

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 3873 (H)
TO BE ANSWERED ON 19th MARCH, 2018

INDIA-US TRADE

3873(H). SHRI DHARMENDRA YADAV:
DR. PRITAM GOPINATH MUNDE:
SHRI SHRIRANG APPA BARNE:
DR. SHRIKANT EKNATH SHINDE:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the United States (US) businesses and diplomats are pressing India to cut tariffs after New Delhi's move to increase customs duties on dozens of products to help its flagship Make-in-India drive aggravated differences over trade and if so, the details thereof and the response of the Government thereon;
- (b) whether the U.S. Congress has been pushing over the past year for greater pressure on India to dismantle economic barriers and if so, the details thereof and the response of the Government thereon;
- (c) whether the Government has assessed the impact of increased custom duties on the investment in India;
- (d) if so, the details thereof along with the growth of bilateral trade between India and the US during the last the three years; and
- (e) the details of the gap of trade deficit with US along with the initiatives taken by the Government to bridge the said trade deficit?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

- (a) *India has an established institutional mechanism in the form of Trade Policy Forum (coordinated by Department of Commerce) to resolve bilateral trade issues and also meetings on Trade Facilitation (coordinated by Ministry of Finance) with United States (U.S.). U.S. regularly raises the issue regarding reduction of Indian tariffs rates. Nevertheless, it is to mention that India is a member of World Trade Organisation and is bound by the commitments made at WTO. Indian tariffs are within the bound rate committed by India. Increase or decrease in tariff of a particular commodity depends on several factors which includes protection of domestic industry and farmers.*

(b) As mentioned above, the issues including market access that are raised by U.S. are discussed under existing institutional mechanisms Trade Policy Forum and Commercial Dialogue

(c) The increase in tariff rate on imports in to India and the investment by foreign companies are two different facets.

(d) **Facts:** The bilateral trade figures are as below:

Goods

(In US\$ Million)

S. No	Trade Indicators	2014-15	2015-16	2016-17	2017-18*
1	Export to USA	42,448.66	40,335.82	42,212.00	35,263
2	Import from USA	21,814.60	21,781.39	22,307.00	20,148
3	Total Trade (Exports+Imports)	64,263.26	62,117.21	64,519.00	55,412
4	%Growth	4.24	-3.34	3.87	14.30
5	Trade Balance	20,634.05	18,554.44	19,904.00	15,114

Source: DGCIS Database [* April, 2017 to December, 2017 (P) figures and growth and share percentages worked on April, 2016 to December, 2016 figures]

Services

(In US\$ Million)

S. No	Trade Indicators	2014	2015	2016	2017*
1	Export to USA	22431	24610	25808	28677
2	Import from USA	15325	18374	20632	23116
3	Trade Balance	7106	6236	5175	5561

Source: US Census bureau, USA [*Jan, 2017 to Sep, 2017 (P) figures]

(e) India has Trade Surplus with United States both on Goods as well as Services side, as depicted above.
