

India to speed up trade dialogue with the US for early gains

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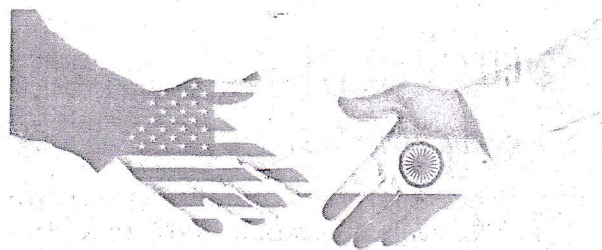
India will focus on speeding up trade talks with the US to achieve "early gains" before the July 9 deadline to avoid reciprocal tariffs, sources said.

Trade officials from both sides recently held in-depth negotiations on various elements of the proposed bilateral trade agreement (BTA) that included areas such as market access, SPS/TBT, digital trade, customs and trade facilitation and legal framework. "But now focus will be on what can be delivered before July 9. The rest can be negotiated as part of the first tranche of the BTA, which has a later deadline of Fall 2025 (September-October)," a source said.

DIALOGUE CONTINUES
A team led by the Assistant US Trade Representative held negotiations with an Indian team of trade officials in New Delhi from June 4-10.

Sources said that the talks were "productive", but hopes of narrowing down on an interim deal were not met. "Both sides agreed to continue negotiations to achieve an expeditious conclusion of the initial tranche of the BTA," sources said.

US President Donald



MIDDLE GROUND. A team representing the US held negotiations with an Indian team from June 4-10

Trump decided on a 90-day pause on reciprocal tariffs, announced on April 2, on most trade partners with which the US has a trade deficit. The tariff pause, which will end on July 9, was announced to give time to countries to work out trade deals with the US.

Trump had announced a 26 per cent reciprocal tariff on India. While much of the tariff was put on hold for 90 days, a 10 per cent baseline tariff was imposed on all countries, including India, in April.

"India wants that the entire 26 per cent, including the 10 per cent baseline tariff should be rolled back. It also wants the 50 per cent sector-specific tariff on steel and aluminium and 25 per cent on auto, that have already been imposed, to be withdrawn," the source said.

An interim deal has so far been elusive as India is find-

ing it difficult to meet the tariff cut and market access demands of the US, especially in sensitive sectors like agriculture.

NO DEAL IN SIGHT

While India is willing to bring down tariffs for items such as auto, motorcycles, alcohol and some farm items such as fruits and nuts, it is not keen to provide market access for sensitive items such as rice, wheat and dairy.

US Commerce Secretary Howard Lutnick recently noted that while farmers had a politically-strong voice, a middle path needed to be reached. Lutnick said it was important for India to bring down its tariffs and provide market access to American products to bring down the US trade deficit with India, which is at over \$40 billion annually. The US is India's largest trading partner and export market.