

India in US's STA-1 List - Import of Dual-use Tech

Why in news?

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- After 1½ years of negotiations, the US has eased controls on high-technology dual-use exports to India.

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- The US has granted India exemption under the Strategic Trade Authorisation-1 list.

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How has India-US defence ties evolved?

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- India signed the civil nuclear deal with the United States in 2008.

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- A key objective was to gain access to high technology.

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- Notably, India had been denied access, especially from the 1970s through the 90s.

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- Towards the end of Obama's presidency, the US recognised India as a "Major Defence Partner".

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- It committed itself to sharing technology to the same level as its closest allies and partners.

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- It also agreed to collaboration for defence co-production and co-development.

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Why is the delay then?

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- The US either has military alliances such as the NATO or bilateral defence treaties with other countries.
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- Hence, the status of Major Defence Partner is unique to India.
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- So Indian and American negotiators had to draw up the framework of what the status would entail.
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- Given this, the export of defence and dual-use technology by the US is mostly a “political determination”.
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- This is driven by two factors namely US national security and the recipient’s regional stability.
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- Dual-use exports refer to an item or technology that can be put to both military and civilian use.
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What is the recent move?

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- India was in STA-2 list (Strategic Trade Authorisation-2), along with 7 other countries.
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- These include Albania, Hong Kong, Israel, Malta, Singapore, South Africa, and Taiwan.
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- India has now been elevated to the STA-1 list of countries.
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What is Strategic Trade Authorisation?

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- In 2009, Obama announced a comprehensive review of the US export control system.
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- As part of this came the concept of Strategic Trade Authorisation (STA).
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- This is a move towards a licence-free or license exemption regime.

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- Accordingly, two lists were created namely STA-1 and STA-2.

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- STA-1 and STA-2 established a hierarchy among those the US was willing to certify as “good countries”.

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- **STA-1** - STA-1 countries are America’s most trusted allies.

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- The STA-1 list has 36 countries including NATO allies and bilateral treaty allies like Japan, South Korea, and Australia.

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- The US considers the non-proliferation controls of these countries the best in the world.

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- These are also among those that are part of the four multilateral export control regimes:

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- i. the Nuclear Suppliers’ Group (NSG)

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- ii. Missile Technology Control Regime (MTCR)

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- iii. the Australia Group

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- iv. the Wassenaar Arrangement

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- STA-1 countries have licence-free access to almost 90% of dual-use technology.

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- They are also eligible to import items for reasons of national security, chemical or biological weapons, etc.

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- This is irrespective of whether the technology or item impacts regional stability or American national security.

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- **STA-2** - Countries in the STA-2 list enjoy some form of licensing exemption.

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- But they cannot access dual-use items/technology that may impact regional stability, or contribute to nuclear non-proliferation, etc.

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- **Others** - A vast majority of countries remain outside both STA-1 and STA-2.
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- They cannot access high technology from the US without specific licences.
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- They have to apply for a licence for every item on the Commerce Control List (of dual-use items).
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What is the significance?

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- China, Pakistan, and Russia are on neither list.
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- Albania is a NATO member, but is still in STA-2, and Israel, a major US ally, is not in STA-1.
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- Given these, India joining an elite group of allies of the US is a significant move.
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- India is now part of STA-1, despite not being member of all four multilateral export control regimes.
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- This is thus another testament to India's non-proliferation credentials.
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- India can now access 90% of defence technology and equipment for dual-use supplied by US government and its defence industry.
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- It is expected to lead to greater high-technology trade and commerce.
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- For Indian high-tech industry, this could open up doors for both sales and manufacturing in India.
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- Third countries can also set up manufacturing units, requiring import of dual-use equipment from the US, without the license process.
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Source: Indian Express

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