

## India's Concerns with CAATS

### Why in news?

\n\n

The CAATS (Countering America's Adversaries through Sanctions) Bill has been introduced in US congress

\n\n

### What is CAATS about?

\n\n

\n

- Countering America's Adversaries through Sanctions Act (CAATSA) aims to counter the aggression by Iran, Russia and North Korea through punitive measures.

\n

- The Act primarily deals with sanctions on Russian interests such as its oil and gas industry, defence and security sector, and financial institutions.

\n

- The Act empowers the US President to impose at least five of the 12 listed sanctions enumerated in the Act on persons engaged in a "significant transaction" with Russian defence and intelligence sectors.

\n

- Two of the most stringent of these sanctions are the export licence restriction by which the US President is authorised to suspend export licences related to munitions, dual-use and nuclear related items.

\n

- It extends to the ban on American investment in equity/debt of the sanctioned person.

\n

\n\n

### Why India need to worry about CAATS?

\n\n

\n

- India has planned defence procurement from Russia which could potentially

come under US sanctions under the Countering America's Adversaries through Sanctions Act.

\n

- India is reliable much on Russia to strengthen its defence preparedness by equipping the armed forces with state-of-the-art arms

\n

\n\n

\n

- India since independence, followed a policy of diversification for arms import which has led it to source weapons from more than two dozen countries.

\n

- Both in term of the number and value of contracts, the US is way ahead of other major suppliers, though Moscow still remains India's predominant defence supplier.

\n

- It is needless to say that the bulk of the potent weapons in India's arsenal are of Soviet/Russian origin and that some of these are not available for purchase from any other source.

\n

\n\n

### **What are the implications of CAATS over India?**

\n\n

\n

- CAATSA, if implemented in its stringent form, is likely to affect India's arms procurement from Russia in a number of ways.

\n

- CAATSA is likely to affect all the joint ventures (JVs) existing or planned between Indian and Russian defence companies.

\n

- The Act will also affect India's purchase of spare parts, components, raw materials and other assistance from Russia.

\n

\n\n

\n

- Thus US authorities will try to influence their Indian counterparts to ignore the Russian platforms, though it is entirely up to India to make its own judgement.

\n

\n\n

\n\n

**Source: Indian Express**

\n\n

\n\n

\n\n

\n



**SHANKAR**  
**IAS PARLIAMENT**  
*Information is Empowering*