

India keeps a close watch as US and China trade blows



Beijing blames Washington for 'largest-scale trade war' as both sides slap tit-for-tat tariffs

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Asit Ranjan Mishra & Reuters
NEW DELHI

Aworried India is keeping a close eye on escalating trade tensions between the world's two largest economies with the US and China slapping tit-for-tat duties on \$34 billion worth of each other's imports on Friday.

"We are closely monitoring the situation. We don't see an immediate adverse impact on India," an Indian commerce

ministry official said on condition of anonymity.

Beijing accused Washington of triggering the "largest-scale trade war" as US President Donald Trump upped the ante, warning that his nation may ultimately target over \$500 billion worth of Chinese goods, or roughly the total amount of US imports from China last year.

The escalation of the trade war between the US and China is both a threat and an opportunity for India, said Jayant Dasgupta, executive partner at

law firm Lakshmikumaran & Sridharan and former ambassador of India to the World Trade Organization.

"If the US is able to extract concessions from China, then Trump can do similar things to India. He can aggressively seek concessions in intellectual property enforcement, data exclusivity, repeal of section 3(d) of Indian Patent Act as well as greater market access in banking and insurance," he said. India and the US are engaged in negotiating a trade package. The second round of

these negotiations is expected to take place in Washington DC later this month.

Dasgupta said "India may gain greater market access in textiles, garments, leather and footwear. But that is a remote possibility as of now".

However, India may be relatively safe unlike many other countries who export intermediate products to China, which are used for exports to the US. India chiefly exports primary products such as cotton yarn and iron ore.

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Eye for an eye



▶ US has imposed a 25% levy on \$34 billion of Chinese goods

▶ China's retaliatory action includes items such as cars and soybeans

▶ India's move against US steel and aluminium tariff hikes will be effective from 4 August

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