India-US trade potential

Why in news?

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- Indian PM is about to visit USA as a 3 day visit from 25th June, to effectively engage in mutually beneficial talks.
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- The US administration needs to recognize and address India’s concerns about American trade policy.
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What are the concerns of India’s trade?

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

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- India could address a number of US concerns by extending the application of good governance principles.
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- Each side should operate on more comprehensive knowledge and a greater appreciation of prevailing situations and trends.
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- 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.
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- The demand from India’s growing middle class is slated to become the second-largest in the world within 10 years.
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- This increase would create significant opportunity for US trade and employment.
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- India’s concerns regarding US trade policies will need to be addressed to improve the possibility of mutually beneficial access to India’s markets.
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What is the way forward?

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- To get better access to this growing demand, a larger focus has to be on regulatory coherence and cooperation, and conditions affecting investment.
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- 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.
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- 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.
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- This would be needed more for results embodying hard law, rather than soft law.
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- 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.
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- 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.
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Source: Live Mint

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