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GOVERNMENT OF INDIA

INDIA AND USA TO WORK TOGETHER TO EXPAND THEIR TRADE AND INVESTMENT LINKS; TO FURTHER DEVELOP AND STRENGTHEN THEIR FINANCIAL SYSTEMS : JOINT STATEMENT MADE AT THE SECOND MINISTERIAL MEETING OF THE U.S.-INDIA ECONOMIC AND FINANCIAL PARTNERSHIP IN WASHINGTON D.C .

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India and the United States will work together to expand trade and investment links between their economies, and will further develop and strengthen their financial systems. India and the United States will also work together in the G-20 on an effective mutual assessment process to bring about strong, sustained, and balanced global growth. This was stated in a joint statement issued at the end of day long deliberations at the Second Cabinet level meeting of the U.S.-India Economic and Financial Partnership in Washington, D.C yesterday. The first meeting of the US-India Economic and Financial Partnership was held last year in April, 2010 in Delhi. The joint statement signed by both U.S. Secretary of the Treasury Mr Timothy Geithner and Indian Finance Minister Shri Pranab Mukherjee was issued at the end of second ministerial level meeting of the U.S.-India Economic and Financial Partnership in Washington, D.C yesterday. The joint statement said that the United States is committed to making the investments in technology, skills and infrastructure necessary to maintain and enhance U.S. competitiveness in the global economy. It said that India intends to take steps to marshal private and public saving to meet the infrastructure needs of a rapidly growing Indian economy. Both the countries agreed to work together to expand trade and investment links between two economies and to develop and strengthen their financial systems. In the meeting, India and U.S. discussed the challenges that both economies faced in ensuring a strong recovery and price stability in the short term, as well as the range of policies necessary to reach growth at our full potential domestically.

According to the joint statement, the two sides agreed to a robust roadmap for the coming year that included deeper engagement in the following areas within each pillar of the Partnership :

- Macroeconomic challenges, including growth, unemployment, inflation, global liquidity, commodity prices, international capital flows and fiscal consolidation.
- Financial sector reforms, including deepening of capital markets, financial inclusion, and ensuring the stability, transparency, and integrity of the financial system.

- Infrastructure finance, including innovative strategies to mobilize capital for infrastructure development, and sharing best practices and building capacity for design and successful execution of Public Private Partnerships.

The statement said that since the April 2010 launch in Delhi, India-US Partnership had led to deeper institutional relationships and exchanges between U.S. and Indian economic and financial sector regulators – both of which had proven critical to technical cooperation, capacity building, and the removal of impediments to realizing our relationship's full economic potential.

Building on the success of the first year of the Partnership, India and U.S. decided to continue to strengthen our economic and financial partnership in order to realize the full economic and strategic potential of the U.S.-India partnership to achieve maximum benefits for Americans and Indians.

As per the joint statement, the U.S.-India relationship offered enormous economic opportunities for Americans and Indians alike. Through stronger collaboration and coordination amongst their economic and financial policymakers, this Partnership had sought to deepen U.S.-India bilateral and multilateral engagement in order to fully capitalize on the wealth of economic opportunities between the two nations. It said that the U.S.-India economic relationship had made significant progress in recent years. Over the past decade, trade and investment between the two countries had expanded across a variety of industries and sectors. Between 2000 and 2010, Indian exports to the United States had grown by nearly 180 percent and American exports to India had increased over four times. Meanwhile, the combined bilateral U.S.-India foreign direct investment had grown by nearly 165 percent between 2005 and 2009. Despite this progress, and especially given the size of the two respective economies, the joint statement recognized that there remained untapped potential and opportunity to expand trade and investment linkages to the benefit of both countries.

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