



# Trade Issues

## *e-InfoPack*

October 2014

Prepared by

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## U.S.-India Joint Statement

September 30, 2014

### Excerpts - Economic Growth



Noting that two-way trade has increased fivefold since 2001 to nearly \$100 billion, President Obama and Prime Minister Modi committed to facilitate the actions necessary to increase trade another fivefold. President Obama and Prime Minister Modi recognized that U.S. and Indian businesses have a critical role to play in sustainable, inclusive, and job-led growth and development.

In order to raise investment by institutional investors and corporate entities, the leaders pledged to establish an Indo-U.S. Investment Initiative led by the Ministry of Finance and the Department of Treasury, with special focus on capital market development and financing of infrastructure. They pledged to establish an Infrastructure Collabora-

tion Platform convened by the Ministry of Finance and the Department of Commerce to enhance participation of U.S. companies in infrastructure projects in India.

In this context, the U.S. government welcomes India's offer for U.S. industry to be the lead partner in developing smart cities in Ajmer (Rajasthan), Vishakhapatnam (Andhra Pradesh) and Allahabad (Uttar Pradesh). The Prime Minister will welcome two trade missions in 2015 focused on meeting India's infrastructure needs with U.S. technology and services.

They also committed to a new partnership to advance the Prime Minister's goal of improved access to clean water and sanitation for all. USAID, through the Urban India Water, Sanitation, and Hygiene (WASH) Alliance, will serve as knowledge partner to help leverage private and civil society innovation, expertise, and technology, such as with the Bill and Melinda Gates Foundation, to support the Prime Minister's 500 Cities National Urban Development Mission and Clean India Campaign.

The President welcomed the Prime Minister's ambitious plan to extend basic financial services to all its citizens, giving them powerful tools to manage their finances and more fully participate in India's growing economy. The President and Prime Minister underlined the important contribution that U.S. locomotive technology, equipment to monitor rail system assets, and U.S. best practices can play in modernizing India's vast railway network, including accessing programs of U.S. Trade and Development Agency in this work.

The leaders discussed their concerns about the current impasse in the World Trade Organization and its effect on the multi-lateral trading system, and directed their officials to consult urgently along with other WTO members on the next steps. The leaders committed to work through the Trade Policy Forum to promote a business environment attractive for companies to invest and manufacture in India and in the United States. Agreeing on the need to foster innovation in a manner that promotes economic growth and job creation, the leaders committed to establish an annual high-level Intellectual Property (IP) Working Group with appropriate decision-making and technical-level meetings as part of the Trade Policy Forum. They recognized in particular the contribution of the Indian and U.S. Information Technology (IT) industry and the IT-enabled service industry in strengthening India-U.S. trade and investment relations.

The two leaders committed to hold public-private discussions in early 2015 under the Commercial Dialogue on new areas of cooperation, including innovation in advanced manufacturing. In order to share best practices in manufacturing and work toward greater harmonization of standards, the National Institute of Standards and Technology's Manufacturing Extension Partnership program will start a dialogue with Indian counterparts. The two countries plan to work expeditiously through several joint initiatives to facilitate greater confidence in cross-border trade and investment.

The President also offered to support the Prime Minister to achieve his goal of preparing young Indians for 21st century jobs through new partnerships to share expertise and global standards for skills development in India, including by reinvigorating the Higher Education Dialogue.

The leaders look forward to the annual U.S.-India Economic and Financial Partnership in early 2015. They also welcomed the expansion of the partnership in oversight of financial institutions, including between Reserve Bank of India and the U.S. Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Office of the Comptroller of Currency. They also agreed to reinvigorate the India-U.S. CEO Forum, and welcomed India's offer to host the Forum for the second time in early 2015.

## U.S. trade in goods with India

### 2014: U.S. trade in goods with India

NOTE: All figures are in millions of U.S. dollars on a nominal basis, not seasonally adjusted unless otherwise specified. Details may not equal totals due to rounding.

| Month             | Exports         | Imports         | Balance          |
|-------------------|-----------------|-----------------|------------------|
| January 2014      | 1,582.4         | 3,675.4         | -2,093.0         |
| February 2014     | 1,366.9         | 3,043.0         | -1,676.1         |
| March 2014        | 1,714.2         | 3,882.2         | -2,168.0         |
| April 2014        | 1,401.1         | 4,457.9         | -3,056.8         |
| May 2014          | 1,736.8         | 4,102.3         | -2,365.5         |
| June 2014         | 1,907.5         | 3,231.7         | -1,324.3         |
| July 2014         | 1,855.9         | 3,918.3         | -2,062.4         |
| August 2014       | 1,920.1         | 3,859.7         | -1,939.6         |
| <b>TOTAL 2014</b> | <b>13,485.0</b> | <b>30,170.6</b> | <b>-16,685.5</b> |

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## U.S.-India Bilateral Trade and Investment

goods and private services trade with India totaled \$93 billion in 2012 (latest data available). Exports totaled \$34 billion; Imports totaled \$59 billion. The U.S. goods and services trade deficit with India was \$25 billion in 2012. India is currently our 11th largest goods trading partner with \$63.7 billion in total (two ways) goods trade during 2013. Goods exports totaled \$21.9 billion; Goods imports totaled \$41.8 billion. The U.S. goods trade deficit with India was \$20.0 billion in 2013. Trade in private services with India (exports and imports) totaled \$30 billion in 2012 (latest data available). Services exports were \$12 billion; Services imports were \$19 billion. The U.S. services trade deficit with India was \$7 billion in 2012.

### Exports

India was the United States' 18th largest goods export market in 2013.

### Imports

India was the United States' 10th largest supplier of goods imports in 2013.

### Trade Balance

The U.S. goods trade deficit with India was \$20.0 billion in 2013, a 8.4% increase (\$1.5 billion) over 2012. The U.S. goods trade deficit with India accounted for 2.9% of the overall U.S. goods trade deficit in 2013.

### Investment

U.S. foreign direct investment (FDI) in India was \$28.4 billion in 2012 (latest data available), a 15.3% increase from 2011.

India FDI in the United States (stock) was \$5.2 billion in 2012 (latest data available), up 6.7% from 2011.

Source: <http://www.ustr.gov/countries-regions/south-central-asia/india>

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<http://www.eximbankindia.in/>

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<http://www.ustr.gov/countries-regions/south-central-asia/india>

### U.S. Trade and Development Agency (USTDA)

#### South and Southeast Asia

<http://www.ustda.gov/program/regions/southasia/>

### US India Business Council

<http://www.usibc.com/>

## Reports: U.S.— India Trade

*Three Essays on Entrepreneurship in India and the U.S.: Policies, Social Ties and Mobility* by Elizabeth D. Brown. **RAND Corporation**, April 2013, 148 pages.

[http://www.rand.org/content/dam/rand/pubs/rgs\\_dissertations/RGSD200/RGSD297/RAND\\_RGSD297.pdf](http://www.rand.org/content/dam/rand/pubs/rgs_dissertations/RGSD200/RGSD297/RAND_RGSD297.pdf)

Across the globe, policymakers view entrepreneurship as a potential route out of poverty, even for the most disadvantaged. Many countries have developed policies to encourage business creation within this group. These dissertation papers explore the role entrepreneurship plays in the lives of the economically disadvantaged in both India and the U.S.

*Opportunities Unbound: Sustaining the Transformation in U.S.-Indian Relations* by Ashley J. Tellis. **Carnegie Endowment for International Peace**, January 2013, 50 pages.

[http://carnegieendowment.org/files/opportunities\\_unbound.pdf](http://carnegieendowment.org/files/opportunities_unbound.pdf)

Over the past decade, the United States and India have built the foundations of their nascent strategic partnership. Now both countries must address key economic and security issues to cement this crucial relationship, according to the report.

*U.S.-India Defense Trade: Opportunities for Deepening the Partnership* by S. Amer Latif and Nicholas Lombardo. **Center for Strategic & International Studies**, June 14, 2012, 22 pages.

[http://csis.org/files/publication/120614\\_Latif\\_USIndiaDefenseTrade\\_Abbreviated\\_Web.pdf](http://csis.org/files/publication/120614_Latif_USIndiaDefenseTrade_Abbreviated_Web.pdf)

Over the past decade, U.S.-India defense ties have expanded substantially, including in military sales, which have grown from virtually zero to more than \$8 billion today. Despite this progress in bilateral defense trade, there have been some setbacks as the two countries continue to learn about each other. The report examines the progress that has been made--and the challenges that currently exist in furthering U.S.-India defense trade.

## Trade Policy in the U.S.

Trade Policy and Programs (TPP), advances U.S. trade policy objectives by opening up new export opportunities for American businesses, farmers, ranchers and workers through global, regional and bilateral trade initiatives - including free trade agreements (FTAs) and the World Trade Organization (WTO). In partnership with agencies across the federal government, the more than 50 TPP professionals and staff work to maximize the benefits of open markets for global economic development, address and resolve trade disputes, strengthen intellectual property enforcement, and improve access for U.S. goods and services abroad.

TPP is composed of four offices:

- [Office of Agriculture, Biotechnology, and Textile Trade Affairs](#)
- [Office of Bilateral Trade Affairs](#)
- [Office of Intellectual Property Enforcement](#)
- [Office of Multilateral Trade Affairs](#)

**Source:** Trade Policy and Programs - <http://www.state.gov/e/eb/tpp/>

## Direct Line Program— <http://www.state.gov/e/eb/directline/>

The Direct Line program provides a unique opportunity for American businesses, particularly small- and medium-sized enterprises, to engage directly via teleconference with U.S. Ambassadors overseas. The program is open to American companies which are already in the country where the Ambassador serves or which are interested in expanding their businesses into those countries. Calls will vary in topic according to the specific needs for business in a given country. Direct Line is a free service of the U.S. Department of State.

## Reports

### *Foreign Direct Investment in the United States*

October 2013, 15 pages. This report was prepared by the Department of Commerce and the President's Council of Economic Advisers

[http://www.whitehouse.gov/sites/default/files/2013fdi\\_report\\_-\\_final\\_for\\_web.pdf](http://www.whitehouse.gov/sites/default/files/2013fdi_report_-_final_for_web.pdf)

The United States has been the world's largest recipient of foreign direct investment (FDI) since 2006. Every day, foreign companies establish new operations in the United States or provide additional capital to established businesses. With the world's largest consumer market, skilled and productive workers, a highly innovative environment, appropriate legal protections, a predictable regulatory environment, and a growing energy sector, the United States offers an attractive investment climate for firms across the globe.

## Reports Contd...

### ***International Trade and Finance: Key Policy Issues for the 113th Congress***

by J. F. Hornbeck, Coordinator Specialist in International Trade and Finance and Mary A. Irace, Coordinator Section Research Manager. CRS Report for Congress, April 15, 2013, 35 pages.

<https://www.fas.org/sgp/crs/misc/R41553.pdf>

This report covers up-to-date information on U.S. trade policy, trade negotiations; tariffs; nontariff barriers, worker dislocation from trade liberalization, trade remedy laws; import and export policies; international investment, economic sanctions; and the trade policy functions of the federal government.

### ***Trade Promotion Authority (TPA) and the Role of Congress in Trade Policy.***

Congressional Research Service, Library of Congress. William H. Cooper. January 13, 2014. 27 pages.

<http://www.fas.org/sgp/crs/misc/RL33743.pdf> -

On July 1, 2007, Trade Promotion Authority (TPA--previously known as fast track) expired. TPA is the authority Congress grants to the President to enter into certain reciprocal trade agreements, and to have their implementing bills considered under expedited legislative procedures, provided the President observes certain statutory obligations. TPA defines how Congress has chosen to exercise its constitutional authority over a particular aspect of trade policy, while giving the President added leverage to negotiate trade agreements by effectively assuring U.S. trade partners that final agreements will be given timely and unamended consideration. On July 30, 2013, President Obama requested that Congress reauthorize TPA. On January 9, 2014, legislation to renew TPA--the Bipartisan Congressional Trade Priorities Act of 2014--was introduced in the House (H.R. 3830) and in the Senate (S. 1900). The legislation would reauthorize TPA for four years with the possibility of a three-year extension. Alternative bills may also be introduced.

### ***Trading Up: U.S. Trade and Investment Policy***

Council on Foreign Relations, December 2013, 16 pages

<http://www.cfr.org/trade/trading-up-us-trade-investment-policy/p31813>

The report analyses the overall health of the U.S. economy by focusing on shifts in global trade and foreign direct investment in the United States.

### ***U.S. Foreign - Trade Zones: Background and Issues for Congress***

by Mary Jane Bolle, Specialist in International Trade and Finance and Brock R. Williams, Analyst in International Trade and Finance. CRS Report for Congress, November 12, 2013, 32 pages

<http://fpc.state.gov/documents/organization/218983.pdf>

This report provides a general perspective on the U.S. Free Trade Zones (FTZ) system. It is divided into three parts. As background, the first section discusses free trade zones worldwide. The second section focuses on the U.S. FTZ program—its history administrative mechanism, structure, growth and industry concentration, and benefits and costs. The third section focuses on current issues for Congress relating to the U.S. FTZ program.

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**Export**

<http://export.gov/>

**Export-Import Bank of the United States**

<http://www.exim.gov/>

**Office of the United States Trade Representative**

<http://www.ustr.gov/>

**2013 National Trade Estimate Report on Foreign Trade Barriers**

<http://www.ustr.gov/about-us/press-office/reports-and-publications/2013/NTE-FTB>

**The Overseas Private Investment Corporation**

<http://www.opic.gov/>

**U.S. Census**

<http://www.census.gov/foreign-trade/index.html>

**U.S. Department of Commerce**

Assess Costs Everywhere (ACE)

<http://acetoal.commerce.gov/>

Economics & Statistics Administration

<http://www.esa.doc.gov/>

**SelectUSA**

<http://selectusa.commerce.gov>

**U.S. International Trade Administration**

<http://trade.gov/index.asp>

**U.S. Department of State— Bureau of Economic and Business Affairs,  
Trade Policy and Programs**

<http://www.state.gov/e/eb/tpp/>

**United States International Trade Commission (USITC) -**

Interactive Tariff and Trade DataWeb

<http://dataweb.usitc.gov/>

**U.S. Trade and Development Agency (USTDA)**

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### *Organizations*

**National Foreign Trade Council (NFTC)**

<http://www.nftc.org/>

**United States Council for International Business (USCIB)**

<http://www.uscib.org/index.asp>

**World Trade Organization**

<http://www.wto.org/>

### *Think Tanks*

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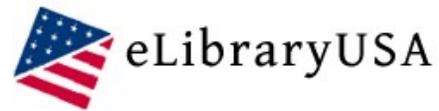
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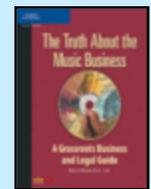


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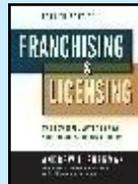


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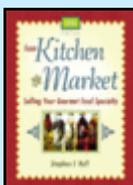
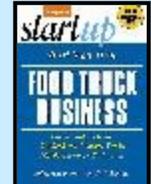


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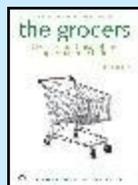
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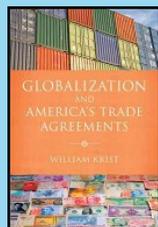


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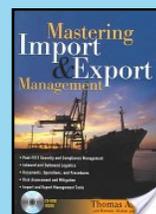
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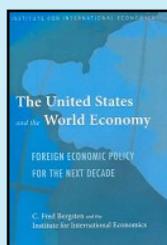
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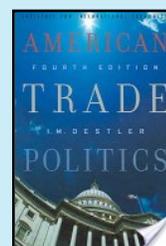
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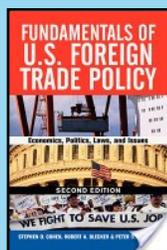
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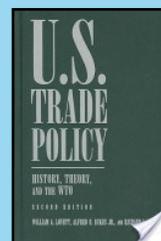
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