



## FUTURE OF PARTNERSHIPS

A FICCI- Eram Group Initiative



# KNOWLEDGE PAPER FUTURE OF INDIA- CIS 'SILK ROUTE' PARTNERSHIPS

SEPTEMBER 14- 15, 2021

## CIS DIVISION

FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY (FICCI)  
FEDERATION HOUSE, TANSEN MARG, NEW DELHI, INDIA



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## SECTION 1

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### BACKGROUND

In this VUCA world, leadership is as much about innovation, as much as it remains to be an ‘art’, in an environment where change is the only constant. An environment wherein convergence between seemingly divergent philosophies of self-reliance and globalization is essential. An environment wherein independence and interdependence will go hand in hand when we look at future global partnerships.

Global leaders continue to strive for excellence while making their businesses resilient and adaptable. At the same time business leaders ought to focus on sustainability and gender diversity, as fundamental principles for their future partnerships. Challenges presided over by opportunities forced us to ‘reimagine the future’ of economic and development partnerships, that touch lives of millions around the world. There is a need to evolve global vision for growth in view of the changing realities, evolving expectations, connectivity among nations and an innovative ecosystem, to keep pace with economic disruptions.

FICCI envisages that a platform needs to be created to reimagine business - **LEADS** (Leadership, Excellence, Adaptability, Diversity, Sustainability), which is an Annual International Flagship program of FICCI.

**LEADS 2021** will be a confluence of global leaders, influencers, and opinion shapers across the spectrum of world economy. The hybrid event (physical and virtual) this year will be hosted and managed on a FICCI exclusive platform (**FICCI BIKE**), specially designed, developed and created with all privacy and data security features. It will facilitate full-day engagements aligned with time zone differences with East Asia, Central Asia, South Asia, ASEAN & Oceania, Europe, Africa, West Asia, Americas, and the Pacific.

### CONTEXT

The **2nd edition of LEADS** is planned on **14-15 September, 2021**, in a **hybrid format** with an overarching theme of ‘**Future of Partnerships**’. It is curated as a strategic platform to imbibe leadership vision on future of fundamental aspects of global economic prosperity built on pillars of Environmental, Social and Governance (ESG).



## **SESSION BRIEF – FUTURE OF INDIA-CIS ‘SILK-ROUTE’ PARTNERSHIPS**

Strategically located at the convergence of Asia and Europe, CIS economies can play an important role in enhancing economic interests w.r.t. to energy and minerals resources. India’s cooperation and development partnerships with the region can be effectively enhanced through land and air connectivity. Our economies stand to gain immeasurably by developing new “Silk Routes”. CIS economies, with their unexplored natural wealth and untapped resources, beckon Indian industry like never before. Even as INSTC heralds a new era of multimodal land-sea route to CIS countries, partnerships towards air-connectivity could augur well for fledgling airline industry.

This session endeavours to explore a leadership vision between India and CIS, towards building a ‘development corridor’ between our business communities. The future of our economic relations, driven by connectivity initiatives, will also help to harness natural resources in a sustainable manner. Connectivity infrastructure will not only enhance economic cooperation between India and CIS, but is bound to act as a bridge to bring our people ‘closer’.

### **List of Speakers and Moderator (Session Champion)**

Mr. Jyotiraditya M. Scindia, Minister, Ministry of Civil Aviation, Government of India

Dr. Sangita Reddy, Immediate Past President, FICCI & JMD, Apollo Hospitals, India\*

Mr. Ronojoy Dutta, CEO, Indigo, India

Mr. Leonid Petukhov, Managing Partner, AFK Systema, Russia

Mr. Vladimir Finov, Head of Representative Office of RZD International in India



## SPEAKER PROFILES



### **Jyotiraditya M. Scindia, Minister, Ministry of Civil Aviation, Government of India**

Shri Jyotiraditya M. Scindia is currently serving as the Union Minister of Civil Aviation, Government of India. He has also been a four-term Member of Parliament in the Lok Sabha. He is a member of Parliament in the Rajya Sabha from the state of Madhya Pradesh since 2020.



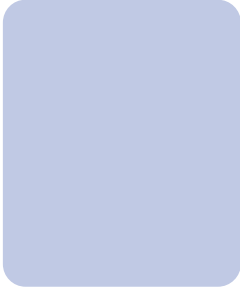
### **Dr Sangita Reddy, Immediate Past President, FICCI & Joint Managing Director, Apollo Hospitals Group, India**

Dr. Sangita Reddy is the Immediate Past President of FICCI. She is a global healthcare influencer, healthcare technocrat, social entrepreneur and humanitarian. She has been conferred with an Honorary Doctorate by Macquarie University Australia, in recognition transformative changes in healthcare and development of Health IT. She is an Honorary Consul of Brazil in Hyderabad



### **Mr. Ronojoy Dutta, CEO, IndiGo, India**

Currently serving as the CEO at IndiGo Airlines, Mr. Dutta is an aviation veteran. He was with United Airlines for nearly twenty years and served as a President for three years as well as holding a broad spectrum of leadership positions in Planning, Maintenance, Finance and Information Technology.



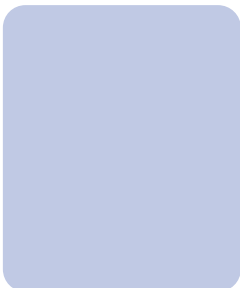
**Leonid Petukhov, Managing Partner, AFK Systema, Russia**

Since November 2020 Mr. Petukhov holds a position as Managing Partner of Sistema PJSFC. Before November 2020 Mr. Petukhov served as CEO of the Far East Investment and Export Agency. From January 2017 Mr. Petukhov served as a Managing Director at A1 Group. Mr. Petukhov also served as the Head of the Oil & Chemical sector at ESN Group.



**Mr Vladimir Finov, Head of Representative Office of RZD International in India**

Mr. Vladimir Finov, since February 2017 is the Head of RZD International LLC (Russian Railways) Representative Office in India and is in charge of expanding business cooperation in the sphere of modern railway technologies, semi-high speed lines modernization projects and related activities between the parent company and companies/organizations in India.





## BLOG BY MR. DILIP CHENOY, SECRETARY GENERAL, FICCI

The fine threads of mutual trust, economic complementarities and political goodwill, history and culture linkages have cemented the relationship between India and CIS countries. This has stood the test of time while enjoying the support of people from both the regions.

India has made significant investments in the CIS region, ranging from Central Asian economies to the Russian Far East. Significant investments in the energy sector and natural resources such as diamonds and gold are successful examples of Indian investments in the CIS region.

Many CIS economies strive to overcome the difficulty in seamless connectivity for goods trade, investment linkages, and commercial relationships with India. Resources aplenty, ranging from agricultural output to undeveloped oil and gas deposits, the CIS region demands India's immediate attention to cooperatively collaborate for economic success.

Because of their strategic location at the crossroads of Asia and Europe, CIS economies may play a key role in advancing commercial interests in energy and natural resources. Land and air connectivity can help India improve its collaboration and development relationships with the area.

Air Connectivity (Building a 'Silk Route' in the sky) and Digital Connectivity (Bridging the digital divide) are the 'New Architectures' for connectivity. Economic corridors can help diversify the region's industries and make them more competitive globally through technology, logistics and other business support services. India has invested in a variety of such national and cross-border infrastructure projects in collaboration with its neighbours.

The development of new 'Silk Routes' will benefit our economy enormously. With their untapped natural wealth and resources, the CIS economies entice Indian industry like never. Even as International North South Transport Corridor (INSTC) ushers in a new era of multimodal land-sea routes to CIS countries, air-connectivity agreements may bode well for the budding airline industry.

The CIS session at FICCI LEADS 2021 aims to examine a leadership vision between India and the Commonwealth of Independent States (CIS), with the goal of creating a 'development corridor' between our respective business communities. The future of our commercial interactions, fuelled by connectivity initiatives, will also aid in the sustainable exploitation of natural resources.

Not only will connectivity infrastructure improve economic cooperation between India and the CIS, but it will also bring our people closer to each other.



## DISCUSSION AGENDA

- **Overview – CIS REGION**

The economies of the Commonwealth of Independent States (CIS) since their establishment in 1991, have witnessed growing economic dominance with its openness to markets and interconnectedness to the world. The region's resource rich environment with energy and mineral resources and economic advancements in defence, agro-processing, machinery, healthcare, tourism, space, science and technology, etc have drawn great interest of businesses across the globe for future partnerships with the region.

Currently, the CIS region includes Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan, Ukraine. Rich in natural reserves – the CIS region boasts of leading exporters of various energy resources across the world. Kazakhstan has a distinctive mineral resource base and ranks 1st in the world in unexplored reserves of zinc, tungsten and barite, 2nd in silver, lead and chromite, 3rd in copper and fluorite. In addition, Kazakhstan is the world's largest producer of uranium. Turkmenistan holds one of the largest natural gas reserves in the world. Uzbekistan is one of the world's largest natural gas producers, producing around 60 billion cubic metres (bcm) annually.

Although, many CIS countries depend largely on natural resources (energy exports, precious metals, etc) as a key economic driver for growth, few CIS countries have begun to branch out to other sectoral activities as well. Armenia has largely expanded its economy from agriculture to an important scientific and manufacturing centre focused on machinery, metalworking, chemical and light industry, engineering, construction materials, etc. Uzbekistan's strong economic performance in 2019 was driven by industrial activity, particularly in the construction sector.

Strategically located at the convergence of Europe and Asia, CIS region holds great promise in the development of long-term partnerships considering its varied opportunities for investments not only within the CIS region but also extending to European and some Asian markets. However, its rich history to trade linkages dated back to the ancient silk route remains dormant and strives for greater development to expand investment opportunities in the movement of goods, services and shared cultural affinities along the historic Silk Route, further westward in the EU. To enhance the region's complementarities, connectivity continues to play a dominant role since the silk route era. There is a need to reignite the historic silk route and further develop new silk routes along the lines of modern technology, transport infrastructure, multi modal logistics parks, sectoral reforms, trade friendly policies, private sector participation and stakeholder engagements.





A number of countries in the CIS region are landlocked countries, with limited/no direct access to major markets via sea route/air route. Inadequate infrastructure facilities with poor connectivity channels have impeded the realization of the region's full trade potential. The LEADS 2021 CIS session looks at discussing various initiatives by India to enhance connectivity in the CIS region along the lines of green economic/ transport corridors to facilitate sustainable ways to increase volumes of trade and investment flows between the India and the CIS region, extending further to EU.

- **Overview - INDIA**

In the past, India's legacy with the ancient silk routes carried more than just the exchange of goods and merchandise. It witnessed the exchange of ideas, cultures, beliefs resulting in the synergies of two of the biggest civilisations. Over the years, the initiatives by the CIS region have intensified as the region now has become a crucial transit route for Euro-Asian trade. The development of Eurasian transit routes such as the 'Western China-Western Europe Corridor' and new silk road within the Belt and Road Initiative have become the regions' important enablers to expand its interconnectedness to other countries in the world.

India's initiatives with the region have also grown with its collaboration on the most formidable multimodal route – the International North South Corridor. An initiative by India, Iran and Russia in 2000 that provides for a network of goods which can be transported from Jawaharlal Nehru and Kandla Ports on India's west coast to Bandar Abbas port in the south of Iran. From Bandar Abbas, the goods can be transported by road to the Iranian port of Bandar Anzali on Caspian Sea and from there to the Russian port of Astrakhan by sea. The goods can then be transported into Russian Federation and Europe by Russian roads. It is estimated that INSTC can reduce the time and cost of deliveries by 30-40%. It is much shorter than the current route, which runs through the Suez Canal and the Mediterranean Sea. Goods transported through the Suez takes 45-60 days to reach Europe, compared to INSTC's 25-30 days. While the INSTC route is aimed at movement of goods through Iran and the Caspian Sea to Russia and Northern Europe, it also enables connectivity between India and Central Asia through Iran. INSTC, has witnessed the expansion of its membership to some of the Central Asian countries including Kazakhstan, Kyrgyz Republic, Tajikistan and other CIS countries including Armenia, Belarus, Ukraine, etc. While Uzbekistan and Turkmenistan agreed to support its member countries in developing the missing links along the corridor, India has also explored the potential to connect with Central Asia via Chabahar Port followed by overland connectivity through Afghanistan.



## FUTURE OF INDIA – CIS PARTNERSHIPS

As linkages have increased, there have been discussions on the increasing green shoots of risks and benefits of connectivity towards a sustainable habitat.

**Digital Connectivity** – The development of digital economies is highly uneven, with a digital gap between the under connected and the hyper digitalised countries. India has been at its forefront to reduce this digital divide with its launch of various initiatives including Digital India, e-RUPI scheme, harnessing big data in manufacturing, creating digital supply chains, use of artificial intelligence and robotics, etc. The scope to jointly establish working groups and enable sectoral policies by both governments to support local value creation of digital economy will play an imperative role to capture digital connectivity between the two regions.

**Air Connectivity** – Air transport in the CIS region has increased significantly in the recent decades, with growing opportunities for global operators, manufacturers, global lessors, etc. Countries including Azerbaijan, Georgia, Kyrgyz Republic, Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan have increased their airport capacity and number of flights that connect CIS region with European and Asian markets due to increasing demand in agricultural products, food processing, machinery, medical equipment, etc. In reference to the distance between India and Central Asia, it takes less than 4-5 hours to transport by air compared to time taken by containers which is at least 2 months. Perishable goods, agricultural products, and pharmaceutical products could benefit from a seamless connectivity by air between India and CIS region.

**Road & Rail Connectivity** – Transportation of goods and services by road and rail continue to be a mainstay of regional connectivity between India and the CIS region. However, with the growing implications of development affecting the SDG's, countries have been echoing the need to meet transport infrastructure needs in a more sustainable manner. The role of sustainable transport is gaining traction as an enabler of sustainable development as it effects various SDGs goals including affordable and clean energy (Goal 7), climate action (Goal 13), sustainable cities and communities (Goal 11), partnerships for the goals (Goal 17).

### **Maritime Connectivity -**

Apart from the INSTC, India and Russia have been working towards maritime connectivity by exploring a maritime connectivity corridor connecting ports of Chennai and Vladivostok. Announced during the visit of Prime Minister Modi to Vladivostok at the Eastern Economic Forum, 2019, the proposed corridor aims to address the limited connectivity channels between India and the Russian Far East region.



- **Key Questions for discussion during the session**

- How do we meet our transport infrastructure needs aligned with SDG goals?
- How do we increase our carbon footprint in regional connectivity?
- What are the key factors contributing to the risks and opportunities in an increasingly digitized multilateral world?
- Do green investments play a diversified role in global supply chains since the outbreak of COVID-19?
- What is the role of innovation in transport infrastructure? How far behind are we in its role in India-CIS relations?



## SECTION 3

### SOCIAL MEDIA COVERAGE

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**Mr. Uday Shankar**  
President  
FICCI

14-15 September 2021 | New Delhi (Wednesday-Thursday)

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Inviting you to join us again this year on **14th-15th September 2021**, at **#FICCILEADS2021** and have a shared vision on Future of Partnerships. ”

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Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry. From influencing policy to encouraging debate, engaging with policy makers and civil society, FICCI articulates the views and concerns of industry. It serves its members from the Indian private and public corporate sectors and multinational companies, drawing its strength from diverse regional chambers of commerce and industry across states, reaching out to over 2,50,000 companies.

FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policy makers and the international business community.



**LEADS 2021** is a unique multi-faceted 2-day global thought leadership initiative curated as an engagement platform for insights into five fundamental questions that underlie the quest for global economic prosperity with sustainability, inclusivity and social wellbeing. This year, this programme shall be organised from 14-15 September, 2021. FICCI LEADS is an endeavour to evolve a shared vision among global leaders, to reimagine economic growth on the pillars of globalisation and 'Atma-Nirbhar' economy.

In the backdrop of self-reliance, economic resilience and multilateralism, the focus would be 21st century challenges and giving a fresh meaning to global business value chains. This FICCI initiative is curated towards this objective at a time when we also need to reaffirm solidarity across borders with optimism for the future. FICCI LEADS 2021 will be a confluence of global leaders, influencers and opinion shapers across the spectrum of world economy. The program is open to select audience by special invitation only over 100 countries and India.