

# In snub to China, US special status to India

Paves way for high-tech defence sales despite New Delhi not being NSG member

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India has become the third Asian country after Japan and South Korea to get the Strategic Trade Authorization-1 (STA-1) status after the US issued a federal notification to this effect, paving the way for high-technology product sales to New Delhi, particularly in civil space and defence sectors.

India is the 37th country to be designated the STA-1 status by the United States.

The notification gains significance as the Trump Administration made an exception for India, which is yet to become a member of the Nuclear Suppliers Group (NSG). Traditionally, the US has placed only those countries in the STA-1 list who are members of the four export control regimes: Missile Technology Control Regime (MTCR), Wassenaar Arrangement (WA), Australia Group (AG) and the NSG.

In its federal notification, the Trump Administration notes that India is a member



“It is a very important change in India’s status. US companies will be able to more efficiently export a much wider range of products to Indian high technology and military customers

Wilbur Ross, US COMMERCE SECY

## INCHING CLOSER TO FULL NSG MEMBERSHIP

- The exception from the export control regime will allow the US to export sensitive technology to India without individual licences or approval from Congress, where anti-India interest groups used to hold them up through filibusters
- No other country in the region has been granted such a waiver, normally allowed only for the US’ NATO partners or key allies like Japan and South Korea
- Only 36 nations currently have this status. It also brings India one step closer to full NSG membership, a goal so tantalisingly close but denied because of Chinese insistence on linking it with Pakistan’s membership
- Waiver will not only ensure a much required high-tech upgrade for India’s lagging defence industry, but will also promote the ‘Make in India’ initiative

of three of the four multilateral export regimes. Mainly because of the political opposition from China, India’s membership application has been pending before NSG,

which takes decisions by consensus. By placing India in the STA-1 list, the United States has acknowledged that for all practical purposes, India adheres to the export

control regimes of the NSG. This exception for New Delhi is intended to send a strong political message to China and the world, taking into account that America’s

closest ally Israel is yet to be given this status, primarily because it is not a member of these multilateral export control regimes. “This action befits India’s status as a Major Defence Partner and recognises” the country’s membership in three of the four export control regimes — the MTCR, WA and AG, the federal notification said.

To date, with the effective support of the US, India has been admitted to three of the four multilateral export control regimes — the MTCR on June 27, 2016; the Wassenaar Arrangement on December 7, 2017, and the Australia Group on January 19, 2018. These memberships, important to the two countries’ global strategic partnership, are enhanced by the US’ recognition of India as a Major Defence Partner in the India-US Joint Statement of June 7, 2016. India so far was listed in STA-2 category along with Albania, Hong Kong, Israel, Malta, Singapore, South Africa and Taiwan. — PTI