



India - Russia

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1 Introduction

- Relations with Russia are a key pillar of India's foreign policy, and Russia has been a longstanding time-tested partner of India.
- Since the signing of “**Declaration on the India-Russia Strategic Partnership**” in October 2000 (during the visit of Russian President H.E. Mr. Vladimir Putin to India), India-Russia ties have acquired a qualitatively new character with enhanced levels of cooperation in almost all areas of the bilateral relationship including political, security, trade and economy, defense, science and technology and culture.
- Under the Strategic Partnership, several institutionalized dialogue mechanisms operate at both political and official levels to ensure regular interaction and follow up on cooperation activities.
- During the visit of the Russian President to India in December 2010, the Strategic Partnership was elevated to the level of a “**Special and Privileged Strategic Partnership**”.
- There are regular high-level interactions between the two countries. Two Inter-Governmental Commissions -one on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC), co-chaired by the External Affairs Minister (EAM) and the Russian Deputy Prime Minister (DPM) and another on Military Technical Cooperation (IRIGC-MTC) co-chaired by Russian and Indian Defense Ministers, meet annually.
- Russia assumed the **BRICS** Presidency in April 2015, and since then, it has been organizing a number of events and meetings under the BRICS format.

2 Areas of Cooperation

2.1 Indian Diaspora and Cultural Cooperation

- Indian Community in the Russian Federation is estimated at about 14,500. In addition, about 1,500 Afghan nationals of Indian origin live in Russia.
- About 500 Indian businessmen reside in Russia out of which around 200 work in Moscow. An estimated 300 registered Indian companies operate in Russia.
- Majority of Indian businessmen/companies in Russia are involved in trading while some represent Indian banks, pharmaceuticals, hydrocarbon and engineering companies. Tea, coffee, tobacco, pharmaceuticals, rice, spices, leather footwear, granite, I.T. and garments are amongst the products being imported by these companies from India.
- There are approximately 4,500 Indian students enrolled in medical and technical institutions in the Russian Federation. About 90% of them pursue medical studies in about 20 universities/institutions across Russia.
- **Hindustani Samaj** is the oldest Indian organization in Russia functioning since 1957.
- There are regular cultural initiatives to promote people-to-people contacts between India and Russia, including reciprocal Years of each other's' culture.
- The President of India inaugurated the Year of Indian Culture 'Namaste Russia' in Moscow on 10 May 2015.
- About 15 performances in 8 cities are planned as part of '**Namaste Russia**' across various parts of Russia over 2015.
- On 21 June 2015, the first International **Day of Yoga (IDY)** was organized across Russia covering more than 60 Regions with over 250 events and involving about 45000 Yoga enthusiasts

2.2 Defence Cooperation

- India has longstanding and wide-ranging cooperation with Russia in the field of defence.
- India-Russia military technical cooperation has evolved from a simple buyer-seller framework to one involving joint research, development and production of advanced defence technologies and systems. **BrahMos Missile System, Joint development of the Fifth-Generation Fighter Aircraft and the Multi Transport Aircraft, as well as the licensed production in India of SU-30 aircraft and T-90 tanks, are**

examples of such flagship cooperation. Last year in June, the Prime Minister dedicated to the nation the Russian-built aircraft carrier

- INS Vikramaditya at a special ceremony off the coast of Goa.
- The two countries also hold exchanges and training exercises between their armed forces annually. An Indian contingent participated in the military parade in Moscow on 9 May 2015 during the 70th anniversary of the victory in the World War II.
- India-Russia defence ties reached a new high recently, when the countries unveiled a big- ticket joint production project.
- The announcement of joint production of helicopters in India dispelled fears that the bilateral defence relations are in a quagmire.
- The timing of the announcement particularly after the visit of Indian Prime Minister Narendra Modi to Russia, and his meeting with Russian President, Vladimir Putin, is no less significant.
- Modi has already declared that Russia is the primary defence supplier of India, and, in this context, it will not be a surprise if more defence deals are announced in coming months.
- Indian Ambassador to Russia displayed substantiated optimism when he averred that the recent deal about joint production of **200 Kamov-226** helicopters is no less than a big bang.
- A regular watcher of India-Russia relations would find it difficult to disagree with the ambassador. The recent announcement dispelled much of pessimism generated by the Rafale deal.
- Also, particularly after the agreement on **the BrahMos missile** about a decade ago, not much progress has been made about joint development and production.
- The announcement of joint production of the light transport vehicle, which can be used for rescue, police and military operations, would be another landmark after BrahMos.
- Any other pair of countries seldom enjoys this type of relationship. The likely transfer of technology in building the helicopter will be advantageous for India.

Significance for India:

- India's indigenous defence industry is at an infant stage, and Russia's transfer of technology would boost the indigenous industry.
- The transfer coupled with a possible license would boost India's production capability. It will also enable India, along with Russia, to market the helicopter in third countries for profit.
- During the visit of Putin last December, both countries had deliberated on the Kamov-226 deal. The meeting of both the leaders early in August month in Ufa might have contributed in giving a concrete shape to this deal.
- The deal will be India's first such defence deal after Prime Minister Modi's hyped '**Make in India**' initiative was announced last year.
- In the area of defence, India can hardly afford to ignore Russia, a strong and reliable partner. A strong India-Russia defence partnership is not only desirable but also necessary.

2.3 Nuclear Cooperation

- Russia is an important partner in peaceful uses of nuclear energy and it recognizes India as a country with advanced nuclear technology with an impeccable non-proliferation record.
- In December 2014, **Department of Atomic Energy (DAE)** and Russia's **Rosatom** signed the Strategic Vision for strengthening cooperation in peaceful uses of atomic energy between India and Russia.
- Russia has proposed a plan to involve India in building Russian-designed nuclear power stations in third countries. The cooperation is to be extended to the area of joint extraction of natural uranium and the production of nuclear fuel and atomic waste elimination. Russia has also offered to build over 20 nuclear power units in India, up from the 12 offered earlier.
- The Russian proposal to jointly build nuclear power plants is significant, considering that Rosatom-the State-owned Russian nuclear utility-has 29 nuclear reactors in various stages of planning and construction in more than a dozen countries (the largest internationally). These include in Jordan, Hungary, Egypt, Iran, Finland, Turkey and Argentina.

- The new proposals, offered by the Russians as a plank to build on their head-start in the Indian nuclear market, are expected to lay the foundation for what is being termed by Moscow as “long-term, mutually beneficial cooperation in the nuclear sector.
- The Russian proposal builds on a package of inter-governmental and inter-departmental documents signed on the sidelines of President Vladimir Putin’s visit to India late last year, as part of a ‘strategic vision for strengthening Indian-Russian cooperation in the peaceful use of nuclear power’.
- The nuclear cooperation includes building on negotiations to sign an advance contract for the design of the third and fourth reactor units to come up at the **Kudankulam** site in Tamil Nadu.
- Russia, in accordance with an inter-governmental agreement of 1988 and a supplement to it signed in 1998, is building the Kudankulam nuclear power project, the first 1,000 MWe (megawatt electric) unit of which was connected to the national grid in 2013. It is now operating under the one-year warranty maintenance period, which will last until the end of 2015.

2.4 Space Cooperation

- India-Russia cooperation in the field of peaceful uses of outer space dates back to about four decades.
- This year marks the 40th anniversary of the launch of India’s first satellite “**Aryabhata**” on a Russian (then USSR) launch vehicle ‘**Soyuz**.’
- In 2007, India and Russia signed a framework agreement on cooperation in the peaceful uses of outer space, including satellite launches, **Glonass navigation**, remote sensing and other societal applications of outer space.
- In June 2015, the space agencies have signed a **MoU** on expansion of cooperation in the field of the exploration and use of outer space for peaceful purposes.

2.5 Energy Cooperation

- Russia, New Delhi’s trusted strategic partner is destined to play a vital role in ensuring India’s energy security in the coming decades.
- India’s imports, mostly from the volatile region of Middle East, account for 75 percent of the country’s energy needs, and it is likely to grow to 85-90 percent. To sustain the current high rate of growth, India needs secure and diversified sources of energy import.
- **(According to the International Energy Agency)** India would be the third largest energy consumer in the world by 2025 after the US and China. Indo-Russian energy cooperation is expected to get a boost in the coming years.
- The former Soviet Union played a major role in building India’s energy sector by building tens of hydropower stations, developing India’s coal industry, finding oil in Indian soil and helping in setting up India’s energy major ONGC.
- Indo-Russian energy cooperation acquired new dimensions in the post-Soviet period, particularly in the hydrocarbon and nuclear sector.
- India has invested \$2.8 billion in the Sakhalin-1 project, controlling 20 percent stakes in the venture and has purchased Imperial Energy, London-listed oil major in the Tomsk region. These are India’s largest investments abroad. (Nord Imperial, a subsidiary of Imperial Energy, has been among the companies that submitted applications to bid for developing Russia’s Trebs and Titov oil deposits in the Arctic).
- India has been eyeing energy projects at Timon Pechora basin and Vankor in the East Siberia. India is an energy deficient country and Russia has an energy surplus and therefore, a mutual interest lies in this sector.
- India’s policy makers are trying to promote energy cooperation based on political understanding. The Indian side feels that there is a clear compatibility between India’s needs and Russia’s resources.
- The Indian side is adopting a policy to implement the experience of Sakhalin-1 to other oilfields in Russia.

- India's policy is to promote the idea of its willingness to offer Russian companies the opportunity to participate in Indian oil and gas projects, both upstream and downstream, as well as to undertake joint exploration in other countries too.
- India has geared-up its energy diplomacy and is moving quickly to penetrate in the Russian energy market.

3 Tri-lateral relation between Russia-China-Pakistan and its impact on India

- Russia's growing affinity with Pakistan is bound to give rise to some ruffles between India and Russia. The rivalry between Pakistan and India only gets worse as the latter accuses the former of breaching international border norms.
- Pakistan's relationship with Moscow deteriorated during 1980s, when the former allied with the West to fight the Soviet in Afghanistan. The reason of their rivalry has yet again brought the two countries together, binding them with defence agreements.
- The reason of their rivalry (Afghanistan) has yet again brought the two countries together, binding them with defence agreements.
- In June 2014, Russia announced the lifting of its long-standing embargo on arms sales to Pakistan. In November, Russia and Pakistan signed their first ever military cooperation agreement. The Russians argue that if India can buy defence equipment from the U.S., why they (Russia) couldn't sell to Pakistan. The problem for India, of course, is the strategic import of such moves by Russia. Then again, we must realise that our growing proximity to the U.S. reduces our leverage over Russia. As does Russia's increasing tilt towards China. As always, a bit of history can be useful.
- Russia leaning towards China to combat the pressure of the West might bring about certain changes in the power pattern in the South Asian region.
- The common apprehension that India and Russia shared with regards to the long borders they shared with China seems to have lost its significance for Russia, as Russia expands its economic, political, and security ties with China.
- It would be overrated to call Russia's shift towards Pakistan a move taken by the country to bring India on track. The combination of secure Pakistan and China backed by Russia would mean a huge challenge to India's position in the South Asian region. The allegation however, cannot be ignored either.
- Russian Defense Minister Gen Sergey Shoigu recently visited Islamabad to sign an unprecedented Russia-Pakistan defence cooperation agreement.
- In a joint statement issued at the conclusion of the third meeting of Pak-Russia Inter-Governmental Commission on Trade, Economic, Scientific and Technical Cooperation in Moscow, both, Pakistan and Russia, hoped to collaborate in trade, economy, science, technology, agriculture, education, and culture.
- The growing closeness between Russia and Pakistan is seen as a threat to India's strategic defence moves.

4 Decline in Indo-Russia cooperation in present context

- Russia downgrading its military-technical relationship with India from that of an exclusive partner to a preferred partner.
- Such pragmatism should come as no surprise given that India has diversified its own military import portfolio and no longer considers Russia as its exclusive trading partner.
- Russian military export overtures towards Pakistan are now perceptible. In a noteworthy development, Russia recently decided to supply **Mi-35 Hind** attack helicopters to Pakistan. Prior to this, Moscow had refrained from supplying lethal military equipment to Pakistan on account of New Delhi's strained relationship with Islamabad-the legacy of this Indo-Russian military exclusivity can be traced all the way back to the Indo-Soviet Treaty of Friendship, Cooperation and Peace of 1971.

- Consequently, the Pakistan deal caught many geo-political commentators by surprise; some, like **Pavel Felgenhauer**, have even gone so far as to call it an “important, key change in Russian policy in the region.”
- Conscious of Indian sensitivities, Russian diplomats have been quick-perhaps too quick-to point out that the negotiations are part of an “ongoing cooperation with Pakistan in the field of defense and counter-terrorism.”
- But the 123 Agreement that India signed with the U.S and Russia’s share of military sales to India is now in steady decline. In consonance with India’s enhanced geopolitical status and strategic rapprochement with the U.S., New Delhi has found new partners in the West.
- Russia’s increasing bond with China also to some extent brings strain in Indo-Russia relations.\
- India conducts more military exercises with U.S than any other country.
- The Chinese arms industry is known for reverse engineering foreign-origin military hardware and has already burned Russia in the past when it acquired a small number of Russian Su-27 Flanker jets and then **reverse-engineered the J-11B aircraft**.
- In comparison, Indo-Russian military transfers do not have such a checkered past. If China’s questionable reverse engineering practices and its already developed industrial base were factored into Russia’s decision-making calculus, India would emerge as a far superior long-term partner for the Russian arms trade. Going forward, a period of dissonance is to be expected, before India and Russia can adjust to the *realpolitik* of the present.

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