

FACT SHEET: U.S.-India Agreement on Trade Facilitation

The United States and India reached agreement today on a set of measures intended to break the impasse in the work of the World Trade Organization (WTO) to implement the agreements reached last December at the WTO Ministerial in Bali.

President Obama and Prime Minister Modi have discussed the issue of trade facilitation and food security at length, including during their bilateral summit on September 30. In recent days, U.S. and Indian negotiators consulted intensively to find ways forward on issues of importance to both countries and to the broader WTO membership.

The agreement, which will be presented for consideration by the full WTO membership in the near future, consists of two key elements:

- **U.S. and India Move WTO's Landmark Trade Facilitation Agreement (TFA) Forward**– The first multilateral agreement to be concluded since the WTO's inception 20 years ago – should be implemented without conditions, on the basis of a standard legal instrument for implementing new WTO agreements. If accepted by the full WTO Membership, this approach will enable fully multilateral implementation of the TFA, unlocking immense commercial opportunities for all WTO Members, including especially developing country Members, by reducing costs and administrative burdens associated with moving goods across borders.
- **U.S. and India Reach Understanding on Specific Food Security Programs** – Both countries have reached an understanding on implementation of a December 2013 WTO decision regarding specific food security programs maintained by some developing countries. The bilateral agreement makes clear that a mechanism under which WTO Members will not challenge such food security programs under WTO dispute settlement procedures will remain in place until a permanent solution regarding this issue has been agreed and adopted. It also sets out elements for an intensified program of work and negotiations to arrive at such a permanent solution.

The TFA and the decision regarding food security programs were among a package of important trade agreements and other measures agreed at the WTO's 9th Ministerial Conference, held in Bali, Indonesia in December 2013. Conclusion of the "Bali Package" injected important confidence and momentum into the work of the WTO. That momentum was disrupted in July 2014, as a key deadline related to implementation of the TFA was missed due to linkages being drawn to other elements of the Bali Package. This bilateral agreement represents an important step towards restoring the momentum of Bali and enabling a restoration of confidence in the WTO's negotiating function.

As decision-making in the WTO is based on consensus among all Members, the elements agreed between the United States and India will now be discussed with the full WTO membership in the interest of arriving at final and simultaneously-agreed decisions in the very near future.