



Deepening the Indo-US Strategic Partnership

This editorial is based on “[What Trump 2.0 means for India and South Asia](#)” which was published in The Hindu on 07/11/2024. The article brings into picture the evolving India-U.S. relationship under the new U.S. leadership, highlighting opportunities in defense, technology, and energy, alongside challenges in trade and regional diplomacy.

For Prelims: [India-US Relations](#), [LEMOA](#), [COMCASA](#), [BECA](#), [Silicon Valley](#), [International Bank for Reconstruction and Development](#), [Exercise Malabar](#), [NISAR mission](#), [NASA's Deep Space Network](#), [Chandrayaan-3](#), [Digital services tax](#), [CAATSA](#), [US-India initiative on Critical and Emerging Technology](#).

For Mains: Significance of the United States for India, Key Issues in India-US Relations.

[India-US Relations](#) are entering a new phase with the recent election of the **47th US President**. The bilateral relationship, which has been a cornerstone of India's foreign policy, encompasses strategic areas including [defense cooperation](#), **technology transfers**, and **energy partnerships**. This transition in US leadership presents both opportunities and challenges for India's strategic interests, particularly in areas of **defense, trade, and regional diplomacy**.

What is the Significance of the United States for India?

- **Economic Partnership:** The **US has retained its position as India's top trading partner** in the **January-July 2024** period with bilateral goods trade surpassing \$72 billion and Indian exports growing **9.3% to \$48.2 billion**.
 - The economic interdependence spans sectors from IT services to pharmaceuticals, with significant potential for expansion in emerging technologies and manufacturing.
- **Strategic Defense Cooperation:** US-India defense partnership has evolved from a **buyer-seller relationship to co-development and co-production** of military hardware.
 - The cooperation extends to maritime security in the Indo-Pacific, counter-terrorism, and intelligence sharing.
 - QUAD partnership has strengthened bilateral defense ties.
 - U.S.-India defense trade has grown from **near zero in 2008** to over **20 billion USD in 2020**. Also, India has signed all four foundational defense agreements ([LEMOA](#), [COMCASA](#), [BECA](#), [ISA](#)) with the **US**.
- **Technology & Innovation:** US remains critical for **India's technological advancement**, particularly in semiconductors, quantum computing, and AI.
 - The **U.S.-India Global Digital Development Partnership** seeks to unite U.S. and Indian private sector expertise and resources to promote responsible digital technology adoption across Asia and Africa.
 - [Silicon Valley](#) continues to be a major hub for Indian tech talent and startups.
- **Energy Security:** US has emerged as a significant energy partner for India, helping diversify its energy sources away from traditional suppliers.

- According to the **World LNG report 2024 by International Gas Union (IG)**, released earlier this month, the US supplied India **1.8 MT LNG in the pre-pandemic period (2019)** and the quantity increased to 3.86 MT in 2021.
- Cooperation in renewable energy technology is advancing India's clean energy goals.
 - The United States and India are collaborating to mobilize **\$1 billion in new multilateral financing** through the [International Bank for Reconstruction and Development \(IBRD\)](#) to support projects, including the **expansion of India's domestic clean energy supply chain.**
- **Geopolitical Balance:** US partnership helps India maintain strategic autonomy and balance China's regional influence.
 - Collaboration in Indo-Pacific strategy through [QUAD](#) provides **diplomatic leverage.**
 - [Exercise Malabar](#), which began in **1992** as a bilateral naval drill between the United States and Indian Navy, has evolved into a key multilateral event
 - QUAD initiatives committed **\$50 billion for Indo-Pacific infrastructure** development over five years.
- **Healthcare & Pharmaceuticals:** Covid-19 pandemic highlighted the crucial healthcare partnership between nations.
 - India's pharmaceutical industry relies heavily on **US market access** while the US **benefits from affordable Indian generics.**
 - Indian pharma companies supply **40% of US generic drug demand.**
 - Initiatives like the **Indo-U.S. Health Dialogue** have yielded tangible results in disease surveillance, pandemic preparedness, and antimicrobial resistance.
- **Space Cooperation: NASA-ISRO** collaboration represents a growing dimension of bilateral ties. Joint satellite missions and space research enhance both countries' space capabilities.
 - **Joint NASA-ISRO NISAR mission** worth \$1.5 billion scheduled for 2024. Space **situational awareness** agreement enables sharing of satellite data.
 - [NASA's Deep Space Network \(DSN\)](#) helped ISRO in communicating with [Chandrayaan-3](#).
- **Education & Human Capital:** Educational exchanges create long-term bilateral bridges through knowledge transfer.
 - The **Indian diaspora in the US** contributes significantly to both economies. Over 200,000 Indian students in the US contribute **\$7.7 billion annually to the US economy.**
 - Also, in 2023, the leading recipients of remittance from US was **India (\$125 billion)**

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INDIA-US PARTNERSHIP

Economic Relations

- US became India's biggest trading partner in 2022-23 followed by China and UAE
- The bilateral trade has increased by 7.65% in 2022-23 (compared to 2021-22)

Defence Cooperation

- India-US Defence Acceleration Ecosystem (INDUS-X), 2023: Start-ups and tech companies to collaborate on the co-development and co-production of advanced technologies
- Fighter Jet Deal, 2023: GE's F414 engine technology and manufacturing will be transferred for India's Tejas Mk2 jet, enhancing its indigenous capabilities
- Defence Technology and Trade Initiative (DTTI), 2012: To facilitate collaboration in defence manufacturing, research and development, and technology transfer
- New Framework for India-US Defence Relations, 2005: Updated for 10 years in 2015

India intends to procure armed MQ-9B SeaGuardian UAVs

Science & Technology

- Initiative on Critical and Emerging Technologies (ICET), 2022: Cooperation on CETs in areas including AI, quantum computing, semiconductors and wireless telecommunications
- Critical Minerals Partnership: Recently, India joined the US-led Minerals Security Partnership (MSP) to boost global critical energy and minerals supply chains
- Collaboration in Space: NASA to train ISRO astronauts, aiming for a joint International Space Station (ISS) mission in 2024
 - Artemis Accord: A US-led alliance seeking to facilitate international collaboration in planetary exploration and research; signed by India
 - NASA-ISRO Synthetic Aperture Radar (NISAR): For understanding changes in Earth's ecosystems and other environmental changes

Civil Nuclear Deal

- Civil Nuclear Cooperation: Bilateral civil nuclear cooperation agreement signed in October 2008

Energy & Climate Change

- Joint Clean Energy Research and Development Centre (JCERDC), 2010: To promote clean energy innovations by teams of scientists from India and the United States
- Clean Energy Agenda 2030 Partnership: Launched at the Leaders climate summit 2021
- Global Biofuel Alliance (India, Brazil and US), 2023: Aimed at facilitating cooperation and intensifying the use of sustainable biofuels, including in the transportation sector

Security

- Counter-Terrorism Cooperation Initiative, 2010: To expand collaboration on counter-terrorism, information sharing and capacity building

Four Foundational Agreements:

General Security of Military Information Agreement (GSOMIA), 2002: Allows militaries to share intelligence gathered by them

- ◆ Industrial Security Annex, 2019 is a part of GSOMIA

Logistics Exchange Memorandum of Agreement (LEMOA), 2016: Both countries gain access to designated military facilities for refuelling and replenishment.

Communication Compatibility and Security Agreement (COMCASA), 2018: A legal framework for the transfer of highly sensitive communication security equipment from the US to India

Basic Exchange and Cooperation Agreement for Geospatial Intelligence (BECA), 2020: Allow both countries to share geospatial and satellite data with each other

In 2015, both countries issued Delhi Declaration of Friendship and adopted a Joint Strategic Vision for Asia-Pacific and the Indian Ocean Region

Popular Visa Among Indians include H-1B, L. Indian citizens set to become largest foreign student community in the US (20% growth in 2022)



What are the Key Issues in India-US Relations?

- **Trade Tensions:** Persistent trade disputes over tariffs, market access, and intellectual property rights strain bilateral economic ties.
 - India's protectionist measures and US demands for greater market access create friction.
 - Digital services tax and data localization policies remain contentious.
 - India has a trade surplus of \$36.74 billion with the U.S. in 2023-24 that is a concern for the US.
 - India has regularly been listed on the 'priority watch' list in the Special 301 Report, highlighting ongoing concerns about IP protection, enforcement, and market access for American intellectual property stakeholders.
- **Strategic Autonomy vs. Alliance Expectations:** India's independent foreign policy, particularly regarding Russia, Palestine and Iran, creates tensions with US strategic objectives.
 - US expectations of alliance-like behavior clash with India's all-alignment approach.
 - Defense purchases from Russia remain a point of contention.
 - 65% of India's weapons purchases of more than \$60 billion during the last two decades
 - Despite CAATSA threat, India proceeded with the S-400 missile system purchase from Russia in 2022.

- **Data Privacy and Digital Governance:** Divergent approaches to **data privacy and digital governance** create business uncertainties.
 - India's data localization requirements affect US tech companies' operations. Different standards for **digital trade and e-commerce affect market access**.
 - India's data localization rules affect operations of the majority of **US tech companies in India**.
- **Visa and Immigration Issues:** Restrictions on [H-1B visas](#) affect Indian IT sector and professionals.
 - US concerns about **visa overstay and immigration fraud** lead to stricter policies. Work permit delays affect business operations.
 - India's top seven IT services companies saw a **56% decline in their usage of the H-1B visa** over the last 8 years.
 - Reports from U.S. Citizenship and Immigration Services (USCIS) indicate that over **1 million Indians are awaiting green cards**, with some **facing wait times of up to 50 years** due to annual quotas and per-country limitations.
- **China Factor:** Different approaches to managing China's rise create strategic uncertainties.
 - The US has expressed that it is shifting its policy on China from [decoupling to de-risking](#). US expectations of Indian role in the Indo-Pacific sometimes exceed India's capabilities and interests. **Economic dependence on China affects both countries' strategic choices**.
 - India-China trade reached **USD 136.2 billion in 2023** despite tensions.
- **Climate Change and Energy Policy:** Disagreements over climate change commitments and responsibilities persist.
 - US pressure for **faster transition conflicts** with **India's development needs**. Energy security concerns affect climate policy alignment.
 - India recently called for [developed countries](#) (including US) to provide **“at least” \$1 trillion per year** in climate finance to developing countries from 2025 for taking required actions to face the challenges of global warming.
- **Agriculture and Food Security:** Disputes over [agricultural subsidies](#) and market **access affect trade relations**. Different approaches to GM crops and food standards create barriers.
 - WTO disputes over **agricultural issues** strain bilateral ties
 - WTO members, including the US, have raised questions on **India's \$48 billion farm input subsidies for 2022-23**.
 - While **mustard oil** is an integral part of Indian foods, it has been banned in several places like the US **due to erucic acid**.

What Future Prospects can India and the US Explore to Strengthen Their Partnership?

- **Defense Technology Partnership 2.0:** A revitalized defense partnership focusing on **next-generation technologies** represents a critical opportunity for both nations.
 - The establishment of **joint research centers specializing in [AI in Warfare](#), and hypersonics** would create a foundation for technological sovereignty.
 - Fast-track approval mechanisms for **defense technology transfers could overcome current bureaucratic hurdles**, while joint production facilities in India would align with [Make in India](#) objectives.
 - This **enhanced partnership** could significantly reduce dependence on traditional defense suppliers while fostering indigenous capabilities.
- **Strategic Supply Chain Resilience:** Building resilient supply chains has become **imperative in the post-pandemic world**.
 - The focus should be on **developing alternative supply routes for critical minerals and rare earth elements as India joins the US-led [Mineral Security Network](#)**, reducing dependence on single-source countries.
 - **Joint semiconductor manufacturing initiatives in India** could address global chip shortages and reduce dependence on China while creating high-skilled employment.
 - Dedicated industrial parks for **US companies relocating from China would facilitate investment**, while standardized supply chain security protocols would ensure reliability.
- **Energy Security Cooperation:** The energy sector presents significant opportunities for bilateral cooperation.

- **Long-term LNG supply agreements** with stable pricing mechanisms could enhance energy security for India while providing market access for US suppliers.
- Joint renewable energy projects, particularly **in solar and [green hydrogen](#)**, would support climate goals.
- Joint **energy storage research and production facilities** would address critical infrastructure needs, while clean energy startup funds would foster innovation.
- **Digital Economy Framework:** Digital cooperation represents a frontier for bilateral relations.
 - Developing **common standards for data privacy and cross-border data flows** would facilitate digital trade while protecting consumer interests.
 - **Joint certification systems for digital security products** would enhance cybersecurity.
 - A **bilateral fintech regulatory sandbox** could promote innovation in financial services.
- **Healthcare Partnership Enhancement:** Healthcare collaboration has gained new significance post-pandemic.
 - **Joint vaccine development and production facilities** would enhance global health security while leveraging India's pharmaceutical capabilities.
 - **Telemedicine infrastructure connecting both countries** could improve healthcare access in remote areas.
 - Joint research programs focusing on **tropical and emerging diseases would address global health challenges.**
- **Climate Action Collaboration:** Climate change presents an opportunity for meaningful bilateral cooperation.
 - A **joint carbon trading mechanism** could help both countries meet their emission reduction targets while creating economic opportunities.
 - **Bilateral green technology transfer frameworks** would accelerate clean technology adoption.
 - Joint climate-resilient infrastructure projects could demonstrate practical solutions.
- **Educational and Research Integration:** Education partnership needs evolution beyond traditional student exchange programs.
 - **Joint degree programs in strategic sectors like AI, quantum computing, and biotechnology** would create a specialized workforce for future industries.
 - Research centers of excellence focusing on **emerging technologies** under [US-India initiative on Critical and Emerging Technology \(iCET\)](#) could drive innovation while addressing local challenges.
- **Strategic Regional Cooperation:** Regional cooperation must adapt to evolving Indo-Pacific dynamics.
 - Joint infrastructure projects in **strategic locations** would enhance connectivity while providing alternatives to **China's BRI.**
 - Trilateral partnerships with countries like **Japan, Australia, and France could create synergistic benefits.**
 - A joint maritime security framework would ensure **free navigation and trade flows.**
- **Cultural and Soft Power Exchange:** Cultural ties need institutional frameworks. Joint media production platforms would create **content reflecting shared values.**
 - Programs for **traditional knowledge preservation** in both countries would protect cultural heritage.
 - Bilateral sports development initiatives (like the recent **ICC T20 World Cup 2024** in America) would engage more youth.

Conclusion

The **US-India relationship** is a multi-faceted partnership with immense potential. While challenges persist, areas like **defense, technology, and trade offer significant opportunities.** By addressing trade disputes, fostering trust on strategic issues, and collaborating on global challenges, **India and the US** can elevate their partnership to new heights, benefiting both nations and contributing positively to the global order.

Drishti Mains Question:

What is the significance of the United States for India in terms of strategic, economic, and technological

cooperation? Analyze the potential areas of growth and challenges in this partnership

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. 'What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India's National self-esteem and ambitions'. Explain with suitable examples. **(2019)**

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