

# India-US Signed Trade Agreement

## IN NEWS



India and the United States have announced a new trade deal, lowering tariffs and setting ambitious targets for bilateral trade.



August 2025



the US had levied tariffs up to 50% (25% reciprocal + 25% additional duty) linked to India's Russian oil imports.

## ABOUT THE INDIA-US TRADE DEAL



### US CLAIMS ON BROADER COMMITMENTS

### TARIFF REDUCTION



US reciprocal tariffs on Indian goods reduced from 25% to 18%, effective immediately. Additional 25% duty withdrawn, which had earlier been imposed.



The US asserts the deal includes **zero tariffs and non-tariff barriers for US goods** and that **India committed to buy over \$500 billion of US products across energy, tech, agriculture, coal, etc.**



India will progressively reduce tariffs and non-tariff barriers against US goods.

## IMPORTANCE OF THE DEAL



It strengthens India-US ties amid global geopolitical shifts, especially regarding China.



Helps counter China's dominance in global trade and manufacturing.



Lower tariffs could improve competitiveness for Indian exporters (farmers, MSMEs, entrepreneurs) and attract investment.



This would support Make, Design and Innovate in India for the world.



Diversifying oil imports may reduce India's dependence on Russia, though at higher costs.



It would help stabilize the rupee amid global economic uncertainty.



It will position India as a key partner in US-led trade and security frameworks.