New US tariff plan gives India edge over ASEAN competitors

Ravi Dutta Mishra
New Delhi, November 26

NEARLY NINE months after the US Supreme Court ruled against President Donald Trump's Liberation Day tariffs — 50% tariffs were imposed on Indian goods between August 2025 and February 2026 — the United States Trade Representative (USTR) Wednesday proposed a new tariff structure based on a Section 301 investigation into "forced labour" and "excess capacity".

The USTR has proposed a 25% tariff on India, suggesting that it could drop to 17% when New Delhi signs a bilateral trade deal. The proposed rates are slightly better than the trade deal rates of 18% offered to Bangladesh and several Association of Southeast Asian Nations (ASEAN) countries such as Indonesia, Malaysia, Cambodia and Thailand and 20% offered to Vietnam post a trade deal.

»CONTINUED ON PAGE 2

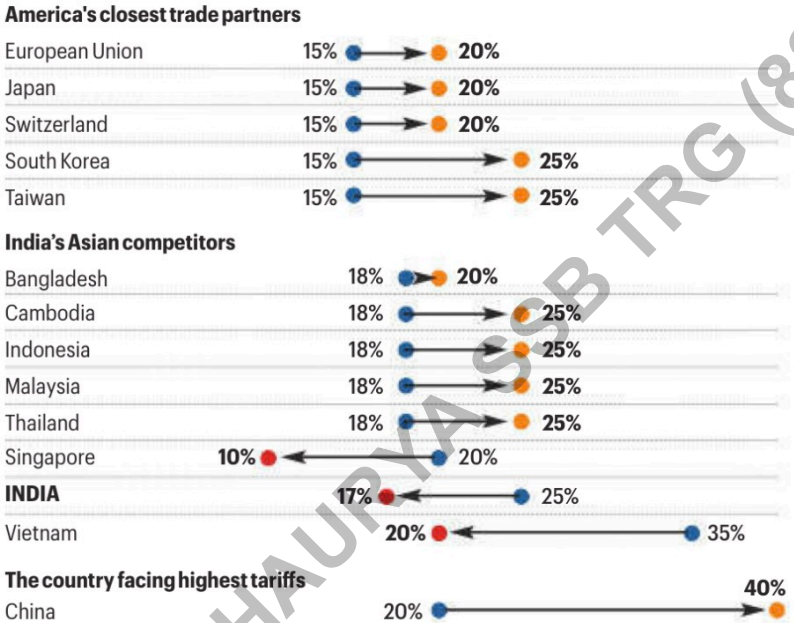
RELATED REPORTS, P 17

HAURYA SSB TRG (8368104529)

• India gets a marginal edge over ASEAN countries

The USTR released a cumulative proposed rate for each of the 14 countries targeted by its Section 301 probe. These tariffs will go into effect by mid-Feb unless some trade partners sign a deal, which will result in lower rates.

● Proposed rate ● Higher rate if consultations and commitments are unsatisfactory
● Lower rate with a trade agreement

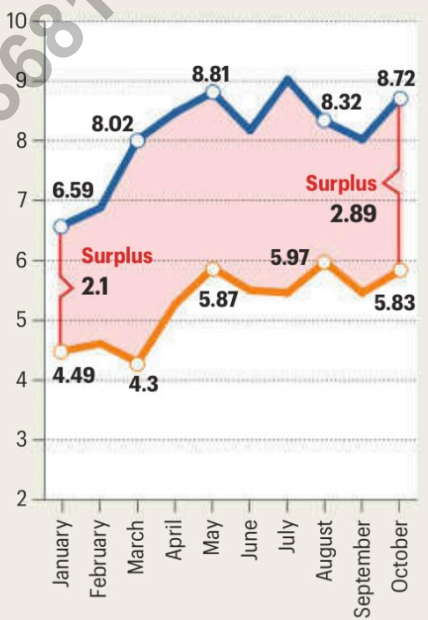


SOURCE: US TRADE REPRESENTATIVE

• India's trade surplus with US in 2026

(Figures in $ billion)

● Exports ● Imports



SOURCE: COMMERCE AND INDUSTRY MINISTRY

SHAURYA SSB TRG (8368104529)

New US tariff plan

The rates offered to other close US partners such as the EU, Japan, Taiwan, Switzerland and South Korea remain at 15%, with an even lower rate for Singapore at 10% under its reciprocal trade deal. This closely resembles the reciprocal tariff structure imposed by the US last year.

However, in the case of India, the reciprocal rates were set at 18% in February this year and have been reduced to 17% after several rounds of negotiations. A tariff edge over competitors was a key Indian demand in trade talks.

The tariff edge over ASEAN countries is important as India is in direct competition with them across a range of products including textiles, chemicals, electronics, solar products, automobiles and electrical equipment. Among ASEAN countries, Vietnam has been one of the fastest-growing economies. However, the US has levied the second-highest tariffs on Vietnam after China, which is facing tariffs of up to 40%.

But unlike ASEAN countries, India has a vast domestic market, and a trade deal with the US is far more consequential. The India-US trade deal had been stuck for months amid steep US demands, particularly on agriculture.

Targeting India's dependence on China

USTR has cited Indian industry estimates that India now supplies roughly one-third of its pharmaceutical exports to the US, accounting for up to 47% of all generic prescriptions and 61% of generic solid oral drugs in US.

using those NME inputs," the USTR said.

What has India agreed to under the deal?

While India stands to gain a tariff advantage over its ASEAN peers, New Delhi will have to accept steep demands under the trade deal. According to the joint statement released by the two countries, India agreed to "eliminate or reduce" tariffs on all US industrial goods and a wide range of US food and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products.

"India agrees to address long-standing barriers to the trade in US medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on, US Information and Communication Technology (ICT) goods; and determine, with a view towards a positive outcome, within six months of entry into force of the Agreement whether US-developed or international standards, including testing requirements, are acceptable for US exports entering the Indian market in identified sectors," the joint statement stated.

It also said India intends to purchase $500 billion worth of US energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years.

"India and the United States will significantly increase trade in technology products, including

SHAURYA ASSET TRG (8208104529)

"Despite some domestic growth, India remains heavily dependent for many active pharmaceutical ingredients (APIs) and bulk drug ingredients. Thus, India's acts, policies, and practices that relate to structural excess capacity and production are unreasonable because they distort fair, market-oriented competition," the USTR said.

It said India engages in acts, policies, and practices that promote structural excess capacity and production, including implementing industrial plans to maintain and expand Indian manufacturing, and setting overall targets for manufacturing and exports through initiatives such as Make in India and PLI. India's imports of manufacturing inputs from non-market economies (NMEs), particularly China, have increased tremendously in recent years. According to the USTR, India's value of intermediate consumption imports from China is up $44 billion, or 97%, between 2017 and 2025.

"India's value of intermediate consumption imports from NMEs is up $91 billion, or 152%, between 2017 and 2025. This difference holds for both gross fixed capital formation goods and final consumption goods. Surging imports of NME inputs both distort competitive conditions within the Indian market and enhance the (artificial) competitiveness of Indian downstream products manufactured Graphics Processing Units (GPUs) and other goods used in data centres, and expand joint technology cooperation," the statement said.

Is US easing demands on dairy, GM products?

On November 3, Commerce and Industry Minister Piyush Goyal indicated that the US may have eased its demands on genetically modified (GM) products and certain dairy imports, both major points of contention.

The US had cited Indian regulations blocking imports of certain dairy products as non-tariff barriers. The USTR, in its report on non-tariff barriers released in March 2025, had said that India imposes "onerous requirements" on dairy imports.

"We are very sensitive to the opening of the dairy sector. Till date, we have never opened the dairy sector for anybody. We are sensitive about not allowing any GM products to come to India. We have never allowed it, and we will never allow it in the future. We are sensitive to our religious sensitivities," Goyal said during an interaction with students at Kirori Mal College in New Delhi on November 3. The USTR report had said that India requires dairy products intended for food to be derived from animals that have not consumed feeds containing internal organs, blood meal, or tissues of ruminant or porcine origin, and that exporting countries certify compliance with these conditions.

SHAURYA SSB TRG (8368104829)

Delimitation Bill likely to be tabled in LS next week

Centre announces special sitting of Parliament from Monday, over 100 days since both Houses were adjourned without prorogation; govt. trying to pass the Bill after 'operation lotus', says Cong.

Sobhana K. Nair
NEW DELHI

Months after both Houses of Parliament were adjourned without prorogation, the Union government has called a special sitting beginning on Monday, where it is likely to table an amended Delimitation Bill.

The two Houses will meet on separate dates, Parliamentary Affairs Minister Kiren Rijiju said on Thursday, which is the 105th day since the Monsoon Session was adjourned indefinitely on August 13. The Lok Sabha sittings will begin on November 30 and the Rajya Sabha sittings on December 2. Both sittings will conclude on December 3. The last record of a Parliament session continuing without prorogation was in 2008, when it went on for 87 days.

The Union Cabinet will meet on Friday to clear the amended legislation on delimitation. According to sources, three crucial changes are being introduced: a uniform 50% increase in the share of Lok Sabha seats; another 25 year extension of the freeze on using the 1971 Census as the basis to determine the proportional strength of each State's representation in the Lok Sabha; and the use of the 2011 Census to redraw constituencies within each State. This replicates the formula brought by the Atal Bihari Vajpayee-led government in the Constitution (Eighty-fourth Amendment) Act, 2001.

Reacting to the announcement, Congress leader Jairam Ramesh said the Modi government announced the session "after 105 days of operation lotus" in the hope of getting a "super-tainted" two-thirds majority to get the Bill passed. "Can there be a great insult to and assault on the Constitution," he asked in a post on X, noting that the announcement came on Constitution Day.

CONTINUED ON
» PAGE 12

Resuming session

The Monsoon Session of Parliament has not been prorogued after it was adjourned indefinitely on August 13

Lok Sabha sittings to begin on November 30	Rajya Sabha sittings to begin on December 2	The sittings to conclude on December 3

The seat arithmetic in Lok Sabha has changed since April when the previous version of Delimitation Bill was defeated

- 20 Trinamool Congress MPs merged with the Nationalist Citizens Party of India (NCPI), pledging support to the ruling NDA
- 6 Shiv Sena (UBT) MPs joined the Eknath Shinde-led Shiv Sena under the NDA



- Shiromani Akali Dal, with one MP in the Lower House, has returned to the NDA

SAURAV SOBTI (8368104525)

Delimitation Bill likely to be tabled next week

A senior NDA leader said the government is confident of the support of at least 358 Lok Sabha MPs, just two short of the required strength if all 540 MPs are present and voting. In April, during the Bill's previous outing, only 298 of 528 members present voting in favour.

In the Rajya Sabha, the NDA has 152 MPs and is within striking distance of the two-thirds majority, which stands at 164 if the entire House is present and voting.

Congress leader K.C. Venugopal took to X to describe the attempt to pass the Bill as "*sansad chori*". "To orchestrate this murder of the Constitution on Constitution Day shows how badly they want to mock our precious democratic system. We will not allow this to pass," he said.

The political arithmetic of the House has changed since April, when the legislative package, including the Delimitation Bill, was defeated by a united Opposition in the Lok Sabha. For instance, 20 erstwhile Trinamool Congress MPs broke away and merged with the Nationalist Citizens Party of India (NCPI), pledging support to the NDA. The original Trinamool challenged the split, which is currently under Lok Sabha Speaker Om Birla's review. On Tuesday, 84 days after that challenge, the NCPI faction submitted its replies to Mr. Birla, defending its decision and asserting that the move did not violate any parliamentary or constitutional provisions.

Six Shiv Sena (UBT) MPs joined the Eknath Shinde-led Shiv Sena, further boosting the NDA strength. Following this week's alliance between the BJP and the Shiromani Akali Dal (SAD), the lone SAD MP is also expected to vote with the government. It is also learnt that the YSR Congress, which has four MPs in the Lok Sabha, will extend support to the government on the Bill.

Now, all eyes are on the DMK, with 22 Lok Sabha MPs, and the NCP (SP) with eight seats in the House. NCP (SP) leader Supriya Sule on Thursday said that pre-emptively opposing the law before its draft was made public was not a good move. "First let the Bill come. Let the entire Bill come into our hands. When the Bill is in our hands, then we will all talk about it, and if the Bill is good for the nation, we might support it," she said.

The DMK, meanwhile, has not made any public remarks on the issue, though sources say that the government has reached out to the party informally. A dominant section of the DMK is leaning towards the argument that not supporting the proposed amendment could mean further reduced representation for Tamil Nadu.

SHAURYA SSB TRG (8368104529)

Global shipping faces zero growth; India bucks trend

M. Kalyanaraman
CHENNAI

Global maritime trade is heading for stagnation in 2026 as geopolitical conflicts and shipping disruptions choke major sea routes, even as India emerges as a beneficiary of shifting shipping networks.

While the closure of the Strait of Hormuz and disruptions in the Red Sea, Black Sea and Panama Canal have severely strained global shipping, diversions have strengthened the position of Indian ports in long-haul container networks, according to the UN Conference on Trade and Development's (UNCTAD) Review of Maritime Transport 2026, released on November 26.

Global seaborne trade grew 1.9% to 12.3 billion tonnes in 2025, against 3.9% in 2024.

UNCTAD expects no growth in 2026, although trade could recover by 3.2% in 2027. Traffic through the Strait of Hormuz, which normally handles 37% of seaborne crude oil and 19% of oil products, plunged nearly 95% by early March and remained severely depressed in late July. The disruption stranded more than 20,000 seafarers in the Persian Gulf, a substantial proportion of them Indians. Oil prices crossed $100 a barrel, while container spot freight rates more than doubled between January and August. UNCTAD estimates that a sustained fuel-price shock could push consumer prices in least developed countries to nearly twice the global average increase.

Global seaborne trade grew 1.9% to 12.3 billion tonnes in 2025, against 3.9% in 2024

For India, however, the disruptions have created opportunities. Between February and June 2026, scheduled container capacity increased 53% at Mundra and 47% at Nhava Sheva as shipping lines diverted vessels towards Indian ports. Colombo nevertheless retained 56% of the subcontinent's scheduled capacity. The arrival of crude tankers and gas carriers stranded in the Gulf or waiting near Indian ports also intensified congestion. Indian Customs eased procedures for vessels unable to transit Hormuz, including waiving bills of entry in certain cases.

India's exposure to Gulf energy supplies has increased significantly, with crude imports rising from around 72 million tonnes in 2000 to 240 million tonnes in 2024. Meanwhile, domestic coal production in India and China is moderating seaborne coal demand. Rising steel production in India and Southeast Asia could support dry-bulk trade, although not on the scale of China's construction-driven expansion.

India's container trade is also expanding. Between 2015 and 2025, India-U.S. volumes increased by 6.26 lakh TEUs, or 95%, while Chinese exports to India rose 131%. However, India ranks ninth on the Liner Shipping Connectivity Index, behind Vietnam, which has climbed from 28th in 2006 to sixth.

SHAURYA GSB TRG (8368104429)

C-DAC eyes indigenous GPU by mid-2028, seeks private sector partners

Balasubramanyam C.P.
CHENNAI

The Centre for Development of Advanced Computing (C-DAC) is targeting the middle of 2028 to develop a full-fledged indigenous graphics processing unit (GPU), with plans to make it price-competitive through economies of scale. The government research institution is seeking private-sector partners to take the design through fabrication, packaging and testing and eventually commercialise the chip.

"In volumes, we will be fully competitive," C-DAC Director General E. Magesh told The Hindu on the sidelines of Tec-Verse 2026 on Thursday. He said the institution intended to create price pressure on existing suppliers and bring down GPU prices, though he did not disclose a target price or cost comparison.

The GPU is currently at the functional-model stage, running on field-programmable gate array (FPGA) hardware. It is yet to undergo physical design and fabrication to produce a silicon chip.

"We are actively looking for partners who can collaborate," Mr. Magesh said, clarifying that C-DAC was looking for companies to complement its design capabilities rather than jointly develop the GPU architecture. The requirements include backend and physical design, foundry access, advanced packaging, testing, manufacturing yield improvement and market access.

"We don't want somebody to design GPUs again with us. It will be competitive. We want someone who can complement us," he said. C-DAC has not identified a partner yet but is open to sharing intellectual property and commercial returns in proportion to the contributions and investments made by collaborators. The proposed arrangement would allow companies to invest in manufacturing and commercialisation stages rather than make direct cash investments in C-DAC.

The institution has been working on the GPU since August 2023. It has developed its own instruction-set extensions, compiler and libraries, and says its software stack is ready to run applications on the FPGA-based model. The platform can also support large language model (LLM) training and inference, Mr. Magesh said.

As an intermediate step, C-DAC expects to deliver a smaller chip with more than 30 cores by mid-2027. Intended for desktop computing and edge applications such as camera-based analytics, it will help validate and scale up the architecture before the full-fledged GPU, which is expected to have around 32,000 cores. "Yes, it is a strict deadline," Mr. Magesh said, reaffirming the mid-2028 target.

SHAURYA SSP TRG (8368104529)

The Siang dam — strategic ambition, ecological fallout

The 11,200 MW Siang Upper Multipurpose Project (SUMP) in Arunachal Pradesh has evolved from a decades-old hydropower proposal with less storage capacity into a project with significant strategic and national security implications, particularly in response to China's decision to proceed with the 60 GW Medog hydropower project on the Yarlung Tsangpo in Tibet. The river flows into India as the Siang and subsequently the Brahmaputra. By 2020, NHPC Limited had intensified preliminary investigations. With a proposed capacity roughly three times that of the Three Gorges Dam, the project has raised concerns in the downstream countries, India and Bangladesh.

India views SUMP as a potential strategic buffer against upstream hydrological risks. Its proposed 9.2 billion cubic metres of live storage capacity is expected to regulate excess flows during sudden releases and maintain downstream water availability during periods of reduced discharge.

The indigenous perspective

Despite the national security rationale, SUMP faces resistance from indigenous communities. The proposed reservoir could submerge an estimated 27 ancestral villages and displace over 1.5 lakh people, nearly 11% of Arunachal Pradesh's population. The government's initial response by deploying armed forces has also deepened tensions.

Tribal land protection in northeast India rests on constitutional provisions and statutory safeguards, but their scope varies across States. The Sixth Schedule provides one of the strongest protections through Autonomous District Councils, which exercise legislative and administrative powers over land, customary laws and local governance. However, Arunachal Pradesh, which is not covered by the Sixth Schedule, relies partly on the Arunachal Pradesh Scheduled Tribes (Protection of Transfer of Land) Act, which restricts the transfer of tribal land to non-tribals while allowing government acquisition for public purposes. The key issue, however, is not merely the existence of legal protections but whether they can meaningfully safeguard community rights when large infrastructure projects are undertaken in the name of national security.

For the local communities of Arunachal Pradesh, the mountains and valleys provide water, food, medicinal plants and other essential resources while sustaining cultural practices, customary laws and collective identity. The Siang River, revered as *Anni* (Mother), holds deep cultural and spiritual significance. The valley contains sacred sites, burial grounds and historical landscapes that sustain indigenous traditions and customary institutions. The financial compensation cannot adequately address the consequences of submerging ancestral villages. Their concerns are about losing their social networks, cultural continuity and ecological relationships, and becoming landless communities in unfamiliar areas – an extension of similar stories of existential crisis experienced now by tribal communities in Jharkhand, Madhya Pradesh and Great Nicobar.



C.P. Rajendran

Geoscientist and a communicator on science, politics, environment and education

The Siang hydroproject in Arunachal Pradesh highlights the costs of China-India geopolitical rivalry for communities and ecosystems

Seismic risks and engineering challenges

China's 60 GW Medog hydropower project adopts an unconventional tunnel-diversion system by exploiting the region's extreme topographic drop. At the Great Bend, the Yarlung Tsangpo curves around Namcha Barwa, descending approximately 2,000 metres over a short distance. This natural gradient facilitates diverting water through a series of massive underground tunnels, reportedly 20 km-40 km long, to generate electricity through multiple hydropower installations. However, the project lies in one of the world's most seismically active regions. For example, the 1950 M 8.6 Tibet-Assam earthquake triggered massive landslides and floods. An active fault under the Medog dam raises further concerns about tunnel stability, landslides and river blockages. Thus, a tunnel-based system faces a different but equally serious set of geological and structural risks.

India's Siang Project faces comparable seismic challenges and poses threats to the downstream areas of Arunachal Pradesh, Assam and Bangladesh. Its proposed 280 metre-300-m gravity dam would create a reservoir with a capacity of approximately 9.2 billion cubic metres. As compared to the Chinese dam, a conventional gravity dam capable of generating comparable power would require extensive inundation, affecting local communities and ecosystems. The gravity dam is therefore intended to create a substantial water buffer in the narrow Siang Valley. The greatest threat to a gravity dam during an earthquake is not the wall falling over, but the ground underneath it sliding or liquefying, causing the dam to tip forward. This is in a region, Seismic Zone VI (India's highest earthquake risk category).

The NHPC has to re-engineer the project with specific engineering innovations to withstand a potential 8.0+ magnitude earthquake. The reservoir's sheer scale also raises environmental and structural concerns. Storing 9.2 billion cubic metres of water could also contribute to Reservoir-Triggered Seismicity (RTS), as changes in water pressure may reactivate existing faults beneath the Siang Valley.

A 300-meter-high concrete gravity dam acts as a massive physical barrier that blocks the natural movement of river sediment. The Siang River carries a massive volume of silt and silt-loam eroded from the Himalayan mountains. With sediment trapped in the reservoir, water released downstream may have a reduced sediment load. This sediment-deficient water, often described as 'hungry water', can erode riverbeds and banks as it seeks to regain its sediment balance.

The Siang Valley is situated within the Indo-Burma biodiversity hotspot, a sensitive ecosystem, home to thousands of endemic animal and plant species. A stagnant, deep reservoir completely fragments the aquatic ecosystem, affecting migratory fish species such as the Golden Mahseer. The vast reservoir will submerge pristine, old-growth subtropical forests. The forests of Arunachal are already under threat. For instance, the Naying 1000-MW Hydroelectric Project in the Siyom basin, not far from SUMP, requires the destruction of vast stretches of pristine forest.

Creating a massive artificial lake in a deep mountain gorge alters local humidity, evaporation rates, and mist patterns, disrupting high-altitude farming. Ultimately, while the dam is intended to act as a physical buffer against China, it creates a severe ecological trade-off – one of Asia's last wild rivers will become a heavily engineered, unstable artificial environment.

BORDER INFRASTRUCTURE

The agricultural economy of Assam in the downstream parts depends on the annual pulse of natural floods in the Brahmaputra that bring in layers of nutrient-rich silt. By trapping sediment behind the gravity dam, the Assam plains will be systematically starved of nutrient-rich soil. The dam also poses a threat to the world's largest river island of Majuli, located downstream in Assam, which is already shrinking due to erosion.

The missing Himalayan water framework

The key issue seems to be why the Himalayan countries have failed to establish a framework for sharing transboundary rivers. Geopolitical mistrust, border disputes and unequal power relations remain major obstacles. Neither China nor India has ratified the 1997 UN Watercourses Convention, leaving the region without a common international legal framework for equitable water use and preventing significant downstream harm. The absence of a broader Himalayan river commission involving China, India, Nepal, Bhutan, Pakistan and Bangladesh further fragments cooperation and undermines integrated management of interconnected river systems such as the Brahmaputra and the Indus, especially in the context of climate change impacts.

SHAURYA SSB 9968681

Stop 'stirring up' disputes in waters, China tells Japan

Japan not party to disputes in South China Sea and had no right to comment on them, Defence Ministry says; Tokyo used 'external threats' to deepen regional anxieties, Beijing spokesperson adds

Reuters
BEIJING

China's Defence Ministry urged Japan on Thursday to stop "stirring up trouble" over the South China Sea.

Japan was not party to the disputes and had no right to comment on them, Ministry spokesperson Chen Xi told a regular press briefing in Beijing.

"We demand that Japan stop stirring up trouble over the South China Sea issue," Mr. Chen said.

Japan had used "so-called external threats" to deepen regional anxieties, form military cliques and attempt to strengthen its military presence in the South China Sea, he added.

Mr. Chen was responding to questions over announcements earlier this month that Japan will provide the Philippines with radars and drones to boost its coastal surveillance capabilities in the latest sign of deepening defence ties between Manila and Tokyo, both formal U.S. military allies.



The foundations of a harbour on the disputed Antelope Reef in the Paracel Islands in the South China Sea. AFP

Chinese and the Philippines coastguard vessels frequently clash near disputed shoals and reefs as part of long-simmering tensions over the vital trade waterway.

The U.S. and its allies and partners have repeatedly expressed concern over the situation in the South China Sea as China asserts its sovereignty.

China claims nearly all of the South China Sea, overlapping maritime claims of the Philippines, Vietnam, Malaysia, Brunei and Taiwan.

In 2016, a Hague-based tribunal said China's claims had no legal basis, a decision Beijing has rejected.

SHAURYA SSB TEST (8368104529)