

US team arrives in India; trade pact talks to start today

FE BUREAU

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A US DELEGATION led by its assistant trade representative for South and Central Asia Brendan Lynch arrived in India on Tuesday to take part in negotiations on the contours of the proposed bilateral trade agreement (BTA). The talks will formally begin on Wednesday and continue till Saturday.

"Both countries plan to negotiate a mutually beneficial, multi-sector bilateral trade agreement. Both countries would focus on increasing market access, reducing tariff and non-tariff barriers, enhancing supply chain integration and resolving bilateral trade issues," Union minister of state for commerce Jitin Prasada said in the Lok Sabha.

The BTA was announced in a joint statement following a meeting between Prime Minister Narendra Modi and US President Donald Trump in Washington in February.

India and the US are aiming to conclude the BTA by the end of this year. Indian and US officials are expected to decide on the schedule of negotiations and terms of reference of the BTA. The agreement will be in tranches and in the first tranche, the liberalisation of trade on goods will be the focus, officials said.

The visit by the US team comes just a fortnight after commerce minister Piyush Goyal's trip to the US for discussions with US trade representative Jamieson Greer and US commerce secretary Howard Lutnick.

Officials said the talks will centre on the BTA, and the impending reciprocal tariffs by the US that will kick in April 2 may not feature in it. They said that it is not yet known whether



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these reciprocal tariffs will be specific to any sector, product or country.

If the US imposes country-level tariffs, Indian exports could face an additional levy of 4.9%, compared with the current 2.8%. At the sector level, farm exports would be hit the hardest, with shrimp, dairy, and processed foods facing tariffs of up to 38.2%. In industrial goods, pharmaceuticals will face an additional duty of 10.9%, diamonds and jewellery 13.3%, and electronics 7.2%. Petroleum, minerals, and garments may be unaffected due to the existing tariffs, according to an analysis by the Global Trade Research Initiative.

The US is the biggest market for goods and services for India. According to data from the US trade representative's office, India's trade surplus with the US was \$45.7 billion in 2024, a growth of 5.4% over 2023. Total goods trade between the two countries was \$129.2 billion in 2024, with India's exports at \$87.4 billion, up 4.5% on year while imports were \$41.8 billion, up 3.4% on year.