



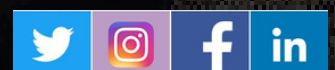
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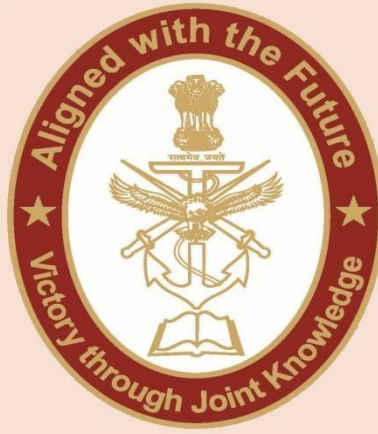
INDIA AND THE US DURING THE TRUMP'S ADMINISTRATION

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India and the US During the Trump's Administration



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Abstract

India and the United States used to have a lot of disagreements a long time ago, especially during the Cold War. But over the years, they started becoming friends and working together in many areas. By the time Donald Trump became the President of the US in January 2017, India and the US had become really good partners. They started helping each other in many ways, like defence, trade, technology. India must continue to engage with the Trump administration and other stakeholders in the US—including the US Congress, state governments, and the private sector—in all of these areas. It is essential for New Delhi to convince Washington that India's rise is in American interest. Keeping this in mind, this in mind, the article delves into the impact of Trump's administration in the economic and defense sector for India.

Introduction

India and the United States used to have a lot of disagreements a long time ago, especially during the Cold War. But over the years, they started becoming friends and working together in many areas. By the time Donald Trump became the President of the US in January 2017, India and the US had become really good partners. They started helping each other in many ways, like defence, trade, technology. India must continue to engage with the Trump administration and other stakeholders in the US—including the US Congress, state governments, and the private sector—in all of these areas.ⁱ It is essential for New Delhi to convince Washington that India's rise is in American interest.ⁱⁱ

On February 21, President Trump issued the “America First Investment Policy” National Security Presidential Memorandum (“NSPM”) which outlines the Administration's approach to foreign investment in the US.ⁱⁱⁱ Since Donald Trump's “America First” policy focused mainly on helping the US and looking closely at trade differences, India has to think carefully about how to keep its friendship with the US strong. The experts, referring to Trump's tough policy on immigration and tariffs, have assessed that India may require some tough negotiations with the new administration of US on these issues.^{iv} This article delves into the impact of Trump's administration in the economic and defense sector for India. What steps should India take in order to keep up with the new Trump administration?

Defence Relations

Last Trump Administration saw a number of concrete steps forward such as the creation of the tri-service exercise TIGER TRIUMPH, concluding negotiations on defense interoperability agreements, and relaxing defense export controls though steps like moving India to Tier-1 of the US Department of Commerce's “Strategic Trade Authorization” licensing list.^v India and the US became even closer when it came to defence. They started working better

together in military operations, shared advanced defense technologies, and made sure that their armies could work smoothly as a team.

Even though there were some disagreements in other areas, like trade and immigration, their teamwork in defense became the strongest part of their friendship. This helped India and the US trust each other more and work together to keep both countries safe. US was more aggressively confronting China which gave comfort to the Indian government that America's commitment to Indo-Pacific security was not wavering, despite the political transition in Washington, DC.^{vi} The US always stayed committed to keeping the Indo-Pacific region safe and peaceful. This made India feel confident that America was serious about stopping China from becoming too powerful and making sure that the region stayed free and open for everyone. Because of this strong support from the US, India felt safer and more determined to protect its own interests in the region.

Highlighting the current Trump's administration, the deepening convergence of US-India strategic interests, the leaders reaffirmed their unwavering commitment to a dynamic defense partnership spanning multiple domains.^{vii} To advance defense ties further, the leaders announced plans to sign this year a new ten-year Framework for the US-India Major Defense Partnership in the 21st Century.^{viii} This new plan shows that both countries are serious about becoming stronger partners and tackling security challenges together. It also helps India to improve its defense systems and stay ready for the future.

The leaders welcomed the significant integration of US-origin defense items into India's inventory to date, including C-130J Super Hercules, C-17 Globemaster III, P-8I Poseidon aircraft; CH-47F Chinooks, MH-60R Seahawks, and AH-64E Apaches; Harpoon anti-ship missiles; M777 howitzers; and MQ-9Bs.^{ix} The leaders of India and the US decided that America would sell more defense equipment to India and even work together to produce these in India. This way, both countries can work better as a team and make their defense systems stronger.

Recognizing that India is a Major Defense Partner with Strategic Trade Authorization-1 (STA-1) and a key QUAD partner, the US and India will review their respective arms transfer regulations, including International Traffic in Arms Regulations (ITAR), in order to streamline defense trade, technology exchange and maintenance, spare supplies and in-country repair and overhaul of US-provided defense systems.^x This is a big step forward in their defense partnership. By making technology transfers faster and helping India make more of its own defense equipment, both the countries are working together to keep the region safe and protect against new dangers.

Economic And Trade Relations

With the second Trump administration, Prime Minister Narendra Modi was one of the first world leaders to congratulate Trump when he came back to power, showing how strong their friendship is.^{xi} In 2025, India is also planning to host President Trump and the other leaders of the QUAD in the upcoming QUAD Leaders' Summit as Both the leaders set a bold new goal for bilateral trade – “Mission 500” – aiming to more than double total bilateral trade to \$500 billion by 2030.^{xii} This initiative is not just about increasing trade — it's about strengthening economic ties, securing important supply chains, and boosting national security for both countries. The recently announced reciprocal tariff on 2 April 2025 may appear a block to the ongoing relationship but mutual discussion underway by both the countries will be navigate this challenge in the times to come.

Till the time, a balanced trade deal is negotiated a signed, Trump's administration would likely use US centric trade policies, pushing India to reduce trade barriers and tariffs. This could impact Indian sectors like IT, pharmaceuticals and textiles which have considerable US market exports.^{xiii} There is a good chance that the US might focus on reducing India's trade surplus, which means that India sells more goods and services to the US than it buys. If this happens, the US could put pressure on India to buy more American products. While this could strengthen economic ties, it might also

create challenges for India. In the days after Trump's tariff announcement that has shaken global markets to their core, India joined nations like Taiwan and Indonesia in ruling out counter tariffs, even as the European Commission prepares to hit U.S. products with extra duties following China's retaliation.^{xiv}

During President Trump's tenure in office, energy exports to India have grown substantially, generating billions of dollars in American revenues. In India, ExxonMobil signed a deal to further improve India's natural gas distribution network so that the country can accept even more American LNG exports.^{xv} By helping India rely less on energy from the Middle East, improving its natural gas infrastructure, and supporting its move toward cleaner energy, the partnership between India and the US has been beneficial for both countries. As India and the US work toward achieving the goal of "Mission 500," which aims to increase their trade to \$500 billion by 2030, the energy sector will play an important role in strengthening their relationship.^{xvi}

Way Forward

With Trump's return to the White House, India might face some challenges with its "Make in India" initiative, which aims to boost local manufacturing and reduce dependence on imports. It could also affect India's goals under the Initiative on Critical and Emerging Technologies (iCET), which focuses on advancing technology cooperation between India and the US.^{xvii} American support for "Make in India," signified by the numerous outbound investment announcements during last summer's Joint Statement from Prime Minister Modi's State Visit to Washington, DC, maybe be the first casualty but it is a must for India to continue its indigenization drive as that is the only tool to maintain the strategic autonomy.^{xviii}

To overcome these challenges, India needs a well-thought-out plan. It should focus on building stronger partnerships with more countries to gain access to advanced technology, work harder to improve its own manufacturing

capabilities, and negotiate better trade deals to protect its interests.

This approach will not only help India maintain a strong and balanced partnership with the US, but also ensure that its “Make in India” vision stays on track, helping the country achieve greater self-reliance and success in the future.

A less aggressive American posture on Russia will further imperil Ukraine, but would benefit India, which has dramatically increased trade linkages with Russia since the invasion of Ukraine.^{xix} Donald Trump’s “America First” policy means that he focuses more on America’s own interests and prefers not to interfere too much in how other countries, like India, run their own affairs. This gives India more freedom to make its own decisions without worrying about US interference.

However, this shift could have some serious effects on global politics. It might affect how the US deals with the ongoing situation in Ukraine and its relationship with Russia. So, while India gains more control over its policies, the changing global situation could create new challenges that India needs to watch closely.

Over the years, India and the US have built a strong friendship, especially in areas like defense, trade, and technology. Donald Trump’s “America First” policy, which focuses mainly on America’s own interests, means that India will have to be smart and protect its own goals while keeping this partnership strong.

In defense, India and the US have come closer with agreements like TIGER TRIUMPH and India’s inclusion in the Strategic Trade Authorization-1 (STA-1) list. There’s also a new 10-year defense partnership planned, which will help make India’s military stronger. However, India needs to be careful not to rely too much on US defense equipment, as this could slow down its “Atma Nirbhar” (self-reliance) efforts. Also, getting too close in defense matters could upset some other countries, so India needs to stay alert and prepared.

In trade, the “Mission 500” plan aims to double India-US trade to \$500 billion by 2030, which could create exciting opportunities for both countries. But Trump may try to reduce the US trade deficit by pressuring India to lower tariffs and buy more American goods, which could affect important Indian industries like IT, pharmaceuticals, and textiles. India will have to carefully balance these demands while protecting its own industries and economy.

India’s “Make in India” plan and the Initiative on Critical and Emerging Technologies (iCET) might face some challenges under Trump’s administration because US investments in India’s manufacturing sector could slow down. To stay on track, India should build stronger partnerships with other countries, work on improving its own manufacturing abilities, and negotiate good technology-sharing agreements to keep moving forward.

Interestingly, Trump’s less strict approach towards Russia could actually benefit India. This would allow India to continue its trade and defense ties with Moscow without facing too much pressure from the US. Also, Trump is less likely to interfere in India’s internal matters, such as human rights and religious issues, giving India more space to make its own decisions.

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