

Govt initiates sectoral analysis to assess impact of Trump's tariffs

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The government is carrying out a sectoral analysis of US President Donald Trump's reciprocal tariffs on the country's exports to study its impact on various products ahead of the 26 per cent levies kicking in on April 9, sources have said.

Commerce & Industry Minister Piyush Goyal is scheduled to meet various export promotion councils on Wednesday to do a stocktaking of how exports of various items were getting affected

by the tariffs and how much of the tariff burden could be passed on to buyers.

"A number of export bodies and industry organisations were asked for a detailed impact assessment report on Trump's tariffs so that the government can plan suitable interventions. These inputs are also to be discussed in Wednesday's meeting," a source tracking the matter told *businessline*.

UNCERTAINTY AHEAD

Almost all sectors are looking at an uncertain future in the US as importers are holding up orders to get a better clar-

ity on how American buyers would react to higher prices but certain items such as gems & jewellery, marine products including shrimp, vehicles & parts, electricals and electronics are set to take a definite hit, according to the industry. The possibility of India seeking a tariff deferral from the US till the India-US bilateral trade agreement (BTA) delivered results may also be discussed, but Trump said on Monday at the White House that he was not looking at pausing tariffs. "Well, we're not looking at that. We have many, many countries that are coming to negotiate

deals with us and they're going to be fair deals. And in certain cases they're going to be paying substantial tariffs. There'll be fair deals," Trump told reporters.

INDIA-US BTA

India began talks with the US on a BTA weeks before the reciprocal tariffs were announced on April 2 and is hoping for an early conclusion of at least part of the pact which would convince the US to roll back the 26 per cent reciprocal tariffs.

With several other countries, including India's Asian rivals such as Vietnam, Thai-

land and Cambodia, too, seeking a trade pact with the US, New Delhi is now in a hurry to not lose out on its early-mover advantage.

Even if Indian exporters manage to convince buyers to absorb the tariff hike fully, it could lead to payment delays and a cash crunch, a Delhi-based exporter pointed out. "Importers will need more money to pay the duty and they may not get credit readily for it. If they pay the duties upfront then they may delay payments to the exporters and the payment circle will get elongated causing a cash crunch," he explained.

Exporters are hoping that the meeting with Goyal on Wednesday will give some solutions to the problems at hand, the exporter said.

The US has demanded steep tariff cuts from India for many products such as automobiles, a range of agricultural items, alcohol and pharmaceutical items.

India wants to settle the reciprocal tariff issue amicably with the US without resorting to retaliatory actions, like China, as Washington is its largest trade partner and export market and it doesn't want to sour ties, the first source said.