
Russian aviation industry keeps its grip on the Indian market

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MOSCOW. (RIA Novosti military observer Ilya Kramnik) - On March 11, 2008 Russia and India signed a contract for the modernization of India's Mig-29s. After the modernization the machines, delivered to India by the former U.S.S.R., will remain in service for another 20-25 years with greatly enhanced combat characteristics.

Almost simultaneously, the media reported an agreement between the two countries on the modernization of the aircraft carrier Admiral Gorshkov. The earlier deadline for the handover of the ship, 2008, could not be met because the amount of work involved and the cost were wrongly assessed when the original contract was signed. The contract was in danger of being broken off, but the parties have agreed to extend the deadline and increase the cost.

Amendments to the terms of the contract are currently being negotiated.

The contract to modernize the fleet of India's Mig-29s and the deal over the Gorshkov put paid to the allegations about a brewing crisis in the military-technical cooperation (MTC) between Russia and India. This is not to say that there are no problems in the MTC field between the two countries.

Indeed, they are not as simple as "substandard quality of weapons." Let us take a closer look at the matter.

The Indian army has been using Soviet weapons ever since the 1960s. Soviet arms supplies played an important role in ensuring India's victory in the conflicts with Pakistan and China in the 1960s and 70s. All the Indian armed services - the army, navy and air force - used Soviet military hardware. India also used European arms, some of which it bought from France and Britain, which readily sold sophisticated weapons systems ranging from tanks to aircraft carriers to the Gem of the British Empire.

At the same time China, the USSR's main rival in Asia, started selling arms to Pakistan, India's main rival, thus triggering an arms race on the subcontinent, which was a scaled-down replica of the arms race between the U.S. and the U.S.S.R.

The situation began to change by the late 20th century.

India's economic boom, combined with the experience it gained in the process of maintenance, repair and assembly of foreign military equipment under licenses, made direct supply of weapons irrelevant to the country. To succeed in the Indian market, suppliers had to offer to organize local production of sophisticated technology under license.

In time India launched its own development of military hardware under the auspices of the newly created Defense Research & Development Organization (DRDO). Particular attention is paid to the development of missiles: in a little over twenty years India built a whole family of short-, medium- and longer-range ballistic missiles. The country is also developing anti-tank, air defense and air-to-air missiles.

Recent reports say, however, that India has scrapped its missile program because of the high costs and inefficiency. India reportedly will complete

the more advanced projects, for example, the Astra air-to-air missile, and will continue independent development of ballistic and submarine-launched missiles.

As for other missiles, India will develop them under joint programs, such as the Russian-Indian Brahmos project.

In spite of some successes in developing its own weapons, India still has a long way to go before it becomes fully independent in that sphere. Seeking to be less dependent on foreign suppliers India is very selective in signing arms deals and weighs all the pros and cons very carefully. Considering the traditional Eastern way of doing business, auctions and tenders take a very long time. Being in a position to choose its suppliers, India can afford to bargain for the best terms. That greatly increases the importance of spin-off contracts for modernization and repair of weapons. The winners of such tenders get a competitive edge in the Indian market.

From that point of view the contract for repair and modernization of India's Mig-29s and the Admiral Gorshkov deal are very important. They show that India plans to use Mig-29s for another 20-25 years. The construction of a service centre and a plant for the production of aircraft engines, combined with the planned purchase of carrier-borne Mig-29Ks, boosts the chances of Mig-35 to win the tender for the supply of 126 fighter planes.

India plans to review the results of the tender, which promises the winner a 10-billion contract and a full order book for many years ahead, by the late spring of 2008. Russian planes will be competing with French and American machines.

As for complaints about the quality of arms supplied, there is no getting away from them. Like any partner with a feeling of importance, India would settle only for products that meet all its requirements. However, one should know how to tell the real failures of the Russian defense industry from artificial scandals blown up by the partners trying to drive a tough bargain, something that even experts sometimes cannot do.

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