

INDO-US STRATEGIC PARTNERSHIP: Ambassador Neelam Deo, Consul
General of India, New York, at India Business Conference, Columbia
Business School April, 2008,

Indo-US relations have become more substantive and intensive in an increasing number of areas as cooperation has expanded and interaction become more frequent. These multi-layered links take in the political leadership, business and industry and scientists, students and military personnel among others.

The progress just in the last two years includes landmark agreements such as the Open Skies Agreement, the launch of the Energy and Economic Dialogues, a new defence framework agreement, a knowledge initiative in agriculture, a new agreement on science and technology. Revitalized cooperation in space, the defence industry and R &D are essential elements.

At as a recent conference in Washington DC our External Affairs Minister said that the willingness of both countries to shed the baggage of the last 30 years to launch a new era of cooperation in civil nuclear power to address India's burgeoning energy requirements was emblematic of the qualitatively new relationship. The exchanges at the highest political, commercial and scientific levels have become more

frequent and will begin to appear routine as their intensity increases further.

The Indian Ocean has greater economic and strategic value than before to both India and the US. Existing and emerging threats in the form of piracy, drug trafficking, WMD proliferation, pollution, accidents, closure of choke points, regional conflicts and other disputes are of vital concern and demand concerted action that can only be addressed adequately through cooperation between countries.

India's transparent economic policies, regulatory framework and judicial system make economic cooperation a mutually beneficial prospect. India's plans to expand infrastructure, mitigate power shortages, expand telecommunications, modernization of the manufacturing sector and apply technologies to upgrading the agricultural sector while protecting the environment open up opportunities for US business and industry. Already India is the fastest growing export destination for US products, having registered a growth rate of 75% last year. The US is one of the largest foreign direct investors in India, while US-bound investment from India has also grown dramatically in 2007. This economic vitality is bound to continue, indeed to surge, in the next five years as Indian corporates acquire American partners.

India requires substantial energy to sustain a rate of growth of 9-10% over the next 20 years. Nuclear energy is an important alternative source of clean energy. Therefore, the interest of the Government of India in moving ahead on the Indo-US nuclear cooperation deal has been reiterated repeatedly, as has that of the US Administration.

The Hyde Act passed in January 2006 is an enabling provision between the executive and the legislative organs of the US Government. India's rights and obligations regarding civil nuclear cooperation with the US flow only from the bilateral 123 Agreement that it has agreed upon with the US.

We are presently engaged with the International Atomic Energy Agency to negotiate the agreed text of an India-specific Safeguards Agreement. The next step would be for the Nuclear Suppliers' Group to amend its guidelines to enable civil nuclear commerce in favour of India, opening the door to civil nuclear cooperation with various countries, including the USA, Russia, France, UK, etc. The necessary enabling bilateral agreements for such trade are being negotiated with some of these countries. This development would constitute an end to the unfair technology denial regimes and sanctions that India has endured for the last 30 years.

In the UPA coalition government led by the Indian National Congress, not every coalition partner supports or is opposed to the deal. The left parties, who support the government from the outside, have expressed their ideological objection. Even the principal opposition party, the BJP is opposing the deal. While trying to bring them on board, the government cannot ignore the potential embarrassment of an important international agreement being subsequently repudiated.

Therefore, it is not possible to put forth a timeframe, but the government is continuing its efforts to build a political consensus to take forward its talks with international institutions and concerned countries.

