

Perspective - India-Russia Annual Summit 2021: Key Takeaways

Context:

- **President of the Russian Federation Putin paid a working visit to New Delhi for the 21st India–Russia Annual Summit.**
- Foreign and Defence Ministers had arrived a day earlier to participate in the **inaugural 2+2 ministerial meeting** and hold bilateral talks, including the meeting of the intergovernmental commission on military and technical cooperation.
- While the meeting saw the **signing of 28 agreements** across sectors from defence to energy to space exploration, science and technology, heavy engineering, to trade and investment; but could **not conclude the much anticipated 'Reciprocal Exchange of Logistical Support' (RELOS).**
- Among other deals, the two sides **signed the 'Agreement on Program of the Military-Technical Cooperation from 2021-2031'.**
- The long awaited **'A-203 assault rifles deal' was inked at the end of bilateral talks between Defence Ministers paving the way for the production of over six lakh rifles in Amethi.**
- On the issue of AUKUS and the Indo-Pacific, the **Russian minister debunked these new formats calling them "non-inclusive" and violative of international norms.**
- India confirmed that issues such as Chinese incursions in Ladakh and the situation in Ukraine did come up during the conversations between India and Russia.
- The leadership also discussed the evolving situation in Afghanistan, especially the security situation and its implications in the region, the current political situation, issues related to terrorism, radicalisation and drug trafficking etc.
- **Russian side has invited the Indian side to Moscow for the next round of 2+2 dialogue to be held in 2022.**

Highlights of the visit:

INDIA-RUSSIA: Partnership for Peace, Progress and Prosperity

- The completion of 5 decades of the 1971 Treaty of Peace, Friendship and Cooperation and 2 decades of Declaration on Strategic Partnership is symbolic of the long standing and time-tested India-Russia relations.
- The Sides reaffirmed their commitment to the Special and Privileged Strategic Partnership between India and Russia.
- Sides positively assessed the multi-faceted India-Russia relations that span various areas of cooperation.
- The Leaders welcomed the holding of back-to-back meetings of the India-Russia Inter-Governmental Commission on Military and Military-Technical Cooperation and the first 2+2 Dialogue of Foreign and Defence Ministers of India and Russia.
- **Cooperation in Covid-19 pandemic**
 - The Sides exchanged views on the Covid-19 pandemic situation and highly appreciated the ongoing bilateral cooperation in the fight against Covid-19, especially with respect to "Sputnik-V" vaccine.
- **Economy**
 - The Sides appreciated the resumption of the positive trajectory of bilateral trade, with trade registering an increase of about 38% in the first half of 2021 compared to the same period in 2020 despite the pandemic-related restrictions.
 - The leaders stressed on the need for greater efforts to achieve the trade target of USD 30 billion by 2025.
 - Sides underscored the need for commencement of negotiations on Trade Agreement between India and The Eurasian Economic Union.

- The Indian Side encouraged participation of Russian companies in the 13 key sectors of Production Linked Incentive scheme
- **Cooperation in the Russian Far-East**
 - President Putin supported Prime Minister Modi's concept of Sangam as a development tool for the region.
 - The Sides welcomed the interest of Indian companies in cooperating in the Russian Far East.
 - The Sides agreed to continue discussion on the operationalization of the US\$ 1 billion Line of Credit announced by PM Modi in 2019 for projects for development of the Russian Far East.
- **Energy**
 - Both Sides reiterated their joint efforts under the Roadmap for Cooperation in Hydrocarbons for 2019-24 to further deepen bilateral cooperation in the energy sector and welcomed the opening of Bharat Energy Center in Moscow, representing five Indian oil and gas public sector companies to enhance engagement with Russian stakeholders in energy sector.
 - The Sides reaffirmed their commitment for increasing sourcing of Russian crude oil on long term contracts through preferential pricing, strengthening LNG imports to India, and the possible utilization of the Northern Sea Route for energy supplies.
- **Transport and Connectivity**
 - The Indian Side welcomed the growing participation of Russian companies in modernization of the railway sector in India.
 - The Sides emphasized on greater and effective usage of the International North-South Transport Corridor
- **Civil Nuclear Energy and Space**
 - The Sides noted the significant progress achieved in the construction of the remaining nuclear power plant units at Kudankulam.
 - Both Sides noted successful cooperation in the setting up of the Rooppur NPP in Bangladesh
 - Sides welcomed the enhanced cooperation in the human spaceflight programs and satellite navigation
- **Military and Military-Technical Cooperation**
 - Both Sides welcomed the signing of a new long-term program for the period 2021-2031.
 - The Sides recognized the requirement of an institutional arrangement for reciprocal provision of logistic support and services for the Armed Forces.
- **Science and Technology**
 - Sides welcome the signing of Roadmap for Science, Technology & Innovation Cooperation and, expressed satisfaction with respect to launching joint calls in priority areas as states in the Roadmap.
- **Education, Culture and Tourism**
 - They agreed to continue their efforts in promoting educational linkages between universities and educational institutions.
 - The Sides appreciated the successful implementation of bilateral Cultural Exchange Program
 - The two Sides appreciated the dynamism in tourist exchanges between Russia and India.
- **Cooperation in UN and Multilateral Fora**
 - Both Sides noted the high level of political dialogue and cooperation on issues at the UN and agreed to deepen it further.
 - Both Sides stressed the importance of reinvigorating multilateralism, with the central coordinating role played by the United Nations in world affairs.
 - Russia welcomed India's election as a non-permanent member of the UN Security Council
 - Russian Side appreciated India's UNSC priorities and called for comprehensive reform of the UNSC

TROUBLED 2020?

- The **annual India-Russia summit was cancelled** for the first time in two decades last year.
- Lavrov's earlier **comments on India's Indo-Pacific engagements and the Quad did not go down well in India.**
- Lavrov in 2020 said that "India is currently an object of the Western countries' persistent, aggressive and devious policy as they are trying to engage it in anti-China games by promoting Indo-Pacific strategies, the so-called 'Quad' while at the same time the West is attempting to undermine our close partnership and privileged relations with India."

BACKGROUND OF RELATIONS:

- India and Russia have enjoyed good relations since 1947.
- It started with a visit by the then Indian PM Nehru to the Soviet Union in 1955 and the First Secretary of the Communist Party Khrushchev's return trip during the same year.
- India and the Soviet Union signed the **Treaty of Peace and Friendship** in August 1971
- After the dissolution of the Soviet Union, India and Russia entered into a **new Treaty of Friendship and Cooperation in January 1993 and a bilateral Military-Technical Cooperation agreement in 1994.**
- In 2000 both countries established a **Strategic Partnership.**
- In 2010, it was elevated to the level of a "**Special and Privileged Strategic Partnership.**"
- PM Modi is the first Indian Prime Minister to visit the Russian Far East and this visit is intended to give "a new direction, new energy, and new speed" to the bilateral relations.
- **Political Relations**
 - Annual Summit: The Annual Summit meeting between the Prime Minister of India and the President of the Russian Federation is the highest institutionalized dialogue mechanism in the strategic partnership between India and Russia.
 - Prime Minister Narendra Modi and President Vladimir Putin held their first informal Summit in Sochi in 2018.
 - PM Modi was awarded with Russia's highest state decoration - Order of St Andrew the Apostle.
 - Indian Defence Minister undertook a trip to Russia for its 'Victory Day' parade, the first high-level visit from India to any country during the pandemic.
 - Intergovernmental Commissions: Two Inter- Governmental Commissions - one on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC), and another on Military Technical Cooperation (IRIGC- MTC) meet annually.
 - There are a number of bilateral Interaction/Visits
 - International/Multilateral Organizations and Connectivity Projects: BRICS, SCO, Russia has been a long standing supporter of India's membership of the Nuclear Suppliers Group and Permanent Membership in an expanded UNSC.
- **Defence and Security Cooperation**
 - India-Russia military technical cooperation has evolved from a buyer - seller framework to one involving joint research, development and production of advanced defence technologies and systems.
 - BrahMos Missile System as well as the licensed production in India of SU-30 aircraft and T-90 tanks, are examples of such flagship cooperation.
 - Furthering this cooperation, an agreement on the cooperation in the production of spare parts for Russian/Soviet military equipment was signed.
 - Agreements on supply of S-400 air defence systems, construction of frigates and shareholders agreement on the formation of joint venture to manufacture Ka-226T helicopters in India.
 - Production of AK Series Assault Rifles at Ordnance Factory Korwa under the 'Make-in-India' program.
 - The two countries also hold exchanges and training exercises between their armed forces annually.
 - The first-ever Tri-Services exercise –'INDRA 2017' took place in 2017.

- **Trade and Economic Relations**

- Aim is to increase bilateral investment to US \$ 50 billion and bilateral trade to US \$ 30 billion by 2025.
- From 2013 the total trade between the two countries was on a downward trajectory till 2016.
- In 2019, total bilateral trade between the two countries from January-September, 2019
- Bilateral trade in services has remained stable during the last 5 years with trade balance in Russia's favour.
- Russian investment in India in 2017 has reached 18bn USD and India's total investment in Russia so far is 13 bn USD.
- Rosneft acquired ESSAR's Vadinar refinery in India by concluding a deal in 2017. This deal was USD 12.9 billion, is one of the biggest Russian investments in India in recent times.
- A few important steps/projects that could provide a major boost to bilateral trade are: Operationalization of the 'Green Corridor' project; International North-South Transport Corridor, and the signing of an FTA with EaEU.
- India Russia Strategic Economic Dialogue was started in 2018.

- **Energy Security**

- In Energy sector Russia has built nuclear reactors in India (kudankulam reactors), adopted strategic vision in nuclear energy, offered oil, gas and investment opportunities in the fuel sector of Russia e.g. Sakhalin I etc.
- Both are extending civil nuclear cooperation to 3rd countries, e.g. Bangladesh.

- **Space technology**

- The former Soviet Union launched India's first two satellites, Aryabhata and Bhaskar.
- It has provided India Cryogenic technology to build heavy rockets.

- **Science & Technology**

- The Working Group on Science and Technology, the Integrated Long Term Programme (ILTP) and the Basic Science Cooperation Programme are the three main institutional mechanisms for bilateral Science and Technology cooperation.
- Science Academies of the two countries promote inter-academy exchanges.

- **Cultural Cooperation**

- There is a strong tradition of Indian studies in Russia.
- As per the reciprocal agreement, regular cultural exchange between India and Russia has been taking place since 2015.

REASONS FOR RECENT DOWNTURN IN RELATIONS

- **India Going West:** China's expansionist foreign policy forced India to shed past hesitations and actively pursue closer ties with the West, particularly the US.
- **Russia Going East:** Russia revved up its own "Pivot to the East". The most distinct results of which are markedly improved relations with China, and better ties with Turkey, Iran, and Pakistan.
- **Defence:** India has been recently diversifying its defence relations with US, Israel etc. Russia's share of Indian defense imports fell from 79 percent between 2008-2012 to 62 percent between 2013-2017.
- Trade has been one-dimensional i.e. defence based. The trade in 2017-18 was \$10.7 billion, which is far below potential in comparison to India's trade with China (\$89.7 billion), the United States (\$74.5 billion).
- **Towards Taliban:** Russia is showing inclination towards Taliban in Afghanistan while India continues to have concerns about the group.

WHAT ARE THE RECENT POSITIVE DEVELOPMENTS IN INDIA-RUSSIA TIES?

- Agreements on the construction of 12 nuclear power plants in India
- The 'localized manufacturing' in India of Russian-designed nuclear power plants
- The finalisation in 2014 and 2015 of the supply of crude oil by Rosneft to Essar.
- Supply of S-400 Triumph Air Defence Missile System, 4 frigates and also the manufacturing of Ka-226T.
- In terms of investments, both the countries had set the target of \$30 billion by 2025.
- Gaganyaan Project: Russia would help train the Indian astronauts for the manned space mission.
- Russia supports India's bid for permanent membership in UNSC and NSG.

IMPORTANCE OF RUSSIA FOR INDIA

- **Balancing China:**
 - Russia organised a trilateral meeting among the foreign ministers of Russia, India and China following deadly clashes in Galwan valley.
 - This shows that Russia can contribute in defusing tensions with China whose relations with India have come to an inflection point.
- **Emerging New Sectors of Economic Engagement:**
 - mining, agro-industrial, and high technology, including robotics, nanotech, and biotech.
 - India's footprint in the Russian Far East and in the Arctic is set to expand.
 - Connectivity projects may get a boost too.
- **Combating Terrorism:**
 - India and Russia are working on Afghanistan.
 - Similarly, both are calling for early formalisation of Comprehensive Convention on International terrorism.
- **Support At Multilateral Forums:**
 - Russia has been a long standing supporter of India's membership of the Nuclear Suppliers Group and Permanent Membership in an expanded UNSC.
- Important supplier of defence materials and equipment of all kinds.

WAY FORWARD

- It is in the vital interest of both countries to ensure that the area which relates to the **security and defence, civil nuclear energy and space** among, is insulated from mutual differences in outlook on some geo-political issues and the pressures of other powers.
- It would also be mutually beneficial for both countries to explore other areas of cooperation such as **connectivity through both land and sea as well as trade**.
- There is a need of a **free trade agreement** to augment trade.
- India should pursue and facilitate **Russia's engagement in the Indo-Pacific**.
- India must promote a mutually **beneficial trilateral cooperation between Russia, China, and India**.
- **Cooperation At Multilateral Forums:** India and Russia continue to share a common strategic rationale for their relationship.
- There are areas of convergence that can be used to improve the relationship between the two countries. For example, **both are involved in the Rooppur nuclear plant project in Bangladesh on a trilateral basis**.
- There is a need for a more **"extensive Eurasian partnership involving the EAEU and China, India, Pakistan, and Iran"**.
- India can help Russia by providing the **much-needed workforce in sectors like agriculture and construction** without engaging in permanent settlement.
- Both countries must take advantage of policies like 'Make in India'.

<https://youtu.be/NSj3-xOoUQg>

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