

# Trade deal with India may have additional tariffs, says Trump

**Amiti Sen**  
New Delhi

US President Donald Trump has said yet again that the US has a deal coming up with India but suggested that additional tariffs may still be imposed on the country.

"We have another one (deal) coming up, maybe with India... We're in negotiation. When I send out a letter, that's a deal... The best deal we can make is to send out a letter, and the letter says that you'll pay 30 per cent, 35 per cent, 25 per cent, 20 per cent... We have some pretty good deals to announce," Trump said while speaking to reporters on Wednesday.

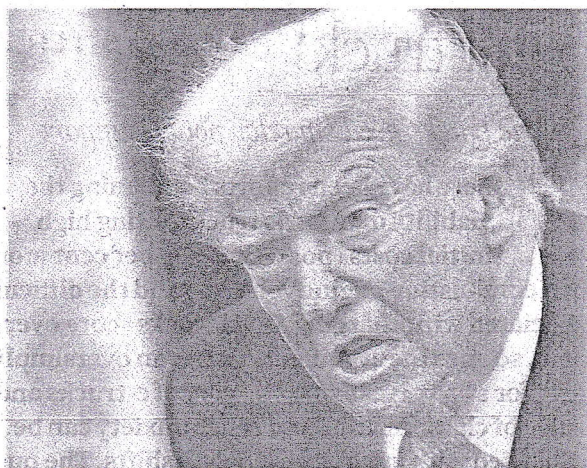
## MINI TRADE DEAL

New Delhi wants a mini trade deal that will help it avoid Trump's 26 per cent reciprocal tariffs completely, or at least tariffs above the 10 per cent baseline already levied.

If it still gets reciprocal tariffs levied on it on August 1, it would negotiate for its full withdrawal, in addition to gaining more market access for labour intensive goods as part of the first tranche of the full bilateral trade agreement (BTA) to be finalised by fall 2025 (September-October), the source said.

"Even if India gets additional tariffs from the US below those levied on Vietnam and Indonesia, it would be a tricky situation as there would be no certainty on whether the tariff advantage would stay," the source said.

India wants sustained advantage over its competitors



**COMPETITIVE EDGE.** India wants sustained advantage over its competitors in the US market in key areas of its interest as part of the BTA REUTERS

**New Delhi wants a mini trade deal that will help it avoid Trump's 26% reciprocal tariffs completely**

in the US market in key areas of its interest as part of the BTA, and that is what it is negotiating for, the source added.

New Delhi is keen for greater market access for a number of items, such as electronics, textiles and garments, carpets, leather, shrimps and pharmaceuticals.

Going by Trump's announcement, the US would be levying 20 per cent reciprocal tariffs on Vietnam and 19 per cent on Indonesia. In return, both countries have agreed to give tariff-free access to American goods, the US President claimed.

On Tuesday, Trump said

that the US was close to a deal with India similar to the one with Indonesia.

The US' list of demands from India is big, which the country is finding difficult to meet. It is continuing to push for market access in sensitive areas, such as agriculture and dairy, apart from steep tariff cuts across sectors, including automobiles.

## MUTUALLY BENEFICIAL

India has maintained that it will protect all its sensitivities and would go for a deal that is mutually beneficial and not one-sided.

Trump had announced reciprocal tariffs for most trade partners with which the US had a trade deficit in April this year and then suspended them till July 9, except a baseline tariff of 10 per cent. As most countries, including India, could not reach an interim deal with the US by July 9, Trump decided to push back the tariff deadline to August 1.