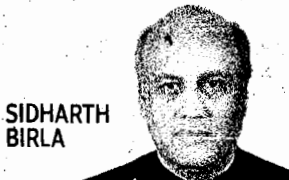


Modi's US visit

Finding common ground for business ties

India needs to promote US investments in areas such as defence, energy, pharma and agriculture

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As Prime Minister Narendra Modi heads for the US, in what would be an impressive and probably his most watched foreign visit, there will be an obvious backdrop of positive vibes and high expectations. The vibes are energised by his stable, progressive government in India, and the image of a "smart, tough and driven Prime Minister"—in the words of Fareed Zakaria in his recent interview on CNN. On the other hand, the US government has made efforts to feel-good factors, with a series of visits to India by top US officials and rhetoric on their desire to "deliver on the strategic and historic opportunities" that our countries can create together. These raise expectations that summit level dialogues between Prime Minister Modi and President Barack Obama will lead to the "potentially transformative moment" in the US-India partnership.

Of course, a great deal of revitalisation must be injected into current ties before we reach a transformative stage. Slipping bilateral trade has to be driven beyond the current \$63 billion annually. Two-way investments need to pick up. An early conclusion of the Bilateral Investment Treaty (BIT) between India and the US would provide protection to investors on both sides, enforceable by recourse to independent international arbitration. The BIT will facilitate additional investment in infrastructure and manufacturing, areas of top priority for the Modi government.

Similarly, entering into a totalisation agreement between India and the US can benefit many thousands of Indians, who have worked for short periods in America and paid social security but are unable to get its benefits.

There are also intellectual property rights issues. India has been investigated by the United States Trade Representative (USTR) on IPR violations



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under Special 301 Report and is slated to be put in category of Priority Foreign Country, which, in turn, may warrant unilateral sanctions. The Indian IPR administration conforms to the provisions of the TRIPS Agreement and other international treaties to which India is a party, and enforcement procedures have improved. Thus, continued investigation and inclusion of India in the list is an irritant. Also, a new IPR policy on the anvil should help bring a change in perception.

There is need for serious attention to the concerns of the Indian IT industry with regard to the movement of highly trained professionals for delivering technology services (which is not 'immigration' as usually defined and accepted) being linked to the larger issue of immigration. This amounts to non-tariff barriers. These issues must take their due place in the agenda of our leadership. Ficci has identified some more key deliverables for the two sides which will make the

outcome a mutually favourable one. These relate to sectors in which current engagement levels defy potential.

The first is defence. The Indian private sector is yearning to develop its capabilities in this area. With India working towards developing indigenous production as captured in Prime Minister Modi's "Make in India" slogan, this can happen only if technology transfer and capacity building take place from the US.

In the sphere of energy, India and the US should explore coal gasification technologies, experience sharing in shale gas exploration, and development of capabilities related to exploration. The partnership for energy security would need to include securing unfettered Indian access to the US fossil fuel reserves and focus on smart grids and energy efficiency. While the signing of the India-US Civil Nuclear deal threw up new business opportunities for high technology from the US, issues related to civil nuclear lia-

bility, nuclear safety and future of fuel supply warrant closer cooperation and understanding.

Indian and American initiatives on strengthening partnership in agriculture and food security should have active involvement of the private sector from both countries. There is room for joint action in agriculture biotechnology, including joint ventures and R&D projects and cooperation in market news/price information dissemination and development of agri-marketing and storage infrastructure. India and the US need to look at risk management in agriculture through better crop management and insurance practices.

In the life sciences sector, biotechnology, medical devices, drug discovery and healthcare offer significant scope to exploit US-India synergies for mutual benefit. In pharmaceuticals, there is a possibility to collaborate on "safe and affordable" healthcare through joint activities and ventures on capacity building of Indian companies on compliance and new drug development at significantly lower economic costs.

Media and entertainment industry is another area to look at. Bollywood makes more films than any other film industry. Hollywood is the largest film industry by revenue in the world. Yet our collaboration in this area is peripheral. The story is much the same for music, television, electronic games and other media segments. Greater partnership here would help bring our people, especially youth, together and lay the foundation for engagement between future generations.

A rapidly changing global economic landscape and growing needs of both economies are dictating the need to find common grounds in doing business for both India and the US. Modi and Obama are uniquely placed to join hands for realising a common vision for the people of India and the US—that of "Sabka Saath, Sabka Vikas", together with all, development for all. That will make the US and India truly "indispensable partners for the 21st century".

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F21