India in US's STA-1 List - Import of Dual-use Tech

Why in news?

\n\n

\n
- After 1½ years of negotiations, the US has eased controls on high-technology dual-use exports to India.
\n
- The US has granted India exemption under the Strategic Trade Authorisation-1 list.
\n

\n\n

How has India-US defence ties evolved?

\n\n

\n
- India signed the civil nuclear deal with the United States in 2008.
\n
- A key objective was to gain access to high technology.
\n
- Notably, India had been denied access, especially from the 1970s through the 90s.
\n
- Towards the end of Obama’s presidentship, the US recognised India as a “Major Defence Partner”.
\n
- It committed itself to sharing technology to the same level as its closest allies and partners.
\n
- It also agreed to collaboration for defence co-production and co-development.
\n

\n\n

Why is the delay then?

\n\n

\n
- The US either has military alliances such as the NATO or bilateral defence treaties with other countries.
\n
- Hence, the status of Major Defence Partner is unique to India.
\n
- So Indian and American negotiators had to draw up the framework of what the status would entail.
\n
- Given this, the export of defence and dual-use technology by the US is mostly a “political determination”.
\n
- This is driven by two factors namely US national security and the recipient’s regional stability.
\n
- Dual-use exports refer to an item or technology that can be put to both military and civilian use.
\n

\n\n

What is the recent move?

\n\n

\n
- India was in STA-2 list (Strategic Trade Authorisation-2), along with 7 other countries.
\n
- These include Albania, Hong Kong, Israel, Malta, Singapore, South Africa, and Taiwan.
\n
- India has now been elevated to the STA-1 list of countries.
\n

\n\n

What is Strategic Trade Authorisation?

\n\n

\n
- In 2009, Obama announced a comprehensive review of the US export control system.
\n
- As part of this came the concept of Strategic Trade Authorisation (STA).
\n
- This is a move towards a licence-free or license exemption regime.

\n
- Accordingly, two lists were created namely STA-1 and STA-2.
\n
- STA-1 and STA-2 established a hierarchy among those the US was willing to certify as “good countries”.
\n
- **STA-1** - STA-1 countries are America’s most trusted allies.
\n
- The STA-1 list has 36 countries including NATO allies and bilateral treaty allies like Japan, South Korea, and Australia.
\n
- The US considers the non-proliferation controls of these countries the best in the world.
\n
- These are also among those that are part of the four multilateral export control regimes:
\n

\n\n

\n
i. the Nuclear Suppliers’ Group (NSG)
\n
ii. Missile Technology Control Regime (MTCR)
\n
iii. the Australia Group
\n
iv. the Wassenaar Arrangement
\n

\n\n

\n
- STA-1 countries have licence-free access to almost 90% of dual-use technology.
\n
- They are also eligible to import items for reasons of national security, chemical or biological weapons, etc.
\n
- This is irrespective of whether the technology or item impacts regional stability or American national security.
\n
- **STA-2** - Countries in the STA-2 list enjoy some form of licensing exemption.
\n
- But they cannot access dual-use items/technology that may impact regional stability, or contribute to nuclear non-proliferation, etc.
\n

- **Others** - A vast majority of countries remain outside both STA-1 and STA-2.
\n
- They cannot access high technology from the US without specific licences.
\n
- They have to apply for a licence for every item on the Commerce Control List (of dual-use items).
\n

\n\n

What is the significance?

\n\n

\n
- China, Pakistan, and Russia are on neither list.
\n
- Albania is a NATO member, but is still in STA-2, and Israel, a major US ally, is not in STA-1.
\n
- Given these, India joining an elite group of allies of the US is a significant move.
\n
- India is now part of STA-1, despite not being member of all four multilateral export control regimes.
\n
- This is thus another testament to India's non-proliferation credentials.
\n
- India can now access 90% of defence technology and equipment for dual-use supplied by US government and its defence industry.
\n
- It is expected to lead to greater high-technology trade and commerce.
\n
- For Indian high-tech industry, this could open up doors for both sales and manufacturing in India.
\n
- Third countries can also set up manufacturing units, requiring import of dual-use equipment from the US, without the license process.
\n

\n\n

\n\n

Source: Indian Express

\n



SHANKAR
IAS PARLIAMENT
Information is Empowering