

No MiGs in India's \$11Bln Purchase

By [The Moscow Times](#)

April 28, 2011

The  **Moscow Times**

India has rejected Russian and U.S. firms for a potential \$11 billion fighter jet contract, shortlisting European defense firms Dassault and Eurofighter, in a move that indicates an effort by Asia's third-largest economy to broaden its strategic ties.

Russia's MiG, U.S. Boeing and Lockheed Martin, and Sweden's Saab have been ruled out for the order, sources said Thursday.

The order for 126 fighter jets for the Indian air force, which mainly relies on Russian aircraft and some French Mirage jets, is one of the largest export orders in the history of defense.

The order has been keenly contested by global defense firms and has seen lobbying from leaders like President Dmitry Medvedev, Britain's David Cameron and France's Nicholas Sarkozy.

The rejection comes despite lobbying from U.S. President Barack Obama and rapidly expanding ties between the two nations, and came on the day that U.S. Ambassador to India

Timothy Roemer unexpectedly resigned, citing "personal, professional and family considerations."

"The Americans will be very unhappy, and people who have been backing the contract will say India has not sufficiently taken into account the political relationship with the U.S.," said Kanwal Sibal, a former Indian foreign secretary.

"That is a political setback for relations."

Eurofighter, which makes the Typhoon fighter jet shortlisted for the order, is a four-nation consortium of EADS, representing Germany and Spain, Britain's BAE Systems and Italy's Finmeccanica. Dassault makes the Rafale.

Lockheed Martin's F-16 and Boeing's F/A-18 Super Hornet, along with Russia's MiG-35 and Sweden's Saab JAS-39, did not meet the Indian air force's technical requirements, a defense ministry source told Reuters.

"To the extent that it has come down to the Rafale or Typhoon, the Europeans have, in a sense, won. India is balancing its international relationships," said Howard Wheeldon, senior strategist at BGC Partners in London.

The U.S. Embassy in India declined to comment on whether Roemer's resignation was linked to the development, with a spokeswoman referring queries to a statement on its web site.

"He [Roemer] also stated that he had accomplished all of the strategic objectives set forth two years ago," according to the statement.

India is the world's largest arms importer, accounting for 9 percent of the global arms trade between 2006 and 2010, according to data from Swedish think tank Stockholm International Peace Research Institute.

Its defense budget for the year to March 2011 rose 11.6 percent to \$36.28 billion, but is still less than half of that officially spent by long-term rival China.

It plans to spend \$50 billion over the next five years to upgrade its military — which is largely made up of Soviet-era equipment — to counter the rising might of China and threats from Pakistan.

The fighter jets deal will elevate India's air power capabilities and allow it to deploy the weaponry near the western and northeastern frontiers to tackle any threat from Pakistan or China.

New Delhi fears Beijing is trying to strategically encircle it as the two emerging economies compete for resources globally, while Pakistan already has the F-16 fighters in its fleet.

The contest now sets up a showdown between two multirole European fighters now actively deployed in policing the no-fly zone over Libya, both hungry for export sales to compensate for defense spending cuts at home.

France pulled out of the early stages of the Eurofighter project 30 years ago and opted to build

its own fighter plane, the Rafale, as a successor to the Mirage. The Dassault-built Rafale is still looking for its first foreign buyer.

A New Delhi-based spokeswoman for Lockheed said it was told by U.S. authorities that Washington would respond to the Indian defense ministry's letter on the competition.

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