

Non-tariff barriers, red tape must go: USIBC

Commerce minister Goyal, his US counterpart discuss early deal

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As Commerce Minister Piyush Goyal and his US counterpart Howard Lutnick began talks to strike an early bilateral trade deal, the US-India Business Council (USIBC) of the US Chamber of Commerce on Tuesday said that non-tariff barriers and red tape should be “dismantled with haste” as they slow market access.

USIBC President Atul Keshap said that meaningful trade facilitation through a bilateral trade deal is long overdue, and would be instrumental in boosting the gross domestic product (GDP) of both countries. The pact could also provide full and open market access.

Goyal and Lutnick held their first meeting in Washington on Tuesday.

Goyal will also meet the newly-appointed United States Trade Representative (USTR) Jamieson Greer, ahead of the implementation of reciprocal tariffs on countries, including India, a month later.

Last month, Prime Minister Narendra Modi and US President Donald Trump agreed to begin negotiations and finalise a mutually beneficial bilateral trade agreement (BTA) within the next seven to eight months. The trade deal is being negotiated at a time when the Trump-led government is set to impose reciprocal tariffs in early April to match other countries’ tariffs, taxes and non-tariff barriers.

“For years, US and Indian businesses have invested in each other’s countries without a formal investment or trade framework. India represents only 2.5 per cent of America’s trade volumes, and that number can and should increase substantially. Now, both sides should work with focus to formalise a level playing field, full and open market access, swift dispute arbitration, and predictable tax and regulatory policies to boost investment, growth, and job creation in both countries,” Keshap said.

Even as businesses remain optimistic about the trade deal between India and the US, a Delhi-based think tank said that India should be cautious about negotiating a comprehensive FTA with the US as it disregards negotiated trade agreements.

“NAFTA, the free trade agreement between the US, Canada, and Mexico, had been in place since January 1994. However, Trump was dissatisfied with its terms and, during his first term, replaced it with USMCA (US-Mexico-Canada FTA) in 2018-19, claiming NAFTA was outdated and hurt American workers. Now, he is unhappy with his own deal and has imposed 25 per cent tariffs on Canada and Mexico starting today, violating USMCA’s terms,” GTRI said. The US on Tuesday imposed 25 per cent tariffs on imports from Canada and Mexico. China now faces a combined 20 per cent tariff on its exports to the US, up from 10 per cent.

Meaningful trade facilitation via a bilateral trade deal is long overdue, said US-India Business Council President Atul Keshap