

India is highest tariff charging major economy

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India is still the 'highest tariff' major economy in the world despite all its efforts to bring tariffs down, US Ambassador to India Eric Garcetti has said. Trade between the two countries needed to be "more fair and equal", he added.

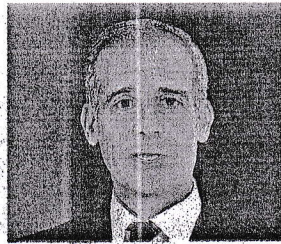
"Both US and India need to, together, lower tariffs and not see them go up... We need to increase trade together and make it more fair and equal," Garcetti said at an event organised by the

US-India Business Council (USIBC) on Thursday.

TRUMP'S WARNINGS

The US Ambassador's remarks are significant given the US President-elect Donald Trump's repeated warnings about India's alleged high tariffs and his intention of imposing "reciprocal tariffs" on the country once he assumes office.

"... I think that as you hear, as recently as yesterday, President-elect Trump talk about trade and how tariffs need to be done fairly, let us have honest conversations. I think it's helpful for us to



US Ambassador to India
Eric Garcetti

... speak bluntly, but let us use that as a starting point to negotiate much more deeply than we do," the Ambassador said.

Garcetti pointed out that the US and India don't talk

ambitiously about trade and yet had managed to increase bilateral trade 10 times since 2001 and the US was the largest trade partner of India.

KEY CONVERSATIONS

"Imagine what we could do if we actually sat down and had all these conversations... The US could say you might be down 95 per cent from what tariffs used to be, but it's still the highest tariff major economy in the world, here in India. And too often, there are barriers that take too long and are too arbitrary, and everything from labour

to land, as we have too in the US," he said. India, too, could ask the US to make the it part of the country's critical minerals conversation, Garcetti said. New Delhi could also ask to be included in the inflation reduction act that would allow Indian companies to create great next-generation energy products in the US, he added.

The Indian government is already examining ways it could negotiate with the Trump government. "However, it will be a two-way street. It will be an exchange of concessions," an official pointed out.