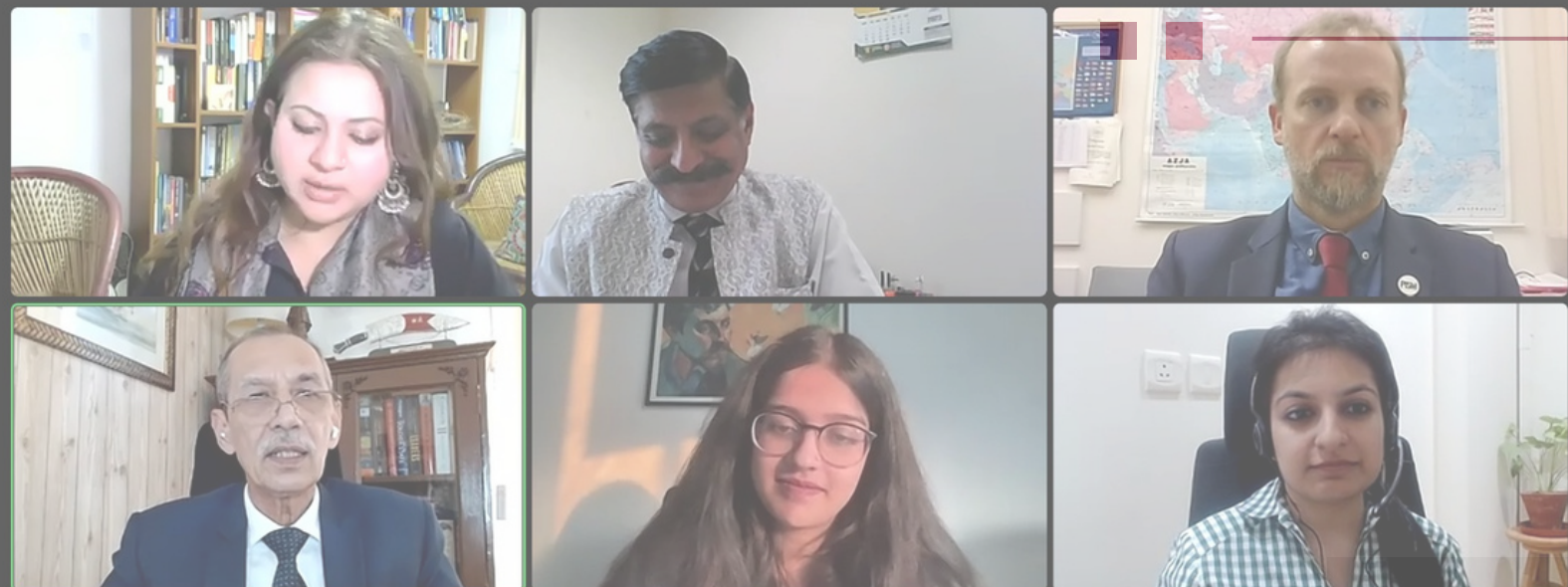


INDIA AND CENTRAL & EASTERN EUROPE: NEW HORIZONS IN DEFENCE INDUSTRIAL COOPERATION

WEBINAR REPORT

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WEBINAR HOSTED BY COUNCIL FOR STRATEGIC AND
DEFENCE RESEARCH-KONRAD-ADENAUER-
STIFTUNG

PANELISTS



*Lt. Gen. D.S. Hooda
(Moderator)*



Dr. Swasti Rao



*Lt. Gen. Sanjay
Verma*



Mr. Patryk Kugiel



*Ms. Simran
Dhingra*



BACKGROUND

In recent times, India's defence-industrial and technological partnerships have increasingly been diversifying away from its overwhelming dependency on Russia, especially in light of the war in Ukraine. Recent momentum in India-EU ties have focussed on increasing defence partnerships between India and European nations. However, for now, India's defence ties with Europe remain largely restricted to Western Europe, particularly France. India's recent outreach towards Nordic and CEE regions in many ways indicates its intentions to increase engagement beyond traditional power centres in Europe and presents an opportunity. In the aftermath of the Ukraine war, many in Central and Eastern Europe, with their particular sensitivity to the Russia threat, have doubled down on their defence budgets. Further, companies in the region, like the Czech Republic, Poland and Slovakia etc. have experience and capacity in producing as well as maintaining and overhauling Soviet-era equipment. This panel seeks to explore the defence industrial and technological capabilities of Central and Eastern Europe and potential avenues for cooperation between India and the region.

Against this backdrop, this webinar will explore the following leading questions/discussion points:

- Many countries in Central and Eastern Europe have been on the forefront of Europe's war effort to sustain Ukraine's defence. What have been the positive or negative impacts of the war on the region's defence industry?
- Does improving India-US ties in defence favour India's ties with CEE as a geopolitical partner considering the region still prefers to take its cues on security and strategy from Washington?
- What areas within India's defence sector offer opportunities for CEE defence companies?
- What are some recurring or persistent obstacles obstructing cooperation?

KEY TAKEAWAYS

- India and Eastern European countries such as Poland and the Czech Republic were closely tied before the fall of the Berlin Wall. Their ties were built on defense industry cooperation and were highlighted by the sales of military equipment, such as the Tatra trucks in the 80s and 90s. After the collapse of the Soviet Union, relations deteriorated.
- Recent events, such as the Russian invasion of Ukraine, the Israel-Hamas conflict and the emphasis on Indian self-reliance, have caused a geopolitical shift away from conventional supply chains. This transformation prompted countries previously reliant on Russian and Israeli military equipment to seek alternative options. India's military cooperation, with Europe, has grown since the Ukrainian invasion.
- Indian and CEE cooperation has significant potential due to recent emphasis in military spendings. Improvements in their military complexes through technological enhancements and recent voids left by import diversification have drawn the possibility for increased partnerships. India's recent geopolitical consideration of the region through diplomatic visits has highlighted its willingness to cooperate.
- However, various obstacles, such as the lack of an institutional cooperation framework and the Central European conventional and non-high tech equipment inventory can damage further partnerships.

VIEWS EXPRESSED

Ms. Dhingra began the webinar with an introduction to the subject. She highlighted the historical ties that bind India and Eastern Europe. Relations deteriorated after the fall of the Berlin Wall. However, Indian diplomatic visits to CEE countries have steadily increased in the last decade.

She continued by stating how India is the world's largest arms importer and is heavily dependent on Russia. Although, its dependence has shrunk since the Ukrainian invasion. India's and Poland's increase in military spending post-invasion are noteworthy and mark a global geopolitical shift.

Lt. Gen. Hooda began his introductory remarks by emphasizing how Indian dependence on Russia is shifting. Imports from France, the US and Israel have since increased. He also mentioned India's self-reliance program, which encourages the Indian production of formerly-imported goods.

He added how the recent Israel-Hamas war could shrink military exports from Israel and questioned whether the CEE countries and India can mutually fill Israel's void with its recent enhancements in their military industries.

He concluded by reminding the challenges of further India-CEE cooperation. Firstly, the defence industry expansion is concentrated on Ukrainian aid or national demands and not exports. The Indian defense requirement is huge, do CEE nations have the capacity and political will to step in? And secondly, there remain questions as to whether the Eastern European military industries' high-tech knowhow is developed enough for Indian requirements. Finally, what challenges do we envision pertaining to the Indian defense ecosystem's requirements and the nature of the procurement process.

Lt. Gen. Sanjay Verma commenced his opening remarks by agreeing with the former panelists on the shift away from conventional supply chains. But, he added how the Aatmanirbhar initiative is a significant cause of the aforementioned phenomenon.

He recalled the close military ties in the 80s and 90s with Poland and Hungary and gave the example of the Tatra truck. He continued by highlighting India's shrinking dependence from Russia due to an increase in imports from the US, Israel and Germany. He concluded by mentioning how the lack of an institutional framework of cooperation damages inter-continental relations.

Dr. Swasti Rao began by stating how the Indian defense footprint has grown since the war in Ukraine through substantial sales to Armenia, Azerbaijan and Lithuania.

She continued by listing all the CEE countries' technological and industrial capabilities in the military sphere. She explained that the MoD is involved in better understanding and facilitating defense cooperation with the region and highlighted certain parameters, such as the availability of niche technologies, on the basis of which countries in Central & Eastern Europe are ranked as important potential partners for India.

She brought attention to the European Defence Agency and how the Czech Republic, the Baltics and Poland have a relatively strong defense agency. The problem that arises here is that they should have a more defined policy.

She went on to add that there are a few niche avenues in the defense industry that are gaining traction, which range from CBRN warfare, space technology and the development of advanced lasers. Dr. Rao concluded by mentioning how the Czech Republic's and other CEE countries' lack of a defined military strategy can damage further cooperation. Yet, they have increased efforts to cement a solid defined strategy.

Mr. Kugiel began with a reminder of how India-CEE cooperation has not developed for the last decades. Yet, many opportunities exist, such as the modernization of post-Soviet equipment, the co-production of new arms, and the strengthening of R&D cooperation.

IMPRESSIONS

Lt. Gen. Sanjay Verma began the Q&A section by expressing the potential of digital and cyber cooperation between India and Central Europe. He continued by emphasizing the importance of a framework in defense cooperation especially for private corporations, as certification and increased productivity would be facilitated.

Dr. Swasti talked about how the MoD prioritized restructuring its diplomacy in Europe and proceeded to list areas that would greatly benefit from expanded cooperation.

He proceeded with the impact of the Ukraine war. It has opened the way for stronger cooperation. It has also led to the realization that Poland and India must modernize its armed forces.

With its recent military spending increase, Poland can import weapons from foreign entities such as South Korea and the US. But, more significantly, it can develop its own defense industry, which according to Mr. Kugiel, is on the verge of a massive transformation

He concluded by stating how Poland lacks the knowhow to develop its defense independently and how this will urge Warsaw to seek foreign options.

Mr. Patryk Kugiel mentioned how Poland will have to replenish its supplies first and then it will turn to an export-oriented military industry. An increase in military trade volume will take time.

In response to the audience's question, Mr. Kugiel reassured the other panelists that India's closeness to BRICS does not modify perceptions of India. He also assessed that the recent Polish change in government will change little in Poland's defense industrial expansion.

Lt. Gen. Sanjay Verma concluded the webinar by stressing on India's capability to produce quality products.

ANNEX 1

Lt. Gen. D.S. Hooda was commissioned into the 4th Battalion of the 4th Gorkha Rifles in 1976 and initially served in Nagaland during the peak of insurgency. As a Major General, he was responsible for counter-insurgency operations in Manipur and South Assam. From 2012 to 2016, Lt. Gen. Hooda was stationed in Jammu and Kashmir and retired as the Army Commander of Northern Command in 2016. During this time, he handled numerous strategic challenges that emerged on the borders with Pakistan and China. Lt. Gen. Hooda has been awarded the Vasishta Seva Medal (twice), the Ati Vasishta Seva Medal, the Uttam Yudh Seva Medal, and the Param Vishisht Seva Medal for his exemplary military service. In 2019 Lt. Gen. Hooda authored a comprehensive National Security Strategy document. He is one of India's foremost commentators on India's national security.

Dr. Swasti Rao is Associate Fellow at the 'Europe and Eurasia Center', Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), India's premier think tank under the aegis of Ministry of Defence. Swasti has undertaken significant projects in collaboration with India's Ministry for External Affairs and Ministry of Defence, with a strong focus on European geopolitics and geo-economics. Her ongoing research project at the MP-IDSA revolves around the theme of Conflicts in Europe amidst shifting Power Structures and Europe's Indo-Pacific outreach. She writes a fortnightly column for The Print that discusses aspects of the Ukraine War and the European security order from an Indian perspective. She represented India at the flagship EU Security Dialogue, The Schuman Forum held at the European Parliament at Brussels in March 2023.

Lt. Gen. Sanjay Verma is the former Director General Capability Development IHQ of MoD. Superannuated on 30 Sep 20 as the Director General Weapons & Equipment from ARMY HQs, Ministry of Defence, New Delhi wherein Lt. Gen. Verma steered a large team with the focus extending across the entire spectrum of planning and acquisitions through outreach to Indian as well as Global Industries, R&D Facilities, Quality Assurance and associated National and International bodies. He is a consultant with DRDO. He has pioneered transformational changes to instill agility, efficiency and generate responsiveness in the processes through innovative and out of box solutions. He has deep exposure to apex decision making processes and functioning of government and international bodies. His postings gave him a wide overview of national strategy building, think tanks and industrial bases both within the country and internationally. He is a Fellow of the Indian Institution of Engineers and is an Advisor/Subject Expert with the UPSC. He is also an Adjunct Faculty at IIT Delhi.

Mr. Patryk Kugiel is an analyst in the Asia-Pacific Programme. His research at the Polish Institute of International Affairs (PISM) focuses on South Asia (mainly India, Pakistan, Afghanistan) as well as development cooperation policy of Poland and the EU. He holds an M.Phil. in South Asia Studies from the Jawaharlal Nehru University in New Delhi and M.A. in International Relations (specialization in American Studies) and in Cultural Studies (specialization in Religious Studies). He is an author of a book India's Soft Power: A New Foreign Policy Strategy (Routledge 2017).

Ms. Simran Dhingra is currently working as Head of International Cooperation at the India Office of the Konrad-Adenauer-Stiftung. She has been a Scholar of the Managing Global Governance (MGG) Academy 2022 at the German Institute of Development and Sustainability (IDOS), Bonn, Germany. Her work focuses on geo strategic and geo-economic issues and the 2030 Agenda of Sustainable Development Goals. Being a staunch advocate for strengthening India-Germany and India-EU relations, she actively collaborates with cooperation partners on subjects pertaining to international relations. She pursued her graduation in Economics and post-graduation in German language and literature from University of Delhi. She has been an ardent learner of the German language for more than a decade and has successfully cleared the “Goethe Zertifikat C2: Großes Deutsches Sprachdiplom (GDS)” which corresponds to the highest level - C2 - of the Common European Framework of Reference for Languages. She also serves as German Academic Exchange Service (DAAD) Young Ambassador and PASCH Ambassador (Schools: Partners for the Future). In this fast-evolving world, the power of global governance and sustainability is paramount and going forward, Simran is keen to contribute to ventures that bring the much-desired change in the society.