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WORLD

China, India Stand by Russia Despite Its Setbacks in Ukraine War

Beijing is seeking to deepen economic ties with Moscow, while New Delhi has increased its purchases of Russian crude and relies on the country for military supplies

By Keith Zhai Follow in Singapore and Rajesh Roy Follow in New Delhi Sept. 21, 2022 11:38 am ET

A summit in Central Asia last week served as a public stage for Moscow's biggest backers to express misgivings about the Ukraine war, with Russian President Vladimir Putin acknowledging that China had concerns and Indian Prime Minister Narendra Modi saying, "Today's era is not an era for war."

Despite those public expressions of doubt, China is staying the course in its relationship with Russia and even seeking to deepen the economic ties between the two countries, said Chinese officials familiar with Beijing's thinking. For its part, although India is growing increasingly frustrated with the impact the war is having on the economy and developing world, New Delhi hasn't altered its close ties with Moscow, Indian officials said.

China and India see their close relationships with Russia as a necessity, even as Russia's forces have faced some of their biggest battlefield setbacks, officials from both countries say. China sees Russia as a strategic partner in its escalating rivalry with the U.S., and India relies on Moscow for more than half of its military supplies.

On Wednesday, Mr. Putin ordered the mobilization of the country's reservists to bolster his troops who have lost ground in the face of a Ukrainian offensive and raised the prospect of a nuclear response in Ukraine.

When asked about Mr. Putin's comments on Wednesday, China repeated its call for a cease-fire and end to the conflict through negotiations that take into account "the legitimate security concerns of all parties," said Foreign Ministry spokesman Wang Wenbin. India's Ministry of External Affairs didn't immediately comment on Mr. Putin's speech.

Chinese leaders have raised concerns about the violation of Ukraine's sovereignty from the outset of the conflict, but Chinese officials say that little has changed about Beijing's view of its relationship with Moscow during the course of the war, including in recent weeks. The country's strategic cooperation with Russia has only become more important due to rising pressure from the U.S.



The major concern for Beijing has been about the potential for the war to be destabilizing domestically for Mr. Putin, who has been seen as a close partner of Beijing. Last week's meeting between Mr. Putin and Chinese leader Xi Jinping—their first face-to-face since the start of the war—was friendly and filled with discussion of their close relationship, said one person familiar with the talks.

"As their respective relations with the United States worsened, the two governments increasingly form a united front to oppose the U.S. across the board," said Daniel Russel, who served as assistant secretary of state for East Asian and Pacific affairs in the Obama administration.

The alignment has been evident in the growing economic ties between the two neighbors. China's imports of Russian coal hit a five-year high in August of 8.54 million metric tons, up 57% from a year earlier, according to official Chinese data released this week. China's crude oil imports were also up 28% from a year earlier, the data showed.

At last week's summit of the Shanghai Cooperation Organization, China, Russia and Mongolia agreed to move forward on the Mongolian section of a gas pipeline between China and Russia.

On Monday, just days after the meeting between Messrs. Putin and Xi, senior officials from both nations held security talks in southern China and promised to "continue to deepen strategic coordination and firmly support each other on issues involving each other's core interests and major concerns," according to state-run Xinhua News Agency.

Nikolai Patrushev, secretary of the Russian Security Council, spoke with China's top diplomat, Yang Jiechi, as part of an effort to "fully implement the consensus reached by the two heads of state" to continue deepening political and security ties, according to Russian state-media agency TASS.

The two nations have been trying to wean themselves off a dependence on trade denominated in Western currencies. The neighbors have also explored ways their financial messaging systems could work together to circumvent the SWIFT international payments network, a Russian lawmaker said in March, after some Russian banks were cut off from the Western-backed network.

"The most urgent task now is to develop a new form of economic, trade and financial cooperation that would allow the two countries to further promote trade and economic cooperation in the context of anti-Russian sanctions," said Yana Leksyutina, a political scientist at the St. Petersburg State University. "It is important to develop such interaction mechanisms that would prevent Chinese companies from falling under secondary sanctions while dealing with Russia."

India has also deepened its economic ties with Russia during the war. The country has increased its purchases of Russian crude after reaching a deal earlier this year to buy it at a discount to market prices. Indian officials have defended those purchases as being in the best interests of the Indian public.

India has refrained from publicly condemning the war, but Indian officials say Mr. Modi delivered a pointed message to Mr. Putin last week about New Delhi's increasing concerns over the impact the conflict was having on the developing world. Mr. Modi has called for an immediate cessation of hostilities in his phone conversations with Mr. Putin in recent months, they said. "At the latest bilateral, Mr. Modi said the same things, but more clearly and in public," said one official.

New Delhi sees the war as jeopardizing the economic recovery after more than two years of the pandemic, Indian officials said. Mr. Modi said rising prices of food and fertilizer are

pressing issues, both in his public remarks at the summit and in his conversation with Mr. Putin. India has curbed exports of wheat and rice amid inflation and disruptions to the harvest.

Another concern for India is the impact the war may have on energy markets. As Russia cuts back on the supply of gas to Europe, New Delhi fears those countries may turn to some of the same suppliers India relies on. "This might lead to a huge spike in energy prices.

Being a net importer, India can't afford to take that huge shock," said one Indian official.

India has had a close relationship with Moscow for decades, owing to a partnership formed during the Cold War. The Ukraine war has forced New Delhi to try to balance that against its growing ties with the West. The U.S. is now India's largest trading partner.

Washington and its allies have tried to persuade India to not only become a closer economic partner but also a military one in confronting China's ambitions in Asia. India is a member of the Quadrilateral Security Dialogue, a group that also includes the U.S., Japan and Australia that formed as a counterweight to a rising China. New Delhi has also had a long-running dispute with Beijing over their shared land border.

India is also concerned about the impact the war could have on its military supplies. The country has been looking for alternative sources for spare parts and equipment from countries other than Russia and has been trying to make some of them domestically, said an Indian defense official.

Before last week's summit, Beijing and New Delhi said their troops were disengaging in the Gogra-Hot Springs area in the western Himalayas. The move was the first sign of progress after multiple rounds of high-level military talks since 2020 and marked an opportunity for the first bilateral meeting between the Chinese and Indian leaders since 2019.

The two leaders each held a handful of bilateral meetings at last week's summit, but didn't meet with one another.

"Despite the good will expressed by the two sides, the border issue remains a tough one for both of the leaders to handle with an increasingly nationalistic sentiment domestically at home," said Alfred Wu, an associate professor at the National University of Singapore.