

Q.3

US's 'America First' policy and the consequent protectionism since under President Trump has led to a sort of trade war with China, Japan, South Korea. India has also been feeling the heat due to various steps taken by the US administration in recent times.

The desire of US businesses to maintain their hegemony across major markets is the driving force behind it.

Present tariff war instances:

- ① GSP: US has withdrawn India from its GSP structure, under which India was the largest beneficiary last year.
 - It has cited lack of assurance from India to US firms in dairy, medical devices and access to our markets.

② Steel & Aluminium tariffs:

- US has imposed higher tariffs on these

imports in order to promote domestic industries, lessen the trade deficits with other nations

③ **IPR**: India has been a strong promoter of TRIPS-compliant IPR regime. But, USTR has been critical of India's stance on evergreening, patent licensing as they hurt US pharma industries

④ **CAATSA**: US has been pressuring nations including India to bring down their trade with Iran, Russia. Impact on India:

- Iran: Chabahar port, oil imports
- Russia: S-400 deal, other defense projects

US wants to promote its own shale gas reserves (esp in climate change concerns rising), defense industry at the cost of other nations

⑤ **WTO**: US has dragged India into under box violations, domestic content requirements in solar energy programme

⑥ Data Localisation: With data being the new oil, US firms have been pushing for free flow of data, to be able to monetize them easily than others (Facebook, Amazon)

Way forward:

- ① Ensure constant negotiations at highest level, utilise Indian diaspora lobby (as seen during Indo-US nuclear deal)
- ② Look to diversify India's trade at global level to overcome its impact

India needs to sort out genuine grievances from US's end, but also pursue its own national interest within the rules of international order.