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Trump pauses tariffs for 90 days, slaps China with 125 %

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Context

- U.S. President Donald Trump abruptly backed down on Wednesday in his global trade war with a **90- day pause for most countries, but slapped even more levies against China in what has become a full-scale confrontation between the world's two largest economies.**
- "I have authorized a 90 day PAUSE" on higher tariffs that took effect on Wednesday, Mr. Trump said on the Truth Social network, saying he took the decision after more than 75 countries had reached out to negotiate and did not retaliate against the United States.

Impact of tariffs on India

Export Challenges: India faced a **26% tariff on its exports to the US, affecting key sectors such as automobiles, textiles, and fisheries.**

It posed a challenge for Indian exporters, who had to navigate higher costs and reduced competitiveness in the US market.

Economic Adjustments: To mitigate the impact, **India might consider reducing tariffs on US imports, including gems, jewelry, and auto parts.**

Strategic Partnerships: Despite the tariffs, India is emphasizing its commitment to strengthening bilateral trade relations with the U.S., aiming for long-term economic collaboration.

Comparative Advantages: Tariff on **India (26%) is lower than other Asian and South Asian countries including Vietnam (46%), Thailand (37%), Bangladesh (37%), Sri Lanka (44%) and Pakistan (30%), which could give India some 'comparative advantages'.**



A look at the latest moves in the escalating global trade battle

U.S. pauses most new tariffs for **90 days**, maintaining a flat 10% tariff on all countries

China retaliated earlier, raising tariffs on U.S. imports to **84%**

U.S. hits back, raising tariffs on Chinese goods to **125%**, up from 104% earlier in the day

EU announces **€20 bn** in countermeasures, targeting U.S. goods like soybeans, motorcycles, and cosmetics

