PREFACE

India and the United States do not only share the trade relations but now also the political, strategic and economic relations. The trade relations were perhaps the first relations to be formed between the two countries around 300 years back. Since then there has been a continuous flow of goods and commodities between the two. The trade relations between India and the United States took a major turn after 1947 when India’s fight for freedom was completed and it had no further need to trade as a British Colony. After Independence, India’s major trade partners were United Kingdom, Russia and the United States. With time and prevailing international circumstances, United States became the major trade partner with India. With the changes in the technological trends and rapid industrialization, the composition of the trade expanded which further increased the scope of trade not only throughout the world but also between India and United States. Moreover, with the liberalization and globalization, commerce and trade became important elements of relations between different nations. This had a positive impact on the relations between India and United States and trade became an altogether important pillar between India’s relationships with United States especially in the light of the fact that India is now the second fastest growing economy in the world and USA is the world’s largest market economy.

The Introduction of the research focuses from beginning to current facet of trade between India and United States. It discusses the early stages of trade between India and United States when the trade was conducted solely by means of traveling by sea. The introduction focuses in brief on the composition of trade at around the beginning of trade
and reflects on the change in the composition of trade with time and then discusses the new additions to the composition like E-Commerce, Technology, BPO outsourcing, Biotechnology and nuclear power in addition to other traditional items. The introduction finally predicts the future of trade relations between India and United States.

The chapter “Items of Import” has discussed the introduction to overall items of import and export and has then discussed in detail the major items of import by India since 1947. The chapter has also discussed the composition of imports and exports and the change in their composition. The Items of Import has also discussed the major items of import that have had a bearing on the trade relations between India and United States. The items of import have undergone a big change with the change in technology and new business practices and government policies like Globalization and Liberalization. The items of import have been the indicator of international trade practices and adoption of new business areas by businesses in India in response to those international changes.

The Chapter “Items of Export” follows “The Items of Import” and focus on the exports by India to United States. There has been a great demand for Indian products in the American market which led to increased trade between India and United States after 1947. The chapter focuses on the major items of export like Jute, Leather Products, Dried Nuts, Fish and Crustaceans, tea and coffee, Spices, Chemicals, Jewelry and Precious-Semi Precious Stones, and Iron and Steel. The chapter has discussed the impact of exports of these items on the trade relations between the two nations and the resulting balance trade between India and United States. The new items of export like E-Commerce, High End Technology Solutions and Business Process Outsourcing have been discussed under the chapter “Technology and Trade” as these items of exports are
technology oriented and form an important constituent of trade between India and United States.

The Chapter “Balance of Payments” discusses the trade balance between India and United States over the decades. This chapter forms an important part of the research as it deals with the trade statistics between India and United States. The chapter also focuses on how the introduction of globalization and liberalization led to a turnaround in the trade surplus for India whose exports to United States are higher than those of imports from United States. India had a huge trade deficit from 1950s to mid 1980s where India was more of recipient of products from United and did not have a considerable standing the international trade. With India’s focus on high-end technology combined with the liberal policies, the exports from India increased which led to greater revenue realization and thus the trade surplus. In the current trade scenario, India is generating a major percentage of revenue from the exports of high end technology solutions.

The chapter “Trade Policies” focuses on the trade policies adopted by India and United States to conduct their trade in the international market. The chapter also discussed the amendments to the trade policies made by both countries from time to time in order to address the trade disputes and to compete effectively in the international market by adhering to the international trade laws and treaties. The chapter also underlines the guidelines and principles of GATT, later known as World Trade Organization, and the international rounds held under the observation of GATT / WTO that led to revised trade laws not only by India and United States but also by the member countries of GATT.
The chapter “Government Policies” focuses on the policies adopted by the Government of India under the leadership of different Prime Ministers during different time periods. The chapter focuses on how Government of India adopted policies to enable the country benefit from the international trade by achieving a balance between the trade policies and the government policies. The chapter further emphasizes the constant change adopted by the government in order to implement the policies aimed the technological and industrial growth of the country. The chapter also lays down a specific focus on the role of the current Government of India led by Mr. Manmohan Singh, the current Prime Minister of India, which is trying to focus on the infrastructure, nuclear power and high-end technology solution industry in order to strengthen India’s position in the international market in the years to come.

The Chapter “Technology and Trade” deals with India response to the technological innovations and changes in the world. The chapter also focuses on the India’s ability to realize the maximum potential of technologies like E-Commerce and Biotechnology and to also utilize its highly professional manpower towards the implementation of high-end technology solutions. The chapter also discusses the future of technology in trade and India’s role not only as a growing technological power in Asia but also in the entire world.

The conclusion of the research summarizes the trade relations between India and United States and focuses on the future of the relationships being viewed as more strategic by the current Governments of the two countries. Much of the trade between the two is now expected to be realized by mutual and strategic co-operation in the fields of nuclear power, war on terrorism and in the able handling of international issues.