<u>Commentary from</u> <u>the Centre</u>



Strengthening Bilateral Ties: "USA and India Collaborate for the Development of the Maritime Sector"



The United States of America has begun to collaborate significantly with India for the development of the maritime sector. During the just concluded visit of Prime Minister Narendra Modi to USA, key agreements on the sector took shape. The United States Navy solidified this commitment by concluding a Master Ship Repair Agreement (MSRA) with Larsen and Toubro Shipyard in Kattupali (Chennai). Further, agreements with Mazagon Dock Limited (Mumbai) and Goa Shipyard (Goa) are also at the finalization stage. These agreements will facilitate service and repair of US Navy ships at Indian shipyards, providing cost-effective and time-saving sustainment activities for US military operations. (whitehouse.gov, 2023)

These agreements will deepen the capacity of these Indian shipyards significantly and lead to huge technology transfers. The shipyards will massively add to their capacity vis a vis Indian ships and overseas ones. The agreements made and forthcoming between India and the USA are part of ongoing discussions and collaborations to enhance maritime trade relations and exploration of opportunities in the blue economy. Recognizing the potential of the maritime sector as a catalyst for economic growth, both countries have shown a keen interest in fostering bilateral cooperation and leveraging each other's strengths in this domain.

India, currently holding the presidency of the G20, has been engaging in discussions regarding the Maritime India Vision 2030. The G20 Research Innovation and Initiative Gathering (RIIG) Conference on Scientific Challenges and Opportunities provides a platform for these discussions, where the United States was a special guest. The conference focused on the theme of a sustainable blue economy, highlighting the significance of sharing best practices and policy models among nations. The conference also acknowledged the fact that the ocean and its resources transcend international boundaries, urging collective responsibility in protecting and conserving these resources. India showcased its efforts in enhancing the National Blue Economy through initiatives like the Deep Ocean Mission and the Maritime India Vision 2030. (pib.gov.in, 2023)

Media reports (livemint.com,2023) (moneycontrol.com,2023) note that in this context, India's ambition to become a global shipping hub has also been reaffirmed by its decision to supply "green ships" to traditional shipbuilding nations, including the United States as per media reports. This international trade partnership with the US holds immense significance, as evidenced by the rise in shares of shipbuilders following the meeting between the National Security Advisor of India and the US Secretary of Defence. The discussions aimed to strengthen bilateral ties and explore collaboration in specific niche technologies within the maritime, military, and aerospace domains. The visit of US Secretary of Defence Lloyd James Austin III to India, along with the maritime agreements and discussions on sustainable blue economy initiatives, underscores the growing cooperation between the two nations. This partnership is expected to not only promote economic development but also open the door for technological advancements and mutual growth in the maritime sector. (moneycontrol.com, 2023)

Overall, the partnership between India and the USA in the realm of maritime trade and the blue economy holds immense promise for enhancing trade relations, driving economic prosperity, and fostering greater cooperation in this vital sector.

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