

Trade deal with India 'in not too distant' future: Lutnick

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India and the US are likely to strike a trade deal in "the not-too-distant future", which will not include everything, as earlier indicated by US President Donald Trump, but bring down tariffs to a reasonable and appropriate level to reduce the US trade deficit, US Commerce Secretary Howard Lutnick has said.

"You should expect a deal between the US and India in the not-too-distant future because I think we have found a place that really works for both countries," Lutnick said at a US-India Strategic Forum event on Monday, adding that countries that strike an agreement early get a better deal.

RECONCILIATORY NOTE
While maintaining that India had protectionist tariffs,

Lutnick struck a reconciliatory note by mentioning a trade-off in the deal and assuring that the US would be kind to Delhi as long as India brings its tariffs down.

"I will treat you incredibly kindly on things that are important to you and you bring down your tariffs and give us market access, and let's find proper place in the middle," he said. He further indicated that the trade deal may have room for sparing sensitive items despite Trump earlier claiming that India would eliminate tariffs on all items. "I would like reasonable access for our businesses to the markets of India. It's not going to be everything and everywhere, but we want the trade deficit reduced," he said. But he added that despite the politically strong voice of farmers, a path had to be found that was acceptable politically at home and for the negotiators as well.

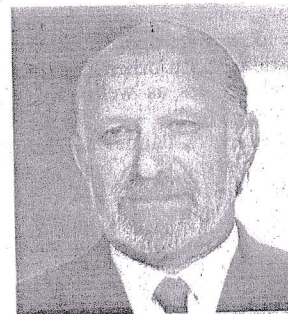
Lutnick did not specify

what the US was willing to give India. New Delhi has been seeking more access for its labour intensive products such as readymade garments, leather, pharmaceuticals and fruits and vegetables, and also easier and faster work visa provisions for its professionals.

A trade deal is important for India to avoid the full blow of the US reciprocal tariffs, announced by Trump on April 2, but paused for a 90-day period till July 9. India wants the entire 26 per cent reciprocal tariffs slapped on it to be rolled back, including a 10 per cent baseline tariff already been imposed.

New Delhi wants Washington to also waive the 50 per cent tariffs on steel and aluminium imports imposed on all countries.

India's continued purchase of arms from Russia and non-supportive attitude towards the US dollar as part of the BRICS group had



US Commerce Secretary
Howard Lutnick

rubbed Washington the wrong way, but things are now improving, Lutnick said. "India is starting to move towards buying military equipment from the US," he said, adding that India was also addressing US' unhappiness over BRICS' non-support for the dollar "specifically and directly".

US TEAM COMING

A team of trade officials from the US will be in India this

week to take forward the negotiations on the proposed India-US bilateral trade agreement following meetings between Commerce Minister Piyush Goyal and Lutnick in Washington DC last month.

"India has very protectionist tariffs. I think the idea of looking at them and bringing them down to a level that is reasonable and appropriate, so we can be great trading partners with each other I think is absolutely on the table. It's not stressful. Let's make this into a proper trading relationship," he said.

Appreciating India for trying to move fast on the deal, Lutnick said that earlier countries got a better deal. "Those who come in, you know, July 4-9, there's just going to be a pile. But those who are earlier — and I think India's trying hard to be one of the earlier countries, which I appreciate."