

India-Russia new sea route plan in final lap

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In October, a trial run of a ship was conducted between Chennai port in India and Vladivostok in Russia, in an effort to revive a trade route that existed during the USSR period.

According to Oleg N Avdeev, consul general of the Russian Federation in Chennai, the round trip took only 17 days. This used to take 35-40 days between Indian ports and St Petersburg via the Suez Canal.

"We are in the advanced stage of the Chennai-Vladivostok sea route becoming a reality," said Avdeev. The route, known as the Eastern Maritime Corridor (EMC), is between the East Coast of India and the Far Eastern Coast of Russia. Russian authorities told *Business Standard* that the route was in the final stages of clearances.

Avdeev said a Russian delegation was set to visit India to have a final round of discussions and a major event would be organised in Chennai. According to Indian authorities, the event is likely to be held in January.

The Indian authorities have



identified coking coal, crude, liquefied natural gas (LNG), and fertilisers as major commodities that will be traded in the route.

"Suez route is quite congested. The planned route, which was in operation during the USSR days, will bring down the travel distance and time," Avdeev said. According to officials, other countries like Indonesia, Malaysia, and Singapore could also be part of this route in future. In terms of distance as well, the new route is advantageous as it is 40 per cent down to 5,647 nautical miles compared to 9,450 nm taken during

the current route between Chennai and St Petersburg. "This is moving very fast. Chennai Port has been given the responsibility to study the potential. In the study, we identified four bulk commodities and containers to some extent with huge potential. We found that if we get coking coal from Far-East Russia, it will be cheaper by ₹1,000 per tonne and it also diversifies our basket," said Chennai Port Trust Chairperson Sunil Paliwal.

India now accounts for 22 per cent of the world's coking coal shipments, of which the majority is coming from Australia. "Lot of crude imports are

already taking place. The refining capacity of our country is also majorly on the western side, but the demand is growing faster in the eastern side. So, future capacity is going to come from the eastern side," Paliwal said.

According to the India Brand Equity Foundation (IBEF), the bilateral trade between India and Russia during 2022-23 amounted to \$49.36 billion, including \$3.14 billion exports and \$46.21 billion imports from Russia. Major imported items include crude (\$31.02 billion), coal, coke and briquettes (\$4.82 billion), fertilisers (\$3.04 billion), petroleum products (\$2.96 billion), pearl, precious and semi-precious stones, (\$1.19 billion) and vegetable oils (\$1 billion).

Sources in ministry said more progress was expected on the eastern corridor by December and India continues to remain committed to a swift operationalisation of the trade route. In September, Union Shipping Minister Sarbananda Sonowal had visited Russia to give an impetus to efforts on the EMC and other shipping collaborations between the two countries.