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Joint Declaration on Strengthening and Enhancing Economic, Scientific and Technological Cooperation between the Republic of India and the Russian Federation

1. The Republic of India and the Russian Federation consider it vitally important to expand economic relations between the two countries. Along with the political & strategic dimensions, effective cooperation in the economic & allied fields is at the core of the Indo-Russian partnership. In the longer term perspective of further cementing the bilateral relationship, this subject received special focus at the talks between the Prime Minister of India and the President of the Russian Federation during the State visit of the President of the Russian Federation to India from 3-5 December 2002. The two leaders underlined the following principles of cooperation:

2. India and Russia have growing market economies, with abundant natural and human resources, well-established productive capacities in industry, agriculture, services and science & technology. In the last decade, with the stimulus of reforms and liberalization, the economies of the two countries have acquired a new dynamism and significant new capabilities and requirements have emerged.

3. This has created a qualitatively changed environment for bilateral economic cooperation. The two countries should strive to make optimal use of the enhanced opportunities that have thus arisen, for mutually beneficial interaction which would add to the strength of the two national economies, and to the welfare and prosperity of the two peoples. This would also be essential for reinforcing the overall relationship, and for providing more substance and long term

sustainability to the strategic partnership between India and the Russian Federation.

4. While progress is being made in this direction, through increased bilateral investment and business exchanges, the great inherent potential of economic cooperation is far from being fully realized, and falls short of excellent political relations between the two countries.

5. Taking the above elements into account, special focus and direction will be given to upgrading bilateral economic relations. While the business sector and the scientists and technologists of the two countries would be the leading participants, the two governments will fulfill their key responsibility in facilitating and sustaining this process. The two leaders reaffirmed their commitment in this regard.

6. Accordingly, the Governments of India and the Russian Federation would strengthen their regular contact and consultation with the business sector on progress in economic cooperation. They will work out broad concepts and a roadmap for strengthening and enhancing bilateral economic relations.

7. They would also strive to ensure that governmental policy and the framework of institutions, agencies and regulations provide for a positive environment for the conduct of business interaction and investment. They will work together for putting in place the following measures:

(1) Creating a favourable environment for bilateral investment and its promotion and protection.

(2) Enabling business organizations to get the full support of financial institutions in their trade and investment exchanges. This would include expediting the opening of the branches of Indian commercial banks in Russia and vice-versa. Cooperation in this sector would include human resource development.

(3) Strengthening transportation links and infrastructure in different modes, within and between the two countries, in order to support increased flow of traffic in goods and services, as well as tourism and travel. Special importance will be attached to registering forward movement on bilateral and trilateral consultations to operationalize the North-South International Transport Corridor. Attention will also be paid to maintain effective communication links, especially in electronic and telecommunication fields.

(4) Streamlining customs administration to facilitate trade growth.

(5) Harmonizing national standardization and certification regulations relevant to trade and investment. This would encompass exchanges of empowered delegations representing the regulatory bodies of the two countries. Such cooperation would also focus on removing technical barriers to trade between the two countries.

(6) Putting in place an efficient visa regime for business exchanges.

(7) Encouraging active interaction between the insurance sectors of the two countries.

(8) Exploring the possibilities of establishing a joint venture fund to help start up new enterprises.

(9) Consistent with bilateral agreements, encouraging economic interaction at the regional level.

8. Adequate up-to-date information about mutual requirements and possibilities is necessary for the healthy growth of economic cooperation between the two countries. There is therefore a pressing need to assist and reinforce the efforts of the business and related sectors for instituting arrangements for effective information flow through regular contact, exchange of visits, communication through electronic means, use of mass media, and holding of and active participation in trade fairs and exhibitions. The two Governments would make the best effort to encourage this activity. They would also assist in the establishment of a joint business centre, in both countries, for disseminating information and functioning as a database on developments and trends in the national economies of India and the Russian Federation for identifying possibilities for trade and investment.

9. The two sides recognized that a sustained business sector dialogue is vital to progress in their economic relations. Hence, strengthened regular contact between business federations, both national and regional, is essential. In this regard they were encouraged by the activation of the work of the Joint Business Council, and the new contacts between Russian Union of Industrialists and Entrepreneurs and Confederation of Indian Industry. Such exchanges will be strengthened.

10. Recognizing the vital importance of small and medium enterprises in the economies of India and Russia, in the export sector in particular, and the special emphasis being given to this sector in both

countries, it was agreed that attention will be paid to promoting contacts as well as informational and commercial exchanges, and bilateral investments, in the field of Small and Medium Enterprises.

11. The two sides will encourage cooperation on exchange of experience in management, and support business sector initiatives in this field, especially in the Small and Medium Enterprises sector.

12. The Governments of the two countries would support measures for expanding existing trade exchanges in commodities, consumer goods, light engineering items, food processing and agricultural products. They will also make efforts to develop trade in, and joint ventures for the production of, knowledge-based high technology goods and services that might be added to the trade basket.

13. Both sides would take practical steps to further enhance the quality and international competitiveness of their goods and services. The business community would be encouraged to establish quality assurance mechanisms consistent with national legislation.

14. The two Governments will jointly explore possibilities of regional trade and economic cooperation arrangements with other countries in a manner that is in harmony with their respective national interests.

15. Both countries have a long tradition and well-established capabilities in science and technology and a record of fruitful and mutually beneficial cooperation. This interaction will be strengthened with special emphasis on the creation of conditions for meaningful

commercialization of key technologies consistent with national legislation and international agreements. This would also involve attention to high-technology and frontier areas of research and application. The possibilities of working together in key areas such as telecommunication, computerization, information technology and space research will be actively taken up. Both Governments will provide organizational and other necessary support for this purpose.

16. The two sides will strive to maximize the opportunities provided by the presence of large reservoirs of skilled manpower in their respective countries for the creation of knowledge based industries, while also ensuring the protection of intellectual property rights in each other's markets, especially with regard to copyrights and patents.

17. Particular attention will be devoted to the issue of energy security which is considered an increasingly important component of bilateral relations between India and the Russian Federation. The two sides indicated their common desire to intensify long-term cooperation in this sector, which could be extended to other areas, including the Caspian Sea, and to other aspects of the energy sector.

18. In the pursuit of strengthening bilateral economic relations, due importance will be given to the principles of sustainable development and environmental protection.

19. The two sides recognized the importance of cooperation in their interaction with international trade, economic and financial bodies.

India supports the early accession of Russia to the World Trade Organisation, and will extend all possible assistance in this regard.

20. The two sides recognize the sustained contribution of the Inter-Governmental Commission for Trade, Economic, Scientific, Technological and Cultural Cooperation in providing direction and a larger systematic framework for their economic relations. The Inter-Governmental Commission and its subsidiary bodies will play an essential coordinating and nodal role in implementing the provisions of this Joint Declaration. The Inter-Governmental Commission will set up a task force to monitor the progress in implementing the steps elaborated in this Joint Declaration and to report at the next Summit meeting.

PRIME MINISTER OF
THE REPUBLIC OF INDIA

PRESIDENT OF
THE RUSSIAN FEDERATION

New Delhi, 4 December 2002