

## USIBC Recommendations for the new U.S. Administration

*Together We Win - हम एक साथ जीतेंगे*

January 2025

In 2025, the 50<sup>th</sup> anniversary golden jubilee of the U.S.-India Business Council (USIBC), the U.S.-India commercial and economic relationship continues to expand, shaped by shared interests in technology, security, and economic resilience. Regulatory and tax predictability, a level playing field, swift resolution of disputes, and a laser-like focus on ease of doing business can ensure continued robust growth of investment and trade in both directions. To strengthen this partnership further, USIBC recommends the following actions to balance and expand trade, promote technology advancement, and further advance our shared interests:

- **Spur Growth through Reciprocal Trade:** Negotiate flexible, sector-focused trade agreements to unleash reciprocal trade and unlock billions of dollars in economic potential.
- **AI and Quantum Power Play:** Develop joint R&D and ethical frameworks that promote our shared leadership in Artificial Intelligence (AI) and quantum technologies.
- **Win the Global Tech Race Together:** Create a fast-track STEM visa program to allow the exchange of professionals in both countries.
- **Energy Security:** Strengthen crude oil, LNG, nuclear power, and critical minerals trade.
- **Resilient Supply Chains:** Build secure production corridors for pharmaceuticals, semiconductors, and medical supplies.
- **Defense Innovation:** Deploy advanced defense systems to bolster Indo-Pacific deterrence.
- **Protect Intellectual Property:** Launch an Intellectual Property Protection Incubator.
- **Build Together:** Fast-track infrastructure projects valued over \$1 Billion.
- **Unlock Massive Investment:** Accelerate the flow of capital by reducing red tape.

### 1. Spur Growth Through Reciprocal Trade

Building on the progress made toward a trade agreement with India in the first Trump administration, the U.S. and India should fast-track negotiations in defense, digital services, pharmaceuticals, medtech, ICT, and select agricultural goods. These sectors are critical to expanding reciprocal trade, creating new jobs, and strengthening both economies. The U.S. should also leverage India's continued interest in being designated under the U.S. Generalized System of Preferences (GSP) to negotiate targeted agreements that could address tariffs, market access, and support joint ventures, while respecting each nation's economic and trade priorities.



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- **Launch a U.S.-India Trade Council:** Focus on high-growth industries such as pharmaceuticals, critical minerals, and digital services with USIBC acting as convenor to identify market access solutions and facilitate Business-to-Government discussions.
- **Negotiate a Digital Trade Agreement:** Reflecting our companies' global leadership, both sides should negotiate a Digital Trade Agreement to establish digital trade rules that support the export of services in support of data flows.
- **Lower Tariffs:** The U.S. Government should push for access to India's government procurement market and for reciprocal trade with India. This should include reciprocal and equitable tax treatment for our firms investing in both directions.

## 2. AI & Tech: Triumph Together

As AI shapes the future of industries, the U.S. and India have a unique opportunity to strengthen our economic leadership through collaborative research, development, and deployment. The new administration should champion initiatives that facilitate collaboration on R&D in AI, quantum computing, and other deep tech fields. Strengthening collaboration on AI ethics frameworks and cybersecurity can create a secure digital environment and foster innovation. Aligning standards and implementing intellectual property protections will enhance business confidence, allowing both nations to capitalize on emerging technologies, expand digital trade, and address shared cybersecurity challenges.

- **Launch a U.S.-India AI and Deep Tech Public-Private Council:** Leveraging work already done by the USIBC AI Task Force, the council would facilitate conversations regarding voluntary ethical AI development and discuss research and startup collaboration in AI for healthcare, autonomous systems, and deep learning.

## 3. Win the Global Tech Race

Make no mistake: we are engaged in a technology race in which India's youthful and highly skilled labor force can be an asset for the United States. The new administration should consider policies to advance U.S. national interests and technological prowess to streamline visa processes, expand work permits, and support exchange programs that facilitate workforce mobility by Indians who possess critical skills needed by our most technologically advanced companies in semiconductors, AI, quantum computing, cybersecurity, defense, and related security-critical fields. By collaborating on training initiatives, including sector-specific programs, the U.S. and India can better equip their workforces with skills needed in the future economy. Expanding STEM-focused exchange programs and training pathways can strengthen high-tech industries and universities, addressing shared workforce needs and challenges.



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- **Create a Fast-Track STEM Visa Program:** Such a program would allow highly skilled STEM workers to travel between both countries for short-term assignments, fostering mutual expertise in critical sectors and enhancing business efficiency and speeding research.

## 4. Energy Security: Power Up!

The U.S. and India are primed to power up our energy security and economic growth. As India's energy demand surges, the U.S. can step up—delivering reliable oil, gas, and nuclear energy solutions that will help balance our trade and help fuel India's economic growth in a secure and reliable supply chain. Joint ventures and LNG infrastructure can diversify India's energy mix. Nuclear partnerships on small modular reactors (SMRs) will help meet growing energy demand and drive clean energy goals. Securing critical minerals for energy projects can cement this alliance, producing stability and sustainability. It's time to fuel the future—together.

- **Form a U.S.-India Energy Trade Alliance:** A strategic partnership focused on energy infrastructure in oil, gas, and co-development of SMRs will provide energy security. Both countries should align regulations and investment strategies to reduce barriers to energy trade and infrastructure development.
- **Build Critical Mineral Pipelines:** Co-invest in critical mineral mining and refining to fuel growth of EVs and automated driving systems.
- **Create a Nuclear Enabling Framework:** To power the energy intensive industries of the technology frontier, both sides should agree to expand deployment of SMRs by creating a regulatory framework to promote joint research, manage liability, and offer tax incentives.

## 5. Secure Supply Chains: Build Resilience

The pandemic exposed the danger of critical dependencies involving potential adversaries with regard to vital medicines and materials. The U.S. and India must build resilient supply chains for pharmaceuticals, tech, critical minerals, and medical goods. A formal Supply Chain Resilience Initiative (SCRI) can boost infrastructure, streamline trade, and fund joint research. This partnership will safeguard economic stability, counter global disruptions, and protect strategic autonomy. Time to secure what matters most.

- **Establish Pharmaceutical Resilience Pact:** Incentivize joint manufacturing partnerships of Advanced Pharmaceutical Ingredients (API) and essential medicines to mitigate reliance on single-source API producers and create additional sources of production of API.
- **Incentivize Dual-Location Factories:** Offer incentives to businesses establishing factories in both the U.S. and India, specifically targeting critical goods like medical supplies and advanced electronics.



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- **Secure Critical Minerals Together:** Develop a Supply Chain Alliance to invest in exploration, extraction, and processing facilities for critical minerals. This alliance would coordinate research and development efforts, establish secure logistics channels, and mitigate reliance on other countries.

## 6. Stronger Defense, Safer Indo-Pacific

With rising security concerns in the Indo-Pacific, expanding defense and security industry collaboration is increasingly important. Building on the existing U.S.-India defense framework, the administration should explore co-production agreements and joint R&D initiatives in defense technology. Expanding this cooperation could include streamlining export controls, enhancing interoperability, and aligning security standards. To balance our trade, India can also commit to buying more U.S. weapons platforms and to enhance interoperability across the key sea lanes of the Indo-Pacific.

- **Launch a Defense Tech Innovation Challenge:** Fund and fast-track development in key defense technologies, such as autonomous systems and cyber defense.
- **Create a Cyber Defense Shield:** Partner on joint cybersecurity drills and data-sharing protocols.
- **Cut Red Tape on Defense Acquisition:** Encourage the purchase of defense equipment without complicated and cumbersome stipulations that delay deployment of deterrent systems and raise costs to taxpayers.

## 7. Protect Innovation and IP Rights

For U.S. companies operating in India, navigating complex regulations and ensuring intellectual property (IP) protections are vital. Cooperating on regulatory standards and strengthening IP protections will enhance transparency, improve market access, and support innovation and creativity in sectors such as pharmaceuticals, biotechnology, and technology. The new administration should work toward mutual recognition agreements (MRAs) that lower compliance costs and encourage IP enforcement.

- **Launch an Intellectual Property Protection Incubator:** An IP Protection Incubator for companies can provide training, resources, and legal assistance. The incubator could also provide training to civil servants and judges in India and the U.S.

## 8. Infrastructure Boom: Connect, Build, Grow

India's infrastructure buildout presents opportunities for U.S. companies, especially in the context of modernizing transportation and telecommunications networks. Targeted investment in infrastructure not only supports India's economic development but also offers U.S. companies avenues for meaningful commercial



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engagement. By focusing on core infrastructure, both countries can build a foundation for long-term economic growth, connectivity, and stability.

- **Slash Delays with a Fast Track Program:** For U.S. infrastructure firms entering India, and vice-versa, the program would allow for expedited project approvals in essential infrastructure projects valued over \$1B.

## 9. Financial Services: Unlock Massive Economic Benefits

U.S. financial services firms continue to seek opportunities to grow in the Indian market. Progress on outstanding policy priorities would level the playing field between U.S. financial services firms and their Indian counterparts and reduce friction in the flow of capital between the U.S. and India.

- **Let Insurance Grow:** Let's remove outdated regulations like dividends limitations, caps on related-party payments applicable only to foreign-owned insurance intermediaries, and allow insurance joint ventures to determine their own ownership percent.
- **Turbocharge India's Startups with access to American Capital:** Facilitate the direct listing of shares of Indian companies on American stock exchanges.
- **Credit Data is Gold:** Supercharge the National Financial Information Registry by partnering with the wealth of data and analytics that U.S. credit companies possess.
- **Launch the U.S.-India Prosperity Dialogue:** The U.S. and India should form a new financial dialogue with industry to make America and India stronger.



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