

For the sake of the Indo-Pacific

US Secretary of State Rex Tillerson's visit to New Delhi this week comes at an important moment for both countries and governments. The US-India relationship occupied high priority and visibility during the Obama administration. The Donald Trump administration, too, has shown its commitment to the relationship, hosting Prime Minister [Narendra Modi](#) in Washington DC, earlier this year. Last week, Secretary Tillerson articulated the importance of India and of US-India ties. He spoke of maintaining stability, security and prosperity across the Indo-Pacific region in the coming decades.

The US and India will increasingly need to work together on the political and security challenges across the Indo-Pacific region, from mounting tensions with North Korea, the Rohingya crisis, and India's own standoff with China over Doklam to the lingering challenges in Afghanistan. In a welcome move, the strategic and security partnership between our nations seems set for greater advancement, with the announcement of a ministerial dialogue which will bring Secretary Tillerson and US Secretary of Defense General James Mattis into direct engagement with their Indian counterparts, Sushma Swaraj and Nirmala Sitharaman.

However, as Secretary Tillerson noted in his speech, the geo-economics of the Indo-Pacific are as important as the region's geopolitics. He was blunt in reminding us all about the need to put options on the table in order to encourage private capital and cutting-edge technology to invest in the region. While two-way trade, and investment, between the two countries has increased significantly in the past five years, there is much room to expand the economic partnership.

There is much anticipation about the discussions between India's Commerce Minister Suresh Prabhu and US Trade Representative Robert Lighthizer at the US-India Trade Policy Forum, in conjunction with the US-India Commercial Dialogue. These parallel talks place a centrality on economic cooperation, giving both governments an opportunity to talk in a comprehensive manner on some of the outstanding trade issues. First, it is important to note that US-India commercial ties have seen an uptick in recent years with PM Modi's market-oriented reforms. India is currently the US' ninth largest goods trading partner. India is also one of the fastest growing sources of foreign direct investment in the US, at nearly \$11 billion. In a groundbreaking development illustrating growing economic convergence, the US delivered its first shipment of crude oil to the Paradip port a few weeks ago. This will lay the foundation for a burgeoning cooperation in the energy sector.

During this week's US Trade Policy Forum, US and Indian leaders will have an opportunity to generate a constructive dialogue on challenges American businesses encounter as they compete in the Indian market: Market access barriers for medical devices, tariff and non-tariff barriers on ICT products and agricultural goods, and the need for a strong intellectual property framework that benefits innovation and entrepreneurship. On the US side, movement - even incremental - on a totalisation agreement would be a welcome relief for temporary Indian workers and Indian companies from paying an annual social security payment. Just as American companies create jobs in India, Indian companies too are responsible for direct and indirect job creation in a range of sectors, creating innovation labs, extensive nationwide STEM education programmes, and academic partnerships. It would benefit the economic relationship if the US government, in its review of immigration programmes, could reassure job creators about high-skilled workers from around the world who contribute to American businesses' growth and expansion. This contribution enhances the job opportunities for all sorts of American workers and makes the US more competitive.

Secondly, the US-India commercial dialogue and November's Global Entrepreneurship Summit in Hyderabad, will present another opportunity to discuss convergent interests and multilateral issues

- particularly in entrepreneurship, tourism and setting global standards for trade. When PM Modi announced his vision for "Startup India" in early 2016, the buzz reverberated throughout Silicon Valley. Start-ups have the potential to create 3.5 million jobs in India and contribute billions to the economy in the next decade. Indian start-ups are now open to receiving 100 per cent funding from foreign venture capitalists - a recent reform implemented by the government of India. As India continues its economic reforms, Indian and global companies look forward to further improving India's ease of doing business, removing infrastructure bottlenecks, and encouraging entrepreneurship and value creation in Indian businesses.

A recent report predicts dramatic shifts in the global economic order by 2050 - six of the seven largest economies will be emerging economies led by China and India. At the same time, India will need \$4.5 trillion in investment by 2040 for infrastructure and economic growth. In this regard, Secretary Tillerson's remarks pin the arc of the next generation of US-India ties. India's position in a part of the world that contains the most important trade corridors necessitates deeper economic linkage with the US. It is crucial for India to be able to develop its infrastructure, attract capital and cutting-edge technology, grow its economy and advance opportunities for its people. India will only benefit by working with American businesses in order to attract private investment in a way that follows global standards for international development.

The time to act on shared goals and shape the destiny of the Indo-Pacific region will begin this week. A fully realised US-India economic partnership is necessary to accomplish that goal.

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