

Trade talks: India to push US to lift non-tariff curbs

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India is set to push the United States (US) to remove non-tariff barriers (NTBs) for its goods exporters, in the ongoing negotiations for a bilateral trade agreement (BTA).

“While the US has a long list of NTBs it wants to discuss with India, we too will raise a number of those faced by our companies there. However, the US side is not keen to discuss non-tariff measures (NTMs) like the sanitary and phytosanitary measures,” a government official said. NTMs generally pertain to health and safety norms for food and agriculture products.

The official said Indian industry had raised the matter of regulatory hurdles and the high cost of certification, among other issues, that are primary obstacles to increasing outbound shipments to the US.

“For example, the approval cost by the Food and Drug Administration (FDA) ranges from \$9,280 to more than \$540,000 for Indian pharmaceutical exporters, whereas US exporters face a relatively minimal cost when entering India. Additionally, the ‘Buy American’ policy for government procurement further limits market access for Indian companies,” he added.

Another official said receiving



Industry concerns

- US regulatory hurdles and high certification costs primary obstacles to increasing exports
- American exporters face relatively minimal costs when entering India
- Indian companies must pay for FDA field visits, adding to delays and costs
- ‘Buy American’ policy restricts Indian access to US government procurement contracts

certification in the US was time-consuming for Indian pharmaceutical exporters. “Indian companies need to bear the cost of field visits of FDA officials for issuing certification, which is an NTB,” he added.

A former trade official said there was often a thin line between NTBs and NTMs. “While regulations are fine, how they interpret them be-

comes a problem. We have been telling the US that their safeguard duties and anti-dumping duties keep getting extended, thus making temporary trade-protection measures permanent. We have major differences with them on this. We are not going to make any major gains in tariffs, so we must categorically point out the NTBs,” he added.

In a 2022 working paper titled “Non-tariff barriers faced by Indian exporters from their top partner members”, the Prime Minister’s Economic Advisory Council said India’s exports of food products faced difficulties in complying with issues related to pesticides in the production and trade of agricultural products, and with unreasonable as well as strict labelling and packaging requirements.

“To reduce the cost of compliance, the USA can ease the process of its authorisation with no delays in the approval of consignments and if any delay or rejection occurs from the US side, a proper reason should be provided by them. Often, the reasons for rejection by the USA are not justified which acts as a major concern to the exporters,” it added.

The US has made removing NTBs with partner countries through trade deals a cornerstone of its negotiations. Turn to Page 6 ►

Draft proposals in DPDP Act concern for US

It has raised concern over India's draft rules of the Digital Personal Data Protection Act, data localisation, mandatory testing and certification of telecom equipment, differential tax treatment of foreign companies, and quality control orders, among others.

Commerce and Industry Minister Piyush Goyal is

leading a team of trade negotiators to the US to seal an early agreement.

While Goyal is scheduled to meet US Trade Representative (USTR) Jamieson Greer and the US Commerce Secretary Howard Lutnick, India's chief negotiator and commerce secretary designate, Rajesh Agarwal, is spearheading technical negotiations.