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India's Arms Purchases Amidst Vexatious Geopolitics

By Sarosh Bana

SYNOPSIS

With recent arms purchases, India has manoeuvred itself among the world's military powers which are forging vastly transactional relationships with the South Asian power while raising the bogey of China's belligerence.

COMMENTARY

US President Joe Biden and French President Emmanuel Macron went beyond usual courtesies and protocol to receive Indian Prime Minister Narendra Modi on his visits to their countries in June and July 2023 respectively. This bears testimony to the West's current perception of India as a coveted customer.

The US and its allies have been courting Prime Minister Modi on intellectual and media claims that they seek to enlist the India under his rule as a counterweight to China's ascendancy in the Asia-Pacific. The counter narrative is that the West finds it more opportune to sell arms to India while raising the bogey of Chinese belligerence. India is being prized as a lucrative client as it is the world's largest arms importer, with an 11 per cent share of total global arms imports, as cited by Stockholm International Peace Research Institute (SIPRI).

Western leaders most likely view Indian strategic autonomy as a deep-set inclination and thus appreciate that India is wary of being used by the West to openly balance China. They might suppose the Indian government lacks a broad-based strategy against Beijing's aggressiveness, as it also appears unable to cope with relentless and unprovoked Chinese transgressions across the Line of Actual Control, the 3,488-km Himalayan border that divides the two nuclear-armed neighbours.

Indeed, Indian leaders have refrained from publicly condemning Chinese leaders. New Delhi has also urged Western leaders against mentioning China in any joint statements with India so as not to provoke Beijing, an aspect borne out by then US Ambassador to India, Kenneth Juster, who last year observed, “The restraint in mentioning China in any US-India communication or any Quad communication comes from India, which is very concerned about not poking China in the eye”.

Arms Purchases

A major part of Modi’s global outreach has involved signing major arms deals with Western countries. In Washington, they included India’s US\$3.1 billion purchase of 31 General Atomics MQ-9B Reaper weaponised drones, to be assembled in the country, as also the joint manufacture in India of the GE F414 fighter jet engines by General Electric and state-owned Hindustan Aeronautics. India also agreed to provide logistics, repair and maintenance infrastructure for American military aircraft and ships in transit.

In France, the stage was set just a day before Modi’s visit by the approval accorded by India’s Defence Acquisition Council for the purchase of 26 Dassault Aviation Rafale-Marine carrier-capable fighter aircraft and three additional Scorpene-class diesel-electric attack submarines produced by the other French defence contractor, Naval Group, which had earlier transferred technology to produce six of this class at Mumbai’s Mazagon Dock.

Some media reports estimated these two deals for the Indian Navy to be worth US\$13.3 billion, but the final amount may rise appreciably taking into account inflation. The submarines themselves will cost about US\$1 billion each, compared to around US\$630 million per boat in an earlier deal, while the marine Rafales will cost upwards of US\$310 million each in comparison with the air force Rafales’ price of US\$250 million each.

At Expense of Russia’s Arms Exports

At another level, Modi’s visits signify India’s waning dependence on arms from Russia, historically its primary defence partner. Siemon Wezeman, Senior Researcher (Arms Transfers Programme), SIPRI, tells this writer that while Russia’s share of total Indian arms imports dwindled from 64 per cent in the 2013-17 period to 45 per cent over 2018-22, France’s share surged from 4.3 per cent to 29 per cent over these two periods, driven largely by India’s opting for the air force Rafale over the US’ Lockheed Martin and Boeing. Modi also envisages possibilities of co-development, saying that India and France together want to fulfil “not just ours, but also requirements of other friendly countries”.

Amidst these developments, the US has seen its share in arms imports by India slump from 15 per cent in the 2013-17 period to 11 per cent over 2018-22, but the deals and attendant defence agreements in June 2023 will inevitably turn this around. US State Department’s Political-Military Affairs Bureau had noted in 2021 that it had “supported the increase in total defence trade with India from near zero in 2008 to over US\$20 billion in 2020”.

Biden has centre-staged the defence of democracy across the world, and hence desires India to be unequivocal as regards the US-aligned democracies or the autocratic axis led by Moscow and Beijing, especially since Russia's invasion of Ukraine on 24 February 2022. He has, however, been unable to wrest an unambiguous commitment from Modi.

Ukraine and India

Biden had last year publicly called India's response to Russia's war "shaky" but New Delhi has its limitations, with Russia's and China's bellicosity testing India's foreign policy that has been guided by *panchsheel*, Hindi for "five principles" – of respect for territorial integrity and sovereignty, non-aggression, non-interference, equality and mutual benefit, and peaceful co-existence.

India has apparently overlooked these principles by its abstention from criticising the two countries on the Ukraine conflict at international forums, beyond Modi's observation to Russian President Vladimir Putin at the September 2022 SCO summit in Uzbekistan that the "era of war" has ended. Putin, however, lauded the comment as an expression of concern about the war.

India also has a policy of not recognising unilateral sanctions, meaning those not imposed by the UN, and thus disregards the embargoes enforced against Russia by the US and its allies. New Delhi has also declined participation in the global coalition against Russia as it enjoys strategic partnership with Moscow as with Washington.

New Delhi is instead strengthening its trade ties with its long-standing ally, from which it secures discounted crude oil. According to the International Energy Agency, India imported 1.96 million barrels a day from Russia in May 2023, 15 per cent more than the previous high in April and almost half its total oil imports, up from just 1 per cent of inflows from Russia before the latter's assault on Ukraine.

India has consequently become the key oil supplier to Europe to which it sells the crude after refining it, while Russia has become India's fourth largest import source in the first 11 months of the current fiscal year.

India's Trade with China, Russia, and the US

India has also sought to maintain a business-as-usual relationship with China, with two-way trade rising consistently, soaring to an all-time high of US\$135.98 billion last year. This was driven, significantly, by a 21 per cent rise in imports into India, resulting in a trade deficit crossing the US\$100 billion mark for the first time despite Indian attempts to reduce it.

This marked an 8.4 per cent rise over the US\$125 billion worth of two-way trade registered the year before. In contrast, India's trade with the US was worth US\$128.55 billion in 2022-23, a 7.65 per cent increase over that of US\$119.5 billion the year before. India's trade with Russia too reached a record US\$44.4 billion in 2022-2023, surpassing targets set by the leadership of the two countries.

Conclusion

The Modi government has embarked on a long-delayed goal of military modernisation, a significant part of which involves big defence purchases from abroad. This has led to fierce debates within India about the trade-offs between poverty alleviation and improving Indian military preparedness in the face of geopolitical uncertainty. There is concern that India's national budget for 2022-2023 has lavished a disproportionately high amount to defence relative to other sectors like education and public health.

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