

US BTA should be on our terms: EAC-PM

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India should negotiate a trade agreement with the United States on its own terms, keeping in view national interest, Economic Advisory Council to the Prime Minister (EAC-PM) Chairman S Mahendra Dev (*pictured*) said.

Dev expressed hope that India will have an advantage over other countries on tariffs once the Free Trade Agreements (FTAs) are signed, and it would boost exports. "The overall approach of India is negotiating trade agreements with countries on its own terms and keeping in view the national interests. The negotiations are going on and the ultimate decision depends on the mutual interests of both countries," he told *PTI*.

US President Donald Trump has said the proposed trade deal with India would be on the lines of what America has finalised with Indonesia on Tuesday.

Under the US-Indonesia trade pact, the Southeast Asian nation will provide complete access to its market to US products, while Indonesian goods would attract a 19 per cent duty in America. In addition, Indonesia has committed to purchasing \$15 billion in US energy, \$4.5

billion in American Agricultural Products, and 50 Boeing jets.

The Indian team is in Washington for the fifth round of negotiations for the proposed Bilateral Trade Agreement (BTA).

India has hardened its position on the US demand for duty concessions on agri and dairy products. New Delhi has, so far, not given any duty concessions to any of its trading partners in a free trade agreement in the dairy sector.

India is seeking the removal of this additional tariff (26 per cent). It is also seeking the easing of tariffs on steel and aluminium (50 per cent) and the auto (25 per cent) sectors. Against these, India has reserved its right under the WTO (World Trade Organisation) norms to impose retaliatory duties.

Asked whether India has a slightly higher inflation target rate for a growth economy, Dev said, "There is no need to increase inflation target when the present framework is doing well on

both inflation and growth objectives." He noted that there are some suggestions that the Reserve Bank of India (RBI) should use core inflation, excluding food for inflation targeting (IT).

"We will have better inflation data from CPI after the revision of base year to 2024," the EAC-PM Chairman said.

Dev said the experience of IT in the last 10 years shows that inflation stayed within the band of 2-6 per cent with some exceptions and inflation declined significantly under IT framework. "It may be noted that higher inflation hurts the poor and middle class mostly. Low inflation is also important for sustainable growth," he said.

Dev said Fiscal Responsibility and Budget Management targets should be continued for sound fiscal management. "It may be noted that a higher fiscal deficit will increase inflation and hurt growth," he said, adding that interest payments will be higher and lower funds will be left for development expenditure.



India, UK likely to sign FTA next week

India and the United Kingdom (UK) are expected to sign the Free Trade Agreement (FTA) next week, an official said.

The pact will remove taxes on the export of labour-intensive products such as leather and clothing, while making imports of whisky and cars from Britain cheaper, in a bid to double trade between the two economies to \$120 billion by 2030.

"The process of legal scrubbing of the FTA text is going on. It is expected to be signed next week," the official said.

PTI

Should keep buying Russian oil: GTRI

India should resist the US pressure to stop purchasing Russian oil and continue buying it as this has helped India manage inflation and maintain economic stability in a volatile global environment, economic think tank GTRI said on Thursday.

"India must reject this pressure and stay firm on its Russia strategy. Buying discounted Russian oil has helped India manage inflation and maintain economic stability in a volatile global environment," the Global Trade Research Initiative (GTRI) founder Ajay Srivastava said.

PTI

'Can secure oil even if Russia is sanctioned'

India is confident of meeting its oil needs from alternative sources if Russian supplies are hit by secondary sanctions, Oil Minister Hardeep Singh Puri said on Thursday. India should be able to deal with any problems with Russian imports by seeking supplies from other countries, Puri said. US President Donald Trump had warned that countries purchasing Russian exports could face sanctions if Moscow fails to reach a peace pact with Ukraine.

REUTERS