

# Trade war with India will not be in the interest of US, says RIS

By ET Bureau Last Updated: Jan 01, 2025, 06:50:00 AM IST

## Synopsis

Initiating a trade war with India is not beneficial for the US as previous policy shifts under the Trump administration showed temporary setbacks followed by recovery. India's trade surplus with the US declined initially but later resumed growth due to resilient and strategic responses from India.



Initiating [trade war](#) with India will not be in the interest of the US, as seen in the past, the Research and Information System (RIS) for developing countries said on Tuesday.

"Given the past experience, new policy shifts may cause temporary setbacks in the short term, but these are often counterbalanced in subsequent years," it said in its policy brief on Trade, Tariff and Trump.

"This resilience stems from the proactive responses of affected countries, which include measures such as unilateral tariff hikes, appeals to the WTO's dispute settlement mechanisms, and other strategic interventions," it added.

According to the [RIS policy brief](#), these efforts have proven instrumental in mitigating the adverse impacts of US trade policies, ultimately tempering the pressures exerted by the US administration.

Though apprehensive that the Trump 2.0 administration can target India because of the high trade surplus India has with the US, RIS said structural transformations require time.

"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," it said.

*(You can now subscribe to our [Economic Times WhatsApp channel](#))*