

Sanctions relief: on waiver for India under CAATSA

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The resolution of the CAATSA stand-off will let India and U.S. address other bilateral issues

Highlights

- The U.S. Congress's report allowing the introduction of a presidential waiver of its controversial Countering America's Adversaries Through Sanctions Act (CAATSA) will be greeted with a sense of relief in both New Delhi and Washington.
- The two governments have been working hard to avert a stand-off over the issue. The matter was particularly heated with India making it clear it would go ahead with the S-400 Triumf missile system deal with Russia regardless of the U.S. law and the threat of sanctions.
- While the resolution of CAATSA-related sanctions is welcome, it isn't the only irritant in the U.S.-India relationship that needs the attention of the External Affairs and Defence Ministers at the '2+2 dialogue' with their American counterparts scheduled for September.
- The sanctions proposed by the Trump administration for energy trade with Iran still loom, as do possible punitive measures at the World Trade Organisation over tariffs and countertariffs the two countries have imposed on each other.
- New Delhi will also be aware that the waivers are contingent on Mr. Trump's continued support to Indian defence requirements. Given the capricious and unpredictable policy swings Mr. Trump has shown, it will be prudent for New Delhi not to presume that the problems over CAATSA have fully blown over.

Source: The Hindu