

# RUSSIA DIGEST



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# CELEBRATING 75 YEARS OF INDIA'S INDEPENDENCE

■ **Denis Alipov** | Russian Ambassador to India



**W**elcome to the special edition of Russia Digest to mark the 75th Anniversary of India's Independence. It is an honour for me to extend the warmest congratulations to the people of India on this auspicious occasion!

Seventy-five years ago, India started an incredible journey to ultimately ensure its deserved place among the leading world powers. A vibrant democracy and diverse society, a fascinating combination of traditions and inexorable economic progress, philosophy of peace and inclusiveness - all of these and more make India a unique and admirable nation.

The coinciding 75th anniversary of the Russia-India diplomatic relations gives us pride in our great bilateral achievements and unparalleled strategic partnership, based on deep mutual trust and convergence of core national interests. Our friendship has withstood the test of time and continues to flourish in the hearts and minds of the people of our countries.

Coordinating closely in the UN, G20, BRICS, SCO and other fora, Russia and India essentially contribute to the promotion of just and equal multipolarity as reflecting modern realities.

Russia, as a like-minded and historic friend, extends the best wishes to India on her path of progress for the benefit and prosperity of the Indian people.

**Jai Hind! Jai Rus!**

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## 'RUSSIA AND INDIA'S PARTNERSHIP RESTS ON A COINCIDING VISION OF THE FUTURE WORLD ORDER'

RUSSIA AND INDIA ARE STRENGTHENING TIES DESPITE THE SLEW OF ANTI-MOSCOW SANCTIONS WHICH HAVE BEEN IMPOSED BY THE WEST. IN AN INTERVIEW WITH *SPUTNIK*, **RUSSIAN AMBASSADOR TO INDIA, DENIS ALIPOV**, EXPANDED ON THE RESULTS OF THE XIV BRICS SUMMIT, RELATIONS BETWEEN MOSCOW AND NEW DELHI, AND OPPORTUNITIES FOR INDIAN BUSINESSES IN RUSSIA

### How do you assess the results of the XIV BRICS Summit for both Russia and India?

The XIV BRICS Summit, held on June 23 this year, was certainly a significant step in the development of the BRICS [Brazil, Russia, India, China and South Africa] grouping, which in essence reflects the formation of a new reality in international relations - the transition from a unipolar system to a polycentric world order.

The important thing is that, against the backdrop of geopolitical collisions, the five countries send a powerful message of common understanding of global processes - from reforming the multilateral system of economic governance to the situation in disarmament and non-proliferation, information security, counter-terrorism and other challenges. There was a clear consensus against arbitrary sanctions, which are the exclusive prerogative of the UN Security Council. We also shared a disapproval of the distorting effects of any discriminatory measures in international trade, which mainly affect developing countries.

Of course, our main target now is to build a smooth and reliable system of mutual settlements as an alternative to a compromised mechanism based on the dominance of the US dollar. We suggest developing a new international currency, to connect the banks of the BRICS countries to the Russian System for Transfer of Financial Messages, a SWIFT analogue (SPFS), to integrate national payment systems into a unified network for cross-border clearing settlements.

Clearly, no less important are steps to strengthen BRICS' sectoral cooperation, which, according to the results of this year's work, continues to expand in the spheres of health, science and technology, space, etc. The New Development Bank, having a loan portfolio of \$29 billion, stands out for its successful projects.

The BRICS+ High-level Forum on Sustainable Development received a great response, which demonstrated the considerable interest developing countries have in cooperating with BRICS, and the positive global agenda that the grouping is building. I believe that the BRICS, contrary to criticism, will have an increasing influence on world processes.

**How does India and China's interaction within the BRICS framework unfold against the backdrop of the territorial dispute between the two countries in Ladakh? And how does this disagreement generally affect how the 'Five' interact and work with each other? Chinese Foreign Minister Wang Yi earlier said that "common interests of India and China 'far outweigh' the differences" at a meeting with India's ambassador to Beijing - is that true?**

Interaction within BRICS is mature and constructive. The active participation of India and China in all BRICS events this year clearly demonstrates this. The most important thing is that the member states use this platform not to antagonise each other but to promote mutually beneficial cooperation and synergy of interests.

The 'Five' offer an extensive common agenda on these very foundations, that in one way or other will also contribute to overcoming bilateral disagreements.

**Does BRICS plan to expand in the near future (according to media reports, China is in favor of this), and how do Russia and India view this?**

The interest of like-minded countries in the 'Five' is proof positive of how inclusive the association is, its openness to cooperation with all constructively minded partners, ready to seek answers to the challenges which are facing the international community at present.

Russian Foreign Minister Sergey Lavrov stressed that the discussion of BRICS expansion is justified and timely. The idea itself received principled support at the XIV BRICS Summit. Another thing to remember is that haste in this matter may be counterproductive. It is necessary to think in detail about the principles, standards and procedures of such a process, which should be developed through debate and by consensus. The main thing is that the accession of new members will help to increase the effectiveness and practical impact of the 'Five's' activities.

**How do you assess BRICS' role as a platform for building relations between the members of the association and enhancing relations between Russia and India?**

BRICS plays an important role in building relations between member countries. It

## INTERVIEW

has a great deal of institutional capacity and experience in practical cooperation. As I have already said, the 'Five' share a common understanding of the need to build an equitable and fair polycentric model of the global system that corresponds with the political, economic and cultural diversity of today's world and meets the interests of all its states.

The decisions made at this platform undoubtedly also contribute to enhancing cooperation between India and Russia. It is sufficient to cite a few examples of the mechanisms that have been created: the New Development Bank, the Vaccine Research and Development Center, and the Joint Committee on Space Cooperation. Each of them provides a platform for experts to share experiences and find promising solutions in specific areas, and they can use this useful experience both at home and within themselves.

**India has recently come under pressure from the West because of its balanced stance on Russia's special military operation in Ukraine. Have the anti-Russian sanctions affected the cooperation between Moscow and New Delhi?**

The partnership between Russia and India rests on a deep strategic foundation, drawing its strengths not only from strong historical roots, but also on a coinciding vision of the future world order. As you see, the external conjunction is incapable of affecting our relations in any meaningful way. We have regularly seen evidence of this in statements by the Indian leadership in recent months.

We are grateful to New Delhi for its objective assessment of the Ukrainian events. Clearly, they understand the background of the present geopolitical and geo-economic situation and the forced nature of Russia's actions in Ukraine. They see the destructive role of illegitimate restrictions in the genesis of the present global food and energy crisis, the responsibility for which the West seeks to place entirely on our country.

India does not support attempts to isolate Russia in multilateral forums and

is critical of the West's wish to reduce the international agenda to the conflict in question, ignoring other key global and regional problems, which the West itself has exacerbated significantly. The pressure exerted by the West, aggressively imposing its conditions about who one can and cannot be friends with, causes the rejection of such diktat.

At the same time, we must be realistic about what is happening: India is interested in developing cooperation with the rest of the world, including the US and Europe. National interests and the need to preserve strategic autonomy guide the Indians in their actions, rejecting the very idea of dividing lines and the paradigm of bloc confrontation. As for the sanctions, they do throw up challenges, which will require a certain time to adapt and, will be overcome in time. The main thing is that our cooperation actively continues as it is based on common interests.

**In December 2021, Russia and India outlined many new goals for cooperation, including doubling mutual trade and investment. How realistic do these goals seem now?**

First and foremost, it should be noted that the goals outlined in December 2021 at the annual bilateral summit in New Delhi are fully consistent with the enormous potential of our relations. The India-Russia partnership operates on all sorts of levels. We are expanding cooperation in communications, diamond processing, forestry, healthcare and pharmaceuticals, tourism, railroads, metallurgy, civil aviation, shipbuilding and oil refining. Our military and military-technical cooperation is being strengthened. We are progressively implementing the plans adopted at the 2019 Vladivostok Summit to work together in the Far Eastern and Arctic regions, and we are building up cooperation in the trade, economic, investment, banking and financial sectors.

The dynamics of bilateral trade speak for itself. According to India's statistics, from January to April 2022, it amounted to \$6.4 billion. This is almost twice as much as for the same period last year. If we maintain these volumes

throughout the year, we will have a turnover of more than \$19 bn by the end of 2022. To put this in context, let me remind you that in the previous year we had an absolute record of \$13.6 billion.

We expect that despite the West's sanctions against Russia, the positive dynamics of trade will continue. Unfortunately, in the first months after the launch of the special military operation in Ukraine, there were certain difficulties with supplying Russian goods to India and vice versa. However, today we have overcome most of these barriers. We are confident that Indian exports to Russia, including science-intensive ones, will gain momentum in the near future.

We see good prospects for Indian pharmaceutical products, leather and textiles, agricultural goods, components for machinery and equipment, telecommunications equipment, and organic chemistry products. We expect growth in mutual turnover of services in such sectors as tourism, finance and insurance, telecommunications and information technology, transport and construction. We have great hopes for the implementation of the International North-South Transport Corridor (INSTC) project. Our main task today is to adjust our economic relations to the new realities, to synchronise the payment systems of the two countries, giving priority to the increased use of national currencies.

**You are an expert on India and speak Hindi. Please tell us, what made you fall in love with this country?**

India, for me, is a life-long journey. I have spent more than twenty seven years of my life in this country, studied its history in university, and have been directly involved with the development of relations with it. India is an incredible country. Rapid economic, scientific and technological development, the large young and active population, and the impressive growth of authority in the global arena have all ensured its strong place among the world powers that will determine the future of our planet.





## 'A PARTNERSHIP BASED ON MUTUAL TRUST AND CONTINUED GROWTH'

PACKAGING ROSE TO BE THE SUNSHINE INDUSTRY IN THE MOST DIFFICULT OF TIMES DURING COVID OUTBREAK. TODAY, IT SUPPORTS THE WAY TO A NEW WORLD WHICH WILL PROVE HELPFUL FOR BOTH, THE RUSSIAN AND THE INDIAN ECONOMIES

■ **Junaid Khan**, Business Head, Flex Films RUS LLC

Russia has been a longstanding and time-tested partner for India. Relations between both countries are rooted in history, culture, mutual trust and mutually beneficial cooperation. The democratic nations have been sharing a 'special and privileged strategic partnership' that supports each other's growth and economic progress.

### REINFORCING STRATEGIC BALANCE

The Soviet Union was India's largest trading partner until 1991. Apart from rejuvenating old ties of friendship, the visit in 2021 of the Honourable President of the Russian Federation, Vladimir Vladimirovich Putin, to India was a clear signal of the commitment to reinforce strategic balance as an enduring factor in ties between both superpowers, despite shifting priorities.

Both countries have several similarities too in their global approach. Russia and India, that were front-runners in the fight against Covid-19, defied many challenges to develop vaccines that would not only save its people but the entire world.

### TRADE AND ECONOMIC TIES

Reinforcing trade and economic collaboration between both superpowers is a key factor for the growth of both the countries. Resumption of positive trajectory of Indo-Russia trade witnessed bilateral trade over 2021 amounting to US\$ 13.6 billion. In a bid to further improve the trade ties, the targets have been revised for bilateral investment to reach US \$ 50 billion and trade to US \$ 30 billion by 2025.

There are many sectors that contribute to boosting trade relations between both the countries. Defence ties have been a consistent feature of Indo-Russian ties and

almost 60 per cent of India's military hardware is of Russian origin.

### STRESS ON BILATERAL TIES

While cooperation in the defence, energy and space sectors are expected to boost, bilateral ties have to be enhanced in tourism, finance and insurance, telecommunications and information technology, and transport and construction to sustain ties in the long run.

The implementation of the International North-South Transport Corridor (INSTC) project will prove to be beneficial for both economies. Of all, one industry that has been supporting this path to build a new world is packaging, an industry that rose to be the sunshine industry in the most difficult times of COVID outbreak.

### PACKAGING: A DEVELOPING INDUSTRY

Russia, the largest country in the world, ranks as the 8th largest market of packaged food products worldwide, worth almost 29 million tons of trade volume. Despite the drop in buying power since the financial crisis of the Russian economy in 2014-15, demand for FMCG products has steadily risen. Compared to other markets across the world, the Russian flexible packaging market is relatively unsaturated and is developing at a more intense rate.

The packaging industry in Russia is expected to grow to 150.8 billion units by 2025, at a CAGR of 1.4 per cent. This growth is expected to be led by flexible packaging – largely used in food industry – for its light weight and extension of shelf-life properties.

A key determinant for this growth is the

increasingly fast lifestyles of consumers, influencing the demand for small, on-the-go FMCG products. The packaging industry in Russia is also driven by the consumer demand for attractive-looking packaging.

### EASE OF BUSINESS

Interacting with the Russian government and the business community regularly, it is encouraging to witness their seriousness in making it conducive for businesses to operate smoothly. When our parent company UFlex was executing its plan to commission a packaging film plant in Russia, it was overwhelming to realise the support the Russian administration extended to the company to have the plant ready for commissioning within assured timelines, despite all odds faced then due to the pandemic.

### NEW OPPORTUNITIES

The recent withdrawal of western companies from the Russian market opens up many new opportunities for India Inc. and the latter has been on a deal-signing spree with Russia. India has also seen a dramatic rise in spending on Russian energy. Russia is accepting payments in local currency, to help keep trade flows to the countries strong this year. From January to June 2022, Indo-Russian bilateral trade touched US\$ 11.1 billion, clearly indicating the upward movement. If we continue to maintain these volumes, I am certain that together we can create more value and achieve robust numbers.

– Flex Films RUS LLC located in Stupino, is a packaging film subsidiary of UFlex, India's largest MNC in flexible packaging materials and solutions.

# RUSSIA-INDIA COOPERATION: HIGH ON POTENTIAL AND MULTIFACETED

THE RUSSIAN FEDERATION AND THE REPUBLIC OF INDIA ENJOY THE SPECIAL & PRIVILEGED STRATEGIC PARTNERSHIP. THE FORWARD-LOOKING TIES CONTINUE TO GROW IN DEFENCE, NUCLEAR ENERGY AND MANY OTHER AREAS

Once again, we would like to convey our sincere congratulations on the occasion of the 75th anniversary of India's Independence! The Indian Independence Act adopted, on August 15, 1947 crowned decades of the Indian people's struggle against British colonialism. The attainment of freedom was the start of a long journey, which led India to confidently emerge as one of the rising global powers.

Diplomatic relations between the USSR and the Republic of India were established on April 13, 1947. With the political and economic support of the Soviet Union and later Russia, India became an influential member of the international community.

In the 1950s, India received financial assistance from the Soviet Union for the development of industry, the defence and space sectors, as well as nuclear energy. Some of India's state-owned companies that successfully compete in the global market, such as Bharat Heavy Electrical Limited (BHEL), Oil and Natural Gas Corporation (ONGC) and Hindustan Aeronautics Limited (HAL), were created with the support of the USSR. The Soviet Union has made a tremendous contribution to the development of India's steel industry.

Today, the Russian Federation and the Republic of India enjoy a special and privileged strategic partnership. The forward-looking ties continue to grow. This bilateral cooperation is characterised by its high intensity in the area of political contacts, where discussion focuses on key areas as cooperation and current international and regional problems, where both nations have similar approaches.

In December 2021, President Vladimir Putin paid a working visit to New Delhi, where he held fruitful talks with Prime Minister of India Narendra Modi. "Russia views India as a major power, whose people have been very friendly to us. Our relations proceed from a very positive foundation," the Russian President emphasised.

Following the meeting, a joint statement was signed - Russia-India: Partnership for Peace, Progress and Prosperity, which reflected the main aspects of multidimensional cooperation, as well as a package of other documents.

The two leaders, Russian President Vladimir Putin and Indian Prime Minister Narendra Modi, hold regular dialogues. During one of their last phone conversations on July 1, 2022, they had a detailed discussion of topical issues of Indo-Russian relations and focused on the subsequent development of mutually beneficial economic ties. They were pleased to note a substantial increase in bilateral trade volumes, including mutual deliveries of agricultural products. Putin and Modi voiced their mutual commitment to strengthen the special and privileged strategic partnership between Russia and India.

At the request of Modi, President Putin gave an update on the key aspects of Russia's ongoing military operation and underscored the dangerous nature of the approach of the Kiev regime and its Western patrons to escalate the crisis and torpedo efforts to resolve it.

They reviewed in detail the situation in the global food market. Putin drew attention to systemic mistakes by a number of countries that disrupted the entire system of free trade in foodstuffs and provoked substantial price hikes. The illegitimate anti-Russia sanctions have compounded the already complicated situation. The President also noted that Russia had been and remains a reliable producer and supplier of grain crops, fertiliser and energy carriers to Indian partners, among others.

Russia-India cooperation is multifaceted, and offers enormous potential, which is also reflected in their trade and economic activities. In 2021, trade between Russia and India amounted to \$13.6 billion (46.5 per cent year-on-year). In January-March 2022, it reached \$3.5 billion, including

exports at \$ 2.4 billion (up 84.6 per cent), and imports at \$1.1 billion (up 10 per cent). The partners are working intensively to connect India's credit institutions to the financial messaging system of the Bank of Russia (SPFS), and to pair the national payment systems Mir and RuPay. The biggest nuclear energy cooperation project of the two countries is the construction of generation units at the Kudankulam power plant in Tamil Nadu with Russian VVER-1000 type reactors at the core. The project has been underway since 2002, in accordance with the Agreement of November 20, 1988.

Russia-India defence and military-technical cooperation is growing. They are jointly manufacturing high-tech military products. In December 2021, New Delhi hosted the first 2+2 meeting of the Russian and Indian foreign and defence ministers. Both the governments signed an agreement on the 2021-2031 Military-Technical Cooperation Programme.

Russia and India place particular emphasis on bilateral cultural ties. In December 2021, the Russian and Indian Ministries of Culture signed the Cultural Exchange Programme for 2021-2024.

As Roerich wrote, "I bow in deep respect to the teachers of India. They brought true creativity to the chaos of our lives, and the joy of the spirit, and silence from which life emerged. In times of extreme need, they reached out to us. They were calm, persuasive, and wise."

To read the full report,  
scan QR code





# SCO MFA MEETING THROWS LIGHT ON INTERNATIONAL & REGIONAL AGENDAS

THE MAIN IDEA BEHIND THE MEETING WAS TO FOCUS ON PREPARATIONS FOR THE SUMMIT OF THE SCO HEADS OF STATES COUNCIL (HSC) TO BE HELD IN SAMARKAND IN SEPTEMBER



Foreign Minister of Russia, Sergey Lavrov, attended a meeting of the Shanghai Cooperation Organisation Council of Ministers of Foreign Affairs (SCO MFA) on July 28-29, 2022 in Tashkent.

## Role in the world affairs

The agenda focused on preparations for the meeting of the SCO Heads of States Council (HSC) to be held in Samarkand in September. The summit is to consider the state of multilateral cooperation and prospects for its further development, and identify priorities and practical measures to step up SCO's activities at the current stage. Particular attention will be paid to the enhancement of the organisation's role in world affairs in the light of the current geopolitical realities.

The ministers reviewed the progress in drafting the documents of the SCO HSC, which, when adopted and further implemented, will give a qualitatively new impetus to interaction in politics, security, economy and humanitarian relations. The common positions of the member-states will be set out in the Samarkand Declaration. They are planning to sign memorandums of understanding on Iran's pledges to become a member-state and

on granting dialogue partner status to Egypt, Qatar and Saudi Arabia.

## Key issues

They also plan to adopt decisions on commencing the procedure of admitting Belarus to the SCO and granting Bahrain (and the Maldives) dialogue-partner status. The heads of foreign ministries discussed key regional and global issues, and on Russia's initiative, adopted a Joint Statement on Strengthening the Biological and Toxin Weapons Convention in the format of parties

THE COMMON POSITIONS OF THE MEMBER-STATES WILL BE SET OUT IN THE SAMARKAND DECLARATION. THERE ARE PLANS TO SIGN MOUS ON IRAN'S PLEDGES TO BECOME A MEMBER AND ON GRANTING DIALOGUE PARTNER STATUS TO EGYPT, QATAR & SAUDI ARABIA

concerned. Sergey Lavrov also held a number of bilateral meetings on the sidelines of the event. On July 28, he met with Minister of External Affairs of India Subrahmanyam Jaishankar. During the meeting, they reviewed current issues of bilateral relations, as well as the international and regional agendas.

To read the full report, scan QR code





# 'GUIDELINES PUBLISHED TO PRESENT FORECAST ON RUSSIAN ECONOMIC DEVELOPMENT AND MONETARY POLICY MEASURES'

DRAFT MONETARY POLICY FRAMEWORK FOR 2023-2025 TO HELP AID BUSINESSES AND HOUSEHOLDS TAKE ECONOMIC DECISIONS. HERE ARE A FEW TALKING POINTS FROM THE PRESS CONFERENCE HELD ON AUGUST 12, 2022

■ **Alexey Zabotkin**, Deputy Governor of the Bank of Russia



**Y**ear 2022 has seen drastic changes in the conditions in which the Russian economy operates. Our annual strategic document - Monetary Policy Guidelines in August, which is earlier than usual, in order to present more comprehensively to the public and businesses, our forecast of the Russian economic development and monetary policy the Bank of Russia intends to implement in different scenarios.

We believe it would give more specific guidance for businesses and households to take economic decisions. This year, our country faced sanctions against its real

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THE KEY TASK IS TO ENSURE THAT THE COUNTRY GOES THROUGH TRANSFORMATION WITHOUT EXTREME LOSSES IN ECONOMIC ACTIVITY AND AVOIDS MACROECONOMIC STABILITY RISKS

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and financial sectors that were unprecedented in scale. In February and March, these events caused a higher volatility in the financial market, a weaker ruble, a sharp rise in inflation expectations, an

outflow of depositors' funds from banks, and a feverish consumer demand. Financial stability risks rose substantially.

A package of measures was taken to stabilise the situation. These included a brief but sharp increase by the Bank of Russia of the key rate on February 28, an introduction of restrictions on capital flows, a suspension of trades on the Moscow Exchange, regulatory easing for banks, and a borrower support. These measures made it possible to curb the volatility in the domestic financial market, return depositors' funds to banks, and support the banking sector.



The Bank of Russia managed to fully meet the elevated liquidity needs of banks and stabilise the situation quickly even though fluctuations in cash flows were extreme. The major contributors were the resilience of the banking system, which had been continuously improved in the last few years, as well as the maturity and reliability of the monetary policy operational procedure, which supported liquidity provision and absorption mechanisms.

The financial situation stabilised. Now, the economy is undergoing transformation. This is a long and challenging stage of the adaptation to new environment. It will take time for companies to readjust their business models and economic relations and for people to revise their consumption habits. Our key task is to ensure that our country goes through the transformation without extreme losses in the economic activity and avoids macroeconomic stability risks.

Now, I will speak about monetary policy principles and goals. The monetary policy goals and principles remain unchanged though the situation has changed dramatically. The Bank of Russia maintains its commitment to ensuring the price stability based on the inflation-targeting strategy.

Consistently low inflation is an essential prerequisite for the balanced growth of the economy in any environment, including the current conditions. Our inflation target is annual inflation close to four per cent on a permanent basis.

I would like to note that an important feature of this strategy is its flexibility. We choose such a path for bringing inflation back to the target that will make it possible to reduce the deviation of output from its potential. This is the main contribution monetary policy makes to the stability and predictability of the economic environment required for the transformation and development of the Russian economy.

Prices for a wide range of goods and services will be adjusting to the new environment over the current and next year. Inflation will be temporarily above the target. Normally, it would take from 12 to 18 months to bring inflation back to target. However, now it appears



## RUSSIA MAINTAINS THE FLOATING EXCHANGE RATE REGIME FOR THE RUBLE. THE BANK OF RUSSIA DOES NOT SET ANY CURBS OR BENCHMARKS FOR THE RUBLE EXCHANGE RATE OR THE PACE OF ITS MOVEMENT

necessary to do it more gradually given the scale of changes in the economy. According to the Bank of Russia's forecast, inflation will return to four per cent in 2024.

We will continue to impact the economy and price movements via interest rates while implementing monetary policy. The key rate and communication remain the main tools of monetary policy. Sanctions pressure and implemented protective measures temporarily complicated the transmission of our decisions to the economy. The transmission of the key rate signal via individual channels became less effective. However, its effectiveness is recovering as the economy is adjusting to the imposed restrictions.

I would like to remind you that our key rate decisions impact other interest rates, credit activity, propensity to save, and aggregate demand with substantial lags. This is why monetary policy decisions are based, not only on the comprehensive assessment of the current economic condition, but also on the medium-term macro-economic forecast.

We updated the set of models the Bank of Russia's forecast is based on in order to factor in the effect of the emerged capital flow restrictions on the monetary policy transmission mechanism.

I would like to stress once again that we maintain the floating exchange rate regime for the ruble. The Bank of Russia does not set any restrictions or benchmarks for the ruble exchange rate or the pace of its movements. Floating exchange rate is an important factor for implementing an independent monetary policy. It enables the economy to adapt to changes in the external environment in an efficient manner.

Capital flow restrictions are a financial stability tool. They are to curb an excessive volatility of the foreign

## ECONOMY

exchange market at times of extreme external shocks. Earlier, foreign exchange interventions were used to address this task. However, it is impossible to use them now for this purpose as Bank of Russia accounts -- denominated in the currencies of 'unfriendly' countries -- are frozen.

The efficiency of monetary policy depends on the level of confidence that households, businesses, and market participants have on it. It is impossible to gain and retain such confidence without information transparency. We still seek to disclose information explaining our monetary policy decisions as quickly and comprehensively as possible.

Let's return to the situation in the economy. The second part of the guidelines sums up key developments since autumn 2021 to date and our actions. I will not describe them in detail now but would like to note briefly that following a sharp rise in prices in March-April, inflationary pressure has been declining rapidly. This was in part assisted by the propensity to save which increased in response to a dramatic rise in deposit rates following the key rate hike. The strengthening of the ruble exchange rate in May-June was an important factor.

The fast decline in the current pace of price growth, as well as in inflation expectations, helped us return the key rate to the levels at the beginning of the year just as quickly. The Bank of Russia responded promptly to incoming information, including taking key rate decisions at extraordinary meetings.

At present, the key rate is eight per cent per annum, which is the minimum since mid-December last year. Other interest rates, including deposit rates, bond yields, and lending rates, are following the downward path of the key rate at varying speeds.

The uncertainty of further developments remains extremely high. It is connected both with the internal processes of economic adjustments and with external factors. As I have mentioned, domestic conditions mean the speed and scale of businesses' adaptation to changes and developments in consumer behaviour. External conditions mean the geopolitical environment, the situation in the global

economy, inflation and monetary policies in other countries.

To illustrate the effect of various combinations of these drivers on the economy and our monetary policy, in addition to the baseline forecast, we present two alternative scenarios in this year's guidelines. They are called the 'Fast Adaptation' and the 'Global Crisis'.

Our baseline scenario for 2022-2024 was published in follow-up to the July key rate meeting of the Board of Directors. As usual, in the guidelines we expand the forecast horizon by another year, extending it to 2025. The baseline scenario assumes that the restrictions already imposed on the Russian economy will remain unchanged over the entire forecast horizon. The global economy will continue

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### THE SECOND ALTERNATIVE SCENARIO PRESENTED IN THE MONETARY POLICY GUIDELINES IS ON THE 'GLOBAL CRISIS'. IT ASSUMES A SIGNIFICANT AND SHARP DETERIORATION IN BOTH THE GLOBAL ECONOMIC TRENDS AND GEOPOLITICAL ENVIRONMENT. PERSISTENTLY HIGH INFLATION MAY REQUIRE CENTRAL BANKS OF MAJOR COUNTRIES TO TIGHTEN THEIR MONETARY POLICIES QUICKLY

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to evolve in line with previous trends.

In response to accelerating inflation, major central banks will raise their rates. This will lead to a slowdown in global economic growth in 2023. In this situation, monetary policy in the largest economies will be sufficiently cautious to avoid a massive recession and acute crises.

The bottom of GDP decline will be passed in the first six months of 2023. To a large extent, this decline is associated with a reduction in potential output. The economy will be moving towards a new long-term equilibrium. More details on the economy's equilibrium and deviations from it are presented in Box 6 of

today's document.

As the economy transforms, its growth will resume. GDP growth will be 1 to 2.5 per cent in 2023 Q4 on 2022 Q4 (although there will be a decline in 2023 as a whole due to the high base of the first six months).

The long-term growth rate of the economy will be shaped by improved labour skills and the higher efficiency of capital consumption, the availability of modern technology and equipment, and the investment climate.

Monetary policy will aim to return inflation to the target, given the necessary scale of the adjustment of relative prices. We estimate that inflation will be at 12.0-15.0% in 2022, declining to 5 to 7 per cent in 2023 and returning to 4 per cent in 2024.

I would like to note that the level of interest rates for households and businesses will still be conditional on low inflation and long-term fiscal resilience.

Given the announced projected inflation path, the annual key rate will average 6.5 to 8.5 per cent per annum. in 2023 and 6 to 7 per cent in 2024. Notably, in 2025, it will correspond to our estimate of the long-term nominal neutral rate of 5 to 6 per cent per annum.

Please note that there are factors that can influence the neutral rate estimate both upwards and downwards. The most significant of them are listed in Box 2 of the guidelines. We will assess the cumulative impact of factors on our estimate of the neutral rate in line with incoming data. The alternative scenario 'Fast Adaptation' assumes a quicker structural transformation of the economy. This transformation will be primarily driven by better import dynamics than forecast in the baseline scenario.

This scenario implies that businesses will be able to build new economic linkages faster. The mechanism of parallel imports will additionally support the availability of necessary goods and equipment. The quantities and value of exports will be also higher than in the baseline scenario. Hence, the recovery growth of the Russian economy in 2023 will start earlier and will



be markedly more active, with GDP growth assumed to be at 3.5 to 5 per cent in 2023 Q4 on 2022 Q4.

A faster easing of supply-side restrictions, in particular, higher import availability, coupled with monetary policy pursued, will help annual inflation return to a level close to the target as early as by the end of 2023. The key rate will also decline faster. Already in 2024, the average key rate will return to the neutral range of 5 to 6 per cent.

The second alternative scenario presented in the Monetary Policy Guidelines is the 'Global Crisis' scenario. It assumes a significant and sharp deterioration in both the global economic trends and geopolitical environment. Persistently high inflation in major countries might require their central banks to tighten their monetary policies more quickly and considerably. This will entail a recession in the largest economies.

As for emerging market economies, especially those that have accumulated large amounts of external debt, they may face higher financial stability risks. The contraction of global economic activity in this scenario may be exacerbated by geopolitical developments, specifically, by new sanctions against Russia. The combi-

nation of these events will intensify imbalances in the world economy and may lead to a new global financial and economic crisis comparable in scale with the 2007-2008 crisis.

For Russia, such a global crisis would cause a decrease in external demand, export prices and quantities. New sanctions would make imports less available. This will considerably complicate the structural transformation of the Russian economy and its adaptation to the new conditions.

In 2023, GDP will contract more than in 2022. Over 2024, GDP will stabilise at a low level. Recovery growth will begin no sooner than in 2025. The economy will face another strong pro-inflationary shock, which may be more persistent due to a more considerable 'unanchoring' of inflation expectations. In this case, inflation will return to the 4 per cent target only in 2025. This will require tighter monetary policy compared to the baseline scenario. A return to the neutral range of the key rate will occur beyond the forecast horizon. I would like to touch upon the fiscal policy. It will markedly influence the path of the economy in all scenarios. Following the 2022 suspension of the fiscal rule, the situation in global commodity markets began to make a stronger impact on the economy in

general and the foreign exchange market, in particular.

Among other things, this caused a higher volatility of the ruble exchange rate. Now, the government is working on new parameters of the fiscal rule. These parameters will determine the scale of its countercyclical impact as well as the level of the structural balance of the budget system. We will take both into account when revising the forecast and making further decisions.

The Russian economy has repeatedly demonstrated the ability to adapt to changing conditions. We will support this process, while maintaining macroeconomic sustainability. I would like to stress once again that, under all scenarios, the Bank of Russia's monetary policy will aim to ensure price stability and the return of inflation to the 'close to 4 per cent' target.

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scan QR code*





# 'AGRI PRODUCTION INDEX RECORDS GROWTH IN FIRST FIVE MONTHS, TREND TO CONTINUE TILL YEAR-END'

WEATHER PERMITTING, RUSSIA IS HOPING FOR AN EXCELLENT HARVEST FOR ALL MAIN CROPS. AS FOR THE AGRO-INDUSTRIAL AND FISHING SECTORS, A STRATEGY TILL 2030 HAS BEEN UPGRADED AND SUBMITTED TO THE GOVERNMENT. HERE'S AN EXCERPT FROM THE TRANSCRIPT OF THE MEETING OF PRESIDENT VLADIMIR PUTIN WITH THE GOVERNMENT MEMBERS ON JULY 8, 2022

■ **Dmitry Patrushev**, Russian Minister of Agriculture



In the first five months of this year, the Russian agriculture production index stood at 102.3 per cent as compared to the same period last year. We see growth in almost every area and expect this trend to continue until the end of the year.

### Positive dynamics

I would like to single out cattle breeding, because there were certain difficulties in this sub-industry in the first half of last year. Considering the new projects and the stabilisation of the epizootic situation, we are seeing a more positive trend this year. Cattle and poultry production increased by 6.5 per cent, including growth of more than 7 per cent for pork and poultry. In the food and processing industry, the indicators increased by almost 1.5 per cent. Here, we also forecast general positive dynamics for the year.

Next, the sowing campaign in the Russian Federation is now completed. According

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OVER THE LAST TWO YEARS, THE RUSSIAN FEDERATION HAS BECOME A NET EXPORTER OF AGRICULTURAL PRODUCTS. THIS YEAR, THERE ARE PLANS TO MAINTAIN THE RESULTS ACHIEVED EARLIER WHILE PROVIDING BASIC PRODUCTS, PRIMARILY GRAIN AND OIL, TO RUSSIA'S TRADITIONAL PARTNER COUNTRIES

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to preliminary data, about 53.5 million hectare have been sown with spring crops. Considering winter sowing, our plans to increase the total area by almost a million hectare have been fulfilled.

Harvesting has already started in the south, in the North Caucasus and Central Russia.

According to the latest data, about 10 million tones of grain have already been threshed. The rate is higher than last year. In addition, open ground vegetables and potatoes are being harvested, as well as systematic fodder foraging for farm animals.

In general, we hope for an excellent harvest for all the main crops, weather permitting.

For example, the planned volume of grain is about 130 million tons, and 22.6 million tons of oilseed, including very good indicators for soybeans and rapeseed. According to plan, the sugar beet harvest will exceed 41.5 million tons, which will make it possible to produce the required amount of sugar.

We plan to harvest at least 6.8 million tons of potatoes in the organised sector, and 5.2 million tons of open field vegetables. We believe that the harvest will fully cover domestic needs and, thus, ensure Russia's food security.

Stable production will make it possible to increase food exports. We are the leaders in wheat grain exports, coming in second in sunflower oil, and third in barley and rapeseed oil; and these are products with high added value. Also, Russia is among the largest exporters of soybean oil and corn.

Over the last two years, the Russian Federation has become a net exporter of agricultural products. This year, we are planning to maintain the results achieved earlier and provide basic products, primarily grain and oil, to all of our traditional partners.





I would like to note that we have upgraded and submitted to the government the strategy for developing the agro-industrial and fishing sector up to 2030. In addition, I reported to you the risks in these sectors at the meeting in April.

## **Bid to reduce**

To supply farmers with agricultural equipment, in cooperation with the Ministry of Industry and Trade we initiated at the Eurasian Economic Union (EAEU) level the lifting of import duties on a broad range of products for a term of six months to two years, which was a huge step.

In addition, we continue implementing the special Rosagro leasing programmes that allow farmers to purchase equipment on subsidised terms. In general, Russian and Belarusian producers are increasing cooperation. Also, the Ministry of Industry and Trade is considering ways to increase its own agricultural machine and equipment manufacturing. We need to start production soon given the sanctions pressure, of course.

## **Yet another area...**

In cooperation with the Ministry of Industry and Trade, the Transport Ministry and the United Shipbuilding

Corporation, we are considering the possibility of building cargo ships for the export and import of grain and other goods by the agro-industrial complex. With the subsidised investment loans, we are providing additional support for the purchasing of agricultural equipment, the construction and upgrading of seed selection and genetics centres as well as dairy farm projects. We have allocated 10 billion rubles for these purposes.

This year, we will be allocating an additional 8.3 billion rubles to compensate for part of the direct construction cost of dairy farms, storage facilities, and selection and seed-growing centres.

We continue to increase our support for small companies. Starting this year, we will subsidise small individual landowners. We will help them with the production and marketing of their products.

An additional allocation of over 150 billion rubles has been approved to meet our commitments on subsidised loans. These loans are issued at a fast pace. In short loans we are already ahead of the past year.

To sum up, despite the new challenges, the agro-industrial complex continues to function and develop steadily.



# STRATEGIC TIES UNAFFECTED BY GEOPOLITICAL ENVIRONMENT, SAY FOREIGN MINISTERS

COMMON STAND ON GLOBAL AND REGIONAL ISSUES; MUTUAL INTEREST IN PROMOTING POLITICAL DIALOGUE; TRADE, ECONOMIC, CULTURAL AND HUMANITARIAN TIES, AS ALSO THE HISTORICAL TRADITIONS OF FRIENDSHIP REMAIN THE FOUNDATIONS OF A STRONG PARTNERSHIP



The Russia-ASEAN Foreign Ministers' Meeting, co-chaired on August 4, 2022 by the Russian Federation and the Kingdom of Cambodia, showed that the Russia-ASEAN strategic partnership remains unaffected by the geopolitical environment.

### FIRM FOUNDATION

It is based on a firm foundation of similar or identical positions on key global and regional issues and mutual interest in promoting political dialogue, trade, economic, cultural and humanitarian ties, as well as historical traditions of friendship and cooperation between the nations and their people. The ministers reaffirmed their aspiration to fulfil the agreements reached at the 4th Russia - ASEAN summit in October 2021, including the effective implementation of the comprehensive plan of action in 2021-2025.

THE FOREIGN MINISTERS REVIEWED KEY GLOBAL AND REGIONAL ISSUES, INCLUDING UKRAINE. THE RUSSIAN DELEGATION EXPLAINED THE BACKGROUND OF THE SITUATION

### EXTENDING SUPPORT

The ASEAN countries welcomed Russia's firm support for the association's central role in the regional architecture and unity of its states, and the active role of Russia in ASEAN-centric mechanisms, including the East Asian Summit, the ASEAN Regional Forum on security and the meeting of the ASEAN Defence Ministers and Dialogue Partners.

The participants discussed prospects for intensifying political dialogue at the high and highest levels. Both sides are convinced that this is particularly important in conditions of geopolitical turbulence and the growing trend towards a multipolar world.

### SECURITY AND SUSTAINABLE DEVELOPMENT

Russia's diverse cooperation with the ASEAN 10 objectively facilitates the consolidation of the regional architecture for security and sustainable development. Importantly, Russia is united by its firm commitment to create a more equitable and democratic multipolar world on the basis of international law -- primarily the principles of the UN Charter. The participants reaffirmed their plans to hold a second round of Russia-ASEAN consultations of senior security officials and the second dialogue on cybersecurity in the latter half of 2022.



## RUSSIA-ASEAN COOPERATION

They discussed prospects for developing cooperation between the defence ministers of Russia and the ASEAN countries and praised the first Russia-ASEAN naval exercises held in late November - early December 2021.

### SHARED GOALS

The meeting confirmed the shared goal of completing the coordination of the Russia-ASEAN plans on countering terrorism and transnational crime, on cybersecurity issues, as well as education and energy security with a view to deepening the comprehensive strategic partnership between Russia and ASEAN.

### ROADMAP FOR ECONOMIC TIES

The ministers of ASEAN countries thanked their Russian counterparts for organising academic courses for ASEAN law-enforcement experts. The participants expressed their intention to promote Russia-ASEAN economic cooperation by implementing the roadmap for trade and investment cooperation in 2021-2025 and the relevant working programme.



They emphasised the importance of promoting interaction between the Eurasian Economic Union (EAEU) and ASEAN by implementing the Memorandum of Understanding between the Eurasian Economic Commission (EEC) and ASEAN on Economic Cooperation and the Programme for EEC - ASEAN Cooperation in 2021-2025.

The participants highlighted successes in implementing the programme of events

for the Year of Russia-ASEAN Scientific and Technical Cooperation in 2022 and confirmed their mutual interest in continuing it. The ministers welcomed a decision to raise consultations on tourism to the ministerial level and the adoption of the Russia-ASEAN working plan on tourism cooperation in 2022-2024.

### HIGHLIGHTING KEY ISSUES

The foreign ministers reviewed key global and regional issues, including developments related to Ukraine. The Russian delegation explained in detail the background of the situation and the reasons for launching the special military operation. The minister drew attention to the international context of the Ukrainian crisis - NATO's failure to keep its promise not to expand to the east and the persistent efforts of the US and its European satellites to turn Ukraine into an anti-Russia bulwark.

He also noted the causes of the global food and energy crises, including the West's myopic policy on these issues in recent years and the unlawful sanctions on Russia.



# G20 HIGH-LEVEL MEETING AND ITS OUTCOMES BY RUSSIAN FOREIGN MINISTER

RUSSIAN FOREIGN MINISTER SERGEY LAVROV GIVES AN INSIGHT INTO THE G20 PRESIDENCY WITH FOREIGN MINISTERS HELD AT DENPASAR



The Group of 20 Foreign Ministers Meeting, convened at the initiative of Indonesia under its G20 presidency, focused on two major topics. The first topic is the crisis of multilateralism and the need to take all possible measures to overcome this crisis and return to the principles enshrined in the UN Charter - specifically, the sovereign equality of all states and the resolution of issues through negotiations. During the second session, we discussed the current situation with food and energy security. Our position on these two matters is well known. We presented it.

As concerns multilateralism, there is nothing to talk about. We have the UN Charter and the Western concepts of a

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INDONESIA'S G20 PRESIDENCY FOCUSED ON THE CRISIS OF MULTILATERALISM AND THE NEED TO TAKE ALL POSSIBLE MEASURES TO OVERCOME IT, AND RETURN TO THE PRINCIPLES ENSHRINED IN THE UN CHARTER, THE SOVEREIGN EQUALITY OF ALL STATES AND THE RESOLUTION OF ISSUES THROUGH NEGOTIATIONS

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so-called rules-based order set to undermine the Charter. Nobody has seen these rules. They have been shown to

nobody. We drew attention to this fact at the meeting and called for returning to the origins of international law. We gave examples of the Western rules having an adverse effect (essentially resulting in reckless schemes) for the international order, which must be based on the UN Charter.

Regarding food and energy security, we illustrated, in detail and in line with the multiple public clarifications made by President of Russia Vladimir Putin, the sources of these crises that began not today, or in February, or even last year. They are the result of the reckless, ill-considered and failing policy of the West, including with respect to the forced green energy transformation, artificial inter-



ference in demand and consumption regulation, and interference by the very same market powers that the West has praised for many years. We confirmed Russia's readiness to fulfill all its obligations concerning supplies of cheap and affordable energy sources - hydrocarbons, oil and gas - although this is exactly what the United States is adamantly speaking against, forcing Europe and the rest of the world to reject these inexpensive sources of energy and shift to much pricier options.

In the food industry, there are no obstacles on Russia's side to resolving this matter using our substantial grain stocks. And yet, the West has created serious difficulties with its unilateral restrictions for insuring our ships, calling at ports and paying for food supplies. We drew attention to the developments in the Black Sea. If the West is so eager to export Ukrainian grain, all they need to do is to make Kiev de-mine the Black Sea ports and allow ships to pass through Ukraine's territorial waters. At sea, Russia, with Turkey's support, is ready to secure safe passage for such convoys up to the Bosphorus Strait and further to the Mediterranean Sea and consumer markets.

The problem is that our Western colleagues clearly intend to establish an international monitoring mechanism for this process that would involve NATO's naval forces. London recently made claims to this effect. We fully understand the meaning of this intention.

On the whole, the West regards the crisis linked with Ukrainian grain as front page news during discussions on the international scene and claims that this grain is allegedly needed to solve the food problem. Statistics note unequivocally that grain "locked up" at Ukrainian ports accounts for less than one percent of global grain output. Consequently, this factor does not exert any real influence on food security. All the West should do is stop artificially blocking Russian grain shipments to countries that have purchased such grain.

Western colleagues did not follow the G20 mandate during the discussion. The G20 mandate calls for regulating global



economic matters and reaching agreements on passing intra-UN decisions linked with sustainable development. As soon as they took the floor, they resorted to frenzied criticism of the Russian Federation in connection with the situation in Ukraine and called us "aggressors, invaders and occupiers." We heard a lot today. They urged us to "stop" the special military operation and to attain a peace settlement.

We would like to remind our Western colleagues what they said in previous months, and I would like to ask them to clarify their wishes. If they are talking about launching peace talks, it was Ukraine that stopped mutual dialogue. Speaking at the beginning of the meeting via videoconference, famous economist and political analyst Jeffrey Sachs openly regretted the fact that Ukraine that had initially offered to negotiate later renounced these talks. This is an objective assessment. The West should keep this in mind if it aspires to talks. It would be pointless to discuss anything with the West if it wants Ukraine to triumph over Russia on the battlefield (they are voicing different statements, including those in favour of talks or a military victory). These Western approaches do not allow Ukraine to launch a peace process. The West forces Kiev to accept Western weapons, to use them for bombarding cities and killing

the civilian population. We are witnessing the latter aspect every day, and we cannot put up with this. This dual Western behavior shows that ideology, rather than caring about Ukraine and its citizens and overall European security, comes first.

Despite all my statements regarding the behavior of Western colleagues who, by the way, did not receive any support from the G20 members among developing countries in the heat of the moment, this discussion proved useful. The discussion made it possible to ask some extremely impartial questions to Western representatives who are so far in no position to answer them. We can only see their frenzied Russophobia that substitutes the need to reach agreement on key global economic and financial matters. Actually, the G20 was established for addressing these matters.

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# 'BRICS+ MEETINGS USEFUL FOR LEADERS INTERESTED IN DEVELOPING MUTUALLY BENEFICIAL COOPERATION WITH OUR ASSOCIATION'

PRESIDENT PUTIN ADVOCATES DEVELOPING A DEMOCRATIC MULTIPOLAR WORLD ORDER BASED ON PRINCIPLES OF EQUALITY, JUSTICE AND MUTUAL RESPECT, AND FREE FROM OBSTACLES AND POLITICALLY DRIVEN RESTRICTIONS



On June 24, 2022 Vladimir Putin, President of Russia, attended via videoconference a BRICS+ meeting involving leaders of several invited states. The meeting's topic was 'Foster Partnership for Global Development in a New Era Towards Joint Implementation of the 2030 Agenda for Sustainable Development'.

Taking part in the BRICS+ meeting were Xi Jinping, President of the People's Republic of China; Narendra Modi, Prime Minister of India; Cyril Ramaphosa, President of the Republic of South Africa; Hamilton Mourao, Vice President of Brazil; Abdelmadjid Tebboune, President of Algeria; Alberto Fernandez, President of Argentina; Abdel Fattah el-Sisi, President of Egypt; Joko Widodo, President of Indonesia; Sayyid Ebrahim Raisi, President of Iran; Kassym-Jomart Tokayev, President of Kazakhstan; Hun Sen, Prime Minister of Cambodia; Ismail Sabri Yaakob, Prime Minister of Malaysia; Macky Sall, President of Senegal;

IT IS IMPORTANT FOR BRICS TO EXPAND COOPERATION WITH REGIONAL ASSOCIATIONS, SUCH AS ASEAN, THE AFRICAN UNION, THE ASSOCIATION OF CARIBBEAN STATES, THE GULF COOPERATION COUNCIL AND THE INDIAN OCEAN RIM ASSOCIATION

Prayut Chan-o-cha, Prime Minister of Thailand; Shavkat Mirziyoyev, President of Uzbekistan; Voreqe Bainimarama, Prime Minister of Fiji, and Abiy Ahmed, Prime Minister of Ethiopia.

In his speech, Vladimir Putin said, "We believe that it is very useful to hold BRICS+ meetings attended by the leaders of states that are interested in developing mutually beneficial cooperation with our association, based on a similarity of views on

current global political and economic issues and ways of dealing with them.

"It is notable that the leaders of the countries who are attending our meeting today stand for developing a truly democratic multipolar world order, based on the principles of equality, justice and mutual respect, where global trade and finance are free from obstacles and politically driven restrictions.

"I would like to point out that the importance of interaction with our partners who share our values has increased dramatically amid the current imbalances in international relations. This situation has been developing for a long time and is the inevitable result of a policy of those who advocate a so-called liberal world order towards eroding international law and undermining multilateral institutions.

"Seeking to preserve their domination, some countries have been working consistently to replace the existing global architecture that relies on the central role of the United Nations with a rules-based order. But it is not clear who invented these rules and what they are.

"Attempts to hinder the development of the states that are unwilling to live according to somebody's rules and the reckless use of illegal sanctions instruments, compounded by the consequences of the coronavirus pandemic, have aggravated the downturn in the global economy.

"Global trade is deeply mired in disputes, the settlement of which is deviating increasingly further from WTO norms and principles. Our colleagues mentioned the WTO today, but we know well what turn the situation within that organisation has

taken over the past years. The international monetary system is being destabilised, and industrial, logistics and investment chains are being broken.

"Rapid price increases for food, energy and commodities is having a serious socio-economic effect, especially on the development of countries in Asia, Africa, Latin America and the Middle East. Colleagues and friends, I would like to stress once again: this is not the result of the past few months and by no means a consequence of Russia's special military operation to protect Donbass.

"Once again, this jump in inflation did not happen yesterday. It has been happening over the past several years as a result of the long-term. I want to stress on the irresponsible macro-economic policy of the G7 countries, uncontrolled money creation and accumulated unsecured debts. This process was accelerated by the pandemic when both the supply and demand for goods and services drastically dropped on a global scale.

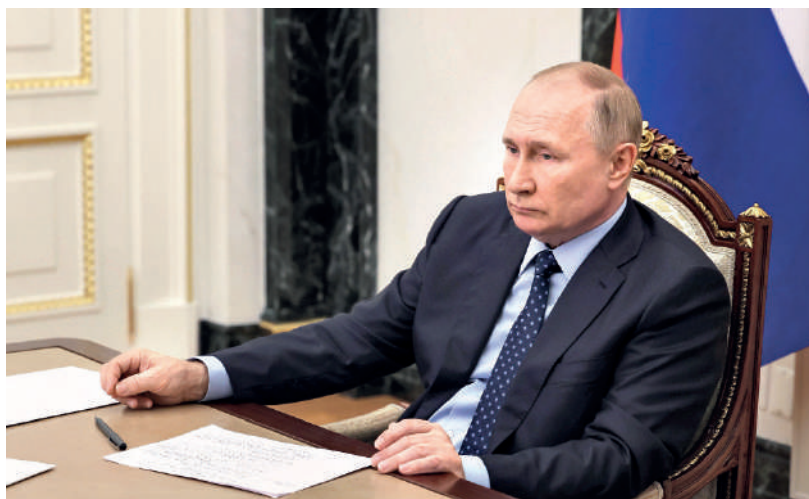
"The food market has been disrupted most severely. I said this at the recent St Petersburg International Economic Forum, and I want to say it again: they printed money, distributed it in their wealthy countries and, like a vacuum cleaner, started scooping up all the food from the global market. Only recently, the US was a food exporter - a net exporter - but now, I think, their imports are about US\$17 billion more than their exports. This is a dismal indicator for food markets around the world.

"Meanwhile, the soaring cost of essential agricultural commodities, such as grain, has hit the developing countries and markets the hardest as this is where bread and flour are vital for the survival of most of the population.

"I think it was French Queen Marie Antoinette who, looking over a crowd of starving citizens from her palace, reportedly said with indifference: "If they have no bread let them eat cake."

"This is the same cynicism that certain Western countries are now showing by destabilising the global production of agricultural products and dealing with this matter by restricting, for example, supplies

of Russian and Belarusian fertilisers and impeding exports of Russian grain to world markets. Speaking of which, we are expecting a good harvest. God willing, everything will be fine and, if we supply 37 million tons to the world market this year, we would most likely be able to supply 50 million tons of grain. However, it is becoming more difficult to insure the transport that carries grain, bulk carriers, transactions under trade contracts, and so on.



"At the same time, they are artificially fuelling hysteries over, say, the suspension of Ukrainian grain shipments via Black Sea ports. Meanwhile, according to American, and our, estimates, this is about 5 or 6 million tons of wheat plus 7 million tons of corn - this is something, but it does not resolve problems in the world grain market.

"But that's not even the point. I have said publicly many times, and want to emphasise again, that Russia is not preventing the export of Ukraine's grain from its territory; we are ready to ensure safe passage of grain ships via international waters if, of course, the Ukrainian military demines the ports and nearby waters.

"In addition, we have a relevant understanding with representatives of the UN Secretariat. As before, we lack one thing - a constructive approach from the current Kiev authorities.

"I would like to emphasise that Russia is a

major and responsible participant in the world food market. We are certainly willing to continue fulfilling our contractual obligations on the supply of agricultural products, fertiliser, energy and other critical commodities in good faith.

"I would like to note that Russia continues rendering humanitarian aid to many countries that need it. Russia recently delivered foodstuffs to Lebanon, Tajikistan, Kyrgyzstan, Cuba, Sudan and others, without cost.

"Colleagues, I would like to note again that we have every opportunity to build up practical cooperation between the BRICS countries and its partners, the countries represented here. We feel your mutual interest in maintaining close business contacts. It is equally important for BRICS to expand cooperation with regional associations like ASEAN, the African Union, the Association of Caribbean States, the Gulf Cooperation Council and the Indian Ocean Rim Association.

"Of course, serious potential is opening up for cooperation between our states in the context of working in the integration processes between the Eurasian Economic Union and China's huge 'One Belt One Road' infrastructure and trade project.

"In general, we are convinced that many serious problems on the global agenda can and must be resolved only by pooling efforts, and this summit is an example of constructive work in this respect.



# PRESIDENT VLADIMIR PUTIN SAYS RUSSIA'S FUEL AND ENERGY SECTOR STABLE DESPITE SANCTIONS

INFRASTRUCTURE EXPANSION PROJECTS TO PROVIDE MORE RUSSIAN REGIONS WITH GAS, AND DIVERSIFYING EXPORTS TO PROMISING SOUTHERN AND EASTERN MARKETS IDENTIFIED AS KEY PRIORITY AREAS. HERE'S AN EXCERPT FROM THE TRANSCRIPT OF THE PRESIDENT'S MEETING WITH GOVERNMENT MEMBERS ON JULY 8, 2022



I would like to note that the situation in the Russian fuel and energy sector is stable despite the unprecedented sanctions pressure. Moreover, we are even recording growth in a number of key areas.

For instance, oil and gas condensate production reached 10.7 million barrels per day in June, which is an increase of half-a-million barrels over May. Overall, since the start of the year, oil production has exceeded last year's figure by 3.5 per cent. Gas production has decreased, but only by 2 per cent in the January-May period.

The sustainable operation of the fuel and energy complex was achieved largely because of the timely support and development measures, the strengthening of technological independence, deeper oil processing and the prompt reorientation of exports.

Russian energy companies have a reputation of reliable and responsible

## THE SUSTAINABLE OPERATION OF THE FUEL AND ENERGY COMPLEX WAS ACHIEVED LARGELY BECAUSE OF THE TIMELY SUPPORT AND DEVELOPMENT MEASURES, THE STRENGTHENING OF TECHNOLOGICAL INDEPENDENCE, DEEPER OIL PROCESSING, AND THE PROMPT REORIENTATION OF EXPORTS

partners. At the same time, the world markets are still in disarray because of the West's appeals to renounce Russian energy resources. Thus, in anticipation of a shortage, the price of Brent reached \$130 per barrel in mid-June. Prices have dropped by \$20 to \$30 in the past few days. This happened against the backdrop of a

forecasted global economic slowdown and the onset of economic difficulties in Europe. Yes, we know that the Europeans are trying to substitute Russian energy sources. But, the result of this is predictable: prices are increasing on the gas spot market, and end users, including households, have to pay more for energy.

All this shows once again that the sanctions restrictions against Russia cause greater damage to the countries that introduce them. It would not be an exaggeration to say that the further use of these sanctions can lead to even more severe and even disastrous restrictions on the global energy market.

We see that the West is trying to force other oil exporting countries to increase production volumes. However, in reality, the global energy market is relatively stable, and it does not tolerate a lot of fuss. It is impossible to correct the mistakes that have already been made in a couple of days.

The same happened to the so-called green agenda that stopped investment in new projects, technologies and promising deposits. This agenda has hampered, if not terminated, investment processes, and the sector is obviously hard-pressed for investment.

The result is predictable: energy prices have spiked. I constantly warned my colleagues in Europe about this possibility. I did this many times, including at personal meetings in the past. However, nobody is listening, and they treated our warnings with disdain. This situation (that we brought up as a hypothetical scenario) is now taking place, and this is what we are seeing as a result.

I want to note once again that, of course, in the current conditions, we should be

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WE NEED TO WORK RHYTHMICALLY TO IMPLEMENT THE SECTOR'S LONG-TERM DEVELOPMENT PLANS, WHILE RESPONDING TO THE CURRENT CHALLENGES. KEY PRIORITIES INCLUDE INFRASTRUCTURE EXPANSION PROJECTS TO PROVIDE MORE RUSSIAN REGIONS WITH GAS AND TO DIVERSIFY EXPORTS TO PROMISING MARKETS

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guided solely by our own national interests, and we should do everything possible to protect our economy and the well-being of our citizens.

As you know, the European Union imposed an additional package of anti-Russia sanctions the other day. Russian companies should be preparing for this. We noted the possibility of such restrictions at our previous meeting on the fuel and energy sector. Today, I would like to ask you to report on the specific measures being taken in response.

We need to work rhythmically to implement the sector's long-term development plans, while responding to the current challenges. Key priorities include infrastructure expansion projects to provide more Russian regions with gas and to diversify exports to promising southern and eastern markets.

As you know, the government is exploring ways to expand the railway, maritime and pipeline infrastructure to ensure Russia's oil and petroleum product shipments to friendly countries. Please update me on where we stand here.

I am also expecting a progress report on plans for expanding the gas transport infrastructure to increase eastward shipments and domestic gas distribution.

We will also review the overall progress in implementing the other instructions that were issued during the previous meetings on the fuel and energy complex.

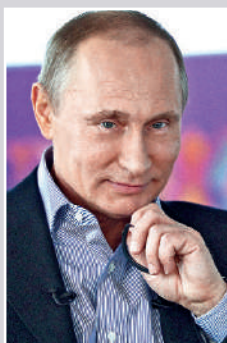
Before I hand the floor over to Mr Novak, I have something to share with you. We

keep talking about our response to the restrictions and sanctions. Notably, the Central Bank and the government have taken timely actions, which were supported by the State Duma and the Federation Council, that helped us accomplish quite a lot. The so-called blitzkrieg, which our detractors devised with regard to Russia, their economic blitzkrieg, has failed.

Nevertheless, these actions and restrictions continue to hurt our economy and many risks are still out there. I see that some of our colleagues have relaxed their efforts with regard to the steps we need to take to head off potential threats. They act as

if they do not care about these sanctions, as if they are now a thing of the past, as if we have coped with everything and are now on firm ground. Indeed, we should be confident, but we must be aware of the risks as well.

Risks remain for individual industries and for the labour market, so I want the government leaders and ministers not to treat these risks lightly and to track the situation closely, to analyse the developments and to come up with and implement timely measures that will guarantee the stable operation and further growth of our economy in accordance with our mid- and long-term plans.



## PRESIDENT VLADIMIR PUTIN CONGRATULATES INDIA ON HER INDEPENDENCE DAY

THE RUSSIAN FEDERATION AND THE REPUBLIC OF INDIA ENJOY A SPECIAL & PRIVILEGED STRATEGIC RELATIONSHIP. THE FORWARD-LOOKING TIES CONTINUE TO GROW IN DEFENCE, SPACE, NUCLEAR ENERGY & MANY OTHER AREAS

Dear Madam President &  
Mr Prime Minister,

Please accept our warmest congratulations on the occasion of the 75th anniversary of India's independence.

Over decades of development in independent India, your country has achieved universally recognised success in the economic, social, scientific, technical and other fields. India, rightfully, enjoys considerable prestige on the world stage and plays an important constructive role in resolving pressing issues on international agenda.

Indo-Russian relations are developing in the spirit of the special and privileged strategic partnership. Moscow and New Delhi are cooperating successfully in various areas, effectively interacting within the framework of the UN, BRICS, SCO and other multilateral structures.

I am sure, given our joint efforts, we will ensure further development of the productive inter-state ties for the benefit of our people, and in the interests of strengthening security and stability at the regional and global level.

I sincerely wish you good health and success, and wish all citizens of India happiness and prosperity.

# RUSSIA TO TAKE TANGIBLE STEPS TO ADDRESS CLIMATE CHANGE

WHILE THE NATION WAS CONSIDERED TO BE EXTREMELY CONSERVATIVE IN ITS APPROACH TOWARDS REDUCING ITS CARBON FOOTPRINTS TILL SOME TIME BACK, RUSSIA HAS TAKEN SIGNIFICANT STEPS TO ENSURE ITS CONTRIBUTION TOWARDS THE SAME

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That climate change is happening and changing things around us is no news today. Climate change is imminent given the rate at which human evolution is happening. Rising sea levels, melting of ice at the glaciers and increasing incidents of climatic turbulence are enough proof that the countries of the world need to come together and evaluate this process together to understand what best can be done to counter the negative impact that the planet is witnessing due of the climate change process. However, while a lot of change remains to be seen in terms of the efforts done by various countries and their governments to contain climate change effectively, Russia seems to be doing quite well as it has started taking major steps

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EARLIER KNOWN TO BEING THE FOURTH LARGEST GREENHOUSE EMITTER, RUSSIA JOINED THE PARIS CLIMATE AGREEMENT A FEW YEARS BACK, AND HAS ALREADY STARTED TRYING CLIMATE RELATED SET OF GOALS TO REDUCE THE COUNTRY'S FOSSIL FUEL DEPENDENCE AND IMPROVE THE ENERGY EFFICIENCY OF THE STATE

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proactively to make sure that it is able to contribute its bit towards making this planet a bit better for everyone.

Earlier known for being the fourth largest greenhouse emitter, Russia officially joined the Paris climate agreement a few years back and has already started trying climate related set of goals to reduce the country's fossil fuel dependence and improve the energy efficiency of the state. In a bid to begin its efforts towards improving its carbon footprint, the country has set forward a plan to achieve carbon neutrality by 2050 while ensuring that it remains the energy superpower with social and economic stability. The uniqueness of the country lies in its efforts to maintain its status as an energy superpower and secure social and economic stability while achieving carbon neutrality. Interestingly, not only the government, but even the Russian private sector is



accelerating its decarbonisation efforts to reduce GHG emissions.

Earlier in 2021, the environment ministry of Russia announced major changes in the country's forestry emissions that would include emissions from unmanaged forests as well. The government has also asked the companies located there to report their emissions beginning from 2023. Key climate legislation aimed at limiting greenhouse gas emissions that was brought in in December 2018 was originally proposed to establish a cap-and-trade system for major carbon emitters by 2025 and need companies to report their emissions. The legislation would have also allowed the Russian government to introduce targets for GHG emissions. The legislation was passed in June 2021 with all originally proposed targets and penalties for large emitters omitted, ensuring it will surely impact Russia's future emissions.

Russia also released its Draft Energy Efficiency Action Plan in the year 2021, which comprises of targets for refining the existing housing stock, energy standards for upcoming buildings, and minor to reasonable improvements in the efficiency of cast iron and cement production. The measures targeting the building sector, however, replace abolished energy standards that were likely to result in higher overall emission reductions.

A lot of the country's efforts to decarbonize its transport sector are connected with its rail infrastructure. The Russian railway's long term investment strategy to 2025 and the Strategy for Development of Rail Transport 2030 are also included in the same. Some of the measures that have been outlined in the strategy include



investments in high-speed trains, capacity improvement of freight rail network, new rail routes and a 33 percent increase in passenger numbers till 2030. Russia's draft long-term climate strategy includes a commitment to achieve a modal shift for passenger and cargo transport to less carbon intensive modes of transport.

As a major step towards ensuring that it is able to protect its natural habitat and reduce carbon footprint significantly, the country has several protected areas, like zapovedniks and natural parks that are used to protect and preserve the natural state of environment. Presently, the country has about 101 zapovedniks that cover an area of more than 33.5 million hectares.

The waste sector in Russia contributed close to 4.7% to the country's total emissions excluding LULUCF. Measures to curb emissions in the waste sector included in our projections are in line with the integrated management strategies for municipal solid waste, adopted through strategic legal documents between 2014 and 2017. In the national project 'Ecology', 457 billion RUB (6.4 billion USD) have been allocated for 'waste management', out of which 296 billion RUB (4.1 billion USD) has been put aside for the formation of an integrated waste management system in the country. Other avenues of waste management include the reclamation of 191 landfill sites and the establishment

of setup for hazardous waste management.

As a prominent nation and a world power in oil and natural gas, Russia continues to improve the quality of life for its people, including the growth of social protection, vehicle infrastructure, digital public services, city life and environment while also growing the approachability of financial services, employment opportunities, introducing and implementing improved environmental regulation and higher standards.

The country has fulfilled its responsibilities in battling global climate change in a faithful manner, introduces modern ecological safety standards, works to recover energy efficiency and preserve its biodiversity. The country is also an active donor in the field of sustainable development assistance. It is helping other countries by providing the same to them, and includes the countries affected by emergencies, and Russia is also taking steps aimed at consolidating multidimensional development institutions, and projects and initiatives for integration and cooperation in the Eurasian region and beyond. The long-term development policy of Russia is based on a balance of various dimensions of sustainable development - economic, social and environmental, and is focused on broad partnerships in the implementation of development tasks.



# **INDO-RUSSIAN BILATERAL RELATIONS: A STEP FORWARD IN THE RIGHT DIRECTION**

RUSSIA IS AN ALL-WEATHER FRIEND OF INDIA AND OVER THE YEARS, BILATERAL TIES BETWEEN THE TWO NATIONS HAVE FURTHER DEEPENED, LEADING TO ENHANCED COOPERATION IN A NUMBER OF AREAS

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Russia has been a time-tested and long-standing partner for India. In fact, strengthening India-Russia relations has been an important pillar of India's foreign policy. Ever since the signing of the "Declaration on the India-Russia Strategic Partnership" in October 2000, India-Russia relations have acquired a new dimension and character, with enhanced levels of cooperation encompassing the entire gamut of the bilateral relationship. During the visit of the Russian President to India in December 2010, the "Strategic Partnership" was elevated to the level of "Special and Privileged Strategic Partnership."

RUSSIA AND INDIA ARE EXPANDING COOPERATION IN MANY AREAS, SUCH AS COMMUNICATIONS, HEALTHCARE AND PHARMACEUTICALS, TOURISM, RAILROADS, METALLURGY, SHIPBUILDING, DIAMOND PROCESSING, OIL REFINING ETC ALSO, THE RUSSIAN AUTOMOBILE INDUSTRY COULD BE ONE OF THE MAIN CONTENDERS FOR THE 'MAKE IN INDIA' PROGRAMME

After the disintegration of the erstwhile Soviet Union, Russia inherited its close relationship with India, which resulted in both nations sharing a special relationship. Despite the challenges posed by the global pandemic, bilateral relations between the two giants have continued to deepen. This resulted in enhanced cooperation in all areas of bilateral relationship, including political engagements, security, defence, trade and economy, science and technology and culture.

During the pandemic, the two countries discussed various issues of bilateral cooperation, including cooperation in the



fight against Covid-19 pandemic. Between July 7-9, 2021, the External affairs Minister (EAM) of India, Dr. S. Jaishankar, visited Moscow and delivered a speech at the Primakov Institute of World Economy and International Relations (IMEMO) on "India Russia ties in a changing world". This was an indication of how deep the bilateral ties were between the two nations.

### Strengthening ties

Russia and India are expanding cooperation in a number of areas, such as communications, healthcare and pharmaceuticals, tourism, railroads, metallurgy, shipbuilding, diamond processing and oil refining etc. Russia is also one of the largest suppliers of some of the most sustainable raw materials in the world. The low carbon footprint of the raw materials and overall high sustainability standards will be crucial for India in its green transition. Also, the Russian automobile industry could be one of the main contenders for the 'Make in India' programme.

The Annual Summit between the Prime Minister of India and the President of the Russian Federation is the highest institutionalised dialogue mechanism in the strategic partnership between India and Russia. So far, 21 Annual Summits have taken place alternatively in India and Russia.

### 21st India - Russia Annual Summit

The last India - Russia Annual Summit was



held in New Delhi on December 6, 2021. President of the Russian Federation, Vladimir Putin, paid a visit to New Delhi for this Annual Summit with Prime Minister Narendra Modi. President Putin was accompanied by a high-level delegation.

Bilateral talks between Prime Minister Modi and President Putin were held and the two leaders expressed satisfaction at the sustained progress in the 'Special and Privileged Strategic Partnership' between

both countries. This, despite the challenges posed by the Covid pandemic.

The leaders underscored the need for greater economic cooperation and in this context, emphasized on new drivers of growth for long-term predictable and sustained economic cooperation.

They appreciated the success story of mutual investments and looked forward to greater investments in each other's countries. The role of connectivity through the International North-South Transport Corridor (INSTC) and the proposed Chennai - Vladivostok Eastern Maritime Corridor, figured in the discussions. The two leaders looked forward to greater inter-regional cooperation between various regions of Russia, especially the Russian far east, with the states of India.

They noted that both countries shared common perceptions on many international issues and agreed to further strengthen cooperation at multilateral fora, including the UN Security Council. The Joint Statement, titled India-Russia: Partnership for Peace, Progress and Prosperity, aptly covers the state and prospects of bilateral ties between the two countries.



## TRADE RELATIONS



Coinciding with the visit, several government-to-government agreements and MoUs, as well as those between commercial and other organizations of both countries, were signed in different sectors. These included trade, energy, science and technology, intellectual property, outer space, geological exploration, cultural exchange, education, etc. This reflected the multifaceted nature of the India-Russia bilateral partnership.

### **Cooperation in Security Council**

India and Russia maintain close cooperation between the Security Council secre-

tariats, led by India's National Security Advisor (NSA), Ajit Doval, and Secretary of the Russian Security Council, Nikolai Patrushev. They hold regular bilateral consultations besides meeting on the sidelines of various multilateral events. Russia's envoy to India, Denis Alipov, recently said that the India-Russia partnership operates at various levels. The two nations are expanding cooperation in communications, diamond processing, forestry, healthcare and pharmaceuticals, tourism, railroads, metallurgy, civil aviation, shipbuilding, and oil refining.

Alipov said that barriers to bilateral trade - due to sanctions imposed by the West as a result of the Ukraine war - have been "overcome" and projected a 40 per cent increase in trade volume for this year. According to Alipov, trade between January and April this year was around \$6.4 billion, which was twice as much during the same period last year.

He expressed hope that if the two nations maintain these volumes throughout the year, they will have a turnover of more than \$19 billion by the end of 2022. Alipov said that if this projection was met, it





would mean a 40 per cent jump in annual trade. He maintained that the withdrawal of Western firms from the Russian market opens many new opportunities for Indian businesses, especially in aviation, metallurgical industries, wood processing and consumer goods. The envoy noted that the goals outlined in December 2021, at the annual bilateral summit in New Delhi, are in keeping with the enormous potential of the bilateral relations.

#### **Trade and Economic Cooperation**

The India-Russia Inter-Governmental Commission on Trade, Economic, Scien-

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THE MAJOR BILATERAL INVESTMENTS BY RUSSIA IN INDIA ARE IN OIL AND GAS, PETROCHEMICALS, BANKING, RAILWAYS AND STEEL SECTORS. INDIAN INVESTMENTS IN RUSSIA ARE MAINLY IN OIL AND GAS, DIAMOND AND PHARMACEUTICALS. BILATERAL INVESTMENTS BETWEEN THE TWO COUNTRIES REMAIN STRONG AND IS EXPECTED TO TOUCH US\$ 50 BILLION BY 2025

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tific, Technological and Cultural Cooperation (IRIGC-TEC) is co-chaired by the EAM and the Russian Deputy PM Yuri Borisov. Intensifying trade and economic relations has been identified as a priority area by both the leaders. The set targets of increasing bilateral investment was revised to US \$50 billion and bilateral trade to US \$30 billion by 2025.

According to figures available with the Department of Commerce, bilateral trade during FY 2020 amounted to US\$ 8.1 billion. Indian exports amounted US\$ 2.6 billion while imports from Russia

## **TRADE RELATIONS**

amounted to US\$ 5.48 billion. Disruptions in supply chain and other constraints due to the pandemic in 2020 led to a 19.5 per cent decline in bilateral trade from 2019 (Jan-Dec).

During April - August 2021, India's trade with Russia saw a strong revival, increasing by 54 per cent compared with the same period last year.

Major items of export from India include electrical machinery, pharmaceuticals, organic chemicals, iron and steel, apparels, tea, coffee, vehicle spare parts etc. Major items of import from Russia include defence equipment, mineral resources, precious stones and metals, nuclear power equipment, fertilizers, electrical machinery, articles of steel, inorganic chemicals etc.

Bilateral investments between the two countries remain strong and surpassed the previous target of US\$ 30 billion in 2018, leading to a revised target of US\$ 50 billion by 2025.

The major bilateral investments by Russia in India are in the areas of oil and gas, petrochemicals, banking, railways, and steel sectors. Indian investments in Russia are mainly in oil and gas, diamond, and pharmaceuticals sectors.



# A SAGA OF HISTORIC BONHOMIE

RUSSIA AND INDIA HAVE BEEN SHARING AN INSEPARABLE AND CORDIAL BOND FOR YEARS NOW. HERE'S A LOOK AT HOW BOTH THE NATIONS HAVE PROGRESSED TOGETHER OVER THE DECADES

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India and Russia today share an inseparable bond. The ties between the two nations are deep rooted in history, mutual trust, and cooperation. Over the years, Russia has proven to be a time-tested ally of India as both nations have a long history of strategic, economic, military, and diplomatic relationship.

India and Russia have contributed towards the strengthening of cooperation in the fields of politics, economics, defence, civil nuclear energy, space, and anti-terrorism cooperation. The two nations established diplomatic relations on April 13, 1947, four months before India's Independence. In the last 75 years, ties between India and Russia have evolved into a privileged strategic partnership. The two countries

OVER THE LAST DECADES, THE WORLD HAS CHANGED CONSIDERABLY BUT INDIA AND RUSSIA'S RELATIONS CONTINUE TO BE STEADY. RUSSIA HAS BEEN INDIA'S LONGSTANDING PARTNER IN MANY SECTORS, INCLUDING DEFENCE AND INDUSTRY, AND HAS EVEN LENT STRATEGIC SUPPORT TO INDIA AT THE UN SECURITY COUNCIL

enjoy excellent relations, based on the strong foundation of special and privileged strategic partnership. Both countries

cooperate extensively in the strategic fields of defence, civil nuclear energy and peaceful uses of space. Trade and investment relations are robust and growing.

The friendship between India and Russia was not restricted to governmental interactions in capital cities, but was about people and close business relations.

## History of Cooperation

The roots of Russian-Indian special and privileged strategic partnership date back to the pre-independence days. Friends of Soviet Union solidarity movement launched all over India after the German invasion of the USSR in 1941 reflected the goodwill of people here towards the



Russians. The diplomatic relations between Moscow and New Delhi were established in April 1947, even before India became free. Subsequently, Soviet Union became the main contributor to Indian efforts to attain self-reliance in steel and pharmaceutical industry, oil and gas production, space and defence, heavy machinery and many other.

Over the last decades, the world has changed considerably but India and Russia's relations continue to be steady. Experts believe that strong relations with Russia are among the key pillars of India's foreign policy. Russia has been India's longstanding partner - be it in equipping the defence forces, industrialisation, or even offering strategic support in the UN Security Council. The ties between the two nations are mainly focussed in the areas of defence acquisition, hydrocarbons, space cooperation, trade and commerce, nuclear energy, cultural and people-to-people connect, science and technology.

The cooperation between two countries goes from strength to strength. Russia and India continue to develop robust relations in areas of defence, space, science, commerce, and energy. Both the countries explore new avenues of collaboration within bilateral as well as multi-lateral frameworks, including BRICS and SCO. Of course, effective countering of the Covid-19 pandemic requires swift action. Against this backdrop, leaders from both the countries continue to remain in touch and speak over phone while top diplomats also maintain regular contact.

### Fostering Stronger Ties

According to experts, Moscow extending important invitations to India, strengthens the 'special and privileged' strategic partnerships between the two nations.

India and Russia, despite the constant changing geo-political landscape, have always found a way out with more robust initiatives, including the many agreements that were signed between the two countries last year during the 20th annual summit at Vladivostok. Welcoming India in the Arctic helps India in concretising its own Arctic policy which till now has been focused on the scientific and, more recently, hydrocarbon aspects (parti-

pation of Indian oil companies in the East Oil project for the development of Arctic oil fields is worth US\$ 157 billion, which is important for India's economic growth).

India's US\$ 1 billion credit line to the Far East region is an important step to help Russia in developing the region. Although India was involved in some sectors in this region, such as diamond and gold sector, however, the deeper and extensive involvement today will help the two countries to contribute significantly in strengthening the bilateral relationship.

### Progressive Partnership

Both India and Russia have been consistently collaborating in areas of mutual interest. In 2015, Russia agreed to set up 12 nuclear plants in India in the next two

decades. Moreover, Russia has also been supporting localisation of manufacturing in India; hence, most of the components required for the nuclear power plants will be manufactured in India.

In 2016, India agreed to purchase S-400 Triumph Air Defence Missile System. India is buying five batteries of S-400 long-range air defence system worth over US\$ 5 billion. This, according to experts, is an indicator of the arms transfer relationship between the two countries. Apart from S-400 defence system, India has also agreed to purchase frigates from Russia.

Considering the deepening ties between the two nations at various fronts, India and Russia will progress in the right direction in the coming years.





# BY 2023, FOREIGN STUDENTS QUOTA TO INCREASE

WHEN IT COMES TO LUCRATIVE DESTINATIONS FOR HIGHER STUDIES, RUSSIA CONTINUES TO BE KNOWN AS ONE OF THE MOST REPUTABLE EDUCATION SYSTEMS IN THE WORLD, AND A POPULAR CHOICE AMONG FOREIGN STUDENTS

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According to the Ministry of Science and Higher Education of Russia, the number of places allocated to foreign citizens within the Government's quota in 2022 will be increased by 5 thousand and will amount to 23 thousand places, and in 2023 another 7 thousand will be added and the total number will make 30 thousand places. In 2021, the annual quota for international students did not exceed 18 thousand places. During the admission campaign of the 2021/22 academic year, the largest number of applications were received from countries like China, Vietnam, Tajikistan, Uzbekistan, and Afghanistan. The number of quota places for citizens of the Republic of Belarus, Kazakhstan, Syria, and Mongolia was also increased.

Oleg Yastrebov, the Rector of People's Friendship University of Russia (RUDN), says that today 11 thousand foreign students study at the university. "At RUDN, students from Kazakhstan, Tajikistan, and Kyrgyzstan are most often interested in studying within the Government's quota. The largest number of applications from non-CIS countries come from Afghanistan,

China, Vietnam, Syria, Iran, Iraq, and Nigeria" - Oleg Yastrebov said.

Timirkhan Alishev, the Vice-Rector for Educational Activities of Kazan Federal University (KFU), noted that generally KFU

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THE TOTAL NUMBER OF FOREIGN STUDENTS RECEIVING HIGHER EDUCATION IN RUSSIA HAS INCREASED BY MORE THAN 26,000 OVER THE PAST THREE YEARS. SO, IN 2019, 298,000 FOREIGN STUDENTS STUDIED IN RUSSIA, IN 2020, 315,000, AND THIS YEAR, IN 2021, THERE IS AN INCREASE IN TOTAL NUMBER OF STUDENTS TO 324,000

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has a positive feeling about the increase in the quota for foreign applicants. In 2021, we re-introduced the practice of visiting the selection countries, as well as actively participating in online interviews. We see

a large number of talented young people who want to study at Russian universities," Timirkhan Alishev emphasised.

Bauman Moscow State Technical University notes that in parallel with the growth in quotas for foreign students, the university's limit in preparatory departments increased. "Thus, we maintain the number of quota students from CIS countries and also increase the number of students from abroad. The most popular specialties among foreigners in our university are Management in Technical Systems, Rocket Systems and Cosmonautics, Mechatronics and Robotics, and Software Engineering" - the university's press service reported.

### Easy life for foreign students

The total number of foreign students receiving higher education in Russia has increased by more than 26,000 over the past three years. So, in 2019, 298 thousand foreign students studied in Russia, in 2020 - 315 thousand, in 2021 - 324 thousand.

Most of all in Russian universities there are students from Kazakhstan (61 thousand), Uzbekistan (48.7 thousand) and China (32.6 thousand). And very soon the stay in Russia for foreign students will become even more convenient! The new amendments to the federal law "On the Legal Status of Foreign Citizens in the Russian Federation" should make it much easier for foreign students to obtain and formalise their status in Russia. And most importantly, the new law provides for the issuance of a temporary residence permit for the purpose of obtaining education.

A new document will be issued in addition to the established quota. If it is available, it will not be required to submit an annual notice of residence, there will be no need to take off and then re-register for migration when leaving for another city or home for the holidays, and much more. RVPO will be provided to foreign students for the entire period of study and for

another 180 days. A special regime applies to a student in case of transfer to another university. In addition, the presence of this document will enable foreigners not to take exams that prove their knowledge of the Russian language, knowledge of the history and legislation of the country, and will also free them from the need to submit annual notifications of residence. Also, the RVPO will allow its holder to obtain a residence permit under a simplified procedure, the benefit will be valid for three years after issue.

## Professions of the future

Russian universities participating in the Priority 2030 federal program throughout the year have been actively transforming their educational programs. Today you can choose a master's program that can give you a true job of the future! Environmental safety engineers, machine learning specialists, developers of transport intelligent systems? all these and many other areas will be available to applicants as early as in the next academic year. Admissions are open!

In 2022, ITMO University launched a master's program in Deep Learning and Generative Artificial Intelligence. At this course, the university is going to train specialists who will be able to develop and research cutting-edge machine learning algorithms and artificial intelligence systems. The graduates could apply for the positions of ML/AI researchers and ML/AI research engineers in large technology companies.

This year, ITMO University and Napoleon IT have also launched a master's program for Machine Learning Engineers. For the first time in Russia, training is organized in the format of a distributed project office and will be blended into the actual work processes of IT companies. The new format of master's programs with zero adaptation time for graduates has been developed on the basis of the AI Talent Hub as part of the ITMO Development Program 2030. Students are going to implement projects aimed at developing artificial intelligence systems. The course's results are expected to be working software services that meet all requirements of the customer. Most of the training will be done online, but the program also includes offline project work.

Tyumen State University is going to train undergraduates in the field of Artificial Intelligence Engineering. This educational program has been designed to educate engineers capable of developing applied artificial intelligence for various areas.

The program has been prepared jointly with Ural Federal University in accordance with the objectives of the national strategy for the development of artificial intelligence. The program's peculiarity is that it can be joined by both bachelors and specialists in the field of information technology and programming, and also bachelors in such areas as management, economics, etc.

And Russian University of Transport (RUT MIIT), another participant of the Priority 2030 federal program, is going to launch a master's program in Neurotechnologies, Artificial Intelligence and Predictive Analytics for Transport and Logistics. This program will train unique specialists with the full range of competencies in the development of intelligent systems in transport.

## English programs offered

Institute of Economics and Entrepreneurship at Lobachevsky University is one of the oldest schools. It offers education both in Russian and English. The English taught graduate courses include: master level in Management and bachelor level in Economics. Management of Business and Finance is a 2-year master degree programme provides students with methods and skills necessary for work in

multi-national companies. World Economy. This bachelor degree course in Economics aims at giving students strong foundational courses, so they can understand the processes in the World Economics and macro-level as well as economic effects on companies.

Studying in a multi-national community in a foreign country will foster such skills as flexibility, empathy, and understanding. We have student from China, India, Egypt, Nigeria, Ghana, South Africa, Peru, Mexico, Guatemala, Serbia, France and many others. Together under the conduct of our highly professional professors you will be developing in the field of International Management and Economics.

Detailed information about all the English-language programs of UNN can be found on the website of the university - <http://eng.unn.ru/academic-programmes/degree-programmes-in-english>.

To read the full report,  
scan QR code





# OFFERING WORK OPPORTUNITIES GALORE

RUSSIA HAS BEEN A SIGNIFICANT EMPLOYMENT PROVIDER TO INDIAN PROFESSIONALS WHO HAVE MADE THE COUNTRY THEIR PLACE OF WORK AND LIVING. JOB PROSPECTS ARE BRIGHT IN AGRICULTURE, INDUSTRY AND SERVICE

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Russia, one of the friendliest countries India has been in business with, has always been a lucrative destination for Indian expats to live and work there. Due to several factors that have strengthened the ties between the two countries, Russia has emerged as one of the easiest countries for Indians to find employment.

The friendly relations that the two countries have maintained with each other have ensured that the process of selection for Indians looking to work there is extremely simple. Indian professionals need to only provide their valid Indian passports and basic information for the selection process.

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WITH VERY GOOD LABOUR LAWS LIKE IN THE REST OF EUROPE, RUSSIA HAS ENSURED THAT THE EXPATS MOVING THERE FOR WORK, FIND THE COUNTRY COMFORTABLE ENOUGH TO LIVE IN. IT WOULD NOT BE INCORRECT TO CLAIM THAT SERVICE CONDITIONS FOR INDIANS WORKING IN RUSSIA , ARE EXTREMELY GOOD AS WELL AS CONGENIAL

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scope of moving to Russia for work is immense for Indian professionals. They get a wonderful opportunity to work in a modern country which provides a better quality of life with optimum work conditions. Besides the three major sectors, which include agriculture, industry and service, Indian professionals are also easily employable at the automotive industry, defence, electronics, finance, telecommunications, and energy sectors.

### **Employment generators**

The oil and gas sector is also one of the biggest employment generators for Indian expats moving to Russia. Rajesh Mehrotra, an engineer working with Russia's major oil and natural gas provider, talks about



how the sector has been instrumental in employing a large number of Indian professionals.

He says, "While less is generally known about the oil and natural gas sector of the country, fact remains that some of the biggest organisations in the country are working in the sector. They are also major employment providers to professionals across the world, and especially from India. The best part about working in this sector is professionals get the best of perks and facilities to sustain in difficult conditions. The salary packages are also extremely competitive. Needless to say, professionals who are moving here are happy and content with life and work."

### Preferred location

Talking about the opportunities that are available for the Indian diaspora in Russia, Dr Kunal Sharma, a medical practitioner working in the country, says, "While there are several industries where Indians are employed and preferred, medicine is one sector where Indians are getting great opportunities. The simple reason that Indian doctors and other medical practitioners get a better work culture and standard of living, makes Russia a preferred location for professionals like us. I am glad I took this decision about five years back as working conditions are exceptionally good here. Life is enjoyable and comfortable for medical professionals."



Another area where Indians have been able to make a mark when it comes to expat population in Russia is the Information Technology (IT) sector. A large percentage of software professionals from India have made Russia their second home and also the country of work. The reason behind so many software professionals moving to Russia is because the country is largely self-reliant for most technological requirements. This provides unique and excellent opportunities to professionals who are looking for better opportunities overseas.

### Comfortable living

With extremely good labour laws like the rest of Europe, Russia has ensured that the expats moving there for work find the country comfortable enough to live in. In fact, it would not be incorrect to claim that the service conditions for Indians working in Russia are extremely good. Most jobs for the service sector are based on annual contracts signed between the employers and the employees. Once a contract is finalised, the employer is bound to provide all amenities, like paid leave, annual ticket and other incentives, to the employee.

### Options galore

In recent times, Russia has also started providing opportunities to Indian organisations to bolster their operations in the country or to set up shop if they do not have a base there. This recent development is also slated to provide increased opportunities to Indians in the country. It will also ensure that bilateral employment agreements and conditions would surely become better in coming times.

With Russia being one of the major allies for India since the time the country attained independence, it would be safe to say that Russia is an extremely good work destination for Indian professionals who are willing to move overseas to garner better opportunities and lifestyle.



# WHEN IN RUSSIA, BEHAVE LIKE A RUSSIAN

RUSSIA FIGURES HIGH ON EVERY TRAVELLER'S BUCKET LIST AS IT OFFERS MORE THAN ONE CAN EXPECT. FROM PICTURESQUE BUILDINGS TO AN ENVIABLE SOCIAL AND CULTURAL LIFE, RUSSIA WOOS TOURISTS LIKE NO OTHER

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Ask any traveller on a few destinations that they would love to visit, or for that matter, check any traveller's bucket list, and Russia will always be there on top of the list for sure.

With impeccable social and cultural relations between India and Russia, travellers and visitors from both countries often travel to the respective mainland to enjoy hospitality, history, culture, and mouth-watering cuisine.

With India being a prime and prominent country for Russia, especially when it comes to tourism, Russians embrace tourists with open arms. Russia is considered as one of the most hospitable and culturally rich countries that attracts

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WITH IMPECCABLE SOCIAL AND CULTURAL RELATIONS BETWEEN INDIA AND RUSSIA, TRAVELLERS AND VISITORS FROM BOTH COUNTRIES OFTEN TRAVEL TO RESPECTIVE MAINLANDS TO ENJOY HOSPITALITY, HISTORY, CULTURE, AND CUISINE

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travellers from across the globe on a regular basis, thanks to great hospitality.

Indian tourists have been exposed to Russian films, cultural exchanges and

various other mediums that have portrayed Russian cities and places, and these have left an unforgettable mark on people's mind. Be it the city feel, mesmerising landscape, historic and world heritage sites, or the colourful and iconic churches and cathedrals, there is something for everyone here.

All you need to do is find your calling and enjoy some of the best places and experiences in the world. On the whole, Russia is a safe country, especially if one is traveling as a tourist to large cities that include Moscow, St. Petersburg, Vladivostok, and many more. It provides visitors with a constant feeling of personal safety and security. The locals are extremely polite and despite the language



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## WEATHER UPDATE

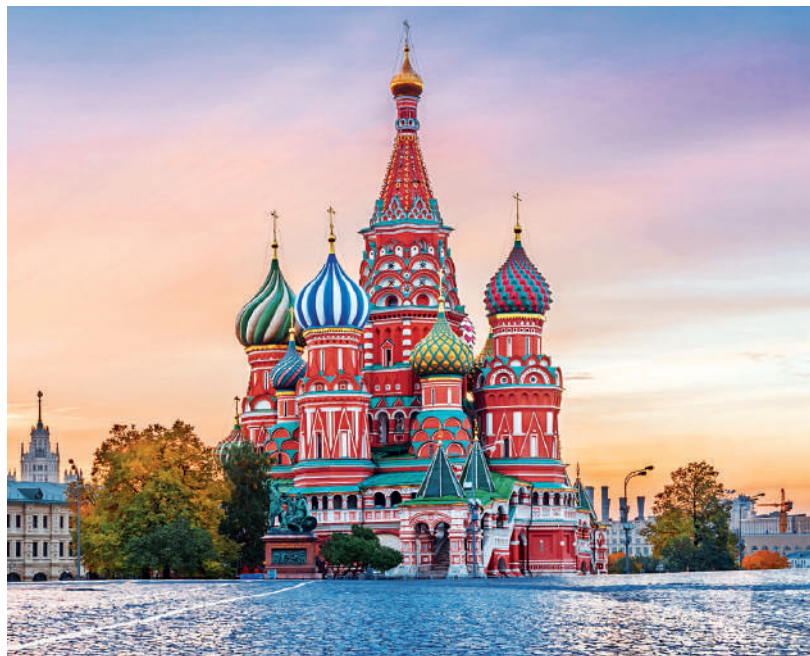
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RUSSIA CAN BE VISITED IN ALL SEASONS, THROUGHOUT THE YEAR, BARRING A FEW EXTREME ZONES WHERE WEATHER IS USUALLY BEARABLE. TEMPERATURE RANGES AROUND 20-25 DEGREES CELSIUS DURING SUMMER MONTHS (JUNE AND AUGUST), 10-15 DEGREES CELSIUS DURING SPRING AND AUTUMN MONTHS (MARCH TO MAY, SEPTEMBER TO NOVEMBER), AND 0-5 DEGREES CELSIUS DURING WINTER MONTHS (DECEMBER TO FEBRUARY). THEREFORE, RUSSIA IS A PLACE FOR ALL REASONS AND ALL SEASONS

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barrier till an extent, they do a good job of making tourists feel comfortable and part of the bigger ecosystem.

Russia surely boasts of many tourist attractions -- traditional and cultural places, a wide variety of activities, experiences and interesting places, world-



famous museums and hidden gems, and much more. These inspire visitors to visit Russia not just once, but time and again, yet leaving them craving for more.

Also, over a period of time the myth of Russia being an expensive country to travel to, has faded away from the mind

of many. Most travellers find it to be affordable given the devaluation of the ruble, making Russia thus, quite affordable for foreign tourists.

Though history and culture can be found in every nook and corner of the country, but there are some prominent cities and





## TOURISM

circuits that just can't be missed on a trip to this fabulous country that offers much more than one could ever imagine.

### Moscow

A city that cannot really be described in words, one has to be there to experience its grandeur and the vibe that it exuberates. Set a foot and one just falls in love with the city. In its present-day glory, Moscow, with its history, architectural masterpieces, and innumerable art treasures, has found itself a place that no one can dispute despite being amidst series of global currents.

Travellers and visitors from across the globe come to witness Moscow's splendours and fall for the charm of the largest empire's capital city. Not just that the history of the capital dates back to the 11th and 12th century. According to ancient chronicles, it was in early 1147, that Prince Yuri Dolgoruky invited his relative, Prince Svyatoslav Olgovich, to see him in Moscow, which was a small castle lost in the boundless Russian forest.

This was the first step towards Moscow emerging as Russia's most important political, economic, cultural, and scientific centre. In the 12th century, Moscow is believed to have turned into a fortress and by the 13th century, it was already a town. It was in the 15th century that Moscow became the Russian capital.

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### Saint Petersburg

Saint Petersburg is one city that holds a distinct place when it comes to Russian cities, though it is a very young city as compared to most old European capitals.

It is one city in the world that has acquired great historic significance in such a short time. Saint Petersburg is one of the most important cultural, scientific, and industrial cities in Russia. It houses hundreds of museums and exhibition halls. Several great Russian and foreign artists, including poets, writers, and composers have admired the beauty of Saint Petersburg and honoured it in their masterpieces. The city is said to have been founded in early 1703 as an outlet to the sea, which was imperative for the country's future development.

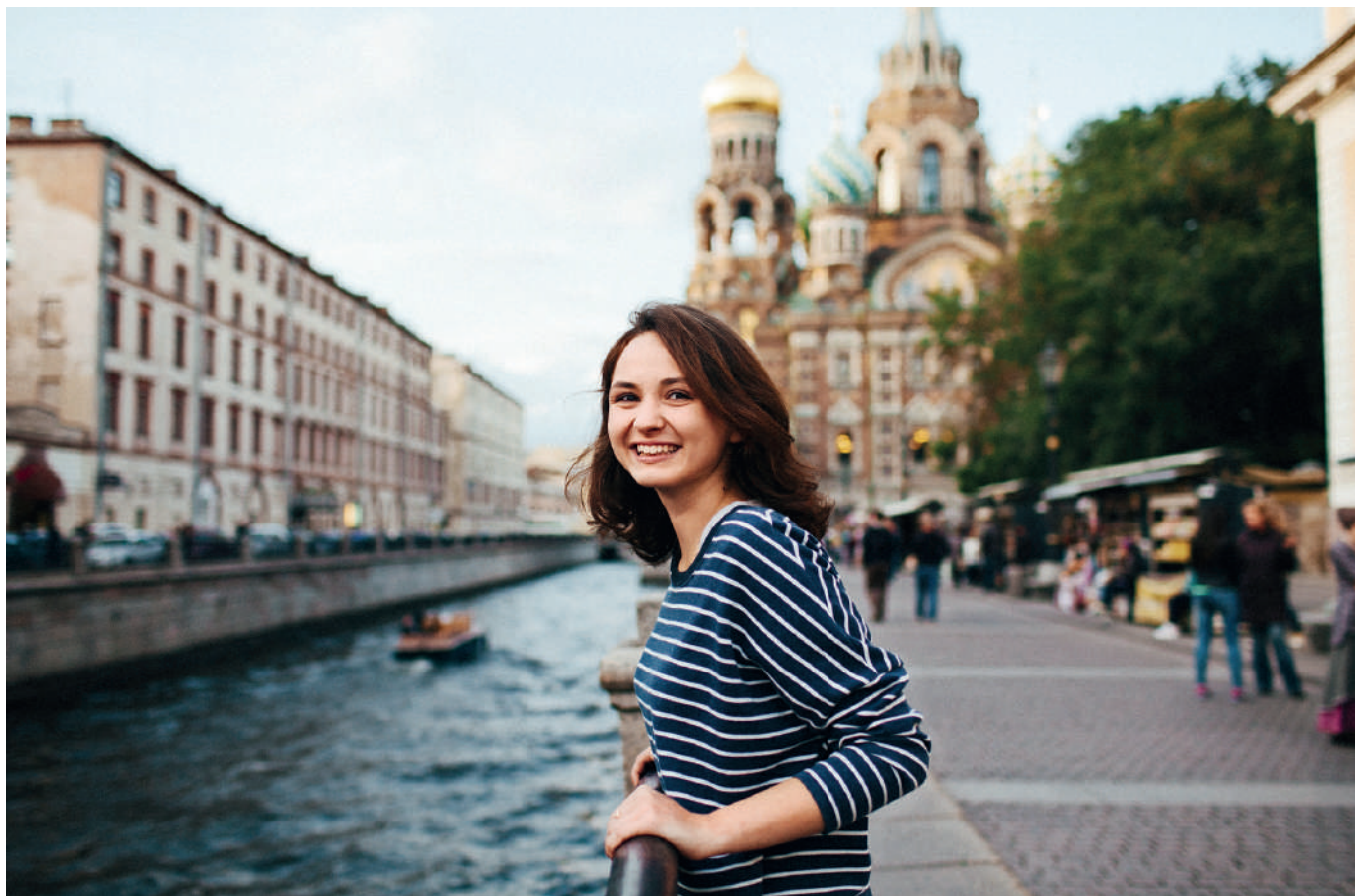
The city derives its name from Saint Peter, and it is considered to be 'a key for paradise' for the Russian empire. Saint Petersburg, a symbolic city with a symbolic name, is called so in honour of Saint Peter, who, according to the Holy Bible, was a keeper of the keys from the paradise.

### The Golden Ring

They say if one hasn't been or is not travelling through The Golden Ring, one







can never get to experience the real Russian spirit. The famous and much sought-after tourist circuit consists of nine ancient Russian cities that have preserved the touch and feel and genuine atmosphere of the XII-XIX centuries.

With some of the best sights to behold and experience history in its glory, there is no other circuit wherein one can find a number of UNESCO-heritage-listed cathedrals and churches. With great care and preservation, the best thing about The Golden Ring is that it can transport one into the old era with genuine buildings that have remained the same for centuries now dating back to the ancient Rus period.

The cities that are traditionally included in The Golden Ring route are Sergiev Posad, Pereslavl-Zalesskiy, Rostov The Great, Yaroslavl, Kostroma, Ivanovo, Suzdal, Vladimir, and Uglich.

#### **MUST-SEE PLACES:**

##### **Red Square**

Red Square is the most prominent city square in Moscow. Standing in its glory, the Square is surrounded by significant buildings in the vicinity. The prominent landmarks include the elaborate brightly domed Saint Basil's Cathedral and the palaces and cathedrals of the Kremlin, Lenin's Mausoleum in the South. The eastern side has the restored Kazan Cathedral and the GUM department store, both being prominent landmarks.

##### **Saint Basil's Cathedral**

The iconic structure with probably the finest architecture, this intriguing cathedral bordering Red Square consists of nine separate chapels, each capped with its own individually shaped and coloured dome. It was built by Ivan the Terrible in the 1550s. It is the most viewed and clicked place in the country that attracts many visitors and viewers regularly.

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RUBLE TO RUPEE RANGES BETWEEN 70 PAISE TO 1.2 RUPEES. ONE RUBLE IS ALMOST EQUAL TO ONE RUPEE, WHICH NOT ONLY MAKES IT AFFORDABLE FOR TOURISTS, BUT ALSO CONVENIENT TO COMPREHEND WITH NO STRESS OF CONVERSION

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##### **Baikal Lake**

Baikal Lake is a declared UNESCO World Heritage Site. Baikal Lake is the oldest and the deepest lake in the world. It is estimated that the lake contains about 20 per cent of the world's total fresh-water reserve. Located in the south-eastern part of Siberia, it is renowned for the unique clarity of its waters and diversity of flora and fauna. This beautiful lake is said to house over 1,700 species of plants and animals.

## EVENTS

# INDO-RUSSIAN CONSULTATIONS ON ARCTIC ISSUES

DISCUSSIONS REVOLVED ROUND THE PROSPECTS FOR DEEPENING RUSSIA AND INDIA'S COOPERATION IN HIGH LATITUDES IN BOTH BILATERAL AND MULTILATERAL FORMATS, INCLUDING THE ARCTIC COUNCIL

**O**n July 29, Nikolay Korchunov, Chair of the Arctic Council Committee of Senior Arctic Officials and Ambassador-at-Large for Arctic Cooperation of the Russian Ministry of Foreign Affairs, met with Sanjay Verma, the Secretary (West) of the Ministry of External Affairs of India, to hold a regular round of consultations between foreign ministries on Arctic issues.

The consultations were attended by representatives of the Russian Ministry for the Development of the Russian Far East and Arctic, Rosatom State Corporation, the Arctic and Antarctic Research Institute, and the Association of Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation.

Prospects were discussed for deepening Indo-Russian cooperation in high latitudes in both bilateral and multilateral formats, including the Arctic Council. Both sides noted the significant potential for promoting cooperation in the economy, transport, science and culture, including contacts through regional and public organisations.

The Indian delegation was invited to participate in the Arctic segment of the 7th Eastern Economic Forum in Vladivostok between September 5-8, 2022, which will include a presentation on the investment potential of Russian regions.

# EASTERN ECONOMIC FORUM TO STRENGTHEN TIES WITHIN RUSSIAN AND GLOBAL INVESTMENT COMMUNITIES

THE 7TH EEF 2022 TO TAKE PLACE BETWEEN SEPTEMBER 5-8, IN VLADIVOSTOK, TO FOCUS ON ECONOMIC POTENTIAL OF THE RUSSIAN FAR EAST

**T**he 7th Eastern Economic Forum (EEF) 2022 will take place between September 5-8, 2022 at Vladivostok on the Far Eastern Federal University (FEFU) campus. The Eastern Economic Forum is a key international platform for establishing and strengthening ties within the Russian and global investment communities. It is also a platform for comprehensive expert evaluation of the economic potential of the Russian Far East, the investment opportunities it offers, and business conditions within advanced special economic zones.

The EEF was established by decree of Vladimir Putin, President of the Russian Federation, in 2015 to support the economic development of Russia's Far East and to expand international cooperation in the Asia-Pacific region.

Yury Trutnev, Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District says: "We held the 6th Eastern Economic Forum at a time when it was essential to put restrictions in place due to the risk posed by the coronavirus. This affected the number of participants at the event. Nevertheless, as in previous years, the Forum welcomed heads of government bodies and business representatives from a large number of countries around the world. "We have informed the President of Russia of the outcomes of the event, and have set out our plans for the coming period. Vladimir Putin supported many of our proposals, and has issued instructions covering subsequent steps to be taken in relation to development in the Far East. We will continue to work on attracting investment to the Far East from Russian and international companies. We will endeavour to offer new opportunities as we turn the Far East into a recognized tech hub.

"All in all, the development of the Far East is a highly profitable enterprise. We were able to report at the Forum that grants to the Far East have already been more than recouped. We have put RUB 80 billion into the region, and have seen tax revenue from companies benefitting from incentives reach RUB 123 billion. In other words, the public purse has already directly benefitted from development in the Far East. We need to continue and expand efforts in this area. We need to think more about how we can encourage investment for new enterprises and developing industries".

The Forum business programme includes a number of business dialogues with leading partner countries in the Asia-Pacific region, and with ASEAN, a key integration organisation uniting dynamically developing nations in Southeast Asia.

An exhibition by the ministry for the 'Development of the Russian Far East and Arctic' presented the outcomes of recent economic policy measures in the macro-region, along with key industries in the economy, investment opportunities, the work and objectives of development institutions, current and future investment projects, and options offered by incentive regimes (advanced special economic zones and the Free Port of Vladivostok).

Given the ever-evolving situation regarding the novel coronavirus infection (COVID-19), all Roscongress Foundation events shall be held in accordance with the recommendations of the World Health Organization and Rospotrebnadzor.

*(For more details visit the official website of the Forum - <https://forumvostok.ru>).*



## THE ANDREI STENIN INTERNATIONAL PRESS PHOTO CONTEST: PROVIDING A GLOBAL PLATFORM TO YOUNG PHOTOJOURNALISTS

SINCE 2014, THE WORLDWIDE TOURING EXHIBITION OF WINNING PHOTOS HAVE DRAWN GLOBAL ATTENTION TO CURRENT ISSUES AND CHALLENGES

The Andrei Stenin International Photo Contest marks eight years in 2022. It is an annual contest for young photojournalists aged between 18 and 33 years. It is Russia's only platform for discovering new photojournalists and for allowing them to make a name for themselves on the world photojournalism stage.

In 2021, around 4500 entries from 70 countries were submitted. Since its start in 2014, the contest has been exhibiting around the world, including Moscow, Cape Town, Budapest, Madrid, New Delhi, San-Donato-Milanese, New York, Ankara, Buenos Aires and other cities.

The contest, organised by the Rossiya Segodnya Media Group under the auspices of the Commission of the Russian Federation for UNESCO, is named in honour of Andrei Stenin, a Rossiya Segodnya photojournalist who died in the summer of 2014 in eastern Ukraine while performing his duties. The annual competition traditionally opens on Stenin's birthday, December 22. The 2022 edition will showcase four categories for which young photographers vie for awards:

**1. Top News :** Important events in the life of individuals and nations as a whole are the main subject of entries in the category -- major political and social events; reports from war zones and places struck by natural disasters; decisive moments in people's lives.

**2. Sports:** This category involves entries, which captured moments in sport -- victories of athletes and dramatic losses; daily sports training; the beauty of sports competitions.

**3. My Planet:** This category involves entries reflecting the entire multicoloured palette of topics and images from all over the world. The author's task is to show an everyday life kaleidoscope in its timeless beauty and harmony, uniting scenes from everyday life; the life of big cities and small towns; nature pictures and religious holidays.



**4. Portrait 'A Hero of Our Time':** This category involves entries such as individual or group portraits of people. Photos can be documentary and posed. The determining factor in this category is the author's ability to reveal the inner world of his characters, express their mental qualities and character through the uniqueness of their appearance and looks as a whole.

In August, Internet users picked the winning photo from those shortlisted for the contest. The winning image, Evergreen Smile, was submitted in the category Portrait. A Hero of our Time by photo journalist Shibasish Saha from India. The photographer explained the story behind the photo: "This image was captured during a face-painting event in the villages of West Bengal, to celebrate Bengali New Year. The grandmother was feeling shy to have her picture taken so she covered her face and smiled from behind." The photo won the online voting contest, leaving behind the works from Bangladesh and other countries.

Since 2014, organisers have retained the tradition of a worldwide touring exhibition of winning photos in spite of coronavirus restrictions, paving the way for young photojournalists to present their work at the international level and drawing global attention to current issues and challenges. The UN headquarters in New York and the Council of Europe in Strasbourg have been among the venues where Stenin award-winning works have been exhibited.

## 15TH ANNIVERSARY OF SCO TREATY ON LONG-TERM GOOD NEIGHBOURLINESS, FRIENDSHIP & COOPERATION OBSERVED

THE DEFINING FEATURES OF THE TREATY INCLUDE FOCUS ON THE POSITIVE PROMOTION OF MULTIDISCIPLINARY COOPERATION

On August 16, 2022 the Shanghai Cooperation Organisation (SCO) member-states marked the 15th anniversary of the signing of the Treaty on Long-Term Good Neighbourliness, Friendship & Cooperation.

Together with the SCO Charter, which was adopted 20 years ago in June 2002, the Treaty created the basis for the consistent development of the association on the principles of equality, mutual respect, openness and consideration of the interests of all member-states.



Its defining features are a vast creative potential, a focus on the positive promotion of multidisciplinary cooperation and not being directed against third countries and organisations.

Following the meeting of the SCO Heads of State Council, to be held on September 15-16, 2022 in Samarkand, the member-states will approve the next comprehensive action plan for 2023-2027.

Russia, in line with the principal foreign policy determined by President of the Russian Federation Vladimir Putin, will continue to actively participate in joint efforts to strengthen the SCO and build up multifaceted and fruitful cooperation within the organisation.

# EMPHASIS ON STABLE TRENDS TOWARDS A MULTIPOLAR WORLD ORDER

RUSSIAN FOREIGN MINISTER DRAWS ATTENTION TO DESTRUCTIVE CONSEQUENCES OF NATO'S GLOBALISATION PLANS AND GROWING MILITARISATION OF THE REGION AT THE EAST ASIA SUMMIT AND ASEAN REGIONAL FORUM



Russian Foreign Minister Sergey Lavrov, on August 5, attended the 12th Ministerial Meeting of the East Asia Summit (EAS) and the 29th Session of the ASEAN Regional Forum (ARF) in Phnom Penh.

During the exchange of views on key issues on the international and regional agenda, the Russian side placed emphasis on stable trends towards a multipolar world order. This was based on the principles of common and indivisible security, and on the need to consolidate efforts in countering growing risks in the Asia-Pacific region, including in the context of the West provoking a global crisis in the food and energy spheres.

Speaking of the Asia-Pacific region in his presentations, Sergey Lavrov drew special attention to the destructive consequences of NATO's globalisation plans and the growing militarisation of the region, including accelerated creation of a technological infrastructure on the basis of the AUKUS (Australia, the United Kingdom, and the United States) platform.

The Russian delegation stressed the inadmissibility of replacing the practice-oriented ASEAN-centric mechanisms which serve as a framework for a sustainable architecture of interstate relations in East

Asia with the narrow-block confrontational constructs of the 'Indo-Pacific' brand.

The EAS meeting participants discussed preparations for the 17th East Asia Summit to be held this November in Phnom Penh, including the adoption of a new forum work plan for 2023-2027. The Russian side called for an increase in non-politicised, practical cooperation as well as for the implementation - without artificial pauses - of specific initiatives that have already been consolidated by the leaders' decisions. Russia put forward the idea of creating a region-wide mechanism within the EAS in the field of anti-epidemic response. This could be a good practical outcome of the many years of effort to promote cooperation in this area, the key aspects of which are reflected in the high-level statement on the issue, adopted in 2020 at Russia's proposal.

The Russian delegation drew attention to the need to implement the tasks set out in another leadership document initiated by Russia in 2021 to develop cooperation in the tourism sector, which has been seriously affected by the Covid-19 pandemic. It stressed the importance of an early meeting of the heads of relevant EAS agencies to launch focused programmes of targeted cooperation.

This year, Russia, with the support of ASEAN, proposed that the EAS platform be used to discuss the prospects for establishing joint work through volunteer movements, viewing them as an additional pillar of the region-wide efforts to deepen social and humanitarian inter-connectedness.

The Russian side supported maintaining the ARF as a platform for constructive cooperation on issues of concern to the regional community. It also pointed out the inadmissibility of reformatting the forum's mandate and attempts to impose bloc rules of the game, based on a unipolar coordinate system.

Russia (together with Indonesia, the Republic of Korea and Australia) assumed the co-chairmanship of the mechanism of the ARF intersessional meetings on information and communications technology security for 2022-2024. Russia has put forward a number of practical initiatives to combat information crime and in the field of ICT terms.

The forum adopted ministerial statements in support of the South-East Asia Nuclear-Weapon-Free Zone, and on consolidating peace, stability and prosperity through confidence-building measures and preventive diplomacy.





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