

# Trump ups tariff to 15%, a day after levying 10% post SC ruling

**TARIFF RESET.** Commerce Dept studying implications; no change in trade deal with India: Trump

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The US reciprocal tariffs of 18 per cent on Indian goods, established under the framework India-US interim trade deal, have been invalidated following a Friday ruling by the US Supreme Court striking down President Donald Trump's "illegal" tariffs. In their place, goods will now be subject to a 15 per cent "world-wide tariff", Trump posted on his social media platform *TruthSocial* on Saturday. He raised the tariffs from 10 per cent, imposed as a "temporary" levy on Friday on all imports for a period of 150 days.

"We have noted the US Supreme Court judgment on tariffs yesterday. President Trump has also addressed a press conference in that regard. Some steps have been announced by the US administration. We are studying all these developments for their implications," per a statement from the Commerce Department.

While Indian exporters are relieved by the drop in additional tariffs to 15 per cent, the uncertainty on the steps the Trump administration may take is a point of concern.

"The February export numbers to the US are encouraging so far (following announcement of US tariff reduction to 18 per cent by Trump on Feb 2). A further reduction now should be good for exports. But it is still uncertain how Trump will actually react to the judgment," said Ajay Sahai from exporters' body FIEO.

## KEY TAKEAWAYS

- US reciprocal tariffs of 18/25% on Indian textiles, leather, etc invalidated by US Supreme Court
- A 15% temporary surcharge levied by Trump regime on most imports from Feb 24 for 150 days
- Certain items exempted such as minerals, some fertilisers and agri, pharma, automobiles
- Section 232 tariffs of 50% on steel and aluminium remain unchanged
- Exporters welcome lower tariff but flag uncertainty over Trump's next steps
- Trade experts say India must leverage the development to negotiate a better trade deal

Trump announced on *TruthSocial* that he was raising the 10 per cent rate to 15 per cent — the maximum level permitted under Section 122 — stating that trading partners had been "ripping off" the US for decades.

Effectively, reciprocal tariffs of 25 per cent on Indian labour-intensive goods such as textiles, leather and shrimp, which were to be reduced to 18 per cent under the deal, now face a levy of 15 per cent, the same as most other countries trading with the US.

However, the Section 232 tariff of 50 per cent on steel and aluminium remain unchanged, as they were not covered by the top court's ruling.

## IMPROVED LEVERAGE

Despite Trump's assertion that "nothing changes" and that India will continue to pay tariffs, trade experts say the ruling strengthens Delhi's negotiating position in ongoing bilateral talks.

are delicate and have not been agreed to yet. These include market access for cereals and dairy, digital trade, the country's position on Russian oil and its relationship with China. India must now stay firm on not giving concessions on its sensitivities," trade expert Biswajit Dhar said.

The ruling should prompt India to re-examine its trade deal with the US, said Ajay Srivastava of GTRI.

While Trump has said he will re-impose similar tariffs on trade partners under other sections such as Section 301 and Section 232 that have not been struck down, Srivastava said that it would take time as there would be new investigations and public justifications have to be given.

Dhar said the replacement tariffs that Trump would now work on will not be sweeping and have to be product-specific.

Sensitive areas include agriculture market access, digital trade rules and India's policy autonomy in dealing with so-called non-market economies such as China.

## UNRESOLVED ISSUES

"There are a lot of issues in the India-US trade agreement that