

Defense News Conclave

Stories of U.S. - India Defense Partnership

QUARTERLY NEWS WRAP

Issue #6, January-March 2023

The world has recognised the Indian economy as a ‘bright star’. The current year’s economic growth is estimated to be at 7 percent. The Indian economy is therefore on the right track, and despite a time of challenges, heading towards a bright future which was reflected in the Union Budget 2023 rolled out in this quarter.

This quarter saw many high-profile visits to India and deliberations on key-areas. One such visit was by the U.S. Secretary of Commerce Gina Raimondo to India. Here, India and the U.S. agreed to launch an India-U.S. Strategic Trade Dialogue to address export controls, explore ways of enhancing high technology commerce, and facilitate technology transfer between countries.

Also, India hosted the second negotiation round of the Indo-Pacific Economic Framework for Prosperity (IPEF) in New Delhi from February 08-11, 2023. This round was hosted by Indian Commerce and Industry Minister Piyush Goyal, who urged the member-nations of the IPEF to focus on ‘early harvest deliverables’ that would benefit all countries.

Another highlight was the Quadrilateral Group’s Foreign Ministers’ meet in New Delhi on March 03, 2023. Here, the Foreign Ministers’ of Australia, India, Japan and the U.S. met. The outcome of the meeting was announcement of establishment of a Working Group on Counter-Terrorism in sharpening of the group’s focus to combat terror. A short visit by the Japanese Prime Minister Fumio Kishida who wants India to play a larger role in the Indo-Pacific have all been key developments in this quarter.

Furthermore, Eric Garcetti sworn in as U.S. ambassador to India by Vice President Kamala Harris. Both countries should leverage these opportunities to develop an ambitious roadmap for deepening defense ties and cooperation.

Through the project titled, [*Defense News Conclave: Stories of U.S.-India Defense Partnership*](#), CUTS International aims to raise awareness among relevant stakeholders and the wider public about the importance of U.S.-India defense relations.

This sixth edition of this Quarterly News Wrap covers prominent developments in U.S.-India defense relations.

HIGHLIGHTS

<p>U.S. Naval Ship Matthew Perry returns to Indo-Pacific waters after voyage repair in India <i>U.S. Embassy, India</i> March 28, 2023</p>	<p>USNS Matthew Perry, a Lewis and Clark-class dry cargo ship of the U.S. Navy, has successfully completed maintenance and repair work at Larsen & Toubro Ltd's facility in Kattupalli near Chennai, commonly known as L&T shipyard, from March 11 to 27, 2023.</p>
<p>In Q1 of 2023, U.S.-India ties see strong momentum <i>Mukesh Aghi, News18</i> March 20, 2023</p>	<p>It's only March of 2023, and another high-profile bilateral engagement added to the roster with U.S. Commerce Secretary Gina Raimondo visiting India for the U.S.-India Commercial Dialogue and U.S.-India CEO Forum. Similar to the Trade Policy Forum, the restart of the U.S.-India Commercial Dialogue, the first since February 2019, presents optimistic signs of increasing our bilateral trade from the US\$157 billion we recorded in 2021.</p>
<p>Japan PM Kishida to visit India on March 20; G-7, G-20, Indo-Pacific ties on agenda <i>Suhasini Haidar, The Hindu</i> March 19, 2023</p>	<p>Synchronising plans for the G7 summit in Hiroshima in May this year and the G20 summit in Delhi in September will be on the agenda for Japanese Prime Minister Fumio Kishida's 24-hour visit to Delhi (Paywall) on March 19, 2023. He meet Prime Minister Narendra Modi and also deliver a major speech on Japan's Indo-Pacific strategy and its new defense posture.</p>
<p>U.S. reaffirms "India is a global strategic partner" <i>ANI News</i> March 10, 2023</p>	<p>The U.S. reiterated that India is a global strategic partner of America. In a U.S. State Department press briefing, spokesperson Ned Price said, "our message to India and about India is consistent". The India-U.S. bilateral cooperation is broad-based and multi-sectoral, covering trade and investment, defense and security, education, science and technology, cyber security, etc.</p>
<p>Secretary Blinken's meeting with External Affairs Minister Jaishankar <i>U.S. Embassy, India</i> March 02, 2023</p>	<p>Secretary of State Antony J. Blinken and External Affairs Minister Jaishankar met in New Delhi today to discuss strengthening the U.S.-India Strategic Partnership. They spoke about shared efforts to elevate and expand strategic technology and defense industrial cooperation, promote food, energy and global health security, clean energy transition, counternarcotics cooperation, and women's economic empowerment.</p>
<p>Aero India Show 2023: US Air Force's F-35 jets make debut for 'strategic show of support' <i>Shubham Singh, Business Today</i> February 13, 2023</p>	<p>In an apparent display of support for Indo-U.S. relations, two American F-35 fighter planes made their historic debut at the Aero India event in Bengaluru. This comes against the backdrop of the continuing Ukraine-Russia war and a fresh determination to strengthen the two countries' defense and security ties.</p>

OFFICIAL STATEMENTS

India's U.S. Ambassador says there's new dynamism in bilateral ties

The Week

March 31, 2023

Addressing the 30th Anniversary celebrations of the Indian American International Chamber of Commerce, Ambassador Taranjit Singh Sandhu said India's domestic capabilities have been a [key factor in this dynamism](#). He further added "Over the last few years, the economic partnership has really accelerated. When I joined as ambassador in 2020, India's U.S. trade stood at approximately US\$146 billion. Last year, it crossed US\$190 billion, a remarkable increase of 30 percent in just three years, despite COVID and no FTA (Free Trade Agreement)".

'India fastest-growing major economy despite global challenges', says PM Modi at summit with Biden

Livemint

March 29, 2023

India's Prime Minister Narendra Modi on March 29, 2023 hailed India as the mother of democracy and said that the country had become the fastest growing [major economy](#) despite many global challenges. The Prime Minister was speaking at the Democracy Summit he was co-hosting with U.S. President Joe Biden. India, despite the many global challenges, is the fastest growing major economy today. This itself is the best advertisement for the democracy and the world.

India, U.S. working on information sharing agreement between forces

Business Standard

March 22, 2023

American Air Force Secretary Frank Kendall stated that India and the U.S. were close to [signing an agreement](#) on sharing of jet engine technology which may help New Delhi to produce fighter aircraft engines indigenously. "India is a major and valuable defense partner. We share values and expanding our relationship," he said. He further added that they want to develop peace and prosperity in the Indo-Pacific region for the common interest.

U.S. wants to be India's 'Premier Partner' on its extraordinary growth story

The Defense Times

February 10, 2023

The U.S. wants to be not only India's security partner of the first resort but also its "[premier partner](#)" in its extraordinary growth story, the Pentagon has said. These remarks were made by Pentagon Press Secretary Brig Gen. Patrick Ryder while responding to a question on the recently launched India-U.S. initiative on critical emerging technologies, which has a significant defense component in it. The Department of Defense is excited to work with other U.S. agencies and partners as part of the White House-led U.S.-India Initiative on Critical and Emerging Technologies (iCET).

India, U.S. 'thinking big', says Goyal, rules out mini trade deal or FTA

The Hindu Business Line

January 12, 2023

The Modi government and the Biden administration are "thinking big" in terms of their [trade and commerce relationship](#). Union Commerce and Industry Minister Piyush Goyal told reporters at a news conference at the conclusion of the India-U.S. Trade Policy Forum meeting which he co-chaired with U.S. Trade Representative Katherine Tai, that "I think in terms of Generalised System of Preferences (GSP), I have not heard any significant clamour from the Indian industry".

POLICY MATTERS

Govt approval to 45 companies/JVs operating in defense sector with foreign OEMs

The Economic Times

March 24, 2023

The government has given approval to "45 companies/joint ventures" operating in the [defense sector with foreign OEMs](#) (Original Equipment Manufacturers), the Parliament was informed on March 24, 2023. Minister of State for Defense Ajay Bhatt said this in written response to a query in the Lok Sabha.

India, U.S. sign pact on semiconductor supply chain, innovation partnership

Business Line

March 10, 2023

India and the U.S. have signed a pact on establishing [semiconductor supply chain and innovation partnership](#) seeking to put in place a collaborative mechanism on semiconductor supply chain resiliency and diversification in view of the U.S.'s CHIPS and Science Act and India's Semiconductor Mission, per a government statement.

India-U.S. ties key for democracy, strong world economy and to outcompete China

The Print

February 21, 2023

A strong India-U.S. relationship is a must for democracy, advancement in technology and a robust world economy. Describing India as one of the "leading powers" of the world, Senator Chuck Schumer said close India-U.S. ties would also be key to [responding to China's authoritarianism](#). The Senate Majority Leader is leading a high-powered Congressional delegation of senators to India. The delegation, led by Chuck Schumer, called on Prime Minister Narendra Modi in New Delhi on February 20, 2023.

Trilateral framework: India, France, UAE unveil cooperation plan

Indian Express

February 05, 2023

India, France and the United Arab Emirates (UAE) on February 04, 2023 announced an ambitious road map for cooperation in defense, energy and technology under a [trilateral framework](#) (Paywall). The plan was finalised during a phone conversation among External Affairs Minister S Jaishankar, and his France and UAE counterparts, Catherine Colonna and Sheikh Abdullah bin Zayed Al Nahyan, respectively.

A new chapter for India-U.S. Defense Ties

Basant S. Sanghera, The Diplomat

January 27, 2023

In recent years, the [India-U.S. relationship](#) has been performing below its full potential. Bilateral differences over Ukraine and sanctions, a lackluster trade agenda, and the absence of a U.S. Ambassador in New Delhi have contributed to this malaise. But 2023 presents an important opportunity to reverse this trend and restore momentum.

DEFENSE TRADE

<p>Air Force slashes procurement budget on Russia supply delays <i>Manu Pubby, The Economic Times</i> March 23, 2023</p>	<p>With military supplies from Russia (Paywall) facing roadblocks given the war in Ukraine, the Indian Air Force has sharply reduced its projected spending on procurement for FY24. The cut has taken place due to delays in the supply of the critical S400 Air Defense System and spares for the air force fleet.</p>
<p>Jet engine tech sharing offer big, says U.S. Secretary of Air Force Frank Kendall <i>Manu Pubby, The Economic Times</i> March 22, 2023</p>	<p>The U.S. offer for sharing of jet engine technology (Paywall) is a ‘breakthrough’ and there is a shared desire to move ahead on projects under the defense technology and trade initiative, U.S. Secretary of the Air Force Frank Kendall has said. The senior official also said that there are talks currently on to sign a new agreement for sharing of information between the U.S. and Indian Air Forces.</p>
<p>India-Australia agree to further enhance bilateral trade relations <i>Prokerala</i> March 12, 2023</p>	<p>India and Australia on March 12, 2023 acknowledged the significance of their trading relations, as bilateral trade exceeded US\$31 billion during the last financial year. Commerce Minister Piyush Goyal and Australia’s Trade Minister Don Farrell discussed implementation of the Economic Cooperation and Trade Agreement (ECTA), negotiations for the India-Australia Comprehensive Economic Cooperation Agreement (CECA) and further developing two-way investment.</p>
<p>Lockheed Martin and Tata Group to make fighter wing ship sets <i>Financial Express</i> March 12, 2023</p>	<p>Lockheed Martin, the U.S.-based defense and aerospace giant, and Tata Group, the Indian multinational conglomerate, have signed an agreement to commence production of fighter wing shipsets at their joint venture, Tata Lockheed Martin Aerostructures Limited (TLMAL), located in Hyderabad, India. The Memorandum of Understanding (MoU) entails the delivery of 29 fighter wing shipsets, with an option to produce additional shipsets, starting in 2025.</p>
<p>Rising significance of Indo-U.S. trade ties <i>Rakesh Mohan Joshi, Business Standard</i> March 10, 2023</p>	<p>India enjoys a strong economic and strategic relationship with the U.S., based on mutual trust and complementarity. India-U.S. commercial dialogue provides a regular bilateral forum at the ministerial level to deliberate upon various issues to promote trade and investment (Paywall), combined with private sector participation.</p>
<p>Jaishankar, U.S. Secretary of Commerce Raimondo agree to launch India-U.S. Strategic Trade Dialogue <i>The Indian Express</i> March 10, 2023</p>	<p>External Affairs Minister S Jaishankar met with U.S. Secretary of Commerce Gina Raimondo on March 09, 2023 and agreed to launch a India-U.S. Strategic Trade Dialogue, led by Foreign Secretary from the Ministry of External Affairs of India and Under Secretary, Bureau of Industry and Security in U.S. Department of Commerce.</p>

TECHNOLOGY AND INNOVATION

<p>India, U.S. to launch a semiconductor sub-committee <i>Kallol Bhattacharjee, The Hindu</i> March 10, 2023</p>	<p>India and the U.S. on March 10, 2023 signed a Memorandum of Understanding (MoU) that will pave the way for creating a Semiconductor Sub-Committee (Paywall) under the Commercial Dialogue between the U.S. Department of Commerce and India’s Ministry of Electronics and Information Technology (MeitY) and the Ministry of Commerce. The announcement of the MoU was made during the revised India-U.S. Commercial Dialogue that was relaunched in New Delhi on March 10, 2023.</p>
<p>Quad announces establishment of Working Group on Counter-Terrorism <i>The Statesman</i> March 03, 2023</p>	<p>Quad grouping of countries comprising of U.S., Japan, Australia and India on March 03, 2023 announced the establishment of a Working Group on Counter-Terrorism in sharpening of the group’s focus to combat terror.</p>
<p>Delhi, Berlin decide to enhance cooperation on innovation, tech <i>Shubhajit Roy, The Indian Express</i> February 26, 2023</p>	<p>India and Germany agreed on a vision statement to enhance cooperation on innovation and technology during Prime Minister Narendra Modi’s meeting with visiting German Chancellor Olaf Scholz on February 25, 2023. The statement said the two countries share a long history of cooperation in science and technology, research and innovation.</p>
<p>NSA Doval visits White House, discusses Indo-US defence ties <i>The New Indian Express</i> February 01, 2023</p>	<p>The discussions held during the visit of National Security Advisor Ajit K Doval form the basis for intensifying India-U.S. cooperation in cutting-edge sectors and are truly reflective of the maturity of a comprehensive and global strategic partnership, the Indian embassy said.</p>
<p>U.S. and India Elevate Strategic Partnership with the initiative on Critical and Emerging Technology (iCET) <i>The White House</i> January 31, 2023</p>	<p>President Biden and Prime Minister Modi announced the U.S.-India initiative on Critical and Emerging Technology (iCET) in May 2022 to elevate and expand our strategic technology partnership and defense industrial cooperation between the governments, businesses, and academic institutions of our two countries.</p>
<p>U.S. and India launch high-level defense and tech initiative <i>Ellen Nakashima, The Washington Post</i> January 31, 2023</p>	<p>The U.S. is launching a series of ambitious technology, space and defense initiatives with India, in an effort designed to counter China in the Indo-Pacific and wean New Delhi off its reliance on Russia for weapons.</p>

INDO-PACIFIC DEVELOPMENTS

<p>Japan plans NE push with India, B'desh <i>Shashank Mattoo, Livemint</i> March 29, 2023</p>	<p>Representatives from Japanese businesses and multilateral institutions, including the Asian Development Bank, are slated to visit the Northeast in April to explore significant investments as part of a wider manufacturing push, according to people aware of the matter. The delegates will attend a conference to advance discussions around the “Bay of Bengal-Northeast Industrial Value Chain” (Paywall) in Agartala.</p>
<p>U.S. Naval Ship Matthew Perry returns to Indo-Pacific waters after voyage repair in India <i>U.S. Embassy, India</i> March 28, 2023</p>	<p>U.S. Naval Ship (USNS) Matthew Perry, a Lewis and Clark-class dry cargo ship of the U.S. Navy, has successfully completed maintenance and repair work at Larsen & Toubro Ltd’s facility in Kattupalli near Chennai, commonly known as L&T shipyard, from March 11 to 27, 2023. USNS Matthew Perry is the second ship of the U.S. Navy to complete maintenance works in India, after USNS Charles Drew completed voyage repair at L&T shipyard in August 2022.</p>
<p>IPEF: India should trade cautiously on the clean economy pillar <i>Gaurav Choudhury, Moneycontrol</i> February 23, 2023</p>	<p>It may be worthwhile to raise two questions about international trade’s role in a country’s broader economic goals drawing from two divergent strands of thought. First, how do we estimate the gains from international trade over an anticipated future? Second, how do we ensure that an incipient global trade framework will not end up accentuating inequalities between the developed and the not-so-developed worlds?</p>
<p>Investing in defense ties with India to uphold favourable balance of power in Indo-Pacific <i>The Economic Times</i> February 10, 2023</p>	<p>The U.S. is making investments in defense ties with India to uphold a favourable balance of power in the Indo-Pacific, a top Pentagon official told lawmakers on February 09, 2023 indicating that strengthening ties with New Delhi is one of the key factors to address the pacing challenge from China.</p>
<p>QUAD meet to boost cyber security in Indo-Pacific <i>The Economic Times</i> February 04, 2023</p>	<p>The QUAD Cyber Security Group met in New Delhi coinciding with National Security Advisor Ajit Doval's U.S. visit and discussed building cyber security capacity for QUAD members and for partners in the Indo-Pacific region.</p>

RELEVANT EVENTS AND VISITS

S. No.	Events/Visits	Major Outcomes
1.	Gina Raimondo visit to India boosts India-U.S. tech ties (March 07-10, 2023)	U.S. Commerce Secretary Gina Raimondo visited India's capital New Delhi from 7 to 10 March in a bid to strengthen bilateral trade and business ties between the two countries.
2.	Annual Bilateral Maritime Exercise Konkan 2023 (March 20-22, 2023)	Konkan 2023, the Annual Bilateral Maritime Exercise between the Indian Navy and the Royal Navy, was held from 20 to 22 March, 2023 off the Konkan coast in the Arabian Sea.
3.	Fumio Kishida's India visit: Personal invite to Narendra Modi for G7 Summit in Hiroshima boosts India's global stature (March 19-20, 2023)	The significance of the Kishida visit, therefore, is that he took the trouble, after having visited most of the G7 countries to come and personally invite Prime Minister Modi to the G7 summit in his hometown of Hiroshima.
4.	Joint Statement of the Quad Ministerial Meeting in New Delhi (March 03, 2023)	The following is the joint statement released by the Secretary of State of the U.S. and the Foreign Ministers of Australia, India, and Japan: We, the Foreign Ministers today reaffirms the Quad's steadfast commitment to supporting a free and open Indo-Pacific, which is inclusive and resilient.
5.	Eric Garcetti sworn in as U.S. ambassador to India by Vice President Kamala Harris (March 25, 2023)	The former Mayor of Los Angeles, Eric Garcetti, was on March 25, 2023 officially sworn in as the U.S. Ambassador to India during a ceremonial event presided over by Vice President Kamala Harris.
6.	Biden administration holds second round of IPEF talks in Bali (March 13-19)	The Biden Administration said that it has held a second round of negotiations for its signature Asia engagement project on topics including labor, environment, digital trade etc.
7.	Indian-American Richard Verma confirmed for top U.S. State Department position (March 31, 2023)	The U.S. Senate confirmed former U.S. Ambassador to India Richard Verma as Deputy Secretary of State, Management and Resources, a position which is normally seen as the CEO of the powerful State Department in the U.S. Government.
8.	Indian American Ravi Chaudhary confirmed as U.S. Assistant Secretary of Air Force (March 16, 2023)	The U.S. Senate on March 15, 2023 confirmed Indian American Ravi Chaudhary as the Assistant Secretary of Defense for the Air Force, one of the top civilian leadership positions in the Pentagon.

9.	<u>Theatre Level Operational Readiness Exercise (Tropex-23) Indian Navy's Largest War Game</u> (March 09, 2023)	Indian Navy's major Operational level exercise TROPEX for the year 2023, conducted across the expanse of IOR over a duration of four months from November 22 - March 23, culminated this week in the Arabian Sea. The overall exercise construct included Coastal Defense exercise Sea Vigil and the Amphibious Exercise AMPHEX.
10.	<u>NSA Doval visits White House, discusses Indo-U.S. defense ties</u> (January 30 - February 01, 2023)	The discussions held during the visit of National Security Advisor Ajit K Doval form the basis for intensifying India-U.S. cooperation in cutting-edge sectors and are truly reflective of the maturity of a comprehensive and global strategic partnership



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About CUTS International: *Established in 1983, CUTS International is a global public policy think and action-tank, working on trade, regulation, and governance. With its headquarters in Jaipur, India, CUTS has its offices in Lusaka (Zambia); Nairobi (Kenya); Accra (Ghana); Hanoi (Vietnam); Geneva (Switzerland); and Washington DC (USA).*



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