

Vietnam, Bangladesh, others rush to strike trade deals with US

India need to speed up BTA talks, say experts

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VIETNAM, A KEY competitor of India, has offered zero duties on all US imports in response to the 46% additional tariffs by the Donald Trump administration. Bangladesh, which too is a rival for India in global markets for textiles, may also offer duty concessions to the US to mitigate the impact of tariffs.

As these moves could create challenges for India, experts said while India has a comparative advantage on tariffs while exporting to the US, to sustain it the Bilateral Trade Agreement (BTA) between the two countries should be completed expeditiously.

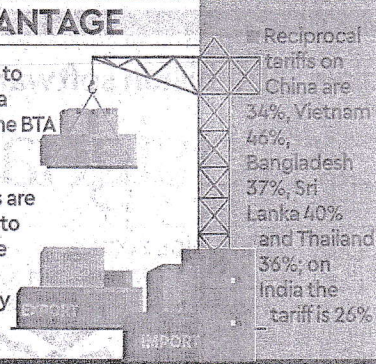
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are eager to strike a deal after the announcement of higher tariffs on imports by all major trade partners of the US.

"The US will see Vietnam as a conduit for China and the proposal may not sail through. The US might look at the proposal from Vietnam through this angle," executive director-indirect tax at Nangia Anderson Sivakumar Ramjee said.

The Vietnamese offer has been

made by Communist Party chief To Lam, and both he and President Trump also had a telephonic conversation. Trump in his Truth Social account described the talks as "very productive".

While other countries have also offered to negotiate with the US, India has a headstart with all of them with the BTA. The negotiations are progressing fast to conclude the first tranche of the deal by

fall of 2025.

"Despite the offers, the negotiations take time to start and conclude. The US will be studying every offer before committing to any negotiations," an industry official, who did not wish to be named, said.

"Instead of six months, India should aim to wrap up the discussions in the next two months so that its exports can grow," president of Federation of Indian Export Organisations S C Ralhan said.

Any delay will erode any competitive advantage India currently has from the tariff differential with its competitors, he added.

While the US has imposed additional 26% duties on Indian imports under the reciprocal tariff plan, the tariffs on China are 34%, Vietnam 46%, Bangladesh 37%, Sri Lanka 40% and Thailand 36%. Due to these duties, there have been reports that some multinational companies have decided to increase sourcing from their Indian operations to export to the US.