

Sectoral trade talks with US to begin virtually this week

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Even as Washington eyes '90 (trade) deals in 90 days', India and the US are set to launch virtual sector-specific discussions on a proposed trade agreement – with an aim to finalise, by May-end, areas where negotiations can be swiftly concluded.

These talks, beginning this week, will set the stage for more formal, in-person negotiations in the coming days.

The focus will be on key sectors and potential deal contours that are realistically achievable within a compressed timeline.

"Certain aspects in negotiations take time. Our teams are getting into virtual discussions. In the next six weeks, we hope to understand the areas where discussions will take more time, and areas we are going to complete (discussions) faster," a senior government official told *Business Standard*.

Both sides, the official noted, are working on an aggressive schedule.

Over the coming weeks, negotiators will aim to balance mutual trade interests while factoring in tariff sensitivities and broader economic policies in both nations.

On April 9, the US administration



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■ India and US plan to finalise areas where negotiations can be concluded swiftly and discussions will take more time, by the end of May

■ Focus will be on what can be realistically achieved by the fall of 2025

■ Both sides are exploring ways to reach an interim trade deal by July 9

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paused country-specific reciprocal tariffs for 90 days, except for China — amid fears of recession and inflation.

Currently, the 10 per cent ad valorem tariff, over and above existing most favoured nation (MFN) tariff, continues on Indian exports to the US.

India to have 'first-mover advantage': Govt officials

Trump, thereafter said that the temporary pause of reciprocal tariffs will allow countries to strike bilateral trade deals with Washington.

Government officials believe that New Delhi will have a 'first-mover advantage' since both countries began talks for a trade deal even before the announcement of reciprocal tariffs.

In February, both countries announced their intention to finalise the first tranche of a 'mutually beneficial multi-sectoral' bilateral trade agreement (BTA) by the fall of 2025.

While India and the US remain focused on the BTA, they are also exploring to carve out an interim trade deal by July 9, provided the ongoing talks progress well and the outcome is a 'win-win' for both nations.

"It has been decided (by Prime Minister

Narendra Modi and Trump) that the first tranche of the BTA will be finalised by the fall of 2025. We are looking at a win-win broad deal that can be realistically achieved in this timeline and what cannot be realistically achieved. We can carry on discus-

sions for the next tranche of the deal. Everything cannot be done in six months," the official said.

Biswajit Dhar, Distinguished Professor at Council for Social Development said it is difficult to sign a deal in 90 days.

"India needs to weigh its options to ensure India doesn't lose disproportionately. Market

access can be bilaterally negotiated. However, if the US pressurizes India to tweak certain regulations (in case of any change in India's patents law), then it has to be done on an MFN basis (for all countries)," Dhar added.

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