



By: *Tomorrow's Affairs Staff*

The meagre outcome of Narendra Modi's visit to Russia - will actions favouring the West follow?



Indian Prime Minister Narendra Modi will not be able to boast about the outstanding diplomatic results of his visit to Moscow this week and his talks with Vladimir Putin.

Moreover, its impact has the potential to upset the balance that Prime Minister Modi has been trying to maintain between the West and Russia as partners with whom he is pragmatically and successfully looking after his country's interests.

The host pompously arranged Modi's two-day visit to Moscow, which had the ideal timing for Russia but was not nearly as good for the guest from India.

The talks coincided with the NATO summit in Washington, where some of India's key partners, starting with the US, were celebrating the anniversary of their organisation. The biggest global challenges, including the regions where they work closely with India, prompted some important decisions.

It was Prime Minister Modi's decision to visit Moscow at the very beginning of his new term as Prime Minister, emphasising his partnership with Russia. He may have wanted to underline his balanced position towards the polarised global camps, as his first international activity after the third prime ministerial term was to attend the G7 summit in Italy in June.

Bombing of a children's hospital

However, in the West, the Indian prime minister's diplomatic skills will find less and less favour, particularly when his efforts to create a geopolitical balance coincide with the most important annual summit of Western leaders.

Modi returned from a visit to Russia, where he was a guest with the biggest reputational problem. His visit happened at the moment when Russia's invading army bombed Ukraine's largest children's hospital, killing 40 people, including children.

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In his conversation with Putin, the Indian Prime Minister attempted to mitigate the damage on the ground by **referencing** the tragedy Putin's army had caused. But he did so indirectly, even leaving room for the Russian host to "wriggle out" of one of the biggest tragedies he has caused in the two-and-a-half-year war.

"Anybody who believes in humanity is aggrieved at the loss of life in war or in terror attacks. Even so, it breaks our hearts to see innocent children get killed," said PM Modi in Moscow.

In addition to the challenges arising from multiple scheduling errors, the overall content of the visit is also not favourable for the Indian Prime Minister. Moreover, in terms of cooperation with Russia, it is difficult to say what more India has now than before Prime Minister Modi's visit to Moscow.

A significant amount of discussion and a limited number of contracts

Behind the pompous words about cooperation and the recordings of cordial meetings between Putin and Prime Minister Modi in an informal atmosphere, there was a considerable gap in the visit's diplomatic and trade policy **content**.

One would expect that the Indian Prime Minister's first visit to Moscow in five years would bring much more than a "discussion" about major joint business projects.

Talks were held with the heads of the Russian state nuclear energy corporation, Rosatom, about the construction of six nuclear power units in India. There was also talk of increased

use of the Northern Sea Route for transporting oil, coal, and gas from Russia to India.



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The "constructive discussion" specifically addressed challenges in mutual payment transactions, given Russia's exclusion from the SWIFT international payment system.

But apart from discussions and constructive talks, there were no contracts or signed business deals that would signify the start of specific projects. By comparison, French President Emmanuel Macron's **visit** to India in January was the framework for the conclusion of nine major business agreements, four of which were in the fields of security, defence industry, and space technology.

Under the present circumstances, India does not have much reason to drastically change the parameters of its economic relations with Russia because the circumstances are very favourable for the country.

In just three years, India has increased its oil imports from Russia 20-fold and is its largest customer by sea. However, because of Western sanctions, it is paying for oil below the price cap of \$60 per barrel, i.e., under conditions that it does not want to change.

Although it has a huge trade deficit with Russia, with annual exports of just over \$4 billion and imports of 10 times that amount (\$46 billion), India need not worry much.

The trade conditions are either in dollars, which Moscow does not want to spend, or in rupees, which Russia can only return to the Indian economy.

With this balance, effectively the status quo in inter-state relations, Prime Minister Modi did not need to organise a trip to Moscow, the first since the Russian attack on Ukraine.

Political concessions to Moscow

Even without this visit, Moscow would be conditioned on maintaining the best relations with India, even under extremely unfavourable trade conditions, because, apart from China, India is its only major area for the placement of strategic export goods, above all energy.

However, Prime Minister Modi has done his host Putin a great service by travelling to Moscow, providing him with a crucial chance to demonstrate to the public that he is not alone in international affairs, particularly following his recent trips to China, North Korea, and Vietnam.

The political ramifications will force New Delhi to shift the country's balance back towards the West

Another favour for the host was that it helped Putin show Beijing that he had an alternative to massive dependence on the Chinese economy and its market.

The balance of Prime Minister Modi's trip to Moscow will be insignificant, even if it does not negatively impact India's already favourable business terms with Russia. However, the political ramifications will force New Delhi to shift the country's balance back towards the West, correcting the imbalance that the PM's two-day visit to Russia disturbed.