

India – Russia bilateral economic relations: Towards a new growth trajectory

Russia has been a long-standing and time-tested friend for India, with a "Special and Privileged

Strategic Partnership" in place. Bilateral economic relations encompass a wide range of goods and services, including food products, engineering goods, high-tech equipment, hydrocarbons, IT and ITeS, and infrastructure services. There is immense potential to expand this co-



operation. In energy, Russia's LNG is a source of energy for India. The plan to jointly build twelve nuclear power plants in India will lead to a spurt in manufacturing activity.

With the opening of FDI in defence production in India, joint ventures for manufacture of spares for military hardware such as MIG helicopters and Sukhoi fighters can be established.

In infrastructure, Russian enterprises could participate in Indian cities for public transport, urban rail, sanitation and low-cost housing. Indian companies can likewise participate in the establishment of industrial parks in Russia.

Under Russia's Pharma 2020 programme, leading Indian Pharma companies have started considering joint investments. Further, Russia can be a valuable market for Indian IT companies. In addition, the two countries must combine the hardware strengths of Russia with the software strengths of India and innovate together. There is a natural complementarity in Gems and Jewellery sector, particularly diamonds, between India and Russia.

India and Russia are now embarking on a new phase of their journey together. The two countries are looking at creating high value-added products and building production chains together.

— By Chandrajit Banerjee,
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