Interview of Ambassador of India by Ms. Anna Pasyutina,Senior Correspondent Rossiya Segodnya (September 3, 2014)

<u>Question 1:</u> President Vladimir Putin's visit to India is scheduled for December. Indian Ministry of Foreign affairs earlier stated that during the visit a road map of our strategic partnership will be signed. Apart from traditionally strong cooperation in military and atomic sectors, will the road map reveal some new areas of cooperation?

Answer: The special and privileged strategic partnership between India and Russia covers virtually every area of human endeavour; political, economic, energy, defence, space, science & technology, education and culture. When our two leaders meet at their annual Summit meeting later this year, I expect they would review our cooperation in all these areas and articulate their vision for the future development of our bilateral cooperation over the next decade. We are working on new areas of cooperation in many of the sectors that I have mentioned. There are particularly exciting opportunities in our economic cooperation, to enhance our trade and investment exchanges to the level that is commensurate with the complementarities between the economies of our two countries. Of course, at the same time we expect that our cooperation in defence and atomic energy will also be further strengthened through decisions taken at a number of bilateral meetings in the run-up to the Summit and at the Summit itself.

<u>Question 2:</u> India has shown a lot of interest in joining the Shanghai Cooperation Organization. Will it happen in the nearest future? On what stage are the negotiations concerning India's joining SCO?

<u>Answer:</u> The Shanghai Cooperation Organization is an important regional mechanism for cooperation in the areas of economy, regional security, counterterrorism, energy, transport connectivity, culture etc. India has been associated with the SCO as an observer since 2005 and we have stated that we would be willing to play a larger role in the organization as a full member. The SCO Heads of States are meeting in September and we are hopeful that the organization will reach a consensus on its expansion process and procedures.

<u>Question 3:</u> India has also expressed an intention to sign an agreement on economic cooperation with customs union of Eurasian Economic Community. When will India sign this agreement? On what terms?

<u>Answer:</u> India has very close relations with Russia, Belarus and Kazakhstan - the members of the Customs Union. Our trade and economic cooperation with all three countries are showing an upward trend. We believe that a closer engagement between India and the Eurasian Customs Union - which will soon become the Eurasian Economic Union - will be mutually beneficial and will provide further impetus to our efforts to create a quantum jump in our economic cooperation. We have already commenced a dialogue to look at all aspects of this engagement and to recommend the future course of cooperative action.

<u>Question 4:</u> The new government of India has set a course for attracting foreign investment into Indian economy. What joint projects could it offer to Russian companies?

<u>Answer:</u> Our new government in India is committed to creating more favourable conditions for foreign investors and particularly promoting the manufacturing sector. I see great prospects of joint manufacture in India of machinery, equipment and products not only for the Indian market, but also to provide Russia with requirements which it is now sourcing from elsewhere. We have a number of investment projects operating and under discussion in areas like automobiles, pharmaceuticals, coal, fertilizer, energy and steel. As we prepare for the India-Russia Inter-Governmental Commission on Economic Cooperation, we expect not only to expedite progress on ongoing projects, but also to identify new avenues for increasing both trade and investment exchanges.

<u>Question 5:</u> India has stated that technology import is its prime interest. One of successful examples of Indo-Russian projects has become joint venture BrahMos Aerospace. Do Indian and Russian sides plan other projects of this kind? In what sectors of economy?

<u>Answer:</u> Our defence cooperation has extraordinary vibrancy and is constantly exploring newer areas. We have already seen the successful transformation of our defence cooperation from a buyer-seller relationship to one involving joint research, development and production of advanced defence systems. The Brahmos missile project is an outstanding example of this model. Russia and India are collaborating closely in the joint development of a Fifth Generation Fighter Aircraft and a Multi-Role Transport Aircraft for our Armed Forces. A number of other projects are under discussion to define the further lines of development of our defence cooperation.

<u>Question 6:</u> Does Indian government discuss the idea of constructing a trans-Himalayan gas pipeline from Russia to India? Are there any other joint projects in oil and gas sector? <u>Answer:</u> During the SPIEF 2014 in which a delegation of Indian business took part, there was an agreement signed by our Oil & Natural Gas Commission and Rosneft on cooperation in exploitation of resources in the Arctic Region. Among the spheres discussed was the energy sector which is very important for India. Energy security is a major concern for our government. We are an energy-deficit country and Russia is our close partner. Obviously we would like to see an expansion of energy cooperation whether it is in oil, gas or LNG. There is a proposal to study the feasibility of a gas pipeline from Russia to India. It is a project for the future, which requires a rigorous study of political possibilities, security issues and economic viability.

<u>Question 7:</u> Does India come up with any measures to promote trade between India and Russia taking into consideration the latest sanctions against Russia?

<u>Answer:</u> I would not like to look at India-Russia trade and economic cooperation through the prism of external relationships. We have tremendous opportunities bilaterally which we should exploit. The areas of cooperation which I have mentioned are exciting in themselves and of great mutual interest. India is not party to sanctions on Russia and our business entities are always keen to expand bilateral trade.

<u>Question 8:</u> Do India and Russia discuss the possibility of settlements in national currencies to avoid settlements in dollars?

<u>Answer:</u> Our two countries have been discussing trade in national currencies as an initiative that can significantly increase the volume of bilateral exchanges of goods. Our Central Banks have recently set up a Joint Working Group to work out modalities. We would like to see an early completion of this exercise. There have also been talks between the Export-Import Bank of India (EXIM Bank) and the Vnesheconombank for a guarantees cooperation arrangement, by which they would facilitate loans in local currencies for Indian and Russian companies seeking to invest in each others' countries. This arrangement could boost mutual investment.

<u>Question 9:</u> India has activated contacts with USA, the sides plan to cooperate in military sector. Will it somehow affect military cooperation between Russia and India?

<u>Answer:</u> Russia is our leading partner in military-technical cooperation and it is the only country with which India has an Inter-Governmental Commission

headed by the Defence Ministers. Our defence cooperation is based on mutual benefit and is not impacted by other bilateral relationships.

<u>Question 10:</u> TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline start is scheduled on 2017. Do Russian companies participate in this project?

<u>Answer:</u> Our bilateral energy cooperation in all forms must be deepened. This is one of the areas where we constantly strive to further strengthen our partnership with Russia. We would like Russian companies to participate in TAPI. TAPI partners are currently engaged in the process of identifying consortium partners who will participate in the project.

<u>Question 11:</u> Tense relations between India and Pakistan keep down the economy of the both sides. How does India plan to solve this problem? Is it possible to help India and Pakistan to connect on SCO margins?

Answer: I disagree with your first assessment. India's economy has been growing well over the last couple of decades, based on its strengths. We would like all neighbouring countries to benefit from India's growth story and work jointly on initiatives in that direction. India seeks relations of peace and friendship with all its neighbours on the basis of mutually beneficial economic cooperation and mutual sensitivity to security concerns. We follow a strictly bilateral approach to developing such relations.

<u>Question 12:</u> Has India invested in Ukraine? What is happening with these investments now, as the situation in Ukraine is deteriorating? Does India intend to invest in the Crimea?

<u>Answer:</u> We have had relations of friendship with Ukraine every since its emergence as an independent State. I would prefer my colleague, our Ambassador to Ukraine to respond on the details of India-Ukraine cooperation.

<u>Question 13:</u> How have the latest events in Ukraine changed the balance of power on the geopolitical stage? Who has won?

<u>Answer:</u> India has consistently said that it is deeply concerned at the violence and loss of lives from the developments in Ukraine. We have called for restraint and sincere, sustained diplomatic efforts to resolve all the issues between the parties concerned through constructive dialogue. The solutions to Ukraine's internal differences have to be found in a manner that meets the aspirations of all sections of Ukraine's population.

<u>Question 14:</u> How do you estimate the cooperation between India and Russia in atomic energy sector?

<u>Answer:</u> We deeply value our bilateral cooperation in the field of nuclear energy. Nuclear energy is an important component of India's energy security strategy. I am pleased that the first unit of the 1000 MW Kudankulam Nuclear Power Plant has achieved 100% capacity and work on Kudankulam Unit 2 is progressing well. Our companies are at an advanced stage of negotiations for finalizing arrangements for Units 3 and 4, and I am confident that these contracts would be finalized shortly. We are discussing further areas of cooperation in the atomic energy sector.

<u>Question 15:</u> When will India and Russia sign the master contract on construction of the second unit of Kudankulam nuclear power plant?

<u>Answer:</u> As I have mentioned, the second unit is already under construction and talks are underway to finalize contracts for units 3 & 4.
