

Modi's Moscow visit likely to propel free trade agreement talks

Joint study group, examining feasibility of the pact, told to submit report

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India and Russia are likely to announce commencement of formal negotiations on a free trade agreement (FTA) when Prime Minister Narendra Modi meets Russian President Vladimir Putin in Moscow later this month — a step that could strengthen bilateral trade ties that have languished over the past two decades.

A joint study group (JSG), set up earlier this year to examine the feasibility of an FTA between India and the Eurasian Economic Union (EEU) — comprising Russia, Belarus, Armenia, Kyrgyzstan, and Kazakhstan — has been asked to expedite its work and submit its report before the Prime Minister's visit so that appropriate announcements can be made during the tour, a Com-



Looking ahead: A file picture of Prime Minister Narendra Modi and Russian President Vladimir Putin at a meeting of BRICS leaders in Turkey. AP
the EEU offers India access to a huge market with a population of over 180 million with a joint GDP of an estimated \$2.7 trillion.

"With India's traditional markets such as the US, the EU and Japan facing continued economic uncertainty, it is vital for India to explore alternative markets. The EEU offers a wonderful opportunity for the country's exporters and investors to diversify and we are trying to grab it," the official said. Since India's exports to the EEU countries is less than \$3 billion annually — with over \$2 billion exported to Russia alone —

Established in January this year,

and is just a small fraction of the region's total imports, there is a huge potential of growth.

According to exporters' body FIEO, India stands to gain substantially in areas such as pharmaceuticals, agriculture products, fertilisers, leather, and oil and gas if an FTA, formally called a comprehensive economic cooperation agreement, is signed with the EEU.

"As the EEU aims to set up a common pharmaceutical zone, India's generic exporters could have easy access to the entire region," the official said. With Russia continuing its ban against European Union farm imports, Indian exporters stand a chance to increase their shipments of dairy and meat items.

India's relation with other members of the bloc is also reasonably smooth, the official added. ONGC Videsh Ltd has been invited by Kazakhstan to explore its Abai bloc for energy resources, while India has also signed a deal with Belarus to supply 500 tonnes of potash fertiliser.

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