

India Inc's concerns over visas, social security may be raised

Amiti Sen
New Delhi

Prime Minister Narendra Modi is expected to raise a number of trade-related concerns of Indian industry in his bilateral meeting with US President Joe Biden, ranging from non-immigrant visa issues and the pending social security pact to the restoration of preferences for exporters under the GSP scheme and revocation of "wrongful" penal duties on steel and aluminium, sources have said.

IRRITANTS FOR US

Biden, too, may talk about irritants in trade with India such as data localisation regulations, tariffs on ICT products such as mobiles, and the country's digital services tax.

But his focus is likely to be on speeding up the conclusion of the Indo-Pacific Economic Framework and probably making India join the trade pillar, a source tracking the matter told *businessline*.

IPEF is an alliance of Asia-Pacific countries initiated by the Biden regime to counter China.

"While both leaders will talk about more co-operation in defence, trade, and technology and push for pacts on semi-conductor supply chains, there will be a stress on improving the current trade

environment by removing various identified barriers," the source said.

Modi and Biden are also expected to reinforce the bilateral goods trade target of \$500 billion. In 2022-23, the US was India's biggest trading partner at \$128.55 billion with China at the second position.

In the services sector, Modi is likely to take up problems around non-immigrant visas as the current cap on H-1B visas and the time being taken for the issue of L1 visas (for intra-company transfer) are a major hindrance for Indian professionals and IT companies, the source said.

"The PM may also call for speeding up work on an India-US social security totalisation agreement that India has been demanding for a long time as it would allow Indian professionals working in the US to get back their social security deposits after their working visas expire. The savings could add up to \$1 billion annually per some estimates," the source said.

GSP SCHEME

A case could also be made by Modi for restoration of India's beneficiary status under the Generalised System of Preferences (GSP) programme, withdrawn in 2019 by the Trump regime, that allows duty-free market access to identified products such as

textiles, auto components, agriculture and pharma. The Prime Minister could make a renewed plea for removal of 25 per cent tariff on Indian steel and 10 per cent on aluminium, imposed by former US President Donald Trump under the guise of security issues, which New Delhi says was "wrongful." In retaliation, India imposed tariffs on about 28 US products, including almonds, apples, and walnuts.

US' DEMAND

Biden, on the other hand, may make a case against India's data localisation regulations asking for the free flow of data between borders, call for the removal of import tariffs imposed by India on ICT products such as tablets and mobiles, and reinforce the need for moving from digital services tax regime to a global tax framework, the source said.

Biden may also try and persuade India to join the trade pillar of the IPEF that is under negotiation; New Delhi has avoided this so far, as it is not sure of taking up commitments in digital trade and linking trade with environment and labour. India is, however, actively negotiating in the three remaining pillars which include supply chains, clean energy-decarbonisation-infrastructure and tax and anti-corruption.