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Will Western Sanctions on Russia impact India?

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Summary:

A lot of harsh economic sanctions have been imposed on Russia by the US, UK, EU etc. Leaders close to Putin have been targeted by the US sanctions. Sanctions made by the US prohibit transactions in dollars. This will affect that trade with Russia, which takes place in dollars. UK's sanctions aim to freeze the assets of Russian banks. Russian banks' access to European markets is banned by EU sanctions. Russia and India call such sanctions to be unilateral and do not recognize them. The sanctions are less likely to directly affect India. However, India worries about the increasing energy costs due to disruption of the supply chain. India also worries about the defense projects that have already been concluded between India and Russia such as S-400 air defense systems. India exports pharmaceuticals, marine products, automobile components and tea to Russia.

Facts and Figures:

- India's mercantile exports to Russia in 2021 were worth \$3.3 billion, and its import was valued at about \$8.5 billion, including petroleum and petroleum products worth \$4.5 billion.
- The deal for five regiments of S-400 air defense systems between India and Russia costs \$5.4 billion.
- Various oil companies of India have invested more than \$13.6 billion in Russian oil and gas projects such as Taas Yuryakh, Vankorneft, License-61, Sakhalin-1 and Imperial Energy.

Opinion:

It will be difficult for India to balance its geopolitical relations with Russia and USA. Russia has been India's old friend. It has also extended its help to India back during the 1971 war. In the UN General Assembly and UN Security Council voting, Biden pressurized India to vote against Russia, but India took a neutral stance, which was a wise decision. Also, India should become aim to become atmanirbhar (self-sufficient). The country's dependence on other nations should be further minimized.