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Issue Brief

US-India Defence Deals and Their Likely Impact on Pakistan

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The US-India defence relationship has grown over the last decade to become a key component of their overall bilateral partnership. On June 4, 2010, President Barack Obama stated, “India is one of our defining partnerships in the 21st century.”¹ The US relationship with India has the potential to alter the power dynamics in Asia and the world with their combined political, diplomatic, economic, and military capacity. A key part of this partnership is the US-India defence and security relationship.

The defence relationship has grown rapidly since the lifting of US sanctions against India shortly after the September 11, 2001, attacks. Since that time, defence relations have been on an upward trajectory, spurred by the 123 Agreement also known as the US-India Civil Nuclear Agreement or the Indo-US nuclear deal signed in 2005. The two countries now also hold a range of defence dialogues on various aspects of defence ties and have transacted billions of dollars in defence trade.

In 2008, the Nuclear Supplier Group (NSG) agreed to grant India a unique “waiver” which exempted it from the NSG’s rules governing civilian nuclear trade. According to the agreement, the three-decade US moratorium on nuclear trade with India was lifted. This paved the way for expansion of US-India cooperation in energy and satellite technology.

Two years later, in 2010, the US-India Strategic Dialogue was also launched. In addition to advancing global security and stability, the dialogue emphasised on the fact that the two countries had enormous opportunities to deepen their cooperation in areas such as trade and investment, science and technology, climate change mitigation and empowerment of people. In 2014, during Prime Minister Modi’s visit to the United States, both countries signed a ‘Declaration on Defence Cooperation’. According to this declaration, both countries would “treat each other at the same level as their closest partners”, thus emphasising a growing American willingness to offer India sensitive technologies for defence-related co-production and co-development. Simultaneously, a task force was established to oversee implementation of the Defence Trade and Technology Initiative, a joint effort to cut through bureaucratic obstacles to trade and technology transfer.

There have also been new opportunities for cooperation in homeland security including the establishment of the US-India Homeland Security Dialogue in 2011. This dialogue calls for strengthening agency-to-agency engagement, including areas of intelligence exchange, information sharing, forensics and investigation, access and sharing of data relating to terrorism, security of infrastructure,

transportation and trade, conducting joint needs assessments, combating counterfeit currency, countering illicit financing and transnational crime.

In June 2015, the United States and India signed a renewed 10-year Defence Framework. The new Framework provides avenues for high-level strategic discussions, continued exchanges between armed forces of both countries, and strengthening capabilities. Among other things it calls for a joint strategic vision for the Asia-Pacific and Indian Ocean Region and a knowledge partnership in defence studies: the latter to provide linkages in professional military education.

On defence trade in particular, there has been striking progress since the mid-2000s. Through the sale of cargo and maritime reconnaissance aircraft, special forces equipment, land-based radars, an amphibious transport ship, and missiles, the United States has made significant inroads with the induction of US military equipment into Indian military ranks. In fiscal year 2011, India became the third-largest purchaser of US arms with contracts up to 45 billion dollars. According to new data on international arms transfers published by Stockholm International Peace Research Institute (SIPRI) on March 16, 2015, India accounted for 15 percent of the volume of global arms imports in the last five years. The United States' arms sales to India are a key part of building its cooperation with India in the future. Evidence of this can be seen in SIPRI reports of 2015: India's arms imports from the US in the last five years have been fifteen times higher compared to the period 2005 to 2009.²

India conducts more exercises with the United States than any other country. More than fifty joint defence exercises have taken place in the last seven years. Furthermore, the complexity of joint military exercises has also increased in the last 10 years. As an example, exercise Yudh Abhyas (2005 to present) has grown from a squad and platoon-level exercise to a company/battalion-level manoeuvre exercise, including a brigade-level computer simulation exercise where the US and Indian armies operate together. The US-India naval exercise Malabar (1992-present), originally only a bilateral exercise between India and the US, has now expanded to include Japan as a permanent partner of the exercise in 2015.

Thus, strategic balance in the region is necessary for peace in South Asia, since these deals will trigger an arms race in the region. The Chairman of the Senate Standing Committee on Defence Production, Lt. Gen. (Retd.) Abdul Qayyum, stated as much when he pointed out that India's arms deal with the United States can create hurdles in the way of regional peace because it would trigger an arms race.³ Evidence of this can already be seen in the 2015 defence deal between Pakistan and Russia.

Pakistan does not want an arms race; yet it cannot be ambivalent to the buildup of conventional armaments, refinements, strategic capability and military alliances. These developments, cumulatively, have an impact on Pakistan's security. Therefore, it is imperative for Pakistan to take cognisance of the advancement in military capabilities in its neighbourhood and, simultaneously pursue a three-prong policy: continue the quest for a peaceful neighbourhood; maintain and refine the credibility of Pakistan's strategic and conventional deterrent; and, most importantly, invest heavily in economic development. The last prong is most critical not only to attain higher standards of living for the people of Pakistan, but also to sustain Pakistan's defence capability.

Notes and References:

- ¹ "Obama's statement on US-India strategic dialogue reception", NDTV, June 4 , 2010.
<http://www.ndtv.com/world-news/obamas-statement-on-us-india-strategic-dialogue-reception-419858>
- ² Singh Sushant, "SIPRI data shows India world's biggest arms importer at three times of China", *The Indian Express*, March 16, 2015.
<http://indianexpress.com/article/india/india-others/india-remains-worlds-biggest-arms-importer-sipri/>
- ³ "India's arms deal with US a hurdle in way of peace, says senator", Dawn, January 4, 2016.
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