CHAPTER - 2
2 CIS COUNTRIES AND THEIR TRADE WITH INDIA

The Commonwealth of Independent States (CIS) was established on December 8, 1991, by the Minsk Agreement signed by the Heads of State of the Republic of Belarus, the Russian Federation and the Republic of Ukraine. The formal clause stating the dissolution of Soviet Union was included in the subsequent treaty signed in Almaty, Kazakhstan, by all the former Soviet Republics, except the Baltic States and Georgia. In December 1993, both Georgia and Azerbaijan joined the CIS. The CIS thus includes all the former Soviet Republics except the Baltic States. At present, the CIS unites Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. The CIS sought to fill the institutional vacuum resulting from the disintegration of the Soviet Union and to ensure continued co-operation in trade and military policy and recognition of borders.

The main organ of the CIS is the Council of the Heads of State, the supreme body of the organization. The Council coordinates the operation of the executive authorities of the states in economic, social and other spheres. In September 1993, the Heads of the CIS States signed an Agreement on the creation of Economic Union with the purpose of forming common economic space based on free movement of goods, services, labour force and capital. The agreement aimed at elaborating coordinated monetary, tax, price, customs and economic policy: bringing together methods of regulating economic activity and creating favorable conditions for the development of direct production relations.

2.1 Structure of CIS Countries (CISSTAT, 2006)

Council of the Heads of States: This is the supreme body of the CIS that discusses and solves any principle questions of the Commonwealth connected with the common interests of the participant states.

Council of the Heads of Governments: This Council coordinates co-operation of the executive authorities of the member states in economic, social and other spheres of their common interests. Inter-Parliamentary Assembly: The Assembly was
established in March 1995 by the leaders of Supreme Soviets (parliaments) of the Commonwealth countries as a consultative institution to discuss problems of parliamentary cooperation and develop proposals by the parliaments of the CIS states.

**Economic Court:** Economic Court functions with the aim of ensuring the meeting of economic commitments in the framework of the CIS. Its terms of reference include settlement of interstate economic controversy arising in meeting economic commitments envisaged by agreements and decisions of the Council of the Heads of States and the Council of the Heads of Governments of the CIS.

**Council of Foreign Ministers:** It is the main executive body that ensures cooperation in the field of foreign policy activities of the member states of the CIS on matters of mutual interest, adopting decisions during the period between the meetings of the Council of the Heads of States, the Council of the Heads of Governments and by their orders.

**Council of Defense Ministers:** It is a body of the Council of the Heads of States responsible for military policy of the member states of the CIS.

**Economic Council:** The Economic Council is the main executive body, which ensures implementation of the decisions of the Council of the Heads of States and the Council of the Heads of Governments of the CIS on realisation of the Agreement for creation of free trade zone as well as on other matters of socioeconomic cooperation. The Economic Council consists of the Deputy Heads of Governments of member states of the CIS.

**Executive Committee:** The Executive Committee unites permanently functioning executive, administrative and coordinating bodies of the CIS, and organizes the activities of the Council of the Heads of States, Council of the Heads of Governments, Council of Foreign Ministers of member states of the CIS, Economic Council and other bodies of the Commonwealth, among others.

**Interstate Bank:** The most important function of the Interstate Bank is organization and implementation of multilateral interstate settlements between central (national)
banks in relation to trade and other transactions, as well as co-ordination of monetary policy of the member states. The Interstate Bank was established in accordance with the decision of the Heads of Governments in December 1991 for coordinating activities of statistical organisations of the CIS countries, developing and implementing a unified statistical methodology on the basis of mutual consultations, securing comparability and continuity of statistical elaboration, facilitating wide-scale information exchange in the framework of the CIS, organizing seminars and employing other forms of rendering assistance to national statistical services.

Map 2.1: The CIS Countries

Source: www.reisenett.no/map_collection_commonwealth.html
2.2 Economic growth of CIS Countries

CIS region has registered robust economic growth in recent years. Real GDP growth for the region as a whole strengthened from 6.7% in 2005 to 7.5% in 2006 to 8.4% in 2007. Strong growth momentum in the largest economies in the region, such as Russia, Ukraine, Belarus, Kazakhstan, has supported economic activity in other member countries. During 2005, growth momentum was sustained, although at a lower level of 6.7%. During 2006, reflecting high commodity prices and strong export growth, economic activity has picked up, supported by increased domestic demand in major countries such as Russia and Kazakhstan. Reflecting increased earnings from oil and commodity exports, the current account surplus of the CIS region has risen from 6.3% of GDP in 2003 to 8.1% in 2004 and further to 8.8% of GDP in 2005. For net energy exports such as Azerbaijan, Kazakhstan, Russia, Turkmenistan and Uzbekistan, the current account surplus was a high as 8.7% of GDP in 2004, which increased further to 10.0% of GDP in 2005 (Fig. 2.1 & 2.2).

Fig. 2.1: Country-wise GDP growth of CIS region

Source: IMF (2008)
Total exports of the CIS region have risen from US$ 196.1bn in 2003 to US$ 267.9bn in 2004, and further to US$ 344.7bn in 2005 and then to 426bn in 2006 and 508bn in 2007 (Fig.2.3). Total imports have also risen from US$ 133.5bn in 2003 to US$ 172.8bn in 2004, and during 2005 stood at US$ 216.4bn, in 2006 at 281bn and in 2007 at 377bn (Fig.2.3). Details are given in Appendix 3.
2.2.1 RUSSIA
Among the largest economies, economic activity in Russia slowed down with a real GDP growth of 6.4% in 2005, as compared to 7.2% in 2004, driven by a combination of lower output growth in the energy sector, economic uncertainties that undermined investments and an increasingly negative contribution from the external sector. But it bounced back again with the real GDP growth rate of 7.4% in 2006, 8.1% in 2007 and 7.0% in 2008 (Fig.2.4).

Source: IMF (2008)

2.2.2 UKRAINE
In Ukraine, slowdown in export demand combined with weak growth in investment led to a sharp deceleration in real GDP growth to 2.6% in 2005, down from a growth of 12.1% in 2004. But recently it showed pick up in export, with the real GDP growth rate of 7.3% in 2006, 7.6% in 2007 and 6.4% in 2008 (Fig.2.5).

Source: IMF (2008)
2.2.3 KAZAKHSTAN

In Kazakhstan, the boom in the oil and gas sector has driven economic growth in recent years. Real GDP growth was sustained at a robust 9.7% in 2005, as compared to 9.6% in 2004. Supported by industrial output growth of 10.0% and construction growth of 11.2%, transport and communication grew by 12.2%, while trade and other services expanded by 10.4%. As the focus Kazakhstan now is more on trade this reflected in its impressive real GDP growth rate of 8.9% in 2007 though it has come down to 4.5% in 2008 (Fig.2.6).

![Fig.2.6: Kazakhstan's GDP growth](source)

2.2.4 UZBEKISTAN

In case of Uzbekistan, Real GDP growth rate increased from 4.2% in 2003 to 7.7% in 2004. This can be attributed to a growth in the industrial sector, and an expansion in the agricultural sector. In 2005, real GDP growth was maintained at 7.0%. Real GDP growth then further rose to the higher levels to 9.5% in 2007 and 8.0% in 2008 (Fig.2.7), which was primarily supported by new investments in oil & gas sector and gold mining.

![Fig.2.7: Uzbekistan's GDP growth](source)
2.2.5 BELARUS
In Belarus, real GDP growth stood at a robust 11.4% in 2005, reflecting strong Russian demand for Belarusian manufactured outputs. Domestic demand also remains an important driver of growth in Belarus, aided by government prioritizing ambitious wage targets. But under the global slowdown the real GDP growth rate plummeted to 8.2% in 2007 (Fig. 2.8).

![Belarus's GDP growth](image)

Source: IMF (2008)

2.2.6 ARMENIA
In Armenia, real GDP reached a robust growth of 13.9% during 2005, as compared to 10.1% in 2004. Investment by Russian and several western companies into the mining and non-ferrous metallurgy sectors resulted in a pick-up in the growth rate in industry. The same factors maintained the GDP growth rate at 13.8% in 2007 (Fig. 2.9) despite global slowdown.

![Armenia's GDP growth](image)

Source: IMF (2008)
2.2.7 AZERBAIJAN

In case of Azerbaijan, after the sharp decline in output in the early nineties, rapid growth commenced in 1997, mainly owing to large-scale FDI into the oil and gas sector. Real GDP growth since 2000 has averaged over 10% per year, and stood at a robust 24.0% in 2005. The country reflected the same momentum in 2007 and GDP stood at 23.4% growth rate (Fig 2.10).

![Fig. 2.10: Azerbaijan's GDP growth](image)

Source: IMF (2008)

2.2.8 GEORGIA

Economic growth has been rapid in Georgia in the last few years, with real GDP growing by 5.9% in 2004 and increased to 9.3% in 2005. Strong growth in construction due to building of two oil pipelines, as also robust growth in the extraction and manufacturing sector have boosted economic activity. These factors contributed to the real GDP growth rate at 12.4% in 2007 (Fig.2.11).

![Fig. 2.11: Georgia's GDP growth](image)

Source: IMF (2008)
2.2.9 MOLDOVA

Moldova's real GDP growth in 2005 stood at 7.1%, as compared to 7.4% in the previous year, aided by a significantly improved agricultural performance and strong export performance due to Russia's robust economic performance, which plays a key role in Moldavian exports. But the real GDP growth rate plummeted to 4% (Fig. 2.12) which may be attributed to global economic slowdown.

![Fig. 2.12: Moldova's GDP growth](image)

Source: IMF (2008)

2.2.10 TAJIKISTAN

The economy of Tajikistan is diversifying away from dependence on aluminum and cotton. The real GDP growth slowed down to 6.7% in 2005 from 10.6% in previous year. However, reflecting strong growth in retail trade and industrial output, real GDP growth strengthened to 7.8% in 2007 (Fig. 2.13).

![Fig. 2.13: Tajikistan's GDP growth](image)

Source: IMF (2008)
2.2.11 TURKMENISTAN
In Turkmenistan, real GDP registered a lower growth of 9.6% in 2005 as compared to 14.7% in 2004 due to strong performance of the hydrocarbons and cotton sectors, which are the main contributors to overall output. The same factor contributed to the lower growth in 2007 at 11.6% (Fig.2.14).

![Turkmenistan’s GDP growth](image)

Source: IMF (2008)

2.2.12 KYRGYZSTAN
In Kyrgyz Republic, real GDP growth after contracting sharply during 2005 rose to the real GDP growth rate of 8.2% in 2008 (Fig.2.15). The economic recovery was primarily due to increased output from the Kumtor gold mine, which is the single most important constituent of Kyrgyz Republic’s economy accounting for around 40% of industrial output and almost half of the country’s export revenue.

![Kyrgyzstan’s GDP growth](image)

Source: IMF (2008)
2.3 India’s trade relations with USSR: Before break-up

India and USSR hold both economic and political significance for each other. Indo-Soviet trade expanded from virtually nothing in the early 1950s to be worth USD 2.25 billion in 1986/87. It grew rapidly by around 25% a year. Indian exports to the Soviet Union accounted for about 15% of its total exports and the reverse trade accounts for approximately 5.5% of Indian imports in 1986-87.

A unique feature of the Indo-Soviet relationship was the Rupee trade agreement between the two countries. Under the agreement, all Indian purchases of Soviet products or weapons are made in Indian Rupees. This means that India never had to part with hard earned foreign reserves to buy Soviet exports, including oil and weapons. In return, the Soviet Union used its accumulated Rupees to buy Indian products, including such consumer items as razor blades, toothpaste, cashew nuts, fruit juice etc. The Soviet Union was also the main buyer of Indian tea.

When oil prices were high, trade between the Soviet Union and India remained fairly balanced. But as oil prices dropped in 1980s and India's own oil production increased, the balance shifted dramatically in India's favour. 1986, the Soviet trade deficit with India was about USD700 million (Sachdeva, 2004).

A distinguishing feature of the indo-Soviet trade was its mutually beneficial character, since it represents an example of skilful employment of advantage of the international division of labour by the partners. The Soviet Union supplied to India the machinery and equipment, industrial raw materials and finished products necessary for the development of her economy. In its turn, India exported to USSR a wide range of goods which were not produced in the USSR owing to climatic conditions. The USSR's share in the total volume of Indian export was constantly growing. The export of Indian goods to the USSR had special significance for India, since under the conditions of unstable development of the world capitalist economy; there were protectionist restrictions and barriers on the way of goods from the developing countries. Indian goods underwent an ever-increasing competition on
the world market and their share in the world trade was on the decrease. The technical co-operation which had an important place in the whole complex of traditional relation of friendship between the two-countries was pregnant with many prospective effects on the further technological up-gradation of India’s heavy engineering and thereby ensuring her export capabilities. This exemplifies the fact of a developing nation being profited by its trading relationship with a developed nation and serving as a replica of good business traditions. The emergence of India and the Soviet Union as key trading partners of each other is a major landmark in mature co-operation and an illustrious example of North-South co-operation in their common quest for better international understanding and peace. The experience of implementing the long-term (five-year) trade agreements had convincingly proved the mutual benefit of Indo-Soviet trade ties. Their planned foundation having and perspectives for trade development had become an important segment of India’s foreign trade. However, a number of issues were raised in the 1980s questioning the relevance of many prevailing institutional and organizational aspects of trade which need to be reviewed and examined in the best interest of promoting India’s trade with the USSR in the years to come (Rai, 1991).

The total value of Indo-Soviet Trade which was barely Rs. 0.22 crore in 1950-51 had a quantum jump to Rs. 3,457.97 crore in 1984. This spectacular growth in trade in a span of three and half decades is supposed to provide an excellent example of fruitful trade and economic co-operation between the two countries with different social systems. Under the self-balancing "Rupee payments" mechanism the trade between the two countries that grew rapidly after 1960 has reached now a qualitative, though not a quantitative plateau. Added to this, there was an appreciable amount of economic assistance extended to India by the U.S.S.R. that gave further stimulus to growth in trade between the two countries (Ghosh, 1992).

Many doubts have been raised regarding the overall benefits of Indo-Soviet trade to India. The doubts centre round questions like whether India is losing valuable free foreign exchange as a result of its trade diversion from the convertible currency
areas, whether India is trading at a loss in terms of prices, whether India is getting products of comparable quality through its imports from the U.S.S.R. and Eastern Europe. The broad judgment, after considering all factors, has been that Indo-Soviet bilateral trade has, on the whole, benefited India during the period under study (Ghosh, 1992).

The decade of 1990’s was a very difficult period for Russian business. It was not only that Russia was transforming its economic system, but this transformation was also taking place in a period when Russian economy faced one crisis after another. As a result, the Russian economy was already reduced to half of what it was in 1990, when another financial and economic crisis hit the economy in August 1998. In contrast, the Indian economy in the 1990’s grew fast, compared to any other time in the recent past. The average annual growth rate between 1990 and 2000 was minus 4.8 per cent for Russia and about 6 per cent for India.

The list of major export and import items from/to India to CIS are given in Appendix 4.

2.4 India’s trade relations with the CIS region

2.4.1 Major trading partners of India in the CIS region

A significant portion of India’s exports to the CIS region is to Russia. India’s exports to Russia accounted for 58.77% of India’s total exports to the CIS region in 2005-06 (Appendix 3), but declined to 54.08% in 2007-08 (Fig.2.16). Ukraine is the second largest export destination in the region, with a share of 20.70% in 2005-06 (Appendix 3) which increased to 22.94% in 2007-08 (Fig.2.16).

The relative share of Russia, Ukraine and other CIS countries in India’s exports during 2007-08 is shown in Fig.2.16.
Like exports, a significant portion of India's imports from CIS region is from Russia. India's imports from Russia accounted for 65.33% of India's total imports from the CIS region in 2007-08. Ukraine is the second largest import destination in the region, with a share of 23.43% in 2007-08, followed by Azerbaijan (4.57%), Belarus (3.31%), Kazakhstan (2.03%), and Uzbekistan (0.43%) (Fig. 2.17)

Source: DGCIS, MOCI (2008)
India’s total exports to the CIS region, after contracting from US$ 972.4mn in 2001-02 to US$ 921.7mn in 2002-03, primarily due to decline in exports to Russia which is India’s largest trading partner in the CIS region, thereafter picked up to reach US$ 1.7bn in 2007-08 (Fig.2.18). India’s imports from the CIS region, on the other hand, have registered a continued rise from US$ 736.7mn in 2001-02 to US$ 3.7bn in 2007-08 (Fig.2.18). Reflecting these trends, India’s total trade (exports plus imports) with the CIS region has increased more than two-fold from US$ 1.7 bn in 2001-02 to US$ 5.5bn in 2007-08. Further, India’s trade balance with the CIS region, which registered a surplus till 2002-03, moved into a deficit in 2003-04 and amounted to US$ 2.04bn in 2007-08, due to the faster rise in imports as compared to the rise in exports to the region. Details are given in Appendix 3.

![Fig. 2.18: Total export and import between India and CIS](source: DGCIS, MOCI(2008))

### 2.4.2 Export items

Drugs, pharmaceuticals & fine chemicals are the largest export items, accounting for 31.8% of India’s total exports to the CIS in 2005-06, followed by coffee, and machinery & instruments (Fig.2.19). Other important exports to the CIS region include transport equipments, unmanufactured tobacco, plastic & linoleum products, and ready-mades of cotton and accessories.
2.4.3 Import items
As regards imports, iron and steel have emerged as the largest import items from the CIS region, with a share of 35.6% of total imports in 2005-06, followed by manufactured fertilizers, non-ferrous metals, coal, silver, and newsprint. Imports from the CIS region, besides Russia and Ukraine, other countries such as Kazakhstan, Uzbekistan and Georgia have also emerged as important trading partners.
2.5 India's country-wise trade with CIS: After break-up

2.5.1 RUSSIA
India's exports to Russia declined from US$ 798.2mn in 2001-02 to US$ 631.3mn in 2004-05, before rising to US$ 733.2mn in 2005-06 and further to US$ 902.2mn in 2006-07 and US$ 940.2mn in 2007-08 (Table 2.1). The increase in India's exports to Russia during 2006-07 and 2007-08 is mainly due to the rise in exports of drugs, pharmaceutical & fine chemicals, coffee, unmanufactured tobacco, transport equipments, cotton yarn, fabrics made-up, machinery & instruments and plastic & linoleum products.

India's imports from Russia, on the other hand have registered continuous rise. From US$ 1322.7mn in 2004-05, imports from Russia increased to US$ 2407.6mn in 2006-07 and then to US$ 2469.7mn in 2007-08 (Table 2.1). India's trade balance with Russia, which was in surplus in the previous years, has moved into a deficit of US$ 691.4mn in 2004-05, which more than doubled to US$ 1505.4mn in 2006-07 and US$ 1529.5mn in 2007-08 (Fig.2.20), reflecting the sharp rise in imports. Drugs and pharmaceuticals are the largest exports to Russia, with a share of 31.7% in total Indian exports to Russia in 2007-08. Coffee is the second largest export items with a share of 8.4% in total exports (Fig.2.21). As regards imports, iron and steel are the largest import items from Russia, with a share of 20.5% of total imports from Russia during 2007-08. Cereals were the second largest import item in 2007-08 with a share of 11.6%. Fertilizers and nickel and articles accounted for 11.1% and 10.3%, respectively, of total imports in 2007-08 (Fig.2.22).

| Table 2.1: India's trade with Russia, 2001-02 to 2007-08 (US$ mn) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 |
| Exports | 798.2 | 704.0 | 713.8 | 631.3 | 733.2 | 902.2 | 940.2 |
| Imports | 535.5 | 592.6 | 959.6 | 1322.7 | 2022.2 | 2407.6 | 2469.7 |

SOURCE: DGCIS, MOCI (2008)
Fig. 2.20: Total export and import between India and Russia

SOURCE: DGCIS, MOCI (2008)

Fig. 2.21: Top 5 export items from India to Russia in 2007-08

SOURCE: DGCIS, MOCI (2008)

Fig. 2.22: Top 5 import items to India from Russia in 2007-08

SOURCE: DGCIS, MOCI (2008)
2.5.2 UKRAINE

Ukraine is the second largest trading partner of India after Russia in the CIS region. Exports to Ukraine have witnessed a rising trend in recent years; from US$ 81.1mn in 2001-02 to US$207.7mn in 2004-05. In 2007-08, exports rose to touch US$ 398.8mn (Table 2.2), on account of substantial rise in exports of drugs and pharmaceuticals, transport equipments, plastic & linoleum products, coffee and tobacco. India’s imports from Ukraine have also been on an uptrend since 2001-02. From US$ 166.9mn in 2001-02, imports from the country have risen continuously to US$ 538.7mn in 2004-05. In 2006-07, imports amounted to US $997.8mn due mainly to a substantial rise in imports of iron and steel, fertilizers, transport equipments and non-electrical machinery. Imports for 2007-08 amounted to US$ 885.5mn (Table 2.2). India generally maintains a negative trade balance with Ukraine, which has risen from US$ 85.8mn in 2001-02 to US$ 486.7mn in 2007-08 due to the sharp rise in imports from Ukraine (Fig. 2.23). In 2007-08, Drugs and pharmaceuticals are the largest items of export to Ukraine with a share of 29.7% of total Indian exports to Ukraine. Nuclear reactors (18.8%), transport equipments (10.8%), and iron and steel (9.9%) are the other major export items (Fig. 2.24). As regards imports, iron and steel are the largest component of India’s imports from Ukraine. In 2007-08 its share was 33.3% of total imports (Fig.2.25). Fertilizers, inorganic &organic chemicals, transport equipment, gold, non-electrical equipments, and pulses are other major imports from Ukraine.
Fig. 2.23: Total export and import between India and Ukraine

Source: DGCIS, MOCI (2008)

Fig. 2.24: Top 5 export items from India to Ukraine in 2007-08

- Pharmaceuticals: 27%
- Nuclear Reactors, Boilers: 9.9%
- Vehicles other than Railway or Tramway Rolling Stock: 10.8%
- Iron and Steel: 18.8%
- Others: 3.0%

Source: DGCIS, MOCI (2008)

Fig. 2.25: Top 5 import items to India from Ukraine in 2007-08

- Iron and Steel: 33.3%
- Fertilisers: 17.7%
- Nuclear Reactors, Boilers: 10.8%
- Cereals: 8%
- Inorganic Chemicals, Organic or Inorganic Compounds: 5%
- Others: 6.5%

Source: DGCIS, MOCI (2008)
Indian exports to Kazakhstan have increased substantially from US$ 45.7mn in 2001-02 to US$ 111.9mn in 2007-08 (Table 2.3). Imports from Kazakhstan on the other hand have displayed a fluctuating trend. In 2007-08, imports from Kazakhstan amounted to US$ 76.8mn as compared to US$ 88.1mn in the previous year (Table 2.3). Bilateral trade balance has been in India’s favour, with India’s trade surplus with the country having risen from US$ 38.3mn in 2001-02 to US$ 35.1mn in 2007-08 (Fig. 2.26). Drugs, pharmaceutical & fine chemicals are the major items of export from India to Kazakhstan, with a share of 24.6% of total Indian exports to Kazakhstan in 2007-08.

Aluminium and articles are the second largest export items with a share of 21.1%, followed by clothing with a share of 13.1%. The other major export items include readymade garments, cotton, leather garments, and metals (Fig. 2.27). Zinc and articles are the most important import items from Kazakhstan with a share of 56.6% of total imports in 2007-08. Iron and steel followed with a share of 22.4% in 2007-08. Other major import items from Kazakhstan are silver, and metaliferrous ores & metal scraps (Fig. 2.28).

| Table 2.3: India’s trade with Kazakhstan, 2001-02 to 2007-08 (US$ mn) |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 |
| Exports | 45.7 | 46.9 | 74.8 | 81.4 | 90.9 | 83.3 | 111.9 |
| Imports | 7.4 | 12.7 | 9.3 | 15.4 | 26.3 | 88.1 | 76.8 |

SOURCE: DGCIIS, MOCI (2008)
**Fig. 2.27: Top 5 export items from India to Kazakhstan in 2007-08**

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Products</td>
<td>24.1%</td>
</tr>
<tr>
<td>Aluminium and Articles Thereof</td>
<td>24.6%</td>
</tr>
<tr>
<td>Apparel and Clothing Accessories, Knitted</td>
<td>13.1%</td>
</tr>
<tr>
<td>Coffee, Tea, Mate and Spices</td>
<td>12%</td>
</tr>
<tr>
<td>Nuclear Reactors, Boilers</td>
<td>5.1%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

*Source: DGCIIS, MOCI (2008)*

**Fig. 2.28: Top 5 import items to India from Kazakhstan in 2007-08**

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zinc and Articles Thereof</td>
<td>56.6%</td>
</tr>
<tr>
<td>Iron and Steel</td>
<td>22.4%</td>
</tr>
<tr>
<td>Salt, Sulphur, Earths and Stone, Plastering Materials</td>
<td>13.1%</td>
</tr>
<tr>
<td>Lead and Articles Thereof</td>
<td>1.2%</td>
</tr>
<tr>
<td>Inorganic Chemicals, Organic or Inorganic Compounds</td>
<td>.12%</td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

*Source: DGCIIS, MOCI (2008)*
2.5.4 UZBEKISTAN

India's exports to Uzbekistan, after registering a decline during 2002-03, picked up thereafter to US$ 40.3mn in 2007-08 (Table 2.4). The recent pick up in total exports to Uzbekistan has been mainly due to increase in exports of drugs and pharmaceuticals, paper/wood products and machinery & instruments. Imports from Uzbekistan have fluctuating since 2001-02, from US$17.3mn to US$16.1mn in 2007-08 (Table 2.4). In 2005-06, total imports from Uzbekistan stood at US$26.1mn. India generally maintains a trade balance with the country, with the balance having increased from US$ 10.8mn in 2001-02 to US$24.2mn in 2007-08 (Fig. 2.29). Drugs and pharmaceuticals are the main items of exports with a share of 54.2% of total exports to Uzbekistan in 2007-08. Nuclear reactors, boilers and machinery were the second highest export items in 2007-08 with a share of 17.9% in total exports. Other major export items are machinery and instruments, paper/wood products and inorganic/organic/agro chemicals (Fig. 2.30). As regards imports, non-ferrous metals are the largest import items from Uzbekistan with a share of 85.2% of total Indian imports from Uzbekistan in 2007-08. Cotton constitutes the second largest import item with a share of 4.2%. Pulses, synthetic and regenerated fibers, and raw silk are the other important imports from Uzbekistan(Fig.2.31).

| Table 2.4: India's trade with Uzbekistan, 2001-02 to 2007-08 (US$ mn) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 |
| Exports         | 6.5    | 5.1    | 15.1  | 21.4  | 24.4  | 29.7  | 40.3  |
| Imports         | 17.3   | 20.5   | 27.7  | 31.5  | 26.1  | 33.9  | 16.1  |

SOURCE: DGCIS, MOCI (2008))
Fig. 2.30: Top 5 export items from India to Uzbekistan in 2007-08

- Pharmaceutical Products: 18.2%
- Nuclear Reactors, Boilers: 54.2%
- Optical, Photographic, Cinematographic Measuring Accessories: 17.9%
- Paper and Paperboard: 3.6%
- Organic Chemicals: 3.6%
- Others: 2.5%

Fig. 2.31: Top 5 import items to India from Uzbekistan in 2007-08

- Zinc and Articles Thereof: 85.2%
- Cotton: 4.2%
- Mineral Fuels, Mineral Oils and Products of Their Distillation: 3.8%
- Edible Vegetables and Certain Roots and Tubers: 2.2%
- Raw Hides and Skins (Other than Furskins) and Leather: 2.7%
- Others: 1.9%

Sources: DGCIS, MOCI (2008)
2.5.5 BELARUS

India’s exports to Belarus, after declining in 2001-02 (Fig. 2.32), have increased thereafter to amount to US$ 6.5mn in 2003-04, and further to US$ 14.4mn in 2006-07 and US$ 21.2mn in 2007-08 (Table 2.5).

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (US$ mn)</th>
<th>Imports (US$ mn)</th>
</tr>
</thead>
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<tr>
<td>2004-05</td>
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<td>37.9</td>
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<td>2006-07</td>
<td>14.4</td>
<td>93.3</td>
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<td>2007-08</td>
<td>21.2</td>
<td>125.3</td>
</tr>
</tbody>
</table>

Table 2.5: India’s trade with Belarus, 2001-02 to 2007-08 (US$ mn)

India generally maintains a negative trade balance with Belarus, with the deficit rose from US$ 2.8mn in 2001-02 to US$ 78.9mn in 2006-07 and US$ 104.1mn in 2007-08 (Table 2.5). Drugs and pharmaceuticals were the largest export items in 2007-08 with a share of 57.2% of total exports to Belarus. Organic chemicals come next with a share of 11%, while that of unmanufactured tobacco was 4.6% (Fig. 2.33). The other important items of export are electronic goods, tea, plastic and linoleum products, and processed minerals. In imports, fertilizers had the largest share of 70.9% of total imports from Belarus in 2007-08. The second largest import item was impregnated, coated, covered and laminated textile fabrics with a share of 11%, followed by rubber with a share of 5.4% in 2007-08. Iron and steel, inorganic chemicals and leather are other important items of import from Belarus (Fig. 2.34).
Fig. 2.33: Top 5 export items from India to Belarus in 2007-08

- PHARMACEUTICAL PRODUCTS: 19.9%
- ORGANIC CHEMICALS: 11%
- TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES: 4.5%
- RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER: 4.6%
- NUCLEAR REACTORS, BOILERS: 2.4%
- OTHERS: 57.2%


Fig. 2.34: Top 5 import items to India from Belarus in 2007-08

- FERTILISERS: 7.2%
- IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS: 1.7%
- RUBBER AND ARTICLES THEREOF: 1.7%
- IRON AND STEEL: 3.8%
- INORGANIC CHEMICALS, ORGANIC OR INORGANIC COMPOUNDS: 11%
- OTHERS: 54.1%

2.5.6 ARMENIA

India's exports to Armenia have registered an increasing trend. From US$ 1.3mn in 2001-02, exports increased to US$ 7.2mn in 2004-05 (Fig. 2.35), slightly down to US$ 7.18mn in 2005-06 and then again going up to US$ 8.6mn in 2006-07 and US$ 19.9mn in 2007-08 (Table 2.6). India's main exports to Armenia in 2007-08 are meat and preparation (US$10.4mn), nuclear reactor, boilers and machinery (US$ 3.7mn) and gems and jewelry (US$ 3.2mn) (Fig. 2.36). India's imports from Armenia, after declining from US$0.5mn in 2000-01 to US$ 0.2mn in 2002-03, increased thereafter to US$ 0.8mn in 2004-05, and further to US$ 2.1mn in 2005-06. Import increased suddenly in 2006-07 due to the import of ores, slag and ash worth US$ 76.1mn. Imports came down to US$ 3.8mn in 2007-08 (Table 2.6). In 2007-08, main items of imports from Armenia were inorganic chemicals (US$ 2.2mn), rubber and articles (US$ 0.5mn) and copper (US$ 0.49mn) (Fig. 2.37).

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (US$ mn)</th>
<th>Imports (US$ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>2.5</td>
<td>0.8</td>
</tr>
<tr>
<td>2003-04</td>
<td>3.5</td>
<td>0.7</td>
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<tr>
<td>2004-05</td>
<td>7.2</td>
<td>0.8</td>
</tr>
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<td>2005-06</td>
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<td>2006-07</td>
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<td>76.1</td>
</tr>
<tr>
<td>2007-08</td>
<td>19.9</td>
<td>3.8</td>
</tr>
</tbody>
</table>

SOURCE: DGCIS, MOCI (2008)
Fig. 2.36: Top 5 export items from India to Armenia in 2007-08

- MEAT AND EDIBLE MEAT OFFAL: 54.1%
- NUCLEAR REACTORS, BOILERS: 16%
- NATURAL OR CULTURED PEARLS: 17.5%
- PHARMACEUTICAL PRODUCTS: 6.5%
- PLASTIC AND ARTICLES THEREOF: 3.5%
- OTHERS: 2.4%


Fig. 2.37: Top 5 import items to India from Armenia in 2007-08

- INORGANIC CHEMICALS, ORGANIC OR INORGANIC COMPOUNDS: 59.4%
- RUBBER AND ARTICLES THEREOF: 13%
- COPPER AND ARTICLES THEREOF: 13.8%
- LEAD AND ARTICLES THEREOF: 6.4%
- IRON AND STEEL: 3.2%
- OTHERS: 4.2%

2.5.7 AZERBAIJAN

India’s exports to Azerbaijan increased from US$ 12.3mn in 2003-04 (Fig.2.38) to US$ 30.8mn in 2004-05, US$ 28.8mn in 2005-06 and stood at US$ 24.5mn in 2006-07 and US$ 25.8mn in 2007-08 (Table 2.7). India’s major exports to Azerbaijan in 2007-08 are pharmaceutical products (US$ 8.27mn) and meat (US$ 7.05mn). India’s imports from Azerbaijan increased from US$ 3.0mn in 2003-04 to US$ 7.7mn in 2004-05, but in 2005-06 decreased to the mark of US$ 5.9mn (Fig.2.39). Imports were US$ 67mn in 2006-07 and US$ 172.7mn in 2007-08 (Table 2.7). The main items of import from Azerbaijan are non-ferrous metals and non-metallic mineral manufactures. Import has been increasing in the past two periods due to the import of mineral fuels, mineral oils and products of their distillation from Azerbaijan (Fig.2.40).

<table>
<thead>
<tr>
<th>Table 2.7</th>
<th>India’s trade with Azerbaijan, 2001-2002 to 2007-2008 (US$ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01-02</td>
</tr>
<tr>
<td>Exports</td>
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</tr>
<tr>
<td>Imports</td>
<td>0.2</td>
</tr>
</tbody>
</table>

SOURCE: DGCIS, MOCI (2008)
Fig. 2.39: Top 5 export items from India to Azerbaijan in 2007-08

- PHARMACEUTICAL PRODUCTS: 32.1%
- MEAT AND EDIBLE MEAT OFFAL: 27.4%
- APPAREL AND CLOTHING ACCESSORIES, KNITTED: 14.4%
- ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED: 11.4%
- NUCLEAR REACTORS, BOILERS: 7.8%
- OTHERS: 7%

SOURCE: DGCIS, MOCI (2008)

Fig. 2.40: Top 5 import items to India from Azerbaijan in 2007-08

- MINERAL FUELS, MINERAL OILS AND PRODUCTS: 96.7%
- RAW HIDES AND SHINS (OTHER THAN FURSKINS) AND LEATHER: 2.9%
- IRON AND STEEL: 0.1%
- OTHERS: 0.1%
- ALUMINIUM AND ARTICLES THEREOF: 0.1%
- INORGANIC CHEMICALS, ORGANIC OR INORGANIC COMPOUNDS: 0.1%
- OTHERS: 0.1%

SOURCE: DGCIS, MOCI (2008)
2.5.8 GEORGIA

India’s exports to Georgia rose from US$ 26.8mn in 2004-05 to US$ 40.9mn in 2006-07 to US$ 92.9mn in 2007-08 (Table 2.8). The main items of exports in 2007-08 are ores, slag and ash (US$ 25.33mn), inorganic chemicals (US$ 23.45mn), meat (US$ 16.05mn) (Fig. 2.42). Imports from Georgia, on the other hand, have increased substantially from US$ 5.4mn in 2003-04 to US$ 75.0mn in 2006-07, mainly on account of a sharp rise in imports of ores of metaliferrous and metal scrap. The main items of imports in 2007-08 (Table 2.8) are metaliferrous ores and metal scrap (US$ 3.59mn), lead and articles (US$ 2.06mn) and aluminum and articles (US$ 1.29mn) (Fig. 2.43). Imports came down drastically in 2007-08 to US$ 10.7mn due to drastic cuts in minerals fuels and mineral oils import which accounted for US$ 65.39mn in 2006-07 (Fig. 2.41).

Table 2.8: India’s trade with Georgia, 2001-02 to 2007-08 (US$ mn)

<table>
<thead>
<tr>
<th></th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
<th>05-06</th>
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<tr>
<td>Imports</td>
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<td>5.4</td>
<td>15.4</td>
<td>19.9</td>
<td>75</td>
<td>10.7</td>
</tr>
</tbody>
</table>

SOURCE: DGCIS, MOCI (2008)

Fig. 2.41: Total export and import between India and Georgia

SOURCE: DGCIS, MOCI (2008)
Fig. 2.42: Top 5 export items from India to Georgia in 2007-08

- ORES, SLAG AND ASH: 27.3%
- INORGANIC CHEMICALS: 19%
- MEAT AND EDIBLE MEAT OFFAL: 17.3%
- ARTICLES OF IRON OR STEEL: 17.3%
- IRON AND STEEL: 6.5%
- OTHERS: 4.7%

Source: DGCIS, MOCI (2008)

Fig. 2.43: Top 5 import items to India from Georgia in 2007-08

- COPPER AND ARTICLES THEREOF: 33.6%
- LEAD AND ARTICLES THEREOF: 23.1%
- ALUMINIUM AND ARTICLES THEREOF: 19.3%
- PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL: 12.1%
- IRON AND STEEL: 6.4%
- OTHERS: 5.6%

Source: DGCIS, MOCI (2008)
2.5.9 MOLDOVA

India's exports to Moldova have risen from US$ 1.9mn in 2001-02 (Fig.2.44) to US$ 5.6mn in 2004-05, before contracting marginally to US$ 5.4mn in 2005-06 and US$ 5.5mn in 2006-07 to US$ 7.4mn in 2007-08 (Table 2.9). The main items of exports in 2007-08 are drugs and pharmaceuticals (US$5.01mn), textile fibers (US$ 0.83mn) and nuclear reactors (US$ 0.73mn) (Fig.2.45).

India's imports from Moldova have also increased from US$ 0.2mn in 2004-05 to US$ 0.4mn in 2007-08 (Table 2.9), with the main items being optical apparatus (US$ 0.29mn), and nuclear reactors, boilers and machinery (US$ 0.08mn) (Fig.2.46).

Table 2.9: India’s trade with Moldova, 2001-02 to 2007-08 (US$ mn)

<table>
<thead>
<tr>
<th></th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
<th>05-06</th>
<th>06-07</th>
<th>07-08</th>
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<tr>
<td>Exports</td>
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<td>5.6</td>
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<td>5.5</td>
<td>7.4</td>
</tr>
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<td>Imports</td>
<td>0.1</td>
<td>1.8</td>
<td>0</td>
<td>0.2</td>
<td>0.2</td>
<td>0.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>

SOURCE: DGCIS, MOCI (2008)
Fig. 2.45: Top 5 export items from India to Moldova in 2007-08

- PHARMACEUTICAL PRODUCTS: 8.2%
- OTHER VEGETABLE TEXTILE FIBRES: 9.9%
- NUCLEAR REACTORS, BOILERS: 67.6%
- ALBUMINOIDAL SUBSTANCES, MODIFIED STARCHES: 11.2%
- IRON AND STEEL: 1.6%
- OTHERS: 15%

SOURCE: DGCIIS, MOC (2008)

Fig. 2.46: Top 5 import items to India from Moldova in 2007-08

- OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC MEASURING APPARATUS: 20.4%
- NUCLEAR REACTORS, BOILERS: 2.6%
- APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED: 0.1%
- ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF: 0.1%
- BEVERAGES, SPIRITS AND VINEGAR: 0.1%
- OTHERS: 74.4%

SOURCE: DGCIIS, MOC (2008)
2.5.10 TAJIKISTAN

India's exports to Tajikistan have risen from US$ 1.2mn in 2001-02 (Fig.2.47) to US$ 6.6mn in 2004-05, and stood at US$ 6.2mn in 2005-06 and US$ 7.4mn in 2006-07 to US$ 12.4mn in 2007-08 (Table 2.10). The major items of exports are meat (US$ 4.53mn), pharmaceutical products (US$ 3.76mn), iron and steel (US$ 0.90mn), readymade woollen garments (US$ 0.87mn), and dairy products (US$ 0.60mn) (Fig.2.48). Imports from Tajikistan amounted to US$ 9.7mn in 2007-08, a sharp rise from US$ 1.3mn in 2001-02, with major import items being non-ferrous metals (US$ 8.41mn) and cotton (US$ 1.23mn) (Fig.2.49).

| Table 2.10: India's trade with Tajikistan, 2001-02 to 2007-08 (US$ mn) |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
|                 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 |
| Exports         | 1.2   | 8.7   | 4.5   | 6.6   | 6.2   | 7.5   | 12.4  |
| Imports         | 1.3   | 0.1   | 4.1   | 5.9   | 8.1   | 9.7   |

SOURCE: DGCIS, MOCI (2008)
Fig. 2.48: Top 5 export items from India to Tajikistan in 2007-08

- MEAT AND EDIBLE MEAT OFFAL: 14.2%
- PHARMACEUTICAL PRODUCTS: 36.5%
- IRON AND STEEL: 30.3%
- APPAREL AND CLOTHING ACCESSORIES, KNITTED: 7.2%
- DAIRY PRODUCE, BIRDS' EGGS, NATURAL HONEY: 7%
- OTHERS: 4.8%

SOURCE: DGCISS, MOCI (2008)

Fig. 2.49: Top 5 import items to India from Tajikistan in 2007-08

- NUCLEAR REACTORS, BOILERS: 12.7%
- ALUMINIUM AND ARTICLES: 86.8%
- COTTON: 0.2%
- IRON AND STEEL: 0.1%
- ORGANIC CHEMICALS: 0.1%
- OTHERS: 0%

SOURCE: DGCISS, MOCI (2008)
2.5.11 TURKMENISTAN

India's exports to Turkmenistan have risen from (Fig.2.50) USD 4.4mn in 2001-02 to USD 33.8mn in 2006-07 to USD 36.1mn in 2007-08 (Table 2.11), with the major export items being electronic goods, drugs and pharmaceuticals, cotton ready-made garments, and machinery & instruments (Fig.2.51). India's imports from Turkmenistan have also increased from USD 2.0mn in 2001-02 to USD 12.1mn in 2006-07. Imports fell to USD 8.6mn in 2007-08 (Table 2.11). The major items of import are raw cotton, and inorganic chemicals (Fig.2.52).

| Table 2.11: India's trade with Turkmenistan, 2001-02 to 2007-08 (USD mn) |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
|                 | 01-02 | 02-03 | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 |
| Exports         | 4.4   | 10.3  | 19.2  | 15.3  | 18.8  | 33.8  | 36.1  |
| Imports         | 2.0   | 5.4   | 9.3   | 10.9  | 12.4  | 12.1  | 8.6   |

SOURCE: DGCIJS, MOCJ (2008)

Fig. 2.50: Total export and import between India and Turkmenistan

SOURCE: DGCIJS, MOCJ (2008)
Fig. 2.51: Top 5 export items from India to Turkmenistan in 2007-08

- ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF
- PHARMACEUTICAL PRODUCTS
- NUCLEAR REACTORS, BOILERS
- APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED
- MEAT AND EDIBLE MEAT OFFAL
- OTHERS


Fig. 2.52: Top 5 import items to India from Turkmenistan in 2007-08

- COTTON
- INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS
- COPPER AND ARTICLES
- WOOL, FINE OR COARSE ANIMAL HAIR, HORSEHAIR YARN
- ORGANIC CHEMICALS
- OTHERS

2.5.12 KYRGYZSTAN

India's exports to Kyrgyz Republic have risen from US$ 11.0mn in 2001-02 to US$ 49.6mn in 2004-05 (Fig.2.53), but sharply decreased to US$ 28.1mn in 2005-06. But in 2006-07 have risen US$ 37.2mn of growth at 32.46 percent. It again dipped to US$ 31.6mn in 2007-08 (Table 2.12).

The major items of export for 2007-08 are articles of apparel and clothing accessories, knitted or crocheted (US$ 15.9mn), articles of apparel and clothing accessories, non knitted or crocheted (US$ 5.6mn), and drugs & pharmaceuticals (US$ 2.9mn) (Fig.2.54). India's imports, on the other hand, have increased from US$ 0.5mn in 2002-03 to US$ 0.8mn in 2006-07 to US$ 0.9mn in 2007-08 (Table 2.12). The major import items for 2007-08 are aircraft and spacecraft parts (US$ 0.35mn) and copper and articles (US$ 0.18mn) (Fig.2.55).

<table>
<thead>
<tr>
<th>Year</th>
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<th>Imports</th>
</tr>
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<tbody>
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</tbody>
</table>

*SOURCE: DGCIS, MOCI (2008)*
Fig. 2.54: Top 5 export items from India to Kyrgyzstan in 2007-08

SOURCE: DGCIS, MOCI (2008)

Fig. 2.55: Top 5 import items to India from Kyrgyzstan in 2007-08

SOURCE: DGCIS, MOCI (2008)
References


