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CUTS-USIBC Roundtable on ''Fostering Indo-U.S. Innovation Cooperation for Mutual Prosperity''

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- With a legacy of supporting Green Revolution that transformed scarcities into abundance, the innovation potential of the U.S. can help address socio-economic disparities in India. Green revolution was fostered and funded by the U.S through the Ford Foundation in 1961
- For India, innovation and entrepreneurship remain critical for increasing productivity, economic growth and development. U.S. interests lie in the market potential and talent pool that India can provide to its innovation centric companies.
- Bilateral initiatives that encourage innovation to play a greater role in steering socio-economic development in the two countries do exist. Government to government initiatives such as the Indo-U.S. Science and Technology Forum, the United States-India Science & Technology Endowment Fund and Defence Technology and Trade Initiative, among others, are testimonies to this fact.
- At a recent U.S.-India Innovation Roundtable organised by CUTS International, in partnership with the U.S. India Strategic Partnership Forum, on 30 October 2019 in Washington DC, Harsh Vardhan Shringla, Indian Ambassador to the USA underlined the significance of bilateral innovation cooperation to pursue win-win outcomes.
- "India—a young country brimming with talent and future entrepreneurs—is the ideal destination for U.S. expertise and capital. U.S. is also the repository of cutting-edge technology that is highly relevant to what India requires for its economic growth and development", said Shringla.
- Furthermore, developing an alliance between India and the U.S. on digital and cyberspace issues is the need of the hour. The core objectives, among others, should aim at fostering innovation, development, and defensive mechanisms, which includes a road map for Artificial Intelligence.
- The announcement by the Indian Space Research Organization (ISRO) introducing Indian regional navigation satellite system, NavIC provides an

opportunity to leapfrog in the technology sector. This original navigation system really has the potential for improvements in geolocation capabilities of mobile, automotive, internet of things and all of that requires 5G.

- In addition to retaining its position as the world's third largest startup hub and with growing number of tech startups, India is strategically poised to drive the next wave in technological advancement. Supporting the increasing number of tech startups, is cognisance of their role in providing direct and indirect jobs including attracting foreign investments is crucial.
- Recent policy interventions have ensured that progress is made in this direction. However, there is still work to be done in terms of sending a strong signal that investors are welcome, and to ensure that fiscal incentives are made more lucrative and in favour of startups while ensuring consistent supply of electricity and relatively skilled workforce.
- Also, for innovation based transformation, the foremost requirement is not to underplay the role of institutions and policy innovations. The role of government is in fact central in that sense. The need for such kind of innovation makes more sense in the context of the Defence Offset Policy, 2016 of India. Due to complexity of regulations, the foreign suppliers and vendors fail to meet their offset obligations. This actually affects the intent and spirit envisaged in the first place.
- To arrest such gaps, it is imperative for policymakers to keep creating space for multi-pronged, multi-sectoral and multi-stakeholder engagement. It will require the whole of government approach.
- In the energy sector, the U.S. can help address both conventional and non-conventional energy needs of India. The areas of convergences can be joint research and development in clean coal technologies, natural gas, nuclear energy and integrating renewable energy into the electricity grid.
- Since 2015, Government of India has embarked on a journey of installing 175 gigawatts of renewable energy capacity by 2022 in the country's energy mix. This is exceptionally challenging, given the current operational and regulatory challenges in the power sector.
- However, a study conducted under the U.S.-India bilateral program "Greening the Grid", revealed in 2017 that integrating 175 gigawatts (GW) of renewable energy into India's electricity grid by 2022 is both technically and economically viable, provided there are policy and regulatory decisions that support system flexibility and renewable energy investment.
- Last but not the least, issues involving intellectual property rights (IPRs) between the U.S. and India should be settled, without sacrificing our development interests. Some IPRs may be perceived as public good but others may not. It will

also require India to build awareness on IPR and Innovation issues in the industry, particularly startups.

- From a standpoint that patents are crucial in bridging innovation gaps, the patenting process in India needs to be expedited from the existing period of 64 months to at least 30 months as against 24 months in the USA.
- Seemingly, the U.S. may provide great help in addressing socio-economic issues facing India. The U.S. government and private sector hold tremendous potential in mobilising capital, technical, skilling and knowledge support for the country.
- Going further, there is a need to build on innovation cooperation in energy and environment, information and communication technology, emerging technologies and digital infrastructure, entrepreneurship and inclusive growth, infrastructure and manufacturing and healthcare, among others.
- The roundtables such as this are an attempt to enhance mutual understanding about the role of innovation in accelerating growth and development in the major and strategic sectors as well as the pain points towards their uptake from policy and regulatory perspective.
- The sectors in focus of this roundtable include, but are not limited to, Defence & Aerospace, Energy and Data & Technology.
- I thank USIBC for collaborating with us for this roundtable. I also thank all the speakers in the panel and the participants for taking time out from their busy schedules for joining with us today.

Thank you.

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