## **📄 Cornell Notes: India–USA Trade Relations (2024–2025)**

**Date:** August 7, 2025

| **Cues (Key Questions / Prompts)** | **Notes (Details)** |
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| **What is the total bilateral trade between India & the U.S. (2024)?** | **$212.3 billion** (goods + services combined) |
| **Breakdown of trade between U.S. and India (2024):** | - **Goods:**   U.S. exports: **$41.5 billion**   U.S. imports: **$87.3 billion**  **Total Goods Trade:** $128.9 billion  - **Services:**   U.S. exports: **$41.8 billion** (↑15.9%)   U.S. imports: **$41.6 billion** (↑15.4%)  **Total Services Trade:** $83.4 billion  - **Grand Total Trade:** $212.3 billion |
| **What is the trade gap between India and the U.S.?** | **$45.8 billion** U.S. trade deficit in **goods** (2024) |
| **How are India’s exports to the U.S. performing in 2025?** | Growing strongly; May 2025 exports were **$8.83 billion**, up **16.9%** YoY |
| **Which Indian export sectors dominate trade with the U.S.?** | Electronics, gems & jewellery, pharmaceuticals, textiles, ready-made garments |
| **What tariff policies have affected India-U.S. trade recently?** | - August 7, 2025: U.S. imposed **25% tariffs** on **$8.1 billion** Indian goods  - August 6, 2025: U.S. doubled tariffs to **50%**, citing India’s Russian oil purchases |
| **What is the economic impact estimate of these tariffs on India?** | - Exports projected to drop up to **~50%** in affected categories due to tariff hike  - Affected sectors: engineering goods, electronics, pharmaceuticals, garments, gems |
| **Why did the U.S. escalate tariffs to 50%?** | Due to India continuing to import discounted Russian oil despite U.S. sanctions; U.S. views this as aiding Russia’s war effort in Ukraine |
| **How has India reacted to the tariff increase?** | Strongly condemned as “unfair, unjustified, and unreasonable” |
| **What are the risks from this tariff escalation?** | Damage to India-U.S. trade relationship and strategic partnership; risk of export contraction; pressure on diplomatic ties |
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| **What percentage of India’s exports are to the U.S.?** | U.S. accounts for **~18%** of India’s exports in FY25 |
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## **📝 Summary:**

India–U.S. trade reached historic heights in 2024 with total trade of $212.3B. Goods trade shows a significant U.S. trade deficit of $45.8B. Indian exports were growing strongly in 2025, but recent tariff escalations—first 25%, now doubled to 50%—have introduced a major disruption, primarily triggered by India’s Russian oil imports.