

**Minutes of meeting held on International North South Transport Corridor (INSTC) under the Chairmanship of Shri S.K. Sarangi, DG, DGFT on 02-06-2022 at 14:30 Hrs IST in room No 4.**

Shri Manish Chadha, JS, DoC welcome the participants and gave a brief introduction on INSTC and emphasis the need for holding this meeting.

Chairperson in his opening remarks has informed that on INSTC route, many countries are involved and from our side many organizations are also involved. The CONCOR has signed a MoU with RZD Logistics, Russia on INSTC. The Ministry of Road Transport, Russia has suggested the bilateral agreement with Department of Commerce and this is under consultation. He has suggested that we should identify one operator who could lead the initiative in taking cargo from India up to the destined ports in CIS countries. Then, he asked the representatives to share their views on this whole matter.

**Ministry of Shipping** the Chabahar port is not part of INSTC officially. The Chabahar port needs to be included in INSTC route. It would be beneficial for exporters.

**DG, FIEO** Some shipments are going from Chennai to Vladivostok port, Russia as it is converting Vladivostok port into commercial port. Now, Iran and Russia are under sanctions and due to this, exporters would not be keen to use INSTC route for export to Russia. Chabahar port, though exempted from sanctions, but shipping lines have not started full-fledged operation. The railway line is connected from Bandar Abbas to Rasht and from Rasht to Astara road connectivity is there and Astara to Russia by Railways line. Now, the railways line is under construction from Rasht to Astara.

The cost of transport is higher by about 20%-30% on this route due to minimal volume of cargo and there is some problem on China route of transportation. Use of Chabahar port is beneficial in term of cost and time. The cost would decrease if containers do not come empty from destination.

**CONCOR** CONCOR informed that there is a shortage of containers as procurement of containers from China has been stopped now and another problem is that shipping lines are not accepting cargo for Russia. Many pharma companies are trying to send the pharma products from Bandar Abbas port. If pharma products go to Russia and during return fertilizer comes using the same containers, the cost of transportation will be lesser.

**Director (FT CIS):** There are three main problems related to this route, first is the cost of transportation which is almost three times more than the traditional routes, second is the absence of nodal agency to handle the cargo from India and Russia including lack of safety and security of the cargo and third is the reluctance of the banks to accept the export documents for the consignment destined for Russia if the port of discharge is Bandar Abbas. Banks have a clear-cut guideline from RBI to handle all the transactions which are exempted under OFAC, but, still banks do not handle it.

**Chairman, FFFAI :** He has informed that the transportation cost was estimated in 2014 but now the situation has changed and presently there are many logistic operators who are handling cargo from Bandar Abbas for other CIS countries. Also, Banks are reluctant to handle the export documents for the consignment meant for CIS countries if it is transported through INSTC route.

**Chairperson** after listening to all the deliberations summed up the discussion and intimated that there are three key points which have emerged that is high cost, absence of single operator and banking problems. To operationalize this INSTC route, he has suggested that since many companies are already operating on this route from Bandar Abbas, CONCOR may consider to float a global tender and finalize required number of Service Providers/Companies to take the cargo from India to CIS countries by providing end to end service.

The meeting ended with Vote of Thanks.

**Participants list for the meeting on INSTC Route held on 02-06-2022 at 14:30 Hrs IST**

**Department of Commerce:**

- Mr. Santosh Kumar Sarangi, Director General, Directorate General of Foreign Trade
- Mr. Manish Chadha, Joint Secretary, FT (CIS), Department of Commerce, Ministry of Commerce and Industry.
- Mr. Sunil Kumar Ranjan, Director, FT (CIS), Department of Commerce, Ministry of Commerce and Industry.

**Ministry of External Affairs:**

- Mr. Madhav R. Sulphule, Under Secretary

**Ministry of Shipping and Waterways**

- Mr. Kapil Kaushik, Director
- Mr. Mahesh Yadav, ADG Shipping, DG Shipping

**FIEO**

- Dr Ajay Sahai, Director General & CEO

**FFFAI**

- Mr. Shankar Shinde, Chairman {email: shankar@fffai.org} (attended via VC mode)

**CONCOR:**

- Shri. Nithin Raj, Manager (DL&C)

**UCO Bank**

- Mr. G.S. Gupta, Deputy General Manager
- Mr. B. S. Bhakuni, Assistant General Manager

**EXIM Bank**

- Mr. Saroj, Khuntia, General Manager
- Mr. Sandeep Kumar, Deputy General Manager

**FICCI**

- Mr Manish Singhal, Deputy Secretary General.
- Ms. Debasmita Chakraborty, Joint Director, Europe

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