

US reciprocal tariff would impact India exports only by 3-3.5%: SBI Research

A 15-20 per cent tariff increase by the United States on India as part of its reciprocal tariff plan would impact India's shipments only in the range of 3-3.5 per cent, after factoring in exchange rate depreciation, State Bank of India (SBI) Research said in a report released on Monday.

Holding that tariff reciprocity may turn out to be more of "white noise", SBI Research said even the expected impact should be negated through higher export goals, as India has diversified its exports portfolio, increased value addition, explored alternative markets, and worked on new trade routes spanning from Europe to the US via West Asia, redrawing supply chain strategies to foster strategic inclusivity.

India and the US have set a new goal for bilateral trade under "Mission 500", aiming to more than double total bilateral trade to \$500 billion by 2030.

The SBI report said while US tariffs on Indian exports have remained relatively stable, India's tariff adjustments appear to be more dynamic.

ASIT RANJAN MISHRA