

## Trump-Modi meet: A golden opportunity for nuke deal II

The US President's maiden visit is a golden opportunity that should not be missed. The nuclear agreement II suggested will be a mega, path-breaking deal of great value to humanity, one that will address power needs and environmental concerns



File photo of the Tarapur Atomic Power Station, the nation's first atomic power project, in Thane Chennai:

There are a lot of expectations on the visit of US President Donald Trump to India. With bilateral trade between the two countries for 2020 estimated around \$ 160 billion forming a sizeable share of total trade, the US is among the important trading partners.

Relations with the US recorded great improvements from the late 1990s from the time of Vajpayee's government. The then US Ambassador, Frank Wisner, famously said: "Differences need not define relationships." The focus shifted to work on the numerous areas of convergence.

The Bush-Manmohan Singh meeting in 2005, which I had the pleasure of covering, marked a high point with both countries agreeing to collaborate on a wide range of issues from agriculture to education, to research and most importantly, to harnessing nuclear energy. Prime Minister Manmohan Singh staked his all in getting the nuclear deal passed by Parliament despite the stiff opposition by the Left parties on whose support the government was run earlier.

Sadly, the benefits of the nuclear deal could not be derived; in the 15 years since, no progress has been made in attracting large, fresh investments from the West.

### When China zoomed ahead

During this period, China massively expanded its global trade, particularly with the US. In 2004, China's total foreign trade amounted to just \$1154 billion, with the trade surplus of just around \$32 billion. In 2018, China's exports were in the region of \$2500 billion and imports around \$2100 billion. In just five years, the trade surpluses of China were almost equal to India's GDP. This was the result of the success of China in emerging as the manufacturing hub for a wide range of goods.

### **India as a large manufacturing-assembly hub**

In contrast, India continues to suffer large trade deficits. India's imports during April-December 2019 were \$357.39 billion, and exports \$239.29 billion. Strained trade relations between China and the US are further accentuated by the novel coronavirus (COVID-19) having severely affected the Chinese economy.

These have opened up the prospects for expanding India's trade with the US. Like China, India offers copious supply of manpower at much lower costs than the US'. As pointed out by the Chief Economic Adviser, Krishnamurthy Subramanian, there are bright prospects for India becoming part of the global supply chain and assembler of mass consumption products. Tamil Nadu offers excellent examples: Taiwanese companies – Feng Tay and Foxconn - have been extremely successful in this regard. Feng Tay employs around 23,500, mostly women (18,500)--not even literate--drawn from the rural belt around Cheyyar, assembling Nike shoes in millions for exports to the US and Europe; Foxconn employs 15,000 each, mostly women, in two plants at Sriperumbudur and Sri City, assembling mobile phones.

Prime Minister Narendra Modi has established good rapport with several heads of government, especially of G8 countries. In his US visits, Modi has built personal rapport with the Presidents. Particularly his relations with President Donald Trump have been close. The Indian government has been endeavouring to make President Trump's visit to India productive.

However, President Trump is a hard nut to crack. Not given to diplomatic niceties, he has been critical of the tariff policies, describing India as a 'tariff king'. "I like Modi a lot," he admits, but expresses his grouse that India has not treated US well. US exporters demand much liberal free trade, especially on agriculture commodities and much reduced tariff on manufactured products like motorcycles.

It will not be easy for India to go for wholesale liberalisation of trade. Yet, like China did, India should seize the opportunity to access high technology products and management expertise by adopting a policy of give and take.

I outline an approach for one such that has the potential for clean energy.

Microsoft's Bill Gates has been spending billions of dollars on projects of great benefit to developing nations. A few of these are in sync with India's own missions like the eradication of polio, of diarrhoea, with focus on sanitation and water supply which gel well with the Swachh Bharat and Jal Shakti Abhiyan and safe, sustainable and environment-friendly nuclear power production.

I elaborate on the last of these items which has great lessons for the fast breeder reactor technology for nuclear power. India has been working on this for over 50 years.

### **Nuclear cornucopia**

Bill Gates Foundation seems to be succeeding in this mission. The highlights of the efforts on which hundreds of billions of dollars have been spent:

Technology and state-of-the-art algorithm would ensure 100 per cent safety, incorporating lessons from the Three Mile Island, Chernobyl and Fukushima disasters.

Reuse of spent fuel that will meet all the power needs of the US for the next 125 years.

No CO2 emissions! Phase out coal, oil and gas power plants and advance towards clean environment.

Gates took special permission from the US administration to work with China and was experimenting with the new technology at Chinese nuclear power plants.

The recent trade war with China has aborted the experiment.

### **India's opportunity:**

India started nuclear power production with a 400 MW facility at Tarapur built with handsome American assistance.

India has a lot of experience in running its nuclear plants safely.

India has several nuclear power plants in operation that will lend for experimentation.

India has been working on issues like Fast Breeder Reactors for over 50 years, on reuse of spent fuel and use of thorium as fuel.

The nuclear agreement between USA and India signed in 2005 provides for cooperation and joint efforts.

It is a golden opportunity that should not be missed. The nuclear agreement II will be a mega, path-breaking deal of great value to humanity; one that will address power needs and environmental concerns.

**Need not just haggle over tariffs**

This deal also has the merit of taking negotiations to a higher plane above familiar haggling over tariffs.

The new concept has the potential to be a game-changer in the field of nuclear power. Importantly, it will address the vital issue of reuse of the spent uranium fuel rods, thus obviating the need for expensive storage facilities and for accessing uranium whose supply is controlled by a few nations and the nuclear club.

The focus of Trump-Modi talks could be on collaboration in hi-tech areas and to seize the opportunities for India evolving like China as a global manufacturing and assembly hub.