Syllabus subtopic: Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India’s interests.

Prelims and Mains focus: about the helicopter deal and its significance; about other deals on the anvil; India-US trade dispute

News: The deal for 24 MH-60R Multi-Role Helicopters (MRH) for the Navy, which is likely to be announced during the visit of U.S. President Donald Trump, is lined up for the final approval of the Cabinet Committee on Security (CCS).

About the deal

All procedural requirements for the deal have been completed. The 24 Lockheed Martin-built helicopters, worth $2.4 billion, are being procured through the Foreign Military Sales route of the U.S. government.

Significance of the deal

• The Navy is facing an acute shortage of MRH, with several warships operating with empty helicopter decks. These helicopters are being procured as replacement for 15 Sea King Anti-Submarine Warfare helicopters de-inducted in 1991 and one Sea King 42B MRH lost in accident. The MRHs in service, Sea King 42Bs, were inducted in the 1980s and are in need of replacement.

• Given the urgency, the U.S. is likely to take some MH-60R helicopters from its newest aircraft carrier, USS Gerald Ford, which is undergoing upgrades.

Trade deal unlikely

Mr. Trump will visit India on February 24 and 25. With no headway in the talks for a trade deal, there are expectations that a few big-ticket defence deals will be announced.
Other deals in the pipeline

- There are several big-ticket deals in the pipeline. These include six Boeing P-8I long-range surveillance aircraft and 13 BAE Systems-built 127-mm MK-45 naval gun systems worth around $1 billion for the Navy, six AH-64E Apache attack helicopters for the Army, 30 armed drones for the three services and a tactical air defence system for Delhi. However, these are at various stages of procurement.

- Apart from the deal for MH-60R helicopters, an announcement is possible on P-8I and Apache.