 966 kilometers long. Other notable rivers include the Dniester, Donets, Danube and Southern Buh. Lake Svityaz is one of the

largest natural lakes in the country. Water is used for drinking, transportation and hydroelectricity and is considered to be a very important natural resource in the country. As the second largest country in Europe, Ukraine's geography is varied and picturesque. Don't forget to take your camera with when visiting this beautiful country.

Narcissus Valley

It is said that the son of a river-god and a nymph was named Narcissus, and he grew up to be one of the most handsome youths ever to be born. He always had a string of woman interested in him, but he treated them with little decency due to his own pride. The heartache of his lovers did not go unnoticed, as Nemesis, the goddess of retribution, was aware of his deeds. Nemesis arranged for Narcissus to drink water from a mountain spring. On seeing his own reflection, he fell in love with himself and remained by the spring until his death, where he transformed into the narcissus flower.

This tale of love, retribution and the narcissus flower has remained for centuries, and there is no better location to view this dainty white flower than in the Narcissus Valley in Ukraine. Located in a part of the country that the locals refer to as Kires, it is believed that the valley was once a river bed. Usually this species of flower flourishes at high altitudes, but at a mere two hundred meters above sea level, they seem extremely happy. The land was once under threat of being turned into farm land, but conservationists stepped in and in the 1970s the government made it a part of the Carpathian Natural Preserve. The flowers begin to bloom in the month of May. They are a breathtaking sight, as they blanket a seventy hectare area, and their sweet scent is intoxicating. To keep the area free of unwanted plant growth that could have a negative impact on the flowers, conservationists began to cut the grass and take out weeds from the 1980s onwards. Encroaching construction has taken away some of the water supply to the Narcissus Valley, but at least this part of paradise is protected from development.

Many have said that the Narcissus Valley is where the Garden of Eden used to be, as its beauty cannot be accurately described. Thousands of visitors from as far as Germany, France, United States, Canada and Austria, come to witness this magnificent annual spectacle set amidst lakes, waterfalls and spectacular mountain ranges. It is understandable that some believe that the Narcissus Valley is what remains of paradise. ■



Празднование десятилетия стратегического партнерства

Индия и Россия отметили 10 лет стратегического партнерства, подписав ряд сделок в области ядерной энергии, нефти и газа, сотрудничества в исследовании космоса и других сфер деятельности.

Ниже приводится текст вступительного выступления Премьер-министра Манмохана Сингха на пресс-конференции по итогам 11-го ежегодного российско-индийского саммита, состоявшейся 21 декабря 2010 года в Нью-Дели, в которой приняли участие президент России Дмитрий Медведев во время своего трехдневного визита в Индии.

“В этом году мы отмечаем 10-летие заключения индийско-российского стратегического партнерства. Это также третий ежегодный саммит, где мы встречаемся с Президентом Медведевым. Мы высоко оцениваем роль Президента Медведева в расширении нашего сотрудничества и будущего развития” – сказал Премьер-министр Манмохан Сингх.

Традиция ежегодных саммитов с Россией является символом богатства наших связей. Россия является давним другом Индии, который всегда был с нами в наши трудные времена в прошлом. У нас специальное привилегированное стратегическое партнерство. Это партнерство, которое развивается и будет продолжать развиваться вне зависимости от наших взаимоотношений с другими странам

У нас состоялись всеобъемлющие и результативные переговоры. Мы подписали ряд очень важных соглашений, которые распространяются на большую сферу



Встреча Премьер-министра Индии доктора Манмохана Сингха с Президентом Российской Федерации Д. А. Медведевым в Нью Дели.

различных секторов. Это отражает наше взаимное желание привести наше сотрудничество в других областях на тот уровень, где у нас традиционно сильное сотрудничество, – в области обороны и ядерной сфере.

Я особенно рад, что мы подписали межправительственное соглашение по сотрудничеству в области нефти и газа. Это результат упорной двусторонней работы, он отражает взаимодополняемость наших двух экономик. Мы будем работать для выполнения этого способом взаимно согласованной дорожной карты.

Мы приветствуем большую роль, которую играет индийско-российский форум по торговле и инвестициям и Совет председателей крупных компаний. Мы подписали соглашение в области фармацевтики и информационных технологий. В этих областях есть большие возможности для расширения. Соглашение о простом визовом режиме, которое мы подписали, даст возможность упростить поездки граждан наших стран. Мы также решили поднять уровень международного обмена культурными ценностями. Давно, раньше других стран Россия стала играть большую роль и помогать нам в развитии нашей научной и промышленной базы. Поэтому я очень рад, что мы возобновили комплексную технологическую программу для создания технологического партнерства на инновационной основе. В области военно-технического сотрудничества мы рассмотрели сегодняшние проекты, включая те, которые находятся в области совместной разработки и производства.

У нас были переговоры о строительстве дополнительных российских реакторов в Куданкуламе, а также мы подписали



Премьер-министр Индии доктор Манмохан Сингх и Президент Российской Федерации Д. А. Медведев на совместной пресс-конференции в Нью Дели.

соглашение для расширения научно-технического сотрудничества в области ядерной энергетики.

Также мы рассмотрели ситуацию в нашем регионе, пути и возможности для дальнейшего укрепления нашего сотрудничества по международным вопросам. Мы согласились увеличить наши консультации по Афганистану. Мы с нетерпением ждём работы с Россией в Совете Безопасности ООН в следующие два года. Мы будем тесно работать в форматах БРИК и группы «двадцати».

Наши отношения с Россией являются фактором мира и стабильности в нашем регионе и в мире. Этот саммит сделал наши отношения более содержательными, за что я хочу ещё раз поблагодарить Президента Медведева и Правительство России.

Совместное заявление по увеличению объема двусторонней торговли до 20 млрд. долларов США к 2020 году

Президент Российской Федерации Д.А.Медведев посетил Индию с официальным визитом 21–22

декабря 2010 года по приглашению Премьер-министра Республики Индии Манмохана Сингха для участия в десятом ежегодном саммите в рамках российско-индийского стратегического партнерства.

Стороны отметили, что десять лет, прошедшие со времени подписания в Нью-Дели Декларации о стратегическом партнерстве между Российской Федерацией и Республикой Индией от 3 октября 2000 года, подтвердили историческое значение этого документа. Оценивая масштаб и глубину российско-индийских связей, стороны констатировали, что за последние десять лет отношения между двумя странами вышли на уровень особо привилегированного стратегического партнерства.

Они подчеркнули, что эти партнерские отношения характеризуются тесной координацией внешнеполитических подходов к широкому кругу международных и региональных проблем; масштабным торгово-экономическим сотрудничеством, охватывая модернизацию и внедрение высоких технологий; углубленным военно-техническим сотрудничеством, включая совместное производство современных видов вооружения и передачу технологий; а также традиционно теплой дружбой между народами обеих стран, особо проявляющейся в культурных связях и контактах между людьми.

В ходе переговоров Президент Российской Федерации и Премьер-министр Индии обсудили динамичное развитие, которое было достигнуто во всех основных областях двустороннего сотрудничества, включая военно-техническое сотрудничество, энергетику, а также высокотехнологичные космический и телекоммуникационный секторы. Стороны также отметили полное совпадение позиций по региональным и международным проблемам, имеющим большое значение для безопасности обеих стран.

Наращивание торговли и инвестиций

Обе стороны отметили значительный прогресс во взаимной торговле, достигнутый в последние годы, а также существенный потенциал в торгово-экономическом сотрудничестве, который предстоит реализовать. Стороны согласились продолжить работу, направленную на решение стратегической задачи по увеличению объема двусторонней торговли до 20 млрд. долларов США к 2015 году. Они констатировали, что Российская Федерация и Индия располагают значительными возможностями для взаимовыгодных инвестиций в области программ приватизации и программ стимулирования технологических инноваций в их экономиках. Стороны подтвердили важную роль Межправительственной Российско-Индийской комиссии по торгово-экономическому, научно-техническому и культурному сотрудничеству и ее сопредседателей. Стороны также отметили, что подписанное в ходе саммита Соглашение об

упрощении условий взаимных поездок отдельных категорий граждан России и Индии будет способствовать развитию контактов между деловыми кругами обеих стран. Обе стороны согласились изучить перспективы заключения соглашения о всестороннем экономическом сотрудничестве с учетом реализации договоренностей о создании Таможенного союза между Россией, Казахстаном и Белоруссией после соответствующих консультаций со всеми заинтересованными сторонами. Расширение энергетического партнерства Стороны отметили, что Российская Федерация, как крупный производитель энергии, и Индия, как крупный потребитель энергии, считают двустороннее энергетическое сотрудничество важным опорным элементом стратегического партнерства. Обе стороны выразили удовлетворение развитием двустороннего сотрудничества в ядерной энергетике и надежду на дальнейшее расширение и укрепление связей в этой сфере. Они обсудили успешную подготовку к введению в эксплуатацию 1-го и 2-го блоков АЭС «Куданкулам» и переговоры о строительстве дополнительных блоков АЭС «Куданкулам», в частности, 3-го и 4-го. Индия и Российская Федерация отметили потребность в сотрудничестве при проведении научных исследований в области использования ядерной энергии в мирных целях. Российская сторона приветствовала решение Индии о создании Глобального центра партнерства в ядерной энергетике и выразила готовность обсуждать перспективы сотрудничества с этим центром. Стороны также договорились рассмотреть возможности взаимодействия с третьими странами в



Управляющий директор ОНДЖС Видеш Лимитед (ONGC Videsh Limited), г-н Р. С. Бутла и Председатель Совета директоров Акционерной Финансовой Корпорации "Система" в России, г-н Владимир Евтушенков. Подписание рамочного соглашения о сотрудничестве в нефтегазовом секторе между компаниями "ОНДЖС Видеш Лимитед" и "Система" в присутствии Премьер-министра д-ра Манмохана Сингха и президента России г-на Д. А. Медведева в Нью-Дели.

области использования атомной энергии в мирных целях.

Нефтегазовый сектор

Стороны обсудили продолжающуюся работу по созданию совместных предприятий между российскими и индийскими компаниями в нефтегазовом секторе. Достигнута договоренность о том, что подписанное во время саммита межправительственное соглашение о сотрудничестве в нефтегазовой сфере должно служить эффективным правовым механизмом, ускоряющим получение государственных разрешений с обеих сторон с целью содействия созданию и функционированию подобных совместных предприятий. Стороны согласились продвигать конкретные проекты для поощрения прямых деловых контактов между российскими и индийскими нефтегазовыми компаниями с целью заключения взаимовыгодных коммерческих контрактов между этими компаниями, в том числе на создание совместных предприятий по добыче, переработке, транспортировке и маркетингу нефти и нефтепродуктов в России, Индии и третьих странах.

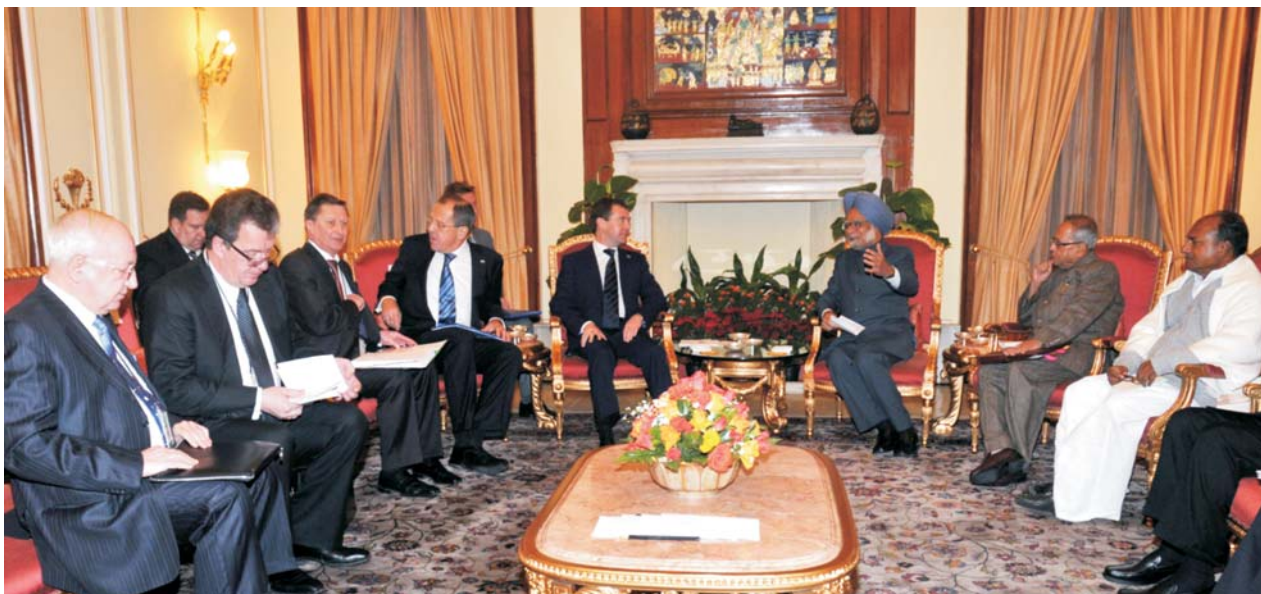
Инновации как движущая сила научно-технического сотрудничества

Стороны обсудили достижения в сфере двустороннего научно-технического сотрудничества. Они выразили удовлетворение заключением Комплексной долгосрочной программы сотрудничества в области науки, техники и инноваций сроком на следующие десять лет и ее ориентированностью на инновационные технологические программы. Для наших стран

разработка новых инновационных технологий является центральным звеном в осуществлении программ экономической модернизации. Последовательная работа будет проводиться по определению программ, которые могли бы опираться на существующие связи между российскими и индийскими научными учреждениями. Новый российско-индийский научно-технологический центр мог бы способствовать осуществлению таких программ.

Новые перспективы в области космических исследований

Обе стороны договорились интенсифицировать сотрудничество по широкому кругу передовых проектов в области космических исследований, включая исследование Луны, пилотируемый космический полет и работы по проекту российско-индийского научно-образовательного спутника «ЮтСат». Они также обсудили успехи в использовании Индией российской Глобальной навигационной спутниковой системы ГЛОНАСС. Нарастание военно-технического сотрудничества. Обе стороны отметили, что традиционно тесное сотрудничество между двумя странами в военно-технической области является одним из главных опорных элементов российско-индийского стратегического партнерства и отражает доверительные отношения, сформировавшиеся между двумя государствами за последние полвека. Президент Российской Федерации и Премьер-министр Индии обсудили итоги 10-го заседания Российско-Индийской Межправительственной комиссии по военно-техническому сотрудничеству, состоявшегося в Нью-Дели в октябре 2010 года, и выразили общее мнение о том, что Соглашение о



Премьер-министр д-р Манмохан Сингх и президент России г-н Д. Медведев на переговорах правительственного уровня в Нью-Дели.

Долгосрочной программе военно-технического сотрудничества на период 2011-2020 годов, подписанное в декабре прошлого года, будет способствовать дальнейшему развитию нашего взаимодействия от формата «покупатель – продавец» к более субстантивному сотрудничеству, включая совместные исследования и разработки, производство и сбыт. Оба лидера также выразили удовлетворение регулярными контактами по военной линии и совместными учениями с участием вооруженных сил двух стран. Они с удовлетворением отметили, что состоявшиеся в Индии 13-23 октября 2010 года третьи российско-индийские совместные военные учения были нацелены на отработку контртеррористических операций и завершились успешно. Стороны согласились прилагать усилия для дальнейшего развития непрерывного сотрудничества в области проведения совместных учений по всем направлениям, включая борьбу с терроризмом.

Стороны отметили, что страны-члены Ассоциации регионального сотрудничества Южной Азии (СААРК) продвинулись к успешному осуществлению проектов региональной экономической интеграции, обеспечив доступность плодов развития для всего региона. Россия рассмотрит возможность сотрудничества с СААРК.

Обе стороны отметили, что Шанхайская организация сотрудничества (ШОС) стала важным фактором в обеспечении региональной безопасности и взаимодействия на евразийском регионе. Президент Российской Федерации приветствовал намерение Индии присоединиться к Организации в качестве полноправного члена, что значительно усилило бы политический вес ШОС и придало бы новые качество и измерение сотрудничеству в этом объединении. Российская Федерация согласилась предпринять меры вместе с остальными членами ШОС для ускорения процесса вступления Индии в данную организацию.

В ходе обсуждения проблем региона Азии оба лидера отметили, что экономики стран региона все в большей степени становятся главными двигателями глобального экономического роста и процветания, и России и Индии важно работать над созданием прозрачного, открытого, всеобъемлющего и сбалансированного построения безопасности и сотрудничества в регионе, основанного на признанных принципах международного права, а также на уважении законных интересов всех государств. В этом отношении стороны договорились о проведении консультаций по данной тематике и в будущем. Стороны подчеркнули необходимость принятия совместных международных мер по противодействию как традиционным, так и новым угрозам безопасности, таким, как терроризм, экстремизм и распространение оружия массового поражения, контрабанда наркотиков, организованная преступность, а также отметили необходимость укрепления безопасности судоходства и обеспечения свободной навигации в соответствии с общепринятыми принципами международного права, включая борьбу с морским пиратством, по преодолению



Руководитель Департамента фармацевтики Индии г-н Мукул Джоши и заместитель министра промышленности и торговли России г-н Денис Мантуров. Подписание Меморандума о взаимопонимании между министерством химической промышленности и добрых дел Индии и министерством промышленности и торговли Российской Федерации о сотрудничестве в области фармацевтики в присутствии Премьер-министра д-ра Манмохана Сингха и президента России г-на Д. А. Медведева в Нью-Дели.



Секретарь Министерства информационных технологий Индии г-н Шаши Кант Шарма и заместитель министра связи и массовых коммуникаций Российской Федерации г-н Илья Массух. Подписание меморандума о взаимопонимании между Министерством связи и массовых коммуникаций Российской Федерации о сотрудничестве в области информационных технологий в присутствии Премьер-министра д-ра Манмохана Сингха и президента России г-на Д. А. Медведева в Нью-Дели.



Секретарь департамента атомной энергии, председатель комиссии по атомной энергии Индии г-н Шрикумар Банерджи и Генеральный директор государственной корпорации Российской Федерации "Росатом" г-н Сергей Кириенко. Подписание меморандума о взаимопонимании между департаментом атомной энергии Индии и государственной корпорацией "Росатом" о расширении научно-технического сотрудничества в присутствии Премьер-министра д-ра Манмохана Сингха и президента России г-на Д. А. Медведева в Нью-Дели.

гуманитарных последствий стихийных бедствий. Стороны намерены укреплять меры доверия между всеми государствами региона в целях содействия поддержанию регионального мира и стабильности.

Стороны отметили, что механизм Восточноазиатских саммитов (ВАС) предоставляет новые возможности для стратегического диалога по всем аспектам безопасности и сотрудничества в Азиатско-Тихоокеанском регионе. Премьер-министр Индии приветствовал присоединение Российской Федерации к процессу ВАС, который теперь включает в себя все ключевые государства региона.

Россия подтвердила, что присоединение Индии к форуму «Азиатско-Тихоокеанского экономического сотрудничества» (АТЭС) способствовало бы повышению потенциала и эффективности АТЭС и расширению торгово-инвестиционного взаимодействия в регионе. Россия поддерживает заявку Индии на вступление в АТЭС и намерена предпринять шаги в этом направлении после снятия моратория на прием новых участников. Стороны отметили важность механизма совещаний министров обороны государств-членов АСЕАН и диалоговых партнеров АСЕАН («СМОА плюс») как ключевого элемента устойчивой, эффективной, открытой и всеобъемлющей региональной архитектуры безопасности, который позволит СМОА сотрудничать с партнерами по диалогу «СМОА плюс» при противодействии общим вызовам безопасности.

Содействие сотрудничеству между странами с динамично растущей экономикой

Стороны отметили, что БРИК играет существенную роль в становлении многополярного мирового порядка как более гармоничной международной системы, основанной на принципах международного права, равенства, взаимного уважения, сотрудничества, координации действий и коллективного принятия решений. Взаимодействие в формате БРИК также сыграло важную роль в обеспечении международной экономической и финансовой стабильности. Стороны отметили продуктивность встреч министров финансов и глав центральных банков стран-членов БРИК. Стороны одобрили идею подключения ЮАР к деятельности БРИК в 2011 году.

Ядерная программа Ирана

Индия и Россия вновь отметили, что необходимо принять все возможные усилия для урегулирования иранской ядерной проблемы путем диалога и переговоров, и согласились с тем, что Иран вправе проводить исследования, развивать производство и использование атомной энергии в мирных целях в соответствии со своими международными

обязательствами. Стороны призывают Иран соблюдать положения соответствующих резолюций Совета Безопасности ООН и обеспечить должный уровень сотрудничества с МАГАТЭ.

Восстановление и укрепление мировой экономики, реформирование международной финансовой архитектуры

Президент Российской Федерации и Премьер-министр Индии полагают, что при очевидном восстановлении мировой экономики этот процесс носит неустойчивый характер со значительными различиями по отдельным странам. Для продвижения в направлении общей цели – уверенного, устойчивого и сбалансированного роста – необходимо, чтобы страны-участницы «Группы двадцати» полностью выполнили Сеульский план действий, принятый на недавнем саммите «Группы двадцати». Стороны приветствовали реформирование Всемирного банка и подтвердили, что выступают за успешное завершение реформы Международного Валютного Фонда в соответствии с решениями Сеульского саммита, которое станет важным достижением в ходе общей реформы международной финансовой архитектуры.

Противодействие глобальному изменению климата

Стороны подчеркнули необходимость в соответствии с Рамочной конвенцией ООН об изменении климата активизировать усилия международного сообщества по борьбе с глобальным изменением климата. Они выразили удовлетворение итогами Канкунской конференции, а также согласились в том, что последующие переговоры должны стать частью всеобъемлющих договоренностей, отражающих все фундаментальные положения Балийского плана действий.

Лидеры выразили удовлетворение расширяющимся двусторонним взаимодействием, которое, как они полагают, соответствует положениям Декларации о стратегическом партнерстве между Российской Федерацией и Республикой Индией от 3 октября 2000 года. Они приняли решение продолжать усилия по дальнейшему совершенствованию российско-индийского привилегированного стратегического партнерства и его переходу на еще более высокий качественный уровень. Президент Российской Федерации пригласил Премьер-министра Индии посетить Россию для участия в очередном двустороннем саммите; приглашение было с благодарностью принято. ■

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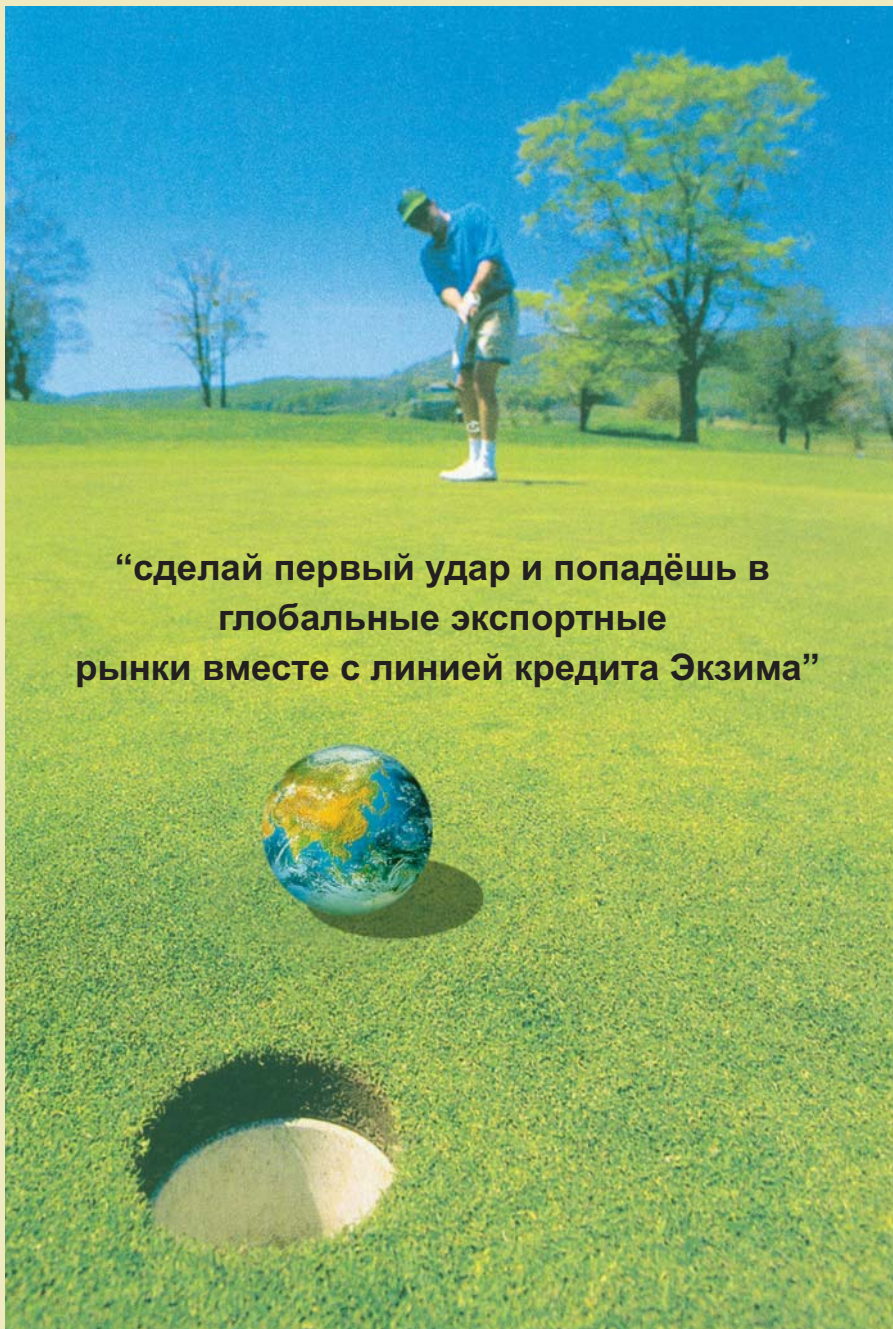
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