

India plans \$2-bn more of shipments to Russia

SHRUTI SRIVASTAVA

12 April

India is planning to boost shipments to Russia by an additional \$2 billion as the two nations work out a payment system in local currencies to continue bilateral trade amid sweeping international sanctions on Russia for invading Ukraine, people with the knowledge of the matter said.

To do this, Prime Minister Narendra Modi's administration is in talks with Moscow to liberalise market access for several Indian-made products, the people said, asking not to be identified as the talks are private. This comes as the two governments work toward a proposal to settle trade in rupees and rubles and look for ways to balance the trade given that India is a net importer of Russian goods.

India is looking to export products supplied by countries who have halted shipments after US and its allies imposed sanctions, they said.



The government is in talks with Moscow to liberalise market access for several Indian-made products

On the list are pharmaceutical products, plastics, organic and inorganic chemicals, home furnishings, rice, beverages such as tea and coffee, milk products, and bovine products. India has come under severe criticism for lifting imports of oil to take advantage of a dip in prices after US, Europe, Australia, and Japan piled economic sanctions onto Russia in response to its war against Ukraine.

President Joe Biden met with Modi on Monday and conveyed that the US stands ready to help India diversify its energy imports, which would make it less reliant on Russia. A commerce ministry spokesperson did not immediately respond to an email seeking comment.

An analysis by the trade department shows that India can easily scale up exports to Russia in the top 20 items it needs to imports. Marine products, textiles and apparel, footwear, machinery, and electronics are some of the other items India is seeking to send to Russia.

India's exports to Russia stand at a miniscule \$3 billion compared to the over \$68 billion of shipments to the US. It could be higher but for steep logistics cost, sanitary rules, the language barrier and lower allocations in government procurement by Russian state-run firms. Total bilateral trade between the two stood at \$11.8 billion in the first 11 months starting April 2021, higher than \$8.1 billion recorded for the previous full-year.

BLOOMBERG