

India U.S. Trade Framework Agreement: Debates and Discontentment

February 13, 2026



Over the first week of February, India and the U.S. announced the successful negotiation of an interim framework agreement on trade that sharply reduces cumulative U.S. tariffs on Indian exports from 50 to 18%, commits India to addressing non-tariff barriers, includes India's 'commitment' to sharply reducing (or eliminating) purchases of sanctioned Russian oil, refers to India's 'intention' to purchase USD 500 billion worth of U.S. products by 2030, while **largely** leaving Indian tariff rates on agricultural items untouched. The omission of corn, soy and dairy products – in particular – has been well received by agriculture trade analysts. As of 12 February, there is still a lack of clarity regarding the fine print, contested interpretations of key terms, and the final agreement. However, the announcement has led to a heated debate within India on the virtues and liabilities of the agreement and whether India has ended up conceding too much to the U.S.

A Consequential Bargain

The recently announced framework agreement has the potential to unlock a recovery in India-U.S. ties, reinforce strategic convergence, and help India shed its protectionist impulses and [kickstart Indian manufacturing](#). Hence, the agreement is the most significant foreign policy decision in decades and is likely to result in long-term strategic and economic consequences. Notably, the agreement is widely discussed and debated in India. This Blindspot seeks to provide an overview of the national discourse regarding the announced agreement.

The broad consensus in India appears to be that the agreement is one-sided, favoring U.S. interests over India's. There is also a belief that India assented to the deal as much for long-term strategic reasons as for the relief it would provide to Indian exporters. More authoritative sources suggest that India also needed to avert further deterioration in ties, as well as potentially higher tariffs and other coercive measures in the future. Concerns over the rupee's declining value and investment outflows have arguably reinforced the need to demonstrate progress on a trade agreement with the U.S.

While there is relief at the tariff reduction from 50 to 18%, domestic sentiment is strongly bothered by associate clauses requiring India to purchase USD 500 billion worth of U.S. goods by 2030, as well as by India's 'forced' diversion of energy purchases from Russia to the U.S.

India's Commerce Minister, Piyush Goyal, on the other hand, [sought to clarify](#) that the USD 500 billion purchase reflects 'intent' rather than a verifiable commitment, and that it is in India's interest as a growing economy to purchase higher amounts of coking coal, aircraft, energy, and technology products from the U.S. anyway. According to most economists and trade experts, the aspirational figure of USD 500 billion is considered too high and impractical to enforce. However, [there is a view](#) that, despite it being

‘aspirational’, the fact that such a ‘commitment’ or ‘intention’ has found mention in the joint statement indicates that there will be pressure on India to strive towards such a goal genuinely and that the U.S. could cite insufficient effort as a cause of breach – leading to tariffs being reinstated. Given that the overall agreement is made conditional on India’s behavior across a wide range of issues, there is concern that policy uncertainty and compliance costs may erode the purported benefits of tariff relief.

Russian oil

Regarding Russian oil, the Ministry of External Affairs appears to explain that India’s energy choices are driven by business decisions made by private actors guided by commercial rationale, as well as the broader national imperative of diversification.

Notably, the rhetoric of ‘strategic autonomy’ is being skirted or ignored—at least its more assertive versions. Critics of the deal outside the government argue that India’s purchase was short-term and opportunistic in the first place, and that India’s broader long-term economic interests lie with the West rather than Russia. Besides, historic low global oil prices make Russian [discounts less appealing](#) than they were in 2022-23.

Voices from the more traditional (Nehruvian) strategic elite have characterized ‘strategic autonomy’ (and vis-à-vis India’s primary defense partner) as the agreement’s highest cost, akin to past regrettable concessions to the U.S. in 2019 (Iran oil) and 2020 (Venezuela). In particular, the language in the Executive Order regarding monitoring India’s possible future purchase of Russian oil and subsequent action (including reinstating additional tariffs) has been seen as ‘humiliating’ to India and the Indian PM.

Amid growing questions and criticism, the MEA addressed the

controversy but without repudiating President Trump's characterization or even commenting on the executive order. Instead, Foreign Secretary Vikram Misri chose to elaborate on the 'drivers' of India's energy security decisions while emphasizing concerns over inflation and the diversification imperative: "We are neither dependent on any single source for this, nor do we intend to be."

Other voices have suggested, however, that such language is intended primarily for U.S. domestic audiences to reassure them of India's serious intent to curtail (if not entirely eliminate) the purchase of sanctioned oil. In Delhi, the hope is that the final text will provide sufficient leeway to resume limited purchases of Russian oil, contingent on market conditions, and that U.S.- Russia relations could also transform in the near future.

Tariff differentials and non-tariff barriers

Meanwhile, differential tariff rates (18 vs 0) are also being widely described as 'colonial' and 'unequal'. However, this complaint is being overlooked, given the acknowledgement that the U.S. has imposed unequal tariffs on many (if not all) countries. Besides, [the growing consensus](#) in India since January 2025 that the country must reassess its proclivity towards protectionism has made it easier for analysts to accept unequal tariffs—given the [assessment](#) that India had suffered from higher tariff rates through higher costs of production and lower exports.

More recently, there has been increased attention to the non-tariff barriers aspects of the agreement, as well as to provisions about security and China. Trade expert Ajay Shrivastava, for instance, [points to expectations of exclusivity](#) from the U.S. regarding standards and key imports in certain sectors. In particular, there is concern that India will have to consult and coordinate with the U.S. before entering into digital trade agreements with other countries.

Similar concerns are expressed about India's ability to negotiate technical, health, or regulatory standards with third countries.

India has already moved to relax regulations governing the import of medical devices and ICT products. Similarly, the government has proposed a series of duty reductions and exemptions on electronics components, semiconductors, medical devices, aviation parts, and clean energy inputs.

Agriculture

The agriculture sector has remained the most sensitive area for Indian negotiators, and for understandable political reasons. Current official statements indicate that India has succeeded in maintaining high tariff rates in this sector, barring very few (and limited) sets of product items—distillers dried grains with solubles (DDGS) and red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, certain pulses, and *additional products*. In many of these categories, India has achieved a 'calibrated' opening up by employing additional instruments such as import quotas and minimum import prices. Moreover, such products are also experiencing rising demand, potentially limiting any downward pressure on prices for domestic growers and producers.

However, despite such a limited opening up and the presence of safeguards, Indian farm unions are up in arms against the trade agreement, driven by a lack of trust in the government and an overemphasis on U.S.-sourced triumphalist statements, [including those by Agriculture Secretary Brooke Rollins](#). A prominent member of the Opposition, Congress MP Manish Tewari, has also [seized on the phrases](#) "including these items" and "not limited to these items" to suggest that the concessions in the agriculture sector may not be as limited as the government has indicated. Accordingly, farmer unions under the banner of *Samyukt Kisan Morcha* have announced nationwide

protests on Feb 12, 2026.

China

The least discussed aspect of the trade agreement has been the parts that pertain to China, framed through discussions on “rules of origin that ensure that the agreed benefits accrue predominantly to the U.S. and India,” as well as on strengthening “economic security alignment to enhance supply chain resilience and innovation” to “address non-market policies of third parties as well as cooperation on inbound and outbound investment reviews and export controls.” Such language and provisions indicate that the older ‘China plus one’ agenda may be revived, albeit under new terms that require greater separation from Chinese supply chains and inputs in relevant sectors – especially renewables.

The Long Road to a Final Agreement

Critics have expressed legitimate anger at the new status quo in India-U.S. ties, as the paradigm shifts from the Clinton-Bush consensus to MAGA revisionism.

However, a healthier debate within India is needed—one that acknowledges new realities and then sets guardrails against overaccommodation. One could argue that India might have secured a more favorable arrangement had it waited a few more months. A Trump administration that is weaker owing to economic and foreign policy setbacks—a likely prospect—may have been more reasonable in some of its demands. After all, concerned by rising food prices, the U.S. had [eliminated tariffs on agricultural imports](#) in November of last year.

The opposing argument emphasizes the need to sustain positive market sentiment, the uncertainty about any future moderation in the U.S., and the prospect of a permanent loss of the U.S. market to exporters that have sought to retain U.S. clients by offering heavy discounts.

The Indian government had expected its credentials to be boosted by the announcement of a much-awaited trade agreement with the U.S., and that, too, a week after announcing the India-EU FTA. Accordingly, BJP workers felicitated PM Modi with enthusiastic chants on 3 February at the NDA Parliamentary party meeting. The combination of lower tariffs and protection for Indian agriculture provided strong grounds for political optimism. However, as more details emerged in the form of the Executive order on Russian oil, the Joint Statement (6 February), and the White House fact sheet (9 February), the public mood gradually began to shift. The [public 'buckpassing'](#) between the External Affairs Minister and the Commerce Minister on controversial aspects of the agreement (especially the ban on Russian oil) reinforced the perception that uncomfortable caveats and compromises were part and parcel of the agreement and that there was an ownership deficit. In broader media and social media commentary, the agreement has drawn more wary skepticism than celebration or relief. This cautionary celebration of movement has also been [reflected in the stock market](#). News that the U.S. will apply zero tariffs on textiles from Bangladesh under a new agreement has further dampened sentiment.

Hence, the government has pivoted from a posture of exuberant celebration to one of defense through clarification and persistent reassurance. Despite misgivings, it remains unlikely that the GOI will consider hitting pause or withdrawing from current negotiations. It will, however, expect far greater public scrutiny than previously anticipated—making domestic discontent a not insignificant factor in the still ongoing negotiations toward a final agreement on tariffs and the eventual BTA. India's *opinionsphere* tends to look at foreign policy developments (including trade agreements) as 'singular events' that are either worthy of celebration or causes of concern. India's engagement with Trump 2.0 clearly reveals that trade relations with the U.S. cannot be a singular event but rather

a constant and tiring renegotiation.