

India open to revive US trade deal talks during PM's visit

Inter-departmental meetings being held to identify key trade proposals

PHOTO: REUTERS/FILE



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New Delhi, 5 February

India is open to reviving talks on a limited trade deal with the US during Prime Minister Narendra Modi's upcoming visit to Washington, where he will meet American President Donald Trump, a government official said.

"We are open to the idea of a mini-trade deal (with the US) if they are as well," the official told *Business Standard*, adding that the agenda of Modi's visit is still being finalised. The prime minister is set to travel to Washington on February 12 for his first meeting with Trump since the latter assumed office on January 20.

Ahead of the visit, officials from key government departments — including commerce, industry, and external affairs — are holding intense discussions to identify key trade-related proposals. These discussions aim to strengthen bilateral ties and deepen economic cooperation between the two nations.

Modi's upcoming meeting with Trump comes amid renewed trade tensions between the US and China, as well as a potential tariff conflict with American neighbours Mexico and Canada.

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A MAJOR PARTNER

Share of the US in India's top 5 exports and imports (%)

EXPORTS:

Drugs, formulations and biologicals	38.4	<div style="width: 38.4%;"></div>
Pearl, precious and semi-precious stones	36.6	<div style="width: 36.6%;"></div>
Telecom instruments	30.7	<div style="width: 30.7%;"></div>
Electrical machinery and equipment	19.2	<div style="width: 19.2%;"></div>
Petroleum products	6.5	<div style="width: 6.5%;"></div>

IMPORTS:

Coal, coke and briquettes	11	<div style="width: 11%;"></div>
Petroleum products	10.4	<div style="width: 10.4%;"></div>
Crude oil	4.3	<div style="width: 4.3%;"></div>
Electronic components	3.4	<div style="width: 3.4%;"></div>
Gold	2.7	<div style="width: 2.7%;"></div>

Source: Department of Commerce

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Illegal immigration, energy security likely to be discussed

During Prime Minister Narendra Modi's visit to Washington next week, the Indian side will share with the Trump administration New Delhi's discomfort with illegal immigrants from India being sent back in military aircraft. Discussions between the two sides will also cover issues from trade and energy security to increased security cooperation, sources said.

US plane with 104 deported Indians lands in Amritsar

A US military aircraft carrying 104 "illegal" Indian immigrants landed at Shri Guru Ramdas Ji International Airport in Amritsar on Wednesday. According to *PTI*, 30 of the deportees are from Punjab, 33 each from Haryana and Gujarat, three each from Maharashtra and Uttar Pradesh, and two from Chandigarh.

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Budget seeks to address some of Trump's trade-related concerns with India

Even before taking office, Trump had made clear his “America First” agenda, with tariffs as a central tool to achieve it.

India has already moved to address some of Trump's concerns, cutting basic customs duties on items including motorcycles, waste and scrap materials, and ethernet switches in its February 1 Union Budget. The measure follows Trump's repeated criticism of India as a “tariff king.”

Indian government officials are also awaiting the appointment of a new US Trade Representative (USTR) to start discussions on trade under the Trump administration.

According to the memorandum on “America First Trade Policy” issued soon after Trump took office, the US will identify countries for bilateral or sector-specific trade agreements to expand market access for American workers, farmers, and others. The USTR is expected to make recommendations on potential agreements.

During Trump's first term, India engaged in extensive discussions with the US on a limited trade agreement. Despite progress, the deal



remained unsigned due to unresolved issues.

When the Joe Biden administration took over in 2021, both nations sought to craft a new trade package, as the then new US administration shifted away from comprehensive free-trade agreements.

Instead, India joined the US-led 14-member Indo-Pacific Economic Framework for Prosperity (IPEF) but opted out of its trade pillar. Indian officials cited a lack of clarity on potential commitments and agreement details.

