

# **India–Israel Defence Cooperation and the Economics of Strategic Partnership**

## **Introduction**

India–Israel defence cooperation is still frequently described in narrow transactional terms: India has military requirements, Israel provides advanced systems, and the relationship is therefore understood mainly through procurement. That interpretation is not entirely inaccurate, but it does not capture the full significance of the partnership any longer. Over time, the bilateral defence relationship has acquired a deeper strategic and economic character. It now reflects not merely the acquisition of capabilities, but the gradual shaping of a wider framework involving technology absorption, industrial cooperation, innovation linkages, and strategic resilience.<sup>1,2</sup>

For India, this evolution is important. In the current strategic environment, military strength cannot be measured only in terms of inventories or acquisitions. It is also shaped by the ability to sustain systems, integrate technologies, absorb know-how, and build domestic ecosystems around critical capabilities. In this sense, a defence partnership must be judged not only by what it delivers immediately, but by what it helps create over time. Analysed from this standpoint, India-Israel defence cooperation is no longer just a story of arms transfers. It is a developing example of how security cooperation can widen into a broader strategic and economic partnership.<sup>3,4</sup>

## **Strategic Foundations of the Partnership**

The foundations of the India-Israel relationship were laid through strategic necessity and practical problem-solving. Since, the full diplomatic relations were established in 1992, defence cooperation has steadily expanded as both countries found it valuable. India sought dependable access to advanced niche technologies, especially in areas where domestic capability was still maturing or where urgent operational requirements had to be met quickly. Israel, in turn, proved to be a reliable and discreet partner capable of responding to India's priorities without excessive political hesitation<sup>2</sup>

This history is significant because it shaped the underlying character of India–Israel relationship. The defence ties between the two countries were not built on ideological declarations or formal alliance commitments. The ties developed because the relationship sustained. It served operational purposes, but it also gained confidence over time. This confidence is one of the main reasons behind defence cooperation has remaining a strongest pillars of the bilateral ties, even as the wider regional and global environment has shifted.<sup>2,3</sup>

## **From Procurement to Institutional Defence Cooperation**

Recent developments indicate that India-Israel now view defence cooperation in more institutional and long-term terms. The 17<sup>th</sup> meeting of the India-Israel Joint Working

Group on defence cooperation took place in Tel Aviv on 04 Nov 2025, and an memorandum of understanding on Defence Cooperation was signed during that visit. In Feb 2026, India's Prime Minister Modi and Israel's Prime Minister Netanyahu elevated the bilateral relationship to a 'Special Strategic Partnership for Peace, Innovation, and Prosperity'. This diplomatic messaging is significant because it suggests that defence is no longer seen in isolation. It is embedded within a wider strategic understanding that includes critical technologies, industrial development, and innovation.<sup>5,6,7</sup>

This broadening is important for India. A buyer-seller model, even when efficient, remains limited. It may provide capability, but it does not necessarily build enduring strength. A more institutional partnership, by contrast, creates space for joint working groups, industrial participation, research linkages, technology dialogue, and long-term planning. The significance of India-Israel ties today lies less in the fact of defence trade and more in the structure that is taking shape around it.<sup>8,9</sup>

### **Military Utility and Capability Enhancement**

The operational value of India-Israel cooperation is most visible in sectors such as air defence, surveillance, unmanned systems, border technologies, and electronic warfare. These are not marginal capability areas. They lie at the centre of how states increasingly prepare for contemporary conflict, where threats are distributed across multiple domains and can emerge in compressed timeframes.

The Medium Range Surface-to-Air Missile System (MRSAM) illustrates this well. In 2021, the Defence Research and Development Organisation (DRDO) handed over the first deliverable firing unit of MRSAM to the Indian Air Force. Officially, it was described as an advanced network-centric combat air defence system developed jointly by DRDO and Israel Aerospace Industries in collaboration with Indian industry, including both public and private sectors. Its operational role—defending against aircraft, unmanned aerial vehicles, munitions, and cruise missiles—gives it direct military importance. But equally important is the developmental model around it: joint development, Indian industrial participation, and a wider support ecosystem.<sup>10,11</sup>

The same logic has continued in the subsequent years. The MRSAM-India Eco-System Summit 2.0, hosted by the Centre for Joint Warfare Studies in May 2025, explicitly highlighted the role of Indo-Israeli collaboration in strengthening India's air and missile defence capabilities under *Atmanirbhar Bharat* (self-reliant India) and Make in India. This framing is noteworthy because it treats the system not simply as a defence acquisition, but as part of a growing Indian defence ecosystem involving military stakeholders, DRDO, Defence Public Sector Undertaking, and private firms.<sup>12</sup>

India's naval capability also reflects the strategic depth of the relationship. The integration of the Barak-8 missiles on major Indian naval platforms, including modern

destroyers, shows that Indo-Israeli cooperation now sits within core fleet air-defence architecture rather than peripheral systems support. In practical terms, this means that the relationship contributes to build on survivability, layered defence, and maritime combat effectiveness in a region where maritime control and denial are becoming increasingly important.<sup>13</sup>

## **The Economics of Defence Partnership**

The economic dimension of this partnership deserves more attention than it usually receives. Defence economics is not simply about what a state spends. It is also about whether strategic expenditure is converted into national capability. For India, cooperation with Israel yields at least four such gains.

First, it supports timely capability induction. In military planning, delay is costly. A state that acquires or develops relevant capabilities only after a threat has matured pays more in strategic and fiscal terms than one that anticipates and fields them on time. In areas such as missile defence, drone defence, and surveillance, Israel's proven ability to deliver advanced systems has real economic significance because speed reduces future vulnerability.<sup>14,15</sup>

Second, it aids technology absorption. India's strategic challenge is not only to acquire advanced systems, but to internalise the technical and industrial knowledge required to maintain, upgrade, and eventually build around them. Programmes that generate engineering familiarity, vendor ecosystems, and local production or support capacity are therefore more valuable than acquisitions that remain externally dependent across their life cycle.<sup>16,17</sup>

Third, it supports industrial modernisation. India's defence-industrial ambitions are now much precise than before, with official emphasis on self-reliance, record defence production, and expanding defence exports. In such a setting, external defence partnerships are most useful when they reinforce domestic manufacturing, support private-sector participation, and create linkages between operational needs and industrial growth.<sup>18,19</sup>

Fourth, it reduces supply concentration risk. India has long sought to avoid excessive dependence on any single defence supplier. This is not merely a geopolitical instinct; it is also a sound principle for strategic risk management. Partnerships with trusted suppliers capable of deeper industrial engagement reduce vulnerability to disruption, political conditionality, or single-source dependency.<sup>20,21</sup>

## **Why India Matters to Israel**

The partnership is equally important from Israel's perspective. India is not simply a major market for Israeli defence exports. It is also a strategic partner with scale, engineering capacity, manufacturing ambition, and growing significance in Asia. For a

country whose domestic market is limited but innovation ecosystem is highly developed, India offers scope for production scale, long-horizon industrial collaboration, and deeper strategic outreach.

This is one of the reasons that has extended the recent bilateral discussions have extended beyond traditional defence categories. During the visit of Israel's Foreign Minister Gideon Sa'ar to India in Nov 2025, discussions covered defence and security, but also trade and investment, semiconductors, cyber security, and Artificial Intelligence (AI). This is strategically meaningful because the boundary between civilian and military technology is becoming progressively thinner. Future force capability will depend not only on legacy hardware, but on electronics, software, AI, advanced sensors, and resilient networks.<sup>22,23</sup>

### **Limits and Constraints**

A serious assessment, however, must also recognise the limits of the relationship. India-Israel cooperation cannot by itself solve New Delhi's broader defence-industrial challenges. Technology absorption depends not only on external partnerships, but also on procurement reform, sustained investments in Research and Development (R&D), testing infrastructure, and domestic execution. Joint production is meaningful only when it results in genuine capability creation rather than superficial localisation.

There is also the question of strategic overstatement. India's foreign policy remains anchored in strategic autonomy. This is unlikely to change. The value of India-Israel ties lies in their pragmatism, not in any attempt to frame them in alliance-like terms. If the relationship has succeeded so far, it is because it has been built on practical alignment and mutual utility rather than rhetorical excess.<sup>24,25</sup>

External disruptions remain another constraint. Regional conflict, sanctions environments, logistics shocks, and instability in global technology flows can affect both defence and commercial cooperation. This is precisely, why broadening this relationship makes strategic sense. The more the partnership is institutionalised—through working groups, industrial ecosystems, R&D frameworks, and wider technology cooperation—the more resilient it becomes under stress.<sup>26,27,28</sup>

### **Conclusion**

India-Israel defence cooperation has outgrown the narrow logic of procurement. It is now better understood as a strategic enabler: one that supports military modernisation, contributes to technology absorption, strengthens industrial capability, and widens India's room for manoeuvre in an increasingly contested strategic environment. The relationship's long-term value lies not only in what it delivers to the services today, but in what it helps India build for the future.

The next phase of this partnership should therefore focus on deeper co-development, stronger life-cycle support ecosystems, greater private-sector participation, and closer alignment with India's self-reliance and export ambitions. If pursued with the same pragmatism that has shaped the relationship so far, India-Israel defence cooperation can continue to develop from a successful supplier relationship into a durable strategic and economic partnership. That is what gives it its real importance for India.

## Endnotes

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  - <sup>3</sup> Press Release, "India–Israel Joint Statement", *Ibid.*
  - <sup>4</sup> Press Release, "India–Israel Bilateral Relations", *Ibid.*
  - <sup>5</sup> Press Release, "India–Israel Joint Statement", *Ibid.*
  - <sup>6</sup> Press Release, "India–Israel Bilateral Relations", *Ibid.*
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  - <sup>8</sup> Press Release, "India–Israel Joint Statement", *Ibid.*
  - <sup>9</sup> Press Release, "India–Israel Bilateral Relations", *Ibid.*
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  - <sup>15</sup> PIB, "Year End Review 2021", *Ibid.*
  - <sup>16</sup> PIB, "DRDO Hands over Air Defence Missile", *Ibid.*
  - <sup>17</sup> PIB, "CENJOWS Hosts MRSAM", *Ibid.*
  - <sup>18</sup> *Ibid.*
  - <sup>19</sup> Press Information Bureau, "Defence Atmanirbharta: Record Production and Exports", *Ministry of Defence, Government of India*, 20 Nov 2025, accessed 21 Apr 2026, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2191937>
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  - <sup>21</sup> PIB, "Defence Atmanirbharta", *Ibid.*
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  - <sup>24</sup> *Ibid.*
  - <sup>25</sup> Press Release, "Prime Minister's Address", *Ibid.*
  - <sup>26</sup> Press Release, "India–Israel Joint Statement", *Ibid.*
  - <sup>27</sup> Press Release, "India–Israel Bilateral Relations", *Ibid.*
  - <sup>28</sup> PIB, "CENJOWS Hosts MRSAM" *Ibid.*

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