

## Webinar Report

# State of U.S.-India Business

**Organised by:** U.S. Chamber of Commerce

**Date:** 17th February, 2021

**Key Speakers:** **Piyush Goyal** (Minister of Commerce & Industry, Railways and Consumer Affairs, Food and Public Distribution, Government of India), **Ambassador Taranjit Sandhu** (Ambassador of India to the U.S.), **Nisha Biswal** (President, U.S.-India Business Council), **Vijay Advani** (Executive Chairman, Nuveen, USIBC Board Chair), **Edward Knight** (Vice Chairman, Nasdaq), **Milind Pant** (CEO, Amway), **Kiran Mazumdar-Shaw** (Executive Chairperson, Biocon), **Ambassador Arun Singh** (Former Indian Ambassador to the U.S. and Senior Counselor, The Cohen Group), **Virat Bhatia** (Managing Director, Apple)

**Participation from CUTS:** Jithin Sabu and Krithika Subramanian

### **1. Introduction**

**1.1** Both the U.S. and India faced difficult challenges in 2020, in the areas of public health, economy and politics, like never before. It was a testing year for the U.S. - India commercial relationship too. But business stepped in, leading the way to ensure continuity of critical business services, deliver essential supplies, medicine, and food, and re-imagine the way we all interact and conduct business.

**1.2** Looking forward to 2021, the State of U.S.-India Business is stronger than ever before. With the creation and distribution of vaccines, new technologies propelling business, and robust government initiatives to ensure a strong economic recovery, the State of Business is ensuring progress in the U.S.-India corridor. However, more can and should be done to ensure our economies recover, our democracies remain resilient, and that our peoples share in equality of opportunity.

**1.3** The webinar discussed the State of U.S.-India Business and what more can be jointly done to catalyse this crucial and enduring economic partnership.

### **2. Key Takeaways**

**2.1** Speaking on the occasion, Ambassador Sandhu said that the U.S. - India business partnership has the potential to accelerate the global growth trajectory and therefore the partnership has to be looked at from a wider prism.

**2.2** Trade and commerce is one pillar in the relationship which still needs a lot of nurturing. Other areas have moved at unimaginable speed and the same momentum is to be maintained in the trade and commerce area too.

**2.3** Ambassador Sandhu also highlighted the fact that India is the only country that took structural reforms, despite the hardships of the pandemic. This points to India's vibrant federal polity as well as economy and leadership. Leadership in both countries has put forth their vision of cooperation, which is very ambitious and has huge potential.

**2.4** There are **five immediate priority areas** for the India- U.S. partnership: (1) Healthcare and pharma (2) Digital innovation, IT and Start up (3) Education and knowledge partnerships (4) Clean energy including Lng and Solar, (5) Defence and strategic related.

**2.5** Minister Goyal said that the long and strong U.S. - India partnership touches every part of human existence. It has to further trade and economic engagement with greater degree of flexibility on both sides and with an open mind and heart that will understand each other's imperative sensitivities.

**2.6** The current budget has been well received both internationally and in India. The request of the U.S. to increase the FDI limit in the insurance sector is accepted and a greater flow of capital from the U.S. to the insurance sector of India is expected. The defence sector, mining sector and capital markets are also opened up, along with a series of reform- labour reforms, agri reforms, etc. All of them put together will open up huge opportunities for American companies to grab some low hanging fruits.

**2.7** The minister is expecting a course correction of some of the problems seen in the past, through an active engagement with the new administration in the U.S. As democracies which try to provide a greater quality of life and better future to its people, there is a lot of synergy in the thinking of both countries.

**2.8** India is delighted to hear that the new administration in the U.S. has rejoined the Paris Agreement. The minister is looking forward to picking up the earlier India-US engagements in addressing climate change, when he speaks with the climate envoy of the new Biden administration, John Kerry.

**2.9** Goalposts were being changed constantly during the last round of discussions and the focus was mainly on the smaller issues. This time, if the focus is on the bigger issues, and are relevant to a larger engagement, given that both nations complement each other, and are barely looking at competition to each other. For instance, India would like to engage with the US on 5G, however,

if the cost is increased, we may not be able to accommodate it. Therefore, it is imperative to keep in mind those price points while engaging with India.

**2.10** India is keen to expand on the digital space with the US. However, India will be conscious of its responsibility on the data privacy front to its citizens; about big corporations holding data of Indian citizens for businesses across different sectors. The first data privacy law has been put across, and is currently open for debate. The big tech companies and the debate around it is rampant, and India is concerned about some of the big tech giants that are not willing to adhere to the law of the land.

**2.11** Kiran Mazumdar Shaw, Edward Knight, and Milind Pant in conversation with Ambassador Arun Singh spoke about healthcare being an important dimension, gaining a greater prominence in a post COVID world.

**2.12** Kiran Mazumdar Shaw highlighted that India and the US have an opportunity to engage in a platform of technology diplomacy - digital, healthcare, space and many more; as each has important to offer as strategic alliances. With respect to healthcare, there are issues of evergreening of patents, equitable access of vaccines, and India could enter into an IP dialogue, where we resolve the issues.

**2.13** Knight spoke about how the worldwide health industry has laid the foundation for the world to recover. The capital markets have remained vibrant and strong and have seen the strongest IPO market in the world. Capital raising funds will fund new technologies and employment opportunities going forward. He mentioned that open capital markets in India can help fund continued growth. With the Indian government working on that direction with the insurance industry to start off with, there's a lot of potential for growth.

**2.14** Milind Pant spoke about India creating opportunities for millions of people, with a huge influx of youth entering the workforce. He highlighted the need for inclusive opportunities with a huge influx of people starting work. Micro entrepreneurship, he mentions, will redefine physical retail to digital retail and elements of social commerce.