

For a Plan B, India 'watching how US tariffs and trade deals play out'

Amiti Sen
New Delhi

New Delhi is waiting to see how the full spectrum of the US tariff rollout and various trade deals being negotiated play out before it draws up a backup plan for the industry, a senior official said.

"I think any backup or plan has to be prepared after we know the full effect of the tariff. Today, on July 15, I don't think we are in a position to guesstimate what is the differential tariff that is going to play out on August 1. So, I think that is something we need to wait and watch," said Rajesh Agarwal, Commerce Special Secretary and Chief Negotiator for the India-US bilateral trade agreement (BTA) on Tuesday.

Agarwal is set to join his team in Washington on Wednesday for the ongoing round of talks with the US team to push the BTA talks



India and US must come up with the first tranche of the India-US BTA by September

ISTOCKPHOTO

and see if the US reciprocal tariffs can be avoided on August 1, the new date for the imposition of the levy.

TARIFFS UNCLEAR

"The US has listed new tariffs covering around 25 countries, including the EU, and has also spoken about finalising some trade deals. But the full spectrum of the tariff rollout is still unclear," he added.

Indian industry is also seized of the matter, and they (businesses) are seeing what inputs they can collect

from their competitors and importers for the best way forward in this situation, Agarwal said.

"I think we need not worry much. We have to wait for it to play out. As soon as it plays out, the government can come up with something that can be done for the industry," he said.

According to the agreement reached between US President Donald Trump and Prime Minister Narendra Modi earlier this year, the two countries have to come up with the first tranche of the India-US BTA by Fall 2025 (September), Agarwal pointed out.

Whether an interim deal can be reached by August 1 to convince the US not to impose reciprocal tariffs remains to be seen.

On April 2, Trump had announced reciprocal tariffs for most trade partners with which the US had a trade deficit.