

## 2+2 = ? : ON INDIA-U.S. DEFENCE RELATIONSHIP

Relevant for: International Relations | Topic: India - USA

The India-U.S. defence relationship has been given a significant boost with the [three agreements signed on Thursday](#) after the inaugural 2+2 Dialogue in Delhi: the [Communications Compatibility and Security Agreement](#) (COMCASA), “hotlines” between the Defence and Foreign Ministers of both countries, and the first tri-services military exercises between the two countries. COMCASA is the third of four “foundational”, or enabling, agreements signed by India after more than a decade of negotiations, and is perceived as an inevitable consequence of the large amount of U.S. defence hardware it has been purchasing. This will increase, going forward, given the U.S. decision to include India in the top tier of countries entitled to Strategic Trade Authorisation (STA-1). Apart from the defence agreements, both sides said in a joint statement that they had discussed trade issues, cooperation on fighting terrorism, advancing “a free, open, and inclusive Indo-Pacific region” and promoting sustainable “debt-financing” in the region. The last two points are clearly aimed at Beijing’s role in the South China Sea and the Belt and Road Initiative projects, respectively.

The 2+2 discussions, held after two previous cancellations this year, brought much-needed focus on the India-U.S. relationship after months of drift and occasional discord. However, while trade was addressed, India did not receive a clear-cut assurance of its GSP (Generalised System of Preferences) status being restored, or of waivers on steel and aluminium tariffs imposed by Washington. Instead, U.S. officials said clearly that they expect India to increase imports of American oil and gas as well as aircraft in order to wipe out the trade surplus India enjoys. It is unclear whether the Centre has acquiesced to this blatantly anti-free market demand, but its silence on the matter is disturbing. The U.S.’s other demand, to “zero out” oil imports from Iran by November, is simply unreasonable. It would hurt India dearly not only because of costs at a time when the dollar is strengthening and fuel prices are going up, but also in terms of its substantial engagement with Iran. No public statement was made on what the U.S. will do on India’s investment in the Chabahar port once its full sanctions kick in on November 4. American officials also gave no firm commitment in their statements that India will receive a waiver to purchase Russian hardware, beginning with the S-400 missile system. While signing agreements the U.S. has pursued for years, India appears to have taken a leap of faith on its own concerns, expecting that the Trump administration will come through on waiving sanctions and being more flexible on trade issues. Delhi must work with Washington in the next few months to ensure that the benefits from the 2+2 dialogue don’t add up only on the other side.

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