

India Confident of "Consequential Partnership" with United States Amidst Ongoing Trade Talks



India's Commerce and Industry Minister, Piyush Goyal, on Friday, July 25, 2025, expressed strong optimism regarding the conclusion of a trade deal with the United States, even as discussions continue to navigate complex issues. Speaking from London, where he had just participated in the signing of a landmark Free Trade Agreement (FTA) with the United Kingdom, Goyal affirmed that negotiations with the U.S. are making "fantastic progress" towards a "very consequential partnership."

Goyal's remarks come as both India and the U.S. aim to finalize an interim trade agreement ahead of an August 1 deadline, after which certain reciprocal tariffs, initially announced by the U.S. in April, could fully resume. While a 90-day pause had reduced India's applicable reciprocal tariff to 10% until July 9, this was further extended to August 1.

The ongoing negotiations have seen both sides pushing for market access in key sectors. India is particularly focused on securing preferential market access into the U.S. for its labor-intensive industries, including textiles, gems and jewelry, leather goods, garments, plastics, chemicals, shrimp, oil seeds, grapes, and bananas. Conversely, the U.S. is seeking reduced duties on its agricultural products, such as dairy items, apples, tree nuts, and genetically modified crops, alongside industrial goods like automobiles (especially electric vehicles), wines, and petrochemicals.

A significant point of contention has been India's steadfast refusal to open its sensitive agriculture and dairy sectors to duty concessions, a consistent stance in all its trade

agreements. Goyal reiterated that India prioritizes its national interest above all else and does not negotiate under external deadlines. "India never makes a trade deal based on a deadline or timeline; when the deal is good, fully matured, and in the national interest, then we accept it," he stated earlier this month.

Despite the complexities, officials from both nations remain actively engaged. Indian officials recently concluded the fifth round of talks in Washington, and a U.S. delegation is expected to visit India in the second half of August for further discussions. While a comprehensive Bilateral Trade Agreement (BTA) is being targeted for autumn this year, an interim arrangement remains a more immediate objective to avert potential tariff escalations.

Goyal expressed confidence that India, having been an early and committed negotiator, would receive "special and preferred treatment" from the U.S. This bilateral engagement is part of India's broader strategy to enhance its foreign trade through mutually beneficial agreements with developed economies, signifying a pragmatic approach to global economic partnerships.