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## India-US Trade Talks Likely Delayed Amid Tariff Dispute

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India-US trade negotiations may face a delay as the United States team is expected to postpone its planned visit to India for the sixth round of discussions on a proposed bilateral trade agreement (BTA). The talks, initially scheduled for August 25-29, come amid tensions over new tariffs imposed by the US on Indian exports.

The postponement is linked to a 50% tariff imposed by the US on certain Indian products. The US government has cited the need for greater access to sensitive sectors such as agriculture and dairy, but India has maintained it will not compromise on the interests of its small and marginal farmers and cattle rearers. The Indian government has emphasized that any agreement must protect domestic livelihoods.

The two countries have completed five rounds of trade discussions so far. Officials from both sides have indicated that the first phase of the Bilateral Trade Agreement is targeted for completion by fall 2025. The agreement aims to expand bilateral trade from the current \$191 billion to \$500 billion by 2030.

A 25% tariff on Indian goods entering the US took effect on August 7. A second 25% tariff, imposed as a penalty for India's purchase of crude oil and military equipment from Russia, is scheduled to take effect on August 27. These tariffs have heightened urgency for both countries to finalize trade terms.

Between April and July 2025, India's exports to the United States increased by 21.64%, totaling \$33.53 billion, according to India's commerce ministry. During the same period, imports from the US grew by 12.33% to \$17.41 billion. This trade activity highlights the US's position as India's largest trading partner in the April-July period, with bilateral trade amounting to \$12.56 billion.

While the tariffs have created short-term disruptions, both sides remain committed to advancing negotiations. The US has repeatedly sought enhanced access to India's agricultural and dairy sectors, which India has resisted due to potential impacts on domestic farmers. India has also emphasized its broader goal of fostering economic growth while safeguarding domestic industries.

Analysts note that trade talks between the two nations carry significant global implications, particularly given the scale of bilateral trade and the strategic importance of both markets. Despite current tensions, both governments have expressed intent to continue engagement, signaling a willingness to find compromise in areas of mutual interest.

As the US team reevaluates its visit schedule, stakeholders in India and the United States are closely monitoring developments, recognizing that any agreement could reshape trade flows and economic relations over the coming decade.