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COUNTRY DOSSIER

United States of America

January 2023

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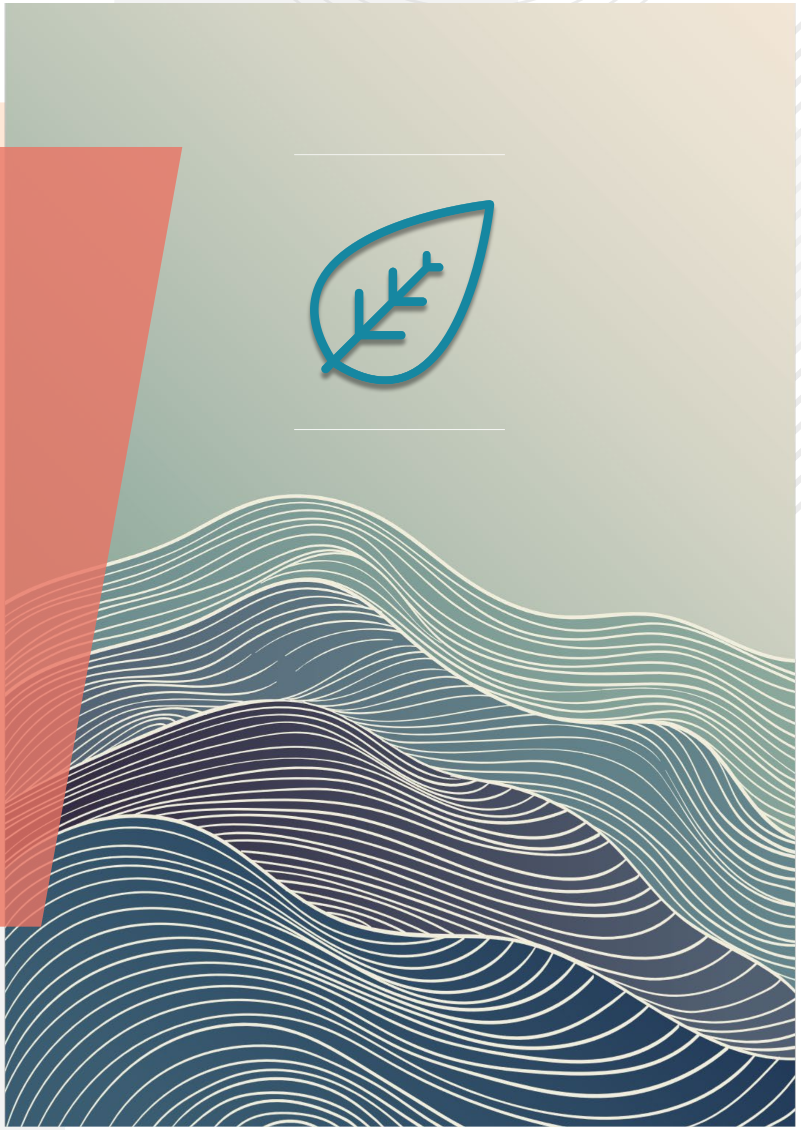
Country Dossier – United States of America



The bilateral trade between India and the US crossed the USD 100 billion mark in 2021 and 2022. Both countries have more than 60 bilateral dialogue mechanisms encompassing renewable energy, climate change, it, innovation, healthcare, agriculture, cyber security and more.

2022 saw President Joe Biden meeting Prime Minister Narendra Modi twice - first on the sidelines of the Quad summit in Tokyo in May and second on the margins of the G-20 summit in Bali, Indonesia. External Affairs Minister S Jaishankar also met US Secretary of State Antony Blinken.

The US has emerged as the second largest supplier of defence equipment to India. Tangible outcomes include resolution of some old market access issues, the first-ever maintenance of a US Naval Ship in India, the Quad focus on STEM, signing of an Investment Incentive Agreement, the launch of Technology Innovation Hubs as a collaboration of the respective science agencies, and record levels of trade and investments.

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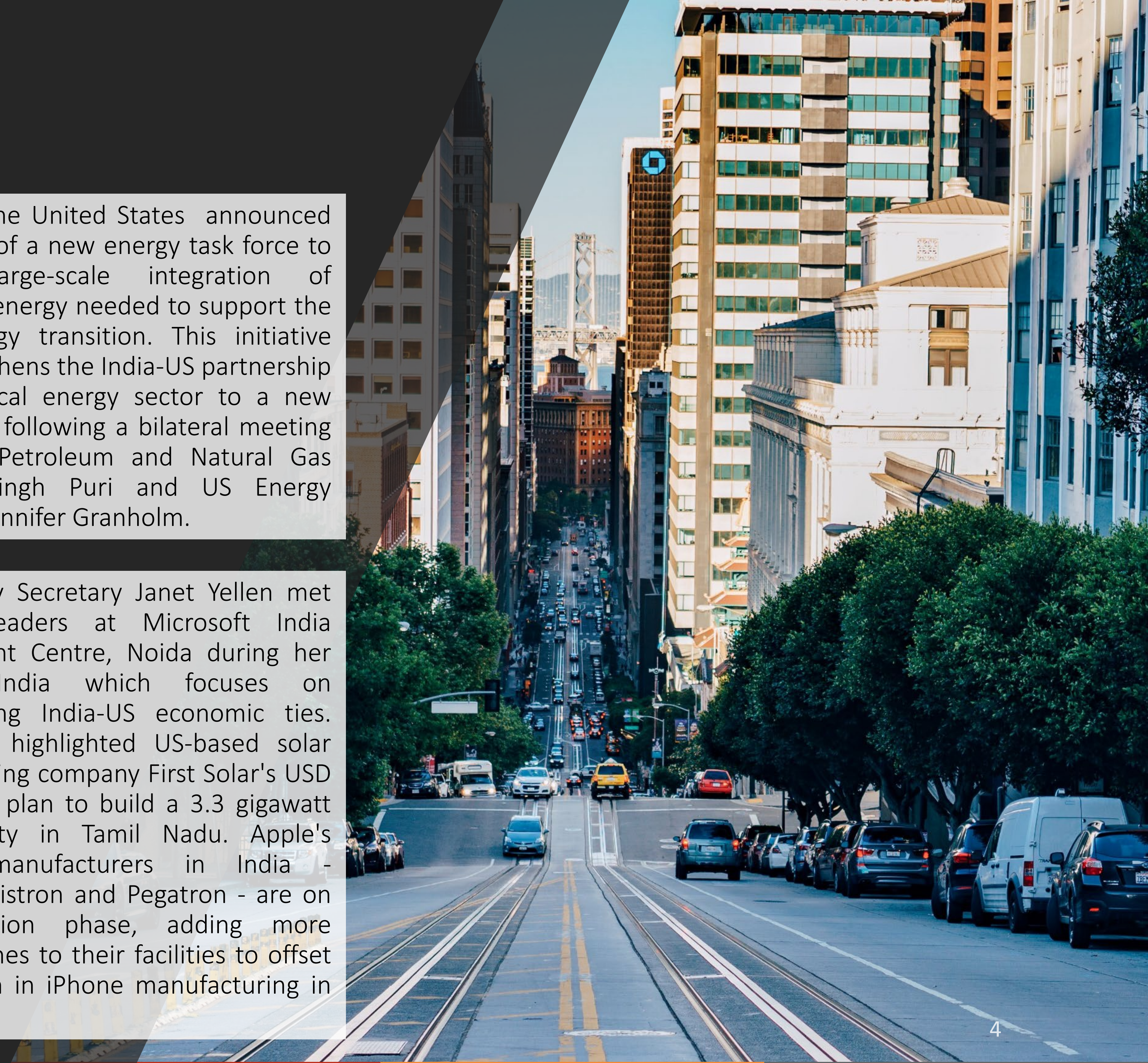
G2G initiatives

The USD 858 billion defence bill passed by the US Senate seeks to strengthen defence ties with India and to pursue greater engagement and expanded cooperation related to emerging technology, joint Research and development, defence and cyber capabilities, and further opportunities for collaboration. With the Indian military becoming more interoperable with its U.S. partners, India has purchased Apache helicopters, Seahawk helicopters and has expressed interest in other U.S. defense capabilities.

India and the United States announced the launch of a new energy task force to support large-scale integration of renewable energy needed to support the clean energy transition. This initiative that strengthens the India-US partnership in the critical energy sector to a new level, came following a bilateral meeting between Petroleum and Natural Gas Hardeep Singh Puri and US Energy Secretary Jennifer Granholm.

US Treasury Secretary Janet Yellen met business leaders at Microsoft India Development Centre, Noida during her trip to India which focuses on strengthening India-US economic ties. Yellen also highlighted US-based solar manufacturing company First Solar's USD 648 million plan to build a 3.3 gigawatt (GW) facility in Tamil Nadu. Apple's contract manufacturers in India - Foxconn, Wistron and Pegatron - are on an expansion phase, adding more assembly lines to their facilities to offset a slowdown in iPhone manufacturing in China.



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Sectoral Synergies

GreenEnergy

- Amazon.com Inc. has secured a category-III power trading licence in India and is building a portfolio of wind and solar power to sell on local electricity exchanges. Amazon has signed power purchase agreements totalling 720 megawatts (MW) with Vibrant Energy, ReNew Energy Global, Amp Energy India and Brookfield Renewable. It also announced its first utility-scale renewable energy projects in India – three solar farms located in Rajasthan. The e-commerce major's solar projects in Rajasthan will help increase the availability and affordability of renewable energy in India by enabling new capacity. Additionally, Amazon announced 23 new solar rooftop projects on its fulfillment centers across 14 cities in India, which have the capacity to generate an additional 4.09 MW of renewable energy.
- Brookfield is looking to multiply its current 4 GW renewable portfolio three to four times in India within the next decade as well as help corporates make the transition to decarbonise and invest in building large-scale supply chains in India.
- KKR has signed a definitive agreement with Serentica Renewables to invest USD 400 million in the "decarbonisation platform" launched in September 2022 under the aegis of the Vedanta Group.
- Reliance New Energy Limited (RNEL) signed a definitive agreements to acquire 20 per cent stake for USD 12 million in Caelux Corporation, headquartered in Pasadena, California, engaged in the development of perovskite-based solar technology.
- US company First Solar has formally announced an investment of USD 684 million in Tamil Nadu for a solar photovoltaic (PV) thin film module manufacturing facility

Mergers & Acquisitions

- Carlyle Group is set to buy VLCC Healthcare Ltd, by acquiring 60-70% stake for about USD 250-300 million through a primary infusion as well secondary purchase of shares from the founding Luthra family.
- KKR and Temasek, as well as Max Healthcare Institute Ltd, are competing to acquire Care Hospitals in a potential deal valued at more than USD 1 billion
- Blackstone has acquired a majority stake in R Systems International Limited for USD 359 million. R Systems is a leading provider of Information Technology services, specializing in digital product engineering.
- Tata Communications will acquire New York-based end-to-end live video production company The Switch Enterprises in an all-cash deal for Rs 4.86 billion.
- Indegene Lifesystems Pvt Ltd, which provides clinical, commercial and marketing solutions to life sciences and pharmaceutical companies, has bought New York-based healthcare marketing agency CultHealth through its subsidiary ILSL Inc. However, the company did not disclose the size of the acquisition but with this buyout, Indegene will look to improve its portfolio ahead of its upcoming initial public offering.
- US drugmaker Amneal has bet big on India formulation business. The New Jersey-based drug maker, the latest entrant in the Indian domestic formulation market, is gearing up for new launches and is on a hiring spree. Amneal is also open for possible acquisitions to boost its India portfolio.

Sectoral Synergies

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Oil & Gas

- Energy giant ExxonMobil expects 2023 to be a pivotal year for its India plans and is keen to invest in the Indian upstream sector, but wants the country to offer protection against expropriation, neutral arbitration and globally competitive returns that must stay intact through the term of the contract.

Aerospace & Defence

- Indian Space Research Organisation (ISRO) and Microsoft signed an MOU to help Indian space tech start-ups with technology tools, go-to-market support and mentoring to help them scale and become business ready.
- Tata Group-owned Air India Ltd. is close to signing a deal with Boeing Co. to buy up to 150 737 Max planes, marking the first major aircraft order after the carrier's privatization. Boeing's last mega order in India came in 2021 when low-cost airline Akasa struck a deal to buy 72 737 MAX jets, valued at nearly USD 9 billion at list prices.
- Lockheed Martin, one of the world's biggest defence manufacturers and the Tatas are in discussions for the manufacture of the Sikorsky S-76 helicopter in India. Currently, the Tatas are make the wings for the F-16 fighter aircraft and components for the C-130 transport aircraft. Lockheed's subsidiary Sikorsky and TATA has a joint venture in operation--Tata Sikorsky Aerospace Ltd. (TSAL) based in Hyderabad.

Retail

- Walmart Inc-backed Flipkart is considering raising USD 2-3 billion at a valuation of more than USD 40 billion to expand its product range in India and challenge rivals. The world's biggest retailer is keen to bring in strategic investors for the Indian company, but is also open to selling to large pure-play investment firms

Manufacturing

- India plans to boost financial incentives for manufacturers that make tablets and laptops in the country, wooing companies such as Apple Inc., Dell Technologies Inc., HP Inc. and Asustek Computer Inc as part of its plans to rival China as a production base. India also wants to boost production of tablets and laptops to cut imports and make the country an export hub in the longer term.

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