International Relations · GS - II

India's trade negotiations with major economies such as the United States reflect the growing importance of economic diplomacy. Examine the opportunities and challenges associated with deepening bilateral trade partnerships.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 15/11/2026	GS - II	International Relations

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Tariff reduction, export diversification, market access, supply-chain resilience, technology transfer, domestic industry, trade deficit, non-tariff barriers, strategic autonomy.

Model Answer

Introduction

Bilateral trade agreements have become important instruments of economic diplomacy, enabling countries to expand market access and strengthen strategic partnerships.

Opportunities for India

A trade agreement with the United States could improve access for Indian pharmaceuticals, textiles, engineering goods and services. Lower tariffs may enhance export competitiveness, attract investment and integrate Indian industries into global value chains. Cooperation in technology, semiconductors and critical supply chains can also support India's economic diversification.

Key Challenges

Differences over agricultural market access, industrial tariffs, intellectual property rights and digital trade may complicate negotiations. Excessive tariff concessions could expose domestic MSMEs and vulnerable sectors to import competition. Regulatory differences and non-tariff barriers may also limit the benefits of an agreement.

Way Forward

India should adopt a balanced negotiating approach, protect sensitive sectors through appropriate safeguards, improve domestic competitiveness and ensure transparent dispute-resolution mechanisms.

Conclusion

Trade partnerships can advance India's economic and strategic interests when market access is balanced with domestic industrial development and long-term policy autonomy.

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