

AT THE END OF THE DAY, WE WILL COME TOGETHER, SAYS BESSENT

India, US signal hope for early tariff resolution

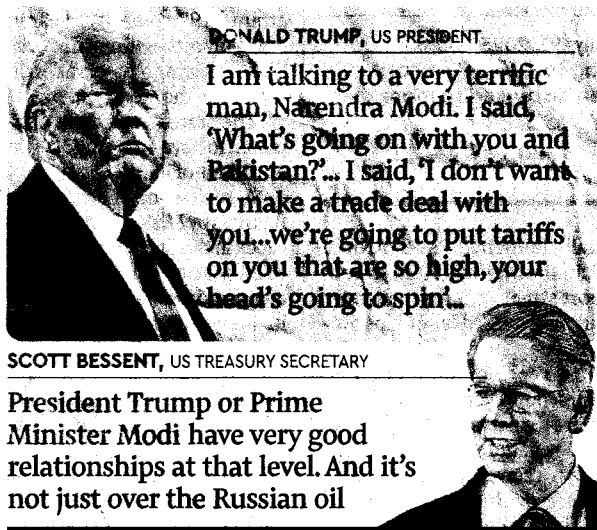
● Communication channels open, says govt official

MUKESH JAGOTA
New Delhi, August 27

JUST AS THE additional 50% US tariff on Indian merchandise came into force on Wednesday, the chances of its early dilution, if not withdrawal, increased, with both sides indicating a rapprochement could be on the cards.

"Communication channels (between the two countries) are open. We will see how it works out. There are positive signals from both sides that we need to build upon," a government official, who did not wish to be identified, said here on Wednesday.

The remarks came close on the heels of US treasury secretary Scott Besse



DONALD TRUMP, US PRESIDENT

I am talking to a very terrific man, Narendra Modi. I said, 'What's going on with you and Pakistan?'... I said, 'I don't want to make a trade deal with you... we're going to put tariffs on you that are so high, your head's going to spin'...

SCOTT BESSE, US TREASURY SECRETARY

President Trump or Prime Minister Modi have very good relationships at that level. And it's not just over the Russian oil

comments earlier in the day in an interview to *Fox News*, suggesting a similar stance. "At the end of the day we (India and US) will come together," Besse said.

"This is a very complicated

relationship. President (Donald) Trump or Prime Minister (Narendra) Modi have very good relationships at that level. And it's not just over the Russian oil," he said.

The Indian official quoted

Finmin note flags tariff challenges

THE IMMEDIATE IMPACT of an extra 50% US tariff on Indian exports may appear limited, but their secondary and tertiary effects on the economy pose challenges that must be addressed, the finance ministry said in its latest monthly report. In this context, the ongoing India-US trade negotiations will be crucial, it said, reports *fe Bureau*. ■ PAGE 3

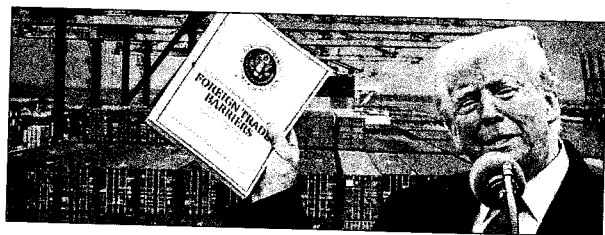
above said that there should not be any panic as the impact of the additional US tariff "is not as drastic or as exaggerated as projected."

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India, US signal hope for tariff resolution

STATING THAT India-US relationship has value, he said the government would definitely look at how the (open) channels of communications are going "to build confidence and address challenges that are there right now." "In a partnership there are two sides and there both sides are looking at how to resolve the issues and then we will see how next we can move forward," he added.

The government is also discussing options to give succour to exporters to tide over the current crisis. While a meeting called by the commerce ministry with key export promotion councils was deferred, it may take place without any delay. The government has been urged to lend a helping hand to exporters, especially in sectors where large-scale job



losses are feared.

In parallel, India is also planning dedicated outreach programmes in 40 countries, including the UK, Japan, and South Korea, to push textiles exports. Together, these countries represent more than \$590 billion in textile and apparel imports, offering vast opportunities for India to enhance its market share, which stands at just 5-6% now, according to industry sources.

The official quoted above also said that all the projections about the impact of 50% tariffs on India's exports are highly exaggerated. "While some units may take a hit, the entire sectors would not. 'We have seen disruptions before. There will be a dip for some time then things will pick up,' the official said.

India has already exported \$33 billion worth of goods in the first four months of this financial year and in August

too numbers could be good as additional tariffs have kicked in the last week of the month. The growth in exports to the US in the first four months was 21%. "That kind of growth we may not see but it would not change overnight." He also expressed confidence that the overall exports to the US in this financial year would be at the last year's level of \$86.5 billion, discounting independent analysis that exports to the US in FY26 could fall by 30-40% on year.

To deal with the emerging situation, the commerce ministry will hold a series of meetings this week with exporters from various sectors, including chemicals, gems and jewellery, to discuss ways to boost exports to new markets.