



## Navigating India-Russia Ties

*This editorial is based on “[5 ways in which India-Russia relationship will shape the world in 2025](#)” which was published in The Indian Express on 20/10/2024. The article brings to picture the pivotal India-Russia partnership, highlighting its role in defense, energy, and global diplomacy, while underscoring the challenges India faces in balancing Western ties to maintain strategic autonomy.*

**For Prelims:** [India-Russia relations](#), [1971 Treaty of Peace, Friendship, and Cooperation](#), [Kudankulam Nuclear Power Plant](#), [BrahMos missiles](#), [Su-30 MKI](#), [Eurasian Economic Union](#), [International North-South Transport Corridor](#), [Chennai-Vladivostok Corridor](#), [BRICS](#), [SCO](#), [G20](#), [Zaporizhzhia nuclear plant](#), [India-Eurasian Economic Union \(EAEU\) Free Trade Agreement](#).

**For Mains:** Current Status of India-Russia Relations in a Changing Global Order, Challenges India Faces in Navigating Relations with Russia

[India-Russia relationship](#) emerges as perhaps the most consequential bilateral partnership in global diplomacy, transcending mere strategic cooperation. Russia remains India's most accommodating partner in **high-tech defense and oil supplies**. Through this partnership, **India prevents Russia's complete pivot to China**, ensures stability in global energy markets, and maintains a **moderate voice in emerging power blocs like BRICS**. However, there are challenges for India to navigate, **such as balancing its ties with Western nations**. India needs to work proactively to safeguard its strategic autonomy and sustain this vital partnership amidst shifting global dynamics.

//



## How India and Russia Relations Evolved Over Time?

- **Cold War Solidarity (1950-1991):**
  - Soviet support for India on key issues like Kashmir and Goa's liberation reflected shared strategic interests.
  - The [1971 Treaty of Peace, Friendship, and Cooperation](#) was pivotal during the Bangladesh Liberation War.
- **Post-Soviet Adjustment (1991-2000):**
  - Following the Soviet Union's dissolution, India and Russia recalibrated their relationship to sustain defense and strategic ties.
- **Strategic Partnerships:**
  - **2000:** The **Strategic Partnership Declaration** institutionalized cooperation across sectors.
  - **2010:** The partnership was elevated to a **Special and Privileged Strategic Partnership**, reflecting its unique depth.
- **Trade Expansion (Recent):**
  - Bilateral trade hit a record high of **\$65.7 billion in FY 2023-24**, with India's exports growing by **42.7%** and imports declining by **39.9%**, showcasing reduced dependency on Russian oil.
    - **Key exports from India:** Pharmaceuticals, organic chemicals, and machinery.
    - **Major imports from Russia:** Oil, fertilizers, and minerals.
  - In **October 2024**, India and Russia convened their first working group meeting on the Northern Sea Route.

## What is the Current Status of India-Russia Relations in a Changing Global Order?

- **Strategic Autonomy Amid Geopolitical Rivalries:** India's ties with Russia exemplify **strategic autonomy** as New Delhi strengthens partnerships globally **without aligning with any bloc**.
  - Amid Western sanctions, **India has deepened energy and defense ties** with Russia while maintaining strong relations with the **US and EU**.
  - During the [Indian Prime Minister's visit to Moscow in July 2024](#), both countries outlined **India-Russia Special and Privileged Strategic Partnership**, aiming to

significantly boost bilateral trade by 2030.

- **Energy Security as a Cornerstone:** India has leveraged Russia's pivot to **Asia for reliable energy access**, ensuring affordability and supply security.
  - European sanctions on Russian imports provided **India with an opportunity to secure energy at lower costs**, cushioning it from the volatility of global oil prices.
    - **Russian oil now accounts for 35% of India's total crude imports**, while bilateral trade hit \$65.7 billion in FY 2023-24, reflecting pragmatic economic engagement.
  - Russian assistance in the **Kudankulam Nuclear Power Plant** continues to be a cornerstone of the partnership.
    - India's investments in Russian oil fields like **Sakhalin and Tomsk** ensure a steady supply of energy resources.
- **Defense Cooperation- From Buyer to Co-Developer:** The defense partnership has transitioned from procurement to co-development, enhancing India's indigenous capabilities and strategic autonomy.
  - Flagship programs like **BrahMos missiles** and **Su-30 MKI production** embody this evolution.
  - **Russia still supplies 45% of India's defense imports**, despite India diversifying to other suppliers like **France and Israel**.
  - In 2024, India and Russia expanded the **Make in India** initiative to include **joint production of high-speed electric trains** for Indian Railways.
- **Economic Diversification Beyond Energy:** Economic ties now focus on **technology, agriculture, and manufacturing**, reducing dependency on oil and fostering mutual growth.
  - The **Rupee-Ruble trade mechanism** and **FTA negotiations with Eurasian Economic Union (EAEU)** reflect this shift.
  - **Exports to Russia grew by 42.7% in 2024**, with pharmaceuticals and machinery leading the feat.
- **Connectivity to Reshape Global Trade:** India-Russia connectivity projects like **International North-South Transport Corridor** and **Chennai-Vladivostok Corridor** bypass traditional routes, reducing dependency on volatile maritime chokepoints.
  - These routes enhance logistical efficiency and reduce trade time.
  - **INSTC cuts shipping time by 40%**, while the **Chennai-Vladivostok Corridor reduces transit days from 40 to 24**, boosting bilateral trade efficiency.



- **Geopolitical Synergy in Multilateral Platforms:** India and Russia share a **vision for a multipolar world** and collaborate on platforms like **BRICS, SCO, and G20** to counter Western dominance.

- They advocate for local currency trade to diminish dollar hegemony. At the [BRICS Summit 2024](#), India and Russia pushed for **alternative financial systems**, aligning with India's push for rupee-denominated trade.
- **Technology and Space Collaboration:** The partnership extends to cutting-edge fields like **AI, biotechnology, and space exploration**, reflecting a forward-looking dimension. India and Russia jointly enhance satellite navigation and lunar missions.
  - Partnerships on [GLONASS satellite navigation](#) demonstrate high-tech synergy.
  - In **2024**, India and Russia renewed commitments to cooperate on advanced space research, **including lunar and human space missions**.

## What are the Challenges India Faces in Navigating Relations with Russia?

- **Balancing Ties with the West and Russia:** India's growing ties with the **US and EU**, especially through platforms like **Quad and trade agreements negotiations with EU and UK**, complicate its relationship with Russia.
  - Western pressure on India to align with sanctions against Russia puts its **strategic autonomy at stake**.
  - Despite Western scrutiny, **Russia was India's largest oil supplier in 2023**. U.S. officials have expressed concerns over India's significant purchases of Russian energy supplies, even warning of **potential "consequences,"** though they clarified that they would not impose **"red lines"** on India's oil imports.
- **Managing the Trade Deficit:** India's trade with Russia is heavily skewed, with imports (**mostly oil and fertilizers**) vastly outpacing exports, leading to a significant trade imbalance. Limited diversification of exports compounds the issue.
  - **In FY 2023-24, India's exports to Russia stood at \$4.26 billion**, while imports reached **\$61.44 billion**, resulting in a trade deficit of **\$57.18 billion**.
  - Pharmaceutical exports, though up **42.7%**, remain **insufficient to bridge the gap**.
- **Financial and Logistical Challenges:** Western sanctions on Russia complicate **financial transactions, investments, and logistics** for India-Russia trade, increasing costs and uncertainty.
  - Mechanisms like the **Rupee-Ruble trade** face implementation challenges.
  - The Vostro account system was created to facilitate trade in local currencies, but **its adoption has been slow** due to reluctance from **private banks** fearing secondary sanctions.
- **Navigating Russia-China Proximity:** Russia's growing alignment with **China**, particularly in the **Arctic and energy projects**, presents strategic dilemmas for India.
  - China's expanding influence in **Russia's Far East** also impacts India's connectivity ambitions.
  - Russia-China trade exceeded **\$200 billion in 2023**, with major Arctic investments. While India operationalized the **Chennai-Vladivostok Corridor**, China's involvement in the **Northern Sea Route could limit India's access**.
- **Multilateral Pressure and Abstention from Voting :** India's balancing act is strained by divergent stances on global crises like **Ukraine, where India's neutral position contrasts with expectations of Multilateral Institutions like the United Nation Security Council**.
  - For instance, In July 2024, India abstained from a **UN resolution demanding Russia cease aggression against Ukraine**, and withdraw from the [Zaporizhzhia nuclear plant](#). This polarizes India's diplomatic engagements
  - At the **2024 G20 Summit**, India refrained from condemning Russia outright, maintaining neutrality.
- **Geopolitical Uncertainty in Central Asia:** India's strategic initiatives, such as INSTC, **depend on stable connectivity through Central Asia**, a region getting recently influenced heavily by **Chinese presence**.
  - Political instability in these states complicates India's outreach. For instance, INSTC trade volumes face delays due to **Iran's internal disruptions and geopolitical tensions in Kazakhstan**, a key transit country for this corridor.

## What Measures can India Adopt to Balance Ties with Russia Amid a Disrupted Global Order?

- **Diversify Economic Engagement Beyond Energy:** India should **expand trade with Russia beyond oil and defense** by leveraging sectors like technology, pharmaceuticals, and agriculture.
  - Accelerating the [India-Eurasian Economic Union \(EAEU\) Free Trade Agreement](#) and incentivizing private-sector participation can boost non-energy trade.
  - Sectors like machinery and chemicals show potential for further expansion under **streamlined trade mechanisms**.
- **Enhance Defense Co-Development Under Make in India:** India can shift its defense partnership with Russia from procurement to co-development, focusing on joint ventures that align with Make in India goals.
  - **Co-production not only ensures technology transfer** but also reduces dependency, aligning with India's goal of becoming a global defense manufacturing hub.
- **Expand Arctic Collaboration and Energy Security Initiatives:** India should engage in joint Arctic projects with Russia, focusing on **energy exploration and shipping via the Northern Sea Route (NSR)**.
  - Investments in **LNG infrastructure and polar navigation training** will secure India's long-term energy and trade interests.
  - The **October 2024 Arctic Cooperation Working Group** highlighted India's intent to use NSR for importing energy resources, offering strategic and economic benefits.
- **Promote Cultural and Educational Exchanges:** Expanding cultural diplomacy and people-to-people ties can strengthen long-term bilateral relations.
  - Initiatives like establishing **Indian cultural centers in Russia** and **encouraging Russian students to study in India** can build goodwill.
  - India's announcement of **two new consulates in Kazan and Ekaterinburg in 2024** provides a platform for fostering deeper educational and cultural exchanges.
- **Focus on Renewable Energy Collaboration:** India should diversify its energy partnership with Russia by promoting **joint ventures in renewable energy, including solar, wind, and hydrogen**.
  - This aligns with India's green transition goals while maintaining its energy collaboration with Russia.
  - India's renewable energy sector is set to attract over \$250 billion in investments, offering ample scope for Russia to partner in India's green energy ambitions.
- **Mitigate Trade Deficit Through Sector-Specific Strategies:** To address the trade imbalance, India should focus on sectors where it has competitive advantages, such as **IT services, textiles, and food processing**.
  - Establishing **special economic zones (SEZs) in Russia** for Indian exporters can boost exports.
- **Navigate the Russia-China Dynamic with Strategic Diplomacy:** India should tactically engage Russia to ensure its strategic interests are not overshadowed by Russia-China ties.
  - **Offering alternative investments** and collaboration in critical areas like the **Arctic, artificial intelligence, rare earth minerals, and space exploration** can maintain India's relevance.
- **Establish Joint Ventures in Fertilizer Production:** India can invite Russian investments in setting up fertilizer manufacturing plants in India to **reduce its dependence on imports** while **leveraging Russian expertise in raw material extraction**.
  - In 2023, fertilizers constituted **\$2.63 billion of Indian imports from Russia**. Localizing production would cut costs and enhance India's agricultural self-reliance.
- **Enhance Cybersecurity and Digital Collaboration:** Given the increasing global reliance on digital technologies, India can partner with Russia to **strengthen cybersecurity frameworks, AI research, and digital infrastructure**.
  - Joint ventures in data protection technologies can ensure mutual benefit while diversifying bilateral ties.
  - **Russia's expertise in cybersecurity** tools complements **India's growing digital economy**.
- **Foster Strategic Tourism Alliances:** India and Russia could promote **bilateral tourism by creating exclusive travel packages**, joint cultural festivals, and simplified visa processes.
  - Expanding direct air routes and tourism marketing campaigns can boost people-to-people ties.
- **Build Academic Research Hubs Focused on Eurasian Studies:** India can establish **Eurasian**

**research hubs to promote studies on Russian politics, culture, and economics.**

- These hubs can guide Indian policymakers and businesses to make informed decisions regarding Russia and its neighbors.
- Partnerships between institutions like **Jawaharlal Nehru University and Russian universities** could enhance scholarly exchanges, contributing to a deeper understanding of the region.

**Conclusion:**

The India-Russia relationship is a cornerstone of India's strategic foreign policy amid shifting global order. While the partnership continues to thrive in areas like **defense, energy, and multilateral diplomacy**, **challenges** such as trade imbalances, logistical hurdles, and Russia's growing proximity to China require careful navigation. By diversifying **economic ties, enhancing connectivity, and promoting joint ventures in emerging sectors**, India can ensure that its relationship with Russia remains **robust and contributes positively to global diplomacy**.

**Drishti Mains Question:**

"India-Russia relations have stood the test of time, but changing global dynamics pose new challenges and opportunities for this partnership." Discuss.

**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)**