India’s Exemption from CAATSA

Why in news?

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US is set to exempt an Indian defence acquisition from Russia from CAATSA law.

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What is India’s S-400 deal with Russia?

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- The Russian-built S-400 Triumf, is the most dangerous operationally deployed modern long-range surface-to-air missile (MLR SAM) system in the world.
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- It is considered to be much ahead of the Terminal High Altitude Area Defence system (THAAD) developed by the United States.
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- The mobile S-400 system can engage all types of aerial targets including aircraft, unmanned aerial vehicles (UAVs), and ballistic and cruise missiles within a range of 400 km, at an altitude up to 30 km.
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- It can track 100 airborne targets, including super fighters such as the American built F-35, and engage six of them simultaneously.
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- India’s Defence Acquisition Council considered buying 12 units, but it was subsequently determined that five units would be adequate for India’s needs.
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What is the US’s CAATSA law?

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- The Countering America’s Adversaries through Sanctions Act (CAATSA),

aims at taking punitive measures against Russia, Iran, and North Korea.
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- The Act primarily deals with sanctions on the Russian oil and gas industry, defence and security sector, and financial institutions, in the backdrop of its military intervention in Ukraine and its alleged meddling in the 2016 US presidential elections.
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- The Act empowers the US President to impose at least five of 12 listed sanctions enumerated in Section 235 on persons engaged in a “significant transaction” with the Russian defence and intelligence sectors.
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- The State Department has notified 39 Russian entities including almost all major Russian defence manufacturing and export companies/entities.
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How India would have affected by this law?

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- Almaz-Antey Air and Space Defence Corporation JSC, the manufacturers of the S-400 system, are in the list of 39.
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- If implemented stringently, CAATSA would impact Indian defence procurement from Russia.
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- Apart from S-400s,India has procurements like 1135.6 frigates and Ka-226T helicopters as well as joint ventures like Indo Russian Aviation Ltd, Multi-Role Transport Aircraft Ltd and Brahmos Aerospace.
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- It would also affect purchase of spares, components, raw materials and other assistance.
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- The bulk of India’s military equipment is of Soviet/Russian origin including the nuclear submarine INS Chakra, the Kilo-class conventional submarine, the supersonic Brahmos cruise missile, the MiG and Sukhoi fighters, Mi helicopters, and the Vikramaditya aircraft carrier.
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What are the reasons behind this exemption?

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- CAATSA impacts Indo-US ties, and dents the image of the US as a reliable partner at a time when it is projecting India as a key player in its Indo-Pacific strategy.
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- US administration for countries like India has favoured relief, citing the “strategic opportunity” that India presents, and also the opportunity “to trade in arms with India”.
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- Indeed, the US defence industry sees India as a major market, Over the last decade, deals with India have grown from near zero to $15 billion.
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- Both in term of the number and value of contracts, the US is way ahead of other major suppliers.
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- The CAATSA exemption also underlines the growing defence and security cooperation that has seen India sign a logistics pact with the US.
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- Also US designated India as a Major Defence Partner, and both countries coming together on Indo-Pacific strategy, the newly resurrected Quad.
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- It also marks an acceptance by the US of the point of principle that as a sovereign country, India cannot be dictated on its strategic interests by a third country.
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Source: Indian Express

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