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CENJOWS

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UNITED STATES OF AMERICA

The Biden Administration has Restated their Support for India, US President says Washington Shares a Very Good Relationship With New Delhi

(<https://indianexpress.com/article/world/us-india-relations-joe-biden-administration-7974866/>)

As the Ukraine-Russian conflict continues, the USA reaffirms its support for India, its strategic and security partner in the Asian and Indo-Pacific region. The spokesperson of the State Department Ned Price was faced with the question of whether the US has held consultations with India and other Asian countries over the issue of these nation-states becoming a major source of oil revenues for Russia, which has surpassed Saudi Arabia as India's second-largest oil supplier. It was at this that the Biden Administration responded by saying that New Delhi and Moscow have nurtured relations over several decades when Washington was “not prepared or able to be a partner of choice” for India.

Price added that Washington and New Delhi's relationship goes as far back as the Clinton administration when the United States of America became a partner of choice for India. The two countries' collaboration extends beyond days and months, with mutual interests and motives particularly in the area of security.

Comments. With regards to the Ukraine-Russian conflict that has been raging since 24 February 2022, the USA has taken an affirmative position according to which it wishes to see a democratic, prosperous and sovereign Ukraine. Since Washington wants to extend its influence in the Asian and Indo-Pacific region, the USA has been fostering partnerships with India both bilaterally and through agreements signed as part of the Quadrilateral Security Dialogue.

There has been speculation that New Delhi is subtly maintaining a pro-Moscow position with reference to the Ukraine-Russia conflict. The United States issued this statement in order to maintain and define its strategic relationship with India at a time when India's position on the Ukraine-Russia crisis is being questioned. It is pertinent to note that India has had a long-standing relationship with Russia which has spanned over decades. To maintain its defense, trade, cultural and technological relations with Russia, India has been taking a neutral stand towards Russia's invasion of Ukraine, abstaining from voting against Russia in the United Nations Security Council, the General Assembly and the Human Rights Council. In order to strike a strategic balance between Russia and the Quad, India continues to keep its viewpoint neutral towards the conflict while also keeping it divergent from that of its Quad partners- Australia, Japan and the USA.

At this juncture, the US finds it to its advantage to acknowledge New Delhi's long-standing partnership with Moscow. With China securing its position in the South Asian and Indo-Pacific region as a security provider and Russia threatening the geopolitical status quo, the USA considers it necessary to reaffirm its support for India.

WEST ASIA

As China, Russia Back Iran at UN Watchdog Meet, India Abstains

(<https://www.news9live.com/world/as-china-russia-back-iran-at-un-watchdog-meet-india-abstains-175285>)

The International Atomic Energy Agency has censured Iran for switching off monitoring cameras in nuclear sites. A similar development; a statement by Director-General Rafael Mariano Grossi concerning the installation of two new cascades of the IR-6 at Natanz has pushed the IAEA to hold Iran accountable for its failure in providing "technically credible evidence" with respect to nuclear traces at three unidentified locations. Iran has deemed this as an 'act of sabotage'. Nevertheless, a resolution has been put forward against Iran wherein Russia and China have supported Iran and India alongside Pakistan and Libya has abstained from voting.

Comments. The rift between Iran and the International Atomic Energy Agency has led to an interesting turn of events. Previously in the years 2005, 2006 and 2009, India has voted against Iran joined by China and Russia. In response to US economic sanctions against Russian trade partners, Foreign Minister S Jaishankar has admonished the western powers for their duplicity with regards to the developing world and 'rules-based order' for meeting their energy requirements.

Moreover, in the wake of the Russian-Ukraine war, inflation and global energy crisis has pushed India onto a hunt for cheap fossil fuel purchases from possibly Russia and Iran. The Iranian envoy Ali Chegeni has confirmed Iran's willingness to fulfil India's energy security needs and the meeting between Iran's Foreign Minister Amir-Abdollahian and Prime Minister Narendra Modi and Foreign Minister Jaishankar has set focus on deepening of ties. As a result, Tehran has recently shipped pilot transit of two 40-ft containers carrying Russian goods to India via the International North-South Transport Corridor.

In regards to meeting our energy needs and enhancing bilateral ties, the statements and India's stance during the UN Watchdog meet takes a positive note. Iran's engagement in our trade and crucial significance in the INST Corridor forms the crux of fruitful future trade. Thus, it leaves hope for comprehensive strategic partnership with regards to political and economic concurrence.

Israeli Defence Minister Benjamin Gantz Discusses Defence Cooperation with PM Modi

(<https://www.aninews.in/news/world/asia/israeli-defence-minister-benjamin-gantz-discusses-defence-cooperation-with-pm-modi20220602214018/>)

The 2022 visit by Deputy Prime Minister and Defence Minister of Israel Lt Gen (Res) Benjamin Gantz to India marks the 30th anniversary of the foundation of official diplomatic ties between India and Israel. The talks between Gantz and Indian Prime Minister Narendra Modi hold significance for enhanced cooperation in bilateral relations between Israel and India through co-development and co-production in Research and Development and Defence.

The exchange between Minister Gantz and Indian Defence Minister Rajnath Singh and National Security Advisor Ajit Doval covered a Letter of Intent emphasising increased cooperation in the field of Futuristic Defence Technologies along with discussions on bilateral, regional and industrial cooperation. The signing of 'Special Security Declaration' is underway.

Gantz has iterated his hopes for defence cooperation between the two countries stating India as a 'industrial superpower' and Israel as a 'technological superpower crucial for expansion of capabilities to contend with emerging challenges. "Defence cooperation has been one of the significant pillars of bilateral cooperation."

Comments. Reciprocal visits between Israel and India represent the growing mutual acquaintance and the strength of bilateral relations. Some notable events include 3rd round of Dialogue on Disarmament and Non-Proliferation, 6th meeting of Indo-Israeli Joint Working Group on Counter-Terrorism, second Asian Ministerial Conference on Disaster Risk Reduction among many more. They have often collaborated to work on economic and defence cooperation. It is said that Israel and India are nearing a Free Trade Agreement. In the last decade, India has made weapon purchases worth US\$ 2.9 billion from Israel, chief purchases being missiles, radars and UAVs. The two countries have jointly developed the Barak 8 Medium Range Surface to Air defence system. India in the past has sourced firefly loitering munition, Spike anti-tank guided missiles, Spice guidance kits from Israel.

The recent official visit of Israel's Defence Minister has further deepened the bilateral dialogue. While the measures seem promising, the realisation and implementation of the same is yet to be examined. Thus, similar democratic principles and common defense challenges, the Indo-Israel "vision statement" will pave the way for strengthening comprehensive defence cooperation in future.

EURASIA

Russia: Increasing Russian Oil Imports to India

<https://timesofindia.indiatimes.com/business/india-business/india-in-talks-to-increase-russian-oil-imports-from-rosneft/articleshow/92038244.cms>

In News: India is looking forward to double down on its Russian oil imports with state-owned refiners eager to take more heavily discounted supplies from Rosneft PJSC as international players turn down dealings with Moscow over its invasion of Ukraine.

Actors involved: Both state and privately-owned refineries in India have been ramping up purchases of Russian crude as sanctions and trade restrictions rolled out by the US, UK and European Union have caused most buyers to flee and offer levels to crash. State refiners include Indian Oil Corp, Hindustan Petroleum and Bharat Petroleum, while private processors are Reliance Industries and Nayara Energy (partly owned by Rosneft). Procurement activities for state and private companies will be done independently. Cargoes are being sought on a delivered basis from Rosneft, with the seller set to handle shipping and insurance matters, they said.

The ensuing panic and rerouting of global oil flows have lifted oil by more 20% since late-February when Russia invaded Ukraine. Refiners in Asia's second-largest oil consumer have been enjoying elevated profits from turning cheap crude into fuels that is sold domestically and also in the export market to customers in Europe and the US.

Importance for India: Russian crude forms just part of India's overall basket of crude oil feedstock. India has purchased 40 million barrels since 24 Feb to early May 22 which is about 20% more than flows for all of 2021. Although India's purchases of Russian crude are not in breach of any sanctions, the country has come under pressure from the US and EU administration. Ironically, the Asian nation's imports are minuscule as compared to Europe's purchases, and just a tiny fraction of the country's total consumption.

Comments. Russian Oil imports present an opportunity for India, where some of the major global oil exporters like Venezuela and Iran, have reduced exports due to sanctions and the world is left with a Oligopolistic Environment Countries are compelled to buy the cheap crude oil from Russia as other sellers have increased their prices. It is a source of oil revenue for Moscow, despite strong pressure from the Western Countries on oil importers to not to increase their purchases. India, a country of 1.4 billion people, has imported nearly 60 million barrels of Russian oil in 2022 so far, compared with 12 million barrels in all of 2021 (data from Kpler) for filling up its strategic reserves. The world is also slowly realizing that India is an important refining hub, which can sell clean products.

Russia: INSTC Shipment Sailed off

<https://economictimes.indiatimes.com/news/economy/foreign-trade/instc-operationalised-as-russia-sends-consignments-for-indian-port/articleshow/92189350.cms>

<https://www.russia-briefing.com/news/russia-tests-india-freight-direct-via-instc.html/>

Background. The INSTC is a 7,200 km-long multimodal transportation network encompassing sea, road, and rail routes. Its foundation was laid on September 2000, in accordance with an intergovernmental agreement signed between Russia, Iran, and India. Azerbaijan joined this agreement in 2005. This agreement was ratified by 13 countries.

Structure: The project has a number of components:-

- Northern and Western Europe – the Russian Federation
- Caucasus – Persian (Western route)
- Central Asia – Persian Gulf (Eastern Route)
- Caspian Sea – Iran Persian Gulf (Central Route)

In News: Recently India, Iran and Russia have given momentum to operationalize the INSTC serving as the shortest connectivity route for Indo-Russian trade, days after the Iranian Foreign Minister visited Delhi.

INSTC began operation with the 1st shipment from Russia to India. The first shipment using the INSTC embarked on its journey from St. Petersburg, Russia, and

after being transferred to the port of Astrakhan of Russian Federation, it will enter Iran via the Caspian Sea.

INSTC will reduce the carriage cost between India and Russia by about 30% and bring down the transit time from 40 days to 25 days. The 41 tonne freight sailed off on 14th of June, and is expected to reach the NhavaSheva (JLN Port) on 6th of July.

Transit operation is being carried out by the regional bureau of Islamic Republic of Iran Shipping Lines (IRISL Group) in Russia (ITS International Transport & Shipping of Iran in Russia) in cooperation with the logistics companies of IRISL Group & JawaharLal Nehru Port Trust in India.

According to the signed agreements on the transportation of large numbers of shipments from Russia and Belarus to India through the ports of Astrakhan, this first cargo is considered the beginning of the foreign transit boom in the International North-South Transport Corridor and in the near future will see prosperity in the field of transit through INSTC generating income for the governments of Russia, Iran and India.

Comments. Besides reducing time taken for trade between India and Russia INSTC is a revolutionary substitute for Indo-Russian trade amid current geo-political challenges. It would bypass Afghanistan and Pakistan but will also serve as a substitute for the Strait of Malacca (Indo-Pacific), Strait of Bosphorus (Mediterranean Sea) and the Suez Canal in the longer run. Also it would be serving as a counter to the BRI initiative of China and would provide an inroad for India into the land locked economies of Central Asia and Europe. It is also strategically important as it would ensure a year round connectivity between the two countries as the Vladivostok-Chennai Route is not a warm water port. The prospects of the INSTC corridor will add to the growing oil and energy imports between the two countries. Further India should also work on operationalizing and integrating the Chabahar port into the INSTC framework to better utilize our investments in Iran.