

# ‘Early tranche’ of trade deal between India, US may be sealed soon

First phase might include a tariff reduction and focus on the priority non-tariff barriers faced by exporters

**BS REPORTER**

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India and the United States (US) are close to finalising an “early tranche” or first part of a broader trade deal that both countries are eyeing, a person aware of the development told *Business Standard*.

A team of officials headed by chief negotiator and Commerce Department Special Secretary Rajesh Agrawal is currently in Washington DC to give a push to the trade talks. After Commerce & Industry Minister Piyush Goyal’s meeting with US Secretary of Commerce Howard Lutnick earlier this week to expedite talks, Agrawal is also learnt to have met Lutnick. An announcement on the progress of the deal is expected when talks conclude on Thursday.

“The aim is to finalise the first phase of the deal at the earliest — latest by July (before the 90-day reciprocal tariff pause window ends),” said the person cited above.

The first phase of the deal might include a tariff reduction and focus on the priority non-tariff barriers faced by exporters from both countries. The US is bargaining for relaxation of India’s quality control order (QCO) norms. Additionally, Washington wants India to put an end

to the existing import licensing norms on laptops and information technology (IT) hardware.

India is learnt to have offered close to zero per cent tariff on non-agricultural goods. And in return, it has been pushing for exemption from the 26 per cent reciprocal tariff proposal and the existing 10 per cent additional tariff.

“India may get an exemption from the 26 per cent reciprocal tariff. However, the 10 per cent tariff may remain — in line with the US’s trade deal with Britain. This has been a major point of contention and India is bargaining hard to get complete exemption from additional tariffs,” said the person cited above.

The person further said that India and the US were working on a three-part deal. Once the early tranche is concluded, both countries are expected to work on the second part, which will include chapters like good regulatory practices, trade facilitation, tech-

nical barriers to trade and agriculture. The deadline for the deal will be US President Donald Trump’s India visit during the Quad Summit later this year. However, the final or the second phase of negotiations will continue until 2026-27. This phase might include tricky and contentious chapters like government procurement, services, intellectual property rights and digital trade.



**CURRENTLY, A TEAM OF OFFICIALS HEADED BY CHIEF NEGOTIATOR AND COMMERCE DEPARTMENT SPECIAL SECRETARY RAJESH AGRAWAL IS IN WASHINGTON TO GIVE A PUSH TO TRADE TALKS**