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India-USA Relations and Trade

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Trade between India and the United States has grown about thirty-fold since the early 1990s. This page tells that story, then looks at the 200th Parliamentary report of 6 August 2026 and the new US duty of July 2026.

Keep three questions in mind. How big has the trade become? What are the BTA and Mission 500? And what did the committee and Washington decide in 2026?

> **$7.3 bn.** Early 1990s trade
> **$210 bn.** Trade in 2024
> **2019.** GSP withdrawn
> **$500 bn.** Mission 500 goal for 2030

BTA: Bilateral Trade Agreement.

GSP: Generalized System of Preferences.

Section 301: US law used for trade actions against other countries.

Mission 500: Goal of $500 billion trade by 2030.

1 How big has India–US trade become?

In the early 1990s, India and the US traded only about $7.3 billion a year. India had just begun opening its economy.

Today the picture is very different. By 2024, trade in goods and services had reached about $210 billion. The US had become India’s largest trading partner.

It was not always so. China held the top spot from 2013-14 to 2017-18. The US overtook it later.

The road was not smooth either. In 2019, the US withdrew India's GSP benefits. The Generalized System of Preferences gave duty-free entry to many goods. The move hit about $5.6 billion of Indian exports.

> **Think it through:** Why is a big trade number not the whole story?
>
> Big trade brings big exposure. One tariff decision in Washington can hurt many Indian exporters at once.

- Early 1990s: about **$7.3 billion**.
- 2024: about **$210 billion**, the US is the **top partner**.
- 2019: **GSP** withdrawn, about **$5.6 billion** of exports hit.

> **Quick check 1.** The US has always been India's largest trading partner. *(True or False?)* See answer ↓

2 What is the Bilateral Trade Agreement and Mission 500?

In February 2025, India and the US set out to negotiate a Bilateral Trade Agreement, or BTA. It aims to widen market access and lower tariff and non-tariff barriers.

They also set a goal called Mission 500. The target is $500 billion of bilateral trade by 2030.

A framework for an interim agreement followed in early February 2026. It was meant as a stepping stone to the full BTA.

- BTA talks launched: **February 2025**.
- Mission 500: **$500 billion by 2030**.
- Interim framework: **February 2026**.

> **Quick check 2.** Mission 500 aims at $500 billion of India–US trade by 2030. *(True or False?)* See answer ↓

3 What did the 200th Parliamentary report say?

On 6 August 2026, a Parliamentary Standing Committee on Commerce tabled its 200th Report. The title was “Evaluation of India-US Trade Relations”. Dola Sen chairs the Committee. (Source: PIB)

It asked the government to conclude the BTA at the earliest, while protecting India’s interests.

It also suggested seeking exemptions for generic medicines, smartphones and critical minerals from future US tariff hikes. (Source: DD India)

It called for support to sectors like engineering, electronics, pharma, textiles and agriculture, and for more help to MSMEs.

- Report: **200th**, tabled **6 August 2026**.
- Chair: **Dola Sen**.
- Exemptions sought: **generic medicines, smartphones, critical minerals**.

> **Quick check 3.** The committee asked India to delay the trade agreement. *(True or False?)* See answer ↓

4 What is the Section 301 duty of July 2026?

The US announced final Section 301 measures on forced labour on 23 July 2026. They covered 60 economies.

India got an additional 10% duty. The US had first proposed 12.5% on 2 June 2026.

India was placed in a lower tariff tier. About 45% of its exports to the US stay outside the duty. (Source: PIB)

This is a different action from the 2019 GSP withdrawal. The two are seven years apart.

- Announced: **23 July 2026**.
- Duty on India: **10%**, down from **12.5%** proposed.
- Outside the duty: about **45%** of exports.

Quick check 4. The 2026 Section 301 duty and the 2019 GSP move are the same action. *(True or False?)* See answer ↓

5 What are the exam traps?

- US became top partner **after** China's run till **2017-18**.
- **GSP** = 2019. **Section 301** = 2026.
- Mission 500 = **$500 billion by 2030**.
- 200th report chair = **Dola Sen**.
- Section 301 rate = **10%**, not the 12.5% first proposed.

Practice MCQs

1. Mission 500, launched by India and the US in February 2025, targets bilateral trade of how much by 2030?

A. $100 billion

B. $210 billion

C. $500 billion

D. $1 trillion

See answer ↓

2. The 200th Report on 'Evaluation of India-US Trade Relations,' tabled in Parliament on 6 August 2026, was chaired by:

A. Piyush Goyal

B. Nirmala Sitharaman

C. Dola Sen

D. Jairam Ramesh

See answer ↓

3. The Committee recommended exempting which three Indian export categories from future US tariff hikes?

A. Agriculture, engineering goods, and auto components

B. Textiles, steel, and gems and jewellery

C. Generic medicines, smartphones, and critical minerals

D. Automobiles, chemicals, and marine products

See answer ↓

4. In 2019, the US revoked India's benefits under which trade preference scheme, affecting around $5.6 billion in Indian exports?

A. The Indo-US Free Trade Agreement

B. The WTO's Doha Round concessions

C. Most Favoured Nation (MFN) status

D. The Generalized System of Preferences (GSP)

See answer ↓

5. By 2024, US-India bilateral trade in goods and services reached approximately what figure, making the US India's largest trading partner?

A. $50 billion

B. $7.3 billion

C. $500 billion

D. $210 billion

See answer ↓

Answer Key

1. **C.** Mission 500 targets $500 billion in India-US bilateral trade by 2030. PM Modi and President Trump launched it on 13 February 2025. In August 2026, a Parliamentary Committee asked for a time-bound roadmap to reach it. ↑ Q1
2. **C.** The report was chaired by Rajya Sabha MP Dola Sen, head of the Department-related Parliamentary Standing Committee on Commerce. ↑ Q2
3. **C.** The Committee recommended exempting generic medicines, smartphones, and critical minerals from future US tariff increases. These were flagged as strategically important Indian exports. ↑ Q3
4. **D.** The US revoked India's Generalized System of Preferences (GSP) benefits in 2019. This removed special duty treatment on about $5.6 billion of Indian exports, hitting sectors like pharmaceuticals and textiles. ↑ Q4
5. **D.** Bilateral trade reached about $210.1 billion in 2024, up from just $7.3 billion in the early 1990s. This made the US India's single largest trading partner. ↑ Q5

Quick-check answers

1. **False.** ↑ 1
2. **True.** ↑ 2
3. **False.** ↑ 3
4. **False.** ↑ 4

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