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# United States Pressures Israel Aerospace Industries to Drop Bid on Fighter Jets to India

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[The below article originally appeared in *The Jerusalem Post*, July 6, 2009.]

Under pressure from the Pentagon, Israel Aerospace Industries (IAI) has been forced to back out of a joint partnership with a Swedish aerospace company to compete in a multi-billion dollar tender to sell new multi-role fighter jets to the Indian Air Force. The deal, estimated at a whopping \$12 billion for over 120 new aircraft, is being fought over by Lockheed Martin's F-16, Boeing's F18/Hornet, Russia's MiG-35, and BAE [Systems'] Eurofighter. IAI was asked by Saab, manufacturer of the Gripen fighter jet, to jointly develop an advanced model which would compete for the deal.

The Defense Ministry ordered IAI to back out of the deal after the Pentagon expressed concern that American technology, used by Israel, would be integrated into the Gripen offered to the Indians.

The stated concern was that Western technology in Israeli hands would make its way to the Indians, one Israeli official said.

What was strange about the American request was that Boeing and Lockheed Martin—the two largest U.S. defense contractors—are also competing for the Indian deal. For this reason, Israeli officials said it was more likely that the Americans were concerned that if IAI competed for the deal with Saab, it would force the American companies to lower their prices.

A multi-role fighter, the Gripen is in service in Sweden, the Czech Republic, Hungary, and South Africa. IAI was supposed to provide the electronic systems— radar, communications, electronic-warfare—for the plane. This is not the first time that the Defense Ministry forced a local company out of a deal due to concerns that competition with American companies would cause friction with the United States.

Last summer, the Defense Ministry ordered Israel Military Industries (IMI) to back down from submitting a bid for a half-a-billion dollar deal to develop and manufacture a new tank for the Turkish Armed Forces. At the time, Turkey had informed the Defense Ministry of its interest in developing a new tank and asked if IMI would want to submit a bid. SIBAT [Hebrew acronym for Defense (Security) Assistance]—the Defense Ministry's Foreign Defense Assistance and Defense Export Organization—decided not to submit an Israeli offer so not to compete with the Americans.