

Our exports to US are poised for a boost, says Piyush Goyal

TRADE EDGE. With lower reciprocal tariffs in the US, we will have an advantage compared to China and other competitors, says Commerce Minister

bl.interview

Amiti Sen
New Delhi

The Indian industry must make the most of the huge opportunities that the India-US trade deal has opened up, Commerce & Industry Minister Piyush Goyal has said. From safeguarding the "red lines" of Indian farmers to outlining a massive \$500 billion five-year import roadmap fuelled by energy & aviation sourcing and tech cooperation, Goyal broke down the architecture of the newly finalised India-US Interim Trade Framework. Excerpts:

Now that US tariffs on labour-intensive sectors are halved to 25 per cent, which are to come down further to 18 per cent, how do you see Indian exports responding to it?

My feeling is that, overall, trade with the US will get a significant boost. With lower reciprocal tariffs in the US — in fact, the lowest among developing nations — we will have a competitive advantage compared to China and other competitors.

This will help Indian exports grow, with larger investments flowing into India and increased interest in developing the technology ecosystem, such as data centres, in the coming days.

The US executive order stipulates that the 25 per cent tariff relief on Indian goods could be reinstated if India is found to be importing Russian oil, directly or indirectly. If this happens, can India modify its own commitments and take away equivalent



Our intention is to increase procurement from the US to diversify our sources and secure more competitive pricing and better quality.

PIYUSH GOYAL
Commerce & Industry Minister

benefits from the US, going by the provisions of the joint statement?

I don't know the details of what is intended in the oil front. But I do know that every trade deal, including WTO rules, provides for rebalancing of concessions in the event the benefits of a trade agreement are adversely affected by any subsequent action.

While India is expecting that the tariffs on generics will be brought down to zero by the US, why is the joint statement talking about a negotiated outcome?

We have received the assurance that exports of generic pharmaceuticals and their ingredients will receive zero per cent tariffs. But the final findings of the Section 232 investigation have not yet been published, and we do not know what the final findings will say. So, at this stage it is stated that we will continue to negotiate based on the outcomes so as to get the intended zero duties.

There are other sectors that are hit by Section 232 tariffs by US on all countries, which

includes steel and aluminium. Any hopes of addressing these going forward?

After we have concluded the interim agreement, which is the first phase of the BTA, we believe it is in the best interest of both countries to find other areas of convergence and opportunities, which are mutually beneficial and help to increase trade to the extent possible.

Is India considering a roll back of the current authorisation requirement for import of ICT items from US companies?

We are open to all steps at both ends, in the US and in India, to ease the flow of ICT products and services to each other. This is in the interest of expanding our bilateral trades rapidly and achieve the target of \$500 billion per year by 2030.

While GM soya and corn are out of the trade deal, it does provide market access to American dried distillers' grains with solubles (DDGS), which is made of corn, as well as soybean oil. Won't

that be a concern?

I reiterate that all sensitive agricultural sectors — including meat, poultry, dairy, GM foods, grains, sugar and pulses — remain fully protected on the exclusion list with no concessions; farmers' interests are safeguarded.

As for the small quantity that we have allowed in DDGS, which is a nutritious feed for poultry, it is a processed by-product where the GM impact does not have any residual impact. The same holds for soybean oil, which we have been importing for several years, right from the times when the Congress party formed the government with their partners.

How do we plan to meet the commitment of \$500 billion imports from the US over five years?

As the fastest-growing large economy, India has a massive demand for energy, precious metals, coking coal and technology products like aircraft and engines. We have already placed \$50 billion in aeroplane orders, and I estimate we will easily buy \$80-100 billion in aviation equipment over the next five years.

Our coking coal imports stand at \$17 billion, but as we double steel production, that will exceed \$30 billion annually. Furthermore, our investment in data centres, AI, and quantum computing will require a continuous supply of GPUs and tech equipment. The US is a leader in these sectors.

India imports nearly \$300 billion of these products annually from global sources, which is expected to reach \$2 trillion over the next five years. Our intention is to increase procurement from the US to diversify our sources and secure more competitive pricing and better quality.