Policy Brief:
Israeli Arms Transfers to India: 
Ad Hoc Defence Cooperation 
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Executive Summary

Israeli arms exports to India are at the core of Indo-Israeli defence cooperation. Israel has been selling weapons to the Indian military for over 20 years. These transfers are mutually beneficial: Israel has become one of India’s most important arms suppliers, as well as a critical provider of military technologies and know-how, while India has become Israel’s single largest arms market. This arms relationship has subsequently expanded into other areas of defence cooperation, such as combating terrorism, and joint naval and space activities. However, any expectations that such cooperation will result in a broader and deeper “strategic partnership” – particularly one that could help Tel Aviv enlist New Delhi’s help in hindering Iran’s anti-Israeli activities – are overly optimistic. India and Israel do not share enough of a common worldview or common goals to form the basis of such a partnership. Consequently, Indo-Israel defence cooperation will likely remain a tactical, ad hoc arms-for-cash relationship for some time to come.

Defence cooperation has always been a low-key but essential element in relations between Israel and India.1 While most of this cooperation has taken place at the rather discreet level of Israeli arms sales to India, these deals have nonetheless been critical to the expansion of military ties between these two countries since the establishment of bilateral diplomatic relations in 1992. At issue – particularly for Israel – is whether such an ad hoc arms-transfers relationship can lead to a broader and deeper “strategic partnership” between Tel Aviv and New Delhi.

Israeli Arms Sales to India: Cornerstone of Indo-Israeli Defence Cooperation

Israeli arms sales to India are at the core of Indo-Israeli defence cooperation. The first Israeli transfers of military equipment to India occurred in the mid-1990s, when New Delhi purchased two Israeli-made Super Dvora Mk II fast patrol boats. This deal was soon followed by agreements for Israel to upgrade Indian 155mm artillery guns and to renovate MiG-21 combat aircraft in the Indian Air Force.2 Over the past decade or so, Israel has become India’s second largest arms supplier, after Russia. During the first decade of the 21st century, Israel transferred an estimated US$10 billion worth of military equipment to India.3 Israel has particularly come to occupy several important niches in India’s arms supply line, including unmanned aerial vehicles (UAVs) and armed drones, missile systems, and sensors and electro-optical systems.

Recent Israeli transfers to India include:

- Searcher and Heron surveillance UAVs
- Harpy and Harop loitering anti-radiation drones
- The Popeye air-to-ground missile
- The Python-4 air-to-air missile
- The Spike anti-tank missile
- The SPYDER air-defence system (which employs both the Derby and Python-5 missiles)
- The Barak-1 air-defence missile (outfitted to Indian naval vessels)
- The Green Pine multifunctional (search, detection, tracks, and guidance) missile-defence radar
- The Phalcon EL/M-2090 airborne early-warning and control (AEW+C) radar, fitted on Russian IL-76 transport aircraft
- The Litening night/adverse weather precision-targeting pod (for fighter jets)4

In addition to off-the-shelf arms transfers, Israel has become one of India’s most critical suppliers of advanced military technology and know-how. For example, Israel has provided onboard radar and other avionics to upgrade India’s Jaguar and Sea Harrier fighter jets, and it is currently cooperating with India to co-develop the Barak-8 long-range surface-to-air missile.5

In many ways, the Israeli-Indian arms transfer relationship has been a mutually beneficial enterprise. In the first place, Israeli technology fills critical gaps in India’s woefully deficient domestic defence industrial base. India possesses one of the largest and most diversified arms industries in the world, employing more than 1.4 million workers, including some 30,000 scientists and engineers. Over the past 50 years, it has successfully licensed-produced several foreign-designed weapons systems, including MiG-21 and MiG-27 fighter jets, Jaguar strike aircraft, Alouette III helicopters, T-72 tanks, and

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1 The author would like to thank Yoram Evron, Yitzhak Shichor, Yiftah Shapir, Uzi Eilam, Oded Eran, and Amos Yadlin for their invaluable assistance and insights in writing this report. The author is also grateful to Dr. Rajesh Basrur and the South Asia Programme at RSIS for supporting this research.


the Milan antitank weapon. More importantly, New Delhi has long stressed the achievement of “self-sufficiency” in armament production, through the indigenous research and development of home-grown military equipment. Locally developed systems include the HF-24 Marut and Tejas fighter jets, the Advanced Light Helicopter, the Arjun tank, and the INSAS assault rifle. Of particular note is India’s Integrated Guided Missile Development Programme (IGMDP), launched in the early 1980s, which entailed the development and production of several types of missile systems, including the short-range Prithvi and the medium-range Agni ballistic missiles, the Akash and Trishul surface-to-air missiles, and the Nag antitank guided missile.

And yet, after more than 50 years of effort, India’s defence industry has been unable to deliver on its promises of self-sufficiency. Instead, the Indian arms production process has been a nearly unbroken story of spectacular failures, punctuated by cost overruns, programme delays, and technological setbacks, resulting in defence equipment that has typically been of substandard quality and suboptimal performance. For example, India’s supposedly state-of-the-art Tejas fighter jet, initiated in the 1980s, is more than twelve years behind schedule (the aircraft is still only in limited-series production as of early 2013) while R&D costs have nearly doubled. India’s troubled Arjun main battle tank only entered service with the Indian Army (IA) in 2011, more than 30 years after the programme was launched; the IA has committed to buying only 248 Arjuns. Even the country’s much-vaunted IGMDP has produced few real successes. Only two projects – the Prithvi and Agni surface-to-surface ballistic missiles – have so far been deployed with the Indian armed forces. Even then, the Prithvi is a relatively short-range, liquid-fueled missile of limited tactical use, while the Agni “does not appear to have been produced in large enough numbers for induction into the services.” Most missiles under the programme are still undergoing test and validation trials after decades of development and may never enter service.

In light of these shortcomings and disappointments within the Indian defence industry, Israel performs an invaluable service for India’s military. The Israeli arms manufacturing base possesses niche specialisations in many of the areas where India’s defence industry is the most wanting, particularly UAVs, missile systems, precision-guided munitions, electro-optics, and, especially radars. In many ways, therefore, the Indo-Israeli arms supplier/arms buyer relationship is almost symbiotic in terms of supply-and-demand. In addition, Israel is, in general, a reliable, no-strings-attached arms supplier, and it is prepared to offer its most advanced military equipment with few questions asked as to how its exported arms are used. Thirdly, as demonstrated by the Barak-8 and other collaborative arms-development programmes, Tel Aviv has been willing to transfer the technology and know-how to help improve and upgrade India’s arms manufacturing capabilities.

At the same time, it is important to note that India is as much a critical market for Israel’s arms industry as the latter is a critical supplier to India’s military. Over the past two decades, the Israeli defence industrial base has transformed itself from an enterprise dedicated mainly to equipping the Israel Defense Forces (IDF) to an export-oriented, high-technology niche manufacturer. Starting in the 1980s, domestic arms production priorities began to shift, as Yaacov Lifshitz put it, to supplying “the IDF with force multipliers by means of original, unique technological solutions, while self-sufficiency was relegated to second place.” Large military platforms, such as fighter aircraft and corvettes, were now to be imported, and the local arms industry was to concentrate on unique, high-tech solutions tailored to IDF requirements and which were largely unavailable on the global market. As a result, the Israeli arms industry developed speciality manufacturing when it came to products such as unmanned aerial vehicles, tactical missile systems, reconnaissance and surveillance systems, and electro-optics. Additionally, it carved out a particular niche for itself in the business of upgrading and modifying older weapons systems.

As the Israeli arms industry shifted toward a core competencies/niche production business model, overseas sales took on greater urgency. The Israeli defence industrial base today is overwhelmingly export-oriented, and foreign arms sales are crucial to its survival. On average, approximately three-quarters of Israel’s defence production (in terms of value) are for overseas customers. Not only are arms exports essential to keeping local defence enterprises in business, but revenues from arms exports in turn provide necessary income to underwrite military R&D programmes that help aid Israel’s own defence, such as the Iron Dome short-range missile defence system.

9 Cohen and Dasgupta, Arming without Aiming, p. 33.
10 Cohen and Dasgupta, Arming without Aiming, p. 33.
Israel has become a major player in the global arms market. According to the U.S. Congressional Research Service, it was the eighth largest arms seller in the world during the period 2004-2011.15 In 2012 alone, Israel exported some US$7 billion worth of defence materiel.16 It has sold arms to countries on every continent; leading buyers of Israeli military equipment over the past 15 years include Brazil, Colombia, Singapore, Sri Lanka, Turkey, the U.S. – and, of course, India.17

India, in fact, has emerged over the past decade to become Israel's single largest overseas arms customer.18 Consequently, India has become indispensable to the Israeli defence industry. This point is particularly important given the recent loss of two of Israel's past large arms buyers, Turkey and China. In 2011, Turkey suspended billions of dollars' worth of arms deals with Israel after the 2010 Israeli attack on a Turkish ship seeking to smuggle supplies into Gaza, which resulted in the deaths of nine Turkish citizens. Chinese arms purchases evaporated after the U.S. government put pressure on the Israeli government to halt the sale of Phalcon AEW+C radars to Beijing in 2000, and then to abandon a 2005 deal to upgrade Israeli Harpy drones that had been sold to the Chinese military back in the 1990s. India, therefore, has emerged to become a “must-have” market for the Israeli arms merchants.

Expanding Cooperation beyond Arms Sales

While arms sales remain at the core of Indo-Israel defence cooperation, other forms of bilateral military collaboration have emerged of late. In particular, Tel Aviv and New Delhi recognise that terrorism is a threat common to both countries (particularly after the 2008 Mumbai attack), and Israel has offered to cooperate with India in fighting terror violence, including intelligence-sharing, counter-terrorism training, and joint exercises. Israeli and Indian military personnel have exchanged several high-level visits intended to strengthen cooperation in the area of counter-terrorism. In addition, Israel has offered to provide combat training for Indian troops in close-quarter urban environments, to supply equipment specifically intended to interdict clandestine cross-border infiltrations, and to plan joint counter-terrorism exercises between Israeli commandos and Indian forces.19 Israeli Special Forces have also adopted the Israeli TAM-21 bullpup assault rifle as their principal armament, and the weapon is also being licensed-produced by India's Ordnance Factories Board.

According to Inbar and Ningthoujam, India and Israel have also recently taken steps to expand cooperation in the area of space and naval activities. In recent years, the two countries have agreed to jointly upgrade the Indian Navy's (IN) Sea Harrier jump jets, as well as collaborate on the Barak-8 long-range missile defence system for the IN. IN marine commandoes have also ordered the TAM-21 assault rifle. In the area of outer space, India launched the Israeli TechSAR surveillance satellite in 2008, using India's Polar Satellite Launch Vehicle (PSLV); this was also India’s first totally commercial space launch.20 A year later, India launched its own RISAT-2 spy satellite, built by Israel Aircraft Industries and outfitted with a synthetic aperture radar (SAR) for day-night and all-weather surveillance.21 Co-development of follow-on earth-observation satellites – an area where Israel has considerable expertise – is also a possibility.

Indo-Israeli Defence Cooperation: The Germ of a Strategic Partnership?

One can classify the current Indo-Israeli defence relationship as primarily a tactical, ad hoc association. By and large, the connection remains basically a buyer-supplier relationship centered on arms transfers – that is, a relatively straightforward case of a motivated customer (the Indian military) and an equally motivated seller (the Israeli defence industry) securing a mutually beneficial but limited economic arrangement. In other words, Israel sells weapons to India, India buys them, and that is pretty much the extent of things. On the other hand, there have been some – particularly in Israel – who would like to build upon this basic supply-and-demand relationship and turn it into something bigger, i.e., a true “strategic partnership” between Tel Aviv and New Delhi.

Such a strategic partnership could bring considerable benefits to Israel. In the first place, it could, for example, induce New Delhi to use its position as a leading player within the Nonaligned Movement (NAM) to soften or mitigate the NAM's anti-Israel policies. It could also provide Israel with an important partner in the struggle against Islamic terrorism, given both countries' common threats.

More important, Israel would probably like to see India also demarcate or reduce its relationship with Iran, which – given Tehran’s nuclear weapons programme, as well as its support...
for HAMAS and Hezbollah – is seen by Israel to be a major threat to the Jewish state. India has had very close ties with Iran for more than 20 years, viewing Tehran as a counterweight against Pakistan and also as a critical supplier of much-needed oil and gas. Indo-Iranian defence cooperation has also expanded in recent years, to include joint military exercises, reciprocal port visits, and intelligence-sharing. At the same time, India has reportedly become a major supplier of weaponry to Iran’s military and of military technologies to Iran’s more backward defence industry.23

In this regard, warming U.S.-Indian ties (particularly in the nuclear area) could help Israel by creating another pressure point by which to entice New Delhi to reverse its often pro-Tehran stance. For example, India has, on several recent occasions (2005, 2006, and 2009) voted at meetings of the International Atomic Energy Agency (IAEA) to censure Iran over its nuclear programme. In addition, in 2010, India abstained from voting on a UN resolution condemning Iranian human rights violations (in the past, New Delhi had always voted against such resolutions). India in 2009 refused to launch a satellite for Iran, arguing that it did not want to “get entangled in Iran’s problems over its nuclear or missile programmes,” and New Delhi also declined an Iranian proposal for joint patrols in the Indian Ocean.24

Limits and Constraints

Nevertheless, beyond arms sales and a few other areas of defence cooperation, it is unlikely that Israel will soon, if ever, realise a strategic partnership with India. While India may be very important to Israel’s foreign and security policy, New Delhi views this relationship in a much more restrained manner. For one thing, India has too many domestic constraints limiting a more cozy association with Israel. It has a Muslim population of 160 million, as well as an ardently anti-Israeli left – such as the Communist Party of India (Marxist) [CPI(M)] – that make it very difficult for New Delhi to abandon its traditionally strong pro-Arab and pro-Palestinian foreign policy or to elevate bilateral Indo-Israeli ties.25 Additionally, New Delhi is unlikely to abandon its longstanding and multifaceted relationship with Iran in exchange for closer ties with Israel, which may or may not pay larger dividends.

Secondly, while India has become highly reliant upon Israeli military equipment, it is not an immutable dependency. There are, in fact, limits to this arms trade relationship. In the first place, while Israel may currently be India’s number two arms supplier, New Delhi can probably find other, equally highly motivated foreign arms producers willing to sell just about any weapon system it has available. For example, France won the much-coveted Medium Multi-Role Combat Aircraft (MMRCA) competition with its Rafale fighter jet, with promises of considerable technology transfers, including licensed production. India has also stepped up its arms purchases from the U.S. (traditionally only a marginal supplier to the Indian military); in recent years, Washington has sold C-17 and C-130 transport planes, P-8 maritime patrol aircraft, artillery locating radar, and jet engines (to power the Indian-made Tejas fighter jet), and it has also offered AH-64 Apache helicopter gunships and towed artillery systems to the Indian military.26 If anything, intense competition from other arms suppliers will likely keep the Israelis continuing to offer weapons systems absent any links to broader political deals, simply for the sake of securing essential orders for its domestic arms industry. In the second place, despite its general no-questions-asked policy, Israeli arms transfers do sometimes come with complications. Many Israeli systems utilise U.S. components, giving Washington a subsequent veto power over Israeli arms exports; this veto, in fact, was actually applied in 2003 to a proposed Israeli sale to India of the Arrow ballistic missile defence system.27

Finally, the Israeli-Indian arms transfer relationship has not been without its setbacks. In March 2012, for example, India barred the state-owned Israel Military Industries (as well as five other foreign defence firms) from bidding on Indian defence contracts for the next ten years, due to suspicions of corrupt practices (most likely bribery) involving Indian officials.28 Similar bribery allegations have been raised over previous Israeli arms sales, including the sale of Barak-1 missiles in 2000.29 Finally, the much-vaunted Indo-Israeli project to co-develop the Barak-8 medium-range surface-to-air missile has hit some technical snags, failing in its first test (held in 2012), which potentially threatens to delay the programme.30 In sum, therefore, Israeli arms sales to India may be mutually beneficial, but they are largely confined to what they are: a limited economic, military-technical connection.

26 SIPRI arms transfers database (http://www.sipri.org/databases/armstransfers/armstransfers).
Conclusions

Certainly Israel could benefit greatly from crafting a strategic partnership with India that at least attempts to approach the kind of relationship it currently has with the United States. Probably no other large country offers Israel such an opportunity – certainly not Russia, which is still reflexively pro-Arab; certainly not China, which is still smarting from the abrupt cancellation of arms deals in the early 2000s; and certainly not Brazil, which still lacks the economic clout or global political-diplomatic reach to be of much use to Israel. In this respect, India stands alone in its potential to be a strategic partner of Israel, which only makes the unlikelihood of such a bond all the more frustrating for the Israelis.

Ultimately, the problem is systemic, that is, taking place at the nation-state level. Israel and India simply do not possess enough of a shared Weltanschauung to function as more than ad hoc partners. As Arielle Kandel put it:

[T]he Indo-Israeli relationship does not form a strategic partnership because India and Israel do not share a common worldview or have fully common goals. Even on one of the key strategic interests shared by the two states, combating global terror, they have dissimilar views. While Israel views Iran as the prime source of global terrorism, India confers this status to Pakistan. Harsh Pant also stresses, “While India can learn much from Israel’s tackling of terrorism...there are limits to how far India sees Israel’s strategy as a viable one. It views Israel’s tough policy toward contentious neighbors and the Palestinians as an approach which has not brought peace and security, but has rather served to entrenched hatred in the Arab world.”

Kandel adds:

Moreover, the two states do not share a set of common friends and foes. As P.R. Kumaraswamy notes, the Indo-Israeli partnership “does not revolve around a common enemy.” Indeed, while India’s main security concerns remain directed against its regional neighbors Pakistan and China, Israel’s existing and potential security threats mainly emanate from Arabic-speaking countries – especially Syria and Lebanon – as well as from more distant enemies, first and foremost Iran.

It is unlikely therefore that any deeper strategic partnership will arise from the Israeli-Indian arms transfer relationship, however important that interaction may be for both countries. They may even deepen this limited relationship to include expanded arms transfers, additional arms collaboration, and defence-industrial cooperation, and these activities may be effective in encouraging other types of military-to-military cooperation. Yet it is probably overly optimistic at this juncture to expect that anything of greater diplomatic or global political consequence will come out of these arms deals. In particular, so long as New Delhi sees Indo-Israel defence cooperation as simply a tactical, ad hoc arms-for-cash circumstance – and little else – then that is probably where this relationship will remain for the time being.

\[31\] Arielle Kandel, “The Significant Warming Of Indo-Israeli Relations, p. 75.

\[32\] Arielle Kandel, “The Significant Warming Of Indo-Israeli Relations, p. 75.
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