Indian politics & policy

India's Narendra Modi visits Vladimir Putin to strengthen ties in hedge against China

Ukraine's president Volodymyr Zelenskyy calls PM's trip a 'devastating blow to peace efforts'



Indian Prime Minister Narendra Modi's trip to Russia is his first since Moscow's full-scale invasion of Ukraine in 2022 © Gavril Grigorov/Pool/AFP/Getty Images

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Narendra Modi will hold formal talks with President Vladimir Putin in Russia on Tuesday as India's prime minister seeks to shore up relations and stem concerns about Moscow's drift towards China.

Putin welcomed Modi on Monday to his suburban residence at Novo-Ogaryovo outside Moscow, where the pair held informal talks over tea and took a walk in the park. Further formal negotiations are expected on Tuesday.

<u>Modi</u> hailed the two-day visit as a "wonderful opportunity to deepen ties" in a post on social media platform X, adding that it would "surely go a long way in further cementing the bonds of friendship between India and Russia".

Ukraine's president Volodymyr Zelenskyy criticised Modi for the visit trip, calling it "a huge disappointment".

"It is a huge disappointment and a devastating blow to peace efforts to see the leader

of the world's largest democracy hug the world's most bloody criminal in Moscow," Zelenskyy wrote on X. A <u>Russian barrage</u> on Monday that struck a children's hospital in Kyiv and civilian and critical infrastructure elsewhere killed at least 38 people, including four children, and injured 190 others, he said Tuesday morning.



India's ties to Russia have become particularly important for New Delhi as western sanctions designed to isolate Russia over the war in Ukraine have pushed Moscow closer to China © Gavril Grigorov/Pool/AFP/Getty Images

The trip is Modi's first since Russia's invasion of Ukraine in 2022. Russia has sought to rally countries such as India behind Putin's vision of a Moscow-led "global majority" to challenge US hegemony.

<u>India</u>, meanwhile, has avoided taking sides in the war in an effort to protect a decades-long relationship with Russia, its largest arms supplier and — since the conflict began — a significant source of cheap oil.

Kremlin spokesperson Dmitry Peskov said western countries were "jealous . . . and with good reason" that Modi had chosen Russia for his first bilateral visit <u>after India's election</u>, in which Modi won a third five-year term last month.

India's ties to Russia have become particularly important for New Delhi as western sanctions designed to isolate Russia have pushed Moscow closer to China. Beijing has provided Moscow with an economic lifeline, increasing bilateral trade to record levels and becoming a <u>critical supplier to Russia</u> of western-manufactured components with potential battlefield uses.

"India wants to give Russia room for manoeuvre," said Alexander Gabuev, director of the Carnegie Russia Eurasia Center in Berlin. "They might not have the levers to pull Russia away from China, but they want to give it as many opportunities as they can to stop them from putting all their eggs in the Chinese basket."

India is also engaged with China in a <u>stand-off along their disputed Himalayan</u> <u>border</u>, and sees Russia's neutrality as vital to national security, officials said. "China is the primary challenge," said Pankaj Saran, a former Indian ambassador to Russia. "We really cannot afford to do anything which converts a friend into an adversary."

Trade between India and Russia has soared to more than \$65bn since Moscow's full-scale invasion, largely due to a sharp increase in <u>purchases of discounted oil</u>. Russian crude accounted for 43 per cent of India's oil imports in June, according to data provider Vortexa, making it the second-biggest buyer after China.

This has led to a sharp trade imbalance. Indian foreign secretary Vinay Mohan Kwatra told reporters ahead of Modi's trip that New Delhi wanted to increase agricultural and pharmaceutical exports to Russia.

The sanctions have also complicated Moscow's ability to repatriate oil revenue due to the rupee's low convertibility. A <u>US crackdown</u> has driven banks to sharply cut back on Russian counterparties, limiting their access to certain currencies and forcing traders to conduct transactions in roubles or even bartering for goods, according to financiers involved in the trade.

The US and EU have also stepped up efforts targeting the fleet shipping Russia's oil, leaving buyers such as India vulnerable to possible future sanctions.

"Global banks will be hesitant to touch any transactions that may expose them to enforcement action by the US," said Benjamin Hilgenstock at the Kyiv School of Economics Institute. "An expanded tanker designation campaign could become a problem for Indian buyers."

India and Russia are attempting to promote domestic payment systems for trade, but doing so at scale will be difficult because of limited capacity, as well as the challenge of exchanging roubles and rupees for dollars and euros, he added.

Some analysts said Modi's visit obscured the fact that India was increasingly staking its future on economic and military co-operation with the west.

Russia's share of Indian arms imports fell to a near 60-year low between 2019 and according to data from the Stockholm International Peace Research Institute

as India sought more sophisticated military technology from countries including the US and Israel.

Kwatra said that Modi would also raise concerns about dozens of its citizens unwittingly <u>conscripted</u> into the Russian army to fight in Ukraine.

Moscow's growing dependence on Chinese supplies for its arms industry created another concern for India, the Carnegie Center's Gabuev said, because of concerns that Moscow cannot service weapons systems or sell new arms without components supplies from China.

"The substantial part of the relationship is on a very fragile basis," said Pramit Pal Chaudhuri, South Asia head at the Eurasia Group consultancy. "I would argue that this is a managed decline."

Additional reporting by Christopher Miller in Lviv and Isobel Koshiw in Kyiv

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6 of 7

7 of 7