

U.S.'s NATO Withdrawal And Implications on Indian Defense

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I. Introduction

For over seven decades, the **North Atlantic Treaty Organization (NATO)**, **formed in 1949**, has proven its mettle in shaping global security in the past and contemporary world order. NATO started out as a deterrent and a collective defense against the Soviet Union during the tense Cold War and later evolved as a peacekeeper, combating terrorism and fostering partnerships and international cooperation. While the alliance can be said to have fulfilled its founding objectives, its relevance and adequacy have often come under scrutiny. One of the most vocal critics remains **US President Donald Trump**, who had previously hinted at disengagement, and in his second term, the chances of the USA making an exit from NATO have increased more than ever. He flirted with the same idea even during his first term (2016–2020), but it never came to fruition. Despite being an organization primarily focused on Europe, NATO's influence extends to Asian countries, including India. A US withdrawal would mean an alteration in the status quo and a shift in the centers of power. Europe will most likely suffer as it will lose its say in the world forum, and Asian economies and defense markets will become more relevant. Thus, its impact on Indian defense deals is something to keep an eye on as the US strives to be the top contender for Indian defense imports.

II. Feasibility

Senators Tim Kaine and Marco Rubio in December 2023 introduced something called the **National Defense Authorization Act (NDAA) for Fiscal Year 2024**¹. **Section 1250A** of the act prohibits the President from unilaterally withdrawing from NATO without either:

- A. approval by a two-thirds supermajority of the Senate or
- B. an act of Congress.

Article 13 of The North Atlantic Treaty (1949)² states that “**any party may cease to be a party one year after its notice of denunciation has been given to the government of the United States of America, which will inform the governments of the other parties of the deposit of each notice of denunciation.**”

So technically, the USA shall continue to be a member of NATO for a year after it submits its proposal of withdrawal, should it decide to withdraw officially. International law relies on voluntary compliance; there is nothing legally binding for the US to follow the provisions of the treaty. Trump officially withdrawing from NATO, just like he did from the **Paris Agreements and the WHO**, is dubious; what might rather, and with high chances, happen is that he will just let it die.

Decrease funding, withdraw troops, and undermine **Article 5**³ of the treaty that states that an armed attack on one member state be considered against all. He did speak about doing the same a few times.

Thus, President Trump calling NATO “**obsolete**” and asking for “fair treatment for the USA” are an indication of the US's disengagement from NATO, to say the least. So while a full U.S. exit remains improbable, a shift in priorities and disengagement could reshape global military alignments, particularly in the Indo-Pacific, where India stands as a key U.S. partner.

¹ [NDAA 2024](#)

² [Article 13, North Atlantic Treaty](#)

³ [Article 5, North Atlantic Treaty](#)

III. How will it impact India-US defense relations?

Trump is bullish on the US-India military and defense deals. Clearly, he is keen on expanding military ties with India. This comes as no surprise given the current geopolitical scenario. Russia isn't the biggest concern for the USA anymore; it is China. **Russia spent around \$140 to \$145 billion on its defense sector in 2024⁴.** This number, however, comes after the ongoing Russia-Ukraine war. Under normal conditions, Russian defense spending is usually between **\$60 billion and \$70 billion**. Compare this number with that of the USA, which was a whopping **\$886 billion in 2024 and a projected \$850 billion in 2025**.

China spent ~\$245 billion on defense⁵, a 68% nominal rise from 2016. But more than its defense spending, China's emergence as an economic powerhouse, a manufacturing hub, and a leader in South Asia challenges the U.S. hegemony directly. With Trump's "**America First Policy**," all sorts of steps are being taken to maintain US influence. Recently, President Trump talked about "increasing military sales to India by many billions of dollars."

A. F35: The Game Changer In Indo-US Defense Ties

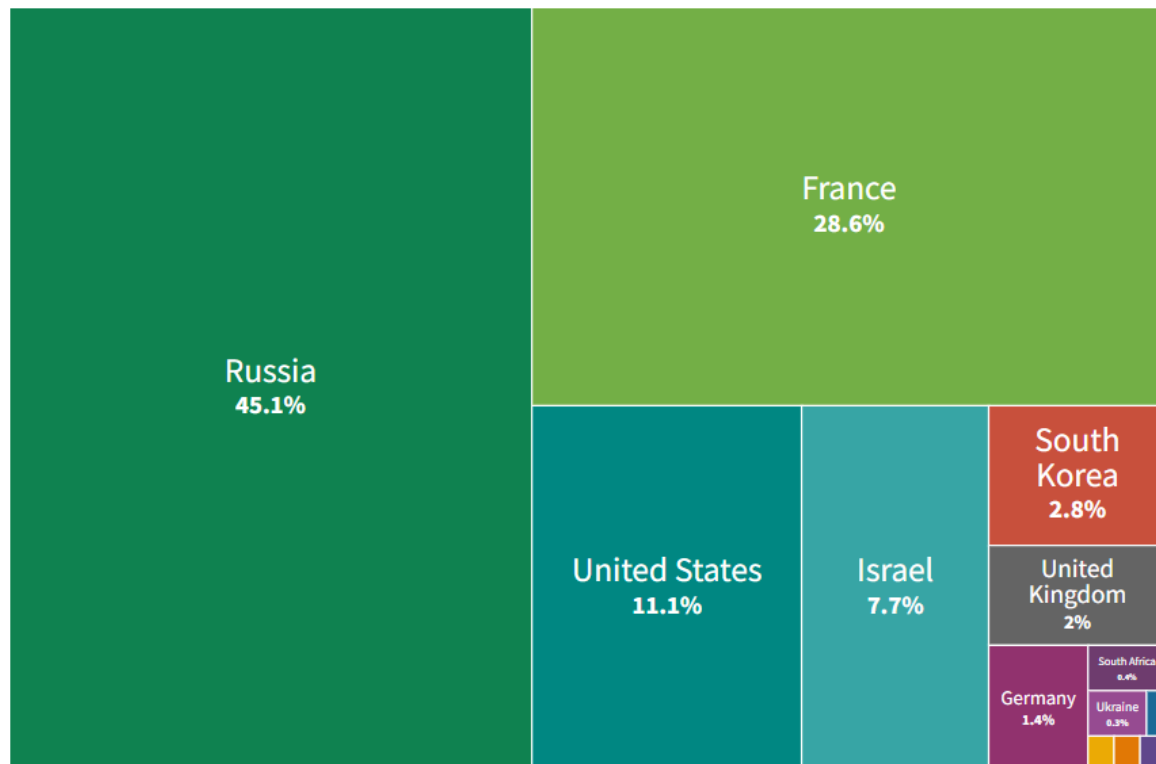
In 2017, the US came up with something called **CAATSA** (Countering America's Adversaries Through Sanctions act)- The law punishes countries for having transactions, especially those of defense, with Russia. The main motive behind the act was to counter the aggression by the governments of Iran, the Russian Federation, and North Korea. Essentially, it discouraged other nations from buying defense equipment from the Russian Federation, thereby crippling their economy and weakening the defense industry. In 2018 , the **government of India purchased the S-400 from Russia, worth \$5.5 billion, making it liable for the sanctions**.

Interestingly, the US introduced a waiver in 2022, which exempted India from getting hit by the sanctions, making India still eligible to **purchase the mighty F-35**. As of March 2025, President Trump is very keen on supplying them to India. It's a two-fold objective that the US might be looking at. The U.S. wants to reduce India's dependence on Russia for defense, which remains India's major supplier of arms and defense equipment.

⁴ [Russia defence spending](#)

⁵ [Chinese Defence spending](#)

India's arms imports (2018 - 2022)



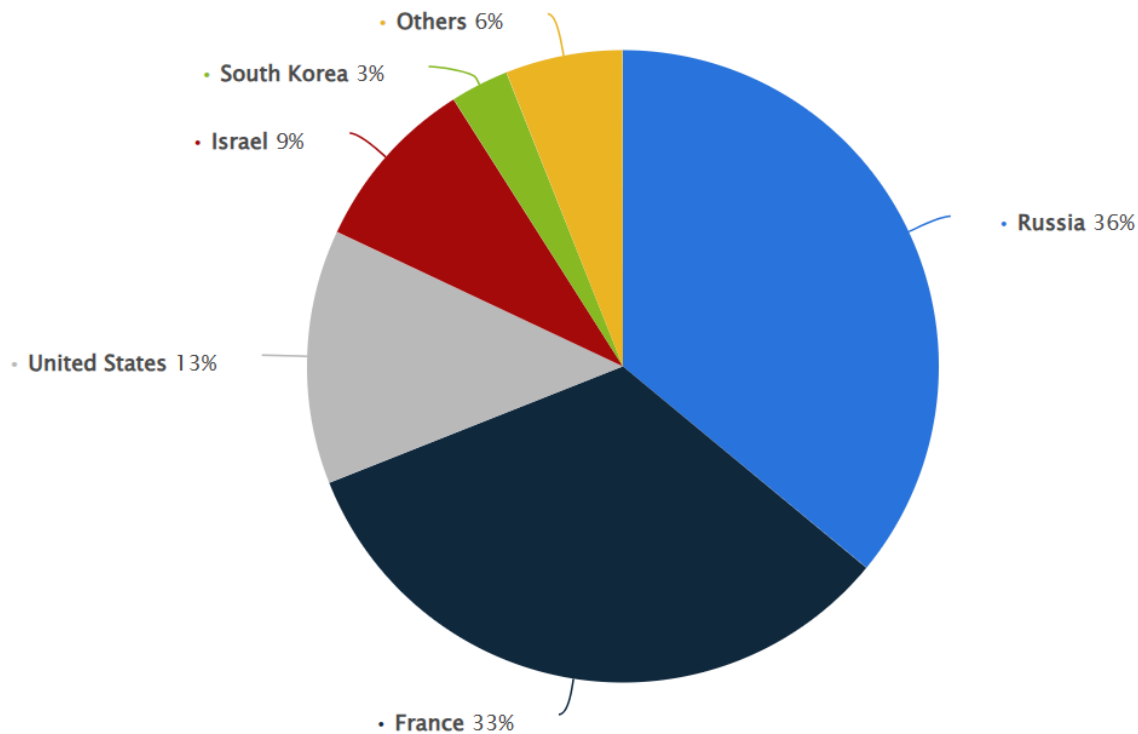
Source: [SIPRI](#) • THE HINDU GRAPHICS

Graph 1: Share of defense import to India from 2019 to 2023, by country of origin⁶

As seen above, from 2018 to 2022, Russia accounted for an impressive **45.1% of India's arms imports, while France accounted for the 2nd highest.** The US, while accounting for 11.1%⁷ roughly, has a lot of potential to enter and push for more deals.

⁶ [The Hindu](#)

⁷ [The Hindu](#)



Graph 2: Share of defense import to India from 2019 to 2023⁸

Another set of data released by SIPRI for the years 2019-2023 has a noticeable change. The **share of Russian defense imports drops by 9 percentage points, while that of the US increases by 2 percentage points**⁹. The share of France has increased too, which implies that India is diversifying its defense imports portfolio. Secondly, the US is willing to send a message to treat India differently, shifting its focus from Russia to China. India stands as a major US strategic partner within the Indo-Pacific region and a Chinese adversary, making US and India natural allies.

According to the SIPRI (Stockholm International Peace Research Institute), India remains the top importer in the defense or arms category. **Between 2019 and 2023, the country accounted for 9.8% of global arms imports**¹⁰.

B. India-U.S.: An Ambitious Defense Partnership

1. The Long Legacy

India and the US share a longstanding legacy of defense deals. Despite India being a major importer of the Russian military, its non-aligned stance often saves India from coming under the radar of US aversion. Regardless of the governments in power, India-US defense ties have largely flourished. Especially the dawn of the **21st century saw a plethora of bilateral and multilateral deals signed**

⁸ [Statista](#)

⁹ [Statista](#)

¹⁰ [SIPRI Report](#)

between India and the US, signifying the inclination of defense and strategic alliance. President Bill Clinton's visit to India opened doors into a new era of partnership between the two countries. In 2000, the **General Security of Military Information Agreement (GSOMIA)**—which enabled the sharing of sensitive military information—was the foundational agreement. In 2004, **Next Steps in Strategic Partnership (NSSP)** expanded the cooperation between the countries and solidified their relationship. The most pivotal point was the **2008 Civil Nuclear Agreement**, which gave India recognition as a responsible nuclear power. After this, various deals like **DTTI (2012)**, **LEMOA (2016)**, **COMCASA (2018)**, and **BECA (2020)** turned out to be pioneering agreements in streamlining defense trade, logistical support, and data sharing.

2. The New Strategic Frontier

Since 2007, the US and India have made defense transactions of above \$25 billion. An increase in defense engagement is not the only exciting thing. What stands out is the change in the nature of partnership. From India being a mere importer of U.S. military hardware, India has managed to achieve **technology transfer and co-production agreements**, which further deepen strong bilateral ties. What stands ahead of India is the opportunity to acquire not just the equipment but the intelligence and technology as well. At the heart of this shift lie the vested interests of the U.S., which looks at India as an indispensable counterbalance to China. The evidence lies in:

- a. **F414-GE-INS6:** A significant development for the Indian aerospace sector, this deal between giants **General Electric and Hindustan Aeronautics Limited** stands as a landmark deal, estimated with a cost of \$1.5 billion¹¹. It provides an engine for **India's indigenous HAL Tejas MK2**. A transfer of technology of up to **80%** has been finalized, which is rather unprecedented.
- b. **Security of Supplies Arrangement (SOSA) and Memorandum of Agreement regarding the Assignment of Liaison Officers:** Under these deals, both countries get access to each other's industrial resources to resolve unanticipated disruptions in the supply chain to meet national security needs and allow the posting of one military officer from each country, respectively.
- c. **Stryker Combat Vehicles:** The two countries recently had talks about the production of Stryker, an eight-wheel-drive combat vehicle. If successful, India would become the first foreign producer of the said vehicle.

This evolution of US-India relations is a departure from the past, where India's role remained merely as a buyer. This New Era deals and agreements strive towards deeper strategic collaboration. This transformation also coincides with the US's growing disengagement from NATO.

The United States spends the most on NATO compared to other members. And Trump has missed no opportunity to point it out over and over again. The US contributed **16%, or \$567 million**¹², to NATO's \$3.59 billion budget. This is well above the **2% contribution rule**, where each NATO member should pledge 2% of its budget to NATO. In 2023, only 10 member nations managed to do so, while this number increased to 23/32¹³ but, the total amount of money the US spent on NATO, and

¹¹ [Indian defence research wing](#)

¹² [Reuters](#)

¹³ [Aljazeera](#)

especially during the Russia-Ukraine war, was very high, with which the Americans are not happy. Thus, spending so highly on a so-called "obsolete" organization questions fiscal prudence. Instead, the U.S. is more interested in spending where its hegemony and influence are challenged. Hence, countering China becomes a necessity. Well aware of constant conflicts and skirmishes between India and China, the US is pushing very hard to turn relations with India into a strategic alliance by offering defense deals that allow India to have an active involvement in joint operations and co-production. Recently, **Tulsi Gabbard, DNI, USA**, underscored the view that Trump's America First isn't about isolationism and that India-US relations will continue to foster. She also mentioned strengthening bilateral ties, along with QUAD, to tackle challenges in the Indo-Pacific region.

IV. Conclusion

The US's disengagement from NATO and an expected withdrawal mark a major change in global security dynamics, which has direct influences on the Indian defense trajectory. Prima facie, there is nothing that should concern India, as the US's outlook as of now has been towards strengthening India-US bilateral engagement over multilateral obligations and a deepening of defense ties with a win-win situation for both countries. The recent period saw some unprecedented deals consisting of **technology transfer and intelligence-sharing mechanisms**. This comes as a good opportunity for the Indian defense to enhance its military capabilities and also pave a way to truly steer the industry toward **Aatmanirbhar Bharat**, promoting indigenous production. Another opportunity that lies ahead of India is the EU's need to diversify their defense collaborations, given the US's reluctance toward NATO. It could be in this context that the talks about a **Free Trade Agreement (FTA) between the EU and India are in full swing as of March 2025**. This realignment could open avenues for India to expand its defense exports and emerge as a key supplier in European defense frameworks.

