

MOVE COMES AMID TRADE TALKS

India raises US tariffs on auto parts at WTO

MUKESH JAGOTA
Paris, June 3

INDIA ON TUESDAY moved the World Trade Organization (WTO) against 25% additional duties imposed by the US on imports of automobiles and auto parts.

New Delhi's move to seek "consultations" at the WTO on this "safeguard measure" by the world's largest economy comes close on the heels of the US rejecting India's notice to the world body, proposing retaliatory action against the 25% US tariffs on steel and aluminium. The US argued that these tariffs were imposed on national security grounds, and cited alleged procedural errors in India's filing.

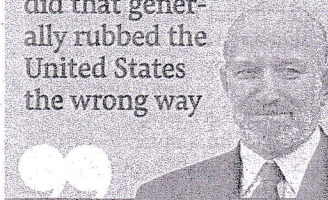
In a communication to the WTO on auto tariffs, India has maintained that the US failed to notify the WTO Committee on Safeguards on taking a decision to apply the safeguard measure. "Accordingly, as an affected member with significant export interest to the US in the products concerned, India requests consultations with the US," it said.

"India looks forward to receiving a prompt reply to this request from the US and to setting a mutually convenient date and venue for the above-mentioned consultations. India reserves all its rights under the Agreement Establishing the WTO, including the Agreement on Safeguard," India said in the WTO filing.

The extra US tariffs on imports of passenger vehicles, light trucks and automobile parts came into

HOWARD LUTNICK,
US SECRETARY OF COMMERCE

The Indian economy is extraordinary, your human capital capacity is amazing, your growth rate is amazing. But, you know, there were certain things that the Indian government did that generally rubbed the United States the wrong way



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effect on May 3, 2025 and is for an unlimited duration. India's note to the WTO objecting to the US auto tariffs is at a time both the countries are moving fast to conclude a bilateral trade agreement, which will likely help improve two-way trade. Reports suggested earlier that India may be open to reducing customs duties on auto parts imports from the US, which are currently applied in the range of 10-15%.

India is particularly peeved at the tariff increase on auto components, as the country's exports of these products to the US are to the tune of around \$6 billion annually.

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India raises US tariffs on auto

THE TARIFF COULD disrupt supply chains and dent revenues of auto parts manufacturers. Among auto majors, only Tata Motors' UK subsidiary Jaguar Land Rover (JLR) may feel an impact, as India's exports of fully built vehicles to the US are in limited numbers.

In the case of steel and aluminium duties on which India sought consultation at WTO earlier, the US had said these additional duties were not a safeguard measure but were imposed under a national security

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In a communication to WTO after the India disclosed its intention to retaliate against steel and aluminium duties, the US again told the WTO Council for Trade in Goods, "The United States will not discuss the Section 232 tariffs under the Agreement on Safeguards as we do not view the tariffs as a safeguard measure." "These duties were imposed under US law, which allows such action if imports are considered a threat to national security."

