



Trade Relations Between India and USA (2021–2025)

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Abstract:

India and United States trade relations between 2021 and 2025 have recorded massive growth, strategic realignment and rising economic interdependence. Being among the two largest democracies in the world, the two countries have enhanced bilateral relations by increasing trade in goods and services, investments, and collaboration in new areas including digital technology, renewable energy, and defence production. Although there have been setbacks like tariff conflicts, regulatory obstacles and variation in trade policies, the overall trend has been favourable. The United States had always been one of the largest trading partners of India during this period and India had become a market major in the export and investment of American goods. The bilateral trade was also steadily increasing, with the help of policy discussions, including the Trade Policy Forum, and efforts to ensure supply chain resilience. The first shock caused by the COVID-19 pandemic was the impact on trade flows, which soon recovered, and both countries focus on diversification and less dependence on single-source supply chains.

The major areas that propelled trade were information technology services, pharmaceuticals, textiles and export of energy especially liquefied natural gas by the United States to India. There were also strategic issues such as the increasing economic power of China which contributed to the closeness of the relationship between India and the United States in economic terms. Moreover, the development of the trade continues to be influenced by discussions that surround free trade agreements, digital trade regulations, and intellectual property rights. The India-US trade relations of 2021-2025 are characterized as the active and stable partnership with the opportunities and challenges. The sustainability of this relationship is to be based on further policy coordination, dispute mechanisms and mutual efforts to improve economic cooperation in the quickly evolving global environment.

Keywords: India-US Trade, Bilateral Relations, Economic Cooperation, Supply Chain Resilience, Strategic Partnership.

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Methodology:

The current study employs an analytical approach in examining the relationship between India and the United States with respect to their trade relations over the period of 2021 to 2025. For this purpose, the researcher has made use of secondary data available from various sources. This includes government documents, official papers, and reports from relevant bodies, such as the World Bank, the International Monetary Fund, and the WTO. Government publications of India's Ministry of Commerce and the U.S. Trade Representatives have also been considered for analysis purposes.

Objectives

1. The objective is to analyse the growth pattern of bilateral trade relations between India and the USA from 2021 to 2025.
2. The study will also seek to determine the major sectors (goods/services) responsible for expanding economic relations between India and the USA.
3. The study will focus on India's exports to the USA, identifying the commodities that are driving export growth.
4. Analysing India's imports from the USA and their importance to India's economic growth.

Introduction:

India-United States trade relations have become one of the most important pillars of modern economic relations in the world. This bilateral relationship has experienced an amazing change over the past few decades- where lack of sufficient and careful economic contact in the times of cold war has been replaced with a dynamic, three-dimensional, and strategically significant interaction in the 21st century. This relationship has attained even more relevance in the time between 2021 and 2025 owing to the rapid change of the world order of economy, the long-term consequences of the COVID-19 epidemic, technological changes, and the growing geopolitical confrontations, especially between China and other countries. Being two of the most influential democracies and economies in the world, India and the United States are becoming more observant of each other not just as trade partners but also as strategic allies in the development of a stable and successful economy in the world.

Ideological differences and differing economic models in the past limited Indian-U. S trade relations. India pursued an inward-looking economic policy that was socialist-oriented, protectionist, and had only little interaction with international markets, during the Cold War. The United States on the other hand was a



proponent of free-market capitalism and liberalization of international trade. Such disparities caused relatively low rates of trade and economic cooperation in the two countries. Nevertheless, with the dissolution of the Cold War and the economic liberalization of India in 1991, things had changed. India slowly liberalized its economy to foreign capital, eased trade restriction and got it into the world economy. This transformation formed a platform of gradual growth of trade and investment relations with the United States.

By the early 2000s, the Indian economic relations with the U.S began to take off, also due to the political rapprochement as well as the mutual strategic interests. The India-U.S. Civil Nuclear Agreement in 2008 signified the dawn of a fresh page of trust and collaboration and this was a step towards increasing economic involvement. There was also a boost in trade between goods and services because India is strong in the areas of information technology, pharmaceuticals and skilled labour and the United States is the front-runner in the field of advanced technology, investment of capital and innovations. In the long run, the United States turned out to be among the largest trading partners of India and India had become a significant source of U.S. exports and investments. The years 2021-25 will be a phase of this changing relationship, which is formed under the influence of opportunities and difficulties. The global economic disruption (as a result of the COVID-19 pandemic) has proven to be one of the paramount influences of bilateral trade at this period. The pandemic revealed weaknesses in world supply chains and the flow of markets, and it revealed the necessity of resilience and diversity. In retaliation, India and the United States attempted to redefine their economic policies, focusing on security of the supply chain, manufacturing within their nations and dependence on no nation, especially China. The change has brought about new avenues to bilateral trading and investment with American firms looking more towards India as a new manufacturing hub and a trusted global supply chain partner.

Simultaneously, the blistering development of digital technologies and the progressively higher role of the knowledge economy have introduced new aspects to the trade relations between India and the U.S. The U.S is the country that hosts some of the biggest technology firms in the world, but India has already proven itself as a major player in providing information technology solutions to the world and digital innovation. This symbiotic bond has also enhanced trade of services especially in software development, business process outsourcing, cloud computing and artificial intelligence. It has, however, also emerged to pose new challenges such as the controversy of data ownership, online taxation, and regulations.



The rising convergence of economic and strategic aspects is another prominent characteristic of the India-U.S. trade relations at this time. The Indo-Pacific region has become a key rivalry of geopolitical interests especially with the emergence of China as a key economic and military powerhouse. Both America and India have interests in ensuring that there is a free, open and rules-based order in this region. Because of this, economic collaboration between the two states is becoming more and more interconnected with larger strategic goals, such as supply chain resilience, technological security, and energy independence. This overlap of economic and strategic interests can be seen in measures like the Indo-Pacific Economic Framework (IPEF) and the Quadrilateral Security Dialogue (Quad).

Though these are good developments, there are still a number of challenges in the India-U.S. trade relations. Among the most prominent problems, the lack of the free trade agreement between the two countries is the most extensive problem. Although negotiations and talks have been taking place on both sides, the tariffs, market access, labour standards, and environmental rules have been the source of differences to the pursuit of a formal trade agreement. India has historically had a more protectionist and higher tariff policy on trade, intended to protect local businesses and encourage self-sufficiency, as part of the programme of self-reliance called “Atmanirbhar Bharat.” Conversely, the US has pushed towards increased openness of the market and lower trade barriers. There are also trade disagreements that have arisen in certain industries. An example is the issue of data localization, digital taxation and intellectual property right policies in India, which the United States has been complaining about due to its perceived effects of impeding American companies. India on the other hand has complained of U.S. restrictions to exports, visa policies on Indian professionals and the introduction of tariffs on Indian products like steel and aluminium. The Indian withdrawal of the benefits under the Generalized System of Preferences (GSP) by the United States in 2019 has continued to impact some of the Indian exports and a solution to the problem has not been fully implemented.

Alongside these policy-related issues, the character of the trade relationship between the two economies is also influenced by structural differences between them. The US is a highly developed and innovation-oriented economy and highly focused on intellectual property protection, high-end manufacturing and high-value services. Although it is one of the fastest-growing major economies, India remains a developing nation with a substantial agricultural sector, high informal jobs, and differences in levels of industrialization. These variations generate opportunities and limitations. On the one hand, they make it possible to be complementary, with each nation specializing in those areas where they have a comparative advantage. Conversely, they may cause friction especially when priorities of policies become different.



History and development of India U.S. trade relations:

The history of trade relations between India and the United States is a wider shift both in political, economic and strategic relationships between the two countries. Since the limited interaction around the Cold War period to a strong and multi-dimensional economic relationship in the 21st century, this trend has been influenced by changes in domestic policies, international economic trends as well as the geopolitical changes. This historical context is a crucial element in analysing the modern dynamics of bilateral trade in 2021-2025.

Trade relations between India and the United States were rather modest in the early years of the independence of India, which took place in 1947. India embraced an economic system that is state controlled, socialistic and focused on self-reliance, import substitution and protection of local industries. This model, which has also been known as a closed economy, restricted the involvement of India in international trade, as well as decreased its economic interaction with the western world, which includes the United States. Barriers to imports and foreign investment were deterred by high tariffs, stringent licensing procedures and regulatory obstacles. Conversely, the United States, being one of the biggest representatives of capitalism and free-market policies, focused on the liberalization of trade and globalization of the economy. Such opposing economic ideologies developed a structural gap that limited the growth of bilateral trade.

Moreover, geopolitical influences in the Cold War were another impediment to economic collaboration. India had a non-alignment policy which aimed at it remaining independent of the United States and the Soviet Union. But practically, India grew nearer and nearer to the Soviet Union in terms of political and economic relationships, especially in the field of defence and industrialization. Meanwhile, the United States became allied to Pakistan in South Asia which caused diplomatic strains and further diminished the margin of economic involvement with India. Consequently, there was little trade between India and the United States and was not strategic in this time. This started changing slowly in 1980s and early 1990s and a significant turning point was achieved with the economic liberalization of India in 1991. Due to a serious balance-of- payments crisis, India embarked on extensive economic reforms that would lead to opening up its economy to international markets. These reforms incorporated the lowering of tariffs, deregulation of industries, promotion of foreign direct investment (FDI) and the incorporation into the global trading system. Liberalization was a significant turning point in a shift of the protectionist type of economic model to a more market-oriented economic model and this opened new avenues of trade and investment with other countries such as the United States.



The 1990s were marked by a gradual development of trade relations between India and the U.S. due to the rising activity in the Indian economic life and the rise of the private sector. American firms started investing in India, where the market is huge, with a good labour force, and a promising future economy. Meanwhile, there was an increase in Indian export to the United States especially in such areas as textiles, pharmaceutical, and information technology services. The emergence of the Indian IT sector with the main boom in such cities as Bengaluru and Hyderabad also contributed significantly to the improvement of bilateral economic relations. Software companies in India started offering outsourcing services to the U.S firms and this brought about a great relation in trade of services that has been felt in the recent past. Although these have been positive developments, the relationship has been hit back in the late 1990s especially after India conducted nuclear tests in the year 1998. India was subjected to economic sanctions by the United States and there was a trade and investment stasis in the country. But these tensions did not last long and soon the two countries realized that it was highly important to restore their relationship. By the early 2000s, India and the United States were starting to transition towards a more strategic relationship, marked by more dialogue, collaboration and trust.

The signing of the India U.S. Civil nuclear agreement in 2008 was a great milestone in this evolution. Not only was this agreement an act of settling an old discord concerning nuclear cooperation but also it marked a wider move in bilateral relations. It was a sign by the United States that it realized that India is a responsible global power and it began the way to increased economic and technological cooperation. With this agreement, the two countries increased the trade rapidly with the aid of increasing political cohesion and mutual strategic interests.

In the 2010s, the India-U. S trade relations were at the stage of consolidation and diversification. Trade bilaterally in goods and services grew greatly, and both of the countries were enjoying economic complementarities. Its exports to the United States were in the form of IT services, pharmaceutical and engineering goods and the U.S. exports to India were in the form of advanced technology, defence equipment and energy products. The United States was one of the biggest trading partners of India and India turned out to be a crucial market to business in America. Simultaneously, there were developed institutional mechanisms which supported trade and disputes. Forums like the Trade Policy Forum (TPF) and other bilateral forums contributed to the solution of the problem of the accessibility of the market, regulatory norms, and the barriers to investments. Nonetheless, there remained differences that included issues like intellectual property rights, agricultural subsidy, and tariffs. These problems at times resulted in trade friction, which brought out the intricacy of the relationship.



The shift to the 2020s became a new stage in the development of the India-U.S. trade relations and depended on the global shocks and a redefinition of strategies. The effect of the COVID-19 pandemic on international trade was significant in that it revealed weaknesses in supply chains, highlighting the importance of rescuing and diversifying. Both America and India saw the need to have less reliance on the Chinese and to enhance their bilateral economic relationship. It resulted in greater collaboration on matters like pharmaceuticals, healthcare, and the important technologies.

Further, there was geopolitical convergence between India and the United States especially with the emergence of China and tension in the Indo-Pacific region. Economic relations were associated with strategic goals, where the two nations were pursuing the goals of advancing rules-based international order and security of supply chains. Such efforts as the Indo-Pacific Economic Framework (IPEF) and the Quadrilateral Security Dialogue (Quad) were manifestations of this overlap of economic and strategic interests. The other notable phenomenon of this era is increased focus on new areas like digital trade, clean energy and hi-tech manufacturing. The unparalleled technological growth has provided new chances of working together with each other especially in such fields as artificial intelligence, semiconductors and renewable energy.

Trade Volume and Trends (2021–2025):

The 2021–2025-time frame is crucial in the history of trade relations between India and the United States as it will be a rapid growth and transformation of structures and rise in economic interdependence. Two-way trade between the two nations did not only rebound due to the shocks of the COVID-19 pandemic but also registered unprecedented levels, portraying closer integration of their economies. This has been facilitated by a mix of factors such as restoration of the global supply chains following the pandemic, chain diversification, technological changes, and alignment of strategies in the Indo-Pacific region. A review of trade volume and trends in this time span points to quantitative growth and qualitative change in the nature of bilateral trade. The general direction here is towards increasing bilateral trade.

The most significant aspect of India-U.S. trade 2021-2025 is the significant growth of the total amount of trade. Bilateral trade was estimated at around \$119 billion in 2021, which is indicative of a recovery level after the pandemic slowed down economic activity in 2020. Trade had risen to more than 150 billion by 2022 and by 2023²⁴ it had risen over 190 billion, with the United States being the largest trading partner of India. This increase trend went on through the year 2025 and the level of trade indicated a continued rise amidst the global economic uncertainty. This growth can be ascribed to some factors. First, the release of



pandemic restrictions provoked an increase in the demand on goods and services and increased the flow of trade. Second, economic relations between the two countries were also actively developed as the extended strategy. Third, companies in both nations adjusted to new economic conditions through exploitation of digital tools, enhancing their logistics, and new market opportunities. Increase in the volume of trade is also indicative of the change in the global economic trends wherein bilateral and regional trade relations have become relevant over the multilateral structures. In this regard, India-U.S. trade has gained advantage of the attempts to develop economic collaboration and minimize reliance on unstable or politically sensitive supply chains.

Trade Composition: Goods or Services (2021-2025):

The balanced contribution of goods and services is one of the main factors in India- U.S. trade relations. India- U.S. trade is one of the few bilateral trade relations that are characterized by a vigorous services element unlike most other bilateral trade relations which are dominated by goods.

1.a. Trade in Goods:

Goods trade also comprises a major part of bilateral trade. The Indian exports of the United States are a wide variety of items which include pharmaceuticals, garments, engineering goods, petroleum products, and gems and jewellery. The US on its part exports high value products to India, such as crude oil, aircrafts, machinery, electronics, and defence equipment's. Increased demand, logistic and policy support have led to growth in the trade of goods. An example is pharmaceutical exports to India, which rose to fame during the pandemic, with the United States having to depend on India to ensure cheap generic drugs. Likewise, there has been increased energy trade with the United States becoming a key supplier of crude oil and liquefied natural gas (LNG) to India.

b. Trade in Services:

India-U.S. economic relations are characterized by the trade in services. India is the world leader in business process outsourcing (BPO), as well as in IT and the biggest market in these services is the United States. The Indian firms offer numerous services to the U.S. firms that involve; software development, data management, customer support and consultations.

In the years 2021-2025, the sphere of services trade experienced a boom, which was facilitated by the further environment of digitalization of the global economy. The move to telecommuting during the



pandemic boosted the need in IT services, which favoured Indian companies. Meanwhile, U.S. companies increased their footprint in the services sector in India especially in finance, education, and healthcare. The complementary aspect of the services trade has resulted in a fairly equal relationship in terms of trade with each of the countries having advantages over the other.

2. Export Trends of India to the United States: The export by India to the United States has been continuously on the increase during this time and both the traditional and new opportunities have been evident.

- a) **Healthcare Products, Pharmaceuticals:** The pharmaceutical industry in India has been a significant source of exports. Indian generic drugs are also highly rated in terms of affordability and quality, making the United States one of the biggest markets of generic drugs. The need of pharmaceuticals and medical supplies shot up both during and after the COVID-19 pandemic, which enhanced exports of India.
- b) **Information Technology Services:** The IT exports also need a special mention, although they belong to the category of service, owing to their size and significance. The Indian IT firms have increased their presence in the United States and offer innovative technologies in artificial intelligence, cybersecurity, and cloud computing.
- c) **Engineering Goods and Manufacturing:** The engineering exports of India such as machinery, automobiles and industrial equipment have increased progressively. The competitiveness of India in these industries has been boosted by the push towards the Make in India, and better manufacturing capabilities.
- d) **Textiles and Apparel:** Indian textiles and apparel are still key markets in the United States. With other countries such as Bangladesh and Vietnam competing with it, India has still managed to hold its position with the variation of products and quality.
- e) **Gems and Jewellery:** Gems and jewellery exports remain a major part of Indian trade with the United States, but this division remains vulnerable to the shifts in the global market and economy.

Generally, the export pattern in India is that of diversification to higher value goods and this is also a sign of structural adjustment in the economy.

3. Exports of the United States to India: India has a very diversified export of goods and services, as the United States exports highly industrialized and technologically sophisticated products.



- a. **Energy Exports:** Increased U.S energy export to India is one of the greatest developments that occurred in this period. The United States has emerged as a big provider of crude oil and LNG and it provides India with an opportunity to diversify its sources of energy and increase energy security.
- b. **Defence and Aerospace:** The growth of the defence trade has been a booming business with India having imported high-technology military gear in the United States. This covers aircraft, helicopters and surveillance systems. Such deals are strategic, as well as economic.
- c. **Technology and Machinery:** America exports Indian high-tech equipment and machinery, which helps India to develop in terms of industry and technology. It contains semiconductors, telecommunication equipment, and state-of-the-art production tools.
- d. **Agricultural Products:** The American agricultural products exported to India are apples, pulses and almonds. Although there is a potential to grow this sector, there are barriers caused by tariffs and regulations.

4. Implications of Global Supply Chain changes:

One of the key trends affecting the trade between India and the U.S. in the given time frame is the restructuring of supply chains across the world. The pandemic, as well as the geopolitical tensions, demonstrated the threats of excess dependence on one nation, and, specifically, on China. Consequently, firms have tried to diversify their supply chains and this has been commonly known as China+1.

India has also been a major winner of this change as it faces investments by the U.S. companies that seek to either relocate their manufacturing facilities or increase their operations in the country. This has resulted in greater trade in intermediate goods, components and raw materials which has done further to enhance bilateral trade.

5. Digital Trade and E-Commerce:

The advent of digital trade and e-commerce has given a new twist to the trade relations between India and the U.S. The use of online platforms has made cross-border transactions easy, and hence small and medium enterprises (SMEs) are able to reach the international markets. The digital trade encompasses beyond just the IT services, online retail, online payments and data-driven services. The development of this industry has been aided by the change in technology and the penetration of the internet in both nations.

Nevertheless, online trade has also come with new issues, such as privacy of information, cyber security and differences in regulations.



6. Trade Imbalance and economic implications:

The nature of the India–U. S trade is one that reflects a trade surplus towards India especially in the services. The U.S. has more exports than imports with India thus resulting in a positive trade balance. This surplus has helped the economy of India, but has at times raised a concern to the United States. The general relationship is however stable as a result of the complementary relationship in trade and mutual gains.

The surplus in trade also indicates the competitiveness of India in services and the low-cost factor, whereas the United States can enjoy a huge and a growing market.

7. Centre of Strength in the World:

India-U.S. trade has not been hit by the uncertainty present in the global economy such as inflation, geopolitical conflicts, and breakdown of the supply chain. The two nations have proven to be flexible to the changing situations and have had good economic relations. The role of government efforts, policy encouragement and innovation on the part of the private sector has been instrumental in maintaining growth in trade. The relationship has also been reinforced due to the focus of strategic cooperation.

8. Future Direction and new trends:

In the future, a number of new trends will probably influence India-U.S. trade:

- Greater emphasis on high-tech industries (including semiconductors and artificial intelligence).
- Increased clean energy trade and green technologies.
- More integration of supply chains.
- Expansion of on-line trade and services.
- Possible negotiations on a partial or a full trade agreement.

These tendencies reflect the change to the more advanced and diversified trade relationship.

Impact of Geopolitics and Future Prospects:

The United States-India trade relationship of the 2021-2025 period is not possible to comprehend outside the context of the whole geopolitical situation. Geopolitics has been taking centre stage in defining the nature of economic relation in the recent years where trade as an economic activity has been developed into a weapon of foreign policy. The emergence of China as a leading economic and military power is one of



the strongest geopolitical factors in the India-U. S. trade relations. The United States and India alike are worried about the growing China in world trade, technology, and regional security, within the Indo-Pacific region. This common issue has enhanced a sense of increased strategic alignment between the two nations which has consequently enhanced their economic cooperation.

The idea of a free and open Indo-Pacific has taken the shape of a guiding principle of Indian-U.S. relations. As a constituent of this vision, the two nations have tried to foster a rules-based international order, promote freedom of navigation, and secure supply chains. Trade is now a significant tool towards realising these goals. Indicatively, attempts to cut reliance on Chinese production has seen the global supply chains restructured and this has provided an opportunity to India to establish itself as another source of production. In a move to diversify their investments, U.S. companies have increasingly been investing in India, thus increasing bilateral trade and investments in the country. Economic cooperation has also been enhanced through geopolitical initiatives that include the Quadrilateral Security Dialogue (Quad) that involves India, the United States, Japan and Australia. Although primarily a security framework, the Quad has expanded its focus to include issues such as infrastructure development, critical technologies, and supply chain resilience. Likewise, the United States has introduced the Indo-Pacific Economic Framework (IPEF), a framework of improving economic collaboration in the fields of trade facilitation, clean energy, and digital economy. The involvement of India in such activities is an indication of it becoming more integrated into regional and global economic networks in line with the U.S. strategic interests.

Energy security is another geopolitical aspect that is significant. The United States has become a significant seller of crude oil and liquefied natural gas (LNG) to India, entrenching India in areas of the world that are politically unstable like the Middle East. This has not only enhanced the economic relationship but also made India to be more strategic. Meanwhile, there has been an increased co-operation in defence trade, as India has been importing sophisticated military equipment from the United States. The fact that the economic and security interests collide contributes to the strategic nature of bilateral trade relations. Nonetheless, there are also some challenges posed by geopolitics. The variations in the domestic priorities, trade policies and the regulatory frameworks can be a source of tension. As an example, the United States has made more focus on market liberalization and protection of intellectual property, whereas in India, the economic self-reliance and protection of domestic industry are usually given more priority. Also, the international disputes, including the war between Russia and Ukraine, have impacted on the energy markets and trade flows, which has indirectly impacted the India-U.S. economic relations. In spite of these obstacles



the two nations have been able to express their willingness to cope with the differences and keep their relationship stable.

In the future, India and the U.S. have a bright future in terms of trade policies. A major contribution to the future growth is that there is an emerging complementarity between the two economies. Strengths of India in services, skilled labour and new manufacturing capabilities complement the United States in technology, capital and innovation. This complement has given an excellent base on which trade can be increased in both the old and new sectors. The future trade relations will be heavily based on the increasing significance of technology. The collaboration in fields like semiconductors, artificial intelligence, quantum computing, and 5G / 6G technologies should become more profound.

Conclusion:

The U.S.-India trade relations during the years from 2021 to 2025 can be considered an important milestone in the development of the history of bilateral economic ties characterized by progress and transformations. In recent years, the economic relationship between the two countries has expanded beyond traditional trade ties to embrace other spheres such as goods and services, technological advancements, and mutual interest areas. This growth in trade volume and diversity of economic activities in different sectors indicates the increasing interdependence of the two countries and the significance of their partnership for the global economy. India-U.S. trade relations became one of the most impressive features of this period due to the robustness and flexibility of these economic relations in response to global challenges and difficulties. For instance, the pandemic of the new coronavirus, problems in the logistics chain, inflation, and political instability posed significant obstacles to international economic activities. However, the two countries not only overcame these challenges but also strengthened their economic relations. This is probably due to the high efficiency of institutional mechanisms, the active involvement of the private sector, and similar approaches to economic cooperation

On the other hand, there is qualitative transformation within the dynamics of the relationship, especially after the rising importance of services, electronic commerce, and technological advancement. India's information technology and services superiority have compensated for the weaknesses of the United States in innovation and industries so much that it has created a win-win economic situation. Expansion into new areas like semiconductors, renewable energy, and artificial intelligence proves that there is progressive thinking in order to meet both economic and strategic goals. However, while there are these improvements, several problems still affect the characteristics of trade between India and the United States. Persistent



problems like trade barriers through tariff and nontariff regulations, legal differences, intellectual property rights disputes, and e-commerce disagreements reflect the complex nature of the relationship. In addition, lack of comprehensive free trade agreement is among the major limitations that have prevented India and the United States from taking advantage of their trade partnership. Furthermore, political considerations and national economic interests of the countries often dictate trade policies leading to sporadic clashes.

It is important to note that geopolitics have turned into a key determinant of the bilateral trade relation between the two countries. Indeed, the common desire for an open and free Indo-Pacific area, along with problems related to securing the supply chain and technological competition, have brought India and the United States closer than never before. Trade is viewed in terms of strategic importance, as well as economic considerations, since both parties understand the importance of pursuing their larger geopolitical goals through the channel of trade relations. However, such intertwining of economic and strategic considerations requires careful balancing between national interests. In perspective, the trade relationship of India and the United States seems promising provided that both countries solve their problems and develop their strengths. It will be vital for the two nations to enhance their institutions, eliminate trade barriers and increase mutual trust to sustain the positive trends observed.

In conclusion, the economic ties between India and the U.S. for the years 2021-2025 have shown that there is an established relationship with growth potential in the coming future. Since both nations are yet to find their place in the constantly changing world, the cooperation in terms of economics will determine the trends of international business.

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