

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-U.S.A. Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report for depicting the Embassy of U.S.A.

2. India and United States enjoy a comprehensive global strategic partnership covering almost all areas of human endeavor, driven by shared democratic values, convergence of interests on a range of issues, and vibrant people-to-people contacts.

3. The two countries execute their bilateral relations through foreign office consultations, regular dialogue between the Leaders is an important element of the expanding bilateralities. The outcomes of these have been instrumental in strengthening the multifaceted bilateral ties.

4. There is regular high-level interaction with Prime Minister Shri Narendra Modi and President Biden. The respective leaders had several bilateral meetings and met on the sidelines of multilateral events. Prime Minister also participated in virtual Summits convened by President Biden including Quad, I2U2 (India, Israel, USA and UAE), Summit for Democracy and other events.

B. Commercial Relations (Trade and Foreign Investment) - Recent facts & figures

5. USA is India's largest trading partner with bilateral trade in goods and services crossing US\$ 191 billion in 2022. In 2022 bilateral merchandise trade reached US\$ 133 billion and services trade reached around US\$ 58 billion. The major items of Indian exports to USA are Textiles, Petroleum Products, Leather Goods, Pharmaceuticals, Jewellery, Cotton Yarn etc. Some of the major import items from USA to India are Mineral fuels, oils, distillation products, pearls, Precious stones, Machinery, Nuclear Reactors, boilers, Electrical and Electrical equipments etc.

Bilateral Commodities & Services Trade from 2018 to 2023 are given below:

India-US Bilateral Trade (US\$ million)

	2018	2019	2020	2021	2022	2023
India's Exports to US						
Merchandise	54,282	57,694	51,190	73,260	85,671	83,768

Services	28,874	29,738	25,841	28,989	32,862	36,329
Total	83,156	87,432	77,031	102,249	118,533	120,097
%Change	8.3%	5.1%	-11.9%	32.74%	15.93%	1.31%
U.S. Exports to India						
Merchandise	33,191	34,288	27,395	40,130	47,332	40,117
Services	25,200	24,333	17,420	16,720	25,571	29,863
Total	58,391	58,621	44,815	56,850	72,903	69,980
%Change	18.5%	0.4%	-23.6%	26.85%	28.24%	-4.00%
Total Bilateral Trade between India and the U.S.						
Merchandise & Services	141,547	146,053	121,846	159,099	191,436	190,077
%Change	12.3%	3.2%	-16.6%	30.57%	20.33%	-0.71%
<i>Source: US Department of Commerce, US Bureau of Census.</i>						

6. During FY 2023-24, US was the third largest source of FDI into India with inflows of USD 4.99 billion accounting for almost 9% of total FDI equity inflows. Many Indian companies are investing in the US and adding value. According to a CII study released in April 2023, 163 Indian companies invested over \$40 billion in the US and created over 425,000 direct jobs.

7. An Investment Incentive Agreement between our Ministry of Finance and U.S. International Development Finance Cooperation [DFC] was signed in 2022 to enable equity investment, co-insurance, grants, feasibility studies, and technical assistance. As of January 2024, DFC's India portfolio stood at close to 4.0 billion across 100+ projects.

C. Other Major Areas of Cooperation :

- India and US have a strong bilateral partnership in the energy sector. In April 2021 an India-U.S. Climate and Clean Energy Agenda 2030 Partnership was launched, with two tracks i.e. Strategic Clean Energy Partnership (SCEP); and Climate Action and Finance Mobilization Dialogue (CAFMD). SCEP has five pillars: 1) Power & Energy Efficiency, 2) Renewable Energy, 3) Responsible Oil & Gas, 4) Sustainable Growth, and 5) Emerging Fuels and Technologies (hydrogen bio-fuels and waste to energy). An Energy Storage Task Force supports integration of renewable energy to support the clean energy transition. The last SCEP Ministerial meeting led by US Energy Secretary and Minister of Petroleum and Natural Gas was held in Delhi, in July 2023.
- In August 2023 India and USA launched Renewable Energy Technology Action Platform

(RETAP) to enable lab-to-lab collaboration, pilot projects, testing of innovative technologies and capacity development.

- The Indo-US Science and Technology Forum (IUSSTF), promotes cooperation in S & T and innovation. U.S. National Science Foundation (NSF) and India's DST, MeITY and DBT signed Implementation Arrangements to support research collaboration in AI, advanced communication networks, quantum science, Internet of Things, Interdisciplinary Cyber Physical System, biotechnology manufacturing, bio safety and bio-security.

- India and the U.S. have a long history of cooperation in the civil space arena in Earth Observation, Satellite Navigation, Space Science and Exploration. Indian Space Research Organization (ISRO) has robust civilian space cooperation with the US National Aeronautics and Space Administration (NASA); National Oceanic and Atmospheric Administration (NOAA); US Geological Survey (USGS) and academic institutions.

- ISRO and NASA are developing a microwave remote sensing satellite for Earth observation, NASA-ISRO Synthetic Aperture Radar (NISAR). NASA/JPL will contribute L-band Radar, while ISRO will contribute S-band Radar. The satellite and launch vehicle would be launched in early 2024 from Shriharikota, India.

- Initiative for Critical and Emerging Technology [iCET] was launched by the National Security Advisors in Washington, DC on 31 January 2023 to facilitate strategic technology collaborations in critical and emerging technologies, co-development and co-production and connect the respective innovation ecosystems especially in AI, quantum, telecom, space, biotech, semiconductors, emerging defense technologies and biotech.

- There is a long-standing research collaboration in the health sector to develop new therapeutics and diagnostics. Under the Bilateral Vaccine Action Program (VAP) a ROTAVAC® vaccine to counter diarrhea in children was developed by an Indian company at an affordable cost.

- There are more than 200 active collaborations between the National Institutes of Health network of labs and leading research agencies, to deliver affordable health-care solutions. India supplies about 40% of generic formulations marketed in USA.

- The U.S. is one of the most favored destinations of Indian students for higher education. As of September 2023, there are 320,260 Indian students, mostly in graduate (Masters) programs in STEM fields. As per the US State Department's website, Indian students in the US contribute about \$7.7 billion annually to the US economy.

- In September 2023 the Council of Indian Institutes of Technology (IIT Council), and the Association of American Universities (AAU) signed an MOU to establish India-US Global Challenges Institute which will bring together leading research and higher-education institutions for S & T collaboration in sustainable energy and agriculture, health and pandemic preparedness, semiconductor technology and manufacturing, advanced materials, telecom AI, and quantum

science.

- Defence cooperation is multifaceted and includes regular institutionalized bilateral dialogue, military exercises, and Defence procurements. At the apex of dialogue mechanisms is the 2+2 Ministerial Dialogue co-chaired by the Minister of External Affairs and Minister of Defence and the US Secretary of State and Secretary of Defense. This dialogue provides guidance on political, military and strategic issues. The fifth 2 + 2 Ministerial Dialogue took place in November 2023 in New Delhi. RM visited the US in August 2024. During the visit, RM met with Defense Secretary Lloyd Austin and NSA Jake Sullivan. He interacted with US' defense industry and Indian community. Security of Supply Arrangement (SoSA) and MoA regarding Assignment of Liaison Officers were signed during the visit. India shall accordingly deploy an LO to US Special Operations Command (US SOCOM) in Tampa, Florida.
- The Defense Policy Group (DPG) headed by Defense Secretary and Under Secretary of Defense (Policy) provides a platform for a comprehensive review of defense dialogues/mechanisms. The 17th DPG was held in Washington D.C. in May 2023. Defense procurements from USA are growing and amount to almost US\$20 billion.
- Cooperation in counter-terrorism is one of the pillars of the bilateral partnership featuring information exchange, capacity building, operational cooperation and regular dialogue through the India-U.S. Joint Working Group on Counter-Terrorism.
- The Homeland Security Dialogue (HSD) at the Home Minister/Secretary of Department of Homeland Security level was established in 2010. There are three joint sub-groups under HSD dealing with Immigration, Cyber Security and Transportation Security. The US Deputy Secretary of the Department of Homeland Security Kristie Canegallo and India's Home Secretary Ajay Bhalla co-chaired the US-India Homeland Security Dialogue in February 2024 in New Delhi. India also participated in the U.S. led Counter Ransomware Initiative meeting in Washington D.C. in November 2023. An MoU for cooperation in police training was signed between the SVPNPA, GoI and FLETC, USA.
- Cultural cooperation is rich between the two country. Indian Embassy and Consulates organize cultural events to showcase that the Universities and educational institutions and private institutions. Indian Embassy and Consulates organize cultural events to showcase diverse facets of Indian culture in association with reputed U.S. institutions. Indian Diaspora cultural organizations actively promote Indian culture especially in younger generation. Indian students in US Universities actively celebrate Indian festivals.

Source :www.mea.gov.in