

# The Year of Narendra Modi

**Bindiya Thomas**

**In India, the Narendra Modi-led National Democratic Alliance government is set to mark one year in office this May.**

**M**odi comfortably beat the Congress-led United Progressive Alliance (UPA) helmed by then-Prime Minister Manmohan Singh and has since led India's previously arid defense establishment, scattered with delays and scams, toward what might appear to be a more promising path than his predecessor.

According to the Home Ministry, in the first half of 2014, there were 334 "transgressions" by Chinese troops over the Indian border in the first 216 days. India has also accused Pakistan of violating ceasefire agreements that led to the deaths of nearly 20 civilians in late 2014. New Delhi has emphasized that the increased border violations are a result of Pakistan's fear of a "more assertive Indian leader".

## A Triangle of Insecurity

While speaking at a Rally in September 2014 Modi, said, "The enemy has real-

**In his first year in office, Narendra Modi has clearly restored might to the Prime Minister's Office that was lacking with his predecessor Manmohan Singh. Modi has revitalised foreign policy and announced bold initiatives like Make in India and the Clean India campaign and has even managed to push some minor bills through Parliament.**

**But the proverbial honeymoon period might just be over. Though his visions for India may be grand, the achievements so far have been meagre. Modi still has a long way to go in keeping his campaign promises and the coming year, 2015-16, will be make-or-break for the government as he tackles domestic security, the economy and the promised creation of millions of jobs.**

**It will also be interesting to see how a traditionalist like Modi handles growing calls for social change in India at a time where security for women, equal pay and a demand for a higher standard of living are points of daily discussions in the country.**



(Photo: MoD India)

### Indian Army troops guarding the border

Border security and cross-border terrorism have topped Modi's agenda. In his first meeting with visiting Chinese President Xi Jinping in September, Modi clearly taking a much tougher stance than the Congress-Singh government bluntly said that further border incursions might impact bilateral ties.

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ized that times have changed and their old habits will not be tolerated." India has since increased border patrols and the armed forces have been ordered to retaliate with more force should they come under attack. The Government's stance on Pakistan is clear: no talks until the shootings end. "Even such small incidents can impact the biggest of relationships just as a little toothache can paralyze the entire body," Modi told President Xi on September 20th, days after Chinese troops refused to pull back in the Chumar sector of eastern Ladakh. While speaking to reporters after his meeting with Xi, Modi said that he raised

serious concern over repeated incidents along the border. "We agreed that peace and tranquility in the border region constitutes an essential foundation for mutual trust and confidence and for realizing the full potential of our relationship. This is an important understanding, which should be observed diligently," he said. "Both sides are capable of effectively managing the border situation and to settle the border disputes at the earliest," President Xi told local media echoing Modi, at the time. He added that his country was sincere and the issue should be settled in a manner that it does not have an impact on ties. Modi also stressed on the need to resume talks on clarifying the Line of Actual Control (LAC) but the Chinese reportedly did

not feel the same way. According to local media reports, the Chinese would rather settle border disputes permanently rather than waste time on the LAC while India hopes to demarcate the LAC, in an effort to set up permanent borders, in the same manner it did with Pakistan along the western side of Jammu and Kashmir many years ago.

Since then newly-appointed Defence Minister Manohar Parrikar told Parliament on March 1 2015, "Transgressions along the Line of Actual Control (LAC) between India and China do occur but no Chinese incursion into the country's territory has taken place."

"There is no commonly delineated LAC between India and China. There are areas along the border where India and China differ in their perception of the LAC. Due to both sides undertaking patrolling up to their perception of LAC, transgressions do occur. Such transgressions have also occurred in the general area of Chumar, However, no incursion into the Indian territory by China has taken place," Defence Minister Manohar Parrikar told Parliament.

India reportedly plans to set up 32 Coastal Radar Surveillance (CSR) stations with navigational military radars in Mauritius, the Seychelles, the Maldives and Sri Lanka in an effort to counter Chinese maritime traffic.

According to local media reports, India will deploy eight stations in Seychelles, five of which will be based in Mahe and the remaining in the outer islands. Mauritius will also have eight radar networks, while the Maldives will have 10 of them.

## India and the USA

Meanwhile, the United States has assured China that it need not feel threatened by its growing ties with India.

President Obama made the statement in February, after China's state-run media said India must not fall into the trap of rivalry set by the West to support the US' "pivot to Asia" strategy, after his visit to India in January. The visit is significant because, not only is it Obama's second visit to India since 2010, he became the first US President to attend to Indian Republic Day Parade in New Delhi. The photo-ops of Modi serving tea to Obama certainly proved to be a hit with the Indian populace even if no major agreements, such as the nuclear deal, were signed.

As a sign of growing camaraderie between Modi and Obama, the two countries have established a list of goals to strengthen their economic partnership.



(Photo: White House)

**Barack Obama and Narendra Modi during the US President's second visit to India in January 2015**

The US and India plan to "build on our partnership to support sustainable, inclusive development, and increased regional connectivity by collaborating with other interested partners to address poverty and support broad-based prosperity. Over the next five years, we will strengthen our regional dialogues, invest in making trilateral consultations with third countries in the region more robust, deepen regional integration, strengthen regional forums, explore additional multilateral opportunities for engagement,

and pursue areas where we can build capacity in the region that bolster long-term peace and prosperity for all."

In the past four years, the US has overtaken Russia as India's largest arms supplier, bagging contracts worth almost \$10 billion since 2007-2008 including contracts to supply eight P-8I long-range maritime patrol aircraft worth \$2.1 billion, 10 C-17 GLOBEMASTER-III giant strategic airlift aircraft worth \$4.1 billion and 12 C-130J SUPER HERCULES aircraft worth \$2 billion.

(Photo: MoD India)



**Boeing will deliver 22 APACHE attack helicopters (shown here) and 15 CHINOOK heavy-lift helicopters to the Indian Armed Forces.**

Photo: Dassault



**Under the terms of the original RFI, Dassault would deliver 12 RAFALE aircraft in ready-to-fly condition and HAL would develop the rest in India. Bearing in mind the “critical operational necessity” for multi-role combat aircraft in the Indian Air Force, India has launched a parallel Government-to-Government request to France to supply 36 RAFALE fighter jets in “fly-away” condition “as quickly as possible” – double the number proposed in the original tender.**

More recently, Boeing beat Rosoboron-export to win two helicopter deals, for 22 APACHE attack helicopters and 15 CHINOOK heavy-lift helicopters, worth over \$2.5 billion.

During a visit to New Delhi in August 2014, US defence secretary Chuck Hagel once again called for co-production of major arms projects such as the JAVELIN anti-tank guided missiles, MH-60 ROMEO multi-role helicopters, “big data” and cyber security, magnetic catapults for aircraft carriers, spy drones, mine-scattering systems and 127 mm naval guns.

## India and Russia

It is important to note that overall Russia still remains India’s biggest weapons supplier with sales well over \$40 billion in the last three decades despite the latest losses. New Delhi has expressed its disappointment with constant delays and growing costs from Moscow and cited them as a major reason for the latest shift.

For instance the delay and cost overrun of handing over of the aircraft carrier, INS Vikramaditya, are among the major reasons why India has preferred American arms over Russian in the past five years.

Despite the setbacks and pressure from Western allies to join them in sanctions against Russia for its involvement in the Ukraine crisis, India has chosen to back Moscow as a strategic partner and is one of the few countries to do so.

“Whatever happened in Ukraine, people died, it’s very saddening and not good for humanity. India’s view is that efforts need to be made to sit together, talk and resolve the problems,” Prime Minister Modi told CNN last year.

With ties going back to the Cold War, Russia has long emerged as an important partner in defence, nuclear and multilateral cooperation.

In March 2014, India’s then National Security Advisor Shiv Shankar Menon told local media that Russia’s interests in Crimea were “legitimate” following which New Delhi abstained from voting in a United Nations General Assembly motion condemning Russia.

Russia clearly hopes to gain its former footing in India and is aggressively marketing the Su-30MKI to the Indian Air Force as a possible replacement for the Medium Multi-Role Combat Aircraft (MMRCA) project and has even offered the aircraft at a discount.

India and MMRCA winner Dassault have locked horns over the \$15 billion project

since the contract was awarded in 2012, over Hindustan Aeronautics Limited’s (HAL) role in the deal, transfer of technology and cost escalation.

Under the terms of the original RFI, Dassault would deliver 12 aircraft in ready-to-fly condition and HAL would develop the rest in India.

However, Dassault has raised objections over HAL’s ability to absorb “sophisticated technology”.

With a possibility of negotiations collapsing, India may have no choice but to acquire additional Su-30MKI fighters from Russia to make up for its dwindling fighter aircraft squadron strength.

According to the latest figures published in a Parliamentary Standing Committee (PSC) report on Defence, the squadron strength of the IAF has fallen to 25 from the sanctioned strength of 45.

Although both the MoD and IAF have maintained that “the current strength is 32 squadrons with each squadron comprising around 18 aircraft”.

“The Su-30MKI is an adequate aircraft for meeting the air force’s needs,” said Defence Minister Manohar Parrikar to local media on January 1.

The deadlocked MMRCA is also likely to force India to seal the Russian stealth fifth-generation fighter aircraft (FGFA) deal worth \$25 billion for 127 aircraft.

“A contract for the R & D phase is being prepared and is expected to be signed this year,” Yuli Slyusar, President and Chairman of the Management Board of the United Aircraft Corporation (UAC) was quoted as saying at Aero India 2015.

“The export version of the 5th generation fighter, the perspective <we presume the intent is “prospective” – Ed.> multi-functional fighter (PMF-FGFA) is being created in partnership with India. The Russian and Indian parties have generally agreed on the work share of each party.”

Meanwhile, the government has revised the FDI (Foreign Direct Investment) from the previous 26 percent to 49 percent in Defence. The Minister of Defence has explained that “up to 49% is allowed in the sector through Government route and above 49% through approval of Cabinet Committee on Security (CCS) on case-to-case basis, wherever it is likely to result in access to modern and state-of-the-art technology in the country.”

## ‘Make in India’ Gathers Momentum

In an effort to steer India away from foreign dependence, Modi launched the

“Make in India” campaign, in October 2014, a new policy encouraging the local defence industry to meet the military’s needs quickly and effectively.

Under this new policy, about half of India’s total weapons requirement for the next decade (worth approximately \$100 billion) may be developed indigenously. Simply put the local industries, which at present exports weapons worth only \$100 million a year, could wind up with the responsibility of filling that requirement – a seriously unrealistic expectation from the local industry that, besides HAL, does not even know how to build a helicopter.

Meanwhile, the Defence Procurement Procedure and the Defence Production Policy are expected to undergo further changes to keep in line with the ‘Make in India’ scheme.

While speaking at a seminar in January 2015, Parrikar, said, “MoD would be bringing about major changes in the Defence Procurement Procedure and the Defence Production Policy to provide greater autonomy to the Defence Public Sector Undertakings (DPSUs) and Ordnance Factory Board (OFB) units for their expansion and diversification. Every machine in operation is like adding an additional equipment. DPSUs will be provided support but they must think like a commercial organization.” Referring to the Make in India Procedure in Defence, Parrikar said it needs further improvement. According to an Indian MOD Press Release the Defence industry in India is “a unique industry where the only customer is the Services” – which

ennial exhibition held in Bangalore (now Bengaluru) from 18 to 22 February 2015. The five-day event started with Prime

said in a statement. And BAE Systems was awarded a five-year contract worth GBP 18.5 million to provide Hindustan

(Photo: Aero India)



**Aero India 2015: the biennial exhibition was held in Bangalore (now Bengaluru) from 18 to 22 February 2015.**

Minister Narendra Modi calling for an end to India’s dependence on defence imports but concluded with no major deals signed. Among the deals announced, Bharat Electronics Limited (BEL)

Aeronautics Limited (HAL) a comprehensive package comprising Ground Support Equipment, Spares, Support and Training for the HAWK Mk132 advanced jet trainer at Aero India 2015. This is in support of HAL’s plans to establish a dedicated Repair & Overhaul facility for the aircraft in advance of a major servicing milestone anticipated in 2016, BAE systems said in a statement.

The show saw strong participation from the US, perhaps as a sign of changing times. The United States led the largest representation at Aero India 2015 with 64 companies out of the total 328 in attendance from 33 countries. Following the US, France had 58 companies, the UK 48, Russia and Israel had 41 and 25 respectively.

The US also outnumbered the foreign military aircraft on display. Seven of the eleven foreign military aircraft, including two F-15C EAGLES, two F-16C FIGHTING FALCONS, one Boeing KC-135 tanker, one C-17 GLOBEMASTER III and a P-8A POSEIDON maritime surveillance aircraft, were American. Other aircraft included three French RAFALE jets and one Brazilian Embraer EMB-145 jet. ■

HITS	MISSSES
Effective foreign policy. Inviting US President Obama to watch the Republic Day Parade in New Delhi.	Several pro-Hindu bans on beef and movies in place. Censorship is at an all time high.
Strengthening strategic ties with the US, Japan, Australia and Vietnam.	Security for women.
Better work ethic. Bureaucrats are now expected work longer hours.	Swachh Bharat. The Clean India movement is lacking in plans and policy on waste management and implementation.
Several initiatives similar to Make in India launched.	No plan in place to see through creating 5-8 million jobs.
Increase in budget for cyber security and retooling cyber defence agencies.	Delay in implementing projects with Myanmar.

suggests that the Indian MOD itself is not entirely au fait with the technological capabilities and export potential of its own suppliers...

‘Make in India’ was also the central theme around, Aero India 2015, the bi-

won a contract from Elbit Systems for the production of Elop’s Compact Multi-Purpose Advanced Stabilized Systems (CoPASS™). This is in addition to an earlier order for the supply of CoPASS, received by BEL from Elop in 2014, BEL