



## India-US trade potential

### Why in news?

\n\n

\n

- Indian PM is about to visit USA as a 3 day visit from 25<sup>th</sup> June, to effectively engage in mutually beneficial talks.

\n

- The US administration needs to recognize and address India's concerns about American trade policy.

\n

\n\n

### What are the concerns of India's trade?

\n\n

\n

- Key US concerns with India's trade environment include the bilateral deficit and, by extension, trade barriers such as tariffs on goods and enforcement of intellectual property rights.

\n

- The desire for access to more H-1B visas, New Delhi is concerned with the inward orientation of the US under Trump.

\n

- India will focus on the US, absolving itself of any responsibility to make requisite policy changes which Washington believes rests on the shoulders of other nations.

\n

\n\n

### How could India address the concerns?

\n\n

\n

- India could address a number of US concerns by extending the application of good governance principles.  
\n
- Each side should operate on more comprehensive knowledge and a greater appreciation of prevailing situations and trends.  
\n
- the issue thus is not to have a general focus on trade policy, but to identify and direct efforts at particular items with high tariffs, or those non-tariff measures that are not yet subject to reform.  
\n
- The demand from India's growing middle class is slated to become the second-largest in the world within 10 years.  
\n
- This increase would create significant opportunity for US trade and employment.  
\n
- India's concerns regarding US trade policies will need to be addressed to improve the possibility of mutually beneficial access to India's markets.  
\n

\n\n

## **What is the way forward?**

\n\n

- To get better access to this growing demand, a larger focus has to be on regulatory coherence and cooperation, and conditions affecting investment.  
\n
- This trade progress may be aimed at methods that range from soft legal results such as guidelines, to hard law such as tariff decreases in key products.  
\n
- This could be facilitated by agreeing on innovative methods that combine flexibilities with discipline and provide relief in times of import surges, a concern reflected in both countries.  
\n
- This would be needed more for results embodying hard law, rather than soft law.  
\n
- India and the US could show significant results by establishing a common platform to address specific concerns in areas that require administrative

solutions or better information flows between the two.

\n

- Focusing on possible solutions that are more within reach, while continuing efforts to address the major concerns, is more likely to create better opportunities and more win-win situations for both India and the US.

\n

\n\n

\n\n

**Source: Live Mint**

\n



**IAS PARLIAMENT**

*Information is Empowering*

A Shankar IAS Academy Initiative