

## **President Trump's assertion of India being the tariff king not correct: TPCI**

- *Withdrawal of GSP benefits by US will not hurt the India's export Industry*

**New Delhi, 18<sup>th</sup> April, 2019:** Allegation of President Trump that India is tariff king do not hold true, said, Mohit Singla, Chairman of the Trade Promotion Council of India (TPCI). Issuing a comment Chairman TPCI said, "USA President Trump's allegation of India being a tariff king is quite unjustified. Like other nations, India has the right to take appropriate measures to protect its domestic interests in specific sectors as and when it is deemed fit. Moreover there are many countries which have much higher tariff as compared to India." Being a signatory and member of WTO India remains committed to free, fair, and predictable trade, he added.

"This assertion by the US President is not factually correct. Our estimates using basic customs revenue show that the applied average tariff of India in the last three years ranged between 1.7% and 2.3%, similar to the average tariff estimates for economies that are considered to be relatively open in terms of tariffs," Singla added.

Further Chairman TPCI said, "Countries like Japan levy, 736 per cent tariff; Korea, 807 per cent; the US, 350 per cent; India levy just 150 per cent and it's not alone. Additionally, USA charges very high tariffs on several items, like: 350 per cent on tobacco; 163.4 per cent on peanuts, etc."

Singla opined, "The rational lies in seeing the trade-weighted average tariffs, which are arrived by dividing all trade with all duties collected, which President Trump should have

talked about, which he did not. Therefore, 'the tariff king' label for India does not hold true as most countries, including the US, levy higher duties on many products.

Singla further said, "The large difference between India's actual average tariffs and its MFN trade-weighted applied average tariffs arises primarily because of the several exemptions and concessions that the country provides on its MFN tariffs. Despite these concessions, people in general continue to think of India as a high tariff economy, which is a false assumption".

With respect to the withdrawal of GSP benefits to India on most of the tariff lines (*1784 tariff lines*), Singla Said, "India is a robust market and its economic fundamentals are sound. The withdrawal of GSP will not make much difference as Indian exports are all geared to take this challenge. Even the US was benefiting from the GSP regime, since the intermediary inputs provided by India helped keep its industry competitive." This withdrawal of GSP is only going to inject the estimated, additional burden of USD 190 million, which is miniscule compared to India overall export to US, he added.

*For any further information, contact:*

**SAMEER PUSHP**

DIRECTOR-MEDIA & CORPORATE COMMUNICATIONS

9, 2<sup>nd</sup> Floor, Scindia House, Connaught Circus,  
New Delhi- 110001, India

**T:** (+91) 11 40727281

**M:** (+91) 9811229110

**E:** [sameer.pushp@tpci.in](mailto:sameer.pushp@tpci.in)

**W:** [www.tpci.in](http://www.tpci.in)