

MP-IDSa Monday Morning Webinar

On

“Anatomy of AUKUS Nuclear Submarine Deal and Key Takeaways”

27 September 2021

Event Report

Cmde Abhay K. Singh, Retd, Research Fellow, Military Affairs Centre, MP-IDSa spoke on the topic “Anatomy of AUKUS Nuclear Submarine Deal and Key Takeaways” at the Monday Morning Webinar held on 27 September 2021 at 10 AM. The webinar was chaired by Dr Jagannath P. Panda, Research Fellow, MP-IDSa.

Director General, MP-IDSa, Ambassador Sujan R. Chinoy; Deputy Director General, Maj. Gen. (Dr) Bipin Bakshi, Retd, and scholars & members of the Institute attended the webinar.

Executive Summary

Deciphering the complexities of the AUKUS (Australia, UK and US) Nuclear Submarine Deal was the key focus of the webinar, where Australia’s decision to cancel its deal to procure conventional attack submarines from France and acquire nuclear submarines through a trilateral security pact was extensively discussed. The analysis of Australia’s naval history reveals that the Australian Government had several times in the past opted for conventional submarines over nuclear submarines in the 1960s, 1980s and 2010, taking into consideration cost-effectiveness, combat capability and the strategic requirements. However, the deteriorating strategic conditions of the region have forced Australia to backtrack from its 2016 decision to acquire conventional attack submarines from France and enter into a trilateral pact to procure nuclear submarines from the US and the UK.

Insecurity over China’s aggressive military and economic expansion has been cited as the key factor behind Australia’s decision to procure nuclear submarines. The AUKUS puts Australia in the vanguard of the political alignment posed to counter the rise of China. Australia’s intended patrol stations are concentrated between the Sea of Japan in the East and the Malacca Straits in the West pointing out that Australia views China as

the most important security concern. The AUKUS may not undermine QUAD, or the Quadrilateral Security Dialogue (QSD), and both alliances are likely to be complementary to each other. It was stated that the French reaction to Australia cancelling the attack submarine deal was exaggerated by the media. AUKUS's potential to promote regional stability can only be ascertained by assessing the long-term implications of the trilateral pact.

Detailed Report

Dr Jagannath P. Panda commenced the session with his opening remarks about the topic by referring to AUKUS as a trilateral security pact focused on intelligence sharing on secret technology of building nuclear-powered submarines.

Cmde Abhay K. Singh, Retd, began his presentation by exploring the rationale of Australia's decision towards AUKUS and its geo-political implications. Explaining the overwhelming superiority of nuclear submarines over conventional submarines including the ones with the advanced air-independent propulsion in terms of speed, range and combat capability, Cmde Singh elucidated the rationale behind the Australian Government's decision to acquire American-built nuclear submarines instead of French-built conventional submarines. Cmde Singh then went on to chronicle the Royal Australian Navy's (RAN) long history of operating submarines from as early as 1913. But the narrow industrial base combined with their extensive dependence on the British Navy led to Australia being unable to develop indigenous submarine building capability. The deliberation by the Australian leadership to raise independent maritime capability started in the 1950s when the withdrawal of British Navy from the Indian Ocean became evident.

By 1959, taking into account the cost-effectiveness and simplicity in operation of conventional submarines, the Australian leadership was convinced that they would be sufficient to meet the strategic requirements of that time. As a result, the RAN acquired six British manufactured Oberon Class that operated from 1967 to 2000. In the 1980s once again the debate over nuclear versus conventional submarines arose when the Australian Government began deliberating on replacing the existing Oberon Class submarines. Cmde Singh stated that the high maintenance

cost of the Oberon Class and heavy dependence on British technical support convinced the Australian Government to indigenously build the revolutionary Collins Class submarines in collaboration with Sweden, thereby improving the defence industrial base of Australia.

Cmde Singh explained how in 2009 Australia initiated the Future Submarine Programme (FSP) to acquire submarines possessing greater range, longer endurance and enhanced combat capabilities than the existing Collins Class submarines. Once again the debate over the propulsion system of FSP began and Australia took into consideration RAN's requirement to establish patrol stations from the Sea of Japan to Malacca Straits. Although it became clear that only nuclear submarines can meet RAN's strategic requirements to carry out prolonged covert patrols but the absence of nuclear energy industry and no availability of bipartisan consensus for nuclear propulsion once again led to Australia opting for conventional submarines. French Shortfin Barracuda, German Type 216 and Japanese Soryu Class submarines were among the contenders of the FSP race, out of which French Shortfin Barracuda was selected by the Australian Government for acquisition at an estimated cost of over \$50 billion.

Cmde Singh pointed out how shortly after the deal was finalised, the programme came under extensive media scrutiny over the document leak of India's Scorpene submarines, delays and cost overruns. This prompted the Australian Government to review its decision regarding the French attack submarines, taking into consideration the deteriorating strategic environment, the indispensable requirement of nuclear submarines to confront the strategic threat and the manageability of the fall-out of the conventional attack submarine deal with France, all of which culminated in Australia's decision to acquire nuclear submarines through the AUKUS trilateral security pact. Cmde Singh concluded his presentation by stating that AUKUS's potential to provide strategic stability, initiate a regional arms race, undermine QUAD, including its impact on India's nuclear submarine programme, is yet to be assessed by observing unfolding developments of the future.

In the discussion that followed, **Ambassador Sujan R. Chinoy**, Director General, MP-IDSA remarked that China's growing military and economic rise is the key reason behind growing security concerns amongst nations in the region including Australia. He further commented that through AUKUS, Australia strengthened its resolve into becoming the strongest link in the global political configuration to counter China's aggressive growth. The French reaction to the

cancellation of the submarine deal was overblown by the media by citing how both France and the US have quickly re-engaged with each other on security and strategic cooperation. The Director General encouraged further deliberation on assessing the implications of Australia's move for India's maritime security and also for the nuclear non-proliferation regime. **Maj. Gen. Bipin Bakshi, Retd**, Deputy Director General, MP-IDSA pointed out how Australia had expressed apprehensions towards India's growing naval power in the 1990s and conversely at present no longer views India as a threat which is evident from the concentration of RAN's patrol stations towards the North. He further stated that AUKUS may not undermine QUAD nor would it transform into a new security alliance.

Brigadier Satyavrat Pagay, currently Research Fellow at MP-IDSA, opined that AUKUS is essentially an American-backed alliance to counter China. He expressed the need for India to deliberate on whether India's strategic autonomy can be preserved by becoming a part of QUAD and if AUKUS has the potential to benefit India during military conflict. He also brought out that to counter AUKUS, China may endow Pakistan with military assets and technology which would change the balance of power in the region. Taking into consideration the unresolved border issues with China, Brigadier Pagay stated that India must deliberate on whether it would be able to balance its budgetary allocation between land-centric forces and the navy.

Dr Rajiv Nayan, Senior Research Associate, MP-IDSA, commenting on the ramifications of AUKUS to the non-proliferation regime, stated that the US has always been reluctant to share even low enriched uranium-powered nuclear submarines even with close allies like Australia and Canada in the past. Therefore, US's recent decision to supply Australia with submarines powered by high enriched uranium reactors has resulted in several nations raising eyebrows. He further stated that the existing non-proliferation treaties lack any clear definition regarding nuclear submarines as weapon platforms and hence are unlikely to have any serious ramifications.

During the **Q&A session**, in response to the question on why Australia's intended submarine patrol stations did not go beyond the South China Sea into the Indian Ocean, Cmde Singh stated that submarine deployment is based on the respective nation's threat perceptions and hence Australia's submarine patrol stations are concentrated towards the north with a focus on China. Responding to another question comparing force structure and budgeting of India and Australia,

Cmde Singh stated that there can be no comparison as Australia's expenditure towards Defence has always been minimal as it is part of a security alliance that can cater to its security requirement. Responding to a question on whether AUKUS undermines QUAD, Cmde Singh stated that both the alliances are complementary to each other. On being asked whether India in any way can take advantage of the situation by enhancing its security cooperation with France, Cmde Singh stated that due to the cancellation of the submarine deal with Australia, France will have surplus production capability thereby allowing India to utilise it for its own military acquisition.

Key Takeaways:

- The deteriorating strategic environment due to China's aggressive military and economic expansion is the key factor behind the creation of AUKUS.
- AUKUS is not likely to undermine the existing QUAD but rather both alliances will be complementary to each other.
- Australia through AUKUS has consolidated itself into becoming one of the strongest links in the political configuration formed to counter China.
- France's reaction to Australia's cancellation of the multi-billion dollar attack submarine deal has been exaggerated by the media.
- Even with the acquisition of the nuclear submarine, Australia's military capability will extensively be dependent on its security alliance partners.

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