

Occasional News Wrap – #16/February 2020



Namaste Trump: From Taj to Trade

17-27 February 2020

A much hyped 36 hours visit of the U.S. President Donald Trump to India on February 24-25 concluded with some actions and many hopes and expressions. It was marred by lack of clarity on trade and economy front but, among other things, made subnational progress while underscoring the promise of expanding mutual cooperation on defence and energy fronts. This edition of the News Wrap is thus an attempt to capture related development for the ready reference of our readers.

News/Op-ed	Key Takeaway
No trade deal with Trump still a win for India <i>By Kanwal Sibal</i> Livemint February 27, 2020	US President Donald Trump's India visit has ended successfully for both sides. No trade deal could be signed. India was willing to be accommodative, but the US side decided to wait for a more <u>ambitious deal</u> later in the year—which is a code word for pressuring India on a wider front in the interim. This came out implicitly in Trump's press conference where he cited his tussle with China and repeated his ill-considered references to India as a tariff king, which is factually wrong.
A new normal has now been set for India-US relations <i>By Harsh V Pant</i> Livemint February 26, 2020	On a substantive level, India and the US issued a comprehensive joint statement, inked three memorandums of understanding, including one in the energy sector, and agreed to initiate talks on a major trade deal. The two leaders decided to raise India-US ties to the level of a " <u>comprehensive global strategic partnership</u> ".
US, India deepen bonds despite deal disappointment <i>By Andrew Hammond</i> Arab News February 26, 2020	Economics and geopolitics drove the bilateral agenda between the world's two largest democracies, yet political hoopla was also prominent between Trump and Narendra Modi. The talk of the town before the trip was the possibility of an interim <u>comprehensive trade deal</u> being reached, but this proved too far a stretch.
US Praises India's Role As Net Provider Of Security In Indian Ocean Region NDTV February 26, 2020	Prime Minister Modi and President Trump decided to strengthen <u>consultation</u> through the India-US-Japan trilateral summits; the 2+2 Ministerial meeting mechanism of the Foreign and Defence Ministers of India and the United States; and the India-US-Australia-Japan Quadrilateral consultations, among others," a joint statement by both the countries on Tuesday night read.

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<p>Deal-making after hugs: India-US finalise defence deals worth \$3 bn, sign 3 MoUs in energy sector India Today February 26, 2020</p>	<p>The biggest takeaway from the visit was moving forward in the energetic, defense and strategic sphere. The \$3 billion-worth of helicopter purchase was a significant deal and sources say \$8-10 billion-worth of deals are in the offing.</p>
<p>After Trump's India visit, Oil and gas imports from United States set to increase The Economic Times February 26, 2020</p>	<p>Petroleum minister Dharmendra Pradhan described the energy ties as multifaceted, as India and the US signed the deal for strengthening collaboration between Indian Oil Corporation, Exxon and Chart Industries for supplying liquefied natural gas. The agreement will promote access to gas in areas where the current pipeline infrastructure has not been developed. Till the time that gas pipeline network is developed in the country transportation of gas through container is an efficient alternative.</p>
<p>India, US to fast track trade deal: Goyal Outlook February 25, 2020</p>	<p>"With US, we can do a much larger trade deal much faster... As both are true democracies, transparent. On that basis the nations have decided to engage on a fast track basis. We will have stakeholder consultations from both sides with industry groups on market access, opening up of services, investment protocols. I can assure what will be done, will be done in the best interests of both countries. It will be an offer, at least from our side, that the US cannot refuse," Union Commerce Minister Piyush Goyal said.</p>
<p>Launch feasibility study for India-US FTA, bilateral trade aim of \$500 bln by 2030: CII-USIBC report The Economic Times February 25, 2020</p>	<p>An FTA (free trade agreement) between India and US would have wide ranging ramifications for the domestic industries, and a clear cost benefit analysis would be needed to gauge its total impact," said Confederation of Indian Industry (CII) and the US India Business Council (USIBC) in a report on \$500 Billion Roadmap for bilateral trade and business.</p>
<p>Modi-Trump talks: India, US negotiations on 'big trade deal' soon Livemint February 25, 2020</p>	<p>Modi said that India and the US discussed every important aspect of their partnership, be it defence and security, energy strategic partnership, trade or people to people ties. The strengthening in defence ties between India and US is an important aspect of bilateral ties.</p>
<p>What US and India share: India compares remarkably well with China on several issues Trump is agitated about <i>By Jagdish Bhagwati and Pravin Krishna</i> The Times of India February 24, 2020</p>	<p>Indo-US relations have always suffered from a three body problem, to use an analogy from astrophysics: Indo-US relations have always been affected by China. Recall that in the 1950s, the US gave substantial aid to India, largely because developmental economists at the time believed that totalitarian China would overtake India, because China, with its draconian ways, would raise more resources than India, which was democratic.</p>
<p>A US-India Trade Deal Can Only be Sealed if Both Move Past Clearly Defined Red Lines <i>By Pradeep S. Mehta and Amol Kulkarni</i> The Wire February 22, 2020</p>	<p>The practice of personally praising his counterpart while complaining about unfair treatment immediately prior to an in-person meeting has become a standard template for Trump. It is either a pressure tactic or more simply, a message that says 'Hey buddy, let's drop all pretense and move forward arm in arm'.</p>

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<p>Trump's India Visit Highlights a Stalled Relationship <i>By Anubhav Gupta</i> The Diplomat February 21, 2020</p>	<p>Trump's first official visit to India is important because it underlines the significance of the bilateral relationship and adds momentum to joint initiatives. Unfortunately, the lack of substantive agreements sealed ahead of the visit highlights how stalled the U.S.-India "strategic partnership" has become.</p>
<p>US-India trade deal: Who is playing hardball? The Economic Times February 19, 2020</p>	<p>There are two sides to the story. Indian sources say that US domestic politics may have entered the picture with Washington trying to push products that would help farmers and manufacturers in "swing states" with an eye on the 2020 election. New items were suddenly being promoted.</p>
<p>Trump's visit comes when mutually beneficial framework of bilateral relationship stands disrupted <i>By Sanjaya Baru</i> The Indian Express February 17, 2020</p>	<p>United States President Donald Trump arrives in India just about a month ahead of the 20th anniversary of the first India visit of a US President in the post-Cold War era. Arriving in March 2000, President Bill Clinton inaugurated a new phase in state-to-state bilateral relations between the US and India by implicitly recognising India's nuclear power status, admitting that the line of control between India and Pakistan should be viewed as the international border so as to bury the "Kashmir issue" forever and increasing entry visas for Indians that has since contributed to the emergence of a sizeable community of Indian Americans.</p>