

First phase of India-US trade deal likely by Oct-Nov. Focused on deepening ties, says Finance Minister Nirmala Sitharaman

IN FOCUS. Engaging with the US is not just about reciprocal tariffs, but about deepening ties with India's largest trading partner, says Nirmala Sitharaman

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- Shishir Sinha



Finance Minister Nirmala Sitharaman expects the first tranche of the bilateral trade agreement (BTA) to be finalised by fall (October– November) this year. She also reaffirmed her commitment to maintaining the fiscal deficit below 4.5 per cent by 2026.

Speaking to the Indian diaspora at the India Community Centre in San Francisco, California, on Sunday, Sitharaman said India is among the few countries actively engaging with the US administration to achieve a mutually beneficial trade agreement.

“The priority we’ve given to engaging with the US government is evident — the Prime Minister himself visited in February, the Commerce and Trade Minister has been here, and I am here now. I am scheduled to meet the Treasury Secretary, my counterpart,” she said. She also noted that US Vice President JD Vance is visiting India beginning Monday.

She highlighted that the

United States Trade Representative (USTR) recently visited India to engage with the team handling tariff-related negotiations.

TRADE TALKS

Her visit coincides with a series of highlevel IndiaUS engagements focused on trade. New Delhi aims to avoid steep US tariffs by pushing for an early deal. India's Chief Negotiator, Rajesh Agrawal, is expected to visit the US for three days starting Wednesday.

"The long and short of engaging with the US is not just about reciprocal tariffs, but about deepening ties with our largest trading partner," Sitharaman said.

On the fiscal deficit, she explained that while it had widened during the Covid19 pandemic, a clear plan was devised in 2021 to manage it. "We set yearonyear targets and committed to reducing the fiscal deficit to below 4.5 per cent by 2026 — a path we've followed consistently," she said.

A day before the International Monetary Fund (IMF) releases its latest World Economic Outlook, Sitharaman reiterated that India remains the fastestgrowing major economy. "When the IMF or World Bank recognises that India can drive global trade, they are acknowledging the immense potential India holds," she said.

Sitharaman is scheduled to deliver a keynote speech at Stanford University and engage with CEOs in San Francisco on investment and technological innovation. In Washington, DC, she will attend highlevel meetings including the IMF and World Bank Spring Meetings, and the G20 Finance Ministers and Central Bank Governors' meeting.