

India, U.S. eye states to boost trade ties

Taking off: The proposed engagement mechanism is aimed at boosting bilateral trade and investment.

India and the U.S. are working on establishing a state-level engagement mechanism to widen and deepen bilateral trade and investment ties. Towards this objective, the U.S.-India Business Council (USIBC), will unveil within a fortnight a 'State Engagement Task force' (SET) to ensure American and Indian companies align their interests with the priorities of the State governments of both the countries.

The move comes as India and the U.S. are set to carry out a comprehensive review of bilateral trade ties. In that exercise, priority sectors will be defence and energy. While the focus in defence would include Lockheed Martin's proposal to make F-16 fighter jets in India and the proposed sale of General Atomics Aeronautical Systems Inc. or GA-ASI's 'Guardian Remotely Piloted Aircraft' to India, energy ties would cover exports of U.S. natural gas, transfer of U.S. technology on oil and gas refining, as well as the conclusion of pacts between Nuclear Power Corp. and Westinghouse Electric for six nuclear reactors in India and related project financing. Other priority areas would be smart cities (including Ajmer, Allahabad and Visakhapatnam), regional airport development in India through public private partnership, e-commerce, digital payments and medical devices.

On SET, USIBC acting president Khush Choksy told *The Hindu* nominations had been sought from USIBC members. As part of the proposed SET, preliminary discussions had been held on skill development and entrepreneurship promotion in Nagaland, he said, adding that there had also been talks on infrastructure development and job-creating activities in eastern/north-eastern India. Similar discussions would soon be held with the U.S. State governments to identify their priorities.

China way ahead

According to the American Enterprise Institute, China was the 'top import country' for 23 U.S. States in 2016, followed by Canada (14). India was neither a 'top import country' nor a 'top export country' for any U.S. State.

Industry inputs for four separate engagement channels — the comprehensive review of trade ties, forthcoming trade policy forum and the bilateral 'commercial dialogue' as well as the Global Entrepreneurship Summit in November — would be provided during the Global Entrepreneurship Conclave (GEC) being organised by the USIBC next month. Top government officials from India and the U.S. are likely to participate in the GEC, Mr. Choksy said.

Issues like the U.S. concern over its trade deficit and India's worries on U.S. visa 'curbs' would fall into a proper context once the two countries explore ways to solve the 'larger puzzle' of increasing bilateral goods and services trade to \$500 billion, from \$115 billion in 2016, Mr. Choksy said.

"The USIBC wants a win-win outcome for businesses on both the sides. We are supportive of free movement of goods and services."

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