

Ministry of Commerce & Industry



UNITED STATES-INDIA JOINT STATEMENT

Posted On: 07 FEB 2026 4:29AM by PIB Delhi

The United States of America (United States) and India are pleased to announce that they have reached a framework for an Interim Agreement regarding reciprocal and mutually beneficial trade (Interim Agreement). Today's framework reaffirms the countries' commitment to the broader U.S.-India Bilateral Trade Agreement (BTA) negotiations, launched by President Donald J. Trump and Prime Minister Narendra Modi on February 13, 2025, which will include additional market access commitments and support more resilient supply chains. The Interim Agreement between the United States and India will represent a historic milestone in our countries' partnership, demonstrating a common commitment to reciprocal and balanced trade based on mutual interests and concrete outcomes.

Key terms of the Interim Agreement between the United States and India will include:

- India will eliminate or reduce tariffs on all U.S. industrial goods and a wide range of U.S. food and agricultural products, including dried distillers' grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products.
- The United States will apply a reciprocal tariff rate of 18 percent under Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended, on originating goods of India, including textile and apparel, leather and footwear, plastic and rubber, organic chemicals, home décor, artisanal products, and certain machinery, and, subject to the successful conclusion of the Interim Agreement, will remove the reciprocal tariff on a wide range of goods identified in the Potential Tariff Adjustments for Aligned Partners Annex to Executive Order 14346 of September 5, 2025 (Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements), as amended, including generic pharmaceuticals, gems and diamonds, and aircraft parts.
- The United States will also remove tariffs on certain aircraft and aircraft parts of India imposed to eliminate threats to national security found in Proclamation 9704 of March 8, 2018 (Adjusting Imports of Aluminum Into the United States), as amended; Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel Into the United States), as amended; and Proclamation 10962 of July 30, 2025 (Adjusting Imports of Copper Into the United States). Similarly, consistent with U.S. national security requirements, India will receive a preferential tariff rate quota for automotive parts subject to the tariff imposed to eliminate threats to national security found in Proclamation 9888 of May 17, 2019 (Adjusting Imports of Automobiles and Automobile Parts Into the United

States), as amended. Contingent on the findings of the U.S. Section 232 investigation of pharmaceuticals and pharmaceutical ingredients, India will receive negotiated outcomes with respect to generic pharmaceuticals and ingredients.

- The United States and India commit to provide each other preferential market access in sectors of respective interest on a sustained basis.
- The United States and India will establish rules of origin that ensure that the benefits of the Agreement accrue predominately to the United States and India.
- The United States and India will address non-tariff barriers that affect bilateral trade. India agrees to address long-standing barriers to the trade in U.S. medical devices; eliminate restrictive import licensing procedures that delay market access for, or impose quantitative restrictions on, U.S. Information and Communication Technology (ICT) goods; and determine, with a view towards a positive outcome, within six months of entry into force of the Agreement whether U.S.-developed or international standards, including testing requirements, are acceptable for the purposes of U.S. exports entering the Indian market in identified sectors. Recognizing the importance of working together to resolve long-standing concerns, India also agrees to address long-standing non-tariff barriers to the trade in U.S. food and agricultural products.
- For the purposes of enhancing ease of compliance with applicable technical regulations, the United States and India intend to discuss their respective standards and conformity assessment procedures for mutually agreed sectors.
- In the event of any changes to the agreed upon tariffs of either country, the United States and India agree that the other country may modify its commitments.
- The United States and India will work towards further expanding market access opportunities through the negotiations of the BTA. The United States affirms that it intends to take into consideration, during the negotiations of the BTA, India's request that the United States continue to work to lower tariffs on Indian goods.
- The United States and India agree to strengthen economic security alignment to enhance supply chain resilience and innovation through complementary actions to address non-market policies of third parties, as well as cooperation on inbound and outbound investment reviews and export controls.
- India intends to purchase \$500 billion of U.S. energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years. India and the United States will significantly increase trade in technology products, including Graphics Processing Units (GPUs) and other goods used in data centers, and expand joint technology cooperation.
- The United States and India commit to address discriminatory or burdensome practices and other barriers to digital trade and to set a clear pathway to achieve robust, ambitious, and mutually beneficial digital trade rules as part of the BTA.

The United States and India will promptly implement this framework and work towards finalizing the Interim Agreement with a view to concluding a mutually beneficial BTA consistent with the roadmap agreed in the Terms of Reference.

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(Release ID: 2224783) Visitor Counter : 24066

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