

# 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.