Trade Review

Why in news?

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India is among the 16 target countries in a review of trade ties that President Donald Trump was scheduled to order.

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What is the present scenario of India-US trade?

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- India is the **ninth biggest trading partner** of the U.S. and had a trade surplus of around $26 billion with the U.S in goods trade alone last year.
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- Of its top 20 trading partners, the U.S. has a surplus with only five. With China, the U.S. had a deficit of $347 billion in 2016.
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- Mr. Trump has named China, Mexico and Japan repeatedly for allegedly unfair trade practices.
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- He has never named India, but the 100% duty that India imposes on high-power motorcycles was mentioned in his first speech the U.S. Congress recently.
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What the President’s order says?

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- A “country-by-country, product-by-product” report will be prepared in 90 days that would form the basis of further measures that the Trump administration would take to reduce the country’s trade deficit.
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- **The report will identify every form of trade abuse and every non-reciprocal practice that now contributes to the U.S. trade deficit**.

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- The review will be to assess whether deficit is being caused by cheating, specific trade agreements, lax enforcement or World Trade Organization rules.
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- The trade review will touch upon a litany of American concerns about trade with India — inadequate protection of intellectual property, state subsidies and tariff and non-tariff barriers.
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What are the highlights of National Trade Estimate Report?

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- **The U.S Trade Representative recently released its annual National Trade Estimate Report on Foreign Trade Barriers that highlights foreign barriers to U.S. exports.**
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- The report lists a range of trade restrictions by India such as an existing ban on animal-tested cosmetics and restrictions on dairy products and alcohol.
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- It also accuses India of being opaque in its non-tariff regulations, and lists export subsidy programmes in several sectors as a matter of concern.
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- India and the U.S. must trade more in energy, generic pharma and defence if the intention is to bring down trade deficit.
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Source: The Hindu

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