



## **India-US Defence Partnership Roundtable, September 14, 2022 – Key takeaways**

On September 14, 2022, American Chamber of Commerce in India and Observer Research Foundation co-hosted the second curtain raiser on India-U.S. defence partnership in New Delhi. The roundtable brought together Defence Secretary to Government of India, Dr. Ajay Kumar, members of U.S. and Indian defence industry and key think tank representatives for candid discussions centred on accelerating defence exports from India with focus on Co-development, Co-production, and Skill Development. Following were the key points that emerged –

Defense Exports is the priority of Government of India. While U.S. stands at No.4 in imports it is No. 1 in defense exports. Totality of figures of aerospace & defense exports by Co-development, Co-production and Skill Development by U.S. companies is extraordinary encouraging.

Scope of successful partnerships between U.S. and Indian partners is ever increasing over the last decade with foreign military sales having grown to over 21\$ Billion, and there has been tremendous revolution in the aerospace & defense sector. A&D Exports from 2016-2020 to U.S. were over 3\$ Billion from India making up to 22%.

Pure defense exports from India to the U.S. was quoted by Hon'ble Raksha Mantri during April 2022 at AMCHAM AGM at 35% and Defence Secretary Ajay Kumar lifted it a notch higher by quoting that it presently stands more than 50% driven by the robust partnership between both the countries in this sector.

Positive traction during the upcoming 2+2 Ministerial in India early next year following the set of engagements in New Delhi last week for the 2+2 Intersessional and Maritime Security Dialogues would result in closer cooperation between the two nations.

India's role is hailed by the U.S. government as a security provider in the Indo-Pacific and both governments are committed to expanding information-sharing and logistics cooperation as the U.S. and Indian militaries operate and coordinate more closely together post the momentous docking of the USNS Charles Drew for maintenance and repair at Kattupalli shipyard last month made successful due to signing of LEMOA in 2016. This would result in an additional third base for undertaking maintenance for mid-voyage repairs of U.S. Navy ships in India.

10 years after the U.S. set up the Defense Technology and Trade Initiative (DTTI) with India and conferred Strategic Trade Authorization-1 status on it, it still is presently serving only as an official discussion mechanism and needs to be leveraged at full capacity. Need for scheduling re-occurring B2B engagements not just ahead of DTTI but at regular intervals is essential.

The Defexpo platform is being introduced as a forum for investments in defence. Under Self-reliance in India, it supports the complete gamut to reach the ambitious target of 5\$ Billion by 2025. Examples could include, India and the U.S. exploring high-powered directed energy weapons to counter aerial threats like fighter jets

and drones. U.S. defense companies would benefit by continuing to engage and partnering heavily with India in their supply chain, taking advantage of lower costs.

U.S. and Indian governments to initiate a dialogue later this year to deepen bilateral collaboration in AI, space and cyber to strengthen defense technology and industrial cooperation to support India's rise as an industry leader and regional security provider.

Quad partnership is another avenue to sustain regional peace, stability, and prosperity through relief operations and humanitarian assistance where the governments are working closely together.

**Proposal:**

AMCHAM – ORF to propose a formal platform to conduct industry-to-industry reoccurring engagements at regular intervals.

AMCHAM-ORF to follow up the successful curtain raisers with a proposed seminar highlighting the U.S. – India partnership at DefExpo 2022 leading to the accelerated defense exports in the presence of RM/RRM.