

# 1st tranche of US-India BTA 'near closure'

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The first tranche of the trade deal between India and the US is "more or less near closure", and it will address the reciprocal tariff imposed by Washington on several Indian products, a senior government official said on Monday.

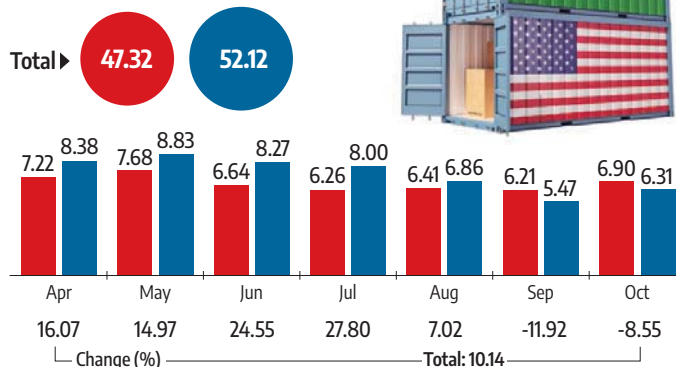
"We are engaged with the US on the bilateral trade agreement (BTA). It has two parts. One part of negotiations will take time. The other part is a package, which can address reciprocal tariffs. We are working on both aspects... The part of the agreement that needs to be addressed is the reciprocal tariffs, which will be hopefully addressed soon. There is no deadline at this point. Both countries remain in touch," the official cited above said.

In August, the US administration imposed a steep 50 per cent tariff on several Indian goods, including a 25 per cent punitive tariff for purchasing Russian oil. The official further said that the proposed deal is expected to address the issue of the 25 per cent penalty on India, otherwise the agreement

**Gaining ground**

India's exports to the US

■ FY25  
■ FY26  
(Value in \$ bn)



Source: Department of Commerce

would have no meaning.

Last week, US President Donald Trump had said that Washington and New Delhi were "pretty close" to reaching a fair trade deal, adding that he will lower tariffs imposed on Indian goods at "some point". Regarding India's state-run oil companies signing a one-year deal to import liquefied petroleum gas



Monday, outbound shipments to the US grew by 10.14 per cent year-on-year (Y-o-Y) to \$52.12 billion during April-October.

Exports to the US witnessed robust growth in the first four months of 2025-26 (FY26) due to frontloading. Thereafter, the Y-o-Y growth in exports slowed August onwards, with the imposition of the steep 50 per cent tariffs — accounting for 55 per cent of India's total merchandise exports to the US.

In October, exports to the US contracted 8.6 per cent to \$6.3 billion. Government officials said that major sectors driving the export growth to the US include electronic goods, engineering, drugs and pharmaceuticals, and textiles. Barring textiles, most of these sectors are exempted from reciprocal tariffs. Meanwhile, the US has removed tariffs on several agricultural items, offering some relief to Indian farmers.

The US remained India's largest trading partner for the fourth consecutive year in 2024-25, with \$86.5 billion exports, accounting for about 18 per cent of India's total goods exports.

(LPG) from the US in 2026, the official said the decision was in the works for a long time. However, it is not part of any negotiation package, but definitely as part of India's endeavour to balance trade with the US. The move is seen as an attempt to narrow India's trade surplus with the US.

According to the data released by the commerce department on