



## India and Russia: Ties in Transition

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"The article is based on **India and Russia: Ties in transition** that was published in ORF on 5<sup>th</sup> September. It talks about the PM's visit to Vladivostok and its importance in shaping the India-Russia relationship and the challenges in the ties between the two countries."

### Context

- Prime Minister Narendra Modi is in Vladivostok, Russia on a two-day visit to participate in the 20<sup>th</sup> India-Russia annual summit and the fifth meeting of the **Eastern Economic Forum (EEF)**.
- The EEF is a forum which, since 2015, has been trying to push for the development of business and investment opportunities in the Russian Far East Region and Modi's presence there as chief guest underscores the role this region can play in enhancing cooperation between India and Russia in the region and beyond.
- The first Indian prime minister to visit the Russian Far East Region, Modi's visit is intended to give "a new direction, new energy and new speed" to **relations between the two countries**.

### Importance of Russia's Far East

- Russia's Far East is a huge land mass which is **rich in resources** but is sparsely populated and underdeveloped. Till now, its development has primarily revolved around Chinese dominance and so Russia wants to diversify with the help of other Asian powers to lessen Russia's growing dependence on China.  
It provides an opportunity for the Indian investors to look at Russian Far East and explore investment opportunities there.
- Modi's visit has resulted in a proposal for a **maritime route between Chennai and Vladivostok**, bypassing Europe, which would enable to transfer cargo between Chennai and Vladivostok in 24 days in comparison to over 40 days currently taken to transport goods from India to Far East Russia via Europe.

- With the possible shift in the centre of power to Asia in the 21<sup>st</sup> century, Russia's far East has an important role to play. So, India's enhanced presence in the region is strongly desired.

## Prospects and Recent Developments in India-Russia Relations

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- India's **economic ties** with Russia have been struggling with bilateral trade hovering around \$10 billion mark. **Energy** is one area which has the potential to provide ballast to their ties.
  - Indian energy companies are keen to invest in Russia's upstream sector.
  - Russia's Rosneft in 2017 completed a \$12.9-billion acquisition of Essar Oil to enter India, the world's fastest-growing energy market.
  - Russia and India are also becoming more ambitious by pursuing projects in third countries such as the Rooppur nuclear power project of Bangladesh.
- **Defence ties** remain the cornerstone of India-Russia bilateral engagement.
  - New Delhi's decision to go ahead with the purchase of **S-400 missile defence system**, worth over \$5 billion, despite the threat of US sanctions, underscores the importance India continues to attach to its defence engagement with Russia.
  - India wants Russia to take advantage of the low production cost in India to produce military equipment under joint venture framework at cheaper rates for the third-world nations.
  - Agreement on Reciprocal Logistics Support (ARLS), aimed at facilitating access to each others' military facilities, is supposed to be agreed in the present visit.
- **Strategic depth in the relationship**
  - Russia stood by India on the **issue of Jammu and Kashmir** arguing that "India's decision is a sovereign decision which is as per its Constitution".
  - Russia recognises that **India's involvement in Afghanistan** remains necessary if the war-torn nation is to see long term stability.
  - It supports India in its bid for permanent membership to UNSC and to get entry into the **NSG (Nuclear Supplier Group) membership**.

## Challenges in India-Russia Relations

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- **India's growing proximity to the US:**
  - Increase in defence and strategic partnership between India and USA.
  - India's joining in the Quad Group with USA, Japan and Australia led to a strategic shift in Russia's foreign policy.

- **Russia's growing proximity to China and Pakistan:**
  - **China:** Increasing strategic and military relations between Russia-China and Russia's endorsements to China's **Belt and Road Initiative** (BRI) is a major concern for India.
  - **Pakistan:** Russia in 2014 lifted arms embargo on Pakistan. Russia and Pakistan conducted a military exercise in September 2016. In 2017, a military-technical cooperation agreement was signed which deals with arms supply and weapon development. All these factors raised concerns in India.
- **Defence partnership:**

India has been recently diversifying its defence relations with US, Israel etc. Russia's share of Indian defense imports fell from 79% between 2008-2012 to 62% between 2013-2017.
- **Trade:**
  - India-Russia trade has been one-dimensional i.e. defence based.
  - Trade between the two nations is around \$10 billion which is far below potential in comparison to India's trade with China (\$89.7 billion) and the United States (\$74.5 billion).

## Way Forward

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- India and Russia need to transform a 20<sup>th</sup> century partnership to make it fit for the 21<sup>st</sup> century. Both nations should build on the "historical trust" to carve out a modern, broad-based partnership more in sync with contemporary realities.
- India and Russia have converging interests across various sectors that can be leveraged to balance the differences.

### ***Drishti Input***

"Examine the recent trends in the bilateral relationship between India and Russia and the challenges involved in the same."