



The Bilateral Alliance between India and Russia Became a Symbol of Economic Prosperity

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Abstract

The friendship of a good and true friend is always joyful and pleasant, while the friendship of a jealous and deceitful friend is always sad and disappointing, India and Russia's friendship has always been mutually cooperation-progressive and admirable, even in the historical background. The cooperation of Russia and India in many fields like Green Revolution, Missile Technology, Information Technology, Aircraft and Vessel Technology, Oil Refinery has been commendable and even at present this process is continuously visible. For a long time, Russia is a reliable partner for India. Co-operative has been a friend. Bilateral relations form an important part of India's foreign policy and Russia has always been a reliable partner for the nation. Since the Cold War, bilateral relations have been established between India and Russia.

The bilateral alliance between India and Russia is built on six key pillars: politics, defence, civil nuclear energy, counter-terrorism, trade, and space. India and Russia participate together in several global summits including BRICS, SCO, and RIC n. Apart from supporting India's proposal to participate in the NSG, Russia actively supports India in seeking a permanent seat in the United Nations Security Council (Nuclear Suppliers Group). In international relations, strategic independence is essential. Given Russia's hegemony in the Eurasian region, India needs closer financial and technological ties with Russia. Despite its close ties with the United States, India cannot choose to distance itself from Russia, with which India has a wide range of bilateral ties. The friendship between India and Russia has a long tradition of shared trust and mutually beneficial partnership. This friendship has been commendable from economic, social, political as well as strategic, and business points of view.

Keywords: India-Russia friendship, bilateral treaty, petroleum and gas, Business outlook, reliable partner, UNSC- permanent member, Missile Technology.



India-Russia friendship
Bilateral treaty



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Introduction

The agreement between India and Russia reflected a Soviet version of bilateral aid and the emphasis was more on political exigencies the point was that the agreement was beneficial to either Russia or India but not both. India and Russia have been trading partners during the Cold War. Trade between the two countries was based on the Rupee-Ruble Agreement, which suffered a setback in 1992, leading to a decline in trade between the two countries. Two major institutional mechanisms look after trade between the two countries: the 'India-Russia Inter-Governmental Commission on Trade' and the India-Russia Forum on Trade and Investment. Critics point out that the weak India-Russia trade is a major reason is the over-reliance on the arms trade, however, the oil trade has gained momentum at present. Another reason for the shortfall is Russia's problems with the West over the Ukraine issue as Ukraine had planned to develop natural gas reserves in Crimea in partnership with US companies for two years. It is not in the interest of India to take the side of Russia in this matter as it has good relations with both America and Ukraine. Also, Russia is inclined towards import substitution, which has affected trade with India as well.

Economic relations between the two in the defence sector

The defence sector has always provided a major boost to the economic ties between the two. Russia's resurgence as a military power in recent times is conducive to India's domestic initiatives such as the Make in India project. The finalization of the S-400 defence system deal between the two countries despite the threat of invoking the CAATSA sanctions showed India's perceived resistance to external pressures given its historical ties with Russia. Has gone. In

addition, the Kudankulam Nuclear Power Plant (KNPP) is one of our most successful activities as Unit 1 and Unit 2 are already in commercial operation and reactors for Unit 3 and 4 are under construction.

The economic and commercial importance of the transport corridor between India, Russia, and Iran

Issues of accessibility and connectivity, the International North-South Transport Corridor of economic and trade importance, do not receive adequate mention. As of now, there is no direct overland trade route between the two, but the International North-South Transport Corridor (INSTC) will play a very important role in building that connectivity. The agreement for the corridor was signed in 2002 between India, Russia, and Iran. Today it has 13 member states including Belarus, Kyrgyzstan, Oman, Belarus, Syria, and Ukraine. Turkey etc. while Bulgaria has observer status. Moor connects India and Russia via Iran and Azerbaijan. The earlier trade route used to go through the Suez Canal. The corridor connects the Persian Gulf, the Caspian Sea, and the Indian Ocean to the Russian Federation. It helps India to bypass Pakistan which is a difficult country for Indian exporters. India's Container Corporation of India (CONCOR) and Russian Railway Logistics (RZD) serve both countries through INSTC. Signed an MoU for cargo transportation between trades through the corridor The door will be beneficial for importers and exporters of both countries by reducing the transit time and cost of transportation. Also, the shipping time has been reduced from 40 to 25-28 days. The operationalization of the corridor will open up a lot of opportunities for trade in both directions mainly for the landlocked Central Asian countries. India also sees Iran as an important connectivity route here because INSTC connects Mumbai to Cahaba. It also intends to double its trade with Iran, consisting mostly of oil and gas products, to US\$14 billion a year.

Afghanistan and Iran have signed an agreement with India for preferential treatment of Indian goods (heading to Central Asia and Afghanistan). In addition, Cahaba provides India with a very easy land-sea route to Afghanistan which provides a reason for large Indian investments in the Cahaba port. In this regard, India-Iran relations can play a significant role in influencing Delhi's intentions to engage with Russia.

Because of deteriorating Sino-Indian relations

China's CPT serves as a giant initiative in this age of connectivity, but some critics say the CPT could act as a potential counter to the CPT if it does not respond to financial issues and political differences among members. Succeeds in removing the deficiency. Before the pandemic, the World Economic Forum had projected that India's economy would grow by 7.5% per year over the next decade (the forecast is 11.5% in 2021). Other members of the ICC are of the view that the use of the corridor will increase due to India's economic development. Additionally, given the deteriorating Sino-Indian relations, it may be that Delhi is more interested in promoting the development of the WR as a direct counterweight to the IPC.

Partnership on trade, economic and scientific, technological, and cultural fronts

Significance of Vladivostok Summit 2019 Shri Narendra Modi visited Russia on September 4-5, 2019 for the 20th India-Russia Annual Summit in Vladivostok. Also, he participated in the 5th Eastern Economic Forum as the Chief Guest. The leaders noted how the special and privileged strategic partnership between the two countries had evolved over the past few years. Both have prioritized strong and multifaceted economic and trade cooperation as the basis for expanding the scope of ties. Also, the work of IRIGC on trade, economic and scientific, technological and cultural fronts was highly appreciated. He also expressed his interest in the role of Russian business in "Make in India" and the investment of Indian companies in Russia. So far, Russians' presence in India has generally been in the form of small businessmen, but the trend of huge private wealth in India makes the country very appealing to Russian investment funds as well. Free trade and development zones are abundant for Russian companies.

India and the Eurasian Economic Union (EMUN)

Both sides also agreed to work in depth towards removing trade barriers as well as customs and administrative barriers. The proposed trade agreement between India and the Eurasian Economic Union (EEU) can act as a catalyst in this regard. EAEU is a free trade bloc consisting of Kyrgyzstan, Belarus, Armenia, Kazakhstan and Russia. It aims to become a large trade area serving both East and West Eurasia. Indian FTA with EAEU is likely to boost bilateral trade between the two countries. Both also intend to develop cooperation in geological exploration and development of oil and gas fields (including offshore fields). They expressed their determination to continue exploring ways to transport energy resources from Russia to India. They discussed the possibilities of further development of Jalvidyut Nigam and also prepared a road map for this sector in 2019-24. Also, both sides are actively working to encourage the participation of Indian companies in the development of energy resources in Russia. VCL Vides Limited holds a 20% stake in Sakhalin 1. VTS has also established a Joint Study Group (JWG) with Rosset and a Joint Working Group (JWG) with LNCTV.

Importance of the Russian Far-East and Arctic Council for India

When Narendra Modi went to Russia to attend the Fifth Eastern Economic Forum (established in 2015 to promote the economic development of the Russian Far East and international cooperation in the Asia Pacific region), he held an 'Act' was signed. Far East Policy unveiled. India's involvement in Russian territory. With this, Modi is the first Indian Prime Minister to visit the Far East region in Russia. There, India signed agreements worth about \$5 billion and even announced a \$1 billion line of credit for the development of the resource-rich region. The development of resources in the Far East is one of the primary concerns for the Russian government as 98% of diamonds and 50% of gold are mined there. India has a long association with the Far East, almost half a century ago when the British and navies tried to threaten Indian security during the Indo-Pak war of 1971, the USSR sent a nuclear-armed fleet to India. Helped India by sending

This was the Pacific Fleet based in Vladivostok. Since then, the city of Vladivostok holds a special place in the hearts of many Indians. Far East Asia is a part of Russia and is much less developed than European ones. It is located in the cold climate of Siberia, sharing maritime borders with Mongolia, China, North Korea, and Japan. Russian President to invest in this sector abroad We have been inviting countries and in the last five years around 17 countries have invested in this sector.

Peace and prosperity in the South China Sea and India-Russia

India is interested in the region as it is a resource-rich region and is rich in oil, timber, natural gas, diamonds, gold, and other resources. Also, the US and China are trying to gain an edge in the region. But connectivity is still limited to a few areas such as Irkutsk where Sakha Zee and Ming fighter jets have been built and Sakhalin where ONGC V1 has invested \$6 billion in gas and in 2001 ONGC Vides bought Chennai Vladivostok 20% share viability has been achieved. The 2/4 line between the two countries reduced the time taken to reach India to the east of India to 24 days (compared to 40 days by the Suez Canal). The route is capable of forging new avenues for peace and prosperity in the South China Sea and trilateral cooperation between India-Russia-Vietnam. The Arctic Council is an intergovernmental forum that focuses on issues related to environmental protection and sustainable development in the Arctic. TIC works to enhance cooperation and dialogue between states and indigenous communities. Its main objective is to promote the economic development and social and cultural development of the permanent members. A few days ago, a new Arctic policy was drafted by India to enhance scientific research and exploration of mineral oil and gas in the region.

India's environmental interest

India's interest in the Arctic includes India's environmental interest, as India has an extensive coastline that is highly sensitive to the effects of Arctic warming on fishing season patterns, ocean currents, and monsoons. Is. Also, India's scientific community will be helped to study the melting rate of the Himalayas, of commercial importance, as it is estimated to contain 22% of the world's untapped resources and mineral reserves, which is 25% of the global reserves, which is more than Greenland. As a strategic interest, the council will help counter China's strategic influence on the Arctic and Russia's growing economic and strategic partnership with Russia requires close monitoring. It is therefore time that India's focus on the Arctic expands from just scientific exploration to other aspects as well, making the policy draft all the more important.

The way forward: Economic progress

In the 21st century, India has made remarkable economic progress and has emerged as a major destination for global players due to infrastructure development, diversified business markets, huge potential in the market sector, and increasing share of exports and investments. . But when it comes to Russia, the economic ties between the two countries are still the weakest link. Therefore, they are seriously looking for practical ways to promote and improve economic relations such as Business Councils, India-Russia Trade, Investment and Technology Promotion Council, and India-Russia trade. Multi-modal networks like Sambaed, Indo-Russian Chamber of

Commerce, St. Petersburg International Economic Forum, and CYB. At the same time, the ever-increasing importance attached by Russia to the Far East also requires India's attention as it gains access to the Arctic region. India can and will play an important role in increasing India's economic dominance in the Indo-Pacific region.

While defence, energy, and nuclear cooperation play an important role in the bilateral economic relationship, areas such as agriculture are yet to be explored. Russia's increasing interest in this field has made India one of the leading countries in the world in terms of agricultural production. After the imposition of western economic sanctions on Russia in 2014, it is engaged in diversifying its business interests as well as achieving self-sufficiency and import substitution, hence, a big opportunity for local farmers in Russia. Presenting opportunity. An attempt in this direction is the Russian Homestead Act which Provides equal opportunities for citizens and foreign citizens to obtain free hectares of land in the Far East for legitimate purposes. India and Russia may start a pilot project that will help attract Indian farmers to explore the possibilities of the Far East for agricultural production and related services. Have been successful in establishing. Member states have their capabilities and limitations but have nevertheless established mechanisms that address economic and strategic interests, such as the New Development Bank.

Relationship of economic development performance and military power

Asymmetries exist between the member states of the SCA and the BRICS concerning the distribution of natural resources, economic development performance, and military power within any nation. Moreover, although China is a member of such multilateral organizations, at a personal level, Beijing has adopted an assertive posture that has raised concerns for India. This can be seen from its irrational boundary claims and actions in the Indian Ocean region. The pandemic has prompted countries to explore alternative market destinations due to changes in the business environment. The crisis has opened up opportunities for countries like India and Russia to re-establish them in the global supply chain.

Conclusions

The current global situation between India and Russia has once again presented some difficult challenges to the partnership, some of them linked to traditional and non-traditional threats such as disruption of the international order such as fragmented economies, climate change, rebuilding data security, secure communication challenges, etc. But I am sure that India and Russia, with their diplomatic intelligence, and tact, will present a great example in front of the world, which will set an example of friendship while increasing every economic, commercial, and political-strategic capacity.

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