



# RSTV BIG PICTURE: INDIA-RUSSIA PARTNERSHIP

**CONTEXT:** Russian Foreign Minister Sergey Lavrov was in New Delhi on a two-day visit to India and held delegation level talks with his Indian counterpart.

#### **ANALYSIS OF THE VISIT:**

- The visit follows immediately after the virtual summit meeting of the Quad, and the visit of US' Defence Secretary.
- India and Russia reaffirmed their commitment for continued partnership in the areas of trade, investment, space, energy, scientific and military cooperation.
- The Russian Minister avoided mentioning the term Quad, but he made it clear that such blocs are counterproductive. He reiterated that the ASEAN should play a central role in the affairs of the "Asia-Pacific".
- Russian minister talked about building up **investment cooperation** as well as giving **special attention to energy, peaceful space exploration and transport infrastructure projects in the Far East and the Arctic.**
- Besides increasing the **use of national currencies in mutual settlements**, Russia is keen for an early start of the talks on a **free-trade zone between the Eurasian Economic Union**.
- He clarified that Russia and China have the "best relationship ever", but it does not presage a militaryalliance between the two countries.
- He re-emphasised the role of Russia in providing cutting edge military technology to India.
- Lavrov's meeting is seen as a **preparatory one for the summit meeting between the Russian President Vladimir Putin and Prime Minister Modi** sometime later this year.
- They discussed the expansion of the manufacturing of state-of-the-art Russian weapons in India under the "Make in India" and "Atmanirbhar Bharat" initiatives.
- There were talks of connectivity, including the International North-South Transport Corridor and the Chennai-Vladivostok Eastern Maritime Corridor
- Lavrov **did not have an interaction with the Indian Prime Minister**, usually a standard feature for a visit to New Delhi by a senior Russian leader.
- The two sides had also agreed on **joint efforts to tackle a decline in mutual trade due to the Covid-19** pandemic.
- Collaboration on Covid-19 vaccines figured in the talks.
- Indian visit was followed by Lavrov travelling to Pakistan
- Indian external affairs minister in his remarks at the joint press conference stated that bilateral ties continued to be "energetic and forward looking" and Lavrov, for his part, said relations were "valuable, mutually respectful and they are not subjected to political fluctuations."

## **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 Letc.
- 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

- <u>India Going West:</u> China's expansionist foreign policy forced India to shed past hesitations and actively pursue closer ties with the West, particularly the US.
- <u>Russia Going East:</u> 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).
- <u>Towards Taliban:</u> 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 o	f policies lil	ke 'Make in India'.
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both countries must take advantage of policies like wake in india.
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