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EDITORIAL ANALYSIS

The Deal That Matters: Why the US Prize Dwarfs India's Other FTAs

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The Indian Express 10 July 2026 GS2 GS3

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THE LIFT LINE

India has been collecting trade agreements the way a traveller collects small souvenirs, useful and pleasant, while the one purchase that would change the journey, a deal with the United States, still sits unbought on the shelf.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

India's recent run of free trade agreements, with the United Kingdom, the European Union and Japan, has been celebrated as a diplomatic and economic breakthrough. The editorial's argument is a useful corrective: these are worthwhile but modest beside the single largest opportunity, a comprehensive Bilateral (https://ujiyari.com/vocab/bilateral/) Trade Agreement with the United States, India's biggest single-country export market. This sits squarely at the intersection of GS2 international relations and GS3 economic development.

GS Paper 2: effect of policies of developed countries on India's interests, bilateral agreements.

GS Paper 3: effects of liberalisation on the economy, changes in industrial policy, external sector and trade.

For **Prelims**, hold the specifics: a free trade agreement removes or reduces tariffs on goods; a comprehensive economic partnership also covers services, investment and digital trade; the United States is India's largest export destination; and tariff, market access and rules of origin are the core levers of any deal. For **Mains**, weigh the strategic and economic value of the US market against the sensitivities of Indian agriculture, dairy and small industry.

BACKGROUND AND CONTEXT

Over the past two years India has concluded or advanced trade agreements with several major partners. The pact with the United Kingdom, a comprehensive economic and trade agreement with the European Union under negotiation, and closer economic ties with Japan have all been presented as evidence that India is opening up and integrating with the world economy after years of caution. Each opens markets and signals reform intent.

Yet the numbers tell a story of scale. The United States buys more Indian goods and services than any other single country, and it is the market where gains in information technology services, pharmaceuticals, textiles and engineering goods would be largest. Talks on an India-United States Bilateral Trade Agreement have proceeded in phases against the backdrop of American tariff actions. The editorial's point is that no combination of smaller deals substitutes for this one, and that celebrating the smaller wins risks lowering the urgency of the larger prize.

THE CORE ARGUMENT / ISSUE

Modest wins, large market untapped

The UK, EU and Japan agreements matter, but the combined trade they unlock is smaller than what a genuine opening of the US market would deliver. Diversification is prudent (https://ujiyari.com/vocab/prudent/), yet it cannot replace access to the single biggest buyer.

Services and digital are the real frontier

India's comparative advantage lies heavily in services, from software to professional and financial services, and increasingly in digital trade. A goods-only arrangement leaves India's strongest cards unplayed. A comprehensive US deal that addresses services mobility, data flows and mutual recognition would be transformative.

Strategic alignment reinforces the economics

A trade agreement with the United States is not only commercial. It anchors a broader strategic partnership at a time of supply-chain realignment away from China, and it gives American firms a stake in India's growth. That strategic weight is absent from the smaller deals.

PARTNER	VALUE TO INDIA	LIMITATION
United Kingdom	Market access, services opening	Modest scale
European Union	Large bloc, standards alignment	Slow, agriculture-sensitive
Japan	Investment, technology ties	Already deep, incremental (https://ujiyari.com/vocab/incremental/) gains
United States	Largest export market, services and strategic upside	Tariff frictions, hard bargaining

HOW TO THINK ABOUT THIS (ANALYTICAL FRAME)

Distinguish the number of agreements from the weight of market access, and portfolio breadth from concentrated value. A trade strategy is not scored by how many deals are signed but by how much high-value access is won. The transferable rule: diversification lowers risk but does not maximise return, and a rational trade policy pursues both breadth (many partners) and depth (the decisive market), refusing to let the satisfaction of easy wins crowd out the hard, high-payoff negotiation.

THE DIAGRAM IN WORDS

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India signs UK + EU + Japan deals -> euphoria and reform signalling -> but US remains largest export market -> services + digital + strategic upside still untapped -> risk: smaller wins lower urgency -> fix: prioritise comprehensive India-US BTA covering goods, services, digital -> pursue breadth AND depth
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WAY FORWARD

1. **Prioritise the US Bilateral Trade Agreement.** Treat it as the central objective of trade diplomacy, not one item among many, and sequence negotiating capital accordingly.
2. **Put services and digital on the table.** Push for professional mobility, mutual recognition and fair data-flow rules where India’s advantage is greatest, not a goods-only bargain.
3. **Protect the genuinely sensitive, open the rest.** Shield vulnerable agriculture and dairy with calibrated (https://ujiyari.com/vocab/calibrated/) safeguards while conceding market access where India can compete, so talks do not stall on everything.
4. **Keep diversification as insurance, not a substitute.** Continue deepening UK, EU and Japan ties to spread risk, while being clear that they complement rather than replace the US deal.

PYQ LINKAGE AND PRACTICE

UPSC has asked about the effects of liberalisation, bilateral and regional trade agreements, and the impact of developed-country policies on India. This editorial ties those themes to India's live trade diplomacy in 2026.

Practice question: "For India's trade strategy, the breadth of free trade agreements is no substitute for depth of access to its largest market." Critically examine with reference to the proposed India-United States trade agreement. (250 words, 15 marks)

Sources: The Indian Express (https://indianexpress.com/section/opinion/editorials/)

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