

JOINT STATEMENT ON INDIA - UNITED STATES TRADE POLICY FORUM

Relevant for: International Relations | Topic: India - USA

The 14th Ministerial-level meeting of the India-United States Trade Policy Forum (TPF) was held in New Delhi, India on January 12, 2024. Minister of Commerce and Industry, India, Shri Piyush Goyal and U.S. Trade Representative, Ambassador Katherine Tai co-chaired the TPF meeting.

2. The Ministers underlined the significance of the TPF in forging robust bilateral trade ties and in enhancing the overall economic relationship. They welcomed the strong momentum in India-US bilateral trade in goods and services, which continued to rise and likely surpassed \$200 billion in calendar year 2023 despite a challenging global trade environment. They acknowledged that considering the size of their economies, significant potential remains unrealized and expressed their mutual desire to further enhance engagement with the goal of continuing to increase and diversify bilateral trade. In this regard, the Ministers underlined the significance of the TPF in forging a robust economic relationship.

3. The Ministers took stock of the significant progress made in addressing concerns impacting the bilateral trade relationship since the 13th TPF held in January 2023. This was highlighted by the historic settlement of all seven longstanding trade disputes at the World Trade Organization (WTO) between the two countries as well as the understandings on market access related to products of significance to the bilateral trade relationship. These outcomes were delivered in the context of the historic state visit of India's Prime Minister Narendra Modi to the United States in June 2023 and subsequently during the visit of U.S. President Biden to India for the G20 Summit in September 2023.

4. The Ministers agreed that their governments will pursue enhanced engagement leading to mutually beneficial outcomes in several areas, with a view to deepen the trade relationship for the benefit of working people. They identified certain areas, including critical minerals, customs and trade facilitation, supply chains, and trade in high tech products, in which the United States and India will develop an ambitious and forward looking roadmap for enhanced cooperation in order to achieve economically meaningful outcomes. The Ministers committed to pursue these efforts with a view to establish the foundation to launch future joint initiatives.

5. Ambassador Tai congratulated India on the successful completion and hosting of the G20 Presidency and the G20 summit, which saw the unanimous adoption of the G20 New Delhi Leaders' Declaration. She welcomed the positive outcomes achieved in the G20 Trade and Investment Working Group, and in particular the adoption of the High Level Principles on Digitalization of Trade Documents. The Ministers agreed to further pursue support for the implementation of these principles in other forums so as to strengthen the pathways for digitalization of trade documents. The Ministers emphasized that the G20 is a valuable platform for initiating constructive dialogue and fostering cooperation among members on global trade issues and agreed to work together in that regard. Progress on Bilateral Trade Concerns

6. The Ministers highlighted the work undertaken by the TPF Working Groups since the 13th TPF Ministerial through regular high-level meetings. They expressed their intent to continue to work together on resolving outstanding trade issues and highlighted both progress and upcoming engagement on a select number of those issues. Non-Agricultural Goods

7. The Ministers agreed to establish a pathway in which India and the United States will mutually

recognize results from accredited conformity assessment bodies utilizing International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF) mutual recognition arrangements (MRAs), on a bilateral basis whenever possible. This will allow labs and conformity assessment bodies to certify that products are compliant with certain standards. This would eliminate duplicative testing requirements and reduce compliance costs for trade in high-quality goods. The Ministers committed to identify priority sectors of mutual interest for implementation and establish a Joint Facilitative Mechanism (JFM) for the same, the terms of reference of which will be finalized at the earliest.

8. The Ministers welcomed the finalization of the Turtle Excluder Device (TED) design developed with the technical support of the National Oceanic and Atmospheric Administration (NOAA). The collaboration between India and the United States to expedite the TED demonstrations will confirm that the TED design effectively minimizes the impact of commercial shrimp trawl operations on sea turtle populations. The Ministers acknowledged that NOAA has scheduled its visit to India for February 2024 to carry out field demonstrations with the newly designed TED and conduct workshops for stakeholders. Both sides acknowledged that the timely completion of the field demonstrations could contribute to the sustainable management and protection of marine and coastal ecosystems, thereby fostering enhanced seafood trade between the two countries.

9. The Ministers reiterated their commitment to ensure that technical regulations, such as Quality Control Orders, do not create unnecessary barriers to trade by providing sufficient opportunities for stakeholder consultations and ensuring that relevant domestic standards align with international standards to the extent feasible.

10. The Ministers emphasized their mutual interest in furthering public health discussions to ensure safe and effective medical products. India emphasized the need to increase the number of inspections by the U.S. Food and Drug Administration (U.S. FDA) in India to facilitate trade and continue to reduce the backlog. The United States appreciated India's remarks, noting that the U.S. FDA has increased staffing to increase pharmaceutical inspections conducted by the agency.

11. The Ministers acknowledged the ongoing discussions related to ensuring patient access to affordable medical devices, including through the Trade Margin Rationalization (TMR) approach. They also emphasized the importance of enhancing engagement to address measures that could negatively impact the ongoing trade in the sector, such as standards and pricing issues for medical devices, including for cardiac stents and knee implants. The Ministers noted that this engagement would facilitate access to cutting-edge medical technology for patients. The Ministers shared concerns related to the overdependence and lack of diversity in Active Pharmaceutical Ingredients within the global pharmaceutical supply chain and welcomed the opportunity to collaborate to derisk and diversify with a focus on Key Starting Materials.

12. Ambassador Tai raised the issue of India's new import requirements for computers, tablets, and servers. Minister Goyal described India's objectives, including those related to national security concerns, and Ambassador Tai expressed a willingness to collaborate with India on the shared objective of supply chain resilience in this sector. India conveyed its willingness to continue engaging on this issue with the United States and other interested stakeholders. She further welcomed that India has implemented the "import management system for specified IT Hardware" in a facilitative manner that has thus far minimized the impact on trade and urged India to ensure that the end-to-end online system currently in operation and related policies do not restrict trade going forward.

13. Minister Goyal reiterated India's interest in restoration of its beneficiary status under the U.S.

Generalized System of Preferences program. Ambassador Tai noted that this could be considered, as warranted, in relation to the eligibility criteria determined by the U.S. Congress.

14. The United States welcomed India's decision to reduce the timeline for reaching 20 percent ethanol blending with petrol from 2030 to 2025 and for the launch of the Global Biofuels Alliance as well as the India-U.S. Biofuels Task Force. They offered to explore ways that the United States can supplement ethanol supply in India for fuel blending in the event that stocks in India fall short of demand. Indian side noted the United States' request for cooperation in this regard.
Intellectual Property

15. The Ministers appreciated the positive ongoing engagement on intellectual property (IP) in the TPF IP Working Group and acknowledge the important role protection and enforcement of IP plays in promoting innovation, bilateral trade, and investment in IP-intensive industries. The United States welcomed India's efforts to modernize its patent system and registration processes across its IP offices, particularly through recently proposed amendments to the patent rules which aim towards streamlining compliance requirements and easing the process of patent filing and granting. The Working Group also discussed a number of other issues, including protection for geographical indications and trade secrets. Both sides welcomed each other's commitment to comply with the World Intellectual Property Organization Copyright Treaty and World Intellectual Property Organization Performance and Phonogram Treaty. The United States and India committed to continuing to engage on IP matters concerning both sides.
Agriculture

16. The Ministers acknowledged the pending work to be completed for early finalization of market access for certain agricultural products of interest to both sides. They also conveyed their interest in enhancing their ongoing dialogue on food and agricultural trade issues in 2024 and to continue working to address outstanding issues through the Agriculture Working Groups, as well as the relevant sub-groups, utilizing science and risk-based principles. The Ministers welcomed the engagement and information exchange on necessary regulations regarding import of animal feed products, including alfalfa hay. Services

17. The Ministers acknowledged the constructive engagement of the Services Working Group under the Trade Policy Forum. The Ministers emphasized that bilateral cooperation on digital trade and services should support the growth of their dynamic economies, while also addressing shared challenges and providing tangible benefits for workers and small businesses.

18. The Ministers acknowledged the ongoing discussions on a Social Security totalization agreement and receipt of additional information by the United States from India. They also encouraged further engagement in order to establish a stronger basis for a future agreement.

19. The Ministers exchanged views on the potential of digital trade to spur economic growth and innovation. The Ministers discussed India's new Digital Personal Data Protection Act (DPDPA). Ambassador Tai appreciated India's extensive consultations and noted that India's approach of enhancing data protection, privacy and security while enabling connectivity will support further expansion of the bilateral digital trade. Both Ministers expressed their desire to continue engaging as India begins to draft rules for implementing the DPDPA.

20. The Ministers acknowledged the discussions on telemedicine services and encouraged stakeholder engagement on both sides to create an enabling framework for future collaboration in this area.

21. Ambassador Tai welcomed the positive amendments to the Direct Selling Rules and appreciated India's continued engagement on the issue.

22. Minister Goyal highlighted India's leadership in further developing Digital Public Infrastructure (DPI). Both sides recognized the potential of Digital Public Infrastructure (DPI) approaches for enabling open and inclusive digital economies. The Ministers expressed their interest in further collaborating to ensure that DPI is utilized in a manner that ensures competitive markets and promotes inclusive development, and includes appropriate safeguards to protect privacy, data security, and intellectual property.

23. The Ministers acknowledged the role of professional services in catalyzing bilateral trade between the two countries and noted that issues related to recognition of professional qualifications and experience can facilitate services trade. In this context, both sides agreed to continue discussions on promoting engagement in these sectors.

24. The Ministers noted that the movement of professional and skilled workers, students, investors and business visitors between the countries contributes immensely to enhancing the bilateral economic and technological partnership. Minister Goyal highlighted challenges being faced by business visitors from India due to visa processing time periods and requested the United States to augment processing. Resilient Trade

25. The Ministers welcomed the continued engagement on the use of best practices with respect to customs and trade facilitation, including continued collaboration on issues related to the WTO's Trade Facilitation Agreement and adopting provisions on digitalization of trade facilitation measures.

26. The Ministers reiterated their commitment towards policies that ensure transparent regulatory practices, including online accessibility to information regarding regulations and regulatory processes, and adequate time for public consultations.

27. Minister Goyal conveyed India's interest in being recognized as a Trade Agreements Act designated country by the United States. The Ministers highlighted the initiation in 2023 of discussions on issues related to bilateral government procurement, such as transparency and procedural fairness, and welcomed plans for further technical engagement between their officials.

28. The Ministers recognized the importance of eliminating forced labor in global supply chains to promote resilient and sustainable trade and committed to work together on issues pertaining to child and forced labor in global supply chains.

29. The Ministers appreciated the positive spirit of collaboration demonstrated by both sides while resolving bilateral WTO disputes and in that spirit emphasized that the TPF will continue to act as the key platform to discuss all outstanding trade issues with the aim to both strengthen the bilateral economic partnership and to address these issues bilaterally.

30. The Ministers concluded the meeting by directing the five TPF Working Groups to reconvene quarterly, either in person or virtually, and identify specific trade outcomes to ensure that the trade relationship continues on its positive trajectory. They also instructed senior officials to hold an in person inter-sessional TPF meeting by mid-2024 and plan to reconvene the TPF at the Ministerial level before the end of 2024.

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