



India and the World

Perspectives from Northern Europe on India in world affairs. Issued on a regular basis by the Project for Nordic-India Relations at the Swedish Institute of International Affairs (UI). For previous issues please visit www.ui.se/english/research/asia/pnir



#22 2025-01-20

Trump 2.0: A confident New Delhi, although concerns emerge

When the results of the US presidential election were first announced, India's political leadership conveyed confidence in cooperating with the incoming US government. External Affairs Minister S Jaishankar said, specifically, that although "some countries" might be apprehensive about a new Donald Trump-led administration, India "was not among that number". From New Delhi's perspective, India-US relations were on an upward trajectory; in addition, those who appeared to be contenders for leadership roles in the president-elect's administration were initially understood to be friends of India. The previous Trump administration was widely seen as having been supportive of the overall India-US partnership. The personal chemistry between Prime Minister Narendra Modi and Trump seemed to have played a part in this positive atmosphere, as did Indian officials' comfort with a transactional form of foreign policy practiced by the Trump administration between 2017 and 2021.

In any case, New Delhi is accustomed to being relatively unconcerned by the results of US elections. The US-India relationship has long been viewed as one of the few issues that receives unflinchingly bipartisan support in Washington. Consistency in both policy and actual outcomes over almost two decades backs up this belief. Seen over time, the India-US partnership has developed in remarkable ways. From having been limited, and indeed defined by its many irritants, it is now both strategic and robust; it involves extensive economic and security cooperation and collaboration on critical and emerging technologies. The US is India's second largest trading partner, and Indian companies have

invested over \$40 billion in the US. Nearly five million people in the US are of Indian descent, and over 270,000 Indian students are enrolled in US universities.

Relations on the strategic side have been particularly robust. India and the US frequently conduct joint military exercises and the countries shared interest in balancing Chinese influence in the Indo-Pacific has become a major pillar of the partnership. Defence ties are expected to strengthen even further under a new Trump administration. Indo-US cooperation in minilateral groupings such as the Quad and I2U2 will most likely continue unabated, enabling regional service delivery, burden sharing and integration. President Trump has invited the Quad foreign ministers to his inauguration, which suggests this set of priorities will remain unchanged.

Although cooperation on a federal level regarding renewable energy is expected to decline, green transition initiatives will most likely continue but involve American partners from outside the federal government. Imports of US hydrocarbons will likely increase, which could decrease India's imports from Russia. Stricter sanctions imposed by the outgoing administration may serve to speed up this process.

While cooperation between India and the US might accelerate under a new Trump administration, there were certainly disruptions that New Delhi was forced to manage during Trump 1.0. The economic sphere was particularly fraught, given President Trump's oft-repeated concerns that the US was running a trade deficit with emerging economies like China and India.

Trade relations were periodically difficult due to deep-seated differences in market access, intellectual property rights, and industrial policies. Some of these were not new. But they had usually been handled by high-level discussions or through the World Trade Organization. The first Trump administration deviated from previous US practices by using public shaming, tariff escalations, and withdrawal of concessions, such as ending the Generalized System of Preferences (GSP) for India. The Modi government responded cautiously to US actions, opting for negotiations and notifying the WTO before retaliating.

Nevertheless, New Delhi is not too worried about trade issues in Trump 2.0. Officials point out that Donald Trump did not single out Indian tariffs in particular when on the campaign trail. Further, India does not believe that a Trump administration would be any less open on trade issues than any alternative. The experience of protectionist measures introduced under President Biden is taken as proof in New Delhi that trade policies could be contentious no matter what party is in power in Washington.

What is new for New Delhi this time around, however, is the possible impact on the US' India policy of divisions within President Trump's political base. It has become clear that the MAGA movement has multiple factions with competing agendas – including when it comes to issues of importance to India, Indian-Americans, or Indian companies. The incoming Trump administration also plans to draw less on well-established figures in his party for staffing than the last, replacing those mainstream Republicans with previously untested names from various sections of the movement. Indian diplomacy is thus operating at a heightened level of uncertainty.

The extent of the challenges this could pose for India has been widely discussed in India in recent weeks. The sometimes openly chauvinistic debate escalating from within the MAGA movement concerning the appointment of Sriram Krishnan as the incoming administration's advisor on AI, and Vivek Ramaswamy's comments on American education and culture, has placed India -- and Indians in the US -- in the spotlight in ways New Delhi had not foreseen. From having been viewed as a "model", hard-working, skilled and educated minority in the US, Indians found themselves throughout

December 2024 and January this year, being targets on social media, especially from those associated with the more nativist side of the MAGA movement. On the other hand, the Silicon Valley side of the Trump coalition, led by Elon Musk, spoke out in defence of Indian-Americans and the migration of high-skilled individuals such as those that comprise the Indian diaspora in the US.

The MAGA debate on visas for highly skilled individuals may continue for some time. Trump himself seems to currently side with Musk on the issue. In fact, emerging tech is a steadily growing area of Indo-US cooperation, and this could be even more accentuated under the incoming Trump administration. Nonetheless, the open rifts within the MAGA movement adds, from New Delhi's perspective to the broad uncertainty of the environment in which it must formulate its US policy.

However, the Indian government remains confident that it can deepen its relationship with the incoming president himself, and that mutually advantageous agreements will be possible. Thus, on the whole, it anticipates Trump's term with some enthusiasm, although it now recognises – as it did not earlier – that it will have to work hard to manage the uncertainty that surrounds the assumption of power by a new and little-understood political movement.



Dr Henrik Chetan Aspengren
Senior Analyst and Project Lead, UI
Henrik.aspengren@ui.se
+46(0)708986797



Mihir Swarup Sharma
Director, ORF
mihir.sharma@orfonline.org