

India-US Trade Deal Nears Final Stage Amid Tariff and Visa Challenges

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India-US Trade Deal Latest News

- After prolonged delays, the India-US trade deal is back on track. A high-level Indian delegation has reached Washington to resume talks, with signs that negotiations are entering the final stage.

India-US Trade Talks Resume With Renewed Push

- Commerce Minister Piyush Goyal is leading India's trade team in Washington, where talks on the long-delayed India-US trade deal appear to be regaining momentum.
- Earlier attempts had collapsed after the White House demanded more concessions despite a draft agreement being cleared by both sides.
- This time, India is likely to offer additional sweeteners — including major defence purchases and nuclear cooperation — to frame the deal within the broader strategic partnership.

- The negotiations follow recent meetings between US and Indian trade officials and come after tensions escalated when President Trump doubled tariffs on Indian goods, citing India's purchase of Russian crude.

India's Messaging in Trade Negotiations

- **Firm Stand Against Tariff Pressure**

- Indian officials believe Washington now recognises that India will not bow to tariff threats, unlike South Korea, Japan, or the EU.
- New Delhi has consistently flagged its red lines and indicated it would not compromise, even if that meant no trade deal.

- **Key Expectations**

- India expects reciprocal and punitive tariffs to be removed in a single step and replaced with one consolidated tariff rate.
- The earlier draft deal is likely to serve as the basis for fresh talks, with some additional concessions included.

- **H-1B Visa Issue as Leverage**

- The Trump administration's recent H-1B visa fee decision, which primarily impacts India, is viewed as a negotiating tool.
- Trade experts suggest its timing signals additional leverage against India, much like secondary tariffs over Russian oil imports.

- **The Challenge Ahead**

- India's main challenge will be balancing the removal of tariff barriers on goods while addressing the H-1B issue, without letting non-tariff concerns derail the core trade deal.

Mixed Signals in India-US Trade Talks

- **Optimism Over Tariff Removal**

- Chief Economic Adviser V Anantha Nageswaran stated that the additional 25% US tariffs imposed on India over Russian oil imports would not continue beyond November 30, indicating positive backchannel progress.

- **Leaders Express Confidence**

- Trump recently said he was "certain" trade negotiations with India would succeed, while PM Modi responded by calling the two countries "natural partners" committed to a brighter, more prosperous future.

- **Renewed Pressure on Russian Oil Purchases**

- Soon after, the US urged G7 nations to intensify pressure on countries buying Russian oil, highlighting India and China as the largest importers. The move complicates trade discussions.

- **India's Firm Position**

- India has defended its Russian oil imports, citing economic and commercial needs.
- Finance Minister Sitharaman reiterated this stance, while PM Modi affirmed India will not compromise farmers', fisherfolk's, and cattle keepers' well-being.

Source: IE

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