US agrees to WTO talks with Canada on steel, aluminium fariffs

Amiti Sen New Delhi

The US has agreed to hold consultations with Canada at the WTO on its complaint over 25 per cent duties imposed by the Trump regime on all steel and aluminium imports, according to recent WTO submissions made by the country.

India, right now, is not interested in dragging the US to the WTO over the duties, which have hit Indian exporters of steel and aluminium, as it wants to sort out the matter in the bilateral trade agreement (BTA) negotiations with the US, according to sources.

But the US-Canada talks will be of interest to the country as New Delhi had approached the WTO when similar duties were imposed by Trump in 2018 during his first term and it may be an alternative to be kept alive.

"Without prejudice to the

US view that the tariffs imposed pursuant to Section 232 are issues of national security not susceptible to review or capable of resolution by WTO dispute settlement...the US accepts the request of Canada to enter into consultations," per a communication circulated to the WTO Dispute Settlement Body by the US on Tuesday.

On March 12, US President Donal Trump imposed 25 per cent tariffs on imports of all steel and aluminium to limit imports and boost production domestically. These duties threaten an estimated \$5 billion worth of engineering goods and almost \$1 billion worth of aluminium exports to the US from India.

The Canada and the EU immediately announced counter tariffs on US goods expected to be imported worth \$20.7 billion and \$28 billion respectively.

Canada then filed a complaint at the WTO seeking consultations with the US on its move which it said was inconsistent with US obligations under the multilateral body.

"As the US has agreed to consultations from Canada at the WTO, it shows that it wants to keep the communication flowing on steel and aluminium tariffs. This is good for India as the WTO mechanism has served it well in the past when Trump imposed similar tariffs in 2018 during his first term," the source said.