



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](#), [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)

