

Brief Embassy Report on Bilateral Relations

ITJ Division, DGCIS, Kolkata.

India – The United States of America Bilateral Relations

Source: Ministry of External Affairs (MEA), Govt. of India (Web: www.mea.gov.in)

A. Introduction

- 1. Scope & Purpose:** The Indian Trade Journal (ITJ), published weekly by DGCIS, presents Embassy Profile Reports on key developments in partner countries relevant to the Indian trading community. This issue(15.07.2026) features the Embassy Profile of the United States of America.
- 2. Strategic Foundation:** India and the United States share a comprehensive global strategic partnership founded on shared democratic values, common strategic interests, and expanding economic convergence.

B. Political Relations & High-Level Engagements

- 3. Leadership Summit & Tariff Reduction:** India and the U.S. maintain regular high-level engagement across successive administrations. Prime Minister Narendra Modi and President Donald Trump held multiple conversations during 2025 and again on 2 February 2026, when the U.S. announced a reduction of tariffs on Indian products to 18%.
- 4. COMPACT Initiative Launch:** Prime Minister Modi visited Washington, D.C. on 13 February 2025, launching the India–U.S. COMPACT (Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology) initiative to solidify strategic bilateral ties.
- 5. Strategic Consultations:** During the visit, PM Modi engaged with key U.S. leadership, including DNI Tulsi Gabbard, NSA Michael Waltz, and Elon Musk. Discussions focused on strategic technologies, defence, civil nuclear energy, AI, space, innovation, counter-terrorism, and emerging technologies.
- 6. Regional & Security Consultations:** In March 2025, DNI Tulsi Gabbard and INDOPACOM Commander Admiral Samuel Paparo visited India for the Raisina Dialogue, deliberating on maritime security, cyber security, and counter-terrorism cooperation.
- 7. Vice Presidential Visit:** U.S. Vice President J.D. Vance visited India in April 2025, during which both sides formally announced the Terms of Reference for a Bilateral Trade Agreement.
- 8. Executive Consultations:** Foreign Secretary Vikram Misri visited Washington, D.C. in May 2025 to advance the COMPACT agenda, engaging on defence, energy, trade, and multilateral frameworks including Quad, I2U2, and IMEEC.
- 9. Ministerial Engagements:** External Affairs Minister Dr. S. Jaishankar held multiple high-level engagements during 2025–26 across Quad, UNGA, G7, and Critical Minerals Ministerials.
- 10. Gaza Peace Summit:** Minister of State K. V. Singh represented India at the Gaza Peace Summit in Sharm el-Sheikh in October 2025.
- 11. Foreign Office Consultations:** U.S. Under Secretary of State Allison Hooker visited India in December 2025 for Foreign Office Consultations and key discussions with ISRO in Bengaluru.

C. Commercial Relations & Trade Statistics

12. Bilateral Trade Overview: The United States is India's largest trading partner, with total bilateral trade in goods and services reaching \$210.18 billion in calendar year 2024.

India–US Bilateral Trade Trends (2020 – 2024) [in Millions of US\$]

Trade Flow Segment	2020	2021	2022	2023	2024
US Goods Exports to India	27,081	40,130	47,332	40,117	41,753
US Goods Imports from India	51,254	73,260	85,671	83,768	87,416
Merchandise Total Trade	78,336	113,390	133,003	124,060	129,169
Merchandise Trade Deficit (US)	-24,172	-33,130	-38,339	-43,311	-45,663
US Services Exports to India	16,317	16,720	25,571	33,999	40,264
US Services Imports from India	26,225	28,989	32,862	36,406	40,749
Services Total Trade	42,542	45,709	58,433	70,405	81,013
Services Balance (US)	-9,908	-12,269	-7,291	-2,407	-485
Total Exports to India (G+S)	43,398	56,850	72,903	74,116	82,017
Total Imports from India (G+S)	77,479	102,249	118,533	120,174	128,165
Grand Total Bilateral Trade	120,878	159,099	191,436	194,290	210,182
Total Overall Trade Deficit (US)	-34,080	-45,399	-45,630	-45,718	-46,148

13. Institutional Dialogue Mechanisms: Key Dialogue Mechanisms Driving Commercial Relations:

- **Trade Policy Forum (TPF):** Established in 2005. 14th meeting held in New Delhi on 12 January 2024, co-chaired by CIM and USTR.
- **Commercial Dialogue:** 6th Dialogue held in Washington, D.C. on 3 October 2024; signed MoU on Critical Mineral Supply Chains.
- **India–US CEO Forum:** Provides private sector policy recommendations; latest meeting held on 2 October 2024.
- **Economic & Financial Partnership (EFP):** 11th Financial & Regulatory Dialogue held in Gandhinagar (March 2023).
- **Indo-Pacific Economic Framework (IPEF):** India signed Supply Chain, Clean Economy, Fair Economy, and Overarching Agreements in 2024.

14. Foreign Direct Investment (FDI): The U.S. was the 2nd largest FDI source for India in April–Sept FY 2025–26 (\$6.6B / 19%). Cumulative U.S. FDI reached \$77.27 billion (2000–2025). Indian companies have invested over \$40 billion in the U.S., supporting 425,000+ direct jobs.

15. Trade Negotiations: Intensified negotiations occurred throughout 2025 with visits by Commerce Minister Piyush Goyal and USTR delegations.

16. Interim Trade Agreement Framework: On 6 February 2026, India and the U.S. finalized a framework for an Interim Agreement on reciprocal trade, paving the way for a comprehensive Bilateral Trade Agreement (BTA).

D. Parliamentary Exchanges

17. Congressional Support: India–US relations enjoy strong bipartisan support. The Senate and House India Caucuses combined comprise over 100 lawmakers.

18. Parliamentary Delegation (June 2025): A multi-party delegation led by Dr. Shashi Tharoor visited Washington, D.C. (3–6 June 2025), briefing leadership on Operation Sindoor, counter-terrorism, and regional security.

E. Defence Collaboration

19. Strategic Framework & 2+2 Mechanism: Guided by the New Framework (renewed 2015). India designated Major Defence Partner in 2016 and STA-1 status in 2018. A new 10-year Major Defence Partnership Framework was signed in October 2025.

20. Procurement & Ship Repairs: Bilateral defence procurement exceeds \$20 billion (C-17, C-130J, Apache, Chinook, MH-60R, P-8I). U.S. Navy ships utilize Indian shipyards for repair/maintenance under commercial contracts.

21. Enabling Agreements: Key foundational pacts include LEMOA, COMCASA, ISA, BECA, SoSA, and the MQ-9B Reaper procurement agreement (2024).

22. Industrial Cooperation & Joint Exercises: Accelerated via INDUS-X (launched 2023) and the Joint Technical Group for technology co-development.

F. Security, Counter-Terrorism & Cyber Cooperation

23. Counter-Terrorism: 21st Joint Working Group on Counter Terrorism and 7th Designations Dialogue were held in New Delhi on 6 December 2025.

24. Homeland Security: Homeland Security Dialogue (HSD) strengthens supply chain and law enforcement safety. Signed MoU on cybercrime investigation cooperation on 17 January 2025.

25. Anti-Narcotics Framework: Signed U.S.-India Drug Policy Framework in 2024. Inaugural Drug Policy Executive Working Group met in Washington on 20–21 January 2026.

26. Cyber Security: Cooperation under the 2016 Cyber Framework and participation in Counter Ransomware Initiative.

G. Strategic Energy & Clean Energy Agenda

27. Clean Energy Partnership: Guided by the Climate and Clean Energy Agenda 2030 Partnership (SCEP & CAFMD). SCEP Ministerial held September 2024.

28. Energy Trade Growth: U.S. is India's 6th largest energy partner; hydrocarbon imports reached \$10.85 billion in Q1–Q3 FY 2025–26.

29. Energy Security & Critical Minerals: Launched Energy Security Partnership (Feb 2025) and Strategic Mineral Recovery Initiative.

30. Climate & Disaster Resilience: Cooperation via CDRI and Major Economies Forum.

31. Green Transition Fund (USIGF): NIIF and U.S. DFC proposed up to \$500M each to anchor green technology and storage investments.

H. Science, Technology & Space Cooperation

32. S & T Framework: Promoted by IUSSTF and NSF–ANRF MoC (Feb 2025) across AI, quantum, and biotech.

33. Civil Space Partnership: Active civil space engagement between ISRO and NASA coordinated by CSJWG.

34. NISAR & Satellite Launches: NISAR satellite successfully launched on 30 July 2025. GSAT-N2 launched via Falcon-9 in Nov 2024.

35. Deep Space & Human Spaceflight: NASA DSN supported Chandrayaan 2/3. Gaganyaatri Shubhanshu Shukla participated in Axiom-4 ISS mission (2025). Bluebird-6 launched by LVM3 in Dec 2025.

36. Critical & Emerging Technologies (iCET): Expanding co-production under iCET across quantum, AI, semiconductors, telecom, and biotech.

I. Health Cooperation

37. Health Partnerships: Vaccine Action Program (VAP) produced ROTAVAC®. Indian generic medicines fulfill 47% of U.S. demand. Collaborations active under 5th Health Dialogue and US Cancer Moonshot Initiative.

J. Education, Cultural Exchange & Diaspora

38. Education & Culture: Cultural Property Agreement (July 2024) returned 578 antiquities since 2016. 300,000 Indian students study in the U.S.

39. Indian Diaspora Impact: 5.4 million Indian diaspora in the U.S. (2.07 million NRIs). Six Indian-origin members serve in U.S. Congress.
