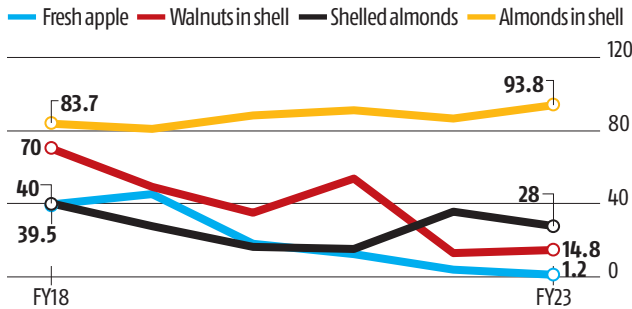


US market share in apples, almonds, and walnuts plunged in five years

US SHARE IN INDIA'S IMPORTS OF AGRI ITEMS

(% SHARE IN QUANTITY IMPORTED)



Source: Commerce department

ASIT RANJAN MISHRA

New Delhi, 25 June

Retaliatory tariffs by India in 2019 on farm produce from the US have led to trade diversion, with countries like Turkey, Italy, and Chile replacing America as the key source of apples, walnuts, and almonds while imports from the US have seen a substantial decline in the past five years.

During Prime Minister Narendra Modi's state visit to the US last week, both sides agreed to partially withdraw the market access barriers built during the Donald Trump presidency. Before the retaliatory tariffs came, the US had the top share in imports of fresh apples by India — at 39.5 per cent in FY18.

In FY23, its position declined to 11th with only a 1.2 per cent proportion in India's apple imports, with Turkey, Iran and Italy having the highest shares.

Similarly, the US dominated as the source of shelled walnuts at a 70 per cent share in FY18 with Chile was at a distant second with 29.7 per cent. However, in FY23, Chile had 75.2 per cent with the US' share reducing to 14.8 per cent.

The UAE, Australia, Afghanistan, and Vietnam slowly increased their market shares.

In shelled almonds, the US was the top source for India with a 40 per cent share in imports in FY18, followed by Afghanistan, Australia, Iran, and Syria. However, by FY23, Afghanistan had taken over as the top exporter with a 38.8 per cent share while the US was a distant second with 28 per cent, closely followed by Iran with 20.6 per cent. However, despite an increase in duty on imports

of almonds in shell from the US, its share increased from 83.7 per cent in FY18 to 93.8 per cent in FY23, possibly because the US is the largest producer of almonds and India remains the top buyer of California almonds.

US Agriculture Secretary Tom Vilsack in a statement said removing these tariffs was a major win for America's farmers, building on the \$15 billion in new or preserved market access for agricultural products that the United States Department of Agriculture and United States Trade Representative have delivered under the Biden-Harris Administration.

"Producers will now be able to increase sales of apples, chickpeas, lentils, almonds, and walnuts to one of the United States' top trading partners," he added. Congresswoman Suzan DelBene in a statement said the agreement was a major win for Washington's apple growers, who were dependent on markets overseas.

"For five years, India's retaliatory tariffs have severely restricted US apples from being sold in the Indian market, hurting our growers and the over 68,000 jobs in Washington they support," she added.

While India agreed to remove retaliatory additional customs duty imposed in 2019 on items such as lentils, almonds, walnuts, apples, chickpeas, boric acid and diagnostic reagents, the US agreed to allow 70 per cent and 80 per cent of total exports of steel and aluminium products, respectively, originating from India without imposing additional customs duty under the US Section 232 National Security Measures.

US-India defence cooperation: Fighter engines to ship repairs

AJAI SHUKLA

New Delhi, 25 June

The defence cooperation highlight of Prime Minister Narendra Modi's State visit to the US last week was the agreement between US firm General Electric (GE) and India's aerospace giant Hindustan Aeronautics Limited (HAL) to manufacture the GE F414 jet engines in India.

Besides powering HAL's Tejas Mark 2 (Mk2) fighter, the F414 could also be chosen to power other combat aircraft being acquired by the Indian Air Force (IAF) and the Indian Navy.

HAL-GE's India plant could eventually produce close to a 1,000 F414 engines. Besides 126 Tejas Mk2 fighters, the IAF could choose these engines for 114 twin-engine, multi-role fighter aircraft it is acquiring.

The Indian Navy could also select the F414 to power the 57 twin-engine multi-role carrier borne aircraft it is buying for its aircraft carriers and an unspecified number of twin-engine Tejas carrier deck fighters.

A power pack must also be chosen for the futuristic advanced medium combat aircraft (AMCA). The Defence Research and Development Organisation hopes to uprate the indigenous Kaveri engine to power the twin-engine AMCA. But if the Kaveri cannot meet the design challenges involved, an uprated F414 might be chosen.

A fighter's engine costs roughly 20-30 per cent of the total aircraft's cost. In August 2021, GE and HAL signed a ₹5,375 crore contract for 99 F404-IN20 engines to power the 83 Tejas Mk 1A fighters they are building for the IAF.

GE will build these F404-IN20 engines in its US plant and supply them over the counter to HAL. In contrast, the more powerful and technologically advanced F414 engines will be built in India with manufacturing technology provided by GE.

"This agreement to manufacture F414 engines in India will enable the greater transfer of US jet engine technology than ever before. The leaders committed their governments to support the advancement of this unprecedented co-production and technology transfer proposal," said the joint statement issued after summit talks between India's Prime Minister Narendra Modi and US President Joe Biden.

It remains unclear whether the Modi-Biden agreement will allow for the transfer by GE of key jet engine technologies such as single crystal blades and combustion chamber materials.

During US President Barack Obama's visit to India for Republic Day 2015, the



HAL-GE's India plant could eventually produce close to a 1,000 F414 engines. Besides 126 Tejas Mark 2 fighters (pictured), the IAF could choose these engines for 114 twin-engine, multi-role fighter aircraft it is acquiring

two countries created a joint working group (JWG) for cooperation in two high-technology areas: aircraft carrier design technology and gas turbine engine technology.

Both of these projects made little headway. In 2019, GE backed away from sharing sensitive intellectual property. In October 2019, US Under Secretary of Defense Ellen Lord told the media that the JWG for fighter engines had been scrapped.

"We could not come to an understanding of what exportable (jet engine) technology would be useful to the Indians," said Lord.

"And we ran into a challenge in terms of US export control," she had added.

Acquisition of MQ-9B drones

To keep track of enemy targets, the defence ministry has been pursuing the acquisition of 31 MQ-9B drones from the US firm General Atomics. While these will be tri-services assets, they will comprise 16 Sky Guardians for use over land and 15 Sea Guardians for use over oceanic targets.

The MQ-9B is the newest generation of remotely piloted aircraft systems, which deliver persistent intelligence, surveillance, and reconnaissance around the globe, extending the Indian military's ability to observe and strike faraway targets.

This ranges over the horizon for up to 40 hours in all types of weather. It can be safely integrated into civil airspace, enabling joint forces and civil authorities to deliver real-time situational awareness anywhere in the world, day or night. The drone's avionics and sensors include the Lynx multi-mode radar, an advanced electro-optical/infrared sensor, and automatic take-off and landing. Sky Guardian and Sea Guardian drones allow for multi-domain missions, including humanitarian assistance and disaster relief, search and rescue, border enforcement, and airborne early warn-

ing. The Sea Guardian additionally provides anti-surface warfare and anti-submarine warfare countermeasures, along with airborne mine countermeasures.

These high-altitude long-endurance drones are being procured through the foreign military sale route. The Pentagon has indicated an estimated cost of \$3,072 million, but the final price remains to be negotiated.

India's Ministry of Defence says: "(We) will compare the acquisition cost with the best price offered by General Atomics to other countries. The procurement is in progress and will be completed as per the laid-down procedure."

As part of the procurement, General Atomics will establish a "comprehensive global maintenance, repair, and overhaul facility" in India to support (India's) long-term goals to boost indigenous defence capabilities.

Basing and repair for US ships

Modi and Biden also welcomed India's emergence as a "hub for maintenance and repair for forward-deployed US Navy assets and the conclusion of master ship repair agreements with Indian shipyards".

This will allow the US Navy to expedite contracting for mid-voyage and emergent repairs of its warships deployed in the Indian Ocean and the Western Pacific.

In their 'defence industrial road map', both countries have agreed to work together for the creation of logistical, repair, and maintenance infrastructure for aircraft and vessels in India.

In sum, Modi and Biden affirmed a vision of India and the US as among the closest partners in the world.

"The India-US comprehensive global and strategic partnership is anchored in a new level of trust and mutual understanding and enriched by the warm bonds of family and friendship that inextricably link our countries together," stated the joint statement.