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India-U.S. Trade Deal Faces Delays

India and the U.S. announced a comprehensive Bilateral Trade Agreement in February 2025, initially targeted for Fall 2025, but it has been delayed.

A comprehensive Bilateral Trade Agreement (BTA) between India and the U.S. aimed at enhancing trade and economic cooperation.

KEY EXAM POINTS

- **India** and the **U.S.** announced their intention to work towards a comprehensive **Bilateral Trade Agreement (BTA)** in **February 2025**.
- The **BTA** was initially targeted for finalization by **Fall 2025**.
- A **framework agreement** for an interim deal was signed in **February 2026**.
- Negotiations continue on **non-tariff aspects** such as enhanced **market access**, **digital trade**, and **supply chain resilience**.
- Cooperation is also being expanded in **strategic sectors** and for the reduction of **non-tariff barriers**.
- Delays are attributed to factors like **tariffs** and **geopolitical tensions**, including **India's Russian oil purchases**.

DID YOU KNOW..!?

The **Union Government**'s power to enter into international treaties and agreements is an **executive function** derived from the **Indian Constitution**.

Article 253 of the **Indian Constitution** empowers **Parliament** to make any law for implementing **international treaties**, agreements, or conventions.

The **Ministry of Commerce and Industry** is the nodal ministry responsible for formulating and implementing India's **foreign trade policy** and agreements.

Bilateral Trade Agreements (BTAs) are pacts between **two countries** designed to promote **trade and economic cooperation**.

Non-tariff barriers are **trade restrictions**, such as quotas, embargoes, or sanctions, that are not **tariffs**.

The **BRICS nations** adopted the **Guwahati Declaration** to strengthen cooperation against **illicit drug trafficking**.

Under **World Trade Organization (WTO)** rules, the **Most Favoured Nation (MFN)** principle requires countries to treat all trading partners **equally**.

REVISION FLASHCARD

India-U.S. Bilateral Trade Agreement (BTA) delayed due to tariffs and geopolitical tensions.

Syllabus Relevance: High

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