

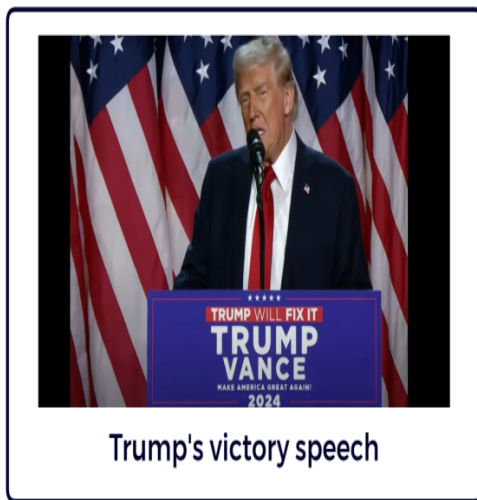
## US ELECTIONS & IMPACT ON INDIA



### CONTEXT

- The United States presidential election took place on Tuesday, November 5, 2024 with Trump claiming victory on Nov 6th.
- Donald Trump's re-election (45<sup>th</sup> President 2017 to 2021; 47<sup>th</sup> President 2024) sets a new stage for geopolitical dynamics, particularly impacting trade and international relations. This will be his 2<sup>nd</sup> and last tenure.

## Q1. What are the key points from Donald Trump's victory speech?



### Claim of Victory

Trump declared victory, referring to himself as both the 45th and 47th President of the United States, emphasizing the historic nature of his return to power.

### Call for Unity

Urged Americans to put aside divisions, stating, "It's time to unite" and "We have to put our country first."

### Focus on Key Issues

Pledged to address critical issues such as immigration, promising to "seal up our borders" and ensure that immigration occurs legally.

### Economic Promises

Vowed to fight for a "strong, safe, and prosperous America," indicating a commitment to revitalizing the economy and reducing federal income taxes.

### Praise for Allies

Introduced JD Vance as his vice-presidential running mate and praised Elon Musk as a "new star" in the Republican Party for his support during the campaign.

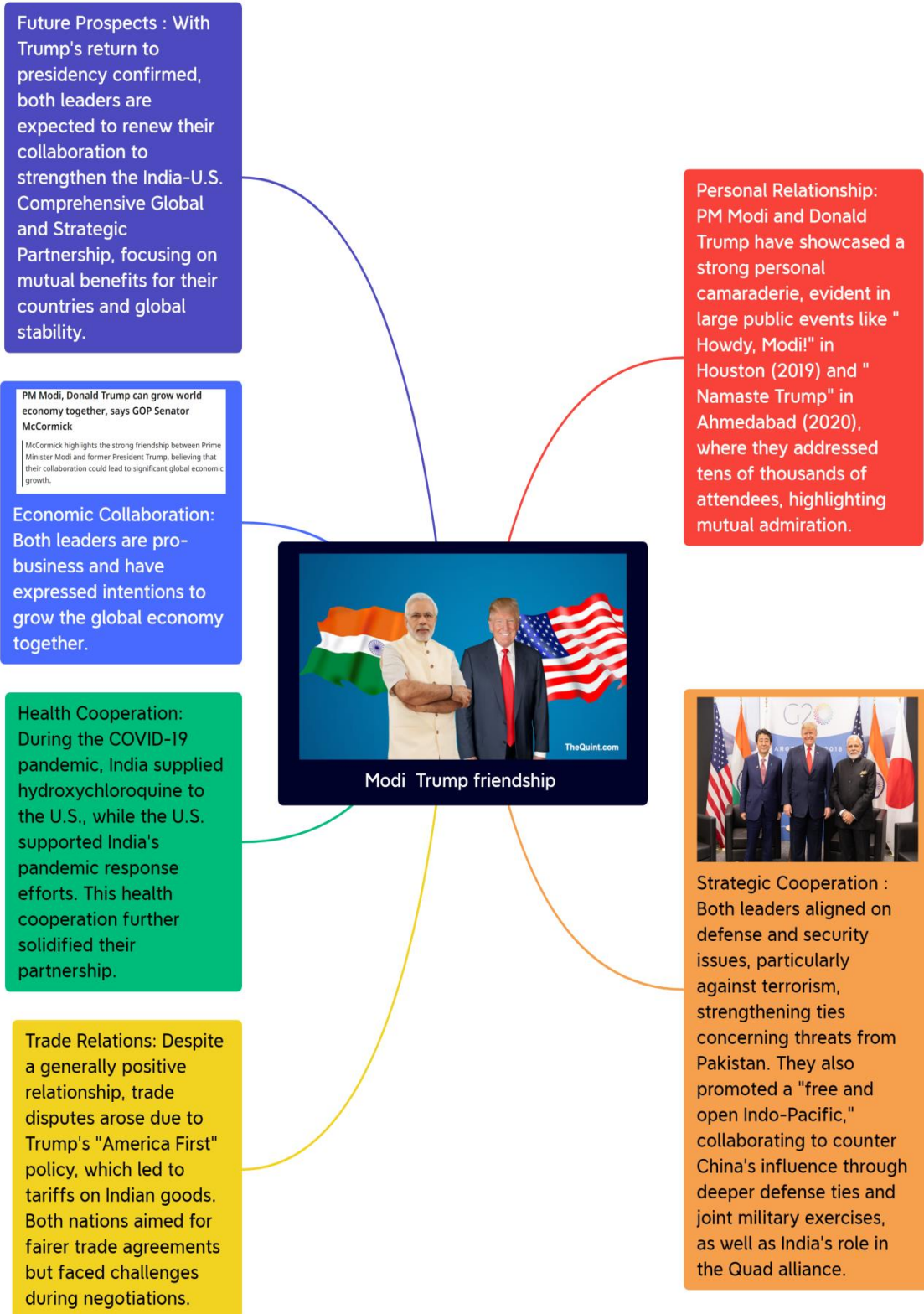
### Commitment to Healing

Promised that his presidency would help heal the country, stating, "We're going to help our country heal."

### Future Vision

Declared that America is entering a "golden age," asserting that together they would address various challenges facing the nation.

## Q2. How are PM Modi and President Trump's relations?





**Narendra Modi**   
@narendramodi

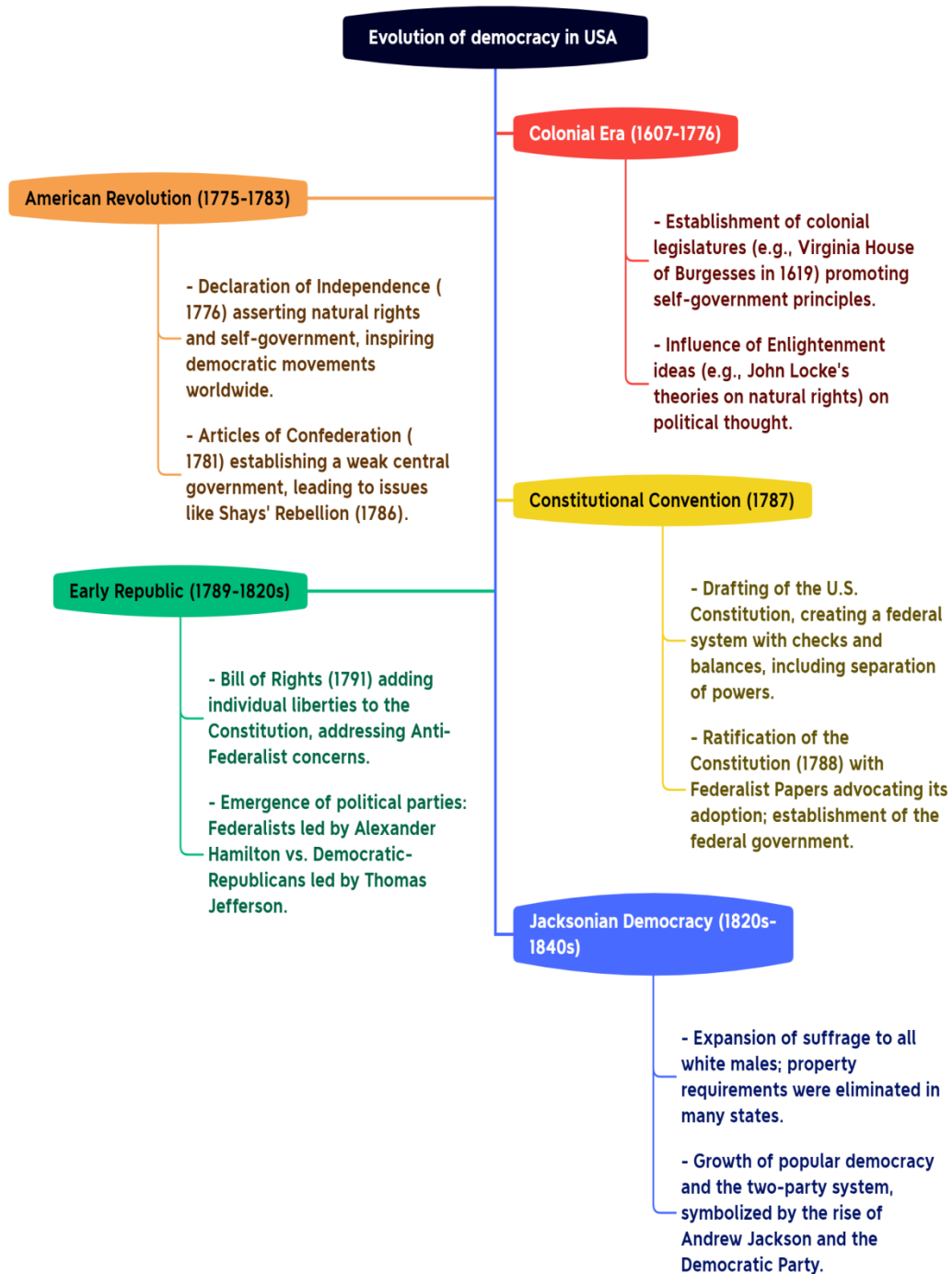


Heartiest congratulations my friend [@realDonaldTrump](#) on your historic election victory. As you build on the successes of your previous term, I look forward to renewing our collaboration to further strengthen the India-US Comprehensive Global and Strategic Partnership. Together, let's work for the betterment of our people and to promote global peace, stability and prosperity.

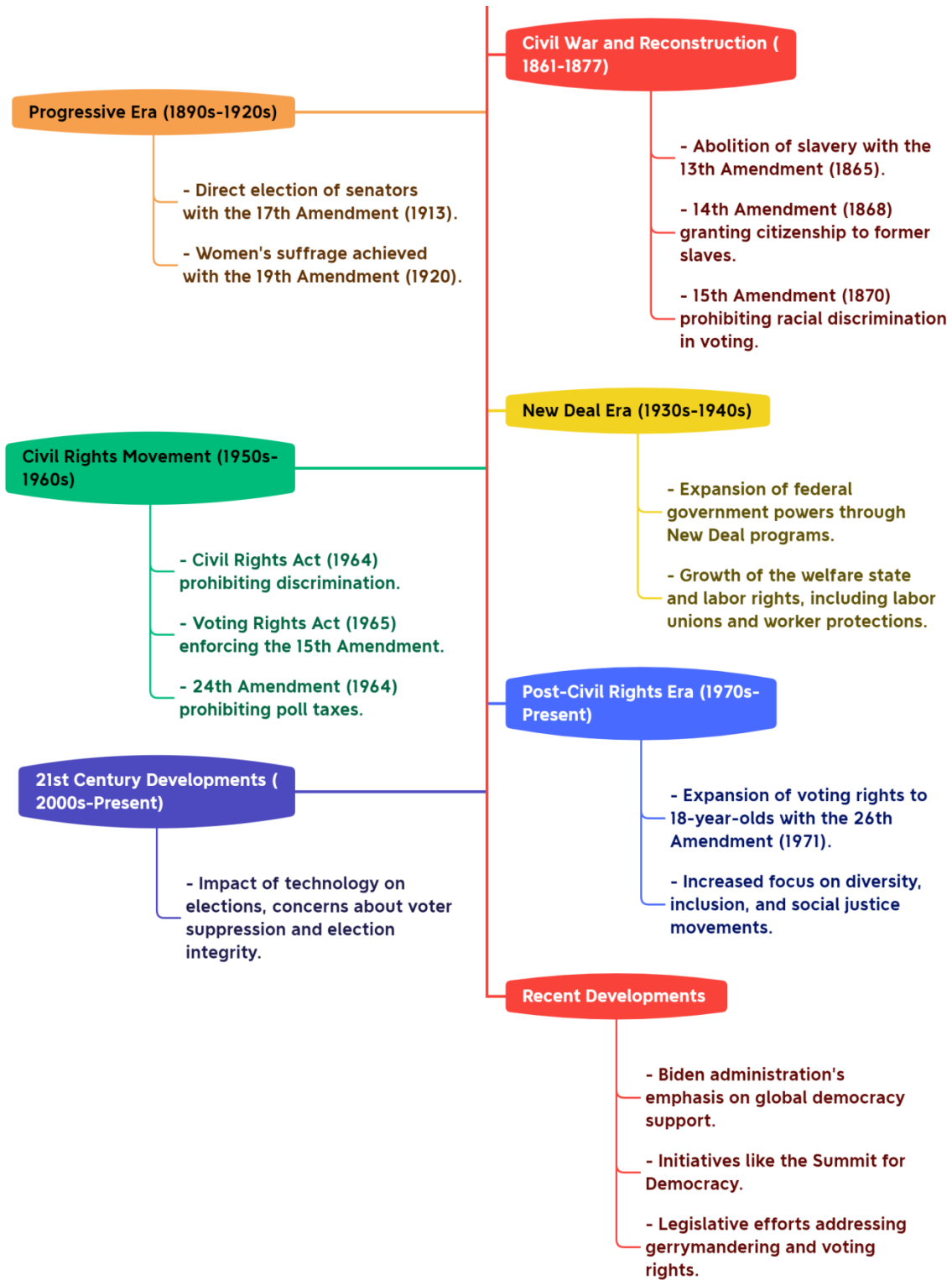


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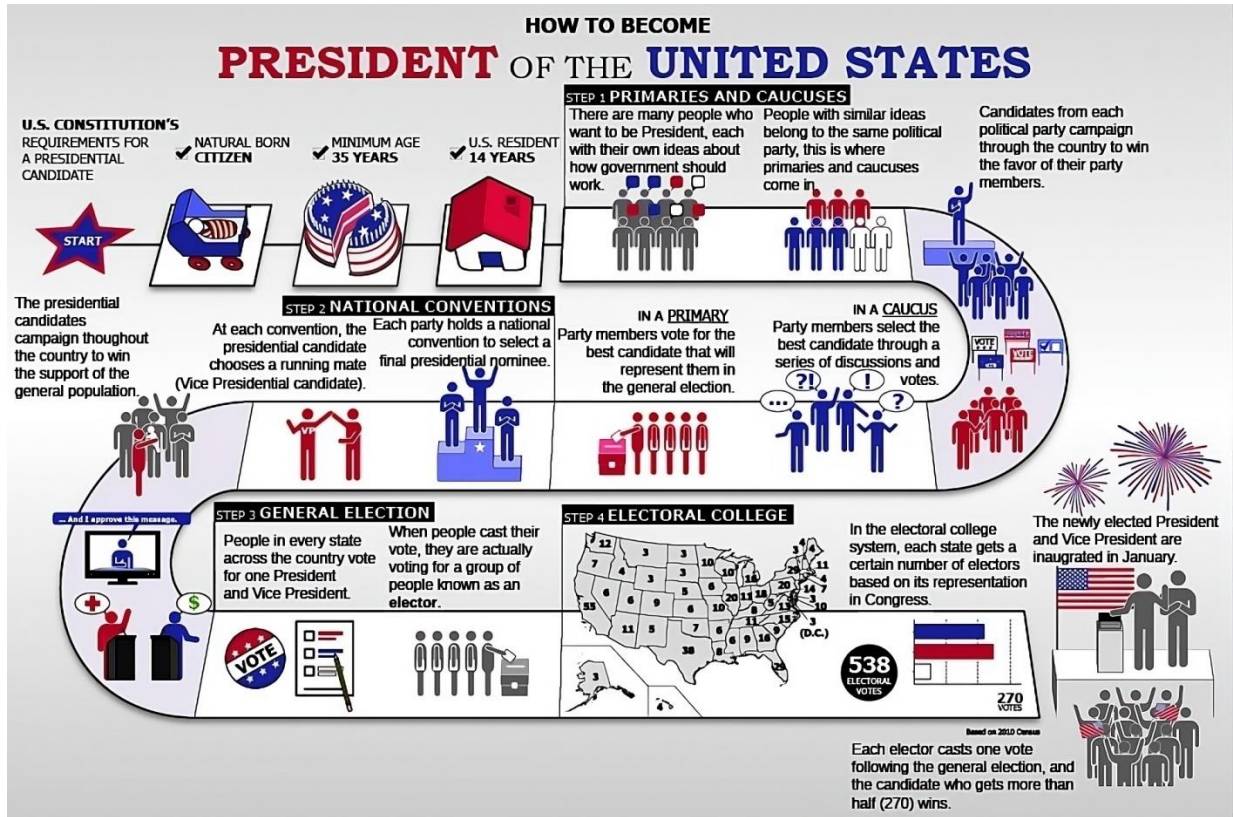
## Q.3 How USA's democracy has evolved?



**P.T.O**



**Q.4 What is the election process in USA?**



**Q.5 How Indian and US Presidents differ in functioning?**



**V.S.**



<b>Aspect</b>	<b>Indian President</b>	<b>US President</b>
<b>Powers</b>	Limited executive powers, primarily serving a ceremonial role with real power in the Prime Minister.	Significant executive authority, serving as both head of state and government, leading the executive branch.
<b>Functioning</b>	Acts on the advice of the Council of Ministers; decisions made collectively with the Prime Minister.	Autonomy to make executive decisions, appoint officials, and issue executive orders independently.
<b>Election Process</b>	Elected by an Electoral College of members from Parliament and State Legislative Assemblies.	Elected through a direct election system where citizens vote for electors who then vote for the president.
<b>Term Duration</b>	Serves a term of five years, eligible for reelection any number of times.	Serves a four-year term, may be re-elected for one additional term (totaling eight years).
<b>Impeachment</b>	Can be impeached for violating the Constitution, requiring a two-thirds majority in both Houses of Parliament.	The President can be impeached for conviction of treason, bribery, or other high crimes or misdemeanor. Impeachment is initiated by the House of Representatives, followed by a Senate trial.
<b>Executive Authority</b>	Exercises powers mainly on the advice of the Prime Minister and cabinet, with limited independent authority.	Has the authority to act independently, appoint federal officials, and direct the executive branch without Congress approval.



<b>Privileges</b>	Has certain privileges regarding immunity from legal proceedings for actions in official capacity.	Enjoys broader privileges, including executive privilege to withhold information from Congress and courts.
<b>Immunity</b>	Immune from legal proceedings for official actions but can be sued for personal actions.	Immune from civil suits for actions taken while in office but can face criminal charges for illegal activities.
<b>Political Affiliation</b>	Typically affiliated with a political party but expected to act impartially in office.	Elected based on party affiliation, representing a specific political party, and engages in partisan politics.

### Q.6 What is the status of India - USA Relations?

<b>Aspect of Relations</b>	<b>Data/Facts/Examples</b>
<b>Political &amp; Strategic</b>	<ul style="list-style-type: none"> <li>• Regular high-level visits and dialogues (e.g., <b>PM Modi's US visits, US Presidential visits to India</b>).</li> <li>• <b>Joint military exercises (Malabar, Yudh Abhyas, Vajra Prahar)</b>.</li> <li>• <b>Strategic partnerships: Quad (Australia, India, Japan, US)</b> for Indo-Pacific security.</li> </ul>

## Deals bouquet

### SEMICONDUCTOR PUSH

- ▶ **\$825 mn:** Micron will invest in a new chip assembly and test facility in Gujarat, entailing a total investment of **\$2.75 bn**
- ▶ **\$400 mn:** Applied Materials will invest over four years in a new engineering centre in India
- ▶ **Lam Research** will start a training programme for up to **60,000 engineers** in India

### DEFENCE COLLABORATION

- ▶ **GE Aerospace-HAL** will jointly manufacture F414 engines for the Tejas light-combat aircraft
- ▶ India is likely to sign a deal for **MQ-9B** SeaGuardian drones with General Atomics
- ▶ A new defence pact to allow **American Navy ships** to undertake major repairs at Indian shipyards

### SPACE EXPLORATION

- ▶ **Artemis Accords:** India joins the framework signed by two-dozen nations, excluding Russia and China, governing joint missions and civilian space exploration
- ▶ **NASA, ISRO** will launch a joint mission next year to visit the ISS

### IMMIGRATION

- ▶ The US is set to introduce in-country renewable **H-1B visas** to help Indian workers to continue with their jobs

Source: Agencies

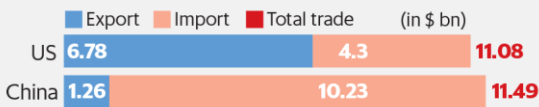
## PM Modi visit (2023)

**Economic & Trade**

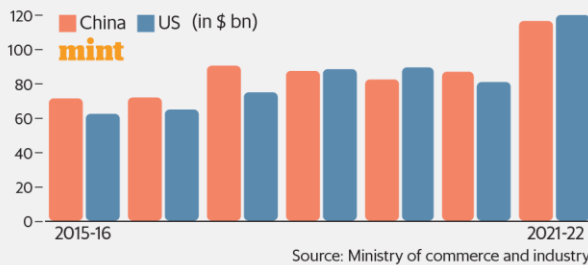
- **Bilateral trade:** \$146.1 billion (2021).
- **US is India's 2nd largest trading partner (Fy 24).**
- **Indian FDI in US:** \$22 billion (2020).
- **US FDI in India:** \$45.9 billion (2020).
- **Key sectors:** IT, pharma, energy, defense, e-commerce.

**Taking the lead**

China re-emerged as India's largest trade partner in July



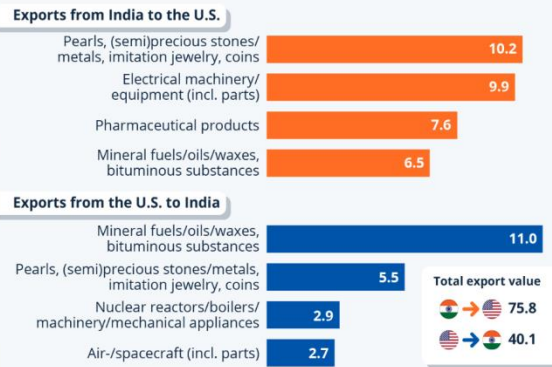
India's overall trade with China and US



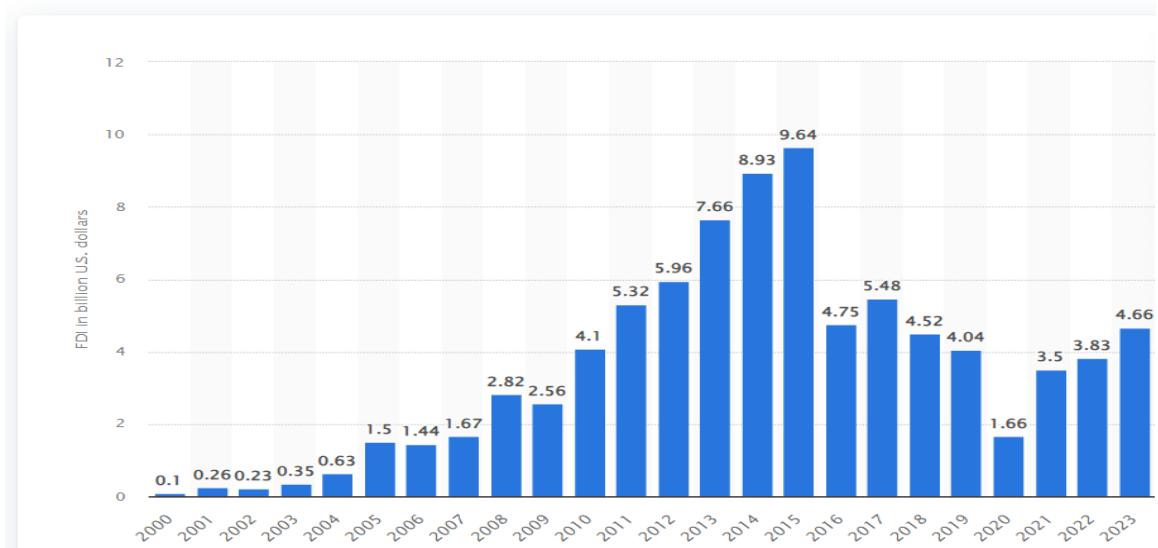
**(China Surpassed USA in FY24)**

**The U.S.-India Trade Relationship**

Top traded commodity types between India and the United States in 2023 (in billion U.S. dollars)



(in billion U.S. dollars, on a historical-cost basis)



**Foreign direct investment from India into the United States from 2000 to 2023**

<p><b>Science &amp; Technology</b></p>	<ul style="list-style-type: none"> <li>• <b>Space cooperation:</b> NASA-ISRO Synthetic Aperture Radar (NISAR) mission.</li> <li>• <b>Joint research:</b> US-India Science and Technology Endowment Fund.</li> <li>• <b>COVID-19 vaccine cooperation:</b> US supported India's vaccine production.</li> </ul>  <p>iCET to deepen <b>India's relations</b> with the USA</p> <p>Will <b>further cement India</b> as a champion of progress</p> <p><b>India-US can work together</b> to solve global problems</p>
<p><b>Education</b></p>	<ul style="list-style-type: none"> <li>• <b>Indian students in US:</b> 193,124 (2020-21, second-largest international student population).</li> <li>• <b>US students in India:</b> 4,374 (2019-20).</li> <li>• <b>Educational exchange programs:</b> Fulbright-Nehru Fellowships.</li> </ul>

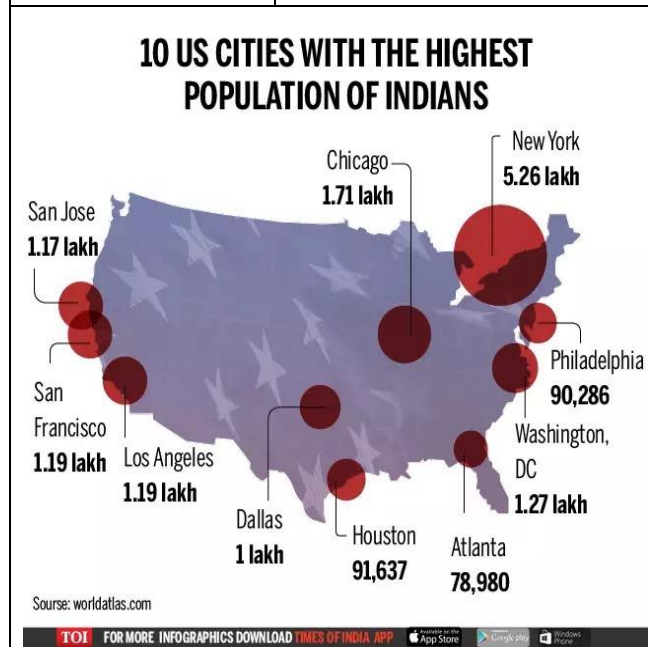


**Energy**

- US-India Strategic Energy Partnership launched in 2018.
- US LNG exports to India growing.
- Cooperation in renewable energy, energy efficiency, and oil & gas.

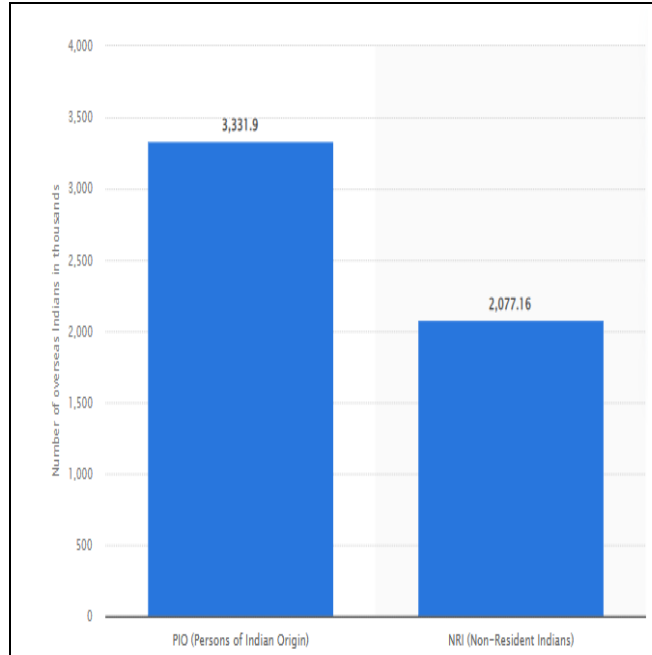
**People-to-People**

- **Indian diaspora in US: 5.1 million (2024, second-largest immigrant group)**
- **Cultural exchanges:** Dance, music, arts, and film collaborations
- **Tourism:** 1.4 million Indians visited the US in 2019

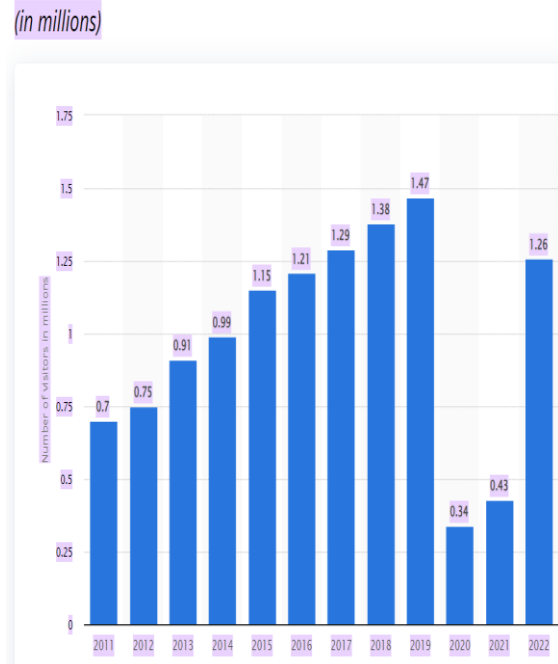


### NOTABLE INDIAN AMERICANS

- Romesh T. Wadhvani** (Symphony Technology Group founder)
- Satya Nadella** (Microsoft CEO)
- Nitin Nohria** (Harvard Business School dean)
- Indra Nooyi** (Former PepsiCo CEO)
- Sunder Pichai** (Google CEO)
- Rachel Kunjummen Paulose** (American attorney)
- Rakesh Gangwal** (Co-founder IndiGo airline)
- Shantanu Narayen** (Adobe Systems CEO)
- Vinod Khosla** (Businessman & Venture Capitalist)
- Zubin Mehta** (Musician)



**Number of overseas Indians in the United States of America (USA) as of June 2024**



**Number of visitors to the United States from India from 2011 to 2022**

**Defense**

- **Defense trade:** Over \$20 billion since 2007
- **Major defense acquisitions:** P-8I maritime patrol aircraft, C-17, C-130J, AH-64E Apache, and CH-47F Chinook helicopters
- **Defense Technology and Trade Initiative (DTTI):** Co-development and co-production of defense equipment

# INDIA-U.S. DEFENCE TIES

BY SAMEER PATIL

The recently signed Basic Exchange and Cooperation Agreement (BECA) between India and the U.S. symbolises the strengthened defence and security partnership between the two countries and the growing interoperability capabilities between the two militaries. Since the signing of the Framework for the U.S.-India Defense Relationship in 2005 (renewed in 2015), bilateral defence engagement has been thriving, characterised by high-level dialogues, joint exercises, defence trade and technology cooperation. American support has also ensured India's entry in global technology export control regimes – Australia Group, the Wassenaar Arrangement and the Missile Technology Control Regime. Membership of these regimes has enabled India's access to high technology in the civilian space and defence sectors. U.S. military equipment has added considerable value to India's power projection capability.

## MAJOR AGREEMENTS AND MECHANISMS:

2009	Counter Terrorism Cooperation Initiative
2012	Defence Technology and Trade Initiative
2015	Framework for the India-U.S. Defense Relationship
2015	Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region
2016	Logistics Exchange Memorandum of Agreement
2016	Framework for the US-India Cyber Relationship
2018	Communications Compatibility and Security Agreement,
2019	Industrial Security Annex
2020	Basic Exchange and Cooperation Agreement

## MAJOR DEFENCE EQUIPMENT SOLD TO INDIA:

EQUIPMENT	YEAR OF PURCHASE
C-130J transport aircraft	2008
C-17 transport aircraft	2009
P-8i maritime patrol aircraft	2009
Chinook CH-47 heavy-lift transport helicopters	2015
AH-64E Apache attack helicopters	2015
Harpoon anti-ship missiles	2016
MH-60 Seahawk Maritime helicopters	2020

## MAJOR JOINT EXERCISES:

SERVICE	EXERCISE	COMMENCED IN	FREQUENCY
Army	Yudh Abhyas	2004	Annual
Air Force	Red Flag (Multinational Exercise)	IAF began participating in 2008	Annual-IAF participates once in 5 years
Navy	Malabar	1992	Annual
Special Forces	Vajra Prahar	2012	Intermittent
Tri-service	Tiger Triumph	2019	N.A.

## DIALOGUES:

- 2+2 Ministerial Dialogue
- Defence Policy Group
- Homeland Security Dialogue
- Strategic Intelligence Dialogue
- Cyber Security Dialogue
- Maritime Security Dialogue

Current bilateral defence trade: **\$20 billion (since 2005)**

## EXISTING DEFENCE TECHNOLOGY COOPERATION:

PROJECT	STATUS
Near term projects	Air-launched Small Unmanned Systems (UAS), Light Weight Small Arms Technology and Intelligence-Surveillance-Targeting & Reconnaissance
Medium-term projects	Maritime Domain Awareness Solution and Virtual Augmented Mixed Reality for Aircraft Maintenance
Long-term projects:	Terrain Shaping Obstacle and Counter-UAS, Rocket, Artillery & Mortar (CURAM) system for the Indian Army

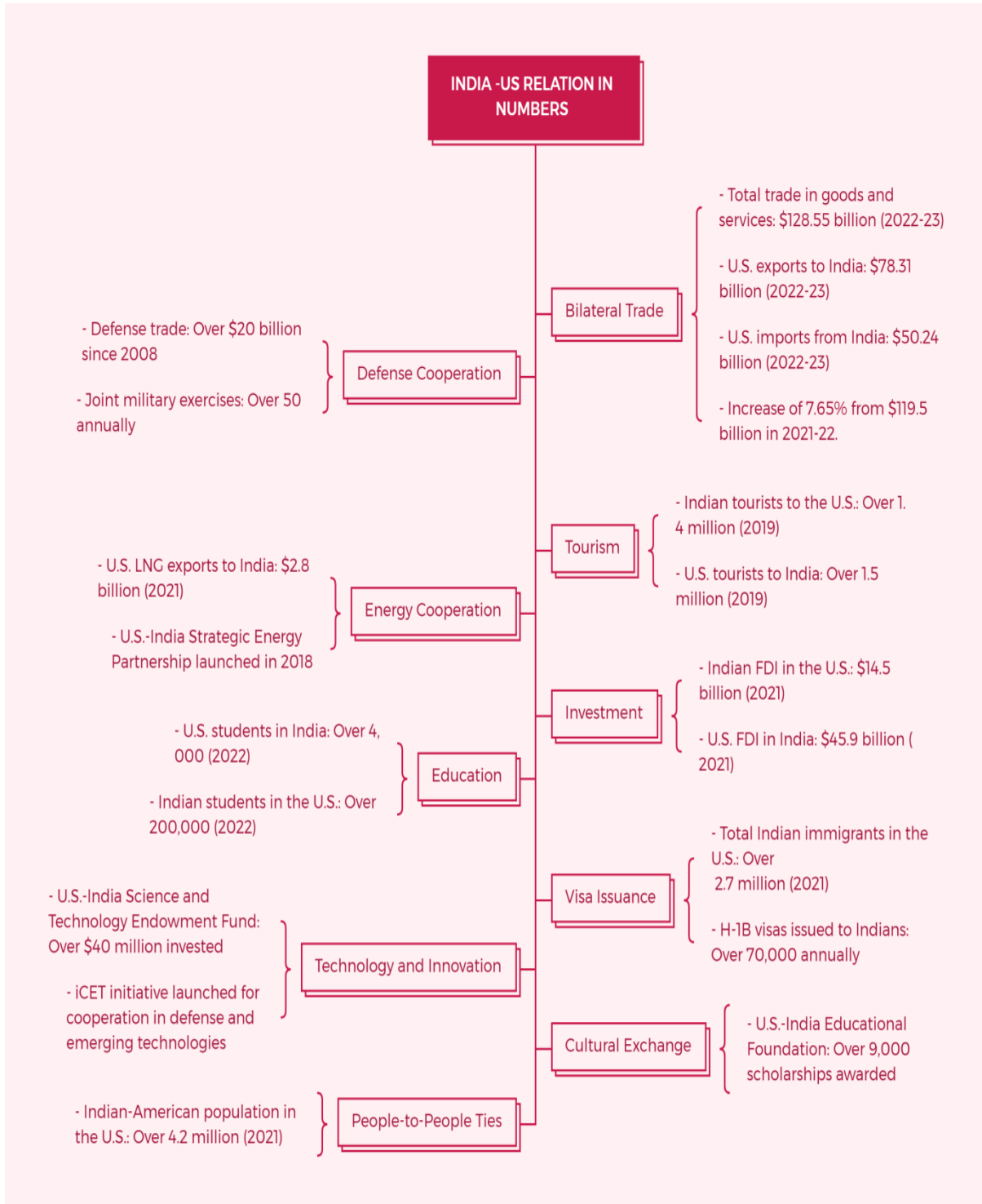
## MAJOR COMMERCIAL PARTNERSHIPS:

U.S. COMPANY	INDIAN PARTNER	EQUIPMENT
BAE Systems	Mahindra Defence	Manufacturing and assembly of M777 howitzers
Boeing	Bharat Forge	Titanium forgings for the Boeing 737 aircraft
Boeing	Dynamatic Technologies	Components for Chinook Helicopters & P-8i aircraft
Lockheed Martin	Tata Advanced Systems	Components for C-130J aircraft
Sikorsky Aircraft Company	Tata Advanced Systems	Aerospace components

<p><b>Strategic Partnership</b></p>	
	<h2 style="text-align: center;">What Is The Quad?</h2> <p style="text-align: center;">The Quad, officially the Quadrilateral Security Dialogue (QSD), is not a formal alliance. It is an informal strategic forum comprising four maritime democracies:</p> <p style="text-align: center;"><b>India, Japan, Australia and the United States</b></p> <div style="text-align: center;"> </div> <div style="text-align: center;"> </div> <div style="display: flex; justify-content: space-between;"> <div data-bbox="479 1465 958 1696" style="width: 48%;"> <p> We are united by our democratic values and our commitment to a free, open and inclusive Indo-Pacific. Our agenda, covering areas like vaccines, climate change and emerging technologies, make the Quad a force for global good</p> <p><b>NARENDRA MODI, PM, INDIA</b></p> </div> <div data-bbox="966 1465 1412 1659" style="width: 48%;"> <p> We join together as leaders of nations to welcome what I think will be a new dawn in the Indo-Pacific through our gathering</p> <p><b>SCOTT MORRISON, PM, AUSTRALIA</b></p> </div> </div> <div style="display: flex; justify-content: space-between;"> <div data-bbox="479 1701 958 1890" style="width: 48%;"> <p> We are renewing our commitment to ensure that our region is governed by international law, committed to upholding universal values and free from coercion</p> <p><b>JOE BIDEN, PRESIDENT, U.S.</b></p> </div> <div data-bbox="966 1669 1412 1890" style="width: 48%;"> <p> I wish to firmly advance our cooperation to realise a free and open Indo-Pacific, and make a tangible contribution to the peace, stability, and prosperity of the region, including overcoming COVID-19</p> <p><b>YOSHIHIDE SUGA, PM, JAPAN</b></p> </div> </div>





## INDIA-US RELATION IN NUMBERS



## Q.7 What are the challenges in India -USA relations?

Challenge	Facts & Data	Issues
<p><b>Trade Tensions</b></p>	<ul style="list-style-type: none"> <li>• India is the 9th largest trade partner for the U.S., with bilateral trade close to <b>\$120 billion in FY24, enjoying a trade surplus of \$36.74 billion.</b></li> <li>• The U.S. runs a <b>trade deficit of approximately \$29 billion with India (2021).</b></li> </ul>	<ul style="list-style-type: none"> <li>• Former President Trump labeled India a "<b>very big abuser</b>" of trade ties and threatened to impose higher tariffs on over \$75 billion worth of Indian exports if re-elected.</li> <li>• India has retaliated against U.S. tariffs on steel and aluminum by imposing higher tariffs on U.S. agricultural products.</li> </ul>
<p><b>Geopolitical Alignment</b></p> 	<ul style="list-style-type: none"> <li>• India has long-standing defense and economic ties with Russia, continuing to purchase Russian oil and weapons despite U.S. sanctions.</li> <li>• India-Russia bilateral trade increased by 49.5% in 2021, reaching \$13.12 billion.</li> </ul>	<ul style="list-style-type: none"> <li>• India's purchase of the Russian S-400 air defense system raised concerns about potential CAATSA sanctions from the U.S.</li> <li>• India did not join U.S.-led sanctions on Russia after attack on Ukraine .</li> </ul>

<p><b>Data Localization</b></p>	<ul style="list-style-type: none"> <li>• India has issued data localization rules requiring certain data to be stored within the country.</li> <li>• U.S. tech firms argue this raises operational costs and disrupts business.</li> </ul>	<ul style="list-style-type: none"> <li>• In 2018, India's central bank mandated that payments data be stored only in India, raising concerns about digital trade barriers.</li> <li>• New IT rules have further escalated tensions between the two nations.</li> </ul>
<p><b>Human Rights Concerns</b></p>	<ul style="list-style-type: none"> <li>• Reports indicate rising intolerance against Muslim and Christian minorities under the current government.</li> <li>• India's ranking in the <b>Democracy Index fell from 27th in 2014 to 53rd in 2020.</b></li> </ul>	<ul style="list-style-type: none"> <li>• The U.S. has raised concerns over India's Kashmir policy and the Citizenship Amendment Act, which critics argue discriminates against Muslims.</li> <li>• India has rejected these criticisms as interference in its internal affairs.</li> </ul>
		

<p><b>Immigration Issues</b></p>	<ul style="list-style-type: none"> <li>• Indian nationals receive over 70% of H-1B skilled worker visas issued by the U.S.</li> <li>• There is a significant green card backlog for Indian applicants, with some wait times exceeding a decade.</li> </ul>	<ul style="list-style-type: none"> <li>• In past Trump's administration previously restricted H-1B visas, impacting Indian tech workers; a return to such policies could complicate access for skilled workers from India.</li> <li>• The green card backlog remains a pressing issue for many Indian nationals seeking permanent residency in the U.S.</li> </ul>
	 <p style="text-align: center;"><b>Illegal Immigrants From India</b></p>	
<p><b>Defense Cooperation</b></p>	<ul style="list-style-type: none"> <li>• U.S.-India defense trade has grown from near zero in 2008 to over \$20 billion in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• The U.S. seeks to enhance defense cooperation through technology transfers and joint military exercises; <b>however, India's focus on indigenization may limit future collaboration opportunities.</b></li> </ul>

	<p style="text-align: center;"><b>WHAT IS CAATSA?</b>  <b>Countering America's Adversaries Through Sanctions Act. Enacted in August 2017, came into effect in January. Targets Iran, North Korea and Russia</b></p> <hr style="width: 20%; margin: auto;"/> <p style="text-align: center;"><b>INDIA'S WORRY</b>          One of its provisions targets Russian defence firms and countries doing business with them. India has defence deals worth over \$12 billion in the pipeline with Russia</p>	
<p><b>Climate Change</b></p>	<ul style="list-style-type: none"> <li>• India is the world's third-largest emitter of greenhouse gases; its per capita emissions remain significantly lower than those of the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>• The U.S. has urged India to make more ambitious climate pledges; India's emphasis on "<b>common but differentiated responsibilities</b>" complicates negotiations on climate initiatives.</li> </ul>
<p><b>Pannun/khalistani Extremist Issue</b></p>	<ul style="list-style-type: none"> <li>• <b>Pannun</b> was targeted in a foiled assassination plot allegedly directed by an Indian intelligence official; this incident has drawn significant media attention since late 2023.</li> <li>• The <b>U.S. Justice Department</b> indicted an <b>Indian national linked to this plot.</b></li> </ul>	<ul style="list-style-type: none"> <li>• While India cooperates with the U.S. investigation into Pannun's case, <b>it has rejected Canada's claims regarding Nijjar's killing as unsubstantiated.</b></li> <li>• Pannun filed a civil case in the U.S., seeking restitution against senior Indian officials he alleges are responsible for the assassination attempt.</li> </ul>

	
	 <p>He was arrested by the Delhi Police on December 18, 2023, for alleged kidnapping and extortion charges, and has been in jail since his arrest.</p>

**Q.8 What Trump 2.0 means for India-US relations?**

Aspect	Details
Trade Ties	<ul style="list-style-type: none"> <li>• Trump's protectionist policies could lead to higher tariffs on Indian exports, particularly affecting key sectors like IT, pharmaceuticals, and textiles.</li> <li>• He has labeled India as a "tariff abuser" and has threatened reciprocal tariffs if elected again.</li> </ul>

	<ul style="list-style-type: none"> <li>• Despite potential challenges, India's role as a manufacturing hub could increase due to US firms seeking alternatives to China.</li> </ul>
<b>Immigration Impact</b>	<ul style="list-style-type: none"> <li>• Trump's previous restrictions on the H-1B visa program could be reintroduced, impacting Indian tech workers and firms reliant on skilled labor.</li> <li>• Indian External Affairs Minister S. Jaishankar noted that negotiations over trade and immigration may be difficult but emphasized the generally positive relationship between Trump and Modi.</li> </ul>
<b>Inflation and Discretionary Spending</b>	<ul style="list-style-type: none"> <li>• High inflation resulting from trade barriers may disrupt rate cuts and worsen income inequality, negatively affecting middle-class consumption.</li> <li>• <b>Impact Analysis:</b> Detrimental for middle-class consumers.</li> </ul>
<b>Pharma Exports</b>	<ul style="list-style-type: none"> <li>• Pharma exports are likely to be adversely affected due to high trade barriers and unfavorable policies towards Obamacare.</li> <li>• <b>Impact Analysis:</b> Negative impact on exports.</li> </ul>
<b>IT and Immigration</b>	<ul style="list-style-type: none"> <li>• IT services firms may see reduced profits due to a tougher stance on H-1B visas; however, favorable tax policies might mitigate some negative effects.</li> <li>• <b>Impact Analysis:</b> Likely negative impact on profits.</li> </ul>
<b>Energy - Oil</b>	<ul style="list-style-type: none"> <li>• Increased oil exploration in the US could stabilize prices, benefiting India's import bill and oil marketing companies (OMCs).</li> <li>• <b>Impact Analysis:</b> Positive for India's economy.</li> </ul>

<p><b>Military Cooperation</b></p>	<ul style="list-style-type: none"> <li>• Defense ties strengthened during Trump's first term with agreements like the GE-HAL deal for jet engine manufacturing.</li> <li>• A continued strong military partnership is expected, especially in countering China's influence in the Indo-Pacific region.</li> <li>• The Quad alliance may see further military cooperation under a renewed Trump administration.</li> </ul>
<p><b>Indian currency</b></p>	<ul style="list-style-type: none"> <li>• The rupee may face depreciation due to rising inflation and prolonged high interest rates.</li> </ul>
<p><b>Diplomatic Landscape</b></p>	<ul style="list-style-type: none"> <li>• Trump's "<b>America First</b>" policy may lead to increased isolationism but also offers India opportunities to assert itself globally.</li> <li>• India's strategic interests may align with US goals in countering China, requiring careful navigation of complex geopolitical dynamics.</li> </ul>
<p><b>Economic Predictions</b></p>	<ul style="list-style-type: none"> <li>• Analysts predict that Trump's return could lead to higher tariffs impacting inflation and economic growth in India.</li> <li>• The US is India's largest trading partner, with bilateral trade reaching approximately \$190 billion in recent years.</li> <li>• A focus on protectionism could disrupt India's export-dependent sectors while presenting challenges for domestic businesses reliant on US markets.</li> </ul>

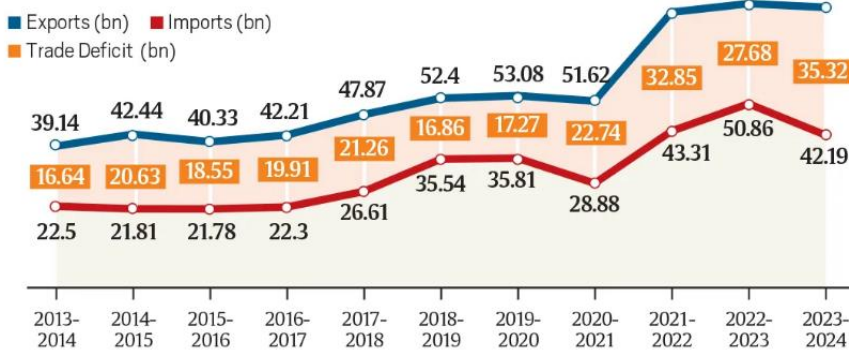


## Q.9 What Trump 2.0 means for India-U.S. trade?

### Impact on Indian Exports

- Pharmaceuticals and IT Services:** Indian pharmaceutical exports to the U.S. could face challenges, particularly due to a likely hardening of Trump's stance on H-1B visas, which may lead to increased rejections and affect profits for Indian IT services firms that rely heavily on skilled labor from India. The expectation is that Trump's administration may impose higher tariffs on goods exported from India, potentially affecting sectors like pharmaceuticals and textiles, which are crucial for India's economy.
- Trade Balance:** The U.S. is India's largest trading partner, with bilateral trade reaching nearly \$120 billion in FY24. This relationship is favorable for India, as the U.S. accounts for about 18% of India's total exports, a significant increase from 10% in 2010-11. However, Trump's previous rhetoric labeling India as a "trade abuser" suggests that he may seek to renegotiate trade terms unfavorably for India.

#### INDIA-US TRADE TRAJECTORY



Source: Commerce and Industry Ministry

#### SHARE IN TOTAL TRADE

	Imports	Exports
2023-2024	6.22%	17.73%
2022-2023	7.1%	17.41%
2021-2022	7.06%	18.04%
2020-2021	7.32%	17.69%
2019-2020	7.54%	16.94%
2018-2019	6.91%	15.87%
2017-2018	5.71%	15.77%
2016-2017	5.8%	15.3%
2015-2016	5.71%	15.37%
2014-2015	4.86%	13.67%
2013-2014	4.99%	12.44%

India-US trade; share of US in India's total foreign trade.

### Tariff Policies and Economic Effects

- Increased Tariffs:** Trump's administration is expected to revive protectionist policies, including imposing higher tariffs on Indian goods. During his first term, he imposed significant tariffs on steel

and aluminum imports from various countries, including India, under national security provisions. Similar measures could be anticipated again, which would likely strain India's export sectors.

- **Inflation Concerns:** The Peterson Institute for International Economics has projected that Trump's economic policies could lead to increased inflation in the U.S., potentially rising consumer prices significantly. This inflation could adversely impact Indian exports of labor-intensive goods such as textiles and leather products, which are sensitive to price changes in the U.S. market.

### **Strategic Opportunities Amid Challenges**

- **Decoupling from China:** While Trump's policies might pose challenges for Indian exports, they could also create opportunities. A renewed focus on decoupling from China could lead U.S. companies to seek alternative manufacturing bases in India, especially if tensions between the U.S. and China escalate. This shift could enhance India's position as a manufacturing hub.
- **Investment Flows:** During Trump's first term, U.S. foreign direct investment (FDI) in India increased significantly. If Trump maintains a favorable view towards India as a strategic partner against China, this could support continued investment flows into critical sectors.

## **Q.10 What will be the impact on India-USA defence ties?**

### **Strengthened Defence Ties**

- India's defence relationship with the US is expected to remain robust and grow stronger, driven by shared interests, particularly concerning China. Experts highlight the importance of this partnership for maintaining a free and open Indo-Pacific region.

### **Bipartisan Support**

- Both the Trump and Biden administrations have been equally supportive of India, contributing to approximately \$15 billion in arms

deals over the past eight years. This bipartisan support underscores the strategic significance of the India-US defence partnership.

**India's arms transfers from US have reached nearly \$15 billion**

(\$ million)

Date	Equipment	Amount
May, 2017	CBRN support	75
Jun, 2017	C-17 aircraft	366
Jun, 2018	12 Apache AH-64E helicopters	930
Feb, 2019	Large aircraft self-protection suites	190
Apr, 2019	MH-60R helicopters	2,600
Nov, 2019	MK 45 naval guns	1,021
Nov, 2019	C-17 support	670
Feb, 2020	Air defense systems & others	1,867
Apr, 2020	Harpoon missiles	92
Apr, 2020	16 x lightweight torpedoes	63
Apr, 2021	P-8I anti-submarine aircraft	2,420
Aug, 2021	Harpoon Joint Common Test Set (JCTS)	82
Feb, 2024	MQ-9B Remotely Piloted Aircraft	3,990
Aug, 2024	Anti-submarine sonobouys	53
Oct, 2024	MK 54 MOD 0 Lightweight Torpedoes	175

**Key Arms Sales**

- During Trump's previous term, several notable arms sales were made to India, as detailed in the table below:

Arms Sale	Value	Date
24 MH-60R Seahawk helicopters	\$2.6 billion	April 2019
Integrated Air Defence Weapon System (IADWS)	\$1.9 billion	February 2020

**Increase in Arms Imports**

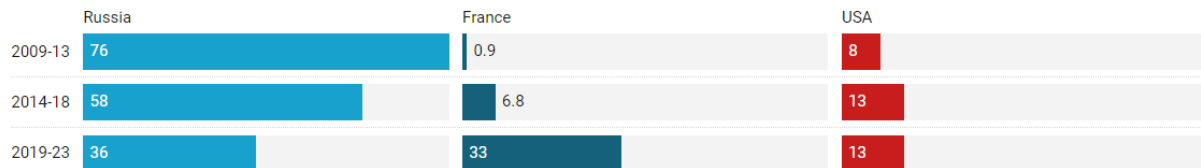
- India’s share of global arms imports rose to 9.8% between 2019 and 2023. Additionally, the US's share of India’s arms imports increased

from 8% two decades ago to 13% in 2023, reflecting a growing reliance on American defence technology.

### Reliance on US, France for imports is rising

(% share in India's imports)

■ Russia ■ France ■ USA



Source: SIPRI • Created with Datawrapper

## Defence Agreements

- Two critical defence agreements-Communications Compatibility and Security Agreement (COMCASA) and Basic Exchange and Cooperation Agreement (BECA)-were signed during Trump's presidency. These agreements enhance military cooperation and interoperability between the two nations.

## Strategic Trade Authorization

- Trump elevated India to Strategic Trade Authorization (STA-1) status, allowing access to sensitive technologies previously reserved for NATO allies. This status is expected to facilitate deeper defence collaboration.

## Potential Benefits

- Experts suggest that under Trump's leadership, India may see additional benefits, such as a reduction in conflicts related to terrorism and a potential halt to the Khalistan movement. This could further stabilize regional security dynamics.

## Need for Reciprocity

- Former ambassador Jayant Dasgupta emphasizes that while defence ties have been robust, they should not be one-sided. India should also focus on exporting defence products to balance the relationship. The

US accounted for nearly 50% of India's \$2-2.5 billion defence exports in FY24.

### Challenges Ahead

- While defence ties are strong, challenges such as trade issues and India's non-aligned stance could create friction in the relationship moving forward. Navigating these complexities will be crucial for sustaining and enhancing the partnership. This structured summary provides a comprehensive overview of the evolving India-US defense relationship in light of Donald Trump's presidency, highlighting key aspects in both paragraph and table formats for clarity.

### Q.11 Trump is tough on China, do you think this is good for India?



Shashi Tharoor, chairperson of the Parliamentary Standing Committee on External Affairs, raised concerns about immigration and trade following Donald Trump's return to power. He described Trump as having a "transactional attitude," indicating that interactions would focus on mutual benefits. Tharoor warned that Trump's tough stance on trade could lead to retaliatory tariffs if India raises its tariffs, impacting Indian exports.

He also noted potential challenges in immigration, suggesting that legal immigration numbers might decrease, affecting family reunification for Indian nationals. However, Tharoor acknowledged that Trump's strong position against China could align with India's interests, providing opportunities for cooperation.



"However, we also know he is very tough on China which is good for us as we ourselves having our own issues with China. So that is where we can find ourselves finding common cause with Mr Trump," the Congress leader said.

"The fact that he is a known commodity with a good relationship with our PM is bound to be a positive thing in the relationship between two heads of government. So all of these things are there...he has visited India before and I think we can expect there will be basic continuation of the relationship between the two countries," Tharoor added.

## **Q.12 How Trump re-election will impact Canadian PM offensive stance on India?**

With Donald Trump projected to return as US President, analysts expect a positive shift in America-India relations, largely due to Prime Minister Narendra Modi's strong rapport with Trump. This could complicate matters for Canadian Prime Minister Justin Trudeau, whose relationship with India has deteriorated following his accusations linking India to the killing of Khalistani separatist Hardeep Singh Nijjar.

Trudeau's call for an investigation into alleged Indian involvement has strained diplomatic ties, leading to suspended trade negotiations and the expulsion of Canadian diplomats by India. Experts suggest that Trump's presidency may strengthen Modi's position, enhancing India's global influence.

Patrick Brauckmann predicts Modi will likely be among the first world leaders to visit Washington under Trump. Modi congratulated Trump on his election victory, expressing eagerness to renew collaboration.

Trudeau faces a precarious situation, with commentators warning that his strained relationship with India could lead to political and diplomatic isolation. Some suggest Canada may benefit from a leadership change to better navigate relations under Trump. Overall, the rift between India and Canada could impact trade and immigration ties significantly.

## Q.13 What is the stance of Donal Trump on world conflicts?

### Ukraine Conflict

- **Trump** claims he could quickly end the Ukraine war, emphasizing his "good relationship" with Vladimir Putin. However, he has not detailed how he would achieve peace or address Ukraine's territorial integrity, potentially straining U.S.-European relations if his terms are unfavorable to Ukraine.



## Middle East Peace Efforts

- **Trump** has historically backed Israel and its military actions, aligning closely with Prime Minister Benjamin Netanyahu. His administration facilitated the **Abraham Accords**, normalizing relations between Israel and several Arab nations. However, his approach may lack credibility with Palestinian leadership.



## Q.14 How Trump's re-election will impact India's neighbours?

### Geopolitical Dynamics

- **Strengthened US-India Relations:** Trump's close relationship with Prime Minister Narendra Modi may enhance India's standing in South Asia, potentially affecting neighboring countries like Pakistan and China. Trump's administration is likely to continue its focus on countering Chinese influence, aligning with India's strategic interests.
- **Impact on Pakistan:** Trump has previously indicated a willingness to engage with Pakistan but has emphasized accountability in counter-terrorism efforts. His administration may maintain pressure on



Pakistan regarding its role in regional terrorism, which could strain Islamabad's relations with Washington.

## **Trade Relations**

- **Tariffs and Trade Policies:** Trump's protectionist stance may lead to renewed scrutiny of India's trade practices. He has criticized India for high tariffs and could push for reciprocal tariffs if he perceives unfair trade practices. This could affect India's export viability and economic relations with its neighbors.
- **Economic Opportunities for India:** Trump's "China Plus One" strategy might encourage US companies to diversify supply chains, potentially benefiting India as an alternative manufacturing hub.

## **Immigration Policies**

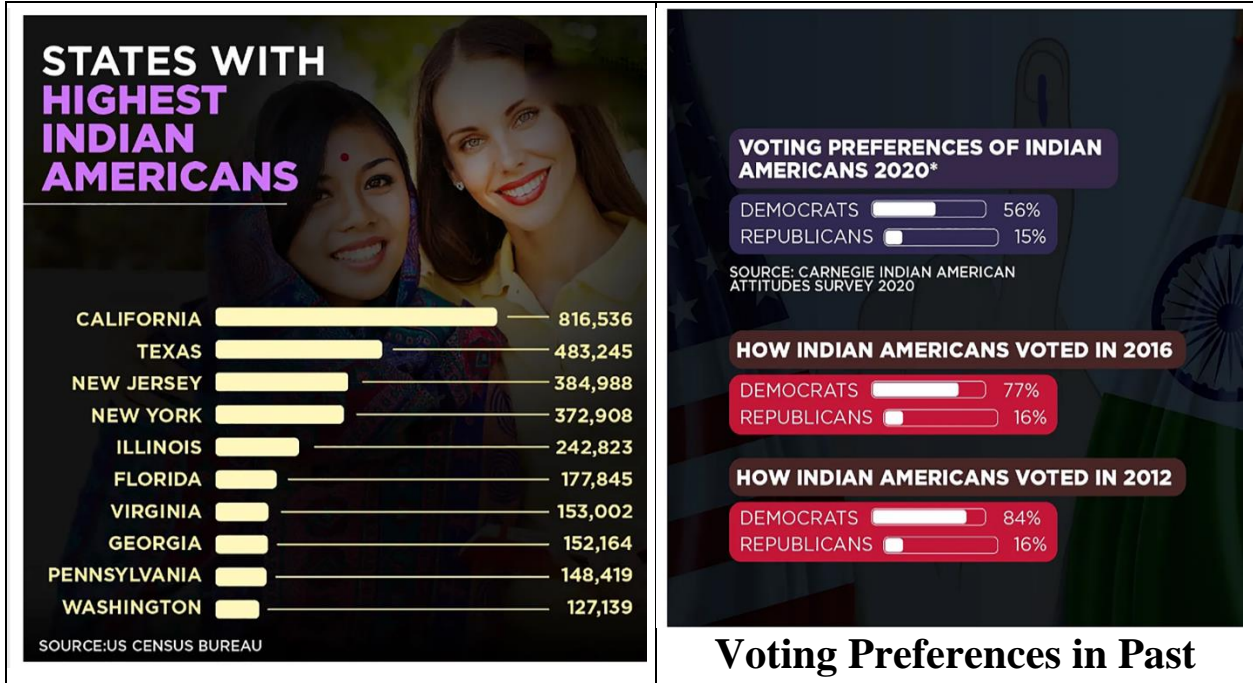
- **H-1B Visa Restrictions:** Trump's previous administration implemented strict immigration policies that affected Indian professionals, particularly in the tech sector. If similar policies are reinstated, it could limit opportunities for skilled Indian workers, impacting the Indian diaspora and tech firms reliant on this talent.
- **Regional Workforce Dynamics:** Stricter immigration laws could push Indian tech firms to explore other markets or invest more domestically, altering workforce dynamics in neighboring countries that rely on Indian talent.

## **Regional Tensions**

- **Bangladesh and Sri Lanka:** Trump's foreign policy may also influence India's relations with its immediate neighbors like Bangladesh and Sri Lanka. His administration's stance on issues such as human rights and regional stability could affect diplomatic ties.
- **China's Response:** China's reaction to a Trump presidency could further escalate tensions in the region, especially if the US continues

to strengthen its military partnerships with India and other countries in the Indo-Pacific.

**Q.15 What is the influence of Indian diaspora on election?**



**Demographic Significance**

- Indian Americans number over 5.2 million, representing approximately 1.5% of the U.S. population.
- The Indian American population grew by over 50% between 2010 and 2020, making it the second-largest immigrant group in the U.S.
- The median household income for Indian Americans is significantly higher than the national average, indicating strong socioeconomic status.

**Political Trends**

- Historically, Indian Americans have leaned heavily Democratic; however, Democratic identification has declined from 56% in 2020 to 47% in 2024.

- A noticeable shift towards Republican candidates is evident among younger voters, particularly young men, who increasingly support figures like Donald Trump.
- Key issues for the community include economic concerns and immigration policies.

## Engagement Strategies

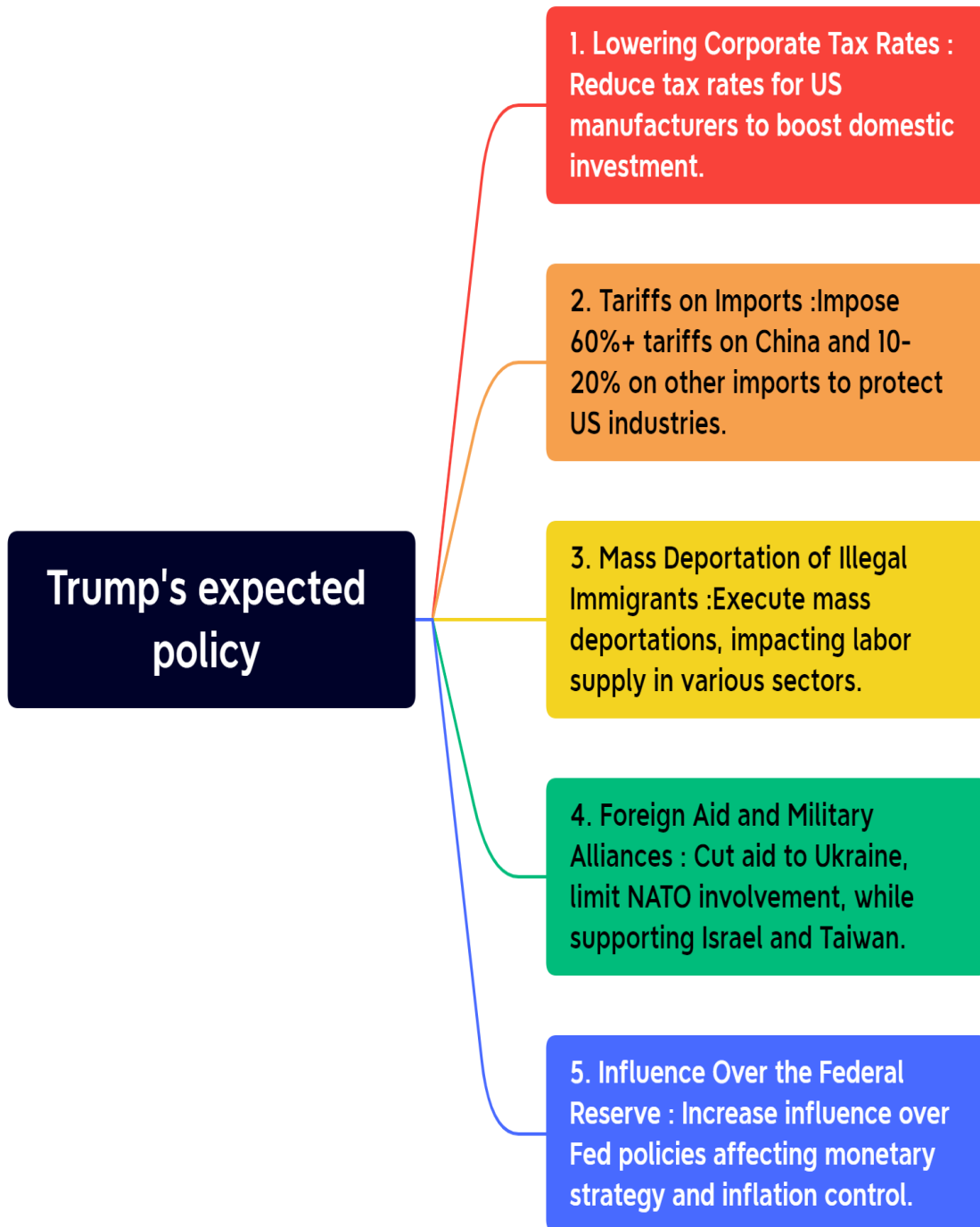
- Both major parties actively court Indian American voters, with targeted campaigns aimed at addressing their specific interests.
- The Trump campaign engages young Indian men through popular media and messaging focused on economic stability and strong U.S.-India relations.
- Organizations like Indian American Impact mobilize grassroots support for Democratic candidates, particularly Kamala Harris.

## Election Impact

- Polling indicates that about one in three Indian Americans may vote for Trump in 2024, suggesting potential swing votes that could influence tight elections.
- The visibility of candidates like Kamala Harris has increased political interest and participation within the Indian American community.
- Greater activism among Indian Americans is fostering engagement in the electoral process.




## Q.16 What are Trump's expected policy as President?



**Q.17 How USA election results will impact World?**



Aspect	Trump's Victory
<p><b>Market Volatility</b></p>	<p>Increased volatility in global markets; potential stronger U.S. dollar.</p>  <p><b>Bitcoin hits record high, surpasses \$75,000 as Trump leads in US exit polls (as of 6 November)</b></p>
<p><b>Trade Relations</b></p>	<p>Possible tariffs on Indian goods could strain export competitiveness.</p>
<p><b>Support for Immigration</b></p>	<p>Restrictive policies could complicate access to H-1B visas for Indian professionals; increased scrutiny on immigration processes.</p>

	 <p style="text-align: center;"><b>Trump In previous Tenure 2017</b></p>
<p><b>Kashmir Issue</b></p>	<p>Trump's past comments on Kashmir may lead to a more hands-off approach, potentially emboldening Pakistan.</p> 
<p><b>BRICS Relations</b></p>	<p>Trump's focus on bilateral relations might lead to a diminished role for BRICS; emphasis on U.S.-India ties over multilateralism.</p>
<p><b>Iran Issue</b></p>	<p>Trump's hardline stance on Iran could lead to increased tensions in the region, impacting India's energy security and trade routes.</p> <div data-bbox="565 1577 1305 1877">  <p><b>Donald J. Trump</b> @realDonaldTrump</p> <p>To Iranian President Rouhani: NEVER, EVER THREATEN THE UNITED STATES AGAIN OR YOU WILL SUFFER CONSEQUENCES THE LIKES OF WHICH FEW THROUGHOUT HISTORY HAVE EVER SUFFERED BEFORE. WE ARE NO LONGER A COUNTRY THAT WILL STAND FOR YOUR DEMENTED WORDS OF VIOLENCE &amp; DEATH. BE CAUTIOUS!</p> </div>

2018	
<b>Economy</b>	<p>Promises to “make America affordable again” with increased oil-drilling, lower interest rates, tax cuts, and import tariffs.</p> <div style="text-align: center;">  <p>“Ladies and gentlemen, I am officially running for president of the United States and we are going to make our country great again!” Donald Trump</p> </div>
<b>Immigration</b>	<p>Vows to seal the border with Mexico, increase funding for ICE, and promises the biggest mass deportations of undocumented migrants in U.S. history.</p> <div style="text-align: center;">  </div>
<b>Foreign Policy</b>	<p>Advocates disentangling the U.S. from conflicts worldwide, including Ukraine, and claims he will negotiate an end to the war with Russia’s President Putin “<b>within 24 hours.</b>”</p>

	 <p><b>TRUMP CLAIMS HE CAN BRING SWIFT RESOLUTION TO RUSSIA-UKRAINE CONFLICT, QUESTIONS BIDEN LEADERSHIP</b></p>
<p><b>Climate</b></p>	<p>Openly not caring much for climate change, rolled back environmental protections, pulled out of the Paris Agreement, and expanded the U.S. carbon footprint.</p> <div data-bbox="467 892 1404 1365"> <p><b>“</b> We must reject the <b>perennial prophets of doom</b> and their predictions of the apocalypse</p> <p><b>“</b> I don't believe it.</p> <p>The concept of global warming was <b>created by and for the Chinese</b> in order to make U.S. manufacturing non-competitive.</p> <p><b>“</b> I don't think it's a <b>hoax</b>, I think there's probably a difference. But I don't know that it's manmade.</p> <p><b>“</b> The environment is very important to me. Someone wrote a book that <b>I'm an environmentalist</b></p> <p>It's freezing in New York — <b>where the hell is global warming?</b></p> <p>The badly flawed Paris Climate Agreement protects the polluters, hurts Americans, and <b>cost a fortune. NOT ON MY WATCH!</b></p> <p><b>“</b> The United States will join <b>one trillion trees</b> initiative</p> <p>The weather has been so cold for so long that the <b>global warming HOAXSTERS</b> were forced to change the name to climate change to keep \$ flow!</p> <p><b>“</b> I want the cleanest water on the planet. <b>I want the cleanest air anywhere — crystal-clean water</b></p> <p><b>Donald J. Trump</b></p> </div>



## Q.18 What is the way forward for India - USA relations?



## Relevance for Prelims and Mains:

### Relevance for UPSC Prelims

- a. **Bilateral Importance:** Key to understanding international relations; significant for questions on global diplomacy.
- b. **Historical Context:** Evolution from Cold War estrangement to strategic partnership, including milestones like the 2008 Civil Nuclear Agreement.
- c. **Current Developments:** Recent initiatives (e.g., clean energy partnerships, defense technology) relevant for current affairs.
- d. **Economic Engagement:** Significant trade figures (e.g., USD 128.55 billion in 2022-23) highlight economic ties.

### Relevance for UPSC Mains

- a. **Strategic Cooperation:** Defense agreements (LEMOA, COMCASA) essential for discussions on security and military collaboration.
- b. **Challenges:** Issues like India's ties with Russia and US sanctions (CAATSA) provide critical analysis points.
- c. **Geopolitical Implications:** The strategic rivalry with China in the Indo-Pacific is vital for regional security discussions.
- d. **Socio-Cultural Ties:** The impact of the Indian diaspora enhances cultural relations and soft power analysis.
- e. **Future Prospects:** Examining future trajectories in climate change and technology cooperation is crucial for forward-looking essays.

### Some previous years prelims questions:

- Q1. What is “Terminal High Altitude Area Defense (THAAD)”, sometimes seen in the news? (2018)
- (a) An Israeli radar system
  - (b) India’s indigenous anti-missile program
  - (c) An American anti-missile system
  - (d) A defence collaboration between Japan and South Korea

**Ans: (c)**

Q2. Which of the following countries is not a member of NATO?  
(2019)

- (a) Canada
- (b) Australia
- (c) Turkey
- (d) France

**Ans: (b)**

### Some questions for QUIZ.

Q1. Which organization did India join that reflects its growing ties with the U.S. and other nations focused on countering China?

- (a) NATO
- (b) BRICS
- (c) Quad (Quadrilateral Security Dialogue)
- (d) G7

**Ans: (c)**

### Some previous years mains questions.

Q1. “What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India’s National self- esteem and ambitions” Explain with suitable examples.  
(2019)

### Some questions from this year and previous years interview transcripts.

#### Raj Shukla Sir

- Should India move away from Russia and closer to USA?
- USA has failed to do anything with respect to Ukraine. Do you think it will attack China if China annex Taiwan?
- USA is very close to Ukraine, only around 1000 KMs while Taiwan is around 10000 KMs, sorry, whatever the distance is. The fall of Avdiivka is an eye opener with respect to US Failure. What will it be able to do in South China Sea if it cannot act in its neighborhood?

**Suman Sharma Ma'am**

- What are your views on INDIA - USA relation?
- Recent NATO conflict - role of USA, UK and France respectively. If Donald Trump elected again, how will he see NATO?
- What will happen if Trump comes to power - vis-a-vis Ukraine and Taiwan?
- USA is killing foreign nationals on foreign soils like Osama Bin Laden, then why it objects India's actions?
- If India takes such actions on other soils, could USA and Western countries question India on that?

**Dinesh Dasa sir**

- Why Trump is a populist leader?
- Donald Trump not been allowed to contest elections in 2 states, there was a recent judgement. This is what rule of law or rule by law?

**Some Questions for POLL:**

- Q1. Do you think right wing government by Trump will be geopolitically beneficial for India?
- (a) YES
  - (b) NO
  - (c) Can't say.
- Q2. Should India shift its alignment towards the USA and away from Russia?
- (a) YES
  - (b) NO
  - (c) Can't say.

