



## India-US Commercial Dialogue

**Prelims:** TPF, IPEF, iCET, Semiconductor, FDI, Climate Crisis.

**Mains:** India-US Commercial Dialogue.

### Why in News?

Recently, India and the US have launched Joint Statement on their 5th Ministerial level Commercial Dialogue, discussing **supply chain issues and agreeing on a semiconductor partnership initiative.**

- In January 2023, the Union Minister of Commerce and Industry of India and the US Trade Representative Ambassador co-chaired the [13<sup>th</sup> Ministerial-level meeting of India - US Trade Policy Forum \(TPF\)](#) in Washington D.C.



### What are the Key Highlights of the Joint Statement?

- **India-US Strategic Partnership:**

- **Both discussed India-US strategic partnership**, as well as economic and commercial engagement between the two countries, including through the [Initiative on Critical and Emerging Technology \(iCET\)](#) and the [Indo-Pacific Economic Framework \(IPEF\)](#).
- **MoU on Semiconductor Supply Chain:**
  - Both countries signed a Memorandum of Understanding (MoU) on [semiconductor](#) supply chain and innovation partnership to promote cooperation in the segment.
- **Talent, Innovation and Inclusive Growth:**
  - Both countries recognized that small businesses and entrepreneurs are the lifeblood of the US and Indian economies and **there is a need to facilitate collaboration between the SMEs of the two countries** and to foster innovation ecosystems.
  - In this context, both sides announced the launch of a **new Working Group on Talent, Innovation and Inclusive Growth** under the Commercial Dialogue.
- **Travel and Tourism Working Group:**
  - They re-launched the Travel and Tourism Working Group to continue the progress from before the pandemic and to **also address the many new challenges and opportunities to create a stronger travel and tourism sector**.
- **Standards and Conformance Cooperation Program:**
  - Both countries also launched the Standards and Conformance Cooperation Program that will be carried out in partnership **between US's American National Standard Institute (ANSI) and India's Bureau of Indian Standards (BIS)** towards standards cooperation.
- **Strategic Trade Dialogue:**
  - It will address export controls, explore ways of enhancing high technology commerce, and facilitate technology transfer between the two countries.
- **Environmental Technology Business Development Mission:**
  - Also, the US will send a senior government official-led Clean Energy and Environmental Technology Business Development Mission to India in 2024.
  - The trade mission would be an opportunity to further foster US-Indian business **partnerships in grid modernization and smart grid solutions, renewable energy, energy storage, hydrogen, liquefied natural gas, and environmental technology solutions**.
- **Global Biofuels Alliance:**
  - Both sides also pledged to work together in the Global Biofuels Alliance and in the development and deployment of hydrogen technologies.
- **US-India Energy Industry Network:**
  - The two sides made an announcement regarding US-India Energy Industry Network (EIN) as a broad platform **for facilitating US industry involvement in the Clean EDGE Asia initiative**, the US government's signature initiative to grow sustainable and secure clean energy markets throughout the [Indo-Pacific region](#).
- **Telecommunications:**
  - Both sides expressed interest in working together in developing next generation standards in telecommunications, including [6G](#).

## How are India's Trade Ties with the US?

- India-US bilateral partnership today encompasses a whole host of issues including the response to [Covid-19](#), economic recovery post-pandemic, the [climate crisis](#) and [sustainable development](#), critical and emerging technologies, [supply chain resilience](#), education, the diaspora, and defence and security.
- The bilateral goods and services trade between the two countries has almost doubled since 2014, exceeding US USD 191 billion in 2022.
- The United States has become **India's largest trading partner in 2022**.
- The **US is India's largest exporter and trade partner**, while India is the **9<sup>th</sup> largest trading partner** for the US.
- Both nations aim to achieve bilateral trade of USD 500 billion by 2025.
- The US is **also the third biggest investor in India with a cumulative [Foreign Direct Investment \(FDI\)](#) inflow of USD 56,753 million from April 2000 to September 2022**.

## UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. 'What introduces friction into the ties between India and the United States is that

Washington is still unable to find for India a position in its global strategy, which would satisfy India's National self-esteem and ambitions'. Explain with suitable examples. (2019)

[Source: PIB](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/india-us-commercial-dialogue>

