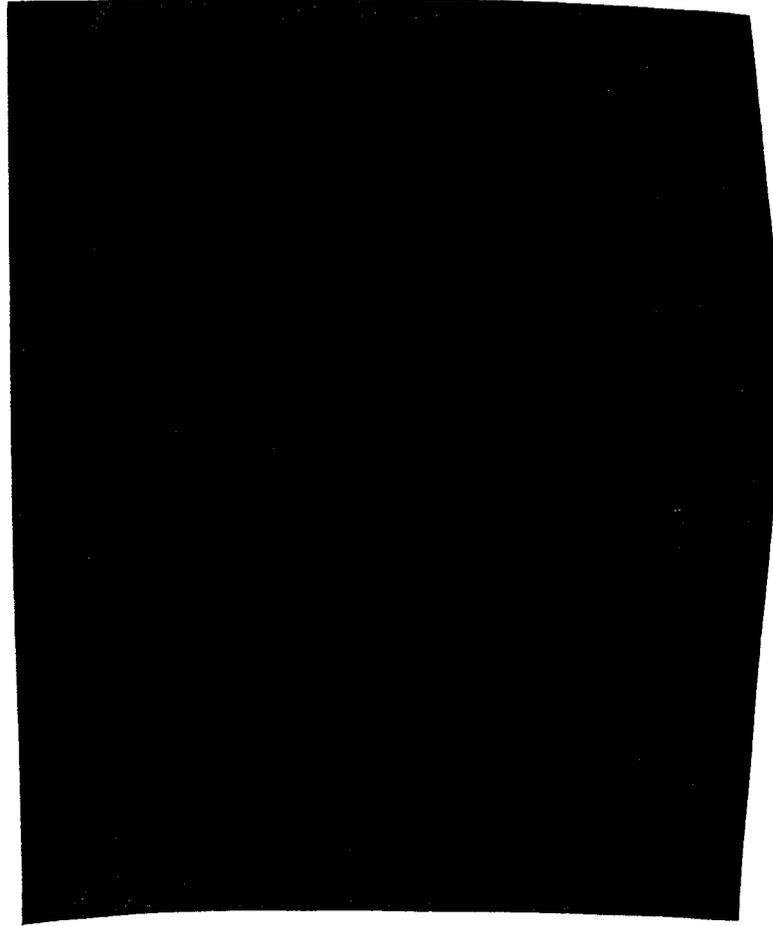


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ادارة التحليل لشؤون الشرق الاوسط و جنوب آسيا  
הכחלקה לענייני המזרח התיכון ודרום אסיה  
اداره تجويه و تحليل خاور ميانه و جنوب آسيا  
Office of Near East/South Asia Analysis, DDI

Memorandum for:



7 June 1985

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Washington, D. C. 20505

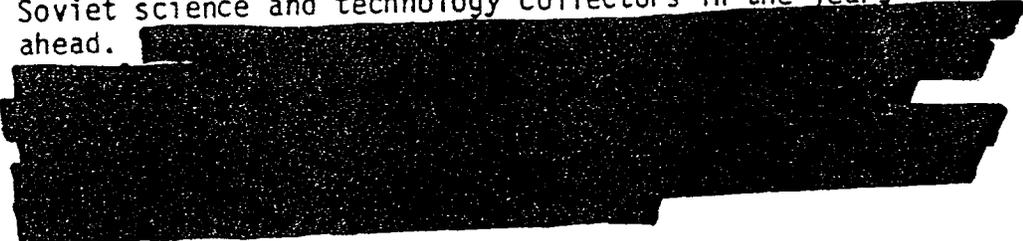
DIRECTORATE OF INTELLIGENCE

7 June 1985

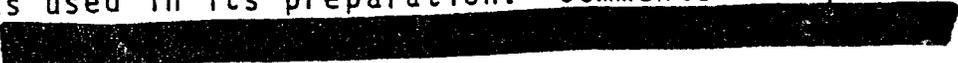
INDIA: A GROWING ROLE IN TECHNOLOGY TRANSFER 

Summary

Prime Minister Rajiv Gandhi has introduced sweeping economic reforms that promise to encourage imports of sophisticated western technology and boost India's ability to manufacture its own high-tech products. As a result, India will offer an increasingly attractive target for Soviet science and technology collectors in the years ahead.



\* \* \* \* \*

This memorandum was prepared by  of the Office of Near Eastern and South Asian Analysis. Information as of 5 June 1985 was used in its preparation. Comments and queries may be addressed   


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## India as a High Technology Target

After decades of slow and uneven growth, India has developed both a sizable heavy industrial sector and an impressive economic infrastructure, and is poised for an unprecedented expansion into high-tech areas such as electronics and computers. We believe the scope for such growth is vast-- India boasts a broad range of scientific activity and a large reservoir of highly educated and technically-trained manpower. [REDACTED]

Gandhi has already liberalized key aspects of India's over-regulated economy--including rules on foreign collaboration and import/export policies --to fuel efforts to acquire new technology. He is eager to make Indian high-tech goods competitive in world markets, and the development of computer software for export is receiving particular emphasis. [REDACTED]

[REDACTED] attractive offers of high technology by several other Western countries will help pave the way to modernization. [REDACTED]

New technology will make India an increasingly attractive target to the Soviets and pose a double challenge to the international control regime on technology transfer. On the one hand, increased imports of controlled technologies will offer expanded opportunities for diversion. On the other, India's ability to produce high-technology items of interest to the Soviets is likely to grow significantly during the next decade. [REDACTED]

[REDACTED] major factors combine to make India a particular technology transfer target:

-- New Delhi's close and long-standing relations with Moscow.

-- [REDACTED]

-- India's large, active, and capable scientific community. [REDACTED]

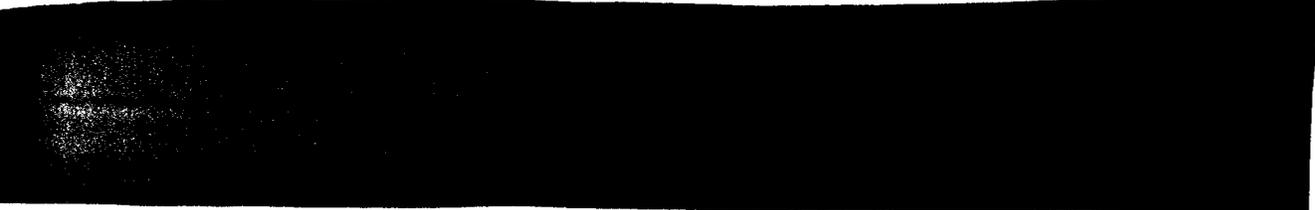
## Indo-Soviet Ties

The close Indo-Soviet relationship is of special concern. [REDACTED]

[REDACTED]

[REDACTED]

For the Soviets, India's growing interest in expanded ties with the West and its quest for advanced technology present both a challenge and an opportunity. [REDACTED]



Acquisition Mechanisms

The Soviet Union acquires technology in India through a variety of mechanisms, 

 Well-established bilateral cooperation over a broad range of scientific disciplines enables Soviet scientists to profit from access to their Indian counterparts. We have no evidence that formal trade agreements themselves promote illegal technology transfer. 

Many scientists in India were trained in the US and have retained informal contacts with colleagues here--both American and Indian--in high technology fields.   
  


Indian Security Practices

Indian officials believe their security procedures are adequate to deny the Soviets access to Western technology within the government, the military, and public sector enterprises.   
  
