
India Plays Catch-up with China: Asia's titans boost 2011 defense budgets

Air and naval Implications of India's higher spending and evolving strategic priorities

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China announced on 5 March 2011 that it would boost defense spending by 12.7% in 2011 to US\$91.5 billion, up strongly from the 7.5% increase seen in 2010. India, China's other Asian peer aside from Japan, recently boosted its defense budget by 11.6% for 2011 to US\$36.5 billion, after a rise of only 4% in 2010 (*Nezavisimaya Gazeta*). India's defense procurement spending is slated to rise by 14% in 2011, to US\$15.4 billion, with the Indian Navy's budget set to rise by nearly 17%, the Army budget by 23%, and the Air Force budget by 24%, according to *Defense News*.

We find the spending increases noteworthy because while China is preparing for a range of contingencies and sees the U.S. as its key strategic competitor, India is taking a Pakistan- and (increasingly) China-centric approach to its defense planning and acquisitions. A recent example of a more China-facing Indian strategic choice is the Indian Air Force's decision to deploy two squadrons of SU-30 fighters—India's most capable—to Chabua and Tezpur airbases in Assam, which lies near the strategic border state of Arunachal Pradesh (*Hindustan Times*). They will complement two new infantry divisions being raised, likewise to strengthen defense in India's northeast. Meanwhile, China has been building and upgrading transport infrastructure on the Tibetan Plateau to facilitate faster movements near the border and patrols the area aggressively. India's Defense Ministry accuses China of making at least 350 illegal border incursions over the past several years in Arunachal Pradesh alone (*Indian Defence*).

The Indian Navy plans to acquire 60 new ships, submarines, an aircraft carrier, maritime surveillance aircraft, and satellites in addition to 32 vessels and six submarines being built in India over the next 10 years, according to *Defense News*. This suggests the country's leadership recognizes the need for building and maintaining a strong maritime presence in the Indian Ocean as other rising powers such as China also focus on the Indian Ocean region.

Strategic backdrop

China's increasing assertiveness in both the economic and military arenas is increasingly becoming a major factor in Indian external security planning. Pakistan's internal chaos makes it more likely that Indian security contingencies involving Pakistan will involve non-traditional threats. In essence, Pakistan poses far greater danger as a source of terrorist attacks such as the 26 November 2008 Mumbai attacks, or refugee flows and other forms of instability emanating from natural disasters or state collapse, than it does as an entity capable of mounting conventional military operations that threaten India's survival.

Implications

India's defense spending boost has especially significant implications for both aerial and naval capabilities, which are key areas for ensuring India's continued strategic position vis-à-vis a rising China that has growing interests in the Indian Ocean. Obstacles remain: nearly 60% of India's military budget funds salaries and pensions for almost 1.2 million troops (*Defense News*). Also, some retired Indian military leaders criticize the spending increases as being insufficient to help India gain the ability to simultaneously fight against Pakistan and China. Like many nations' procurement processes, India's is subject to complex negotiations involving offsets and technology transfer and is typically slower and less efficient in practice than officially envisioned. Moreover, a variety of scandals are hampering the present government. Nevertheless, India is steadily increasing in aggregate resources and foreign procurement remains a useful alternative to the "License Raj"-style inefficiency that still plagues many areas of its defense industry. As the economy grows, we believe defense procurement spending will continue to increase meaningfully as India works to lessen its expenditure gap relative to China.

As for procurement funds, India's Air Force will use its US\$6.6 billion share to: New Delhi is now considering acquiring up to 126 modern fighter aircraft in a US\$11 billion deal pitting Saab's J-39 Gripen against the Lockheed Martin F-16, Boeing F/A-18 *Super Hornet*, Eurofighter *Typhoon*, Dassault *Rafale*, and Russian MiG-35 (*Reuters*). India's Hindustan Aeronautics Limited is also planning to spend up to US\$6-8 billion in a joint project with Russia to develop a 5th generation fighter based on the Sukhoi T-50 that would enter service around 2017, according to Indian officials quoted in the Russian media.

The recent emergence of China's new J-20 fighter poses substantial strategic challenges for India because the Indian Air Force's existing SU-30, MiG-29, and Mirage fighters match up well against China's 4th generation J-10 fighter, but could find themselves overmatched if the J-20 emerges as a true 5th-generation fighter with advanced supercruise and stealth characteristics. While precise data on the J-20 remains sparse, the likelihood it will be deployed with 5th generation characteristics is high and regional militaries should plan accordingly. In India's case, this is likely to mean a sharper focus on the 5th-generation FGFA fighter it is jointly developing with Russia.

China's recent long-range deployment in support of the Libya evacuation operation also has distinct naval implications for India. China's ability to quickly dispatch missile frigate *Xuzhou* to the Mediterranean Sea to support and protect the evacuation of Chinese citizens from Libya showed Beijing how valuable forward deployed military assets are. India should therefore expect a sustained, and perhaps slowly increasing, Chinese naval presence in the Indian Ocean. China's naval expeditionary capabilities and capacity will rise as the PLA Navy works to make its ex-Ukrainian carrier *Varyag* seaworthy and also prepares to build domestic carrier hulls.

Sustained increases in defense spending will help the Indian Navy press ahead with the refurbishment of the INS *Vikramaditya* (ex-*Gorshkov*) aircraft carrier, as well as the *Vikrant*-class carrier and *Kolkata*-class destroyers now under construction. The first *Vikrant*-class carrier is projected, perhaps somewhat optimistically, to enter operational service around 2016-17 (*Jane's*) and will use ski jump ramps to operate MiG-29K fighters, while the second vessel is slated to enter service in the latter half of this decade and use catapults, according to *Flight Global*. As such, the second *Vikrant*-class vessel would be able to deploy larger airborne early warning and control aircraft like the Northrop Grumman E-2D, which would be a major force multiplier for an Indian Navy carrier battle group.

India is also looking to bolster its maritime air surveillance capabilities, including the ability to track submarines operating in the Indian Ocean. In January 2009, the Indian Navy signed a contract with Boeing for eight P-8I *Poseidon* maritime surveillance aircraft, with the first deliverable by 2013 and the remaining seven scheduled to be built by 2015 (Boeing). The aircraft offers a highly capable replacement for India's aging TU-142 Bear surveillance aircraft and has a loiter time of four hours at 1,200 nautical miles (2,200km) from base, according to Boeing.

As such, P-8Is would be able to survey and conduct anti-submarine operations across virtually all of India's stated strategic interest zone ranging from the Strait of Hormuz to the Strait of Malacca. Operating from bases in southern India, they could conduct high-endurance patrols to sea areas even further south than Diego Garcia. The P-8I's range is not as long as the TU-142's (3,650 km with 3-hour loiter), but its cruise speed is nearly twice as fast (789 km/hr versus 440 km/hr), allowing it to respond more quickly to suspected submarines or other entities anywhere in India's exclusive economic zone and areas beyond. Unlike the U.S. versions, the Indian Navy's version of the *Poseidon* incorporates a magnetic anomaly detection (MAD) system, which suggests India sees anti-submarine patrols as a major mission of the aircraft.

Further Reading:

Gabe Collins and Andrew Erickson, "[Missile Frigate Xuzhou Transits Suez Canal, to Arrive off Libya ~Wednesday 2 March: China's first operational deployment to Mediterranean addresses Libya's evolving security situation](#)," *China SignPost™* (洞察中国), No. 26 (27 February 2011).

Gabe Collins and Andrew Erickson, "[China Dispatches Warship to Protect Libya Evacuation Mission: Marks the PRC's first use of frontline military assets to protect an evacuation mission](#)," *China SignPost™* (洞察中国), No. 25 (24 February 2011).

For analysis of Beijing's interests in Libya and the surrounding region, see Gabe Collins and Andrew Erickson, "[Libya Looming: Key strategic implications for China of unrest in the Arab World and Iran](#)," *China SignPost™* (洞察中国), No. 24 (22 February 2011).

Gabe Collins and Andrew Erickson, “China’s New Project 718/J-20 Fighter: Development outlook and strategic implications,” *China SignPost™* (洞察中国), No. 18 (17 January 2011).

For early projections regarding Chinese efforts to protect citizens overseas, see Andrew Erickson and Gabe Collins, “Looking After China’s Own: Pressure to Protect PRC Citizens Working Overseas Likely to Rise,” *China SignPost™* (洞察中国), No. 2 (17 August 2010).

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China SignPost™ 洞察中国 founders Dr. Andrew Erickson and Mr. Gabe Collins have more than a decade of combined government, academic, and private sector experience in Mandarin Chinese language-based research and analysis of China. Dr. Erickson is an associate professor at the U.S. Naval War College and fellow in the Princeton-Harvard China and the World Program. Mr. Collins is a commodity and security specialist focused on China and Russia.

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