

India-Russia Annual Summit

Why in news?

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

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What are the key outcomes?

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

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

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

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

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

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- These were reportedly ready but needed further negotiations.

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

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- Currently at below \$10 billion, the two countries have set a target of \$30

billion bilateral trade by 2025.

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- Much of the fresh momentum in bilateral engagement will come from the energy sector.

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- **Others** - Apart from S-400, the two sides concluded eight other agreements as part of the summit.

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- A space cooperation arrangement to put an Indian in space, and an action plan for a new nuclear plant were signed.

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- Other agreements on railways and agriculture were also finalised.

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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

ECONOMIC DEVELOPMENT: MoU between the Ministry of Economic Development & NITI Aayog

FERTILISERS: Indian Potash Ltd has agreed to import up to 2 mn tonnes of fertilisers, worth ₹7,300 crore, from Russia's PhosAgro

MSME: MoU between the National Small Industries Corporation, India, and the Russian Small and Medium Business Corporation

SPACE: MoU between ISRO and the Russian space agency in the field of human spaceflight

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

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What is the significance of the summit?

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- India gives top priority to relations with Russia, and it has become more relevant in the rapidly changing world.

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- The visit of Russian President to India reaffirmed Russia's place as India's biggest and most important defence partner.

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- The S-400 is not merely military equipment for Russia but a tool for

geopolitical strategy.

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- The deal comes as India's assertion of “strategic autonomy” in its foreign policy and desire for multipolarity.

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What is the challenge ahead?

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- The announcement of the S-400 ‘Triumf’ deal could attract sanctions from the United States.

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- The US's Countering America’s Adversaries Through Sanctions Act penalises defence purchases from Russia, Iran and North Korea.

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- The U.S. Congress has passed the conference report on National Defense Authorization Act-2019 (NDAA-19), providing a modified waiver to CAATSA.

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- However, President Trump will need to grant his approval for helping India evade American sanctions.

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- The U.S. said that any waiver would be considered only on a “transaction-by-transaction basis” and not on a “country” basis.

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- It also clarified that under CAATSA, it is payments and not signing of deals that triggers the sanctions.

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- Given this, it can have serious implications on India’s relationship with the US.

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What lies before India?

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- India needs to stand firm on its deep engagement with Russia in the coming future.

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- Accepting a waiver will implicitly commit India to reducing its intake of Russian military hardware.

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

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Source: The Hindu

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