

Replacement of European cos in the Russia by Indian cos to boost Indian's trade share

# Chief of Russia's PSBC Bank Backs Rupee Trade, Cites Big Opportunities

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**Mumbai:** Petersburg Social Commercial Bank (PSCB) could become a focal point of India-Russia rupee trade, as it is one of the few Russian banks outside western sanctions as its presence in advanced economies is insignificant.

Replacement of European companies in the Russian market by Indian companies is increasing, Vladimir L Pribytkin, the bank's founder and chairman told ET in an interview over the phone. "That is why the trade share of Indian companies on our market is definitely going to expand each month, if not each week."

The bank, based in the second largest Russian city, St Petersburg, is working actively towards rupee transactions to support this growing trade, he said.

Once Russia starts doing trade in rupees, or in other currencies, it may not return to dollar-ruble, Pribytkin said, citing also that USD/EUR international settlements were getting more complex for Russian banks.

The Reserve Bank of India on Monday allowed invoicing and payments for international trade in rupees, potentially facilitating greater bilateral business with Russia, which is facing sanctions from the West over the Ukraine war.

PSCB has been operating in the bank-

king space since 1993. It has branches in St Petersburg and Moscow, and also has international operations.

"Our bank was the first Russian bank to believe in INR and opened a still operating correspondent account with India in 2016," said the chairman.

India and Russia mostly collaborate in pharmacy, programming and food (especially fruits/vegetables).

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"Also, we are expecting drastic growth in the household appliances segment (for Indian suppliers), as European companies are leaving the related part of the Russian market," said Pribytkin.

Currently there are only a few banks in Russia which are still able to process international settlements. The biggest Russian banks including SberBank and Alfa Bank are under sanctions. The smallest ones do not have a universal licence from the Central Bank of Russia to cooperate on the correspondent field.

In St Petersburg, PSCB is one of the only two that can process settlements abroad.

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**VLADIMIR L PRIBYTKIN**  
 Founder, Petersburg Social Commercial Bank

eding at an extremely slow pace due to complicated compliance checks, we are very invested into an idea of working in INR even more actively," said Pribytkin.

With Russia being snapped from the SWIFT system, Russia and its largest partners are developing alternatives for the global payment platform.

"The possibility of a complete SWIFT turn-off would not mean a lot for the Russian Federation and for its good old trade partners," he said.

Banks already have an alternative system for processing international settlements. For some time, according to Pribytkin, the whole process is going to be unusual and a little bit more complicated; nevertheless demand creates supply.

For example, Visa, Mastercard and American Express — all payment gateways — have suspended their services in Russia. Due to this, Russia's own payment system, MIR, is developing at a quick pace.

The PSCB boss does not believe that New Delhi would face an adverse trade balance due to its trade relationship with Russia. India has a lot of unique supplies that Moscow needs and vice versa, he said.

At the end of last calendar year, PSCB had a total book of 46.628 billion rubles (estimated at \$762 million).