

India weighs moves as US doubles metal safeguards

Three options on the table — Retaliation, WTO action, or talks

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India is considering three options after the US doubled steel and aluminium safeguard duties to 50 per cent, further straining bilateral trade ties.

“At present, there are three options on the table. We can press that the US measure is a safeguard duty and impose retaliatory tariffs. Since the US disagrees, it may retaliate. This can go on and on potentially. India can also file a dispute at the World Trade Organization (WTO), like some other countries. We can also continue to talk bilaterally and arrive at some arrangement. These are the full set of options. We are yet to take a final call,” a government official said.

Commerce and Industry Minister Piyush Goyal told reporters in Paris that the two countries will continue to work together to resolve such issues bilaterally.

“Let us wait and watch ... both the US and India share good relations, and we will continue to work together to resolve all these issues bilaterally,” he said.

On May 9, India submitted a formal notification to the WTO under the Agreement on Safeguards, informing the multilateral trade body of its intention to suspend concessions under the agreement in response to the tariffs imposed by the US on steel, aluminum, and their derivative products.

India's position was that the US tariffs — imposed under Section 232 of the US Trade Expansion Act of 1962 — amounted to safeguard measures under WTO rules, entitling India to withdraw equivalent concessions. India said the safeguard measures by the US would affect \$7.6 billion of exports by India to America, on which the duty collected by Washington would be \$1.91 billion.

“Accordingly, India's proposed suspension of concessions would result in an equivalent amount of duty collected from products originating in the US,” the notification added. However, the US made clear that it would not discuss the tariffs under the Agreement on Safeguards, insisting

India, US desire to give preferential market access to businesses: Goyal

India and the US desire to give preferential market access to each other's businesses and teams of both the countries are working together on the proposed bilateral trade agreement, Commerce Minister Piyush Goyal has said.

In February, US President Donald Trump and Prime Minister of India Narendra Modi announced plans to negotiate the first tranche or phase of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by fall (September-October) of 2025.

It is aimed at more than doubling the bilateral trade to \$500 billion by 2030 from the current level of \$191 billion.

“Both countries are committed to work together, both countries desire to give preferential access to each other's businesses and we are working towards the bilateral trade agreement,” Goyal told reporters here.

Goyal is in Paris on an official visit to hold talks with French leaders and business representatives to boost trade and investments.

‘Good news very soon on India-Oman trade pact’

Commerce and Industry Minister Piyush Goyal has said that negotiations between India and Oman for the proposed free trade agreement (FTA) are progressing, and some “good

they are national security measures, not safeguard actions.

Ajay Srivastava, founder of the New Delhi-based think tank Global Trade Research Initiative, said even though India has several legal and diplomatic options, it may choose not to act immediately.

“Instead, India could take a pragmatic route by using the ongoing bilateral free



Union Minister of Commerce & Industry Piyush Goyal with cosmetics major L'Oréal Group CEO Nicolas Hieronimus during a meeting, in Paris. L'Oréal on Monday said it was planning to more than double its business in India over the next couple of years besides expanding its factories

PHOTO: @PIYUSHGOYAL VIA PTI

news” may come “very soon” on that.

The negotiations received a much-needed impetus after the visit of Goyal to Muscat in January this year.

The talks for the agreement, officially dubbed as the Comprehensive Economic Partnership Agreement (CEPA), formally began in November 2023.

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trade agreement (FTA) negotiations with the US as the main platform to settle the issue. By pushing the US to eliminate or reduce the Section 232 tariffs on steel and aluminum as part of the FTA deal, India could secure a negotiated solution that addresses its concerns while avoiding the lengthy and uncertain process of legal action or retaliation,” he added.