

Striking **US-Russia** balance a key challenge for India this yr

POLARISED WORLD Finalising key trade arrangements with EU, Asean also high on agenda

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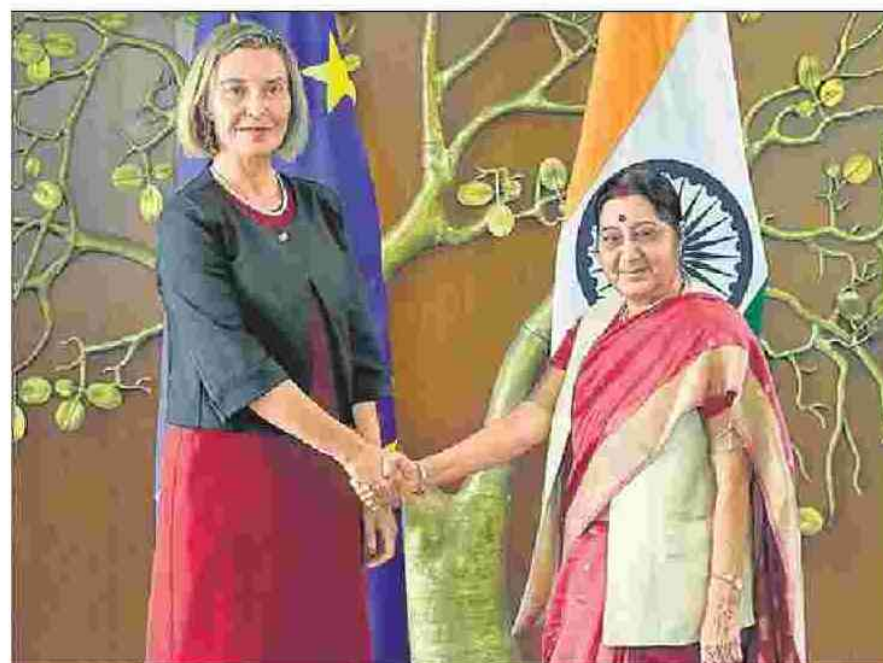
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NEWDELHI: Adroitly navigating an increasingly polarised world order and finalising key regional trade agreements with Asean and its partners, the European Union (EU) will be among key foreign policy challenges for India this year.

Given its good relations with both the US and Russia, India is increasingly finding itself being courted by the two powers at multilateral organisations such as the World Trade Organization, United Nations Security Council and Organisation for the Prohibition of Chemical Weapons and will need to resort to deft manoeuvring, people familiar with the developments said.

“We will have a task navigating in international forums to ensure that we preserve our space between the efforts of the two sides to pull us in their direction. There is an expectation (by both), given our very good relations, that we will come to their side,” a person said.

At several of these forums, Russia is receiving issue-based support from China, with which India has been able to normalise ties following the military stand-



■ Minister of external affairs Sushma Swaraj with high representative of the European Union for foreign affairs Federica Mogherini. AP FILE

off at Doklam in 2017. This, the people cited above said, is complicating the scenario for India.

“This is an era not of alliances but of partnerships, and India wants to keep all its balls in the air and ensure that they don’t fall,” said Former ambassador Rajiv Bhatia, a distinguished fellow at Gateway House.

Bhatia said China remains the “fundamental strategic worry” as it is perceived as an adversary in the strategic, security and defence realms, and, in this

regard, the partnership with the US provides India “moral comfort”, while Russia “enhances the strategic comfort”.

The people cited above also said progress on regional trade arrangements such as the Regional Comprehensive Economic Partnership (RCEP) with the 10 Association of Southeast Asian Nations (Asean) states and the grouping’s free-trade pact partners Australia, New Zealand, Japan, China and Korea, and the Broad-based Trade and Invest-

ment Agreement (BTIA) with the EU will be a challenge for 2019.

“These are important arrangements and if we do not become part of them, certainly of RCEP, we risk losing out economically. RCEP is reaching its end game and BTIA is fairly mature as the areas of difference are down to certain core areas,” the first person said.

Former bureaucrat Thomas Mathew, who closely tracks such issues, said: “RCEP is important for India to ensure the establishment of a rules-based institutional framework with China. This is notwithstanding the apprehension of indigenous industry, which fears the adverse impact of preferential imports from China.”

Mathew, a former deputy director general of the Institute for Defence Studies and Analyses, added, “Despite the fact that the EU is India’s largest trading partner, the total FDI into India from the Union constitutes only about 1% of its outflows. The BTIA will be the first comprehensive agreement that the EU will be concluding with a large emerging economy and it will open the prospects for increased trade and investments and create a win-win ecosystem for both.”