



## Strengthening Indo-US Strategic Partnership

*This editorial is based on "[Foundation for layered India-America relations](#)" which was published in Hindustan Times on 17/02/2024. The article brings into picture the resilience of India-US ties, highlighting progress in defense, technology, and regional cooperation.*

**For Prelims:** [India and the United States](#), [F-35 fighter jets](#), [Tiger Triumph](#), [International Energy Agency](#), [International Energy Agency](#), [NISAR satellite](#), [NASA-ISRO AXIOM mission-4](#), [Artemis Accords](#), [Gaganyaan](#), [CAATSA](#)

**For Mains:** Key Areas of Cooperation Between India and the US, Key Areas of Friction Between India and the US.

The recent **high-level diplomatic engagement between [India and the United States](#)** in **Washington DC** provided a moment of stability amid broader administrative turbulence. The bilateral meeting yielded substantive discussions across multiple sectors spanning technology, defense, energy, and regional cooperation. It demonstrated the **resilience of Indo-US ties despite shifting global dynamics**, particularly in critical areas like technology transfer and defense cooperation. However, significant challenges remain to be navigated, **especially regarding trade policies and broader geopolitical alignments**.

### What are the Key Areas of Cooperation Between India and the US?

- **Defense and Security Cooperation:** India and the US have significantly expanded their defense ties, **moving from a buyer-seller relationship to co-production and technology sharing**.
  - India's designation as a **Major Defense Partner (MDP)** and inclusion in **STA-1** facilitate high-tech defense trade, including potential access to **F-35 fighter jets**.
  - The "**Autonomous Systems Industry Alliance (ASIA)**" and agreements between **Anduril-Mahindra and L3 Harris-Bharat Electronics** enhance AI-driven defense capabilities.
    - The **procurement of Javelin missiles and Stryker vehicles (2025)** and expanded "**Tiger Triumph**" tri-service exercises showcase growing interoperability.
- **Trade and Investment Ties:** Both countries aim to **double bilateral trade to \$500 billion by 2030**, addressing long-standing issues like market access, tariffs, and supply chain resilience.
  - The planned **Bilateral Trade Agreement (BTA) by 2025** will enhance **fair trade, reduce tariffs, and ease regulations**, particularly in **agriculture, ICT, and industrial goods**.
  - India has reduced **tariffs on bourbon, motorcycles, and ICT products**, while the US has improved access for **Indian mangoes, pomegranates, and pharma products**.
  - As many as 155 Indian companies have invested \$22 billion in the US, while US firms

like **Tesla and Micron** expand in India.

- **Energy and Climate Cooperation:** Energy security is a major pillar of India-US ties, with the US becoming a top supplier of **crude oil, LNG, and petroleum products** to India.
  - The **US-India Energy Security Partnership (2025)** focuses on **hydrocarbon trade, renewables, and nuclear energy**, with India set to join the [International Energy Agency \(IEA\)](#) as a full member.
  - In **January-November 2024:** India imported **5.12 million tonne** LNG from US, **20% of overall LNG imports**
- **Technology and Innovation Partnership:** Both nations are advancing cooperation in **AI, semiconductors, quantum, and biotech** under the "**U.S.-India TRUST**" initiative (2025).
  - The **Recovery and Processing Initiative** strengthens collaboration in **lithium, rare earths, and critical minerals**, crucial for EVs and defense.
  - The **INDUS Innovation (2025)** platform fosters private sector innovation, complementing **INDUS-X for defense tech collaboration**.
    - In 2023, Micron confirmed up to **\$825 million** investment in **chip facilities** in India.
- **Space Collaboration:** India and the US are strengthening space collaboration with **NASA-ISRO partnerships** in human spaceflight and planetary exploration.
  - The **NISAR satellite (2024)** will map Earth's surface changes, aiding climate resilience.
  - The **NASA-ISRO AXIOM mission-4 (2025)** will send the **first Indian astronaut to the International Space Station (ISS)**.
  - India's entry into the **Artemis Accords (2023)** with NASA underlines deepening ties.
    - The US is also supporting India's **Gaganyaan human spaceflight mission**.
- **Strategic Indo-Pacific Cooperation:** As key Quad partners, India and the US are committed to a **free, open, and rules-based Indo-Pacific**, countering China's assertiveness.
  - Quad initiatives on **shared airlift capacity to support civilian response** to natural disasters and maritime patrols to improve interoperability is **acquiring global attention**.
    - **Quad Critical and Emerging Tech Group** promote **infrastructure, trade, and digital connectivity**.
  - India's full membership of the multinational **US-led Combined Maritime Forces (CMF)**, announced in November 2023, represents a step change in India-US ties
- **People-to-People and Educational Ties:** The Indian-American community, which has grown to **5 million in 2023**, has broken through many barriers to become one of the most influential immigrant groups
  - With more than **3.3 lakh Indian students in the US (2024)** contributing significantly to its economy, education is a cornerstone of bilateral ties.
  - The **India-US Working Group on Education & Skill Development** is promoting **dual degrees, joint research, and faculty exchanges**.
  - **IIT Council and Association of American Universities** signed MoU in 2023 to set up Indo-US Global Challenges Institute

## What are the Key Areas of Friction Between India and the US?

- **Trade Disputes and Tariff Barriers:** Despite progress, trade imbalances and tariff disputes remain contentious.
  - The US has long criticized India's **high tariffs on agricultural and industrial products**, while India resents **non-tariff barriers on pharmaceuticals and IT services**.
  - In 2018, when the **U.S. imposed taxes on steel and aluminium**, India retaliated by raising tariffs on **29 U.S. products**.
    - The **U.S. goods trade deficit with India rose by 5.4% to \$45.7 billion in 2024**, a growing concern for Washington over trade imbalances.
- **Defense Technology and Export Control Restrictions:** Despite growing defense ties, US export controls limit **technology transfer** and co-development.
  - India seeks **fifth-generation fighter jets and advanced undersea systems**, but the US restricts access (though under review).
  - The **Reciprocal Defense Procurement (RDP) agreement (2025)** aims to address regulatory misalignments.
  - While India was granted **STA-1 status (2018)**, it still struggles with restrictions on **AI**,

**drone, and missile technologies.**

- **Differences Over China Policy and Strategic Autonomy:** While both nations share concerns over China's **aggression in the Indo-Pacific**, their strategic approaches differ.
  - The US wants India to **align more closely with Western security frameworks**, but India maintains **non-alignment and independent foreign policy**.
  - The Quad's military potential is somewhat hampered by India's reluctance to join a treaty-based security alliance.
    - India's **participation in BRICS and the SCO** creates discomfort in Washington, as it engages with **China and Russia simultaneously**.
- **Visa and Immigration Restrictions for Indian Professionals:** Despite strong educational and professional ties, **visa restrictions and work permit issues** continue to create friction.
  - The **H-1B visa program**, critical for India's IT sector, faces **quotas, delays, and restrictions on extensions**.
  - The demand for US green cards remains high among Indians, yet a substantial backlog and strict annual caps slow progress.
- **Lack of Progress on Civil Nuclear Cooperation:** Despite the landmark **US-India Civil Nuclear Agreement (2008)**, nuclear cooperation has stalled due to **liability concerns and regulatory hurdles**.
  - The US wants India to **amend the Civil Liability for Nuclear Damage Act (CLNDA)** to protect suppliers from excessive liability.
    - But only recently in **Union Budget 2025** India planned to amend the **Atomic Energy Act and the Civil Liability for Nuclear Damage Act** to develop 100 GW of nuclear energy by 2047.
- **Digital Trade and Data Localization Issues:** The US opposes India's **data localization mandates**, arguing they hurt **US tech firms like Google, Amazon, and Meta**.
  - India, on the other hand, insists on **data sovereignty** to protect user privacy and national security.
  - The **Digital Personal Data Protection Act (2023)** mandates **local storage of sensitive data**, affecting cross-border data flows.
    - The US also objects to India's **antitrust probes into Big Tech**, including recent cases against **Google and Apple for market dominance**.
- **Divergences on Multilateral Platforms and Global Governance:** Despite US support for India's **permanent UNSC membership**, differences persist over **global governance approaches**.
  - The US wants India to take a **stronger anti-Russia stance at the UN**, but India maintains a **neutral position**. India has abstained from **UNGA votes condemning Russia's Ukraine invasion**, despite US pressure.
  - The **WTO disputes over agricultural subsidies** also strain ties, with the US opposing India's **Minimum Support Price (MSP) policy**.
  - The newly elected US President has threatened to impose high tariffs on **BRICS nations, including India, citing trade imbalances and unfair practices**.

## What Measures India Can Adopt to Further Enhance Ties with the US?

- **Strengthening Defense Co-Development and Industrial Collaboration:** India should push for **greater technology transfer, joint production, and co-development** under initiatives like the **India-US Defense Industrial Cooperation Roadmap**.
  - Expediting agreements like the **Reciprocal Defense Procurement (RDP) pact** can streamline arms procurement and interoperability.
  - Expanding **joint AI, drone, and undersea warfare projects** will enhance defense synergies.
    - Boosting **private-sector participation in defense manufacturing** will make India a stronger strategic partner.
- **Addressing Trade Barriers and Expanding Bilateral Agreements:** India should work towards **finalizing the Bilateral Trade Agreement (BTA)** to reduce tariffs, non-tariff barriers, and trade disputes.
  - Enhancing **market access for US firms in retail, agriculture, and digital**

**sectors** while securing **preferential treatment for Indian exports** will improve trade balance.

- Strengthening **supply chain integration** in **semiconductors, critical minerals, and pharmaceuticals** can mitigate geopolitical risks.
- India should leverage **regional trade frameworks like IPEF** to enhance economic collaboration.
  - Aligning **intellectual property rights (IPR) and regulatory standards** with US norms can facilitate smoother trade.
- **Deepening Energy and Climate Cooperation:** India should **expand long-term energy deals** with the US to secure **LNG, crude oil, and strategic petroleum reserves**.
  - Strengthening partnerships in **renewable energy, green hydrogen, and energy storage** will align with global sustainability goals.
  - Joint development of **small modular reactors (SMRs) and civil nuclear projects** can boost India's nuclear energy capacity.
    - Collaborating on **carbon capture, battery technology, and electric mobility** will support India's clean energy transition.
- **Advancing Technology and Innovation Partnerships:** India should accelerate **joint R&D and co-development** in **AI, semiconductors, quantum computing, biotech, and space technologies** under the **US-India TRUST initiative**.
  - Expanding the **INDUS-X and INDUS Innovation platforms** will foster deeper defense-tech collaboration.
  - Strengthening **trusted digital supply chains** and **relaxing data localization norms selectively** can attract US tech investments.
    - Facilitating **US venture capital participation** in Indian tech startups will drive innovation growth.
    - Joint production of **next-generation telecom and 5G/6G infrastructure** can strengthen technological ties.
- **Enhancing Strategic and Indo-Pacific Cooperation:** India should **expand maritime and intelligence cooperation** in the **Indo-Pacific and Indian Ocean Region**.
  - Expanding **defense infrastructure projects in Southeast Asia** with US backing can counter regional security threats.
  - Aligning cyber and space security policies under **US-India strategic dialogues** will improve security cooperation.
    - Enhancing **collaboration on economic corridors like IMEC** will strengthen regional connectivity.
- **Reforming Immigration and Mobility Frameworks:** India should negotiate for **higher H-1B visa caps, Green Card relaxations, and streamlined work permits** for Indian professionals.
  - Establishing **dual-degree programs and university collaborations** can enhance knowledge exchange.
  - Strengthening **mutual recognition of professional qualifications** will boost skilled workforce mobility.
    - Ensuring **faster visa processing and reducing work permit restrictions** will benefit Indian students and professionals.
- **Expanding Multilateral and Global Governance Engagement:** India should seek stronger US backing for **permanent UNSC membership and leadership roles in global institutions**.
  - Aligning **global trade policies within WTO frameworks** will reduce trade frictions.
  - Coordinating on **counterterrorism, cybersecurity, and nuclear non-proliferation** will enhance strategic alignment.
  - Strengthening cooperation on **global health security and pandemic preparedness** can deepen diplomatic ties.
    - Engaging in **plurilateral groupings like Quad, I2U2, and IPEF** can reinforce India's global influence.
- **Strengthening Digital and Data Governance Cooperation:** India should work on **harmonizing data privacy regulations** with US standards to ease digital trade restrictions.
  - Encouraging **US tech firms to set up R&D hubs and semiconductor fabs** in India will enhance investment flows.
  - Aligning **cybersecurity frameworks and AI governance policies** can improve trust in emerging tech collaboration.
    - Developing **joint frameworks for fintech regulation** can expand digital financial

services.

- **Resolving Bilateral Differences Through Diplomatic Engagement:** India should institutionalize **high-level strategic dialogues** to proactively resolve trade, security, and human rights differences.
  - Strengthening **Track 1.5 and Track 2 diplomatic channels** will ensure consistent communication.
  - Expanding **legislative and subnational cooperation between US states and Indian states** can enhance local partnerships.
    - Engaging **think tanks and industry groups** to shape policy recommendations will improve bilateral understanding.
    - Promoting **cultural and diaspora diplomacy (through Cricket diplomacy as observed in T20 World Cup 2024)** will reinforce mutual goodwill.

## What are the Key Groupings that India and the US Are Part of?

- **Quad (Quadrilateral Security Dialogue):** Strategic partnership with **Japan and Australia** to ensure a **free, open, and rules-based Indo-Pacific**.
- **I2U2 (India-Israel-UAE-USA):** Focuses on **economic cooperation, infrastructure, food security, and clean energy** in the Middle East.
- **Indo-Pacific Economic Framework (IPEF):** A US-led initiative for **trade, supply chains, clean energy, and anti-corruption**, with India joining three of its four pillars.
- **G20:** A global economic forum where India and the US collaborate on **climate action, digital economy, and global financial stability**.
- **Financial Action Task Force (FATF):** Both nations cooperate on **counterterrorism financing and anti-money laundering efforts**.
- **Global Biofuels Alliance (GBA):** Joint efforts for **sustainable energy transition and biofuel adoption**.
- **Artemis Accords:** Space exploration cooperation under **NASA's lunar and deep-space missions**.

## Conclusion:

The recent high-level engagement between India and the US underscores the resilience of their **strategic partnership amid global uncertainties**. While significant progress has been made in **defense, trade, technology, and energy cooperation**, key challenges—such as trade barriers, strategic autonomy concerns, and regulatory hurdles—persist. Strengthening institutional frameworks, fostering co-development in emerging technologies, and addressing trade imbalances will be crucial in unlocking the full potential of this partnership.

### **Drishti Mains Question:**

Discuss the evolving dynamics of India-US relations, highlighting key areas of cooperation and challenges. How can both nations address trade imbalances while strengthening strategic ties?

## **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)

