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by INVITATION

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US Means Business More Than Us

THOSE WHO HAVE AN OBSESSION FOR SYMBOLISM may not have missed the fact that US President Barack Obama's first stop in India was Mumbai, the country's commercial capital, not Delhi, the political metropolis.

While much of the focus in India in the run-up to the visit was on the strategic and political aspect of it with the media preoccupied with questions such as whether he will explicitly endorse India's bid for a permanent seat on the United Nations Security Council, or what will be America's grand design on China in Washington, the premium was on the commercial part of the trip.

The White House's emphasis on the economic ties grew several fold last Tuesday, when the president's party received a drubbing of historic proportions in the mid-term elections.

One doesn't need to look any further than his traveling party to learn the degree of importance the president and his aides attach to the business aspect of the trip. While America's chief diplomat, Secretary of State Hillary Clinton, is noticeably absent, his commerce and agriculture secretaries, Gary Locke and Tom Vilsack, are aboard the Air Force One.

Additionally, Obama has brought to India with him an all-star executive team and the largest American business delegation ever to have accompanied a US president to a foreign country. Among the 200-plus American business leaders that came to India are giants of the American corporate world such as Jeffrey Immelt of General Electric, Jim McNerney of Boeing Co, David Cote of Honeywell International Inc's and Indian American Indra Nooyi, the CEO of PepsiCo Inc.

three separate gatherings at the US-India Business and Entrepreneurship Summit-it is not often an American president attends multiple sideline events.

As has already been reported, the presidential visit will lead to tens of billions of dollars of business over the next several years in areas as diverse as agriculture, clean energy, defense and infrastructure, among others, creating tens of thousands of jobs in both countries.

It may be due to Obama's political exigency that the economic ties have become the main focus of his current India trip, but it is a welcome development. It signals that, finally, trade and commerce are taking the center stage in the partnership between the two countries.

Businesses from India and the United States have played a stellar, if sung, role in bringing the two nations closer in the past two decades.

While in the case of China, another Asian power and one of America's chief economic partners, the commercial ties are clearly recognized as the ballast upon which the bilateral relations are based, when it comes to India-US relations, they clearly had not received the same recognition.

Granted, India-US trade has still not reached the stratospheric level that the Sino-American commerce has. A second reason for this is India and the United States, both pluralistic and democratic nations, have more in common than being trading partners.

Yet, it is worth pointing out that the businesses-especially from the US side-have done a yeoman's service in advancing the partnership, at least in three critical junctures in the past 20 years. The first was when India launched its economic reforms in the early 1990s under the leadership of then-Finance Minister Manmohan Singh. The liberalization gave US companies access to the Indian market, who in return, became staunch advocates in the United States of having better relationship with India. They lobbied Congress and the executive branch on behalf of India on a number of issues of importance to India. They helped lift the veil of mutual suspicion that had been the characteristic of the relationship in the preceding decades.

The second was in the aftermath of India's nuclear testing in 1998. The tests triggered a huge backlash in Washington and the country was slapped with punitive sanctions. The US businesses once again went to bat for India before Congress and the White House. The result: a slow removal of sanctions. By the end of the decade, President Bill Clinton, who chided India for conducting the tests, was in the country receiving a pop star-like welcome in India, signaling a new era in the relationship.

The third decisive moment when the businesses swung the pendulum in favor of better India-US relationship was during the negotiation of the historic civil nuclear treaty. The nuclear issue was a well-documented irritant in the bilateral ties dating back to the 1960s. Businesses from both countries were a key part of a coalition that worked hard to make the deal a reality.

So, today, if the bilateral relationship has reached such dizzying heights, US and Indian businesses deserve huge credit. Without their contribution, the bilateral relationship would have followed a different course.

Clearly, President Obama's shows the elevation of commercial ties in the overall strategic partnership. As a recent report by the US-India Business Council, a coalition of large American and Indian businesses, pointed out, economic relationship is foundational to strategic partnership. It is gratifying to see that the India-US relations are moving on the right path.

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(The author is also a member of the advisory committee of the US Export-Import Bank and the Department of Commerce Industry Trade Advisory Committee)