India-Russia Annual Summit

Why in news?

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

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What are the key outcomes?

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- **Defence** - The contract for five S-400 'Triumf' Long Range Surface to Air Missile System was concluded.
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- This agreement for the estimated $5.43 billion is one of the biggest defence deals in the recent times.
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- Deliveries of S-400 will begin in 24 months, at the end of 2020.
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- As per procedure, India would pay about 15% in advance, likely through the rupee-rouble exchange.
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- India resisted concluding other major defence deals with Russia on helicopters, stealth frigates and assault rifles.
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- These were reportedly ready but needed further negotiations.
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- **Trade** - The two leaders addressed a business summit as an attempt to diversify ties and increase bilateral trade.
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- Currently at below $10 billion, the two countries have set a target of $30

billion bilateral trade by 2025.
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- Much of the fresh momentum in bilateral engagement will come from the energy sector.
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- **Others** - Apart from S-400, the two sides concluded eight other agreements as part of the summit.
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- A space cooperation arrangement to put an Indian in space, and an action plan for a new nuclear plant were signed.
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- Other agreements on railways and agriculture were also finalised.
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What is the significance of the summit?

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- India gives top priority to relations with Russia, and it has become more relevant in the rapidly changing world.
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- The visit of Russian President to India reaffirmed Russia's place as India’s biggest and most important defence partner.
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- The S-400 is not merely military equipment for Russia but a tool for geopolitical strategy.
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- The deal comes as India's assertion of “strategic autonomy” in its foreign policy and desire for multipolarity.
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What is the challenge ahead?

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- The announcement of the S-400 ‘Triumf’ deal could attract sanctions from the United States.
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- The US's Countering America’s Adversaries Through Sanctions Act penalises

defence purchases from Russia, Iran and North Korea.
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- The U.S. Congress has passed the conference report on National Defense Authorization Act-2019 (NDAA-19), providing a modified waiver to CAATSA.
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- However, President Trump will need to grant his approval for helping India evade American sanctions.
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- The U.S. said that any waiver would be considered only on a “transaction-by-transaction basis” and not on a “country” basis.
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- It also clarified that under CAATSA, it is payments and not signing of deals that triggers the sanctions.
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- Given this, it can have serious implications on India’s relationship with the US.
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What lies before India?

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- India needs to stand firm on its deep engagement with Russia in the coming future.
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- Accepting a waiver will implicitly commit India to reducing its intake of Russian military hardware.
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- India will need to make some tough decisions on both CAATSA and on the U.S.’s proposed sanctions on Iran.
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Source: The Hindu

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