



WORLD TRADE CENTER®
MUMBAI



By MVIRDC World Trade Center Mumbai

ADVANTAGE RUSSIA

Trade | Investment | Technology | Tourism

A Report on
**Trade and Investment Opportunities
between India and Russia**





Bharat Ratna Sir M. Visvesvaraya

(15 September, 1860 - 14 April, 1962)

FIFTY FIVE YEARS AND COUNTING

M. Visvesvaraya Industrial Research and Development Centre (MVIRDC) is a non-profit company registered and licensed under Section 25 of the Companies Act, 1956 (currently Section 8 of the Companies Act, 2013). On 26 June, 2025, MVIRDC will complete 55 years of continuous service in the promotion of trade and industry.

MVIRDC became a member of the World Trade Centers Association, New York, in 1971 and established the World Trade Center Mumbai, which is the first World Trade Center (WTC) in India. MVIRDC, having spearheaded the movement of World Trade Centers in India with the establishment of WTCs at Bhubaneswar, Goa and Jaipur, is assisting MSMEs in these regions through various Trade Research, Trade Promotion, Trade Infrastructure including Commercial Offices, Business Center, Trade Facilitation Services and Trade Education Programmes.

ADVANTAGE RUSSIA

Trade | Investment | Technology | Tourism

By MVIRDC World Trade Center Mumbai

CONTENTS

Preface	4
Chapters:	
Chapter 1: Introduction	5
Chapter 2: Russia - Country Profile	6
Chapter 3: India – Russia Bilateral Relationship	14
Chapter 4: India and Russia Trade and Investment potential	18
Chapter 5: Way Forward	26
Annexure	27
Tables:	
Table 1: Russia macroeconomic highlights	6
Table 2: Russia natural resources	8
Table 3: Russia's merchandise trade (USD billion)	10
Table 4: Russia's service trade (USD billion)	11
Table 5: Services exports by main category	11
Table 6: Russia's investment trend in USD billion	13
Table 7: Russia's Bilateral Treaties (signed and in force)	27
Table 8: Some important agreements signed between India and Russia	29
Charts:	
Chart 1: India's Merchandise Trade With Russia (USD billion)	18
Chart 2: India's Untapped Export Potential to Russia (USD billion)	19
Chart 3: Russia's Untapped Export Potential to India (USD billion)	19
Diagram/Map: Russia BITs	13

Disclaimer:

MVIRDC World Trade Center Mumbai has taken utmost care in the preparation of this document in terms of validity or authenticity of the information included. However, we hereby declare that we can in no way be held responsible for the legitimacy of the information. The information has been sourced from relevant stakeholders and publicly available secondary data.

Preface

India and Russia share one of the most enduring and strategically significant bilateral partnerships in the world. Rooted in mutual trust, respect, and cooperation, this relationship has evolved over decades, adapting to shifting global dynamics. While historically centered on defence and strategic affairs, the partnership has expanded into newer domains, driven by emerging economic opportunities and a changing geopolitical landscape.



In recent years, bilateral trade has witnessed an unprecedented surge. From a modest USD 8–10 billion between 2017 and 2020, trade soared to an all-time high of USD 71 billion in 2023. Russia emerged as one of India's top trading partners, strengthening India's energy security by supplying crude oil at discounted rates during the oil price shocks of 2022 and 2023. Beyond energy, Russia has been instrumental in ensuring India's food security by providing essential fertilizers for the agricultural sector. The introduction of the Rupee Trade Settlement Mechanism in 2022 further facilitated trade, paving the way for deeper economic engagement.

However, despite this impressive growth, trade remains heavily tilted in Russia's favour, primarily concentrated in energy transactions. To unlock this partnership's full potential and achieve a more balanced trade relationship, both nations must focus on diversifying their economic engagement. With strategic efforts in high-growth sectors, trade has the potential to cross USD 100 billion in the next few years. Energy remains a key pillar of cooperation, but expanding beyond crude oil to LNG, hydrogen, and renewable energy projects can open new avenues for sustainable growth. The defense and advanced technology sector also holds promise, with opportunities for co-development, co-production, and greater technology transfers.

Pharmaceuticals and healthcare present critical areas for collaboration in generic drugs, vaccine manufacturing, and medical equipment. Agriculture and food processing offer additional growth opportunities through cooperation in grain supply chains, fertilizers, and processed food exports. Similarly, expanding trade in metals, minerals, and rare earths will be vital to meet the rising demand for raw materials in high-tech industries. Infrastructure and connectivity improvements, including leveraging the International North-South Transport Corridor (INSTC), can enhance logistics efficiency and streamline trade routes. The digital economy, IT, and fintech sectors are also emerging areas of engagement, where collaboration in cybersecurity, artificial intelligence, and digital payments can drive innovation-led ties.

As the world shifts toward protectionist trade policies and supply chains undergo major changes, this is an opportune moment for India and Russia to recalibrate their economic relationship. By fostering investment flows and strengthening cooperation in key sectors, both nations can solidify their positions as long-term partners, ensuring sustainable and mutually beneficial growth in the years ahead.

This report delves into the evolving India-Russia economic relationship, analyzing trade drivers, emerging investment opportunities, and the strategic roadmap required to propel bilateral engagement to new heights. It serves as a comprehensive guide for policymakers, industry leaders, and businesses seeking to navigate and capitalize on the next phase of India-Russia economic cooperation.

Dr. Vijay Kalantri

Chairman
MVIRDC WTC Mumbai

Chapter 1: Introduction

INDIA



India and Russia share a long-standing and resilient partnership, rooted in historical trust and strategic cooperation. In today's rapidly evolving geopolitical landscape, this relationship has become even more crucial. As the global economy faces rising protectionism, supply chain disruptions, and energy security challenges, strengthening bilateral ties offers stability and mutual benefits.

Both nations recognize the strategic necessity of deepening cooperation, not only to safeguard their economic interests but also to enhance their global influence. With growing uncertainties in global trade dynamics, fostering stronger ties provides greater resilience against external pressures and ensures diversified economic partnerships. Closer collaboration in emerging sectors and joint initiatives for financial cooperation can have mutually beneficial outcomes helping both countries navigate evolving global challenges.

Ultimately, strengthening India-Russia relations is essential for sustained economic growth, energy security, and geopolitical stability. The partnership continues to hold significant potential, offering new avenues for collaboration and mutual prosperity in an increasingly fragmented world.

In recent years, India and Russia have strengthened their ties through regular high-level summits, extensive defense cooperation, and growing bilateral trade, particularly in energy and technology sectors. Russia remains India's largest defense partner, while India increasingly relies on Russian oil and gas imports to enhance its energy security.

This report provides a detailed analysis of India-Russia bilateral relations, highlighting the historical context, political cooperation, defense collaboration, economic engagements, and cultural ties. It also examines the challenges and future prospects of this dynamic relationship in the evolving global landscape.

RUSSIA



Chapter 2: Russia - Country Profile

Macroeconomic Snapshot

Russia is the largest country in the world by land area, spanning two continents—Asia and Europe. With a total population of 145.4 million (UNCTAD), it is the 9th most populous country globally. Covering an area of 16,376,870 km², Russia is also one of the least densely populated countries in the world. Its GDP of USD 1.98 trillion (UNCTAD) in 2023 makes it the 11th largest economy by nominal GDP.

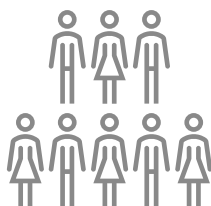
Even amidst mounting global pressure and sanctions, Russia managed to achieve a robust GDP growth rate of 3.6% in 2023 (the latest year for which data is available in UNCTAD), driven by strong energy exports, increased defense production, and strategic trade partnerships with Asian economies, including India. The surge in oil and gas exports, especially to non-Western markets, helped offset the impact of Western sanctions. The government spending on infrastructure and defense boosted domestic demand, while a weaker ruble made Russian exports more competitive, further contributing to economic resilience.

Table 1: Russia macroeconomic highlights

Year	GDP (Current USD)	GDP per capita, (Current USD)	Annual Real GDP Growth (%)
2005	771.5 billion	5,335	6.4%
2010	1.54 trillion	10,698	4.5%
2015	1.36 trillion	9,383	-2.0%
2023	1.98 trillion	13,641	3.6%
Source- UNCTAD, Compiled by MVIRDC WTC Mumbai			



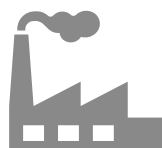
The largest country
in the world by land area



9th most populous
country globally



Robust Economic
Growth



11th largest economy
in the world