

Exporting Arms: India's New Quest

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Summary

India's major effort to promote arms exports in recent years is about plugging a major gap in India's defence diplomacy – the inability to offer weapons systems to its friends and partners. It is also part of the strategy to modernise India's defence industrial base and reduce its reliance on imported weapons that have been badly exposed during the Russia-Ukraine war and significantly constrained its room for diplomatic manoeuvre on the global stage.

Delhi's recent success in selling the Brahmos high-speed cruise missile system underlines India's potential to overcome a major weakness in its quest for regional strategic influence, military and diplomatic footprint. [The contract](#) is worth US\$375 million (S\$533 million). Although India has talked about exporting Brahmos for a long time, this is the first agreement to sell. India is also pitching for the [export of Tejas](#), its light combat aircraft, to several countries, including Malaysia. There is reported to be some interest in Latin America as well. Delhi will not find it easy to sell military aircraft amidst the intense competition from established players and newer ones like South Korea.

Opening the Defence Expo 2022 in Gujarat on 19 October 2022, India's Prime Minister Narendra Modi underlined his ambition to make India a major hub of defence manufacturing in the world. He pointed to the [growing defence exports](#) in the last few years as evidence of the new possibilities. Modi declared that "in 2021-22, India's defence exports were valued at US\$1.5 billion (S\$2.1 billion), or ₹13,000 crores. In coming years, we have targeted for it to reach a value of US\$5 billion (S\$ 7.1 billion), or ₹40,000 crores".

Speaking at the same forum, India's Defence Minister [Rajnath Singh claimed](#) that India is now in the top 25 arms exporters. That may not be much of a distinction, given the size of India's economy, industrial capacity, and the scale of its defence establishment. India has a long way to go before it emerges as a leading defence exporter. Beyond the traditional suppliers like the United States, Russia, France and China, [a number of other countries](#) like Turkey are emerging as major exporters with significant diplomatic impact. Delhi, however, appears confident of making progress on the back of recent reforms in defence production.

As part of its foreign policy revamp in the 1990s, India also ended its Cold War-era military isolationism. In the name of non-alignment and opposition to military blocs, India largely cut off military engagement with other countries, including major powers as well as developing countries. Even as it imported more arms ever from the developed world, it imposed a strict ban on allowing military-military or political-military exchanges with other countries.

This began to change in the early 1990s as it [slowly opened up military engagement](#) bilaterally, in smaller groups, as well as in multilateral settings. It also embarked on

exchanges with civilian-military establishments in other countries. India offered cooperation in military training to several countries and undertook regular military exercises with many countries. But there was one big gap – it had little to offer in terms of weapons to other countries.

Although India inherited a large defence manufacturing base from the British, it frittered that legacy away with poor policies that privileged the public sector by granting a monopoly to government agencies over defence research and production. As the state agencies failed to keep up with the needs of the armed forces, the services pressured for ever more imports of the latest weapons. India soon acquired an unenviable reputation as the world's largest importer of weapons. While India unveiled an ambitious strategy to raise its strategic profile in the Indian Ocean, it warily watched China become a major arms exporter to many of India's neighbours in the Subcontinent and the Indian Ocean. While Delhi resented the Chinese military diplomacy in the region and often pressed some of its neighbours not to import Chinese weapons, it had few weapons to offer as an alternative.

The Ukraine crisis brutally exposed the vulnerability of the Indian defence production system. India's deep dependence on Russia for critical weapons and spares was politically disconcerting at a time Delhi was locked in a conflict with China, and Moscow and Beijing were warming up towards each other. The dependence on Russia had another devastating consequence – the inability of India to criticise the Russian aggression against Ukraine in violation of the many values India holds dear – the respect for the sovereignty and territorial integrity of states. India's much vaunted [strategic autonomy](#) was now constrained by its military dependence on Russia.

The Modi government had been pushing to reform the defence production sector well before the Ukraine crisis. But his determination acquired a new urgency after the Chinese aggression in the Ladakh sector in the spring of 2020. Since then, the government has unleashed a [number of reforms](#) in the defence production arena. Modi insisted on cutting down imports, opened the defence production sector for private and foreign investment, encouraged the defence start-ups, unveiled negative lists that can only be procured from domestic manufacturing, corporatised the ordnance factories, earmarked funds for domestic procurement and promoted exports, including a big diplomatic push, and offering loans to friendly countries for the purchase of Indian weapons.

The growth of arms exports, albeit from a very low base, does demonstrate the new possibilities for India's defence diplomacy. Modi's [special emphasis](#) on opening defence production to the private sector has begun to pay dividends. Leading Indian companies like the Tatas, Larsen & Toubro and the Adani group are bringing a new dynamism to arms production and contributing to the long overdue modernisation of India's defence industrial base, both through their efforts as well as through partnerships with the Western defence industry.

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