

Agreement between India Post & US Postal service

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In news

India Post and the United States Postal Service (USPS) have entered into an agreement for Electronic Exchange of Customs data related to postal shipments exchanged between the two countries.

Key highlights of the agreement

Implications

- The agreement will make it possible to transmit and receive electronic data of international postal items prior to their physical arrival at the destination
- It would enable customs clearance of postal items in advance in line with the evolving global postal framework.
- This will also improve the performance of postal services in terms of reliability, visibility and security

Objective

The primary objective that will be served by this agreement is **to facilitate 'ease of exports'** for small and large exporters through postal channels from different parts of the country and will contribute towards making India an Export Hub for the world.

Why agreement with the USA?

Key facts

- The USA is the top export destination for India (~17%)

which is also reflected in exchange of goods through postal channel.

- In 2019, around 20% of outbound EMS and 30% of Letters & Small Packets transmitted by India Post were destined to the USA whereas 60% of the Parcels received by India Post were originated from the USA.
- USA is a major destination of MSME products, Gems & Jewelry, Pharmaceuticals and other local products from India
- Exchange of Electronic Advance Data (EAD) as per the Agreement will be a key driver towards promoting mutual trade with emphasis on the exports from different parts of India to USA through postal channels considering that.
- This will fulfill a major demand of the export industry to expedite customs clearances of export items.