

India may resume mini-FTA talks if US shows interest

TRADE NEGOTIATIONS. Discussions on in the govt on additional tariff manoeuvrability

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India may be willing to restart negotiations for an India-US mini free trade deal if Washington is ready to do so taking forward similar efforts made during US President Donald Trump's previous term, per top sources.

While the Trump regime has been demanding tariff cuts from India for a more balanced trade, it is not clear whether it would be willing to give significant concessions to the country in return, which is necessary for a successful free trade agreement.

MODI'S VISIT

Ahead of PM Narendra Modi's scheduled visit to the White House next week, hectic meetings are on in the government to prepare for the discussions and examine room for additional tariff manoeuvrability after the Union Budget giveaways. In case the Trump regime is



ON A MISSION. The White House has confirmed that Prime Minister Narendra Modi's visit is scheduled next week FILE PHOTO

ready for a mini trade deal, it would mean that India may also get some concessions. But everything is fluid right now," a source tracking the matter told *businessline*.

Also significant will be Modi's visit to Paris on February 10-11, just before his US tour, where he will co-chair the AI Summit with French President Emmanuel Macron. Both India and the EU have been signalling the need for closer ties and fast-tracking of FTA negotiations following Trump's warnings against their alleged high import tariffs.

India-US talks for a mini-trade deal, under the previous Trump government, had

fallen through in 2020 after the two sides could not reach an agreement that benefited both sides satisfactorily. Joe Biden, who took over as the next US President, had no interest in resuming the talks as his government did not want to bring down US tariffs.

White House confirmed that Modi's visit is scheduled next week but the Ministry of External Affairs is yet to share the official programme. In a phonecall with Modi last week, Trump had said that India should move towards a fair bilateral trading relationship and buy more American-made security equipment. This was in

line with Trump's campaign promise of reducing US trade deficit with trade partners, including India, by making them lower their tariffs or face reciprocal ones.

BUDGET MEASURES

In the Union Budget for 2025-26 announced on February 1, customs duties were slashed on a number of items of interest to the US, including high-powered motorcycles manufactured by US-based Harley-Davidson. Preparations are on to see what more could be done to sort out the tariff acrimony amicably with the US.

The EU, which has also been receiving tariff threats from Trump, has reached out to India for stronger ties. European Commission President Ursula Von der Leyen said in her special address at the World Economic Forum last month that the first trip of her new Commission will be to India to upgrade the strategic partnership with the largest country and democracy in the world.