

## **India, US to keep talking about visa, double taxation issues**

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**Washington:** India and the US have agreed to continue their engagement on the vexed issue of a totalization agreement for the purpose of avoiding double taxation of income with respect to social security taxes.

"There is steady progress on the issue," Minister of State for Commerce & Industry, Nirmala Sitharaman told Indian media Thursday even as she called the US insistence on a "comparable social security cover in India" as "unfair." She was speaking after a meeting of the US-India Trade Policy Forum (TPF), co-chaired by her and the US Trade Representative, Michael Froman.

Indian workers have contributed over \$6 billion towards social security and the figure keeps growing by about \$1.5 billion annually. But in the absence of a totalisation agreement they don't get the money back once they return to India.

Sitharaman said she had told her interlocutors in Washington that social security cover in India need not be comparable for the purposes of a totalisation agreement as in the Indian system it was the family which provided security to the jobless and the elderly.

India and the US have also agreed to continue their engagement on another issue of concern to India - the limitations on mobility of skilled professionals and issues concerning H1B and L1 visas, including the spike in rejection rates of L-1 visas.

Sitharaman said the US response to Indian concerns on the visa issue was positive. It had also assured India that the hike in visa fee was not discriminatory.

Sitharaman underlined the openness of India to understand the recently concluded Trans Pacific Partnership (TPP) Agreement and its implications for bilateral and regional trade. At the request of India, USTR provided a detailed presentation on the TPP.

A Joint Statement on the Trade Policy Forum said the two sides reviewed substantive progress achieved in deepening bilateral trade and investment goals in 2015 and discussed plans to promote economic growth and job creation in both India and the US.

Sitharaman and Froman also discussed the status of US and Indian trade agreements with other countries and ways to ensure that bilateral trade and investment between the US and India can continue to grow.

TPF discussions focused on four broad work streams including Agriculture, Trade in Goods and Services, Investment in Manufacturing and Intellectual Property, according to an Indian Embassy release.

In the area of Agriculture, both sides noted forward movement in discussing plant and animal health issues and resolution of labelling and packaging requirements.

In addition, they agreed to work on enhanced market access for identified agricultural products, including Indian rice, mangoes, grapes, pomegranates, honey, marine products, etc.

Noting India's concerns on the new Food Safety and Modernization Act implemented by the USDA that mandates new compliance standards for food imports into the US both sides agreed to continue discussions on this.

In the area of Trade in Goods, India discussed issues affecting market access for pharmaceutical products and Indian Traditional Medicines (AYUSH).

India also raised concerns over the listing of Indian products by the US Department of Labour and its impact on Indian handicraft industry and exports from small and medium enterprises.

The US appreciated India's liberalisation of FDI caps in the insurance, defence and railways sectors. Both acknowledged the importance of promoting a business friendly environment for attracting investment in manufacturing.

The US also welcomed India's efforts to improve the ease of doing business through simplification of procedures, ordinance to establish commercial courts, single window clearance and other reforms.

Both sides noted the enhanced engagement in the area of intellectual property and discussions on patents, copyright, trade secrets, traditional knowledge, and standard essential patents.

The US welcomed the establishment of an IPR think tank to draft a National IPR Policy.

In the area of copyrights, both sides recognized the shared interests of their entertainment industries and agreed to schedule a workshop on promoting copyrights awareness and capacity building in the first quarter of 2016.

Both sides also noted their commitment to protecting trade secrets.

The tenth round of the TPF will be held in India in 2016.

- IANS