India must negotiate to avoid further pain from US tariffs

Please refer to the excellent article, "US tariffs on India hit 50 per cent as Donald Trump-Narendra Modi ties sour", by Andres Schipani, Aime Williams and Chris Kay (Report, August 27).

In reality, the 50 per cent tariffs on Indian exports to the US have already commenced hurting. Orders for products such as apparel, gem stones, footwear, shrimps, etc, are on hold. Workers in key production centres such as Chennai, Bengaluru, Surat and Agra are in turmoil.

Most small and medium-sized exporters of these items comprehend that the future will be bleak in the coming months and years unless a tariff understanding is reached with the US. Many of these factories will face closure. Their workers are beginning to realise that they may lose their livelihoods.

Manufacture of garments and footwear is labour intensive. So, thousands of workers may end up unemployed. Many women work in the apparel industry, particularly in south India. They support their families financially. Their lives will be adversely impacted. Their children may not be able attend school. Poverty will increase at a time when efforts are being made globally to reduce hunger and foster literacy.

India could lose its competitive advantage of skilled labour at low costs if its exports decline. Countries such as Vietnam, Thailand, South Korea, China, Bangladesh, Pakistan, etc, will step in aggressively to fill the gaps in supplies. India will struggle to get a foothold in the international market at a later stage. It is not easy to woo back lost customers.

India should not defuse the issue by underscoring that the US wants to push its food grains and dairy products to India. Frankly, President Donald Trump just wants India to stop buying Russian oil. Now, India has always taken a neutral posture on many global issues. The Indian purchase of Russian oil was always known across the world.

India will have to negotiate with the US and take a balanced stance. It will not be easy. However, there is no option. The US is one of the richest and largest markets globally. No developing country can ignore it.

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