

EXPERTS TAKE

‘India’s tariff levels by themselves are not the main problem’

An Interview with
AMBASSADOR DR. MOHAN KUMAR

India’s recent trade policy postures — especially around tariff levels — have attracted considerable international attention and criticism, often with the label “tariff king” being used to frame India as unusually protectionist. In his August 2025 Newsweek opinion article, “Is India a ‘Tariff King’? Not Really,” Ambassador Mohan Kumar challenges that narrative by placing India’s tariff structure in historical, structural, and comparative perspective.

He notes that India’s simple average tariff (c. 15.98 %) may appear high, but more policy-relevant is the trade-weighted applied tariff, which he cites as around 4.6 % — a level more consistent with norms for developing economies. He further argues that India’s relatively elevated duties in sectors such as agriculture, dairy, and automobiles cannot be understood via a generic “high tariff” label alone — instead they must be seen as tools of domestic protection and fiscal revenue sustenance in an economy with deep structural challenges and social imperatives.



Given India's sensitive agricultural sector (with a large share of population reliant on smallholding farms) and the political constraints on trade liberalization, Kumar contends that sweeping critiques reduce complex development trade-offs into caricatures.

In this interview, the ISDP's Stockholm Centre for South Asian and Indo-Pacific Affairs (SCSA-IPA) seeks to explore the assumptions behind India's trade policy, ask how India balances its WTO obligations with domestic priorities, and assess whether external critiques of Indian protectionism are factually grounded or driven by political interests.

Ambassador Dr. Mohan Kumar is a former Indian Ambassador to France and Bahrain. He was also India's lead negotiator at first the GATT and then the WTO for close to a decade in the nineties. He is currently the Dean and Professor of Diplomatic Practice at OP Jindal Global University in India. His website: www.ambmokumar.com has more details.

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SCSA-IPA: In your article, you argue that calling India the “tariff king” is misleading. What do you see as the biggest misconceptions behind this label, and why do they endure in global discourse?

Dr. Mohan Kumar: The relatively high tariffs we have in agriculture, dairy and autos garner disproportionate attention in the Western press. But even here we are in some cases better than Japan or South Korea. That said, I would argue for greater consistency and predictability by India on tariffs. We change it too often (after every budget) and there are at times supplementary tariffs imposed. So greater transparency and predictability is required by India, the tariff levels by themselves are not the main problem

SCSA-IPA: You highlight how selective comparisons exaggerate India's tariff record. Which examples best illustrate this distortion, and how should policymakers or the media address them?

Dr. Kumar: The easiest way to answer this is to look NOT at the median or simple average tariffs, but “trade-weighted average.” Major U.S. exports like crude oil, LNG, industrial machinery, and pharmaceuticals enjoy relatively low tariffs in India. For example, crude oil and LNG face minimal tariffs of Rs 1.1 per tonne and 2.75 percent, respectively. This is what matters rather than Harley Davidson Bikes for which tariffs are relatively high!!!!

SCSA-IPA: The piece suggests India's tariffs are often defensive, not predatory. How do you think this nuance is overlooked in current debates on trade policy?

Dr. Kumar: The test used must be the one which is known in the World Trade Organization (WTO). Whether the measure is “trade-distorting” or not! It has to be determined whether the tariffs are used to both protect the industry (legitimate objective) and to promote exports (potentially trade distorting). India's share of global trade is so low, that our measures seldom distort global trade.

SCSA-IPA: What kinds of counterarguments or data, in your view, could help shift the narrative toward a more balanced assessment of India's tariff regime?

Dr. Kumar: Trade policy is technical and dry unlike geopolitics which is sexy. So, there is no substitute to gaining access to facts which are objectively apolitical. There is no alternative to grunt work!

SCSA-IPA: Critics often argue that tariffs isolate India from global value chains. Based on your analysis, how can India balance tariff protection

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with deeper integration into global supply chains?

Dr. Kumar: The blunt answer to this question is to join Free Trade Agreements or FTAs, which India is joining with a vengeance. We have finished one with UK and if all goes well, we should conclude another with the European Union. Also, India should become part of resilient supply chains whether it is tech, critical minerals or strategic products.

SCSA-IPA: Major economies, including the U.S. and the EU, also use protective measures. How does India’s approach compare, and why do you think India is singled out disproportionately?

Dr. Kumar: The major countries subsidize their farmers through direct payments which is considered kosher by the WTO Agreement on Agriculture. This, after all, was negotiated by them using their clout. India’s subsidies are in the form of electricity, fertilizers and what is known as MSP (Minimum Support Price). This last mentioned is unfortunately capped in the WTO Agreement. India is paying a huge price for the fundamentally unjust

WTO Agreement on Agriculture. We have been trying to amend the Agreement at the WTO but to no avail.

SCSA-IPA: Looking ahead, what reforms or strategies could help India both protect vulnerable sectors and strengthen its reputation as a global trading partner?

Dr. Kumar: There is no question that India should reform its agriculture. You cannot have a situation where 50 percent of the country’s mammoth population is directly or indirectly dependent on agriculture. But this is a politically sensitive issue in India. To be fair, the current Government did try to bring about the farm bills which were sensible. But there were huge protests and the Government had to withdraw the farm bills. The West has to understand that India too is the world’s largest democracy and just as there are interest groups in the West, there are such groups in India too. That said, India needs time and it is in its interest to reform agriculture. Perhaps the FTAs are one way in which this can be done incrementally.

Note: This interview was carried out by the SCSA-IPA research team including Anahita Poursafir, Ines Vassort, and Tristan Eng.