

MMRCA

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WILL COMPLICATIONS AND DELAYS IN THE INDIA-DASSAULT MMRCA DEAL END IN TEARS AGAIN?

With Indian Prime Minister Narendra Modi scheduled to visit France and Germany in April, officials from both countries are pushing for the deal to be concluded prior to his visit.

A bundant delays in finalizing the Indian Medium Multi-Role Combat Aircraft (MMRCA) contract with Dassault have left the agreement on the verge of collapse, despite staunch assurances from both countries that the deal will indeed be inked by April 2015. But will it work out this time?

Since the \$20 billion contract was announced in 2012, it seems that France's Dassault Aviation has made several attempts to deviate from the original RFP (Request for Proposal) issued in 2007 amounting to delays and an alleviated price tag.

According to the terms of the RFP, 18 of the 126 Rafale fighter jets are to be purchased directly from Dassault, while HAL (Hindustan Aeronautics Ltd) will manufacture the other 108 under a license at a facility in Bangalore (now Bengaluru). However, Dassault has expressed concern over HAL's capacity "to absorb complex technology" and has even suggested bringing in other private sector companies to manufacture the jets in India.

Soon after winning the contract, Dassault picked India-based Reliance Industries Limited (RIL) as its private sector partner to manufacture the Rafale, despite India's stance that HAL be the production house for the aircraft. India has pointed out that HAL, its state-owned aircraft manufacturer, has long-since indigenously developed the Russian Su-30MKI aircraft under license unlike Reliance.

Following that, in 2013, Dassault wrote to the Indian Ministry of Defense demanding it be "given the overall responsibility of the project and clearly identify HAL's role" as well as the freedom to decide on the quantity of work to be shared between the two companies. That request has been shot down by India, with the MoD once again asserting "HAL will act as the projects lead-integrator". Despite the Indian government assurances that it will not be fined for any delays in delivery caused by HAL, Dassault has refused to budge.

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Su-35
Credit: Sukhoi

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"Both sides agreed to take forward the strategic co-operation between the two countries. They discussed all issues including the Rafale. It was decided that whatever differences still existed would be resolved in a fast-track manner" Indian defence ministry spokesman Sitanshu Kar told reporters at the time.

Since that meeting, an Indian delegation visited Paris in January to work out the key differences concerning the price of the fighter plane and to

reiterate Hindustan Aeronautics Ltd's involvement in the project. Despite what appears to be progress in negotiations, Parrikar recently told local media that there were "complications" in the negotiations without divulging any information.

As negotiations continue, it was recently revealed the Indian Air Force's fighter aircraft strength has fallen severely short of what has been planned.

According to a report released in January by the Indian Parliamentary Standing Committee (PSC) on Defence, the IAF's squadron strength has fallen to 25 from the sanctioned 45 while the Ministry of Defense and air force have staunchly maintained that the current strength is 32 squadrons with each



The French navy aircraft carrier Charles de Gaulle (R 91) launches a Rafale marine jet as the guided-missile destroyer USS Bulkeley (DDG 84) is underway in the background. (U.S. Navy photo courtesy of the French navy by Chief Petty Officer Frederic Duplouch/Released)

comprising around 18 aircraft.

"Moreover, 14 of these squadrons are equipped with MiG-21s and MiG-27s, which will retire between 2015 and 2024. Thus the strength will be reduced to just 11 squadrons by 2024. Our capability has already come down" the report added, rebutting the MoD numbers.

The falling figures could force India to look to Russia for fighter jets, which already make up a large part of the IAF's fighter aircraft fleet.

The Su-30MKI aircraft, which aside from their primary role of air dominance (for which they were originally procured), are currently being utilized for interception and reconnaissance missions.

According to figures released by the MoD, as of March 2013 the IAF operated a fleet of 194 Su-30MKI aircraft but this number is set to grow to 272. India placed another order in December 2012 for 42 aircraft about 10 months after declaring Dassault winner of the MMRCA competition.

Rosoboronexport, the Russian arms export agency, has already made several efforts to nab the contract away from Dassault and even offered India the Su-30MKI at a lower cost in October 2014. Competitor Eurofighter has also made similar offers hoping to replace Dassault as the winner of the MMRCA.

To add to the uncertainty, according to local media reports, German Foreign Minister Frank-Walter Steinmeier offered 126 Eurofighter aircraft for approximately US\$9.8 billion, about \$2 billion less than the original \$12 billion price tag of the MMRCA.

The Russian Ambassador to New Delhi, Alexander Kadakin in October, took the competition a step

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further and claimed that Chinese Sukhoi Flankers will "swat the Rafales like mosquitoes". The Ambassador also claimed that the Su-30MKI in service in India and the Chinese Su-27 were both superior and cheaper than the Rafale.

Defense Minister Manohar Parrikar has ruled out the possibility of considering competitors who lost the MMRCA race. "How can another plane be considered when the L-1 (lowest bidder, the Rafale) has been determined," he told NDTV, a news channel, earlier this year.

But he has expressed his support for the Su-30MKI as a possible option should the MMRCA talks fail. "The Su-30MKI is an adequate aircraft for meeting the air force's needs," Parrikar said.

Meanwhile adding to the laundry list of problems, Dassault has reportedly offered India the latest version of the Rafale fighter, the F3R, at an increased price compared with the F3 version of the aircraft that it originally bid with in the MMRCA competition. According to Dassault, future Rafales will be manufactured with F3R upgrades and is currently in the process of upgrading all French Air Force Rafales to the latest version. This comes soon after Dassault upped the per-unit price of the aircraft from the original \$65 million to \$120 million in 2014. Suffice it to say, the price hike only added to further delays.

The new F3R standard Rafale will include a new-generation laser targeting pod and major software changes. The upgrades will complement the enhanced Thales RBE2 active, electronically-scanned array (AESA) radar which will allow the

aircraft to deploy the MBDA Meteor Beyond Visual Range Air-to-Air Missile (BVRAAM), along with improvements to the aircraft's Thales SPECTRA self-defence system and Mode-5/Mode-S-compatible Identification Friend or Foe interrogator/transponder.

Le Drian has previously said that he hopes delivery of the Rafale could begin as early as 2016-17. Nevertheless, if the Dassault-MMRCA contract fails to conclude this quarter, India may have no choice but to cancel the project in which it has invested nearly a decade. □



An F1 Rafale aircraft, assigned to the French aircraft carrier Charles de Gaulle, flies above the aircraft carrier USS Harry S. Truman (CVN 75). (U.S. Navy photo by Mass Communication Specialist 3rd Class Karl Anderson/Released)