NEW DELHI – India’s drive for higher-tech armaments drew 300 arms suppliers from 21 countries to display their latest hardware. India says it won’t allow lack of funds to slow its arms shopping.

India’s second international defence exhibition opened the day after Finance Minister Jaswant Singh announced a US$5.5-billion modernisation fund to speed up arms procurements.

India last month signed a US$1.5-billion deal for a Soviet-era air craft carrier as part of a spate of arms purchases, to end what it called neglect of the country’s armed forces, one of the largest in the world.

The contract followed Indian purchases of 66 British Hawk trainers worth US$1.66 billion and stepped-up negotiations for six French Scorpene submarines worth some €2 billion.

The build-up comes as the Indian government engages Pakistan in a peace process.

Indian companies are also trying to sell weapons. As in Sydney last week, India offered its Brahmos, a cruise missile built jointly by India and Russia and successfully tested several times on Indian soil.

“One Brahmos is an example of developing world-class weaponry with not so fancy price tags,” said the Defence Research and Development Organisation, which helped develop the weapon.

India’s Mahendra and Mahendra is also exploring the international market for its $18,000 strike vehicle that can launch anti-tank rockets or turn into an infantry combat vehicle.
**Delhi sets up $5.5bn kitty**

NEW DELHI – In dia last week announced a $5.5 billion defence modernisation fund to help the world’s fourth-largest military buy airborne warning and control systems (AWACs), combat planes and an old air craft carrier.

Finance Minister Jaswant Singh, presenting an interim budget until elections expected shortly, told parliament that the defence fund will ensure a steady flow of money for arms purchases, which often take years to complete.

Last month, New Delhi final ised the pur chase of an old Russian air craft carrier, Admiral Gorshkov, aimed at en suring the navy is a key player in the In dia nian Ocean, with an edge over China.

Singh separately announced an increase in de fense expenditure for 2004/05 to $14.6 billion, just over one per cent higher than the previous year. More than 70 percent of this money goes towards maintenance costs such as wages and pen sions for India’s 1.2 million strong mil itary.

**S Afs sell 155mm guns**

NEW DELHI – India and South Af rica have final ised a deal for 180 self-propelled 155mm Denel artillery pieces and 100 how it zers, sub ject to Cabinet approval.

“We have sold a substantial amount of am munition to In dia and now we have final ised this 155mm deal,” Denel’s marketing executive Hendrik Helberg said.

The agreement includes the transfer of technology so that the guns could in future be manu factured in In dia.

The deal ends a self-imposed moratorium by India on artillery system imports since 1986, when the purchase of Swedish Bofors guns worth US$1.33 billion led to charges of bri bery that finally top pled a gov ern ment.

The Denel weap ons would have 52-calibre bar rels and a range in ex cess of 40 kilo metres.

South Africa also wants a con tract to man u facture with In dia 400 motor ised 155mm guns for export to third coun tries.