

India's strategic partnership with Russia and its relevance for SCO

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Introduction

India and Russia's relationship endured tensions in the immediate aftermath of the disintegration of the Soviet Union as both nations grappled with domestic, economic and political difficulties. However, Moscow's strategic cooperation with New Delhi saw a resurgence in the 2000s as both nations sought to strengthen their ties. In 2000, India and Russia agreed to a Declaration on Strategic Partnership, which outlined three main areas of focus: defense collaboration, economic cooperation, and political interaction. In addition, the two nations inked a series of agreements in fields including energy, research, and culture. India and Russia maintained their strategic alliance, putting a special emphasis on defense cooperation. India serves as one of Russia's biggest clients for military hardware, and the two nations have worked together on an array of collaborative defense initiatives. A number of agreements have been concluded between India and Russia in fields including nuclear energy and space exploration.

Although, there has been a sense of inertia in the relationship in recent years, and both nations concur that their bilateral alliance has to be revived. Indian Prime Minister and Russian President, said during a joint news conference in 2018 that the relationship between their countries was more than just a partnership; it was a "special and privileged strategic partnership." However, he also recognised that, in light of shifting global dynamics, the partnership needed to be re-energized and revitalized. The strategic alliance between India and Russia has encountered some difficulties recently as India has attempted to broaden its diplomatic endeavors and lessen its dependence on Russian military hardware. In order to lessen the country's vulnerability to geopolitical shifts and maintain a stable supply chain, India has been actively diversifying its sources of defense technology. The nation wants to lessen its dependency on imports by creating and manufacturing its own advanced defense equipment. With this strategy, India is able to obtain cutting-edge technology and develop its own defense sector. Lastly and importantly, India's defense purchase decisions are impacted by the dynamic geopolitical environment, which is always fluctuating so its policy has to be in line with its shifting alliances and security concerns, which might have an influence on its supplier selection. However, the two nations continue to have close affiliations, with an emphasis on regional security challenges and economic collaboration.

The mission and goals of the SCO align with those of India and Russia. The preservation of national sovereignty, the fight against terrorism, the promotion of regional stability, and economic growth are shared by both Moscow and New Delhi. The SCO's function as a regional security organization is further bolstered by India's strategic alliance with Russia, which gives the organization's objectives and decisions an additional significance. The strategic partnership between India and Russia enables the two countries to work together on important regional and international concerns including counterterrorism, non-proliferation, and advancing a multipolar world order. These common interests support the SCO's goals and further the organization's mission.

India's strategic partnership with Russia.

Historical evolution of Indo-Russian alliance

India's foreign policy has long prioritized cordial ties with Russia. Even though, following independence, the relationship between India and the Soviet Union was unable to advance along the socialist lines as Mr. Nehru had envisioned. Stalin's rigorous stance, which implied that everyone who was not a communist was opposed to the Soviet Union, certain problems in Indo-Soviet relations began to emerge. Stalin was particularly displeased by India's hostility to pro-Soviet advances in Malaya. Moreover, animosity developed between India and the Soviet Union as a result of India's assistance for Greece against potential communist expansion. In the Soviet Union, India's choice to embrace a non-alignment strategy was misunderstood as a pro-Western position. However, there were sporadic shifts in the warmth of Indo-Soviet relations. While India and the Soviet Union were unable to establish amicable ties during Stalin's presidency, they did so during and after Khrushchev's tenure, when relations between the two countries were at their most friendliest. In November 1955, Nikita Khrushchev, the Soviet Union's prime minister and general secretary of the Communist Party, visited India for three weeks. There had never before been a state visit by a Soviet prime minister, therefore this was a unique occurrence. Mr. Jawaharlal Nehru and the Soviet Prime Minister declared that all circumstances were created on the basis of equality and mutual benefit for bilateral commerce, economic collaboration, and development between India and the Soviet Union. By 1955, the Soviet Union had unmistakably adopted a pro-India stance and stated that Jammu and Kashmir was a fundamental part of India. When it came to the Suez Crisis in 1956, the two nations had the same stance and denounced Anglo-French-Israeli aggression against Egypt. In 1971, a treaty of Peace, Friendship and Cooperation was signed between India and the Soviet Union which intended to respect each other's policy and work towards establishing peace in the world. The Soviet Union was a significant aid provider for India's economic growth. The USSR generally backed India's position and shared its concern. India, then undoubtedly shifted in favor of the Soviet Union. The Indo-Soviet Treaty of Peace, Friendship, and Cooperation was extended by 20 years in 1991 as a result. In a sense, this brought India under the protection of the Soviet nuclear umbrella as evidence of the continued links between the two nations.

Since the end of the Cold War, India and Russia have had a strategic togetherness. India views Russia as an unswerving friend who has contributed much to its security and economic growth over the years. As mentioned earlier, the two countries have developed a bilateral alliance throughout time that cuts across a number of areas, including defense, energy, space, and culture. India and Russia have maintained their solid bilateral relations, which have been characterized by mutual trust,

understanding, and cooperation, despite changes in the global geopolitical arena. The **Declaration of strategic partnership between the Republic of India and the Russian Federation** signed on 3rd October, 2000 highlights confirming, recognizing, reaffirming and seeking to impart a qualitatively new character and long term perspective to their multifaceted bilateral relations and to actively develop them into political, economic, trade, scientific, technological, military and cultural field between New Delhi and Moscow, in the years ahead and into the 21st century. In its efforts to establish a more just and equitable global order that respects the rights and interests of all countries rather than a world ruled by a single superpower, India considers Russia as a crucial ally. The politics of inclusion and common security are the foundations for Indo- Russian endeavour to build multipolarity.

Trade developments between India and Russia

Moscow and New Delhi are both attempting to revitalize their economic cooperation, particularly at this time when the globe is experiencing geopolitical and geoeconomic changes. New Delhi and Moscow have revised targets of increasing bilateral investments to US \$50 million and bilateral trade to US \$30 million. This objective was led by several factors. Firstly, Russia and India have had diplomatic and political ties for a very long time. These relationships can be further strengthened and their strategic cooperation can be deepened by increasing bilateral commerce and investment. Secondly, with India having a significant clientele and Russia having a solid manufacturing base, this provides both nations the potential to build on one another's advantages and promote transactions and investment. Lastly, Both nations want to minimize their reliance on long standing partners for business like the US and China by diversifying their trade relationships. Achieving this objective can be facilitated by increasing trade and investment. As per Indian figures, USD 8.1 billion in bilateral commerce was conducted between April 2020 and March 2021. India imported 5.48 billion USD from Russia while exporting 2.6 billion USD. According to Russian data, bilateral trade for the same time period was USD 9.31 billion, with USD 3.48 billion in Indian exports and USD 5.83 billion in imports. The establishment of institutionalized systems has been made in order to advance economic cooperation between the two nations. In conjunction with such institutions, the governments of Russia and India can encourage ventures for mutual benefit of both nations by lowering obstacles and offering incentives which could lead to growth in the quantity of capital circulating between the two economies. The India Russia Intergovernmental Commission for Trade, Economic, Scientific & Cultural Cooperation (IRIGC-TEC) is the main organization at the government level supervising trade commerce between the nations. Additionally, the India-Russia Strategic Economic Dialogue (IRSED) was established in accordance with the decision made during the 19th Bilateral Summit to promote frequent communication and cooperation between the two nations as well as cooperation in the area of economic policy development. The IRIGC has held 23 sessions thus far, and the IRSED conference has held 3 sessions. A CECA or FTA (Comprehensive Economic Cooperation Agreement or Free Trade Agreements) between India and the Eurasian Economic Union is also

being considered. One of the significant rising economic blocks is the Eurasian Economic Union, and India is eager to develop stronger ties with Russia and the CIS (Commonwealth of Independent states) nations in order to expand its trade and economic cooperation with this region. Trade between Indian and Russian companies will be less complicated and more affordable as a result of these agreements, which could additionally reduce or abolish trade restrictions including tariffs, non-tariff barriers, and quotas. Through trade facilitation, CECA and FTA (Comprehensive Economic Cooperation Agreement or Free Trade Agreements) could increase bilateral trade volume, provide new business prospects, and assist Russian and Indian companies access new markets and clients.

Bilateral trade figures for the last decade are shown below in fig. 2

Year	India's Import from Russia	India's export to Russia	Total trade	Percentage Increase YOY
2010	6.39	2.14	8.53	14.4
2011	6.09	2.79	8.89	4.19
2012	7.91	3.04	10.95	23.8
2013	7.01	3.10	10.11	-7.34
2014	6.34	3.17	9.51	-5.6
2015	5.58	2.26	7.83	-17.67
2016	5.23	2.36	7.59	-3.07
2017	6.46	2.90	9.36	23.32
2018	7.75	3.23	10.98	17.31
2019	7.24	3.92	11.16	1.64
2020	5.83	3.48	9.31	-17
2021(Jan-June)	3.22	2.01	5.23	+31.4% (corresponding to same period in 2020)

source - Brief on India-Russia Economic relations, <https://indianembassy-moscow.gov.in/overview.php>

The India-Russia strategic alliance has been solidified by significant defense cooperation. While Russia has more sophisticated technology and subject-matter expertise in fields like ballistic technology, nuclear submarines, and airborne defense systems, India has a substantial defense sector and a significant pool of trained personnel. In order to strengthen India's defense capabilities, which are essential to maintaining peace and security in the area, Russia has been a major provider of defense gear and technology. The S-400 Triumph, Kamov Ka-226 200 to be manufactured in India as part of the Make in India initiative, T-90S Bhishma, and the INS Vikramaditya aircraft carrier project are among the Russian military hardware that India recently acquired or leased. Moscow will continue to be New Delhi's primary defense ally for decades to come. The two nations have been

talking about how they may work together to leverage India as a production hub for exporting goods and services made in Russia to other nations. Following the signing of an Inter-Governmental Agreement in 2019, Russia changed its laws to allow Russian businesses to establish joint ventures in India. This agreement must be implemented in an efficient manner. However, there are various obstacles to India and Russia's defense cooperation. Firstly, in order to lessen the country's vulnerability to geopolitical shifts and maintain a stable supply chain, India has been actively diversifying its sources of defense technology. The nation wants to lessen its dependency on imports by creating and manufacturing its own advanced defense equipment. Secondly, with this strategy, India is able to obtain cutting-edge technology and develop its own defense sector. Lastly and importantly, India's defense purchase decisions are impacted by the dynamic geopolitical environment, which is always fluctuating so its policy has to be in line with its shifting alliances and security concerns, which might have an influence on its supplier selection.

India's vision of the Indo-Pacific is reminiscent of Russia's Greater Eurasian Partnership (GEP), which was introduced by Putin in 2015 and extends from Lisbon to Vladivostok. Since India proclaimed its desire to be a member of this geopolitical framework and took many attempts to influence its growth, the Indo-Pacific region has evolved into one of the regions of contention between India and Russia. During his visit to Russia in July 2021, Indian Foreign Minister S. Jaishankar made it abundantly clear that India desires Russia to engage in a more active role in the Indo-Pacific, which runs contrary to the US's disclosed Indo-Pacific policy. Mr. S. Jaishankar had previously brought out that Russia has an interest in the Indian Ocean while India had an interest in the Pacific Ocean during his visit at the Valdai Discussion Club in August 2019. In addition, he emphasized how crucial it was for new trade channels to open up in the Arctic since there was a lot of room for cooperation with Siberia, the Far East, and the Arctic area of Russia. The minister of foreign affairs has also referred to the Indo-Pacific as a continuation of India's Act East strategy. Even so, the strategic alliance in the Indo-Pacific is not hostile to Russia and won't significantly affect its security. Moscow has been particularly skeptical of the Indo-Pacific efforts because it sees them as contributing to its disagreements with the US. For that reason, With the first-ever 2+2 discussion and ensuing annual summit, India-Russian interaction is gaining pace, hence it is important to examine the Russian component of India's Indo-Pacific policy. Moreover, Russia's participation in the Indo-Pacific should be encouraged by India. The Indo-Pacific would become more truly "free and inclusive" as a result of Russia's active involvement in the area.

Indo-Russian alliance during and post Russian invasion of Ukraine

India's UNSC abstaining over the Ukraine incursion wasn't the first time that the country chose to refrain from voting against Russia at the UN. Following Russia's annexation of Crimea in March 2014, India refrained from voting on UNGA resolution 68/262 on the **territorial integrity of Ukraine** because it was already contemplating its security interests against its moral obligations. The Indian foreign policymakers believe that maintaining a functioning relationship with Russia is crucial to counterbalancing Chinese predominance in their common neighborhood, and Moscow being a major supplier of armaments to India, including technologically developed systems that help it remain at a similar pace, if not ahead, of China. The Indian government's concern over the possible repercussions of openly opposing Russia is the source of its oblique criticism of the Russian incursion. In response to the conflict, India has so far attempted to balance three increasingly discordant goals: maintaining its strategic alliance with Russia as a means to stop Moscow from encroaching more and more on Beijing's sphere of influence; defending its long-standing doctrine of non-interference; and safeguarding itself from potential adverse consequences resulting from Russia's actions, such as sanctions from the West or retaliation from the Russian Federation if India were to speak out against the invasion. However, it is impossible to overlook the war's significant effects on the Indian economy, including those on the rupee, energy, food crises, the rate of inflation, growth in the economy, and oil prices. Earlier in May 2023, Rupee settlement efforts between India and Russia were put on hold after months of talks failed to persuade Moscow to maintain money in its coffers, which is considered to be a setback for Indian importers for cheap oil and coal from Russia. Three major factors led to this state of affairs between Delhi and Moscow. Firstly, India's share of global exports accounts for 2% which makes the Indian rupee not fully exchangeable. Secondly, Russia is not comfortable holding rupees and wants to deal in Chinese yuan or any other currency for that matter and lastly, the trade gap between Russia and India could land with annual rupee surplus of over \$40 Bn, which was not acceptable by Moscow.

India imports almost 85% of the oil it needs, and over 9% of the WPI (wholesale price index) basket is made up of goods directly connected to crude oil. According to a report by Bank of Baroda Chief Economist Madan Sabnavis, a 10% increase in oil would roughly boost WPI inflation by around 0.9%, bringing the base forecast WPI to approximately 11.5–12%. The amount of oil imports in India's overall imports has increased to around 25.8%, and this percentage is predicted to climb further. On the opposite hand, every \$1 per barrel hike in oil prices is also anticipated to boost petroleum costs by 60 to 70 pence per litre in retail gasoline prices. Additionally, a 10% increase in oil prices is anticipated to aggravate India's trade imbalance by \$15 billion USD (or 0.4% of GDP).

The fight to control domestic pricing for essential commodities, which widened the demand-supply imbalances, was one of the largest and most frequent effects of the conflict in Ukraine. Since February 2022, the price for standard commodities like grains and vegetables, which make up the largest item in the inflation basket, has increased due to supply shocks from Russia's invasion of Ukraine. After Russia invaded Ukraine in April 2022, two months later, India's retail inflation spiked to an 8-year high of 7.79% and stayed beyond the reserve bank of India's tolerance level of 2-6%. Due to supply chain delays and several sanctions against Russia, there was a significant increase in global crude oil prices that caused them to surpass \$139 per barrel. According to a Bloomberg study, even if crude oil is traded at about \$100 per barrel, for those who do not own oil refineries, the impact on the economy is greater than if it were traded at between \$150 and \$275 per barrel. This is because refined petroleum products, such as petrol, diesel, jet fuel, etc., are mostly purchased by the real economy as opposed to crude oil, which is primarily purchased by oil refineries. Diesel is currently trading at around \$170 per barrel whereas petrol is retailing around \$150 per barrel, mostly owing to the expansion of refining margin. This occurred as a result of Russia being a significant supplier of diesel and oil that had undergone some processing but was not yet ready to be refined into fuel. On the worldwide market, this flow of Russian oil has stopped up due to sanctions and unilateral embargoes. India's wholesale and retail food price inflation is also increasing, with WPI(wholesale price index) food and CPI(consumer price index) food hitting 10.33% and 5.43%, respectively. Around 30% of the world's wheat exports come from Russia and Ukraine, but due to the conflict, shipments have decreased. As a consequence, prices for wheat and other agricultural items like maize, rice, and soy have increased, which has a negative effect on the poor. India, an increasingly significant exporter of wheat, is making an effort to increase wheat exports but is severely hampered by a fertilizer scarcity.

Though, there hasn't been any significant change in bilateral trade and investments between New Delhi and Moscow, the increasing trust and dependence between Russia and China can be observed, post Russian invasion of Ukraine. The increasing affability between Moscow and Beijing can be seen as a result of their shared ideas for establishing a multipolar world and certainly, having similar views on contemporary fluid geo-political and geo-economic situations of the world. Undoubtedly, it is a matter of concern for Indian foreign policy approach towards Russia. Moscow sees China as a counterbalance to the United States and a potential market for its energy, weaponry and of course, significant partner for establishing a new world order. Besides, it would be absurd to assume that Moscow and Beijing's relationship is not without conflict and issues. However, China and Moscow aim to serve their own interests and goals by maximizing the positives and valuing their alliance, whereas, Moscow and New Delhi oppose the rise of US-China bipolarity because it would limit their ability to make strategic manoeuvres. Thus, one of the key tasks facing the political leadership of both nations is reinventing and reviving the Indo-Russian relationship. For this reason, New Delhi has intensified its attempts to attract Indian investment to the China-bordering far east of Russia. Furthermore, Mr S. Jaishankar met his counterpart of Russian federation Sergey Lavrov earlier this

may, where they went through a “comprehensive review” of “bilateral, global and multilateral cooperation.

Recent developments between India and Russia

The meeting between President Vladimir Putin and Prime Minister Narendra Modi while attending the Shanghai Cooperation Organisation (SCO) summit in September 2022 in Samarkand, Uzbekistan, documented the evolution of the relationship between Russia and India. In addition to trying to entice professionals to the Eastern Region, Russia has been aiming to draw in Indian investors through the Golden Visa (introduced earlier this year). Early in 2019, Putin awarded Modi the Order of St. Andrew the Apostle, the highest state honor in Russia, in recognition of his “distinguished contribution to develop a privileged strategic relationship between Russia and India and friendly ties between the Russian and Indian people”. India and Russia held a discussion to increase their commercial relations. The discussion was co-chaired by Indian Foreign Minister S. Jaishankar and Russian Deputy PM Denis Manturov. The co-chairs talked about the developments in the IRIGC-TEC framework's working group and subgroups meetings. The potential for bilateral trade and commercial connections will be maximized via collaboration between the two countries. The resolution of problems with market access and the trade imbalance will be the main concern. Furthermore, Su-400 air defense systems and the Chakra III nuclear-powered submarine agreement were finalized, while Ka-226 helicopters are being built in India as part of the Make in India programme, strengthening the defense relations between the two nations.

However, New Delhi needs to diversify its bilateral and strategic partnership with other countries. Undoubtedly, This matter has grasped the attention of Indian foreign policy makers and Meetings of the minds can be observed in a variety of institutionalized contexts, including annual summits and local organizations like SCO and BRICS.

Relevance of Indo-Russian strategic alliance for SCO

India , which was admitted as a full member of SCO in 2017 is holding the rotating presidency of SCO this year and hosted several ministerial level meetings for SCO member countries. Russia, being the founding members of SCO, plays a vital role in shaping the interests and strategies of the organization, and can be seen as in the same position as China. Moscow views India's membership in the SCO as a potential bulwark against Chinese hegemony in central Asia. For the stability and security of the SCO member states, India and Russia's alliance in the region offers a balance of

power. Russia is a significant military whereas India is a significant economic force and together, they work to balance out China's expanding regional dominance. The SCO benefits greatly from India and Russia's defense sector collaboration since it can assist the organization become better equipped to address regional security issues.

Long-standing defense partners Russia and India have collaborated on a number of defense projects, including the cooperative development of military hardware and technologies. New Delhi and Moscow have a robust commercial relationship; trade between the two nations is expected to reach around \$10 billion by 2020. This collaboration could act as a template for other SCO members to follow and support regional economic development. Also, Prime Minister Narendra Modi recognizes the value of the SCO in addressing two of India's current national priorities: connectivity and counterterrorism. However, Considering Russia's intention to place itself in the Greater Eurasia geopolitical environment, it makes sense to expand the Shanghai Cooperation Organization to include India. Moscow's strategic objective is to integrate China into a web of cooperative agreements and lessen Beijing's inclination for unilateral action. With India as a full SCO member, there would be three superpowers in the alliance, which will lessen China's influence. Furthermore, India and Russia might expand their energy sector cooperation on the organization's platform. The SCO Energy Club, which was founded in 2015, offers member states a forum to talk about cooperation and energy security. In areas like oil and gas development, renewable energy, and energy efficiency, India and Russia may work together. The North-South Transport Corridor, which intends to connect India with Russia and other Central Asian nations through a network of rail, road, and canals, is another project on which both the countries can collaborate on. Except for holding regular meetings, creating the unfortunate-named RATS (Regional Anti-Terrorism Structure) center in Tashkent, which is really just a repository of information about proscribed individuals, and organizing sizable joint military drills under the guise of counterterrorism, the organization has done little in the way of actual counterterrorism.

India and Russia, get to improve their defense cooperation through the SCO and share best practices in fields like counterterrorism, cybersecurity, and border security. A framework for member states to collaborate on counterterrorism has been established by the SCO in the form of the Regional Anti-Terrorist Structure (RATS). The RATS can be used by India and Russia to improve their counterterrorism cooperation and exchange information on terrorist activities. Earlier this year in March, President Vladimir Putin-approved Moscow's new idea of foreign policy was unveiled along with the claim that its relationship with other nations and multilateral organizations depended on how friendly, neutral, or hostile their policies were towards it. Additionally, Russia stated that it gave top priority to boosting bilateral trade with India, fostering scientific cooperation, and assuring opposition to the damaging acts of "unfriendly States and their alliances". In the declaration, Russia emphasized that it would continue to strengthen and extend its cooperation with India in all sectors, for the benefit of both countries.

Beyond this, India will primarily gain geopolitical advantages from joining the SCO. Even though, China's autonomy in the Shanghai Cooperation organization opposed India's admittance into another international security organization besides the UN, one that China founded and is a member of, the organization will provide abettance to improve relations between Beijing and New Delhi. Access to the energy and mineral resources of Central Asia, can be advantageous for India . It will also provide further insight on India's growing interest in Central Asian states, which are wedged between China and Russia, are becoming more and more entangled in China's economic sway in the face of a collapsing Russia owing to the fact that they are nevertheless connected by geography, history, and infrastructure, and India will be able with a different alternative that they can benefit from and operate with. Mineral and natural resource endowments are abundant in Central Asia. In addition to possessing vast hydrocarbon resources, this area is home to 4% and 3%, respectively, of the world's natural gas and oil reserves. Kazakhstan, Turkmenistan, and Uzbekistan contain the majority of these resources. India views this region as a potential source of oil, gas, and other natural resources since it is in need of energy resources to maintain and accelerate its economic growth. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline could potentially be facilitated by the SCO.

Although SCO membership will help to some extent to change this, New Delhi will still need to make a deliberate effort if India is to take full advantage of the opportunities that SCO offers. There are many factors leading to this assumption. Firstly, China as well as Russia were dominant nations in the SCO. However, during the past 20 years, Russia's relative influence has diminished. As a result, China dominates the SCO. Secondly, The cornerstone of New Delhi's interactions with the SCO was Moscow's dominance and its backing of India's regional interests. India favors a Russia that is powerful and independent. Russia, though, is now China's subordinate partner and is fighting to keep its sway in the area. These changes significantly restrict India's participation in the SCO. Lastly, India's overall foreign policy does not align with membership in the SCO. Without being overt, India's view of multilateralism seeks to balance China's growing aggressiveness in the region around it and beyond. For this reason, India has expanded its strategic alliances with Western nations in addition to expanding its outreach in the Near East, the African continent, and Southeast Asia. In order to offset China's influence, India actively worked to revive the Quad and participate in it alongside the US, Japan, and Australia.

Indian SCO membership will surely be heralded as a significant shift in the geopolitics of the region, but it won't happen until India follows through on its offers to Central Asia.

The way ahead : Recommendations

From economic and diplomatic links to technical and strategic ones, New Delhi and Moscow have enjoyed a partnership that is diverse, distinctive and exceptional. India has to maintain strong relations with Russia in order to keep its foreign policy in check. While there are numerous ties that bind India and the US together, there are also significant factors that keep India connected to Russia. Following are few recommendations that can help India foster its bilateral alliance with Russia:

1. India used to export the majority of its traditional commodities to the Soviet Union, but it is now gradually losing market share to other countries. India used to export 1,15,000 tonnes¹ of tea to the Soviet Union, but that number has now dropped to 45,000 tonnes over the years. Quality assurance and brand marketing are two strategies that may be used to regain lost market share. Therefore, India needs to make an effort to comprehend market demands, trends, rules, and competition. This would make it easier for Indian companies to modify their offerings and marketing plans to suit the demands of their market in Russia. In comparison to other suppliers in the Russian market, India requires it to provide reasonable prices for its traditional goods. By conducting cost analyses, streamlining supply chain management, and investigating cost-effective transportation methods, Indian products may be priced more competitively. Additionally, India should concentrate on upholding outstanding requirements for its traditional goods in order to satisfy Russian consumers. Rebuilding consumer confidence in Indian products would need a focus on quality assurance, certification, and adherence to international norms.
2. The narrow base of conventional items that make up the bulk of the export baskets of two nations is another area which requires attention of the countries involved. Russia's exports to India are dominated by certain selected products like metal, fertilizer, newsprint, and machinery, while India's exports to Russia are dominated by traditional goods of agricultural origin like tea, coffee, tobacco, spices, medicines, and consumer goods like textiles, garments, and leather. The sole foreign nation where Russia's exports of machinery and equipment are increasing quickly is India. As a result, both nations must take the required actions to diversify their exports and alter the nature of bilateral commerce. Such as, reducing transit times, lowering prices, and boosting connectivity between India and Russia will result in more competitive commerce. These improvements will also promote the efficient flow of commodities between the two countries. On ground zero, developing training and capacity-building initiatives for farmers, exporters, and importers who are active in the trade of agricultural goods and providing them with information on market demands, packaging

¹ Arun Mohanty, Indo-Russian strategic partnership in the 21st century, Indian Foreign Affairs Journal, Jstor

<https://www.jstor.org/stable/45340842?searchText=&seq=1>

norms, quality assurance procedures, and global business practices will help them to produce commodities in adherence to international quality standards of goods.

3. Approximately one-fourth of the world's diamond reserves are in Russia, while roughly 75 percent of the world's diamonds are cut in India, which also has the biggest diamond cutting industry. Cooperation in this area could possibly increase the combined commerce between the two nations by \$500 million and \$700 million. Increased diamond commerce between the two nations may result from cooperation involving the two nations in diamond extraction and mining. Russia and India can work together to advance technology, skill development, and efficiency in diamond processing and polishing . This will draw more buyers and improve value-addition inside both nations. Moreover, building buyer's trust by highlighting the value of certification, ethical sourcing, and responsible mining practices would increase the credibility and demand of diamonds from Russia. Additionally, India needs to increase the establishment of transparent supply chains and also compliance with international regulations like the Kimberley Process's Certification Scheme. Lastly, The governments of the two nations can implement favorable regulations and financial incentives to promote the expansion of the diamond industry. This might include financial support for small to medium-sized diamond businesses, streamlined regulations, and tax advantages. Government assistance can prove to be extremely helpful in luring investments and creating a welcoming business climate.
4. In order to improve commercial and economic connections between India and Russia, severe infrastructural issues require immediate action. Indian products have a competitive disadvantage since it takes 50 days for them to reach Russia, whereas Turkey, China, and Europe can deliver items in a week. This calls for the quick and efficient operation of the north-south transport corridor, which could reduce travel time and costs in half. Exports from these nations to India may experience a large increase once the INSTC(International North South Transport Corridor) is completely operational. Even a three percent goal may possibly raise exports significantly and lead to a fourfold rise over the present level.
5. Russia's overall investment in India from 2000 to 2021 was \$1.26 billion, leaving a negligible economic impact. With an estimated \$42 billion, the United States is the country that invests abroad directly the most in India. It is necessary to strive towards the governments of Russia and India's stated objective of boosting two-way investment to \$50 billion by 2025. To make it simpler for investors to conduct commerce in each other's nations, both nations should restructure their laws governing foreign investments, which in general, will prove to be advantageous for them. This can entail removing administrative roadblocks, expediting the licensing and permit application procedure, and creating a more open regulatory environment. To make it easier for enterprises to operate in both nations, administrative processes and regulatory frameworks should be simplified. This might involve streamlined approval procedures, less red tape, and increased openness. Adopting policies that are

beneficial to business, such as tax breaks, special economic zones, and welcoming laws for international investment can help in facilitating investment and promote business partnerships between Russian and Indian firms.

6. For improving ties between India and Russia, the Indian Ocean can serve as a convergent and cooperative marine region. Russia could accomplish its goals of reemerging as a "great power" and a major influence in world affairs, while India can solidify its hegemony in the area. In this situation, a successful political, economic, and military partnership between India and Russia in the Indian Ocean would be advantageous for both countries' interests in the region—India's security and Russia's aspirations. The following are described as Russia's long-term goals in the IOR: a) growth of Russian shipping, cooperation with other governments in offshore hydrocarbon exploration, and building of underwater pipelines; b) pursuing the transformation of the area into a zone of peace, stability, and goodwill; towards this objective, maintaining the naval presence in the IOR periodically or as necessary; providing security for maritime activities, including battling piracy; and c) carrying out marine scientific research in the area. In order to ensure marine security in the Indian Ocean region, India and Russia could broaden their collaboration. To combat piracy, terrorism, and other maritime dangers, this might entail cooperative naval drills, intelligence sharing, and well-coordinated patrols. This would ultimately lead to fostering their strategic relationship.

Conclusion

In terms of India, the strategic value of Moscow and New Delhi has decreased, but this does not portend a decline in the possibilities for bilateral ties between India and Russia. It is crucial for India and Russia to concentrate on areas where they can work together to address their shared issues in such a geopolitical situation as Russia and India each have unique dynamics in their bilateral relationships with central Asian republics and the rapidly multi polarizing world. India must grow in order to pursue win-win diplomatic relations with Russia in order to counterbalance Beijing's expansionist impulses while also maintaining the quadrilateral. There is broad agreement that India should pursue a "multi-vector" foreign policy, which includes investing in Russia, at a time when the emergence of China threatens to change the regional and global balance of power to the detriment of New Delhi and Moscow. Moreover, On a number of regional and international concerns, India and Russia are strategically aligned. This can serve as a foundation for deeper SCO collaboration and support the creation of a more impartial strategy for handling regional security challenges. India's strategic alliance with Russia may play a significant role in offsetting China's SCO hegemony.

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