

ve K L Y N E W S W R A P

Special Edition

26 June 2023 / 35

PM Modi's US State Visit



KEY HIGHLIGHTS

INDO-US PARTNERSHIP



TRADE

OUTCOMES

- The foreign secretary Vinay Mohan Kwatra said trade was a priority discussion area. “One of the key elements in this has been that out of the seven WTO disputes between India and the US, there has been a resolution for six outstanding WTO disputes. There have also been cooperative understandings about upskilling of employees arrangements between the US Small Business Administration and the Indian Ministry of Micro, Small and Medium Enterprises (MSME), announcements of substantial investments by companies such as Boeing, 100 million in this case on infrastructure and programs to train pilots in India.”



- The India-U.S trade and investment partnership is an engine for global growth, and the US is India's largest trading partner. In 2022-23, the bilateral goods trade increased to US\$ 128.8 billion against US\$ 119.5 billion in 2021-22.
- Both the leaders encouraged respective industries to take action on the recommendations from the CEOs for greater engagement and technical cooperation to build resilient supply chains for emerging technologies, clean energy technologies, and pharmaceuticals; promote an innovative digital economy; lower barriers to trade and investment; harmonise standards and regulations wherever feasible; and work towards skilling our workforces.

- Both leaders praised the idea of an "**Innovation Handshake**" as part of the Commercial Dialogue, which will support and link the dynamic startup ecosystems - to address particular regulatory barriers to cooperation, and foster further innovation and job growth, especially in emerging technologies. The Innovation Handshake depicts both parties' commitment to strengthening their shared vision of an advanced strategic technology partnership by utilising the strength and ingenuity of the respective private sectors to find innovations and match them with market demands across the priority sectors identified under the iCET framework.
- The leaders welcomed an announcement by the U.S. Department of State that it would launch a pilot to adjudicate domestic renewals of certain petition-based temporary work visas later this year, including for Indian nationals, with the intent to implement this for an expanded pool of H1B and L visa holders in 2024 and eventually broadening the program to include other eligible categories.

G20

WHAT WAS EXPECTED

India's G20 presidency offers a unique opportunity to steer global governance towards a more equitable and sustainable future. India can leverage its leadership to promote inclusive growth, bridge the gap between developed and developing countries, and tackle the world's most pressing challenges today.

OUTCOMES

- The United States looks forward to hosting the G20 presidency in 2026. President Biden applauded India's leadership in its ongoing G20 Presidency, which has brought renewed focus on strengthening multilateral institutions and international cooperation to tackle global challenges such as climate change, pandemics, fragility and conflict, along with work to accelerate the achievement of the UN Sustainable Development Goals, and lay the foundation for strong, sustainable, balanced, and inclusive growth.
- India and USA use the G20 platform to deliver on shared priorities for the G20 Leaders' Summit, including improving the sovereign debt restructuring process, advancing the multilateral development bank evolution agenda, including mobilizing new concessional financing at the World Bank to support all developing countries; and raising the level of ambition on mobilizing private sector investment for quality, sustainable, and resilient infrastructure, including through the Partnership for Global Infrastructure and Investment.



WTO

OUTCOMES



- United States Trade Representative Katherine Tai said, Both countries have agreed to terminate six outstanding disputes at the World Trade Organization. India also agreed to remove retaliatory tariffs, which it had imposed in response to the U.S. Section 232 national security measures on steel and aluminium, on certain U.S. products, including chickpeas, lentils, almonds, walnuts, apples, boric acid, and diagnostic reagents.

These include disputes initiated by both sides:

1. United States – Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India (DS436);
2. India – Certain Measures Relating to Solar Cells and Solar Modules (DS456);
3. United States – Certain Measures Relating to the Renewable Energy Sector (DS510);
4. India – Export Related Measures (DS541);
5. United States – Certain Measures on Steel and Aluminium Products (DS547); and
6. India – Additional Duties on Certain Products from the United States (DS585).

In addition, India highlighted its interest in restoring its status under the U.S. Generalized System of Preferences program, which could be considered eligibility criteria determined by the U.S. Congress.

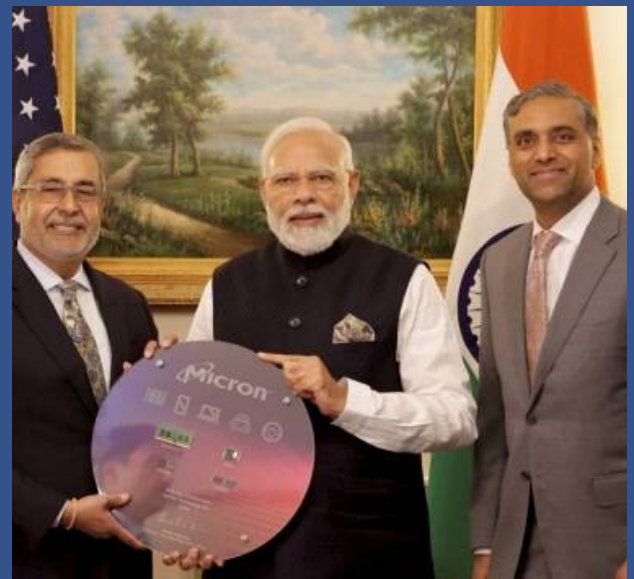
TECHNOLOGY

WHAT WAS EXPECTED

It was expected that Prime Minister Narendra Modi's visit to the US will give a boost to the Indo-US technology partnership, especially on the establishment of a new semiconductor supply chain. Partnership in the semiconductor sector was among the main goals of the US-India initiative on Critical and Emerging Technology (iCET).

OUTCOMES

- PM Narendra Modi and US President Joe Biden sign an MoU on **Semiconductor Supply Chain and Innovation Partnership**. This will promote commercial opportunities, research, talent, and skill development. The leaders welcomed Micron Technology, Inc.'s announcement to **invest up to US\$825 million** to build a new semiconductor assembly and test facility in India with support from the Indian government.



- Both share a vision of creating secure and trusted telecommunications, resilient supply chains, and enabling global digital inclusion. To fulfil this vision, the leaders launched two **Joint Task Forces on advanced telecommunications**, focused on Open RAN and research and development in 5G/6G technologies. Prime Minister Modi and President Biden also stressed the need to put in place a "Trusted Network/Trusted Sources" bilateral framework.

- Both sides welcomed the establishment of a joint Indo-US Quantum Coordination Mechanism to facilitate collaboration among industry, academia, and government, and our work toward a comprehensive Quantum Information Science and Technology agreement. The United States welcomes India's participation in the Quantum Entanglement Exchange and in the Quantum Economic Development Consortium to facilitate expert and commercial exchanges with leading, like-minded quantum nations.
- The leaders welcomed **35 innovative joint research collaborations** in emerging technologies funded by the U.S. National Science Foundation (NSF) and the Indian Department of Science and Technology (DST). Under a new implementation arrangement between NSF and DST, both sides will fund joint research projects in computer and information science and engineering, cyber physical systems, and secure and trustworthy cyberspace. Furthermore, NSF and India's Ministry of Electronics and Information Technology will bring fresh funding for joint projects in applied research areas such as semiconductors, next generation communication, cyber security, sustainability and green technologies and intelligent transportation systems.
- Both Prime Minister Modi and President Biden acknowledge the profound opportunities and significant risks associated with AI. The thematic focus of the forum was on '**AI for All**' and '**Manufacturing for Mankind**'. Accordingly, they committed to develop joint and international collaboration on trustworthy and responsible AI, including generative AI, to advance AI education and workforce initiatives, promote commercial opportunities, and mitigate against discrimination and bias. The United States also supports India's leadership as Chair of the Global Partnership on AI. The leaders applauded **Google's intent to continue investing through its US\$10 billion India Digitization Fund**, including in early-stage Indian startups. Through its AI Research Center in India, Google is building models to support over 100 Indian languages.

- Prime Minister Modi and President Biden hailed the deepening bilateral cooperation on cutting-edge scientific infrastructure, including a **US\$140 million in-kind contribution from the Indian Department of Atomic Energy (DAE)** to the U.S. Department of Energy's (DOE's) Fermi National Laboratory toward collaborative development of the Proton Improvement Plan-II Accelerator, for the Long Baseline Neutrino Facility — the first and largest international research facility on U.S. soil. They also welcomed the commencement of construction of a Laser Interferometer Gravitational-Wave Observatory (LIGO) in India. The leaders called on their administrations to extend these partnerships to advanced biotechnology and biomanufacturing, and enhance biosafety and biosecurity innovation, practices, and norms.
- Both sides intended to collaborate and take the lead in implementing **Digital Public Infrastructure (DPI)** at the international level to promote inclusive growth, competitive markets, and the protection of individual rights. In this regard, they will explore partnerships for global digital development, which would pool their respective technological and financial resources to support developing and implementing DPIs in underdeveloped nations.

HEALTHCARE

WHAT WAS EXPECTED

Former Covid-19 response coordinator of the White House, Ashish Jha, had said that the state visit of Prime Minister Narendra Modi will catalyze and the strong partnership between the US and India will become even stronger and better in the next 15 years. Lets have a look at important highlights.

OUTCOMES



- PM Narendra Modi met a group of leading US experts from the health sector during his US visit. Prime Minister and the experts discussed various matters pertaining to the domain of health including use of digital technologies for quality healthcare, greater focus on integrative medicine & better healthcare preparedness.
- Both side welcomed the opportunity for deeper collaboration to secure pharmaceutical supply chains. The leaders encouraged their administrations to continue their strong collaboration on pandemic preparedness, supported by epidemiology training; laboratory strengthening and point of entry surveillance; and food safety and regulation. The leaders applauded collaborations between research institutes of both countries on affordable cancer technology programs, including for the development of AI enabled diagnostic and prognosis prediction tools, and on diabetes research.
- They also called for expanded collaboration on digital health platforms including responsible use of cutting-edge technologies like AI, and to explore cooperation in research and the use of traditional medicine.

- Prime Minister Modi and President Biden welcomed the opportunity for deeper collaboration to secure, de-risk, and strengthen pharmaceutical supply chains, with a focus on active pharmaceutical ingredients, key starting materials, and key vaccine input materials. They also underscored the need for strengthening global collaboration network on research and development in medical countermeasures, vaccines, therapeutics and diagnostics to promote access to safe, effective, and innovative medical products in an affordable manner.
- President Biden lauded Prime Minister Modi's plan to eliminate tuberculosis in India by 2025, five years ahead of the target set by the UN's sustainable development goals, hailing it as a big step forward that will inspire other countries to action.
- Prime Minister Modi and President Biden committed to work toward a broader and deeper bilateral drug policy framework for the 21st century. Under this framework, both countries aspire to expand cooperation and collaboration to disrupt the illicit production and international trafficking of illicit drugs, including synthetic drugs, such as fentanyl and Amphetamine Type Stimulants and illicit use of their Precursors.

DEFENCE

WHAT WAS EXPECTED

It was expected that PM Modi's visit to the US will remove the lengthy bureaucratic process of obtaining defence equipment and execute deals on dozens of US-made armed drones. Sources said that the Pentagon and White House have been looking forward to executing deals on drones as they are asking India about the 'progress' on the 30 armable MQ-9B SeaGuardian drones made by General Atomics. There was intense anticipation surrounding a potential deal to facilitate the transfer of critical engine technology manufactured by General Electric to India for the production of GE-F414 jet engine, in a multi-million-dollar deal with Hindustan Aeronautics (HAL).

OUTCOMES

- Expressing their desire to accelerate defense industrial cooperation, US and India welcomed the adoption of a Defense Industrial Cooperation Roadmap, which will provide policy direction to defense industries and enable co-production of advanced defense systems and collaborative research, testing, and prototyping of projects. Both sides are committed to addressing any regulatory barriers to defense industrial cooperation. The leaders also noted the decision of India's Ministry of Defense and the U.S. Department of Defense to commence negotiations for concluding a Security of Supply arrangement and initiate discussions about Reciprocal Defense Procurement agreement.



- Prime Minister Modi and President Biden hailed the landmark signing of an MoU between General Electric and Hindustan Aeronautics Limited for the manufacture of GE F-414 jet engines in India, for the Hindustan Aeronautics Limited Light Combat Aircraft Mk 2. This trailblazing initiative to manufacture F-414 engines in India will enable greater transfer of U.S. jet engine technology than ever before. The leaders committed their governments to working collaboratively and expeditiously to support the advancement of this unprecedented co-production and technology transfer proposal.
- Prime Minister Modi and President Biden also welcomed India's emergence as a hub for maintenance and repair for forward deployed U.S. Navy assets and the conclusion of Master Ship Repair Agreements with Indian shipyards. This will allow the U.S. Navy to expedite the contracting process for mid-voyage and emergent repair. As envisaged in the Defense Industrial Roadmap, both countries agree to work together for the creation of logistic, repair, and maintenance infrastructure for aircrafts and vessels in India.
- Prime Minister Modi and President Biden welcomed India's plans to procure General Atomics MQ-9B HALE UAVs. The MQ-9Bs (worth 3 Billion USD), which will be assembled in India, will enhance the ISR capabilities of India's armed forces across domains. As part of this plan, General Atomics will also establish a Comprehensive Global MRO facility in India to support of India's long-term goals to boost indigenous defense capabilities.
- The leaders welcomed the setting up and launch of the India-U.S Defense Acceleration Ecosystem (INDUS-X). As a network of universities, startups, industry and think tanks, INDUS-X will facilitate joint defense technology innovation, and co-production of advanced defense technology between the respective industries of the two countries. The U.S. Department of Defense's Space Force has signed its first International Cooperative Research and Development Agreement with Indian start-up 114 AI and 3rdiTech. Both companies will work with General Atomics to co-develop components using cutting edge technologies in AI and semiconductors respectively.

CLEAN ENERGY

WHAT WAS EXPECTED

As climate action and clean energy leaders, the United States and India share a common and ambitious vision to rapidly deploy clean energy at scale, build economic prosperity, and help achieve global climate goals. They recognize the critical role of the U.S. Inflation Reduction Act and India's ambitious production-linked incentives scheme for cutting-edge clean and renewable technologies.

OUTCOMES



- The leaders highlighted the **India-US Climate and Clean Energy Agenda 2030 Partnership and Strategic Clean Energy Partnership (SCEP)** as reflective of this commitment. They will collaborate to achieve their respective national goals to reduce the cost of green/clean hydrogen under India's National Green Hydrogen Mission and the U.S. Hydrogen Energy Earthshot.
- The United States welcomed India's decision to co-lead the **multilateral Hydrogen Breakthrough Agenda**. The leaders called for the development of joint efforts in carbon capture, utilization, and storage, given its role in reducing emissions. The leaders welcomed India's VSK Energy LLC's announcement to invest up to US\$1.5 billion to develop a new, vertically integrated solar panel manufacturing operation in the United States and India's JSW Steel USA's plans to invest US\$120 million at its Mingo Junction, Ohio, steel plant to better serve growing markets in the renewable energy and infrastructure sectors.
- Prime Minister Modi and President Biden underscored the importance of decarbonizing the transportation sector, by accelerating the deployment of zero emissions vehicles, continued collaboration to promote public and private financing for electric transportation, and the development of biofuels, including sustainable aviation fuels. To this end, the leaders lauded the creation and development of the Global Biofuels Alliance, which will be launched in July 2023, with the United States as a founding member.

- Both leaders welcomed the signing of an MOU under which the U.S. Agency for International Development will support Indian Railways' ambitious target to become a "net-zero" carbon emitter by 2030. The United States and India also announced plans to create a payment security mechanism that will facilitate the deployment of 10,000 made-in-India electric buses in India, augmenting India's focused efforts in reducing greenhouse gas emissions, improving public health, and diversifying the global supply chain.
- The United States and India will endeavor to develop a first-of-its kind, multibillion-dollar investment platform aimed at providing catalytic capital and de-risking support for such projects.
- Prime Minister Modi and President Biden reaffirmed their support for the mission of the International Energy Agency (IEA), and President Biden pledged to continue working with the Government of India, IEA members, the IEA Secretariat, and other relevant stakeholders toward IEA membership for India in accordance with the provisions of the Agreement on an International Energy Program.
- The leaders lauded the announcement of India's Epsilon Carbon Limited's plans to invest US\$650 million in a U.S. greenfield electric vehicle battery component factory.
- They underscored the important role nuclear energy plays in global decarbonization efforts and affirmed nuclear energy as a necessary resource to meet our nations' climate, energy transition, and energy security needs. The leaders noted ongoing negotiations between the Nuclear Power Corporation of India Limited (NPCIL) and Westinghouse Electric Company (WEC) for the construction of six nuclear reactors in India.
- The leaders recognize that addressing sustainable consumption and production is a key component to achieving of the development, environment and climate ambitions of the 2030 Agenda for Sustainable Development and the SDGs. In this regard, President Biden welcomed Prime Minister Modi's Lifestyle for Environment initiative (LiFE) as a successful national model to address the impacts of climate change, biodiversity loss, desertification and land degradation, and resolved to work together to implement the G20 High Level Principles on Lifestyles for Sustainable Development.

GLOBAL CONVERGENCE

WHAT WAS EXPECTED

As global partners, the United States and India affirm that the rules-based international order must be respected. They emphasized that the contemporary global order has been built on principles of the UN Charter, international law, and respect for sovereignty and territorial integrity of states.

OUTCOMES

- Prime Minister Modi and President Biden expressed their deep concern over the conflict in Ukraine and mourned its terrible and tragic humanitarian consequences. The leaders underscored the serious and growing impacts of the war on the global economic system, including on food, fuel and energy security, and critical supply chains. They called for greater efforts to mitigate the consequences of the war, especially in the developing world. Both countries further pledge to render continuing humanitarian assistance to the people of Ukraine.
- The United States reiterates its support for India's **permanent membership in a reformed UNSC**, has announced support for Indian membership in the International Energy Agency, and re-commits to advancing Indian membership in the Nuclear Suppliers Group.
- The leaders expressed their appreciation for the negotiations on the proposed IPEF Supply Chain Agreement forthcoming to a substantial conclusion. They pledged to work promptly with other partners to finalise discussions on the agreements under the clean economy and fair economy pillars to deliver concrete advantages that boost the economic competitiveness and prosperity of countries in the Indo-Pacific. President Biden invited India to attend the APEC Summit in San Francisco in November 2023.



- The leaders also welcomed the depth and pace of enhanced consultations between the two governments on regional issues including South Asia, the Indo-Pacific and East Asia and looked forward to our governments holding an inaugural Indian Ocean Dialogue in 2023.
- Prime Minister Modi and President Biden reiterated their enduring commitment to a free, open, inclusive, peaceful, and prosperous India-Pacific region with respect for territorial integrity and sovereignty, and international law. Both leaders expressed concern over coercive actions and rising tensions, and strongly oppose destabilizing or unilateral actions that seek to change the status quo by force. Both sides emphasized the importance of adherence to international law, particularly as reflected in the United Nations Convention on the Law of the Sea (UNCLOS), and the maintenance of freedom of navigation and overflight, in addressing challenges to the maritime rules-based order, including in the East and South China Seas.
- The United States and India stand together to counter global terrorism and unequivocally condemn terrorism and violent extremism in all its forms and manifestations. Prime Minister Modi and President Biden reiterated the call for concerted action against all UN-listed terrorist groups including Al-Qa'ida, ISIS/Daesh, Lashkar e-Tayyiba (LeT), Jaish-e-Mohammad (JeM), and Hizb-ul-Mujhahideen.
- The leaders reiterated their strong support for a peaceful, secure, and stable Afghanistan. They discussed the current humanitarian situation and concurred on the need to continue to provide immediate humanitarian assistance to the people of Afghanistan. The leaders urged the Taliban to abide by UNSC Resolution 2593 which demands that Afghan territory should never be used to threaten or attack any country, shelter or train terrorists, or plan or finance terrorist attacks. Committing to continue close consultations on the situation in Afghanistan, the leaders emphasized the importance of formation of an inclusive political structure and called on the Taliban to respect the human rights of all Afghans, including women and girls, and to respect freedom of movement.

- Prime Minister Modi and President Biden looked forward to strengthening a long-term strategic partnership between the I2U2 countries of India, Israel, United Arab Emirates, and the United States to leverage markets to build more innovative, inclusive, and science-based solutions to enhance food and energy security, improve movement of people and goods across hemispheres, and increase sustainability and resilience.
- Prime Minister Modi and President Biden reaffirmed their countries' commitment to an open, secure, inclusive, safe, interoperable, and reliable Internet, and to continuing cooperation on a range of cybersecurity issues, including preventing and responding to cyber threats, promoting cybersecurity education and awareness and measures to build resilient cyber infrastructure. Both the United States and India are committed to sharing information about cyber threats and vulnerabilities, and to working together to investigate and respond to cyber incidents.

EDUCATION**OUTCOMES**

- Prime Minister Narendra Modi has presented a five-point proposal for energising India-USA collaboration in the education and research sector, including an integrated approach where governments, academia and the industry work together, and encouraging exchange of students and teachers.



- The Prime Minister emphasized the need to adapt and use new e-learning innovatively and said that the objective must be to provide quality education with better governance. He highlighted the several initiatives taken by the Government in this direction and mentioned 'Study Webs of Active-learning for Young Aspiring Minds', or 'Swayam', an online platform that hosts all courses from Class 9 to the post-graduate level and enables students to learn remotely while focussing on access, equity and quality.
- He also mentioned the 'Digital Infrastructure for Knowledge Sharing' or 'Diksha Portal' which aims to deliver school education through distance learning. Shri Modi informed that it supports learning in 29 Indian and 7 foreign languages and has witnessed over 137 million course completions so far. Shri Modi also pointed out that India would be happy to share these experiences and resources, particularly with those in the Global South.
- Modi also suggested that G-20 countries can undertake skill mapping at the global level and find gaps that need to be plugged in.

- Emphasis laid on research and innovation, the Prime Minister highlighted that India has set up ten thousand 'Atal Tinkering Labs' across the country which act as research and innovation nurseries for our school children. He informed that more than 7.5 million students are working on more than 1.2 million innovative projects in these labs. The Prime Minister stressed that G20 countries with their respective strengths can play a crucial role in promoting research & innovation, especially in the Global South.
- Highlighting the significance of the G20 Education Ministers' Meet towards the future of our children and youth, the Prime Minister expressed delight that the group has identified green transition, digital transformations and women's empowerment as accelerators for achieving Sustainable Development Goals.
- "This would benefit the whole world in the true spirit of Vasudhaiva Kutumbakam - One Earth, One Family, One Future", the Prime Minister said.

Source: Ministry of External Affairs; Press Information Bureau; The White House.

VEKLY NEWSWRAP, a RV-VeKommunicate LLP property, is a round up of important national & international news from different sectors.