

# India hopes to conclude trade deals with US, EU soon, says Sitharaman

**EASE OF TRADE.** FM says India has introduced reforms to cut down tariffs to support manufacturing, exports

Shishir Sinha

New Delhi

Finance Minister Nirmala Sitharaman said on Tuesday that she hopes negotiations on free trade agreements with the US and the EU will conclude soon. She rejected allegations that India is a high tariff country. The FM's remarks come at a time when the deadline for the 90-day pause period for the US reciprocal tariffs is nearing an end.

Addressing a Trade Conclave organised by India Exim Bank, she said India had already signed free trade agreements with the UAE, Australia and the 4-nation EFTA (European Free Trade Association) bloc, and negotiations have been completed with the UK. "With the US and the European



**REMOVING BARRIERS.** India has removed seven tariff rates in the FY26 Budget, said Finance Minister Nirmala Sitharaman

Union, negotiations are really intensely going on and should come to a conclusion sooner," she said, adding that the emphasis now is on concluding more free trade agreements.

## **'NO HIGH TARIFFS'**

Rejecting the allegation that India is a high tariff country,

Sitharaman said rationalisation of customs structure for industrial goods had already been done in the Budget.

"For those who still believe in the commentary which was made in the US that India may be the tariff king, I want two things to be remembered," she said. Elaborating on this, she said

given India's system of things, the government seeks parliamentary approval for deciding on the tariff rate and obtains from Parliament the permission to go up to a certain level, but effectively, it is at a far lower level. She qualified that the effective tariff rate is far lower but what gets published in the gazette would be that level for which you obtained permission from Parliament.

"Our procedures have given us the not-so-desirable picture of being very very restrictive and regressive about tariff. Many of them are already far lower than the rate at which the gazette notification comes after the approval of Parliament," she explained.

Even after that, India removed seven tariff rates in the FY26 Budget. "For those

of us who still think there is still a tariff story in India, I want this to be clear that there are only eight [tariff rates], including the zero rate," she said, adding that India had introduced a lot of reforms in reducing the burden on trade by cutting down tariffs to support manufacturing, promoting exports and facilitating trade.

## **TOTAL EXPORTS**

Referring to the country's exports, the Finance Minister said that total exports of goods and services had reached a record high of \$825 billion in FY25, achieving 6 per cent growth over the previous year. While global exports grew by only 4 per cent, India's exporters managed to fast-track and cross growth of 6.3 per cent despite global uncertainties on the trade front, she said.