

US 'sensitises' Indian cos on items not to be exported to Russia; warns of sanctions

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The US wants to sensitise Indian industry against exporting certain items to Russia such as chemicals, defence equipment, and aeronautical parts and components that can be used for missile systems, which may purportedly aid Moscow in its war against Ukraine and attract secondary sanctions from the West, sources have said.

The communication comes at a time when India's exports of engineering goods and chemicals to Rus-

sia are on the rise. "The US has held consultations with Indian exporters to make them more aware about the economic sanctions against Russia and sensitise them about items that shouldn't be exported, such as chemicals, defence equipment, aeronautical parts and components that can go into missile systems. These could attract secondary sanctions," an official tracking the matter told *businessline*.

As Russia's war with Ukraine, which started in February 2022, has continued for over two years, leading to loss of lives, livelihood

and property in the region, and turmoil across the globe, the US and its Western allies have been tightening sanctions against Moscow.

IN TROUBLE

Already companies based in India are grappling with such actions.

Bengaluru-based Si2 Microsystems, which designs and manufactures electronics equipment, was slapped with sanctions late last year by the US, followed by the EU and Japan, for allegedly aiding Russia militarily.

"Two Indian individuals and some entities operating

from India were placed on the sanctions list of the US Treasury's Office of Foreign Assets Control recently for collaborating with Russia," another source said.

Washington's increased supervision could act as a dampener for India's growing exports to Russia, especially of engineering goods and chemicals.

In 2023-24, India's exports to Russia increased 35.41 per cent to \$4.26 billion.

Engineering goods shipments doubled to \$1.22 billion, while that chemicals increased to over \$500 million in 2023-24.