

India and United States Joint Statement on the Trade Policy Forum

New Delhi, India

23 November, 2021

1. India and the United States held the twelfth Ministerial-level meeting of the India-United States Trade Policy Forum (TPF) in New Delhi on November 23, 2021. Indian Minister of Commerce and Industry, Shri Piyush Goyal and U.S. Trade Representative, Ambassador Katherine Tai co-chaired the TPF meeting. The Ministers convened the TPF with a view to advancing the goal, announced by President Biden and Prime Minister Modi at their September 24, 2021 meeting, to “develop an ambitious, shared vision for the future of the trade relationship.” As India and the United States look ahead to define that ambitious future, the Ministers recognized the importance of engaging in collaborative discussion on the full range of existing and emerging issues affecting our trade relationship.
2. The Ministers underlined the significance of the TPF in forging robust bilateral trade ties and enhancing the bilateral economic relationship to benefit working people in both countries. They agreed that reconvening the TPF and regular engagement under the forum would help in addressing outstanding bilateral trade concerns and allow the two countries to explore important, emerging trade policy issues. They agreed that the TPF Working Groups on agriculture, non-agriculture goods, services, investment, and intellectual property should be re-activated in order to address issues of mutual concern on an ongoing basis.
3. The Ministers expressed satisfaction over the robust rebound in bilateral merchandise trade this year 2021 (January – September 2021), which showed almost 50 percent growth over the same period in the previous year; bilateral merchandise trade in the current year is poised to surpass US\$ 100 billion mark. The Ministers also appreciated the importance of two-way services trade and foreign direct investment (FDI) as contributors to deeper economic and trade ties and noted buoyancy in bilateral FDI investments in recent months.
4. Ambassador Tai expressed her appreciation for a number of important economic reforms recently initiated by India, such as liberalization of FDI in the insurance sector, elimination of a retrospective provision in income tax, and launching of the “Single Window System” for facilitating investment. These reforms have enabled improvements in the business ecosystem and Ambassador Tai encouraged the continuation of market-oriented reforms implemented through transparent means. The Ministers underlined the importance of establishing a conducive environment for further integrating the two economies to the benefit of both sides.
5. The Ministers underlined the importance of the India-U.S. trade and economic partnership in addressing global challenges. They agreed to work collaboratively and constructively in relevant multilateral trade bodies including the WTO, the G20, and the OECD both for enhancing the

bilateral trade relationship and for achieving a shared vision of a transparent, rules-based global trading system among market economies and democracies.

6. The Ministers acknowledged the significance of creating resilient and secure supply chains. In this context, they agreed that India and the United States could, together with like-minded partners, take a leading role in developing secure supply chains in critical sectors of trade and technology. Acknowledging the strong history of collaboration between India and United States in the field of health, the Ministers identified this sector as bearing particular importance in the context of work on resilient supply chains. India also noted its interest in partnering with the U.S. and allies in developing a secure pharmaceutical manufacturing base for augmenting global supply chains.

7. The Ministers also shared perspectives on the importance of health-related goods and services in U.S.-India trade relations and pledged to pursue constructive dialogue on a range of regulatory issues affecting trade in health-related products. In this regard, the United States acknowledged India's concerns regarding delays, arising from the COVID-19 pandemic, in U.S. regulatory inspections of Indian pharmaceutical facilities. The U.S. Food and Drug Administration (FDA) continues to evaluate COVID-19 conditions and is conducting prioritized inspections when there is minimal risk to company and FDA officials. FDA will also continue to utilize remote evaluation techniques for regulatory decisions as appropriate.

8. The Ministers agreed on the importance of critical and emerging technologies in delivering economic growth and achieving shared strategic priorities, and took note of the work underway on these issues within the Quad framework. They discussed the importance of regular sharing of perspectives on issues, including cyberspace, semiconductors, AI, 5G, 6G and future generation telecommunications technology. They welcomed the participation and collaboration of the private sector in both countries in building stronger linkages in these critical sectors, and supporting resilient and secure global supply chains.

Progress on Bilateral Trade Concerns

9. During the course of the TPF held on November 23, 2021, the Ministers reviewed the developments across the canvass of bilateral trade issues and agreed to highlight the following outcomes and future priorities.

10. The Ministers acknowledged the tangible benefits accruing to Indian and U.S. farmers and businesses, by mutually resolving certain outstanding market access issues through increased bilateral engagement. Both sides also agreed to continue working to expand bilateral trade in agricultural and food products through the TPF Working Group on Agricultural Goods and committed to holding technical dialogues on animal health, plant health, and food safety and other technical issues in 2022.

11. The Ministers welcomed the agreement to finalize work on market access facilitation for mangoes and pomegranates, pomegranate arils from India, and cherries and alfalfa hay for animal

feed from the United States. The United States intends to finalize the transfer of the preclearance programme/regulatory oversight of irradiation for mangoes and pomegranate to Indian authorities as soon as is practicable. The United States and India also look forward to signing the Systems Approach Operational Work Plan for the export of pomegranate arils from India to the United States. India intends to finalize phyto-sanitary work to allow the importation of U.S. cherries, and India intends to finalize the phyto-sanitary certification which will allow the importation of U.S. Alfalfa hay for animal feed into India. In addition, the U.S. agreed to work to complete India's request for table grapes access to the United States, and India agreed to work to finalize the mutually agreed export certificate to allow the importation of U.S. pork and pork products.

12. The U.S. side welcomed the extension in time notified by India for accepting certain test results from ILAC accredited labs under the Mandatory Testing and Certification of Telecom Equipment (MTCTE) policy, and both sides agreed on the importance of providing sufficient time for industry to adapt to future testing requirements. The U.S. also appreciated the extension in time notified by India regarding implementation of Polythene Material for molding and extrusion (Quality Control) Order, 2021 and to consider consultation with industry to discuss labeling arrangements that satisfy the measure's objectives.

13. The Ministers welcomed the enhanced engagement on intellectual property (IP) and recognized that the protection and enforcement of IP contributes to the promotion of innovation as well as bilateral trade and investment in IP-intensive industries. They appreciated the work of the TPF IP Working Group and reviewed its progress in copyrights, patents, trademarks, and sharing of national experiences regarding traditional knowledge and genetic resources. The United States welcomed India's clarifying the administration of its patent regime, including on disclosure requirements, treatment of confidential information, patent application oppositions, as well as supporting evidence for well-known trademark applications. Both the United States and India welcomed each other's commitment to comply with the World Intellectual Property Organization Copyright Treaty and World Intellectual Property Organization Performance and Phonogram Treaty.

Areas for Future Work

14. The Ministers expressed an intent to continue to work together on resolving outstanding trade issues as some of these require additional engagement in order to reach convergence in the near future. They agreed further to utilize the revitalized TPF and its Working Groups as a means of rapidly engaging on new trade concerns as they arise, and that they would take stock at quarterly intervals to evaluate progress in this regard.

15. The Ministers reviewed their particular interests for achieving progress in the area of market access. In this regard, India highlighted its interest in restoration of its beneficiary status under the U.S. Generalized System of Preferences program; the United States noted that this could be considered, as warranted, in relation to the eligibility criteria determined by the U.S. Congress. The United States and India also exchanged views on potential targeted tariff reductions.

16. The Ministers agreed to follow up on exploring the possibility of enhanced market access for additional identified agricultural products. They also agreed to engage on U.S. concerns regarding regulatory approvals for the Distillers' Dried Grains with Solubles, and India's concerns regarding market access for water buffalo meat and restoration of market access for wild caught shrimp.

17. The US side acknowledged the work being done by the Indian side to strike a balance between access to medical devices at affordable rates and the availability of cutting edge medical technology. In this regard, the United States welcomed the recent application of the Trade Margin Rationalization (TMR) approach for price regulation on certain medical device products and India noted that wider application of TMR for other medical devices is under consideration by the relevant authorities.

18. The United States noted its support for India's ambitious goal of reaching 20 percent ethanol blending with petrol by 2025 and expressed an interest in supplying ethanol to India for fuel purposes. The Ministers agreed to explore ways for enhancing collaboration for the implementation of their respective ethanol blending programs.

19. The Ministers highlighted the important role of the services sector, including digital services, in India and the United States, and the significant potential for increasing bilateral services trade and investment. They noted that the movement of professional and skilled workers, students, investors and business travelers between their countries contributes immensely to enhancing bilateral economic and technological partnership. In this respect, the Indian side welcomed the recent U.S. decision to allow travel to the United States by fully vaccinated Indians. The United States and India decided to continue their engagement on visa issues, and their shared resolve to facilitate the movement of professionals, skilled workers, experts, and scientific personnel. The Ministers acknowledged the ongoing discussions on a Social Security Totalization Agreement and welcomed further engagement on pursuing such an agreement.

20. The Ministers recognized that legal, nursing and accountancy services can facilitate growth in trade and investment, and they agreed to continue discussion on promoting engagement in these sectors. They discussed the importance of electronic payment services as a catalyst to the further expansion of the bilateral trade relationship, and both sides agreed to continue engagement in this area.

21. The Ministers exchanged views on harnessing the vast potential of digital trade to spur economic growth and innovation, and committed to work together to build common understanding, and increase engagement both bilaterally, including in the TPF and ICT Working Group, and in relevant multilateral fora, including the G20 and WTO. They pledged to deepen bilateral engagement to promote the digital economy, and to explore the adoption of joint principles that ensure that the internet remains open for free exchange of ideas, goods, and services.

22. The Ministers agreed to further engage to find mutually agreed solutions on outstanding WTO disputes between the two countries.

Engagement on Emerging Issues

23. The Ministers also exchanged information on the relationship between trade and labour emphasizing the importance of trade in creating employment and opportunities for working population. The Ministers shared perspectives on the role of trade in improving the welfare of working people in India and the United States. The Ministers also agreed to work together on issues of child labour and forced labour in global supply chains in order to promote resilience and sustainability.

24. The Ministers shared perspectives on the relationship between trade and environment matters and exchanged views on approaches to increase the utilization of renewable energy and other clean technologies to achieve net-zero emissions, including by aiming to mobilize finance and scale innovative clean technologies as agreed in the India – US Climate and Clean Energy Agenda 2030 Partnership.

25. The Ministers agreed to exchange information on standards and conformity assessment procedures to ensure that requirements are no more trade restrictive than necessary and are in line with international agreements. They also noted the importance of transparency in the rulemaking process and agreed to explore ways to enhance good regulatory practices.

26. The Ministers also agreed to relaunch workshops focused on accelerating implementation of the WTO Trade Facilitation Agreement.

27. The Ministers concluded by underlining the importance of integrating the two economies across sectors to harness the untapped potential of the relationship. They agreed that the TPF should seek to continually deliver concrete outcomes to generate mutual confidence. Such an approach would contribute to a more ambitious future for the bilateral trade and economic relationship and take it to the next level so that both countries could benefit from the inherent complementarities in the two economies. This would lead to economic prosperity, employment generation and improvement in livelihood in both the countries. In this connection, they directed the TPF Working Groups to develop, by March 2022, plans of action for making substantive progress. They further directed their senior officials to remain in regular contact to review the activity of the Working Groups and identify a set of specific trade outcomes that could be finalized for an inter-sessional TPF meeting to be held by mid-2022.

28. The Ministers agreed to remain engaged to give greater energy to the TPF's work and to reconvene the TPF at the Ministerial level before the end of 2022.
