

Legal challenge to Trump tariffs hangs over BTA talks

FE BUREAU

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AS NEGOTIATORS FROM India and the US start their next round of talks on the Bilateral Trade Agreement (BTA) on Thursday, India is closely watching legal challenge to Trump tariffs while proceeding with the negotiations. Though India is looking for a balanced and mutually beneficial trade agreement with the US, "what we get as compared to other countries will determine what we ultimately finalise in the deal," an official said.

Along with India, the US is negotiating trade agreements with more than 75 countries after announcing reciprocal tariffs in April.

Asked if some kind of interim trade deal can be agreed upon before July 9 — until when the tariffs have been paused — the official said a lot of uncertainties are there at present because of developments like the Trump administration's plan to further increase tariffs on steel and the legal challenge to tar-

TARIFF TROUBLE

■ Last week, a US court struck down President Donald Trump's sweeping use of emergency powers to impose tariffs

■ An appeals court has subsequently stayed the ruling and sought responses from plaintiffs and the US administration by June 9



■ India has recently initiated action against the US at WTO regarding additional duties on steel, automobiles & auto components

iffs. Last week, a US trade court struck down President Donald Trump's sweeping use of emergency powers to impose tariffs on dozens of countries, but the ruling was subsequently stayed by an

appeals court. The higher court ordered the plaintiffs in the matter to respond by June 5 and the administration by June 9.

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BUT WITHIN THE constraints of uncertainties, India has to find pathways which are good for the country, the official said. In the trade talks, the US is negotiating ways to reduce its deficit with India through lower duties and greater market access. India wants to keep its share of trade in its largest market by avoiding reciprocal tariffs and high sectoral duties. Discussions are focussed on what are the products where greater tariff liberalisation can help meet that goals.

India's exports to the US are rising and India can increase imports of products like shale gas, LNG, and crude oil from America to diversify its import basket as prices of these items are lower in the US, the official added.

The person said the US is a major trading partner of India, with a significant trade surplus in India's favour. Moreover, a large number of jobs are linked to exports to the US. India has recently initiated action

India wants to keep its share of trade in its largest market by avoiding reciprocal tariffs and high sectoral duties

against the US at the WTO regarding additional duties on steel, automobiles and auto components. Asked if similar action will follow in other cases, the official said India will protect its interests. "We will see what is good for India... accordingly we will take decisions," the official said.

In February, India and the US decided to enter into a BTA by autumn of this year. In the meantime, both sides are also exploring an interim deal before the reciprocal tariffs fully kick in.

Kolkata