

U.S. WANTS TO CUT ITS TRADE DEFICIT

Relevant for: International Relations | Topic: India - USA

The U.S. wants “free, fair and reciprocal” trade and has conveyed to India that the American trade deficit with Delhi has “to be rectified.” Attending the ‘2 +2 dialogue’, the visiting U.S. Secretary of State, Michael Pompeo, said trade barriers for American companies in India have to “be reduced.”

“They have made progress on that, and we thank them for that. They’re going to purchase more aircraft from the U.S. We truly do appreciate that. But the gap will remain, and so we are urging them to do all they can to narrow that gap,” Mr. Pompeo told the U.S. media that travelled with him.

India and the U.S. have been in a deadlock over trade after the Trump administration wanted India to do additional purchases of \$10 billion annually for the next three years.

On India’s purchase of S-400 air defence systems from Russia, Mr. Pompeo said no decision had been made yet on granting a waiver and added that the U.S. was working to impose Section 231 of CAATSA (Countering America’s Adversaries Through Sanctions Act) in a way that is “appropriate and lawful.”

However, stating that the U.S. understood India’s relationship with Russia, and would work on the issue, he added: “Our effort here, too, is not to penalise great strategic partners like India, a major defence partner. The sanctions aren’t intended to adversely impact countries like India.”

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