

US pushes India to cut auto tariffs in trade deal talks

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The United States wants India to eliminate tariffs on car imports under a proposed trade deal between the two nations, but New Delhi is reluctant to immediately bring down such duties to zero even as it considers further cuts, sources told *Reuters*.

India's high auto tariffs will feature in formal talks for a bilateral trade deal that are yet to begin, said one of the three sources, paving the way for American electric vehicle maker Tesla, which is gearing up for an India launch.

Taxes on cars imported into India are as high as 110 per cent, which Tesla chief Elon Musk has criticised as

being among the steepest in the world. The EV giant last year shelved its plans to enter the world's third-largest car market for a second time.

"The US ask is for India to bring tariffs down to zero or negligible in most sectors, except agriculture," the first source said, adding the expectation on New Delhi eliminating auto tariffs was "clearer than any other".

A second source said India was "listening to the US" and had not pushed back, adding it would respond with its position on the tariffs after consulting local industries.

The office of United States Trade Representative, India's trade ministry, and the foreign affairs ministry did not respond to requests for comment.