India-Russia Relations and Implications for U.S. Interests

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The emergence of the U.S.-India partnership has been among the notable shifts in global major power politics in the 21st century. After decades of estrangement following India’s 1947 independence, the United States and India now cooperate on an extensive array of issue-areas while engaging in unprecedented defense and military-to-military commerce and coordination. India is identified as a crucial player in the U.S. Indo-Pacific strategy and—along with the United States, Japan, and Australia—is a member of the Quadrilateral Security Dialogue, or Quad, an initiative that has since 2020 moved rapidly to become “a leading regional partnership dedicated to advancing a common vision of a free and open Indo-Pacific.” New Delhi’s enthusiasm for Quad participation is much increased since lethal India-China clashes along their disputed border in mid-2020.

For most of the Cold War, India maintained warm and beneficial relations with the Soviet Union, and these continued after the 1991 Soviet dissolution. Today, New Delhi sees vital interests in maintaining working ties with Moscow, as well as in fostering a multipolar international system. In the context of India’s decades-old aspirations for “nonalignment” and “strategic autonomy,” New Delhi has thus engaged a concurrent “special and privileged strategic partnership” with Russia.

Russia’s February 2022 invasion of Ukraine sparked broad international condemnation. In early March, the United Nations General Assembly (UNGA) voted overwhelmingly (141-5) to decry Moscow’s unprovoked aggression and to demand an immediate military withdrawal. In short order, the United States, the European Union, and others substantially increased military, economic, and humanitarian assistance to Ukraine, and imposed a series of increasingly severe sanctions on Russia.

India’s neutral disposition has disappointed and dismayed many American and other observers who had anticipated a more principled stand from the world’s largest democracy. Although India’s fulsome post-February commerce with Russia does not contravene international sanctions, it has raised questions about India’s role as a U.S. partner, including with regard to its role in a “rules-based” global order. As many of the world’s major economies actively seek to curtail or reduce their trade relations with Russia, India is on a contrasting trajectory, with manifold increases in its purchases of Russian oil, coal, and fertilizers, among other goods.

Three central factors—international strategy/diplomacy, arms trade, and energy trade—undergird India’s current neutral stance on the Ukraine war and leave New Delhi unwilling to antagonize the United States or Russia. First, China has emerged as the most important perceived threat to Indian interests in South Asia, and China as a key ally of Pakistan, India’s traditional regional rival. Indian planners are sensitive to signs that Russia and China are growing closer or cooperating in ways that facilitate Chinese aspirations in Asia, which many analysts describe in terms of Beijing’s striving for regional hegemony. Second, Russia is and has long been India’s primary arms supplier, and India needs a continued flow of Russian-supplied weapons and spare parts if its military forces are to operate effectively. Finally, India’s growing appetite for energy imports makes Russia an important supplier and investor in this sector, offering oil and coal at prices attractive to a government whose primary goal is development and poverty reduction. Imports of edible oils and fertilizers from both Russia and Ukraine also are key to Indian food security and a significant concern for New Delhi.

To date, Biden Administration officials have acknowledged the motivations behind India’s neutrality on the Ukraine invasion and appear willing to abide ongoing India-Russia ties in the pursuit of what the Administration deems to be broader U.S. interests. As the war in Ukraine grinds on, the Biden Administration and Congress may consider whether or not to choose policy approaches meant to alter the present dynamic. Since 2017, U.S. law (P.L. 115-44) requires the President to impose sanctions on any persons determined to have engaged in “significant transactions” with Russia’s defense or intelligence sectors. Although the Biden Administration has yet to make a determination in India’s case, India’s late 2021 deployment of a new multi-billion-dollar Russian-supplied air defense system (the S-400 Triumf) brought the issue into high relief. The United States has long encouraged India to further reduce its purchases of Russian military equipment and further diversify its sources of defense wares. As a “Major Defense Partner” of the United States and recent signatory to several enabling bilateral defense pacts, New Delhi is poised to increase its defense engagement with Washington, including through new initiatives reportedly under consideration by the Biden Administration. Beyond the issue of U.S.-India arms trade and defense relations—which could be further facilitated by changes in U.S. law—Congress could consider other means of encouraging India (and other U.S. partners) to scale back their links with Russia.
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Overview

India is South Asia’s dominant actor with nearly 1.4 billion citizens and the world’s sixth-largest economy in nominal terms.¹ U.S. officials regularly characterize India as an emerging great power and important partner of the United States, as well as a key potential counterweight to China’s growing international clout.² Since 2005, the United States and India have pursued a “strategic partnership,” and bilateral security cooperation has expanded, including through U.S. arms sales and combined military exercises. Bilateral trade and investment also have generally grown in that timeframe, although India accounts for a small share of U.S. total trade, and trade frictions have been longstanding over market access, tariffs, and other issues.³ The Administrations of George W. Bush, Barack Obama, and Donald Trump each sought to strengthen the U.S.-India partnership, and the Trump Administration identified India as a key player in the U.S. efforts to secure the vision of a “free and open Indo-Pacific.”⁴

The Biden Administration continues to expand and deepen U.S.-India ties, working with Indian Prime Minister Narendra Modi, in office since 2014. Leaders in both capitals continue to issue strongly positive remarks on the state of the partnership. This was demonstrated most recently following the fourth annual U.S.-India “2+2 Ministerial Dialogue” held in April 2022, as well as with the May 2022 summit-level meeting of the Quadrilateral Security Dialogue, or “Quad,” which also includes Japan and Australia.⁵ The U.S. Congress has remained broadly positive in its posture toward the U.S.-India strategic and commercial partnership.

The emergence of this bilateral partnership has been among the more notable shifts in global major power politics in the 21st century. The world’s two largest democracies now describe themselves as “natural and trusted partners … with a shared commitment to democracy and pluralism,” both of them seeking to “promote a resilient, rules-based international order that safeguards sovereignty and territorial integrity, upholds democratic values, and promotes peace and prosperity for all.”⁶

Russia’s renewed invasion of Ukraine February 2022 has tested this partnership.⁷ Washington has led numerous Western and other governments in condemning Moscow’s aggression and imposing punitive economic sanctions on Russia, while New Delhi has taken a publicly neutral stance on the conflict. (Indian governments likewise refrained from criticizing the Soviet Union’s invasions of Hungary in 1956, Czechoslovakia in 1968, and Afghanistan in 1979.) These divergent approaches to the Ukraine crisis have led some observers to warn of a potential disruption in U.S.-India ties, as well as to convey worries about the extent of India’s commitment to a “rules-

² For example, just before leaving office, the Trump Administration declassified its “Strategic Framework for the Indo-Pacific,” and the document gives a prominent role to India therein, stating that, “A strong India, in cooperation with like-minded countries, would act as a counterbalance to China” (see the January 15, 2021, document at https://news.usni.org/2021/01/15/u-s-strategic-framework-for-the-indo-pacific).
³ Based on data from the U.S. Bureau of Economic Analysis (BEA). For instance, total U.S. goods and services trade with India more than quadrupled from about $37 billion in 2005 to $159 billion in 2021.
⁴ See the Pentagon’s June 1, 2019, Indo-Pacific Strategy Report at https://go.usa.gov/xsXH.
⁵ See the April 11, 2022, 2+2 Ministerial Joint Statement at https://go.usa.gov/xutM3, and the May 24, 2022, Quad Joint Statement at https://go.usa.gov/xSTUh.
⁶ See the April 11, 2022, 2+2 Ministerial Joint Statement at https://go.usa.gov/xutM3.
⁷ See CRS Insight IN11869, Russia’s 2022 Invasion of Ukraine: Overview of U.S. Sanctions and Other Responses, by Cory Welt. See also CRS Report R47054, Russia’s 2022 Invasion of Ukraine: Related CRS Products, by Zoe Danon and David A. Blum.
India also has increased importation of Russian energy supplies and other goods in recent months—although the value of Indian energy imports from Russia remains limited in comparison to that of the European Union’s imports—which some analysts argue is facilitating and even funding Moscow’s Ukraine war.10

The Indian and Russian governments and people share affinities that date back to India’s 1947 independence. Although India was a founding member of the Non-Aligned Movement after 1955, India and the Soviet Union maintained friendly and mutually beneficial ties throughout most of the Cold War, and India and Russia have continued the tradition.11 New Delhi has received Moscow’s diplomatic support on issues of importance to India, and Russia has been a primary supplier of advanced weaponry for the Indian military. Imports of Russian energy supplies are vital to powering India’s growing economy. Indian purchases of Russian oil have increased as much as tenfold since February 2022.12 The quantity of Russian coal imports more than tripled, and that of natural gas purchases is up more than eightfold, during March and April 2022 as compared to the same months in 2021.13 This raises concerns that New Delhi (along with Beijing) is indirectly funding Russia’s war in Ukraine.14 Edible oils and fertilizers exported by Russia (and Ukraine) also are integral to New Delhi’s pursuit of food security.

The Indian government also views preserving working ties with Russia as key to precluding the emergence of a (stronger) Russia-China alliance, has a longstanding aversion to international alliances, and aspires to “strategic autonomy” in an increasingly multipolar world.15 This does not, however, mean that Indian interests are unharmed by Russia’s aggression in Ukraine; skyrocketing fuel and food prices take a heavy toll on India. Nor does it thus far appear to present an obstacle to progress in the greater U.S.-India partnership.16 Indian officials say their country is “strongly against the conflict,” is taking “the side of peace,” and calls for the Ukraine conflict to be resolved through diplomacy and dialogue.17 Indian leaders appear to have determined that a neutral path is in their country’s best interests, and U.S. leaders appear—so far—to be abiding

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9 “Fact Check: Is India Violating the EU Oil Embargo?,” Deutsche Welle (Berlin), June 30, 2022.
10 See, for example, “In Russia’s War, China and India Emerge as Financiers,” New York Times, June 24, 2022.
12 According to the International Energy Agency, India imported an average of one million barrels of Russia crude oil per day in April and May, as compared to about 100,000 barrels per day in January and February (International Energy Agency, “Oil Market Report,” July 13, 2022; see also “In Russia’s War, China and India Emerge as Financiers,” New York Times, June 24, 2022).
13 Trade Data Monitor data compiled by CRS.
14 A July Reuters report contends that, “After China, India has done more than any country to compensate for the drop in demand for Russian oil from elsewhere, undermining Western efforts to isolate Moscow and hasten an end to the war in Ukraine” (“Why India Ramped Up Russian Oil Imports, Easing Pressure on Moscow,” Reuters, July 8, 2022).
15 See, for example, External Affairs Minister S. Jaishankar’s July 8, 2021, tweet at https://tinyurl.com/mpkeuzjx.
16 New Delhi’s willingness to dramatically reduce and then, in 2019, cease importation of Iranian oil in full cooperation with U.S.-led sanctions followed the Trump Administration’s withdrawal from the Joint Comprehensive Plan of Action on Iran’s nuclear program, which New Delhi had endorsed. Appearing to follow from U.S. pressure, India’s policy shift led some analysts to worry about the longer-term implications for U.S.-India relations (see, for example, Manoj Joshi, “India-Iran: The Parting of Ways,” Observer Research Foundation (New Delhi), May 14, 2019; MK Bhadrakumar, “US Diktat: Why Didn’t Modi Stand Up for India?” (op-ed), Rediff (Mumbai, online), April 25, 2019).
17 See the External Affairs Ministry’s April 6, 2022, transcript at https://tinyurl.com/5y3punfc.
India’s ongoing friendship and commerce with Russia while looking to New Delhi as a vital partner in the Indo-Pacific region.\(^{18}\)

**Divergent Responses to Russia’s Invasion of Ukraine**

**India’s Neutral Posture**

Unlike most democratic U.S. partners, India has assumed a neutral posture on Russia’s February 2022 invasion of Ukraine. Its government abstained on all United Nations Security Council (UNSC), U.N. General Assembly (UNGA), and U.N. Human Rights Council (UNHRC) votes on Ukraine in 2022, and to date has avoided publicly criticizing Moscow or condemning its military actions. The UNSC’s immediate (February 25) effort to “end the Russian Federation’s military offensive against [Ukraine]” failed when Russia vetoed the draft resolution.\(^{19}\) Two days later, India again abstained on a successful UNSC vote to call an emergency session of the UNGA to examine the Ukraine issue.\(^{20}\) India went on to abstain on two UNGA resolutions in March that addressed Russia’s “aggression against Ukraine.”\(^{21}\)

In the earliest days following the invasion, Indian leaders emphasized evacuating Indian nationals from Ukraine and providing humanitarian aid to Ukraine, including 90 tons of relief supplies.\(^{22}\) New Delhi repeatedly has sought to “underline the need to respect the U.N. Charter, international law and the sovereignty and territorial integrity of states”—a refrain that some viewed as purposely pointed at Moscow.\(^{23}\) Within weeks, however, senior Indian opposition politicians were calling for the Modi government to “stop its verbal balancing act” and “sternly demand” that Russia halt its attacks on Ukrainian cities.\(^{24}\)

When evidence of Russian war crimes in Bucha, Ukraine, emerged in early April, India’s U.N. Representative “unequivocally” condemned the “deeply disturbing” killings of civilians and...

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\(^{18}\) “In Russia Crisis, India Tries to Balance Geopolitics and Economics,” *New York Times*, June 28, 2022. In March, an Indian foreign ministry official assured Parliament that “India has close and friendly relations with both the U.S. and Russia. They stand on their own merit.” In June, the U.S. National Security Adviser said Washington was “playing the long game” with India (“India Says U.S., Russia Ties ‘Stand on Their Own Merit Despite Ukraine War,’” *Reuters*, March 24, 2022; “U.S. Playing a ‘Long Game’ in Relationship with India: Jake Sullivan,” *Hindu* (Chennai), June 16, 2022).

\(^{19}\) The United States and 10 other Council members had voted in favor; India joined China and the United Arab Emirates in abstaining. New Delhi’s explanation of its vote made no mention of Russia (see the U.N.’s February 25, 2022, release at https://tinyurl.com/2s3hb825, and the Indian U.N. Ambassador’s February 25, 2022, tweet at https://tinyurl.com/ycc4xfrax).

\(^{20}\) See the U.N.’s February 27, 2022, release at https://tinyurl.com/2ebks74m.

\(^{21}\) On March 2, the UNGA adopted a resolution “deploring in the strongest possible terms” Russia’s “aggression against Ukraine” by a vote of 141 for, 5 against, and 35 abstentions. On March 24, the body adopted a resolution on the humanitarian consequences of the “aggression” by a similar vote (140-5-38) (see the UNGA page at https://tinyurl.com/2ahzb7d7).

\(^{22}\) India’s U.N. Representative later said that 90 air flights had successfully evacuated about 22,500 Indians (see the Indian foreign minister’s March 15, 2022, statement to the Indian Parliament at https://tinyurl.com/2p96tdbh, and the Indian U.N. Mission’s March 24, 2022, release at https://tinyurl.com/29nn499h).

\(^{23}\) See, for example, the Indian U.N. Mission’s March 24, 2022, release at https://tinyurl.com/29nn499h; “Interpreting S Jaishankar’s Speech and Indian Position on Ukraine,” *Hindustan Times* (Delhi), April 7, 2022.

\(^{24}\) “Pressure Grows in India to Condemn Old Friend Russia’s Invasion of Ukraine,” *Reuters*, March 2, 2022. See also Subramanian Swamy, “India’s Stand on the Ukraine War Is Tragic” (op-ed), *Hindu* (Chennai), March 21, 2022.
called for an independent investigation (again without mentioning Russia).\textsuperscript{25} Some observers, including a co-chair of the U.S. Senate India Caucus, saw in this a firming Indian posture. Others considered the shift too small to significantly affect the India-Russia relationship.\textsuperscript{26} However, in a further indication that India’s stance may be evolving, New Delhi abstained on an April 7 UNGA vote to suspend Russia from the UNHRC even after Moscow had warned that it would consider “yes” votes or abstentions to be “unfriendly gestures.”\textsuperscript{27} Still, many analysts are skeptical that India’s posture is likely to change in the near-term. One representative view from a senior U.S. observer contends that, while India has sought to publicly convey discomfort with Russia’s actions, it has done so only subtly and indirectly.\textsuperscript{28}

Surveys indicate that the Indian public holds broadly favorable views toward both the United States and Russia—with somewhat greater trust of the former—and its strategic community appears to overwhelmingly regard the United States as India’s most important partner on global issues.\textsuperscript{29} However, evidence suggests that a clear (if shrinking) majority of Indians approves of their government’s approach toward Russia in 2022 (as well as its abstentions on Ukraine-related U.N. resolutions) and favor maintaining ties with Moscow.\textsuperscript{30} Notably, since February 2022 much Indian media commentary—especially in its rightwing nationalist outlets and on social media platforms dominated by Modi’s base—has been rife with pro-Russian and anti-U.S. sentiments.\textsuperscript{31}

### U.S. Response to Indian Neutrality on the Ukraine Invasion

On February 24, 2022, Secretary of State Antony Blinken telephoned his Indian counterpart to push for a strong collective response in condemning Russia’s invasion. A week later, the top U.S. diplomat for South Asia assured a Senate panel that India was being encouraged to distance itself from Russia.\textsuperscript{32} In mid-March, President Biden commented that, among the Quad countries, only India was “somewhat shaky” in addressing Russian aggression. Days later, a senior National Security Council official reportedly called India’s position “unsatisfactory, to say the least,” and “totally unsurprising.”\textsuperscript{33} Some Members of Congress met Indian neutrality on the Ukraine invasion with dismay.\textsuperscript{34}

\textsuperscript{25} See the Indian U.N. Mission’s April 5, 2022, release at https://tinyurl.com/52e65e29.

\textsuperscript{26} See Senator John Cornyn’s April 6, 2022, tweet at https://tinyurl.com/yeyawe4s; “India’s Condemnation of Bucha Killings Not a Shift in Ties with Russia—Analyst,” Reuters, April 7, 2022.

\textsuperscript{27} See the U.N.’s April 7, 2022, release at https://tinyurl.com/3h2897ac; “UNGA Vote: Despite Russia’s Red Flag, Why India Put Foot Down in Its Tightrope Walk,” Indian Express (Delhi), April 9, 2022.

\textsuperscript{28} Ashley Tellis, “‘What Is in Our Interest:’ India and the Ukraine War,” Carnegie Endowment for International Peace, April 25, 2022.


\textsuperscript{30} See the LocalCircles (Noida) March 10, 2022, survey results at https://tinyurl.com/7r7p4w7w.


\textsuperscript{32} See the readout of the February 24 call at https://go.usa.gov/xzpEF; Congressional Quarterly’s March 2, 2022, Senate hearing transcript at https://tinyurl.com/m5nxd7db.

\textsuperscript{33} See the White House’s March 21, 2022, release at https://go.usa.gov/xzdJK; NSC Director for Indo-Pacific Affairs Mira Rapp-Hooper quoted in “U.S. Calls India’s Position on Ukraine ‘Unsatisfactory’ but Unsurprising,” Reuters, March 25, 2022.

\textsuperscript{34} For example, during a March 2 Senate Foreign Relations Committee hearing on India policy, much discussion focused on Ukraine, and numerous Senators—including both co-chairs of the Senate India Caucus—expressed disappointment with India’s multiple abstentions at the United Nations (see Congressional Quarterly’s hearing
In New Delhi on March 31, U.S. Deputy National Security Advisor Daleep Singh said the United States opposes “mechanisms that are designed to prop up the ruble or to undermine the dollar-based financial system” and warned that “there are consequences for countries that seek to circumvent these sanctions.”35 The Wall Street Journal later reported that Indian officials felt “blindsided” by Singh’s remarks about “consequences” and found the subsequent visit of Russia’s foreign minister to be much more amicable.36 In early April, the Director of the National Economic Council reiterated, “Our message to the Indian government is that the costs and consequences for them of moving into a more explicit strategic alignment with Russia will be significant and long-term.”37

Alongside public expressions of dissatisfaction with India’s posture, Biden Administration officials also indicated sensitivity to New Delhi’s strategic dilemma and a willingness to “play the long game” with India. For example, in early March 2022, an assistant to the President for Indo-Pacific affairs acknowledged “India’s historic, long-standing relationship with Russia,” while predicting that, “ultimately, we believe India will be moving in our direction.”38 During an April press briefing, Secretary Blinken stated, “we call on all nations to condemn Moscow’s increasingly brutal actions,” but added, “India has to make its own decisions about how it approaches this challenge.”39 Some commentary has deemed it unwise for Washington to strongly pressure New Delhi and unreasonable to expect India to rapidly reduce its trade relations with Russia; others offer praise for the Administration’s “delicate” handling of India.40

Yet longer-term uncertainties linger. One senior observer noted the Administration’s “tremendous forbearance toward India’s very disappointing response” on Russia and warned that Washington’s frustration may increase as time passes, potentially hampering U.S.-India ties.41 Another argues that, “given the diplomatic, military and energy considerations, it is difficult to see India deviating from its balancing act over Russia any time soon,” which may ultimately constrain the U.S.-India partnership.42 Many analysts saw the April 2022 U.S.-India 2+2 exercise as a diplomatic win for India, with New Delhi standing firm in its neutrality on the Ukraine invasion and the United

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35 A White House spokeswoman had earlier suggested that India’s ongoing purchases of discounted Russian oil would not violate sanctions (Daleep Singh quoted in “US Does Not Want ‘Rapid Acceleration’ in India Energy Imports from Russia,” Reuters, March 31, 2022; White House press briefing transcript, March 15, 2022, at https://go.usa.gov/xzpdg).


37 Brian Deese quoted in “India to Face Significant Cost If Aligned with Russia, U.S. Says,” Bloomberg, April 6, 2022.

38 Kurt Campbell quoted in “Vladimir Putin’s Invasion of Ukraine Neatly Exposes the Divisions and Limitations of Quad Nations,” ABC.net (Sydney), March 4, 2022.

39 See the State Department’s April 11, 2022, briefing transcript at https://go.usa.gov/xuwgV.


41 Lisa Curtis quoted in “India-US Ties Entering Uncharted Territory Over Ukraine: Ex-Trump Advisor” (interview), Press Trust of India, April 7, 2022.

States essentially accepting this while aiming to get broader ties back on track. Others argue that Western criticism and pressure will only “rankle a postcolonial society like India’s.”

**India’s Interests in Relations with Russia and Implications of the Ukraine War**

Despite its long-held nonalignment policy during the Cold War, India maintained close and friendly relations with the Soviet Union—the two countries signed a broad Treaty of Peace, Friendship and Cooperation in 1971, and the USSR was a key partner to India until its dissolution in 1991. In 2000, just months after Vladimir Putin assumed the Russian presidency, India and Russia formally launched a strategic partnership, and this “time-tested friendship” has continued to date. In December 2021, Prime Minister Modi hosted President Putin for the 21st India-Russia Annual Summit, held the inaugural “2+2 dialogue” between respective foreign and defense ministers, and stated that India’s “Special and Privileged Strategic Partnership [with Russia] has been continuously strengthening.”

Along with bilateral ties, there are various multilateral fora in which India and Russia (and China) have diplomatic roles—among them the Brazil, Russia, India, China, South Africa (BRICS) forum, the Shanghai Cooperation Organization (SCO), and the Russia, India, China (RIC) trilateral. However, these alignments, while facilitating dialogue among members, are informal and possess limited policy influence.

Three central factors—international strategy/diplomacy, arms trade, and energy trade—appear to undergird India’s neutrality on the Ukraine invasion and retention of ties with Russia. Imports of edible oils and fertilizers from both Russia and Ukraine also are relevant factors for India.

**Diplomatic and Strategic Relations**

The perception of convergent strategic and diplomatic interests, even if of limited scope, may be Indian leaders’ primary interest in maintaining friendly and cooperative ties with Moscow. According to India’s foreign minister, New Delhi aims to secure its place and gain leverage in a

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43 “Why India Can Buy Russian Oil, and Still Be Friends with the US,” CNN (online), April 23, 2022. See also “India Stands Ground on Russia, Persuades US to Elevate Ties,” Times of India (Delhi), April 13, 2022; “After Landmark Talks, US and India Signal Ukraine War Divide Won’t Derail Mutual ‘China Challenge’ Focus,” South China Morning Post (Hong Kong), April 15, 2022.


45 Although not a military alliance, on security matters, the 1971 treaty “symbolized an alignment of interests in the face of regional and international challenges” (see the Indian Embassy in Moscow’s August 9, 2021, release at https://tinyurl.com/zbdau8ez).


world of multiple power centers.\textsuperscript{50} Both India and Russia share a preference for multipolarity, although India’s balancing act may not be sustainable over time.\textsuperscript{51} The Soviet Union’s and later Russia’s broad alignment with India’s regional policies over a period of decades, including Moscow’s support for New Delhi in multilateral fora, appears to be at the core of India’s enduring positive view of Russia.\textsuperscript{52} Indian leaders likely see Russia as a vital counterweight to growing Chinese influence and assertiveness in both South and Central Asia, as well as in the Indian Ocean region, and conclude that antagonizing Russia would be harmful to India’s security.\textsuperscript{53}

Conversely, Indian leaders see Sino-Russian coordination, especially when it is framed as a counter to U.S. influence in the region, as a threat to India’s security; increased cooperation between Moscow and Beijing may fuel skepticism about Russia’s role as an Indian partner.\textsuperscript{54} Less than three weeks before Russia launched its renewed invasion of Ukraine, President Putin and Chinese President Xi Jinping issued a lengthy Joint Statement in Beijing including an assertion that friendship between their two nations “has no limits, there are no ‘forbidden’ areas of cooperation.”\textsuperscript{55} Indian security planners likely worry that a Russia weakened by extensive international sanctions could become more dependent on Chinese diplomatic and economic support, boosting Beijing’s already growing influence to India’s detriment.\textsuperscript{56} Recent Russian outreach to Pakistan—including high-level visits and unprecedented, if modest, arms sales—may also cause alarm for Indian leaders.\textsuperscript{57}

**The Invasion of Ukraine and Implications for India-Russia Strategic Relations**

Even before Russia’s February 2022 invasion of Ukraine, India’s longstanding relationship with Russia frequently was in conflict with its developing ties to the United States and other Western nations.\textsuperscript{58} The onset of the conflict has further restricted India’s ability to maneuver between the two sides and maintain its commitment to neutrality while also pursuing its strategic interests.

For some analysts, India’s neutrality on the Ukraine invasion is a clear detriment to the country’s strategic interests. One contends that “perceived Indian indifference to Russian aggression in Ukraine” will “embolden an attentive China to similarly vindicate its revisionist claims against India,” and also threatens to undermine the U.S.-India partnership, including by reducing New Delhi’s normative appeal in Washington.\textsuperscript{59} Several Indian commenters counsel their government...

\textsuperscript{50} See S. Jaishankar’s March 24, 2022, remarks at https://tinyurl.com/2pp875vn.


\textsuperscript{52} During the Cold War, India relied on the Soviet Union to support its positions in the United Nations, perhaps most importantly on the Kashmir issue (“Six Times the Soviet Veto Came to India’s Rescue,” *Times of India* (Delhi), March 2, 2022).

\textsuperscript{53} Manjari Chatterjee Miller, “India’s Faltering Nonalignment,” *Foreign Affairs*, February 22, 2022.

\textsuperscript{54} C. Raja Mohan, “India and the Sino-Russian Alliance” (op-ed), *Indian Express* (Mumbai), June 11, 2019.

\textsuperscript{55} See the Kremlin’s February 4, 2022, Joint Statement at http://en.kremlin.ru/supplement/5770.


\textsuperscript{57} Feroz Hassan Khan, “Russia-Pakistan Strategic Relations,” *Journal of Indo-Pacific Affairs*, January 2021.

\textsuperscript{58} C. Raja Mohan, “India Has Its Own Ideas About Russia and Ukraine,” *Foreign Policy*, February 7, 2022.

to reconsider its attachment to Moscow, calling it overly narrow and unsustainable in a time when Moscow appears to be moving closer to Beijing, and New Delhi embraces the West.\textsuperscript{60}

Other observers insist that continued India-Russia cooperation is a necessary for India to maintain its strategic emphasis on multipolarity, and they believe it unrealistic for the West to expect significant change on this account. Here, a “weakened” and “isolated” Russia (stated U.S. goals) would likely draw closer to China and so not be in India’s interest.\textsuperscript{61}

For Members of Congress and U.S. policymakers seeking to encourage India to help isolate Russia diplomatically and economically, and to reduce Moscow’s ability to maintain active hostilities, efforts may need to focus on initiatives that allow India to rely less on Russia but avoid pushing Russia and China closer together. Congress may wish to consider whether or not to use its oversight function to ensure the State Department, Department of Defense, and others are pursuing bilateral and regional strategies that offer India a way to maintain its strategic autonomy while also encouraging distance from Russia.

**Defense Relations**

Over the past decade, the New Delhi government has consistently highlighted India-Russia defense relations as a key feature—or “pillar”—of the bilateral relationship.\textsuperscript{62} Russia has long been a crucial source of India’s defense hardware, providing roughly two-thirds of all Indian arms imports over the past two decades, although purchases from Russia have declined since 2015 (see Figure 1).\textsuperscript{63} The two countries engage in numerous joint defense research and production efforts, as well as regular combined military exercises involving all three major military branches, and maintain robust, high-level defense exchanges.\textsuperscript{64}

According to the Stockholm International Peace Research Institute (SIPRI), arms orders and deliveries from Russia to India since 2010 have been valued at nearly $23 billion.\textsuperscript{65} Figure 1 shows that Indian orders for and selections of Russian arms have continued despite the threat of U.S. sanctions in place since 2017.\textsuperscript{66} The Military Balance 2022 confirms that India is “interested in acquiring new Russian equipment” and assesses that India’s present-day military arsenal is heavily stocked with Russian-made or Russian-designed arms.\textsuperscript{67} In 2021 alone, India ordered or

\begin{flushleft}
\textsuperscript{60} Harsh Pant, “Delhi Must Review Ties with Moscow” (op-ed), Hindustan Times (Delhi), March 16, 2022. See also Pranab Dal Samanta, “It’s Time India Took a Hard, Long-Term Look at Its Relationship with Russia” (op-ed), Economic Times (Delhi), February 22, 2022.


\textsuperscript{62} See the Indian Embassy in Moscow’s undated page at https://tinyurl.com/2j4wuxx8.

\textsuperscript{63} Stockholm International Peace Research Institute (SIPRI) Arms Transfer Database.

\textsuperscript{64} See the December 6, 2021, India-Russia Joint Statement at https://tinyurl.com/zp2csx6r.

\textsuperscript{65} Orders and deliveries from 2011 to 2021 include one refurbished aircraft carrier; two nuclear submarines (on lease); seven guided-missile frigates; more than 350 Su-30MK and MiG-29S combat aircraft; more than 1,300 T-90S tanks; more than 1,000 co-produced BrahMos cruise missiles; nearly 65,000 anti-tank missiles; at least 5,500 advanced air-to-air missiles; and 20 S-400 Triumph SAM systems with 650 surface-to-air missiles. The total “trend-indicator value” of all Indian arms imports from Russia during this period was just under $22.9 billion (SIPRI Arms Transfer Database). See also CRS Report R46937, Russian Arms Sales and Defense Industry, by Andrew S. Bowen.

\textsuperscript{66} Section 231 of the The Countering America’s Adversaries Through Sanctions Act (CAATSA, P.L. 115-44) directs the President to impose sanctions on persons who he determines engage in any “significant transaction” with Russia’s defense or intelligence sectors (see “U.S. Indo-Pacific Strategy and Options for Congress” section below).

\textsuperscript{67} The Indian Army’s main battle tank force is comprised almost entirely (97%) of Russian T-72s and T-90s, and its
selected Russian arms worth at least $2 billion. Over the past decade (2012-2021), Russia has been the source of about 59% of all Indian arms imports, and India—Russia’s top arms customer by far—accounted for more than one-third of all Russian arms exports by SIPRI’s “trend-indicator value.” India has somewhat reduced its reliance on Russian equipment as its government focuses attention on diversification and indigenization. The proportion of arms supplied by Russia has declined: less than half (46%) of Indian arms imports came from Russia over the past five years (see Figure 1).

Figure 1. Trend Indicator Value of Arms Exports from Russia to India, 1991-2020

Source: CRS, using data from SIPRI Arms Transfers Database.

Notes: Trend Indicator Values are a unique system developed by SIPRI to measure the volume of conventional weapons using a common unit to allow comparison over time. They represent the transfer of military resources rather than sales prices for arms transfers.

India-Russia joint research and production efforts have likewise been extensive and range from the mass production of assault rifles to co-development of advanced missile propulsion systems.

68 This includes 12 Su-30MK combat aircraft, 156 BMP-2 armored infantry fighting vehicles, more than 17,000 anti-tank missiles, and an estimated 350 missiles for the Russian-built S-400 SAM system (SIPRI Arms Transfer Database).
69 SIPRI reports that the overall decrease in Russia’s arms exports between 2011-2015 and 2016-2020 was almost entirely attributable to a 53% drop in its arms exports to India (“Trends in International Arms Transfers 2021,” SIPRI Fact Sheet, March 2021).
70 A joint venture contract to produce at least 600,000 AK-203 assault rifles in northern India was signed in late 2021. In 2020, India’s Defense Research and Development Organization signed a contract with Russia’s Rosoboronexport for...
The two countries also have an institutionalized structure to oversee military technical cooperation. The high-level bilateral defense-related exchanges and conferences are regular and abundant. Moreover, India-Russia military-to-military ties date back two decades. Since 2003, the Indian military has held combined “INDRA” military exercises with its Russian counterparts, at least partly in an effort to develop interoperability. In 2017, these became tri-service. Indian soldiers joined a multilateral exercise in Russia in September 2021, and January 2022 maneuvers in the Arabian Sea “showcased cohesiveness and interoperability between the two navies.”

The Invasion of Ukraine and Implications for India-Russia Defense Trade

Many in New Delhi view Russia as a reliable ally that provides India with affordable military equipment and technologies denied to it by Western suppliers. The United States has long encouraged Indian leaders to reduce their reliance on Russian arms exports and technologies. Yet, as stated in one 2021 report, “Even if India were inclined to transition away from Russian equipment—of which there is scant evidence—the process would stretch over decades.” New Delhi’s spending on military research and development is generally low, and the country lacks a domestic defense industry that can meet demand, magnifying both the importance of Russia’s role and the current limitations on indigenization efforts.

The India-Russia Interface: Cooperation and Competition

India and Russia signed 14 MoUs at the biennial Defense Exhibition Organization (DefExpo) sponsored by India’s Defense Ministry. O’Donnell and Akriti Vasudeva, “Between a Rock and a Hard Place: India’s Stance on the Russia-Ukraine War: Military Modernization and Operational Challenges for India,” South Asian Voices, May 17, 2022.

development of high-performance propulsion systems to power rockets and missiles. The two countries also are cooperating in manufacture of the BrahMos missile system, and the licensed production in India of Su-30 aircraft and T-90 tanks. In late 2021, India’s foreign secretary described these efforts as “standout examples of our cooperation with Russia” (see the MOD’s December 20, 2021, release at https://tinyurl.com/2p8u92jt and its February 7, 2020, release at https://tinyurl.com/2czfu2z2; and the foreign secretary’s February 17, 2021, remarks at https://tinyurl.com/tcm1kkkrz).

71 The India-Russia Inter-Governmental Commission on Military Technical Cooperation (CMTC), established in 2000, is the overarching mechanism for this cooperation (see the Indian Embassy in Moscow’s, June 23, 2017, release at https://tinyurl.com/2kps35uw).

72 India’s defense minister paid official visits to Moscow twice in 2020. A distinct India-Russia Military Industrial Conference was launched in 2017; its most recent session was in 2021. Russians are also prominent attendees of India’s biennial Defense Exhibition Organization (DefExpo) sponsored by India’s Defense Ministry. On the sidelines of DefExpo 2020, India and Russia signed 14 new MoUs (see the MOD’s September 3, 2020, release at https://tinyurl.com/rwixh89ad; the MOD’s March 17, 2017, release at https://tinyurl.com/46895f6d; “Russia, India Sign Eight Memoranda at Military-Industrial Conference in Bangalore,” TASS (Moscow), February 3, 2021; and the MOD’s February 6, 2020, release at https://tinyurl.com/enumusm).

73 “Exercise INDRA” began with joint naval exercises in 2003. Joint ground force exercises commenced in 2005; INDRA-2021 included practicing “specialized joint operations.” AVIAINDRA joint air force exercises were first held in 2017 (see the undated Indian Navy release at https://tinyurl.com/e9s8byke; the MOD’s August, 12, 2021, release at https://tinyurl.com/3w4p624m; and the MOD’s December 16, 2019, release at https://tinyurl.com/3pjw4s6f).


75 “Ajai Shukla on the Current and Future State of India’s Military” (interview), Diplomat, September 25, 2019; Frank O’Donnell and Akriti Vasudeva, “Between a Rock and a Hard Place: India’s Stance on the Russia-Ukraine Crisis,” Stimson Center, March 4, 2022.

76 During early 2021 travel to India, U.S. Defense Secretary Lloyd Austin urged all American “allies and partners to move away from Russian equipment … and really avoid any kind of acquisitions that would trigger sanctions on our behalf” (see the Pentagon’s March 20, 2021, transcript at https://go.usa.gov/xuHw4).


The war in Ukraine may compel India to pivot away from its reliance on Russian arms. The war has intensified international pressure on India to reduce its defense ties with Moscow, disrupted access to Russian arms and spare parts, and prompted new sanctions that impede financial transactions with Russian firms. Russia’s own losses of military hardware in battle are expected to curtail defense trade. Bilateral efforts to jointly develop hypersonic missiles and long-range radar systems now face uncertainty, and India may not be able to acquire defense spare parts and Russian-origin electronics or upgrades for existing systems, including Sukhoi combat aircraft. Meanwhile, although Ukraine has over the past two decades accounted for less than 1% of the total value of arms purchases by India, important India-Ukraine defense commerce also is expected to be disrupted by the war.

Russia supplies to or co-produces with India many high-technology weapons and platforms that Indian leaders consider crucial to their country’s security, including the S-400 Triumph air defense system, BrahMos cruise missiles, and nuclear propulsion for submarines. Already the Russia-Ukraine war reportedly has delayed delivery of a second S-400 regiment to India (the first was delivered in late 2021). In addition, the joint mass production of assault rifles, meant to commence in March 2022, has been postponed and may be scrapped, and New Delhi halted negotiations with Moscow to purchase 10 helicopters due to uncertainties about supplies caused by the war. In addition, the Russian military’s poor performance in Ukraine damaged the reputation of Russian-origin arms and may dismay Indian defense officials whose planning is based on the deployment of such articles. As war continues, Russia’s defense technology and industrial sectors likely will be further weakened, a point that U.S. officials have emphasized.

India appears to be accelerating its shift toward diversification and indigenization (via the government’s “Make in India” initiative), but this process will take many years to complete. The government already had moved to restrict a broad array of defense items from importation to grow its domestic defense industry, and that effort has expanded more recently. There also are


80 Ukraine has emerged as a key supplier of defense-related spare parts and line replacements, with India reportedly purchasing hundreds of millions of dollars’ worth of these annually, including lucrative contracts for Ukrainian engines for Russian-supplied frigates and upgrades to Indian transport aircraft (SIPRI Arms Transfer Database; “India Braces for Sanctions on Russia to Delay Weapons Programs, Deliveries,” Defense News, March 2, 2022; “Russia-India Defense Sales Face Looming Sanctions,” Business Standard (Delhi), February 26, 2022).

81 Frank O’Donnell and Akriti Vasudeva, “Between a Rock and a Hard Place: India’s Stance on the Russia-Ukraine Crisis,” Stimson Center, March 4, 2022; “Putin’s War Delays Delivery of Second S-400 Squadron,” Times of India (Delhi), April 16, 2022.


84 In late April, U.S. Deputy Secretary of State Wendy Sherman said Indians “understand that their military, which was built on Russian weapons, probably doesn’t have a future with Russian weapons anymore because our sanctions have pulled back the military-industrial complex of Russia—and it’s not coming back anytime soon” (quoted in “U.S. Blasts China’s Support for Russia, Vows to Help India,” Bloomberg, April 22, 2022).


indications that New Delhi is moving more rapidly to indigenize the manufacture of parts—for Russian-made armored vehicles, for example.87

A 2021 assessment indicates that a need for foreign technologies and expertise is expected to drive India’s reliance on Russia as a supplier of defense equipment for some time.88 In addition to potentially strengthening sanctions for failure to reduce dependency on Russian defense materiel, Congress may wish to consider whether or not to offer incentives to help accelerate India’s development of indigenous equipment and adoption of alternative suppliers. Congress may seek means for the United States to offer India alternative sources of technology and expertise as, for example, called for by the House Armed Services Committee in a H.Rept. 117-397 (July 2022).89

Increasing the United States’ defense trade with India presents risk. Reports suggest that Russia seeks to evade U.S. export controls and continue to acquire advanced Western military technologies and parts, including through alternative suppliers such as India. China’s apparent refusal to supply Russia with spare aircraft parts may lead Moscow to look to India (among others) for such equipment.90 Congress could consider provisions that would condition U.S. defense cooperation with India on the protection of U.S. and Western technology.

Energy and Other Trade Relations

India has relatively limited trade relations with Russia beyond the defense sector. Overall nonmilitary goods trade between the two countries, worth over $13 billion in India’s most recent fiscal year (ending March 2022), includes about $9.9 billion in Indian imports and $3.3 billion in Indian exports. Major categories of Indian exports to Russia that year were electrical machinery and equipment ($518 million, mostly mobile phones); pharmaceutical products/medicines ($480 million); machinery and machine parts ($304 million); iron and steel ($240 million); and organic chemicals ($231 million). Mineral oils and fuels was by far the leading category for Indian imports from Russia ($5.25 billion), followed by precious stones ($1.25 billion, mostly diamonds); fertilizers ($774 million); project goods ($520 million, almost entirely for power projects); and edible oils ($494 million, almost entirely sunflower oil) (see Figure 2).91

These levels of bilateral trade are comparatively small for two major economies and accounted for less than 1.3% of India’s total trade last year. By comparison, India’s goods trade with the United States was valued above $119 billion, representing 11.5% of all Indian trade during the same period (China was a close second at $115 billion).92 Still, in the three months following the invasion of Ukraine, the value of all Indian imports from Russia reportedly more than tripled over the same period in 2021.93 Most notable are Indian imports of Russian energy, usually at favorable price points. In June 2022, India reportedly purchased an average of nearly one million

87 “Sub-Systems, Several for Russian-Origin Armor, Put on No Import List,” Economic Times (Delhi), March 25, 2022.
88 Despite India’s commitment to boosting self-sufficiency, “its indigenous defense industry has so far failed to deliver, with nearly all domestic programs experiencing severe delays and budgetary problems” (“India—Defense Production and R&D,” Jane’s Sentinel Security Assessment (London), July 19, 2021).
89 H.Rept. 117-397 directs the Secretary of Defense to conduct a study and to provide a report “on the manner and extent to which the United States can support the development of indigenous defense platforms in India.”
91 India Ministry of Commerce and Industry data at https://tinyurl.com/343mcy93.
92 Ibid.
barrels of Russian oil per day, up more than 25-fold from the pre-invasion rate.\textsuperscript{94} International Energy Agency data indicate that this is equal to more than one-quarter of EU purchases during the same period, belying the Indian foreign minister’s April claim that “our total purchases in a month are less than what Europe buys in an afternoon.”\textsuperscript{95}

While India does not have substantial merchandise trade with Russia, it is still vulnerable to disruption, especially via spikes in crude oil prices, which can in turn push up inflation rates.\textsuperscript{96} India may be among the extra-regional countries most negatively affected by the Ukraine conflict, as increasing global commodity prices could affect government spending and dent the economy’s pandemic recovery.\textsuperscript{97} According to Reuters, because of a cash squeeze resulting from the Ukraine invasion and sanctions imposed on Russia, “Indian banks are scrambling after bills for imports from Russia have started bouncing and payments for exports have been stuck”—Indian exporters reportedly are owed hundreds of millions of dollars from Russian buyers and may require new loans.\textsuperscript{98} Data suggest the value of Indian exports to Russia has dropped significantly since February, at least in part due to lack of confidence in the ruble among Indian sellers.

Some observers fault Western countries for failing to consider how sanctions on Russia would adversely affect countries such as India, especially given India’s reliance on the SWIFT international financial transaction mechanism to pay for Russian energy and agricultural imports. This may contribute to New Delhi’s interest in establishing a rupee-ruble payment mechanism that could circumvent sanctions (see the “A Rupee-Ruble Trade Mechanism?” section below).\textsuperscript{99}

\textbf{Figure 2. India-Russia Nonmilitary Goods Trade in the Fiscal Year Ending March 2022}

\begin{figure}[h]
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\includegraphics[width=\textwidth]{figure2.png}
\caption{India-Russia Nonmilitary Goods Trade in the Fiscal Year Ending March 2022}
\end{figure}

\textit{Source: CRS, using data from the Trade Data Monitor.}

\textsuperscript{96} “How Will the Russia-Ukraine War Impact the Indian Economy?,” \textit{Quartz} (online), March 14, 2022.
\textsuperscript{98} “India Considers Relief for Exporters Hit by Ukraine Crisis,” \textit{Reuters}, March 3, 2022.
\textsuperscript{99} See, for example, Mihir Sharma, “Has India Placed Too Much Faith in the West?” (op-ed), \textit{Bloomberg}, March 18, 2022.
Energy Trade

Energy trade is a central feature of the India-Russia relationship, and both parties seek to deepen energy cooperation. India is in recent years the world’s third-largest energy consumer after China and the United States. Its energy use has doubled since 2000, with 80% of demand still being met by power generation from coal, oil, and solid biomass. India is the world’s third-largest oil importer (after China and the United States), purchasing an average of up to five million barrels (mbs) per day in 2022 to date. The bulk of India’s imported oil comes from Persian Gulf countries, with Russia providing less than 2% in recent years. India-Russia initiatives in the oil and gas sectors include at least $32 billion in joint investments, split roughly evenly between the two countries. Other major energy links include coal, nuclear power, and natural gas investments, and these partnerships have brought mutual profits, as well as some level of codependence in the energy sector.100

According to Indian government data, India’s importation of all Russian energy products (Harmonized Schedule Chapter 27) has run at over $2 billion annually for several years, and more than doubled to above $5 billion in FY2021/22, including about $3.6 billion worth of oil and $1.6 billion in coal. In that fiscal year, ending March 2022, Russia accounted for 2.6% of Indian energy imports,101 and energy products accounted for more than half (53%) of India’s total nonmilitary goods imports from Russia (see Figure 2).102

ONGC Videsh Limited (OVL, the overseas subsidiary of India’s state-owned Oil and Natural Gas Corporation) has three ongoing projects in Russia, including large stakes in the Sakhalin-1 oil and gas fields off Russia’s eastern coast, as well as full ownership of an oil exploration firm in the Tomsk region. OVL, along with several other Indian energy firms, also is considering major investments in one of Russia’s largest oil projects, Vostok in Siberia, as well as the Arctic Liquefied Natural Gas (LNG)-2 project.103 Oil India Limited, the country’s second-largest state-owned energy interest, also has large stakes in three Russian projects.104 Among notable Russian investments in India’s energy sector, Rosneft, one of Russia’s leading energy companies, owns a majority share of Mumbai-based Nayara Energy, which operates India’s second-largest refinery and more than 6,500 retail petrol outlets across India. The company reported record quarterly profits for 2022 Q2.105

In 2018, GAIL India Limited, the country’s leading natural gas company, inked a 20-year deal with Russia’s Gazprom to buy 2.5 million tons of LNG annually. At present, Indian firms reportedly are boosting their purchases of Russian LNG at discounted prices.106 About 5% of India’s total coal imports came from Russia in 2021, and purchases reportedly increased

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101 India Ministry of Commerce and Industry data at https://tinyurl.com/343mcyy93.
102 Observatory of Economic Complexity data at https://tinyurl.com/yn395mve.
103 See the OVL website at https://www.ongcvidesh.com/assets/cis-far-east; “India, Russia Discuss Ongoing and Potential Joint Energy Projects,” Economic Times (Delhi), March 11, 2022.
104 See the Oil India Limited page at https://www.oil-india.com/ljvs-pscs-alliances.
106 “Asian Buyers of Russian Gas, Oil and Coal,” Reuters, April 6, 2022; “India Buyers Grab Discounted Russia LNG Shunned by Rest of World,” Economic Times (Delhi), May 9, 2022.
significant in 2022, reaching record highs in June and July.\textsuperscript{107} Russia also is a key player in India’s nuclear power industry: Rosatom—Russia’s state-run nuclear energy agency—has long-term contracts to build a six-reactor, 6,000MW nuclear power plant in Kudankulam in southern India. Construction began in 2002 and, since 2017, two reactors have been operating commercially at full capacity.\textsuperscript{108} As of 2022, construction of four more reactors is underway, though facing delays.

The Invasion of Ukraine and Implications for India-Russia Energy Trade

India is finding new means to import Russian oil despite Western sanctions, reportedly undercutting international efforts to impose costs on Russia for its invasion of Ukraine.\textsuperscript{109} Given its large and growing energy needs, India may be hoping to take advantage of Russia’s isolation to buy fuels at favorable prices. The New Delhi government reportedly is pressuring state oil companies to purchase large volumes of Russian crude; Indian officials deny this.\textsuperscript{110} Some observers also are concerned that India is being used as a potential “back door” into Europe for Russian oil supplies; Indian officials contend that tariffs on transshipments will thwart this.\textsuperscript{111}

Since February 2022, U.S. officials have said the United States would not set “red lines” for Indian purchases of Russian oil, but did not want to see “rapid acceleration” of such imports.\textsuperscript{112} During an April virtual summit with Prime Minister Modi, President Biden urged India not to increase its purchases of Russian energy supplies, but did not call for an end to Indian imports.\textsuperscript{113} At present, India can import energy from Russia without broaching financial transaction sanctions, and the Treasury Department has extended these rules until December 2022.\textsuperscript{114} In the two months following Russia’s invasion of Ukraine, India purchased at least 40mb of Russian oil, more than doubling its entire 2021 total. By June, India was importing an average of one million barrels of Russian oil per day, and Russia displaced Saudi Arabia as India’s second-leading oil supplier (Iraq remains the top supplier). Analyses indicate that India’s recent importation of Russian crude now equals one-fifth of all such Indian imports.\textsuperscript{115}

In June, a top Biden Administration adviser on international energy called on India not to go “too far” as it increases imports of discounted Russian crude.\textsuperscript{116} The Administration is in talks with


\textsuperscript{108} See the Nuclear Power Corporation of India page at https://tinyurl.com/ya4fxf5r.


\textsuperscript{113} “Biden Urges Modi Not to Increase India’s Reliance on Russian Oil and Gas,” \textit{New York Times}, April 11, 2022.

\textsuperscript{114} See the Treasury Department’s June 14, 2022, notice at https://go.usa.gov/xJfvj.


India and other major importers on implementing a price cap for Russian oil sales.\textsuperscript{117} Some Members of Congress have pressed the Administration to exert more pressure on countries that continue to do substantial business with Russia, India among them.\textsuperscript{118} Russian officials are also seeking new Indian investment in Russia’s sanctions-hit energy sector.\textsuperscript{119}

\textbf{Figure 3. Indian Energy Imports from Russia, February 2021-April 2022}

![Graph showing Indian energy imports from Russia, February 2021-April 2022]

\textbf{Source:} Indian Ministry of Commerce data.

Indian coal imports from Russia also have spiked sharply, eliciting concerns that increased Indian (and Chinese) purchases may offset the European Union’s planned ban on Russian coal importation.\textsuperscript{120} In March 2022, India’s steel minister said India was likely to continue and perhaps even double its imports of Russian coking coal used to make steel.\textsuperscript{121} A month after vowing to halt commerce with Russia, Tata Steel—India’s leading steelmaker—reportedly imported 75,000 tons of Russian coal in May 2022.\textsuperscript{122} In the nuclear sector, Russia’s already delay-prone construction of four reactors in Kudankulam is being set back by the disruption of component supplies resulting from Russia’s invasion of Ukraine.\textsuperscript{123}

India’s oil minister said in April that the purchases represent a small fraction of India’s overall annual needs, and he insisted that the government does not intervene in companies’ import deals.\textsuperscript{124} In June, the Indian foreign secretary said that energy security will be New Delhi’s sole consideration when it comes to oil purchases on the global market.\textsuperscript{125} In the face of international scrutiny, Indian officials regularly point out that European countries have been contributing far more to Russia’s energy export revenues since February 2022 than has India.\textsuperscript{126}


\textsuperscript{118} “Senate Foreign Relations Committee Holds Hearing on Fiscal Year 2023 Department of State Budget,” \textit{CQ Transcripts}, April 26, 2022; “Democrats Call Out India for Buying Russia Oil and Weapons,” \textit{Roll Call}, April 26, 2022; “Senate Foreign Relations Subcommittee on Europe and Regional Security Cooperation Holds Hearing on Europe’s Energy Diversification Agenda,” \textit{CQ Transcripts}, June 9, 2022.

\textsuperscript{119} “Russia Offers More Oil to India,” \textit{Hindu} (Chennai), March 11, 2022; “In Russia’s War, China and India Emerge as Financiers,” \textit{New York Times}, June 24, 2022.

\textsuperscript{120} “After Buying Cheap Russian Oil, India in Now Setting Sights on Its Coal,” \textit{CNBC} (online), April 14, 2022.

\textsuperscript{121} “India Leans Toward Continued Import of Russian Coking Coal,” \textit{Reuters}, March 27, 2022.

\textsuperscript{122} “India’s Tata Steel Bought 75,000 Tons of Russian Coal in May—Sources,” \textit{Reuters}, June 21, 2022.


\textsuperscript{124} “Indian Refiners Seeking 6-Month Russian Oil Import Deal,” \textit{Reuters}, April 29, 2022.

\textsuperscript{125} See the External Affairs Ministry’s June 24, 2022, transcript at https://tinyurl.com/mswt2a8w.

\textsuperscript{126} “Russia Doubles Fossil Fuel Revenues Since Invasion of Ukraine Began,” \textit{Guardian} (London), April 27, 2022.
Congress could consider (further) assistance to Indian efforts to move away from fossil fuels—potentially including operationalizing civil nuclear cooperation—and/or imposing costs on New Delhi for future purchases of Russian energy supplies.

**Edible Oils, Fertilizers, and Other Trade**

While not large in absolute terms, India-Russia trade in edible oils, fertilizer, and other items such as gemstones are important to India’s economy and food security. India last year purchased from Russia more than $1.1 billion worth of precious stones and jewelry, $648 million in fertilizers, and $374 million in edible oils (see Figure 2).\(^{127}\) Russia and Ukraine combined to provide nearly 13% of the edible oils and about 9% of the fertilizers imported by India in FY2021/22.\(^{128}\) Edible oils are vital to the Indian diet—India is the world’s second-largest consumer and largest importer of vegetable oils, especially palm, soybean, and sunflower. Roughly half of India’s sunflower oil purchases have come from Russia and Ukraine, and cuts in production from these suppliers in 2022 have led to significant food price inflation for India. In March, India agreed to buy 45,000 tons of Russian sunflower oil—more than double the monthly average in 2021—after supplies from Ukraine ceased.\(^{129}\)

\begin{figure}
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\caption{Indian Goods Exports to Russia, February 2021-April 2022}
\end{figure}

In addition to being an important source of edible oils, Russia is emerging as India’s leading source of fertilizers for domestic agriculture, with reports indicating that Russia became India’s top supplier for the period April-June 2022.\(^{130}\) Some observers have expressed the hope that India can fill gaps in global food supplies caused by the Russia-Ukraine war, especially with wheat and rice (India is world’s second-largest producer of both), but challenges include low fertilizer

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\(^{127}\) Leading Indian exports to Russia last year were electrical equipment (mostly telephone sets, $507 million) and pharmaceuticals ($454 million) (India Ministry of Commerce and Industry data at https://tinyurl.com/343mcy93).

\(^{128}\) Ukraine alone accounted for almost $2 billion in India’s edible oil imports that year (India Ministry of Commerce and Industry data at https://tinyurl.com/343mcy93).


\(^{130}\) “Amid Sanctions, Russia Becomes India’s Top DAP Fertilizer Supplier,” Indian Express (Delhi), June 30, 2022; India Turns to Russian Fertilizer, Showing Challenge of Isolating Moscow,” Washington Post, August 4, 2022.
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stocks. In April 2022, India’s foreign minister reported to Parliament that finding additional sources of edible oils and fertilizers was among the four central aspects of India’s current national strategy in addressing the Ukraine crisis (see Figure 5).

In July 2022, Prime Minister Modi and President Putin talked by telephone and “exchanged ideas on how bilateral trade in agricultural goods, fertilizers and pharma products could be encouraged further.”

International sanctions on Russia are expected to affect India’s ability to purchase diamonds, fertilizer, and edible oils, with negative economic repercussions. As an example, India reportedly cuts and polishes 90% of the world’s diamonds, and a drastic reduction in imports of rough Russian gemstones may result in a loss of employment for hundreds of thousands of Indians.

Figure 5. Indian Fertilizer Imports from Russia, February 2021-April 2022

Source: Indian Ministry of Commerce data.

A Rupee-Rouble Trade Mechanism?

The Indian government reportedly is exploring ways to maintain trade with Russia by reviving a Cold War-era arrangement called the rupee-rouble trade. The mechanism, which was first conceived in a 1953 Indo-Soviet trade agreement, resembles a bilateral “ledger of trade” that would allow Indian and Russian firms to conduct business outside of international payment mechanisms.

During an April visit to New Delhi, Russia’s foreign minister asserted, “It is absolutely clear that more and more transactions would be done through this [rupee-rouble] system using national currencies, bypassing dollar, euro, and other currencies.”

Efforts to establish the mechanism face hurdles as some Russian banks fail to complete transactions in Indian rupees.

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132 See S. Jaishankar’s April 6, 2022, statement at https://tinyurl.com/5yenkatw.
133 See the Prime Minister’s Office’s July 1, 2022, release at https://tinyurl.com/4n6d2sck.
134 “India’s Russia Romance Will Be Hard to Stifle,” Reuters, March 2, 2022; “Over 2.5 Lakh Indian Diamond Polishers Out of Work Due to Russia’s War in Ukraine,” Mint (Delhi), May 19, 2022; “Ukraine War Hits India’s Diamond Workers,” Agence France Presse, June 27, 2022.
banks and firms reportedly are using Dubai as a transshipment point and essentially removing Russia as a party to transactions. In May 2022, an Indian official reportedly said that efforts to establish a rupee-ruble mechanism are ongoing. June reporting suggested Indian and Russian central banks are negotiating a bilateral payment mechanism that can effectively bypass sanctioned Russian banks. Such an arrangement could reduce the effectiveness of U.S. and other sanctions on Russia, and risks angering Washington and other capitals. Congress may wish to consider whether or not to facilitate alternative means for India to acquire vital energy and food imports that would not undermine international sanctions.

### U.S. Indo-Pacific Strategy and Options for Congress

#### U.S. Indo-Pacific Strategy and the Quad

The scope of U.S. bilateral and multilateral engagement with India reaches into numerous areas beyond security, and senior Administration figures tell Congress a strong relationship with India is “critical” to U.S. interests. For some years now, the United States has identified strategic competition with China as the central long-term U.S. national security priority. The Trump Administration’s regional strategy gave India a prominent role. Similarly, the Biden Administration’s Indo-Pacific strategy (released in February 2022) presents 10 “core lines of action” to pursue, among them to “support India’s continued rise and regional leadership.”

By most accounts, the importance of India in U.S. national security planning has led American officials to accept (or at least tolerate) New Delhi’s neutral posture toward the Russian invasion of Ukraine. After initially admonishing India for its posture toward Russia, Administration officials moderated their rhetoric, and the readouts of the April 2+2 Dialogue in Washington, DC, and the May Quad summit in Tokyo indicated leaders sought to highlight convergent Indo-Pacific strategies and not allow the war in Ukraine to derail a focus on Asia.

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139 “India to Continue Buying ‘Cheap’ Russian Oil, Discount to Be Finalized—Source,” *Reuters*, May 25, 2022; “India, Russia Meet to Firm Up Payment Channels,” *Tribune* (Chandigarh), June 17, 2022.
140 “As Sanctions over Ukraine War Mount, Russia Turns to India to Buy Oil and Arms,” *Washington Post*, March 17, 2022; “An Indian Rupee-Ruble Trade Arrangement with India May Be Ready in a Week,” *CNBC* (online), March 23, 2022.
141 For example, in April, Deputy Secretary of State Wendy Sherman told a House panel that “our having a strong relationship with India is critical to our goals and objectives in the Indo-Pacific for our own prosperity, security, and to address all of the challenges in front of us, including global health and the climate crisis” (“House Foreign Affairs Committee Holds Hearing on US Leadership in the Indo-Pacific,” *CQ Transcripts*, April 6, 2022).
142 See the Pentagon’s June 1, 2019, *Indo-Pacific Strategy Report* at [https://go.usa.gov/xusXH](https://go.usa.gov/xusXH). Just before leaving office, the Trump Administration declassified its “Strategic Framework for the Indo-Pacific,” which states that “A strong India, in cooperation with like-minded countries, would act as a counterbalance to China” (see the January 15, 2021, document at [https://tinyurl.com/2j5c5nx](https://tinyurl.com/2j5c5nx)).
143 See the February 2022 “Indo-Pacific Strategy of the United States” at [https://go.usa.gov/xzs5W](https://go.usa.gov/xzs5W).
144 For example, in June, the U.S. National Security Adviser Jake Sullivan reportedly acknowledged differences over Russia policy, but said that the United States is “playing the long game” with India (“U.S. Playing a ‘Long Game’ in Relationship with India: Jake Sullivan,” *Hindu* (Chennai), June 16, 2022).
From a diplomatic perspective, commentators see India in a “sweet spot,” benefitting from elevated global stature and attention. This leverage may “contribute to India’s rise to great-power status and, in turn, shift the global system toward even greater multipolarity,” as is desired by New Delhi. Many independent analysts warn that criticisms of New Delhi by foreign governments would likely be counterproductive; one offers that, “Indians bristle when they sense Americans and Europeans getting together to write global rules. The more that American Wilsonians talk about a values-based international order, the more that Indians worry about Western arrogance.”

Yet, for other observers, India’s stance on the Ukraine invasion elicits questioning of India’s reliability as a U.S. strategic partner, as well as its “adaptability to consequential global developments that require leadership and unity among democratic powers.” For some, New Delhi’s neutrality and Washington’s forbearance of it suggests that the bilateral partnership is transactional and not based on core strategic interests or values.

Going forward, India’s continued neutrality may yet irritate its Western and Quad partners, and lead to a souring of those relations. An escalated or drawn-out war of attrition in Ukraine might eventually try the patience of officials in Washington and other Western capitals who could come to view India as an actor that refuses “to carry its weight as an emerging great power.” Given New Delhi’s unwillingness to add to Moscow’s diplomatic isolation and the steady increase in Indian commercial engagement with Russia since February, U.S. and other officials might in coming months go even further to perceive India as an outright enabler and/or de facto supporter of Russian aggression.

India’s neutrality on Russia’s invasion of Ukraine makes it an outlier among Quad members, raising questions among some observers about New Delhi’s commitment to the values of territorial integrity and rules-based order that are fundamental to the Quad’s conception. By some accounts, this has exposed a fissure in Quad cohesion not only for Washington, but for observers in Tokyo and Canberra, as well. While standing alongside his Indian counterpart in April, Secretary Blinken said “Russia’s aggression stands in stark contrast to the vision that the United States and India share for a free and open Indo-Pacific.” Both the Indian government and the

146 “India Is in a Sweet Spot, Courted by the Quad, China and Russia,” CNBC, March 24, 2022; “Narendra Modi Secures Diplomatic Wins Despite Refusing to Break with Russia,” Financial Times (London), May 14, 2022; Shyam Saran, “India Must Make the Most of the Diplomatic Attention Its Receiving,” Indian Express (Delhi), May 2, 2022.


155 See the State Department’s April 11, 2022, briefing transcript at https://go.usa.gov/xuwgV.
Quad could eventually be weakened by New Delhi’s failure to explicitly criticize Russia, the former by facing international skepticism if and when it wants other governments to take clear positions on matters of interest to India, the latter by potentially eliciting greater China-Russia convergence.156 To date, other Quad governments are publicly abiding India’s stance.157

Options for Congress

In March, in the wake of India’s failure to explicitly criticize Russian aggression, its U.N. abstentions, and its rapid acceleration of purchases of Russian oil, many Members of Congress expressed concern about India’s posture and directly questioned Administration officials about the implications for U.S.-India relations. Some Representatives found India’s “ambivalent role” to be “shocking” and “unnatural,” and questioned whether India is “a reliable partner.”158 Some Senators were “puzzled by India’s equivocation,” and “disappointed” by India’s U.N. abstentions and ongoing India-Russia arms trade,159 one raised questions about “our willingness to look the other way as they have more deeply integrated themselves with both Russian energy sources and Russian military equipment.”160

A senior Pentagon official told a House panel, “India is an absolutely essential partner” that “has a complicated history and relationship with Russia,” but “the trend lines are moving in the right direction.”161 When pressed by the Senate Foreign Relations Committee Chairman to address congressional apprehensions, Secretary of State Blinken said countries that have “had decades long relationships” with Russia will “take time to change and to adjust.”162

Congress could consider whether or not to employ means of encouraging India (and other U.S. partners) to scale back their links with Russia. These could take the form of incentives, such as amending U.S. law to further facilitate arms sales to India (see below) or reinstating India as eligible for the Generalized System of Preferences, a U.S. trade and development program from which India was removed in 2019.163 New U.S. financial commitments to India’s energy or other sectors through bodies such as the Export-Import Bank, Development Finance Corporation, or Trade and Development Agency are further potential incentives. In its engagement with the United States, India seeks closer trade ties, better market access, more cooperation in fields of health and emerging technologies, and more cooperation on clean energy, especially with investment and technology.

In addition to potential secondary sanctions on Indian purchases of Russian arms, other disincentives are also possible. For example, during a June 2022 Senate hearing discussion on

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157 “Quad Has Accepted Indian Stand on Ukraine, Says Australian Envoy,” Hindu (Chennai), March 2022.
162 “Senate Foreign Relations Committee Holds Hearing on Fiscal Year 2023 Department of State Budget,” CQ Transcripts, April 26, 2022.
163 See CRS In Focus IF10384, U.S.-India Trade Relations, by Shayerah I. Akhtar and K. Alan Kronstadt, and CRS In Focus IF11232, Generalized System of Preferences (GSP), by Liana Wong.
Russian oil purchases, one Senator noted, “We are exploring the idea of secondary sanctions here” (the Administration has not ruled out such sanctions).\textsuperscript{164} Going further, one independent analyst has called for the United States to “abandon ‘strategic altruism’ and demand more of India.” Among the suggested policy shifts are imposing sanctions on India for its purchases of Russian arms, and ending the alleged “India exception” on human rights by designating it as a Country of Particular Concern (CPC) under the International Religious Freedom Act of 1998, and sanctioning Indian officials found to be involved in anti-Muslim violence.\textsuperscript{165}

To date, the Senate has not confirmed a U.S. Ambassador in New Delhi. (A hearing for President Biden’s nominee, Eric Garcetti, has met with multiple delays.) At 18 months and counting, this is the longest-ever gap in U.S.-India diplomatic history and is identified by some as a hindrance to greater progress in the relationship.\textsuperscript{166}

**Possible Arms Sales-Related Sanctions**

In an effort to “provide congressional review and to counter aggression by” the Russian government (along with the Iranian and North Korean governments), Congress in mid-2017 passed the Countering America’s Adversaries Through Sanctions Act (CAATSA, P.L. 115-44). Section 231 of Title II, the Countering Russian Influence in Europe and Eurasia Act of 2017, directs the President to impose sanctions on persons whom the President determines have engaged in a “significant transaction” with Russia’s defense or intelligence sectors.\textsuperscript{167} In 2018, Congress passed legislation permitting the President to waive CAATSA sanctions, but the conditions are fairly stringent.\textsuperscript{168}

India currently is in the process of procuring five regiments of Russia’s S-400 \textit{Triumf}\textsuperscript{m} missile defense system at a reported cost of $5.4 billion. The deal was first negotiated in 2016; deliveries began in late 2021, when India operationalized its first regiment. Delivery of a second regiment began in April 2022, although the Ukraine war reportedly is causing delays.\textsuperscript{169} Since CAATSA was enacted, the Indian government has placed orders for billions of dollars’ worth of other Russian defense wares.\textsuperscript{170} Indian planners appear to have concluded that alternatives to the S-400 offered by Washington—the Patriot and THAAD missile defense systems—lack the purported


\textsuperscript{165} Arif Rafiq, “Time to Rethink US-India Ties,” \textit{Real Clear World}, March 21, 2022. In 2020, 14 U.S. Senators signed a letter asking the Secretary of State to designate India (among other countries) as a CPC (see the September 9, 2020, letter at https://go.usa.gov/xHDQW). In the 117\textsuperscript{th} Congress, H.Res. 1196, introduced in June 2022, would condemn human rights violations and violations of international religious freedom in India.

\textsuperscript{166} See Richard Rossow’s June 15, 2022, tweet at https://tinyurl.com/3kppd2pb; “Not a Record to Showcase: No US Ambassador to India for 18 Months and Counting, Longest Ever,” \textit{Print} (Delhi), June 20, 2022.

\textsuperscript{167} For the State Department listing of entities within these sectors, see https://go.usa.gov/xJEQT.

\textsuperscript{168} Section 1294 of the National Defense Authorization Act for FY2019 (P.L. 115-232) provides waiver authority if the President certifies that a waiver is in the U.S. national security interest and that a government offered a waiver is significantly reducing the proportion of its total defense equipment produced by Russia, among other provisions. See the State Department’s undated fact sheet at https://go.usa.gov/xHXmH.

\textsuperscript{169} “India Gets S-400 Training Equipment,” \textit{Hindu} (Chennai), April 15, 2022.

\textsuperscript{170} These include 464 T-90S tanks ($2.8 billion) and 12 Su-35MK combat aircraft ($1.4 billion), among numerous others (SIPRI Arms Transfer Database).
range and versatility of the Russian equipment, and that the S-400’s anticipated role in countering China (and Pakistan) takes precedence over the threat of U.S. sanctions.\(^\text{171}\)

The Trump Administration imposed sanctions on the Chinese military for its purchases of the S-400 system (and Sukhoi-35 combat aircraft) in 2018 and, two years later, the Administration sanctioned a Turkish entity for procuring the S-400. Members of Congress disagree over whether the Administration should enforce Section 231 sanctions on India or, alternatively, issue a waiver on national security grounds.\(^\text{172}\) Many independent analysts counsel taking the latter course, in particular on the grounds that a waiver would be an important signal of U.S. reliability as a supplier.\(^\text{173}\) During an April 2022 hearing, Senate Foreign Relations Committee Chairman Senator Robert Menendez told Secretary Blinken, “We need clarity on whether the administration will waive CAATSA sanctions” for India. In July, the House of Representatives expressed its sense that a waiver should be issued.\(^\text{174}\) The Administration has yet to make a determination on CAATSA sanctions in India’s case.\(^\text{175}\)

**Future Major Arms Sales to India**

In April 2022, while standing next to his Indian counterpart, Secretary Blinken said, “We continue to urge all countries to avoid major new transactions for Russian weapons systems, particularly in light of what Russia is doing to Ukraine.”\(^\text{176}\) Weeks later, the Deputy Secretary of State said the United States stands ready to help India to further reduce its reliance on Russian-supplied arms.\(^\text{177}\) In May, a *Bloomberg* report indicated the Biden Administration was preparing a request for a major new aid package for India that could include up to $500 million in Foreign Military Financing (FMF)—essentially a line of credit with which India could purchase U.S.-made arms. If requested by the Administration and enacted by Congress, this would be the first-ever FMF appropriation for India and rank that country among top recipients of such financing.\(^\text{178}\)

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\(^{172}\) For example, in early 2021, SFRC Chairman Senator Bob Menendez publicly asked the U.S. Defense Secretary to dissuade India from completing the S-400 air defense missile deal, saying that such a purchase “will clearly constitute a significant, and therefore sanctionable, transaction with the Russian defense sector.” In contrast, in October 2021, the co-chairs of the Senate India Caucus called on President Biden to issue a waiver, in large part due to concerns that sanctions could “reverse or slow” progress in the bilateral relationship (see the March 17, 2021, Menendez letter at https://go.usa.gov/xH9j9, and the October 26, 2021, co-chairs’ release at https://go.usa.gov/xtgM6).

\(^{173}\) See, for example, Jeff Smith, “U.S. CAATSA Sanctions and India: Waivers and Geopolitical Considerations,” Heritage Foundation, April 7, 2021; Richard Rossow and Kriti Udaphyaya, “Assessing India’s CAATSA Sanctions Waiver Eligibility,” *Diplomat* (online), February 11, 2021; CRS interviews with congressional staff, June 2022.

\(^{174}\) An amendment to the National Defense Authorization Act (NDAA) for FY2023 (H.R. 7900) expresses the sense of Congress that a waiver of CAATSA sanctions is in the best interests of the United States and the U.S.-India defense partnership (see the July 14, 2022, notice at https://go.usa.gov/xSvca).

\(^{175}\) In April 2022, Secretary Blinken said, “We have not yet made a determination regarding potential sanctions or potential waivers under the CAATSA law” (see the State Department’s April 11, 2022, briefing transcript at https://go.usa.gov/xuwgV).

\(^{176}\) See the State Department’s April 11, 2022, briefing transcript at https://go.usa.gov/xuwgV.


Congress has broadly supported increased defense trade with India, especially since the 114th Congress recognized India as a “Major Defense Partner” of the United States in 2016.\(^1\)\(^7\)\(^9\) The House-passed version of the National Defense Authorization Act for FY2023 (H.R. 7900) contains provisions on deepening defense cooperation with India, and the House Armed Services Committee “believes it would beneficial for the Department of Defense to study ways to support India’s efforts to produce indigenous defense systems” (H.Rept. 117-397).

India continues to show interest acquiring major U.S. defense equipment, especially through co-production and co-development.\(^1\)\(^8\)\(^0\) The State Department may be considering revised financing arrangements and the supply to India of excess U.S. defense articles as means of further incentivizing Indian defense planners.\(^1\)\(^8\)\(^1\) Other policy changes could have similar effect.\(^1\)\(^8\)\(^2\) Analysts suggest India’s hesitation to purchase defense articles from the United States arises from concerns about high costs, the reluctance of U.S. firms to share technology, and relatively stringent end-use monitoring requirements. Russian suppliers do not present such obstacles.\(^1\)\(^8\)\(^3\) Lingering perceptions in India of U.S. unreliability are another factor.\(^1\)\(^8\)\(^4\) Indian regulations present further obstacles; according to a former senior Pentagon official, the challenge of conducting defense trade with India “is enormous because of the offset requirements there.”\(^1\)\(^8\)\(^5\)

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179 See Section 1292 of P.L. 114-328, “Enhancing Security and Defense Cooperation with India.” MDP is a unique designation created for India by the U.S. Congress and is intended “to elevate defense trade and technology sharing with India to a level commensurate with that of our closest allies and partners,” as well as “institutionalize changes the United States has made to ensure strong defense trade and technology cooperation.” It was created in large part to carry over a presumption of approval for export licenses to India from the George W. Bush Administration (U.S. Department of Defense and U.S. Department of State, Joint Report to Congress, July 2017, at https://go.usa.gov/x6HfD; CRS interviews with Defense Department officials, April 2018).

180 For example, in February 2022, India received its twelfth Boeing P-8I Poseidon maritime surveillance aircraft, and a deal for six more is in process. India also reportedly is negotiating the purchase of additional Apache and Chinook helicopters from Boeing, and the company continues to advertise its FA-18E/F Super Hornets as the ideal combat aircraft for India’s naval forces. In 2020, India leased two MQ-9 Sea Guardian surveillance UAVs made by General Atomics and is considering purchasing 30 armed versions of the platform for $3 billion (see Boeing’s February 24, 2022, release at https://tinyurl.com/55tepczb; “India in Talks for More Apache, Chinook Choppers: Boeing Official,” Hindu (Chennai), June 12, 2022).


182 A former Trump Administration official offers: “Washington could give New Delhi even more access to sensitive U.S. technologies that would enhance Indian defense capabilities. It could also provide incentives to U.S. private companies to co-develop and co-produce additional high-tech military equipment in India. It might make its military gear more affordable for India” (Lisa Curtis, “India’s Last Best Chance,” Foreign Affairs, May 31, 2022; see also Vasabjit Banerjee and Benjamin Tkach, “After Ukraine, Where Will India Buy Its Weapons?,” War on the Rocks, April 12, 2022).


184 “India’s Neutrality on Ukraine Rooted in Deep Ties to Russia, Lingering Mistrust of U.S.,” Wall Street Journal, April 26, 2022; Rakesh Sharma and Kuldeep Singh, “US Carrot of Military Aid Is a Stick to Prod India Away from Russia” (op-ed), News9Live (Noida), April 9, 2022.

185 After 2005, India required that 30% of any defense deal valued at more than Rs3 billion (about $38 million) must be reinvested in the Indian economy; in 2016 the threshold was raised to Rs20 billion (about $256 million). Many firms find the requirement difficult to meet (former Under Secretary of Defense for Acquisition and Sustainment Ellen Lord quoted in “Senate Armed Services Committee Holds Hearing on Defense Industrial Base,” CQ Transcripts, April 26, 2022; “Indian Government Clashes with Foreign Defense Sector over Offset Demands,” Defense News, April 21, 2022.}
Foreign Assistance

A total of about $15 billion in U.S. assistance went to India from that country’s 1947 independence through 2000, nearly all of it in the form of economic grants and more than half as food aid.\textsuperscript{186} For the period FY2001-FY2021, foreign aid averaged about $103 million annually, with the great majority channeled through Economic Support and Development Funds, and Global Health Programs, including those combatting HIV/AIDS. Smaller amounts are devoted to nonproliferation and anti-terrorism programs (over the past five years averaging $1.9 million annually), and to international military education and training (averaging $1.3 million annually). U.S. assistance to India totaled $101 million in FY2021; the Administration obligated an estimated $117 million for FY2022 and requests the same amount for FY2023, nearly all of it for development assistance and health programs. Congress could consider whether or not to adjust the levels and programing of foreign assistance to India as a means of incentivizing New Delhi to reduce its reliance on Moscow.

\textsuperscript{186} Foreign assistance figures are not adjusted for inflation.
## Appendix. Russian Arms Sales: Major Orders by India Since 2001 and Deliveries to India Since 2005

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Weapon System</th>
<th>Year Ordered</th>
<th>Year Delivered</th>
<th>Deal Value</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>140</td>
<td>Su-30MK FGAs</td>
<td>2001</td>
<td>2005-2021</td>
<td>$3-$5.4 billion</td>
<td>MKI version produced under license in India</td>
</tr>
<tr>
<td>8</td>
<td>RBU-6000 ASW Rocket Launchers</td>
<td>2003</td>
<td>2014-2020</td>
<td>Produced under license in India</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>AK-630 Naval Guns</td>
<td>2003 and 2013</td>
<td>2014-2021 (12 delivered)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Aircraft Carrier</td>
<td>2004</td>
<td>2013</td>
<td>$2.3 billion</td>
<td>Russian Gorshkov, now INS Vikramaditya</td>
</tr>
<tr>
<td>1</td>
<td>Akula-Class Nuclear-Powered Attack Submarine</td>
<td>2004</td>
<td>2012</td>
<td>Inducted in on a 10-year lease as INS Chakra</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>MiG-29S FGAs</td>
<td>2005</td>
<td>2010-2011</td>
<td>$252-$740 million</td>
<td>MiG-29K version deployed on INS Vikramaditya</td>
</tr>
<tr>
<td>300</td>
<td>T-90S Tanks</td>
<td>2006</td>
<td>2009-2018</td>
<td>$1.2-$1.9 billion</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Talwar-Class Frigates</td>
<td>2006</td>
<td>2012-2013</td>
<td>$1.2-$1.9 billion</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Su-30MK FGAs</td>
<td>2007</td>
<td>2009-2012</td>
<td>$1.5-$1.6 billion</td>
<td>MKI version produced under license in India</td>
</tr>
<tr>
<td>347</td>
<td>T-90S Tanks</td>
<td>2007</td>
<td>2008-2012</td>
<td>$1.2 billion</td>
<td>Most assembled in India</td>
</tr>
<tr>
<td>63</td>
<td>MiG-29S FGAs</td>
<td>2008</td>
<td>2012-2021 (55 delivered)</td>
<td>$850-$965 million</td>
<td>Most produced under license in India</td>
</tr>
<tr>
<td>100</td>
<td>BrahMos Anti-Ship SSMs</td>
<td>2012</td>
<td></td>
<td>Mainly Russian tech; delivery probably planned from 2022</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>MiG-29S FGAs</td>
<td>2010</td>
<td>2012-2016</td>
<td>$1.2-$1.5 billion</td>
<td>MiG-29K version for deployment on aircraft carriers</td>
</tr>
<tr>
<td>500</td>
<td>BVRAAMs</td>
<td>2011</td>
<td>2012-2013</td>
<td>~$463 million</td>
<td></td>
</tr>
<tr>
<td>10,000</td>
<td>Anti-Tank Missiles</td>
<td>2012</td>
<td>2013-2017</td>
<td>$225 million</td>
<td></td>
</tr>
<tr>
<td>Quantity</td>
<td>Weapon System</td>
<td>Year Ordered</td>
<td>Year Delivered</td>
<td>Deal Value</td>
<td>Additional Information</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------</td>
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<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>740</td>
<td>Turbfans</td>
<td>2012</td>
<td>2013-2020 (560</td>
<td>$1.6 billion</td>
<td>For Su-30 MKI modernization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>delivered)</td>
<td></td>
<td>Assembled in India from kits</td>
</tr>
<tr>
<td>42</td>
<td>Su-30MK FGAs</td>
<td>2012</td>
<td>2013-2017</td>
<td>$1.6 billion</td>
<td>Produced under license in India</td>
</tr>
<tr>
<td>236</td>
<td>T-90S Tanks</td>
<td>2013</td>
<td>2018-2021 (200</td>
<td>$950 million</td>
<td>For Visakhapatnam destroyers; probably produced under</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>delivered)</td>
<td></td>
<td>license in India</td>
</tr>
<tr>
<td>8</td>
<td>RBU-6000 ASW Rocket Launchers</td>
<td>2013</td>
<td>2021 (two delivered)</td>
<td>$474 million</td>
<td>Indian designation Invar</td>
</tr>
<tr>
<td>25,000</td>
<td>Anti-Tank Missiles</td>
<td>2013</td>
<td>2014-2021 (10,500</td>
<td>$474 million</td>
<td>140 to be produced under license in India; selected in 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>delivered)</td>
<td></td>
<td>but contract not yet signed</td>
</tr>
<tr>
<td>200 (original order)</td>
<td>KA-226 Light Helicopters (2015)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(250)</td>
<td>Diesel Engines</td>
<td>2016</td>
<td>2017-2021</td>
<td>$125 million</td>
<td>For mine-protected APCs</td>
</tr>
<tr>
<td>(unknown)</td>
<td>Anti-Ship SSMs</td>
<td>2017</td>
<td></td>
<td>$125 million</td>
<td>For Delhi destroyers and Kara frigates</td>
</tr>
<tr>
<td>10</td>
<td>S-400 Triumph ASM systems</td>
<td>2018</td>
<td>2021 (one delivered)</td>
<td>$5.4 billion</td>
<td>Delivery began in 2021</td>
</tr>
<tr>
<td>4</td>
<td>Talwar-Class Frigates</td>
<td>2018</td>
<td></td>
<td></td>
<td>Two to be produced in India; delivery planned 2023-2026</td>
</tr>
<tr>
<td>5,175</td>
<td>Portable SAMs</td>
<td>(2018)</td>
<td></td>
<td></td>
<td>For assembly and production under license in India; selected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2018 but possibly not yet ordered by end-2021</td>
</tr>
<tr>
<td>149</td>
<td>BMP-2 Infantry Fighting Vehicles</td>
<td>(2018)</td>
<td></td>
<td>$141 million</td>
<td>Produced under license in India as Sarath</td>
</tr>
<tr>
<td>6</td>
<td>AEW helicopters</td>
<td>(2019)</td>
<td></td>
<td></td>
<td>Selected in 2019 but not yet ordered</td>
</tr>
<tr>
<td>4,331</td>
<td>Anti-Tank Missiles</td>
<td>2019</td>
<td>2019-2021 (2,500</td>
<td>$127 million</td>
<td>Produced under license in India</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>delivered)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantity</td>
<td>Weapon System</td>
<td>Year Ordered</td>
<td>Year Delivered</td>
<td>Deal Value</td>
<td>Additional Information</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------</td>
<td>--------------</td>
<td>----------------</td>
<td>------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>500</td>
<td>Anti-Tank Missiles</td>
<td>2019</td>
<td>2019</td>
<td>$29 million</td>
<td>For Mi-35 helicopters</td>
</tr>
<tr>
<td>1,000</td>
<td>BVRAAMs</td>
<td>2019</td>
<td>2021 (300 delivered)</td>
<td></td>
<td>For modernized Sukoi and Mikoyan combat aircraft</td>
</tr>
<tr>
<td>464</td>
<td>T-90S Tanks</td>
<td>2019</td>
<td></td>
<td>$2.8 billion</td>
<td>Up to 80% produced in India; delivery planned by 2023-2025</td>
</tr>
<tr>
<td>1</td>
<td>Akula-Class Nuclear-Powered Attack Submarine</td>
<td>2019</td>
<td></td>
<td>$3 billion (10-year lease)</td>
<td>Indian designation Chakra-3; delivery planned 2025</td>
</tr>
<tr>
<td>156</td>
<td>BMP-2 Infantry Fighting Vehicles</td>
<td>2020</td>
<td>2021 (100 delivered)</td>
<td>$148 million</td>
<td>Further delivery probably planned 2022/2023</td>
</tr>
<tr>
<td>12</td>
<td>Su-30MK FGAs</td>
<td>(2020)</td>
<td></td>
<td>$1.4 billion</td>
<td>MKI version to be produced under license in India; selected in 2020 but not yet ordered</td>
</tr>
<tr>
<td>17,500</td>
<td>Anti-Tank Missiles</td>
<td>(2020)</td>
<td></td>
<td>$450 million</td>
<td>To be produced under license in India; selected in 2020 but not yet ordered</td>
</tr>
</tbody>
</table>

**Source:** Figure created by CRS using the SIPRI Arms Transfers Database.

**Author Information**

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