

# 'America First Trade Policy' may lead to tariff threats for India

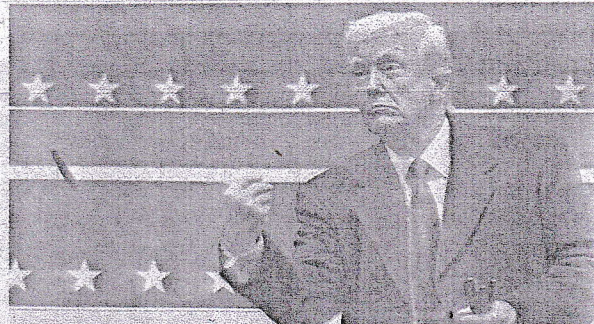
**Amiti Sen**  
New Delhi

US President Donald Trump's America First Trade Policy could translate into tariff threats for India which the government may counter through negotiations and with retaliation if needed, sources have said.

Experts suggest that India should closely watch what the Trump regime does over the next few weeks and be open for consultations with the US government, while not ruling out retaliation.

"The America First Trade Policy is harsh on China but doesn't name India. However, it says that the US government will investigate the country's trade deficits and may impose supplemental tariffs on trade partners. India would no doubt be ready to hold consultations with the US on the matter if it seeks one and react appropriately," a source tracking the matter told *businessline*.

It is inevitable that there will be some action around India as Trump needs more market access and wants to balance trade, pointed out



**TRADE TOSS-UP.** If consultations with Trump regime fail and US imposes tariffs, New Delhi must retaliate proportionately, say experts REUTERS

Biswajit Dhar, Distinguished Professor, Council for Social Development.

#### 'AIM FOR TALKS'

"In the first instance, we should aim at opening up consultations with the US. We should never have a knee jerk reaction," Dhar said.

Only if the consultations do not result in anything constructive, India should take measures to retaliate, he said. But India's response needs to be proportionate to steps taken by the US, Dhar added.

India had retaliated by increasing tariffs on 29 products imported from the

US, including apples and walnuts, when Trump had imposed taxes on its steel and aluminium during his first stint as President in 2018. "India has already demonstrated that it can protect its interests by retaliating in a measured way. It can look at appropriate ways to hit US if required including taking action against US tech companies," trade expert Ajay Srivastava said.

The US was India's largest export destination in FY24 with shipments valued at \$77.51 billion. With imports from the US at \$42.19 billion, India's trade surplus was at \$35.32 billion in FY24.