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Obama's Visit to India: Review of Defence Relationship

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US President Barack Obama's second coming to India, from 25 to 27 January 2015, was a visit of many firsts. In the days and weeks leading up to his visit media chatter had predominantly focused on rude and intrusive secret service agents and the heightened security measures around the capital, New Delhi. But as the President's Air Force One took off from Andrews Air Force base in Washington DC, policy wonks and media pundits got down to business, and the chatter turned towards the bilateral agenda.

Although at this juncture a verdict would be premature, the presidential visit is still chock-full of symbolism. This is the first time a sitting US president has visited India twice; it was also the first time a US head of state attended the 26 January Indian Republic Day parade. That President Obama chose to visit India just a few months after Prime Minister Narendra Modi had travelled to the US in September 2014 adds credibility to the bilateral relationship. The two leaders had also met at the sidelines of the G-20 Summit and the East Asia Summit. However, amidst the glitz and glamour of the Republic Day parade and photo-ops on *Rajpath*,

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there is much work to be done. Marquee pacts such as the 2005 Civil-Nuclear Agreement and the Defence Trade and Technology Initiative (DTTI) have all stalled in recent years. And although both sides are in better humour and appear to have moved on from the Devyani Khobragade incident, it still remains to be seen whether they can untangle the knots that are stalling key initiatives.

Things moved once President Obama landed in India. During a joint media interaction that followed the talks, Modi and Obama declared that they had renewed the 10-year Defence Framework Agreement. The bilateral defence agreement, originally signed between President George W Bush and Prime Minister Manmohan Singh in 2005, calls for the expansion of security cooperation between the two countries through enhanced security dialogue, service-level exchanges, defence exercises and defence trade & technology collaboration. Indeed, over the years the two countries followed up the Defence Framework Agreement with increased personnel exchanges, counter-terrorism information sharing and joint-military exercises. Yet arguably the centrepiece of Indo-US defence collaboration – the Defence Trade and Technology Initiative (DTTI) – has thus far not reached expected heights.²

On the defence trade side of things the picture looks rosy – India imported US\$ 9 billion worth of American military equipment in the last 5 years. Much to the chagrin of Kremlin officials, America has displaced Russia as India's foremost arms supplier. However, this statistic draws away from the fact that the Indian purchases of American equipment have been off-the-shelf through the Foreign Military Sales (FMS) route, a far cry from the technology transfer and co-development/production programmes envisioned in the DTTI. Consider the Javelin Anti-Tank Guided Missile (ATGM) that was in contention to replace India's ageing arsenal of French Milan ATGMs.³ Ultimately, India was unable to reach a transfer of technology (TOT) agreement with the US and went ahead and signed a US\$ 525 million deal with Israel for 8000 Spike ATGMs. Nor is this the first instance where India has encountered complications in US technology transfers. Export licensing controls on dual-use

² The DTTI was established as a means of institutionalising defence collaboration between India and the United States. During Manmohan Singh's visit to the US in September 2013 it was found necessary to codify the defence cooperation framework between New Delhi and Washington DC. In a Joint Declaration on Defence Cooperation both sides agreed on the general principle of working towards "defence technology transfer, trade, research, co-development and co-production for defence articles and services, including the most advanced and sophisticated technology". See White House Press Release, Office of Press Secretary, September 27 2013, Available at: <http://www.whitehouse.gov/the-press-office/2013/09/27/us-india-joint-declaration-defense-cooperation>

³ The Javelin ATGM was operated by Indian Army gunners during the 2010 *Yudh Abhyas* joint-military exercise with the US and scored multiple direct hits, greatly impressing the army leadership, following which it came into consideration for Indian procurement.

technologies make it extremely difficult for US authorities to grant TOT approvals. This underscores just some of the difficulties that the DTTI faces.

Any arms manufacturer desirous of gaining a foothold in the Indian arms market must factor in New Delhi's aspirations of being self-sufficient in defence production. Adverse exchange rates and rising revenue expenditure in the defence budget have squeezed capital outlays, consequently India's military modernisation programme can only be sustained through indigenisation of defence production. Co-development and co-production programmes not only help balance the books but they are also compliant with the Modi administration's 'Make in India' policy. Officials on both sides are beginning to take cognisance of some of the complications facing the DTTI, and efforts were on to breathe life into the initiative during President Obama's visit. On 22 January 2015, both sides "agreed in principle to pursue co-development and co-production of four pathfinder projects".⁴ This strategy reflects a measured and realistic approach to the DTTI. Given the modest nature of the military projects involved, it is hoped that it will help standardise operating procedures and get the ball rolling for the more sensitive and ambitious projects.⁵

As Washington and New Delhi explore ways and means of expanding defence trade through territories previously uncharted, there is still a long way to go before the US can equal Russia. The latter already has an institutionalised military-technical cooperation (MTC) framework with India. In fact till date, the *Brahmos* supersonic cruise missile – an Indo-Russian joint venture – remains the gold-standard of defence collaboration between India and a foreign nation.⁶ The missile system has proven so successful that current orders for different versions of the missile by India's armed forces have already exceeded US\$ 6 billion. Coincidentally, just prior to President Obama's visit, the Russian Defence Minister, Sergei Shoigu, travelled to India to participate in the 14th Inter-Governmental Commission on Military and Technical Cooperation. Both sides agreed to expedite the final contract for the US\$ 15 billion Fifth Generation Fighter Aircraft (FGFA) joint development programme, and discussed co-production of the Kamov 226 light utility helicopter in India. "Miffed" over the recent

⁴ US-India Joint Statement – "Shared Effort, Progress for All", Available at: <http://www.whitehouse.gov/the-press-office/2015/01/25/us-india-joint-statement-shared-effort-progress-all>

⁵ According to reports the four projects under consideration are the Raven Unmanned Aerial Vehicle (UAV), "roll-on, roll-off" intelligence-gathering and reconnaissance modules for the C-130J Super Hercules aircraft, Mobile Electric Hybrid Power Sources (MEHPS) and Uniform Integrated Protective Ensemble for combat soldiers.

⁶ The *Brahmos* missile programme is a joint venture between India's Defence Research and Development Organization (DRDO) and Russia's NPO Mashinostroeyenia.

American successes in Indian defence acquisitions, Russia is trying to hedge against US expansion in India's defence market.

The Kremlin clearly enjoys a first-mover advantage in the new method of defence collaboration put forward by India's defence establishment. To what extent the US and others can reduce this deficit depends on the level of R&D expertise India's collaborative partners are willing to share. This would involve greater access to advanced technologies, design processes and systems integration expertise to name just a few. For India, the priority lies with balancing its Russian legacy military equipment with new-age US and Israeli acquisitions. New Delhi must tread a fine line between keeping its old partners happy while bringing new ones into the fold.⁷ Whereas Washington must ensure that political goodwill on both sides is transformed into tangible results. As President Obama flew-off to Saudi Arabia the headlines were dominated by the breakthrough in the civil nuclear energy deal, but both delegations can take comfort in having put the bilateral defence relationship firmly back on track.

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⁷ Shortly after the conclusion of President Obama's visit to India, Ambassador S Jaishankar was placed at the helm of India's Foreign Service. Prior to this he was India's Ambassador to the US and had helped push through the original civil-nuclear deal. As he was New Delhi's point-man on American affairs for the last 15 months, the White House can only take confidence from his new appointment.