The F-16 deal

Why in news?

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- The f-16 deal between India and USA is not going to be a game changer.
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- If realized, the F-16 deal will bring some jobs but nothing more no market, no cutting-edge technology, and certainly no leverage against Pakistan.
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What is the background of the issue?

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- The wording of the deal which was signed at the Paris Air Show is very clear it states only the “intent to partner together to meet India’s Make-in-India requirement through the establishment of an F-16 production line in India”.
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- The most obvious takeaway from this is that the deal is not a firm agreement to manufacture the F-16 in India, but only a letter of intent to assemble the plane in India if and when the Indian Air Force (IAF) chooses that platform.
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- This deal will result in the transfer of the entire F-16 production line to India, irrespective of the IAF’s choice, are plain wrong.
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What are the features of F-16?

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- The F-16 is one of the most remarkable fighters of the last century.
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- When it started out, it was a triumph of globalization sourcing parts from across the width and breadth of the North Atlantic Treaty Organization (Nato) and other major non-Nato US allies.
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- The brilliance of this was that even though it started off as a US national programme, it effectively became the national fighter of a cluster of five northern European countries, of Turkey, Israel and South Korea with each cluster heavily buying into the production and supply chains.
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- Each of the companies buying in benefitted from the massive economies of scale in a production run of over 4,600 units as well as from being able to innovate follow-on sub-systems that were incorporated into the several upgrades that the F-16 has seen.
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- The F-16 did was to spawn a global production and supply chain of sub-systems manufacturers, that was highly innovative but still flexible enough to be highly adaptive and competitive.
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What is the downside of the issue?

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- The downside of this, for India, is that by some estimates, less than 40% of the F-16 is actually Lockheed technology.
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- The remaining 60% is proprietary technology owned by hundreds of sub-systems manufacturers spread across the globe.
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- This means that about 60% of the F-16 technology remains unavailable to India unless its signs deals with each of the hundreds and possibly thousands of sub-component manufacturers, some of whom are based in countries like Turkey that are less than enthusiastic about India.
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- The F-16 engine, core crystal-blade technology is off limits to even the closest US allies.
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- The F-16 patents are owned by General Electricals an US based firm, the

slow growth of new engines globally it hardly suits GE’s business interests to transfer such technology to India.
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What is the way forward?

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- One of the most compromises with the F-16 is that purchasing the plane will mean India can effectively cripple the Pakistani F-16 fleet by controlling the supply of spare parts.
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- The F-16 block 70 being sold to India is a vastly different beast from the F-16 block 50 sold to Pakistan.
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- This means that the supplier chain India will get will be different from the supplier chain that Pakistan has access to.
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- Indeed, the globalized supplier and manufacturer chain means that Pakistan’s tap can never be turned off.
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- The F-16 is a brilliant plane, it is at the end of its life cycle but India, which isn’t as technologically advanced as the US, should be able to easily absorb whatever technology it gets from the deal.
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- However, prospects for further external sale and secondary maintenance contracts are non-existent given that the F-16 best exemplifies an anti-monopoly product.
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- In the end, India gets a superb fighter and a few thousand jobs but nothing more not a monopoly, not a market, not innovation, not cutting-edge war-winning technology and, certainly, not “strategic autonomy”.
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