

Indo-US

- USA world's oldest, India world largest democracy.
- Roosevelt in 1945 gave special emphasis for India's independence.
- According to **Gallup's annual World Affairs survey**, India is perceived by Americans as their sixth favorite nation in the world, with 70% of Americans viewing India favorably in 2023.
- **Nearly 1 million Indians live in US and contribute towards remittances.**
  - Official status “**global strategic partners**”



# Trade

- Recently, the Ministry of Commerce and Industry has released the data, which showed that the **US has surpassed China** becoming India's **top trading partner in 2021-22**.
- Bilateral trade between the US and India stood at **USD 123 billion (2023)** as against USD 80.51 billion in 2021.
- America is **one of the few countries with which India has a trade surplus**. In 2022-23, India had a trade surplus of USD 43.3 billion with the US.

# The Trade

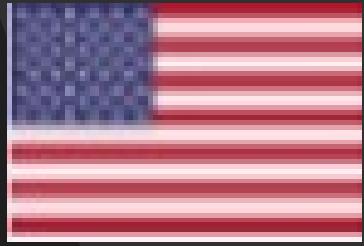


The United States one of India's largest investment partner, with a direct investment of \$10 billion (accounting for 9 percent of total foreign investment).

American imports from India amounted to \$46.6 billion or 2% of its overall imports, and 15.3% of India's overall exports in 2015.

The 10 major commodities exported from India to the US were

1. Gems, precious metals and coins (\$9.5 billion)
2. Pharmaceuticals (\$6.1 billion)
3. Oil (\$2.8 billion)
4. Machinery: \$2.5 billion
5. Other textiles, worn clothing: \$2.5 billion
6. Clothing (not knit or crochet): \$2.2 billion
7. Organic chemicals: \$2.1 billion
8. Knit or crochet clothing: \$1.7 billion
9. Vehicles: \$1.4 billion
10. Iron or steel products: \$1.3 billion



## The Trade

The 10 major commodities exported from the US to India were:

1. Gems, precious metals and coins (\$3.4 billion)
2. Machinery \$3 billion
3. Electronic equipment \$1.6 billion
4. Medical, technical equipment: \$1.4 billion
5. Oil \$1.3 billion
6. Aircraft, spacecraft: \$1.1 billion
7. Plastics: \$815.9 million
8. Organic chemicals: \$799.4 million
9. Other chemical goods: \$769.1 million
10. Fruits, nuts: \$684.7 million

# Phase I (1947 till 1971)

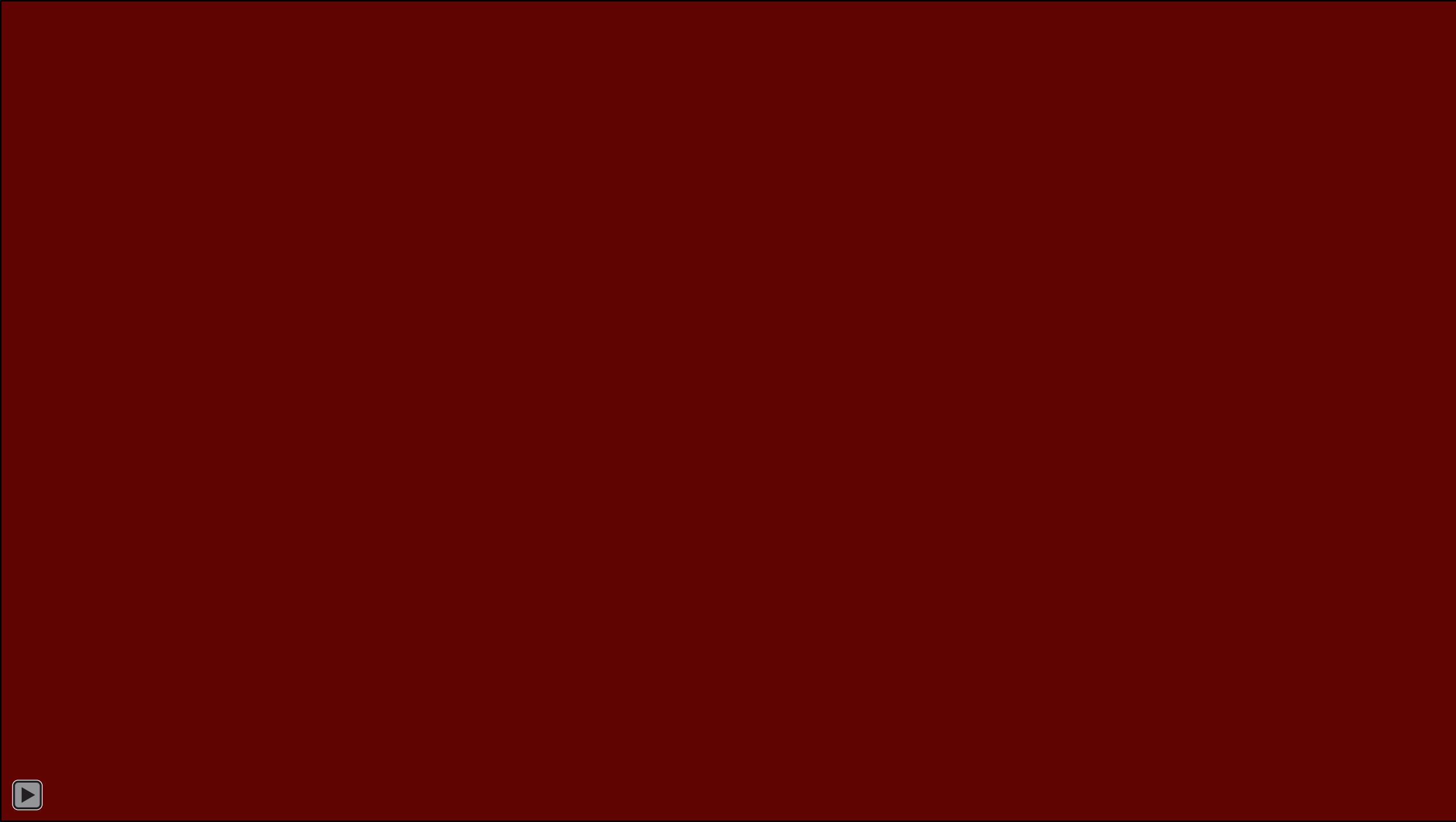
- PM Nehru visits US in 1949, before visit he proclaimed his policy of non alignment.
- NAM, 1961 Belgrade to remain non allied, USA did not trust India as well as its non alignment in genuine sense.
- 1959 Eisenhower came to India who has an active policy of containment of communism. It should be noted despite being non aligned India sided with China in Korean crisis and did not support US in UNGA.



In 1962 war started with China, Nehru requested help from US.

1. US helped India recognized McMohan line as Indo-China border.
2. Countries in NAM supported China, USSR remained neutral.
3. USA was ready to provide arms and air support, even dispatched USS enterprise to threaten China.
4. USA kept on providing military and economic aid IIT Kanpur is an example of it.

- In **1965 war with Pak** US maintained a neutral stance despite being an ally of Pakistan.
- However India continued to give preference to USSR, which became mediator in **Tashkent agreement (1966)**.
- After this US sided with Pakistan and **India forged treaty of peace and friendship with USSR in 1971**.
  - The **Nixon administration's (neutral to pro Pak) support for Pakistan** during the **Indo-Pakistani War of 1971** affected relations until the dissolution of the Soviet Union in 1991.
  - During **phases of cold war USA did not have any India specific policy** but a cumulative South Asia policy.
    - **India closed economy** further restricted economic interaction.



## Smiling Buddha

The focus was India's nuclear nonproliferation, 1974 Pokharan experiment further deteriorated relations.

 1984

Bhopal gas tragedy witnessed lack of cooperation by US

In 1982 Indira Gandhi visited US main concern was to address India's nuclear program. However, there was no achievement.

 1982

# **BHOPAL 1984**

## **WORLD'S WORST INDUSTRIAL DISASTER**

On the night of 3 Dec 1984, thousands died as 30 tonnes of highly toxic Methyl Isocyanate gas leaked from the Union Carbide factory in Bhopal, Madhya Pradesh



**Glimpses of history**



## The Breakup of the Soviet Union, 1991

### Phase III (End of cold war 1991 to 2005)

- Bi polar to Unipolar world (1991).
- New Economic Policy -1991.
- The search of new economic partners across the globe.





## Phase III



- India, Russia & China to form **RIC triangle**.
  - India does not join **NPT** (Nuclear non proliferation treaty) and **CTBT** (Comprehensive nuclear test ban treaty)
  - 1998 **Pokhran tests** were further irritant (**sanctions**).
  - USA now **compelled India to sign CTBT**
  - 1999 for the first time US sided India in **Kargil war**.
  - **2000 Bill Clinton visit India** (after 22 years) → the beginning of “strategic partnership”.
- 

## Phase III

- In 2001 USA lifted sanctions & called India a natural ally.
- 9/11 attacks in 2001.
- Strategic partnership led foundation of civil nuclear cooperation.
- Cooperation in space and high technology.

## Phase IV

- Man Mohan Singh paid a visit to US and **finalized 123 agreement.**
- 2005, United States and India signed a **ten-year defense framework agreement**, with the goal of expanding bilateral security cooperation.
- An **Open Skies Agreement** was signed in April 2005, enhancing trade, tourism, and business via the increased number of flights, and Air India purchased 68 US Boeing aircraft at a cost of \$8 billion.

# 123 Agreement or Civil Nuclear Deal 2005

- It **ended nuclear isolation** of India
- It recognized India as a **responsible nuclear weapon state**.
- Under this **India agreed to separates in civil and military nuke facilities** while placing **civil nuke under IAEA** in return US agreed for **full nuclear cooperation and a waiver from NSG group**.
- It recognized **India's record being qualitative without being a signatory to NPT**, on the other hand China supported nuclear weapons program of Pakistan and proliferation of missile program of Iran and N.Korea.
- It opened India's entry into **MTCR (G7 now 35), Australia group(43) and Wassenaar arrangement(42)**
- **Civil liability in nuclear damage act 2010** (an irritant for nuclear suppliers).

## 2010 Obama visit



- Called “Indo-US friendship as most defining friendship of 21st century”.
- Addressed a **joint session** of the Indian Parliament, where he backed India's bid for a permanent seat on the United Nations Security Council.
- Promised US support for India's seat in UNSC.
- But expressed concerns over civil liabilities under Indian act.

# 2015 Obama visit

- Only POTUS to visit India twice.
- Only POTUS invited as chief guest on Republic day.
- Modi resolved US concerns over civil nuclear issue.
- India US defence framework was renewed for 10 years
- DTTI Defence trade technology Initiative was signed .

# Developments under Trump (2016)

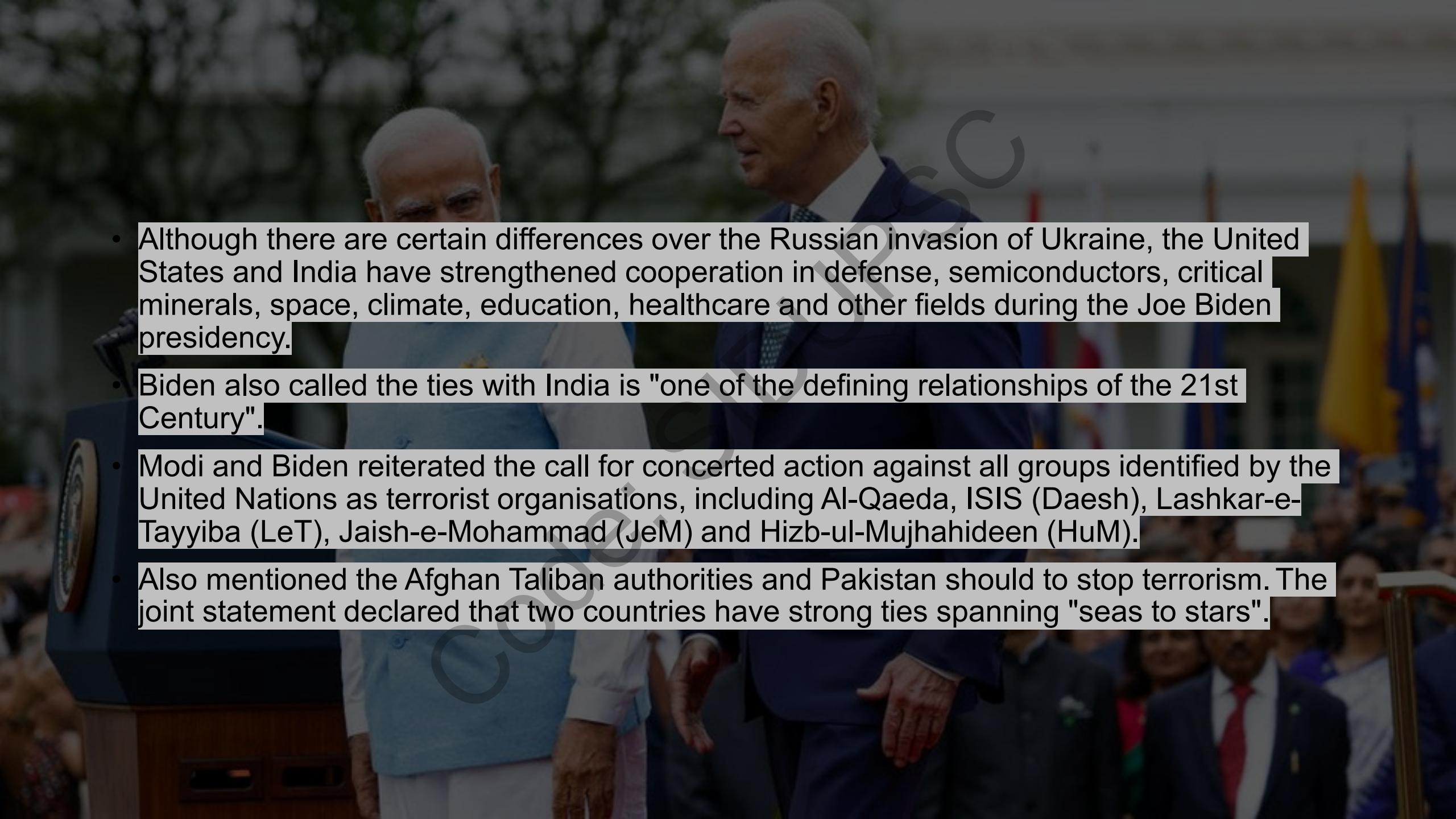


- India given status of **major defence partner**
- Released South Asia strategy acknowledging India's **constructive role in Afghanistan and Indian ocean**
- **2+2 dialogue** started in 2018
- **Legion of Merit** awarded to Narendra Modi  
**(On 21 December 2020, President of the United States Donald Trump awarded Modi with the Legion of Merit for elevating India–United States relations)**

- October 2018, India inked the historic agreement worth US\$5.43 billion with Russia to procure four S-400 Triumf surface-to-air missile defence system, one of the most powerful missile defence systems in the world ignoring America's CAATSA act.
- In early 2020, India provided its agreement for terminating an export embargo on a medicinal drug known as hydroxychloroquine amidst the combat against the ongoing coronavirus (COVID-19) pandemic, after Trump threatened retaliation against India, if it did not comply with terminating the export embargo on hydroxychloroquine.

# Modi–Biden relationship (2021 onwards)

- US-India ties began to strain in April 2021 when India faced a massive spike in COVID-19 infections. The US had invoked the Defense Production Act of 1950 to ban the export of raw materials needed to produce vaccines in order to prioritize domestic vaccine production. According to *The Times of India*, this also caused an explosion of anti-US sentiment in India, as the U.S. had vaccine reserves and refused to share COVID-19 vaccine patents.
- However, in late April, right after a phone call with Ajit Doval, the National Security Advisor of India, the Biden administration stated it would make raw materials necessary for production of the Oxford–AstraZeneca COVID-19 vaccine available to India, and began to send more than ₹714 crore (equivalent to ₹801 crore or US\$96 million in 2023) worth of drug treatments, rapid diagnostic tests, ventilators, personal protective equipment, and mechanical parts needed to manufacture vaccines to India, along with a team of public health experts from the United States Centers for Disease Control and Prevention.

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- Although there are certain differences over the Russian invasion of Ukraine, the United States and India have strengthened cooperation in defense, semiconductors, critical minerals, space, climate, education, healthcare and other fields during the Joe Biden presidency.
  - Biden also called the ties with India is "one of the defining relationships of the 21st Century".
  - Modi and Biden reiterated the call for concerted action against all groups identified by the United Nations as terrorist organisations, including Al-Qaeda, ISIS (Daesh), Lashkar-e-Tayyiba (LeT), Jaish-e-Mohammad (JeM) and Hizb-ul-Mujahideen (HuM).
  - Also mentioned the Afghan Taliban authorities and Pakistan should stop terrorism. The joint statement declared that two countries have strong ties spanning "seas to stars".



In November 2023, it has been reported that US authorities prevented a plot to assassinate **Gurpatwant Singh Pannun**, a Sikh separatist leader of the **Khalistan movement**, within American borders. Pannun has made threats to bomb the **Indian Parliament** and **Air India flights**, is now facing charges related to terrorist activities by India's NIA.



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