

US-India Trade Deal Under Trump 2.0: Re-visiting the Potential Products



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Table Of Content

Executive Summary.....	Pg 2
Introduction.....	Pg4
Trump 1.0: Trade Policies and Negotiation Dynamics.....	Pg4
India-USA Trade relations under Biden Administration....	Pg6
Renewed Trump Presidency- Trump 2.0.....	Pg8
Revisiting Potential Products in India-USA Trade	Pg9
Way Forward.....	Pg14

Executive Summary

The **India-US trade relationship** has evolved significantly, with bilateral trade reaching **\$191 billion (Goods & Services) in FY 2022**, making the **US India's largest trading partner** (Ministry of Commerce, 2023). In 2023-24, USA emerged as the top merchandise export destination for India with total 17.9 % of export share and a bilateral trade (goods) worth US\$ 118.2.¹²

This paper, “**US-India Trade Deal Under Trump 2.0: Re-visiting the Potential Products**”, explores the potential trajectory of India-US trade deal beyond the traditional trade basket under Trump 2.0.

During **Trump 1.0 (2017-2021)**, the US implementing **higher tariffs on steel (25%) and aluminum (10%)**, withdrawing India's **Generalized System of Preferences (GSP) benefits**, and raising concerns over **digital trade, agricultural market access, and medical device pricing**. Efforts to negotiate a **bilateral trade deal stalled** due to conflicting priorities—while the **US pushed for greater access to India's agriculture and e-commerce sectors**, India sought **tariff reductions and restoration of GSP benefits**.

Under the **Biden administration (2021-present)**, the US **shifted toward multilateralism**, focusing on **strategic partnerships, supply chain resilience, and green energy cooperation**. **Bilateral trade surged by 45% (2020-2022)**, and **seven WTO disputes were resolved**. India and the US **deepened cooperation in semiconductors, defense, critical minerals, and clean energy**, strengthening trade ties beyond traditional goods exchange.

Trump 2.0 administration may see a **return of a partnership based on reciprocity** emphasizing **bilateral trade negotiations, tariff hikes, and reduced dependence on China**. India is likely to face **renewed pressure to lower tariffs on US agricultural products, medical devices, and dairy**, while opportunities could emerge in **pharmaceuticals, defense, energy, and technology sectors**. **Digital trade regulations** could become a **critical issue**, as India's **data localization policies** may conflict with US business interests.

This study identifies **31 high-value products** where India **exports globally but has zero exports to the US**, representing a **missed market opportunity exceeding \$31 billion**. Key untapped sectors include:

1. **Agriculture & Food Processing**
 - Frozen, Boneless Meat of Bovine Animals (**HS Code: 020230**) – Regulatory restrictions under **USDA standards** and competition from **Brazil and Australia**.
2. **Metals & Industrial Raw Materials**
 - Wire of Refined Copper (**HS Code: 740811**) – High import **tariffs** and **US preference for NAFTA partners**.
3. **Automobiles & Machinery**

¹ <https://www.ibef.org/indian-exports/india-us-trade>

²

[https://pib.gov.in/PressReleasePage.aspx?PRID=2098447#:~:text=In%202023%2D24%2C%20the%20top,%2C%20and%20Italy%20\(2.02%25\).](https://pib.gov.in/PressReleasePage.aspx?PRID=2098447#:~:text=In%202023%2D24%2C%20the%20top,%2C%20and%20Italy%20(2.02%25).)

- Spark-Ignition Reciprocating Piston Engines (HS Code: 840734) – **Stringent US safety and emission norms.**
- Motor Cars and Other Passenger Vehicles (HS Code: 870321) – **non-tariff barriers and preference for domestic suppliers.**
- Motor Vehicles for Goods Transport (HS Code: 870421) – **High compliance costs.**

4. Aerospace & Defense

- Aircraft and Powered Aircraft with an Unladen Weight Exceeding 15 Kg (HS Code: 880240) – **FAA certification hurdles and dominance of US and European aerospace firms.**

To **strengthen trade ties**, India must **negotiate market access strategically**, leveraging its strengths in **IT services, pharmaceuticals, clean energy, and advanced manufacturing**. Expanding exports in **non-traditional product categories** can **diversify India's trade basket and enhance economic resilience**. Overcoming **regulatory barriers, tariff disadvantages, and compliance challenges** through targeted **policy alignment, trade negotiations, and investment in innovation** will be **critical for India's success in the US market**.

To enhance India's US market access, a **multi-pronged approach** is needed. Indian exporters must **align with US & global standards** in key sectors by improving **quality control and TIC (Testing, Inspection, and Certification)**. **Strategic partnerships between Indian & US firms** can ease market entry, while **diversifying into high-demand segments** like **EV components, semiconductors, and specialty chemicals** will boost **competitiveness and reduce export dependency**.

1. Introduction

The economic partnership between India and the United States has significantly evolved over the years, with bilateral trade reaching \$191 billion (goods & services) in FY 2022³, making the US India's largest trading partner (Ministry of Commerce, Government of India, 2023). In 2023-24, USA emerged as the top merchandise export destination for India with total 17.9 % of export share and a bilateral trade (goods) worth US\$ 118.2.⁴⁵

Since last decade it has been a journey filled with learning experiences and opportunities for India when it comes to dealing with USA as a trading partner. The past US administrations, particularly Trump 1.0 administration (Jan 2017 to Jan 2021), took upon policies that prioritised the "America First" agenda, higher tariffs, and the withdrawal of India's benefits under the Generalized System of Preferences (GSP). With the second inning of Trump administration or Trump 2.0, there could be a shift towards bilateralism in the global trade landscape, reinforcing of the policies that emphasize domestic manufacturing and reduced dependence on global supply chains, particularly from China. This paper examines the possible contours of an India-US trade deal under a second Trump 2.0 administration and evaluates "non-traditional" potential products of interest for India.

2. Trump 1.0: Trade Policies and Negotiation Dynamics

During President Donald Trump's first term (2017-2021), US trade policy displayed a significant shift to the "America First" agenda. Trump sought to reduce trade deficits and renegotiate trade agreements that he believed were unfavourable to US interests. Consequently, India, like other major US trade partners, was affected by tariff hikes and unilateral trade policy decisions.

Trump's tenure was marked by a preference for bilateral trade agreements, as seen in the renegotiation of NAFTA into the USMCA (United States-Mexico-Canada Agreement) and his administration's focus on trade deficits. India and the US engaged in trade negotiations with the aim of reducing tariffs, improving market access, and resolving long-standing concerns. India & USA tried to negotiate a trade deal since 2018 but it couldn't work out due to various concerns. Some of the key concerns are:

1. Restoration of Generalized System of Preferences (GSP)

One of the major points of concern was the withdrawal of India's Generalized System of Preferences (GSP) status in June 2019. The GSP program had allowed \$5.6 billion worth of Indian exports to enter the US duty-free⁶, benefiting sectors such as pharmaceuticals, textiles, agricultural products, and automotive parts.⁷ The Trump administration revoked India's GSP benefits, citing a lack of "equitable

³ https://www.mea.gov.in/Portal/ForeignRelation/Bilateral_Brief_as_on_09.10.2023.pdf

⁴ <https://www.ibef.org/indian-exports/india-us-trade>

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[https://pib.gov.in/PressReleasePage.aspx?PRID=2098447#:~:text=In%202023%2D24%2C%20the%20top,%2C%20and%20Italy%20\(2.02%25\).](https://pib.gov.in/PressReleasePage.aspx?PRID=2098447#:~:text=In%202023%2D24%2C%20the%20top,%2C%20and%20Italy%20(2.02%25).)

⁶ <https://www.orfonline.org/research/understanding-the-impact-of-gsp-withdrawal-on-indias-top-exports-to-theus#:~:text=India's%20GSP%20benefits%20were%20terminated,agricultural%20products%20and%20automotive%20parts.>

⁷ <https://www.orfonline.org/research/understanding-the-impact-of-gsp-withdrawal-on-indias-top-exports-to-theus#:~:text=In%20April%202018%2C%20the%20Office,agricultural%20products%20and%20automotive%20parts>

and reasonable access” for US goods in the Indian market. India aimed to restore these benefits in trade negotiations, while the US sought reciprocal trade concessions.

2. Tariff Reductions and Market Access

The US pressed India to reduce tariffs on American agricultural products, dairy, medical devices, high-end technology goods along with Harley Davidson motorcycles. India, in turn, sought lower tariffs for its textiles, auto parts, and IT services. A major demand from the US was the reduction of tariffs on American almonds, walnuts, apples, and dairy products, while India wanted easier access for its engineering goods, pharmaceuticals, and software services in the US market.

3. E-Commerce and Digital Trade Regulations

The US raised concerns about India’s e-commerce regulations, particularly those affecting American companies such as Amazon and Walmart-owned Flipkart. India’s revised e-commerce investment rules, which kick in from 1st Feb 2019, prevented e-commerce firms from selling products through firms in which they had an equity stake and restricted exclusive agreements with sellers. The US argued that these rules disproportionately impacted American e-commerce companies, limiting their ability to operate freely in the Indian market. Additionally, the US was critical of India’s data localization policies, which required companies to store data within India’s borders.

4. Tariffs on Steel and Aluminum Imports

In 2018, the Trump administration imposed a 25% tariff on steel and a 10% tariff on aluminum imports, affecting Indian steel & aluminium exports. In response, India imposed retaliatory tariffs on 28 American products, including almonds, apples, walnuts, pulses, and motorcycles.⁸ The US viewed these retaliatory tariffs as barriers to trade and sought their removal as part of the negotiations.

5. Medical Devices and Price Controls

India’s price control policies on medical devices, particularly cardiac stents and knee implants was another point of discussion. India’s decision to cap prices on these essential medical devices impacted American companies, which argued that price caps limited their ability to compete fairly and impacted over US\$ 700 million worth of US exports⁹. While Indian government justified its decision on the grounds of making healthcare affordable for its population, Association of Indian Medical Device Industry (AIMED) highlighted the technical barriers to trade under USFDA which barred Indian manufacturers from selling to US government funded health programmes.¹⁰

Even after multiple rounds of negotiation India & USA missed the opportunity to sign a historic trade deal.

⁸ <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1579173>

⁹ <https://timesofindia.indiatimes.com/india/us-medical-device-makers-call-for-trade-action-against-india/articleshow/61212810.cms>

¹⁰ <https://timesofindia.indiatimes.com/india/us-medical-device-makers-call-for-trade-action-against-india/articleshow/61212810.cms>

2.1 Why trade deal couldn't be signed?

- **Divergence in Priorities:** While the US prioritized agricultural access and intellectual property protections, India was focused on tariff reductions and services trade.
- **Political & Domestic Constraints:** India's reluctance to open up its dairy sector due to religious (India advocated to only allow imports of dairy products that are derived from animals which have never consumed any feeds containing the internal organs, blood meal or tissues of ruminants—plant-eating animals¹¹) and socio-economic sensitivities, coupled with upcoming elections in both countries, led to stalled negotiations.
- **Trump's Hardline Stance on Trade Deficits:** The Trump administration's aggressive approach to reducing trade imbalances made India cautious about entering into an unfavourable deal
- **Unilateral Tariff Actions:** The imposition of tariffs on Indian steel (25%) and aluminum (10%) by the US prompted retaliatory tariffs from India on various US goods, escalating tensions.
- **Political Transitions:** Political transitions in both countries and disruptions caused by the COVID-19 pandemic delayed progress on trade talks.

3. India-USA Trade relations under Biden Administration

The trade relationship between India and the United States has experienced significant developments under the Biden administration, reflecting broader shifts in US trade relations with the world. Historically, the US has maintained a robust engagement with various trading partners, emphasizing multilateralism and strategic alliances. Under President Biden, the focus had shifted towards fostering deeper economic ties with major partners, including India, which has emerged as a crucial partner in the Indo-Pacific region.

Notably, bilateral goods and services trade increased by 45% from 2020 to 2021 and reached an estimated US\$ 191.8 billion in 2022 (India's exports to USA – US\$ 118.8 billion and India's Import from USA- US\$ 73 billion)¹² despite prevailing macroeconomic challenges resulting from the ongoing coronavirus pandemic. Additionally, India's exports to the US rose to \$77.51 billion in 2023-24, while imports aggregated at \$42.2 billion, showcasing a robust trade dynamic.

The resolution of seven longstanding disputes at the World Trade Organization (WTO) in 2023 marked another significant milestone in India-US trade relations.

On 13 July 2023, India and the United States notified mutually agreed solutions in the following WTO dispute proceedings:¹³

- DS436: "United States — Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India"
- DS456: "India — Certain Measures Relating to Solar Cells and Solar Modules"
- DS510: "United States — Certain Measures Relating to the Renewable Energy Sector"
- DS541: "India — Export Related Measures"
- DS547: "United States — Certain Measures on Steel and Aluminium Products"

¹¹ https://www.fssai.gov.in/upload/media/FSSAI_News_Import_Livemint_26_10_2018.pdf

¹² <https://ustr.gov/countries-regions/south-central-asia/india>

¹³ https://www.wto.org/english/news_e/news24_e/disp_21mar24_e.htm

- DS585: “India — Additional duties on certain products from the United States”

Furthermore, US foreign direct investment (FDI) in India surged to US\$ 49.56 in 2023 (illustrated in the figure below), underscoring the growing commercial ties between the two countries.

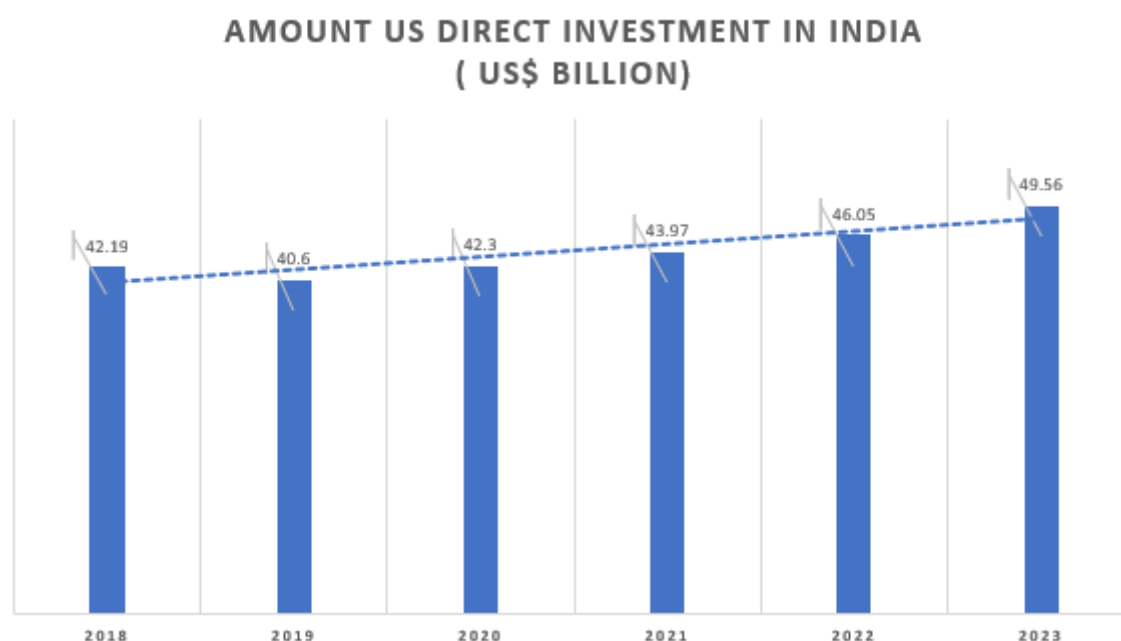


Figure 1 – FDI investment by USA in India (US\$ Billion)

Source – Bureau of Economic Analysis

Despite significant advancements, discussions on a comprehensive trade deal between India and the US continued to evolve with complexities. The Biden administration had adopted a cautious approach towards new trade agreements, focusing instead on multilateral frameworks such as the Indo-Pacific Economic Framework (IPEF).

Major areas of collaboration between India-USA during Biden Administration

- **Expansion of Defense and Semiconductor Partnerships:** Under Biden, the US launched the Initiative on Critical and Emerging Technology (iCET) with India, fostering cooperation in semiconductor manufacturing and defense technology.
- **Reduction in Trade Conflicts:** While tariff disputes continued, there was less escalation compared to the Trump era. In 2023, India lifted retaliatory tariffs on key US products, leading to improved relations.
- **Focus on Green Energy and Supply Chains:** Biden’s focus on clean energy cooperation saw increased India-US collaboration in areas such as electric vehicle (EV) battery manufacturing and critical minerals.

The table below provides an overview of the differing approaches adopted by the Trump and Biden administrations, each of which has had a significant impact on India-USA bilateral trade relations. While the Trump administration emphasized bilateralism, tariff-based trade policies, and reducing trade deficits, the Biden administration has focused on multilateral engagement, strategic alliances, and strengthening supply chain resilience. Understanding these policy shifts is crucial for assessing

their implications on India's trade dynamics with the US and identifying opportunities for market expansion.

Aspect	Trump1.0	Biden Administration
Trade Approach	Bilateral, Tariff centric	Multilateral, Rule based
Market Access Demand	Aggressive Concessions	Cooperative Frameworks
Strategic Focus	Defence, Energy	Technology, Climate Change & Critical Minerals

Table 2 – Approach comparison between Trump & Biden Administration

India-USA trade relations under the Biden administration have emphasized **multilateralism, strategic partnerships, and supply chain resilience**, fostering stability despite ongoing trade challenges. This approach contrasts sharply with the transactional and tariff-driven policies of the Trump administration, setting the stage for potential shifts under Trump 2.0.

4. Renewed Trump Presidency - Trump 2.0

A renewed Trump presidency is likely to prioritize “America First”; reducing trade deficits, increasing tariffs on strategic imports, and pressuring countries like India, China, Canada to provide more market access to US products. The US may continue to push for lower tariffs on American exports, especially in agriculture, where India maintains protective barriers on products such as poultry and dairy. Energy trade is expected to remain a key pillar of bilateral relations, with India in 2023 having imported more than US\$ 5.6 billion worth of crude oil and US\$ 1.4 billion worth of liquefied natural gas (LNG) from the US (ITC Trade Maps). The defense sector is another area of convergence, with the US already supplying India with advance military equipment worth billions.

Technology and digital trade could emerge as a point of difference, as India’s Personal Data Protection Act (2022) mandates data localization, potentially clashing with US firms’ interests. Additionally, India is positioning itself as a semiconductor manufacturing hub under the \$10 billion Production-Linked Incentive (PLI) scheme¹⁴, which aligns with the US CHIPS Act’s \$52 billion subsidy for domestic semiconductor production. The pharmaceutical industry presents another opportunity, as the US seeks to reduce dependence on Chinese Active Pharmaceutical Ingredients (APIs). India, which supplies US\$ 9.5 billion¹⁵ (2023) worth of pharmaceuticals to the US, can capitalize on this shift. However, the US may demand intellectual property rights reforms and stronger regulatory compliance to deepen engagement.

4.1 India’s Strategic Leverage and Negotiation Points

India’s trade surplus with the US, which stood at \$35.3 billion¹⁶ in (fiscal 2024), may get highlighted under Trump 2.0. To mitigate trade tensions, India can negotiate by increasing purchases of US energy products, aircraft, and defense equipment. The US’s strategic goal of reducing reliance on China presents India with an opportunity to strengthen supply chain partnerships in semiconductors, rare

¹⁴ [https://www.orfonline.org/expert-speak/evaluating-india-s-pli-scheme-for-semiconductors#:~:text=The%20Production%20Linked%20Incentive%20\(PLI,to%20target%20this%20strategic%20industry.](https://www.orfonline.org/expert-speak/evaluating-india-s-pli-scheme-for-semiconductors#:~:text=The%20Production%20Linked%20Incentive%20(PLI,to%20target%20this%20strategic%20industry.)

¹⁵ https://www.business-standard.com/industry/news/india-s-medicine-exports-to-us-italy-on-the-rise-commerce-ministry-124081500685_1.html

¹⁶ <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-china-trade-deficit-surplus-us-tariffs-the-lesser-known-tale-of-indias-trade-with-two-giants-us-and-china/articleshow/115762381.cms?from=mdr>

earth minerals, and electronics manufacturing. Additionally, approximately 54% of India's IT services exports goes to the US¹⁷ which makes digital trade a crucial area for negotiations. Figure 2 showcases some of the major sectors of interest for India & USA in terms of bilateral trade.

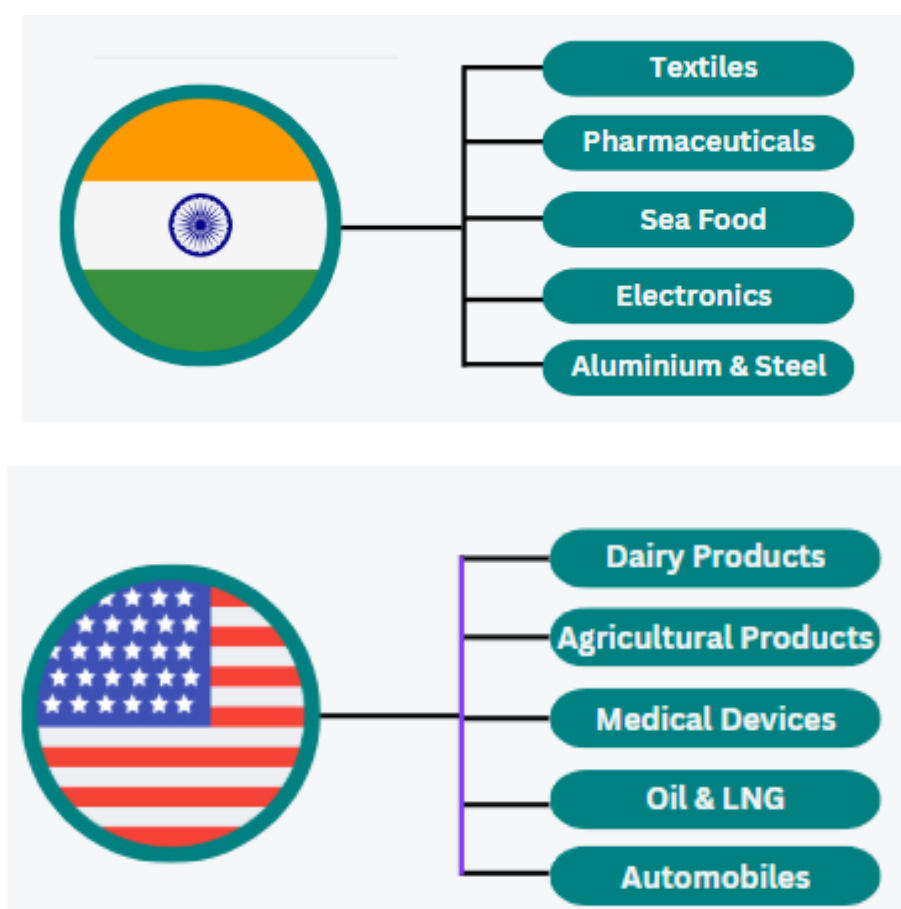


Figure 2 - Major sectors of Interest for India & USA for the bilateral trade

5. Revisiting Potential Products in India-USA Trade – Untapped Opportunity

Traditionally, India and the USA have concentrated on a **narrow set of products** to strengthen their trade ties. To enhance India's market access in the US, it is crucial to identify **high-potential products** that remain **untapped in bilateral trade**.

The table below highlights **31 products** that the **USA imports globally** with an **annual value exceeding US\$ 1 billion**, while **India exports these products to global markets with a value of more than US\$ 10 million**. However, **India's exports of these products to the USA currently stand at zero**, resulting in a **missed market opportunity exceeding US\$ 31 billion**.

These products represent a **strategic opportunity for diversification and market expansion**. By leveraging these insights, **Indian industries can explore new avenues for growth, enhance production capacities, and drive innovation** beyond the traditionally limited trade basket. Identifying and addressing barriers to entry in the US market for these products could play a

¹⁷ https://www.business-standard.com/industry/news/software-services-export-grows-to-205-2-bn-in-fy24-us-major-destination-124101801218_1.html

pivotal role in strengthening Indo-US trade relations and boosting India's global trade competitiveness.

Food Products						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'020130	Fresh or chilled bovine meat, boneless	0.00	4327.27	118.62	9.8
2	'020230	Frozen, boneless meat of bovine animals	0.00	3167.45	3185.29	9.8
3	'070200	Tomatoes, fresh or chilled	0.00	3279.27	25.46	3.1
4	'070960	Fresh or chilled fruits of the genus Capsicum or Pimenta	0.09	2097.34	56.52	4.5
5	'150210	Tallow of bovine animals, sheep or goats (excl. oil and oleostearin)	0.00	1173.67	137.13	0.43
6	'220820	Spirits obtained by distilling grape wine or grape marc	0.00	1281.46	19.68	0

Cement						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'252329	Portland cement (excl. white, whether or not artificially coloured)	0.00	2183.91	27.21	0

Fuel						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'271320	Petroleum bitumen	0.00	2437.89	73.38	0
2	'271600	Electrical energy	0.00	3446.97	1494.17	0

Pharmaceutical						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'300214	Immunological products, mixed, not put up in measured doses or in forms or packings for retail ...	0.02	8133.85	20.64	0
2	'300630	Opacifying preparations for x-ray examinations; diagnostic reagents for administration to patients	0.08	1074.20	30.98	0

Plastic & Rubber						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'390140	Ethylene-alpha-olefin copolymers, having a specific gravity of < 0,94 , in primary forms	0.01	1543.61	111.59	6.5

Natural Or Cultured Pearls, Precious Or Semi-Precious Stones & Metals						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'710812	Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excl. gold in ...	0.00	13739.37	74.53	1.36

Natural Or Cultured Pearls, Precious Or Semi-Precious Stones & Metals						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'740311	Copper, refined, in the form of cathodes and sections of cathodes	0.00	6671.45	158.92	1
2	'740811	Wire of refined copper, with a maximum cross-sectional dimension of > 6 mm	0.01	2016.20	856.39	2
3	'760200	Waste and scrap, of aluminium (excl. slags, scale and the like from iron and steel production, ...	0.00	1185.51	16.00	0

Electrical Machinery And Equipment						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'854232	Electronic integrated circuits as memories	0.08	2032.40	26.89	0

Machinery And Mechanical Appliances						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'840734	Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a ...	0.01	9898.25	251.86	1.25
2	'841451	Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an ...	0.07	1847.16	66.92	4.7
3	'841510	Air conditioning machines designed to be fixed to a window, wall, ceiling or floor, self-contained ...	0.10	1195.14	83.06	1.06
4	'844331	Machines which perform two or more of the functions of printing, copying or facsimile transmission, ...	0.07	3336.18	13.79	0

Aircraft, Spacecraft, And Parts Thereof						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'880240	Aeroplanes and other powered aircraft of an of an unladen weight > 15.000 kg (excl. helicopters, ...	0.08	8977.34	480.72	0

Auto & Auto Components						
Sl.No.	HS Code	Description	India's Export to USA (USD Million)	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA
1	'870321	Motor cars and other motor vehicles principally designed for the transport of ...	0.01	1849.95	1454.54	2.5
2	'870324	Motor cars and other motor vehicles principally designed for the transport of ...	0.00	38101.38	10.33	2.5
3	'870380	Motor cars and other motor vehicles principally designed for the transport of ...	0.01	19004.90	59.67	2.5
4	'870421	Motor vehicles for the transport of goods, with only compression-ignition internal combustion ...	0.00	8729.46	428.38	25
5	'870422	Motor vehicles for the transport of goods, with only compression-ignition internal combustion ...	0.00	4578.86	180.80	14.5
6	'870423	Motor vehicles for the transport of goods, with only compression-ignition internal combustion ...	0.00	2400.14	217.25	25
7	'870431	Motor vehicles for the transport of goods, with only spark-ignition internal combustion piston ...	0.00	23445.99	50.04	2.5
8	'870895	Safety airbags with inflator system and parts thereof, for tractors, motor vehicles for the ...	0.05	2185.90	96.01	1.25
9	'871639	Trailers and semi-trailers for the transport of goods, not designed for running on rails (excl. ...	0.09	4064.52	12.99	0

Table 2- Data on 31 potential products for India to export to the USA*

Source- ITC Trade Map & US Custom Tariff

The above data indicates that India exports several products at a significant scale globally but faces challenges in penetrating the US market. Key export items that encounter market entry barriers include **frozen, boneless meat of bovine animals (HS Code: 020230)**, **wire of refined copper (HS Code: 740811)**, **spark-ignition reciprocating piston engines (HS Code: 840734)**, **motor cars and other vehicles for passenger transport (HS Code: 870321)**, **motor vehicles for goods transport with compression-ignition internal combustion engines (HS Code: 870421)**, and **aeroplanes and other powered aircraft with an unladen weight exceeding 15 kg (HS Code: 880240)**. Despite India's competitive edge in these sectors, factors such as regulatory restrictions, tariff barriers, safety and environmental compliance requirements, and strong competition from existing suppliers limit their access to the US market. Addressing these barriers through enhanced trade negotiations, quality compliance, and strategic partnerships could improve India's export potential in the US.

Sl.No.	HS Code	Description	USA Import's from World (USD Million)	India's Export to World (USD Million)	Average Custom Tariff Given by USA (%)	Top 5 Countries Exporting to USA
1	'020230	Frozen, boneless meat of bovine animals	3167.45	3185.29	9.8	1- Australia 2-New Zealand 3-Brazil 4-Uruguay 5-Nicaragua
2	740811	Wire of refined copper, with a maximum cross-sectional dimension of > 6 mm	2016.20	856.39	2	1- Canada 2-UAE 3-Mexico 4-Korea, Republic of 5-Chile
3	840734	Spark-ignition reciprocating piston engine, of a kind used for vehicles of chapter 87, of a ...	9898.25	251.86	1.25	1- Mexico 2-Canada 3-Germany 4-Korea, Republic of 5-Austria
4	870421	Motor vehicles for the transport of goods, with only compression-ignition internal combustion ...	8729.46	428.38	25	1- Mexico 2-Canada 3-Germany 4-Belgium 5-Korea, Republic of
5	'870321	Motor cars and other motor vehicles principally designed for the transport of ...	1849.95	1454.54	2.5	1-Mexico 2-Taipei, Chinese 3-China 4-Vietnam 5-Thailand
6	'880240	Aeroplanes and other powered aircraft of an of an unladen weight > 15.000 kg (excl. helicopters, ...	8977.34	480.72	0	1- Canada 2-France 3-Germany 4-Brazil 5-United Kingdom

Table 3- Data on 6 potential products for India to export to the USA

5.1 Some of the key challenges in exporting these products to the US

1) Agricultural & Processed Food (Frozen, Boneless Meat of Bovine Animals - HS Code 020230)

- **Regulatory Barriers:** The US has stringent sanitary and phytosanitary (SPS) measures under the USDA's Food Safety and Inspection Service (FSIS), making it difficult for Indian meat exports to meet quality and health certification requirements.
- **Existing Competition:** Countries like Brazil and Australia dominate the US beef market due to long-established trade ties and compliance with USDA standards.

2) Metals & Industrial Raw Materials (Wire of Refined Copper - HS Code 740811)

- **High US Import Tariffs:** Indian copper exports face import duties in the US, making them less competitive compared to duty-free imports from countries with free trade agreements (FTAs), such as Canada and Mexico.
- **Preference for North American Supply Chains:** The US sources a significant portion of its refined copper from **Chile and Peru** due to preferential trade agreements and geographical proximity.

3) Automotive & Machinery (HS Codes 840734, 870321, 870421)

- **Non-Tariff Barriers (NTBs):** The US imposes strict emission norms and safety regulations that Indian automotive products must comply with, leading to higher compliance costs.
- **Tariff Disadvantages:** The US has lower tariffs on imports from Mexico and Canada due to USMCA, making Indian vehicles less competitive in pricing.
- **Lack of Brand Presence:** Unlike Japanese, Korean, and German automotive giants, Indian automakers have a limited presence in the US market.

4) Aerospace & Defense (Aeroplanes and Powered Aircrafts - HS Code 880240)

- **Regulatory Challenges:** The US Federal Aviation Administration (FAA) and other regulatory bodies require stringent certifications that Indian aerospace manufacturers find challenging to meet.
- **Market Control by Established Players:** US aerospace imports are dominated by Boeing and Airbus, leaving little room for new entrants.
- **Limited Scale of Indian Aerospace Production:** Indian firms like HAL (Hindustan Aeronautics Limited) and Tata Aerospace are still developing their capabilities in commercial aircraft manufacturing, unlike China's COMAC.

6. Way Forward

To enhance India's market access in the US, India must adopt a multi-faceted strategy focused on regulatory compliance, trade negotiations, and industry partnerships. First, Indian exporters should align their products with stringent US & global standards in sectors such as automotive, aerospace, pharmaceuticals, and food processing by improving quality control, emissions compliance, and building robust **TIC (Testing Inspection Certification) Ecosystem** in India. Secondly, strengthening **bilateral trade discussions**, where India can push for the restoration of GSP benefits and negotiate lower tariffs on key exports such as refined copper, automotive parts, and processed food products. To establish a stronger presence, Indian firms should pursue **strategic partnerships and joint ventures** with US companies, allowing them to navigate local regulations and enhance brand recognition. Lastly, diversifying export strategies by targeting niche, high-demand segments—such as **electric vehicle components, semiconductor manufacturing, and specialty chemicals**—can help India gain a competitive edge in the US while also reducing dependency on traditional export categories.

India and the US share a strong economic relationship, and a second Trump administration could bring new opportunities for trade engagement. It is the right time to look for untapped potential products to expand India's presence in the US market. India can enhance its position by leveraging its strengths in supply chains, technology, and services meanwhile also expanding trade partnerships with the EU, Indo-Pacific economies, and BRICS nations to strengthen its global market presence. A balanced and proactive trade strategy will help India adapt to evolving global trade dynamics while fostering long-term economic growth and resilience.

About the Authors

- **Prakhyat Mathur, Senior Associate**
- **Aman Singh, Senior Data Researcher**

Contact Us- www.vekommunicate.com

For Further Information- prakhyat@vekommunicate.com

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