

Modi and Trump Unveil an Ambitious Agenda

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Summary

Disproving widespread assessments of a stall in India-United States relations in the second presidential term of Donald Trump, Prime Minister Narendra Modi's visit to Washington in mid-February 2025, set the stage for an ambitious expansion of bilateral relations. Modi and Trump outlined ways to manage significant differences in trade and immigration and created space for deeper cooperation on energy, defence, technology, counterterrorism and regional security.

India and the United States (US) have embarked on an ambitious agenda to deepen their bilateral strategic partnership, as evidenced by the discussions between Prime Minister Narendra Modi and President Donald Trump in February 2025. This summit defied scepticism surrounding India-US relations in Trump's second term, particularly in light of his demands for 'fair trade' and a commitment to the biggest deportation ever in America of illegal aliens. However, both leaders found common ground to reduce differences and outlined an expansive vision for strategic cooperation.

Modi's proactive approach in recognising the shifting dynamics of US domestic and foreign policy under Trump was instrumental in the successful quest for stabilisation at a moment of disruptive American change. Modi's strong personal rapport with Trump and some agile diplomacy facilitated a successful outcome in the meeting with the US president on 13 February 2025.

For Modi, the real test begins now, and it lies in galvanising the notoriously slow Indian bureaucracy to translate the new agreements with the US into tangible outcomes. It also involves some significant internal reform to facilitate a productive relationship with the US. The gap between promise and performance in India-US relations has largely been due to the inability of the Indian system to grasp the opportunities that came its way. With Trump's planned visit to India for the summit of the Quadrilateral Security Dialogue nations (Australia, India, Japan and the US) later this year, the two sides have given themselves the time and space to implement their new goals.

On the contentious issue of illegal immigration, Modi agreed to take back verified illegals and Trump has agreed to address the source of the problem – organised human trafficking from India to the US. Both leaders pledged to take strong action against criminal facilitators and the trafficking networks. On legal immigration, the <u>joint statement</u> issued after the talks between Modi and Trump emphasised the need for "innovative, mutually advantageous, and secure mobility frameworks", reflecting the convergence of US interest in hiring Indian technology talents and India's interest in securing visas for its professionals and students.

Trade and tariffs were another <u>critical area of discussion</u> and took place against the background of Trump's threat to impose tariffs on all its major trading partners as part of the effort to reduce the US' trade deficit. India was quick to signal that it is ready to address Trump's concerns by reducing some tariffs against US products before the summit. India had a US\$45 billion (\$60.3 billion) trade surplus with the US in 2023.

At the meeting itself, India agreed to expand its <u>energy imports</u> from the US. The two leaders also set an expansive bilateral trade target of US\$500 billion (\$669.7 billion) by 2030 and agreed to negotiate a mutually beneficial trade deal before the end of 2025. There have been previous negotiations during Trump's first term on a trade deal and the two sides could now pick up those threads with some purposefulness.

Two other contentious issues may have become easier to manage after Modi's visit to Washington. One was India's enduring Russian connection that had become controversial since the Russian invasion of Ukraine. New Delhi's reluctance to condemn Russian aggression and the massive expansion of its oil purchases from Moscow had drawn wide criticism in North America and Europe. Trump's willingness now to engage with Russian leader, Vladimir Putin, and explore pathways to peace in Ukraine could begin to narrow the India-US differences on New Delhi's Moscow connection. Unsurprisingly, Modi endorsed Trump's peace initiative in Ukraine.

India, however, may have concerns about Trump's enthusiasm to engage with China's President Xi Jinping. Trump did not take the bait from the Indian press reporters at the joint press conference with Modi on criticising China. Instead, Irrump referred to his strong personal ties to Xi, referred to the conflict between India and China, and offered to help if invited.

While New Delhi will carefully track the evolution of US-China relations in the coming months, Modi and Trump have <u>agreed to intensify</u> their cooperation in the Indo-Pacific and the Middle East. In South Asia, the two leaders agreed to deepen counter-terrorism cooperation. President Trump agreed to the extradition of Tawahur Rana involved in the planning of the terror attacks on Mumbai in November 2008. The two leaders also called on Pakistan to bring to justice the perpetrators of the attacks. Pakistan <u>reacted sharply</u> to the statement as "one-sided" and "misleading".

The two leaders also announced a new '<u>US-India COMPACT</u> (Catalyzing Opportunities for Military Partnership, Accelerated Commerce & Technology) for the 21st Century' that seeks to drive transformative change across key pillars of cooperation, including defence, nuclear energy, outer space and artificial intelligence, and critical minerals. New Delhi and Washington will also release a new 10-year framework for defence cooperation to replace the earlier agreements signed in 2005 and 2015.

The summit also aimed to rebuild political trust that had been strained during the latter part of the Joe Biden administration. India perceived certain elements within the US establishment as fostering anti-Modi campaigns and destabilising regional dynamics. The alignment between the Modi government and the Trump administration, particularly the 'MAGA' (Make America Great Again) movement, reflects a shared nationalist worldview,

with both leaders prioritising 'India First' and 'America First' policies. As Modi put it, his policy of 'Making India Great Again' (MIGA) in partnership with MAGA is producing the basis for 'MEGA' cooperation between the two countries.

The Modi-Trump summit in February 2025 laid the foundation for a potentially transformative phase in India-US relations. By addressing contentious issues, identifying areas of convergence and setting ambitious goals, the two leaders have signalled a commitment to deepening their strategic partnership. The proof of the pudding, though, lies in turning the political bonhomie and diplomatic goodwill into concrete results.

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