

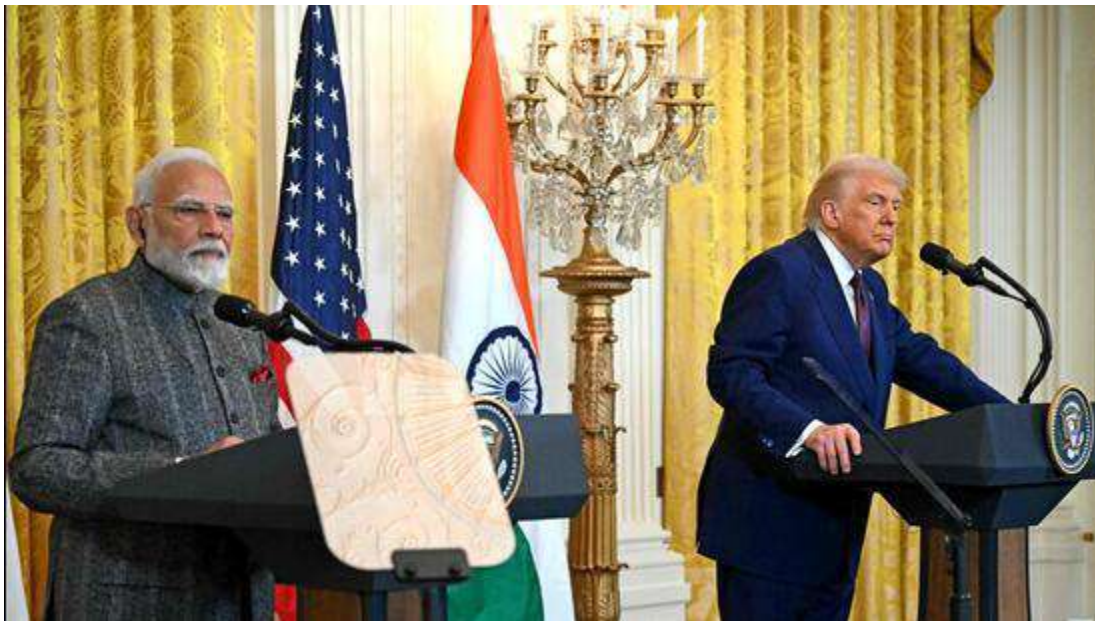
India willing to reduce tariffs further to woo US

By [Zia Haq](#), New Delhi

Mar 10, 2025 06:04 AM IST

Indian negotiators have expressed willingness to make deeper tariff cuts, including zero duty on some agricultural products, to help boost US-India trade to \$500 billion by 2030

Indian negotiators have expressed willingness to make deeper tariff cuts, including zero duty on some agricultural products, to help boost US-India trade to \$500 billion by 2030, a goal set during Prime Minister Narendra Modi's summit with US President Donald Trump earlier this month, trade experts and officials advising the government have said, requesting anonymity.



US President Donald Trump and Prime Minister Narendra Modi during a joint press conference in the East Room of the White House in Washington DC on February 13, 2025. (AFP)

To ward off a potential trade war, the Indian side has signalled wide-ranging cuts in imports of cars, chemicals, electronics, pharmaceuticals and medical devices for a multi-sector bilateral trade with the US, an official with knowledge of the matter said on Sunday.

A team in Washington, led by commerce minister Piyush Goyal, is also trying to counter a negative perception among the Americans that India is a high-tariff nation, by citing recent examples of several changes in tariffs, a second official said.

These include decisions to pare tariff on high-end motorcycles to 100% from 110% and on American bourbon whiskey to 30% from 50% earlier.

The Indian side has signalled willingness to have a zero-duty framework on imports of specific quantities of lentils and peas, the first official said.

The Indian side has also cited to the Americans trade data that shows India levies an average of only 3% duty on over two-dozen items US exports to India, with high tariffs limited to a few goods — part of a broader attempt to change the narrative that India penalises American businesses.

Commerce minister Piyush Goyal is in Washington to negotiate a deal to ease trade tensions, weeks ahead of President Trump's reciprocal tariffs on India taking effect early next month.

For leverage, India has highlighted areas in which the US enjoys trade surpluses with significant exports to Asia's third largest economy, where India could ramp up import taxes, the second official said.

A strategic stance on stiffening tariffs in these sectors would allow India negotiating leverage, said Sachin Chaturvedi, the head of Research and Information System for Developing Countries or RIS. Chaturvedi leads one of the trade experts' groups advising the government.

The country depends on net import of pulses and it already has an agreement with Australia for import of fixed quantities of lentils on zero duty. "A similar agreement with the US is on the table. Overall, our aim is to ease tariff and non-tariff barriers to such an extent that by 2030, bilateral trade reaches \$500 billion," the first official trade said.

Generally, India remains reluctant to open up the sensitive agriculture sector because millions of small farmers depend on it.

In remarks made on the US economy, Trump on Friday said in Washington that India had signaled readiness to make substantial tariffs cuts than before. "They've agreed, by the way, they want to cut their tariffs way down now," Trump said.

Analysts say India's higher tariff rate and a \$41 billion trade surplus with the US puts it among the most vulnerable nations if Trump follows through with tit-for-tat tariffs.

An average hike of 15%-20% in the US's tariffs could reduce India's overall exports by 3-3.5%, according to a note by State Bank of India.

Advisers to the government are also brainstorming on steps to prevent cheap influx of Chinese goods, a trade tactic known as dumping, as a result of proposed lower Indian tariffs.

Agriculture cannot be off-limits and India must open up its farm sector, US commerce secretary Howard Lutnick told the India Today TV channel via video on March 7.

India has long protected the farm sector to shield cultivators from cheaper imports. Lutnick suggested that sensitive sectors can have quotas on imports.

"Maybe certain products have quotas. Maybe certain products have limits...And then we do the same thing on the other side and craft an agreement that makes sense for both of us," Lutnick said.

"The Indian agriculture market has to open up. It can't just stay closed," he added. Lutnick said India must ramp up defence and energy imports from the US.

Source: <https://www.hindustantimes.com/india-news/india-willing-to-reduce-tariffs-further-to-woo-us-101741544744024-amp.html>