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# India-US Interim Trade Pact Marks Historic Leap Towards \$500 Billion Trade Target

Mumbai, February 7, 2026:

India and the United States have taken a major step forward in strengthening their strategic and economic partnership with the signing of an Interim Trade Pact, setting the stage for an ambitious \$500 billion bilateral trade target in the coming years.

The agreement, signed within days of its announcement, underscores the seriousness both nations attach to expanding trade ties. The interim pact significantly reduces import duties from as high as 50% to zero on several key Indian export sectors, including gems and jewellery, pharmaceuticals, agricultural products, smartphones, and auto components.

Welcoming the announcement, Dr. Vijay Kalantri, Chairman of World Trade Center Mumbai and President of the All India Association of Industries (AIAI), described the deal as a “transformational moment” for India’s global trade positioning.

“With today’s joint statement, it is amply clear that this trade deal will support India’s long-term vision of Viksit Bharat, strengthening our role in international trade while cementing our geopolitical and geoeconomic partnership with the United States,” Dr. Kalantri said.

The broader contours of the agreement were outlined in a joint statement by both countries, followed by a press conference addressed by Union Commerce Minister Piyush Goyal, who indicated that the final Bilateral Trade Agreement (BTA) is expected to be completed by March 2026.

According to trade experts, the immediate reduction in tariffs gives Indian exporters a significant competitive advantage over other global players, particularly benefiting MSMEs, job creation, and export-led growth.

Dr. Kalantri further highlighted that unlike several other trade agreements signed with regions such as the EU, UK, and New Zealand—whose benefits will materialize gradually—the India-US interim pact delivers immediate economic impact.

“The provisions on technology transfer and investment cooperation will boost India’s startup ecosystem, innovation capacity, and access to critical ICT products. This will not only accelerate economic growth but also strengthen national security,” he added.

Importantly, the pact reassures domestic stakeholders that India has not compromised on sensitive and strategic sectors, addressing political and economic concerns while ensuring broad acceptability of the agreement.

Trade analysts view the interim pact as a strong foundation for a comprehensive long-term trade framework, positioning India and the US as key economic partners in an increasingly competitive global landscape.