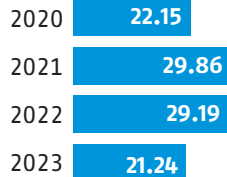


‘India charges a lot’: Trump threatens ‘reciprocal’ tariffs

TRADE TILT

India's trade surplus with the US (\$ bn)



Source: Department of Commerce

SHREYA NANDI

New Delhi, 18 December

The United States President-elect Donald Trump's latest criticism of India's tariffs and his warning of reciprocal measures are setting the stage for heightened pressure on policymakers in New Delhi.

Trump's remarks on India, made just weeks after

he pledged to increase tariffs on imports from Mexico, Canada, and China, underscore his incoming administration's focus on what he calls "reciprocity" in trade. Commerce secretary pick Howard Lutnick echoed this stance, emphasis-

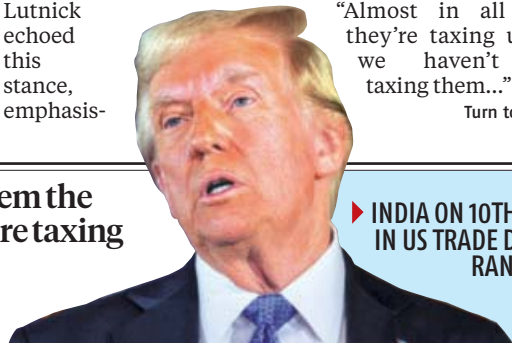
ing that "reciprocity" will be the key theme of the Trump administration's trade policy.

"Reciprocal. If they tax us, we tax them the same amount," Trump told reporters at his luxury resort Mar-a-Lago in Palm Beach. "Almost in all cases, they're taxing us, and we haven't been taxing them..."

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“ Reciprocal. If they tax us, we tax them the same amount... Almost in all cases, they're taxing us, and we haven't been taxing them”

DONALD TRUMP, US president-elect



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▶ INDIA ON 10TH SPOT IN US TRADE DEFICIT RANKINGS

India must develop strategy to address reciprocal tariffs: Experts

The US president-elect further said: “The word reciprocal is important because if somebody charges us — India, we don’t have to talk about our own — if India charges us 100 per cent, do we charge them nothing for the same?”

Citing an example of this purported imbalance, he further said: “You know, they send in a bicycle and we send them a bicycle. They charge us 100 and 200. India charges a lot. Brazil charges a lot. If they want to charge us, that’s fine, but we’re going to charge them the same thing.”

Indian government departments, including the finance ministry, have already begun “brainstorming” sessions to assess Trump’s potential policies and prepare for the challenges expected after he assumes office on January 20. Experts believe that reciprocal tariffs are a likely outcome, and India must develop a robust strategy to address the situation.

“Trump has been vocal about the fact that countries, such as India and China, don’t import enough from the US. There could be pressure to allow market access for agricultural products (which is a sensitive area for India). India needs to work out a coherent strategy while ensuring that it does not lose its bargaining power,” said Biswajit Dhar, a distinguished professor at the Council for Social Development. He also noted that US tariffs on some Indian export items are already high.

Trump’s criticism of India’s high tariffs on Harley-Davidson motorcycles during his previous tenure as president remains a notable point. Ajay Sahai, director general and CEO of the Federation of Indian Export Organisations (FIEO), said Trump’s statements suggest that the US is seeking reductions in Customs duties on certain Indian products.

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