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Trade War With India Against US Interests: RIS Policy Brief

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High Tariffs With India Could Backfire United States In the Long Run

Policy think-tank Research and Information System (RIS) for Developing Countries has highlighted that initiating a trade war with India would not align with the United States' long-term interests.

In its [policy brief](#) titled "Trade, Tariff and Trump", RIS pointed out, "Given the past experience, new policy shifts may cause temporary setbacks in the short term, but these are often counterbalanced in subsequent years."

RIS explained that India's resilience arises from a multifaceted approach to mitigating the impacts of US trade policies.

These include unilateral tariff adjustments, strategic appeals to the World Trade Organisation (WTO), and other targeted interventions.

Such measures have historically played a pivotal role in softening the adverse effects of US trade policies on India.

While concerns persist regarding potential actions under a hypothetical Trump 2.0 administration, particularly given India's substantial trade surplus with the US, RIS urged caution in interpreting these dynamics.

Structural transformations in bilateral trade relationships often take time and exhibit cyclical trends.

For instance, under the Trump administration, India experienced a significant decline in its trade surplus with the US in 2018.

However, this decline was temporary.

RIS noted, "Under the Trump administration, a sharp decline in the level of India's trade surplus with the US was recorded in the second year of his presidency, notably in 2018. However, this downturn was short-lived, and India's bilateral trade surplus with the US began a consistent upward trajectory until the conclusion of Trump's tenure in 2021."

The policy brief emphasised that India's proactive stance, coupled with its ability to navigate global trade challenges, will continue to temper external pressures, fostering economic stability even amid geopolitical shifts.

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