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## India-U.S. Relations: A Summary

India, home to one-sixth of global population, is the world's largest democracy and in 2023 became the most populous country. In 2024, India's economy outgrew that of the United Kingdom to become the world's fifth-largest. Many factors combine to infuse India's government and people with "great power" aspirations: rich civilization and history; expanding strategic horizons and increased engagement with international partners; geography astride vital sea and energy lanes; greater defense and power projection capabilities (replete with a nuclear weapons arsenal and triad of delivery systems); and vigorous space, science, and technology sectors, among others. The U.S. government has welcomed India's growing power and influence. Under four successive U.S. presidential administrations—and with bipartisan congressional support—the United States and India have been expanding and deepening a strategic partnership, a new dynamic in global major power relations. Both governments share concerns about China's expanding power and aggression. Some observers call India "the world's ultimate swing state" and, by many accounts, the course of the U.S.-India partnership will be a determinant of 21<sup>st</sup> century global dynamics.

India for decades pursued a foreign policy of "nonalignment," now commonly described as "multi-alignment" or "strategic autonomy." The first Trump Administration and the Biden Administration named India as a crucial partner in the U.S. Indo-Pacific strategy. A Quadrilateral Security Dialogue, or "Quad"—including Japan and Australia—has since 2017 been a leading multilateral mechanism in this strategy. President Donald Trump and Indian Prime Minister Narendra Modi are seen to share personal bonhomie. The Trump Organization has business interests in India. Some reports indicated Indians appeared to welcome Trump's (re-)election. During the second Trump Administration, some analysts expect continued defense cooperation, along with increased Executive Branch attention to trade and immigration issues, perhaps within a more transactional framework. Concurrently, it is unclear the extent to which concerns about human rights in and transnational repression by India, as well as on India's strategic partnership with Russia, will be considered. Interruptions in U.S. foreign assistance flows to India could mean setbacks for aid programs, nearly two-thirds of them in the health sector.

### Critical Emerging Technologies

The United States and India launched a wide-ranging initiative on Critical and Emerging Technologies (iCET) in May 2022 to foster cooperation on space; clean energy and critical minerals; semiconductor supply chains; and artificial intelligence and quantum computing, among other high-tech fields. Many analysts see shared unease about China providing the context. Since June 2023, the iCET has included a new India-U.S. Defense Acceleration Ecosystem

(INDUS-X) to facilitate defense technology and industrial cooperation between the U.S. and Indian governments, businesses, and academic institutions. ICET is overseen by the two countries' National Security Councils. A key question is the extent to which the second Trump Administration will be willing to share advanced U.S. technologies with India.

### Defense and Security Relations

Two senior analysts have called defense cooperation the "load-bearing pillar" of the U.S.-India strategic partnership. Unprecedented major defense sales—worth more than \$20 billion since 2008—are ongoing, and large-scale bilateral and multilateral joint military exercises across all services are now routine, with an emphasis on interoperability and maritime security. The U.S. Congress formally named India a "Major Defense Partner" in 2016, conveying certain security cooperation privileges. Under INDUS-X, co-production and technology sharing is planned on advanced jet engines and armored vehicles. Bilateral cooperation also continues on counterterrorism and intelligence sharing.

**Figure 1. Map of India**



**Source:** Created by CRS. Boundaries are not authoritative.

### Trade Relations

Over the past decade, U.S.-India total trade and two-way direct investment stock expanded overall. The United States also had goods and services trade deficits with India in that period. During the Biden Administration, the two countries cooperated on trade issues such as technology, supply chains, critical minerals, and agricultural market access. Frictions persisted over tariffs and other trade restrictions. An open question is what direction trade ties will take in President Trump's second term. In a call with PM Modi, the President called for "moving toward a fair bilateral trading relationship." The President has called India the "tariff king" due to its high tariffs. He has also threatened to apply 100% tariffs against the BRICS (Brazil, Russia, India,

China, and South Africa), if those countries move to displace the U.S. dollar with a proposed BRICS currency. The President's announcement of increased tariffs on Canada, Mexico, and China (tariffs on Canada and Mexico were delayed), as well as his focus on addressing U.S. goods trade deficits, could heighten tariff risks for India.

India, in its 2025-2026 budget, proposed to reduce customs duties on certain products. Press reports indicate that one way India could seek to avoid U.S. tariffs is importing more U.S. oil and gas. It is unclear if the Trump Administration will seek a trade deal with India. The President directed the U.S. Trade Representative to identify countries for potential trade agreements, with recommendations due April 1, 2025. A continued priority for India could be reinstatement in the U.S. Generalized System of Preferences (GSP), if Congress renews the program. The United States terminated India's GSP designation in 2019 over market access concerns.

### Immigration

India closely watches U.S. immigration policy, especially as related to the H-1B nonimmigrant visa (for temporary workers in specialty occupations). Indians account for more than two-thirds of annual H-1B visa issuances, and India is consistently the top origin country for permanent employment-based immigrants. Congress has considered reforming the H-1B program; some observers express concern that hiring through the program displaces U.S. workers, while others argue that U.S. employer demand for H-1B nonimmigrant workers reflects a lack of qualified U.S. workers and that limited visa availability is a problem for U.S. competitiveness. India is also the third-largest source of unauthorized foreign nationals in the United States (after Mexico and El Salvador), accounting for about 725,000 unauthorized immigrants as of 2022.

### Energy and Climate

India is the world's third-largest energy consumer after China and the United States. Due to its large population and use of high-emitting fuels for electricity, India also is the third-largest emitter of greenhouse gases, including carbon dioxide (CO<sub>2</sub>), despite low per capita CO<sub>2</sub> emissions. India relies heavily on coal, and the carbon intensity of its power sector is well above the global average. As energy demand grows, Indian leaders vow to reduce carbon emissions, with ambitious goals of generating 500 gigawatts of renewable energy by 2030 (up from about 200 GW currently) and "net-zero" emissions by 2070. Cooperation on clean energy was boosted by the Biden Administration; such initiatives may be curtailed by the new Trump Administration. Many scientific assessments find India vulnerable to and unprepared for the effects of climate change. Urbanization, heat waves, flooding, and food and water insecurity are among the urgent and related developments. Air pollution is endemic: 83 of the world's 100 most-polluted cities reportedly are in India, including the top four.

### Democracy, Human Rights, and TNR

U.S. State Department reports document ongoing human rights violations in India—perhaps especially in the realm of religious freedom—and some Members of Congress have issued concerns. Since the 2014 electoral victory of PM Modi and his Hindu nationalist Bharatiya Janata Party,

signs of democratic backsliding and creeping autocracy have raised alarms, although opposition parties performed well in 2024 national elections.

In 2023, the U.S. and Canadian governments alleged an official Indian role in two assassination plots targeting Indian Sikh diasporans in North America; the cases are ongoing. The Biden Administration demanded accountability from New Delhi, and some in Congress aired worries that the developments could negatively affect the bilateral partnership. The Indian government—which views overseas Sikh separatists as a national security threat—reportedly is undertaking a broader campaign of transnational repression (TNR) against the Sikh diaspora.

### India's Other Foreign Relations

A lethal 2020 clash along India's long and long-disputed frontier with **China** badly damaged trust between New Delhi and Beijing, and observers are skeptical that an October 2024 de-escalation agreement will lead to a wider thaw in relations. The great majority (75%) of China's defense exports go to India's other immediate neighbors, and New Delhi closely watches China's burgeoning clout in both South Asia and the Indian Ocean region. India's rivalry and conflict with neighboring **Pakistan**—a key ally of China—is unabated after nearly eight decades, although the shared border has been relatively calm since 2021. Competing claims over Kashmir remain unresolved, nuclear arsenals are slowly growing, and relations have been largely frozen since 2019.

India's ties with **Russia** are arguably the most prominent sign of its commitment to strategic autonomy. New Delhi's studied neutrality on Russia's renewed 2022 invasion of Ukraine rankled U.S. officials, including some in Congress. Indian purchases of Russian oil increased 16-fold by the end of 2022 and, in three years, Russia went from supplying about 2% of India's imported oil to about 25% in India's 2023/24 fiscal year. Russia continues to be India's leading source of imported defense articles, as it has for decades, although New Delhi is diversifying suppliers. India also maintains cordial relations with **Iran**, where New Delhi's efforts to develop that country's Chabahar port may leave India subject to U.S. sanctions. India is boosting outreach to West Asian countries, establishing new links with Israel and the United Arab Emirates (UAE), among others.

### Issues for Congress

Along with laws and policies related to immigration and foreign trade that touch upon U.S.-India relations, the 119<sup>th</sup> Congress may consider: whether to adjust export controls to facilitate greater high-technology collaboration and arms trade with India; whether to incorporate India into U.S. Asia strategy and resource of the Quad; the future course of bilateral energy cooperation; the potential implications of democratic backsliding and human rights issues for the bilateral partnership; and the ways in which India's engagements in the Indian Ocean and with its neighbors, as well as Russia, Iran, and others, might affect U.S. interests in Asia and globally.

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