GEOPOLITICS

GOYAL PROMISES "ONE OF THE BEST" US TRADE DEALS. HERE IS THE TEST

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 13 November 2026*

On Thursday, 12 November, Commerce and Industry Minister Piyush Goyal spoke to reporters in Visakhapatnam about the trade agreement India has been negotiating with the United States for most of this year. "And in every respect, India will have one of the best deals with the US," he said, according to PTI. He went further: "We will have the most preferred market access in the US post the deal in products of our interest."

He did not give a date. PTI reported that he called the agreement still under discussion and said many factors decide the outcome. PTI noted that President Donald Trump had just suffered a major defeat in the US mid-term elections. On that, Goyal said: "We do not link our trade relations with internal elections or results of any kind."

Some in Washington read the moment differently. CNBC reported on the same day that the mid-term setback may push Trump to close pending deals, and called a US-India agreement a "prime candidate". Experts quoted by CNBC think the two leaders could sign at the G20 summit in December, which both Trump and Prime Minister Narendra Modi are expected to attend.

How the deal got here

These talks have taken more turns than most. In February, India and the US finalised a framework for the first phase of a bilateral trade agreement. Prime Minister Modi called it "great news", All India Radio reported on 7 February. Under the deal, the US tariff on Indian goods was to fall from 25 per cent to 18 per cent.

Two weeks later, on 20 February, the US Supreme Court struck down Trump's sweeping tariffs. Hours after the verdict, Trump told a White House news conference that there was no change in the trade deal with India and that the India deal was on, according to All India Radio. CNBC's reading is that the ruling gave India room to seek preferential terms.

Then the ground moved again. From 24 July, the US imposed an additional 10 per cent import duty on various countries, including India, after an investigation into forced labour issues under Section 301 of its Trade Act of 1974. PTI reported that this duty sits on top of existing most favoured nation rates. Talks

reached an impasse in early October, according to CNBC, and on 20 October Trump said the two sides were "pretty close" to a deal.

So the deal now being finished is a different deal from the one announced in February. Goyal said as much: changes in US tariffs led to further negotiations. A two-member US team visited earlier this month for talks on trade and customs facilitation. "The Deputy Chief Negotiator had come for discussions with the customs department on one track," he said.

What India should hold out for

The line I would watch most closely in Goyal's remarks is the comparison. According to PTI, India wants lower US tariffs on its goods than Bangladesh, Vietnam and Cambodia get. He described those competitors as "nations that make the same products and are at a similar level of development, like India."

I think this is the right test. For an Indian exporter of garments or leather goods, the US tariff rate matters less on its own than the gap between that rate and what a rival in Hanoi or Dhaka pays. In my view, a deal that leaves India level with those countries would be a disappointment, whatever the headline number says. A deal that puts us a few points ahead would be worth the long wait.

I also think Goyal is right to keep American politics out of the timetable. CNBC reported that Democrats now control both houses of Congress and plan to challenge Trump's tariff policy, and that the cost of living was the top concern of voters. That can work for India or against it. A president who wants a win may give more. But the tariff system the deal rests on has already been changed once by a court and once more by a new duty, and Congress may change it again. A deal signed in a hurry to suit Washington's calendar may not hold its value.

The benefits will also take time to arrive. Goyal said it was "too early to tell" what the pact would do for exports. "The US will take some time before it comes into effect," he said, and he pointed out that the agreement with the European Union, which he called the "mother of all deals", is not yet operational either. I read this as a fair warning to exporters: the gains from both agreements are still some way off.

Goyal added that "India today is looked upon as the trusted partner of the world," and PTI reported that Guatemala and Ecuador have shown interest in separate trade pacts with India. That matters for our bargaining position. India is negotiating with Washington while other doors are open, and that gives our negotiators room to say no to a weak offer.

What to watch next

The first date is the G20 summit in December, where CNBC's experts expect a signing if the last details are settled. The second is the tariff number itself. When it is announced, compare it with the rates for Vietnam and Bangladesh before judging the deal. The third is the new Congress. If it moves against Trump's tariffs, the value of any preference India wins will change with it.

Sources

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