

## **Joint Statement following the results of the 1st India-Russia Strategic Economic Dialogue**

Following is the full text of Joint Statement following the results of the 1st India-Russia Strategic Economic Dialogue held in St. Petersburg on November 25-26, 2018, chaired by Mr. Maxim Oreshkin, Minister of Economic Development of the Russian Federation, and Dr. Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI Aayog) –

A Memorandum of Understanding was signed between National Institution for Transforming India and the Ministry of Economic Development of the Russian Federation during the 19<sup>th</sup> edition of the Annual India-Russia Bilateral Summit, which was held on October 5, 2018, in New Delhi. Under the agreements stipulated in MoU, the first India-Russia Strategic Economic Dialogue (IRSED) was held in St. Petersburg on November 25-26, 2018, chaired by Mr. Maxim Oreshkin, Minister of Economic Development of the Russian Federation, and Dr. Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI Aayog).

The meeting of the First India-Russia Strategic Economic Dialogue was focused on five core areas of cooperation, namely- Development of Transport Infrastructure and Technologies; Development of Agriculture and Agro-Processing sector; Small and Medium Business support; Digital Transformation and Frontier Technologies; Industrial Cooperation and Trade. The meeting was held with the objective to identify the most promising areas to improve bilateral trade, economic and investment cooperation, and to define joint projects in the framework of national programs. Discussions were held in the atmosphere of friendship and cooperation characteristic of India-Russia relations. Representatives of federal and region authorities, academic and business communities participated from both Sides in IRSED.

### **Development of Transport Infrastructure and Technologies**

The Sides noted the need to improve multi-modal transport connectivity system between India and Russia. For this purpose, they agreed to develop the system of digital documentation and satellite technologies for cargo-movement monitoring and its unimpeded and safe border crossings in the framework of the International North-South Transport Corridor (INSTC).

The Sides highlighted the possibility of participation of Russian investors in projects for development of waterways, roadways, railways, airports of India in collaboration with National Investment and Infrastructure Fund (NIIF), India, and Russian Direct Investment Fund (RDIF), Russia.

Particularly, the Sides agreed to explore the possibility of construction of shallow draft vessels and development of engine technology, as well as to focus on shipbuilding and establishment of special techno-park/industrial corridors.

### **Development of Agriculture and Agro-Processing Sectors**

The Indian Side suggested establishing a Working Group to resolve the issues of access to the markets of both countries in such sectors as agriculture, textiles and diamonds.

In order to increase trade in agriculture, the Sides agreed to explore the possibility of increasing supplies for the following commodity items: wheat, leguminous and dried vegetables, sunflower and

rapeseed oil from the Russian Federation and meat, poultry and dairy products from the Republic of India.

The Sides discussed the possibility for attracting Russian investments in the agro-processing and food processing sectors, particularly, vegetables, fruits and marine products in India.

The Sides noted the reduction in the number of students enrolled in Agricultural Universities. In order to address this, the Sides agreed to strengthen cooperation in the field of exchange of students and highly-qualified personnel in the agriculture sphere, implementation of joint projects and researches.

### **Small and Medium Business Support**

The Sides noted that to improve the quality of support to the Small and Medium Business it is required to institutionalize knowledge sharing and exchanging best practices through constituting a Joint Working Group. The establishment of SME information portal could facilitate the dissemination of relevant information in the sector, identification of partners, access to credits, technologies and markets for Small and Medium Enterprises.

The Sides agreed to facilitate B2B communication by means of sharing information regarding calendar of exhibitions. The Sides also agreed to explore the possibility of organization of business event, dedicated to the development of Small and Medium Business, in the framework of SPIEF-2019.

The Sides noted the need to conclude bilateral agreements to overcome customs related barriers and to protect investments made by small and medium enterprises.

### **Digital transformation and Frontier Technologies**

The Sides emphasized on the need to collaborate at both the federal and regional levels in the field of the development of digital transformation, particularly in the following areas: digital governance (specifically e-governance); smart cities, intelligent transportation system, digital industry.

The Sides highlighted the importance of increasing collaboration in the areas of Blockchain technologies, Financial Technologies, Artificial Intelligence, quantum cryptography, as well as implementation of pilot projects in these areas. The Indian Side suggested to consider the possibility of organization of joint work on pilot projects in the fields of Healthcare, Education and Agriculture. The Russian Side proposed to combine the efforts of development institutions and Business Associations of Russia and India (REC, VEB, EDB, SREI, NASSCOM, RUSSOFT, etc.) to support complex projects and involve a wide expert community to evaluate promising projects that require support, including integrated cross-border projects and infrastructure projects "Eurasian Quantum Way" and "Financial Platform".

Indian Side proposed to create a Joint Working Group on Technologies, aimed at coordination of activities in the field, establishment of B2B contacts and stimulation of other forms of cooperation.

Russian Side proposed to elaborate joint study programs for training of digital transformation leaders of Russia, India and related markets. On behalf of the Russian Side such programs may be carried out on the platform of RANEPa, MSU named after M.V. Lomonosov, HSE, ITMO University, Peter the Great SPbPU, MIPT, BMSTU.

### **Industrial cooperation and trade**

The Sides underlined the importance of creating of mechanisms of support to the companies operating on both countries' markets in the "Single Window" format in order to find solutions for emerging problems in a timely manner and at minimal cost.

The Sides agreed to explore the possibility of creating of industrial parks in Russia and in India. The first project of this kind may be implemented in India with the support of "Srei" Indian group of companies. A proposal was made to create joint managing company to work with this kind of parks on bilateral basis.

The Sides underlined the necessity of adopting focus-start-ups and innovative alternative investment mechanisms such as venture capital and umbrella funds enabled by new technologies. The Russian Side highlighted the possibility of conducting roadshows.

The Indian Side underscored the role that the Russian Federation could play in joint project development of tourist sites, creation of investment zones and joint collaboration and development in third countries.

In the concluding session the Sides expressed their satisfaction at the conduct and outcomes of the Dialogue and noted their shared interests and the need for the IRSED mechanism to further strengthen and carry their economic relationship forward. They reaffirmed their commitment to closely cooperate and address outstanding issues in a time-bound and mutually beneficial way.

Dr. Rajiv Kumar, Vice-Chairman, NITI Aayog in his concluding remarks thanked the Russian Side for its hospitality and also stated that an India-Russia Bilateral Council would be established within NITI Aayog tasked to take the above actions forward. He requested MEDR to consider having a similar establishment.

Dr. Kumar invited Mr. Maxim Oreshkin, Minister of Economic Development to visit India for the second India-Russia Strategic Economic Dialogue to be held at the end of July/beginning of August 2019. Minister Oreshkin accepted the invitation with great pleasure.

(Source: PIB, GoI)