

# INDIA-USA DEFENCE INDUSTRY COOPERATION AND A BOOST FOR MAKE IN INDIA



## CONTEXT

India and the US concluded an ambitious roadmap for defence industrial cooperation to fast-track technology tie-ups and co-production of military platforms such as air combat and land systems, a move that comes in the wake of China's increasingly aggressive behaviour in the Indo-Pacific region.



## ABOUT

The shared interests of India and the US encompass humanitarian assistance, counter-terrorism cooperation, fighting violent religious extremism, maritime security activities, weapons proliferation monitoring, regional stability maintenance and related aspects.



## REASONS FOR THE GROWING DEFENCE INDUSTRY COOPERATION

- › Growing Chinese aggression in the Indo-Pacific region  
India depends on Russia for nearly half its military supplies but has also increasingly diversified its sources to buy from the US, France and Israel among other nations.
- › New Delhi also wants global defence manufacturers to partner with Indian companies and produce arms and military equipment in India for local consumption as well as exports.

## INDIA US DEFENCE TIES- A TALE OF SYMBIOTIC GROWTH AND SYNERGIES

With defence being a key sector for both countries from a strategic and commercial standpoint, both nations are cognizant of the fact that their relationship and defence cooperation will be a critical component in their self-interest. This relationship has been fostered and strengthened by a number of significant events and milestones. Some of these important events are as follows:

› Establishment of the Defence Technologies and Trade Initiative (DTTI): DTTI works towards speedily strengthening India's defence industrial base, exploring new technological development areas and expanding Indo-US business ties.

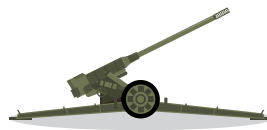
› Logistics Exchange Memorandum of Understanding (LEMOA): It was signed in 2016, providing them easier access to each other's facilities for supplies and services for the military forces of the two countries.

› Communications Compatibility and Security Agreement (COMCASA) : executed in 2018, aimed at facilitating greater interoperability between the militaries of the two nations, providing India with access to advanced communication infrastructure.

› Basic Exchange and Cooperation Agreement (BECA): It will provide India with topographical and aeronautical data and products, which will aid geospatial intelligence, navigation and targeting (especially long-range missiles) and contribute significantly to strengthening defence ties.



## DEFENCE EQUIPMENT DEALS OF US WITH INDIA



M777 155mm Light-Weight Towed Howitzers



Apache Attack Helicopter



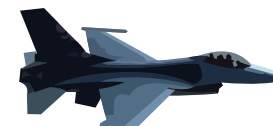
Chinook Heavy Lift Helicopter



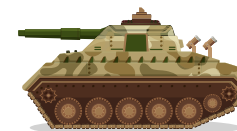
MH-60R Multi-Mission Helicopter



C-130J Hercules Aircraft



General Atomics MQ-9 "Reaper" armed drones



GE's F414 military aircraft engine

## CONCLUSION

› Defence ties between India and US are a key area of focus and strength from both, strategic and commercial standpoints. The relationship between India and the US has witnessed considerable improvement owing to the political will of both countries which ensured that the India-US relationship remains on a growth track and becomes more profound year on year.



## US: INDIA'S PARTNER IN FOSTERING MAKE IN INDIA (MII)

› Significant headways have already been made in this direction towards building manufacturing and service hubs in India, both in civil and defence domains which have been generating employment, social and skill development, development of allied industries, enhancement of exports and technology transfers to the country.

## THE ROAD AHEAD

› India is set to undertake one of the largest equipment procurement cycles in the world with an estimated spend of about USD 130 billion, which will create massive opportunities for indigenization. The Indian Government's vision 'Make in India' has been the driving force behind many of its recent policy measures. The measures are:

- 100% FDI permitted for defence manufacturing post seeking Government approval.
- Industrial licensing regime relaxed
- Approval process for the import and export of defence products made simpler
- Focus on Indigenisation and priority to India categories of procurement
- Changes in offset regulation



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