



# INDIA AND SOUTH ASIA: JUNE 2017 DOSSIER

The June 2017 Dossier highlights a range of domestic and foreign policy developments in India as well as in the wider region. These include an analysis of the difficult labour market in India, the race for the country's president and the meeting between PM Modi and US President Trump, amongst many.

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## **Part I India - Domestic developments**

Dr. Klaus Voll covers various domestic political developments, highlighting the employment situation, the ban of cow slaughter, the demand for a separate state of *Gorkhaland*, the race for the new

President of India and the allegations of “*totalitarian tendencies*” of the Modi-regime.

### **A difficult labour market**

The Modi – government celebrated three years of its coming to power. Well-versed in the art of an optimal self – presentation, the undisputed positive results like the peak of foreign direct investments, the low inflation rate and the introduction of the *General Service Tax* (GST) from the first of July onwards are particularly highlighted. According to the AAP – Member of the Legislative Assembly (MLA) in Delhi, Alka Lamba, this countrywide advertisement campaign costed about 2000 crore (one crore corresponds to about 140 Tausend Euro).

### **Jobless growth**

Since decades unemployment and under – employment are a chronic problem in India. In former times, about 12 million people entered annually the labour market, an expert recently spoke even of 14.7 millions.

Narendra Modi promised during the election campaign in 2014 to create annually about ten million new jobs. The reality is an extreme contrast. Irrespective of fairly high economic growth rates, India is passing through a phase of ‘*jobless growth*’.

In 2015, only 135 000 new jobs have been created in labour – intensive export – oriented core sectors, like IT/BPO, textiles, fashion and auto – auxiliaries etc. In this regard, the UPA 2 – government performed better with annually 6.5 new working places. One of the major reasons is, that only 3 ½ % of the workforce have a real professional training, according to the relevant Minister Rajiv Pratap Rudy.

### **Unclear Labour Statistics**

Labour statistics in India are chronically imprecise and often contradict themselves. The number of registered unemployed is higher than the official unemployment rate, which could even envy highly developed economies.

P. N. Vijay, a BJP economic expert, conceded the loss of jobs as a result of the de – monetisation policy in 2016. He puts his hopes in acquiring vocational expertise, but vocational training is in India underdeveloped and at an inferior level, irrespective of German consultancy.

Dr. Arun Kumar, a former professor of economics at the Jawaharlal Nehru University, referred to the special problems in the unorganised sector, where the numbers are insufficiently reflected in the economic statistics.

### **Labour Market Crisis in the IT – Sector?**

Several Indian IT – companies, amongst them Infosys, WIPRO, Tech Mahindra, Cognizent etc., dismissed in recent times thousands of employees. Altogether 56 000 jobs are expected to be redundant in 2017. Partly these are also results of US – policies, affecting the H1B – visas. *Infosys* announced, to employ ten thousands of Americans in the United States. 60% of the Indian IT – business comes from the US.

The Indian IT industry employs altogether about 4 Million people. Some experts are of the opinion, that the dismissals are the results of internal assessments and required new training and therefore

regard the dismissals in the IT – sector as a routine.

Others describe the current situation as the „*worst crisis of the IT – sector and only as the tip of the ice – berg, also as a result of artificial intelligence.*“

Others stress, that this is also an opportunity to make the Indian IT – industry more competitive.

### **Telecom- and Banking – Sectors**

The telecom – industry employed at its peak about 4 million people. As a result of the consolidation of its main actors and technological progress, it is expected, that in the near future about 30 to 40% of the employees will loose their working places.

In the banking sector, jobs are reduced, also as a result of the huge '*Non – Performing Assets*' (NPA's) and the increasing digitalisation. HDFC reduced in the third quarter 2016/17 4500 of its employees and hired only a few new ones.

### **Changes in Agriculture**

Also in agriculture, the biggest employer with 45% of the work – force, which only contribute to 17% of GDP, important changes are taking place.

According to estimates, between 2011/12 and 2018/19 about 12 million people will join the army of landless agricultural workers, after between 2004/05 and 2011/12 37 million left these works. This move to jobs with lesser productivity happens during a time of increasing alphabetisation – 2001 64.8% and 2011 74% - and therefore rising aspirations. But the lack of opportunities outside agriculture forces people, to work for a living in non-productive sectors with low wages.

### **Looking ahead**

The altogether fairly good economic balance – sheet after three years of the Modi – government gets affected by „*jobless growth*“.

The reality is in stark contrast to the promises made in the 2014 election campaign. Till now, the young aspiring voters are not so much disappointed, that this would lead to adversarial voting behaviour against the government. One of the reasons is, that the opposition parties and especially the Congress are not in a position, to put the pro – active government for instance with regard to unemployment argumentatively into the defensive.

### **Cow – slaughter ban and its consequences**

Hindu – nationalists, especially in North – India, venerate the cow and want to avoid in future the slaughtering of this as '*holy*' perceived animal. This is a part of their agenda, to transform India into a republic of *Hindutva*.

Therefore, these efforts should also be seen in the context of the *Hindutva* – ideology and the determination of its followers, to transform their convictions into reality. Central to this are vegetarianism and the ban of cow – slaughter, which are implicitly directed against the basic convictions and eating habits of Muslims and Dalits.

### **Importance and implementation of the ordinance**

The ordinance of the environment ministry prohibits the selling of cattle for the purpose of slaughtering at cattle markets. The ordinance 'Prevention of Cruelty to Animals (Regulation of Livestock Markets) Rules, 2017, has been issued under the section 38 of the *Prevention of Cruelty to Animals Act, 1960*. The ordinance defines 'cattle' as „bulls, cows, buffalos, bullocks, sturs, heifer, calvey and camels.“

Puran Dawar, regional Chairman (North) of the *Council for Leather Exports* , opined: „*This is fatal for the leather industry. Before such a decision is taken, consultations with the stakeholders should take place. They could regulate the slaughtering, but they should not forbid it.*“

### **Who is especially concerned by this order?**

Is this order directed against certain sections of the population? The BJP is rejecting this insinuation. Besides the consumers, especially Dalits and Muslims, who work prominently in the respective industries, are primarily affected.

The new guidelines are also affecting traders, who deliver cattle to slaughtering houses, and butchers. Existing slaughterhouses, often with high investments, are highly affected.

Consumers in Kerala and in India's Northeast, who predominantly are eating beef, are affected, besides milk – farmers, meat exporters, meat exporters associations and the leather industry.

Milk – farmers, whose animals become „unproductive“, might face increasing difficulties to sell them, besides higher maintenance costs.

Fauzan Alavi, Spokesperson of the *All India Meat and Livestock Exporters Association*, maintained, that the maintenance costs of a buffalo are between 125-150 Rupees per day, whereas the average milk – price per liter comes to 40 Rupees on an average.

According to a report of the *The Indian Express*, the export of buffalo – meat comes to about US \$ 4 billion and delivery of raw skins to leather companies to about US \$ 5.5 billion.

According to a report in the *Wall Street Journal*, the decision of the Indian government led to an increase of global prices for buffalo meat.

The milk industry will be affected, since radical Hindu – groups, so – called 'cow rakshaks', attack and in several cases lynch increasingly those, who transport cattle. These attacks have lately increased.

Jaan Mohammad, brother of Mohammad Akhlaq, who was lynched in Uttar Pradesh because he allegedly possessed cow meat, opined: „*The mob has no face. This was a planned murder. These 'Gau Rakshaks' ('cow protectors') have no fear, they believe to be above the law. We live in a democracy and this is not how it should be.*“

Pinarayi Vijayan, the Communist Chief Minister of Kerala, emphasized, that the decision of the central government will influence the consumption behaviour of the poorer population, since the meat of other animals is normally more expensive.

### **Importance of the meat and leather industry**

The meat and leather industries have a turnover of altogether \$ 17.85 billions, of which \$ 12 billions cover the domestic and \$5.85 billions the export market. Altogether about 3 million people are employed.

Ironically, the leather industry is a major area for the 'Make in India' – programme. India produces 2.5 billion square – feet of leather, which constitutes 13% of the world – wide production. The country is the second largest producer of shoewares and leather clothes.

Should the slaughter of cows be completely stopped, then the question arises, from where the companies will receive their raw materials.

Cattle whole – sellers, meat exporters and leather producers as well as exporters are especially affected by the new regulations. After the ordinance, the prices in the tanneries increased by about 10%. Entrepreneurs invested on the basis of credits and fear now a sharp reduction of their revenues.

D.B.Sabbarwal, general secretary of the *All India Meat and Livestock Exporters Association (AIAMLE)*, opines: „*This notification will bring our business to a standstill. The export of buffalo – meat will break down.*

The slaughtering of cows is not prohibited in Kerala, West Bengal and parts of the North East.

### **Exit routes for the affected industries**

In case that the supply of leather within India will come to a standstill, it is assumed, that the producers will import the leather primarily from Brezil, Egypt and Pakistan. Many entrepreneurs from Kanpur in Uttar Pradesh are already shifting their units to Kolkatta, the capital of West Bengal. They do it also, in order to maintain their share in the world market.

### **Perspectives**

A well – entrenched exporter of leather clothes, particularly also to South America, envisages the effects of the government decision not as so dramatic. According to him, cows are still slaughtered in Kerala, Karnataka and Meghalaya. Already since some years, imports of leather are increasing steadily from South Korea, the USA, Europe and lately at very low prices from Kirgistan.

*„The big producers are not affected. But smaller companies in villages are very much affected by this decision and many are forced, to look for new employments.*

*The decision of the government is of a pure political nature, in order to secure certain 'vote banks', like the Congress has done it earlier.“*

The milk farmer Irshad Khan, son of Pehlu Khan, who has been lynched in Alwar / Rajasthan demands: „*The central government should buy old cattle from us and keep it in 'Gaushalas'. By this, we could at least earn some money. Currently there is fear, even to transport buffalos and this ordinance makes it even more difficult. I will now concentrate on work in the fields.*“

### **For a separate Gorkhaland**

India passes through a political hot summer. Besides the permanent crisis state of Jammu & Kashmir (a comprehensive analysis about the situation there will now appear in the August issue) and the farmers agitations in Maharashtra and especially in Madhya Pradesh – marred by violence and where the police killed six demonstrators in Mandsaur – now violence escalates in Darjeeling and Kalimpong as well as neighbouring areas in West Bengal.

Particularly Darjeeling looks back since about three decades regarding the demand for a separate state of *Gorkhaland*, originally pursued by the late Subash Gheising, the legendary leader of the *Gorkha National Liberation Front* (GNLF).

During his life – time, the *Gorkha Janmukt Morcha* (GJM) under the the President Bimal Gurung and its general secretary Rushan Giri, has been formed. Giri met now Home Minister Rajnath Singh in Delhi.

The reason for the new agitation – the GJM declared in the meantime an indefinite strike – was the alleged attempt by the *Trinamool Congress* – government of Chief Minister Mamata Bannerjee, to make obligatory the state language *Bengali* in schools.

The TMC rejects this argument and calls it a pretext for the agitation, after the TMC won recent local body elections in alliance with the GNLF in Mitik. But the GNLF left this alliance afterwards and supports now the ongoing agitation.

The blockade of public life – a police station and a police car have been burnt, knives, arrows, Molotow Cocktails have been found and stones hurled - led to an exit of tourists – annually about half a million Indians and fifty thousand foreigners are visiting Darjeeling – and damages especially the tea – and timber – industries.

The journalist Upendra Pradhan from the *Darjeeling Chronicle* says, „that the state government in Kolkatta treats the local population as second – class citizens. The geo – politically important area – the so – called 'Chicken neck' – is being overrun by Bangladeshis.“

The Home Ministry ordered 400 additional security forces to Darjeeling and to the other affected areas, amongst them Kalimpong which is located on the way to Gangtok, the capital of Sikkim. Besides, an observer delegation of the central government is dispatched to this new crisis area.

It will be interesting to observe, if the BJP/NDA will use these events politically against the state government of West Bengal, in order to weaken Mamata Bannerjee politically and will in the long – term accept the demand of its 'alliance partner' GJM of a Nepali speaking Union state of *Gorkhaland*. Historically the BJP advocated and created smaller states in the Indian Union.

### **The race for the President of India**

Narendra Modi and BJP – President Amit Shah surprise again and again with their decisions to nominate relatively unknown persons for certain high positions. None of the political experts could imagine that Ram Nath Kovind\* (see profile below), the 71 years old Governor of Bihar and socially a *Dalit*, would be the BJP/NDA candidate to become President of India.

The son of a farmer with a humble background served as lawyer at the *High Court* and *Supreme Court* in Delhi and represented twice the BJP in the Upper House (*Rajya Sabha*). He has an RSS background.

Some observers assume, that it is a 'master – stroke' by the BJP, to nominate its former President of the *BJP Dalit Morcha* as a candidate, in order to bury its upper – caste image and at the same time to

try to break the opposition unity.

### **Reactions and perspectives**

BSP – Chief Mayawati reacted positively with regard to the social background of Kovind. „*Yet I don't agree with his political orientation, a non – political Dalit would have been better.*“

Nitish Kumar, Chief Minister of Bihar, referred to the good cooperation with Ram Nath Kovind as Governor. Sitaram Yechury announced a political contest.

The Dalit – ideologue Chandrababhu Prasad described „*the nomination as a more symbolic gesture. In the past, Ram Nath Kovind has not been known as a Dalit – face.*“ The journalist and BJP – Upper House member Swapan Dasgupta referred to the positive status of Kovind within the party.

### **Meira Kumar is the opposition candidate**

Two days after the BJP announced Kovind on the 20<sup>th</sup> of June 2017, seventeen opposition parties declared Meira Kumar\*\* unanimously as their candidate.

The daughter of the former Deputy Prime Minister Jagjivan Ram, originally a member of the *Indian Foreign Service* (IFS), represented five times the Congress in the Lower House (*Lok Sabha*). Besides ministerial positions, she occupied the prestigious office of the *Speaker*. She hails from Bihar and is socially also a Dalit. Kumar possesses strong ideological convictions and had during her term as *Speaker* good relations to all parties.

Lalu Prasad Yadav, *Rashtriya Janata Dal* (RJD), against whom and several members of his family massive raids have been taking place, because of alleged '*Benami*' – properties ('*Benami*' = ownership in the name of others, called the nomination of Meira Kumar „*a united step against the fascist forces.*“

Yet, Yadav's coalition partner Nitish Kumar and his Janata Dal United (JDU) favours the NDA – candidate Ram Nath Kovind. Originally Nitish Kumar favoured the liberal and independent Gopalkrishna Gandhi, a grandson of Mahatma Gandhi, who was for quite some time considered as the preferred opposition candidate.

The relations between the JDU and the RJD are currently tense like never before and it is quite possible, that Nitish Kumar is planning with the vote for Kovind in the medium and long-term a return into the NDA – camp.

The election of the President of India is a veritable '*Dalit – Duel*'. According to Kancha Ilaiah, who as a member of the '*Other Backward Castes*' (OBC's) writes about the rights and sufferings of Dalits, this election brings the Dalit – question into the foreground. In his opinion, it was a tactical fault, not to have nominated Meira Kumar before the NDA had chosen its candidate.

The Telugu Desam Party (TDP), the Telangana Rashtriya Samiti (TRS), the Lok Janshakti Party (LJP), the Shiv Sena (SS), the Biju Janata Dal (BJD) and the Janata Dal United (JDU), besides some smaller parties, announced their support for Ram Nath Kovind, who is the clear favourite with about 62.8% of the votes compared to Meira Kumar with about 34.6 % and will therefore become certainly the new President.

Yet, it will be interesting to observe, how far members of the electoral college will deviate from the respective party lines and how large eventually the gap will be between the two candidates.

Observers are of the opinion that the unified vote of 17 opposition parties with regard to the nomination of Meira Kumar will prepare the ground for a big anti – BJP – coalition ('*Mahabatgandan*') in the *Lok Sabha* election in 2019, because for instance Mayawati (BSP) and Akhilesh Yadav (Samajvadi Party) – till now adversaries in Uttar Pradesh - did find themselves this time on the same side.

#### **\* Ram Nath Kovind**

On June 19, Ramnath Kovind, aged 71, was been selected by the *Bharatiya Janata Party* (BJP) as the presidential candidate for the July 17 elections this year. This puts an end to the speculation that had been mounting.

PM Narendra Modi, as per the news reports, wanted to retain his senior ministers instead of relieving them. The top decision making body of the BJP, the *Parliamentary Board*, did not support the candidatures of L.K.Advani, Murli Manohar Joshi or Sumitra Mahajan. Modi and Amit Shah have been keen on projecting a Dalit as the presidential candidate. Kovind found the appeal of the Board over other choices like Governor of Jharkhand Draupadi Murmu, deputy Speaker of Lok Sabha Karia Munda or UP Governor Ram Naik.

Already, Kovind has secured the support of all the parties in alliance with the BJP, through the *National Democratic Alliance* (NDA). Others joining him are Bihar CM Nitish Kumar (*Janata Dal-United*), who still supports the opposition in other matters. Kovind has been the serving Governor of the state of Bihar. Given his good rapport with Kumar, the latter might make an exception and favour Kovind.

The NDA can muster about 48% of the votes. Outside support has been extended by Naveen Patnaik's *Biju Janata Dal* party and Tamil Nadu's *All India Dravida Munnetra Kazhagam*. If the opposition headed by the Congress does not field likewise a Dalit leader, then Mayawati's *Bahujan Samajwadi Party* may extend support to Kovind.

Kovind was born in Kanpur to the weavers community (*koli*) in 1945. He advocated the rights of the *kolis* and headed the *All India Koli Samaj*. A lawyer by profession, he has practiced in the Delhi High Court and as an advocate in the Supreme Court for about 16 years.

Kovind joined the BJP in 1991 and contested the first elections to the Rajya Sabha in 1994 and consecutively won the same (1994-2006). Here he raised issues related to the *Scheduled Castes and the Scheduled Tribes* (SC/STs) and campaigned for sanitation workers in nationalised banks etc.

As a party member, he has served as a BJP general secretary in U.P. and at the national level as the chief of the *BJP Dalit Morcha* (1998-2002). Being the first of the Dalit leaders to join the BJP, he even donated his ancestral house in Derapur to the *Rashtriya Swayamsevak Sangh* (RSS). He is considered to be loyal to the RSS interests.

Amiability, keeping a low profile, working for the weaker sections in various capacities have been the hallmarks of his character.

#### **\*\* Meira Kumar**

In a battle to win the presidential election, the two prominent political parties—the *Bharatiya Janata Party* (BJP), that leads the *National Democratic Alliance* (NDA) at the centre and the Congress, though in reduced circumstances, that led the *United Progressive Alliance* (UPA) and other parties have named presidential candidates—Ram Nath Kovind and Meira Kumar respectively for the July contest.

The common denominator between the two is their Dalit background. The BJP is desperate to improve its image from being an upper caste party to one, that is more inclined to the interests of the weaker sections. Kovind was the likely choice. But given Kovind's leanings to the *Rashtriya Swayamsewak Sangh* (RSS), he has not been acceptable to the Congress-led opposition.

Also not to lose parties, that are aligned to the Dalit interests, Congress fielded a rival candidate of the same social background on June 22. Also Mayawati's *Bahujan Samaj Party* (BSP) has made its constraints over Kovind well known. If Congress were to choose a non-Dalit, then BSP would have been forced to support Kovind. So far 17 opposition parties, including BSP and *Samajwadi Party* (SP), have extended their support to Kumar in this *Dalit versus Dalit* or explicitly called as *Uttar Pradesh Dalit versus Bihar Dalit* battle.

Kumar's name has found majority support amongst the opposition. The *Nationalist Congress Party* (NCP) favoured Sushil Kumar Shinde, Bhalchandra Mungekar and Meira Kumar in an order of preference. The Left planned to field Gopalkrishna Gandhi and Prakash Ambedkar. However the *Janata Dal (U)* will be an outlier in backing Kovind. It is believed that the *Aam Aadmi Party* (AAP) will back Kumar.

Kumar, aged 72, comes from an illustrious background. She is the daughter of former deputy Prime Minister Babu Jagjivan Ram who was also a Dalit leader and Indrani Devi, a freedom fighter. Born in the Arrah district of Bihar, Kumar completed her law degree and Master's in English literature. In 1973, she entered the *Indian Foreign Services* (IFS) as a career diplomat.

However in 1985, Kumar quit the Foreign Service and joined active politics. She has been elected as the *Member of Parliament* (MP) for five terms. In her first electoral fray, she won the Bijnor seat in Western Uttar Pradesh from political heavyweights like Ram Vilas Paswan and Mayawati.

Under the UPA government in 2004, she served as the *Minister of Social Justice and Empowerment* and in 2009 as the *Union Minister for Water Resources*. She also served as the unopposed first lady Speaker of the *Lok Sabha* (2009-2014). Though odds are in favour of Kovind in terms of number, Kumar, if elected, would become the first Dalit lady to become the President.

### **„Totalitarian tendencies“ of the Modi-Regime?**

A meeting of prominent journalists, lawyers and other members of civil society in the *Press Club of India* castigated the Modi-government. The immediate reason have been raids by the *Central Bureau of Investigation* (CBI) in the offices of the *New Delhi Television* (NDTV) broadcaster and the residences of its major shareholder and founder Dr. Prannoy Roy - who was in the 1980's and 19.90's India's leading election analyst - because of alleged financial irregularities.

In this case, there has been only a single complaint by a former NDTV-consultant some years ago, which has not been accepted by any court. The CBI, India's main domestic intelligence agency, did not send any enquiry in this matter to NDTV.

Fali Nariman, a veteran and very prominent lawyer at the Supreme Court, criticised the CBI – action as „an attack on the freedom of speech and press.“

Arun Shourie, a former BJP – cabinet minister in the *National Democratic Alliance* (NDA) government between 1998 – 2004 and a prominent critic of Modi, said, „*the current regime is totalitarian. The Indian government is corrupting the media through advertisements, so that they don't bark. They convey an undercurrent of fear. The open pressure on NDTV wants to set an example.*

*The nature of this regime, whose genes are totalitarian, is dominance. For this purpose, there is a whole team in the Prime Minister's Office, led by Hiren Joshi. The 'Indian Express' gives prominence for articles of the Union Minister Venkaiah Naidu, although he cannot write.*

*It is a wrong assumption, 'to buy peace' and acquire concessions. Instead, do boycott, don't cooperate and bypass the censorship of the government, also with modern media.“*

In a short intervention, Dr. Prannoy Roy called the action of the CBI „*a signal for all of us, according to the motto, 'we can suppress all of You, even if You are innocent.' It is an attack on the freedom of the press.“*

*'Crawl and we will reach You.' We must fight against the politicians, who want to manipulate us. They are ruining and destroying our country. We can expect more of this to come.*

*The CBI alleges 'laundering of money' and that NDTV organised allegedly a prostitution ring in the income tax department.*

*We will answer all these accusations in a hopefully time – bound, open and transparent process, which should have a clear final date. My wife Radhika and I have never touched black money, we have never bribed anyone.“*

The journalist Om Thanvi spoke of a collective support of the press for NDTV and argued “*that the time has come to fight.“*

Shekhar Gupta, one of the leading journalists in India, said, „*that the government follows the practices of the emergency under Indira Gandhi. They are an attack on the free press, don't allow to be intimidated.“*

NDTV is known for its clean and critical journalism and is perhaps the best and most independent TV station in India. Like with the Congress – led regime of the *United Progressive Alliance*, it critically analyses and questions the current NDA - regime.

Dr. Joyce Lobo writes on few of PM Modi's visits to the European countries like Germany, France and Spain, while briefly analysing the joints statement issued during the 18th India-Russia Summit.

Dr. Manoj Joshi gives a comprehensive assessment of the Indo – American relations, whereas Joyce Lobo analyzes the Trump – Modi meeting in Washington.

### **Modi-Merkel Meet in Germany**

Geopolitical changes, unpredictability of the USA policies, change in leadership of key European countries, domestic compulsions for India especially in the area of infrastructure and development etc are some of the key reasons for Prime Minister Narendra Modi to visit four European nations. However, the focus of the visit as per the Modi government's confirmation was economic engagement with these countries.

In his visit to West of Europe, Prime Minister Narendra Modi alongwith with Angela Merkel the Chancellor of Germany reviewed the bilateral strategic relations and set goals for the coming years during the *4th Indo-German Inter-governmental Consultations* (May 30). Areas of interest for cooperation continue to be trade and investment, security and counter-terrorism, innovation and science and technology, skill development, urban infrastructure, railways and civil aviation, clean energy, development cooperation, health and alternative medicine.

Germany is one of the leading investors in India ranking seventh. Total trade between both the countries stands at €17.42 billion in 2016. Indian imports amount to €9.80 billion and exports upto €7.62 billion. During this visit about twelve memorandums and agreements were signed by both sides in areas like skill development, sustainability, health, development, digitalisation, railways etc.

The consultations focused on areas that hold more meaning and purpose for the present times and when the leadership of one of the responsible global powers shows signs of irrationality under President Donald Trump. Hence security, stability and sustainability that will amount to a rules-based global order were the broad themes around which the talks revolved.

Germany is an ardent supporter of India to join the non-proliferation regimes and also the *UN Security Council* as a permanent member as part of the G-4 efforts. Both hold same positions on *2030 Agenda for Sustainable Development* and the *Paris Climate Agreement*. The talks revolved over the latter subject and both have resolved to hold firm to its principles. Their positions have been similar in terms of the freedom of navigation in international waters. India as part of its national interest and to don a leading role in the immediate neighbourhood has focused on improving the blue economy around the *Indian Ocean Region* (IOR). Both India and the EU countries have shown similar concerns in terms of the *One Belt One Road* (OBOR) initiative of Beijing.

In terms of addressing security concerns, both sides intend to conclude by this year a binding defence agreement on enhanced cooperation. Terrorism has become not only a security concern today in Europe but has also affected the law and order system. Assimilation of the migrants with the existing citizens of the country becomes a difficult exercise in the wake of unpredictable terror attacks. Secondly, the USA under Trump expects the other NATO members to do more in terms of global security and this has been rightly observed by Merkel that Europe should rely on itself. In this

regard both India and Germany can play more enhanced role in bringing sustainable development and cooperating more than ever in tackling terrorism. Both sides already hold annual consultations on cyber policy since 2015.

An important area that India is focusing in terms of its foreign policy, apart from 'neighbourhood first', is expanding bilateral cooperation into Africa. India has already started to do so with Japan. During the consultations, both India and Germany have explored to cooperate in Africa through assistance in the form of capacity building, vocational training, connectivity and renewable energy. If this is put in action, both countries will earn the good will of the Africans for not creating a state of 'dependency' but a state where people are empowered and countries become sustainable.

The *Indo-German Chamber of Commerce* (IGCC) in its annual meet in Germany (June 15, 2016) pointed to some interesting facts and concerns. One among them being the number of German companies doing business in India was 1700 and about 600 were joint ventures. The *IGCC Business Monitor 2016* pointed out that caution should be shown in terms of growth and investments in India. Germans have shown keen interest for the new initiatives that Modi launched—*Smart City, Digital India, Skill India, Clean India* etc. However what seems to be the stumbling block is the stalling of the *Indo-European Free Trade Agreement* (FTA) negotiations. The Germans feel that the FTA would usher in openness. Germany is India's largest trading partner within the EU. Along with France and Spain, Germany is in favour of the FTA between India and the EU. Talks have so far stalled as the EU nations seek protection for their investments.

India has tried to accommodate German concerns by creating the *Fast Track Mechanism* (which was one of the decisions taken when Merkel visited in October 2015). This, created under the *Department of Industrial Policy and Promotion* (DIPP), helps directly address the impediments that irk the German companies. Along with this even the IGCC works closely with the respective embassies to look into problems of economic relations.

Both countries are making sufficient strides in fostering the growth of *Vocational Educational Training* (VET) in India as cooperation in skill development becomes one of the important components of the bilateral relation. This lets the relations to be realistic as India projects about 500 million youth to join the labour market for about a decade. In late August 2016 the *Ministry of Skill Development and Entrepreneurship* signed an agreement with the *German International Cooperation* (GIZ) to implement the project wherein the elements from the German Dual-VET system will be adapted in select industrial clusters in India for 3 years. Thus a huge impetus is given to India's programs like *Skill India, Make in India*. The German *Mittelstand* companies (more than 70 small and medium ones) have benefited through the '*Make in India Mittelstand*' programme that was introduced in September 2015.

Germany is currently doing the feasibility study on the *Chennai-Bengaluru-Mysuru* high speed railway corridor. Also Germany has been collaborating with India on *Green Energy Corridors* (GEC) between Gujarat and Madhya Pradesh. As per this, transmission infrastructure is laid to withdraw electricity derived from solar and wind energy into the intra-state transmission lines. India is benefiting from German expertise in building smart cities. To bring in sustainable urban development in India, Germany agreed in 2016 to provide financial and technical assistance to a tune of €1 billion. The *Joint*

*Working Group* on this has identified cities such as Kochi, Coimbatore and Bhubaneswar for collaboration.

Other areas that were discussed and reviewed were on existing mechanisms on water management, waste management, biodiversity, food safety and residues management, plant protection topics, development of the seed sector, agricultural training and skills enhancement, etc. To add to this higher education area has resulted in exchanges between institutions for sake of research and innovations.

India and Germany have to be commended as both have been able to make the best use of complementarities which is visible in areas of education and skill development, urban development, research, railways, climate, water management etc.

### **Modi visits Spain and France**

***Modi's Spain Surprise:*** PM Narendra Modi's visit (May 30-31, 2017) to Spain comes as a surprise as the last visit by any Indian premier was in 1988.

Modi called on King Felipe VI. In the meanwhile he held talks with President Mariano Rajoy on May 31 were based on common yet strong principles on which both countries' philosophies are built—democracy, liberties, rule of law, human rights and territorial integrity. Also both shared the same global perspectives on international peace and security, free trade, inclusive global order and sustainability. Therefore both identified areas of global leadership in areas that challenges the world today. Both came with tough words against terrorism.

Spain and India have initiated defence dialogue since 2015. The former has identified that its defence industry will be part of *Make in India* initiative in the advanced aerospace sector. Negotiations are on between both the countries in areas of civil-nuclear, security, terrorism, science and technology, etc.

Most importantly Spain had supported India's membership to the nuclear non-proliferation regime (MTCR) and has continued to support its impending entry to *Nuclear Suppliers Group*, *Wassenaar Arrangement* and the *Australia Group*. Second, India sought support for the national programs that have been initiated since Modi took over in 2014. Modi interacted with a select group of CEOs from Spain who were willing to invest in India.

India has been looking towards Spain for its expertise and investments in areas such as renewable energy, high speed rail, infrastructure, tunnelling, technology solution including civil aviation, air space management, waste water management, etc. Both countries attempt to open their economies for mutual trade benefits.

Spain's *Talgo* trains (light weight trains) are operating, as per the lease agreement, on short routes such as Delhi-Amritsar, Delhi-Lucknow, Bengaluru-Chennai or Mumbai-Ahmedabad on a profit-sharing basis.

So far memorandums are signed in areas of civil aviation, health, cyber security, renewable energy, etc. The visit was more of a warm up to the yet-to-burgeon relationship.

**Modi meets the newly elect President Macron:** President Emmanuel Macron who swept the French polls, met PM Narendra Modi in a first meeting (June 2-3, 2017). The official visit offers an opportunity to know the new political dispensation. Both countries have strategic relationship which has been visible in areas such as space, civil-nuclear, defence and economy. French partnership is much valued by India as it is one of the significant members of the *UN Security Council*.

Modi and Macron discussed the entire gamut of relations. The visit was to seek reiteration of France's support to India's bid to other non-proliferation regimes and the permanent membership to the *UN Security Council*. Also Modi sought cooperation for India's efforts at climate change through civil-nuclear energy and solar energy initiative called the *International Solar Alliance* and on terrorism. However a joint declaration was not issued after the meet as it appeared to be routine visit and getting to know the youngest President of France.

### **An 18<sup>th</sup> India-Russia Annual Summit**

Modi attended the *18th India-Russia Annual Summit* held this time at St. Petersburg, Russia (June 01, 2017). Towards the end of the summit, the *Saint Petersburg Declaration by the Russian Federation and the Republic of India: A vision for the 21st century* was issued. Both countries celebrated 70 years of establishing diplomatic relations.

The declaration emphasised from the time The Soviet Union established relations with India and particularly through the *Treaty of Peace, Friendship and Cooperation* (August 1971). This has been revived since January 1993 under the newly independent Russia. In October 2000 the partnership was declared as "*Strategic*" and later in December 2010 as "*Special and Privileged Strategic Partnership*". Today both countries experience an undercurrent of unease over the fact that India has moved closer to the USA and Russia has found friendship with Pakistan.

Apart from nuclear energy for civilian use and other forms of energy, Russia wants to promote cooperation with India through sale of natural gas as clean form of energy. Two of the units of the *Kudankulam Nuclear Power Plant* (jointly built by Indian and Russia) are already functional in India. Units II and III are under construction, while Units V and VI have concluded the *General Framework Agreement and Credit Protocol*. Most importantly emphasis was laid on natural gas to meet the commitments as per the *Paris Agreement*. In terms of energy cooperation both countries are contemplating joint exploration in the Arctic shelf of Russia and also deep sea exploration.

The bilateral trade between both countries has been USD 7.71 billion (2016) which has declined by 1.5% over 2015. India's total exports (USD 2.39bn) are pharmaceuticals, tea, coffee and tobacco, machinery and mechanical appliances, organic chemicals, and electrical machinery and equipment. Russia exports (USD 5.32bn) are pearls, precious and semi-precious stones & metals, nuclear power equipment, electrical machinery and equipment, mineral oil & products, iron & steels, and optical, precision and surgical equipment. Both sides want to increase and diversify trade that includes more of high-end technology products.

The rest of the declaration touched almost every aspect of the bilateral relations, but nothing significant to add. Modi's Russian visit like most of his European visits and also to Kazakhstan for India's formal joining of *Shanghai Cooperation Organisation* have lacked salience that marked his beginning two years.

## A preview of the Modi – Trump meeting

By Dr. Manoj Joshi \*

Prime Minister Narendra Modi will have his long anticipated meeting with US President Donald Trump in Washington DC. Given the circumstances, expectations are low, but the visit will be important in defining the Indo-US engagement in the Trump era. Officials say, that this is a “*get acquainted*” visit, focusing on business and minus the hype, that Modi’s first visit to the US as PM generated in 2014. This will be Modi’s fifth and shortest bilateral visit to the US since he took office, he made another visit to attend the multilateral Nuclear Security Summit in March 2016.

Unlike China, or Mexico, India was not a major target in Trump’s Presidential campaign. In his speeches, he did occasionally refer to India, along with China, Japan, Mexico and others as countries that had taken away American jobs. But he was also effusive in his praise for the country during a fundraiser, organised by the Republican Hindu Coalition (RHC) funded by Shalabh Kumar, who was also a major donor to his campaign. In his keynote address, he said “*India and Hindu community will have a true friend in the White House.*” In an interview with the NDTV, he also declared in his typical style that he was looking forward to working with Modi who was “*pro growth*” and “*great man.*”

Though his hardline position on Islamist radicalism and his avowal of friendship to Hindus was warmly welcomed in India, he was cautious in not bashing Pakistan as many in India hoped. Though in his RHC speech he spoke of the need for intelligence sharing between India and the US “*to fight radical Islamic terrorism,*” he also referred to the terror attacks on India.

During the current visit, Modi is avoiding the kind of diaspora event he staged at New York’s Madison Garden in 2014. At the time, it was seen as displaying the Indian community’s political clout in the US. But, given Trump’s allergy to immigration and immigrants, this could well provoke a negative reaction. The Modi team is taking no chances and is probably depending on “friends” like Salabh Kumar to lobby on specific issues.

Foreign Secretary Jaishankar has made as many as four visits to Washington DC since the arrival of Trump in a bid to establish a line to an Administration, that no one in New Delhi anticipated. In December 2016, National Security Adviser (NSA) Ajit Doval visited Washington DC to establish links with the new Administration. But his interlocutor, US NSA Michael Flynn resigned thereafter. Doval visited Washington later again in March and hosted his American counterpart H R McMaster in New Delhi in April.

Though both Doval and Jaishankar got access to the highest Cabinet officials in Washington—Secretary of State Tillerson, Commerce Secretary Ross, NSA McMaster, Homeland Security Secretary John Kelly and Secretary Defense Mattis—there was nothing to suggest that the meetings were anything but routine. Prime Minister Modi, too, had three telephonic talks with Trump, but again, these appear to be largely routine.

The future of India-US relations under Trump remains unclear. Modi has as Prime Minister, gone out of his way to woo the US. It is in his tenure, that the two countries arrived at a “*US-India Joint Strategic Vision for the Asia Pacific and the Indian Ocean.*” India overcame its “*hesitation(s) of history*” to sign the Logistics Exchange Memorandum of Agreement (LEMOA), relating to the use of each other’s base facilities. Both these developments could not but have escaped scrutiny in Beijing and Moscow, considering that they signalled a growing strategic convergence between New Delhi and Washington.

The question now is whether the current upward trajectory of Indo-US relations will stay its course, not because India has some new reservations, but because of the erratic approach of the US President and his personal inclination to move away from American leadership on global issues towards a narrow and transactional agenda.

For the past decade and more, the US has operated with the belief, that the rise of India was in

America's interests, indeed, as a senior American official put it in 2005, the US would do all it could to aid and assist that process. But the general approach of the Trump Administration is against providing anything for anybody, unless there is something directly in it for the United States.

The big challenge for Modi is to come up with an agenda, which is flexible enough to withstand the Trump disruptions, and at the same time addresses some of the fundamental concerns that are driving US policy.

**First:** In the run up to the visit, Indian officials doing their sums find that among the important issues they need to deal with is that of H1B visas, 72 per cent of which were from India last year. There were 230,000 applicants from India in 2016 for the annual permitted allotment of 65,000. US companies use the H1B programme to bring highly specialised foreign workers to America. Trump has been ambivalent about the programme, because his own companies have employed persons under such visas to save money. But the Republican party wants to force companies to pay H1B holders a higher salary, in order to force companies to make foreign hires less attractive.

Along with possible changes in the H1B programme, the Trump Administration's anti-outsourcing stand could impact negatively on the \$ 150 billion per annum IT industry in India and also affect the already difficult job creation situation. Outsourced contracts from medium and large US companies are serviced by this industry and benefits both the US and India, but that is not the way the Trump Administration sees it. Meanwhile, Indian officials say they will lobby Congress against any change to the H1B programme. The bottom line in all this is, that there is a fundamental clash of interests between a Trump programme of *America First* and Modi's *Make in India* idea. The challenge will be to find a middle ground and see whether the two sides can cut a mutually beneficial deal. The big question is, of course, can India work out a deal with the US, which will satisfy the hawks in the Republican Party and the President himself? If so, what will be its elements?

**Second:** Modi's commitment to a joint strategic vision in the Asian Pacific and the Indian Ocean and his decision to sign on LEMOA were both based on an assumption, that India and the US can cooperate to balance off China's rising naval power in the region. But since he became President, Trump has bewildered the world with his shifting stances. Perhaps the most dramatic has been the shift on China, where through the campaign he attacked China, promising to get tough on it on a range of areas from trade to the South China Sea. But as President he has shifted track. First, he moved away from a position, that appeared to question the One China policy. Then he took the US out of the Trans Pacific Partnership, an agreement which would have given the US a huge leverage in trade talks with China. Finally, in exchange for China cooperating with the US to deal with North Korea, Trump backtracked from a tough stance on the South China Sea, taken by his Secretary of State Rex Tillerson.

As it is, the Modi government's China policy has been something of a disaster. It has involved an attempt to use the Tibetan card, and sharp public rhetoric to pin down China on the issue of counter-terrorism. The Sino-Indian border talks appear to have been shelved and an acrimony has crept into their ties, notwithstanding their cooperation in institutions like BRICS, the Asian Infrastructure Investment Bank (AIIB) and, more recently, the Shanghai Cooperation Organisation (SCO). Meanwhile China is actively courting India's South Asian neighbours, beginning with Pakistan, where it is embarking on an ambitious *China Pakistan Economic Corridor* (CPEC).

**Third:** India would like to fit its concerns relating to Pakistan within President Trump's hardline views on Islamic radicalism. But this is appearing to be a task too far. Instead, in an early conversation with Prime Minister Nawaz Sharif, Trump not only effusively praised the Pakistan PM, but also told him that he was "*ready and willing*" to play a role in finding solutions to outstanding problems (read Kashmir). But this version of the conversation is entirely Pakistani, the US readout spoke of the two leaders exchanging routine pleasantries. However, subsequently, in early April 2017, the US ambassador to the UN, Nikki Haley also spoke of a possible US role to de-escalate India-Pakistan tensions.

The US attitude towards Islamic radicalism seems confined to the Arab world and the Sunni/Shia interface. In this, the US would like to wipe out the *Islamic State* in alliance with a coalition of the willing, comprising of diverse actors like Saudi Arabia and the GCC minus Qatar, Turkey and even Russia.

India would like to explore closer cooperation with the US on Afghanistan. The US perspective on Afghanistan is still evolving. Formally Trump left the decision on troop levels to the Pentagon, and it is reported that the US will send an additional 4,000 troops to train and advise the *Afghan National Army*. Currently there are around 10,000 troops in the country, where the US and the Afghans acknowledge, that the Taliban has been rapidly gaining ground. Yet, as of now there is no new overarching strategy for Afghanistan and US Secretary of Defense Jim Mattis agreed with an assessment at a US armed services committee meeting, that the US was “*not winning*” in Afghanistan.

In this situation, India is waiting for a broader long term strategy for stabilising Afghanistan. However, it is clear from Mattis’ remarks, that the US does not see the future through a purely military strategy and the US will pursue some form of “*reconciliation*”, which would involve negotiations with the Taliban and the good offices of Pakistan. This would not fit into the Indian calculus, and it remains to be seen, whether New Delhi is willing to adjust its position to meet American goals.

**Fourth:** The hardening American attitude towards Iran could have negative consequences for India. New Delhi has recently made important commitments on the Chah Bahar projects and would like to press on with the *International North South Transportation Corridor* as a riposte to China’s *One Belt One Road*. Further it is seeking to deepen its oil and gas relationship with Teheran. American sanctions would blow this effort out of the water. As it is, reportedly, Indian firms are finding it difficult to press on with the Chah Bahar project, because of existing American sanctions. The Middle East is one area where US and Indian interests have never quite been aligned. In contrast to the Asia Pacific, India has few interactions with the US Navy in this region. On the other hand, from the point of view of interests, this is arguably the most important external region for India. This is where it gets 60 per cent of its oil and gas and from where an estimated 7 million of its citizens send back remittances worth \$35 billion annually. Trade with GCC countries is of the order of \$ 138 billion.

China, too, is dependent on Gulf oil and its trade with GCC is roughly of the same order as India. It also has important political and economic ties with countries like Saudi Arabia and Iran. While China may not have a significant diaspora in the region, it has a flourishing arms transfer relationship with Iran and has supplied long range ballistic missiles to Saudi Arabia. Chinese UAVs are being used by the Saudis and Emiratis in their Yemen operation. China also has access to Gwadar at the mouth of the *Straits of Hormuz* and is building the CPEC to enhance its access to the Persian Gulf.

**Fifth:** An unnerving US reference to India occurred following its withdrawal from the Paris climate accord has cast a pall over the Indo-US partnership. In his statement announcing the withdrawal, Trump claimed, that the agreement would have imposed a heavy economic burden on the US and attacked India which he said “*makes its participation contingent on receiving billions of dollars in foreign aid*” and would be allowed to double its coal production by 2020. Whether the issue could have negative consequences in the bilateral relationship remains to be seen.

**Sixth:** relations with Russia have improved on the surface. But the Modi government remains fixated with the US in its external policy and in the case, the closer ties with Washington have led to a distancing between Moscow and New Delhi. There were expectations, that a Washington-Moscow entente would ease pressure on New Delhi, but that does not seem to be happening. In the meantime, Russia feels free to explore its own policy lines in Pakistan and Afghanistan.

**Seventh:** the Modi government has yet to reveal any pattern on its ties with Europe. Its bilateral ties with European countries are on an auto-pilot. On issues of importance to Europe, such as Ukraine and the Russian behaviour on the European borders, India is maintaining a discrete silence. Here again it is finding itself out-competed by China, which is building a strong relationship with Russia as

well as Europe, especially Central and Eastern Europe, which are the focus of its *One Belt One Road* project.

On security issues of concern to India, the Trump Administration has sent confusing signals. The primary reason for this is the President's own persona. He has not hesitated to undermine his own officials by taking contrary stances. The most glaring instance of this was in his May 25th speech to NATO leaders in Brussels, where he deleted a sentence affirming the US commitment to Article 5, providing for collective defence in the security pact, over-riding the recommendations of his National Security Council and the State Department. This can hardly be a comforting message for India, which was in the process of stepping up its security ties with the US with an eye on China.

We have already referred to the contrary positions on the China policy. The world is waiting to see, whether Trump's attitude towards China will change once again, if Beijing proves unwilling or unable to modify North Korean behaviour. As of now, there is nothing to suggest that that has happened. But the impression, that the US is ceding strategic ground to China, is intensifying. There are real fears that the US may do a deal with China and accept East Asia as its sphere of influence in exchange or significant Chinese investment in the US, that will help bring back some jobs and manufacturing to the US.

One major problem that the Administration has is, that it lacks personnel at key positions. Countries like India are often dealt with through the Assistant Secretary for South Asia or a Deputy Secretary of State-level officer. It is rare to have someone like former Defence Secretary Ashton Carter, who invested his personal attention to building ties with New Delhi. As of now, barring Lisa Curtis, the Senior Director for South Asia and Central Asia at the NSC, the US has no sub-Cabinet official specialising on the region. The US is yet to nominate a new ambassador for New Delhi.

## **Conclusion**

India is not in any easy place. In the last decade, the relative power of China in comparison to India has grown in both the economic and military spheres. So New Delhi has sought closer ties to the US, to balance off China. Ideally, as a swing state it could, as it did in the 1991-2008 period, maximise its gains without compromising on its strategic autonomy. But now on one hand, China continues to grow and is spilling over into South Asia, and on the other, India is failing to meet the challenge of sustained economic growth, transformation of its infrastructure, job creation, and good governance. Instead, trends within have shown an alarming tendency towards the disruption of social peace.

In all this, the US, upon which India has been leaning on heavily, is not only turning inward and transactional, but is being led by an erratic leader. So, the big task before Modi is, to fit India's relations with a larger vision of the world, going beyond slogans of Act East or Think West. It requires the government to think beyond its strategic drift towards the United States, which has had a negative impact in relations with China and Russia, and formulate what will essentially be an *India First* policy, that can fit in with the Trump Administration's *America First* vision.

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## **Modi meets Trump**

Prime Minister Narendra Modi's meeting with President Donald Trump (June 26) has been described beforehand by the media in several ways with a larger hint at achieving minimal results. This visit has acted more or less as a getting-to-know the positions of both the administrations on a variety of key issues. The *Joint Statement*, that was issued was the shortest so far. Many of the issues related to H1-B visas, restrictions on immigrants, enlisting China's support for India joining the non-proliferation regimes, and climate change were silently missing from the statement.

Modi and Trump held about an hour of delegation level talks. India was represented by *National Security Advisor* (NSA) Ajit Doval, Foreign Secretary S. Jaishankar and the Indian ambassador to the

USA, Navtej Sarna. From the USA, participants were Vice - President Mike Pence, Defence Secretary James Mattis, Secretary of State Rex Tillerson and NSA Lt Gen. H.R. McMaster. Trump gave assurances to Modi on the same lines of his predecessor with regard to the entry to non-proliferation regimes and the UN *Security Council* as a permanent member.

Four areas that found importance in the talks were: stability across the Indo-Pacific region, terrorism, free and fair trade, and energy.

The Modi-Trump talks laid emphasis on the principles of the *US-India Joint Strategic Vision for Asia-Pacific and Indian Ocean Region, 2015*. In this context the stability across the Indo-Pacific region included the commonly reiterated phrases, such as respecting freedom of navigation, over-flight and commerce through the region, while adhering to the international law to settle disputes. But what found a common note that favoured India's stand on its China policy was the joint statement referring to "*support bolstering regional economic connectivity through the transparent development of infrastructure and the use of responsible debt financing practices, while ensuring respect for sovereignty and territorial integrity, the rule of law, and the environment*". Indirectly, this was in reference to China's laying of infrastructure across the Pakistan-occupied Kashmir, wherein Beijing has shown utter disregard for India's sovereignty. India could find the Trump administration recognising India's concerns.

On terrorism, that included the situation in Afghanistan, Trump welcomes more of India's contribution towards peace, stability and prosperity of the Afghans. Both sides already have built their cooperation to fight terrorism. They have identified terror groups— *Al-Qa'ida, ISIS, Jaish-e-Mohammad, Lashkar-e-Tayyiba, D-Company*, and their affiliates. India has been able to score a victory in terms of its fight against Pakistan-instigated terrorism in the country. The USA formally passed an order on the *Hizb-ul-Mujahideen* leader Syed Salahuddin as *Specially Designated Global Terrorist* prior to this meeting. This shows that India has been able to connect disturbances in Kashmir to cross border terrorism, perpetrated by terror organisations based on Pakistan's soil. It needs to be seen, if this action will have any impact in Pakistan taking action against the *Hizb* leader. Both countries now share information for travel screening on known and suspected terrorists as part of efforts, to curb travel and recruitment efforts. Therefore, the second takeaway from the visit was to enhance cooperation in terms of information exchange on terrorists.

Appreciative of Modi in terms of the economic growth and reforms in India, Trump offered energy exports in the form of natural gas, clean coal, renewable resources etc. A comprehensive review of trade relations between both countries will be undertaken in the future, so that principles of free and fair trade are practiced. Also both sides are looking towards mutual cooperation, that increases collaboration in the Middle East.

The USA in terms of defence cooperation wants India to consider buying its *Sea Guardian Unmanned Aerial Systems*. As per the news reports, already the deal is a done deed. India is buying 22 of these at the tune of USD 2 billion. This can be used for both air and marine operations. Modi meets Trump's policy of 'America First' over 'Make in India'!

True to his nature and his electoral promises, Trump has conducted in a transactional manner with Modi be it on Kabul, energy cooperation, defence deal, or trade. In the meanwhile, true to his unpredictable nature, Trump has conceded to Indian interests over Pakistan on terrorism and over China on sovereignty and integrity. By accepting this transaction of Trump, Modi may have brought India within the former's sights.