



Date and Time: Wednesday, August 10, 2022 7:50:00 PM IST

Job Number: 177058782

Document (1)

1. [*India Is the Latest Front in Trump's Endless Trade War*](#)

Client/Matter: -None-

Search Terms: India Is the Latest Front in Trump's Endless Trade War

Search Type: Natural Language

Narrowed by:

Content Type
News

Narrowed by
-None-

India Is the Latest Front in Trump's Endless Trade War

Foreign Policy

June 21, 2018 Thursday 7:31 PM EST

Copyright 2018 Newstex LLC All Rights Reserved

Length: 1343 words

Byline: Sreeram Chaulia

Body

Jun 21, 2018(Foreign Policy: <http://www.foreignpolicy.com/> Delivered by Newstex) Indian farmers, traders and vendors negotiate prices of vegetables at a wholesale vegetable market in Hyderabad on February 1, 2018. (NOAH SEELAM/AFP/Getty Images) U.S. President Donald Trump has been starting trade wars on all fronts, with escalating spirals of tariffs between the United States and its three main trade partners: the European Union, China, and NAFTA. But there's a smaller yet no less significant part of the protectionist tit for tat that's been overlooked: the fight between the United States and India. This quarrel has the potential to erode the burgeoning strategic partnership between the world's two largest democracies, which have been closely aligned in military and counterterrorism fields with the goal of stabilizing the Indo-Pacific region and countering the rise of China. Trump struck the first blow with his steel and aluminum tariffs.

India tried hard to get an exemption but failed. And so, on Thursday India began imposing what it deems proportionate payback[1] worth \$240 million on 29 American export items including almonds, chickpeas, and chocolates, with 28 tariffs taking immediate effect and a duty on shrimp rolling out on Aug. 4. The U.S. side was pressing for trade reciprocity even before the Trumpist trade hawks swooped in. Since President Bill Clinton's administration, the United States has filed six separate cases against India at the World Trade Organization. Despite these conflicts, the deepening of geopolitical cooperation rarely halted. But the unilateralist and rigid way the current U.S. administration is closing its market to imports while simultaneously demanding concessions for its exports has rattled India as much as it has the rest of the world. India was already on the radar of the neomercantilists calling the shots in Washington, although not to the same glaringly visible extent as China, the EU, Canada, and Mexico. U.S. Trade Representative Robert Lighthizer has challenged[2] India's export subsidy policies as instruments 'to sell their goods more cheaply to the detriment of American workers and manufacturers.' He initiated a case against India at the WTO in March, the first such complaint since 2013, and also threatened to revoke the non-reciprocal trade benefits India enjoys under the Generalized System of Preferences by virtue of being a developing nation. Trump himself has chided India for placing barriers to Harley-Davidson motorcycles by lamenting[3] that 'we're getting nothing' from India. In the services sector too, Trump and a Republican Congress have cracked down hard on the previously relatively easy route for skilled Indian information-technology sector workers into the United States. The United States is India's single largest trading partner, with the two-way flow totaling more than \$100 billion[4] or more a year, and total trade makes up 40 percent of India's GDP. There is considerable worry that Trump's trade war will jeopardize India's economic boom, with GDP growing at 7.7 percent[5] in the last quarter of 2017. Indian equities and stocks fell[6] by over 1 percent as the shadow of Trump's trade war descended, reflecting worries not just about the tariffs but about the reduction of U.S. foreign direct investment into India, and for the fate of Prime Minister Narendra Modi's signature 'Make in India' manufacturing initiative. Modi's push to transform India into a manufacturing superpower depends on the free flow of capital and the openness of global markets. India feels unfairly singled out because its trade surplus with the United States, at just shy of \$25 billion, is so small compared to China's nearly \$350 billion, or even to Japan's \$69 billion, Germany's \$65 billion, or Mexico's \$63 billion. Modi's officials have attempted to juxtapose India with China and argued[7] that the former poses 'no such thing as a security threat to the U.S.' The Make in India program is far more modest than the Made in China 2025 high-tech industrial policy under which China aspires to surpass the United States in

India Is the Latest Front in Trump's Endless Trade War

strategic fields like semiconductors, artificial intelligence, and aircraft manufacturing through massive subsidies from the Chinese government. Unlike China, which is breathing down the neck of the United States in cutting-edge sectors, Indian industrialization is still relatively immature and not top of the line. Some strategists even contend that a full-blown U.S.-China **trade war** would benefit **India**[8], as friction between Washington and Beijing might redouble New Delhi's value in Washington's eyes as a less confrontational actor. But none of these arguments worked against **Trump**'s ideological convictions, which demand all-out economic confrontation and dismantling the WTO-based order. **India** is finding that, however different it is from China, there are no exemptions in Trumpland. So inflexible is **Trump** that invocations of the 'strategic partnership' between **India** and the United States and Washington's designation of New Delhi as a 'major defense partner' have not moved the needle on tariffs against **India**. Sophisticated suggestions[9], like that of the U.S. House Speaker Paul Ryan (R-Wis.) to deploy tailored tariffs that hurt only China while avoiding broader damage, is music to Indian ears that finds no audience in the White House. Much to New Delhi's discomfiture, the present U.S. administration has little consistent interest in geopolitical rebalancing vis--vis China, which is the de facto foundation of the U.S.-**India** strategic compact. With treaty allies of the United States like Japan and South Korea themselves being subjected to **trade** punishment despite their crucial roles in countering China's military and economic domination of Asia, **India** is finding that its own importance for the mercurial **Trump** is equally uncertain. Yet, given the existential dread that informs how **India** views the rise of its giant neighbor China, Modi's government has preferred to tone down the criticism of **Trump**'s **trade** harshness so as not to alienate the United States completely. **India**'s rhetorical reaction has been muted compared to other participants in the burgeoning **trade war**, even while filing suit against the United States at the WTO, **India** is still keen to work out its **trade** differences with the Americans through bilateral channels without spoiling strategic coordination. But these softly-softly methods are unlikely to cut any ice with an administration locked into the zero-sum logic of Trumpian economics and barely cognizant of geopolitical nuances. Of course, the U.S.-**India** strategic partnership has other legs besides **trade** and investment. But if these economic pillars wilt under the stress of **Trump**'s populism, the quest for a long-term balance of power in Asia could be fatally set back. [1]: <https://timesofindia.indiatimes.com/business/india-business/india-hikes-import-duty-on-certain-us-products/articleshow/64678424.cms> [2]: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/march/united-states-launches-wto-challenge> [3]: <https://timesofindia.indiatimes.com/business/india-business/harley-davidson-trump-says-getting-nothing-after-india-reduces-tariffs-on-motorcycles/articleshow/63090599.cms> [4]: <https://ustr.gov/countries-regions/south-central-asia/india> [5]: <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-grows-at-robust-7-7-in-q4-of-fy18-full-year-growth-at-6-7/articleshow/64401144.cms> [6]: <https://www.reuters.com/article/india-stocks/indian-shares-fall-as-us-china-trade-war-escalates-idUSL4N1TL1UB> [7]: <https://www.reuters.com/article/us-usa-trade-india/india-seeks-waiver-from-u-s-steel-and-aluminum-tariffs-idUSKBN1H41O8> [8]: <https://www.bloomberg.com/news/articles/2017-04-06/india-could-win-from-a-u-s-china-trade-row-modi-s-party-says> [9]: <https://www.wsj.com/articles/house-speaker-ryan-breaks-with-trump-over-steel-tariffs-1520275634>

Classification

Language: English

Publication-Type: Web Blog

Journal Code: FOPO-133089

Subject: FOOD PRICES (90%); FOREIGN POLICY (90%); INTERNATIONAL RELATIONS (90%); INTERNATIONAL RELATIONS & NATIONAL SECURITY (90%); PRICES (90%); TARIFFS & DUTIES (90%); TAXES & TAXATION (90%); **TRADE** DISPUTES (90%); ALLIANCES & PARTNERSHIPS (89%); EXPORT **TRADE** (89%); INTERNATIONAL ECONOMIC ORGANIZATIONS (89%); IMPORT **TRADE** (79%); AGRICULTURAL **TRADE** (78%); COMPUTING & IT SECTOR PERFORMANCE (78%); DEMOCRACIES (78%); EMERGING

India Is the Latest Front in Trump's Endless Trade War

MARKETS (78%); EUROPEAN UNION (78%); FREE TRADE TREATIES & AGREEMENTS (78%); PROTECTIONISM (78%); TRADE DEVELOPMENT (78%); TRUMPISM (78%); US FEDERAL GOVERNMENT (78%); INTERNATIONAL TRADE (77%); TYPES OF GOVERNMENT (77%); US PRESIDENTIAL CANDIDATES 2012 (77%); US PRESIDENTIAL CANDIDATES 2016 (77%); US PRESIDENTIAL CANDIDATES 2020 (77%); US REPUBLICAN PARTY (77%); STRATEGIC PARTNERSHIPS (76%); GOVERNMENT GRANTS & SUBSIDIES (73%); NEGATIVE PERSONAL NEWS (73%); NEGATIVE NEWS (72%); EXPORT PROMOTION (71%); COUNTERTERRORISM (69%); TERRORISM (53%); ASSOCIATIONS & ORGANIZATIONS (50%); Uncategorized (%)

Company: GETTY IMAGES INC (58%); HARLEY-DAVIDSON INC (51%)

Organization: NORTH AMERICAN FREE TRADE AGREEMENT (57%); EUROPEAN UNION (57%); WORLD TRADE ORGANIZATION (54%)

Ticker: HOG (NYSE) (51%)

Industry: NAICS541922 COMMERCIAL PHOTOGRAPHY (58%); NAICS541430 GRAPHIC DESIGN SERVICES (58%); NAICS518210 DATA PROCESSING, HOSTING & RELATED SERVICES (58%); SIC7374 COMPUTER PROCESSING & DATA PREPARATION & PROCESSING SERVICES (58%); SIC7336 COMMERCIAL ART & GRAPHIC DESIGN SERVICES (58%); NAICS336991 MOTORCYCLE, BICYCLE & PARTS MANUFACTURING (51%); SIC3751 MOTORCYCLES, BICYCLES, & PARTS (51%); FOOD PRICES (90%); FRUITS & VEGETABLES (90%); RETAIL & WHOLESALE TRADE (90%); AGRICULTURAL TRADE (78%); COMPUTING & IT SECTOR PERFORMANCE (78%); MANUFACTURING (78%); MOTORCYCLES (73%); INFORMATION TECHNOLOGY INDUSTRY (72%); MOTOR VEHICLES (60%)

Person: DONALD TRUMP (79%); BILL CLINTON (59%)

Geographic: HYDERABAD, ANDHRA PRADESH, INDIA (79%); INDIA (98%); UNITED STATES (97%); CANADA (79%); EUROPE (79%); MEXICO (79%); NORTH AMERICA (79%); EUROPEAN UNION MEMBER STATES (72%)

Load-Date: June 22, 2018