

India will make substantial tariff cuts for our products, says Trump

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India will soon make substantial cuts in tariffs for American products, US President Donald Trump said ahead of his April 2 reciprocal levy announcement.

"I heard just a while ago that India is going to be dropping its tariffs substantially. And I said why didn't somebody do this a long time ago. A lot of countries will be dropping their tariffs," Trump said in a media briefing on Monday from his Oval office.

FOUR-DAY BTA TALKS

Top officials from India and the US had four days of talks on trade and tariff issues last week in New Delhi to lay the contours for a bilateral trade agreement (BTA). But neither side shared any detail of the tariff-cut commitments made by India.

Sources said the US side demanded steep tariff cuts for many products such as automobiles, motorbikes, a range of agricultural items, alcohol and pharmaceutical and medical items. But there is no clarity on whether the US will wait for India to deliver on these demands and defer the reciprocal tariffs.

"Trump, in his recent statements, has not given any indication of any softening of his stance. One will not know before April 2 what his ultimate plans are but if India has actually committed

RATE TARIFF

- India, other countries ready to drop tariffs for the US
- US announcement on tariff cuts made after last week's India-US meet on BTA
- US unhappy with India's high tariffs, especially on agri items



to lowering tariffs on many products, then there could be a relaxed verdict," a source tracking the matter told *businessline*.

FARM TARIFFS

Earlier on Monday, India's agricultural tariffs were targeted by White House Press Secretary Karoline Leavitt in a media briefing. "If you look at the unfair trade practices — we have 50 per cent (tariff) from the European Union on American dairy and a 700 per cent tariff from Japan on American rice. You have a 100 per cent tariff from India on American agricultural products and nearly 300 per cent from Canada on American butter and cheese," she said.

India's average applied tariffs on agriculture products are actually about 39 per cent, and not 100 per cent as made out by Leavitt. But they are much higher than the US's 5 per cent.

While agriculture is a politically and economically sensitive area for India, US Commerce Secretary Howard Lutnick maintained that sensitivities could be

taken care of through mechanisms such as tariff rate quota.

NON-TARIFF BARRIERS

Apart from steep tariff cuts for many products, the US wants a range of non-tariff barriers too to be addressed in the negotiations. India has also listed non-tariff demands, such as issuance of more work visas and finalisation of a social security agreement, that it wants the US side to consider seriously.