





NUCLEAR SUPPLIES GROUP



Agenda: To discuss India's admission into the Nuclear Suppliers Group.

INTRODUCTION

The Nuclear Suppliers Group (NSG) is "a group of nuclear supplier countries that seeks to contribute to the nonproliferation of nuclear weapons through the implementation of two sets of guidelines for nuclear exports and nuclear related exports." The guidelines have the primary principle which state, "The transfer of nuclear technology will be authorized only on the condition that such a deal will not lead to the proliferation of nuclear weapons."

NSG was set up as a consequence of India's nuclear test in 1974 (Pokhran I). Joining the club requires the unanimous approval of all 48 members. India's bid to being a member of the NSG has always received an opposition from China. However, China is supporting Pakistan's membership, another nation that has not signed the NPT.

Joining the NSG will give India better access to low cost, modern, nuclear technology important for its economic growth. Nuclear power is one way for India, the third largest emitter of greenhouse gases, to cut its émissions and reduce pollution from coal power plants.

Since prompting international technology sanctions and limits on exports by conducting nuclear tests in 1998, India has been eager to gain legitimacy as a nuclear power. India has committed itself to increasing its share of clean energy, which includes renewable and non-fossil based energy, to 40% of its total energy generation.

In order to achieve this, nuclear power generation is back in focus. While India has developed its own civil nuclear technology, it still requires advanced technologies that are more efficient and lower in cost. For that, it has to access technologies available with countries like, US, Canada, Japan, Russia and France.

Without an NSG membership, accessing the same is a problem. The NSG waiver in 2008 enabled it to buy nuclear plants but there are several advanced technologies that find application in the field of medicine and medical care, transportation and space that are presently out of reach. Since India is not a signatory to NPT, NSG membership is a must. This is why the US has been lobbying actively for India's membership as it presents a big opportunity for nuclear related business.

NUCLEAR NON-PROLIFERATION TREATY (NPT)

The primary aim of NPT is to prevent the spread of nuclear weapons and weapons technology, to promote the peaceful uses of nuclear energy, and to further the goal of disarmament. The Treaty establishes safeguard systems under the responsibility of the IAEA, which also plays a central role under the Treaty in areas of technology transfer for peaceful purposes. The Treaty on the Nonproliferation of Nuclear Weapons is the cornerstone of the nonproliferation regime. It entered into force in 1970, and 190 states have signed till now. The treaty covers three mutually reinforcing pillars disarmament, nonproliferation, and peaceful uses of nuclear energy—and is the basis for international cooperation on stopping the spread of nuclear weapons. The basic point of the NPT is crystal clear: Countries with nuclear weapons will move towards disarmament; Countries without nuclear weapons will not acquire them; And all countries can access peaceful nuclear technology.

In May 1974 when India detonated its first nuclear device only 94 states had signed the NPT and only 79 had ratified it. Post 1974, India has been considered a nuclear weapons capable state – though its military nuclear program proceeded slowly in the initial years and only fully developed and was showcased in 1998 when India conducted several nuclear detonation tests. India's international isolation, post Pokhran 1, was mainly due to the threat it now possessed in the already unstable south Asian region. It also was to coerce India into signing the NPT. However, political support within India for its nuclear weapons program has been strong across the political spectrum, due to distrust of its neighbors, China and Pakistan in particular, and this prevented any move to sign the NPT as a Non-Nuclear Weapons State

<u>IAEA</u>

The International Atomic Energy Agency (IAEA) is an international organization which was established as an autonomous organization on 29, July 1957. The IAEA aims to promote peaceful use of nuclear energy and to limit the military usage including nuclear weapons.

Widely known as the world's "Atoms for Peace" organization within the United Nations family, the IAEA is the international center for cooperation in the nuclear field. The Agency works with its Member States and multiple partners worldwide to promote the safe, secure and peaceful use of nuclear technologies. Though IAEA was established as an autonomous organization, it is accountable to the United Nations Security Council as well as United General Assembly.

The headquarters of the IAEA is in Vienna, Austria and has two Regional Safeguard Offices which are in Tokyo, Japan and Toronto, Canada. The IAEA has three laboratories in Seibersdorf

Governors, the General Conference, and the Secretariat.

The IAEA serves as an intergovernmental forum for technical and scientific cooperation for nuclear technology and power to be used in a peaceful way. The IAEA promotes peaceful applications of nuclear technology and promotes nuclear safety and nuclear safety standards and implementations.

The NSG Guidelines were published in 1978 by the IAEA as IAEA document number INFCIRC/254, to apply to nuclear transfers for peaceful purposes to help ensure that such transfers would not be diverted to an unsafeguarded nuclear fuel cycle or nuclear explosive activities.

NUCLEAR SUPPLIERS GROUP

The Nuclear Suppliers Group, or the NSG, is a 48 member consortium of nuclear supplier countries intending to put a stopper in nuclear proliferation by overseeing the export of materials, technology and equipment viable for the manufacture of nuclear weaponry. Formed in the wake of India's first successful nuclear bomb test, the Smiling Buddha, it has since been actively moderating trade of nuclear technology among member states.

Members of NSG believe that nuclear technology exchanged for peaceful purposes could also be misused. To regulate the movement of nuclear weapons, it allows its members to trade in nuclear materials and technology under carefully laid norms, while banning the sale of certain materials that could be used to develop weapons of mass destruction.

The group first met in London in November 1974 with 7 participating members namely, Canada, West Germany, France, Japan, the Soviet Union, the United Kingdom and the United States. Then on 15 nations joined which included Belgium, Czechoslovakia, East Germany, Italy, the Netherlands, Poland, Sweden and Switzerland between 1976 and 1977.

The NSG implements two set guidelines; governing the nature, transfer and use and misuse of material and technology, all the while maintaining an explicit trigger list items and technology and their applications.

Aim of the Guidelines

The aim of the NSG Guidelines is to ensure that nuclear trade for peaceful purposes does not contribute to the proliferation of nuclear weapons or other nuclear explosive devices, and that international trade and cooperation in the nuclear field is not hindered unjustly in the process. The NSG Guidelines facilitate the development of trade in this area by providing the means whereby obligations to facilitate peaceful nuclear cooperation can be implemented in a manner consistent with international nuclear nonproliferation norms.

Guidelines for Nuclear Transfers (INFCIRC/254, Part 1)

The fundamental principles for safeguards and export controls should apply to nuclear transfers for peaceful purposes to any non-nuclear weapon state and, in the case of controls on retransfers, to transfers to any State. In this connection, suppliers have defined the so called trigger list. This list includes guidelines for nuclear transfers such as physical protection, safeguards, special controls on sensitive exports, special arrangements for export of enrichment facilities, controls on material usable for nuclear weapons, controls on retransfers as well as supporting activities. Annexes of the guidelines govern the export of items that are especially designed or prepared for nuclear use. These include in the first annex (Annex A) material and equipment as well as technology associated with each of the items on the trigger list.

The second annex (Annex B) includes clarification of items on the trigger list:

- Nuclear reactors and equipment therefor;
- Non-nuclear material for reactors:
- Plants and equipment for reprocessing;
- Plants and equipment for fabrication of nuclear fuel elements;
- Plants and equipment for separation of isotopes;
- Plants for heavy water production; and
- Plants and equipment for conversion.

Guidelines for transfers of nuclear related dual use equipment, materials, software, and related technology (INFCIRC/254, Part 2)

With the objective of averting the proliferation of nuclear weapons and preventing acts of nuclear terrorism, suppliers have considered procedures in relation to the transfer of certain equipment, materials, software, and related technology that could make a major contribution to a "nuclear explosive activity," an "unguarded nuclear fuel cycle activity" or acts of nuclear terrorism. In this connection, suppliers have agreed on the following principles, common definitions, and an export control list of equipment, materials, software, and related technology.

This second set of NSG Guidelines governs the export of nuclear related dual use items and technologies, that is, items that can make a major contribution to an unsafeguarded nuclear fuel cycle or nuclear explosive activity, but which have nonnuclear uses as well, for example in industry. The list includes Guidelines for the transfer of dual use goods which are listed in the annex. The annex lists the following categories:

- Industrial equipment;
- Materials;
- Uranium isotope separation equipment and components (other than trigger list items);
- Heavy water production plant related equipment (other than trigger list items);
- Test and measurement equipment for the development of nuclear explosive devices;
- Components for nuclear explosive devices.

The signing of the Nuclear Non-Proliferation Treaty, although not compulsory, is greatly stressed upon and members are expected to adhere strongly to the terms stated. The treaty recognizes 5 nations as nuclear weapon states and the rest 185 as non-nuclear weapon states stating that the non-nuclear weapon states mustn't seek the acquisition of nuclear weaponry while the nuclear weapon states must seek disarmament and dismissal of their nuclear arsenal, while sharing their Intel on the peaceful use of nuclear technology to non-nuclear weapon states.

The NSG Guidelines also contais the so called "Non-Proliferation Principle," adopted in 1994, whereby a supplier, notwithstanding other provisions in the NSG Guidelines, authorizes a transfer only when satisfied that the transfer would not contribute to the proliferation of nuclear weapons. The Non-Proliferation Principle seeks to cover the rare but important cases where adherence to the NPT or to a Nuclear Weapon Free Zone Treaty may not by itself be a guarantee that a State will consistently share the objectives of the Treaty or that it will remain in compliance with its Treaty obligations.

Why is the NSG important for India?

India's admittance to the NSG has been a matter of high concern for the nation and has recently been a subject of high media and public attention from other nations as well. The NSG membership is evidently a top priority in India's foreign policy for the Indian Prime Minister, Mr. Narendra Modi. Moreover the major exponents of India's membership in the NSG have been the US and Australia. Even a reluctant Japan was prodded by the US to support India's entry into the NSG. Australia and India signed a civil nuclear cooperation agreement in New Delhi in early 2015, which will allow India to purchase uranium from Australia.

India's urgency for membership may also rise in its ambition to become a contributor in lawmaking than existing as a law abiding nation which will eventually require the nation's say in matters to not only be recognized, but also be counted, making it all the more important for it to become a member of the NSG.

The membership shall allow India easier access to the global market of nuclear related materials and allow it to increase its power output manifold. This can be done by opening up import as well as export opportunities. The membership will also help to empower India's reactors and will make its indigenous technology available for sale to a wider range of countries, thus giving the 'Make In India' initiative a facelift. This will eventually lead to job opportunities as well as business development, like India's December 2015 deal with Russia to manufacture and sell reactors to other countries.

Being a high power consumption state, India relies excessively on non-renewable sources to produce energy. Once given access to nuclear materials, it will become easier for India to produce clean energy, reducing its carbon footprint, making it easier to achieve its goal of 40% reliance on non-fossil fuel sources.

The NSG membership will expose India to new, refined and sophisticated foreign technology. Materials will be available at a cheaper rate and increase in yield will have a positive effect on the economy, thus allowing the country to allocate its resources elsewhere while also building foreign and trade relations with powerful member nations. This will in turn alleviate stress on domestic nuclear firms that fall prey to trade restrictions and embargoes due to sanctions and also enable effective foreign national trade.

NSG membership for India could actually become a source for an extra stockpile of enriched uranium, which could be used in thermonuclear weapons, substantially increasing the strength of its existing nuclear arsenal. According to Foreign Policy magazine, China and Pakistan would see this move as a provocation.

Experts say that they might respond by ratcheting up their own nuclear firepower as one must not ignore the fact that Pakistan, in particular, considers itself India's military rival.

MTCR & INDIA'S INCLUSION IN MTCR

The **Missile Technology Control Regime (MTCR)** is a multilateral export control regime. It is an informal and voluntary partnership among 35 countries to prevent the proliferation of missile and unmanned aerial vehicle technology capable of carrying above 500 kg payload for more than 300 km.

The regime however does not include any binding terms on its guidelines, or as a treaty, and is just a moral obligation intending to decrease proliferation of missile related technology especially WMDs. Although it isn't legally tied with the UN, its activities are in accordance with those of the UN's proliferation and export control efforts.

The regime reaches out to its members via meetings and dialogues and several outreach activities. It doesn't impose any body to oversee the activities of its members, but members regularly send information of transfers and exports, which can be decided on their own terms. While it doesn't view nonmembers differently from its members or impose any obligations, members are free to export and import material as long as it is with the intention of nonproliferation.

India became a member of the MTCR on June 27, 2016. India's entry into the MTCR allows the access to high-tech, sophisticated materials and technology and also gives the scope to open its own indigenous technology for sale to an extended array of buyer nations which can lead to better relationships among member nations while promoting commerce.

India's efforts to get into the MTCR got a boost after it agreed to join the Hague Code of Conduct, dealing with the ballistic missile nonproliferation arrangement. India's membership had been blocked in 2015 by Italy, which seemed to link it to the standoff over the detention of the Italian marines.

The Ministry of External Affairs said India's MTCR membership will help in "furtherance of international nonproliferation objectives," even as a statement from the MTCR chair at The Hague said India will enjoy "full participation in organizational activities, including the October 2016 plenary of the regime in South Korea."

On the other side, China is a non-member of the MTCR, but wishes to become one, which puts India in a position to block China's entry the same way China does to India in the NSG, fuelling the feud.

RESPONSE OF INTERNATIONAL COMMUNITY

❖ SUPPORT

It was civil nuclear deal with US, concluded in 2008, that paved the way for India's application as a member of NSG. India's commitment to separate its civilian and military nuclear programs and its non-proliferation record—i.e. ensuring that its indigenously developed technology is not shared with other countries—is what works in its favor.

The US strongly supports India's membership to the NSG and even urged other members to do the same. In an official statement, the White House stated, "We believe, and this has been US policy for some time, that India is ready for membership and the United States calls on participating governments to support India's application at the plenary session of Nuclear Suppliers Group (NSG),". Several other countries which have publicly backed India's bid to NSG are Switzerland, Russia, Japan, Mexico, France, UK and Canada.

❖ OPPOSITION

Brazil, a member of the five nation bloc BRICS (Brazil, Russia, India, China and South Africa), opposed India's membership to the NSG, stressing a nondiscriminatory criteria for the membership process. Turkey, Switzerland, and New Zealand cited similar reasons for their opposition.

CHINA

China's stance on India's impending NSG membership is based on some basic criteria:

China claims that giving membership to states that haven't signed the Nonproliferation Treaty is against the norms of the group and it also discourages the issue of country specific waivers to be handed out to any non-signatory state.

Beijing has stated that rules mustn't be bent for anyone and has reasoned that India not adhering to the NPT makes it ineligible to vie as a member of the NSG. It however also claims that if India is being considered for a seat in the group, so should Pakistan as they share the same credentials over the matter.

It also maintains that India's admittance shall lead to India being involved in a large scale nuclear weaponisation program and end in a nuclear arms imbalance in the southeast Asian region. This is the reason why it has supported the simultaneous induction of Pakistan and India into the NSG.

PAKISTAN

Pakistan has also taken a tremendous effort to become a member of the NSG. With the growing consensus in the world community for India's membership into the NSG, Islamabad have now turned their attention towards thwarting this growingly unanimous move. Their stance is simple "If India, being a non-signatory of the NPT can be included in the NSG, so should we." Nations like China have backed this stance.

Pakistan's team, bid for membership of the NSG on the following major grounds:

- Pakistan's nuclear program has the dual purpose of ensuring its survival in a hostile nuclear neighborhood and meeting the growing energy needs of more than 200 million people.
- Despite an orchestrated campaign against Pakistan's nuclear program since its inception, its track record on nuclear safety, command and control is of the highest standards.
- Awarding India with membership of the NSG, despite the exponential growth of its nuclear arsenal, is discriminatory and would create instability in the region and trigger an arms race.
- 4. The NSG doctrine should have a regional approach in South Asia, where the maintenance of the delicate balance of power would strengthen peace and stability.
- 5. Pakistan has a central role in the global war on terror; Discrimination against the country could have negative repercussions for security and stability in the region.

Questions a Resolution Must Answer

- 1. Should an exception be made for India to join the NSG?
- 2. Does India have enough to bring to the table for such a step to be taken in its favor?
- 3. Will there be exceptions made for NPT non-signatories in the future?
- 4. Will the membership of MTCR help India to get the NSG membership?