

# US team, India to hold week-long discussion on tariff issues

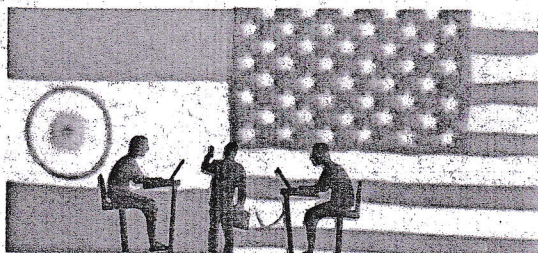
**TRADE NEGOTIATION.** Commerce Dept in talks with Ministries on improved offer, hopes to stall reciprocal tariffs

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Assistant US Trade Representative Brendan Lynch will be in India with his team on Tuesday to hold a week-long face-to-face discussion with Indian negotiators on tariff cuts ahead of the April 2 date set by US President Donald Trump for the imposition of reciprocal tariffs on "high tariffing nations", including India.

"The Commerce Department is holding meetings with all line Ministries, including Finance and Agriculture, to weigh the concessions that could be offered to the US in the areas of its interest. There is a lot of urgency as this is the final week when attempts can be made to put off the April 2 US reciprocal tariffs," a source tracking the matter told *businessline*.

**VIRTUAL MEETINGS ON** Virtual meetings have already been on between the USTR team and Indian officials over the last couple of weeks, based on which India



**LOOMING LARGE.** Last week, US President Donald Trump made it clear that he was not going to be soft on India because of his good relationship with the country REUTERS

is trying to work on its improved offers for tariff cuts, which may also include some agricultural items.

"Assistant US Trade Representative for South and Central Asia Brendan Lynch, along with a team of US government officials, will be in India from March 25-29 for meetings with Indian interlocutors as part of ongoing bilateral trade discussions. This visit reflects the US' continued commitment to advancing a productive and balanced trade relationship with India," according to Christopher Elms, Spokesperson, US Embassy.

Lynch is also expected to

meet Commerce Minister Piyush Goyal and External Affairs Secretary Vikram Misri during the visit.

Last week, Trump made it clear in an interview that he was not going to be soft on India because of his good relationship with the country and the reciprocal tariffs would be imposed if New Delhi did not lower its tariffs.

It has, however, been reported by some foreign news organisations, including the WSJ, that the reciprocal tariffs targeting specific sectors, including automobiles, pharmaceuticals and semiconductors may get excluded from Trump's April 2 an-

nouncements. "We look forward to productive and constructive discussions with the incoming US delegation to expand and deepen our bilateral trade and economic ties in a mutually beneficial manner," the Commerce Department said in a statement on the visit of Lynch.

Cars, motorcycles, alcohol and agricultural items are some of the products where the US government has explicitly called for tariff cuts from India.

"The US was not happy with the initial proposals related to tariff cuts made by India during Commerce & Industry Minister Piyush Goyal's visit to Washington DC earlier this month. The offers need to improve," the source pointed out.

## IN A QUANDARY

While India and the US are working on the contours of a bilateral trade agreement (BTA), Trump's statement indicated that America is not going to wait till the first tranche of the pact is delivered by the agreed time of Fall of 2025.

"It is very clear that India

has to make some commitments on tariff cuts to the US this week itself. Or it has to convince the USTR team that it is on the right track and the first tranche of the BTA will be satisfactory for the US.

If neither of the two happens, then India will have to face tariffs on April 2," the source said.

US' simple average tariff on imports is 3.3 per cent while India's is over five times higher at 17 per cent, per WTO figures.

US' trade weighted average tariff is 2.2 per cent while India's is 12 per cent. Average applied tariffs on agricultural goods by India is much higher at 39 per cent while the US duties are at 5 per cent.

## EXIM TRADE

Assuaging the US' concerns on tariffs are important for India, as it does not want to go into a tariff war with its largest trading and export partner.

In FY24, India exported goods worth \$77.51 billion to the US and its imports were worth \$42.19 billion.