

Eurasia Braces for Broader Impact of Stronger Russia-India Relations

by Ramtanu Maitra

March 19—The workman-like one-day March 12 visit by Russian Prime Minister Vladimir Putin to New Delhi not only led to signing of 19 agreements, but also ensured a deepened interaction between Russia and India, in such high-technology areas as nuclear power generation, space exploration, and defense manufacturing. Such deepening of relations between these two powerful nations is bound to have a major impact in the region, which is simultaneously gearing up to utilize the growing economic strength of the two most populous nations on Earth—China and India—amidst acute security threats and the meltdown of the global financial system.

Although the signing of the agreements just occurred, exhaustive discussions between officials from both sides closed the deals over recent months and years.

It was also observed that, during this period, China-India relations took a turn for the better, whereby both Beijing and New Delhi have now begun to acknowledge that the two great nations do not have to be competitive, but can be cooperative rivals. In effect, they can grow together, utilizing each other's strength.

This is happening despite the fact that most Western pundits, and their echo chambers around the world, are announcing that the enmity between China and India is so deep, that they can never work together. This was pointed out by China's Ambassador to India, Zhang Yan, in an article in *China Daily* on Feb. 17, 2010. Zhang wrote that, "Although there are certain forces in the world that do not want to see China and India join hands, bilateral relations are standing at a new starting point, facing exciting new opportunities for development."

Those who oppose cooperative China-India relations learned to their dismay, at the Copenhagen Climate Conference in December, that these two countries worked together to thwart what both considered a West-

ern-oriented plan to cut carbon emissions at their expense. Given this, some have observed that the two Asian giants do indeed have complementary strengths, as they contemplate the dynamics of the 21st-Century global economy.

Groundwork for Proliferation of Nuclear Power

Agreements signed at New Delhi on March 12 will benefit both Russia and India. However, the most rewarding development for India, and also beneficial to Russia, are the agreements signed in the nuclear power generation sector. India long ago developed a closed fuel cycle, and is in the process of ushering in a new generation of nuclear reactors, which will use thorium-232, bountiful domestically, to generate fissile nuclear fuel.

These reactors will use plutonium as the driver to convert thorium-232 to fissile uranium-233. India's first-phase reactors, pressurized heavy water reactors, produce plutonium, but India's small reserve of natural uranium poses problems. The first problem was the expansion of pressurized heavy water reactors to meet the country's huge power shortage, and the other problem was to generate enough plutonium that could be used for breeding uranium-233 from the plentiful thorium-232 that India possesses, to meet India's long-term power requirements.

The agreements provided the solution. Russia and India will set up a joint venture to prospect and mine uranium, Sergei Kiriyeenko, the head of Russia's state nuclear giant Rosatom, said. The joint venture might operate at the Elkon uranium field in Yakutia, Kiriyeenko was quoted as saying by the Interfax news agency. The Rosatom chief said the two countries might jointly build nuclear fuel manufacturing facilities in Russia and India. He added that cooperation between Russia and India would not be restricted to fuel manufacturing and nuclear plant construction, but that nuclear power



IAEA/Petr Pavlicek

Among the 19 agreements signed by the prime ministers of Russia and India, was a plan for Rosatom to construct up to 16 nuclear power units at three Indian sites. Twelve are already under construction at the Koodankulam nuclear power plant in southern India, shown here.

equipment manufacturing might also be located in India. India has been offered a stake at the Elkon uranium field as well.

Russia and India also signed an agreement that would enable Rosatom to construct up to 16 nuclear power units at three Indian sites. Kiriyenko said earlier, that 12 of the units, including the first 2 of 1,000 MW capacity, are already under construction at the Koodankulam nuclear power plant in southern India; two others have been ordered for the same site, to be built according to an agreement signed on March 12. At least 6 of the next 12 reactors to be supplied by Rosatom will be next-generation, Russian pressurized light water reactors, of 1,250 MW power generation capacity.

India has received firm commitments for 510 tons of natural uranium from Kazakhstan and Russia in 2010-11. During the current fiscal year, the country received 478 tons from France and Russia. Additionally, India is developing a state-of-the-art heavy forging facility for future nuclear power plants, under the aegis of a joint venture by Nuclear Power Corporation of India Ltd. (NPCIL) and Larsen & Toubro (L&T). L&T signed four agreements with foreign nuclear power reactor vendors in early 2009.

The first, with Westinghouse, sets up L&T to produce component modules for the Westinghouse AP1000 reactor. The second agreement was with Atomic Energy of Canada Ltd., “to develop a competitive cost/scope model for the ACR-1000.” In April, L&T signed an

agreement with Russia’s AtomStroyExport, primarily focused on components for the next four VVER reactors at Koodankulam, but extending beyond that to other Russian VVER plants in India, and internationally. In May, it signed an agreement with GE-Hitachi to produce major components for ABWRs (advanced boiling water reactors). The two companies hope to utilize indigenous Indian capabilities for the complete construction of nuclear power plants, including the supply of reactor equipment and systems, valves, and electrical and instrumentation products for ABWR plants to be built in India.

Satellite Navigation

Prime Minister Putin and Indian Prime Minister Manmohan Singh also signed an agreement for a joint venture to produce navigation equipment for GLONASS (Global Navigation Satellite System), the Russian equivalent of the GPS. When fully functional, the Indian military, like its Russian counterpart, will get full access to GLONASS.

GLONASS is the Russian equivalent of the U.S. Global Positioning System, or GPS, and is designed for both military and civilian use. Both systems allow users to determine their positions to within a few meters.

Russia currently has a total of 22 GLONASS satellites in orbit, but only 16 of them are operational. The system requires 18 operational satellites for continuous navigation services covering the entire territory of Russia, and at least 24 satellites to provide navigation

services worldwide. The GLONASS system is expected to start operating worldwide, by the end of 2010, at which point India will be able to use the civilian and military signal.

Singh also referred to the strengthening cooperation between the two nations in hydrocarbons, through greater collaboration between gas companies. “We have identified information technology and telecommunications as focus areas for our future economic cooperation,” he stated. A top Indian official, who described Putin as the “architect” of the strategic partnership between India and Russia, added, “We should not see this visit as a one-off affair. Rather, the discussions today are a continuation of the dialogue that has been taking place nearly every month between specialized delegations. We have several military agreements that have been in the pipeline for a long time.”

Immediate Impact of the Agreements on the Region

The Singh-Putin agreements do not aim for an immediate increase in trade volumes between the two countries, but focus, instead, on long-term developments and strategic cooperation. Two years ago, India and Russia decided to explore the feasibility of inking a Comprehensive Economic Cooperation Agreement (CECA). Since then, both sides have discussed ways to deepen ties in pharmaceuticals, space, metallurgy, aviation, and fertilizers, hoping that the enhanced economic engagements in these areas would further boost bilateral cooperation. Some agreements signed in New Delhi pointed to that direction.

Beyond that, the all-around strengthening of Russia-India relations has already begun to make some impact in the region. Less than a week after the agreements were signed, India announced that it will shortly hold high-level discussions with Iran, as part of its strategy to hold consultations with all regional stakeholders to stabilize Afghanistan, and to develop alternate energy transit sources and routes.

New Delhi is currently holding consultations with Uzbekistan, which shares ethnic ties with a section of the Afghan people. And before that, Foreign Secretary Nirupama Rao visited Kyrgyzstan to discuss, among other things, how that country’s leadership is looking at the evolving situation in Afghanistan. Minister of State for External Affairs Preneet Kaur visited another Central Asian country, Turkmenistan, again to discuss Afghanistan and energy issues, diplomatic sources say.



World Economic Forum

Sergei Kiriyenko, head of Russia's state nuclear giant Rosatom, said that the two countries might jointly build nuclear fuel manufacturing facilities in Russia and India.

These consultations on Afghanistan and energy were also part of deliberations that took place between Prime Ministers Singh and Putin.

India has indicated an intensification of talks with Russia on the future of Afghanistan, the growing concerns among neighbors of that war-torn state, about a possible reconciliation with the Taliban, and, ultimately, its return to political power in Kabul. Top Indian officials say India is “engaging deeply” with Russia over Afghanistan, and shared concerns were discussed by the two leaders in New Delhi (see article, last issue).

The NATO alliance will be wary of deeper dialogue between Russia and India. The U.S. and other Western powers want India, which has a \$1.5 billion development program in Afghanistan, to remain aligned with NATO policy. They fear any suggestion of steps to build up the former Northern Alliance, a military-political coalition of Uzbeks, Tajiks, and Hazara, that fought the Taliban from the late 1990s, with support from regional allies. As of now, Russia has preferred to keep a focus on the drug-trafficking menace emanating from Afghanistan, rather than consider a fuller international engagement over a country that inflicted humiliation on the erstwhile Soviet Army in the 1980s.

Emplaning for Washington a day after Putin left for Moscow, Indian Foreign Secretary Rao, spoke at the High Technology Coordination Group (HTCG), set up during the G.W. Bush Administration, to facilitate transfer of high technology to India that was banned in light of India’s testing of nuclear explosives in 1974 and 1998. She served notice on the Obama Administra-

tion, that the way Washington is dealing with India, it can no longer be business as usual. She pointed to the Russian cooperation with India in GLONASS, space exploration, and nuclear power closed fuel cycle, and said that if things are not changed, the scheduled visit of President Obama to India will be a pale shadow of Prime Minister Putin's visit.

On Afghanistan, Pakistan, and Iran—which Rao recently visited—she made clear that if the U.S. looks at Afghanistan only through Pakistani lenses, and does not take into consideration the concerns the region has, other countries such as India, Iran, China, and Russia, which have genuine interests in Kabul, will fight that trend with some degree of coordination.

At another Washington event, Rao made clear that the relationship between India and China has improved significantly in the last two decades, and the two neighbors are discussing ways to resolve their outstanding border dispute. “We have a broad-spectrum, multidimensional relationship that covers many areas, which is not just focused on the boundary question,” she said.

China's Gestures

Rao's statements in Washington reflect what has been whispered in New Delhi's power corridors for months. The inability of the Obama Administration to work towards resolving any of the major problems the world faces, has enticed India to take a fresh look at its foreign policy, with the Manmohan Singh government actively strengthening its friendships in the region. This is the strategic context behind India becoming active in the neighborhood, which includes Russia. New Delhi believes that Putin, a strong leader, with a clear strategic vision, has also realized the importance for Russia of expanding the ambit of its cooperation with India and China.

Beijing, which had expressed deep reservations about the U.S.-India nuclear deal of October 2009, and considered it to be Washington's gambit to make New Delhi a strategic partner against a growth-oriented China, did, in fact, endorse the Russian nuclear cooperation with India. This was despite the fact, that the Russia-India nuclear deal is many times more beneficial for India's economic growth than was envisaged in the U.S.-India nuclear deal.

This became evident from Beijing's offer to involve India in China's stated plan to build a high-speed rail line connecting its southwestern city of Kunming to New Delhi and Lahore, Pakistan, part of a 17-country

transcontinental rail project, a Chinese official familiar with the plans told the Indian news daily, *The Hindu*.

One proposal involves a line running from Kunming, in southwestern Yunnan province, to New Delhi, Lahore, and on to Tehran, according to Wang Mengshu, a member of the Chinese Academy of Engineering, and one of the country's leading railway consultants. “India is a relatively small country with a huge population,” he told *The Hindu* in an interview. “It will be too costly to build highways for India, so our high-speed rail-link project will improve transportation efficiency and resources. I am confident we can finally reach an agreement, which will greatly help exports to the Indian Ocean direction.” He said talks with Indian officials were “friendly,” and they had been “welcoming” of the idea.

In late October, Xie Zhenhua, deputy director of the National Development and Reform Commission, signed a five-year agreement in New Delhi with Indian Environment Minister Jairam Ramesh, to jointly fight “climate change.”

In December, a Chinese delegation led by Ge Zhenfeng, deputy chief of general staff of the Chinese People's Liberation Army, visited India, and former Indian Naval Chief Adm. Suresh Mehta attended the 60th anniversary ceremony for the Chinese navy earlier last year. “Military exchanges have boosted mutual confidence and promoted regional stability and peace as well as strengthened anti-piracy cooperation,” China's Ambassador to India Zhang Yan said.

In the Feb. 17 interview with *China Daily*, Zhang said: “The year 2010 will be an important year for the development of Sino-Indian relations. At the moment, both India and China need to focus on self-development, and both need regional stability and peace. We have reasons to be very confident about our mutual future.

“In the wake of the global financial crisis and the rapidly changing international situation, China and India have maintained a good developing momentum and progress.... As two emerging powers, China and India have stressed cooperation and met the global challenge hand-in-hand. Our economies have grown despite the general downturn, and served an important role for the recovery of the global economy.”

Zhang noted that this year marks the 60th anniversary of the establishment of diplomatic ties between the two nations, and a series of China- and India-themed events is planned. He said the two countries should seize this opportunity to deepen cooperation and trust.