

Goyal to meet USTR ahead of tariff rollout

During US visit, commerce minister also expected to meet his US counterpart

SHREYA NANDI

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Commerce and Industry Minister Piyush Goyal is headed to Washington on Sunday night to meet key officials of the US administration, weeks after Prime Minister Narendra Modi and US President Donald Trump decided on a bilateral trade agreement (BTA).

During his visit, Goyal is set to meet United States Trade Representative (USTR) Jamieson Greer, who was appointed a week ago, and US Secretary of Commerce Howard Lutnick, among other officials, during March 4-6.

Goyal will be accompanied by top officials from the commerce department, including chief negotiator Rajesh Agrawal. Washington had threatened to slap reciprocal tariffs on countries, including India, within a month.

India may seek exemption from reciprocal tariffs and both the countries plan to give bigger market access through the trade deal.

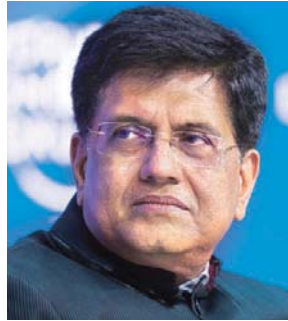
The visit also signals India's urgency to seek clarity regard-

ing shift in the new US government's trade policy.

This will be Goyal's first interaction with key officials of the Trump administration amid threat of a reciprocal tariff that is set to hurt Indian businesses. Bilateral merchandise trade between the two nations stood at nearly \$120 billion in FY24. USTR had already invited comments from the public on the reciprocal tariffs and had sought submission by March 11.

Trump had made it clear that Washington will not spare India from reciprocal tariffs, and repeatedly called India a high tariff nation. He labelled India as a "big abuser of tariff" and even a "tariff king" — citing examples such as motorcycles as well as the agriculture sector. India and the US have also announced their intention to sign the mutually beneficial BTA over the next seven-eight months.

The meetings could also see discussions on the broad contours of the BTA. India may also flag the discrepancies in interpretation of tariff rates between New Delhi and



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Washington. Government departments in India have started preparing the groundwork for the upcoming talks to finalise the contours of the proposed trade deal. The commerce department has held discussions with various government departments and ministries. It has asked them to explore what could be the demand from both sides, including the extent to which India can give tariff conces-

sions and what it can reasonably ask from the other side.

Delhi-based think tank Global Trade Research Initiative (GTRI) said in a report on Sunday that in order to deal with reciprocal tariffs, India can offer zero tariffs on most industrial goods to the US or absorb new US tariffs without retaliation.

"If countries retaliate with counter tariffs, Trump is likely to escalate further, triggering a downward spiral that could harm partners like India. To avoid this, India may absorb new Trump tariffs without direct retaliation... instead of engaging in a trade conflict, India should quietly reduce its dependence on the US by avoiding preferential treatment in oil purchases, defence deals, or other areas," the report said.

"The focus should be on strengthening domestic industries to prepare for the next phase of global trade," it added.

It said that no action would be the next best option for India after the 'Zero-for-Zero' strategy — where India can keep zero tariffs on most industrial goods to the US.