



Policy Alert: US-India Relations

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Action: “[United States-India Joint Leaders Statement](#)”

What it does: Indian Prime Minister Narendra Modi visited Washington; India’s \$46 billion trade surplus and concerns over Indian joint development of an Iranian port ranked high on the agenda. The leaders announced some new initiatives, but trade could remain an irritant in the relationship, even as a security partnership develops.

Key Insights

- Before the visit, the prospect of reciprocal tariffs on India and the deportation of Indian migrants to the US [threatened](#) to cloud the discussions. During the first Trump Administration, India faced 25% tariffs on steel and 10% on aluminum, and India retaliated, focusing on US agricultural exports. One source said India [provided](#) a “gift” of offers to purchase more US goods to lower trade tensions.
- The parties say they want trade to double to \$500 billion by 2030; the US hopes to export more energy, defense supplies, and agricultural products.
- While tensions over tariffs were not resolved, and the President called Indian tariffs a “big problem,” the leaders had some common ground on China and did [agree](#) to negotiate a “mutually beneficial, multi-sector” framework Bilateral Trade Agreement this year.
- Beyond this, the US and India [announced](#) a “COMPACT” program (“Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology”)

focusing on greater Indian purchases of US defense equipment (possibly eventually including the F-35 fighter) and a “U.S.-India TRUST” program (“Transforming the Relationship Utilizing Strategic Technology”) initiative, focusing on scientific cooperation, including a proposed “Roadmap on Accelerating AI Infrastructure.” The leaders also agreed to “build U.S.-designed nuclear reactors in India through large-scale localization and possible technology transfer [.]”

- Some of this, notably the emphasis on defense purchases and maintenance and continuing the effort to develop an India- Middle East-Europe Corridor, simply rebrand or continue Biden-era initiatives without noting them as such.
- Despite the apparent harmony, each leader clearly **prioritized** national interests, with the President saying “We are being reciprocal with India. Whatever India charges, we charge them,’ and Prime Minister Modi noting that “[o]ne thing . . . that I learn from President Trump, is that he keeps the national interest supreme. Like him, I also keep the national interest of India at the top of everything else.”

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