

US will impose reciprocal tariffs from April 2: Trump

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Context

U.S. President Donald Trump criticised the **high tariffs charged by India** and other countries, terming them as "very unfair" and announced reciprocal tariffs from April 2 on nations that impose levies on American goods.

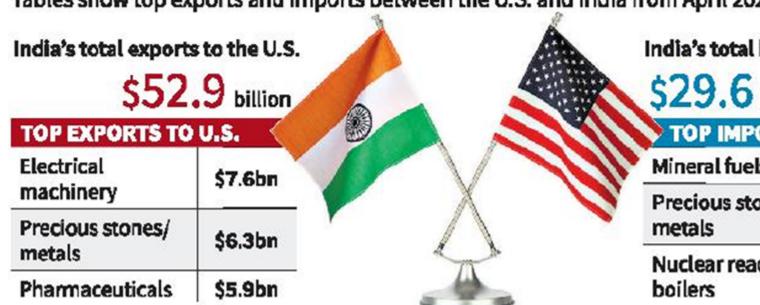
Mr. Trump made these remarks in an address to the Joint Session of the Congress on Tuesday. It was the first address of his second term in the White House. Mr. Trump was sworn in as the 47th President of the U.S. on January 20.

"If you don't make your product in America, however, under the Trump administration, you will pay a tariff and in some cases, a rather large one," Mr. Trump said. "Other countries have used tariffs against us for decades and now it's our turn to start using them against those other countries. On average, the European Union, China, Brazil, India, Mexico and Canada — have you heard of them? And countless other nations charge us tremendously higher tariffs than we charge them," the U.S. President said.

Status of Trade between India & USA

Trade in numbers

Tables show top exports and imports between the U.S. and India from April 202



What are Reciprocal Tariffs?

Reciprocal tariffsrefertothe UStaxingthe importingnation by the same tax ratewithwhich they are taxing the US.

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This systemwouldbring US tariffs on importsin linewithothernations'tax rates

Tariffequivalenceacrossvarious products could raise the average tariff rate of the United States by about two percentage points.

PossibleImpacton India

Higher tariffs:Indiaisoneofthecountries with significantly higher relative tariff rates and henceisvulnerable to retaliatory tariffs. India's weighted average effective tariff on US exports to India is 9.5% compared with a 3% tariff rate on India's exports to the US

Weaksectors:It couldnitIndia's **automobile**, **textile**, **and otherindustries**. For instance, if Indiawereto slap a 25% tariff on US automobiles, the US would then slap a 25% tariff on US imports of Indianautos.

Widerimpact: Tariffsreciprocalwould lead to the door opening to "ageneral tariffincrease" on emerging economies that charge high tariffs on US goods.