

# India's avg Customs Duty cut to 10.66% from 11.65%, now moving towards ASEAN level: CBIC

NEW DELHI, Feb 3 (PTI)

INDIA has significantly reduced its average Customs Duty rate to 10.66 per cent from 11.65 per cent and is now moving towards the same levels as prevalent in the Southeast Asian countries, a senior Government official said on Monday.

CBIC (Central Board of Indirect Taxes & Customs) Chairman Sanjay Kumar Agarwal said the rate rationalisation exercise was carried out with the objective of making the tariff structure simple, ensuring competitiveness of Indian industry and simplifying the tax regime.

"Now the average customs rate in India has come down from 11.65 per cent to 10.66 per cent and we are now moving towards the average rate in ASEAN countries," he said here at an



interaction with industry representatives.

The 10-nation bloc ASEAN (Association of Southeast Asian Nations) countries are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

The exercise was also important for dispelling the narrative of developed countries like the US that India has one of the high-

est tariffs. The US President Donald Trump's administration has accused India of being "tariff king" and "tariff abuser".

He noted that in the high duty brackets from 25 per cent to 150 per cent, only a few products are available in the country.

"There are very few items on these high rates... Rates are otherwise in the narrow band of zero to 10 per cent," he said, adding that steps have also been

announced in the Budget 2025-26 in this direction.

The Government has rationalised basic customs duty rates, slashing the number of levies to just 8, but has kept the effective duty rates on most items the same by adjusting cess to further ease of doing business.

Union Finance Minister Nirmala Sitharaman removed seven tariff rates in the 2025-26 Budget. This is over and above the seven tariff rates removed in the 2023-24 Budget.

After this, there will be only eight remaining tariff rates, including a 'zero' rate to further ease of doing business.

This rationalisation is designed to simplify the tariff structure, enhance trade competitiveness, and support India's integration into global supply chains, he added.

# PM set to meet Trump on Feb 13, discuss trade pact

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**New Delhi:** PM Narendra Modi will travel to Washington from Paris on Feb 12 for his first bilateral meeting with President Donald Trump after the latter's inauguration last month. His official engagements are scheduled to take place over the next two days, with the summit likely on Feb 13.

Modi will travel to France next week to co-chair an AI summit that President Emmanuel Macron is hosting on Feb 10-11. While Trump, too, had been invited for the summit, the US is likely to be represented by Vice President J D Vance. With Trump not travelling to Paris, the bilateral summit with Modi will now take place in the US capital. Trump, in fact, had confirmed last week, after a phone conversation with the PM, that he would be visiting the White House in Feb.

In what was their first conversation since the Jan 20 inauguration,



Modi will be among select leaders to visit White House in the first month of Trump 2.0

Trump raised two possible sticking points in ties — trade and illegal immigration — while pledging cooperation with India to deepen the strategic partnership, including through Quad in the Indo-Pacific. Trump sought a fair trading relationship with India, in line with his commitment to reduce the trade deficit, and expressed confidence that Modi would do what's right on the issue of irregular migration.

Modi will be among a select group of leaders who will visit White House in the first month of Trump's second term. Israeli PM Benjamin Netanyahu will be the first foreign leader to call on Trump on Tuesday. While there was no official word from either side about dates for Modi's visit till late in the evening, sources who spoke on the condition of anonymity said Trump is likely to host a dinner for Modi and that no community event had been planned for Modi till now. He is also not scheduled to travel to any other city. A meet with business leaders isn't ruled out.

While looking to iron out differences over trade, which India sought to address in the Budget by slashing import tariffs on high-end motorcycles, the govt will look for a reaffirmation of US commitment to the initiative on critical and emerging technology that Biden administration launched to expand the tech partnership and boost defence industrial cooperation. India ex-

pects strong convergence in this area as the first Trump administration had pledged support for transfer to India of advanced US military technology.

Modi and Trump are also expected to relaunch negotiations for a comprehensive trade agreement that didn't work out last time despite progress in initial phase of talks. India will hope to have at least a mini deal that will restore Generalised System of Preferences benefits that had been revoked by Trump administration in 2019 because of restricted Indian market access.

The visit will also be an important occasion for the two sides to underline the strategic convergence in Indo-Pacific where a partnership between US and India is seen by both as central to a free, open, inclusive, peaceful, and prosperous region. On illegal migration issue, India has made it clear it will accept all illegals, like it has in the past, but after verifying the Indian origin of the people facing deportation.

# Trump's USAID funds freeze set to hit India health, edu projects hard

## Gender And Climate Change Initiatives To Be Impacted Too

Ambika Pandit & Durgesh Nandan Jha | TNN

New Delhi: Following the issuance of an executive order by President Donald Trump to review US foreign assistance and align them with the policies of the new administration, US Agency for International Development (USAID) has issued a directive asking all organisations implementing projects with its support in India to suspend work until further notice. The move has raised concerns among those engaged with USAID-funded projects in India.

The biggest impact is expected on health-related programmes where USAID funds have been seen to have bolstered technical support to grassroots-level outreach. Other sectors where impacts going forward are likely to be

felt include education, gender and climate change. Though USAID has a small footprint in India, the prospect of its engagement shrinking further comes at a time when global aid has considerably dropped, and can compound the financial troubles facing NGOs in development.

USAID's directive to partners including voluntary organisations and agencies steering projects for govts, make it clear that they must minimise expenditure on the collaborations during the pause period. "The recipient shall not resume work under this agreement until notification has been received in writing from the Agreement Officer (USAID) that this award suspension has been cancelled," the directive states. It is learnt from sources in the development sector that the



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'stop work' orders come with the caveat of a 90-day period during which the existing grants will be reviewed.

"But the uncertainty is causing panic," a development practitioner said on conditions of anonymity while asserting that her organisation is able to continue work as there are other donors.

According to the USAID website, as of Jan 2021, the agency was supporting mother and child health initiatives in six states with a focus on

improving maternal and child health services. It was also funding initiatives to improve health by advancing access to safe drinking water, sanitation and hygiene in several cities, and in addition to this, partnered with states and private agencies to support programmes preventing gender-based violence and protecting and supporting the disabled population.

According to development sector professionals, the civil society has already

been feeling the heat of a funds crunch with sources of global aid slowly drying up over the decades. Moreover, the Foreign Contribution Regulation Act restrictions in recent years have made it harder for local organisations to get foreign donations.

Harsh Jaitli, CEO of Voluntary Action Network India, which is a network of 600 civil society organisations, said USAID pause on funding is part of a larger global trend with big agencies from Sweden, Germany and UK cutting down on aid to countries.

However, smaller civil society organisations working at the grassroots level largely remain unimpacted by the USAID directive as the agency support is largely seen in big programmes like combating tuberculosis and outreach on water, sanitation and hygiene (WASH). According to those working in the sector, since 2004, USAID has been largely supporting technical work on the projects steered by govts.

# WHO chief asks countries to push Washington to reconsider its withdrawal

GENEVA, Feb 3 (AP)

**THE** World Health Organisation chief asked global leaders to lean on Washington to reverse President Donald Trump's decision to withdraw from the United Nations health agency, insisting in a closed-door meeting with diplomats last week that the US will miss out on critical information about global disease outbreaks.

But countries also pressed WHO at a key budget meeting last Wednesday about how it might cope with the exit of its biggest donor, according to internal meeting materials obtained by 'The Associated Press'.

A German envoy, Bjorn Kummel, warned: "The roof is on fire, and we need to stop the fire as soon as possible."

For 2024-2025, the US is WHO's biggest donor by far, putting in an estimated \$988 million, roughly 14% of WHO's \$6.9 billion budget. A budget document presented at the meeting showed WHO's health emergencies program has a "heavy



**Tedros A. Ghebreyesus**

reliance" on American cash.

"Readiness functions" in WHO's Europe office were more than 80% reliant on the \$154 million the US contributes.

The document said US funding "provides the backbone of many of WHO's large-scale emergency operations," covering up to 40%. It said responses in the Middle East, Ukraine and Sudan were at risk, in addition to hundreds of millions of dollars lost by polio-eradication and HIV programmes.

*(Contd on page 5)*

# 70% of Indians optimistic of edu system, 30% globally: Report

## But, 84% Believe Accessing Quality Education Here Remains Difficult

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**New Delhi:** India has emerged as one of the most optimistic nations regarding education and socioeconomic mobility. The latest Educational Testing Service (ETS) Human Progress Report, released in India Tuesday, conducted across 18 countries, underscored that India's optimism about its education system stands in stark contrast to the global sentiment. However, challenges in accessibility and teacher availability persist.

While only 30% of respondents worldwide expressed optimism about their country's current education status, 70% of Indians held a positive outlook. Similarly, confidence in future improvements is higher in India at 76% compared to the global average of 64%. Despite this optimism, a significant portion of the Indian population recognises systemic challenges — 84% of respondents believe accessing quality education remains difficult, and 78% acknowledge that educational opportunities are skewed toward certain privileged groups. Furthermore, 74% pointed to a shortage of teachers, highlighting a major bottleneck in India's educational progress.

Compared to the global average, Indians more frequently cited the lack of high-quality educational programmes (34% vs 22%) and institutions (29% vs 20%) as barriers. India is one of the most favourable countries toward non-profit organisations, with 26% agreeing that non-profits can play a role in improving access to

### HUMAN PROGRESS REPORT CARD

Outlook on	India	Global avg
Education optimism	70%	30%
Future education outlook (2035)	76%	64%
Difficulty in accessing quality education	84%	NA
Belief that education is accessible only to certain groups	78%	NA
Perceived teacher shortage	74%	NA
Lack of high-quality educational programs as a barrier	34%	22%
Lack of educational institutions as a barrier	29%	20%
Role of non-profits in improving educational access	26%	19%
Optimism about upward mobility	69%	55%
Expected upward mobility in 2035	72%	62%
Belief in achieving higher socioeconomic status than parents	87%	72%
Job shortages as a barrier to upward mobility	40%	34%
Cost of education as a barrier to upward mobility	33%	28%
Lack of knowledge on how to advance as a barrier	29%	22%
Lack of connections as a barrier	19%	28%
Role of non-profits in socioeconomic mobility	29%	23%
Belief that upskilling is essential for career growth	91%	NA
Belief that credentials will be more important than degrees	88%	75%
AI impact on workplace skills	88%	NA
AI necessitating a mix of technical and human skills	87%	NA

**SURVEY SAMPLE:** Countries: 18 | Respondent: 1,80,000

#### Technical and durable skills needed to be competitive in the job market are



high-quality education, compared to 19% globally.

India's confidence extends beyond education into the realm of socioeconomic mobility. Nearly 69% of Indians believe in their current opportunities for upward mobility, compared to a global average of 55%. Looking ahead to 2035, 72% expect improvements, compared to 62% in other countries.

However, economic barriers persist. More Indians

than their global counterparts cited job shortages (40% vs 34%), expensive education (33% vs 28%), and lack of advancement knowledge (29% vs 22%) as key hurdles. Notably, fewer Indians (19%) felt that a lack of connections hindered their opportunities, compared to the global average of 28%.

Amit Sevak, CEO of ETS, said: "India has made impressive strides in founda-

tional learning, but disparities persist between urban and rural areas and across states. One of the biggest factors influencing student outcomes is teacher quality."

India's workforce is rapidly adapting to new skill requirements, with upskilling becoming a widely accepted necessity. About 91% of Indians believe lifelong learning will become a career standard, significantly higher than the global norm. Moreover, 88% anticipate that credentials and certifications will gain more importance than university degrees in the coming years, compared to 75% worldwide. The influence of artificial intelligence (AI) on the job market is a major concern, with 88% of Indians recognising its transformative impact on essential skills. Notably, Indians foresee AI as a complementary tool rather than a threat, with widespread belief that those who integrate AI into their work will replace those who do not.

India's high optimism on education and career growth contrasts with more tempered global perspectives. While the country acknowledges significant challenges in accessibility and infrastructure, its population remains committed to skill development and career advancement.

The findings also underscore the role of non-profits and govt partnerships in addressing existing gaps. With initiatives supporting skill assessments, teacher quality improvement, and AI integration in learning, India appears poised to navigate these challenges effectively.

# US Pauses Tariffs On Mexico For A Month

## Mexico City To Check Flow Of Illegal Drugs; Washington To Prevent Arms Transfer

Washington/Brussels: President Trump will pause new tariffs on Mexico for one month after Mexico agreed to reinforce its northern border with 10,000 National Guard members to stem the flow of illegal drugs, particularly fentanyl, he said on Monday on social media.

Mexican President Claudia Sheinbaum said the agreement also includes a US commitment to act to prevent trafficking of high-powered weapons to Mexico. The two leaders spoke by phone on Monday, just hours before US tariffs on Mexico, China and Canada were set to take effect. The two countries will use the month-long pause to engage in further negotiations, Trump said.

Trump said on Monday he had also spoken with Canadian PM Trudeau and would do so again. Both Canada and Mexi-



Trump said on Monday he had also spoken with Canadian PM Trudeau and would do so again. The White House said Canada has 'misunderstood' the tariffs to be a trade war between the neighbouring countries

co had announced retaliatory tariffs of their own. The tariffs on Canada and China remain poised to take effect on Tuesday.

Speaking in Washington on Sunday, Trump indicated that the 27-nation EU would be next in the firing line, but did not say

when. "They don't take our cars, they don't take our farm products. They take almost nothing and we take everything from them," he told reporters.

EU leaders meeting at an informal summit in Brussels on

**Trump indicated that the 27-nation EU would be next in the firing line, but did not say when**

Monday said Europe would be prepared to fight back if the US imposes tariffs, but also called for reason and negotiation. Arriving at the talks, French President Emmanuel Macron said if the EU were attacked in its commercial interests it would have to "make itself respected and thus react". Chancellor Olaf Scholz of Germany said

the bloc could respond if necessary with its own tariffs against the US, but stressed it was better for the two to find agreement on trade. Trump hinted that Britain, which left the EU in 2020, might be spared tariffs, saying: "I think that one can be worked out".

The US is the EU's largest trade and investment partner. According to the Eurostat data from 2023, the US had a deficit of 155.8 billion euros (\$161.6 billion) with the EU in the trade of goods, offset by a surplus of 104 billion euros in services.

A White House fact sheet gave no details on what Canada, Mexico, China would need to do to win a reprieve. Trump vowed to keep the sanctions in place until what he described as a national emergency over fentanyl, a deadly opioid, and illegal immigration to US ends. REUTERS

## Trump forces Panama's hand, halts S Africa aid

Chidanand Rajghatta | TNN

Washington: US President Trump continued to dynamite global trade and diplomatic ties in pursuit of his "America First" agenda, once again seeking to absorb neighbouring Canada into the US and carrying his battle to distant South Africa.

Effectively demonstrating that his audacious bid to gain control of Greenland, Canada, and the Panama Canal is no joke, Trump's secretary of state Marco Rubio's first trip to Panama City resulted in President Jose Raul Mulino signing what was virtually a surrender document — agreeing not to renew Chinese contracts that gave Beijing a toehold in the country.