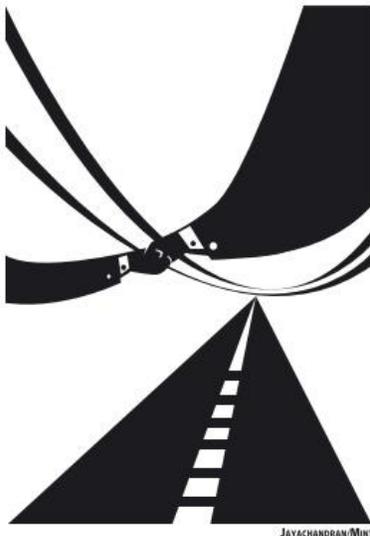


5 November 2010

live**mint**.com
THE WALL STREET JOURNAL.

The \$100 billion business agenda

EXPERT VIEW –
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The US economy is in deep distress, yet to recover from the global financial crisis. Some may think, therefore, that India should look elsewhere for trade, investment, technology, etc. This is far from the truth. And, despite the protectionist actions by the US, it is still priority for every aspect of economic relations. In fact, the agenda and the challenge is to build bilateral business to a level of \$100 billion by 2015.

The first issue--top of the mind--concerns outsourcing of services by the US to India and vice versa. Irrespective of visa fee increases and other measures, Indian companies will be creative, will cut other costs, and retain competitiveness in the US market, making compelling economic reason for outsourcing to Indian information technology companies.

And, the US companies will retain their competitiveness through partnership with Indian companies. Conversely, Indian companies from different sectors are outsourcing to the US for technology, equipment and services. This is a two-way street of mutuality, which will survive short- term domestic pressures in the US.

And, from India, this process is rising because Indian companies need, and are adopting, state-of-the-art technology, which US companies are able to offer. US technology firms are at the forefront of supply.

This will see steady increase across all industry sectors in India because our companies recognize and accept that competitiveness is a never-ending game and the US is a strong partner.

Second, the Indian infrastructure agenda is massive, over the next 10 years and more. The growing demand for financing, equipment, services, training, standard-setting, etc., offer huge opportunities to US manufacturing, and other companies, for steady business in India. Many of these companies have also set up bases in India, but their products have a significant US component, made in the US. India's infrastructure plans will see a rising US participation in a variety of ways, increasing the volume of bilateral trade and investment. This process is just beginning because the private sector in India is now starting to play a significant role in capacity addition.

Third, for national security reasons, India's defence budget is huge--to equip the armed force with modern technology and equipment. There is no question that US companies are at the cutting edge of defence technology. And, the process of India diversifying its sources of supply has begun. The procurement of US products and services will only see significant step-up--not overnight, not through any dramatic shift--just simply because the work of re-equipping India's defence system is behind schedule. India will also turn to the US for technology, equipment and training services for the internal security infrastructure to be able to deal with terrorism.

Fourth, in the energy area, be it oil and gas, coal and renewable energy, the links between the US and India are increasing steadily. And, this is going beyond products and services, exploration and drilling, to research and development cooperation. A new addition to the agenda will be nuclear power--despite of the nuclear liability issue that is being addressed. The next 10 years will witness an explosion of energy business between the two countries, again two-way traffic, which includes Indian investment into the US, creating jobs there and accessing technology needed by India.

Fifth, the traditional area of food and agriculture, but with a very new focus--the "evergreen" partnership--to help upgrade Indian agricultural research, technology and productivity. To help make Indian agriculture competitive, not just in India, but globally. Also, to build food security at affordable cost. A new era of cooperation is beginning with a significant role for the private sector of the two countries but, also involving agricultural research institutes, agricultural universities,

training centres and, of course, the farmers. The Confederation of Indian Industry's (CII) new Centre of Excellence for Food and Agriculture will play a landmark role in the future, with a special link to the US.

Sixth, innovation: A new word in the lexicon of cooperation but a key area for both countries, and their companies (especially, mid-size ones), who come to close grips with each other to drive the innovation agenda. There are already many companies with links but the number is multiplying because of the mutual comfort level, the personal and institutional links and the ecosystem for innovation, which both countries are fostering. The US always had it. India is now building it, and recent exchanges have shown that innovation activity, especially developing low-cost solutions, is a truly meaningful benefit to both countries.

Seventh, and finally, trade. Simple, old-fashioned buying and selling to each other. The presidential visit has been preceded by a series of SME Missions to Chicago, Detroit, Indianapolis, Cincinnati, etc., from CII; destinations Indian companies rarely visit. In 2011, following Obama's trip, this process will multiply as never before.

These seven processes are by no means a complete checklist of the US-India economic agenda. But, these are a sample of what it will propel bilateral business to \$100 billion by 2015-or even earlier.