

US declares India as a developed Nation

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Strengths

- ✦ The reclassification of India as a developed nation by the US is not a result of achieving a milestone in development although the basis on it was done have some silver lining, which include India being a member of G-20 which have its own recognition in global economy.
- ✦ India contributes for more than 1.5 % share in global exports as well as global imports which showcases growing strength of Indian economy.

Weaknesses

- ✦ The US declaration of developed nation status is not done taking into consideration the real social and development indicators but imposed only on the basis of only 2 parameters which is not justified and display the weakness of the USTR system.
- ✦ The move has jeopardised India's ability to restore GSP benefits under the trade deal that the two countries are negotiating.

Opportunities

- ✦ The WTO uses the self-declaration criteria and India will be treated as a developing country
- ✦ Will be getting lots of additional benefits based on that status like maintaining higher import tariffs and other related advantages.
- ✦ The leeway that we have to use or impose tariffs will lessen in the years to come and our policies will not be dependent on tariffs in a long run.
- ✦ India's share in global exports is 1.67% (2018 report), it is not a trivial thing and country must leverage on this to maximum advantage.

Threats

- ✦ Will have serious repercussions on our development especially on the agriculture which is one of important pillars of country's livelihood and GDP.
- ✦ Will ultimately lead to cutting of agriculture subsidies which will have serious implications not only on the farmers but the whole Indian society and economy as a whole.

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