

# United States and India Joint Statement on the Trade Policy Forum

Washington, D.C. – U.S. Trade Representative Ambassador Michael Froman and Minister of Commerce and Industry of India Ms. Nirmala Sitharaman met in Washington on October 29, 2015, for the ninth ministerial-level meeting of the United States and India Trade Policy Forum (TPF). The two governments reviewed substantive progress achieved in deepening bilateral trade and investment goals in 2015 and discussed planned engagement for 2016 that can promote economic growth and job creation in both India and the United States.

Minister Sitharaman and Ambassador Froman discussed and exchanged views on a range of trade and investment issues, in particular, (i) Agriculture, (ii) Trade in Services and Trade in Goods, (iii) Promoting Investment in Manufacturing, and (iv) Intellectual Property. The co-chairs of the respective Work Sessions briefed Ambassador Froman and Minister Sitharaman on the outcomes of their discussions and presented agreed upon work plans for continued engagement in these areas in 2016. The U.S. Trade Representative and the Minister also discussed the status of U.S. and Indian trade agreements with other countries and ways to ensure that bilateral trade and investment between the United States and India can continue to grow.

Both countries noted the importance attached to the Trade Policy Forum by Prime Minister Modi and President Obama, and the TPF's potential to increase bilateral trade and investment in a manner that supports economic growth, development, and job creation.

## **Agriculture**

Acknowledging the benefits to Indian and U.S. farmers and agri-businesses from increased bilateral engagement, India and the United States reviewed the results of the technical dialogues on plant health and animal health that took place in 2015. Both countries noted each other's requests and agreed to follow up on exploring the possibility of enhanced market access on identified agricultural products.

Both countries highlighted the importance of ensuring food safety, and took note of technical discussions under the Trade Policy Forum that is expected to facilitate trade in food products between the two countries.

Both countries recognize the need to establish science- and risk-based regulations and procedures that are based on international standards and guidelines set by CODEX Alimentarius, the World Organization for Animal Health (OIE), and the International Plant Protection Convention (IPPC), and agreed to share best practices in this regard. Both countries also agreed to facilitate cooperation between their SPS Enquiry points and to share best practices on implementing risk-based approaches to food inspections.

They also noted progress in facilitating agricultural trade with India's change to allow stickering of maximum retail price at the point of sale. Discussion of mandatory package size requirements for pre-packaged foods will continue in 2016. India clarified that determination of wholesale and retail labeling requirements is not dependent on the weight of imported food consignments.

India took note of U.S. concerns regarding the import of boric acid into India and highlighted its existing process. Both countries agreed to continue discussion on this issue in 2016.

## **Trade in Services and Trade in Goods**

Minister Sitharaman and Ambassador Froman highlighted the important role of the services sector in India and the United States and the significant potential for increasing bilateral services trade and investment. To advance this goal, India and the United States discussed efforts to promote foreign investment in key services sectors. The United States urged India to consider policy measures that would facilitate greater participation of foreign companies in service sectors. Both countries reviewed technical engagement that took place in 2015.

countries agreed to continue to engage on this issue to ensure that insurance companies can take full advantage of this new market opening.

The Minister and U.S. Trade Representative also noted the important role of services, such as e-commerce, retail and direct selling, in facilitating trade in goods, and took note of developments in these sectors. The United States provided information on the positive correlation between investments in the e-commerce and retail sectors, and the expansion of transport, logistics and warehousing infrastructure. India informed that the e-commerce regulatory regime is still evolving in India, and that a white paper on direct selling prepared by the Indian Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs is being discussed with stakeholders.

Both countries acknowledged that professionals with expertise in the legal requirements of foreign countries can be assets to Indian and U.S. companies, can facilitate growth of legal services and, in doing so, is likely to facilitate growth in bilateral trade and investment.

India and the United States took note of work in 2015 under the Health Dialogue to increase access to healthcare, including discussions of community-based mental health care services, collaborations on the new India National Cancer Institute, and ways the Indian pharmaceutical sector could augment production of drugs for treatment of rare cancers. Noting the holistic approach to health and the advantages of traditional medicine in certain cases, both sides recognized the gains from the enhanced cooperation since last TPF and agreed to explore further the potential of mutual collaboration in the field of Indian Traditional Medicine (AYUSH). Research collaborations will be discussed with the National Institutes of Health and Ministry of AYUSH at a joint workshop in early 2016 in India. Both countries will work together to consider signing a Memorandum of Understanding between the Ministry of AYUSH and the Department of Health and Human Services, which can pave the way for a Joint Working Group on collaboration in various aspects of Traditional Medicine, including regulatory and capacity building. While licensure of health practitioners is managed by U.S. state individually, both sides agreed to exchange information that could facilitate discussions with professional licensure both in the United States and in India about traditional practitioners gaining recognition in the United States and in India.

Under the Trade Policy Forum, Minister Sitharaman and Ambassador Froman pledged to explore further mechanisms, including technical discussions, to reduce trade costs across the health sector supply chain, including in pharmaceuticals and medical devices in a manner that benefits patients and providers of healthcare services and products.

The United States noted the need for India to address the issue of export subsidies in the textiles sector.

Acknowledging India's concerns on the U.S. Department of Labor listing of some of India's products, both countries committed to participate in a technical discussion between India's relevant agencies and the U.S. Department of Labor to resolve this issue.

Both countries noted each other's requests and agreed to follow up on exploring the possibility of enhanced market access in services and goods sectors.

The two countries acknowledged the discussion on Totalization held in August 2015 in Baltimore and welcomed the exchange of information on their respective social security systems. They looked forward to further engagement on this issue.

The United States and India also decided to continue their engagement on visa issues, and the United States took note of India's interest in ensuring easier access for Indian professionals in the United States.

### **Promoting Investment in Manufacturing**

Minister Sitharaman and Ambassador Froman discussed efforts that each country is undertaking to promote the ease of doing business in order to create a conducive environment for entrepreneurs and attract investment in manufacturing. Both countries stressed the importance of providing a transparent and predictable policy environment and simplified compliances to help attract

Ambassador Froman praised reforms made by the Indian government in 2015 to facilitate cross-border trade by reduction and simplification of paper and procedural requirements for export and import, and liberalization in FDI policy, especially in the defense and rail infrastructure sectors. The United States and India discussed efforts to provide greater transparency and predictability in policy formulation process, taking note of the benefits that can accrue from providing at least 30 days for public comments on proposed rules.

India and the United States discussed their efforts to increase supply chain connectivity and implement customs “single window” clearance systems that will benefit all manufacturing activities in both countries. They welcomed efforts that will help facilitate the participation in global supply chains and in advancing trade facilitation efforts.

Both countries emphasized that the timely resolution of disputes through a strong judicial system fosters an attractive investment climate and directly supports the ease of doing business. The United States noted India’s on-going efforts for timely resolution of commercial disputes, including through the establishment of commercial courts and streamlining arbitration procedures.

India and the United States acknowledged the need to deepen their cooperation and work together to explore best practices and exchange experiences in the matters related to standards, conformity assessment, accreditations, technical regulations, market surveillance programs and acceptance of results from conformity assessment bodies that have appropriately demonstrated competence in carrying out the requirements of technical regulations, including testing, certification and surveillance programs.

Both countries expressed their desire to implement reforms that promote the ease of doing business and attract investment in manufacturing. The United States emphasized the benefits of policies that facilitate open market production and sourcing decisions.

Both countries also took note of the recommendations by the U.S.-India CEO Forum held in September, 2015 and expressed the desire to take appropriate action in view of these recommendations.

## **Intellectual Property**

Minister Sitharaman and Ambassador Froman praised the increased engagement between technical and senior officials on intellectual property (IP) and reviewed the results of the dialogues on copyrights, trade secrets, patents, traditional knowledge and the Traditional Knowledge Digital Library (TKDL), standard essential patents, genetic resources, and IP policies that took place in 2015. Both countries emphasized the role of robust and balanced intellectual property rights protection in fostering creativity, promoting innovation, and attracting investment, taking into account the interests of all stakeholders including the public. Minister Sitharaman and Ambassador Froman reiterated the goal of ensuring the poorest populations in India and the United States have access to quality healthcare, and committed to identifying ways in which trade and innovation policies can enhance access to quality health and affordable medicines.

Ambassador Froman welcomed the efforts of the Government of India to prepare a National IP Policy and constituting an “IPR Think Tank” in this regard. The Think Tank followed an extensive and transparent process to solicit comments from stakeholders. Minister Sitharaman reiterated India’s on-going efforts to reduce pendency and strengthen the IP regime in India through this policy and measures like increasing technical manpower and streamlining procedures.

The United States and India agreed to deepen cooperation on copyright, recognizing the shared interest of the largest entertainment industries in the world to promote and protect their artistic and creative content. Both countries welcomed the scheduling of a workshop on copyright policies and implementation in Washington in the first quarter of 2016 with the participation of relevant agencies from both countries. Both countries voiced concern about the unauthorized recording, including camcording, of films in cinemas and copyright piracy on websites. India highlighted positive reforms relating to anti-camcording measures proposed in forthcoming amendments to the existing Indian Cinematograph Act.

India and the United States noted the exchange of information on trade secrets protection, and the fact that both nations are

through continued exchange of information and best practices, as well as convening a joint workshop involving interested stakeholders on effective trade secret protection mechanisms.

With respect to the aforementioned issues under discussion, both countries recognized the importance of providing a transparent and predictable policy environment for fostering innovation. Discussions in 2015 helped provide greater transparency into IPR issues, lay the foundation for further work in 2016. Both sides reaffirmed the need to continue exchange of best practices and information issues being discussed earlier as well as other relevant trade issues of interest including Geographical Indications and trademarks.

The two countries agreed to explore increased interaction and cooperation at the operational level between their respective patent offices through enhanced exchange of best practices and IP data.

### **Next Steps**

In conclusion, Minister Sitharaman and Ambassador Froman expressed satisfaction with the discussions held during the ninth round of the TPF and reiterated their mutual commitment to strengthening bilateral cooperation in trade and investment. Minister Sitharaman thanked Ambassador Froman for hosting the ninth round of the TPF in Washington, DC. They agreed to convene the tenth round of the TPF in India in 2016.