

India-U.S. - Initial framework deal on reciprocal tariffs

Prelims: *Current events of national and international importance*

Why in News?

India and the U.S. are “very close” to finalising an initial trade agreement on reciprocal tariffs, Commerce Secretary said recently.

- **Context** - The U.S. administration has imposed steep **50% tariffs on Indian goods** entering American markets.
- The outcomes will have a positive influence on the trajectory of the rupee (appreciation of the rupee).
- **Background** - First, the U.S. imposed a 25% duty on Indian goods, stating trade deficit concerns with India, which stood at around \$46 billion in 2024-25.
- An additional 25% penalty was imposed later on India for buying Russian crude.
- **Need** - As the high import duties are hurting India's export shipments to America, the Indian industry and exporters wanted the conclusion of the negotiations and announcement of the deal.

U.S. is a key destination for Indian industry and exporters as it accounts for about 18% of the India's exports.

- **Negotiations - The U.S.** seeking duty concessions on Agri-products like almonds, corn and apples, and industrial goods.
- **India** Strongly opposed any concessions on the Agri and dairy sectors stating that it will not compromise the interests of farmers and MSMEs.
- India is resistant to certain row crops and other meat and products.
- Row crops in the U.S. include corn, soybeans, wheat and cotton.
- The guidelines for the recently announced Export Promotion Mission are also being finalised and are likely to be announced soon.

India is currently in talks with several other countries and trade blocs — including Canada, Peru, the EU, Chile, Qatar, Israel, SACU, and New Zealand.

References

1. [India-U. S Finalising Deals on Reciprocal Tariffs](#)
2. [India-U. S Views on Free Trade Agreement Deal](#)

