



India-US Relations

For Prelims: [General Electric GE-414 jets](#), [Maritime Domain Awareness](#), [INDUS-X initiative](#), [Indo-Pacific](#), [IPEF](#).

For Mains: India-US Relations.

Why in News?

India and the United States have agreed to initiate negotiations for a '**Security of Supply**' (SoS) arrangement and a '**Reciprocal Defence Procurement**' (RDP) agreement, aiming to promote **long-term supply chain stability** and enhance security and defense cooperation between both countries.

- A SoS agreement is a **bilateral or multilateral agreement between countries** aimed at ensuring the availability and stability of critical supplies, particularly in the field of defense and security.
- An RDP agreement is a bilateral agreement between countries in the field of defense procurement. It is designed to **facilitate reciprocal procurement of defense items and promote cooperation** in research, development, and production of defense equipment.



What are the Key Highlights of the Agreement?

- **Assembling Electric Jets in India:**
 - Both sides discussed the deal for assembling [General Electric GE-414 jets](#) in India, which is yet to be finalized.
- **Defence Industrial Cooperation:**
 - The roadmap for 'Defence Industrial Cooperation' has been concluded between India and the US, guiding their **policy direction for the next few years**.
 - Both countries will identify opportunities for **co-development** of new technologies and co-production of existing and new systems, promoting collaboration between defense start-up ecosystems.
- **Capacity Building and Infrastructure Development:**
 - Capacity building, including [Maritime Domain Awareness \(MDA\)](#) and strategic infrastructure development.
 - Increase sourcing by US companies from India, particularly Boeing under the mega-civil aircraft deal with Air India.
 - The establishment of Maintenance, Repair and Overhaul (MRO) facilities by US companies in India to cater to the equipment used by the Indian armed forces and the region.
- **US-India Defence Acceleration Ecosystem (INDUS-X):**
 - The US-India Business Council will launch the INDUS-X initiative to advance **cutting-edge technology cooperation between US and Indian companies**, investors, start-up accelerators, and academic research institutions.

How have been India's Relations with the US?

- **About:**
 - The U.S.-India strategic partnership is founded on **shared values including a**

commitment to democracy and upholding the rules-based international system.

- Both have shared interests in promoting global security, stability, and economic prosperity through trade, investment, and connectivity.

▪ **Economic Relations:**

- The **U.S. has emerged as India's biggest trading partner in 2022-23** on account of **increasing economic ties** between the two countries.
- The bilateral trade between India and the U.S. has increased by **7.65% to USD 128.55 in 2022-23** as against **USD 119.5 billion in 2021-22**.
 - Exports to the U.S. rose by 2.81% to USD 78.31 billion in 2022-23 as against USD 76.18 billion in 2021-22, while imports grew by about 16% to USD 50.24 billion.

▪ **International Cooperations:**

- India and the United States cooperate closely at multilateral organizations, including the [United Nations](#), [G-20](#), [Association of Southeast Asian Nations \(ASEAN\)](#) Regional Forum, [International Monetary Fund](#), [World Bank](#), and [World Trade Organization](#).
- The United States welcomed India joining the UN Security Council in 2021 for a **two-year term** and supports a reformed UN Security Council that includes India as a permanent member.
- Together with Australia and Japan, the United States and **India convene as the Quad** to promote a free and open Indo-Pacific and provide tangible benefits to the region.
- India is also one of twelve countries partnering with the United States on the [Indo-Pacific Economic Framework for Prosperity \(IPEF\)](#).
- India is a member of the [Indian Ocean Rim Association \(IORA\)](#), at which the United States is a dialogue partner.
- In 2021, the United States joined the International Solar Alliance headquartered in India, and in 2022 the [United States Agency for International Development \(USAID\)](#).

Way Forward

- The partnership between the two countries is critical for ensuring a **free, open, and rules-bound Indo-Pacific region**.
- The unparalleled Demographic Dividend provides **enormous opportunities for the US and Indian firms for technology transfer**, manufacturing, trade and investment.
- India is emerging as a leading player in an international system that is undergoing an unprecedented transformation. It shall use its present situation to explore opportunities to further its vital interests.

Source: TH