Deferring Imposition of Retaliatory Duties

Why in news?

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- India recently confirmed its plan to slap retaliatory duties on some US imports by June, 2018. Click here to know more
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- It has now notified to put off the implementation by a month-and-a-half to August, 2018.
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What is the significance?

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- **Diplomacy** - Postponing the levy of retaliatory duties would offer space for resolution.
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- Discussions are planned with a visiting team from US Trade Representatives' (USTR) Office.
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- Ways to bring down trade tension between the two countries would be discussed.
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- Imposing retaliatory duties at this time may undermine the purpose of the meeting.
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- **Trade** - US happens to be one of the largest export destinations for India.
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- Despite the increase in exports from the US to India in 2017-18, India has a robust bilateral trade surplus.
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- So, it is economically rational for India to maintain this and solve the tariff issue amicably.
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What is the way forward?

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- Clearly, India has only deferred the imposition, not ruled out.
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- India now needs to do focus on convincing the US to roll back the additional duties imposed on Indian aluminium and steel.
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- India should also not miss out the path of retaliation by other WTO members, including China, the EU and even Turkey.
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Source: BusinessLine

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