

COMMENTARY

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Asia Laps Up Lax Israeli Weapons Rules

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Israel's rising arms trade is once again making headlines. Israeli and international media are reporting that sales soared to US\$7.5 billion last year, a significant jump on the US\$5.8 billion raised in 2011. SIBAT, the defence export and defence cooperation agency of the Ministry of Defence, has predicted a similar figure for the current year.

The figures have drawn mixed reactions due to their size, but one of the most noteworthy aspects of this activity is the period in which Israel managed to clinch major arms deals.

During 2011-2012, major European nations and the US had to cut down on their defence budgets due to the economic crisis. Further, the US has also withdrawn its troops from Iraq (and is in the process of doing the same in Afghanistan). Despite these events, the diminutive Jewish state maintained its age-old trade elsewhere, and profitably.

At this juncture, what needs to be reckoned is the emergence of potential and lucrative defence markets beyond the above-mentioned regions. Currently, Asia-Pacific remains a major target for Israeli arms sales.

The country's connection with Southeast Asia could be traced back to the period during the 1950s when it sold Myanmar military equipment such as machine gun ammunition, bombs, rockets and spare engine parts.

From the late-1970s onward, Israel and the People's Republic of China started to carry out clandestine military relations, which ultimately resulted in them establishing diplomatic relations in January 1992 - the same year India also normalized relations with the Jewish state.

Today, countries such as South Korea, Singapore and India are benefiting immensely from Israel's military transfers.

Historically, since its establishment in May 1948, Israel has been an important player in the international arms trade, both as a recipient and as a supplier. Its major arms suppliers were Czechoslovakia (in the late 1940s and early 1950s), France (in the 1950s and until 1967), and the United States since the late 1960s.

Simultaneously, Israel has been using arms sales and other forms of military-security assistance to pursue its wider foreign policy objectives.

Such activities of Israel should not only be looked from commercial point of views as they also have political incentives. Because of its limited political, economic and diplomatic leverage, Israel has used arms sales and other forms of military assistance such as training and military upgrading to further its international clout.

Recent reports of Israel's path-breaking arms sales identified South/Southeast Asia, Latin America, and few African countries to be its lucrative defence markets.

But the markets of Europe and North America have not been ruled out. It is worth noting that that Israeli defence exports to Asia-Pacific alone yielded US\$4 billion in 2012.

According to the Israeli English daily *Ha'aretz*, deals worth US\$1.6 billion have been signed with European countries; weapons and military technologies worth US\$1.187 billion were sold to the US and Canada; US\$604 million in exports were sold to Latin American countries, and US\$197 million to African countries.

Further, in 2012, defence items such as radars, missiles, and air defence systems (including anti-aircraft systems) accounted for 49 per cent of defence exports; naval systems accounted for 10 per cent and satellites, armour kits, electro-optical and observation systems; and communications systems accounted for the rest; and Unmanned aerial vehicles (UAVs) accounted for three per cent of defence exports.

Israel's special attention towards the nations of South and South East Asia and Latin America could be attributed to the burgeoning isolation it is facing within its own region, alongside the budgetary issues in Europe and North America.

At this juncture, when popular uprisings have engulfed states such as Egypt, one of the few countries having peace treaty with Israel, the Jewish state is reaching out far and wide for business.

Moreover, Turkey, which was once Israel's most lucrative defence market, has snapped its military ties on the wake of the ill-fated Gaza flotilla incident on 31 May 2010.

Even though with the recently-concluded "reconciliation" between Israel and Turkey, a resurgence of military ties will take some time to take place. However, General Shemaya Avieli, the head of SIBAT, has said that "defence exports to Turkey were never halted, and are weighed according to the interests of the State of Israel. The relationship that existed in recent years didn't continue, but if you look at the numbers - defence exports to Turkey were not zero."

Such statements underline the importance Israel attaches to the Turkish defence market. It is believed that both the countries are currently reviewing their military ties.

Meanwhile, Israeli arms sales to countries such as India and South Korea are on the rise. Military relations between Israel and these countries have been the main locomotive of their bilateral ties, though economic and civilian relations follow suit.

The Israeli-Indo arms trade over the past once decade is estimated to be worth about US\$10 billion, a significant volume for both the counties which established diplomatic relations only in 1992.

India and the competition

Israeli-supplied weapons systems are being used by the Indian armed forces for surveillance along the frontier and for maritime security as well. Beyond traditional buyer-seller relationship, both have already ventured into several joint-venture projects for the development of missile defence systems and other cooperation in the field of military aviation.

Firms such as Israel Aerospace Industries (IAI), Elbit Systems are operating in the Indian defence market very successfully. The Indian military establishment is currently using 100 Searcher and 50 Heron UAVs, both manufactured by Israeli defence firms. Israeli-made Phalcon Airborne Warning and Control Systems (AWACS), which was denied to China, are also being used by Indian armed forces.

Israel has carved its niche in India by supplying some of the most sought-after weapons systems with the exception of bigger platforms such as aircraft. Recently, both the countries have also discussed to intensify their cooperation in joint weapons development, involving Israeli firms and India's Defence Research and Development Organization (DRDO).

A major boost to their arms trade has been given by the visit of India's air force commander, Air Marshal N A K Browne to Israel early this year. Interestingly, India is reconsidering to buy Israel's Rafael-made Iron Dome missile defence systems and David's Sling. During the

mentioned India's Air Force chief's visit to Israel, this system (Iron Dome) was rejected on the ground that it will be ineffective owing to India's long borders and congested air space.

It is believed that Israel's willingness to share technology behind such sophisticated rocket system altered India's decision, and began to consider the said system again. If such deals get through, it will not only be beneficiary for Israel whose economy and defence R&D largely depends upon its arms sales but will also enhance India's air defence capabilities against her adversaries.

Tellingly, with the incoming of foreign arms suppliers to India, Israel might face certain competitions. With India's announcement to tie up with overseas defence firms for acquiring advanced technologies for its "Make India" program, Israel will have to compete with countries such as France, Italy and US. However, this is an inevitable factor when any country looks for the best suitable option, and cannot consider it as an undermining factor in the existing Indo-Israeli defence cooperation.

Amid these developments, what can be detrimental to India-Israel military ties is the recent report on Israel's alleged arms sales to Pakistan and four Arab countries. Even though present-day India is concentrating on grooming its indigenous arms production policy, the bulk of its military equipment is still imported.

This is where Israel has carved its own niche, but if clandestine military sales to Pakistan exist and are to continue, then for obvious reasons, India will not approve. Despite a failure to normalize relations between Israel and Pakistan, if this report of Israel's arms sales to Pakistan is proved to be true it could damage Indian- Israeli defence ties. This can become quite a messy diplomatic quagmire.

Likewise, Israeli arms sales to South Korea are also gaining momentum. Both the countries have a robust military cooperation. From what began on a humble note during the 1990s, Israel and South are conducting arms trade worth millions of dollars annually.

As it is with India, both the countries not only enjoy patron-client relationship but that of joint-ventures. This has indicated the maturity attained by both in the military sector. As both the countries have hostile neighbours, there is a greater demand for weaponry.

This has altogether enhanced their military cooperation, and also highlights the degree of importance attached to the Jewish state's transfer of weapons systems to South Korea. There is a robust cooperation between IAI and Korean Aircraft Industry (KAI). Intermittent bilateral military visits could be seen in their relationship.

During the early 2000s, IAI was reported to be offering the same Phalcon AWACS to South Korea by mounting it on an Airbus 310 platform. Alongside such offers, Israel agreed to provide maintenance and electronic warfare (EW) systems for South Korean Air Force helicopters.

During 2006, Israel's Elisra bagged contracts worth US\$7 million to supply EWs to South Korean helicopters. In 2007, South Korean military ordered Skylark II tactical UAVs from Israel's Elbit Systems. Further, in one of the largest weapons deals, in 2009, South Korea's military decided to buy Israeli-made Green Pine Block-B, or Oren Yarok, radar warning systems, worth over US\$200 million.

This system has a range of about 500 kilometres which is considered adequate enough to cover almost the entire territory of South Korea, and could also protect from any incoming North Korean missiles. South Korea inked a US\$43 million deal with Israel's Rafael for the purchase of 67 advanced Spike NLOS (No Line Of Sight) rockets, mainly to protect the front-line area which was attacked by North Korea in 2010.

This rocket carries the potential of flying up to 15-20 kilometres and hit any hidden targets. Finally, in May 2013, South Korea deployed these precision-guided missiles on Baengnyeong and Yeonpyeong islands in the Yellow Sea. In June 2012, Elbit Systems won a US\$62 million contract to upgrade C-130 transport aircraft of the Korean Air Force, and is hoping to enhance its defensive capabilities by procuring Iron Dome from Israel. In a reciprocal move, Israel has planned to procure four offshore patrol vessels (OPVs) worth about US\$400 million, most likely from South Korea.

In this otherwise successful relationship, a hiccup ensued. This happened when South Korea learned that Israel was keen on purchasing Italy's Alenia Aermacchi-made M-346 training aircraft to replace its aging A4-Skyhawks which they have been using to train their pilots. This deal was for about US\$1 billion for 30 aircraft.

Initially, South Korea endorsed its T-50 Golden Eagle supersonic trainer to Israel Air Force (IAF) but failed to clinch the deal. However, this wound was healed quickly and both the countries began to discover new avenues to cooperate further, especially in naval and missile defence cooperation, and DNA casualty identification for the fallen casualties.

Among these Asian giants, Vietnam is another potential country where Israel is willing to conduct its arms business. Considering Vietnam's large army with obsolete weapons systems, Israel might one day take up the tasks of upgrading the former's defence systems and its technologies.

An agreement has already been signed between Israel and Vietnam for the construction of a light-arms plant where Israel's advanced version of Galil infantry rifles would be manufactured. The investment is estimated at little more than US\$100 million.

With such initiatives, the defence cooperation between Israel and Vietnam looks very promising. Further, Vietnamese military, considering its border disputes with the neighbours, is very interested in procuring from Israel several defence items including advanced artillery systems; fast patrol boats; aerial radar systems and state-of-the-art communication systems. As their military ties are yet to ripe, trade in sensitive defence technologies is still not discussed as yet.

Most importantly, the rapid warming of ties between Israel and China is likely to revive their military ties, if not sooner but later. This is one market which Israel would like to secure again like their past experience during the 80s, 90s and 2000. Moreover, with the visible declining role of the US in the Middle East, who vetoed Israeli arms sales to China, Israel can use this opportunity to renew its arms sales to Beijing. If this breakthrough happens someday, then it will be a boom for Israeli defence industries.

Owing to the above developments, it is quite relevant to signify the Israeli arms sales to the Asia-Pacific region. At this juncture when various international arms vendors are flocking to the South and Southeast Asian nations, Israel cannot afford to sit idle.

Treading a careful arms trade with the nations in this region should be in Israel's priority. For this, it needs to preserve its credibility as the reliable arms supplier, and should do away with any kickbacks. And such strong military ties should be used as a conduit to enhance political relations.

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