

18% US levy may kick in this week: Commerce secy

Talks in Washington next week on interim deal's legal framework

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The United States (US) is expected to reduce the existing 25 per cent tariff on several Indian exports to 18 per cent this week, and any delay in its implementation will be taken up by the Indian team, which is scheduled to visit Washington in the coming few days.

“The 25 per cent (punitive) tariff has already gone and the other 25 per cent (tariff will be reduced to) 18 per cent. I am told they are processing (it) and it should be done fast. Our expectation is that it will happen this week. In case it is not done, then the team is there next week and we can pursue why it is taking time,” said Commerce Secretary Rajesh Agrawal at a media briefing on Monday.

A team led by Darpan Jain, India's chief negotiator for the India-US trade agreement, is heading to Washington to finalise the legal framework. Officials on both sides are continuing virtual discussions to settle the legal text, with in-person negotiations expected to take place next week. India and

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Gold, silver rally drove up Jan import bill 19%

Inbound shipments into the country surged 19 per cent year-on-year to \$71.24 billion in January, as the value of gold and silver imports expanded 4.5 and 2.3 times respectively, according to data released by the commerce department on Monday. Trade deficit widened to a three-month high of \$34.68 billion.

the US issued a joint statement on February 7 outlining the contours of an interim trade pact. As an initial step, Washington removed the 25 per cent punitive tariffs imposed on India “in recognition of India's commitment to stop purchasing Russian Federation oil”. Negotiators are working to translate the agreed contours into a legal pact, which both sides aim to sign by March.

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“The effort is to finalise, close and sign the legal agreement in the month of March 2026. It is an effort, but I am not putting a deadline to it because legal agreement finalisation has certain intricacies, which have to be resolved satisfactorily,” Agrawal said.

He noted that the cotton varieties India currently imports from the US would receive preferential market access under the deal. India primarily imports extra-long staple cotton from the US, alongside upland cotton.

The US mainly exports upland cotton, its principal cotton variety. The remarks follow Commerce and Industry Minister Piyush Goyal’s statement last week that India would also seek concessional-duty access for garments made from yarns and cotton under the interim trade deal with Washington -- benefits similar to those secured by Bangladesh under its trade arrangement with the US.

Digital trade exclusion

A senior commerce department official said on Monday that a digital trade chapter is not part of the interim agreement between India and the US.

While New Delhi and Washington are expected to negotiate bilateral digital trade rules, these will instead be included in the broader comprehensive trade pact, also known as the bilateral trade agreement (BTA), which is likely to take longer to conclude.

According to a White House fact sheet released last week and subsequently amended, India is expected to negotiate digital trade rules aimed at preventing the imposition of Customs duties on e-commerce electronic transmissions and to scrap its digital services tax.

However, the fact sheet was revised a day later to align with the joint statement, which said: “India will address non-tariff barriers that affect bilateral trade in priority areas. The United States and India will negotiate rules of origin that ensure that the agreed benefits accrue predominantly to the US and India.”