

## INDO-US BUSINESS RELATIONS IN 21<sup>ST</sup> CENTURY

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### **Abstract**

*Since the disintegration of USSR, India has been tilted towards United States of America. Now India and the US have become a need and necessity for each other hence, is the strategic partners. Therefore, there has been a steady and gradual increase in the business relations between the two economies. The US has also assigned greater importance to India because of the rise of China in Asia. President Obama's most recent visit to India may create new vistas in business relations of both the economies. The new vistas may go a long way in further strengthening the business relations between India and the USA. The present paper examines the existing trends in Indo-US business relations and also explores potential and opportunities in coming years which would enhance the degree of business relations between two countries and would bring closer to each other which is the need of the day.*

**Key words:** *strategic partnership, business relations, new vistas, opportunities, 21<sup>st</sup> Century, Battle Act, Tariffs, investment, Shale Gas, Clean Technology etc.*

India is a surging economy is creating mutually beneficial partnerships between India and the US. India and the United States of America have multi faceted relations ranging from political, strategic to economic and commercial. Indo-US business relations in the form of bilateral trade and investment are of vital significance. India's is now 14<sup>th</sup> biggest trading partner of the US. In 2003 the ranking was 25<sup>th</sup> and in 2009 it was 14<sup>th</sup>. Hence, these relations need consistency, continuity and diversity. This is because India is now the second fastest growing economy in the world and the USA is the largest economy on the global map.

### **Historical Perspective:**

Indo-US relations were initiated as back as 1941, when the US president Roosevelt roots for Indian independence and opined that 'India should be made a Commonwealth at once. After a certain number of years between 5 to 10 years, she should be able to choose whether she wants to remain in the empire or have complete independence.' {1} Thereafter, in 1949, the first Indian Prime Minister Mr. Nehru paid the visit to the USA. During 1953, India and the USA were embroiled in an acerbic dispute over Battle Act, which bars Americans aid to any country that traded in strategic goods with China. {2} In 1959, the first American President Mr. Eisenhower had paid a visit to India and that was real beginning of relations between India and the USA. During 1960,

the USA came to the rescue of India which was facing acute problem of food grains. Accordingly, an agreement was signed between India and the USA in respect of four years US \$ 1.27 billion PL-480 food grains offered to India to meet immediate crisis of food grains in the country. {3}

In the year 1966, India's then Prime Minister Mrs. Indira Gandhi visited the USA and pointed out that 'my mission is to get both food and foreign exchange' as these were the two biggest challenges before Indian economy. Three years after, the second American President Mr. Nixon had paid a visit to India and many analysts had believed that the visit was the least productive for India by any US President. {4}

During the year 1979, Mr. Morarji Desai visited the USA and Jimmy Carter came to India. But visits were not made any productive contribution in enhancing the degree of business relations between the two economies. The only noticeable thing was that a Haryana village where Mr. Carter had visited renames as "Carterpuri". In 1985, Mr.

Rajiv Gandhi visited the USA on his first official tour and discussed business relations with then President of the USA Mr. Regan.

In the beginning of the decade 2000, Mr. Bill Clinton, the fourth US President came to India in what is termed 'game changer visit'. In 2005, was a turning year in the history of Indo-US business relations wherein much debated nuclear deal was signed by the Dr. Manmohan Singh. During 2006, President Bush visited India and his visit was considered as the extension of Dr. Singh visit as Mr. Bush was agreed to support India's nuclear power programme.

In the year 2009, Dr. Manmohan Singh again visited the USA as state guest and he was received by 10 months old administration of President Obama. President Obama termed Dr. Singh's visit as "akin to Nehru's 60 years ago".

The United States of America is being considered as the sole superpower (table 1), Whereas India is being called as an emerging economic power in the 21<sup>st</sup> Century (table 2).

**Table I**

**The USA: Sole Superpower in 2011**

<b>Item</b>	<b>Figures</b>
GDP (Ranking 1 <sup>st</sup> )	US \$ 15 Trillions
Per Capita income (5 <sup>th</sup> highest)	US \$ 47,014
Per Capita spending (9 <sup>th</sup> times the world average)	US 1,967
Has of the total votes in IMF	17 %
Accounts for the globe military spending	40 %
Permanent member of the UN Security Council (with veto power)	-

**Source: Special Report; Sunday Times, New Delhi; October 31, 2011**

**Table 2**

**India: An Emerging Economic Power in 2011**

<b>Item</b>	<b>Figures</b>
GDP growth rate (current)	8.5 %
GDP projection for 2030	US \$ 6.6
Labour force (world's second largest)	440 million
Mobile phone (fastest growing market)	600 million
Internet Users (4 <sup>th</sup> largest)	81 million
Forex reserves (5 <sup>th</sup> largest)	US \$ 284 billion

**Source: same as table 1.**

**US Point of View:**

President Obama's visit is creating high hopes and great expectations. India is being called as "incredible", while President Obama is calling India as "indispensable". These notions have created a greater anxiety among the people of both the economies. India is not cut out to be an ally in the historical perspective. It depends upon how one looks at India. Accordingly, "India is too independent, too timid, too fractious, too tetchy, too assertive, too moralistic, to make a good ally so it is now as partner". {5} This means India has emerged as 'indispensable' for the United States of America and therefore, President Obama is falling in line with it.

India has come up as the most attractive market for the US businessmen. This has been due to the facts that India is a constantly expanding market for middle class with an 8 per cent economic growth, hungering of goods, gadgets and gee-gaws. The basic aim of President Obama's visit is to concentrate on business and agriculture rather than foreign policy and defense issues. Accordingly, the delegation includes Commerce Secretary and Agricultural Secretary. The USA is now slowly recovering from the financial crisis. It badly needs fast growing markets such as India to regain its status in global trade and to create more jobs at home.

**India's View Point:**

There is a reason that India needs the US. This is because; the US may pull the levers of the global system that makes the globe more friendly place for India and more amenable to the India's perception and perspective. {6} For India, it is jaw-dropping movement. The USA needs India and hence, the wheels of fate have turned around.

There is another side of it. Does India need the USA any more? It is tempting to believe that those days are over. The consistent and higher growth in Indian economy along with increasing dynamism, India does not require any more alliance with the USA. But the fact is that India needs the US to make investment in India's development in general and infrastructural development in particular. Indian economy is growing faster, but it requires many leap-frogging movements if India has to pull hundreds of millions of people out of poverty. The USA could be the best partner for India in this respect.

India to become an economic superpower has to need three more vital and strategic ingredients namely- economy, energy and education. {7} Added to this, India also requires the US market, technology, defense equipments, expertise in diverse areas and innovation. {8} Country's economy has been rolling largely because of the dynamic role and contribution of private sector. In order to give sustainability to the private sector, India required to build up capacities in technology and the desired culture of innovation and these issues could be dealt with the USA.

It is true to say that since long, India has been relying on US education system which has been contributing and meeting the requirements of Indian people. This sector would require further strength to sustain its intellectual capability and abilities. More collaborations and agreements may come up and may go a long way in enhancing the relations between India and the USA.

As far as the need of energy is concerned, India has initiated the beginning of the leap-forging process with the signing the nuclear deal with the USA. For India to go around the globe, signing nuclear agreements with impunity, it would need that old fashioned American power. {9}

#### **Trade Structure:**

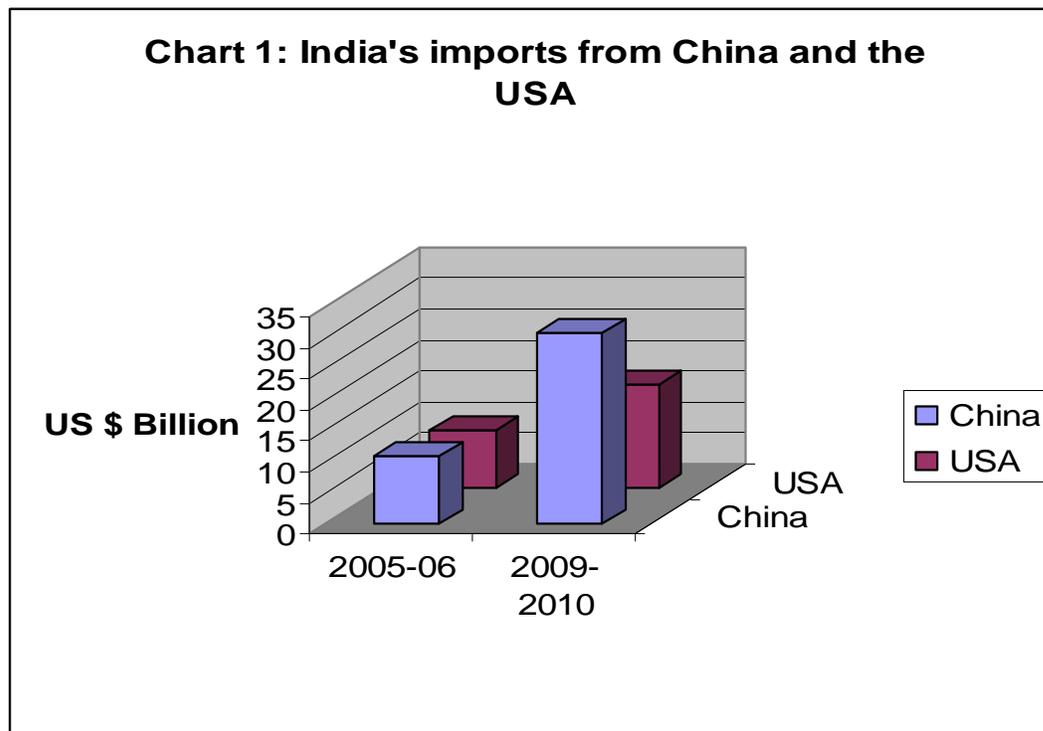
Since the year 2005-06 and till the year 2007-08, India-US trade recorded an all time high figure of US \$ 41.8 billion and thereafter, the same witnessed a sharp decline in next two years and touched a figure of US \$ 36.5 billion during 2009-10. {10}

Indo-US trade in terms of goods has increased substantially by a margin of more than 30 per cent during the first-half of 2010 and the same amounted to US \$ 27.96 billion. Similarly, trade between India and the US in respect of services have also witnessed enormously and touched a level of US \$ 22.6 billion. India's exports of services to the US amounted to US \$ 12.1 billion and the US exports to India stood at US \$ 10.5 billion. {11}

#### **An astonishing trend:**

In 2005-06, Indo-US bilateral trade was amounted to US \$ 26.8 billion, while India-China trade was valued at US \$ 17.6 billion. But during 2009-10, the trend was completely different and hence, showing a different situation. **During this period, Indo-China trade has increased steadily and gradually and amounted to US \$ 42.4 billion and India US trade valued at US \$ 36.5 billion.**{12} This means Chinese goods have penetrated in Indian market as compared to US goods. Therefore, the relative share of US has gone down in India's total trade whereas the relative share of China has increased in India's foreign trade resulting into US concern.

What is more significant to mention here is **that India's imports from China have been much more than India's imports from the USA between 2005-06 and 2009-10** (Chart 1). This has been due to fact that India has been tilted towards China so far as trade is concerned. This trend has also been creating anxiety in the minds of US trade officials and hence, they are coming India for increasing business relations with India the 11<sup>th</sup> largest economy in the world.



**Source: Prepared by the author from the Data published by Ministry of Commerce; Government of India.**

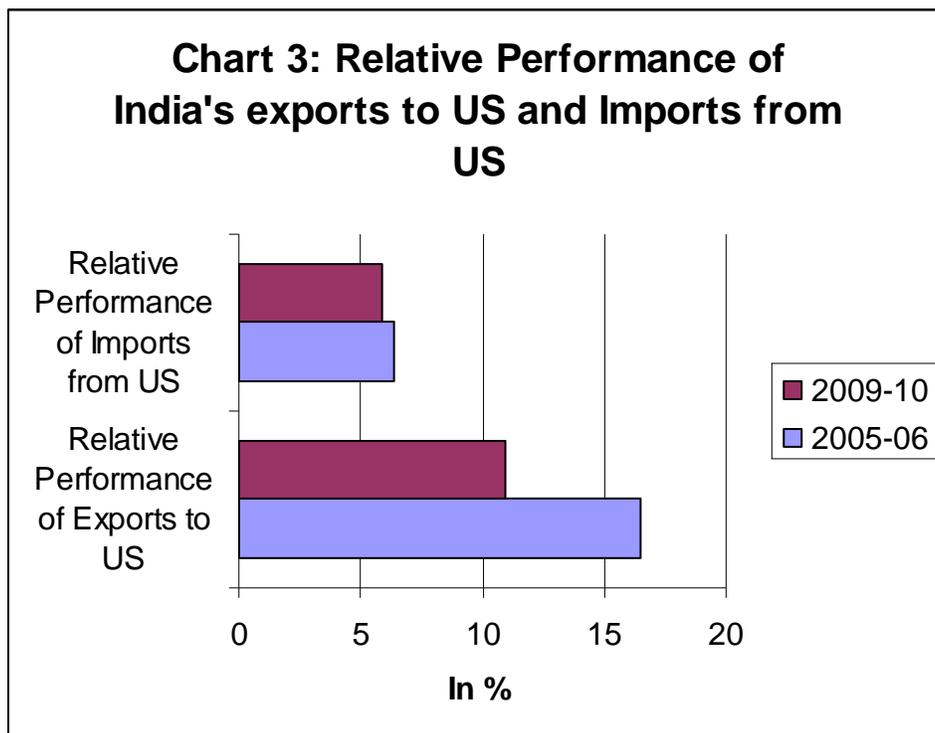
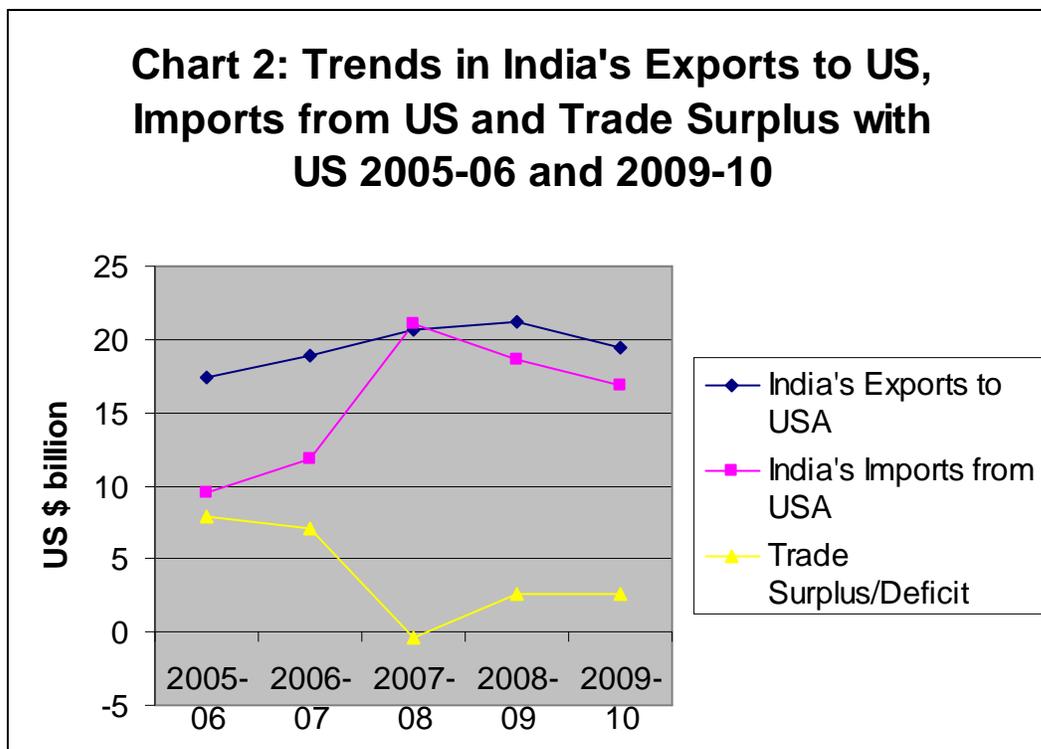
Another vital trend that has been there that since 2005-06 till 2009-10, India has trade surplus (Table 3) with the USA except the year 2007-08, wherein a marginal deficit was recorded and trade surplus has been on the decline (Chart 2).

**Table 3**  
**Trends in India's exports from USA and India's imports from USA 2005-06 to 2009-10**

Year	India's Exports to USA ( Billions)	India's Imports from USA(Billions)	Trade Surplus/ Deficit( Billions)
2005-06	17.4	9.5	+ 7.9
2006-07	18.9	11.8	+ 7.1
2007-08	20.7	21.1	- 0.4
2008-09	21.2	18.6	+ 2.6
2009-10	19.5	16.9	+ 2.6

**Source: Department of Commerce; Government of India; New Delhi.**

The relative performance has also been indicating the same trends and situation. In the year 2005-06, India's exports to the US accounted for 16.5 per cent of India's total exports. But in 2009-10 the share has declined considerably to 10.9 per cent. Similarly, India's imports from the US constituted 6.4 per cent of India's total imports during 2005-06, while India's imports from the US during 2009-10 formed 5.9 per cent. This means during the period under review the relative share of India's exports to US and imports from US has declined considerably (Chart 3) indicating a diversified exports and imports basket.



**Source: Prepared by the author from table 3.**

It is undisputed fact that, the United States of America with its eroding world competitiveness in manufacturing and the services has been facing the possibilities of losing its status as the global most productive economy. Hence, to bring back the economy on track and retrieve its prime place in global map in respect of manufacturing

and services, the US largely dependence on exports of military hardware and access for its highly subsidized farm goods.

Despite the increasing trade between India and the USA, the relative significance of the USA as a major trading partner in regard to goods and services has been much below the existing potential and opportunities since the beginning of the decade of 1960s. China has taken most of the space ceded by the USA. The US's share in India's merchandise imports peaked at about 40 per cent in the middle of the decade of 1960s, before falling to 6 per cent. It however, continues to have almost the same share of India's exports of goods to USA 11-12 per cent. {13}

#### **Trade Rift:**

Trade rifts between countries are more common world over. India has no exception. India-USA trade has also been facing trade frictions and rifts that have to be removed for smooth and increasing business relations between India and the United States of America.

India's agriculture tariffs are high and it is an important area of trade rift between the two economies. It believed that major agricultural exporting economy the US would insist on this issue. Added to this, the deep difference between the US and India on special agricultural safeguard is also basis of further trade rift. Another area of trade friction is the continuous insistence of the USA on greater transparency in implementing sanitary and phytosanitary regulations. {14} The US has further been asking from India to adhere on sector initiatives for elimination of duty on chemicals, electrical and environmental goods. In the area of Intellectual Property Rights (IPRs), the main concern for the US has been better enforcement of laws.

On the other hand, India has some serious issues that have become basis of trade rifts. First, to obtain a large chunk of temporary relocation in the US for its IT employees. Second, higher visa fees for H-1B and L visa. Third, ban on offshore outsourcing by Government Departments. Fourth, export controls in the US on dual-use technology. These issues have to be sorted out as early as possible. There is rare possibility that these issues would be the part of trade agenda

#### **US Non-tariffs barriers:**

Along with trade rift, there are many non-tariff barriers which are having far reaching consequences, implications and impact on enhancing the existing degree of business relations between India and the US.

a) Multiple technical rules and controls aiming at consumer protection especially in respect of health care and safety.

b) Lack of needed transparency in regard to regulatory framework for biogenics.

c) Hassles in customs procedures with regard to textiles, clothing and footwear the main items of India's exports to USA.

d) Tightness in permitting Para IV market especially a high risk/high reward notion for generic drug producers.

e) Sundry barriers for insurance companies and telecommunication service firms.

f) Tariff rate quota system which has been affecting Indian tobacco firms' expansion and diversification in the US market.

g) Restrictive license policy in respect of foreign financial conglomerates opening banking companies in the USA.

h) Compulsory bidding for purchasing from US firms in respect of Government procurement contracts.

i) Emerging of product liability on international firms under new law that would be affecting export sectors wherein SMEs are involved.

j) The safeguard duty system supported by the automatic import licensing mechanism which has been affecting India's steel exports.

**Investment trends:**

The United States of America is the prime source of investment to India in respect of FDI approvals and actual inflows. The US investment covers almost every sector of Indian economy that is open for private participation. The cumulative FDI inflow from the US to India between 2000 and 2010 are stood at US \$ 9 billion and accounting for 7 per cent of the India's total FDI inflows (Chart 4). There has been continuous increase in US FDI inflow to India (Table 4)

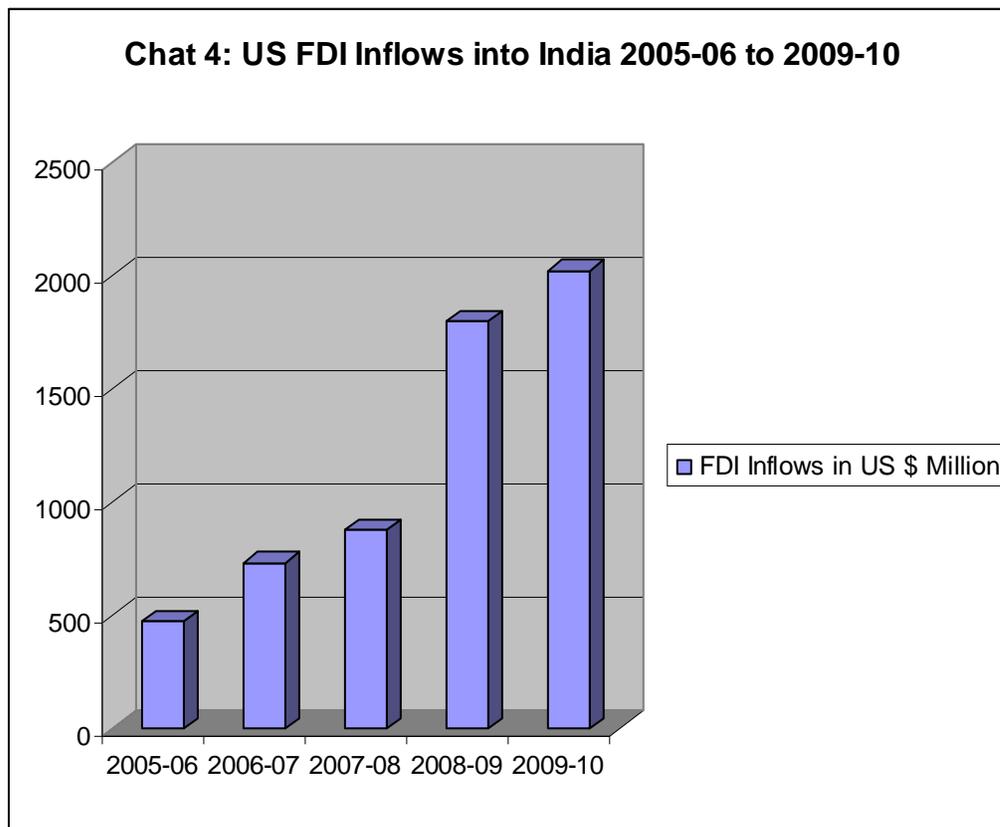
**Table 4**  
**Trends in US FDI inflows to India 2005-2010**

Year	FDI Inflows in US \$ Million
2005-06	472.1
2006-07	732.4
2007-08	875.5
2008-09	1797.5
2009-10	2021.0

**Source: SAI Newsletter; Government of India Various Issues.**

The US has already launched its Growth in Emerging Metropolitan Sectors (GEMS) initiative with India as an initial target market since cities like Pune, Nagpur, Coimbatore, Kochi, Jaipur, and Amritsar, which are now Tier-II and III, are growing to be in the Tier-I category soon.

The bilateral investment treaty with the US may improve flow of investment to India. Both the economies have started negotiating a bilateral investment treaty and are committed to take further initiatives that would contribute to creating a more conducive environment for investment flow. {15} India has emerged as an attractive global investment destination and India's total requirement of FDI for the development infrastructure is amounted to US \$ 514 billion during the current XI Five Year Plan (2007-12) and of this about 30 per cent is to be contributed by the private sector funding. For the coming XII Five Year Plan (2012-17), spending on infrastructure is envisaged at US \$ 1 trillion. {16} The US may contribute substantially in India's infrastructure development programme.



**Source: Prepared by the author from Table 4.**

**Perception under dispute:**

The United States of America is considering India's FDI rules complicated and opaque and pointed out that no-tariff barriers are keeping restrain on US business relations with India. These rules would harm rather than stimulate US FDI flows into India, may result into a limiting long-term cooperation potential between the two nations and further inhibit partnership in innovation. Tariff regime is complex and non-transparent. The US firms want a level playing field to give push to innovation partnership in focus areas like clean energy, medical equipments and products and the services. {17}

On the other hand, India is of the view that India is against protectionism and therefore, simplifying and rationalizing FDI policy and cutting down transaction costs. India's FDI policy has seen changes that have been incremental and progressive in nature and character. India has brought the entire FDI policy in a single compendium and have very small negative list of items. So far 87 per cent of FDI is being allowed under the automatic route, India and the USA required enhancing business relations by taking Incremental steps towards arriving at a Comprehensive Economic Partnership Agreement (CEPA) between two democracies to cover investment, goods and services.

**Relax FDI Policies:**

India should adopt more relaxed FDI policies in respect of various sectors of the economy. Some of the impediments for FDI actually hamper India's ability to attain its goals of economic emancipation, job creation for the people and economic progress (inclusive growth). If India needs FDI in construction of roads or bridges as well as in other major infrastructure namely- water systems, ports and airports, it has to have strong insurance system to attract that amount of FDI from the USA. {18}

India has to understand that in general, overly restrictive policies can prevent a country from receiving the FDI that it is seeking to help pay for major infrastructure projects that would run into trillion dollars in coming ten years. If India has such policies, then India would not have FDI inflows for construction of roads and bridges and airports which would have far reaching consequences, implications and impact on India's economic growth especially in terms of GDP and employment generation.

#### **India's Investment in US:**

Indian FDI in the US has been growing at a much higher rate than US FDI in India especially after the global economic downturn and accordingly, India has swiftly emerged as the second fastest growing investor in the US. {19} The value of FDI in US in 2005-06 were amounted to US \$ 2 billion and in 2006-07, the increase has been very rapid with announced Indian investments in US at nearly US \$ 13 billion. The trend continued in 2007-08 with deals amounted to US \$ 8 billion. As the US has emerged as a preferred destination, its share has increased to nearly 7 per cent in 2010 from 5.7 per cent in 2009.

According to a report, there has been a pragmatic shift in the India-US investment. In the year 2009 and 2010, Indian firms made 536 outbound acquisitions globally of which 105 are in the USA. During first quarter of 2011 Indian companies completed 101 outbound acquisitions of which nearly one-fourth are in the USA. {20} In respect of mergers and acquisitions of firms in the US, Indian companies invested US \$ 20 billion.

From 2004-05 and 2009-10, Indian companies had invested an amount of US \$ 5.5 billion in Greenfield projects. As rules and regulations in India continue to be further liberalized, the focus has been shifted from simply attracting FDI inflows or inbounds investment to actually investing abroad. Recent Indian acquisitions in the United States of America have created and saved 65,000 jobs. A total of 374 acquisitions have been made and 127 Greenfield projects have been established in the US by Indian firms. {21} By doing these deals in the US, Indian companies have also acquired proprietary technology, got the global footprint of the acquired US firms and integrated into value chain and these were win-win deals. However, only time would tell that India-US business ties would be "win-win" one and be upgraded to the new version of "US-India 3.0" as envisioned in June 2010.

#### **Role of USIBC:**

The US India Business Council (USIBC) has come up as the undisputed leader for representing Indian and US business interests with regard to bilateral business relations. In the year 2010, USIBC bagged all the plum meetings and is, in fact, the common strand connecting all the business meetings that have been granted to industry associations in India. Other US industry associations namely- Amcham and Indo-US Chamber of Commerce did not have any exclusive event to show. USIBC is led by Ron Sommers who has earlier worked in India during the decade of 90s.

This marks a dramatic shift from previous presidential visits when CII, FICCI and Amcham were the lead industry associations on the ground, including the last tours, that of Bill Clinton and George Bush. {22}

Analysts are of the view that the change in focus of the US Government –from investment to sales and job creation-needs a focused efforts and policy which is less likely to depend on industry associations based out of India, as there is a very little need for company-t-company joint ventures when FDI is not involved.

The last three days have borne out of the fact that the whole focus of the Obama's visit was on sale of goods and technology from the US with a view to create jobs in the US economy. In the new world order, perhaps it is time for industry associations to rethink their roles in bilateral business relations.

USIBC has handled the premier meeting wherein nearly 350 top Indian and US businessmen were present. Both CII and FICCI also supported the meeting. CII had the second slot and the first among Indian associations, with a full day event in New Delhi. The meeting had six sessions wherein the Ministers and the industrialists expressed their respective views for achieving a real breakthrough in Indo-US business relations.

The third meeting was organized by the FICCI at New Delhi wherein senior US officials and Indian officials took part in half day session. Here too different ideas were initiated and discussed at length. In this meeting the Chairman of National Innovation Council (NIC) also participated in the discussion and the possibilities of closer cooperation between India and the US in innovation field.

#### **New Vistas:**

One of the focused areas where both the economies had shown a keen interest is the signing of different agreements and MOUs, which would go a long way in enhancing the degree of business relations on the one hand and on the other hand contribute to the development of both countries economy.

#### ***Clean technology:***

India and the United States of America signed a comprehensive agreement to set up a **virtual centre** for promoting research, development and deployment in the area of clean energy technology. Under this agreement, both economies would contribute an amount of US \$ 5 million every year to support collaborative research and development projects involving academics and private sectors of both the countries. The agreement is initially valid for 10 years and could be renewed for blocks of five years at a time.

The agreement would operate in the consortia mode and each consortium would include entities or individuals from national laboratories, academic institutions, the private sector, non-Governmental agencies, and other stakeholders that have the needed knowledge and expertise of undertaking first-rate programmes. {23} The consortia are supposed to bring together top talents and leverage existing resources and infrastructure to generate key technological advancement that could be deployed rapidly to have the greatest impact and implications on the economy and society of respective nations.

At the initial stage, the focus would be on solar energy, second generation bio-fuels and energy efficiency of buildings. Each consortium would be responsible for creating its own internal governance structure. The funds from both the Governments would go to respective participants. The consortia would be needed to match Government funding with their own funds. So far Indian and the US firms have inked joint ventures deals worth US \$ 175 million in the renewable energy sector. India provides biggest opportunities in the renewable energy sector and the Jawaharlal Nehru Solar Mission 2020 is an initiative which the US firms would like to be the part of. Nearly 35 US companies recently participated Renewable Energy Conference at New Delhi and also have exhibited their technologies and goods. {24}

US based Ascent Solar and the Energy and Resource Institute (India) have entered into an agreement to collaborate off-grid solar charging solutions for rural electrification using Ascent solar modules. About US \$ 15-30 million in US exports are projected under the pact. Similarly, the other agreements comprise of US based Team Sustain and UB Engineering Limited (India) under which both the firms collaborate in setting up large

grid to tie solar photovoltaic power plants in India which could generate business around US \$ 84 million in US exports. Likewise, Azure Power (US) and the Gujarat Energy Development Agency (India) have come forward to invest an amount of US \$ 40 million for a 15 MW solar power plant in Gujarat, a deal which could generate nearly US \$ 24 million of US exports.

Ice Solar (US) and Race Power (India) have signed an agreement to work together on establishing a solar photovoltaic project in Rajasthan which could generate business worth of US \$ 15 million in US exports. On the other side of it, the India US Energy Cooperation Programme would mobilize private sector expertise and resources which will go a long way in sustaining energy of India in the present century.

***Global diseases detection:***

India and the United States of America have come forward to sign a Memorandum of Understanding (MoU) on creating and operationalization a Global Diseases Detection Centre in New Delhi. The MoU would facilitate the development of human resources, both in epidemiology and research; enable sharing of best practices for detection of and response to emerging infections, wherever needed. The MoU will be carried out through an agreed plan between the National Centre for Disease Control (NCDC), India, and the Centers for Disease Control and Prevention (CDCP), Atlanta.

This MoU also aims to create laboratory capacity in India for the diagnosis of emerging infectious diseases using well characterized reference material and advanced technology transfer. The validity of the MoU is five years and the same signed by the respective directors of NCDC and CDC. {25} The programme is comprised of both headquarters and field-based segments in the host nation to develop core capacities in emerging infectious disease detection and response, training in field epidemiology and laboratory techniques in addition to pandemic influenza preparedness and response, and zoonotic disease research and containment at the human-animal interface. The Global Disease Detection (GDD) programme was established in 2004 to rapidly detect and contain emerging health threats.

It is mandated to mitigate the consequences of a catastrophic public health event, whether the cause is an international act of terrorism or the natural emergency or re-emergency of a deadly infectious disease. The main thrust of GDD is to establish and expand its regional centres that build broad-based public health capacity in sync with International Health Regulations (IHR). There are currently six regional centres across the globe with varying capacity levels and India would have seventh centre. {26}

***Shale Gas MoU:***

In order to expand business ties with the US in the areas of unconventional and frontier technologies, India has signed another MoU with the US for business cooperation in identifying and tapping gas trapped in layers of sedimentary rocks, commonly known as shale gas. The two economies also sealed a deal with regard to establishing a bilateral energy cooperation to promote clean and energy efficient businesses. The future 'mantra' of the hydrocarbons industry is Shale gas. India is trying hard to usher in a shale gas era. This MoU would help India in identifying shale gas resources in the country and frame policy regime for exploitation of the resources. This agreement with US is to exploit India's untapped resources.

India's plans to include shale gas acreages in its auction of exploration blocks in 2011. The US is considered a pioneer in the area and has the only commercially viable market for the fuel. India is waking up to the prospect of the unconventional energy source and accordingly Indian firm {27} recently buying stakes in companies in the USA.

Even Oil and Natural Gas Commission (ONGC) has initiated a pilot project and started drilling in rural India (Bengal Village). But paucity of technology and know-how remains a constraint that the US would help India to overcome. US Geological Survey would carry out studies on shale gas resources and would provide a report. Since shale gas output is a difficult process, a new fiscal regime will be needed and exploration laws are to be changed.

***Agreement on Agriculture:***

India and the US had a history of robust engagement in farm research and agricultural technology. India's premier State Agricultural Universities were established on the US '**Land Grant**' model. These universities have been benefited from the faculty training and technical assistance through special linkages agreements. India should not forget the role and contribution of Rockefeller Foundation and Dr. Norman Borlaug in India's Green Revolution of the decade of 1960s. Agriculture Knowledge Initiative (AKI) promoted in 2005 was basically meant to build on this past experience to initiate a new agricultural partnership. The Green Revolution was based on traditional Plant breeding and hybridization techniques that have hit a dead-end. The major yield breakthrough today is taking place by the use of biotechnological techniques like as marker assisted selection and genetic engineering.

Now India and the US have signed another pact on weather and crop forecasting, a step that would deepen their cooperation in agriculture. Issues relating to agricultural cooperation are the main thrust of the MoU. Leading American agricultural institutes played a key role in the agreement. India is seeking US expertise in medium-range weather forecasting that can play a critical role in enhancing agricultural productivity which has been a matter of great concern for India. {28}

**India's Market Potential:**

The US is underlying the significance of Indian market and accordingly, US eyes 400 per cent rise in India's imports from the US. India, being Asia's third largest economy, and also being home to 18 per cent of the globe total population, offers a most rapidly growing market for US firms. Although there is no upper limit to the business possibilities that could é migré, US are looking to '**quadruple**' its exports to India, which have been staggering US \$ 11 billion in the first eight months of 2010-11. If it happens, the US would be earning Rs. 289 thousand crore from India market every year. {29} This could only be possible if India lowers or removal of barriers to US exports in the field of agriculture, industrial goods and services.

**India as land of Opportunities:**

Development and Financial analyst call India a land of opportunities because of the country's recent level of economic growth. Rich Indians are busy showcasing their wealth rather than focusing on the greater good. The rich individuals play a critical role in creating business opportunities in a country and the world. {30} The best examples are Bill Gates, and Warren Buffett. They become angel investors to fund entrepreneurs to pursue promising ideas when the risks are the highest. Such type of people must come forward in India to play and contribute in the process of creating business opportunities in the country. US businessmen may also come up to create more business opportunities in India as India has great business potential and opportunities. India has made great strides, but it still has a long way to go to become a land of opportunities.

**Conclusion:**

Indo-US business relations are surging and accordingly, creating mutually beneficial partnership for both the economies. Business-to-business ties are stronger than ever. Entrepreneurship, joint innovation, exchange of technology and science, and investment are at an all time high. But the real perception is that the rise of India is good for India, pulling millions out of persisting poverty; it is also productive for the US, providing opportunities for US businessmen and 57,000 jobs for thousands of Americans.

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