

US court blocks Trump tariffs; India deal on

If no quick relief, Trump admin may move Supreme Court

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India's ongoing negotiations with the United States (US) over a bilateral trade agreement (BTA) will not be affected, even as the Manhattan-based Court of International Trade blocked the Donald Trump administration's "Liberation Day" reciprocal tariffs on trading partners, along with a host of other levies unleashed since January.

The Trump administration, on the other hand, has said that it would ask the US Supreme Court to intervene by Friday if a federal appeals court doesn't immediately put on hold the decision that found most of tariffs announced by the president "illegal".

Speaking at the CII Annual Business Summit here on Thursday, Union Commerce Minister Piyush Goyal stressed that the deal with Washington remains "well on track". Turn to Page 7 ►



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Piyush Goyal
Union Minister for Commerce & Industry

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■ US court ruling on tariffs stirs relief, uncertainty

■ US GDP shrinks 0.2%, first time in 3 years

Muted reaction

	1-day % chg
The US	
Dow Jones	0.0
S&P 500	0.4▲
Nasdaq Composite	0.7▲
Europe	
CAC 40	0.0
Euro Stoxx 50	0.0
DAX	-0.3▼
Asia	
KOSPI	1.9▲
Nikkei 225	1.9▲
Hang Seng	1.4▲
SSE Composite	0.7▲
Sensex	0.4▲
Nifty 50	0.3▲
Straits Times	0.1▲

Brent crude (\$/bbl)	63.5	-1.4▼
Gold (\$/Oz)	3,315.5	0.9▲

Data as of 9 pm;
Source: Bloomberg

US trade representatives to visit India next mth

“India never interferes in internal matters of other countries. They will take decisions on their domestic issues,” he said. “I am confident that in the coming days India will be able to conclude mutually beneficial trade deals with the US and other countries.” He declined to say whether an agreement with the US could be concluded by July 8.

A senior commerce ministry official, speaking on condition of anonymity, also played down the US court ruling. “That is their legal battle. Why should we get into it? Our negotiations will go as it is.”

A second official confirmed that a US delegation of trade representatives is scheduled to visit India for the next round of talks on June 5 or 6.

India’s chief trade negotiator, Rajesh Agrawal, who is also the commerce secretary designate, echoed the minister’s confidence. Addressing the summit, he said India had launched talks with the US before the retaliatory tariffs came into force, and that the broader aim was to tap into “natural synergy” between the two economies.

The discussion around tariffs and the trade deficit is part of the US’s internal narrative,” he said, adding, “That shouldn’t come in the way of our trade partnership... We should be able to work out a trade partnership where there are natural comparative advantages and comparative preferential pathways to our businesses on both sides.” “Hopefully in these tough times also, we will be able to navigate and come out with a good outcome sooner than later,” he further said.

But Ajay Srivastava, founder of the Global Trade Research Initiative (GTRI), urged caution. “India should resist any agreement shaped by threats or based on unlawful measures. Not only do these Trump-era tariffs violate WTO (World Trade Organization) rules, but the US court has now confirmed they breach domestic law too.”

The US Court of International Trade ruled on Wednesday that President Trump overstepped his author-

ity, exclusively with the Congress, by using his emergency powers to impose across the board duties on imports from the US trading partners. “That use is impermissible not because it is unwise or ineffective, but because (federal law) does not allow it,” the court said

The three judge bench ordered the Trump administration to issue new orders reflecting the permanent injunction within 10 days. The Trump administration minutes later filed a notice of appeal and questioned the authority of the court.

The court invalidated with immediate effect all of Trump’s orders on tariffs since January that were rooted in the International Emergency Economic Powers Act (IEEPA), a law meant to address “unusual and extraordinary” threats during a national emergency.

The court was not asked to address some industry-specific tariffs Trump has issues on automobiles, steel and aluminium, using a different statute. However, apart from the 10 per cent baseline tariffs and now suspended country-specific reciprocal tariff, the court blocked Trump’s elevated rates on China and others, and his fentanyl-related tariffs on China, Canada and Mexico. A White House spokesperson said US trade deficits with other countries constituted “a national emergency that has decimated American communities, left our workers behind, and weakened our defence industrial base... It is not for unelected judges to decide how to properly address a national emergency.”

Analysts at Goldman Sachs noted that there were legal avenues for Trump to impose across the board and country specific tariffs. “This ruling represents a setback for the administration’s tariff plans and increases uncertainty but might not change the final outcome for most major US trading partners,” analyst Alec Phillips wrote in a note.

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With inputs from Reuters