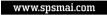
#### PRIME MINISTER'S US VISIT SPECIAL







Vol: 4 Issue 19 🛛 October 1-15 🔹 2014





1964-2014

Make in India: Non-starter in defence? PAGE 14



IAF – concerns and confidence PAGE 18

#### PLUS 18 Corporate News 21 20

PACE 6 onwards

## Indo-US strategic partnership Chalein Saath Saath

## DELENG/2010/34651

FROM THE EDITOR'S DESK SP'S EXCLUSIVES **SECURITY BREACHES** 

#### MILITARY

3 Feature 5 Feature 22

#### AEROSPACE

**l6** 

17

Report STOP PRESS: Rockwell and Zen sign MoU

#### SPOTLICHT

### Colden jubilee celebration of naval design and construction

n international seminar 'Future trends and Opportunities in Warship Design and Construction' was held at DRDO Bhawan, New Delhi, to commemorate the Golden Jubilee of Indigenous Warship Design and Construction. Admiral R.K. Dhowan, Chief of the Naval Staff, was the chief guest. The event was honoured by the presence of Defence Secretary R.K. Mathur and other senior officers.

The Chief of the Naval Staff said that in recognition of the need for development of indigenous capabilities, the Corps of Naval Constructors had been formed in 1954, followed by setting up of a Central Design Office (CDO) in 1964. In 1970, this Central Design Office emerged as the Directorate of Naval Design (DND) and it formed the bedrock of all warship design activities in the country. In the last five decades, India's growing



maritime self-reliance has facilitated the greater recognition of the role that India plays in providing stability in the Indian Ocean region.

He also said that the DND has been a cornerstone for the construction of 119 warships and submarines of various types and sizes in our shipyards as of date. During the address the Admiral said that this journey of 50 years is a milestone in the self-reliance programme of the Indian Navy and stressed that indigenisation of platforms, weapons, sensors and equipment, through participation of public and private sectors will continue to remain a focus area. The recently commissioned warships INS Kolkata, INS Kamorta (in August 2014) and INS Sumitra (in September 2014) aptly demonstrate the immense potential of the country in indigenous warship design and building capability. He emphasised that "road map for the Navy's expansion and growth would continue to remain firmly anchored on self-reliance and indigenisation".



#### Cover:

New significant consensus seems to have emerged between India and US during the September visit of Prime Minister Narendra Modi to the United States on issues relating to regional and international security, which perhaps will give a strong push to India-US defence relations and trade

Cover images: PIB, DPR Defence

SP'S WEBSITES

Sr Web Developer: Shailendra P. Ashish

© SP Guide Publications, 2014

LETTERS TO THE EDITOR

editor@spsmai.com

A-133 Arjun Nagar (Opposite Defence Colony)

New Delhi 110003, India.

Tel: +91 (11) 24644693, 24644763, 24620130

Fax: +91 (11) 24647093

Kalyan Nagar

Bengaluru 560043

Tel : +91 (80) 23682204

MOSCOW, RUSSIA

Tel: +7 (495) 911 2762,

Fax: +7 (495) 912 1260

LAGUK Co., Ltd, Yuri Laskin Krasnokholmskaya, Nab.,

**REPRESENTATIVE OFFICE** 204, Jal Vayu Vihar

advertise@spsmai.com neetu@spguidepublications.com

SUBSCRIPTION/ CIRCULATION

Web Developer: Ugrashen Vishwakarma

Annual Inland: ₹1,320 • Foreign: US\$ 325 E-mail: subscribe@spguidepublications.com

FOR ADVERTISING DETAILS, CONTACT:

rajeev.chugh@spguidepublications.com

SP GUIDE PUBLICATIONS PVT LTD

E-mail: info@spguidepublications.com

11/15, app. 132, Moscow 115172, Russia.

subscribe@spsmai.com

PUBLISHER AND EDITOR-IN-CHIEF Jayant Baranwal

> ASSISTANT GROUP EDITOR R. Chandrakanth

SR TECHNICAL GROUP EDITORS

Air Marshal B.K. Pandey (Retd) Lt General Naresh Chand (Retd) Lt General V.K. Kapoor (Retd) R. Adm S.K. Ramsay (Retd)

> SPECIAL CONTRIBUTOR Lt General P.C. Katoch (Retd)

CHAIRMAN & MANAGING DIRECTOR

Jayant Baranwal

PLANNING & BUSINESS DEVELOPMENT Executive Vice President: Rohit Goel

> ADMIN & COORDINATION Bharti Sharma

#### DESIGN & LAYOUT

Creative Director: Anoop Kamath Designers: Vimlesh Kumar Yadav, Sonu Bisht Research Assistant - Graphics: Survi Massey

SALES & MARKETING

Director: Neetu Dhulia General Manager Sales: Rajeev Chugh

Owned, published and printed by Jayant Baranwal, printed at Kala Jyothi Process Pvt Ltd and published at A-133, Arjun Nagar (Opposite Defence Colony), New Delhi 110003, India. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, photocopying, recording, electronic, or otherwise without prior written permission of the Publishers.



#### **SP** GUIDE PUBLICATIONS

www.spguidepublications.com



#### From the **EDITOR'S DESK**





### Modi charms US, sets agenda for dynamic global partnerships

here is a general sense of euphoria and a fresh wave of confidence among Indians, not just in the country but also overseas, thanks to the Prime Minister, Narendra Modi, who has changed the dynamics of governance, of connecting with people, of reinvigorating foreign relations, etc. From his masterstroke of inviting Heads of State of SAARC countries (besides Mauritius) to his most talked-about visit to the United States, Narendra Modi is emerging as a global statesman and we believe that this enhanced stature will take the country to the next level in the comity of nations.

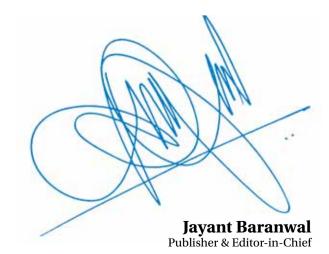
From his address at the United Nations General Assembly where he talked about the importance of coming together of nations to deal with the menace of terrorism, to has rock star performance at the Central Park in New York to the youth on channelising their energies, to the euphoric address at Madison Square Garden egging the Indian diaspora and US lawmakers to take note of the "New India," and to the intense meetings with US business heads and finally the peak of all meetings with President Barack Obama, the Prime Minister Narendra Modi had changed the image of India—an India brimming with confidence, an India with enormous talent, an India on the verge of becoming an economic powerhouse.

In this issue, we have a series of analyses by eminent individuals on the US visit of Modi. Starting with the analysis of Admiral Arun Prakash (Retd) who states that the impact of Modi's visit would come a few months down the line as the 'devil is in the detail,' but mentions how it peaked with the joint editorial of Modi-Obama in the *Washington Post*, highlighting the true potential of the relationship between the two countries and opportunities to broaden and deepen the same.

At the United Nations General Assembly, the Prime Minister made a befitting address and we have General V.P. Malik (Retd) stating that this shows the pragmatic visionary Modi is not only for India and South Asia, but also at the global level. The international community will have to take greater notice of him hereafter, and more importantly, with that of India. Having raised expectations of his audience in the US and in India, the success of the road map depends upon the bureaucracies in both countries. Defence cooperation is expected to go notches up after Modi's visit. The two countries are entering into a new era of co-development and co-production that is going to transform the face of India-US defence relations from supplier-buyer to co-developer and co-producer, in line with the 'Make in India' vision of the Prime Minister. The vision statement for the US-India Strategic Partnership 'Chalein Saath Saath: Forward We Go' was the crowning glory of Modi's visit. Reflecting this 'Make in India' vision, an MoU has been signed between Rockwell Collins of US and Zen Technologies of India to combine their strengths on simulation and training.

Having said that we have Lt General P.C. Katoch (Retd), who does not mince words, states that if the 'Make in India' campaign has to succeed in the defence sector, a whole lot of reforms have to be effected among them being dismantling bureaucratic hurdles. We believe that the government under Modi's leadership is earnest, pro-development and is laying emphasis on good governance.

'May the Force be with you, Prime Minister Narendra Modi'.



#### MESSAGE From Cujarat Chief Minister





CHIEF MINISTER GUJARAT STATE

The strength of the entire country working to create and sustain a homeland that is safe and secure, in which national interest, aspirations and way of life can thrive.

It is a matter of pride that "SP Guide Publications" is working since 50 years in the field of aerospace and defence sectors, serving and highlighting the people of the same sector.

I extend my best wishes to the associates and readers of the publications and hope that, publication house will keep up the good work and will encourage more and more youth to join our defence forces and serve our mother country India.



(ANANDIBEN PATEL)



## India-US joint exercise concludes on September 30



The latest edition of the Yudh Abhyas series of combat exercises has just been completed in the hills of Uttarakhand. US Army soldiers from 1st Stryker Brigade Combat Team, 25th Infantry Division and the Indian Army participated in this US Army Pacific-sponsored exercise geared towards enhancing cooperation and coordination through training and cultural exchanges, to help build skills and relation-ships necessary during peacekeeping operations.

















## Prime Minister Modi in the United Nations

#### [ By General V.P. Malik (Retd) ]

t is not easy to knit together India's cultural heritage, domestic and regional challenges with those of the globe in a 32-minute address to nearly 200 heads of nations who had congregated to visualise the "post-2015 development priorities to determine the nature of internal cooperation and allocation of resources."

That is what India's Prime Minister Narendra Modi did in his maiden address in the United Nations General Assembly on September 28, 2014. This was done with a candid exposition of where the world has gone wrong and how it needs to move forward on key global issues. With that address, he made it clear that he had arrived as a global statesman and was keen to make a difference!

Right in the beginning, Modi made his status and position clear

to the global gathering as a political leader responsible for one-sixth of global humanity living in India, and with India's ancient philosophy of 'Vasudhaiva Kutumbakam' (the world is one family!).

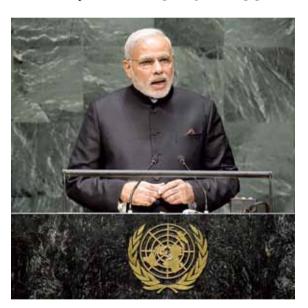
Only two of his 32 minutes speech was spent in responding to Nawaz Sharif's lament on India, particularly on Kashmir, made a day earlier. It was not just a snub or a rebuff. It was also a non-acrimonious advice on the right approach to resolving bilateral issues, without missing out the humanitarian aspect. He made it clear that "Raising Kashmir at UN will not resolve bilateral issues....A nation's destiny is linked to its neighbourhood. I am prepared to engage in a serious bilateral dialogue with Pakistan in a peaceful atmosphere, without the shadow of terrorism. Pakistan must also take its responsibility seriously to create an appropriate environment."

As expected, the longest part of his speech was on countering terrorism. Having suffered terrorism since long, India has been an active participant in all UN discussions. It played an important role in framing of UN Security Council Resolution 1373 (2001), 1456 (2003), as a member of the Counter Terrorism Implementation Task Force and on the UN Global Counter Terrorism Strategy and Comprehensive Anti-Terrorism Convention thereafter. India had recommended giving more teeth to the Counter Terrorism Committee to enforce implementation and to deal with non-compliance. Prime Minister Modi pointed out the faults in the implementation of counter terrorism strategy. He demolished attempts by interested parties in dividing terrorism into 'good terrorism' and 'bad terrorism', nations such as Pakistan allowing sanctuaries on their territory and using terrorism as an instrument of state policy, and non-appreciation of terror linkages within and across regions. He exhorted global coop-

eration, pointing out that compartmentalised national approaches cannot deal with the seamless web of international linkages which terrorism has developed.

His second major thrust was on 'global partnership and cooperation' in facing challenges. "One country and or group of countries cannot determine the course of the planet", he said. He mocked at unilateralism, G-4, G-7, and G-21 as outdated and ineffective groupings. "Institutions that reflect the imperatives of 20th century will not be effective in the 21st century", he said, and as a global statesman, he pronounced that "G-All" was the right approach.

With that he also wove the urgent requirement of the longawaited UN reforms 'to make it (the UN) more democratic and participative.' He asked global powers not to indulge in a zero-sum game preventing genuine reforms in the UN. He strengthened



demand for India's permanent membership in its decision-making body by lauding peacekeeping role of nations who have participated and sacrificed soldiers (India till date has contributed nearly 2,00,000 soldiers of which nearly 175 have made supreme sacrifice) and not just contributed dollars.

Modi's speech was forthright and forward looking, which also reflected India's national interests. He did not shy away from the contentious issues in which India is known to have difference of opinion with China and the United States. Hinting towards China, he said that "Even without any major wars, there is an absence of real peace. An integrating Asia-Pacific region is still concerned about maritime security that is fundamental to its future." Despite differences on 'Climate Change' with the US, he included this issue amongst the

global challenges. He reminded the gathering of the Kyoto Protocol and said, "The world had agreed on a beautiful balance of collective action—common but differentiated responsibilities. That should form the basis of continued action. This also means that the developed nations must fulfill their commitments for funding and technology transfer. He also stated that cyber and space were new instruments of prosperity, which could also turn into new theatres of conflict.

With his address in the United Nations General Assembly on September 28, Prime Minister Narendra Modi has been able to convey that he is a pragmatic visionary; not only for India and the South Asia region but also at the global level. The international community will have to take greater notice of him hereafter, and more importantly with that of India.

The writer is a former Chief of the Army Staff





Prime Minister Narendra Modi in a bilateral meeting with US President Barack Obama, at the White House in Washington DC

## Prime Minister Modi's visit to USA: A preliminary assessment

[ By Admiral Arun Prakash (Retd) ]

uch is the intensity of India's domestic political activity, as compared to other democracies, that it makes huge demands on the time and mind-space of its leadership. Aware of this pitfall Narendra Modi had obviously charted before assuming office a well-planned strategy to deal with some critical foreign policy issues before domestic events crowded his political horizon.

Consequently, India's new Prime Minister ensured that he hit the ground running; and the inaugural oath-taking ceremony was converted into a successful mini-SAARC, with Mauritius thrown in. Soon thereafter, Modi visited Bhutan and Nepal to mend neighbourhood fences. A gathering in Brazil provided him an early opportunity to meet the BRICS leadership. This was followed by a warm welcome and bonding with Shinzo Abe in Japan, from where he returned to receive Chinese supremo Xi Jinping in Ahmedabad on his birthday.

For a Prime Minister, barely four months in office, the pace of foreign affairs interaction could not have been more hectic than this. However, it was certainly the best crash course Modi could have had in international relations and diplomacy, before meeting the leader of the waning superpower, President Obama.

#### Modi's Motivation

While the ostensible motivation for Modi to schedule a US visit so early in his five-year tenure was attendance at the 69th annual session of the UN General Assembly (UNGA), there were four other reasons that need brief mention in order to make a cogent assessment of this outing.

Firstly it was to be a 'rite of passage' to mark his transition from the status of pariah, denied a US visa in 2005, to honoured state guest. Secondly, Modi needed to convey his personal thanks to the politically influential and well-heeled Indian-American diaspora which had rendered solid support to his election campaign and would continue to be a source of advocacy in the US. Thirdly, he came to reassure a disillusioned and sceptical US business community that he would make it easy, safe and lucrative for them to invest in India; something the country badly needs for economic revival.

Finally, as it became painfully obvious during Xi Jinping's recent visit to India, India needs a diplomatic hedge to provide some leverage with Beijing. It is fortuitous that the US too happens to have a somewhat similar requirement at this juncture.

#### Some Highlights of Visit

Let us, then, review some key highlights, which contributed to the undoubted success of Modi's maiden visit to the United States as Prime Minister of India.

At the UNGA, where he spoke in Hindi, Modi belied media predictions by largely ignoring Nawaz Sharif's provocative speech. In a statesman-like address, he summarily dealt with the Kashmir issue and then went on to dwell on terrorism; criticising those who distinguished between so-called, 'good' and 'bad' terrorists as well as those (read Pakistan) who used it as a policy instrument. While expressing solidarity with the US in its fight against the Islamic State of Iraq and the Levant (ISIS), he refrained from committing India to material or manpower support for the military action.

In New York's Central Park, Modi made a remarkable outreach to engage the American public directly by attending the Global Citizen Festival on a Saturday. Modi's initiatives on women's empowerment and improving sanitation had earned him an invitation from the organisers of the fest attended by 60,000 young people. He delivered his only English-language speech, at this high-profile international advocacy event, and concluded, to cheers, with the *Star Wars* phrase "May the Force be with you."

The programme at Madison Square Garden (MSG), according to Modi's own tweet, "Was overwhelming. It was very special to interact with members of the diaspora." Prime Minister Modi was the star of a glitzy show for the Indian-American community at a venue better known for hosting rock stars and world heavyweight boxing champs. To an embarrassingly adulatory audience, he offered substantive commitments; visas on arrival for US citizens by 2015 and lifetime visas for Indian-Americans. By all accounts, Modi's MSG appearance was a resounding success. No other Indian Prime Minister has connected so well with the Indian-Americans, or satisfied their yearning for recognition of the motherland as Modi seemed to have.

As far as the US business community was concerned, Modi started on a reassuring note by engaging directly with business leaders. Rather than paint rosy pictures, he focused on what he and his government needed to do in order to attract higher levels of investment. The sense of mutual disenchantment, accompanied by a decline in Indo-US business relationship, had begun in 2010 when Parliament passed a nuclear liability law whose daunting provisions essentially frightened off the US nuclear power industry. This had negated the positive impact of the landmark 2005 agreement on civilian nuclear cooperation, so painstakingly negotiated by the Manmohan Singh-Bush regimes.

Modi's promise of simplified procedures, rapid decision-making, implementation of the goods and services tax by 2016 and the tantalising potential of India's huge market should infuse the necessary vigour into this wilting relationship.

#### The Strategic Underpinning

Even before he came to office, Modi had marked India and the US as 'natural allies' stating; "It is in the interest of both the nations to develop further on our relationship." President Obama in turn had

outlined the task ahead for both leaderships to work together "to fulfil the extraordinary promise of the US-India strategic partnership."

Modi and Obama seemed to have engaged each other closely in their Oval Office meeting on September 27, and also developed a close personal rapport. The two leaders were said to have expressed concern about rising tensions over territorial and maritime disputes, and affirmed the importance of ensuring freedom of navigation and overflight throughout the Indo-Pacific region. The White House spokesperson commented that the talks were 'extraordinarily successful' and provided a boost to 're-energise the relationship'. The State Department echoed the sentiment, saying, that the talks had 're-launched' the Indo-US relationship.

Building on this agenda, India's National Security Advisor Ajit Doval and his US counterpart Susan Rice discussed regional developments, including stability in Afghanistan and cyber as well as maritime security. Issues relating to defence cooperation and arms purchases (encompassing technology transfers and joint production), intelligence-sharing, cooperation on anti-terrorism and strategic consultations were also addressed at various levels.

As always in such matters, the "devil is in the detail" and a true assessment of Modi's US visit would emerge only in hindsight; a few months down the line. Till then, both sides can ponder over words of the Modi-Obama joint editorial which said, "The true potential of our relationship has yet to be fully realised. The advent of a new government in India is a natural opportunity to broaden and deepen our relationship. With a reinvigorated level of ambition and greater confidence, we can go beyond modest and conventional goals."

#### Postscript

The term 'strategic' has unfortunately come to be grossly overused in New Delhi's politico-diplomatic discourse. India has established 'strategic partnerships' with at least 20 countries (including China), and officials in the Ministry of External Affairs as well as the Ministry of Defence are often hard put to explain the significance or relative importance of these relationships and their bearing on India's posture of 'strategic autonomy.'

In the fuzzy environment that prevails right across South Block, it is vital for decision-makers to continuously remind themselves of British statesman, Lord Palmerston's words: "Britain has no eternal allies and no perpetual enemies, only interests that are perpetual and eternal." India's new Prime Minister particularly cannot afford to have less than complete clarity, as far as India's vital interests are concerned.

As India ponders over the form and content of cooperation it should seek with the US, Modi cannot overlook China's resolute quest for regional domination and its determination to keep India confined to a 'South Asian box' by means of the Sino-Pak nuclear and military nexus. Equally obvious is the fact that India currently has few cards to play – economic, diplomatic or military vis-à-vis an increasingly belligerent China; strategic autonomy is an unlikely trump.

Harking back 43 years, to the heyday of the non-aligned movement, let us recall the signing of the 1971 signing of the Treaty of Peace and Friendship with the USSR. Let us also recall that as the unholy Nixon-Kissinger duo urged Mao Tse-tung to intervene militarily in the Bangladesh War the US Navy sailed Task Force 74 into the Bay of Bengal – both to relieve pressure on Pakistan President Yahya Khan's doomed Eastern army.

In mid-December 1971, the Soviet Ambassador in Delhi dismissed the possibility of external intervention by emphasising that the Soviet Fleet was also in the Indian Ocean and would checkmate the US Navy; and if China moved into Ladakh, USSR was ready to respond militarily in Sinkiang. Not a leaf stirred on the Sino-Indian border and Pakistan surrendered in Dhaka.

India's national interests remain eternal but surely allies can change. 🔤

The writer is a former Chief of the Naval Staff.





## Prime Minister Modi in USA

[ By General V.P. Malik (Retd) ]

ever before have there been such media hype, and millions' expectations and hopes, when an Indian Prime Minister has visited the United States. Let me note the major takeaways from Prime Minister Narendra Modi's roller-coaster visit before going into the substantive issues that were discussed in Washington DC.

The first and foremost is the Modi persona. To the global leaders watching him, he came across as a confident, self-assured political statesman, steeped in the Indian values, who had

a vision of India, its region, and the world at large: someone who would need to be watched in future. To the young, he was a rock-star; friendly, energetic and down to earth, who showed no signs of a generation gap. To most Americans, he came across as a charismatic leader and to some as an enigma. How could he speak to and connect so well with his audience? Can he deliver what he promised so emphatically?

Modi's most captivating image was on the rotating platform in the middle of the Madison Square Garden. His extempore speech in Hindi, in which he is incomparable, was lapped up by the Indian diaspora, which is amongst the wealthiest, best educated and influential in the United States. His audience wore 'I love my India' on the sleeve and cheered every sentence that he spoke.

Modi, deprived of a US visa for 10 years, told the rapturous crowd that 'Persons of Indian Origin' Card Holders would get life-long visas. Non-resident Indians, staying for long in India, would not have to visit the police station for reporting/registration. By the time the Madison Square Garden spectacle ended, he had become an icon; someone who would enable them to remember and talk about their ethnic roots with pride. With his walk and talk, and dazzling performance, perhaps the Bollywood expression 'Modi *chha gaya*' would not be out of place.

The second is of a new image of India. Modi's most consistent message was that he was leading a different India—young and vibrant; full of promise and opportunities. As he said in good humour, India was no longer a snake charmers' country but one that makes the world go round with a (computer) 'mouse'. Although the Indian bureaucratic red tape is yet to be cut open, its energy was back. India under his government looked forward to working in step with the rest of the progressive world.

And third, perhaps the most important, is of being able to organise and mobilise a strong pro-India lobby in the United States. The strength and feelings of the Indian-American community—for a change it was less provincial or linguistic but more national—was evident. The Indian-American lobby along with more than 40 US lawmakers present in the Madison Square Garden can be expected to evolve into something like the Jewish lobby to influence India related policies in the US.

As Modi Government in India has been in existence only for four months, most analysts did not expect any breakthroughs in the tangled issues of India-US relations. While a large number of specific issues such as the impasse at the WTO, civil nuclear cooperation,



climate change, high technology and space cooperation, energy security, health and so on were touched upon during official discussions, and papered over, the major takeaways were on counter terrorism and business.

Both the US and India agreed to collaborate on dismantling the safe havens and disrupting the financial networks of Pakistani terror outfits. They also agreed to prevent counterfeit currency, limit the use of cyberspace by terrorists and identify modalities to exchange terrorist watch lists. India was not to join any coalition or air strikes against ISIS terrorists in West Asia but would take all steps to

prevent radicalised people from joining terror activities in that region.

China found mention in the joint statement for its ambitions in South China Sea and rising maritime tensions. The US-India Framework for Defence Relationship of 2005, which had vast scope but has not been exploited adequately till date, was extended by another 10 years. Further commitments were made to enhance exchanges of civilian and military intelligence, and consultation and cooperation in maritime security.

As expected, Modi's major pitch, besides breaking ice with US leadership, its administration and its people, was to roll out a red carpet to the American corporate leaders for doing business in India. He was candid and aggressive. He told them, "I am business minded. No businessman is a donor. A businessman has to make profits. He must get a return for his investment and I am in favour of that. You will earn and my people get employment.....Make haste before the queue to invest in India gets too long." He promised to simplify Indian laws, rules and regulations that impacted businesses adversely. His emphasis was on the defence manufacturing sector. By the time he ended his engagement with the US-India Business Council, 20 per cent of Council had identified upwards of \$41 billion for investment from members over the next two to three years.

The Prime Minister made it clear that while he was serious about removing roadblocks in the civil nuclear energy cooperation, the US should address India's concerns over food security at the WTO and that access of the Indian service companies into the US economy should be made easier. He also sought, and was promised; help to develop Allahabad, Ajmer and Visakhapatnam as smart cities.

Modi's visit, so soon after taking over as Prime Minister, has reopened the India-US relations door that was tending to frustrate and close in the UPA-II tenure. There is renewed enthusiasm over the vast agenda now. Typically, he has raised expectations of his audience in the US and in India to a high level. However, its success will depend upon (a) bureaucracies in both countries not remaining prisoners of the past (b) greater Indo-US consultation in working on the right strategies in both capitals (c) India's domestic transformation agenda which the Prime Minister has promised, and (d) forging a domestic consensus over important strategic issues which is a big problem in the existing political polarisation.

The writer is a former Chief of the Army Staff

## Prime Minister's straight talk in America



President Barack Obama welcomes Prime Minister Narendra Modi

#### [ By Lt General P.C. Katoch (Retd) ]

rime Minister Narendra Modi's visit to the United Nations and the United States apparently is the best any Indian Prime Minister has had, hallmarks being some plain talking and revival of the Indo-US strategic partnership. Critics have been hollering about lack of a strategic agenda though obviously all matters discussed between Prime Minister Narendra Modi and President Barack Obama would obviously not come to light.

The fact that the National Security Advisor (NSA) did not return with the Prime Minister and has stayed back in the US for necessary follow-up is indicative of this. Pakistan Prime Minister Nawaz Sharif's renewed effort to internationalise the Kashmir issue earned a sharp rebuke from Prime Minister Narendra Modi, who told the UN General Assembly (UNGA) that it was a pointless exercise when there were so many more pressing issues facing the region and the world, plus telling Nawaz Sharif "Raising it [Kashmir issue] at UN won't resolve bilateral issues." At the same time he stated he was prepared to engage in a serious bilateral dialogue with Pakistan in a peaceful atmosphere, without the shadow of terrorism, to promote friendship and cooperation.

Modi's address to UNGA covered a number of subjects such as terrorism, including its resurgence in West Asia, reforms of the United Nations, including the UNSC, and the need for a more inclusive global development. With respect to India's neighbourhood, he emphasised that India desired a peaceful and stable environment for its development, saying "A nation's destiny is linked to its neighbourhood. That is why my government has placed the highest priority on advancing friendship and cooperation with her neighbours." Describing the present as "a time of great flux and change" he drew attention to the fact that the world was witnessing tensions and turmoil on a scale rarely seen in recent history and despite no major wars absence of real peace and uncertainty about the future. He welcomed efforts to combat terrorism's resurgence in West Asia which was affecting countries near and far and exhorted UN should ensure peace, stability and order in the outer space and cyber space, ensuring all countries observe international rules and norms.

He talked of concerns about maritime safety in Asia-Pacific, threat of Europe facing new division, terrorism and health crisis in West and South Asia and Africa, and proposed an International Yoga Day. With respect to reforms of the UNSC, making a strong pitch for India to be part of UNSC, Modi said, "Institutions that reflect the imperatives of





the 20th century won't be effective in the 21st. It would face the risk of irrelevance and we will face the risk of continuing turbulence with no one capable of addressing it." Significantly, he also stated that there can't be any 'good' or 'bad' terrorists; indirect reference to the US policy.

Prior to Modi's departure for the US, scholars at home and abroad were busy penning down what should be his agenda, recommending: fast changing dynamic of Asia and Indo-Pacific having turned India into a 'swing state' in the global power game with both Chinese President Xi Jimping and Obama wooing Modi, India should derive maximum mileage from the situation since to dominate the Asian stage both China and US need Indian support; important that both

#### The major irritant in Indo-US relationship has always been America's intransigence to Pakistan's generation of terrorism against India or at best cosmetic actions

India and US have an honest conversation about the kind of relationship they seek; explore possibility of US partnering development of India's next-generation aircraft carrier, sell India unconventional oil and gas, permit US companies to use Indian space launch services, accelerate US efforts to integrate India into the multilateral non-proliferation regimes, deepen meaningful cyber-defence cooperation with India, follow-up on projects subsumed by the India-US Defence Trade and Technology Initiative (DTTI), overcoming impasse over the nuclear liability law and salvaging the Doha round of global trade talks or advancing the common quest for mitigating climate change etc; rejuvenate the concept of Indo-US partnership setting aims of both sides in a national as well as international context and how to what degree they can cooperate.

While Modi made a commanding bond with Indian-Americans and announced immediate concessions for them, his op-ed in the Washington Post highlighted: high tide of hope for change in Indiaa young nation with 800 million people under age 35, India is brimming with optimism and confidence; unleashing those attributes will be pursued by eliminating unnecessary laws and regulations, making bureaucratic processes easier and shorter, and ensuring transparency, responsiveness and accountability of government; create world-class infrastructure that India badly needs to accelerate growth and meet people's basic needs; make cities and towns habitable, sustainable and smart; make villages engines of economic transformation; "Make in India" is our commitment-and an invitation to all-to turn India into a new global manufacturing hub; inclusive development includes skills education, opportunity, safety, dignity and rights for all especially women, bank account for every Indian, affordable health care within everyone's reach, sanitation for all by 2019, house for all by 2022; electricity for every household and connectivity to every village; fusion of technology and innovation to transform governance, empower people, provide affordable solutions for societal challenges and reach people in unimaginable ways; India will pursue its dreams in partnership with our international friends; US is our natural global partner. India and the US embody the enduring and universal relevance of their shared values, and India and the US have a fundamental stake in each other's success for the sake of our values and our many shared interests.

Then was the joint Modi-Obama op-ed in *Washington Post* a prelude to official discussion between Modi and Obama, something never done earlier, highlights of which are: commitment to democracy, liberty, diversity, enterprise; bound by common values and mutual interests, natural and unique partnership can help shape international security and peace for years to come; ties rooted in the shared desire for justice and equality—Swami Vivekananda presented Hinduism as a world religion at the 1893 World's Parliament of Religions in Chicago, Martin Luther King Jr. sought to end discrimi-

nation and prejudice against African Americans inspired by Mahatma Gandhi's nonviolent teachings while

Gandhi drew upon the writings of Henry David Thoreau; food production increases of the Green Revolution and the Indian Institutes of Technology are among many products of collaboration; bilateral collaboration spans federal, state, local levels, military, private sectors and civil society; space programmes engage in unprecedented areas of cooperation, leading us from Earth to Mars; true potential of our relationship has yet to be fully realised—time to set a new agenda that realizes concrete benefits for citizens.

The Vision Statement for the US-India Strategic Partnership "Chalein Saath Saath: Forward We Go" was the crowning feat of Modi's visit, major points of which are: currents of kinship and commerce, scholarship and science tie our countries together allowing to rise above differences by maintaining long-term perspective; cooperation fortifies a relationship that matches innumerable ties between peoples producing works of art and music, cutting-edge technology and response to crisis; partnership joint endeavour for prosperity and peace; together, we will combat terrorist threats, respond expeditiously to humanitarian disasters and crises, prevent spread of WMDs and remain committed to reduce salience of nuclear weapons while promoting universal, verifiable, and non-discriminatory nuclear disarmament; support open and inclusive rules-based global order, in which India assumes greater multilateral responsibility, including in a reformed UNSC; join together to mitigate impact of climate change; partner to ensure both countries have affordable, clean, reliable, and diverse sources of energy, including efforts to bring American-origin nuclear power technologies to India; ensure economic growth in both countries to better livelihoods and welfare for all including value education and skills; joint research and collaboration in every aspect-ranging from particles of creation to outer space, producing boundless innovation and high technology collaboration; open markets, fair and transparent practices in trade in goods and services; collaboration in tackling infectious diseases, eliminate maternal and child deaths, eradicate poverty and empowerment of women in a secure environment; expand and deepen strategic partnership in order to harness the inherent potential of two democracies and burgeoning ties between our people, economies, and businesses, seeking reliable and enduring friendship that bolsters security and stability, contributing to global economy, and advancing peace and prosperity throughout the world, and; that this transformative relationship as trusted partners in the 21st century will be a model for the rest of the world.

On balance, it may be surmised that Prime Minister Modi's speech at UNGA conveyed the message from India holistically in forthright manner. The Modi-Obama and other meetings in the US have been fruitful and touched the cords at personal levels as well. The Indo-US strategic partnership has been re-energised but that for the time being is only at the 'theoretical' level. It is the follow-up what matters. The major irritant in Indo-US relationship has always been America's intransigence to Pakistan's generation of terrorism against India or at best cosmetic actions. In addition has been the massive arming of Pakistan including F-16s on pretext of CT. Is that going to change? US also has past record of giving India dated defence technologies besides putting sanctions on various pretexts. In the latter context, it would be prudent for India to remain well diversified in matters of defence imports. Ultimately only time will tell in what manner the 're-energised' Indo-US Strategic Partnership will play out.

## Modi visit to US – boost to defence cooperation



Prime Minister Narendra Modi meeting with President Barack Obama at the White House in Washington DC

#### [ By Ranjeet Kumar ]

ew significant consensus seems to have emerged between India and the US during the September-end visit of Prime Minister Narendra Modi to the United States on issues relating to regional and international security, which perhaps will give a strong push to India-US defence relations and trade. With India acknowledging the US Rebalance to Asia policy and US side noting India's newly drafted and upgraded Act East Policy, it was natural for a superpower of the world and an emerging economic and military power to align and harmonise their strategic priorities.

Probably with China as a big elephant in the Oval room of the White House, Prime Minister Modi and President Barack Obama reaffirmed their shared interests in preserving regional peace and stability, which are critical to Asia-Pacific region's continued prosperity. Since both the nations have common security concerns and threat perceptions in the Asia-Pacific region Obama and Modi expressed their concern about rising tensions over maritime territorial disputes and both reaffirmed the importance of safeguarding maritime security and ensuring freedom of navigation and over flight throughout the region, especially in the South China Sea.

Since India and the United States use this maritime trade route which forms major portion of their international trade, especially India's with 55 per cent of trade passing through this region, it was natural for the two powers to challenge indirectly China's threat of use of force. This is relevant, especially when China advised an euphemism for warning, India to consult Chinese authorities before venturing into Vietnamese maritime area for gas exploration activities, claimed by China as disputed South China Sea waters. Hence it was significant for India and US to jointly call on all parties (read China) to avoid or threat or use of force in advancing their claims, the two leaders urged the concerned parties through a Joint Statement to pursue resolution of their territorial and maritime disputes through all peaceful means in accordance with universally recognised principles of international law, including the United Nations Convention on the Law of the Sea.



duction, which will change

or strategic."

This congruence of strategic interests in the South and East China Sea forced the two leaders to say that freedom of navigation and overflight throughout the region must be ensured, especially in the South China Sea. It would not have gone unnoticed in Chinese strategic circles, whose President Xi Jinping had made a visit to India only 12 days ago. The shared strategic interests will definitely promote more and deeper defence partnerships between the two nations. According to US officials, US considers defence cooperation as one of the pillars of US-India partnership, hence the two sides decided to renew for ten years the 2005 framework for the US India defence relationship and directed their defence teams to develop plans for more ambitious programmes and activities.

**India-US defence and** security cooperation is assuming new dimensions for promoting mutual strategic and economic securitu. which will encourage deeper defence industry partnership.



the face of US-India defence relations from supplier-buyer to co-developer and co-producer. After all, India would be acquiring weapon systems worth over \$100 billion in the next one decade and it makes sense to invite the armament giants to come and Make in India, according to the vision of Prime Minister Modi.

To accomplish these goals the two countries have set up a task force under the leadership of the US Under Secretary of Defense for Acquisition, Technology and Logistics Frank Kendall and the Indian Secretary for Defence Production G. Mohan Kumar. This will decide

on unique co-production and co-development projects and technologies as part of the Defence Trade and Technology Initiative (DTTI). Since the two countries have agreed on a broader commitment to advance regional maritime security, the two governments are also evaluating possible new areas of technology cooperation.

To give a solid foundation and shape to the ambitious agenda of mutual defence and security cooperation both the governments have scheduled a Defence Policy Group meeting in late October in Washington DC and will also be organising next round of bilateral politico-military dialogue in early December in New Delhi. The decision to reinvigorate the Political Military dialogue is significant in view of evolving contours of defence and security cooperation. This will be expanded to a wider dialogue on export licensing, defence cooperation and strategic cooperation.

To further reinforce contacts and dialogue between defence academic community the two countries have agreed to build a relationship between soon to be set up Indian National Defence University (INDU) and the US National Defence University that will reflect knowledge partnership in the field of defence studies.

At the ground level, the two governments have also decided to promote interactions and exchanges between the three armed forces separately. Said an US official, "Joint exercises are the cornerstone of the US-India defence relationships." It simply was not a co-incidence that while the two top Heads of States were indulging in intense discussions to promote security cooperation in White House, the armed forces of the two countries were simultaneously engaged in joint exercises in Chaubatia region of Uttarakhand State, with an aim to learn from each other's experiences and promote interoperability. When the September 30 Obama-Modi meeting were underway in White House the two armies were concluding the 10th annual Yudh Abhyas Exercise, which is managed by the US Pacific Command and the Indian Army. The exercise was focused on peacekeeping and disaster relief. It is worth noting that for six decades India has been one of the top contributors to global peacekeeping missions, while the US is the largest financial contributor of the UN Peacekeeping. Significantly US and India have also decided to upgrade the ongoing bilateral Malabar naval exercises, in which this year Japanese warships also took part. This is in keeping with the decision to soon call the next round of India-Japan and US trilateral dialogue, which also dwell on the ways to deal with the new maritime challenge which has been thrown by China in the East and South China Sea. Thus India-US defence and security cooperation is gradually assuming new dimensions for promoting mutual strategic and economic security, which will encourage deeper defence industry partnership. 💵

According to an US Embassy official in New

Delhi, the two leaders have pledged closer engagement between their security establishments to meet the evolving security challenges of the 21st century. The official informed that since 2008 the two countries have signed defence contracts worth over \$10 billion as both governments are committed to reducing impediments and pursuing co-production and co-development opportunities. The official further boasted, "US-sourced defence articles have greatly enhanced the capabilities of the Indian military as demonstrated by the use of C-130J and C-17 transport aircraft to aid flood relief, support peacekeeping operations, and facilitate the evacuation of Indian citizens from Iraq." The Government of India has already cleared a few major deals worth few billion dollars like 22 Apache attack helicopters and 16 Chinook heavy-lift helicopters, besides the deal to co-develop and co-produce the Javelin anti-tank missiles in India.

The deepening defence and security relationships have enthused the business community as well who also see an opportunity in growing interest of US defence industry in entering the manufacturing sector in India. According to the President of FICCI Sidhartha Birla, "The positivity that has been generated through the visit of Prime Minister Modi to the United States will reset the relationship between India and US in all realms be it economic, political

#### **Key points for** Indo-US defence cooperation

- Ten years defence cooperation programme extended by another decade from 2015
- A task force under the leadership of the US **Under Secretary for Acquisition Frank Kendall** and Indian Secretary for Defence Production G. Mohan Kumar set up to decide on co-development and co-production projects
- Defence policy Group meeting scheduled in late October 2014
- Next round of politico-military dialogue will be held in early December
- Decision to upgrade the Malabar naval exercises

## Make in India: Non-starter in defence?



Prime Minister Narendra Modi releasing the brochure at the inauguration of the "Make in India" in New Delhi on September 25, 2014

#### [ By Lt General P.C. Katoch (Retd) ]

rime Minister Narendra Modi's call to US companies to participate in the Indian defence sector has generated plenty of euphoria. This is not very different from the Prime Minister signaling another boost to indigenisation prior to embarking on his trip to Japan; earlier decision to manufacture medium level military transport aircraft in India reinforced by decision of manufacturing light utility helicopters also in India instead of importing them.

But the proof of the pudding lies in its tasting. Take the call for investments in non-defence sector. Retail and all are fine but what else? Drive from Sonepat to Ambala along the national highway and experience the dozen plus half-built flyovers lying in state of utter neglect for past three years causing extreme hardship to public forced to take diversions and no one, least of all the National Highways Authority of India (NHAI) in particular is accountable. Then you have politicians in states like in West Bengal destroying the Tata infrastructure to manufacture Nano cars in the state and having won the election through such criminal acts, asking for industrialists to set up industry in the same state. Conversely, in China if any foreign direct investment (FDI) project is cleared by the Chinese Government there is no scope for hurdles any more. Have we created the same set up in India? And, this has little to do with different political parties ruling at the Centre and state, example being the dozen plus defunct and half completed flyovers between Sonepat and Ambala with Congress ruling at both the Centre and state. So, taking a cue from China, unless we can comprehensively streamline our system and change our labour laws, even development in non-defence sector would be erratic.

But let us get back to the defence sector. With reference to our defence equipment, the Ministry of Commerce and Industry states:

- Defence equipment currently held by us is 50 per cent obsolete.
- Proportion of state-of-the-art equipment also needs to grow from its current level of 15 per cent to 30 per cent.
- Current cycle, including acquisitions drafted under the longterm integrated perspective plan (LTIPP), is expected to include procurements worth \$100 billion by 2022. So the picture is not very rosy.



• As per a survey undertaken by the Confederation of Indian Industry (CII) Defence Division conducted by KPMG, approximately 62 per cent of the companies believe that the Indian market is an attractive proposition for foreign defence companies owing to India's large procurement plans.

Above is hardly surprising though the overall picture is hardly rosy. In fact, the surprise should be why only 62 per cent and not more number of companies want to invest in the defence sector in India? However, this notwithstanding the point to note is that these 62 per cent companies are interested on the basis of India's 'large procureIf foreign investors are not attracted to invest in India and share defence technology, we will continue to take recourse to import whole weapon sustems

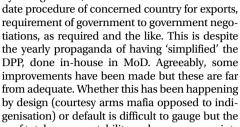
ment plans'. We have a glut in technology including critical voids, for which FDI and joint ventures (JVs) are must. Our media headlined reports last year when the US offered us technologies in 10 odd fields. Logically, one cannot accept state-of-the-art technologies from any country including the US but then possibilities fluctuate with the rapidly changing geopolitical scene. Heading the US side during the launch of the India-US Defence Technology and Trade Initiative (DTTI) at New Delhi in September 2013, the US Deputy Secretary of Defense Ashton B. Carter (now replaced by Frank Kendall) had said that US technology and exports control areas were being looked at so that India has the same status as the 'closest allies' of US, for the US system to operate on a timescale consistent with the needs for the Indian side to make decisions, aim being to take the Indo-US defence relationship to the next level and help India raise the indigenisation of its defence systems. We also have strategic partnership with many other countries as well. The bottom line is that even in the event we do not get the top-of-the-line technology, we still can get the next best. Therefore a joint venture with transfer of technology (ToT) is the route to indigenisation. Of course, countries like China and her two nuclear talons (Pakistan and North Korea) excel in reverse engineering and exploit dual-use technology in order to leapfrog technology without inhibitions of intellectual property rights and global norms.

Why in the present context 'Make in India' in the defence sector, despite all the hoopla, is non-starter because we have:

- Not yet facilitated the right level of FDI.
- Not streamlined the Defence Procurement Procedure (DPP) for it to absorb foreign technology.

The defence sector is not lucrative enough for foreign companies. For starters, while raising FDI in defence from 26 per cent to 49 per cent, did we examine why with 26 per cent FDI in defence in the last 14 years, we could attract just less than \$5 million FDI (just 4.34 per cent). A day after 49 per cent hike in FDI was announced, Ulrich Grillo, President, Federation of German Industries having met the Defence Minister, told reporters that German industries would not like to invest in India since with 49 per cent FDI they would not have control over selling the products. Will global military aircraft manufacturing firms go for JVs in India with only 49 per cent FDI? A quick survey should tell us they will not. It is not without reason that the Department of Industrial Policy and Promotion (DIPP) of the Ministry of Commerce and Industry has been recommending 74 per cent FDI in case of ToT in cutting-edge and 100 per cent FDI in case of state-of-the-art technology. After all these recommendations must have been made with due deliberations and need to be taken seriously considering the Ministry of Commerce and Industry would logically have much more expertise in the issue compared to the Ministry of Defence (MoD), and more significantly being outside the influence of the arms mafia that works against the vital need of indigenisation.

The second major hurdle is the DPP which in its present shape is not attractive enough for private industry and more importantly not conducive enough to facilitate and absorb foreign technology because it has ignored time required by foreign firms, accommo-



definitive atmosphere of total unaccountability and unconcern points to the former. FDI and DPP are inter-related. Raising limit of FDI to only 49 per cent and without a DPP to facilitate absorption of foreign technology will enforce status quo in terms of arms export. Issue of recent regulations relaxing requirement of licence to produce a large number of components and sub-systems required in fighting equipment other than heavier battlefield management systems (BMS) like tanks, armoured vehicle, aircraft and warships, and relaxing control on the dual-use items with both defence and civilian applications are welcome steps. There is encouragement in R&D too, example being that for developing prototypes for a BMS for the Army, government will foot 80 per cent of the costs. However, the bottom line is that Indian firms do need foreign investments and foreign technology, which will not come till we address the FDI and DPP.

With the poor state of our defence-industrial complex, the need of the hour is to make it unambiguously lucrative for investors. There is no denying the fact that Indian firms need FDI and foreign technology. Foreign firms would indeed want to go for JVs with Indian companies but for this we need to:

- Seriously look at DIPP recommendations of 100 per cent FDI in case of foreign partner willing to make available state-of-the-art technology and 74 per cent in case of the ToT that is not cutting edge.
- Instead of making some more cosmetic changes to the DPP, it would be prudent to review the DPP by an independent body (preferably non-government aided think tank) integrating representatives from military (users), MoD, DRDO, DPSUs, OF, private industry (both Indian and foreign) in 30 to 45 days.
- Inject professional military expertise at all levels in MoD and similarly at all levels of control and management in DRDO-DPSUs-OF, being the users.

It is significant to note that in 1995, a Review Committee headed by Dr A.P.J. Abdul Kalam had set the goal of 70 per cent self-reliance in defence sector by 2005 but today in 2014 (19 years later) we are still just about 30 per cent self-reliant. As importantly, achieving self-sufficiency cannot be looked at by merely opening up to private sector while ignoring the dire need to restructure the MoD and the DRDO-DPSUs-OF etc. Defence Production (MoD) Joint Secretaries and Secretaries of MoD being on the Boards of all PSUs has not helped. To add to this are the startling facts in the Comptroller and Auditor General (CAG) reports of recent years indicating heavy corruption in DRDO; crores of rupees gone down the drain and years lost. Now that the 70 per cent self-sufficiency target has been pushed to year 2020, indigenous defence industry in conjunction foreign companies has to play a major role, as would the FDI since the total estimated products required would be to the tune of \$80-\$100 billion, since by the end of the Fourteenth Five Year Plan, the cumulative capital expenditures over 2012-27 are projected to exceed \$235 billion. If foreign investors are not attracted to invest in India and share defence technology, we will continue to take recourse to import whole weapon systems.

## FDI at 49 per cent – a boon or bane?

The government will have to find ways to achieve a balance between the need to inspire foreign investment and the concerns of national security

#### [ By Air Marshal B.K. Pandey (Retd) ]

n 2001, as part of its effort to unshackle the Indian economy, the government opened doors to foreign direct investment (FDI) into the Indian defence industry. Since then, the limit of FDI in this sector permitted had been pegged at 26 per cent and any proposal beyond this figure would have to be considered on case-by-case basis and finally approved by the Cabinet Committee on Security, a procedure of formidable complexity that proved to be a deterrent to potential investors. This decision of the government was in conformity with the Indian Companies Act, 1956. However, as the investment was limited to just 26 per cent and the policy was bereft of any incentive for the investor, it failed to inspire any significant inflow of investment or state-of-the-art technology that was anticipated. The level of enthusiasm displayed by foreign companies for FDI into the Indian defence industry is abundantly clear from the data of the last 14 years. During this period, the total quantum of funds received as FDI under this head by the Indian defence industry was a paltry \$4.94 million!

#### **Re-evaluation of Policy on FDI**

The almost complete lack of enthusiasm on the part of foreign investors about the Indian defence industry compelled the government to re-evaluate the policy on the subject. The Ministry of Finance (MoF), in its economic survey report for the period 2008-09, strongly recommended that it was time to abandon the existing cap at 26 per cent on FDI into the Indian defence industry and that it be raised ideally to 74 per cent; in any case not less than 49 per cent. The report further stated that on a case-by-case basis in strategic and high technology segments, FDI could be raised to 100 per cent to eliminate dependence on imports. The report stressed the need to encourage reputed global aerospace and defence majors to establish manufacturing and systems integration facilities in the country.

As a consequence of this review, in July 2010, the then Minister of Defence A.K. Antony informed the Lok Sabha that the Ministry of Defence had in fact been tasked to redraft the policy on FDI keeping in view the recommendation of the MoF to raise the cap on FDI in the Indian defence industry to 74 per cent. The debate over this issue in the industry that was intense and was finally settled in June this year by the Confederation of Indian Industry (CII) that recommended that FDI above 49 per cent be allowed by the government only on case-by-case basis and that too when transfer of technology was involved. The CII had earlier proposed FDI at 51 per cent and stated that 100 per cent FDI ought to be permitted in cases where the finished products are to be exported and are not diverted for internal consumption.

#### **Revised Policy on FDI Approved**

Finally on August 6, 2014, the government cleared the proposal to raise the cap on FDI in the Indian defence industry from 26 to 49 per cent. However, the requirement for all proposals to have prior approval by the Foreign Investment Promotion Board has been stipulated as a prerequisite. This policy change is also expected to be in sync with the thrust of the NDA Government to make India a global manufacturing hub. This is being projected as a philosophy of 'Make in India' proposed by Prime Minister Modi. The Indian defence industry has immense scope for foreign investors as for the last six decades the nation has been procuring over 70 per cent of its requirement of military hardware from abroad. The effort towards the development of indigenous manufacturing capability has unfortunately been pitifully low.

#### **Response from Potential Investors**

As per initial responses, the decision to raise the cap on FDI to 49 per cent has been welcomed by the Indian defence industry with the general belief that it will boost sentiment. Logically, higher FDI ought to benefit the industry in the areas of design, development and state-ofthe-art manufacturing as well as build up a robust indigenous capability to have positive impact on the nation's military capability.

However, the general view that is emerging is that it might not lead to significant increase in investments from abroad. As per the US-India Business Council, "The decision to increase FDI in the Indian defence sector to 49 per cent is only an 'incremental' step and is unlikely to bring the much needed funds in this key area". As the cap on FDI has been fixed at 49 per cent, in effect, there is no qualitative change in the new policy. So long as the FDI limit is kept at below 51 per cent, the new policy would continue to suffer the same limitations that afflicted the system when the FDI was limited to 26 per cent. While the imperatives of national security have been advanced as the justification for not transgressing the 50 per cent barrier, the perspective of the potential global investors must also be taken into account.

With FDI in the Indian defence industry limited to 49 per cent, the foreign investor will still have no management control of the joint venture companies as it will continue to remain with the Indian partner. Perhaps the only advantage that the foreign investor will have is that with FDI at 49 per cent, he will be able to repatriate a larger share of revenue generated by the joint venture company. But a major disincentive for foreign investors of FDI cap at 49 per cent will be the issue of transfer of technology especially of the high-end variety. The Indian aerospace industry has generally been engaged in licensed production and has failed to develop any meaningful capability in this regime. Thus to be able to leapfrog into a bright technological future, transfer of high-end technology into the Indian defence industry will be an inescapable requirement. The government will have to find ways to achieve a balance between the need to inspire foreign investment and the concerns of national security. In a system that is in the grip of debilitating bureaucratic control, this may not be an easy task. Hopefully, as and when the NDA Government and especially Prime Minister Modi finds time to focus on issues related to the Indian defence industry, the situation may change for the better.

Global aerospace and defence majors have developed highend technologies devoting years of effort and at enormous costs. It would therefore be unreasonable to expect them to transfer futuristic technologies to India over which they have no control so long as the limit of FDI is below 51 per cent.

Unless this issue is addressed with objectivity with focus on core interests of all stakeholders, development of true indigenous capability will remain a mirage!





## Border obduracy -China's loss?

#### [ By Lt General P.C. Katoch (Retd) ]

ndia calling off the press meet between India and China in the face of continuing Chinese intrusions in Demchok and Chumar was expected though China may not have expected it considering the weak-kneed policy of the erstwhile Indian Government. On July 14, 2014, in his meeting with Prime Minister Narendra Modi in Brazil, President Xi Jinping had said that as the two biggest developing countries and emerging markets, both China and India are in a great historical process of realising national rejuvenation; thus, what the two countries value most is peace and development, and the ideals and goals of the two countries are linked closely. Later Xi went on record to say, "When India and China speak in one voice, the world will pay attention.... The combination of the world's factory and the world's back office will produce the most competitive production base."

But then came a sudden damper to Xi Jinping's visit; some 300 socalled Chinese nomads transported by the People's Liberation Army (PLA) trucks intruding and pitching tents across the line of actual control (LAC) in the Depsang Plains a day prior to Xi's arrival in India, and reportedly some 1,000 soldiers of a Chinese Border Regiment (Border Divisions of China are directly under command the PLA) intruding about six km inside the Indian territory in area of Chumar. Not that it is something new. That this is part of the archaic the Communist Party of China (CPC) standing operating procedure during/close to highlevel visits is well known: Chinese troops intruded six km into India in February 1997 following President Jiang Zemin's visit to India preceding December; Chinese intrusion in Arunachal in June 2003 during Prime Minister Atal Bihari Vajpayee's visit to PRC; Chinese intrusion in Arunachal in May 2005 in the aftermath of Prime Minister Wen Jibao's visit to India; just prior to President Hu Jintao's visit in November 2006, Sun Yuxi announced entire Arunachal is part of Chinese fiefdom and prolonged Chinese intrusion in Depsang Plains prior to and during Prime Minister Li Keqiang's visit to India in May 2013.

These intrusions have in the past too have been orchestrated by the CPC to show their claims in congruence with Mao's dream, as reiterated by Deng Xiaoping that Tibet is the palm of China while Ladakh, Sikkim, Bhutan, Nepal and NEFA (read Arunachal) are its fingers. Chinese companies have already invested \$396 million in India, while Chinese companies had executed infrastructure contracts in India worth \$24.7 billion till 2011, cumulative contractual value of these projects being \$53.46 billion as per the Confederation of Indian Industry (CII) estimates. Chinese companies have also been investing in the power sector. Indian markets are flooded with Chinese goods, imports of Chinese toys, gaming and sports alone amounting to \$36.7 million during 2013-14. It is no secret that China has been eyeing Indian markets in major way. Just before President Xi Jinping's visit, media talked of a \$100 billion investment package being brought by him, overshadowing Japan's \$35 billion investment.

However, in this particular instance, the Depsang-Chumar intrusions with Xi's visit can best be described in milder terms as idiotic because of the following: BDCA signed between India and China and promise not to disturb border peace; China's reiteration that border population should not be disturbed – why then 300 socalled Chinese nomads being transported in PLA trucks deep into Depsang Plains; relationship that Prime Minister Modi enjoyed with China; bonhomie shown by President Xi when he met Modi in Brazil, and no-nonsense Modi heading a majority government in India and his belief for partnership and peace with all for development and prosperity of all, boosting the Asian century.

Prime Minister Modi was explicit in saying that a "climate of mutual trust and confidence; respect for each other's sensitivities and concerns; and, peace and stability in our (India and China) relations and along our borders are essential for us to realise the enormous potential in our relations". Xi's planned \$100 billion investment in India over five years already appeared doomed from the beginning with Beijing's refusal to accept the 'one-India' policy while wanting continued Indian commitment to 'one-China' besides other obduracy like stapled visas for residents of Arunachal Pradesh.

So, in the bargain, what Xi achieved was just a \$20 billion investment in India over five years, far below contemporary Japan. Sure Xi's visit upgraded India-China relations that resulted in the following specifics: Chinese commitment to invest \$20 billion in infrastructure over next five years; invitation to China to invest in manufacturing sector; two Chinese industrial parks will be built in India; new road to Kailash Mansarovar via Nathu La; Mumbai and Shanghai to be twin cities, as also Ahmedabad and Guangzhou; commitment by China to address bilateral trade deficit; facilitation of visit of 10,000 pupils from both countries; Chinese agreement to hold friendly discussions to resolve border issues, and invitation to Prime Minister Modi to visit China next year. Modi had raised the issue of the Chinese incursions in Ladakh and said, "There should be peace in Indo-China relations at the borders. If this happens the two nations can realise true potential". Xi did say that "China and India are two key nations in the multi-polar world."

The two nations share similar developing goals. But to say that the atmosphere was marred by the Chinese intrusions, which continue even after Xi departed New Delhi for Beijing would be an understatement. It appears that China has missed a historical opportunity, perhaps arrogant on her economic and military might. She will take some cool reflection to understand that attempting to wrest Ladakh or Arunachal militarily from India will make her pay very dearly, the policy of inching forward and gobbling Indian territory also needs to be put aside. China has already usurped some 642 sq km of Indian territory in Ladakh over and above Aksai Chin and has established new posts in areas like Sirijap. It will be prudent to shelve the policy of muscle-flexing and go for politically resolving the border issue in peaceful manner "without disturbing status quo of the LAC" until a mutual solution is found.

What China fails to realise is that instead of muscle flexing, resolution of border will not only facilitate Chinese investment in India much beyond the \$100 billion that Xi had planned but more importantly it would give China immense strategic advantage through transportation, economic and energy corridors linking Indian ports along the Indian Ocean. The combination of Princelings and PLA clout in China's Politburo perhaps is the heady mixture that is defining the trajectory that China is taking. President Xi needs to reflect what is best for China that has been singing hymns of peace but not practising it.

#### AEROSPACE Report

## IAF – concerns and confidence



#### [ By Ranjeet Kumar ]

he depleting combat fleet of the Indian Air Force (IAF) and delay in planned acquisition of fighters and other flying machines have emerged as principal concerns but the IAF bosses do not seem to be overly worried as the Chief of Air Force expressed confidence in the seriousness and the sense of urgency being displayed by the new government

During his annual customary media conference on the occasion of the 82nd anniversary of the Indian Air Force Air Chief Marshal Arup Raha was very categorical in his assessments on the combat strength and future of the IAF, which he described as a main tactical force. "It has to be a main player in any conflict situation. It will play the role of a full-fledged strategic force. The capability we have in terms of reach and flexibility of strategic footprint is tremendous with C-17 or C-130 aircrafts, the integrated air command systems, large number of radars, UAVs, and of course various types of fourthgeneration aircrafts, which makes IAF as a force to reckon with. If there is any conflict IAF will play a lead role. Its capabilities in fact have deterred its adversaries to play any mischief with the country."

In response to questions, the Chief said, "All the acquisition are based on the long-term perspective plan which is approved by the government itself—a plan covering three plan period from 2012 to 2027. Various projects are in process of implementation. The issues raised by the media were the following and the Air Chief Marshal Arup Raha responded to them with a lot of confidence.

#### On fifth-generation fighter aircraft (FGFA)

FGFA is also a part of the long-term-perspective plan. Things have progressed reasonably well. An inter-governmental agreement was signed between Russia and India, which outlined how the project will fructify. We are equal partners in funding. In terms of work-share we are almost there, but there are some issues which are being addressed. Technologies are being harnessed for our FGFA. Those issues are being resolved now. I am sure the entire FGFA project will fructify, may not be in the time line that we had determined earlier.

#### **On upgrades**

As far as Jaguar is concerned it is part of the upgrade plan. We have a large number of fleet which are old, but their life can be extended, for useful operational exploitation. Mirage 2000, MiG-29 upgrade are all running concurrently, some of them are sticking to the time line. some of them have lagged behind, issues we are trying to resolve.

#### On medium multi-role combat aircraft (MMRCA)

This project is part of the long-term integrated perspective plan to prevent the drawdown of the legacy aircraft of the combat fleet like



#### AEROSPACE Report

the MiG-21. Procurement or acquisition of the MMRCA was planned to make up for the drawdown because of the obsolescence which is natural in the every air force. Two years ago after the due process this project was cleared and the L-1 was determined and then the CNC had been set up. There are four subcommittees, three of them have already completed their tasks and they have submitted their reports to the main contract negotiating committee and the last bit in terms of contract negotiation is in final stage. There are two agencies involved besides the Government of India-Dassault, which is the L-1, and HAL which is the lead production agency in India. The first few aircraft will be supplied by the original equipment manufacturer. Balance of the aircraft out of 126 would be manufactured under licence under transfer of technology (ToT) to HAL. HAL is a very big player in this. Complexity of such projects is very large like offsets. so many issues like ToT and pricing itself and the work-share and all these issues are being sorted out. Though it has been delayed by two years, we feel that we are in the final stage and sooner than later this contract would be finalised and obviously with the approval of CCEA, the final contract will be signed. But it will take almost three to four years to get the first squadron of the MMRCA, and subsequently over the next seven to eight years the aircraft would join the fleet.

#### **Capabilities in North East**

There has been a shortage in capability in air power, infrastructure, fighter aircraft, surface to air guided missiles. This sector for many years remained underdeveloped. In recent times the government and the IAF have made efforts to enhance the capabilities of the air power. So in North East, we are setting up many radars, air defence sensors, surface-to-air missiles. We are strengthening the air-field infrastructure. Government is sanctioning sufficient funds, and we are deploying capable fighter aircrafts, like Su-30MKI. I feel in the next five years the Air Force will have sufficient capability in the North East.

In the Western Sector we have Su-30MKI deployed and we are deploying few more squadrons in that sector.

#### IAF and HAL relationship

We are working together. We all understand that the health and efficiency of the IAF is almost totally dependent on the performance of the HAL. More than 85 per cent of our combat fleet and other fleet are being looked after by HAL. So their productivity, their quality control and their performance directly affects the operational capability and the health of the IAF. They are the production agency so we have to interact with them and bring out the flaws in the process involved and we are working as a team, we are like conjoined twins. The stakes are very high and due to this frictions are natural. We have to work together and that is how we are progressing. Our aim is to get the best results. I know from time to time we get the best out of the capabilities of the HAL so that the operational requirement of the IAF is not affected. We are not adversaries, as we work with DRDO and other PSUs.

#### On trainer aircraft

We have already inducted the planned 75 PC-7 basic trainer aircraft and more than two-thirds of the aircraft have already come in. We have got the most important part of our ab-initio training almost back on track. You all know that we had to ground the HPT-32 for flight safety and other reasons. The IAF was left without a solution, The government was prompt in sanctioning the acquisition of PC-7 basic trainer aircraft. Government had allowed HAL to produce the similar trainer aircraft for the IAF but within the time line the HAL had not been able to produce the aircraft. Now there is a plan to procure additional aircraft, which has been planned right in the beginning. HTT-40 will take many years to come. Basic training of a professional air force must not be compromised. You cannot have two basic trainers. It will not meet our requirements and IAF will suffer, our training will suffer so the IAF



has convinced the government to buy more trainer aircraft. This has proved to be exceptionally good. Therefore we are not ready to delay the induction of additional trainer aircraft.

#### Helicopters

The Defence Acquisition Council (DAC) has decided to acquire large number of helicopters for the Army and the IAF. Because of obsolescence, large number of light combat helicopters are going to be phased out. For that RFI has been brought in and this is going to be the test case for the Ministry of Defence (MoD) and the armed forces with emphasis on indigenous capabilities. This will be run in time-bound fashion, so that the Army and Air Force do not suffer.

I said that there is an urgent need for replacement of the vintage light helicopters for Army and Air Force, I do not think that this decision of DAC to go for indigenous effort to produce very large number of helicopters—close to 400—will take too long. This is going to be a test case how quickly the government can deliver through indigenous capability and joint ventures to produce this aircraft in shortest possible time. Lot of activity are on and I am sure that this will fructify much earlier than we have imagined. I cannot give you the time line but I am very hopeful.

#### **On VVIP helicopters**

You all know that what happened with AW101. We have got only three aircraft delivered and after the contract was cancelled it was not possible to fly the aircraft any more. They have been put into storage which we are looking after, and government will decide.As a replacement as an interim measure we have proposed to the government, which has been approved, some of our Mi-17 and Mi-V helicopters which are the latest inductions and will replace the existing Mi-8 helicopters. Since the project has been approved by the government, in the next six months or so, some of these aircrafts will be converted into the VVIP version and it will not compromise the safety.

#### **On Sukhoi-30MKI cannibalising**

We must have sufficient spares. These are all planned but some times it happens, most of the equipments are imported so we are very dependent on the OEMs for supply of spares. These are obtained through agreements. Many of the fleet are very old so if we do not have spares, we had to take it from an aircraft and make them serviceable.

#### **On Chief of Defence Staff**

The Naresh Chandra Task Force report has been taken very seriously by the previous government as well as the current government to my mind. Things are moving much faster than you will expect. Feedback has been given by all the agencies involved. Recommendations in the Naresh Chandra Task force report has been given by all the forces as far as permanent Chairman Chief of Staff Committee (COSC) is concerned despite. Some differences existed some time back but all the three services have approved the proposal so there is congruence in our approach and thinking to appoint a permanent Chairman of the COSC. I am sure the government will take quick decision because there are no contradictory views as far as armed forces are concerned so we are very hopeful that some thing will materialise soon whether it is permanent Chairman or Chief of Defence Staff (CDS), that will require some discussion.

The COSC will be one of the three serving chiefs and the senior

#### AEROSPACE Report

most person will be considered for the appointment. He will be one more four-star general. We will have a total of four four- star generals and the permanent Chairman COSC will have his task cut out in terms of integration of the three services in requirement of training, in terms of exercise planning, in terms of procurement, like managing the affairs of the Strategic Forces Command, Andaman Nicobar Command and the Indian National Defence University and also look after the three new Joint Tri-Services Command that is being worked is the Cyber Command, Special Forces Command and the Space Command. Chairman of COSC or the CDS will have his hands full.

#### Delays

We have lost the time line that is definitely a concern. I am sure under the new government all the processes will be hastened and all the processes will be renewed. We will work much faster with greater accountability and better resolution of the issues. Main concern is the drawdown that is taking place. Combat fleet is losing its useful operational life. They have to be replaced in time, we cannot continue to extend their lives beyond normal.

#### On buying fighter jets off the shelf

The LCA and MMRCA are in the pipeline and will come soon. So we are not considering any other option. This government means business and they are reviewing each and every project and we are meeting the Defence Minister on all the issues. The MoD itself reviews

**STOP PRESS** 

every project and accountability is being sought and we are expediting and we also have opportunity to meet the Prime Minister as Service Chiefs once a month, over and above other meetings on one to one basis. There is great urgency in this government to produce results and we are very hopeful that every process will get expedited.

#### On Chinese soldiers in Ladakh

It has always been a mystery the way incursion takes place, the way these get timed with various visits. Nothing new, you know that in diplomacy a lot of signaling is done especially by our northern neighbour. But I am not going to guess what it means. Lot of debates are going on as most important person in the Chinese hierarchy was here. We are trying to find out why it happened.

#### Kargil and Nyoma

Leh and Thoise airbases are operational and funds for more operational infrastructure have been approved. Nyoma and Kargil and other ALG s are to be developed for which funds have been released as these are very important airfields. But working season is very limited, transportation is problem and labour availability also hampers the work. Nyoma will take four to five years, and we are working on Kargil right now. These are not only important strategically but also for economic development of the area. In the North East the improvement of ALGs are underway and will be completed by 2015 and Nyoma will be a full-fledged airbase by then.

#### Rockwell Collins and Zen Technologies offer solutions in simulation and training to Indian customers

Resource of the second second

Rockwell Collins, based in Cedar Rapids, Iowa, with facilities in Hyderabad and near New Delhi, provides world-class aviation simulation and training products, systems and integration solutions. Zen Technologies, based in Hyderabad, specialises in supplying industryleading ground military simulation and training solutions.

"Our relationship with Zen Technologies will open up avenues to further extend our reach in the Indian defence market, and allows Rockwell Collins to offer superior end-to-end solutions that militaries utilise throughout the world," said LeAnn Ridgeway, Vice President and General Manager, Simulation & Training Solutions for Rockwell Collins. "Combining the strengths of our two companies will provide Indian military customers with air and ground solutions that will better prepare their soldiers and airmen to successfully complete missions."

Jim Walker, Vice President and Managing Director of Asia-Pacific for Rockwell Collins, said that India is a very promising market for the aerospace and defence sector. "We want to work closely with the industry to ensure they have easy access to innovative solutions," said Walker. "We are here for the long-term and through this partnership we want to develop locally, and market directly, advanced solutions and services for India. We will continue to invest in India through steady growth, strategic partnerships and by strengthening existing customer relations."

The announcement coincides with the recent launch of the 'Make in India' campaign, which is aimed at enhancing the country's promi-



A. Kishore Dutt, President of Zen Technologies, and LeAnn Ridgeway, Vice President of Rockwell Collins, signing the MoU

nence in global manufacturing while creating jobs by increasing the flow of new technology and capital. The MoU also marks the first time that a global simulator original equipment manufacturer has partnered with an Indian simulator manufacturing company to cater to the Indian defence market.

"We are delighted to enter into the flight simulation segment by virtue of our alliance with a renowned and leading organisation like Rockwell Collins. Zen Technologies has over the years emerged as a strong force in the field of land forces simulation in India and we are very optimistic that through this alliance we will be able to fill the gap in our capabilities to serve the burgeoning need of the flight simulation market in India," said Zen Technologies President A. Kishore Dutt. "With Rockwell Collins' global footprint, Zen Technologies will be able to access new markets. This is a perfect fit."



#### **CORPORATE** News



#### HAL Chief's five-point agenda for Indian R&D

The 'Make in India' concept in the defence sector has potential to raise defence manufacturing in the country from present 30 per cent to 70 per cent in the next few years. "This could be achieved by making India hub of maintenance, repair and operations (MRO) business, by investing in research and technology processes and by focusing on development of skills in 70 plus trades related to the aerospace industry", said Dr R.K. Tyagi, Chairman, HAL, at the Foundation Day Celebrations of Council of Scientific and Industrial Research (CSIR).

Dr Tyagi outlined a five-point agenda for galvanising the research and development scenario in the country. The first step towards a better R&D set up is to increase the funding to the national research laboratories such as NAL significantly as they safeguard and protect the country's IP.

The second point is to create an agency which is dedicated to disruptive research ideas within India on the lines of the Defense Advanced Research Projects Agency (DARPA) under the Department of Defense in US, Phantom works in Boeing or Skunk works in Lockheed Martin. This agency would help us achieve the success that atomic energy or space sector has witnessed. He urged that a serious attempt needs to be made to establish a National Aeronautics Commission to synthesise the learnings of the aerospace sector.

Dr Tyagi's third point reflected the point made by the Prime Minister at Madison Square Garden in New York. He stressed that a lot of Indian origin scientists would be willing to work in niche areas to prop up the country's capability. A policy framework for engagement of such persons of Indian origin needs to be formulated to fill up the critical technology gaps.

Stressing on higher degree of participation from industry in R&D, Dr Tyagi's fourth point brought out that one each of the 37 labs of CSIR needs to be adopted by a specific industry or the company so that the lab work gets easily commercialised and is relevant to the needs of the aerospace industry. He commended the role of CSIR and the National Aerospace Laboratories (NAL) and urged them to open their laboratories to the industries such as HAL and others to exploit the hidden advantages of this scientifically well-established infrastructure.

Industry should nurture these labs as they have generated a significant intellectual property over the last 72 years of existence, he added. While complimenting NAL on doing pioneering work in aerospace, he stressed that with a budget of around ₹200 crore with half of it going towards salaries and infrastructure support, it is difficult for any organisation to do a path-breaking research and HAL would like to partner with NAL in all its endeavours and nurture it as an extended arm of HAL.

Lastly, he touched upon the need of having a vibrant skill development set up in the country. He said all efforts to have a meaningful R&D cannot succeed unless the country has a very strong skill base. India will have approximately 25 per cent of the world's total workforce by year 2025. On the flip side, by 2022, India will require 500 million skilled workers across all sectors the country will see a skills gap of nearly 90 million workers—almost twice the current figure.

### Honeywell and Tata Power SED partnership

Tata Power's Strategic Engineering Division (SED), enabling it to produce Honeywell's Tactical Advanced Land Inertial Navigator, or TALIN, in India.

This Honeywell-patented technology enables vehicles and artillery to navigate very precisely, even where GPS satellite guidance is not available, to increase troop safety and maximise mission success.

"Our strategic agreement with Honeywell supports Tata Power's SED commitment to the 'Make in India' initiative – a priority for India's new government," said Rahul Chaudhry, CEO, Tata Power SED. "We are proud to have completed this technology sharing arrangement, which will offer the Indian armed forces a state-ofthe-art inertial navigation technology, made in India and with local product support. This agreement sets the standard for locally produced defence technologies to sustain India's military growth and mission success over the coming years."

Aligning with the Indian Government's objective of organically growing its defence industry and the call for 'Make in India,' Honeywell will licence the design, hardware and expertise to assemble, test and, in the future, build the production kits for TALIN to Tata Power SED. It will mark the first time India has produced inertial land navigation technology, providing the Indian armed forces with a locally constructed advanced land navigation technology that is not limited by a reliance upon GPS – an important benefit for vehicles and artillery operating across the country's mountain, desert and forest terrain where satellite signals can be limited.

"TALIN represents the latest in GPS-free navigation and positioning technology, designed to improve asset safety and ultimately mission success," said Arijit Ghosh, President, Honeywell Aerospace India. "By partnering with Tata Power SED on the production of TALIN we are aligning with the government's aim of increasing locally manufactured technologies for India's defence industry and giving the Indian armed forces an easy-to-justify option for navigation on the 21st century battlefield."



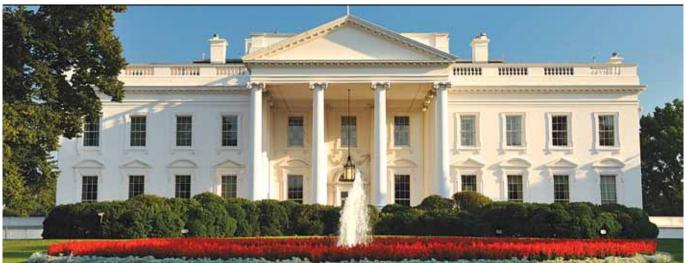
#### Appointment

ir Marshal Jagjeet Singh took over as Air Officerin-Charge (AOM) at Air Headquarters, from October 1, 2014. He was commissioned in the Aeronautical Engineering branch in 1977 and is postgraduate in electrical engineering and a post-graduate diploma holder in management.

The officer has rich experience in maintenance management of aircraft and systems and has held various field and staff appointments. He has held various instructional posts including instructional tenures at Air Force Technical Collect (AFTC) and Technical Type Training School (TTTS). He has commanded a premier Base Repair Depot and held the post of Senior Maintenance Staff Officer (SMSO) at Central Air Command (CAC).

For his distinguished service, Air Marshal Jagjeet Singh was conferred the Vishisht Seva Medal (VSM) on January 26, 2007 by the President of India. The Air Officer has been commended by the Chief of the Air Staff on two occasions.

#### **INTERNAL SECURITY** Breaches



#### Yet another security lapse at the White House

he sharpshooters on the roof with their sniper scopes didn't kill the intruder racing towards the White House. The handlers on the North Lawn didn't unleash the powerful, unmuzzled dogs trained to take down any assailant. The armed agents, inside the grounds and outside among the tourist throngs on Pennsylvania Avenue, didn't shoot. The White House doors weren't locked. And the US Secret Service agent inside the imposing main White House entrance was apparently so surprised when Omar J. Gonzalez burst in that he was able to just knock her aside.

No agent was stationed at the stairs leading to the first family's private quarters when Gonzalez ran past, deep inside one of the world's supposedly most secure buildings. Finally, an off-duty Secret Service officer tackled the intruder, who had a knife in his pocket, in the East Room.

Explanations and excuses are now pouring forth from Julia Pierson, who heads the \$1.8-billion, 6,700-person Secret Service which, despite other missions from tracking counterfeiters to guarding foreign dignitaries, has as its primary purpose protecting the President of the United States.

An inquiry continues into how Omar Gonzalez, 42, made it into the White House. Investigators are looking through an elaborate closed-circuit video system showing the entire incident. Authorities said the Iraq war veteran had a knife in his pocket when he ran into the White House, where he was later subdued after a wild chase.

Neither President Barack Obama nor the first family were at home at the time of the incident on September 19.

Julia Pierson, the first female director of the Secret Service, after a subsequent congressional inquiry uncovered other security lapses and submitted her resignation. Pierson took over as director of the Secret Service in March 2013.

After her resignation, Homeland Security Director Jeh Johnson announced that his department would take over an internal inquiry of the Secret Service and appoint a new panel to review security at the White House.

Joseph Clancy, a former special agent in charge of the Presidential Protective Division of the Secret Service, will serve as interim director, Johnson said.

#### Man breaches Delhi airport security

28-year-old man managed to breach a 10-feet high barbed boundary wall of the Delhi airport recently, but was nabbed by the Central Industrial Security Force (CISF) officers before he could head towards the runway. Sources said that CISF men posted on duty at a nearby watchtower first noticed the suspicious movements of the man and nabbed him as soon he jumped over the boundary wall.

The accused, a native of Hyderabad, is currently being interrogated by a joint team of Delhi Police and Intelligence Bureau (IB).

Sources said the man first drew attention of the CISF men when he was at his residential complex in Mahipalpur. The accused was apparently found loitering around in a suspicious way when the CISF men were participating in a cleanliness drive. He was handed over to the police who questioned and released him.

Sources, however, claimed that CCTV cameras installed in the part of the airport were not functional. The Perimeter Intrusion Detection System did send an alert of intrusion but the cameras couldn't capture how exactly the man had managed to jump inside.

### Dummy stun grenade found on PM's standby plane

dummy stun grenade was found onboard an Air India Boeing 747 aircraft, one of two standby planes for Prime Minister Narendra Modi's recent US visit.

As it turned out, the fake grenade had been used by the National Security Guard (NSG) for an 'aircraft intervention drill' a day after the Prime Minister's departure, when the plane was released for commercial use and flown to Mumbai.

But given that such a lapse took place on an aircraft that was to serve as a replacement for Air India One if the need arose, the incident has exposed a gaping hole in the country's aviation safety.

After its release to Air India on September 25, the double-decker plane flew on the Mumbai-Hyderabad-Jeddah route on Friday and landed in the Saudi Arabian city early Saturday, when the discovery was made by cabin crew. Air India has suspended some officials in this connection.



## A Partnership in making



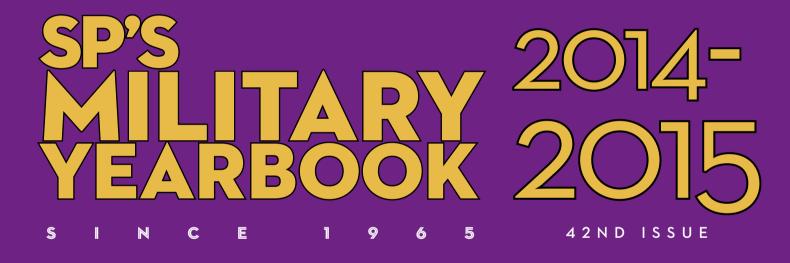


Creating a platform that will work relentlessly towards the cause of Business Aviation in India

SP's Aviation | Neetu Dhulia +91 98107 00864 neetu@spguidepublications.com BAOA | Ujjwal Bakshi +91 98107 07044 ujjwal@baoa.in

# Indispensable

# Reference



#### From 50 Years Old Media House



#### Reserve Your Own Copies, Now!

order@spsmilitaryyearbook.com

