



# IAS PARLIAMENT

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## Transparency in Rafale deal

### What is the issue?

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Lack of transparency in the purchase of Rafale fighter aircrafts from France lead to the demands of making details of the deal public.

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### What are the concerns regarding the modified deal?

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- Modification on the number of aircrafts to be purchased from 126 to just 36 aircrafts short-circuited the due procedure.

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- Higher price for aircrafts in the new deal, without obtaining a qualitatively superior fighter was witnessed.

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- By accepting all 36 aircrafts in “flyaway” condition, it left out the possibility of “**Make in India**” component.

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- The absence of **transfer of technology** (ToT) component creates void on the role guaranteed for any Indian public sector company, including HAL.

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### What are the arguments from the government’s side?

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- As the price details come under “**classified information**” and the Inter-Governmental Agreement (IGA) between the Governments of India and France, Defence Minister declined to share the cost of the Rafale fighters under the new deal.

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- However, basic price of the French aircraft has already been disclosed to the Parliament.

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- Accordingly, Minister of State for Defence in 2016 had shared the price in the Lok Sabha in a written reply.

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- The basic price of each Rafale aircraft was said to be around Rs 670 crore, totalling to Rs 59,000 crore for all the 36 aircrafts.

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- They also say that the Air Force cannot absorb more than two squadrons in the given time because of infrastructure and other technical constraints.

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- It raises serious doubts since the induction of all the 36 aircrafts will be over six to seven years from the contract signing.

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### **What should be done?**

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- The government cannot argue that every detail relating to the Rafale is confidential and putting anything out would endanger IAF pilots.

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- The government has to explain the process and time line by which seven squadrons were reduced to two in the modified deal.

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- It has to list the India-specific changes to the aircraft and the itemised cost.

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- It also has to give a break-up of the weapons suite which presumably was not in the original bid.

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- Finally, it has to detail how the new maintenance commitments are different from the earlier ones.

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- Generally, cost of defence deals be shared with Parliament, although some details can be kept secret, citing reasons of national security.

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- Nevertheless, the government is duty-bound to share the pricing details with Comptroller and Auditor General (CAG) and the Public Accounts Committee

(PAC) of Parliament.

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- Thus the government is duty-bound to account for the expenditure of public funds else it would set a dangerous precedent to shirk that duty by citing national security.

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**Source: Business Standard**

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