

India-US trade deal not imminent, yet: Greer

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A trade deal between India and the United States is not imminent even as both sides work towards an agreement and have identified the remaining sticking points, said US Trade Representative (USTR) Jamieson Greer after a bilateral meeting with Union Commerce and Industry Minister Piyush Goyal, on the sidelines of the G20 Trade Ministerial in the American city of Milwaukee.

"We had a very constructive conversation... We are continually trying to finish the trade deal with India. I would characterise it as we say in the US, 'we're in the short strokes'. We're towards the end of it. The President (Donald Trump) and the Prime Minister (Narendra Modi) did have a very constructive call. At the same time, I don't think there's something imminent," Greer said at a press conference following the G20 meeting. Officials

from the two countries are continuing bilateral talks, he said.

Greer's comments come after months of signals from both sides that the deal was close to completion. The prevailing view in recent months was that the terms had largely been agreed, with New Delhi waiting for Washington to devise a mechanism that would give Indian exports a tariff advantage over competitors and shield them from future uncertainty. Last week, Goyal said that the deal was "almost done and dusted".

Greer met Goyal on Thursday, a day after Modi spoke with Trump to review bilateral cooperation in trade, defence, energy, critical technologies and other areas.

The Goyal-Greer meeting and the Modi-Trump telephonic call were the first after the US Congress passed a law authorising Trump to impose a tariff of as much as 100 per cent on the top five global buyers of Russian oil and gas, including India. Turn to Page 6 ▶



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Jamieson Greer

US Trade Representative, after meeting Commerce & Industry Minister Piyush Goyal

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The American President is yet to announce a final decision on the tariff, including its rate and coverage. "We truly have identified the universe of items that are sticking points. We're working diligently towards them. My sense is that the president, the prime minister, may have another call very soon on this just to assess progress and where we are," Greer said.

The lack of clarity over the US offer under the trade deal was likely to be a sticking point, according to Global Trade Research Initiative founder Ajay Srivastava. "Following the US court judgment, the bargain has disappeared for the US," Srivastava said.

On February 7, India and the US issued a joint statement on the first tranche of the pact, agreeing to a lower reciprocal tariff of 18 per cent on Indian goods. Soon after, the Supreme Court of the US scrapped the legal basis for the reciprocal tariff. "While India can still remain firm on its commitments offered in the joint statement, the tariff rate offered by the US has become irrelevant and I don't think they have since been able to come up with anything better," Srivastava said.

India has no structural manufacturing overcapacity: Goyal

Separately, the G20 Trade Ministerial, which concluded on

Thursday, discussed four areas: Weaponisation of food, structural excess capacity and production, the Most-Favoured-Nation principle and forced labour in global supply chains. The ministers reached consensus only on the issue of weaponisation of food.

Washington pushed excess capacity and forced labour onto the G20 agenda as the Office of the US Trade Representative pursues Section 301 investigations against India and other economies. In July, the USTR determined a 10 per cent duty for India under its Section 301 probe related to forced labour. A separate investigation into structural excess capacity has yet to conclude.

Speaking at the G20 meeting on structural excess capacity and production, Goyal said India's manufacturing capacity was aligned with domestic demand and the pace of economic growth. "India's manufacturing capacity serves its domestic and global needs and that, in the sectors identified by the G20 Presidency, India does not have structural excess capacity," Goyal said at the meeting, according to a press release issued by the commerce ministry on Friday.

The minister also stressed that trade measures should be based on specific and verifiable evidence rather than presumptions about entire countries, regions or sectors.