

India pins hopes on trade and energy deals to sweeten ties with Trump

Modi already plans to lower some tariffs and is expected to pledge more US oil purchases

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Narendra Modi is expected to offer Donald Trump deals on trade, energy and defence in a meeting the Indian prime minister hopes will help fend off US action on tariffs and migration.

India billed today's summit in Washington, their first since Trump's inauguration, as a meeting of like-minded leaders. However, analysts and people briefed on the trip said Modi would seek to placate a president who has previously called India a "tariff king" and "big abuser".

While the world's fifth-largest economy is not a top global exporter, it has high average tariffs and ranks tenth among countries with which the US has a deficit. Between January and November 2024, India's trade surplus with the US was \$35bn.

During his campaign, Trump said that his "reciprocal tariff act" would match trading partners "an eye for an eye, a tariff for a tariff, same exact amount".

The rupee exchange rate and Indian equity markets have been roiled by Trump's pronouncements on trade since his return to office.

"Modi will be looking to reinforce India's growing security and economic ties with the US and his personal equation with Trump," said Priyanka Kishore, founder of research company Asia Decoded, who expects the Indian premier to offer tariff concessions and to pledge to import more US oil and gas.

"India needs to avoid a rupture in commercial ties," said Richard Rossow, chair on India and emerging Asia economics at the Center for Strategic and International Studies. "Engaging President Trump early, perhaps armed with new purchases of American goods and resolving a few areas of trade friction, should help set a relatively positive course for the next four years."

A person familiar with details of the visit said it was "quite clear" Trump expected India to buy more from the US,

including oil. Last year the US supplied India with 65mn barrels of crude, just over a tenth of the 630mn it imported from Russia, its biggest supplier.

Hardeep Singh Puri, India's oil minister, declined to be drawn yesterday on whether India would provide concrete undertakings to buy more energy from the US. "It's entirely possible: more energy interaction with different countries of the world, including in particular the US," Puri said.

New Delhi took pre-emptive action ahead of Modi's trip, unveiling budget plans to slash duties on imports including textiles and motorcycles — the latter measure addressing longtime Trump complaints about the costs imposed on US producer Harley-Davidson.

In a phone conversation last month, Trump pushed Modi to buy more US weapons. The US is already one of the largest sellers of helicopters, transport and maritime patrol aircraft, and other hardware to the world's biggest arms-importing country. Under Joe Biden's administration, General Electric signed an agreement to co-produce advanced jet engines with India's state-owned

Hindustan Aeronautics. Final details of the deal are still under negotiation.

Indian media has speculated that Modi might also meet Trump ally Elon Musk, who has in the past voiced interest in investing in the world's most populous country through his companies SpaceX and Tesla.

SpaceX's Starlink satellite internet service has applied for permission to

operate in the country, where it would take on internet companies Bharti Airtel and Reliance Industries. Tesla looked last year at building an electric vehicle plant in India but Musk then abruptly postponed a planned visit, travelling to China instead.

In a move seen as appeasing Washington, India last week quietly accepted a military flight carrying 104 undocumented Indian migrants, some of whom were restrained with handcuffs and leg chains. Opposition lawmakers disrupted parliament over the treatment of the migrants, which Gaurav Gogoi, an MP from the opposition Indian National Congress, called "degrading".

Outside the Americas, India is one of the largest sources of illegal border crossers from Canada and Mexico into the US and the future of visas for skilled Indian migrants from India and elsewhere has been questioned by the new administration.

Trump's inauguration has prompted speculation that two high-profile US legal cases opened during Biden's presidency might be resolved.

In October US authorities charged

Vikash Yadav, a former Indian government employee, for his role in an alleged foiled assassination attempt against Sikh activist Gurpatwant Singh Pannun. Yadav is in India and has not entered a plea; his alleged co-conspirator, Nikhil Gupta, pleaded not guilty in a US federal court last June.

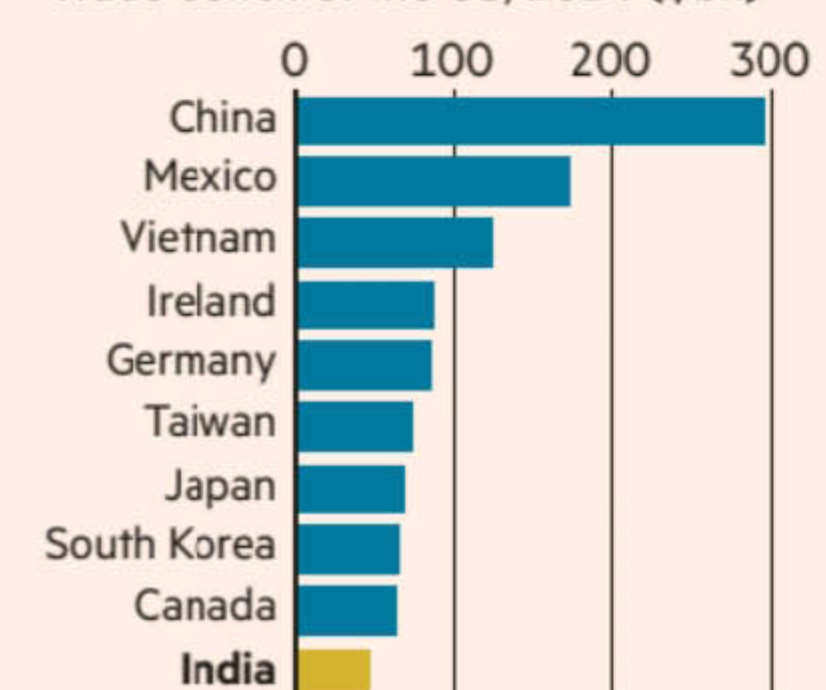
Trump announced this week that the US would stop enforcing the Foreign Corrupt Practices Act, with existing cases brought under the legislation banning bribery of other countries' officials to be reviewed.

It is unclear what this will mean for the Adani Group, whose founder Gautam Adani alongside seven others was charged by the US justice department and Securities and Exchange Commission with involvement in a multiyear scheme to bribe Indian officials for solar power business. Adani and his nephew Sagar Adani were charged with securities fraud, but not under the corrupt practices act. Adani Group has called the accusations "baseless".

Additional reporting by Leslie Hook
[Casey Michel](#) see FT View page
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India ranks 10th among countries that have a trade surplus with the US

Trade deficit of the US, 2024 (\$bn)



Source: US International Trade Commission