

India looking to take advantage of China's retaliatory tariff on US goods

Hopes to push exports; wants Beijing to remove non-tariff barriers

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New Delhi, July 13

With China imposing retaliatory import duties on over 800 items from the US last week and more in the pipeline, New Delhi is exploring the possibility of taking advantage of the situation by pushing its own exports of the targeted products to the country.

"The Commerce Ministry is going through the list of items on which China has imposed duties on the US and is trying to identify products where India could try to increase its exports. It will soon start stakeholder consultations with exporters of farm products and the industry to put in place a strategy," a government official told *BusinessLine*.

Last week, China imposed 25 per cent duties on imports from the US worth about \$34 billion a year in retaliation to tariffs imposed by Washington on Chinese imports worth an equal amount.

The Trump administration has threatened to impose a



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second tranche of tariffs worth \$16 billion in a few weeks and gradually increase it to \$200 billion.

"By making it easier for India to replace imports from the US in the Chinese market, Beijing would also be making an honest effort to fulfil its promise to India, made at the highest political level, of helping to bridge the gaping \$63 billion trade deficit that exists between the two," the official said.

Some of the imported items from the US on which China has

imposed additional duties of 25 per cent include soyabeans, pork, fish, seafood including prawns and shrimp, dairy products, vegetables such as potatoes, tomatoes, onions, shallots, garlic and peas, lentils, nuts including cashews and coconut, fruits including apples, grapes and orange juice, and alcohol.

"Agriculture is a major area where Beijing has imposed retaliatory tariffs on US imports. The Commerce Ministry's agriculture division will soon hold a meeting with exporters to find out where they see opportunity," the official said.

However, to gain from the tariff advantage that India would have over US products, it is important for the country to get over the non-tariff barriers including the regulatory environment.

If exporters are able to convince the Commerce Ministry of the potential that exists for export of certain items and identify ways to push it, the Ministry could also rope in the Indian Embassy in China to work with the Chinese government on various barriers, the official said.