

FIVE BIG IDEAS

For the Biden Administration

**Elevating the U.S.-India
Trade and Economic Relationship**



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5 Big Ideas for the Incoming U.S. Presidential Administration

U.S.-India Business Council

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The U.S.-India Business Council (USIBC) and the U.S. Chamber of Commerce welcome President Joseph Biden and Vice President Kamala Harris and look forward to collaborating with the new administration. Under their leadership, we expect continued growth in the U.S.-India commercial relationship. The United States and India share a common set of values, robust democratic systems, and cultures of entrepreneurship, as well as longstanding people-to-people ties that make our countries natural partners. As leaders around the globe reevaluate global trade and investment ties, the United States and India can and should do more to achieve the shared goal of \$500 billion in two-way trade.

The U.S.-India commercial relationship has seen fast-paced growth over the past decade, with bilateral goods and services trade growing 12.6 percent in 2019 to reach \$146.1 billion. Still, the relationship holds significant untapped potential. Business-friendly policies can unlock upwards of \$150 billion in new trade over the next four years, as resolution of regulatory issues for both U.S. and Indian companies opens the door for more expansive growth.

USIBC stands ready to support the Biden administration on work to develop the economic policies that will transform our economies and create millions of high-quality jobs at home and abroad. On behalf of the USIBC Board of Directors and our member companies, USIBC recommends the administration consider the following “5 Big Ideas” as it charts a way forward on one of the country’s most important bilateral relationships: the U.S.-India partnership.

1. **Reimagine and Reconstitute the U.S.-India Trade and Commercial Dialogues into a Single U.S.-India Strategic Trade Dialogue (USISTD)**

The U.S. and India convene several trade and commercial dialogues, but existing high-level discussions often lack both a regular schedule and coordination between U.S. government agencies. This has resulted in a stagnation of trade and commercial talks between the U.S. and India. USIBC recommends the Biden administration merge the U.S.-Commercial Dialogue (led by the U.S. Department of Commerce), the U.S. Trade Policy Forum (led by the U.S. Trade Representative), and other ancillary and defunct dialogues into a new U.S.-India Strategic Trade Dialogue (USISTD). These ancillary dialogues could include the U.S.-India CEO Forum, the High-Technology Working Group, and others led by the U.S. Department of State and the White House.

USIBC recommends that the new USISTD be co-chaired by the U.S. Secretary of Commerce, the U.S. Secretary of State, and the U.S. Trade Representative, who would invite the Government of India to name similar counterparts. The USISTD should focus on reducing trade impediments to strengthen the strategic relationship and support a goal of \$500 billion in two-way trade by 2024.

For the USISTD to succeed, both governments must build a comprehensive “wish list” of core issues of importance to industry. USIBC recommends the two sides set up an expert group consisting of senior officials, industry representatives and academic thought leaders to build a document for discussion under the USISTD. USIBC, in collaboration with an India-based counterpart, can partner with the U.S. and Indian governments to launch this expert group.

2. Create a New U.S.-India Global Digital Partnership (USIGDP)

The United States and India are leaders in the digital economy, which powers a vast share of global innovation, trade and investment, and STEM job creation. A successful Indian-American diaspora—including many in the tech sector—provides U.S. and Indian industry with access to capital, technology, and a high-quality pool of technical talent. The Biden administration should invest in partnerships that position the United States and India to lead the next generation of technology development.

Despite the economic and strategic value of our digital relationship, there is no high-level, all-of-government dialogue on digital issues. Instead, there is a hodge-podge of dialogues, working groups, and ad hoc conversations. To address this strategic gap in the U.S.-India relationship and support continued U.S.-India technological leadership, USIBC proposes the creation of a U.S.-India Global Digital Partnership (USIGDP) to facilitate discussions between critical stakeholders across government and industry. Following the model of the National Space Council, the USIGDP should be headed by Vice President Harris, who would delegate critical elements of the discussion to relevant departments or agencies. Through discussion with the Government of India, appropriate counterpart(s) within the Prime Minister’s Office could be identified.

The COVID-19 pandemic accelerated the adoption of digital technology and transformed government, industry and society. We anticipate a “new normal” with greater emphasis on online services, virtual platforms, and hybrid environments. Amid this transition, leaders around the globe are reassessing how their governments regulate and tax technology, data, content, and digital services. Given these trends, it should not be surprising that a significant and growing proportion of U.S.-India goods and services trade already takes place on online and app-based platforms.

Leveraging a strategic digital partnership with India—a global technology leader in its own right—will support U.S. companies’ access to critical talent, a fast-growing hub for manufacturing, and a vast consumer market. Policies around the control and use of data and content will be central to this relationship, and with the adoption of global best practices can reinforce shared values of democracy, security, and an open internet. The USIGDP should seek to advance our technology partnership and data-based discussions, recognizing the larger impact on security and commercial issues.

3. Restructure the U.S.-India Health Dialogue to Expand the Mandate and Include Private Sector Participation

The COVID-19 pandemic fundamentally reshaped global health discussions and priorities. USIBC recommends restructuring and reenergizing the U.S.-India Health Dialogue to create a forum that can tackle important policy issues in a post-pandemic era. To create a sustainable and resilient recovery, the U.S.-India Health Dialogue should promote economic, trade, health, and social collaboration between our governments and private sector institutions from both countries.

USIBC recommends the restructured U.S.-Health Dialogue be co-chaired by the U.S. Health and Human Services Secretary and the U.S. Secretary of Commerce. The private sector should be engaged as part of all existing working groups, including a new high-level working group focused on health and the economy.

To build a strong and sustainable Health Dialogue, both governments should create a handbook of priority issues in the health sector. USIBC recommends a task force with government officials, industry representatives, and academic experts to develop and manage this handbook. The task force could examine issues related to IPR, market access, government procurement, and technological tie-ups. The task force would also provide recommendations to both governments on resolving priority health issues.

4. Restructure the U.S.-India Strategic Energy Dialogue to include Climate and Sustainable Growth

The U.S.-India Strategic Energy Dialogue is a dynamic platform for discussion, but in recent years has moved away from climate goals. With the appointment of U.S. Special Presidential Envoy for Climate John Kerry, it is an opportune time to reintroduce climate into the existing dialogue. This discussion could be co-chaired by Special Presidential Envoy Kerry and the U.S. Secretary of Energy and would leverage expertise from government, industry, U.S. National Laboratories, and research institutions.

The augmented Strategic Energy and Climate Dialogue (SECD) should focus on new research and technologies to reduce emissions, as well as creating more efficient fuels to meet U.S. and Indian energy needs. The SECD should retain productive efforts including the U.S.-India Gas Task Force and the Sustainable Energy Initiative and consider new work streams on climate, smart infrastructure, industrial and manufacturing sustainability, emissions reduction, and the deployment of new and existing innovative clean technologies and finance mechanisms. It is also important that the dialogue acknowledge different policy pathways the two countries may choose to achieve shared climate and economic growth and development goals.

5. Create a U.S.-India Scholars Endowment to support Higher Education Exchanges

Educational exchanges have long been a core element in the U.S.-India partnership, particularly in the areas of research and development, collaborative design partnerships on innovation, and training programs. Indian students studying in the U.S. contribute over \$30 billion to the U.S. economy and bring new ideas and perspectives to educational institutions.

To support people-to-people ties and strengthen skills development for employers in the U.S. and India, USIBC recommends the launch of an endowment for U.S. and Indian scholars. The U.S.-India Scholars Endowment would fund travel by U.S. students and academics to India to teach, learn, and study. Similarly, the endowment would support Indian students and researchers in the United States.

A restarted U.S.-India Higher Education Dialogue could serve as the foundation for this work. USIBC recommends both governments engage private sector stakeholders in conversations on the future of work and skilling requirements. Businesses in both countries can also provide practical guidance on creating a sustainable model for funding the endowment. USIBC recommends Vice President Harris chair this Initiative and invite a Government of India representative to serve as her counterpart.