

'US tariffs on India mark a pause in trade talks'

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Gerrit Marx, the Global Chief Executive of CNH Industrial, said the 50 per cent tariffs imposed by the US on India represent a pause in negotiations as both sides reassess positions, rather than the outcome of any formal trade agreement.



Gerrit Marx, Global Chief Executive, CNH Industrial

REASSESSING OPTIONS

"The 50 per cent tariffs imposed on India is not a result of negotiations," Marx told reporters. "It's a kind of a pause on a discussion where both sides, I think, are currently reassessing their options... So, I think we will see in a couple of months, I hope still this year, maybe early next year, a deal between India and the US that will be materially different from 50 per cent tariffs."

Marx, who heads the maker of New Holland Agriculture tractors and construction equipment, said the firm was currently shipping from India to the US only when absolutely necessary, as higher duties made most consignments uneconomical.

"We have enough stock of

locally made Indian utilities and compacts from our Korean partners in the country. So, we can easily hold for a couple of months and see where these negotiations are going," he said. "I think in relative terms, we are probably impacted in a similar fashion to others; we are looking at ways to counter it with supply chain moves or production moves."

He added the company was not considering shifting production in response to tariffs. "Maybe they look different again eight months from now..." CNH produced about 51,000 tractors in India last year, selling roughly 37,000 units in the domestic market. In August, it retailed 3,900 units, and holds a 4.5 per cent market share.