



***TERRORISM AND SOVEREIGNTY  
OUTWEIGHT TARIFFS FOR INDIA'S  
US TIES***

BY HINDOL SENGUPTA

*Hindol Sengupta (hindol.sengupta@gmail.com) is professor of international relations at the O. P. Jindal Global University in India.*

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Much debate on India's relationship with the second Trump administration has focused on the issue of tariffs and how their rapid increase under a broad reciprocity principle (as President Trump is fond of mentioning) could negatively impact the India-US relationship.

Some assessments suggest that India, which counts the US among its main export destinations, could take a significant hit and Trump's effort to force-balance trade between India and America—which leans significantly towards India's benefit at the moment—could cause a rupture in the relationship. India-US trade in goods totaled around \$129.2 billion in 2024—with a trade deficit of around \$45 billion for the US, an increase of [more than 5%](#) from 2023. A tariff war that hurts India is seen as particularly worrying considering the relatively warm equation between Prime Minister Narendra Modi and President Donald Trump.

The two countries are working on a trade deal that mitigates the impact of any tariff rise, and some commentary suggests that India will find it particularly difficult to deal with the second Trump administration, which is likely to be more transactional than Trump's predecessors'.

But there is an important reason to argue that Modi, in his third consecutive term and with his Bharatiya Janata Party (BJP) winning a series of significant poll victories in Indian states, is gearing up to deepen the relationship with the US to unprecedented levels. The assessment in New Delhi is that, contrary to popular belief, the Trump administration is more understanding about some India's key needs than the Biden administration.

While India is happy to negotiate higher energy purchases, both in oil and gas from the US (America is now India's second-biggest gas supplier and fifth-largest crude oil source), it believes that the pressure to drastically cut off purchases from Russia (a demand often repeated by the Biden administration) is unlikely to be as relentless under a Trump administration, which is starting to sit down to thrash out a peace deal with Vladimir Putin.

More action on the nuclear front would be welcome in India too, but while there seems to be some movement toward reducing liability of suppliers (an old roadblock) in India there is recognition that nuclear plants are not built in a day. India is pursuing deeper nuclear engagement with France too and if the US and India could move smoothly, and with some speed, in this direction it could be a game-changer for India's sustainability goals. India has enormous need for energy to maintain growth levels at above 7% in the world's most populous nation with a per capita income still at under \$3,000.

But beyond these and other economic and defense-related issues, there seems to be little recognition in the US (or in the broad Western press) on why India is hopeful about Trump 2.0. That reason has nothing to do with trade, goods, or energy purchases and everything to do with the way India's thinks about its sovereignty issues.

For several years there has been a consistent feeling in New Delhi's political and security establishment that the West, and specifically America, does not take its sovereignty challenges seriously. Indeed, they feel several elements in the US establishment might seek to contain India's rise and keep it relatively destabilized. India feels that this kind of prejudice

exists in some parts of Europe, and certainly in parts of the British establishment, but for practical reasons it cares much less about what the United Kingdom or even the European Union thinks. From the vantage point of New Delhi, the UK seems hopelessly in disarray and the EU too deeply divided to be of any real concern.

India recognizes that resources targeting its democracy and sovereignty have far greater potency coming from America. It surprised many in India that the Biden administration seemed to constantly target India on issues that it considers its internal matters, such as the methodologies of the Modi government to tackle illicit migration, citizenship verification, reform in agrarian law, and even lending *soto voce* support to Khalistani separatists who attacked Indian consulates in the US and Canada, and to Islamist groups. The ouster of Bangladeshi Prime Minister Sheikh Hasina and the establishment of an interim government with [deep ties](#) to the Democratic Party establishment was also not lost on India. There is serious concern in India that forcing Hasina out of power, and out of Bangladesh, has allowed Islamists in that country to gain considerable strength, and is adding to turmoil on India's eastern border.

In this light, the decision of the Trump administration to [deport Tahawwur Hussain Rana](#), a former military doctor in the Pakistani army, and allegedly one of the people who provided assistance to Lashkar e-Taiba terrorists in the deadly terror attack on Mumbai in November 2008, to India has been welcomed as a confidence building measure.

The key thing that is not understood about today's India in the West, including in America, is this: As a rising power India is anxious about threats to its sovereignty, and with a history of conflict both with Pakistan and China and sometimes hostile relations with Bangladesh, it watches carefully any incident perceived to be a containment tactic, or which provides support to its detractors in the neighbourhood. America's long history of support to Pakistan is remembered only too well.

The Indian administration believes that the Global North does not take concerns of the Global South,

especially on issues of security, with adequate seriousness. There is constant apprehension that internal fissures in India and its diverse politics could be used by external agents to foment secessionist trouble.

The recent expose in America about USAID funding provided for a variety of causes, including ostensibly to [boost voting numbers](#) in India (the country usually has [higher voting percentages than the US](#)) is seen as an attempt to interfere with domestic politics in India—and a desire to ensure that only governments acquiescent to American demands are elected in India.

There is a fundamental ideological issue at play here. Much of the Global North—especially the liberal elite—are suspicious of nationalism because of their own distinct histories with it. But India's experience is different, and as a post-colonial country it sees nationalism as a force multiplier for national cohesion and purpose. Without nationalistic fervor and goal-setting, many Indians do not believe their country could attain the development goals that India wants to achieve.

In this too, the Trump-Vance rhetoric of putting nation first does not seem awkward or unfair to India (as it does to, say, Europeans). Recognition—again reiterated by Trump and co.—that a one-size-fits-all cultural globalization is not necessarily the only way, and that countries have unique attributes and nuances that come in play and which need to be better understood is something that resonates with New Delhi.

While America's European allies might consider Trump more transactional than they prefer, this is not a problem for New Delhi. India is convinced of both its importance to the US, especially in the Indo-Pacific but also as a market and in the global supply chain. Dealmaking is not a problem for India but it does not take kindly to being lectured to or hectorred, and feels that a chaotic West, which can barely control strife in their own societies, should not sit in judgment over others. With around 900 million voters, New Delhi forcefully rejects lectures on democracy from other countries. It wishes to underline that it is not that India is averse to a rules-based order, but it definitely

desires those rules to be uniformly applied and to be of benefit to all countries rather than a handful of developed countries from the Global North.

Indian foreign minister S. Jaishankar often talks about Western liberal hypocrisy toward countries like India, without adequate consideration about these countries' unique positionality and challenges. Therefore, a little less of the past moral posturing and judgement will go a long way in boosting India-US ties and make them insulated from any tariffs or related swings.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.*