India’s Membership of Missile Technology Control Regime: Implications for South Asia

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Abstract

India’s membership of the Missile Technology Control Regime (MTCR) affects strategic balance in South Asia particularly, Pakistan. India’s membership of the group would aid India’s missile and space programmes, providing it access to technologies and missile systems hitherto unavailable to it. This may include Unmanned Aerial Vehicles (UAV) like Global Hawk and Predator, which the US has employed for reconnaissance and counter-terrorism along Pakistan Afghanistan border to strike targets within Pakistan’s territory, violating its sovereignty. India’s acquisition of these systems will pose a threat to Pakistan. The MTCR membership would accelerate India’s missile programme, thereby, exacerbating an arms race in South Asia. It would also further tilt the regional balance of power in India’s favour. However, the bigger threat is the quest to win India a place at the high tables in the world and to build it up as a regional and global power. After looking into the pros and cons of Pakistan joining the MTCR, this article concludes that presently it is not in Pakistan’s favour to join the group since it may help the US and the West to hinder or curtail Pakistan’s missile programme.

Keywords: Missile Technology Control Regime, High Missile Technology, Space Programme, Unmanned Aerial Vehicles, Arms Race, Balance of Power, Nuclear Suppliers Group.

Introduction

Created in 1987, the MTCR is a voluntary group that aims at controlling the proliferation of missiles and missile technology, capable of delivering Weapons of Mass Destruction (WMDs). Its regulations apply to missiles and other unmanned aerial systems capable of carrying a payload of 500 kilograms (kg) or more to the distances of 300 Kilometers (km) and

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beyond. The regime delineates two categories of exports: those specifically for developing and producing missiles or other unmanned systems, and those that have a dual-use purpose. The MTCR has come under renewed focus in South Asia since India recently joined the group.

This has raised some important questions, for instance: On what terms did India join the group? What are its implications for South Asia in general and for Pakistan in particular? Also is it in Pakistan’s interest to join the MTCR? Moreover, while Pakistan has been lobbying hard to get into the Nuclear Suppliers Group (NSG), why is it that Pakistan’s approach is only lukewarm towards joining the MTCR. The paper aims to examine these key questions.

There is a fair amount of literature available on the MTCR in general, since India has joined the MTCR recently, therefore, there has not been much work done on the issue of its signature and what its membership is meant for South Asia. The present work aims to fill this gap by providing a detailed analysis on what India’s membership of the group is meant for South Asia.

Overall, the paper argues that while it is in India’s interest to join the MTCR, in the case of Pakistan the benefits of formally joining are not considerable. The fact that India has joined and Pakistan has not joined is not a diplomatic defeat for Pakistan.


2 Pakistan has expressed interest in joining all four export control regimes in the past, including the MTCR. However, the intent is to gain credibility as a responsible nuclear weapon state that adheres to the norms of export controls. Pakistan has not put up a formal application for the MTCR membership and the decision makers in Pakistan are
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with the MTCR guidelines for some time. It also argues that India’s membership of the MTCR would benefit its missile and space programmes as well as advances its diplomatic stature.

MTCR: An Overview

The MTCR was created with a view to prevent the proliferation of ballistic missiles and the related technology and other delivery systems that are capable of carrying WMDs. The regime encourages the member states to restrict the export of missiles and the related technologies. Initially, the regime was limited to curbing the proliferation of nuclear-capable missiles, which were defined as a missiles able to travel at least 300 km with a 500 kg payload. Later in 1992, the member states agreed to expand the regime’s mandate to include missiles and related technologies designed for chemical and biological weapons.3

The MTCR has a list of restricted items specified in the “Equipment, Software and Technology Annex,” which includes a broad range of military and the dual-use equipments and technology related to missile development. The Annex is further divided into Category-I and Category-II items. Category-I includes a complete list of ballistic missiles, space launch vehicles, rockets and sub-systems and UAV systems including cruise missiles systems and drones. Category-II includes specialised materials, technologies, propellants and sub-components for missiles and rockets.

The member states are required to establish their national export control policies for regulation and monitoring of the items on the MTCR Annex. Transfers are to be evaluated on a case-by-case basis. Category-I items are relatively restricted since they may include ballistic missiles or entire systems. Category-II items are less restricted since they include items that have civilian uses. However, the members are required to exercise caution in the transfer of Category-II items as well.

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refraining from gaining formal membership at the moment. Formal membership may bring an overall increase in status but in practical terms, the MTCR can be used to retard Pakistan’s missile programme (argument elaborated in the later part of the paper). Also, since the most pressing issue for Pakistan is energy, its priority is to pursue membership of groups like Nuclear Suppliers’Group that will help increase its energy production.
The MTCR guidelines propose the following elements for evaluation of a prospective transfer:

i Concerns about the proliferation of WMDs;

ii The capabilities and objectives of the missile and space programmes of the recipient state;

iii Significance of the transfer in terms of the potential development of delivery systems (other than manned aircraft) for WMDs;

iv Credibility of the intended recipient’s stated purpose for the purchase;

v Whether the potential transfer conflicts with any multilateral treaty;

vi The risk of the controlled items falling into the hands of terrorist groups and individuals.4

In addition to the evaluation of the above criteria, the member states are asked to obtain assurance from the recipients that it will only use the materials for the stated purpose while making the deal and that it will not transfer the material to a third party or replicate it without permission.

Since the MTCR is a voluntary regime, it is the responsibility of the members to assess whether it wants to export certain items or not. Also, no member can object to or veto other member’s exports. Thus, there is no penalty for the violators either. However, the US has laws in place that sanction entities, individuals, and governments, irrespective of whether they are the MTCR members or not, if they export the MTCR-restricted products to countries that pose a proliferation threat or potential danger to the US security. The US can also impose sanctions if it considers a transfer contrary to the MTCR.5

**India’s Membership of MTCR**

Over the last decade, India has been trying to foster a strategic partnership with the US. At the same time, India has been trying to become a mainstream nuclear state. India has not signed the 1968 Nuclear Non-Proliferation Treaty (NPT) and is thereby not recognised as

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a Nuclear Weapon State (NWS). This means that India is a *de-facto* NWS and has been kept out of many multilateral export control groups like the Nuclear Suppliers Group (NSG), the MTCR, the Australia Group (AG) and the Wassenaar Arrangement (WA) that together regulate trade on the conventional, nuclear, biological and chemical weapons and related technologies. However, since strategic interests of the US and India have started converging, the US has tried to increasingly promote India’s entry into these regimes, which would mean that for all practical purposes, India would be treated like an NPT-NWS, even though it was not. In other words, the US has been promoting India as a mainstream NWS. In 2008, it helped to obtain an India specific NSG waiver, so that India could do nuclear trade with the US and other NSG member states. However, India’s attempt to join the NSG in 2016 was thwarted since China and a few other NSG member states blocked its entry into the group. In the same spirit, in the effort to become a mainstream NWS, India applied for the membership of the MTCR and obtained it in June 2016. This section would examine what India’s membership of the MTCR would actually mean in practical terms.

The Indian Ministry of External Affairs announced that India became a member of the MTCR on June 27, 2016. It had initially applied for the membership in June 2015, and the matter was discussed in the October 2015, plenary session of the MTCR but could not be approved because Italy objected to the membership. Since membership decisions are taken through consensus, India could not get the membership in 2015. In 2016, India’s membership of the MTCR was ensured when a US-India joint statement released on June 7, during the Indian President’s visit to Washington, stated that the Indian and US Presidents looked forward to India’s “imminent entry” into the group. The US has been vigorously campaigning to get India into elite export control groups like the NSG and MTCR.

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6 The NPT defines “nuclear weapons states” as those that tested nuclear devices before January 1, 1967. According to this definition India cannot be considered a NWS neither can Pakistan or Israel who have also not signed the treaty.
India’s primary motivation of joining the regime is one of the spets to strengthen its efforts to join the NSG. India, backed by the US and Western supporters, is trying to represent itself as a responsible member of the international community, which is committed to countering the proliferation of WMDs. The Ministry of External Affairs in its statement also stated that India’s membership of the MTCR would help strengthen the global non-proliferation objectives. However, India’s application to join the NSG was not yet approved.

Far from promoting non-proliferation goals, the MTCR membership would help India to advance its missile programme, as it is expecting to get easier access to some advanced missile technology. In theory, there are no special concessions for the MTCR members, as far as access to missile technology is concerned. The US policy has been that members that are not recognised NWS must eliminate or forgo ballistic missiles able to deliver a 500 km payload to at least 300 km range and over. However, the US has made exceptions in the past, allowing Ukraine to retain Scud Missiles in 1998, and South Korea was allowed to keep 800 km range ballistic missiles in 2012, which could cover all of North Korea. For India as well the US has made an exception allowing it to retain its missile arsenal.

The MTCR guidelines themselves do not explicitly distinguish between transfers to members and non-members, instead they focus on what is being exported and end-use. However, American law does make this distinction. In particular, it targets countries that help the missile programmes of those countries which are not a member of the MTCR. India’s membership would mean that supplier countries can be less fearful of the US sanctions if they wish to sell to India. It would also help India acquire military hardware from the US. It might have a positive effect on India’s effort to acquire armed Predator drones from the US. India is hoping to get access to Category-1 UAVs like Reaper, Global Hawk and Predator, which the US has employed for reconnaissance and counter-terrorism. The US has already employed Predator drones along Pakistan-Afghanistan border to strike targets within Pakistani territory,

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8“The Missile Technology Control Regime at a Glance.”
violating its sovereignty.\textsuperscript{10} Reportedly, India made an attempt to acquire armed drones from the US during its Defence Minister Manohar Parrikar’s visit to Washington, at the end of August 2016.\textsuperscript{11} In the past, the US has been reluctant to sell these drones. They have only been sold to the UK so far and unarmed versions have been sold to Italy and South Korea. This time around, India is hoping that its entry into the MTCR would make a difference. It wants to be at the head of the queue when these drones go on the market. If India indeed manages to acquire these armed drones that would give an immense boost to its offensive capabilities for stealth cross border strikes. This would be of great concern for Pakistan since India could strike within Pakistani territory without crossing the border physically.

India can also now have access to systems like the Israeli Arrow-II missiles. India had attempted to procure the missile interceptor systems in the past as part of its missile defence systems.\textsuperscript{12} However, the transfer of the missiles and related technology required the US approval since it had helped Israel develop the interceptor technology of the Arrow-II system. The US administration at that time was committed to applying the MTCR guidelines in any re–transfer of the system.\textsuperscript{13} As a result, the

\textsuperscript{10} Pakistan has time and again protested against the drone strikes within Pakistani territory. In a latest statement by Foreign Ministry spokesman, Nafees Zakaria, in July 2017, he said that “our position is that drone strikes are counter-productive and violate the sovereignty of Pakistan.” For further details see, “Pakistan Slams US Drone Attacks in Pakistan,”\textit{Press TV}, June 23, 2017, http://www.presstv.ir/Detail/2017/06/23/526217/Pakistan-Nafees-Zakaria-US-drone-strikes. In February 2014, European Parliament voted by a landslide to propose a ban on the US drone strikes that have killed thousands in Yemen and Pakistan, calling the killings “unlawful.” The resolution stated that “drone strikes by a state on the territory of another state without the consent of the latter constitute a violation of international law and of the territorial integrity and sovereignty of that country... thousands of civilians have reportedly been killed or seriously injured by drone strikes.” For details see, “Illegal Drone Strikes Condemned in Landslide Vote by European Politicians,”\textit{Huffington Post}, February 27, 2014, http://www.huffingtonpost.co.uk/2014/02/27/europe-meps-vote-against-drone-strikes_n_4866217.html

\textsuperscript{11} “India keen to acquire US ‘Predator’ Armed Drones after entry into the MTCR,”\textit{Economic Times}, August 28, 2016.

\textsuperscript{12} Ashna Mishra, “India joins MTCR: 7 Thing the Country Stands to Gain,”\textit{Economic Times}, June 27, 2016.

\textsuperscript{13} Sultan M Hali “Implications of India’s MTCR entry,”\textit{Pakistan Today}, June 30, 2016.
sale of Arrow II did not materialise even though Israel was willing to sell it. India can now hope to purchase these systems as a member of the MTCR.

India’s space programme also stands to gain from the membership of the MTCR. The Indian Space Research Organisation (ISRO) has been working on an expansive space launch technology since the 1990s. The Geosynchronous Satellite Launch Vehicle (GSLV) was initiated in 1990, with the objective of developing indigenous satellite launch capability since India was mostly dependent on the US or Europe for launching its satellites. India tried to get the cryogenic rocket technology\(^\text{14}\) from Russia which hit a few hurdles. In 1991, the ISRO inked an agreement with the Soviet space agency, Glavkosmos, for the transfer of cryogenic technology but then the USSR disintegrated and Russia decided to outsource the manufacture of the cryogenic engines to Kerala Hi-tech Industries Limited (KELTEC) in order to get around the provisions of the MTCR.

Russia thought that if the cryogenic technology was passed on to ISRO through KELTEC, technically it would not be a violation of the MTCR.\(^\text{15}\) However, the US objected to the arrangement as a violation of the MTCR and in May 1992, the US imposed sanctions on both the ISRO and Glavkosmos. The US was concerned because of India’s pursuit of Inter Continental Ballistic Missile (ICBM) programme, based on Agni-IV/V missiles or Surya missiles, using two stages of Polar Satellite Launch Vehicle (PSLV) with a third stage derived either from French ‘Victor’ rocket or cryogenic engines from Russia.\(^\text{16}\) The US thought that this will provide India with an ICBM capability with ranges over 5000 Km and the ability to strike the continental US. Although the sanctions were lifted in 1993, after Russia agreed to stop the supply of cryogenic technology to India and restrict the sale to a few engines, Russia

\(^{14}\) Cryogenic rocket technology involves the use of super-cooled liquid fuels to produce massive amounts of thrust which can lift heavy payloads. The advantage of a cryogenic engine over a liquid hydrogen rocket engine is that the former has more powerful thrust which basically means that it can carry payloads having a bigger mass.  


\(^{16}\) Sultan M Hali, “Implications of India’s MTCR entry,” Pakistan Today, June 30, 2016.
clandestinely enabled India to master cryogenic technology.\textsuperscript{17} Now that India is a member of the MTCR, it could have access to high end cryogenic and other technologies to enhance its space programme.

India is also expected to get access to subsystem technology and expertise that can feed into India’s indigenous weapons development that may cross the MTCR boundaries. Theoretically, the Indian defence industry could access German or British propulsion and aero structure expertise like airframe design and random materials to advance the development of long range cruise missile or to improve existing cruise missile designs. While India has been working hard to develop indigenous systems and technologies, being able to tap into foreign technology and expertise would help accelerate indigenous systems.\textsuperscript{18}

Another advantage of joining the MTCR is that it broadens the scope of possible offset investment\textsuperscript{19} and collaboration for foreign vendors. While it may not guarantee India sensitive technology, but the field is much wider for India today than it was before it joined the MTCR.\textsuperscript{20} There might even be collaboration between the Western companies and the Indian companies as far as development of missile and relates technologies are concerned.

The MTCR membership would also boost India’s arms exports. India has accelerated its efforts for the sale of jointly developed Indo-Russian supersonic cruise missile BrahMos. BrahMos has a range of 290 km and can be fired from land, sea and submarine. An air-launched version is under testing. According to the reports, India has stepped up its efforts to sell BrahMos to Vietnam and has at least 15 more markets in its sights. India has ordered BrahMos Aerospace, which produces the missiles, to accelerate sales to a list of five countries topped by Vietnam, Indonesia, South Africa, Chile and Brazil. Other countries have also expressed interest in acquiring BrahMos, which includes Philippines, Malaysia, Philippines, Malaysia, Indonesia, South Africa, Chile and Brazil.

\textsuperscript{17} Ibid.
\textsuperscript{19} In the defence field, offsets are compensations that a buyer seeks from the seller for the purchase of goods and/or services. For more information see “Essential Elements of India’s Defence Offset Policy – A Critique,” \textit{Journal of Defence Studies}, http://www.idsa.in/jds/3_1_2009_EssentialElementsOfIndiaDefenceOffsetPolicy_TMathew
\textsuperscript{20} Ibid.
Thailand and the United Arab Emirates. New Delhi has been considering a request for the purchase of BrahMos from Vietnam since 2011, that is likely to anger China, which sees the weapon as a destabilising element in its neighbourhood. Once India starts selling BrahMos, it would give a great boost to its arms exports.

**Implications for South Asia**

There are a number of implications of India’s membership of the MTCR in general for South Asia, and for Pakistan and China in particular.

India’s MTCR membership will give it access to high-end sensitive missile technology and hardware. It is also likely that the member states can transfer sensitive technologies to India without the fear of facing US sanctions. India is hoping to procure drones from the US that were hitherto not available to. India is already developing the long endurance drones like Medium Altitude Long Endurance (MALE) and High Altitude Long Endurance Drones (HALE) with endurance capabilities at station ranging from a few weeks to a month. India faces critical technological issues in the development of the drones. However, after becoming a member of the MTCR, India would be able to seek and develop these technologies in collaboration with other member states.

India would also be able to get technology for its space programme. This means that India’s space programme would be accelerated. It also means that India’s ICBM development would benefit as well since the space launch technology is the same as the ICBM technology. India is currently working on Agni-V and Agni-VI ICBMs. Once these missiles are developed India can target China and Europe and beyond.

Being able to procure high-end missile technology means an accelerated missile programme, which would result in a further missile and nuclear asymmetry between India and Pakistan. This and acquisition of drones would further heighten Pakistan’s threat perceptions. Pakistan is sure to speed up efforts to advance its missile programme which could fuel an arms race in South Asia. In an environment of enmity where

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21 “India plans expanded missile export drive, with China on its mind,” *Dawn*, June 9, 2016.
22 Hali, “Implications of India’s MTCR entry.”
strategic stability is at best fragile, this will further put a strain on the region.

India’s entry into the MTCR is expected to legitimise and speed up the process of selling hi-tech missiles, especially the BrahMos to countries in East Asia. India also has growing defence partnerships with Australia, Indonesia, Vietnam, Singapore and South Korea. India’s engagement with the major Asian countries is an attempt to build the web of balancing relationships against China. Since China has adversarial relations with Vietnam and other countries in East Asia, the sale of high-tech missiles to them would directly threaten China’s interests.

Overall, the MTCR membership would help India a great deal in entering the global missile market. It can become a significant importer of missiles and technology and an exporter as well. India has already made tremendous progress in designing, developing and producing a wide variety of missiles. Cutting edge technologies that it can access as a member of the MTCR would further enhance its expertise in missile development.

The membership of the MTCR has brought India a step closer to its goal of joining the NSG. As an MTCR member, India’s credentials to join other export control regimes have improved.

Besides the most obvious, the real advantage of India’s MTCR membership is increase of its prestige and status. India is central to the US policy of pivot to Asia whereby the latter hopes to build India up as a strategic balancer against China. The fear is that with the US pushing for India’s membership to the NSG, India’s entry into the group on exceptional basis would further tilt the South Asian balance in India’s favour. While a powerful India is part of the US strategy for the region, it bodes ill for smaller countries in the region, especially for Pakistan, which refuses to accept a hegemonic Indian role in the region. The push for building up India may eventually take the shape of a permanent seat in the United Nations Security Council (UNSC), which might permanently tip the balance in India’s favour.

24 Ibid.
Pakistan and MTCR

Given the raise in the Indian stature as a result of its membership of the MTCR. It is important to examine what are Pakistan’s prospects of joining the regime or is it in the country’s interests to not to join at all. This section would discuss the merits, if any, of Pakistan joining the MTCR.

Opinion seems to be divided within Pakistan on the merits of joining the MTCR. There are opinions in Pakistan that joining the MTCR does not add any value and that it has adequate capacity to ensure its own security and deterrence. Joining the MTCR could put Islamabad under international pressure, even though the MTCR is a voluntary regime with no legal bindings and penalties for those who violate its guidelines. Reflecting the lack of consensus within Pakistan, Foreign Office spokesman, Nafees Zakaria, said that various stakeholders within the country had so far not reached a decision on joining the group. He further said that “we do not feel that it is a propitious time for applying.” At the same time, Pakistan has emphasised that it is already voluntarily following the MTCR guidelines and it meets the entire MTCR criteria.

However, there are other opinions in Pakistan that deny that Pakistan is not interested in joining but that odds are against Pakistani case. At the same time, there is an influential school of thought which is opposed to Pakistan showing interest in joining the MTCR. A former Pakistan’s Permanent Representative at the UN, in Geneva, Zamir Akram, said that “there is no value addition for us to join the MTCR.” He is of the opinion that Pakistan should keep its options open in terms of ensuring security and deterrence and avoid committing to the MTCR obligations. Similarly, Executive Director of the Centre for International Strategic Studies (CISS), Ambassador Sarwar Naqvi, said that Pakistan did not feel the need for entering the MTCR because it had indigenous missile capability that was adequate for its own security and deterrence.

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26 Ibid.
27 Ibid.
The debate within Pakistan on the merits and demerits of joining the MTCR is reflective of uncertainty surrounding the issue. Pakistan seems to understand that joining the MTCR is prone to risk since the US could use the MTCR to control and shape Pakistan’s missile programme. India’s special status and subsequent advantages from the MTCR membership stem from the convergence of its interests with the US. It is in the US interest to have a powerful India as a balancer against China. However, the US has no such convergence of strategic interests with Pakistan. Pakistan is no more important for strategic reasons nor is it a big economic market. Consequently, once Pakistan joins the MTCR, the US could very well demand that Pakistan dismantle all missiles over the range of 300 km or may insist on putting limitations on the development of missiles. That would be unacceptable for Pakistan and would make any possible advantages of joining the MTCR minimal. Moreover, even as a member of the MTCR, there is nothing to stop Pakistan from incurring the same vendor refusals it faces today, partly due to India using larger contracts and offers as a means to dissuade European suppliers from selling to Pakistan.28 In this case, the added benefits of joining the MTCR will be minimal. Instead, Pakistan needs to continue working on developing and expanding its indigenous research and development capacities.

Besides the debate over the utility of formally joining the MTCR, there is also the issue of whether Pakistan would be able to win the consensus of all the member states to enter the regime. It is likely that Pakistan would be faced with some tough campaign of consensus building, even if it chose to apply for the MTCR membership. No membership is granted without the consensus of all member states.

Conclusion

India’s membership of the MTCR is a significant development and would have an overall negative impact on the balance of power in the region. What is worrying is that this is another step in winning India a place on the high- tables in the world. The membership to the MTCR may bring India a step closer to winning a membership of the NSG. This would bring India closer to its quest and claim for a seat as a permanent member of the UNSC. India’s goal would get legitimised and strengthened if it becomes a part of

various elite clubs of the world, which decide on crucial issues of the international affairs. The ultimate goal of India, aided by the US and the West is to build itself up as a regional and ultimately a global power. The membership of the MTCR, once seen in the bigger context, then becomes a cause of worry for Pakistan, the smaller states of South Asia and China. India’s MTCR status would definitely disturb the balance of power in the region which would be further feeding into an arms race.