



INDIA'S PURCHASE OF S-400 SYSTEMS AND INDO-US DIPLOMATIC CRISIS

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



The Indian plans to buy the Russian missile defence system S-400 have been causing tensions in Indo-US relations. The US has warned India that it will impose sanctions if it goes ahead with the purchase of S-400. The US is unhappy with the deal and has issued a warning in January 2021 and again during the US Defense Secretary, Lloyd Austin's, visit to India in March 2021. What are the politics of the Indian purchase of S-400? How does it impact India-US relations? What are its implications for India-Russia defence cooperation? These are all important issues that need to be examined.

Lloyd Austin discussed the planned purchase of the S-400 air defence system during his delegation-level talks with the Indian Defence Minister, Rajnath Singh, on March 20. He said that "We certainly urge all our allies, our partners to move away from Russian equipment ... and avoid any kind of acquisitions that would trigger sanctions on our behalf."¹ In response to a question of whether the US would sanction India if it went ahead with the deal, he made a vague response saying that the question of sanctions against India is not on the table as India has not taken delivery of the system. He did not elaborate on what will happen when India does receive delivery of some S-400 systems later this year. The sanctions under consideration are under the Countering America's Adversaries Through Sanctions Act (CAATSA). It was passed by Congress in 2017 and stipulates imposing

¹ "US urges India to avoid buying Russian S400 Air Defence System," *The News*, March 21, 2021, <https://www.thenews.com.pk/print/807727-us-urges-india-to-avoid-buying-russian-s400-air-defence-system>

sanctions on any country that makes significant purchases of military equipment from Russia, as well as any transactions with Iran or North Korea.²

Earlier in January 2021, a US embassy spokesperson in Delhi issued a similar warning over S-400 plans by India: "We urge all of our allies and partners to forgo transactions with Russia that risk triggering sanctions under the CAATSA. The CAATSA does not have any blanket or country-specific waiver provision." "We have not made any waiver determinations with respect to the Indian transactions with Russia."³ In response, Indian External Affairs Ministry spokesperson, Anurag Srivastava, said, "India and the US have a comprehensive global strategic partnership. India has a special and privileged strategic partnership with Russia.... India has always pursued an independent foreign policy. This also applies to our defence acquisitions and supplies which are guided by our national security interests."⁴

The Indian stance has been that the country has a diversified portfolio and has been using Russian systems for years. Moreover, India has argued that the process for acquisition of the system began before CAATSA being introduced in 2017 by the Trump administration. India claims that the original S-400 agreement with Russia was signed in 2016.

The US has already imposed sanctions on Turkey in January 2021 for the purchase of the Russian S-400 surface-to-air missile system once it received delivery of the first regiment of the system. At the time, the US Secretary of State, Michael Pompeo, had said sanctions on Turkey demonstrate that the US will fully implement CAATSA and will not tolerate defence transactions with Russia.

The Indian deal for five S-400 systems worth US\$5.5 billion was inked on October 5, 2018, between Russian President, Vladimir Putin, and Indian Prime Minister, Narendra Modi. All five S-400 regiments were scheduled to be delivered between October 2020 to April 2023.⁵ The S-400 is one of the most advanced air defence systems in the world. It has a 400 km range and can engage and shoot 80 targets simultaneously.⁶ It can detect and destroy incoming bombers, airplanes and ballistic missiles. Induction of the S-400 systems would tremendously boost India's air defence, as well as

² US Department of the Treasury, *Countering America's Adversaries Through Sanctions Act*, Department of the Treasury, August 2, 2017, <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/countering-americas-adversaries-through-sanctions-act>

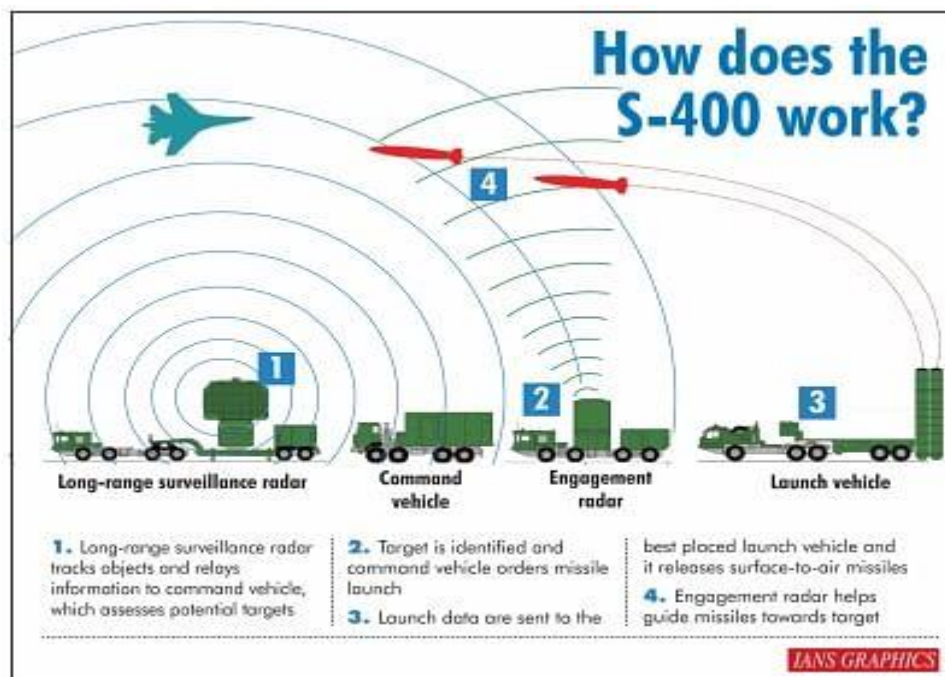
³ "Exclusive: India's friction with US Rises Over Planned Purchase of Russian S-400 Defence Systems," *Reuters*, January 15, 2021, <https://www.reuters.com/article/us-india-usa-missiles-exclusive-idUSKBN29K2DO>

⁴ "US Warns India against Acquiring Russian S-400 Missiles after Putting Sanctions on Turkey: Report," *India Today*, January 16, 2021, <https://www.indiatoday.in/india/story/us-warns-india-against-russian-s-400-missiles-1759564-2021-01-16>

⁵ Franz-Stefan Gady, "India: First S-400 Air Defence System Delivery by October 2020," *The Diplomat*, January 3, 2019.

⁶ Vikas Pandey, "S-400: India Missile Defence Purchase in US-Russia Crosshairs," *BBC*, October 5, 2018.

missile defence capability. India already has its indigenous two-tiered missile defence system comprised of Prithvi Air Defense for high altitude interception and Advanced Air Defense system for lower altitude interception. The system is already operational and can protect two major Indian cities - New Delhi and Mumbai. The S-400 further strengthens India's missile defence capabilities. This has a direct effect on the nuclear deterrence equation between India and Pakistan. It disturbs deterrence by making India theoretically invulnerable to incoming missile attacks. This is likely to give India a false sense of security and means that India would be willing to take greater risks to prevail in a conflict, especially vis-à-vis Pakistan.⁷



Source: <http://www.ilearncana.com/details/S400-MISSILE-DEFENCE-SYSTEM/224>

India has already made a payment of \$800 million in 2019 toward the S-400 deal and the first set of missile batteries are expected to be delivered by end of 2021.⁸ Russia has traditionally been India's main weapons supplier but in recent decades India has turned to the US and Israel for new planes and drones. The US has emerged as one of India's biggest arms sellers. India has plans to buy armed drones from the US as well as a large order for over 150 combat jets for the air force and the navy to help build-up its conventional capabilities.

⁷ Ghazala Yasmin Jalil, "Indian Missile Defence Development: Implications for Deterrence Stability in South Asia," *Strategic Studies* 35, no. 2 (Summer 2015).

⁸ "Exclusive: India's Friction with US Rises Over Planned Purchase of Russian S-400 Defence Systems." *Reuters*, January 15, 2021, <https://www.reuters.com/article/us-india-usa-missiles-exclusive-idUSKBN29K2DO>

However, the Indian S-400 purchase has cast a shadow over the budding Indo-US Strategic Partnership. The US officials – both in the outgoing Trump administration and the new Biden Administration have warned India that going ahead with the deal will trigger CAATSA sanctions. At the moment, it is a contest of wills where the US is pressuring India to abandon the deal while the latter has refused to back down from the deal.

Several issues complicate the matter of S-400 purchase and the US sanctions. As per the CAATSA act, the US must sanction India on the purchase of the Russian S-400. It sanctioned Turkey under the same act so it must apply the same laws to India. However, what complicates the issue is that India is the cornerstone of America's Indo-Pacific strategy and a founding member of the Quad that is meant to counterbalance Chinese influence in the region. Sanctioning India would be counter to broader the US policy to build India up militarily against China. It would also jeopardise future arms transactions between the US and India such as high-end fighter planes and armed drones. At the same time, the US officials have expressed concerns that the S-400 cannot co-exist with the US equipment, as it can be used to collect intelligence on the US systems that India has acquired over the years. They are particularly concerned about Russia using the S-400 to learn about the F-35 fighter jet's advanced capabilities.⁹

But India's planned purchase of the S-400 could prove a flashpoint in Indo-US diplomatic ties. It could be a litmus test of how solid the Indo-US relationship is and how much the US wants to counterbalance Chinese influence in the region. The US-India showdown would perhaps happen at the end of the year once India receives the first regiments of the S-400 system. Both the US and India are presented with a dilemma. The US is presented with a choice to sanction an ally that it needs to advance its geopolitical aims. While India is presented with a dilemma to balance its relations with Russia that is its traditional arms supplier and now the increasingly important defence partnership with the US. However, it remains clear that the Indian acquisition of the S-400 missile defence system would negatively impact the nuclear deterrence equation with Pakistan and would augment Indian aggressive posture.

⁹ Lara Seligman, "Austin Hints India's Purchase of Russian Missile System could Trigger Sanctions," March 20, 2021, <https://www.politico.com/news/2021/03/20/lloyd-austin-india-sanctions-s400-missile-477304>