



IAS PARLIAMENT

Information is Empowering
A Shankar IAS Academy Initiative

India-Russia Annual Summit

Why in news?

\n\n

India-Russia annual summit was recently held in India between Indian Prime Minister and Russian President.

\n\n

What are the key outcomes?

\n\n

\n

- **Defence** - The contract for five [S-400 'Triumf'](#) Long Range Surface to Air Missile System was concluded.

\n

- This agreement for the estimated \$5.43 billion is one of the biggest defence deals in the recent times.

\n

- Deliveries of S-400 will begin in 24 months, at the end of 2020.

\n

- As per procedure, India would pay about 15% in advance, likely through the rupee-rouble exchange.

\n

- India resisted concluding other major defence deals with Russia on helicopters, stealth frigates and assault rifles.

\n

- These were reportedly ready but needed further negotiations.

\n

\n\n

\n

- **Trade** - The two leaders addressed a business summit as an attempt to diversify ties and increase bilateral trade.

\n

\n\n

- \n
- Currently at below \$10 billion, the two countries have set a target of \$30 billion bilateral trade by 2025.
- \n
- Much of the fresh momentum in bilateral engagement will come from the energy sector.
- \n
- **Others** - Apart from S-400, the two sides concluded eight other agreements as part of the summit.
- \n
- A space cooperation arrangement to put an Indian in space, and an action plan for a new nuclear plant were signed.
- \n
- Other agreements on railways and agriculture were also finalised.
- \n

\n\n



| Done deal | |
|---|--|
| India and Russia inked 8 deals in a variety of sectors including railways, fertilizers and space | |
| BETTER CO-OPERATION: Protocol for consultations between the Ministry of Foreign Affairs, Russia, and MEA between 2019-2023 | MSME: MoU between the National Small Industries Corporation, India, and the Russian Small and Medium Business Corporation |
| ECONOMIC DEVELOPMENT: MoU between the Ministry of Economic Development & NITI Aayog | SPACE: MoU between ISRO and the Russian space agency in the field of human spaceflight |
| FERTILISERS: Indian Potash Ltd has agreed to import up to 2 mn tonnes of fertilisers, worth ₹7,300 crore, from Russia's PhosAgro | RAILWAYS: Includes implementation of projects signed in an MoU in 2015 and railway-related education |
| | NUCLEAR: Action plan for prioritization and implementation of cooperation areas |

\n\n

What is the significance of the summit?

\n\n

- \n
- India gives top priority to relations with Russia, and it has become more relevant in the rapidly changing world.
- \n
- The visit of Russian President to India reaffirmed Russia's place as India's biggest and most important defence partner.
- \n

- The S-400 is not merely military equipment for Russia but a tool for geopolitical strategy.
\n
- The deal comes as India's assertion of “strategic autonomy” in its foreign policy and desire for multipolarity.
\n

\n\n

What is the challenge ahead?

\n\n

- \n
- The announcement of the S-400 ‘Triumpf’ deal could attract sanctions from the United States.
\n
- The US's Countering America’s Adversaries Through Sanctions Act penalises defence purchases from Russia, Iran and North Korea.
\n
- The U.S. Congress has passed the conference report on National Defense Authorization Act-2019 (NDAA-19), providing a modified waiver to CAATSA.
\n
- However, President Trump will need to grant his approval for helping India evade American sanctions.
\n
- The U.S. said that any waiver would be considered only on a “transaction-by-transaction basis” and not on a “country” basis.
\n
- It also clarified that under CAATSA, it is payments and not signing of deals that triggers the sanctions.
\n
- Given this, it can have serious implications on India’s relationship with the US.
\n

\n\n

What lies before India?

\n\n

- \n
- India needs to stand firm on its deep engagement with Russia in the coming future.
\n
- Accepting a waiver will implicitly commit India to reducing its intake of Russian military hardware.

\n

- India will need to make some tough decisions on both CAATSA and on the U.S.'s proposed sanctions on Iran.

\n

\n\n

\n\n

Source: The Hindu

\n



IAS PARLIAMENT

Information is Empowering

A Shankar IAS Academy Initiative