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INDIA DEFENSE & SECURITY

The Insider View

A members only
exclusive Newsletter



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PART A

Top Line

Theatre
Commands

The Department of Military Affairs (DMA) has been working on restructuring the command and operational set-up of the Army, Navy and Air Force to ensure optimal utilization of resources and enhance efficiencies. Currently 17 operational commands are proposed to be restructured into - three Army Theatre Commands, one Maritime Theatre Command (MTC) and one Air Defense Command (ADC). The Air Force fraternity has been voicing concerns and objections to the proposed structure while the Navy seems to be satisfied and supportive. There have been suggestions to have two MTCs, one each for the Western and Eastern Sea fronts. The Army Air Defense fraternity is also not completely convinced on the efficacy of bringing their assets under the Air Force. During the second half of July 2021 meetings were held to discuss the issues and modalities for execution of the restructuring process for the theatre commands but due to lack of consensus no announcements were made. The government is resolved to complete the restructuring process expeditiously.

Indo China Border
conflict

India and China clashed several times in the northern region of Ladakh last year. This has been the most aggressive confrontation between the troops of both countries since the Indo-China war in the Himalayas in 1962. The Army has redirected at least 50,000 additional troops to the border with China in a historic shift towards an offensive military posture. India continues to expedite the procurement of critical weapons and equipment to fulfill existing deficiencies quickly. The current situation on the borders is generally stable and the two sides are negotiating to resolve relevant border issues. The June 2020 clash in the Galwan Valley that ended with 20 Indian soldiers dead – the Chinese casualties are unknown – was the turning point in the Delhi stance towards China, with a ban on more than 100 Chinese software applications and on Chinese investments in India, and an increasingly close alignment with the US.

Emergency
Procurements by
MoD

The Indian military highlighted the requirement of emergency procurement of certain weapons and equipment under the fast track procedure (FTP) to fill the operational voids. The government has extended the timelines for emergency procurements a few times and the last date for such procurements was 31 August 2021. The Military leadership is trying to get further extensions on the timelines to induct more equipment through FTP. A number of equipment has already been procured through such procedures from Israel, France, Russia, US and some other countries. The

Procurement of C-295 Aircrafts (Approx \$2.5 B)

main equipment, weapons and sensors bought by military through FTP are assault rifles, night vision devices, unmanned aerial system (UAS), anti-drone systems, anti-tank guided missiles, artillery precision ammunition, combat vehicles, light tanks, avalanche rescue radars etc. For quick delivery of equipment, leasing options have also been exercised, especially for long rang surveillance UAS from Israel (Heron) and US (MQ-9) etc.

On 24 September Ministry of Defence (MoD) signed the contract for procurement of 56 numbers of C-295 medium transport aircrafts to replace the existing Avro-748 aircrafts for the Indian Air Force. Airbus will provide 16 aircrafts in fly away condition and the rest of the 40 aircrafts will be manufactured in India in a phased manner by a consortium of the Airbus Defense and Space and Tata Advanced Systems Limited (TASL).

Avro HS-748 fleet of IAF has lived its useful life. The growing desire for 'Make in India' necessitated a different approach for procurement and in May 2013, an RFP was issued under the 'Buy and Make (Foreign)' category envisaging competitive Direct Commercial Sales (DCS) procurement. Airbus and Tata (TASL) became the sole compliant bidders. The agreement on various terms & conditions related to indigenous contents and establishment of MRO set-up in India will be helpful in progressing ongoing and upcoming programs under Strategic Partnership (SP) model, Indigenously Designed, Developed and Manufactured (IDDM) and 'Make in India' programs.

Surveillance Drones (MQ-9)

The Indian Navy had taken two MQ-9 surveillance UAS from US on lease last year. The Indian Navy, Army and Air Force plan to acquire 10 MQ-9 Predator drones each, fitted with suitable sensors and weapons. The approval of Acceptance of Necessity (AoN) from the MoD is underway. The procurements are likely to be progressed through government-to-government discussions. India already has a few drones from Israel for surveillance and attack applications. A large number of sensors and weapons will also form part of the drone acquisition.

Australia-United Kingdom-United States (AUKUS) Trilateral Agreement

On 16 September, United States, Australia and United Kingdom announced the trilateral security agreement - AUKUS (Australia-UK-US). France was upset and enraged with the sudden announcement while the rest of the world got surprised and curious.

From an Indian perspective the QUAD alliance was already progressing and inclusion of UK indirectly through AUKUS further strengthens the collective will to counter China's growing interest for expansionism and aggressive behavior in the Indo-Pacific region. Indian leaders consider QUAD as a strategic partnership and non-military alliance whereas AUKUS is a security alliance. The set back to France due to a cancellation of the contract for purchase of conventional submarines by and with Australia due to AUKUS arrangements may cause a change in their perspective with

regards to sharing of critical technologies to India. India has been seeking US support to develop nuclear reactor technologies for nuclear powered submarines (SSNs), however, so far, the US has denied it. Though the focus of the QUAD Summit on 24 September, 2021, held at Washington DC was to strengthen the collective resolve of reigning in China and monitoring the activities of Afghanistan & Pakistan to prevent terrorism, there is a possibility of resumption of dialogue between India and US for sharing of critical military technologies with India, including that of nuclear reactors for submarines.

From the News

- US business honchos express confidence in India
- S-400 Deliveries to India and the Looming CAATSA Sanctions
- Bharat Dynamics Ltd (Govt Production house) and MBDA signed an MoU to establish advanced short-range air defense missile facility in India.
- Hindustan Aeronautics Ltd placed an order for USD 716 million for procurement of 99 numbers of F404-GE-IN20 engines and support services with GE Aviation, USA for Light Combat Aircrafts.
- India initiated the 'National Monetization Pipeline (NMP)' program for securing additional finances for development projects
- India and US signed a co-development project under the framework of Defence Technology and Trade Initiative (DTTI) to co-develop Air-launched Unmanned Aerial Vehicles (ALUAV).
- QUAD Summit held at Washington DC on 24 September. Heads of all the members attended in person (US, India, Australia and Japan).
- Renewable energy sector in India gets \$70 bn investment in 7 years
- India's theaterization being driven by a 1930s mindset. Can't treat IAF as artillery
- Indian Navy inducts deadly MH-60R helicopters to keep an eye on the enemy movement
- Scrap L1 concept for procurement, need revolution in bureaucratic affairs, Army chief says
- HAL signs biggest ever deal with GE, USA for Tejas engines (Rs 5375 cr)
- DRDO successfully tests indigenously developed anti-tank guided missile
- On 29 September 2021, Defence Acquisition Council approved 'Acceptance of Necessity' for procurement of equipment and weapons worth around \$ 1.5B, most of which will come from domestic industry.

PART B

Appointments

On 30 September 2021, Air Marshal **VR Chaudhari** has taken over as Chief of Air Staff as Air Marshal RKS Bhadauria has retired. AM Chaudhari is from the fighter stream of Indian Air Force and has vast experience of flying fighter and trainer aircrafts especially Russian origin platforms. Before taking over as Chief he was Vice Chief of Air Staff since July this year and he has also been Deputy Chief of Air Staff earlier.

Chief of Air Staff

Air **Marshal Sandeep Singh** has been appointed as the new Vice Chief of Air Staff (VCOAS) on 30 September 2021 with the promotion of the incumbent Air Marshal VR Chaudhari. Air Marshal Sandeep Singh is in the Fighter Stream of the IAF as a fighter pilot and has flown a wide variety of fighters. He qualified on Su-30 MkI, Mig-29 and Mig-21 aircrafts. He will be instrumental in selection of suitable fighter aircrafts, refuelers and drones etc.

**Vice Chief of
Air Staff**

Present Western Air Command chief Air Marshal **BR Krishna** has now been appointed as the new Chief of Integrated Defence Staff (CISC) to the Chairman of the Chiefs of Staff Committee. The CISC plays an important role in all tri-services matters and functions under the Chief of Defence Staff. He is likely to play a key role in military acquisition matters, restructuring of the operational commands and inter-services policy related issues.

**Chief of Integrated
Defence Staff
(CISC)**

Lt Gen **Ajay Kumar Suri** has taken over as Director General and Colonel Commandant of Army Aviation in the Indian Army. He is a former artillery officer and has also flown various helicopters and aircrafts. He faces the challenge of induction and smooth operation of attack helicopters.

**Director General
and Colonel
Commandant of
Army Aviation**

Lt Gen **SP Goswamy** assumed the charge of Director General of Corps of Army Air Defence (AAD). Lt Gen Goswamy has a challenging task of helping out the smooth transition from Army to the Air Force due to restructuring of Army, Navy and Air Force commands.

**DG of Corps of
Army Air Defence**

Lt Gen **Ajai Singh** assumed charge as Commander-in-Chief of the Andaman & Nicobar Command, the only tri-service theatre command of the Armed Forces, based at Port Blair. Lt Gen Ajay is from the Armoured Corps of Army and has vast experience of commanding field formations.

**Commander-in-Chief
of the Andaman &
Nicobar Command**

Lt Gen **Sanjeev Sharma** assumed charge as the Deputy Chief of Army Staff (Strategy). The post of DCOAS (Strategy) is a crucial appointment created last year as a third new vertical created to oversee the Army's operations, plans and logistics.

**Deputy Chief
of Army Staff
(Strategy)**

Vice Admiral **Ravneet Singh** assumed charge as Deputy Chief of Naval Staff. His responsibilities include procurement and operations of air assets for the Navy.

**Deputy Chief of
Naval Staff**

Additional Appointments

- Vice Admiral Dinesh K Tripathi, AVSM, NM assumed charge as Chief of Personnel, Indian Navy
- Vice Admiral Rajesh Pendharkar, AVSM, VSM assumed charge as Director General Naval Operations
- Vice Admiral Sandeep Naithani, AVSM, VSM assumed charge as the Chief of Material, Indian Navy
- Rear Admiral Kapil Mohan Dhir has taken over as the Joint Secretary (Navy & Defense Staff) in the Department of Military Affairs.

PART C

Policy Updates

Import Embargo List of Defense equipment

The Ministry of Defense notified a Positive Indigenization List of 108 items of defense equipment that must be compulsorily procured from indigenous sources as per the provisions in the Defense Acquisition Procedure 2020 (DAP 2020) to promote self-reliance in defense production. With an earlier list of 101 items in the negative list, the import embargo has been placed on a total of 209 items in the aerospace and defense sectors. Most of these items are equipment and systems like sensors (radars, EW, sonars, electro-optical devices), weapons (artillery guns, ATGMs, bombs grenades, assault rifles etc.) simulators, ammunition, ocean vessels, engines, Air Defense missiles, tactical vehicles, and certain categories of aircraft & helicopters.

A critical analysis of the list indicates that most of the items are either already developed by DRDO or are expected to be developed/produced by DRDO, Defense Public Sector Undertakings or private industry in the near term. This will not have any negative impact on the planned procurement programs involving cutting edge technologies such as programs related to fighter aircrafts, naval multirole helicopters, naval utility helicopters, submarines, future infantry combat vehicles, future ready combat vehicles, long range surveillance UAS, weapons, refueler & transport aircrafts. However, this will provide a good opportunity to the domestic industry to meet the basic requirements of defense forces by producing solutions based on indigenously grown technologies or through partnerships with foreign technology partners.

Restructuring of Ordnance Factory Board

Government of India has approved the restructuring of Ordnance Factory Board (OFB), which was first set up by the British in 1775. The existing 41 MoD factories functioning under the OFB will be restructured to create seven new state-run corporate entities. On 24 September 2021, Government of India issued a formal notification to transfer the management, control, operations and maintenance of these factories into 7 wholly owned Government companies namely Munitions India Limited, Armoured Vehicles Nigam Limited, Advanced Weapons and Equipment India Limited, Troop Comforts Limited, Yantra India Limited, India Optel Limited and Gliders India Limited. These companies will be called new Defense Production Units (DPSUs). The employees belonging to the production and non-production units will be transferred into the new DPSUs with effect from 01 October 2021.

The main objective of restructuring is to transform the ordnance factories into profitable ventures by enhancing overall efficiencies. However, the functioning of the new entities will be under the aegis of the government and existing leadership/ manpower will be readjusted on the lines of corporations. The analysts believe that privatization of the newly formed entities may produce better results than keeping them under government control.

Drone Rules, 2021

The Ministry of Civil Aviation has formulated the Drone Rules 2021 and notified in the Gazette of India. These Rules will replace the UAS Rules 2021 which were released on 12 March 2021. The rules have been built on the premise of trust, self-certification, and non-intrusive monitoring. The safety and security considerations have also been considered.

The Drone rules will certainly help in expanding the drone market. This marks a clear shift in government policy to allow operations of drones and help the industrial growth of the UAS segment. The market players are also exploring the potential business opportunities for air taxi and cargo operations through unmanned aerial vehicles. The new rules will help to leverage India's strengths in innovation, technology and engineering. However, air space management and preventing the use of UAS by anti-social elements may pose challenges in the future.

Defense Excellence (iDEX)

The MoD approved the budgetary support of INR 498.8 crore to Innovations for Defense Excellence (iDEX) for the next five years. The scheme is aimed at providing financial support to start-ups, MSMEs, innovators and incubators.

The budgetary support and encouragement by MoD will certainly help the innovators, start-ups and small R&D centers to develop indigenous technologies in the aerospace and defense sectors. The support and facilitation by the government will help in promoting indigenization of piloted technologies and organizing outreach activities across the country. There may be potential for co-development of certain solutions jointly with foreign technology partners to generate business in the global market.

Blacklisted Companies in Aerospace & Defense Business in India

India extended ban/ suspension on doing business with several global companies in India. Some of the prominent companies in the list are Agusta Westland, Leonardo, Singapore Technologies, Israel Military Industries Ltd., Rheinmetall Air Defence, Pilatus Aircraft Ltd, Rolls Royce, Tatra Trucks, Corporation Defence of Russia, etc. Around 23 companies in the Aerospace & Defense segment have been banned/ suspended/ restricted to do business in India.

PART D

Tenders

P75I Submarines

Defence Acquisition Council (DAC) approved the building of Project P75I submarines. The Request for Proposal (RFP) will be issued to state-owned Mazagon Docks Limited (MDL) and the private sector L&T for building six advanced diesel-electric submarines with Air Independent Propulsion (AIP) to be built domestically under the Strategic Policy (SP) route. ThyssenKrupp Marine Systems, Naval Group, Rubin Design Bureau, Navantia and Daewoo Shipbuilding & Marine Engineering are likely contenders as foreign OEMs.

This is the first program being undertaken under the SP model of Defense Acquisition Procedures (DAP-2020). The other planned programs under the SP model are likely to be initiated based on the progress made by the P75I program.

Light Tanks

The Army issued a Request for Information (RFI) for 350 light tanks of around 25 tons category. This weight criteria may rule out many of the light tanks currently available in the market.

The requirement of light tanks by the Army has been for the last many years to address the enemy threats from the Northern and Northeastern borders. Sprut tank of Russia is one of the main contenders to fulfil the Army's requirement. Indian private companies are also exploring the possibilities of offering the solution in partnership with foreign technology partners.

Gun Towing Vehicle (GTV)

The MoD has issued an RFI for procurement of gun towing vehicle (GTV) 6x6 for 155 mm towed guns. The vehicle will be used for towing Guns weighing up to 20 Tons, carry gun stores, ammunition and gun crew on metaled roads, tracks and cross-country in various environmental conditions and terrains.

Ashok Leyland and Tata Motors are the main contenders to participate in the programs. However, Bharat Earth Movers Limited (BEML) has partnership arrangements with a Czech company to manufacture and supply TATRA trucks in India. TATRA vehicles are already in use by the military for various applications and liked by the users.

FRCV

The Army issued a Request for Information (RFI) for procurement of 1770 future battle tanks named the 'Future Ready Combat Vehicle' (FRCV).

The FRCV program is planned to be developed under the 'Strategic Partnership' route as per the Defence Acquisition Procedure - 2020. The intent of the Army is to develop an indigenous Main Battle Tank in partnership with a foreign technology partner to meet the requirements for the next 40-50 years. DRDO had earlier developed the indigenous tank called Arjun, but it could not meet the Army's requirements. Foreign OEMs stand a good chance to partner with the Indian industry to offer the solution.

FICV (Tracked)

The Indian Army intends to procure approx. 1750 Futuristic Infantry Combat Vehicles (Tracked) and issued an RFI with a view to finalize the SQRs, decide the procurement category and identify probable Indian vendors who will be capable of developing vehicles under the 'Make in India' approach.

The Indian Army has procured around 2700 BMP-2/2Ks since the mid-1980's. Most of these ICVs are at the end of their useful life and the Army needs to replace the fleet. The FICV program was envisioned about 20 years back and the development program was initiated in 2009 to indigenously design and build around 2610 vehicles under Make II category of DPP. However, the program could not progress due to procedural issues. The Army will try to expedite the procurement process.

PART E

Thinking Forward

Make in India and military modernization

The Indian Military is faced with multiple challenges - long hostile borders with China and Pakistan, territorial disputes, continued insurgencies in the Kashmir region, surveillance requirements of the large coastal line and security of territorial waters and exclusive economic zone.

In order to cope with the ongoing and future challenges, the focus has been on military modernization, but the pace of modernization has not been keeping up with the expected timelines. Most of the military equipment and weapons are now at the end of their useful life and need replacement. Similarly, war doctrines and organizational set up need to be realigned with the changing technological threshold and the security and geopolitical environment.

After the limited war with Pakistan in 1999, many committees were set up by the government to recommend necessary measures to counter the modern threats. Based on the recommendations of experts and internal discussions, the new government has been trying to expedite the process of military modernization and structural reforms. The focus has been towards enhancing efficiencies, cross-service cooperation in all stages of the military processes, cutting cost and promoting indigenization and self-reliance.

Though India has been trying to be self-reliant in aerospace and defense for many decades, the dependency on foreign suppliers remains a major factor. Earlier, Russia used to be the main supplier of military ware to India with limited imports from France and UK. The Indian government production houses has been acquiring technologies for licensed production of various equipment, however this did not help to develop indigenous solutions. The Defense Research and Development Organization (DRDO) has also been trying to develop niche technologies, but the rate of success has been much lower than envisaged. The pace of development of Light Combat Aircrafts, combat vehicles, tanks and different kinds of missiles indicates the slow progress of the indigenous R&D cycle.

Israel and Russia succeeded in collaborating with DRDO for the joint development of certain weapons and sensors. Israel entered the Indian defense market in the early 1990s and quickly became one of the most prominent players. During the last decade, India procured relevant solutions worth more than \$20B from the US and paved the way for a tilt towards US platforms, weapons and other solutions.

The acquisition of some the military ware during the last few years has provided India a modest power projection capability. Due to conflict situation on the Indo-China border, India also resorted to emergency procurements through fast-track procedures to meet the emergent requirements. However, military leaders are looking forward for larger budgets for military modernization. Though the Indian GDP is on the increase and budgetary allocations for defense may increase in the future, India's strategic interests and security threats require that these funds are utilized efficiently in transforming the armed forces into an effective instrument for the country's security and geopolitical objectives in the coming years.

To fulfil the desire of self-reliance, India is looking forward to encouraging partnerships between Indian industry and foreign technology partners. Israeli and US companies stand a good chance to promote business in the future due to their technological edge and willingness to collaborate with India. The US-India relationship has been growing and is in a very good shape. Recognition of India as a major defense partner, giving STA-1 status and signing of foundational agreements will help the companies of both countries to collaborate for mutual benefit.

The significance of the Quad alliance (India, US, Japan and Australia) and its likely role in the Indo-Pacific region will further strengthen the Indo-US relationship. The US desire for strategic cooperation and the requirement of India to access niche technologies may create opportunities for industries from both countries. The focus of the Defense Acquisition Policy (DAP-2021) is to promote the 'Make in India' approach with the objective of making India self-reliant in defense manufacturing. Most of the future RFPs are likely to be issued to Indian companies, therefore the significance of indigenous content and transfer of technology will increase further.

The multi-billion-dollar procurement programs may continue to move at snail's pace, but operational necessities may push for e government to government deals for procurement of major platforms and weapon systems.

PART F

A Specialist View

Beyond the
Afghanistan
setback

There is no underestimating the extent of the strategic setback and the new challenges that the takeover of Afghanistan by the Taliban represents for India. Over the last twenty years Delhi had made sustained diplomatic efforts and had invested about three billion US\$ in development aid programs in Afghanistan. It had enjoyed a good relationship with the previous regimes of Hamid Karzai and Ashraf Ghani. Although the Taliban say that they also want to continue good trade, economic and political relations with India, it remains to be seen how this will translate into realities and whether this is not just a way to ensure that the new regime in Kabul will get what it wants from both China and Pakistan in terms of economic aid and diplomatic support.

Much has been said on how China and Pakistan are bound to significantly increase their role and influence with the new regime in Kabul – and this despite frictions which might emerge between Islamabad and the Taliban. The relationship between Pakistan and the Taliban is a very complex one. However, the Inter-Services Intelligence, ISI, has a long history of cooperating, infiltrating and manipulating the Taliban and there is little doubt that it will retain its influence. For its part, Beijing had played its cards in advance with the meeting at the end of July between Mr. Wang Yi Beijing's foreign minister and the Taliban leaders two weeks before Taliban forces entered Kabul.

One can bet that Beijing has been able to secure a pledge that the regime in Kabul will not tolerate any supporting activity to Uighur secessionist movements in Xinxiang and will not allow its territory to serve as a base for the activities of these movements. China is one of the rare countries which will be able and willing to provide economic and technical assistance to the beleaguered new regime whose strict adherence to dogmatic Sharia rules will be an obstacle for Western countries to establish any kind of supportive relationship.

As importantly, beyond increasing its role and influence in Afghanistan China will be able to leverage the new regional geopolitical context and the decline of US profile in the region to expand its footprint much deeper in Central Asia; the relationship with the Taliban regime will also provide an opportunity for Chinese companies to exploit the country's very rich

resources in rare earths crucial for the technologies of the 21st century for which Beijing has already a dominant global market share.

Another significant implication is that the jihadists now have a “story” to sell: The Jihad was successful in defeating the superpower that the Soviet Union once was, and now jihad has forced America out of Afghanistan in a humiliating, chaotic, way. So Jihad is the way to promote the Taliban vision of Islam. Early reports are showing that the new generation of Taliban are quite receptive to this narrative, and it remains to be seen whether the older generation now in power in Kabul will be able to rein in the thirst of many young Taliban for Jihad against the West but also against India.

There is a real, significant risk of renewed terrorist strikes in Kashmir associated with a flow of weapons and explosive materials over the border, and a more diffuse threat of terrorist actions in any part of India where the Jihadis would expect to achieve spectacular, headline-grabbing, operations. Sirajuddin Haqqani, leader of the Haqqani group is now Afghanistan’s acting interior minister, overseeing the nation’s police, intelligence services and other security forces. He is on the « Most Wanted” list of the FBI and has a bounty of US\$ 5 million on his head. The Haqqani Group has been responsible for a number of attacks on the Indian embassy and consulates in Afghanistan,

The government position given to Sirajuddin Haqqani and the appointments of members of his clan in positions of power raise a crucial question on whether the new government will revert to its policies of 20 years ago before the American invasion, harboring again terrorist groups – among them a “resurrected” Al Qaeda - undertaking activities in India or/and in some Western countries.

At the very best it is a period of uncertainty which has now opened as it will take time to assess whether a new terrorist threat for India will materialize.

One major question that the way the Biden administration ended the American presence in Afghanistan brings to mind for leaders of middle power countries , India included - allied to the US - is: How far to go in aligning with the US and its strategy of containment of China?

If there was a consensus among the US and its allies that it was time to end the Afghan adventure, the important element is the unilateral way in which the Biden administration acted, with no genuine concertation with its NATO allies, without any consideration whatsoever of the interests of these allies. There is also some “misalignment” between Washington explanation that the US disengagement from Afghanistan – whatever the chaotic and humiliating way in which it was messed up – was necessary so the US could focus on its containment strategy against China, and the fact that this chaotic withdrawal has created a strategic setback for India – a partner in the front the Biden administration is keen to create for containing China. There is also no ignoring the fact that India was kept out of the US-Pakistan-Taliban negotiations that led to the full US withdrawal from Afghanistan.

In the same way, the manner in which the Defense Pact between the US, Australia and Great Britain was negotiated – and the decision by Canberra of the deal to renege on its contract to buy submarines from France and get instead American ones – has been perceived by the US European allies another illustration of the gap between the official discourse in Washington about working closely with allies and partners, and the reality of an “America First” approach that is seen in Paris, Brussels or Berlin as quite similar in essence of the one shown by the Trump administration.

From what we know, the conciliatory phone conversation between The US and French presidents will not alter the perception in Europe about taking with a lot of salt the administration repeated pledge to treating its allies as equals and working in full partnership with them. The calls for European strategic autonomy are also likely to increase, as Washington’s foreign policy objectives and its strategy against China are increasingly questioned by Western European countries which have no intention to get enrolled in such cold war.

India has been putting a lot of emphasis on the Quad . But while Australia and Japan have a defense pact with the US, India stands alone. Supposedly the Quad is meant to deal with “non-military determinants” of global security – such as supply chain diversification, climate change, vaccines, and technology among others. But how much of that can be translated into realities? Supply chain diversification will be conditioned by business considerations and capabilities on the ground; pledges about assistance to emerging economy countries to help them achieve CO2 emissions reduction objectives have not been fulfilled so far despite being repeated every year since the Paris accords; and the US is increasingly restrictive on technology transfers. At the end of the day, events might prove that for India the Quad is mostly about military - and especially naval - coordination and reinforcement in the Indo-Pacific area.

The other reality is that India economic dependency on China has increased and not decreased over the last two years. In 2020 China regained its place as India’s top trading partner. Indian factories continue relying heavily on Chinese components to make their products in electronic goods, in pharmaceuticals, in consumer durables and in auto parts, The production-linked incentives programme (PLI) to encourage local manufacturing in 10 key areas, will certainly help expand India manufacturing base but this will take some time.

The most obvious option for India to tackle its strategic setback in Afghanistan is to enhance its defense and military cooperation with the US. While the two countries have no defence treaty – and there are no signs that they would evolve into getting into one in the foreseeable future - the Biden administration is emphasizing its message that India is « a Major Defence Partner”. However, it remains to be seen how far is increasing closeness in defense and military ties could go.

One option available to India to counter the increased influence of China and Afghanistan would be to explore possible ways to increase its collaboration on security issues with Iran and Russia, as the three countries have regional interests which are not incompatible and in some

cases are even common. However, this option could probably jeopardize the goal of closer defense and cooperation with the US.

Another option is to see how the *EU-India Strategic Partnership* which was signed in July 2020 could be given more teeth as it put the emphasis on common security threats, mentions regional concerns, and advocates better cooperation on the fight against terrorism. But there are clear limits to what could be achieved in that respect.

In fact, one immediate, realistic, option for India to increase its strategic posture is to reinforce economic linkages with a number of countries. It could have been a good thing for the country to get into the Regional Comprehensive Economic Partnership (RCEP) despite the predominant role that China plays in this trade arrangement as it would reinforced India's economic and business ties with ASEAN countries. In the same way, many analysts have some difficulty to understand why India is not a candidate to The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – to which China and Taipei have just applied. There is obviously a lot to be reviewed in India's trade policy and its approach to FTAs and investment agreements. The negotiations for a trade agreement with the US remain stalled.

Economic security and geopolitical security are today more intertwined than they have ever been. The recent developments might provide the right incentive for a holistic, integrated review of what make a nation more secure, better positioned on the international stage, in an environment which will remain as volatile as it is fraught with risks of a changing nature.

Claude Smadja

President

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