



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.

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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)