

US Inc red-flags restrictions in trade with India

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The US industry associations have raised serious concern over India's trade restrictive measures with the United States Trade Representative (USTR). Sending their inputs to the USTR for the upcoming National Trade Estimate Report on Foreign Trade Barriers, the American industries, including pharmaceutical, agriculture, dairy, telecommunications, and software, have sought intervention by the US government.

The National Association of Manufacturers (NAM) said although Prime Minister Narendra Modi has taken steps aimed at improving India's business environment, India's high tariff rates and restrictive border measures continue to limit manufacturers' ability to invest in and export to India.

"Despite increases in US exports to India in recent years, manufacturers in the US exported fewer manufactured goods to India (\$22.8 billion in 2021) than to countries such as Belgium and Singapore, whose economies are less than one-fifth the size of India's," it said.

NAM also raised concern over the use of strict quality control orders during the pandemic that effectively limited imports of US-designed and manufactured products in various sectors, such as toys and footwear.

The Toy Association said India has become one of the most difficult markets for the US plaything industry. "With a draconian quality control order for toys, a 200 per cent tariff increase on imported toys and a complex waste management system, the India has effectively created a de facto ban on all toy imports," it said.

The Pharmaceutical Research and Manufacturers of America (PhRMA) said the recently announced National List of Essential Medicines 2022 includes four patented medicines which will be included in Schedule I of the Drug Price Control Order 2013 and subject to price controls like generics. "PhRMA also remains concerned about the application of the trade margin rationalisation on high value non-scheduled medicines," it added.

The Computer & Communications Industry Association said there is great concern with the speed at which Indian policy-makers and political leaders have increased censorship practices and increased restrictions on companies that fail to take down content political leaders deem 'objectionable'.

The International Intellectual Property Alliance in its representation claimed the losses due to streaming piracy in India are expected to reach \$3.08 billion by 2022, urging India for stricter enforcement of copyright laws.

The Information Technology Industry Council (ITI) said while the new guidelines relating to geospatial data and associated services were ostensibly aimed at opening up India's mapping policy and improving the ease of doing business through deregulation, they also contain elements that are discriminatory to foreign service providers.



RAISING CONCERNS

- Association of manufacturers says high tariff rates and restrictive border measures limiting the ability to invest in and export to India
- Toy association flags draconian quality control order, 200% tariff rise on imported toys, and a complex waste management system
- Pharma body says it is concerned about application of Trade Margin Rationalization on high value non-scheduled medicines
- Computer & communications industry says there is great concern with increased censorship in India