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India-Russia

A Time Tested Partnership



EASTERN
ECONOMIC
FORUM
2019

Published in association with
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MINISTRY OF EXTERNAL AFFAIRS
NEW DELHI

Date: 27 August 2019



FOREWORD

The 5th Eastern Economic Forum (EEF)-2019 will be held in Vladivostok on September 4-6, 2019 which will offer yet another opportunity for India and Russia to further deepen their special partnership. Prime Minister of India will be the Chief Guest at this Forum.

Carrying forward the momentum generated by Prime Minister Narendra Modi and President Vladimir Putin at their Sochi, New Delhi and Bishkek bilateral meetings, the EEF provides the platform to the two leaders to contribute to the strong economic partnership of their two countries pursuing their shared goals complimenting each other's strengths for mutual growth.

The fifth edition of Eastern Economic Forum will put spotlight on the economic potential of Russian Far East, a resource rich region, which has the potential to play a crucial role in ensuring India's energy security. India's public sector oil companies have already established their foothold in the region and are looking more opportunities which will expand the scope and depth of India-Russia cooperation in the field of energy. Indian companies will also be looking at opportunities in the sectors such as diamond, coal, mining, rare earth, timber, pulp and paper, forestry, agriculture and agro-processing, tourism and hospitality etc.

This special report is a focused endeavor to put in perspective the historical as well as current priorities shaping the bilateral relationships between India and Russia. The bouquet of articles contained in it provides useful insights into how the multifaceted partnership has grown from strength to strength to bring governments, industry and people of both the countries which has withstood the test of time.

I am hopeful that this special issue of eGOV magazine, published by Elets Technomedia, will prove to be a useful resource and would go a long way in developing deeper understanding of the India-Russian relationship.


(Manish Prabhat)
Joint Secretary (ERS)

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Founded in 2005, eGov magazine is published in both
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> INTERVIEWS

This section highlights various stakeholders, bureaucrats and policy makers influencing governance in the country.

India-Russia Charting New Heights

Whether it's a friendship between two people or two nations, the basic tenets shaping this special relationship remain the same- mutual trust and deep respect for each other's strengths and weaknesses. Going by this understanding, India-Russia relationship has all these virtues, and more. It is a relationship that has remained constant in a world that has been changing dramatically fast, and this feeling is deeply ingrained in the minds of people of both the countries.

Over the years, India and Russia have undergone tremendous transformation in terms of their socio-economic structure and level of development. However, both countries share some common challenges on account of being multicultural, multilingual and multireligious societies. The leadership of both the countries have, therefore, identified a common path based on the ideals of cooperation, transparency and tolerance to grow together. To ensure their rightful place in today's geopolitical scenario, both India and Russia have voiced their support for a multi-polar world order for which strategic partnerships are set to play a pivotal role.

To tip the scale in favor of multi-polar world order, deep cooperation on bilateral level by emerging powers is going to be the key. It would help them to attain strategic parity with the developed world and maintain a favourable balance of power to protect their interests. It is in this regard that closer economic cooperation between India and Russia would set the stage for other emerging powers to set aside their differences and make serious efforts to closely integrate their economies and create a new world order that is favorable to them in achieving their national development goals.

The Eastern Economic Forum to be held in Vladivostok, Russia, therefore, assumes immense significance for Eurasian economies in terms of providing them an opportunity to develop a common development agenda by further strengthening their historical cultural, trade and business linkages.

This special issue of Egov magazine, being brought out in association with the Eurasia Division, Ministry of External Affairs, Government of India, celebrates the time-tested partnership between India and Russia through insightful articles written by subject experts. I hope the issue will give our readers a fair perspective on the forces shaping the special relationship between the two countries and help them understand the huge potential of the two emerging powers to reshape the world together.



रवि गुप्ता

DR RAVI GUPTA

Editor-in-Chief, eGov magazine, and

Founder Publisher & CEO,

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INDIA-RUSSIA RELATIONS: A Time-Tested Partnership

Even before India attained its independence from Britain, the foundation of diplomatic relations with Russia was laid on April 13, 1947, which today spans across the whole gamut of economy, energy, industry, science and technology, cultural and humanitarian cooperation. Underpinning this special relationship are the solid pillars of peace, friendship, mutual trust and respect which have withstood the test of times.

By **Vivek Ratnakar**, eGov Bureau

India shares a special and multifaceted relationship with Russia which has evolved over the past seven decades to include political and strategic cooperation, military and security cooperation, and close cooperation in the spheres of economy, energy, industry, science and technology and culture, among others. Today, both the countries acknowledge that their relationship is "mature and confident, marked by deep trust, mutual respect and close understanding of each other's position".

"India Russia relations have been the one constant in a world that has changed dramatically since 1947. They have withstood the test of time, and grown from strength to strength. The resilience of our relationship is based on the fact that it rests on the principles of equality, trust and mutual benefits," wrote Prime Minister Narendra Modi in an article to commemorate the 70th Anniversary of establishment of diplomatic relations between India and Russia.

Conveying his greetings to the people of Russia and India, he

underscored one of the most outstanding features of this relationship by pointing out that both the countries "adapted our partnership to the different stages of our national development and to the changing realities of the international context. We have been together in times good and bad".

This relationship has been nurtured by successive leadership of both the countries, who successfully drew strength from their shared wisdom based on the fact that both India and Russia are multicultural, multilingual

and multi-religious societies, which should be leveraged to create a more diverse and interconnected world. To lessen the global tensions, India and Russia envision a world where inter-state relations are marked by the "ideals of tolerance, cooperation, transparency and openness".

This shared global vision of both the countries is clearly reflected in the joint statement issued during the visit of Russian President Vladimir Putin to India on October 5, 2018. "The primary challenge in large parts of the world remains ensuring rapid and environmentally sustainable economic development, removal of poverty, reducing inequality among and within states, and providing basic health care. India and Russia pledge to cooperate with each other to achieve these goals," says the statement.

Historical Perspective

Relations between India and Russia are rooted in history. The kinship and similarity of languages and cultures of ancient India and Russia have been unwaveringly established by scholars

The signing of the Treaty of Peace and Friendship in August 1971 was another turning point in Indo-Russia relations. "The Treaty was the manifestation of shared goals of the two nations as well as a blueprint for the strengthening of regional and global peace and security," said Pankaj Saran, the then Indian Ambassador to Russia in a statement he made to mark the 70th anniversary of diplomatic relations between India and Russia.

like Gleb Ivashentsov and Nikolai Koltsov and academic research of GM Bongard-Levin, GF Ilyin and PM Kemp. Similarly, the common root of Indo-Russian culture was embodied in the paintings of Nikolai Roerich. In the medieval book, Tughlak-Nama, it is found that the Russians formed an

army of Ghazi Malik and were part of the Indian dynasty of Tughlakids (1320-1413).

Russian traders of the 15th century like Afanasy Nikitin contributed a lot in establishing the ancient ties between India and Russia. Nikitin's voyage to India lasted for about three years from 1471 to 1474 which has been encapsulated in his book, Voyage Beyond Three Seas.

Russia unwaveringly supported India in its struggle for Independence. The policy of friendship and support for national aspirations of the Indian people became a state policy of Soviet Russia. This policy helped India to get a faithful friend who, in all steps of freedom movement gave India a moral support. Not only that, the Bolshevik Party in 1916 took the decision to render economic and cultural help to the oppressed people of India by the new socialist government.

Evolution through Time

The signing of the Treaty of Peace and Friendship in August 1971 was another turning point in Indo-Russia relations. "The Treaty was the manifestation of shared goals of the two nations as well as a blueprint for the strengthening of regional and global peace and security," said Pankaj Saran, the then Indian Ambassador to Russia in a statement he made to mark the 70th anniversary of diplomatic relations between India and Russia.

"The nineties were a tumultuous period for both countries. In 1990, India extended loans to the USSR in the form of technical credit and in 1991, India extended food credit and gift of 20,000 tonnes of rice. After the dissolution of the Soviet Union, India and Russia entered into a new Treaty of Friendship and Cooperation in January 1993 and a bilateral Military-Technical Cooperation agreement in 1994," he added.

Annual Summits

In 2000, during the visit of Russian





President Putin to India, the partnership acquired a new qualitative character, that of a Strategic Partnership. The strategic partnership institutionalised annual meetings between the Prime Minister of India and the President of Russia and meetings have been held regularly since then.

Nineteen Annual Summit meetings have taken place till now, alternatively in Russia and India. President Putin visited New Delhi from October 04-05, 2018, for the 19th India-Russia Annual Bilateral Summit.

As many as eight MoUs were signed during the visit in the field of business and investment, civil nuclear cooperation, space, transport, etc. Both the leaders jointly addressed the India-Russia Business Summit and interacted with the talented children of India and Russia. Earlier, Prime Minister Narendra Modi and President Vladimir Putin held their first informal Summit in the city of Sochi in the Russian Federation on May 21, 2018. The Summit provided an occasion for both leaders to deepen their friendship and to exchange views on international and regional issues, in keeping with the tradition of high level political exchanges between India and Russia. The two leaders also met on the

The 5th Eastern Economic Forum from 4 to 6 September 2019 at the Far Eastern Federal University campus in Vladivostok will again bring together the leaders of the two great countries to make joint efforts for further integration of the Far East into the Asia-Pacific Region economy.

sidelines of the BRICS Summit in Johannesburg in July 2018.


Both the countries have also institutionalised dialogue mechanisms that report to two leaderships. These are the Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC), co-chaired by the External Affairs Minister of India and the

Deputy Prime Minister of Russia and the Inter-Governmental Commission on Military and Military Technical Cooperation (IRIGC-MTC) co-chaired by the Defense Ministers of both countries. These meetings identify priorities and review cooperation on a regular basis and are key platforms to take our cooperation forward.

India has participated in all major economic forums in Russia including SPIEF, Eastern Economic Forum, Innoprom, Technoprom, IT Forum, Arctic Forum and others.

Recently, Prime Minister Modi and Russian President Putin met in Bishkek at the Shanghai Cooperation Organisation (SCO) summit, and the G-20 summit in Tokyo. During bilateral discussions both the leaders have agreed to widen the scope for strengthening partnership in sectors including the Arctic Region, Energy and Transfer of technology and joint partnership under the 'Make in India' initiative.

The 5th Eastern Economic Forum from 4 to 6 September 2019 at the Far Eastern Federal University campus in Vladivostok will again bring together the leaders of the two great countries to make joint efforts for further integration of the Far East into the Indo-Pacific Region economy.

India was the first country to establish a resident consulate in Vladivostok in 1992. However, India's existing engagement with the region is limited to isolated pockets. In order to bolster the trade ties it is imperative that connectivity between India and Vladivostok have to be simplified, affordable and time efficient. Ease of connectivity will not only provide access to the resource rich, unexplored Far East but will also strengthen India's geo-political stature. 

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Doing its bit towards environmental conservation, as many as 35 airports of Airports Authority of India (AAI) have been declared single-use plastic free.

AAI's Initiative

Single-use plastics, or disposable plastics, are used only once before they are thrown or recycled. Items like plastic bags, straws, coffee stirrers, soda and water bottles, six pack rings, plastic party cups and most food packaging falls under the single-use plastic category. They constitute 33 percent of all plastic waste.

Being an environmentally-conscious public sector enterprise and for underlining its commitment towards its Corporate Social Responsibility, AAI has decided to make its airports plastic free by banning the use of single-use plastic items at its airports across the country. Various steps have been undertaken to eliminate the single-use plastic items at passenger terminals and city side. These steps include banning of single-use plastic items like straws, plastic cutleries, plastic plates etc.

Towards a Better World

In ensuring the successful implementation of dissuading the usage of single-use plastic items, AAI has been carrying out internal audits of its airports along with stakeholders. The Quality Council of India (QCI) was engaged to assess and check the implementation of the ban of single-use plastic items at 34 airports handling one million passengers per annum.

Eco-friendly Alternatives

AAI is also enhancing its waste management systems and is promoting the use of eco-friendly sustainable alternatives progressively like the use of bio-degradable garbage bags in the garbage bins and installation of plastic bottle crushing machine at airports. AAI airports have also started various awareness campaigns for sensitising all stakeholders, especially passengers,

towards the cause and to drive engagement and cooperation.

AAI's Environment Policy

In its quest for making environmental conservation an ingrained organisational mission, AAI has framed an Environment Policy which envisages its commitment for reduction of Green House Gases (GHG) and sustainable development by implementing cost-effective carbon mitigation action to conserve environment and reduce adverse impact on society, community and ecosystem, thus contributing to national sustainable development goals. As a part of this policy, AAI is conscious and committed towards sensitising all employees and stakeholders to fulfil environmental obligation by reducing carbon footprint.

It is us who produce hundreds of millions of tons of plastic every year, most of which cannot be recycled. It is crucial that we understand the need to use no or less plastic, shift to environmentally sustainable products and services and come up with technology that recycles plastic more efficiently. [egov](https://www.egov.gov)



INDIA-RUSSIA

Special and Privileged Strategic Partners

Indo-Russian relationship flourished during the Cold War period when India drew closer to the Soviet Union for ideological, geostrategic and economic reasons. The Soviet Union supported India's industrialisation, supplied military hardware, provided a diplomatic cover at the United Nations Security Council, and stood firmly in war with Pakistan in 1971.

By Dr Rajan Kumar *

The story of relationship between India and Russia is unparalleled in the history of international politics. Rarely do we find states which are so distinct in terms of culture, history and political systems, yet they share a bond marked by high mutual trust, admiration and sensitivity towards each other. It is not merely the inter-state engagement, but a deep sense of solicitude and appreciation rooted in

the hearts and minds of people which makes this partnership special. Prime Minister Narendra Modi echoed this sentiment in Brazil in 2014, when he recounted, "If you ask anyone among the more than one billion people living in India, who is our country's best friend, every person, every child knows that it is Russia."

This relationship flourished during the Cold War period when India drew closer to the Soviet Union for

ideological, geostrategic and economic reasons. The Soviet Union supported India's industrialisation, supplied military hardware and stood firmly with India at all international platforms.

After the disintegration of the Soviet Union in 1991, this treaty lost its relevance and was replaced by the Treaty of Friendship and Cooperation of 1993, which had none of the security provisions of the previous

treaty. This was a period when both India and Russia were trying to forge close ties with the US. A new phase began with the signing of Strategic Partnership Treaty during President Vladimir Putin's visit to Delhi in 2000, which was elevated to India-Russia Special and Privileged Strategic Partnership in 2010. They signed a joint statement, "Druzhba-Dosti: A Vision for strengthening the Indian-Russian partnership over the next decade."

As a part of the strategic agreement, they hold Annual Summit meeting since 2000. This demonstrates the level of significance they assign to each other. There are two India-Russia Inter-governmental Commissions: Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC) headed by the External Affairs Minister of India and the Deputy Prime Minister of Russia, and; Military Technical Cooperation (IRIGC-MTC) headed by the Defence Ministers of the respective countries.

In addition to vibrant bilateral mechanisms, they are members of exclusive multilateral institutions—the BRICS (Brazil, Russia, India, China and South Africa) and the SCO (Shanghai Cooperation Organisation).

A new phase began with the signing of Strategic Partnership Treaty during President Vladimir Putin's visit to Delhi in 2000, which was elevated to India-Russia Special and Privileged Strategic Partnership in 2010. They signed a joint statement, "Druzhba-Dosti: A Vision for strengthening the Indian-Russian partnership over the next decade."

The BRICS has successfully created two crucial institutions, the New Development Bank and Contingent Reserve Arrangement. These institutions seek to undercut the influence of the World Bank and the IMF, which are dominated by the Western states. India is also negotiating with the Eurasian Economic Union on the creation of a free trade zone.

India and Russia have enabled a conducive environment for economic investment. They set up an investment target of USD 30 billion by 2025.

However, they surpassed this target before time. Russia's investments in India in 2017 were USD 18 billion, and India's investment in Russia was USD 13 billion. The new investment target is USD 50 billion by 2025. The bilateral trade between the two countries, despite a massive potential, was still limping around USD 10.69 billion in 2017-18. This is abysmally low compared to India's trade with the US which stood at USD 142 billion, and with China at USD 95 billion in 2018. India and Russia have set up a trade target of USD 30 billion by 2025.

India has invested nearly USD 8 billion in various companies and projects such as Imperial Energy (Tomsk), Sakhalin-1 oilfield, Volzhsky Abrasive Works (Volgograd) and a few other companies. In 2017, Rosneft, a Russian oil company, supported by other investors, bought 98 percent shares of Essar Oil Ltd of India costing USD 12.9 billion. A consortium of Indian oil companies, Oil India Limited, Indian Oil Corporation Limited and Bharat Petroresources struck a deal on buying 29.9 percent of Taas-Yuryah Neftegazdobycha Ltd. Indian public companies bought 49.9 percent of Vankorneft shares, one of the Rosneft largest oil enterprises.

Russia started supplying LNG to India as a part of a contract between Gazprom and GAIL. The investment opportunities between the two countries have improved significantly. Russia has launched a "single window service" in 2018 to encourage hassle-free investment in Russia. However, investors from both sides often complain about bureaucratic hurdles which need to be addressed urgently to achieve the ambitious target.

Transporting goods from India to Russia becomes difficult in the absence of direct transport connectivity. To address this issue, they are working on International North-South Transport Corridor (INSTC), a 7,200-km-long multi-mode network of ship, road and rail for





transporting goods between India, Iran, Afghanistan, Armenia, Azerbaijan, Russia, Central Asia and Europe. Chabahar port of Iran, developed by India, is a significant part of the INSTC project.

As a part of civil nuclear cooperation, Russia has helped India in the construction of several nuclear power units at Kudankulam in Tamil Nadu. The Nuclear Power Corporation of India and Rosatom of Russia worked jointly for this project. The first two units are already operational, while Unit 3 and Unit 4 are under construction. Contracts for Unit 5 and 6 have been signed. A total of 12 nuclear power units are to be constructed with Russian assistance in the next few years.

Defence cooperation is the most crucial component of India's relation with Russia. India has sought to diversify its defence purchases in the recent years, but even now India's defence forces are heavily dependent on arms and weapons supplied by Russia. Nearly 60 to 70 percent of defence purchases are from Russia. A positive development is that they are now jointly developing and producing sophisticated weapons. BrahMos missile system is the best example of

BrahMos missile system is the best example of successful joint production. They are also collaborating in joint design and development of the Fifth Generation Fighter Aircrafts. Other successful examples are licensed production of Sukhoi-30 MKI and T-90 tanks.

successful joint production. They are also collaborating in joint design and development of the Fifth Generation Fighter Aircrafts. Other successful examples are licensed production of Sukhoi-30 MKI and T-90 tanks. A Russian-built aircraft carrier, INS Vikramaditya, was inducted in the Indian Navy in 2013. India signed a deal with Russia in October 2018 to procure a batch of the S-400 Triumph missile defence systems for USD 5 billion.

During successive summit meetings, the two countries have signed several deals related to nuclear energy, hydrocarbons, a joint production of helicopters, space

technology, investment in Russian Far East, education, culture and scientific exchange programme. Russia agreed to simplify the visa regulations for the diplomats and business people. Terrorism is another area where they share their concerns and have signed several agreements to counter this global menace.

Finally, India needs to revive its soft-power footprints which were prevalent during the Soviet period. Bollywood, yoga, culture, dance, music, sports and Indian cuisine find a wide appeal among Russian population. They need to be promoted through non-official channels. Cultural and educational exchange programmes require more resources and support.

As Prime Minister Narendra Modi visits Russia as a Chief Guest at Far East Economic Forum from 4-6 September 2019 in Vladivostok, both countries look forward to reinforcing the existing ties, and open new vistas of economic and security cooperation between them. egov.gov



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ईसीजीसी
एम एस एम ई*
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एम एस एम ई क्षेत्र देश की जी डी पी के 30% एवं भारत से किये जाने वाले निर्यातों के लगभग 45% की हिस्सेदारी के साथ भारतीय अर्थव्यवस्था का आधार स्तम्भ है।

ईसीजीसी द्वारा प्रदान की जाने वाली कुल रक्षा का लगभग 90% हिस्सा मात्र एम एस एम ई निर्यातकों के लिए है। ईसीजीसी हमेशा ही नियमित एवं समावेशी विकास में एम एस एम ई की भूमिका की सराहना करता है एवं विभिन्न योजनाओं के ज़रिये इस क्षेत्र को अपना संपूर्ण सहयोग प्रदान करने के लिए प्रतिबद्ध है।

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TRADE & INVESTMENTS

Exploring New Areas to Tap the Potential

Marked by amity and close economic and security cooperation, the Indo-Russian relations are gradually expanding to new areas including infrastructure, transportation, industry, frontier technologies, digital technologies such as AI, Block-Chain, Big Data, pharma and medical technology, that are being explored by both the countries. However, earnest action from both the sides is required to unleash the full potential of this partnership.

By Chandrajit Banerjee *



Over almost seven decades, Indo-Russian relations have been marked by genuine amity and close economic and security cooperation. Russia has been one of the closest allies of India. As the two countries celebrated 72 years of their diplomatic ties in April 2019, they enjoy a strategic partnership encompassing multidimensional cooperation. From the economic perspective, trade, investment, energy cooperation and defence partnerships are important.

The total trade turnover between India and Russia is around USD 11 billion, and the potential is yet to be fully exploited. Currently, new areas to expand India-Russia trade are being identified and actioned. Infrastructure, including transportation; industry and new tech; digital technologies such as AI, Block-Chain, Big data, etc; pharma and medical technology; and biotech are some of the sectors being explored. These sectors will also be critical for contributing to the vision

of USD 30 billion bilateral trade by 2025 that was set by the two governments.

CII believes that the following areas would be of great potential going forward.

- Start-up and Innovation are amongst the most promising areas for cooperation. Collaboration between new-age enterprises and start-ups of India and Russia can leverage the strengths of both economies of both countries. India has seen



intense activity in the startup space, building on its technology capabilities and mobile phone connectivity. Similarly, Russian businesses too are active in this area with programmes such as Skolkovo to promote technology businesses. CII is working on creating a collaborative ecosystem for Indian and Russian entrepreneurs to source funds, market and test their products in joint projects. The CII Start-up delegation to Russia in 2018 had a fruitful visit and hopes to continue the engagement.

- Another area for the growth of bilateral cooperation between India and Russia is Digital Economy with special focus on social sciences, biotech, nanotech, medical and meteorology technologies. These can be identified in greater detail through special task forces. India's mission to provide healthcare to 500 million people under the Government of India initiative—Ayushman Bharat scheme—will open up many new avenues of cooperation in these areas.
- In the view of the fact that India

and Russia have extensive cooperation in several fields, unleashing the potential of small and medium businesses can lead to a perceptible increase in economic cooperation. The Indian Micro, Small and Medium Enterprises (MSME) are very much the backbone of industrial development and economic growth, contributing to employment and exports as well. Similarly, the Russian SME sector is an integral component of its economy. Partnerships between

the MSME sectors of India and Russia is key to deepening our economic relationship. CII has a strong agenda to promote SME cooperation with Russia which would significantly enhance trade and investment volume between the two countries. The first ever India Russia SME Business Forum was a great success and we propose to institutionalize it in order to keep the momentum going.

- For India and Russia to achieve productive outcomes, it is critical





that both countries consistently upgrade the modalities of their cooperation and also continue to accord greater importance to the Far East Region of Russia. India should intensify its cooperation with Russia's Far East in the sectors of Timber, Oil & Gas, Tourism, Healthcare, Pharmaceuticals and Minerals & Mining. India can also assist Russia in providing skilled workforce in sectors like agriculture, construction, IT related services, hospitality and healthcare without engaging in permanent settlement. Given that the situation is particularly acute in the Russian Far East due to low population, India can provide a solution to the demographic problem apart from being a partner in investing in energy and other projects in the region.

- In addition, CII has identified the Trade in National Currency route as one of the key areas of collaboration. At present, there are not enough Rupee-Ruble payment/ swap mechanisms available between India and Russia to ensure remittance of funds both ways. There is a dire

CII has identified the Trade in National Currency route as one of the key areas of collaboration. At present, there are not enough Rupee-Ruble payment/ swap mechanisms available between India and Russia to ensure remittance of funds both ways.

need to develop a framework to conduct bilateral trade in rupee and ruble. This can provide the much-needed impetus to bilateral trade. Also, this will insulate two countries from the volatility of dollars. CII has organized multiple rounds of consultations with relevant stakeholders to build an architecture for facilitating the Rupee-Ruble Trade.

- Russia and India are an extraordinary example of two major economies relishing, since the commencement of their relations, a strong and sustained relationship. To enhance the

existing relationship Russia could also consider issuing long term business visas for Indian businessmen and entrepreneurs to ensure that businesses can travel freely at short notices to Russia for various business engagements.

- CII believes that the India – EAEU FTA has the potential for trade to reach its desired level with many positive benefits for India and Russia. The implementation of Green Corridor, International North–South Transport Corridor (INSTC), removal of tariff barriers and investment protection treaty are important enablers to realise the trade potential between the two countries.
- Last but not the least, India and Russia should exchange capability and knowledge sharing in the area of Regulatory and Financial Technologies (Regtech/Fintech) which will allow/open up Indian IT companies to offer its cutting solutions/services for Russian financial industry. This kind of collaboration will eventually lead to alignment of norms in financial sectors of both countries thereby enhancing business potential between the two countries.

We see these as areas where action from both ends are possible and should be considered with some earnest. [egov](http://egov.gov)



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of CII's work including in all sectoral verticals like Manufacturing, Services, Agriculture, Life Sciences Sectors and the SMEs. He has also led key policy work of CII in the areas of Economic Policy, Financial Services and Corporate Governance. Mr Banerjee is also the Secretariat for several bilateral CEOs Forums constituted by the Government of India. These include Forums with Australia, France, Russia, Canada, Malaysia, Indonesia, Myanmar, Japan, Sweden and South Africa, among others.

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IDENTIFYING NEW PROSPECTS

For Bilateral Trade and Investment Cooperation

With bilateral trade between India and Russia showing a robust growth, growing by 17% to \$ 11 billion in 2018 alone, Russian Export Centre is focusing on providing a wide range of financial and non-financial support in order to realize the full potential of the bilateral trade between the two countries by improving export conditions and leveling existing trade barriers.

By Kirill Pushkarev *



For decades, Russia and India have maintained close economic cooperation and extensive cultural ties. For Russia, India is the most important trade partner and a priority target region for Russian non-resource exports. Over the past three years, bilateral trade between Russia and India has demonstrated robust growth and development. In the past year alone, it grew by 17% to USD 11 billion. At the same time, Russian exports increased by 20% to USD 7.8 billion. Russian non-oil exports to India include mechanical engineering products, the agro-industrial products, precious

stones, metals, metallurgy, chemical products, and timber. At the same time, domestic business is ready to expand the sectoral supply line in IT, pharmaceuticals, biotechnology and food industry etc.

Russian Export Centre (Part of VEB.RF Group) is a national institution for support of non-resource exports in key and promising markets such as India, by providing a wide range of financial and non-financial support measures to Russian exporters and their foreign partners. The REC focuses on improving export conditions and leveling existing barriers in the implementation of

foreign economic activity. Russian Agency for Export Credit and Investment Insurance (EXIAR JSC) and ROSEXIMBANK JSC, are the shareholders in REC.

Last year, the REC Group supported USD 200 million worth of Russian exports to India. Certainly, this amount is far below the potential for business cooperation between Russia and India. Therefore, REC has been developing and implementing new formats for promoting Russian goods and services on the Indian market.

In February 2019, a significant step was taken with the establishment of Russian-Indian forum of small and

medium-sized businesses. The forum was launched by Denis Manturov, Minister of Industry and Trade of the Russian Federation and Suresh Prabhu, Minister of Trade, Industry and Civil Aviation of India. About 80 Russian companies, ready to act as reliable and experienced partners for implementing projects in India, and about 300 Indian companies participated in the discussion on strengthening cooperation. More than 200 B2B meetings were held, and bilateral agreements were signed.

Recognising the potential of the Indian market, a bureau of Russian Export Centre has been established in Mumbai. The bureau provides a full range of support services to Russian companies for smooth on-boarding in India. It helps the companies from finding reliable partners in India, to advising them on various aspects of doing business (from customs clearance to protecting intellectual property), ensuring their participation in exhibitions and business missions, organising business meetings and negotiations, etc. In addition, it also supports in lending and insurance of Russian-Indian export transactions. With the direct participation of the Bureau, it has been possible to sign a number of commercial contracts like contracts for the supply of hovercraft, food and wood products. In addition,

projects related to financing the supply of secure storage systems are also being developed. In order to expand Russian-Indian business contacts, REC organises B2B tele-bridges.

Russian companies get the opportunity to discuss the prospects for business cooperation directly with their Indian colleagues. Already more than 200 companies from the two countries have taken part in such teleconference bridges, which focus on presentation of domestic products and services in various sectors, interaction in the field of data protection, bidding on electronic trading floors in India, logistics, tourism, and provisioning for financial and non-financial instruments for export support.

In order to further expand cooperation between Russian and foreign companies, REC also facilitates interactions with foreign companies; imparts specific market knowledge; and helps in marketing outreach. To date, 57 such agreements have been concluded, and 14 companies plan to operate in India.


Going forward, agreement on a free trade zone will be an important driver for strengthening the Russian-Indian trade and economic partnership. Due to the emphasis laid out by both the governments an

agreement between the EAEU countries and India is in an active stage.

North-South Corridor

The North-South Corridor, having a route length of 7200 km from St. Petersburg to the port of Mumbai, envisages a multi mode transport corridor of ship, rail and road networks, connecting the South and Southeast Asia with Northern and Western Europe through Russia. Development of the corridor opens up great prospects for bilateral business and economic cooperation.

According to preliminary estimates, the throughput of the corridor is 1.4 million passengers and up to 7-8 million tonnes of cargo per year. The North-South international transport corridor is one of the largest transports and logistics projects currently being implemented in the Caspian region. It is designed to transport goods from India and the Persian Gulf states to Northern and Western Europe through the Caspian countries. For the sake of comparison, the transportation of goods from Mumbai to St. Petersburg through the Suez Canal around Europe takes about 30 days, covering a distance of 14,500 km, whereas through the North-South corridor, it takes only 14 days.

With a 50 percent reduction in travel distance and time, the economic efficiencies of the corridor could not be more emphasised. Some of the priority issues in implementing this corridor include customs tariffs alignment between participating countries, creation of a joint company and determination of corridor manager in each country. 



* Kirill Pushkarev is the Head of Press Service, Group of Companies of the Russian Export Centre, a national institution for support of non-resource exports in key and promising markets such as India, by providing a wide range of financial and non-financial support measures to Russian exporters and their foreign partners.



ROLE OF INDIA-RUSSIA STRATEGIC ECONOMIC DIALOGUE in Charting the Way Forward

NITI Aayog and the Ministry of Economic Development of Russia through the IRSED endeavour to facilitate and encourage bilateral trade and investment by engaging in constructive discussions to advance cooperation across infrastructure, connectivity, agriculture, small and medium business support, digital transformation and industrial and trade cooperation

By Dr Rajiv Kumar & Neelashi Shukla *



As India steadily advances on the path towards becoming a USD 5 trillion economy, it needs to be fully aware and take account of the exigencies facing the interconnected world today. Be it financial volatility, risk of contagions, looming trade tensions and policy uncertainty, the collective challenges we face today are no longer static or predictable. They need collaborative, proactive and dynamic approaches to be tackled effectively. This is where

the Indo-Russian partnership could play an important establishing role for the global economy.

Russia has been one of the closest strategic allies for India since independence. The foundation of this relationship is deep rooted in the 1971 Treaty of Peace, Friendship and Cooperation, 1993 Treaty of Friendship and Cooperation, the 2000 Declaration on Strategic Partnership and the 2011 elevation to a Special and Privileged Strategic Partnership.

It has withstood the test of time. It has also expanded and diversified to include areas beyond the traditional sectors of cooperation such as space and defence to areas such as infrastructure, food-processing as well as fintech. The need for a more intensive and broad-based collaboration to strengthen strategic economic cooperation between the two nations is acknowledged by both the sides.

This was the sentiment behind

establishment of the India-Russia Strategic Economic Dialogue (IRSED). In order to streamline bilateral engagement by means of an overarching mechanism to drive economic strategy, the leaders of our two great nations mooted the idea of IRSED- spearheaded by NITI Aayog from the Indian side and the Ministry of Economic Development (MED) from the Russian side. The 1st IRSED was held in November last year at St. Petersburg, Russia where both sides engaged in constructive discussions to advance cooperation across infrastructure, connectivity, agriculture, small and medium business support, digital transformation and industrial and trade cooperation.

Further, in order to achieve the bilateral trade target of USD 30 billion by 2025 set by our two countries in December 2014, several directed and sector-specific approaches have been adopted by both sides in order to productively harness complementarities in a mutually beneficial manner. Presently, the bilateral investment target of USD 30 billion set out for 2015 has already been met and bilateral trade between the two nations stands at USD 10.69 billion, which is a 21.3% increase from 2016-17. However, we still have a long way to go to reach the trade target.

NITI Aayog and the MED through the IRSED have for the past year endeavoured to facilitate and encourage bilateral trade and investment with a view to meeting these targets. Both the sides have successfully managed to establish regular channels of open communication, monitored and consistently followed up on the deliverables of the previous IRSED, constituted council of experts to guide on the SED, interacted via frequent meetings, held numerous stakeholder consultations, organised webinars, facilitated business-delegation visits, bringing policy,



With regards to railways, opportunities exist for collaboration in development of dedicated freight corridors, railway electrification, signalling upgradation and station redevelopment.

academia and industry into the fold and effectively identified issues to be taken up in order to derive tangible outcomes through this mechanism.

Building on this momentum, the 2nd India-Russia Strategic Economic Dialogue (IRSED) was organised on 10 July 2019 at New Delhi which, in addition to the core areas identified at the 1st IRSED, also focused on Banking, Finance, and Tourism & Connectivity. It was heartening to note the considerable progress made in each of the sector-specific Round Tables at the 2nd IRSED, where concrete, action-oriented outcomes were identified by both sides to carry this association forward.

As our two leaders meet this year in September 2019 at Vladivostok, the time has come for India and Russia to join hands and further augment the economic ties. Some of the areas where the Russian corporations could invest in India could be multi-modal connectivity including playing

a leading role in the operationalisation of the International North-South Transport Corridor (INSTC), agro and food-processing, ease of doing business across SMEs and MSMEs, fintech & digital payments, wellness, tourism and connectivity.

Boosting multi-modal connectivity by means of greater Russian participation in Indian Projects through the International Competitive Bidding route, investment in developing technological solutions for satellite-based tolling and ITS (Intelligent Transport Systems) and in modernisation and construction of roads under the Bharatmala Pariyojana could be the starting points. With regards to railways, opportunities exist for collaboration in development of dedicated freight corridors, railway electrification, signalling upgradation and station redevelopment. Moreover, using Russian expertise in construction of Ro-Ro, Ro-Pax and low-draft vessels for inland and mixed navigation and participation of Russian firms in inland waterway development on the National Waterways could be explored to strengthen ship building and inland waterways connectivity in India.

Participation of Russian companies in aircraft manufacturing and leasing in India is another area that could be fruitfully explored. Both countries could also play a significant role in International North-South Transport

Corridor (INSTC), especially in establishing a Joint Venture Multimodal Transport Corporate and in successfully operationalising the route by substantially reducing time & cost uncertainties and multiplicity of formats and documentations required for shipping of goods. In fact, a separate conference specifically dedicated to INSTC was also organised on the side-lines of the IRSED with participants from India, Russia as well as Iran to have detailed and focused deliberations on this aspect.

Opportunities have also been identified by both delegations in enhancing research partnership focusing on farm machinery, food processing and extension services in agriculture. India could particularly benefit from using Russian expertise in using AI-backed software for estimation of crop yields and losses. Another area that could be explored is agro-processing where collaboration through technology transfer and knowledge sharing through joint development could prove instrumental in reviving the sector in India.

Improving the relationship between Indian MSMEs and global counterparts has been widely recognised as critical to enhancing export competitiveness in these medium & small enterprises. Building on this, discussions at the 2nd IRSED revolved around facilitating ease of

doing business, credit-access and knowledge-sharing for Small & Medium Enterprises (SMEs). Learning from each other's best practices, and collaborating on e-marketing facilities such as a portal for end-to-end marketing through digital transactions were brought up by both sides. A Joint Action Plan to operationalise the Business Navigator portal in India on lines of the successful implementation of Russian Business Navigator Portal

In fact, at the recently concluded G20 Summit in Osaka, Japan, the Indian Prime Minister presented 5 I's for maximizing digital technology for social benefits- Inclusiveness, Indigenization, Innovation, Investment in Infrastructure and International Cooperation. Going forward, India and Russia can greatly contribute to harnessing synergies across frontier technologies for advanced manufacturing and leveraging innovation, incubation and regional collaboration.

and leveraging opportunities for sector-specific collaboration on industrial and urban solid waste recycling technologies, intelligent machines, pollution control etc. were decided as the way forward for Indo-Russian collaboration on SMEs at the Dialogue.

Today, the global architecture is laden with constant technological innovation and disruption. In the near future, both our sides could play a substantial role in jointly solving for some of these new found challenges. Implementation of the New International Payment System (NIPS) project promoted within BRICS could be one such area where possible cooperation could be considered by the two sides. This could contribute to ensuring seamless banking and financing transactions. Further, opportunities also exist for Russian firms to invest in the 100 Indian Smart Cities and in conducting pilots for testing applications of emerging technologies across agriculture, healthcare and education.

Both sides could also work towards adopting a human-centric approach to AI. In fact, at the recently concluded G20 Summit in Osaka, Japan, the Indian Prime Minister presented 5 I's for maximizing digital technology for social benefits- Inclusiveness, Indigenization, Innovation, Investment in Infrastructure and International Cooperation. Going forward, India and Russia can greatly contribute to harnessing synergies across frontier technologies for advanced manufacturing and leveraging innovation, incubation and regional collaboration.

Vnesheconombank (VEB) and Srei have signed an MoU in 2017 with the objective of jointly setting up a Russia-India fund with a corpus of US\$ 200 mn to make investments in Russian and Indian technology and innovation sectors. More such efforts need to materialise to give necessary impetus to technology architecture in both the countries.





As a step towards greater use of national currencies in bilateral trade and investments, proposals to work together to create a special Rupee–Rouble payment platform (currency swap mechanism) and using innovative credit instruments have also recently surfaced. Moreover, opportunities exist in increasing bilateral cooperation on areas such as agricultural commodities (oilseeds, wheat, fruits), waste management, pharmaceuticals, & fertilisers including carbon composites and in using advance mining technologies, especially for aluminium chemicals.

Further, under the IRSED mechanism, possible co-investment exists between Russian Direct Investment Fund (RDIF) and National Investment and Infrastructure Fund (NIIF) in setting up waste management plants, data centres, industrial parks and gas terminals. Participation of Russian companies in setting up an industrial park established by the Indian company, Srei Group in Tuticorin is also on the anvil. The need for more such sector-specific projects and proposals to achieve our bilateral investment target is felt going forward.

According to World Tourism Organisation (UNWTO), Asia and the Pacific recorded 343 million international tourist arrivals in 2018. Trends also show strong outbound travel from emerging markets,

Thus, cooperation can be enhanced bilaterally to benefit both the countries through boosting air connectivity, exploring alternate areas of tourism including medical tourism and AYUSH. Yoga and wellness could be another potential area where existing opportunities could be leveraged by the Russian side through India's Champion Service Sector Scheme.

especially India and Russia. Thus, cooperation can be enhanced bilaterally to benefit both the countries through boosting air connectivity, exploring alternate areas of tourism including medical tourism and AYUSH. Yoga and wellness could be another potential area where existing opportunities could be leveraged by the Russian side through India's Champion Service Sector Scheme.



** Dr Rajiv Kumar is the Vice Chairman of NITI Aayog. He also serves as the Chancellor of Gokhale Institute of Politics and Economics, Pune. He has wide experience of having worked in Government, academia, industry*

as well as in multilateral institutions.



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This can be achieved by arriving at agreements on Traditional Medicine and Yoga Federations, participating through International viability gap funding to the airline operators (similar to India's UDAN scheme) and exploring cruise tourism and joint ship-based training programs between Indian & Russian ports.

Thus, it is evident that both countries have a lot to learn from each other's' strengths and weaknesses. In the times to come, India and Russia have very important roles to play in overcoming volatile multi-dimensional geo-political and strategic & economic challenges. This was reiterated at the RIC(Russia-India-China) Summit held on the sidelines of the G-20 Osaka Conference recently.

Given these developments, the emergence of IRSED as a vibrant and targeted instrument cannot be over emphasized. Going forward, its role in bringing relevant stakeholders together and overcoming policy and regulatory impasses across sectors, would only grow more prominent. While India has seen FDI inflows of USD 44 billion in 2018-19, it is hoped that through continued discussions, both countries can share ideas and institutionalise collaborations. This would help to increase bilateral trade and boost bilateral investment flows. In the long run, IRSED can go a long way in effectively resolving outstanding issues, facilitating trade and investment and strengthening bilateral engagements, keeping in mind shared economic and commercial interests of the two countries. We look forward to further strengthening this institutional relationship. gov.in



Sukhoi 30

DEFENCE AND SECURITY

Gold Standard of Bilateral Partnership

Backed by a shared history of cooperation in defence technology and capacity building, India and Russia have been naturally inclined to build an enduring partnership to play an increasingly critical role in changing balance of power globally.

By Poornima Bajwa Sharma, eGov Bureau

Defence cooperation has been one of the centerpieces of strategic partnership between India and Russia, which goes deeper than the conventional buyer-seller relationship. Based on mutual trust and respect, it is a special relationship that has endured the test of time. Time and again Russia has proven its worth as an all-weather friend of India, supporting the country whenever the situation demanded it. Be it forced wars, changing balance

of power in the world, or a diplomatic situation arising at UN, almost every time Russia and India find themselves side by side lending support to each other to navigate the challenge.

Today, about 60% of Indian military equipment is of Russian origin and India continues to remain the second largest market for the Russian defence industry. With India setting up a roadmap for defence R&D and manufacturing to support 'Make in India' and achieve self-reliance in

defence procurement, Indo-Russian defence relationship has entered a new paradigm which entails deeper collaborative effort through defence technology transfer and more collaborative effort in the spheres of research, design development and production of state of the art military platforms.

Joint Ventures in Defence

The BrahMos supersonic cruise missile - an Indo-Russian joint

venture - remains the gold standard of defence collaboration between India and Russia. The successful test of the longer-range 450-km version is another feather in the cap for the collaboration. It is a joint venture between the Russian Federation's NPO Mashinostroyeniya and India's Defence Research and Development Organisation (DRDO), which have together formed BrahMos Aerospace. It is based on the Russian P-800 Oniks cruise missile and other similar sea-skimming Russian cruise missile technology.

Some major deals signed have been for five S-400 Air Defence systems, four improved Krivak/Talwar class stealth frigates, and production of at least 200 Kamov-226T utility helicopters in India.

In March 2019, Indian Prime Minister Narendra Modi, dedicated to the nation, the Joint Venture of Indo-Russian Rifles Pvt Ltd, for Kalashnikov Assault Rifle Production, Amethi in Uttar Pradesh.

The new joint venture will manufacture world famous Kalashnikov assault rifles of the newest 200 series and eventually will reach full localization of production. Talking about the venture, Russian President Vladimir Putin said, "The Indian defence-industrial sector will have the opportunity to fulfill the needs of national security agencies in this category of small arms, resting upon advanced Russian technologies."

The agreement is one of the several new defence projects on which the two countries are working on, including under the ambit of 'Make in India' programme.

In December 2018, India and Russia agreed to extend bilateral cooperation on defence joint-venture (JV) manufacturing projects at the 18th meeting of the India-Russia Governmental Commission on Military Technical Cooperation (IRIGC-MTC).

Some major deals signed have been for five S-400 Air Defence systems, four improved Krivak/Talwar class stealth frigates, and production of at least 200 Kamov-226T utility helicopters in India.

The two countries also agreed to take forward inter-governmental arrangements for facilitating joint manufacturing of spares for Russian origin equipment in India, under the 'Make in India' initiative.

Technology Transfer

Russia and India share an outstanding level of confidence after decades of fruitful cooperation in the field of defence.

In 2018, a number of Russian defence firms broadly agreed to facilitate speedy repair and overhaul of Russian-origin military platforms in India and manufacture their spare parts through joint venture and technology transfer with Indian companies.

The Defence Ministry said that

Russian firms showed keen interest in taking 'Make in India' further by involving Indian firms in the process of providing after-sales support of Russian-origin equipment to the Indian Armed Forces through long-term supply agreements, repair, overhaul and manufacturing of some spare parts and components.

Russia's technology transfers to India in the defence sector have been without any strings attached and there is a scope for further deepening the ties, Vice Chief of the Indian Air Force Air Marshal S B Deo, said in July 2018.

In December 1988, an India-Russia co-operation agreement was signed, which resulted in the sale of a multitude of defence equipment to India and also the emergence of the countries as development partners. It also resulted in joint ventures projects to develop and produce the Fifth Generation Fighter Aircraft (FGFA) and the Multirole Transport Aircraft (MTA), between the two nations.

Make in India

'Make in India' programme is being used by the Government for defence procurements by categorising the capital acquisition proposals under



'Buy (Indian-IDDMM)', 'Buy (Indian)', 'Buy and Make (Indian)', 'Make' and 'Strategic Partnership Model' categories of Defence Procurement Procedure (DPP)-2016.

Government has notified the 'Strategic Partnership (SP)' Model which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.

India and Russia have deepened their 'Make in India' defence manufacturing cooperation by signing agreements for the construction of naval frigates, KA-226T twin-engine utility helicopters, Brahmos cruise missile (JV with 50.5% India and 49.5% Russia).

In a move aimed at boosting India's defence sector, 200 helicopters will be manufactured in the country with Russian collaboration as part of intensification and diversification of their strategic

ties. The agreement, reached recently, is one of the several new defence projects on which the two countries are working on, including under the ambit of 'Make in India' programme.

BrahMos

BrahMos is a supersonic cruise missile that can be used against ship and land targets. It has a range of upto 300 kms and is uniquely configured for installing in ships, submarines and aircraft and on

ground vehicles.

It is a joint venture between the Russian Federation's NPO Mashinostroyeniya and India's Defence Research and Development Organisation (DRDO), which have together formed BrahMos Aerospace. It is based on the Russian P-800 Oniks cruise missile and other similar sea-skimming Russian cruise missile technology. The name BrahMos is formed from the names of two rivers, the Brahmaputra of India and the Moskva of Russia.

India holds 50.5% share of the joint venture and its initial financial contribution was US \$126.25 million, while Russia holds 49.5% share with an initial contribution of US \$123.75 million.

In 2016, as India became a member of the Missile Technology Control Regime (MTCR), India and Russia are now planning to jointly develop a new generation of Brahmos missiles with 600 km-plus range and an ability to hit protected targets with pinpoint accuracy.

Going by the latest development, the first prototype of the Brahmos-

In 2016, as India became a member of the Missile Technology Control Regime (MTCR), India and Russia are now planning to jointly develop a new generation of Brahmos missiles with 600 km-plus range and an ability to hit protected targets with pinpoint accuracy.



NG, a lighter sleeker variant of the Indo-Russian cruise missile, will be fielded in 2024. The NG or next generation will mark a quantum jump in the offensive abilities of the Indian armed forces. The five-metre-long, 50-centimetre-thick, and 1.5 ton Brahmod-NG is half the dimensions of the Brahmos missiles currently in service today with the Indian Air Force (IAF), Army, and the Navy.

Initially, Russia supplied 65% of the BrahMos' components, including its ramjet engine and radar seeker. Currently 65% of the missile is manufactured in India and there are plans to increase this to 85%.

India and Russia intend to make 2,000 BrahMos supersonic cruise missiles over the next ten years through their joint venture company, and nearly 50% of them are expected to be exported to friendly countries.

Kalashnikov factory in Amethi

Prime Minister Narendra Modi recently inaugurated a factory that will manufacture modernised versions of the Kalashnikov rifle at the Korwa Ordnance Factory in Kauhara, Amethi, Uttar Pradesh. A shining example of Make in India, the joint venture Indo-Russian Rifles Private Limited--established



Missile Craft INS Pralaya, Photo Courtesy: Goa Shipyard Limited

between the Ordnance Factory Board (OFB), Kalashnikov Concern, and Rosoboronexport, the Russian state agency for military exports--is considered a milestone in Indo-Russian defence cooperation which will give a tremendous boost to the Uttar Pradesh Defence Corridor Project.


The Ordnance Factory Board in Amethi will produce AK-203, the latest derivative of legendary AK-47 rifle. The guns would replace the existing India-made INSAS assault rifles used by the Army, Air Force, and

Navy. The rifle manufacturing project, worth around Rs 12,000 crores, came into being after India signed a deal with Russia to manufacture 750,000 of these assault rifles.

S-400

The S-400 Triumph, previously known as the S-300PMU-3, is an anti-aircraft weapon system developed by Russia's Almaz Central Design Bureau as an upgrade of the S-300 family, in the 1990s. It has been in service with the Russian Armed Forces since 2007. S-400 has been described as "one of the best air-defence systems currently made" by economists.

On 15 October 2016 during the BRICS Summit, India and Russia signed an Inter-governmental Agreement (IGA) for the supply of five S-400 regiments. The deliveries are expected to commence in 24 months, by the end of 2020, by which the S-400 is expected to be inducted into Indian service.

An advanced surface-to-air missile system, S-400 Triumph can shoot down hostile aircraft and ballistic missiles. It has an estimated range of 250 kms and a possible upgrade is speculated to extend it to 400 kms. 



S-400

HSL'S 30 YEARS JOURNEY

An ode to Indo-Russian Partnership

Hindustan Shipyard Limited's experience in undertaking the flawless refits with the invaluable support of Russians, gave it confidence to meet new and additional challenges. Today, HSL is the only yard in India to have carried out the refits of three classes of submarines.

A synergetic professional bond between Russian Shipyard and Hindustan Shipyard Limited (HSL) was established nearly three decades ago when HSL had to execute first contract with the Indian Navy for Medium Refit (MR) of INS Vagli, a Foxtrot Class submarine of Russian origin, which was decommissioned in 2010 after 36 years of active service. This cooperation has been continuing with MRLU of INS Sindhukirti, which was handed over to the Navy on 26 June, 2015, and Normal Refit (NR) of INS Sindhuvir.

Yard's experience in undertaking the flawless refits with the invaluable support of Russians, gave it confidence to meet new and additional challenges. Today, HSL is the only yard in India to have carried out the refits of three classes of



INS Sindhuvir in the docking phase (2019)

submarines--refit of two Egyptian submarines in 1971, refit of F-class (INS Vagli) and EKM class (INS Sindhukirti) submarine.

HSL has acquired the required expertise, capabilities, skill-set and developed specialised infrastructure/facilities and procured technical documentation essentially required for undertaking refits of EKM Class Submarines of Indian Navy. First Medium Refit and Mid-Life Upgrade of EKM Submarine in India. With the collaboration with the Russians, post MR of INS Vagli, MRMLU of INS Sindhukirti was commenced in 2006, and later NR of INS Sindhuvir in 2017, that is expected to be completed on schedule by end of this year.

While HSL has imbibed a large share of the technology, it is with the

continued support of Russian Yard, SCZ Zvezdochka, mainly in weapon systems and Naval Dockyard, Visakhapatnam with their expertise and specialized facilities and technical support as available in the ecosystem of Eastern Naval Command at Visakhapatnam, HSL now is the most suitable and competent shipyard capable of undertaking refits of EKM submarines and Russian origin ships. Towards this, HSL and the Russian yards have acquired a qualitatively new character with enhanced levels of cooperation in almost all areas with an enabling a Memorandum of Cooperation signed between M/s HSL and OSKA (United Shipbuilding Corporation), for cooperation in submarine repairs/refits and construction. 



INS Sindhukirti in the docking phase (2012)

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PRODUCT PROFILE

HIGHLIGHTS

- ◆ Largest exporter of Defence Ships from Indian Sub-Continent with 607 Cr VoP from exports in FY 17-18
- ◆ 02 Advanced OPVs delivered to Sri Lanka, Largest Defence ships to be exported from India & largest in Sri Lankan fleet
- ◆ 29 deliveries in last 5 year, all 'ahead of schedule' at fixed cost
- ◆ Culminated 06 CG OPVs project in 2017 with all deliveries ahead of schedule
- ◆ Gearing up to execute 12 x Mine Counter Measure Vessels

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SPACE COOPERATION

Exploring New Heights

The seven decades old cooperation in space is an important pillar of India-Russia strategic partnership, which has helped India benefit immensely in developing its indigenous space programme with Russian technical and scientific assistance. Both the countries now seek to elevate bilateral cooperation to the next level keeping in view the privileged partnership they share and India's priorities such as 'Make in India' programme

Article Courtesy: Indian Space Research Organisation (ISRO)



M 100 rocket in the launch pad

India-Russia cooperation in space is as old as the Indian space programme. It all began with the USSR assistance in the first sounding rocket launch in 1963 by supplying MINSK Computer, vibration table and a helicopter and a boat. The MINSK computer helped to introduce programming and computing to all ISRO scientists and engineers worked in TERLS (Thumba Equatorial Rocket Launching Station) in 1960s. The helicopter was used not only for range

safety surveillance during the sounding rocket launch, but also for imaging top of the coconut trees in infrared to detect the coconut wilt disease. This has been the first remote sensing experiment in India.

In the initial days of TERLS, sounding rockets from the US, UK and France were launched. Subsequently, from 1970 onwards, the USSR made M-100 rockets ruled the Thumba Skies for two decades with over 1160 launches. The ISRO scientists learned

quiet a lot from these launches in payload integration and launching, conducting and analysing the scientific experiments of the upper atmosphere, etc.

The USSR also shared lunar soil samples, collected under its Luna programme (1959-76), with Indian scientists for analysis. This enabled the Indian and USSR scientific communities to further expand the collaboration to probe the origin and early evolution of the solar system

and activity of the early sun. Scientists from both sides carried out research activity in space science using ground based experiments, balloons, rocket flights and satellites.

With the knowledge and experience gained over the initial years, ISRO has embarked into building its own satellites. The first Indian satellite "Aryabhata" was launched by USSR in 1975 free of cost. Not only the free launch, USSR supplied the critical parts like solar panels, battery, tape recorder and the control system at no cost. The successor satellites Bhaskara-I & II were also launched by USSR in 1979 and 1981 respectively. After these initial missions, ISRO started developing the Indian Remote Sensing (IRS) series of satellites. The initial IRS-1A, IRS-1B & IRS-1C satellites were launched by USSR on commercial basis.

The next big thing in India-Russia cooperation came in 1983 in the form of flying Indian cosmonaut in Russia's Salyut space station. Wing Commander Rakesh Sharma, Research Cosmonaut was launched into space aboard the soviet space craft Soyuz-T 11 along with two other Russian cosmonauts on April 3, 1984 and he carried out research activities in the Salyut-7 space station till April 11, 1984.

In the area of launch vehicles, in



Indian Astronaut, Rakesh Sharma with his crew mates at Salyut-7 space station

the 1990s, ISRO and the GLAVKOSMOS signed contract to supply cryogenic stages to India including transfer of technology. Later, this culminated in India getting only from Russia seven assembled stages, which were used in the initial GSLV missions.

Over the time, the Indian space programme also advanced and started to realise its own fleet of remote sensing, communication, navigation and scientific satellites and launch vehicles to launch them. A group of young scientists from India and Russia jointly built a mini-satellite


"YOUTHSAT" for studying atmospheric constituents and space weather was launched by India in April 2011.

To further enhance the bilateral cooperation, ISRO and ROSCOSMOS have signed an MoU on expansion of cooperation in the field of exploration and use of outer space for peaceful purposes in June 2015 with satellite navigation, launch vehicle development, human spaceflight program, remote sensing of Earth, space science, planetary exploration and use of ground space infrastructure.

In satellite navigation, both sides are working towards establishing ground stations to support their satellite navigation systems (GLONASS and NavIC) in each other's territory.

In the field of space transportation, ISRO is in touch with Russian entities for establishing the rocket propellant (Nitrogen Tetroxide, a chemical for use as an oxidizer in the liquid propulsion stages of the launch vehicles) production plant in India. Discussions are also on for establishing a test facility for semi cryogenic engines in India.

Another recent milestone in India-Russia space cooperation has been the signing of MoU between ISRO and ROSCOSMOS on Joint Activities under Human Spaceflight Program on October 5, 2018 during the visit of the Russian President to India. Under this, contracts are being finalized on the various aspects including selection and training of Indian astronauts, wind tunnel testing of the crew module and crew escape system, supply of components like ECLSS (Environment Control and life support System), view port, flight suits and crew seat.

India and Russia continue to enjoy excellent and healthy relationship in the field of space. This strong relation between the two countries will give more fruits of success in space cooperation in the coming years. 



Chairman, ISRO and Russian Ambassador to India along with their colleagues at ISRO's Human Space Flight Centre (HSFC) in February 2019.

RAILWAYS

Building Together A Robust Partnership



Being the third largest railway system in the world, Russia's entry in India to help modernize Indian Railways has marked a new era of a robust partnership between the two countries that will unlock huge potential.

By Poornima Bajwa Sharma, eGov Bureau

Spanning over a length of 67,000 km, Indian Railways is the fourth largest railway network in the world, with an annual freight movement of more than one billion tonnes and a daily passenger movement of 24 million. However, the network is plagued by overstretched infrastructure, inadequate carrying capacity, huge unmet passenger demand, high freight tariff, slow speed and below par safety, etc.

Building upon and upgrading India's railway infrastructure is a key

priority of the Government of India. In recent years, Indian Railways has been undergoing a comprehensive transformation in pursuit of converting itself into a new age, modern, efficient and high speed transportation system. As India continues to explore more and more possibilities of high-speed rail networks, global participation in railway projects are set to become a new area of cooperation with India, under the 'Make in India' banner.

The Russian Railways—the third largest rail systems in the world—

has offered to cooperate in this direction, by offering state-of-the-art technologies in automation, safety system, collision repair and monitoring rail network via GPS and collaboration in developing high-speed rail links given Russia's expertise in the area.

In December 2015, during Prime Minister Narendra Modi's visit to Russia, the Indian Railway and Russian Railways signed an MoU for technical cooperation in the rail sector. The MoU identifies various key areas of cooperation such as

modernisation of existing Indian Railways lines in order to raise train speeds to 160-200 kmph, modern control and safety-related systems based on satellite navigation and digital communication means.

The 2016 BRICS Summit in Goa spelled a new era of Indo-Russian cooperation in railways, with the signing of the protocol for preparation of a feasibility study for modernisation of the Nagpur-Secunderabad railway line.

This project marked Russia's first entry into India's rail sector. Indo-Russian cooperation in the Nagpur-Secunderabad route is currently on fast-track. A joint preliminary report by teams from both countries was submitted to the Indian Government in January 2017 and a working group for project-implementation was created.

RZD International, a special purpose engineering company established within the Russian Railways, is carrying out the feasibility study which aims to increase the top train speed on the route from 120 kmph to 200 kmph.

The project entails a complete overhaul of the existing infrastructure including re-alignment of tracks, treatment of earth bed where the soil is loose, and deployment of digital technology based communication




network. The project will also include a number of safety features such as overpasses, anti-collision and anti-ramp barriers, automatic alarm systems and protective fencing along the length of the rail track.

In October 2018, a Memorandum of Cooperation (MoC) was signed between the Ministry of Railways and joint-stock company Russian Railways on the sidelines of the India-Russia Summit. The MoC carried forward the initiatives taken up under the memorandum of understanding (MoU) signed on December, 2015. These included setting up of a single traffic-control centre for managing mixed traffic at

the local level, best practices in freight cargo operations, development of multi-modal terminals and exchange of the best technologies used by the two countries, besides the implementation of the Nagpur-Secunderabad high speed section.

It also included training and skill enhancement of Indian Railway personnel by Russian railway training establishments.

More recently, in April 2019, an MoU was signed between Research Designs and Standards Organisation, under the Ministry of Railways, India and Railway Research Institute, Russia and Research and Design Institute for IT, Signalling and Telecommunication on Railway Transport, Russia. The MoU will facilitate exchange of information, expert meetings, seminars, technical visits and implementation of jointly agreed cooperation projects. 



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INLAND WATERWAYS

A New Vista for Bilateral Cooperation



Having the potential to emerge as the leading logistics artery for northern India, development of waterways infrastructure has been identified as a key enabler to drive trade. With proven expertise in shipbuilding industry and port development, Russia can play a bigger role in helping India realise its dream, even as the former stands to benefit from the huge economic opportunity on the anvil.

By Poornima Bajwa Sharma, eGov Bureau

Waterways provide multiple economic, social and environmental benefits. In addition to providing green and sustainable mode of transport, they also provide ample opportunities for leisure, recreation and tourism.

India has about 14,500 km of navigable waterways which comprise of rivers, canals, backwaters, creeks, etc. About 55 million tonnes of cargo is being moved annually by Inland Water Transport (IWT), a fuel -

efficient and environment -friendly mode.

Realising the socio-economic benefits of waterways, India has embarked on a massive waterways development program. "Waterways transport in India is all set for a revolution and has potential to bring down logistics cost by 4 per cent propelling exports by 30 per cent", Union Minister of Road Transport and Highways Nitin Gadkari, recently said.

Until about a hundred years ago, the Ganga River used to be a busy waterway. But with the advent of railways, this watercourse fell into disuse. The Government of India is now reviving the Ganga watercourse – known as National Waterway 1 or NW1- to ferry cargo from the eastern seaport of Haldia to Varanasi, some 1,360 km inland.

The waterways have the potential to emerge as the leading logistics artery for northern India. For this



project, Russia lent its technology where four of its aeroboats were used for a pilot run on the Ganga. These aeroboats could run on water, mangrove and land.

Cochin Shipyard (CSL), an Indian public sector enterprise, inked a pact with Russian firm United Shipbuilding Corporation (USC), which has played a key role in the growth of inland waterways in Russia, to boost water transportation in India. As per the MoU between the two entities, USC will engage in development of the state-of-the-art vessels for inland and coastal waterways in the country.

CSL and USC aim to develop high-

speed vessels, river-sea cargo vessels, passenger vessels, dredgers, and other watercraft for inland waterways and coastal shipping in India.

The MoU will push Government of India's 'Make in India' programme, as it also plans to develop eco-friendly and economic transportation under Sagarmala, a port-led development project.

Both firms will collaborate and engage in design, development and execution of contemporary, state-of-the-art vessels for Inland and Coastal Waterways. It will mainly include development of high-speed, passenger and river-sea cargo

vessels, besides dredgers and other watercrafts for inland waterways.

The two sides, at the India-Russia Strategic Economic Dialogue in February 2019, highlighted the possibility of participation of Russian investors in projects for development of waterways, roadways, railways and airports in India in collaboration with National Investment and Infrastructure Fund (NIIF), India, and Russian Direct Investment Fund (RDIF), Russia.

The two countries agreed to explore the possibility of construction of shallow draft vessels and development of engine technology, as well as to focus on shipbuilding and establishment of special techno-park/industrial corridors. gov.in



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GAS & ENERGY

Cementing the Partnership



India and Russia need to invest more in each other's energy sectors. This will help both countries to secure their energy markets, while protecting India against high energy prices and enabling Russia to hedge against low energy prices. Such investments also can help both countries bypass sanctions on key military hardware suppliers based in Russia

By Amit Bhandari*

India is the world's third largest energy consumer and a major energy importer with steadily growing demand. Russia is a key global producer and exporter of petroleum and natural gas. The two countries' needs naturally complement each other. Their current energy bilateral cooperation, already strong, can be significantly extended to include new resources such as liquefied natural gas (LNG) and encourage additional investment in

each other's energy sectors.

Three key factors will shape future India-Russia energy cooperation:

1. India is a large oil importer, and Russia is a large exporter,
2. India needs to use more natural gas, and Russia has large gas reserves.
3. Investments in Russia can help India bypass sanctions on Russian arms exports.

India is the world's third largest consumer of oil, with daily

consumption totaling 4.5 million barrels per day. This is projected to increase to 10 million barrels per day by 2040. India already relies on imports for 85% of its oil requirements, and this dependence is projected to increase. That makes Russia, the world's third largest oil producer and second largest exporter, a natural partner for India. Energy investments in each other's energy sectors would enable India to protect itself against spikes in energy price, while giving



Indian Investments in Russia: Current and Future

Indian oil companies already have multibillion-dollar investments in Russian oil fields at Sakhalin, Vankorneft and Tass Yuriakh. However, these investments cover only a small part of India's oil requirements, and they involve only oil – not natural gas. Clearly, these investments need to be scaled up.

A partial solution to India's energy problems would be to invest directly and acquire a 5-10% stake in Rosneft and Gazprom – Russia's largest oil and gas producers respectively – either by a sovereign wealth fund or a consortium of oil companies. Rosneft and Gazprom are both dividend paying companies – a spike in oil and gas prices would increase the profits of these companies, and the dividend flow to shareholders (including India), would partly offset the higher import bill.

Such an investment will also benefit Russia. West European nations, which have been long time buyers of Russian oil and gas, have

Russia long-term access to buyers as energy consumption declines in its traditional markets in Europe and plateaus in China. On top of this, India also wants to increase the share of natural gas in its energy mix, while Russia has the world's largest gas reserves and is a top exporter.

India's oil and natural gas problem is price spikes and short-term fluctuations caused by geopolitical

factors; the long-term availability of oil and natural gas is no longer an issue. For Russia, the problem is low oil prices – since oil and gas exports provide a large part of the government's income. These issues can be resolved through investment – upstream Indian investment in Russian energy supplies and downstream Russian investment in Indian energy markets.



OVL site in Russia, Photo Courtesy: ONGC Videsh Limited



seen their energy needs decline as their populations age and consumption becomes more efficient. The increasing reliance on renewable energy contributes further to the decline in their use of oil and gas. A similar trend is evident in Japan. And China, which is an important market for Russian oil and gas, is expected to follow a similar trend. These developments demonstrate that Russia will need access to newer markets. Investment by Indian energy companies in Russia can help secure that access.

Russian Investments in India

Russia's Rosneft has already acquired a controlling stake in the 20-million-ton per annum Essar Refinery, a bid to secure future market access for its oil. But this investment covers only oil, not natural gas. Russia is now facing competition for gas exports markets from the US, which is exporting shale gas to Western Europe, a traditional Russian market. So Russia needs to look at other markets such as India for its gas. Just as Rosneft has invested in an oil refinery, Gazprom

Large investments in each other's economies will give both India and Russia an even bigger stake in each other's long-term welfare. This will provide ballast if the two countries have to negotiate with each other over the complex geopolitical dynamic of the region.

can partner with Indian public firms that plan to build at least 10 LNG terminals. Further, India wants to bring piped gas to 70% of its population – which will require dozens of city gas distribution networks – which can also be an investment opportunity. Apart from securing market access, these investments also will protect Russia in case of a downturn in energy prices since margins in the retail business are much more stable than raw-material prices.

Navigating Geopolitics by Investments

Large investments in each other's economies will give both India and Russia an even bigger stake in each other's long-term welfare. This will provide ballast if the two countries have to negotiate with each other over the complex geopolitical dynamic of the region. There are increasing concerns in India about how Russia might use its proximity to China and Pakistan, and some concerns in Russia about India's partnership with the U.S. Mutually beneficial energy investments can alleviate these concerns. 



* **Amit Bhandari** is a Fellow, Energy & Environment Studies Programme at The Gateway House: Indian Council on Global Relations. Starting his career with *Economic Times*, where he tracked the energy sector, Amit has worked in the business media and financial markets for over a decade. He was a part of the startup team of *ET Now*, the business news channel and was responsible for setting up *India Reality Research*, a new research outfit within *CLSA India*, a stock broking firm. He holds an *Masters in Business Administration* from *IIM - Ahmedabad* and a *Bachelors degree in Technology* from *IT-BHU*.

A vision for the Nation cannot be limited by its borders

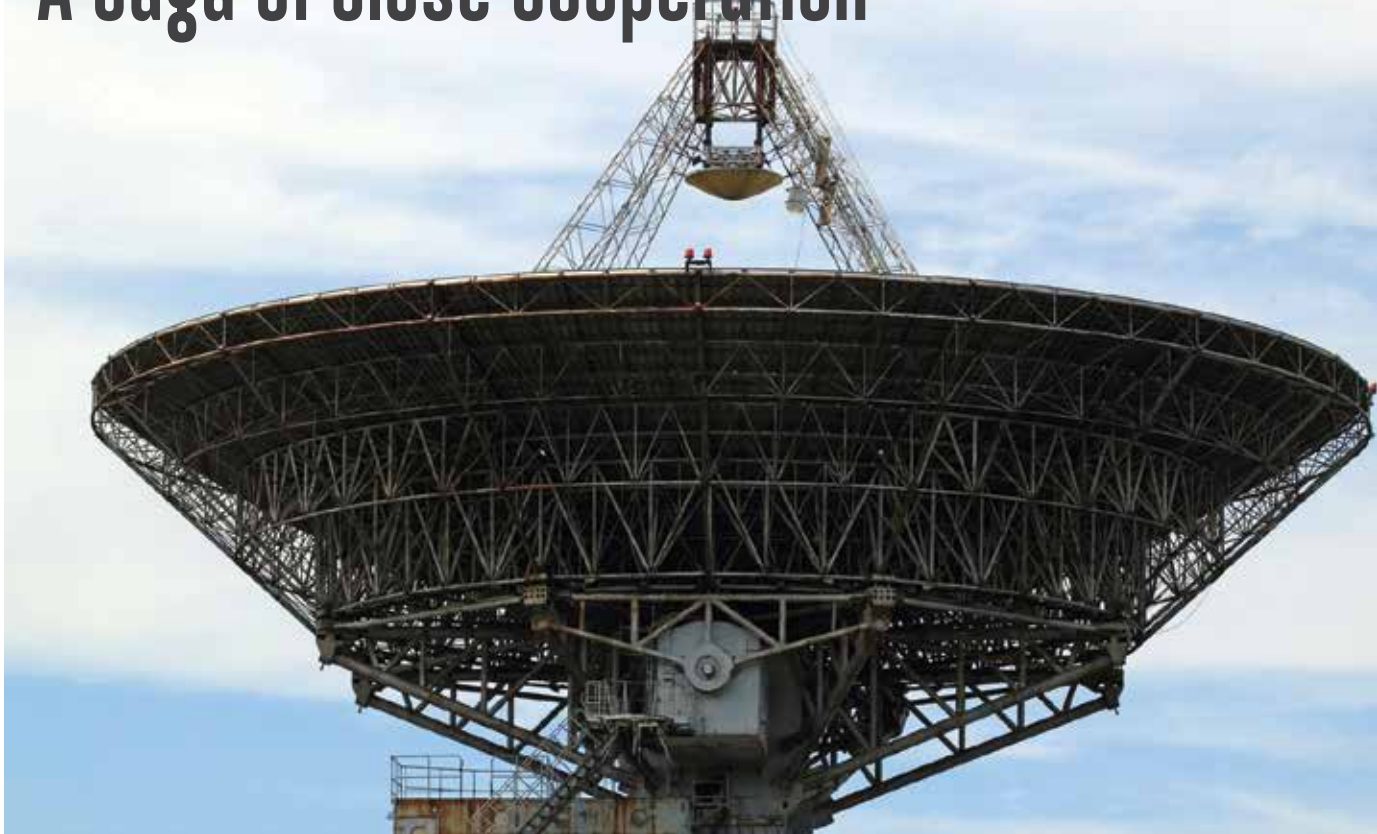
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SCIENCE & TECHNOLOGY

A Saga of Close Cooperation



Collaboration in multifarious areas of science and technology has been one of the cornerstones of India-Russia relationship. With over 150 joint research projects with Russian Ministry of Education & Science under implementation, many new programmes have been envisaged to support joint development of technologies and innovations as part of their efforts to build global capacities in future technologies.

By SK Varshney and Dr Rajiv Kumar

The time tested ties between India and Russia led to cooperation in multifarious areas of Science & Technology and provided an excellent platform for interaction of Indian and Russian scientists for over four decades. Enormous scientific contacts have been established, which have resulted in identification and implementation of hundreds of joint research projects.

Formulation and implementation of fundamental scientific ideas in

order to create new technologies, new types of equipment and materials required for the economic development of both countries has been the main focus of the programme, both in strategic as well as civil science sectors. Roots of the programme are deep and it has penetrated many scientific groups in universities or academic institutes, industries, scientific/basic science laboratories.

Materials science has occupied an

important place in joint collaboration. The linkage of advanced structural characterisation facility at National Physical Laboratory, New Delhi with crystal growth expertise at Institute of Inorganic Chemistry, Novosibirsk led to growth of BGO crystals with unprecedented perfection. The Advanced Centre for Powder Metallurgy and New Materials (ARCI) set up at Hyderabad was the first Centre of Excellence established



through the Indo-Russian cooperation 35 years ago. ARCI has grown from strength to strength and is now recognized as a premiere institute for development and transfer of materials related technologies.

As part of the Integrated Long Term Programme (ILTP) of Cooperation in Science and Technology with Russia, one of the major areas of thrust was biotechnology and immunology. Bharat Immunological and Biological Corporation Limited (BIBCOL),

Bulandshahar was created under ILTP for indigenous production of Oral Polio Vaccine (OPV) in India.

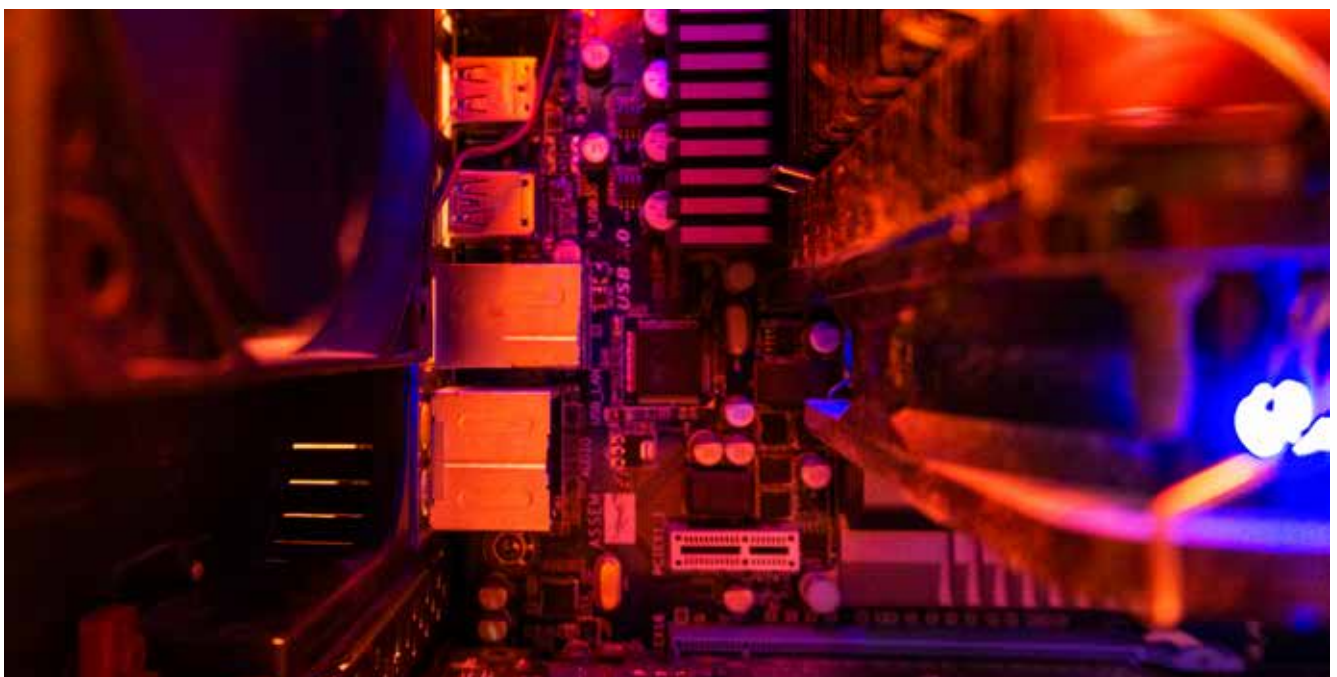
In the field of high power lasers and their application, several developments have been carried out that encompass use of high power lasers for x-ray generation, development of high speed diagnostic systems and streak cameras etc.

The collaborative research work has also been done in the area of crystal growth of special materials required for nonlinear optics and solid

state laser applications. This has led to creation of facilities for both crystal growth and use of the grown crystals for building lasers. In the area of scientific applications of lasers, many programmes pertaining to photochemistry, laser spectroscopy and cluster dynamics, etc, have been successfully completed.

The area of Computer Science and Electronics has witnessed significant interest among the various scientific institutions on both Indian and Russian sides. Consequently, a number of projects were sponsored in this area. A significant project under its purview pertains to the collaboration between the Centre for Development of Advanced Computing (C-DAC) and the Institute for Computer Aided Design (ICAD) of the Russian Academy of Science in the area of High Performance Computing (HPC).

The Indo-Russian cooperation has resulted in significant accomplishments in the areas of Gamma Ray and Radio astronomy. For example, preliminary design, engineering and proto model of sub system to cover energy range 150 KeV – 1 MeV gamma rays were made





by TIFR. The X-ray/gamma ray detector systems, 34 parabolic mirrors, each of 60 cm diameter, were fabricated and tested under the joint projects. In Radio astronomy projects, a 326 MHz front end has been constructed for the radio telescope radio-astron and important radio observations have also been obtained jointly. Through the joint collaboration, both India and Russia benefited from these activities.

Collaboration in the area of Earth Sciences began in 1987 by addressing some fundamental questions about planetary processes gleaned from rare meteorites and high pressure-high temperature studies of rocks, as well as a comparative analysis of the structure and tectonics of planet earth. A significant result of one of these collaborative projects was to constrain the rather rapid formation of solid objects in the solar system to within just a million years, earlier believed to have taken a much longer time by two orders of magnitude. This pioneering result is now widely accepted worldwide, on the basis of detection of calcium isotopes with a half life of a quarter million years by scientists at the Physical Research

Collaboration in the area of Earth Sciences began in 1987 by addressing some fundamental questions about planetary processes gleaned from rare meteorites and high pressure-high temperature studies of rocks, as well as a comparative analysis of the structure and tectonics of planet earth.

Laboratory Ahmadabad, from an analysis of rare meteoritic samples collected by scientists of the Vernadsky Institute, Moscow.

Presently, over 150 joint research projects with Russian Ministry of Education & Science are under

implementation. Russian Science Foundation and Russian Foundation for Basic Research are under implementation in the areas of (i) Mathematics, Computer and Systems Science; (ii) Physics and Space Science; (iii) Chemistry and Material Science; (iv) Biology and Life Science; (v) Basic Research for Medicine; (vi) Agricultural Science and (vii) Earth Science, (viii) Fundamental of Engineering Sciences, which are presently under implementation.

In the coming years, new programmes are being developed to support joint development of technologies and innovations to facilitate formation of ventures, acceleration programs, grant support for innovations, localization of innovative industries, based on innovative clusters and technology parks of the two countries. To facilitate implementation of such activities, Department of Science & Technology, Government of India and Ministry of Economic Development of the Russian Federation has recently signed an MoU for cooperation in the field of Innovation. Under this MoU, Indo-Russian Bridge for Innovation program, aimed at organizing and conducting start-up forum on an annual basis, as well as the business missions of medium-sized high-tech companies will be supported.

Ongoing Cooperation in the areas of Basic Research under the MoUs between the Department of Science & Technology and Russian Foundation for Basic Research (RFBR) and Russian Science Foundation (RSF) are also being enlarged in multidisciplinary research by participation of younger generation. egov.gov



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SUCCESSFUL PROJECTS: Shining Examples of Enduring Partnership

India and Russia have a long-standing partnership when it comes to large projects. Soviet oil and gas experts had helped ONGC strike Bombay High in the Arabian Sea in the 1960 and Soviet technology boosted India's refining sector in 1960s and 1970s. More recently, some of the large projects have emerged as the shining example of India and Russia's commitment to a mutually beneficial cooperation

By Vivek Ratnakar, eGov Bureau

Bilateral trade and investment have been the cornerstone of India-Russia bilateral relationship for the past seven decades, which received additional impetus by the signing of the "Declaration on the India-Russia Strategic Partnership" in October 2000 and was further elevated to the level of a "Special and Privileged Strategic Partnership" in December 2010.

India and Russia in December 2014 set a target to increase two-way investment to USD 30 billion by the year 2025. With concerted efforts of both the countries, this target was achieved in 2017 itself, thus investment target was revised from USD 30bn to USD 50bn by 2025 during the 19th Annual Bilateral Summit in October 2018.

Given the huge potential of increasing investments in both the countries, the Russian Ministry of Economic Development launched a 'Single window Service' in October 2018 to facilitate hassle-free investment by Indian companies to achieve mutual trade and investment target. Some of the key priority sectors identified for focused interaction included hydrocarbons, pharmaceuticals, mining, fertilizers, heavy engineering, gems and jewelry, chemicals, fertilizers and agriculture and food processing industry.



Similarly, India took some concrete steps to facilitate Russian investments under its "Invest India" initiative. Russia Plus is a fructification of Prime Minister Narendra Modi's commitment to set up a dedicated Russian desk to promote Russian investments in the country to take forward St Petersburg vision statement that seeks to open new vistas of economic engagement. Russia Plus, which works within the remit of Invest India – the investment promotion and facilitation agency of the Indian government, is a one-stop solution for investors that provides handholding support including business advisory, policy guidance, location assessment, assistance with regulatory approvals, issue redressal and expansion support.

Both the countries are working together "to explore joint projects for productive, efficient and economic use of natural resources in each other's country through application of appropriate technologies while ensuring affordable environment friendly utilization of natural resources".

Some of the large projects undertaken by India and Russia underscore their growing importance for both the countries to offer immense opportunities for cooperation. While widening of energy cooperation between India and Russia takes into account India's interest in Russian energy assets, including natural gas, as well as in implementation of prospective joint projects in the field of renewable

energy sources, the civil nuclear cooperation between India and Russia is an important component of strategic partnership contributing to India's energy-security and its commitments under the Paris Agreement on Climate Change.

India and Russia have a long-standing partnership when it comes to large projects. Soviet oil and gas experts had helped ONGC strike Bombay High in the Arabian Sea in the 1960 and Soviet technology boosted India's refining sector in 1960s and 1970s. More recently, some of the large projects that have emerged as the shining example of India and Russia's commitment to a mutually beneficial cooperation include:

Sakhalin Project

Sakhalin-1 oil and gas project in Russia started oil and gas flow at its first oilfield Chayvo in 2005 in the presence of the then Indian Petroleum Minister Mani Shankar Aiyar and Russian Energy Minister Viktor Khristenko. Describing this as an important development in the annals of long lasting friendly relationship between India and Russia, Aiyar said that his visit to the remote far east areas of Russia was also significant as India had its largest investment overseas in this project. This marked



In the biggest ever overseas acquisition by any Indian company, a consortium of Indian companies led by ONGC Videsh (OVL) acquired a 49.9 per cent stake in Russia's Vankor cluster oilfields owned by Russia's oil giant Rosneft at \$4.22 billion.

an important achievement towards securing India's energy security as production from the field was expected to last for over 30 years.

A year later, India brought home the first consignment of crude oil from Sakhalin-1 oil field in Russia, in

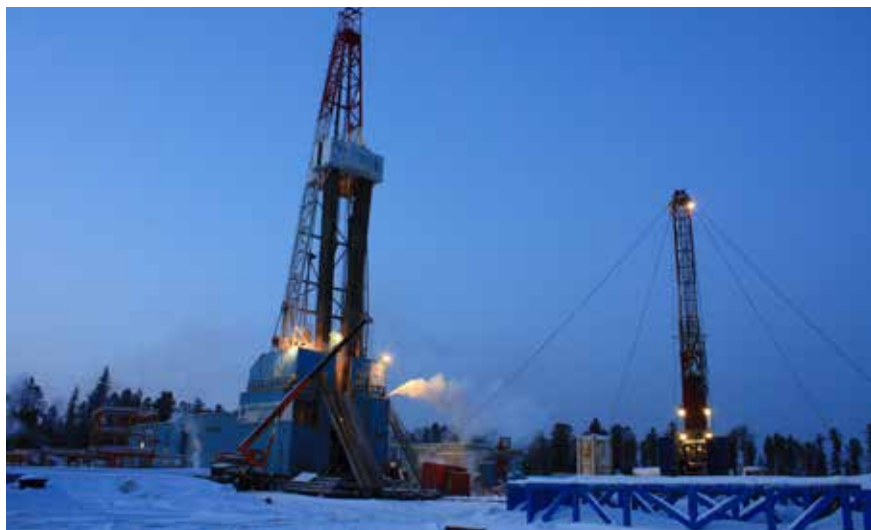
which ONGC Videsh Ltd bought a 20 per cent stake in 2001. It not only marked the arrival of crude oil from equity oil investment but also opened up a new source/route for crude oil.

Today, Indian PSUs have jointly invested USD 15 billion in picking up stakes in Russian oil and gas projects like Sakhalin-1. ONGC Videsh Ltd also bought Imperial Energy a few years later and has recently invested in Vankorneft and TasYuryah along with Indian Oil Corp (IOC), Oil India Ltd and Bharat Petro Resources Ltd (BPRL). In return, Russian firm Rosneft bought a majority stake in Essar Oil for USD 12.9 billion.

Speaking at a conference on 'India-Russia in 21st Century' in September 2018, former Petroleum Minister of India Dharmendra Pradhan said, "Today, Russia is our largest investment destination in the oil and gas sector. I believe that our time-tested relationship has no expiry date. Russia will always be a priority in India's foreign and energy policy and both our countries will remain as a role model for global communities."

Vankor Cluster Oilfields Project

In the biggest ever overseas acquisition by any Indian company, a consortium of Indian companies led by ONGC Videsh (OVL) acquired a 49.9 per cent stake in Russia's Vankor cluster oilfields owned by Russia's oil giant Rosneft at USD 4.22 billion. The Vankor cluster includes three fields –



OVL Drill Site in Russia, Photo Courtesy: ONGC Videsh Limited



Suzunskoye, Tagulskoye and Lodochnoye – in the north of the Krasnoyarsk territory in immediate neighbourhood of the Vankor field. It is the second largest field by production in Russia, which accounts for 4 per cent of the country's total oil produce.

In October 2016, OIL, IOC and BPRL acquired another 29.9 per cent in the Taas Yuryakh block for USD 1.149 billion. In the past three years, pushed by the Russian acquisitions, India has earned oil and gas assets to the tune of 15.8 MTOE abroad.

"In Vankor, we had acquired 26 per cent by paying USD 2 billion. The acquisition cost came to as low as USD 3.5 per barrel, making it one of the most economically attractive deals for OVL," an ONGC official was quoted as saying by Business Standard newspaper.

According to a Rosneft statement in 2017, a total of 88 wells were put into commercial production in the Vankor cluster, including 57 production wells, 27 intake wells and four water supply wells.

Selling stake in oilfields brought oil-rich Russia lot of cash, which was useful in dealing with hardship due to sanctions imposed by the US.

Imperial Energy

ONGC Videsh Limited, the overseas arm of Oil and Natural Gas Corporation

(ONGC), the flagship National Oil Company of India, acquired the group on January 13th, 2009. According to the group website, since 2007 Imperial Energy has constructed 366 km of pipeline infrastructure connecting its fields to the Transneft pipeline system. The completion of pipelines enabled the Group to transport its oil to both domestic and export markets.

Imperial Energy operates in Tomsk region of Western Siberia, Russian Federation. Western Siberia is the most prolific oil-producing region in Russia with some of the world's largest oil fields.

The actual oil production in Imperial Energy Group in year 2018 was 216.4 thousand tons. In 2019, it is planned to produce 216.0 thousand tons of oil from the fields of Imperial Energy.

LLC Rus Imperial Group is a part of Imperial Energy Group and is a 100%-owned subsidiary of ONGC VIDESH LIMITED, an overseas branch of ONGC, Indian National Oil and Gas Company. LLC Rus Imperial Group was founded in 2006 with the purpose of providing prompt, high-quality and


cost-efficient oil production related services (mostly well drilling and workover) in Siberian region.

The group has been playing a constructive role when it comes to strengthening India-Russia relations. The group organised the International Yoga Day celebrations in Russia as a part of celebration on the square of musical "Fountain of Youth" in 2018. Imperial Energy Group was also the initiator and the main sponsor of the Second Festival of Indian Culture that took place from October 6 to October 8, 2017. Such events traditionally attract many viewers and participants, which is a great proof of interest towards Indian culture and helps further deepen people to people contact.

Reliance Sibur Project

Reliance Industries (RIL) and Russian rubber giant Sibur joined hands in 2012 to forge a partnership to set up South Asia's first butyl and halogenated butyl rubber production facility at Jamnagar, India at USD 450 million and having a world scale capacity of 120,000 metric tonnes per annum.

Reliance Sibur Elastomers Private Limited (RSEPL), a joint venture wherein Reliance holds 74.9 % stake and SIBUR owns 25.1%, was conceptualised keeping in view that India is the world's fourth largest consumer of elastomers (a type of polymer) after China, the US and Japan, and demand in China and India is growing at a faster rate than in America where it remains stable.

According to the company's website, the regular butyl rubber plant commissioning is expected by mid 2019 followed by halo butyl (Chlorobutyl and Bromobutyl) swing capacity) plant by end 2019. 

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GUJARAT

Investors' Paradise

Gujarat is a preferred destination for domestic as well as global investors owing to its robust infrastructure, proactive governance, peace and prosperity. With a coastline of 1,600 km, it is well-connected to all the major port-based global trade routes, and other major trade cities by air route.

Strategically located on India's west coast, Gujarat is one of the most economically developed regions in India with its prominence as a major hub of trade and commerce dating back to thousands of years. Gujarat's economic and industrial leadership is attributed to the state's enterprising people, proactive governance and a skilled and committed workforce. The enterprising state serves as a gateway to understand the worldview of New India.

Growing at a CAGR of around 10 percent, Gujarat is among the leading



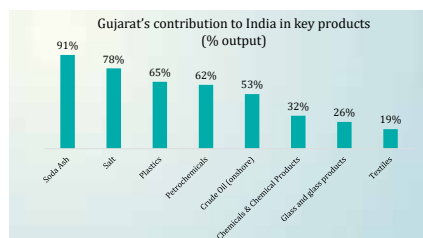
Pillars of Gujarat's industrialization

- Entrepreneurial Gujarati spirit
- Proactive & business friendly Government
- Effective and inclusive policies – for MSMEs and large industries, for Tax subsidy, Capital subsidy, Interest Subsidy etc.
- Power surplus state
- Presence of entire value chain in key sectors – Textiles, Chemicals and Petrochemicals, Engineering, Automotive
- Enabling Infrastructure
- Labor Peace and Very Competitive Labor Cost
- Availability of Skilled Manpower
- Effective Handholding of Investors

Statue of Unity, Gujarat-World's Tallest Statue

state economies in India characterised by a constantly growing per capita income and steady rise in development expenditure.

Gujarat is a national leader and manufacturing powerhouse in industries like Drugs & Pharmaceuticals, Dairy, Engineering, Textiles, Chemicals & Petrochemicals, Gems & Jewellery and Ceramics, among others.



World's largest crude oil refinery Reliance Jamnagar and India's largest chemical complex OPaL in Dahej are located in Gujarat. Also, Gujarat is the first state to have an

Gujarat- A Pharma & Engineering Hub


- 53% of the total medical devices manufactured in India
- 15% of India's drug formulations exports
- 18.8% of India's bulk drugs exports
- 40% of India's pharma machinery manufactured in Gujarat
- Rs 43,000 crore pharmaceutical production in Gujarat
- Hub of National Engineering Industry
- 9% share in national engineering output
- 18% share in state's total industrial production
- Accounts for 12% fabrication of metal products
- Accounts for 8% basic metals
- Accounts for 17% of machinery and equipment
- Accounts for 7% of electrical equipment

operational Petroleum, Chemical and Petrochemicals Investment Region (PCPIR) in India, developed over an area of 453 sq. km.

Renowned for new opportunities and growth avenues across sectors, Gujarat is fast developing as a major automobile hub in India with 15% of the total FDI received by the state coming from automobile sector. The state is home to some of the world's largest automobile manufacturers such as Ford, Honda, Tata, SAIC, Suzuki, etc, supported by a sound base of 30 clusters comprising of castings, brass parts, electric motors, bearings and auto-ancillaries.

A major contributor to Government of India's 'Make in India' programme, the state government follows a policy-driven approach focusing on holistic support to various segments of industries including Agri business, Aerospace and Defence, Electronics, Biotechnology, Tourism, Textile, Renewable energy, etc, to provide a huge impetus to growth of business in the state.

Special emphasis has been laid on developing Micro Small and Medium Enterprises (MSME) sector, which is essential to drive employment, innovation and competition in many economic sectors.

Gujarat has consistently been ranked among leading Indian states as per the national Ease of Doing Business rankings. As part of its efforts to promote investment, a dedicated IT-driven Investor Facilitation Agency has been established by the state to facilitate over 90 business related approvals pertaining to 16 departments through a Single Window Portal. 

For exploring investments opportunities in Gujarat, please contact **iNDEXTb**

Industrial Extension Bureau

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 Website: <http://www.indextb.com/>

Robust infrastructure - Key to Gujarat's Economic growth

Road

- 156,177 km of well-surfaced roads providing excellent connectivity across the State

Rail

- Railway route length 5259 km
- On-going Metro projects in Ahmedabad, Gandhinagar, Surat
- Upcoming High Speed Railway corridor between Ahmedabad & Mumbai
- 36% of Dedicated Freight Corridor lies in Gujarat

Airports

- 17 operational airports and airstrips with 02 international airports

Ports

- 40% of India's Port Cargo handled by Gujarat ports

Power

- > 30 GW installed power generation capacity providing 24x7 un-interrupted supply
- Peak demand of about 15 GW

Connectivity

- Tele-density ('00 popl.): 113.70 among the highest in India
- Internet subscribers: 27.3 million

Water Grid

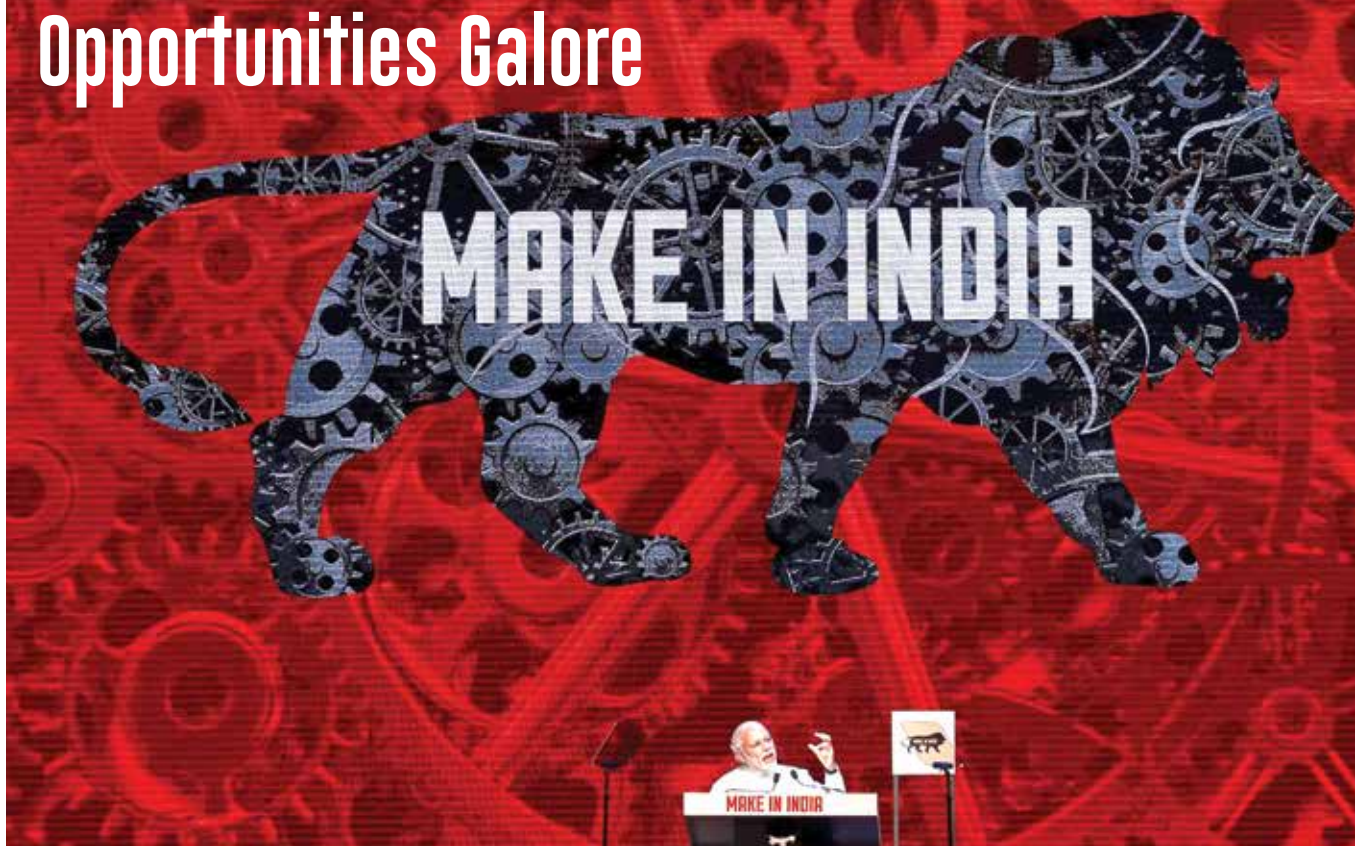
- State-wide 120,769 km long water supply grid

Natural Gas Grid

- 2600 km operational gas grid network passing through 25 districts
- 25 MMSCMD transmitted through grid

INDIA-RUSSIA TIES

Opportunities Galore



India and Russia are natural allies enjoying deep-rooted friendship based on mutual trust and cooperation. The bedrock of their relationship took genesis in the 15th Century, when Russian traveller Afanasy Nikitin documented his experiences in the unique land of India in his book, *The Journey Beyond Three Seas*. This endeavour is representative of the bond and cooperation with which India and Russia have sought to inculcate their bilateral relations over six centuries.

By Deepak Bagla*

Russia has been an integral part of India's growth story from the time of Independence. Our new age, renewed ties reached its zenith in the 1960s when Russia partnered with India to lay the foundation of its independent economy. Since then, Russia has remained a staunch supporter of India's sovereignty, progress and development, as is evidenced by the depth and breadth of India-Russia relations.

Keeping the unique nature of the India-Russian relationship in mind, the Hon'ble Prime Minister, Shri Narendra Modi, at SPIEF in 2017, announced for a special desk in India dedicated to support and work with Russian stakeholders interested in the vast market opportunities in India. The 'Russia Plus Desk' is housed within Invest India, the National Investment Promotion Agency of India.

Russia Plus acts as a one-stop

solution for investors by providing handholding support that includes business advisory, policy guidance, location assessment, assistance with regulatory approvals, issue redressal and expansion support.

Since its establishment in 2017, Russia Plus has already facilitated countless investments across 18 sectors of the Indian economy. Guided by India's commitment to become a USD 5 trillion economy by 2024 and the India-Russian target to

achieve USD 30 billion of annual bilateral trade by 2025, it remains devoted to propel India-Russian investments in the direction of growth.

Increased economic ties between India and Russia have led to the emergence of key sectors that represent immense mutual opportunities for both the countries. These include energy, pharmaceuticals, manufacturing, infrastructure, renewable energy, electric vehicles, tourism, food processing and farm technology and even India's 'Smart Cities' Mission.

The expansive Indo-Russian cooperation in the energy sector has seen the largest volume of investments from both the countries. It is based on complementary needs and mutual technological prowess of both the countries.

India's ONGC Videsh Limited (OVL) has been present in the Russian Far East Sakhalin – I consortium since 2001. More recently, a consortium of Indian companies has invested significantly in the Far East in Sakhalin and in the Tass-Yuryakh fields. Prominent companies from both countries are in the process of exploring further potential in the Russian Arctic, as

The expansive Indo-Russian cooperation in the energy sector has seen the largest volume of investments from both the countries. It is based on complementary needs and mutual technological prowess of both the countries.

well as establishing medium-to-long term LNG sourcing mechanisms for India.

The pharmaceuticals sector has also served as an important facet of bilateral cooperation. Pharmaceuticals have consistently remained among our top exports to Russia, and also function as a key sector for the Indian business community in Russia. Promising opportunities for future collaboration involve an increased exchange of competencies, technology and an increase in the volume of mutual exports. To this end, India and Russia are currently pursuing the creation of joint ventures in the production of life saving drugs such as insulin, as well as the development of qualitative

checks to ensure compliance with international standards.

India-Russian collaboration in the manufacturing and infrastructure sectors goes back to 1955, when the USSR helped India set up its first steel plant in Bhilai. Since then, these sectors have come to form the cornerstone of our trade relations. Given the profound ability of these sectors to aid overall economic growth, both countries continue to jointly develop their capacities in them. Currently, key infrastructure projects such as expanding the Indian railways and setting up industrial corridors are being pursued, along with the development of manufacturing capabilities in the chemical, hydrocarbon and automotive sectors.

India aims to generate 175 GW of renewable energy by 2022. Similarly, Russia plans for 4.5% of its energy output to come from non-hydroelectric renewable energy sources. Furthermore, both India and Russia have a geographic prowess capable of complementing each other's renewable energy targets, with India being home to existing and developing infrastructure to generate solar, wind, hydroelectric and geothermal energy, and Russia encompassing the Far Eastern region, which holds immense potential for the harnessing of renewable power. Given India's existing capacity in the field as well as Russia's increasing emphasis on renewable energy, this sector has tremendous potential, and can act as a key impetus to meeting our ambitious bilateral trade target.

Both India and Russia boast of technological and industrial developments pertaining to the digitisation of the world, thus making this sector an ideal impetus to bilateral trade. It is also in line with our mutual goals of exploring the impending 4th Industrial Revolution, heralded by the advancement of technologies such as AI and big data,





as well as BRICS partnership on the same (PartNIR). To this end, India and Russia have begun exploring the development of technologies aiding electric vehicles, as well as those relating to financial infrastructure.

The Russian market holds tremendous potential for the Indian food and agricultural sector. This has been recognized and pursued through the setting up of manufacturing and food processing plants in both India and Russia, as well as joint collaboration on the development of qualitative and phytosanitary checks to complement the same. Increased dialogue in this sector has also led to increased mutual trade, with products such as coffee, tea and spices consistently remaining one of our key exports to Russia.

The 'Smart Cities' mission is one that has remained a priority for Government of India and equal enthusiasm for the same is shared by Russia. As a result, we are currently pursuing the development of nodal security and transportation infrastructure in collaboration with prominent Russian companies. By 2022, India hopes to have 100 equipped, comfortable and

The Russian market holds tremendous potential for the Indian food and agricultural sector. This has been recognized and pursued through the setting up of manufacturing and food processing plants in both India and Russia.

accessible Smart Cities at the disposal of citizens.

The time-tested relationship of India and Russia has been made possible, largely in part due to the continued bilateral discourse between the two nations. Keeping in tandem with this precedent, the hon'ble Prime Minister Shri Narendra Modi has been invited as the Chief Guest to the Eastern Economic Forum in Vladivostok, Russia, from the 4th to 6th of September. The Eastern Economic Forum serves as a focal meeting for furthering bilateral economic interests.

As a precursor to the Prime Minister's visit, a high-power Indian delegation led by the Commerce and

Industry Minister and comprising senior members of state governments and line ministries along with several industry members visited Russia to explore probable investible opportunities in the Russia Far East. The successful visit of the delegation has expedited the process of finalizing key opportunities which is going to make underway the basis for long-term sustainable growth.

Now, both the countries are at the threshold of a new era to further strengthen this special bond. Our interactions have expanded beyond Government to Government and People to People, to strengthening the Business to Business connectivity. This endeavour will further strengthen the bond to a point where we shall embark on creating innovative solutions and opportunities not just for the people of India and Russia but for people across the globe. [egov](http://egov.gov)



***Deepak Bagla** has a professional career spanning over 3 decades having held several responsibilities across the globe. Mr. Bagla is currently CEO & Managing Director of Invest India, the national investment promotion and facilitation agency for India. Government of India

INDIA-RUSSIA

Formidable 'Digital' Partners

It is time to strengthen India-Russia collaboration by leveraging the emerging opportunities on the digital front. Through initiatives like India-Russia Strategic Economic Dialogue (IRSED), both countries are now looking at forging partnerships across new areas including infrastructure, connectivity, banking, transport and digital.

By CP Gurnani



India has set its eye on becoming a five trillion dollar economy, and carve a trillion dollar digital economy alongside. This ambitious goal cannot be fulfilled by a status quo, this will need a whole new canvas and collaboration with strong partners like Russia to unlock next wave of exponential growth.

Russia and India are trusted and strategic partners for decades, Be it defence, space research, security, nuclear energy or technology, both countries have ably supported each

other's aspirations to shape new geopolitics with a multi-polar world order. Both nations have enjoyed a strong economic relationship in the past with Russia being one of India's biggest trading partner and supplier of defence technology since as early as 1991.

But, is it enough? Clearly there is huge headroom for more. Even after 70 years of fruitful association, the trade relations between India and Russia are less than desirable (in 2018-19, the bilateral trade between

the countries stood at USD 8.3 billion), indicating the immense scope for Indo-Russian ties to expand their collaboration. It is time for us to ponder: What has been achieved so far, and what can be done to further consolidate this bilateral-friendship?

New Age Digital Economy is an Opportunity

The Strategic Partnership agreement between India and Russia which has been built upon the five key pillars of

politics, trade, defence, nuclear energy, and space research, emphasises the need for all-round development to boost bilateral cooperation.

Now it is time to strengthen this collaboration by leveraging the emerging opportunities on the digital front. Through initiatives like India-Russia Strategic Economic Dialogue (IRSED), both countries are now looking at forging partnerships across new areas including infrastructure, connectivity, banking, transport and digital. Government officials, business leaders and experts are ideating on ways to enhance collaboration to leverage Russia's prowess in new-age technologies like Artificial Intelligence, Robotics, Cloud Security and Digitization.

Russia continues to be a leader in cybersecurity with necessary laws in place to combat cybercrime and ensuring overall business security. The future calls for easy knowledge share between the two countries along with specialized training to build necessary skills to improve cybersecurity preparedness.

With the objective of shaping the digital economy, both countries need to discuss the potential for

Further, India's Aerospace and Defence vertical expertise has significantly improved over the last two decades, covering areas like sophisticated engineering and manufacturing processes, mechanical designing, software development and testing.

collaborations across various sectors such as digital banking and payments, start-ups, transport, research and development, education, and skilling.

Further, India's Aerospace and Defence vertical expertise has significantly improved over the last two decades, covering areas like sophisticated engineering and manufacturing processes, mechanical designing, software development and testing. This could be another area for enhanced synergies between the two countries to collaborate and be a part of the global supply chain. There are at least 20,000 qualified engineers in India from this field and this can be a win-win scenario for both.

Information and Communications Technology (ICT) Exports can play a decisive role in India's journey to 5T

If we were to do a scorecard on ICT and digital economy between the two countries, it will come out to be negligible and this is for a country which now exports ICT and services to about 130 countries. We need to change that equation. India's vision to be a five trillion dollar economy offers the perfect pitch for Indo-Russian relations to bloom further. Going by research estimates, by 2025, digital could transform India's economy, sector by sector. Thriving global demand for digital could enable its core digital sectors such as IT and business process management, digital communication services, and electronics manufacturing to double their potential value to USD 435 billion. There is a scope to build an inclusive, digital India and there are areas where we would be able to take help from Russia. As we set out on the journey to build the desired digital ecosystem for India, we can leverage Russia's rich digital expertise, especially in ensuring the security of its connected ecosystems.

Collaborating to build a global sustainable future

In order to elevate India's growth story to the next level, both nations need to build together synergies to strengthen economic cooperation by facilitating trade and investments. India can garner significant edge by collaborating with Russia in the fields of artificial intelligence, robotics, cybersecurity, and nanotechnology.

Innovations in sectors like sustainable energy, agriculture, manufacturing, food-processing and mining can also be harnessed to enhance trade relations between the two countries.

India can also cooperate with Russia on upgrading its basic research and education facilities. It is time of us to discover new areas





where we can combine Russia's technology, and Indian talent and scale to unearth new possibilities for a better future. India can even provide requisite workforce to Russia in sectors like agriculture and construction.

Russia's universities continue to power innovations that are required to build the 'economy of tomorrow'. India can take cue from this trend to encourage industry-academia collaboration to integrate breakthrough technologies in building a new economy for the country.

Strategic planning on initiatives like 'Make in India' need to be introduced to ensure that we start collaborating and creating software and embedded systems right here in India. Together, both countries can help in driving the re-skilling agenda to shape the digital workforce of future.

Action Plan: Building an ICT Task Force for Digital Collaboration

As per the latest reports from the commerce ministry, India and Russia

India can garner significant edge by collaborating with Russia in the fields of artificial intelligence, robotics, cybersecurity, and nanotechnology. Innovations in sectors like sustainable energy, agriculture, manufacturing, food-processing and mining can also be harnessed to enhance trade relations between the two countries.

have called for diversifying and deepening of economic ties in priority sectors to meet the bilateral trade target of USD 30 billion by 2025. To

execute this plan, we need to build a task force to identify and understand how we can collaborate better to remain competitive. How can we globalise together and benefit from each other's digital economy? As industry leaders, the onus is on us to envisage new ways of transforming this association and sustain the same for the benefit of future generations.

India and Russia need to leverage their strengths in science, technology and research, to bring in the much needed stability across the region which will help in attaining mutual socio-economic growth. We have our task cut out, and there is a lot of work which needs to be done. We have the appetite, we have the urgency—it is time to leverage the strengths of both the economies to fuel future growth. [egov](https://www.egov.gov)



* **CP Gurnani** is the MD & CEO of Tech Mahindra. An accomplished business leader with extensive experience in international business development, start-ups and turnarounds, joint ventures, mergers and acquisitions, Mr Gurnani led Tech Mahindra's transformation journey, and one of the biggest turnarounds of Indian Corporate History - the acquisition and merger of Satyam. His inimitable style of leadership, combined with his sharp focus on customer experience has helped Tech Mahindra emerge as one of the leading digital IT solution providers of India.

FINTECH OPPORTUNITY IN INDIA

It is imperative that India and Russia create better coordination in Fintech sector to reform the lives of their peoples through financial inclusion and pave the way for a well-developed digital economy in both the countries that will serve as the basis for the absolute and qualitative increase in bilateral trade

By Vivek Ratnakar, eGov Bureau



In the past two decades, convergence of technology and financial services--which used to be an entirely distinct vertical--has catalyzed emergence of Fintech as a new industry that is unlocking the creation of entirely new products and services through innovations.

As a disruptive force, Fintech is gradually transforming the global financial sector and threatening to capture a substantial market share of traditional banks and financial institutions that have been relying heavily on the brick and mortar model of doing business.

The advantages in favour of Fintech firms include a superb

customer orientation; focus on a single financial product or service; exceptional user experience; a problem solving approach; and use of advanced technology like Artificial Intelligence while keeping costs low for end-users to achieve a competitive advantage.

Fintech in India – An Evolving Landscape

The rise of Fintech in India, as across many emerging economies around the world, has been aided by the failure of current legacy solutions used by traditional banks to meet the changing customer requirements.

With more than 50% of unbanked

population living in Asia, Africa and Latin America, Fintech firms have managed to serve the unmet financial needs of millions of people by taking advantage of deeper internet and mobile penetration, which is critical for their success. For example, the massive use of mobile phones in India has allowed Fintech firms to create financial products and services focusing on specific customer transactions—digital payments, availing of loans, insurance products, investing in mutual funds, etc.

As per the EY Global FinTech Adoption Index 2019, published on June 3, 2019, the adoption rate of

Fintech in emerging markets like India and China is quite high at 87%, which is growing faster than anticipated. According to the report, about 99.5% of respondents in India and China were found to be aware of money transfer and mobile payment services being offered by Fintech firms. "In case of India, this awareness stems from the central government's decision to decrease the amount of paper currency in circulation through demonetisation drive in 2016."

"FinTech was also hugely helped by demonetisation which spurred the way for mass scale FinTech adoption. It served as a catalyst and left little for consumers not wanting to avail financial services online. What made it all the more instrumental was, for the first time, even rural India got on the bandwagon of making their presence known, in the online world, by the way of UPI platforms and digital wallets," says Samant Sikka, Co-founder Sqrrl.in, a Fintech platform helping young Indians save their earnings and invest in small sums in financial products like mutual funds.

According to a report by the National Association of Software and Services Companies (NASSCOM), the Fintech market of India is expected to grow into a USD 2.4 billion by 2020.

"There are currently over 2,000 Fintech companies in the country and this number is rapidly growing. A booming economy, large customer base, an underserved population, abundance of talent, encouraging government policies and large investments have fortified this growth," says Akshay Mehrotra, Co-Founder and CEO of Fintech firm EarlySalary.

Opportunities in India

Though still at a nascent stage, Fintech has emerged as one of the most buzzing sectors in India attracting investments from big



players like Google, SoftBank and Alibaba's Ant Financial. Some indigenous firms playing a significant role in expansion of this sector include Paytm, Phonepe, Mobikwik, and Freecharge, among others. Fintech firms are providing a range of services including mobile payments, credit scoring, digital banking, peer-to-peer lending, wealth management, lending and financing, securities trading and insurance, among others.

A report submitted recently by the High-Level Committee on Deepening of Digital Payments under the chairmanship of Nandan Nilekani, the architect of Aadhar, has set a target for the government and regulators to achieve a ten-fold volume growth in digital payments over the next three years. The regulatory interventions to achieve the goal of a less-cash economy recommended by the panel include removing transaction charges on digital payments made to government, inducing a competitive Merchant Discount Rates (MDR) pricing structure and easing KYC costs to banks -- all these present huge opportunities for Fintech firms to grow.

According to the Reserve Bank of India's 'Payment and Settlement Systems in India: Vision 2019 – 2021' report, "the payment systems landscape will continue to change with further innovation and entry of more players which is expected to ensure optimal cost to the customers and freer access to multiple payment system options". To achieve this, the Vision envisages four goal-posts (4 Cs) – Competition, Cost, Convenience and Confidence.

It also projects that "the digital payment transaction turnover vis-à-vis GDP (at market prices-current price) is expected to further increase to 10.37 in 2019, 12.29 in 2020 and 14.80 in 2021. Payment transaction turnover, including CCIL transactions and paper, is expected to be 22.30 times the GDP (at market prices-current price) by December 2021".

With government and market projections pointing towards a bright future for fintech in India, it is not surprising that the sector recorded "a total capital inflow of \$1.86 billion across 158 funding deals from 2014-2018, and emerged as the top startup sector with the most investments, followed by ecommerce (USD 1.84

billion) and enterprise tech (USD1.44 billion). These top three sectors accounted for almost 50% of the total \$10.25 billion poured into Indian startups at growth stage during that time," says a report by INC42, a website tracking the growth of startup sector in India.

Policies and Regulations

If the current trends on policy front is anything to go by, while on one hand the Government of India is bullish on creating "less-cash economy" through initiatives like 'Digital India', 'Startup India' and a renewed push to digital payments platforms like BHIM UPI in the entire country, on the other hand plans are afoot to link every village with high-speed internet and providing Wi-Fi services at public places like railway stations and parks.

"The Aadhar scheme provided a digital identity to about 1.1 billion Indians and laid the foundation for a digital economy. Thereafter, the NPCI launched UPI, where users can transfer up to Rs 1 Lakh directly, free of charge and based on a single identifier. The NPCI also introduced Rupay, a domestic card scheme with a flat processing fee to increase the adoption of digital financial services," adds Mehrotra.

The India Stack project is another ambitious scheme being deployed by the government. It aims to create a unified software platform that will allow organisations to use digital infrastructure to give rise to a presence-less, paperless, and cashless service delivery.

More recently, the Reserve Bank of India (RBI) has announced a framework for setting up a regulatory sandbox to enable innovations in Fintech sector. This will allow Fintech firms to live test their "new products or services in a controlled/test regulatory environment... It allows the regulator, the innovators, the financial service providers (as potential deployers of the technology) and the customers (as final users) to conduct

field tests to collect evidence on the benefits and risks of new financial innovations, while carefully monitoring and containing their risks".

Scope for India-Russia Cooperation

According to the 'Competing in the Digital Age: Russia Digital Economy Report', which was prepared by International Bank for Reconstruction and Development and The World Bank, Russia is a global leader digital finance.

"Digital finance solutions underpin digital platforms and drive the transformation across the services sector. The Russian market for financial technologies has been experiencing rapid growth driven by the adoption of online payments and remittances characteristic of emerging economies, on the one hand, and the adoption of FinTech solutions for more mature markets such as insurance, lending, and investment management, on the other hand. The sector has also been an early adopter of cutting-edge technologies such as biometrics and blockchain and has been driving the adoption of a national digital ID system," says the report.

The rapid development of Fintech sector in Russia, combined with capabilities of India in ICT, present a unique opportunity for the two countries to shape the future of global financial sector. Working together, the two countries can set the trends in financial solutions.

Brazil, Russia, India, China and South Africa (the countries of BRICS) accounting for 43% of the world's population, 37% of global output and 17% of the world trade are the perfect testing ground for alternative solutions. Further engagement with

the countries of Europe and Central Asia, equally interested in extending their trade and business networks, would ultimately mean better interconnected, more secure and prosperous Eurasia.

Recognising this potential, the First India-Russia Strategic Economic Dialogue held in St. Petersburg on November 25-26, 2018, which was chaired by Maxim Oreshkin, Minister of Economic Development of the Russian Federation, and Dr Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI) Aayog, highlighted "the importance of increasing collaboration in the areas of Blockchain technologies, Financial Technologies, Artificial Intelligence, quantum cryptography, as well as implementation of pilot projects in these areas," a Joint Statement by India and Russia said.

The Second India-Russia Strategic Economic Dialogue (IRSED) held under the chairmanship of Dr Rajiv Kumar, Vice-Chairman, National Institution for Transforming India (NITI) Aayog and Timur Maksimov, Deputy Minister of the Economic Development of Russia, in New Delhi also included banking and finance among core areas of cooperation between the two countries.

Thus, it is imperative that both the countries create better coordination in Fintech sector to reform the lives of people of both the countries through financial inclusion and pave the way for digital economy that will not just serve as the basis for the absolute and qualitative increase in bilateral trade, but become the platform to efficient and trusted financial interaction for a large number of countries globally. 

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UNLOCKING THE ECONOMIC Potential of Russian Far East

A major Indian delegation constituting Chief Ministers of several Indian States and representatives of 130 Indian companies visited Vladivostok in August this year under the leadership of Piyush Goyal, Minister of Commerce and Industry of Government of India. This unprecedented visit has instilled confidence that more and more Indian investments will flow to the Russian Far East, says **Leonid Petukhov**, General Director of Far East Investment and Export Agency (FEIEA).

What preferences have been created for investors in the Far Eastern Federal District and in what ways do they differ from one region to another, as the Far Eastern Federal District includes 11 constituent entities?

The economic development of the Russian Far East, which was declared a national priority for the 21st Century, has become a testing ground for various economic models. However the task remains simple: to ensure that business operates seamlessly and comfortably.

What has been done so far in this context?

A system of preferences with the lowest level of taxation in the Asia-Pacific region has been established in the Russian Far East. Several preferential regimes—similar to those of special economic zones—are in force here. These are areas of advanced development. In addition to tax benefits and preferences, the government also provides a company with all necessary infrastructure—water, gas, and roads.

The advanced development territories are ahead of their Indian counterparts in a number of indicators, such as the Andhra Pradesh FEZ (including profit tax and the time of registration of a legal entity within the preferential

treatment system). There are 20 zones like that in the Russian Far East. Also five regions have access to the free port of Vladivostok with a free customs zone. These tools have been used to launch 1,786 investment projects with value of over USD 60 billion. As many as 214 enterprises have started working there.

Electricity tariffs have been reduced throughout the Russian Far East, and an eVisa mechanism for entry into the Russian Federation has been introduced. This simplified visa regime, which ensures that the visa is received within four days, can be used by Indian citizens, both tourists and businessmen. So far, the visa has been short and is valid for eight days only. The electronic visa has already been used by over 130 residents of India.

At least 33% of direct foreign investment received by Russia made its way to the Russian Far East since 2014. Seventeen countries including China, Japan, Republic of Korea, Australia, New Zealand, and Vietnam are investing in the Russian Far East. India has also started launching projects in the region. With the help of the ASEZ and free port regimes, five investment projects are being implemented with the participation of Indian capital, estimated to be valued at over 53 billion rubles.

Tata Power Company acquired



Leonid Petukhov

General Director of Far East Investment and Export Agency (FEIEA)

license for the development of the Krutogorovskoye coal field in Kamchatka Krai. KGK Company, in cooperation with the Singapore-based Sudima Company, is preparing a project to create a timber processing complex in the Russian Far East. These two projects are supported by Far East Investment and Export Agency (FEIEA). KGK Company has launched a diamond-cutting production enterprise in Vladivostok. M. SURESH Vladivostok Company has become a resident of the Free Port of Vladivostok and has launched their diamond cutting enterprise this year. JT Company has

implemented a project to create a tea-packing factory. The Indian investors are operating in the oil and gas sector. ONGC Videsh Ltd. Company holds a 20% interest share in the Sakhalin-1 offshore development project, in which it has been participating since 2006.

Please tell us about the results of your meetings with the Indian delegation headed by Mr. Piyush Goyal, Government of India's Minister of Commerce. What documents have you managed to sign, in what industrial sectors, and which of those will be followed up at the EEF-2019? On which industrial sectors, in your opinion, will cooperation between Russia and India in the Russian Far East be primarily focused on?

I'd say that a historic event happened in the Russian Far East. A visit of Indian delegation of such a grand scale was unprecedented in Russia. And this gives us confidence that more and more Indian investors will implement their projects in the Russian Far Eastern regions.

The visit of the business mission to Vladivostok has become yet one more example of our efforts. Since the beginning of the year, our agency has held regular road shows, and in

June, the Eastern Economic Forum held a retreat in Mumbai, which brought together 130 representatives of more than 50 Indian companies.

Talking about the business mission itself, I would say that thematic industry discussions were held. As a result of the discussions, interest was displayed in cooperation in the field of energy, agriculture, logging, infrastructure, high technology and IT-sphere. A special issue was the development of the Northern Sea Route, which may become a year-round project as part of NOVATEK's programme.

Heads of the Russian Far Eastern regions have been invited for a meaningful and businesslike talk. They presented both the separate areas and the projects that require investors. A wide range of memorandums of understanding (MoUs) have been signed between the Russian Far Eastern regions and the Indian states. The Republic of Buryatia and Maharashtra State are planning to cooperate in the field of mechanical engineering and tourism. Zabaykalsky Krai and Uttar Pradesh State have agreed upon cooperation in the field of agriculture and food industry. Kamchatka Krai and Goa State will cooperate in the field of coal mining and tourism. The

Since the beginning of the year, our agency has held regular road shows, and in June, the Eastern Economic Forum held a retreat in Mumbai, which brought together 130 representatives of more than 50 Indian companies.

Sakhalin Region and Haryana State have outlined prospects for cooperation in the oil and gas industry. Republic of Sakha (Yakutia) and Gujarat State intend to discuss implementation of projects in diamond industry. The MoUs are only the first steps towards long-term economic cooperation.

Several agreements were focused on strengthening cooperation in the field of education. An agreement has been signed on the cross-opening of representative offices including a Yoga centre and a Pushkin centre for studying the Russian language and culture. Another MoU has been signed between the Far Eastern Federal University and the Amity University with the aim of



At Far East Economic Forum Retreat in Mumbai in June 2019



Mr Leonid Petukhov with Mr DB Venkatesh Varma – Ambassador of Republic of India to the Russian Federation

strengthening relations between the universities and promoting academic and cultural exchanges in education, research, and other fields.

For several days, close door meetings were held in the B2B format, where investors could discuss in more detail the aspects of cooperation and the possibility of implementing joint projects in the Russian Far East. As a result, representatives of a number of companies went to see various production facilities. For example, employees of Coal India Limited went to Yakutia to get acquainted with the work of coal companies Dolguchan, Kolmar, and Mechel.

Prior to that, Yakutia has been visited by representatives of the Tata Power Company. Besides that, India's Medanta Group of Hospitals expressed their interest in implementation of a project that envisages developing a network of oncological clinics in the Russian Far Eastern regions. Thanks to our

agency, Indian partners have had meetings with the leadership of the Republic of Buryatia and the Russian companies.

All these endeavours will no doubt be continued to be discussed during the Eastern Economic Forum.

What should the leadership of the region do to become more "investor friendly" for Indians?

We are trying to make the Indian partners feel comfortable. A representative of our agency has been working in Mumbai since the beginning of 2019.


Our agency acts as a communicator, interlinking the Indian partners and the Russian businesses or authorities. We help them identify potential sites for the implementation of projects; conduct analysis; assist in the preparation of business plans including the necessary documents, etc. Our agency is a non-profit organization, which was created for the purpose of simplifying

the work of investors.

Tell us where should an investor interested in investing in the Russian Far East apply?

All one has to do is contact our agency. We have English-speaking specialists. Unlike regional agencies, our range of functions is much wider. We cover 11 Russian Far Eastern regions, or more than 40 per cent of our country, which is a vast territory. We guide a project from the very beginning—from the conceptualization of business idea to its launch, i.e., when a company has already been built and starts its operations. We always support an investor to expand his/her business. We also provide selection of government support measures.

Why do you think the Eastern Economic Forum has become such a significant business platform?

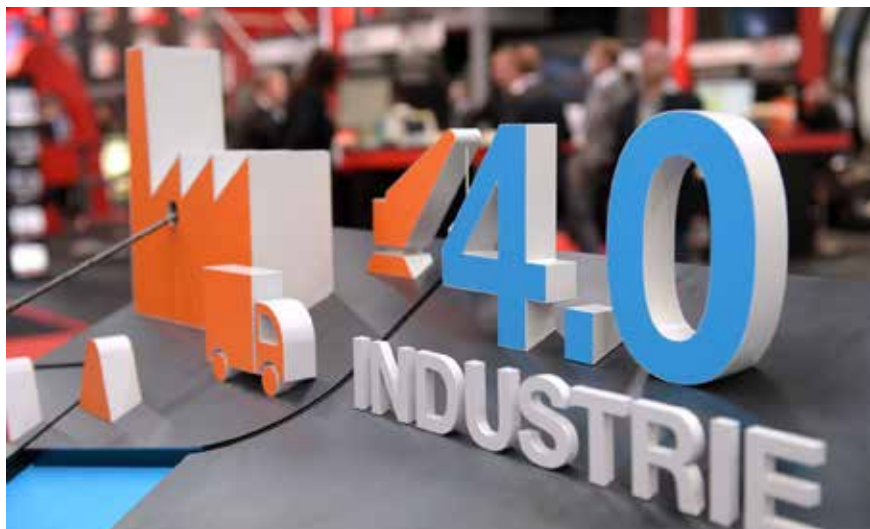
The Forum is a powerful tool for development of economic relations, especially for the launch of new projects. It is very important that an investor gets an opportunity to directly make a request for making an investment to the country's leadership. For example, Tata Power made a request at the previous forum for launching a project. As a result, Kamchatka's Advanced Special Economic Zone has been extended; part of the cost of road construction and port infrastructure is expected to be compensated at the expense of the state; changes have been made to the regulations providing for introduction of "grand-fathering clause" (non-deterioration of investment conditions); and the transfer of losses of the previous years to the subsequent periods. We are currently working to help find companies that may act as investors and operators of transport infrastructure. It is planned to sign a binding agreement within the framework of the EE-2019 Forum. 

FRONTIER TECHNOLOGIES

Digital Transformation Pushing India-Russia Cooperation to New Heights

Driven by new areas of vibrant cooperation, Russia and India with their proven capabilities in areas like ICT, digitalisation and cyber security spaces have much to offer to each other in order to emerge together as a potent global force in frontier technologies

By Vivek Ratnakar, eGov Bureau



Industry 4.0 refers to a trend of automation and data exchange in manufacturing technologies. It includes cyber-physical systems, the Internet of things (IoT), cloud computing and cognitive computing. Industry 4.0, considered to be the fourth industrial revolution, fosters what is called 'smart factories.'

A McKinsey analysis conducted last year suggests that if Indian companies adopt Industry 4.0 across functions like manufacturing, logistics, procurement and supply chain, they can improve operating profits by 40 percent at under 10 percent of the intended capital expenditure.

The emphasis on the 'Make in India' programme is expected to prepare India for global competition. If the

current trend is anything to go by, most companies are avoiding making huge investments in expanding their capacity and, instead, putting their money into digital platforms to improve their efficiency and revenue. Industrial firms are adding sensors to products in order to capture data so that it can be analysed to predict breakdowns to improve efficiency.

Digitalisation, analytics, IoT, AI, Machine Learning and Blockchain technologies are set to change the way businesses are run today.

Emerging Opportunities in Bilateral Sphere

In 2017, the Russian Government approved the first roadmap to develop the National Technology Initiative –

Advanced Industrial Technologies (TechNet). The goal of the roadmap is to bring Russia's share of the global market of "Industry 4.0" compliant services to at least 1.5%, according to Russian news agency Tass.

"The Association for Industrial Internet, a brainchild of Rostelecom and Roscosmos, can be considered Russia's first step towards the transition to Industry 4.0," it adds.

Igor Bogachev, CEO of Zyfra, a Russian major in AI-based solutions, in an interview with Economic Times, said that India is of great interest to companies in the field of Industrial Internet of Things where Russia has developed expertise.

Analysts predict that the economic impact of the introduction of Industry 4.0 solutions for India may exceed USD 400 billion in the coming years. "Innovations should become a point of growth of Russian-Indian relations," Bogachev adds.

Zyfra sees huge potential for IIoT introduction in Indian industries including machine-tool construction, mechanical engineering, metallurgy, chemical industry and the oil and gas sector.

According to Bogachev, the BRICS countries (Brazil, Russia, India, China and South Africa) are similar in structure of the economy. "Solutions developed in Russia for the analysis of large volumes of data and predictive analytics in industries such as



metallurgy, chemical industry, automotive industry and others can easily be scaled in the markets of other BRICS countries," he says.

Russia- a leader in cyber security

Russia has proven capabilities in cyber security space. The country's capacity building in this sector is firmly supported by government policies – National Security Strategy of the Russian Federation (2000), National Security Concept of the Russian Federation, Concept of the Foreign Policy of the Russian Federation (2013) and Information Security Doctrine of the Russian Federation (2000).

"Russia has the Centre for Cyber Incident Response in Information Systems of Governmental Authorities. That Centre is coordinating the actions of involved companies and governmental agencies in the field of detecting, preventing and suppression of illegal activity related to network resources of government bodies," notes ITU.

In 2016, India and Russia signed a cyber security agreement on the sidelines of the BRICS summit in Goa. The pact has paved the way for cooperation not just in tackling cyber crime, but also in matters of defence and national security.

More recently, Russian Security Council Secretary Nikolay Patrushev met Indian Prime Minister's National

Security Advisor, Ajit Doval, on December 6-7, 2018 to hold Russian-Indian inter-departmental consultations on cyber security issues. They have agreed to expand practical cooperation including the exchange of technological information.

Research and Development

Both India and Russia have been making concerted efforts to strengthen, expand and deepen cooperation in R&D. An Indo-Russian Working Group on Science and Technology (S&TWG) was set up for steering the science and technology cooperation between the two countries, which became one of the major Working Groups under the Indo-Russian Inter-Governmental Commission (IRIGC).

Integrated Long Term Programme (ILTP) of cooperation in Science & Technology is the biggest and most exhaustive scientific collaboration

India has ever entered into with another country. The programme facilitates bilateral cooperation between the scientific communities of two countries by way of joint projects and better interaction on various platforms.


Collaboration on Digital Economy

Digital economy is a new area of vibrant cooperation between India and Russia. It is especially relevant for India's goal of digital inclusion. Given Russia's expertise, "it is a natural partnership for India and Russia," India's Information Technology Minister Ravi Shankar Prasad said.

India is pushing its digital economy to touch \$1 trillion mark in the next 3-4 years, leading to opportunities in areas like IT, e-commerce, communications and electronics manufacturing.

"Indo-Russian relationship offers a great opportunity to work together. Russia has outstanding people, innovators. India is also a land of innovators and human resource including young IT graduates...If we have this kind of collaboration and cooperation, Indo-Russian relationship will acquire a technology momentum of its own."

Digital economy was also one of the key focus areas discussed between India and Russia at the recently concluded 2nd India-Russia Strategic Economic Dialogue.

India and Russia are committed to intensify cooperation in the field of technology and continue to address various issues to enhance better coordination. 

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RCSC: Spearheading Bilateral Cultural Diplomacy

The Russian Centre of Science and Culture (RCSC) organises a variety of events such as painting exhibitions, music and dance programmes, film shows, seminars, literary evenings, olympiads, chess tournaments, etc, keeping in view the noble objective of the consolidation of Russian-Indian relations. Besides, the centre fulfills the ambition of aspiring Indian students to pursue their dreams of obtaining quality education in medicine, engineering, nuclear physics and other subjects in reputed universities at affordable cost in Russia.

By Fedor Rozovskii*



Precisely assessing the historical and cultural background of relations between Russia and India, one could trace its genesis ever since the visit to India by the Russian traveller Afanasi Nikitin in the 15th century. The visit to India by Prince Alexei Saltykov, a well-known Russian aristocrat, traveller and artist during 1841-43 and 1845-46, is yet another landmark in this respect. The passion and emotional attachment to the great Himalayas and India of the

eminent Russian artist and first Cultural Ambassador Nikolai Roerich and his family is a glorious chapter in the Russian-Indian cultural relations.

Under the Federal Agency for CIS countries, Compatriots Living Abroad and International Humanitarian Cooperation (ROSSOTRUDNICHESTVO), five Russian Centres of Science and Culture (RCSC) are functioning in India (New Delhi, Kolkatta, Mumbai, Chennai and Thiruvananthapuram).

The RCSC in New Delhi is the oldest one. It was established in 1958 as the Cultural Department of the Embassy of the USSR and branched out in 1965 as the Soviet Cultural Centre.

At the present stage, ROSSOTRUDNICHESTVO carries out its activities in the following areas: support and promotion of the Russian language and literature, art, culture and science as well as developing humanitarian activities between our peoples.



With the noble objective of the consolidation of Russian-Indian relations, the RCSC organises a variety of events in the forms of painting exhibitions, music and dance programmes, film shows, seminars, literary evenings, olympiads, chess tournaments, etc. The RCSC enjoys the harmonious and sincere cooperation of organisations such as Indo-Russian Friendship Society, Indian Society for Cultural Cooperation and Friendship, International Federation of Indo-Russian Youth Clubs, BRICS International Forum of

India, Forum of Indian Photographers and Artists, Citizens' Film Forum, Unity International Foundation, India-Russia Foundation, Parichay Sahitya Parishad, Indian Association of Friendship with Foreign Countries, Delhi Alumni Association of Soviet-Russian Academic Institutions, Indian Association of Teachers of Russian Language and Literature and others.

Besides, such institutions as The Roerich' Art Club and Museum, The Institute of Russian Language, The School of Russian Classical Ballet, The Art School, Botwinnik Chess

Academy, Rus Education, The Week-End School of Russian Language and Culture for Russian Compatriots, along with a full-fledged Library equipped with a wealth of Russian literature and a Film Archive, packed with many classical and modern films of Russia function in the premises of the RCSC.

The RCSC fulfils the ambition of aspiring Indian students to pursue their dreams of obtaining quality education in medicine, engineering, nuclear physics and other subjects in reputed universities at affordable cost in Russia. For the last 20 years, the RCSC in association with Rus Education, organises Educational Fairs in various Indian cities involving, high-power Russian delegation, comprising of educational experts, vice chancellors, academics, professors and specialists drawn from leading universities. Thousands of Indian students have successfully completed their higher education in Russian universities and occupied higher positions in the country and abroad. Every year, the RCSC and Rus Education organise a farewell meeting "Sobnaniye" for Indian students admitted to Russian universities.





The Representative Office of ROSSOTRUDNICHESTVO in India is a leading body is granting Russian State Scholarships to meritorious Indian students every year, and in 2019, 100 people students were selected to continue their studies in prestigious Russian universities.

By the Decree of the Governments of Russia and India, 2018 and 2019 have been declared as the Years of Youth Exchange between the two countries. Under the Russian Presidential Programme "New Generation", more than 150 Indians have visited Russia. The programme involves short-term trips to Russia of young representatives of political, social, scientific and business circles of foreign countries in order to familiarise themselves with various aspects of life in the Russia. About 700 young Indians attended the XIXth World Festival of Youth and Students in Russia in 2017.

In 2018-2019, the RCSC programme of the RCSC "Window to Russia" received a considerable boost. The programme is aimed at enabling Indian students to acquaint themselves with the history and culture of Russia as well as the activities of the RSSC. The RCSC organised over 70 functions on Russia for in 37 Indian schools

Apart from the above activities,

several other interesting events took place at the RCSC in New Delhi this year. These include Days of Russian Language and Culture, Day of Russian Language to mark the birth anniversary of Alexander Pushkin, anniversary of Leo Tolstoy, anniversary of Yuri Gagarin's historic space flight, anniversary of the blockade of Leningrad, etc. A special event was the departure of Indian students to Russia to take part in the International Robotics Competition League.

The folk festival "Maslenitsa" was organised at the RCSC was able to inculcate enthusiasm among the Russian compatriots and citizens of Delhi.


The Days of Russian Cinema was again an event of prominent interest among the Indian public. The event showcased some new modern Russian movies with the gracious presence of Russian movie artists.

The holding of a Round-Table with the participation of Mr. Yuri Trutnev, Deputy Chairman of the Government of Russian Federation and Presidential Envoy to the Far East Federal District of Russia, along with the representatives of leading Russian and Indian universities was yet another significant event of the year, and which gave a substantial boost to the cooperation between Russian and

Indian universities.

In a bid to strengthen Russian-Indian scientific ties, the RCSC jointly with Rosatom organised a presentation of the book "Nuclear Alphabet" in Russian, English and Hindi."

In 2019, The International Year of Periodical System of Chemical Elements and the 180th birth anniversary of eminent Russian scientist Mendeleev were celebrated at the RCSC in New Delhi.

Promotion of Russian-Indian cultural relations, a key factor in every joint Russian-Indian agreements, assumes new dimension in the strengthening of goodwill, expression of solidarity and consolidation of people-to-people diplomacy between Russia and India. 



* **Fedor Rozovskii** is the Director of Russian Centre of Science and Culture, New Delhi. Graduating from the Institute of Asian and African Countries, Moscow State University, he has received a Diploma in Oriental Languages and Literature. He is proficient in Hindi, Urdu, Farsi, English and French, and has authored a number of articles on Indian literature and Indo-Russian bilateral relations. He has served as the Director of Soviet/Russian Centre of Science and Culture in Madras, Bombay and Dhaka since 1989 and is presently working as the Counsellor and Head of the Cultural Department in the Embassy of the Russian Federation in India, New Delhi.



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