

'India may bide its time to impose counter tariffs on US imports'

PARLEYS FIRST. Much hinges on Trump-Modi talks this week; India has been proactive, cut tariffs, say sources

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India is unlikely to take an early call on re-imposition of retaliatory duties on American products in response to US President Donald Trump's announcement of 25 per cent levy on all imports of steel and aluminium. Much depends on the outcome of the bilateral meeting between Trump and Prime Minister Narendra Modi in Washington DC this week, sources have said.

The EU and Canada, among others, have strongly criticised US tariffs on steel and aluminium and said that they could take countermeasures.

"When Trump had announced import levies on steel and aluminium during his first stint in 2018, India

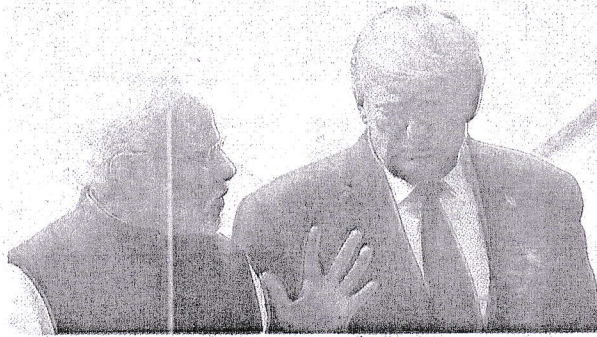
imposed retaliatory tariffs on American products only when the matter could not be sorted out even after several rounds of discussions. PM Modi's meeting with Trump will be crucial in deciding the future course of action," a source tracking the matter told *businessline*.

FIRST MOVE

Modi may try to convince Trump to exempt India from the duties as India exports very little to the US compared to Canada, Brazil, China or Mexico, the source said.

"Moreover, New Delhi unilaterally reduced import duties in the recent annual Budget on a number of items, including high-end motorcycles, that would help American exporters. It is also ready to buy more oil from the US. All these could favourably influence the bilateral talks," he added.

In the event tariffs are actu-



ALL EARS. Modi may try to convince Trump to exempt India from duties as it exports very little to the US REUTERS

ally levied against Indian steel and aluminium from March 12, New Delhi could look at the available options to deal with them including retaliation.

COUNTER-MEASURES

When Trump first imposed punitive import tariffs of 25 per cent on steel and 10 per cent on aluminium in 2018 citing a na-

tional security law, India engaged with the US for a few months seeking exemption.

In 2019, India imposed retaliatory duties on 28 products imported from the US as no deal was in sight.

However, in 2023, the Biden administration reached an agreement with India under which a substan-

tial amount of exports of steel and aluminium from the country was exempted from the levies. India then removed the retaliatory import duties on the items that mattered most to the US including apples, walnuts, almonds, chickpeas and lentils.

Modi will head to Washington from Paris on Wednesday for a two-day visit and is expected to discuss a whole range of issues with Trump including tariffs, trade, investments, visas and immigration.

Trump also said that he would announce his plans for imposing reciprocal duties on countries that have a trade surplus with the US.

India's trade surplus with the US was at around \$35 billion in FY24 as it exported goods worth \$77.5 billion to its top export destination.