

Trump admin stance may open doors for India FTA

Govt holding inter-ministerial consultations following new US policies

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India is encouraged by the shift in the stance of the United States (US) administration under President Donald Trump to engage with countries in negotiating bilateral free-trade agreements (FTAs) for greater market access.

Government officials described this as a “positive development” for India. “It’s a positive approach because the US is looking at engaging with countries for sectoral and bilateral FTAs, where there are synergies,” a senior government official said on Wednesday.

According to the memorandum on the “America First Trade Policy”, issued



ON THE WATCH

- The commerce department is scrutinising the memorandum on the 'America First Trade Policy'
- The government is assessing whether any provisions could adversely affect India

- Certain policy announcements are expected to have positive implications as well
- India has not been directly targeted so far, and the government plans to adopt a wait-and-watch approach, responding only if necessary

shortly after Trump took office, the US government will identify countries with which agreements can be negotiated on a bilateral or sector-specific basis to secure export market access for American

workers, farmers, ranchers, service providers, and other businesses. Turn to Page 6 ▶

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New US trade policy: India may 'wait' and act when necessary

The United States Trade Representative (USTR) will subsequently make recommendations regarding such potential agreements.

During Trump's first term, India held extensive discussions with the US on a mini trade deal. However, despite significant progress, the deal was not signed due to unresolved contentious issues. The Joe Biden administration, which took over in 2021, adopted a stated policy of not entering into bilateral trade deals, though India and the US managed to resolve several contentious trade

matters, including all seven disputes pending at the World Trade Organization.

India's strategy

The Department of Commerce is closely examining the memorandum on the America First Trade Policy and holding inter-ministerial consultations to devise an appropriate strategy in response to the US government's stated intentions.

"We are studying the memorandum. There will be a positive impact on India due to certain elements

mentioned. So why should we get worried? We are only concerned if India is negatively impacted. We will try to identify anything that could adversely affect India," the official said, adding that India may "wait" and act only when necessary.

"The commerce department is also consulting with other ministries to keep them informed of developments. They will all have to evaluate (the situation). We will then collectively determine the best course of action," the official added.

So far, India has not been directly targeted, although during his presidential campaign, Trump proposed imposing a flat tariff of around 10 per cent on all goods entering the US, regardless of their country of origin.