

'India-Russia \$100-b trade target realistic but urgent need for balance'

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The India-Russia bilateral trade target of \$100 billion by 2030 is "more than realistic" but the balance of trade, tilted hugely in Moscow's favour, needs urgent correction, External Affairs Minister S Jaishankar has said.

The Minister also pitched for mutual settlement of trade in national currencies, noting that a better trade balance with national currency settlements would be mutually beneficial, especially in the "current circumstances".

"Our bilateral trade is today at \$66 billion. This makes the goal of reaching \$100 billion by 2030 more than realistic. The balance of trade, however, needs urgent redressal since it is so one-sided. It is imperative that non-tariff barriers and regulatory impediments are speedily addressed for this to happen," Jaishankar said at the India-Russia Business Forum in Mumbai on Monday.

Russian First Deputy Prime Minister Denis Manturov, who is on a two-day official visit to India, and Minister Sergey Cherebin, Head of the Department for External Economic and International Relations, also participated in the forum.

Following Russia's war on Ukraine which began in 2022, India's trade with Russia has increased manifold due to Western economic sanctions against Moscow but it is mostly due to a sharp increase in the purchase of discounted oil from the country.

TRADE DATA

In 2023-24, India's imports from Russia were valued at \$61.15 billion, while its exports were at \$4.26 billion - creating a large trade deficit of \$56.89 billion.

Jaishankar highlighted the need to expedite negotiations on the Bilateral Investment Treaty between the two countries and focus attention on the three connectivity initiatives - INSTC, Chennai-Vladivostok Corridor and the Northern Maritime Route.

He also stressed on the need to prioritise the India-Eurasian Economic Union trade in goods negotiations, which started in March this year, and is expected to boost two-way trade and investments significantly. "We need to vigorously take it forward," he said.

India is of the view that the success of the rupee-rouble trade settlement



External Affairs Minister S Jaishankar

arrangement that both the countries were working hard at, which would help avoid banking sanctions imposed by the Western countries against Russia, also hinges on shrinking of the existing trade deficit.

"Mutual settlement of trade in national currencies is of great importance, especially in the current circumstances. Special Rupee Vostro Accounts are right now an effective mechanism. However, even in the short run, a better trade balance with national currency settlements is the answer," Jaishankar said.

MUTUAL APPROACH

Pointing out the complementary nature of the two economies, the Minister said the mutual approach for growth was not transactional but aimed at building long-term partnerships.

"In energy domains such as oil, gas, coal or uranium, India will always be a major player in the international markets."

"This applies as well to the demand for fertilizers of various kinds. Constructing a mutually beneficial arrangement will help us both address the volatility and the uncertainty of our times," he said.

Jaishankar and Manturov will participate in the India-Russia Inter-Governmental Commission meeting in Delhi on Tuesday to take stock of bilateral cooperation. The Minister said the industry deliberations could provide valuable inputs for policy makers to consider.