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The Dawn of a New Chapter in India–Africa Relationship

The Opportunities and Challenges of Indian Defence Exports to Africa

Abstract

India has come a long way from being a defence importer to becoming a major defence exporter. As India seeks to increase its own geopolitical clout and counterbalance the growing Chinese influence in the developing world, it is adapting to new avenues for partnership with the developing world. With a wide range of indigenous, cost-effective, and reliable weapons, India is seeking to forge a new chapter of defence export in its relations with various developing countries, especially Africa.

While some instances of successes have given a boost to the Indian defence industry and increased its exports, challenges remain with competition from China, Russia, Turkey, the United States, and other Western nations in a growing African defence import market. The paper will explore the recent developments in the Indian defence industry, the trend of current exports to Africa, and the potential opportunities and challenges.

Keywords: India, Africa, South-South Relations, Arms Trade, India–China competition

Introduction

For an independent nation, access to modern military equipment is essential to maintain its internal and external security and protect its sovereignty. This is especially true for India, which has ambitions to become a great power but faces strong

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regional challenges from military powers such as China and Pakistan. But despite having global ambitions, the Indian defence industry has largely underperformed with cost overruns and delays for many of its projects.²

The history of the modern defence industry in India can be traced back to the pre-independence era, during the British colonisation of India. During the British era, there was a minimal emphasis on creating a local defence industry. While some Ordinance factory Boards were created to serve British interests in the region, they contributed little to local indigenous innovation and military-industrial development.³

Post-Independence, India inherited a weak military-industrial base set up by the British, and due to lack of technological skills, financial stress, and various other factors, the defence industry remained neglected by the Indian state.⁴

For much of its modern independent history, India was a defence importer and used imports to compensate for its small and struggling local defence industry. Furthermore, due to state led industrial policy in India, the private sector remained weak and its participation in the defence industry remained limited.⁵

Following the Sino-Indian War of 1962, there was a realisation in the development of and procurement of modern military equipment. However, due to Pakistan's alliance with the West,⁶ and India's policy to remain independent from the cold war politics with its support of the Non-Aligned Movement (NAM), defence exports from western states remained limited.⁷

Furthermore, due to India's nuclear tests of 1974, the United States and various Western nations imposed sanctions on India, preventing its access to sensitive technologies, materials and equipment. Notable, the former Soviet Union did not impose sanctions on India after its nuclear tests, which strengthened India–Soviet partnership and defence cooperation.⁸

Due to this, the former Soviet Union became a major supplier of defence equipment to India and provided defence equipment at concessional rates with opportunities for domestic licence production. Some major exports by the former Soviet Union include MiG-21 Fighter Jets and T-72 Main Battle Tanks, both of which were also co-produced in India under licenced production.⁹

² ATIF 2024.

³ ROY 2003.

⁴ COHEN–DASGUPTA 2012.

⁵ BEHERA 2023.

⁶ THAPLIYAL 1998.

⁷ HASAN 1963.

⁸ SENGUPTA–PONANGI 2022.

⁹ COHEN–DASGUPTA 2012.

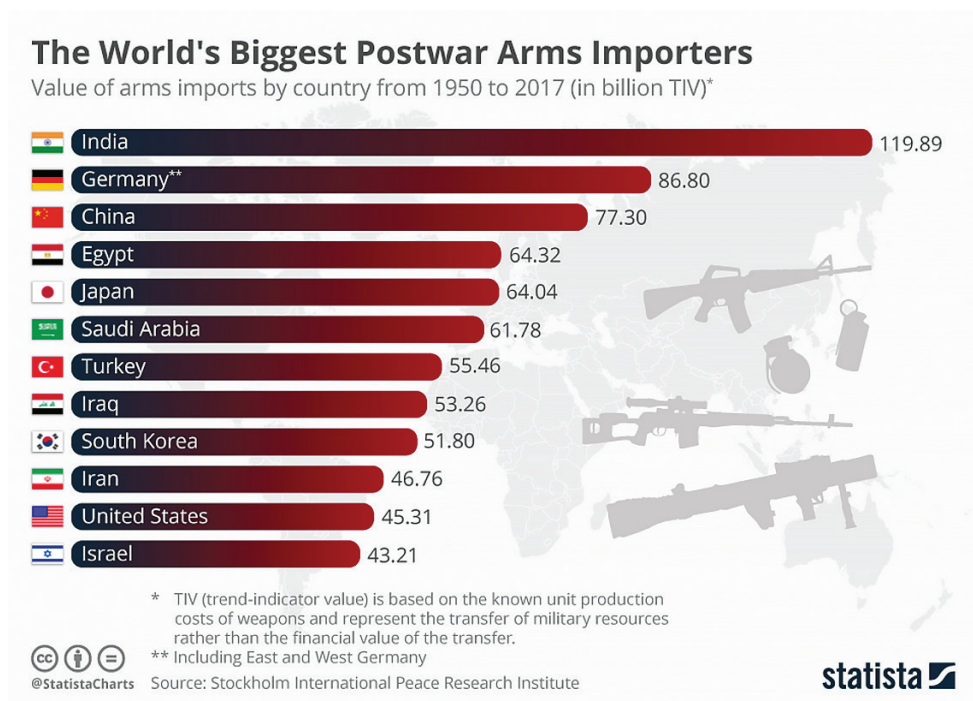


Figure 1: The world's biggest post-war arms importers

Source: www.statista.com/chart/13211/the-worlds-biggest-postwar-arms-importers/

Beyond military support from the former Soviet Union, India also invested in its own indigenous nuclear and space technologies and focused especially on the Integrated Guided Missile Development Programme. The success of this programme assisted India in creating a formidable missile arsenal such as the "AGNI" nuclear capable intercontinental ballistic missiles, "Akash" Surface-to-Air Missile and "Nag" Anti-Tank Guided Missile. India has developed an advance set of missiles, with range exceeding 10,000 km (Figure 2).¹⁰

Although in the 1970s and the 1980s, beyond the success of the missile program, India did attempt to produce various important naval assets such as INS Shakti-Class Frigates, INS Arihant, which is a strategic nuclear strike class submarine, and fighter jets such as the Light Combat Aircraft (LCA) Tejas, the projects faced mixed successes and decades of delay as in the case of LCA Tejas, which got inducted in the Indian Airforce in the 2000s after decades of delay and cost overruns.¹¹

With the collapse of the former Soviet Union, India faced severe challenges with maintaining the defence supply chain and transfer of technology and looked for other partners for its domestic needs and started to invest further on home grown alternatives for its military needs.

¹⁰ BEHERA 2023.

¹¹ BEHERA 2023.

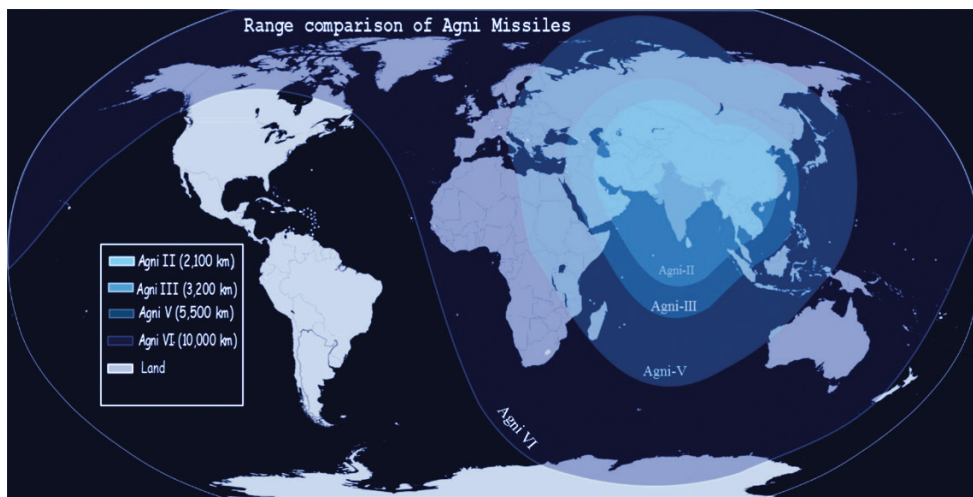


Figure 2: Range of AGNI missiles

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Following the 1991 liberation in India, which accelerated Indian economic and industrial growth,¹² and the 2001 liberalisation of the defence sector, an emphasis was given on defence investments by the public sector and the liberalisation opened the defence sector for private companies.¹³

A major push for defence production in India and potential exports came following the 2014 election victory of Prime Minister (PM) Narendra Modi. PM Modi emphasised on the Make in India policy and decreasing India's dependence on defence imports. India also established two defence industrial corridors, in the states of Uttar Pradesh and Tamil Nadu.¹⁴

The privatisation of the defence sector and policies such as Make in India helped the country to reduce its dependence on defence imports which were declining by 33% from the years 2011–2015 to the years 2016–2020.¹⁵

In the decade since 2014, some major indigenous inductions to Indian defence exports included HAL Light Combat Aircraft (LCA) Tejas which is an indigenously developed 4th generation fighter jet, INS Vikrant, an indigenously developed aircraft carrier and INS Arihant, which is a nuclear power submarine.¹⁶ India is also undergoing an extensive defence modernisation process with long term projects such as the Project-75 (India) for the Indian Navy¹⁷ and a 5th generation stealth fighter jet "AMCA".¹⁸

¹² BBC 2021.

¹³ BEHERA 2023.

¹⁴ Ministry of Defence 2024b.

¹⁵ PANDIT 2021.

¹⁶ Ministry of Defence 2024b.

¹⁷ Ministry of Defence 2021.

¹⁸ Ministry of Defence 2022.

In 2018, the Indian government presented a plan to make India among the top 5 global defence producers and exporters and set an ambitious goal to increase defence export earnings to USD 5 billion.¹⁹ In the year 2022–2023, defence exports by India reached a record USD 2.63 billion, 32% higher than in 2021–2022 and an increase of 31 times in the last 10 years.²⁰



Figure 3: Indian Arihant Class Submarine

Source: Charlie Kumar, CC BY-SA 4.0, <https://creativecommons.org/licenses/by-sa/4.0>



Figure 4: LCA Tejas

Source: Venkat Mangudi, CC BY-SA 2.0 <https://creativecommons.org/licenses/by-sa/2.0>

¹⁹ LIKHACHEV 2024.

²⁰ Ministry of Defence 2024a.

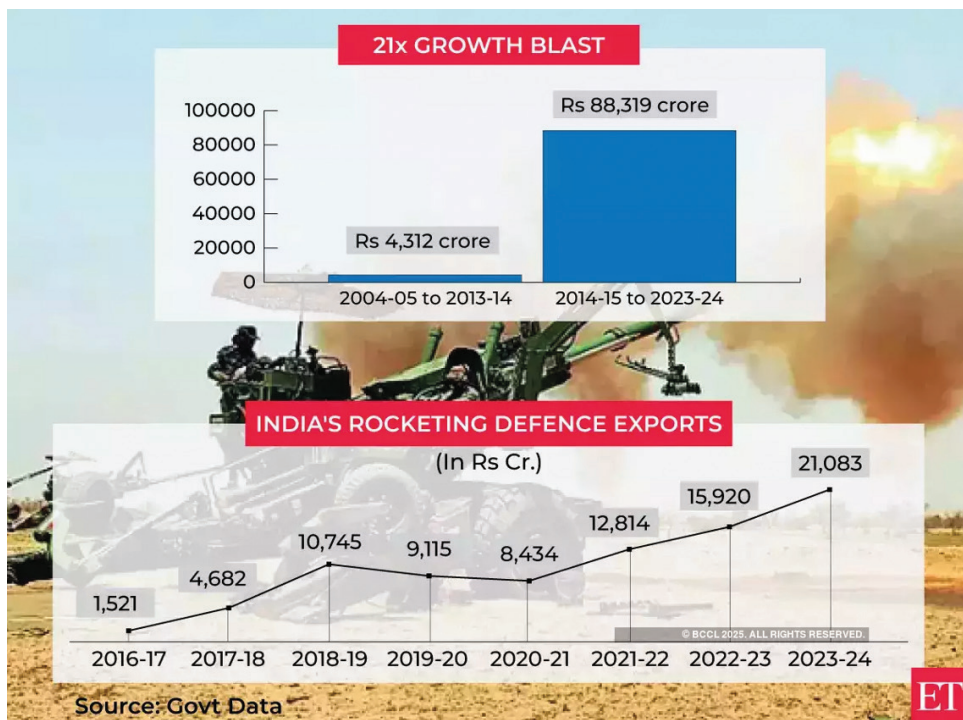


Figure 5: Growth of Indian Defence Exports in Rs Cr.

Source: The Economic Times 2024.

Some of the major public sector defence companies include Hindustan Aeronautics Limited (HAL), Mazagon Dock Shipbuilders Limited (MDL) and Defence Research and Development Organisation (DRDO), while the largest Indian private sector companies include Larsen & Toubro (L&T), Tata Advanced Systems Limited (TASL), Mahindra Defence Systems (MDS), Adani Defence and Aerospace and Ashok Leyland Defence.

India's long-term ability to continue developing its arms industry also stems from the possibilities to create defence research and developmental partnerships with various nations across the world. The globalisation of the armed industry has created opportunities for new players to enter the cutting edge of defence research and partnerships, opening up the defence industrial complex to weapons and technological development.²¹

²¹ DEVORE 2013.

Defence trade in Africa

African needs for defence trade, particularly imports arise due to various factors, including immediate needs due to ongoing civil wars, terrorism threats, and other challenges such as lack of industrial and technological base for defence research and development, etc.

While some African countries, such as South Africa, Egypt and Nigeria etc. have a local defence production base, they face challenges with financial constraints, limited production capacity, or lack of cutting-edge technological research base. Hence most African countries have continued to be major importers of defence.²² Traditionally, the former Soviet Union was the largest exporter of defence equipment and technologies to Africa and western countries such as the United States, France and Great Britain also were among the major defence exporters.²³ In the present era, Russia remains largest defence supplier of Africa, accounting for more than 40% of defence imports by Africa between 2016–2020, but new powers such as Turkey, India and especially China have also become major defence suppliers to the continent.²⁴ In sub-Saharan Africa, China has already replaced Russia as the largest supplier of arms and Chinese defence products account for 19% of all imports by the region.²⁵ Turkey has also become a major partner for defence exports to Africa and has supplied arms to countries such as Algeria and Morocco.²⁶

For India, as its indigenous defence industry grew, it actively promoted its arms industry and looked for export partners for its products. Due to its competitive costs and active diplomacy, Indian defence exports to Africa soared in the past few decades. The main African importers of Indian defence include Seychelles, Mauritius and Mozambique.²⁷ Furthermore, to reach out to more African countries, India has appointed Defence advisors to its embassies in Ethiopia, Djibouti, Tanzania, Mozambique, Egypt, Ivory Coast, Kenya and various others.²⁸ Major Indian defence exports to Africa include Offshore Naval patrol vehicle, MCGS Barracuda, procured by Mauritius and the Fast Patrol Vessel PS Zoroaster procured by Seychelles and the Advanced Light Helicopter (ALH), HAL Dhruv procured by Mauritius.²⁹ While smaller countries such as Seychelles, Mauritius and Mozambique dominate Indian defence exports to Africa, India is trying to make major defence deals with other major African nations such as Egypt, Nigeria, DR Congo etc.³⁰ In 2023, India hosted representatives from 25 African nations for a military exercise and following the exercise showcased its indigenously developed defence equipment.³¹ To finance defence exports, India could use the domestic EXIM bank and credit lines, which it has already done in the past

²² Eureporter 2024.

²³ Eureporter 2024.

²⁴ Eureporter 2024.

²⁵ ARDUINO 2024.

²⁶ DEDET 2023.

²⁷ SINGH 2024.

²⁸ SINGH 2024.

²⁹ SINGH 2024.

³⁰ SINGH 2024.

³¹ Ministry of Defence 2023.

to finance various projects in Africa. Another option could be to offer joint research and development ventures, which could help in capacity building and knowledge transfer.³² Furthermore, many African nations have expressed interest in various high value, modern Indian defence equipment³³ such as the Arjun Mk1 tank, the Brahmos supersonic missile, the Akash Air defence system, and LCA Tejas fighter jets.

The Indian defence industry is expected to grow at 14% per annum between 2024 and 2030.³⁴ This boom in defence industrial growth will increase the potential for defence exports to Africa, which would open a new chapter in India–Africa relations.

Challenges

While India has shown considerable growth in its domestic defence industrial investments and produced some major cutting edge defence equipment, its defence exports to Africa remain small and face challenges from other major defence exports such as China, Russia, Turkey, the U.S. and other nations.³⁵ According to a SIPRI report, India remains a small player in the defence export industry.³⁶ Other African defence exporters, to such as China and Russia, have significant market shares, which could challenge India's defence export ambitions.



Figure 6: HAL Dhruv

Source: Pritishp333, CC BY-SA 3.0 via Wikimedia Commons

³² Exim Bank India [s. a.].

³³ The Economic Times 2024.

³⁴ TOI Business Desk 2024.

³⁵ Eureporter 2024.

³⁶ WEZEMAN et al. 2024.

Furthermore, despite having a robust national defence industry and considerable investment in modern, cutting-edge equipment, India still remains among the largest importers of defence equipment globally.³⁷ India's current defence import-to-export ratio stands at 194:1, making it one of the largest arms importers in the world.³⁸ Therefore, the challenges to fulfil domestic demand might cause defence export delays, which could potentially become a major concern for future Indian defence buyers.

Notably, while India was actively seeking to export its indigenous fighter jet, LCA Tejas to Nigeria, the Nigerians choose the CAC/PAC JF-17 Thunder, which is a joint project by key Indian rivals, China and Pakistan. Moreover, Egypt, which is a key strategic partner of India also rejected the Indian fighter jet Tejas Mk1A, despite offers to set up production lines in Egypt by India.³⁹

Conclusion

For most of its modern independent history, India has been one of the largest importers of defence equipment globally and has depended on defence procurement and technological transfers from various major powers to satisfy its domestic needs to compensate for its industrial inefficiencies.

As India is aiming to increase its geopolitical footprint and fulfil its growth ambitions, it is modernising its defence industry and is looking for export opportunities to expand its geopolitical interest and subsidise its investments through export earnings. However, due to intense competition from China and other countries, India faces challenges in its defence export ambitions to Africa. Furthermore, as India still remains among the largest defence importers globally, challenges remain for India's ability to export weapons and modern equipment to the developing world.

While the Indian defence industry remains small compared to the U.S., France, China or Russia due to lower procurement and operating costs, India has the potential to increase its defence exports to Africa and open a new chapter for India–African relations.

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³⁷ COHEN–DASGUPTA 2012.

³⁸ KUMAR–MEHTA 2022

³⁹ LIONEL 2024.

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