



## 22nd India-Russia Annual Summit

**For Prelims:** Order of Saint Andrew the Apostle, Programme-2030, [Make in India](#), [Chennai-Vladivostok Eastern Maritime Corridor](#), [International Solar Alliance](#), Gross National Income, [World Bank](#), [Atmanirbhar Bharat](#), [International North-South Transport Corridor](#)

**For Mains:** Significance of India- Russia Relations, International Cooperation and Multilateral Forums

**Source:** TH

Why in News?

The **22<sup>nd</sup> India-Russia Annual Summit** in Moscow, brought together Prime Minister Narendra Modi and President Vladimir Putin to discuss a wide range of issues. The summit aimed to solidify the **strategic partnership between the two nations**, particularly in light of the ongoing geopolitical tensions.



**What are the Key Highlights of the 22<sup>nd</sup> India-Russia Annual Summit?**

- **Diplomatic Achievements:** President Vladimir Putin conferred **Russia's highest civilian**

honour, the "Order of Saint Andrew the Apostle," on Prime Minister Narendra Modi.

- The Order of Saint Andrew the Apostle was established by **Tsar Peter the Great** in 1698 and reinstated in 1998, featuring a **double-headed eagle emblem and a light blue silk moire ribbon**.
  - The award is named after **Saint Andrew, the patron saint of Russia and Scotland**, known for spreading Christianity across Europe and Asia.
- Prime Minister Modi was honoured with this award for promoting the strategic partnership and friendly [relations between Russia and India](#), and the announcement was made in 2019, highlighting Modi's pivotal role in enhancing bilateral cooperation
  - Foreign leaders such as **Chinese President Xi Jinping** and former Kazakh President Nursultan Nazarbayev have also been honoured with this award.



- **Economic Cooperation: A new bilateral trade target of USD 100 billion by 2030 was set, significantly higher than the previous target of USD 30 billion by 2025, which was nearly doubled in 2023.**
  - This is mainly due to [India's increased imports of Russian crude](#) at a discount after the US and Europe imposed oil sanctions on Russia following the invasion of Ukraine.
  - Agreement to prepare a comprehensive "**Programme-2030**" for developing promising areas of economic cooperation.
    - This program will be coordinated by the **India-Russia Intergovernmental Commission on Trade, Economic, Scientific, Technical and Cultural Cooperation (IRIGC-TEC)**.
      - **IRIGC-TEC is the apex G2G forum** for bilateral economic cooperation, **chaired by the External Affairs Minister of India and the Deputy Prime Minister of Russia**.
  - **India and the Eurasian Economic Union** have commenced negotiations for a **Free Trade Agreement on goods**. They also plan to explore a bilateral free-trade agreement in services and investments.
  - The Leaders agreed to facilitate participation of **Russian businesses in "Make in India" and "Atmanirbhar Bharat" programs**, and Indian companies in investment projects in Russia.

- **Defence and Technology: Transition from buyer-seller relationship to joint research, development, co-development, and joint production of advanced defence technology and systems.**
  - They also aim to **encourage joint manufacturing** of spare parts and components for **Russian-origin arms and defence equipment in India** under the **Make-in-India program**.
    - This includes setting up **joint ventures for meeting the needs of the Indian Armed Forces** and for subsequent export to friendly third countries.
  - They have agreed to establish a new Working Group on Technological Cooperation to discuss its provisions in the next meeting of **Intergovernmental Commission on Military and Military Technical Cooperation (IRIGC-M&MTC)**.
  - Russian President Vladimir Putin has accepted the Prime Minister of India's request to **discharge Indian military recruits serving in the Russian military** on the **Ukrainian war** front and wishing to return to India.
    - Russian law allows the **recruitment of foreign soldiers** after thorough screening, including mental and physical checks.
  - The summit ended without the signing of the long-awaited **Reciprocal Exchange of Logistics Agreement (RELOS)**. The agreement would have provided logistical support for military operations between Russia and India.
    - The Indian Navy would have benefited the most from the agreement, gaining access to **Russian military facilities in the Arctic**.
- **Transport and Connectivity:** The Sides are focused on developing stable and efficient transport corridors in Eurasia, including the **Chennai-Vladivostok Eastern Maritime Corridor** and the **International North-South Transport Corridor (INSTC)**.
  - The **Chennai-Vladivostok Maritime Corridor**, is a sea link between ports on the east coast of India and ports in the far-east region of Russia was proposed in 2019 and it aims to transport various types of cargo and **reduce the transportation time to Russia by 40%**.
  - The INSTC is a multi-modal transportation route established in 2000 in St. Petersburg by **Iran, Russia, and India** to promote transportation cooperation among member states.
    - The corridor connects the Indian Ocean and the Persian Gulf to the Caspian Sea via Iran, and then is connected to St. Petersburg and Northern Europe via the Russian Federation.
  - They aim to increase infrastructure capacity and use the potential of the **Northern Sea Route**. Both Sides will work together to reduce time and cost of cargo transportation and promote connectivity in the Eurasian space.
- **International Cooperation: Russia appreciated [India's non-permanent membership in the UN Security Council \(2021-22\)](#) and supported India's efforts in peacekeeping and counter-terrorism.**
  - Russia reiterated its support for **India's permanent membership** in a reformed and expanded **UN Security Council**.
  - India expressed full support for **Russia's BRICS Chairship in 2024** under the theme "**Strengthening Multilateralism for Just Global Development and Security**."
  - Close cooperation in international forums such as the UN, **G20**, BRICS, and **Shanghai Cooperation Organization (SCO)** is emphasised to reinvigorate multilateralism.
  - The Indian side looked forward to Russia's joining of the **International Solar Alliance (ISA)**, the **Coalition for Disaster Resilient Infrastructure (CDRI)**, and the **International Big Cat Alliance (IBCA)**.
- **Global Issues:**
  - **Climate Change:** Commitment to combating climate change and achieving the goals of the **United Nations Framework Convention on Climate Change (UNFCCC)** and the **Paris Agreement**, including cooperation on **low-carbon development** and **green financing**.
  - **Multipolar World Order:** Emphasis on the need for a multipolar world order and the development of an architecture of equal and indivisible regional security in the **Eurasian space and the Indian and Pacific ocean regions**.



- **Counter Terrorism:** The leaders unequivocally **condemned terrorism** and violent extremism in all its forms and manifestations, including the cross-border movement of terrorists and terrorism financing networks.
  - The sides reaffirmed their commitment to strengthening multilateral cooperation in combating **transnational organised crime, money laundering, terrorist financing, and drug trafficking.**

## **Note:**

In another development Russia has reached a significant economic milestone by being upgraded from an **upper-middle-income to a high-income country** by the **World Bank**, despite ongoing Western sanctions.

## **What Factors Contributed to Russia's Status as a High-Income Country?**

- **Economic Growth Across Sectors:** The World Bank classifies countries based on their **Gross National Income (GNI) per capita**, expressed in US dollars using the Atlas method (accounting for **purchasing power parity**).
  - As of July 2024, the **threshold for "high-income" is USD 14,005**. Russia crossed this threshold in 2023 with a GNI per capita of USD 14,250.
  - Russia saw notable growth in trade (+6.8%), the financial sector (+8.7%), and construction (+6.6%) in recent years, boosting both real (3.6%) and nominal (10.9%) GDP.
- **Impact of Military Spending:** A substantial increase in military-related activities in 2023 bolstered economic activity, though experts suggest this growth may not be sustainable.
- **Trade Diversification:** Western sanctions led to a shift in trade patterns, reducing dependence on **G7 and EU countries** and **increasing transactions with China, India, Türkiye, Central Asia, and the South Caucasus.**
- **Resilient Energy Sector:** Despite sanctions on its energy sector, Russia maintained steady overall export volumes, **leveraging global oil prices** and strategic trade diversification.
- **Fiscal Stimulus and Investment:** Government initiatives, including fiscal stimulus and increased defence spending (estimated at 7% of **GDP**), supported economic recovery and growth.
- **Job Market and Consumer Spending:** Low unemployment, rising wages, and strong private consumption contributed positively to economic stability and growth.
  - Overcoming earlier sanctions from 2014, Russia adapted its economic policies and infrastructure investments to mitigate ongoing challenges.

## **What is the World Bank's Country Income Classification?**

- **About:** The World Bank Group **assigns the world's economies to four income groups:** low, lower-middle, upper-middle, and high.
  - The **classifications are updated annually on 1st July** based on the GNI per capita of the previous calendar year.
  - The World Bank's income classification aims **to reflect a country's level of development**, using Atlas GNI per capita as an indicator of economic capacity.
- **Classification Thresholds:**
  - Low-income: USD 1,145 or less;
  - Lower-middle-income: USD 1,146 to USD 4,515;
  - Upper-middle-income: USD 4,516 to USD 14,005;
  - High-income: More than USD 14,005.
  - Factors such as **economic growth, inflation, exchange rates, and population growth** can influence a country's GNI per capita.
- **Regional Highlights:**
  - In South Asia, the share of low-income countries has fallen from 100% in 1987 to just 13%

in 2023.

- According to the World Bank, **India is a lower-middle income country. India has been in this category since 2007**, when it moved up from the low-income category.
    - As of 2023, **India's GNI per capita** in terms of PPP is **approximately USD 10,030**.
  - In the Middle East and North Africa, the share of low-income countries has increased from 0% in 1987 to 10% in 2023.
  - **In Latin America and the Caribbean, the share of high-income countries has climbed from 9% in 1987 to 44% in 2023.**
  - Europe and Central Asia have a slightly lower share of high-income countries in 2023 (69%) than it did in 1987 (71%).
- **Note:** GNI measures the **total domestic and foreign value added claimed by residents at a given period**, usually a year, expressed in international dollars using purchasing power parity rates.
- It includes **GDP plus net receipts of primary income from nonresident sources** and provides an aggregate measure of income.

## Conclusion

The 22<sup>nd</sup> India-Russia Annual Summit underscored the robust strategic partnership between the two nations, marked by significant diplomatic honours, ambitious economic targets. Despite global geopolitical challenges, both countries **reaffirmed their commitment to enhancing bilateral ties across various sectors**. The summit's outcomes reflect a shared vision for regional stability, economic growth, and mutual respect on the global stage, reinforcing the enduring nature of the **Indo-Russian relationship amidst evolving international dynamics**.

### **Drishti Mains Question:**

**Q.** How have recent geopolitical shifts, such as the rise of multipolarity and increasing global strategic competition, influenced the strategic partnership between India and Russia?

## UPSC Civil Services Examination Previous Year Question (PYQ)

### **Prelims**

**Q.** Recently, India signed a deal known as 'Action Plan for Prioritization and Implementation of Cooperation Areas in the Nuclear Field' with which of the following countries? (2019)

- (a) Japan
- (b) Russia
- (c) The United Kingdom
- (d) The United States of America

**Ans: B**

### **Mains**

**Q.** What is the significance of Indo-US defence deals over Indo-Russian defence deals? Discuss with reference to stability in the Indo-Pacific region. (2020)

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