

US pushes India for a macro trade deal, not tariff tinkering

US commerce secy says agri can't be off the table for talks

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United States Secretary of Commerce Howard Lutnick on Friday said the Donald Trump administration was keen on a broad-based free-trade agreement (FTA) under which India would bring down tariffs across the board rather than negotiating a product-wise trade deal, which may take years to complete.

"I spent time with your ministers, but it's time to do something big, something grand, something that connects India and the US together, but does it on a broad scale, not product by product, but rather the whole thing. Let's bring India's tariff policy towards America down, and America will invite India in to have really an extraordinary opportunity and relationship with us," Lutnick said while virtually addressing the India Today Conclave.

Lutnick's statement comes against the backdrop of his meeting with Commerce and Industry Minister Piyush Goyal, who visited Washington during March 4-6, ahead of the imple-



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HOWARD LUTNICK

US Secretary of Commerce

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mentation of reciprocal tariffs by the US starting April 2.

India is hoping to get a reprieve from reciprocal tariffs. Both sides have agreed to negotiate a bilateral trade agreement



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ELEPHANT, DRAGON BALLET 'ONLY RIGHT CHOICE' FOR TIES WITH INDIA: CHINA

A ballet between the elephant and the dragon contributing to each other's success is the 'only right choice' for India-China relations, Foreign Minister Wang Yi said on Friday as he acknowledged positive strides in bilateral ties after the end of the military standoff in eastern Ladakh. "There is every reason for us to support each other rather than undermine each other or undercut each other," Wang said in Beijing.

(BTA) by October this year. However, US President Donald Trump has signalled India is unlikely to get any such concession.

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India's high tariffs call for rethinking of ties: US commerce secretary

"How you treat us is how we would like to treat you ... India has some of the highest tariffs in the world, and that will require a rethinking of the relationship, the special relationship, between India and the US," Lutnick said.

The deal could be struck as Prime Minister Narendra Modi and Trump have "a great relationship", he said.

"India has large tariffs that protect it (India), and it has leaned on America with very low tariffs, and that level of balance has to change," he added.

Earlier during the day, the Ministry of External Affairs said India was looking at deepening trade ties with the US, including by reducing tariffs and non-tariff barriers, through a BTA, which was announced during Prime Minister Narendra Modi's visit to Washington last month.

Even as opening up India's agriculture sector has been a red line for India in trade negotiations, Lutnick said he expected the market to "open up" and not "just stay closed", signalling Washington's priority.

"You can't just say, oh, it's off the table. That's just not an attractive way of doing business. The right way to do trade, the right way to do business is to put everything on the table, to do it smartly and do it thoughtfully. Maybe certain products have quotas, maybe certain products have limits, maybe certain products we do in certain ways, and then we do the same thing on the other side, and we craft an agreement..." he said.

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imposed right now were "temporary" and "small ones" but the predominant tariffs, which would be reciprocal in nature, would come into effect April 2 and would be a big game changer for the US.

Lutnick dismissed the notion that tariffs resulted in price rise. Rather, inflation comes from running deficits and printing money.

"India has among the highest, if not the highest, tariff rates in the world, the second-highest tariff rates in the

world. And because you have such high tariffs, you have inflation? Of course not," < he said.

According to a Nomura report, India's weighted average effective tariff on US exports to India is 9.5 per cent, as compared to the 3 per cent tariff rate on India's exports to the US.