

India readies plans to tackle 'US first' policy

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India is working on various strategies and finance and commerce & industry ministries have already started brainstorming about the potential challenges that US President-elect Donald Trump's protectionist trade policies could pose, said a senior government official.

Trump champions his 'Make America Great Again' slogan and an 'America First' agenda. The incoming President's main tool for achieving these goals is tariffs. The US is India's largest trade partner, export destination, as well as the fourth-largest source of imported goods.

On Saturday, Trump threatened 100 per cent tariffs against nations of the Brics bloc, which includes India, if they act to undermine the US dollar.

"Brainstorming among ministries has already started. This is the biggest development that has happened and it will shape India's economic policy as well as policy decisions," a senior government official said.

The government is closely assessing Trump's election speeches and actions during his previous tenure, the official told *Business Standard*. "We don't know what the outcome will be, since Trump is known to be unpredictable, but we still want to be prepared," the official added. Turn to Page 3 >

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DONALD TRUMP
US President-elect

100% TARIFF IF DOLLAR UNDERMINED:
TRUMP TO BRICS NATIONS 8>



ONCE CRITIC OF
FBI'S WORK,
INDIAN-AMERICAN
KASH PATEL
NOMINATED AS
ITS DIRECTOR 8>

Talks among govt depts prompted by Trump's repeated criticism

Trump, in a Truth Social post, said: "The idea that the BRICS Countries are trying to move away from the dollar while we stand by and watch is OVER".

"We require a commitment from these countries that they will neither create a new Brics currency, nor back any other currency to replace the mighty US dollar or, they will face 100 per cent tariffs, and should expect to say goodbye to selling into the wonderful US economy," he added.

Discussions within the government departments have been prompted by Trump's

repeated criticism of India. In 2020, he called India a 'tariff king', and more recently described the country as the 'biggest charger' of tariffs on foreign goods. He has also termed India 'an abuser' of import tariffs, threatening to impose reciprocal tariffs.

During his election campaign, Trump had pledged to impose across-the-board tariffs of 10-20 per cent on imports from all countries and a 60 per cent tariff on Chinese goods.

The Global Trade Research Initiative (GTRI), a think tank, on Sunday termed Trump's

warning on the Brics nation unrealistic, saying India should focus on developing a workable local currency trading system.

It said tariffs of this scale would harm the US consumers only as it would push prices on imports, disrupt global trade, and risk retaliation from key trading partners.

The Republican leader has already rattled world markets ahead of assuming charge as the 47th President of the US on January 20 by announcing last month that he would levy an additional 10 per cent tariff on goods from China and 25 per

cent tariffs on all products from Mexico and Canada if those countries do not do more to stem the flow of illegal drugs and undocumented migrants across US borders.

India did not feature in Trump's initial tariff hike plans. Indian government officials indicated that the country might take back increased tariffs on products that do not harm the domestic industry, asserting that the existing higher tariffs were intended to protect the industry from the dumping of Chinese goods.

"If there are some items

where we need to adjust the applied rates, we can do so. There are several such items. Duties are not against the US. If China dumps, then we have to up the duties. Others are collateral damage," another government official said.

Last month, Finance Minister Nirmala Sitharaman said India's policy decision towards raising import duty was not intended to 'control imports' but to strike a balance between protecting domestic producers and meeting the needs of businesses dependent on imports.

