

# US team coming on Aug 25 for next round of trade talks

**NOT ON SAME PAGE, YET.** No clarity for India on tariffs set to kick in from August 1

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Amid uncertainty over the US tariffs beyond the August 1 deadline, a team of American trade negotiators is set to arrive in New Delhi on August 25. Both sides are straining to take forward the negotiations for a bilateral trade agreement although there is still no clarity yet on what India would face after the deadline lapses.

While discussions are still continuing in the virtual mode between the two sides for a breakthrough in crucial areas, including market access for sensitive items, senior US officials have indicated a deal was not on the horizon yet.

## US' DEMANDS

"There is no clarity yet for India on what the tariff situation would be on August 1. Since India has not got a tariff letter from US President Donald Trump indicating a new tariff rate, as some other countries have, the wait is on to see how things pan out," a



**TARIFF TUSSLE.** US Trade Representative Jamieson Greer indicated on Monday that attempts would be to persuade India to bring down tariffs on all products BLOOMBERG

source tracking the matter told *businessline*.

US Trade Representative Jamieson Greer indicated on Monday that attempts would be to persuade India to bring down tariffs on all products.

"The President is in a mode to have a deal that substantially opens their (India's) markets. That they open everything or near everything... They have expressed strong interest in opening portions of their market. We, of course, are willing to continue talking to

them. But I think we need some more negotiations on that with our Indian friends to see how ambitious they want to be," Greer said in an interview.

The best case scenario for India would be to have the tariff deadline extended. If not, it may face reciprocal tariffs of 15-20 per cent as indicated recently by Trump for all countries that have not received tariff letters or reached deals.

"For the world, I would say it'll be somewhere in the 15-

20 per cent range. I just want to be nice," Trump said on Monday in Scotland.

The US could also revert to the reciprocal tariffs announced on April 2 — 26 per cent in India's case. Trump postponed the April 2 tariffs first till July 9 and then till August 1 to give countries time to strike trade deals with the US.

A uniform baseline reciprocal tariff of 10 per cent, however, was applied on all countries in April.

## RECIPROCAL TARIFFS

Trump said he announced the reciprocal tariffs to level the field for US companies that face high tariffs in foreign markets and to also bring down the trade deficit.

India and the US have been engaged in BTA talks since March this year with a goal of concluding the first tranche by Fall (September-October). India has also been trying to arrive at an interim deal with the US to persuade it to put off the reciprocal tariffs. But the US' push, particularly in agriculture, has made the going difficult.