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# TODAY'S ANALYSIS

## (16 November 2024)

### TOPICS TO BE COVERED

- INDIA RUSSIA TRADE TARGET OF 100 BN USD BY 2030:  
DEVELOPMENTS AND CHALLENGES
- JANJATIYA GAURAV DIVAS
- MCQs

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# INDIA RUSSIA TRADE TARGET OF 100 BN USD BY 2030: DEVELOPMENTS AND CHALLENGES



India and Russia aim to achieve a **USD 100 billion** trade target well before **2030**. This was discussed at the **25th India-Russia Intergovernmental Commission on Trade, Economic, Scientific, Technological, and Cultural Cooperation (IRIGC-TEC)** held in **New Delhi**. The session focused on strengthening bilateral ties and overcoming challenges in trade, connectivity, and strategic cooperation.

## KEY HIGHLIGHTS FROM IRIGC-TEC

- **Trade Target of USD 100 Billion:**
  - India and Russia are confident of reaching **USD 100 billion** in annual trade earlier than the 2030 target.

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- Both countries agreed on the need for a **more balanced trade** relationship and have started efforts to tackle current trade constraints.
- **Trade Progress and Diversification:**
  - **Payment and Logistics:** Significant progress has been made to resolve challenges related to payments and logistics. **90% of trade** between India and Russia is now conducted using **local or alternative currencies**, minimizing reliance on freely convertible currencies.
  - **Diversifying Trade:** The trade basket is diversifying beyond **crude oil**. Both countries are focusing on sectors like **agriculture, pharmaceuticals, industrial equipment, and technology**.
- **Improving Connectivity and Talent Mobility:**
  - Emphasis was placed on improving **connectivity** between India and Russia, with key projects like the **International North-South Transport Corridor (INSTC)**, the **Chennai-Vladivostok Corridor**, and the **Northern Sea Route**.
  - Both nations are also looking to promote the **mobility of talent and skills development**, especially for Russia's growing needs in education and workforce collaboration.

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- **Future Steps for Economic Cooperation:**

- Working groups and sub-groups were set up to finalize the **economic cooperation program** leading up to 2030.
- Key agenda items include enhancing **market access**, and advancing discussions on **services, investments, and technology exchange**.

## INDIA RUSSIA TRADE: KEY DATA & FACTS

- **Trade Targets:**

- Initially, India and Russia had set targets of **USD 50 billion** in investment and **USD 30 billion** in trade by 2025.
- In **FY 2023-24**, bilateral trade reached a **record high** of **USD 65.70 billion**. India's exports to Russia were valued at **USD 4.26 billion**, and imports from Russia at **USD 61.44 billion**.

- **Trade Basket:**

- **Imports from Russia** include **oil, fertilizers, minerals, precious metals, and vegetable oils**.
- **Exports to Russia** include **pharmaceuticals, organic chemicals, electrical machinery, mechanical appliances, and iron & steel**.

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- **Major Investments:**

- **Russian investments in India** focus on sectors like **oil and gas, petrochemicals, banking, railways, and steel.**
- **Indian investments in Russia** are concentrated in the **oil and gas** sector and the **pharmaceuticals** industry.

## KEY CHALLENGES IN RUSSIA INDIA TRADE

- **Trade Imbalance:**

- India faces a **trade deficit** of nearly **USD 57 billion** with Russia, primarily due to **crude oil imports.**
- The trade imbalance is skewed in Russia's favor, with India's exports to Russia remaining lower compared to imports.

- **Geopolitical Issues:**

- India's growing ties with **the US** and the **Quad** (a group of four major democracies) could limit deeper cooperation with Russia, especially in the context of the **Ukraine war.**
- Russia's strengthening relations with **China** reduce its ability to balance the interests of both India and China, which affects India's leverage in global forums.

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- **Sanctions and Compliance:**

- Sanctions imposed by the **European Union (EU)** and **Western countries** on Russia complicate trade relations with India, with some Indian companies facing **sanction risks**.
- India must balance its **defense** and **energy** ties with Russia while respecting international sanctions.

- **Diverse Trade Basket:**

- Although energy trade (like **discounted crude oil**) has increased, efforts to expand into sectors such as **automotive parts, electronics, and renewables** have been slow.
- Russia's **declining international influence** also limits its ability to engage with India in **new economic areas**.

- **Connectivity Challenges:**

- Projects like the **INSTC** and **Chennai-Vladivostok Corridor** are critical to improving India-Russia trade. However, India's increasing interest in other routes, like the **India-Middle East-Europe Corridor**, may reduce the strategic importance of the INSTC.

## **SPECIAL INITIATIVES TO ADDRESS TRADE CHALLENGES**

- **Special Rupee-Vostro Account:**

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- To overcome challenges posed by **international sanctions**, India introduced a **Special Rupee-Vostro Account** to facilitate **payments in local currencies** between Indian and Russian businesses.
- **Free Trade Agreement (FTA):**
  - Both countries are working toward a **Free Trade Agreement (FTA)** with the **Eurasian Economic Union (EEU)**. The agreement would help streamline trade processes and reduce barriers.
  - Ongoing negotiations for a **Bilateral Investment Treaty** and the launch of an **Investment Forum** in Moscow are expected to strengthen economic cooperation.
- **Facilitating Business Ventures:**
  - Russia is showing interest in India's **Make in India** program, which could lead to **joint ventures** and more business opportunities between the two countries.
  - The **Authorized Economic Operators (AEO) agreement** between India and Russia will simplify trade processes, allowing trusted exporters to benefit from smoother customs clearances.
- **Energy Sector Cooperation:**
  - Both countries are focusing on large-scale energy initiatives, particularly in the **nuclear** and **renewable energy** sectors (solar and wind energy).

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- **Russian Business Centre:**

- A **Russian Business Centre** has been established in **New Delhi** to facilitate business interactions, organize regional missions, and offer analytical support for improving bilateral economic ties.

## ABOUT INSTC

- **About INSTC:**

- The **INSTC** is a **7,200 km multimodal** transit route that connects the **Indian Ocean** and **Persian Gulf** to the **Caspian Sea**, extending to **northern Europe** via **St. Petersburg, Russia**.

- It was launched in **2000** under a trilateral agreement between **India, Russia, and Iran**.

- **Geopolitical Importance:**

- The INSTC connects **ship, rail, and road routes** between **India, Iran, Azerbaijan, Russia, Central Asia, and Europe**. It has the potential to enhance India's connectivity with **Central Asia** and the **Eurasian region**.

- **Membership:**

- The member countries of the INSTC include **India, Iran, Russia, Azerbaijan, Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Ukraine, Belarus, Oman, and Syria**. **Bulgaria** has joined as an observer.

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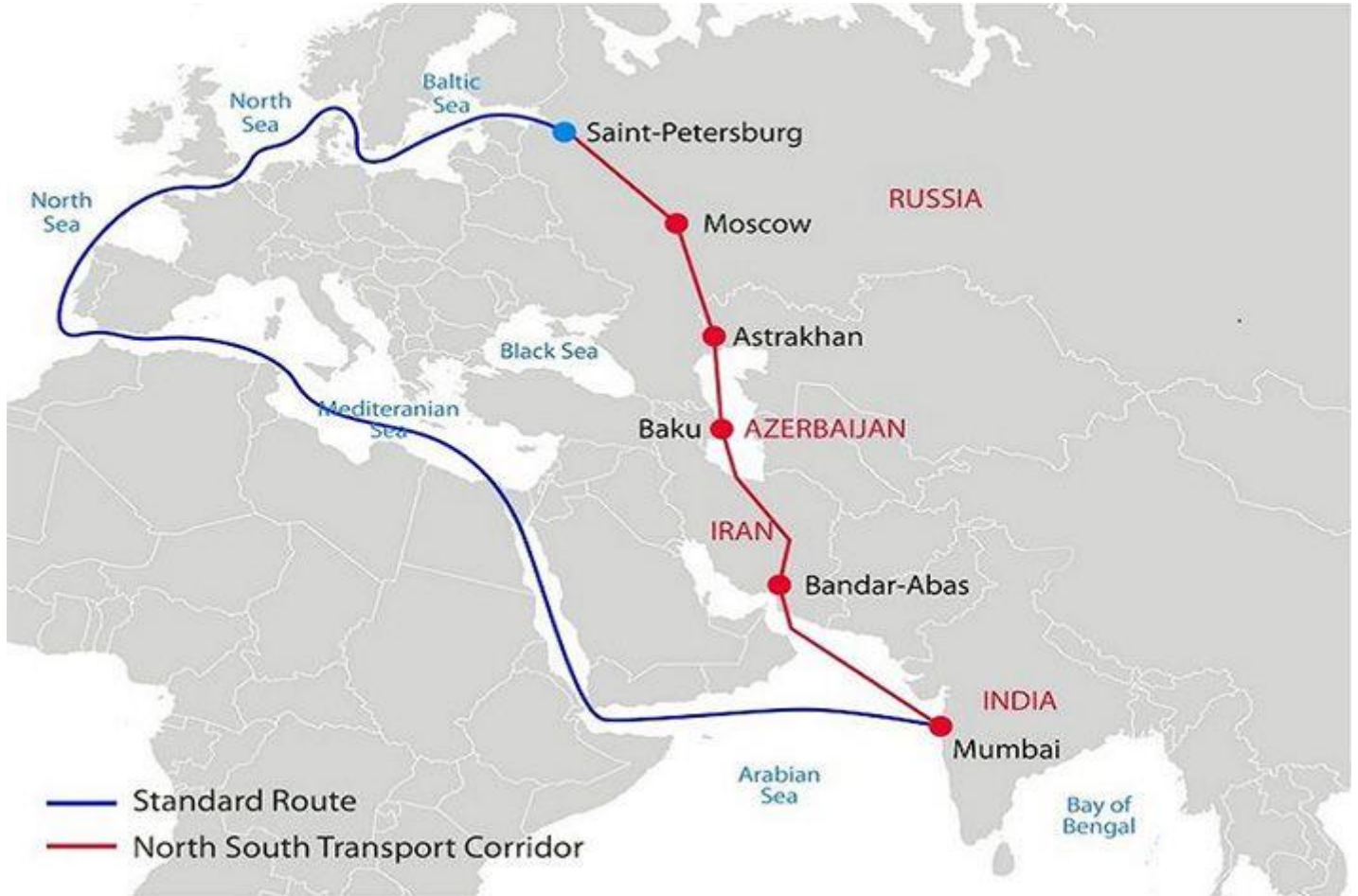


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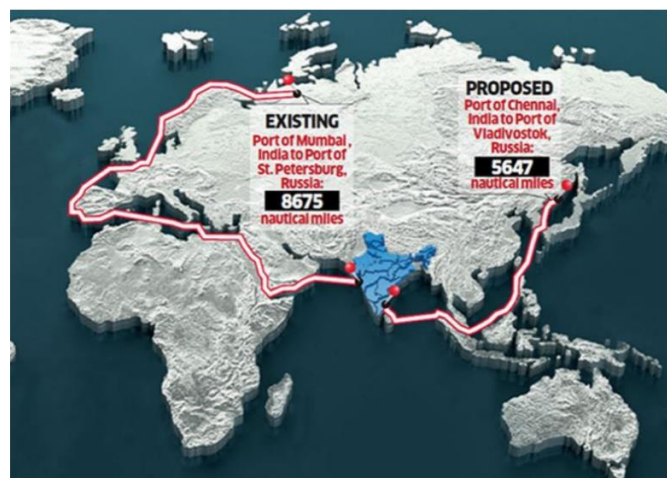


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## PROSED ROUTE



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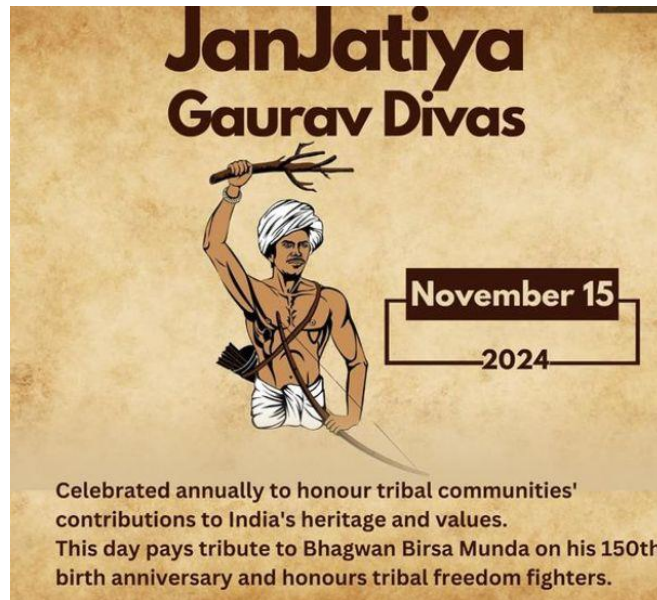
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## JANJATIYA GAURAV DIVAS



**Janjatiya Gaurav Divas** is celebrated annually on **15th November** to honor the contributions and sacrifices of India's tribal communities, particularly in the **freedom struggle**. This day also marks the birth anniversary of **Birsa Munda**, a prominent tribal leader and freedom fighter. The Prime Minister of India released a **commemorative coin** and **postal stamp** in honor of Birsa Munda, paying tribute to his legacy.

### WHAT IS JANJATIYA GAURAV DIVAS?

- **Background:** The day was first celebrated in **2021** as part of the **Azadi Ka Amrit Mahotsav**, marking **75 years of India's independence**. It was introduced to recognize the significant contributions of tribal freedom fighters.

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- **Tribal Movements:** Various tribal communities such as the **Santhals, Tamars, Bhils, Khasis,** and **Mizos** led anti-colonial movements like **Birsa Munda's Ulgulan** (Revolution), showing remarkable courage and sacrifice.

## KEY HIGHLIGHTS

- **PM-JANMAN:**
  - The Prime Minister inaugurated **11,000 houses** under the **Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN)**, which aims to improve the living conditions of tribal people.
- **Mobile Healthcare Units:**
  - **23 Mobile Medical Units (MMUs)** were launched to provide healthcare to remote tribal areas. Additionally, another **30 MMUs** were inaugurated under the **Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA)**.
- **Tribal Entrepreneurship & Education:**
  - The Prime Minister inaugurated **300 Van Dhan Vikas Kendras (VDVKs)**, which aim to support tribal entrepreneurship.
  - He also inaugurated **10 Eklavya Model Residential Schools (EMRS)** for tribal students and laid the foundation for **25 more EMRS**.

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- **Cultural Preservation:**

- **Two Tribal Freedom Fighters' Museums** were inaugurated in **Chhindwara** and **Jabalpur** (Madhya Pradesh).
- **Two Tribal Research Institutes** were inaugurated in **Srinagar (Jammu & Kashmir)** and **Gangtok (Sikkim)** to preserve tribal culture and history.

## WHO WAS BIRSA MUNDA?

- **Early Life:**

- Born on **15th November 1875** in the **Chota Nagpur Plateau** (now in Jharkhand), Birsa Munda belonged to the **Munda tribe**. His early life was marked by moving between villages, which exposed him to the hardships faced by tribal communities.

- **Founder of the Birsait Sect:**

- Birsa Munda founded the **Birsait sect** to revive tribal identity and **resist efforts by British authorities** and missionaries to convert tribal populations.
- He gathered followers, especially from the Munda and Oraon communities, to resist colonial rule and missionary influence.

- **Ulgulan (The Great Tumult):**

- In **1899**, Birsa led the **Ulgulan** movement, using **guerrilla tactics** to challenge British colonialism and promote the creation of a **tribal self-governed state** known as "**Birsa Raj**".

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- **Arrest and Legacy:**

- Birsa was arrested in **1900** and died under mysterious circumstances in **Ranchi jail** on **9th June 1900**, at the age of 25.
- His efforts led to the introduction of **laws protecting tribal land rights**. The state of **Jharkhand** was established on his birth anniversary in **2000**, honoring his contributions to tribal rights and the freedom movement.

- **Sardari Agitation:**

- The **Sardari Agitation (1858-90)** was a tribal resistance movement against socio-economic exploitation, including forced labor and illegal rent hikes in **Chotanagpur**. It was led by the **Sardars**, who were tribal leaders resisting British and local oppressive practices.

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## MCQs

1. Consider the following statements and mark the correct one:

1. For FY 24, Russia is India's largest supplier of oil & defence equipments.
2. India Russia trade is balanced.

- (A) Only 1  
(B) Only 2  
(C) Both 1 & 2  
(D) neither 1 nor 2



**Ans. (a)**

2. Which of the following route is the shortest from Mumbai to St. Petersburg?

- (A) Mumbai-Suez Canal-Mediterranean Sea-North Sea-Baltic Sea-St. Petersburg.  
(B) Mumbai-Bandar Abbas- Baku- St. Petersburg  
(C) Mumbai- Vladivostok-St. Petersburg  
(D) Mumbai-Cape of Good Hope- North Sea- Baltic Sea- St. Petersburg

**Ans. (b)**

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3. Which of these countries is not part of Eurasian Economic Union?

- (A) Russia
- (B) Azerbaijan
- (C) Armenia
- (D) Belarus

**Ans. (b)**

4. Consider the following statements wrt Janjatiya Gaurav Divas & mark the correct one:

1. It is celebrated every year on 15 November since 2022.
2. It was introduced to recognize the significant contributions of tribal freedom fighters.

- (A) Only 1
- (B) Only 2
- (C) Both 1 & 2
- (D) Neither 1 nor 2

**Ans. (b)**

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5. Consider the following statements wrt Birsa Munda.

1. Birsa Munda was born in Chota Nagpur Plateau in 1875.

2. He established the Birsait sect against the oppression of the Zamindars.

(A) Only 1

(B) Only 2

(C) Both 1 & 2

(D) Neither 1 nor 2

**Ans. (a)**



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