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Modi's Trump meeting shows how India-US relations are becoming more transactional



*Last month, in one of the new president's first meetings with a world leader, India's Prime Minister, Narendra Modi, held talks with Donald Trump. Based on a recent The India Briefing podcast **Mukulika Banerjee** and **Shaurya Dev** give an overview of the Trump-Modi meeting, writing that despite the evident camaraderie between the two leaders, tough negotiations lie ahead.*

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- *Professor Mukulika Banerjee will be giving her inaugural lecture, 'Citizens as cultivars: democratic values in paddy fields and universities' on Wednesday 5 March 2025. This public event is free and open to all. [More details and how to attend in person and online.](#)*

President Donald Trump has made an eventful return to the White House on 20th January 2025. Wasting no time in delivering on his agenda, Trump in his second term is evidently better prepared and more assertive of his foreign policy objectives with the US pivoting from its aspiration of being the leader of the free world to putting its own needs first. The rest of the world is expected to quickly accept and adapt to the Trump administration's agenda. And to enforce his 'America First' agenda, Trump has pivoted to economic measures—reciprocal tariffs now serve as a powerful tool, with India among several countries impacted by this turn. Amidst this, one of the first world leaders President Trump **hosted**, less than a month in the oval office, was Indian Prime Minister Narendra Modi.

In light of PM Modi's visit to Washington, hosts of *The India Briefing* podcast – LSE Professor Mukulika Banerjee and senior journalist Pragya Tiwari – spoke to Navtej Sarna (Former Indian Ambassador to the US during Trump 1.0) and Ashley Tellis (Tata Chair for Strategic Affairs at the Carnegie Endowment for International Peace and key negotiator in the Indo-US civil nuclear deal) to

analyze the evolving India-US bilateral relationship, and help untangle the complexities of trade dynamics, immigration issues, and the interplay between domestic politics and foreign policy.

A convivial meeting, but issues over tariffs and immigration loom

On the surface, PM Modi's visit was characterized by visual **bonhomie** and an exchange of flattery, bolstering the image of both leaders among their domestic constituents. Ashley Tellis observes that Modi played his cards right by not just applauding Trump and rhetorically affirming India's support to the United States, but to Modi's credit he was able to persuade Trump to maintain broad continuity in the policy towards India. The **joint statement** released during Modi's visit reflects a continuation of Biden's policies with slight repackaging from the new administration, Tellis added.

While the personal camaraderie made for good photo ops, Trump's decision of reciprocal tariffs loomed large on the visit. The United States has a trade deficit of **\$45.7 billion** with India, and President Trump is **pushing** India to lower its rather high tariffs to narrow this deficit. Under a temporary arrangement, India is promising to boost its energy purchases from the US from \$15 billion to \$25 billion while also acquiring additional defense equipment. The initial phase of the bilateral trade agreement over the next few months should **buy India time** to work on its tariffs—ideally wrapping up these adjustments before President Trump's visit to India for the **QUAD summit** (with Australia, India, Japan, and the US) scheduled later this year.



"Press Conference" (CC BY-NC-ND 2.0) by MEAphotogallery

However, tariffs were not the only contentious point. Just days before PM Modi reached Washington, videos of about 100 shackled Indians being **deported** back to India on a US military aircraft were widely circulated. The optics of illegal immigrants being sent back reinforced President Trump's tough image among his constituents but reflected poorly on the Indian government which, Tellis said, had the option to use its own aircraft to ferry its citizens in a more

dignified manner. With over 18,000, or likely more, undocumented Indians in the US, illegal immigration is a pressing issue that both countries discussed cooperating on. At the same time, legal migration channels are expected to become more challenging with the anticipated policy restrictions. Navtej Sarna observed that as during his earlier term, Trump 2.0 will see a tightening of immigration policies, **likely reducing** the number of visas issued to Indians, who currently account for 70 percent of all H-1B recipients and are among the highest contributors to the US economy.

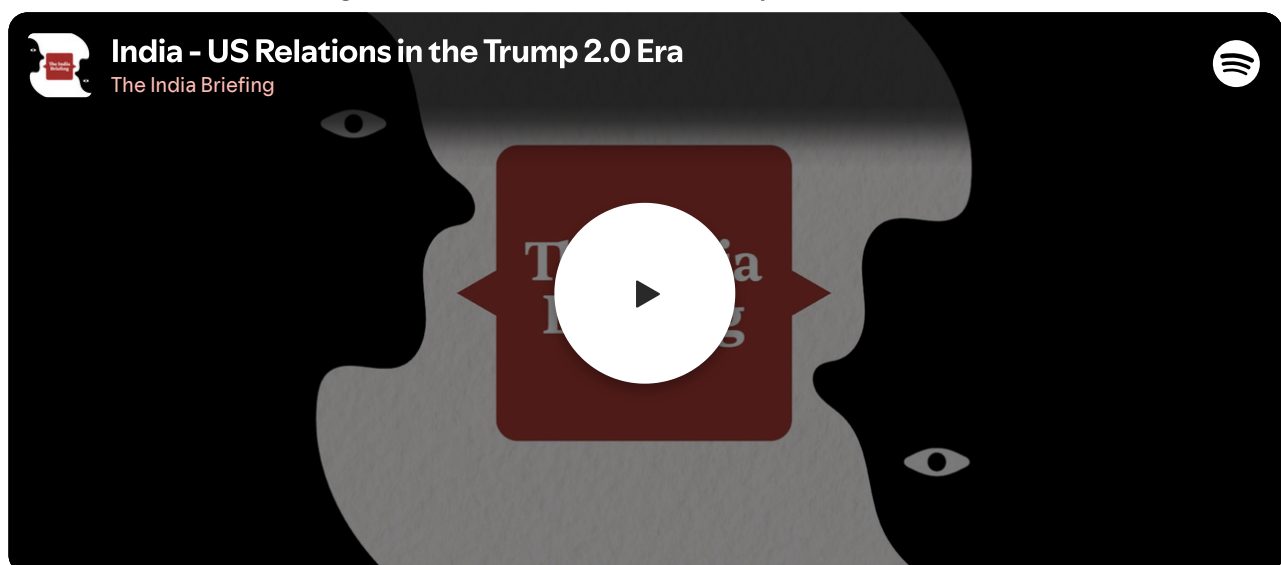
India-US relations are becoming more transactional

Both Sarna and Tellis believe US-India relations at their core will evolve to become more transactional, as both sides work to pursue their policy interests while finding avenues for strategic convergence. The US administration will follow through on very clear objectives in a much more hard-nosed way than its predecessors or even Trump's first term. In parallel, India's foreign policy has taken a turn towards realpolitik, and hence India is willing to adjust for Trump to get the best it can for its purposes.

Crucially, India-US relations are of course not operating in a vacuum. US relations with China, Russia and Europe will provide a defining framework within which the relationship with India will find opportunities or constraints. "The diplomatic space that India gets to maneuver will depend a lot on what happens with those relationships with the United States", said Sarna. China remains a strong anchor for India-US strategic convergence, reflected strongly in the QUAD. A change in the dynamics of the USA's relation with China will have an impact on its bilateral commitments to India as well.

How the India-US dynamic evolves in a highly volatile global order is something many will continue to observe. While the camaraderie between the two leaders often steals the spotlight, the real challenge lies in the tough negotiations ahead.

Listen to The India Briefing: India-US Relations in the Trump 2.0 Era



- *Professor Mukulika Banerjee spoke at the Phelan US Centre event, 'The 2024 US election: turning point for America?' on 6 November 2024. [Watch the event video and listen to the event podcast.](#)*
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About the author

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Mukulika Banerjee (@MukulikaB) is Professor in Social Anthropology at LSE and was inaugural director of the LSE South Asia Centre. Her books include *Cultivating Democracy: Politics and Citizenship in Agrarian India*, *Why India Votes?*, *The Pathan Unarmed* and *The Sari* (with Daniel Miller); and the series *Exploring the Political in South Asia*. She created the BBC R4 documentary *Sacred Election: Lessons from the biggest democracy in the world on the 2009 Indian National Elections*.

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