

Modi's US visit: India eyes WTO disputes resolution

Talks could include 'out-of-court settlement' in some cases

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Prime Minister Narendra Modi's upcoming visit to the United States (US) could see a breakthrough in the pending World Trade Organization (WTO) disputes involving the two nations, according to two people aware of the matter.

Broader discussions on trade are expected to take place when Modi meets US President Joe Biden, and the talks could include an "out-of-court settlement" in some of the WTO cases, they said. This could mean a voluntary withdrawal of cases filed against each other with the global trade body, they added.

Modi, who has visited the US seven times since 2014, will make his first 'State visit' from June 21 to June 24, signalling



DEEPENING TIES: PM Narendra Modi will make his first State visit to the US from June 21 to June 24 FILE PHOTO: REUTERS

stronger diplomatic and economic ties between the two nations.

"The discussions are at an advanced stage. Both sides are engaging meaningfully, and with the Prime Minister's visit (this week), there could be a positive announcement," one

of the persons cited above told *Business Standard*.

Currently, there are seven cases of disputes between the two nations at the WTO. "We'll have to see how many cases can be squared off,"

the person said.

Earlier this year, both sides had decided to iron out key trade and investment-related issues, which included exploring a bilateral settlement of some of the WTO disputes. "These outstanding disputes are the areas where both countries have had some wins and some losses. We have directed our officials to engage very aggressively. Over the next two or three months we will see if we can find a bilateral settlement of some of these WTO disputes," Commerce and Industry Minister Piyush Goyal had said in January.

In one of the key cases, India lost a key trade dispute with the US in 2019.

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The WTO ruling had stated that certain export incentive schemes – the Merchandise Exports from India Scheme (MEIS), Export Oriented Units (EOU) scheme, Export Promotion Capital Goods (EPCG) scheme, among others -- had violated the provisions of the WTO by giving export subsidies for a wide range of goods such as steel, pharmaceuticals, and apparels. Thereafter, India had to put an end to the MEIS and launch a fresh scheme to 'support' exporters and not merely give them subsidies. Since the rest of schemes continue to exist, India challenged the dispute settlement body's verdict.

Another key dispute between the two sides at the WTO is due to the additional import duties levied by the US in 2018 on Indian steel and aluminium. The resolution of these disputes can be a crucial milestone for the India-US relations since Washington and New Delhi are allies not just for strategic reasons. As far as trade is concerned, bilateral merchandise trade between India and its largest trade partner -- the US – stood at \$128.78 billion in FY23.