

# Modi, Putin set to discuss trade deals, West's sanctions

**SOURCING PUSH.** Russian team to boost Indian goods buy: Top official Oreshkin

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Prime Minister Narendra Modi greeted Russian President Vladimir Putin warmly with a handshake and a hug on his arrival in Delhi on Thursday evening, kicking off a high-stakes, two-day official visit amid US sanctions and tariffs.

As the leaders departed for dinner, sharing a car, the bilateral agenda overflowed with critical issues, including correcting the trade imbalance favouring Moscow, shielding bilateral trade from sanctions, firming up the local currency trade mechanism, and finalising defence and energy agreements.

## TRADE SKEW

India's share in Russian imports is less than 2 per cent, and Moscow wants to increase purchases from "multifold" to address the imbalance in bilateral trade, said Maxim Oreshkin, Deputy Chief of Staff, Russia's Presidential Executive Office, at the India-Russia Business Forum meeting, organised by FICCI and Rosscongress Foundation.

"Russian delegation and businesses are here for a specific purpose and that is to increase supplies of Indian goods and services," Oreshkin said, adding that



**HIGH-STAKES VISIT.** PM Narendra Modi receives Russian President Vladimir Putin at the airport in New Delhi on Thursday

Moscow was interested in importing a number of items such as agricultural products and telecom from India.

In FY25, India's imports from Russia were at \$63.8 billion (primarily crude oil) while its exports were just \$4.9 billion, resulting in a trade deficit of \$59 billion. The two sides have set a bilateral trade target of \$100 billion by 2030, and Delhi wants that it well distributed between the two.

## US SANCTIONS

Modi and Putin may also discuss the US sanctions on Moscow for its war in Ukraine and the penal duties imposed on Indian goods for Russian oil purchases. With the US imposing a total of 50 per cent additional import duties on Indian goods (including the

penalty), Delhi is looking for market diversification and Russia can provide opportunities.

"India and Russia bilateral trade is highly skewed and both sides will work together to make it more balanced," said Commerce Minister Piyush Goyal at the forum. Noting that the sky was the limit for diversification, the Minister said that there were opportunities in many sectors such as vehicles, electronics, smartphone, data processing, food products and heavy machinery.

## EAEU BLOC FTA

The two leaders, at their formal summit level meeting on Friday, are also expected to announce a timeline for the proposed India-EAEU bloc (Russia, Belarus, Kazakhstan, Ar-

menia and Kyrgyzstan) FTA that could also help boost India's exports to the region.

About 500 Russians, including policymakers, businesses and professionals participated in the business forum on Thursday, reflecting the mutual interest, said Alexander Stuglev, CEO, Rosscongress Foundation.

Other areas of interest for Russia include health and pharmaceuticals, digital technology, artificial intelligence and food products, Stuglev added.

## DEFENCE DEALS

Putin is likely to take up with Modi defence deals, including the sale of Su-57 fighter jets and S-400s, Russian officials said. Ministry of External Affairs officials, however, said that no official announcement was likely. Facilitating India-Russia local currency trade, that can also help to avoid West's sanctions, is also expected to be on the agenda.

Commerce Secretary Rajesh Agrawal said there was a need to simplify processes so that Indian businesses can increase exports to Russia. To achieve the \$100 billion trade target by 2030 and make the trade more balanced, there is a need to change the composition of goods traded, he said.