

## 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](#)

