

# The Trump Effect: Navigating U.S.-India Relations in an 'America First' Era

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## Trump's Return: Initial Diplomatic Moves and Policy Signals

On January 20, Donald Trump was sworn in for a second term as the 47<sup>th</sup> President of the United States. As Trump assumes office, the transition for India comes at a moment when the country finds itself in a fairly uncertain position with Washington. Given Trump's volatility and Elon Musk's growing influence on his policies, India is navigating a more complex landscape, where shifting priorities in both politics and business could unpredictably shape the bilateral relationship.

Departing from the tradition of meeting with NATO allies first, Secretary of State Marco Rubio engaged in his first major bilateral talks with India's External Affairs Minister,

S. Jaishankar. Rubio [underscored](#) the administration's intent to strengthen U.S.-India economic ties, curb illegal migration, and address security priorities in the Indo-Pacific. Although Trump's initial actions do not explicitly mention India, they will potentially impact New Delhi. These include threatening the imposition of 100% tariffs on BRICS nations and stricter immigration policies—reflecting his “America First” agenda and reinforcing a “transactional” approach aimed at reshaping global relationships to directly benefit U.S. interests. This strategy suggests that the U.S.-India relationship, while growing, will be shaped by a dynamic where India's cooperation is increasingly linked to tangible U.S. benefits.

## **Strategic Challenges: Immigration, Trade, and Indo-Pacific Dynamics**

The central challenge for India in the coming years is determining how the Trump administration's transactional and occasionally zero-sum approach will impact the balance of U.S.-India relations. This rhetoric, along with the concerns it stirs, underscores the hurdles India may face under the incoming Trump administration, while questioning if U.S. legal actions against Indian officials and business leaders will be handled more favorably under this leadership. In the same vein, Prof. C. Raja Mohan [suggests](#) that New Delhi will “have to temper its tendency to take the relationship for granted and marshal all its negotiating skills at give and take in advancing ties with an assertive Washington under Trump.” While a deeper, more strategic partnership between the two countries is clearly on the horizon, there will be significant hurdles to overcome, especially in areas like immigration, trade, and security.

Immigration is set to become one of the most contentious issues in the Trump administration's dealings with India.

Trump's order targeting multiple immigration laws, including the long-standing principle of birthright citizenship seeks to reinterpret the 14<sup>th</sup> Amendment, asserting that children born to undocumented parents will no longer be entitled to automatic citizenship. This is expected to affect a large section of the Indian diaspora. According to the [U.S. Immigration and Customs Enforcement \(ICE\)](#) 2024 report, there are approximately 17,940 Indian nationals on the "final removal orders" list, awaiting deportation.

In response, the Indian government may be prepared to cooperate with the Trump administration to identify and repatriate its citizens residing illegally in the U.S., while also advocating for stronger protections for legal immigration pathways, such as the H-1B visa program. EAM Jaishankar [flagged the delays](#) in his meeting with Rubio stating, "It takes 400 days to get a visa." Trump, for his part, has [expressed](#) a preference for skilled immigration, stating, "I like both sides of the argument, but I want only very competent people coming into our country." The administration's stance on immigration in the long run will be pivotal in shaping the future of U.S.-India relations.

Also, in line with Trump's 'America First' approach, India's large trade surplus with the U.S. may invite renewed tariffs and trade barriers. Past criticisms, including labelling India as the 'tariff king', highlight Trump's focus on reducing trade imbalances. Key sectors such as technology, pharmaceuticals, and textiles could face increased scrutiny as the U.S. pushes for greater market access and tariff reductions. India's growing trade relationship with the U.S., which almost reached USD 120 billion in FY24, faces a balancing act as Trump seeks economic concessions. However, despite these potential trade tensions, the White House's directive to the USTR to seek bilateral or sector-specific agreements could be a positive for countries like India. With India already committed to three out of four Indo-Pacific

Economic Framework for Prosperity (IPEF) pillars—supply chains, clean energy, and tax/anti-corruption—the prospect of a tailored free trade agreement look promising, especially as Trump has prioritized stable supply chains from day one. Meera Shankar, India's former Ambassador to the U.S., asserts that India “would need to be prepared for both” (tax cuts and tariff increases) while keeping negotiations on the table.

A ‘free and open’ Indo-Pacific will be another key area of focus under Trump's second term. His administration has been outspoken about countering China's growing influence in the region. Marco Rubio, now Secretary of State and a long-time critic of China, has said, “they have lied, cheated, hacked, and stolen their way to global superpower status at our expense” in reference to [Chinese excursions](#). However, India's recent strategic recalibration with China—driven by a mix of military pragmatism and the pursuit of economic opportunities—will make it highly cautious about explicitly aligning itself with a Trump-led anti-China stance. Trump, though, is effectively pandering to both sides, making the situation highly volatile. This was underscored when, following a call with Chinese President Xi, Trump tweeted, “President Xi and I will do everything possible to make the World more peaceful and safe!” Such a statement raises serious concerns in India, particularly regarding the potential for a U.S.-China G2 scenario. India has always been hyperalert to this framing since it was first used during the Obama administration in 2011.

The joint statement from the Quad after the bilateral meetings reiterated a focus on security and peace in the Indo-Pacific. This was later countered by a [statement](#) from the Chinese Foreign Ministry spokesperson, Nao Ming, claiming, “Engaging in group politics and bloc confrontation will not bring lasting peace and security.” This underscores the delicate balancing act India faces: strengthening defense ties with the U.S. while carefully navigating its complex relationship with

China, especially amid growing Indo-Pacific security cooperation. Adding further complexity to the geopolitical dynamic, and challenging India's conventional expectations, is Trump's latest threat to Putin—imposing tariffs if an agreement on Ukraine is not reached soon.

Trump has largely sought to set himself apart from Biden's policies, but will be likely to maintain the momentum in the India-U.S. relationship. Former RBI Governor Raghuram Rajan at [Davos 2025](#) suggested that the Trump administration would “further boost defense cooperation opportunities for India, as the U.S. could take action against other countries, potentially shifting business to India.” However, on the tech front, the recent U.S. semiconductor restrictions have excluded India, leading to delays in future collaboration prospects.

## **Strategic Recalibration: Managing an Unpredictable Partnership**

The prevailing narrative has been that while Trump may be chaotic and unpredictable, India suffers less than other U.S. allies due to its strategic autonomy, with a unique ability to ‘manage’ and engage with Trump. However, this narrative is weakening. The assumption that Trump 2.0 will largely mirror Trump 1.0 is now being questioned, with a growing recognition that this may not be the case. This shift makes a proactive engagement strategy—particularly through face-to-face meetings—more essential than ever.

At the same time, the uncertainty surrounding Trump's second term suggests that India will likely wait for the administration to stabilize before adjusting its own policies. There's also the perception of internal divisions within the administration, with differing views on issues such as Israel-Hamas, Russia-Ukraine, China-Taiwan, and H1-B visas, adding further complexity. As Trump attempts to reconcile domestic

pressures, foreign policy shifts, and his own unpredictability, India's ability to navigate this landscape will depend on both its diplomatic agility and how it anticipates and responds to these internal and external contradictions.