

U.S Energy Secretary to visit India

U.S. Energy Secretary Rick Perry will visit India this month to further enhance a recently added component in bilateral ties — energy trade. While the original marker of the turnaround in India-U.S. relations, the civil nuclear deal, has almost become redundant due to changed market conditions and new technologies, trade in fossil fuels has become the focus area for the U.S. under the Donald Trump administration.

Energy trade had prominently featured in Prime Minister Narendra Modi's first meeting with President Donald Trump in June 2017 in Washington D.C and India placed a series of orders for American crude in the following months. Public sector Indian Oil Corporation, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited are now continuously buying crude from America. Though it was the Barack Obama administration that allowed the export of American crude after a break, the Trump administration has removed regulations that had restricted oil and coal production, leading to a ramping up of fossil fuels production in the last year. Petroleum Minister Dharmendra Pradhan's visit to Washington set the ball in motion for enhancing trade.

Trade deficit

Mr. Trump himself pointed to energy trade as an instrument to bring down U.S trade deficit with India and called Mr. Modi in August to "welcome" the first shipment of American crude to India, after a break of 40 years. "Energy is an important area to focus on to reduce the trade imbalance between the two countries. India needs a lot of energy and the U.S has it in abundance," pointed out Nisha Biswal, President of U.S.-India Business Council.

Indian public and private sector companies have invested approximately \$5 billion in shale assets in the U.S.

Natural gas imports from the U.S are also on the rise.

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