

# India prepares for tricky trade dance with Trump

Easier access likely for more American goods, but no unilateral tariff reductions

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India may consider easier market access for a select set of US goods from oil to apples and electric vehicles to satellite communications, as it gears up for trade talks with the nation guided by the 'America First' policy of its new president Donald Trump. However, New Delhi will not roll out the red carpet for US imports with one-sided tariff concessions, three officials aware of discussions in the central government said.

India will also seek assurances that the US will not raise taxes or impose additional trade barriers against Indian products, these officials said on the condition of anonymity.

"While the Indian government is preparing for talks with the new US administration, there are no plans to lay the red carpet on the tariff front," one of the officials cited above said.

Last time Trump was US president, he had labelled India a "tariff king" in July 2019, pointing to the 100% duty on imports of Harley-Davidson motorcycles in particular. Although India cut that down to 50% soon after, Trump still called it "unacceptable". Earlier, in March 2018, after the US imposed



tariffs on Indian steel and aluminium, India countered by raising tariffs on 29 American products.

With trade talks likely to be held soon between the two countries, India may consider increasing imports of crude oil, medical devices and agricultural products—such as cotton, fruits, and animal feed ingredients—from the US, the first person cited above said.

"Market access for apples, long-staple cotton, blueberries and almonds from the US are also likely to be part of the talks," the first person said. "These products are vital for both countries and discussions are likely to focus on removing trade barriers, ensuring fair access, and addressing any regulatory hurdles that could hinder trade."

Another critical issue India is preparing to include in its play-book is market access for US firms in satellite communication, which has been a contentious issue, especially with Elon Musk-owned Starlink vying to start its operations in India.

US-made electric vehicles and components and motorcycles are also likely to be a key element of trade discussions.

Equally, given the critical demand for essential and life-saving India-made products such as pharmaceuticals and drugs, the US may be hesitant to increase tariffs on these items, as they are crucial for both domestic needs and the broader global supply chain, the second person mentioned above said.

"In return, the US may seek greater market access for its premium healthcare products, such as medical devices and other related items. The US may push India to ease regulations or reduce tariffs to allow for more favourable entry into the Indian market," the second person said.

Any policy-level interventions by India will be carefully crafted to foster mutual growth and ensure that the trade relationship continues to evolve constructively and

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