

Question: Recently US filed a complaint against India in World Trade Organisation (WTO). In the light of this statement discuss the ongoing trade dispute between India and USA.? (250 words)

Answer:

The India- US trade relations have come to the boil in recent times. The US suspended Indian trade privileges from its Generalized System of Preferences (GSP), a 43-year-old program which gives US market access to less developed economies. India had been the biggest beneficiary of the scheme.

India hit back with tariff hikes— 28 specified US imports to India, including agricultural products such as lentils, chickpeas, apples and walnuts, are now subject to significantly higher rates than previously.

The US-India relationship is very important on several levels. The deepening security partnership between India and the US has been complemented in recent years by a growing trade relationship. The US buys more Indian exports than any other country.

According to the US state department, **US-India bilateral trade reached \$142 billion (€126 billion) in 2018**, amounting to a massive sevenfold increase since 2001. Just last month, the Indo-American Chamber of Commerce said that figure could jump to \$500 billion annually within five years.

However, the US has long taken issue with what it sees as unfair protectionist measures by the Indian government, including high tariffs and other trade barriers, which Washington says contributes to the huge trade deficit between the countries. India exports far more to the US than it imports from the country.

Yet, while recent developments have put a strain on US-India relations, it is still a world away from the enmity which has come to define the US-China trade relationship. The tariff volumes also pale in comparison.

Role of WTO

The World Trade Organization is an organization that intends to supervise and liberalize international trade

The US had dragged India to the WTO by filing a complaint against New Delhi's move to increase customs duties, alleging the decision as inconsistent with the global trade norms.

The World Trade Organisation's (WTO) dispute settlement body set up a panel to examine the US complaint against India which had increased customs duties on 28 American goods last year.