



International Strategic and Security Studies Programme (ISSSP) NATIONAL INSTITUTE OF ADVANCED STUDIES (NIAS)

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India and the NSG

Report of the ISSSP discussion

Dr N Ramamoorthy delivered a lecture at the NIAS campus on 05 July 2016. This report is based on his lecture.

I About the NSG

The Nuclear Suppliers Group (NSG) came into being following India's peaceful nuclear experiment (PNE) performed in May 1974. Since their first meeting in November 1975, during the next four years, the group held a series of meetings under different nomenclatures (for example, "London Club" "London Group" and "London Suppliers Group"). There was a



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long gap thereafter, and they met again only in 1991. According to the NSG website, the "Nuclear Suppliers Group was created following the explosion in 1974 of a nuclear device by a non-nuclear-weapon State, which demonstrated that nuclear technology transferred for peaceful purposes could be misused." In 1992, the NSG decided to establish guidelines for transfers of nuclear-related dual-use equipment, material and technology (items which have both nuclear and non-nuclear applications), which could make a significant contribution to



an unsafeguarded nuclear fuel cycle or nuclear explosive activity. These Dual-Use Guidelines were published as Part 2 of IAEA-INFCIRC/254, and the original Guidelines published in 1978 became Part 1 of IAEA- INFCIRC/254.

The NSG seeks to contribute to non-proliferation of nuclear weapons through implementation of two sets of Guidelines for nuclear exports and nuclear-related exports. Currently, the NSG comprises 48 Participating Governments (PG). The NSG consider the following to include a country into its fold as a PG and follows consensus-based decision making:

- Ability to supply items (including items in transit) covered by the Annexes to Parts 1 and 2 of the NSG Guidelines;
- Adherence to the Guidelines and action in accordance with them;
- Enforcement of a legally based domestic export control system which gives effect to the commitment to act in accordance with the Guidelines;
- Adherence to one or more of the NPT, the Treaties of Pelindaba, Rarotonga, Tlatelolco, Bangkok , Semipalatinsk or an equivalent international nuclear non-proliferation agreement, and full compliance with the obligations of such agreement(s);
- Support of international efforts towards non-proliferation of weapons of mass destruction and of their delivery vehicles



II India and the NSG

India's initiatives towards engaging some of the PG of the NSG started primarily after 1998, as a part of India reaching out to explain its nuclear stand. Pursuant to intense efforts in 2004-05 and the joint US-India statement of July 2005, India's civil nuclear cooperation agreement with



the US was made. This further expanded Indian efforts to engage with NSG and in reckoning with the NSG guidelines.

India-specific safeguards agreement with the IAEA adopted by the IAEA BOG in August 2008 was a landmark development in the above engagement. It was followed in September 2008 by the NSG waiver for exports to India by NSG. The latter was strongly supported and facilitated by US in 2008.

Ever since the above two developments in 2008, India's efforts to achieve full membership of the NSG have continued further. This effort was based on India's domestic nuclear needs, with a large nuclear energy programme and further plans to expand. As a part of this, India has also been working with several other countries in civil nuclear cooperation measures. Support from the NSG will further facilitate and accelerate this progress for India.

India has also been engaged deeply with several PG of the NSG; numerous diplomatic efforts have been taken by successive governments that resulted in the visit of Mr. R Grossi, Argentina, to India during October 2015 with a specific objective to facilitate NSG matters. He advised engaging with a few PG to address their specific concerns.



Based on all the above prior work, India prepared a huge document (330 pages) for its application to the NSG and submitted it in May 2016 explaining its qualification and eligibility to be included in the NSG. The NSG prep-meeting for annual plenary planning was held in Vienna during 9-10 June 2016, and the NSG Annual plenary was held in Seoul, during 23-24 June 2016. The latter meeting discussed, despite certain opposition, India's case for entry into the NSG.

According to the spokesperson of the MEA, the NSG "discussions on expansion of membership, or what is called "Participation" in NSG, were certainly not hypothetical." The MEA statement further clarified that "this is not a new subject. In fact, it is one that has been discussed within the NSG at every Plenary since 2011", and that "despite procedural hurdles persistently raised by one country, a three hour long discussion took place on the issue of





future participation in the NSG. An overwhelming number of those who took the floor supported India's membership and appraised India's application positively."

Further the MEA statement also stated, "few countries raised issues regarding the process for India's participation in the NSG. It is self-evident that process issues would not arise if these countries were actually opposed to our participation."

According to NSG's final statement after the Seoul meeting, "NSG had discussions on the issue of "Technical, Legal and Political Aspects of the Participation of non-NPT States in the NSG" & decided to continue its discussion... (it) 'shared information on all aspects of the 2008 Statement on Civil Nuclear Cooperation with India and discussed the NSG relationship with India.



Mr Grossi the outgoing Chair of NSG in his tele-interview cited that, "a decision on the membership issue was not possible to be taken in Seoul, but there was a decision that the discussions must continue in one way or the other. And hence the decision of the new Chair to ask me in my capacity as Outgoing Chair, because of the channels of communication I have been able to open on this issue with all the main players, to ask me to reach out, and in his words to reach out and see what is possible in the coming months." Mr. Grossi is thus the facilitator assigned to pursue further the consideration of India's application to NSG.

III NSG & the Indian Debate

The Indian debate on the NSG membership efforts has been understandably highly polarised, as could be seen from the writings of several leading columnists, former diplomats, nuclear experts and political analysts. Some considered the Indian initiative as "carefully calibrated"



and “audacious”, while the others saw it negatively as “tilting at the windmills of the NSG is manic, but it's not diplomacy, it's folly” and that the “NSG membership for India is unlikely and will not result in substantial gains.” Some took a relatively more balanced view and considered India’s entry into NSG (as a unique and exceptional case) may be extremely difficult, even if determined lobbying effort is launched in the coming weeks and months.”

Some questioned the wisdom of pushing matters too fast despite knowing the strong opposition from China, as well as known reservations of a few other PG of NSG. Almost all have referred to the difficult situation for India in simultaneously balancing relations with US on one hand and with China on the other hand.

While the debates may be polarised, it is imperative for India to remain engaged with NSG. Following are some key compulsions for India to do so:

- NSG waiver of 2008 alone may not be adequate and not entirely cover all our interests.
- The NSG waiver may not also be necessarily sustainable in the long-term. There can be serious questions relating to ‘NSG Guidelines’, and (permissible) amendments thereof (for example the 2011 amendment).
- Will the waiver be always honoured on 2008 rules of the game?
- India's ambitious targets of nuclear energy plans involving long-term, large investments and the imperative need to protect the same.
- India’s qualification and readiness to be a ‘responsible nuclear supplier’ to ‘eligible recipients’ vide NSG guidelines, thanks to our proven, all-round nuclear technology competencies, and our industries’ capabilities and infrastructure.

India will have to hence remain engaged with the NSG, as sequel to our civil nuclear cooperation agreement with US, and other similar bilateral cooperation agreements. Indian



presence in NSG will help securing and sustained harnessing of the 2008 developments in connection with meeting India's nuclear energy goals and reducing carbon foot-print. In this context, the interview of R. Grossi (for The Hindu) - outgoing Chair of NSG - is also important. He was reported to have conveyed: "India's chances of NSG membership at Seoul were delayed after concerns raised by several members on process."

IV

India and the NSG: Next Steps

While there is no need to get desperate, India will have to continue its efforts towards achieving greater and faster nuclear benefits. As the NSG may opt for evolving criteria, process etc., there is a likelihood of this approach tending to either negating or diluting the 2008 waiver granted to India. India will have to pursue a multi-tier engagement and be open for pursuing multiple options. It will have to ensure that it diplomatically addresses the most critical, vocal opposition. And also continues its engagement in other multilateral fora. India should also strengthen its national nuclear platform with advances and achievements in programmes, especially in those areas where there is a larger global interest, for example our fast breeder reactor programme.

India will have to pursue the efforts further and the global political scenario and India's own credibility demand the same. Further, in order to achieve India's other commitments (for example, India's statement in the recent Paris Climate Change Summit that "by 2030, India would raise the share of clean energy from non-fossil fuels to 40% of the total"), it would reiterate its large nuclear energy goals and needs. Besides, at the international level, large players in nuclear





business (for example European countries, RoK, and Japan) would be more comfortable if India is in NSG. To quote Dr MR Iyer - from his article being published this month, “NSG membership would have given India more legitimacy for its numerous bi-lateral agreements and make it more secure. This is very important since India need to have an unclogged supply of uranium for its technically sound Nuclear power program. India is not desperate to have technical assistance from any NSG countries. As a matter of fact, most countries, except 5 or 6 members, are all inferior to India in nuclear technology. Many NSG members may have uranium resources, but not the technology, and they will only gain from Indian collaboration.”



To conclude, on India and the NSG, there is currently more uncertainty, than probability or feasibility. China is likely to remain as a main factor in determining India’s entry. Outside China, the US Presidency change later this year may have an impact on this process. While it is difficult to predict, it would be a pleasant and welcome surprise, if India is admitted as PG in NSG later this year.

