

India-US trade deal talks in the last lap

● Indian officials reach Washington

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AS THE JULY 9 deadline for implementation of full reciprocal tariffs by the US draws near, a team of Indian negotiators has arrived in Washington and will hold talks with US officials for two days from Thursday.

The Indian team is led by India's chief negotiator for the Bilateral Trade Agreement (BTA), special secretary Rajesh Agrawal. The US team in the negotiations is led by Assistant United States Trade Representative for South and Central Asia Brendan Lynch.

The Indian team's visit comes just two weeks after the US team's visit led by Lynch to India. In the meetings that lasted from June 4 to 10, both

BILATERAL PACT

■ Special secretary Rajesh Agrawal is India's chief negotiator for BTA



■ US team is led by assistant trade representative Brendan Lynch

■ The two sides are to hold talks for two days from Thursday

sides discussed market access in goods and services trade, sanitary and phytosanitary measures, technical barriers to trade, customs and trade facilitation, digital trade and legal framework.

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THE US TEAM visit followed from the productive discussions held in May when commerce and industry minister Piyush Goyal led a delegation to the US from May 17-22 and held meetings with his counterparts—Secretary of Commerce Howard Lutnick and USTR Jamieson Greer.

Between the physical meetings both India and US have been constantly engaged through virtual means. While US President Donald Trump and Prime Minister Narendra Modi had announced the deadline of autumn of this year for a first tranche of the BTA, both sides are also working in striking an interim deal that enables India to avoid the reciprocal tariffs. The US had announced reciprocal tariffs on all its trade partners on April 2.

For India the rate was kept at 26%. However, just before the reciprocal tariffs were to become operational, Trump announced their suspension till July 9 to gain time for negotiation of trade agreements. The additional tariffs of 10% on Indian exports to the US continues till then. During the negotiations the most challenging areas have been agriculture and the broader farm sector. The US

wants greater opening of the Indian agriculture and dairy sector. In no free trade agreement (FTA) that India has signed has it offered concessions in dairy trade.

The US is also seeking markets for its genetically modified food products. India on its parts has not allowed cultivation and sale of any food crops domestically despite pressure from multinationals involved in their promotion.

Apart from agriculture, the US is seeking greater opening up of the Indian markets for its services and digital companies. India's interest is in getting lower duties on its labour intensive items of exports like textiles and leather. India also has an interest in keeping the US market open for emerging areas of exports like electronics and smartphones, auto and auto parts and engineering goods.

Apart from reciprocal tariffs, the US has imposed sector specific tariffs on steel and aluminium and auto and auto parts. Indian negotiators are also pushing for the roll back of these tariffs for Indian exports. Sources say that the US does not seem to be willing to negotiate sectoral tariffs but both sides are still engaged on the issue.