

Assessing India-U.S. 2+2 Dialogue

What is the issue?

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- The India-U.S. defence relationship has been given a significant boost after the recent 2+2 Dialogue in Delhi. (Click here to know more)
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- \bullet However, India must take a balanced and cautious view while deepening defence ties with the U.S. $\ensuremath{^{\text{h}}}$

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What is the significance of the meet?

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• The India-U.S. defence relationship was strengthened with the signing of three agreements:

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- 1. the Communications Compatibility and Security Agreement (COMCASA)
- 2. "hotlines" between the Defence and Foreign Ministers of both countries \n
- 3. the first tri-services military exercises between the two countries \n

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- **COMCASA** It is the third of four "foundational" agreements signed after more than a decade of negotiations.
- It will ensure interoperability between the two countries' armed forces and

allow hi-tech equipment sales to India.

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• The agreement has also been described as making India a "near ally" of the US.

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- It is perceived as an inevitable consequence of the large amount of U.S. defence hardware India has been purchasing.
- This will further increase, given the U.S. decision to include India in the Strategic Trade Authorisation (STA-1).
- China Advancing "a free, open, and inclusive Indo-Pacific region" was discussed upon.

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• The countries also mentioned promoting sustainable "debt-financing" in the region.

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• These are clearly aimed at Beijing's role in the South China Sea and the Belt and Road Initiative projects.

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• **Relationship** - The 2+2 discussions was held after two previous cancellations this year.

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 \bullet The dialogue has thus been significant in India-U.S. relationship after months of drift and occasional discord. $\$

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What are the concerns?

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- While trade was addressed, India did not receive a clear-cut assurance of its GSP (<u>Generalised System of Preferences</u>) status being restored.
- \bullet It neither received any waivers on $\underline{\text{steel and aluminium tariffs}}$ imposed by the U.S.

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- Instead, U.S. officials said that they expect India to increase imports of American oil and gas as well as aircraft.
- \bullet This is in order to wipe out the trade surplus India enjoys.
- It is unclear if the Centre has agreed to this anti-free market demand, but it

remains a concern.

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• The U.S.'s other demand, to "zero out" oil imports from Iran by November, is also contentious.

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- It would hurt India economically at a time when the dollar is strengthening and fuel prices are going up.
- It would also have implications in terms of India's substantial engagement with Iran.

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- No public statement was made on U.S.'s actions on India's investment in the Chabahar port once U.S.'s full sanctions begin in November.
- Also, U.S. officials gave no firm commitment that India would receive a waiver to purchase Russian hardware, beginning with the $\underline{\text{S-400}}$ missile system.

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- \bullet India must work with the U.S. in the coming future to ensure that the 2+2 dialogue did not benefit only the U.S. $\ensuremath{^{\backslash}}$
- India needs to ensure that it does not sacrifice its regional geo-political and broader global economic interests.

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Source: The Hindu, BusinessLine

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