

India, U.S. unveil framework for deal

Both countries commit to provide each other preferential market access

India intends to buy U.S. products worth \$500 billion over the next five years

Framework reflects trust and dynamism of partnership; will generate jobs: Modi

T.C.A. Sharad Raghavan
NEW DELHI

India will remove or reduce tariffs on all industrial goods and a "wide range" of agricultural goods imported from the United States, according to the joint statement issued by the two countries on Saturday morning.

In return, the U.S. will reduce its tariffs on Indian imports to 18% from the existing 50% by amending the relevant executive order, the statement said. These commitments are part of the framework the two countries have worked out in an interim agreement on trade.

Notably, the joint statement did not include any mention of India's imports of Russian oil. However, U.S. President Donald Trump separately signed an amendment to an executive order – effective from Saturday – that removed

Deal diary

India and the U.S., in a joint statement on Saturday, announced that the two countries have worked out the framework for an interim agreement on trade

■ The U.S. has already removed 25% tariffs; remaining 25% will be lowered to 18% 'next week'

■ India to **reduce/remove** tariffs for U.S. goods only after a formal deal is signed, likely in March

■ Sensitive **agricultural items and dairy** kept out of the deal

■ Both countries can modify their commitments if one of them **changes the agreed-upon tariffs**

■ Both countries agreed to continue **working** towards a larger Bilateral Trade Agreement



Finer details: Commerce Minister Piyush Goyal speaking about the details of the deal to presspersons in New Delhi. PTI

the additional 25% tariff on imports from India, which had been imposed in August 2025 as a 'penalty' for India's import of Russian oil.

Phased implementation

Speaking to presspersons on Saturday, Commerce Minister Piyush Goyal said that the executive order that would reduce the remaining 25% reciprocal tariff to 18% is expected next

week. Earlier, he had said that India will be able to reduce or remove its tariffs on American goods only after the formal interim agreement is signed, which he said is expected to happen in mid-March.

"This framework reflects the growing depth, trust and dynamism of our partnership," Prime Minister Narendra Modi said on X. "It strengthens 'Make in India' by opening new op-

portunities for India's hard-working farmers, entrepreneurs, MSMEs, StartUp innovators, fishermen and more. It will generate large-scale employment for women and youngsters."

"India will eliminate or reduce tariffs on all U.S. industrial goods and a wide range of U.S. food and agricultural products, including dried distillers' grains, red sorghum for animal

Deal has no item that can hurt farmers: Goyal

NEW DELHI

The interim agreement between India and the U.S. will not include any item that will hurt Indian farmers, Commerce Minister Piyush Goyal said. He said there are several areas where farmers and MSMEs have received duty-free entry into the U.S. market. » **PAGE 9**

Govt. surrendered before the U.S., says Congress

NEW DELHI

The Congress party on Saturday targeted the Narendra Modi government over the joint statement on the interim trade agreement framework with the United States, saying the Union government had surrendered before the U.S. » **PAGE 9**

feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products," the joint statement said.

"The United States and India commit to provide each other preferential market access in sectors of respective interest on a sustained basis," the statement said. "The United States and India will establish rules of origin that ensure that the benefits of the

Agreement accrue predominantly to the United States and India."

"India intends to purchase \$500 billion of U.S. energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years," it said.

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SKM ANNOUNCES PROTEST

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FNTA deal first step towards separate State, says ENPO

Not an end but the beginning of an administrative journey, says ENPO chief A. Chingmak Chang while urging all tribes to remain united for future governance, progress of the proposed territory

Press Trust of India
DIMAPUR

As eastern Nagaland celebrates the signing of the Frontier Nagaland Territorial Authority (FNTA) agreement, the Eastern Nagaland Peoples' Organisation (ENPO) on Saturday described the development as the first step towards achieving its long-standing goal of separate State.

The Centre on Thursday signed a tripartite agreement with the Nagaland government and the ENPO for the formation of 'Frontier Nagaland Territorial Authority', a long-standing demand for a new administrative body within the State aimed at addressing the demands of eastern Nagaland.

The ENPO, the apex body representing eight tribes across six eastern



The Centre signed an agreement with the Nagaland government and ENPO for the 'Frontier Nagaland Territorial Authority'. FILE PHOTO

districts of the State, has been demanding a separate State since 2010, alleging decades of neglect. It later agreed to the Centre's proposal for a certain degree of autonomy under the FNTA framework.

Addressing a civic reception of the ENPO team at the Konyak Morung on Saturday, ENPO president A. Chingmak Chang said

the signing of the agreement was "not the end of the road, but the beginning of an administrative journey".

He said meaningful development in the region would only be possible if all the eight tribes of eastern Nagaland stood united and worked collectively.

Mr. Chingmak attributed the historic develop-

ment to the collective spirit of the people, stating that the credit "goes to each and every citizen of eastern Nagaland". He appealed to all tribes to remain united for the future governance and progress of the proposed territory.

He clarified that the FNTA arrangement was not originally the demand of the ENPO but an offer made by the Centre, which the organisation accepted as it aligned with the aspirations of the people of eastern Nagaland.

'Extend support'

Mr. Chingmak further said the new administrative arrangement would remain within the State of Nagaland and appealed to all other Naga tribes to extend their support for the upliftment and development of the people of eastern Nagaland.

Trump cancels 25% tariffs, says India committed to buy oil from U.S. and stop supply from Russia

Suhasini Haidar

NEW DELHI

India has “committed” to stopping buying Russian oil, and already taken “significant steps” towards it, U.S. President Donald Trump said while rescinding the 25% punitive tariffs imposed on India in August 2025.

The startling claim, which was not denied by the government on Saturday, was made in an executive order issued simultaneously with the India-U.S. joint statement on an interim trade agreement framework, and appeared to be a condition for removal of the punitive tariffs.

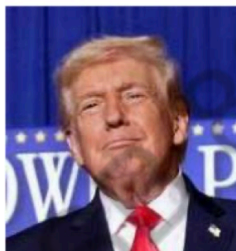
Mr. Trump said the tariffs would return if India “resumes” oil imports

from Russia, and that India would buy U.S. energy, which former Indian diplomats criticised, calling it “plain bullying” by a “hegemonic America”.

Iran link

In a separate order, Mr. Trump said that any country engaging in trade with Iran would draw penalty tariffs, formalising a threat he had made in January on social media.

“India has committed to stop directly or indirectly importing Russian Federation oil, has represented that it will purchase United States energy products from the United States, and has recently committed to a framework with the United States to expand [defence] cooperation over



Donald Trump

the next 10 years,” said Mr. Trump explaining his decision to cancel the 25% tariffs levied on August 6 last year.

“I have determined that India has taken significant steps to address the [Russian issue] and to align sufficiently with the United States on national security, foreign policy, and economic matters,” he added,

deputy Secretary of Commerce Howard Lutnick to “monitor” India’s compliance on Russian oil, and threatening to “reimpose” 25% duties if it did.

Mr. Trump’s orders and claims that India has already accepted his terms, put a dampener on the otherwise celebratory mood in government over hammering out a joint statement to work towards a trade agreement, and the Ministries of Commerce and External Affairs refrained from commenting directly.

Slamming the U.S. for the conditional order, former Foreign Secretary Kanwal Sibal said Washington was introducing “extraneous geopolitical issues” into the bilateral trade deal. “India’s oil trade with

Russia or trade with Iran have nothing to do with a bilateral trade deal with the U.S.,” Mr. Sibal told *The Hindu*.

“The U.S. is a hegemonic power, and has the power to enforce such conditions,” said former Ambassador to the EU and Nepal, Manjeev Puri.

At a press conference Commerce Minister Piyush Goyal refused to comment on the issue of oil imports, deferring to the MEA.

When asked, the MEA spokesperson referred to his statement earlier in the week, that “diversifying energy sourcing in keeping with objective market conditions and evolving international dynamics” is at the core of the government’s strategy.

Survey useful, Budget lazy



ACROSS THE AISLE

BY P CHIDAMBARAM

AFTER BUDGET 2026-27 was presented on a Sunday, government spokespersons, editorial writers, commentators and journalists used the word 'cautious' and the phrase 'don't rock the boat' to describe the Budget. I suppose they followed an American colloquialism 'If it ain't broke, don't fix it'.

Multiple Challenges

The Economic Survey 2025-26 (ES) had identified the challenges facing the Indian economy. Among them are:

- The tariff war unleashed by President Trump. Although he announced that the tariff on Indian goods will be reduced from 50% to 18%, it appears that the reduction is conditional upon India 'dropping' the tariff on American goods to zero, removing non-tariff barriers, buying USD 500 billion of American goods, and other conditions that India may find difficult to fulfill.

- Inflows of foreign direct investment "remain below their potential". Foreign portfolio investors are pulling out. Indian promoters, although cash-rich, are reluc-

tant to invest. The consequence is that Gross Fixed Capital Formation (GFCF) is stuck at about 30% of GDP.

- The unsatisfactory *nominal* GDP growth: the methodology followed by the NSO and the doubts on the national accounts have cast a shadow on the *real* GDP growth rates. The nominal GDP is a better indicator. It has grown by 12%, 9.8% and 8% in the years 2023-24, 2024-25 and 2025-26 respectively. Growth is *losing* momentum.

- The grave unemployment situation. Youth unemployment rate was 15% in June 2025. Only 21.7% of the workforce are in regular, salaried employment. Lakhs of youth are unemployed. The numbers reveal a shift towards self-employment.

- No country has become a middle-income country without becoming a manufacturing power. India's manufacturing sector has contributed barely 15-16% of GDP in the last 10 years. Make in India, PLI and other schemes have failed to create jobs.

- Fiscal consolidation is agonisingly slow: the fiscal deficit will move from 4.4% in 2025-26 to 4.3% in 2026-27 and the revenue deficit will remain at 1.5%. At this rate, it will take 12 years or more to reach the FRBM targets, and we will pay a heavy price.

- The tax gamble of 2025-26 has failed massively. The budget arithmetic was saved by the RBI which gave a generous dividend of approximately Rs 304,000 crore in 2025-26. In the previous two years, it had given Rs 210,874 crore and Rs 268,590 crore. The highest RBI dividend received during the UPA government (2004-2014) was Rs 52,679 crore in 2013-14.

FM Ignored CEA

In Chapter 1 of the ES, the CEA advised "caution, but not pessimism". That tone continued throughout the report. In another chapter he advocated a *credible* glide-path of fiscal consolidation. The only place in which the CEA advocated a bold approach is on urbanisation where he advised "stronger metropolitan governance, predictable enforcement, and a credible civic compact that aligns incentives between citizens and the state. Cities will also need to be empowered with better finances..."

The Finance Minister's response to her principal adviser was non-intellectual and evasive. In her 85-minute speech, she did not comment on the state of the Indian economy or President Trump's two-pronged assault on the world economy through tariffs and coercive transactional deals. Nor did she comment on the global churn or China's economic expansion or any other matter that informed persons would have expected in the Budget speech. My charitable view is that the Finance Minister and the government do not care for the Economic Survey. The uncharitable view is they think we are inhabiting a planet that is not part of the solar system.

I was shocked that the Finance Minister did not think it necessary to spell out the government's policies that will address concerns about slowing growth rate, poverty and growing inequality, stagnant investment, widespread unemployment, neglect of welfare, depreciation of the rupee, and the huge gaps between the demand and supply of infrastructure and essential services.

Failed Accountant's Test

Even by common accounting standards, the Finance Minister's record of financial management was poor. There were cruel expenditure cuts in the budget allocations in 2025-26 to ministries of Rural Development, Urban Development, Education, Health and many others. Under Mr Shivraj Singh Chouhan's watch, Agriculture and Rural Development suffered a cut of Rs 60,052 crore. Jal Jeevan mission was allocated Rs 67,000 crore but in the revised estimate it was found that only Rs 17,000 crore had been spent. Capital expenditure fell from 3.2% of GDP in 2024-25 to 3.1% in 2025-26. Defence expenditure fell to a low of 1.6% of GDP (1.4% of total expenditure) and threatens to fall to 1.5% of GDP (1.1% of total expenditure) in 2026-27.

Knowledgeable experts have sharply criticised the Budget speech. Dr Surjit Bhalla ridiculed the self-congratulation about the 'fourth largest economy'. Dr C Rangarajan called out the slow pace of fiscal consolidation. Dr Ashok Gulati deplored the neglect of large parts of the farm sector. Professor Rohit Lamba (Cornell University) mocked the Budget as fit for an economy in search of a plan.

The Finance Minister threw schemes, programmes, missions, institutes, initiatives, Funds, Committees, etc at her listeners. I counted at least 24. They will soon find out that no money was allocated for many of these announcements!

The Budget was an exercise in intellectual laziness.

My charitable view is that the Finance Minister and the government do not care for the Economic Survey. The uncharitable view is they think we are inhabiting a planet that is not part of the solar system

Syria, Saudi Arabia sign multibillion-dollar investment deals to boost economy

Associated Press

Damascus, February 7

SYRIA AND Saudi Arabia signed multibillion-dollar investment agreements on Saturday, including a major telecommunications project, a low-cost joint airline and an international airport in northern Syria.

Syria is trying to improve its economy after a long war that killed nearly half a million people and caused widespread destruction.

Most of the crippling Western sanctions on Syria were lifted after a new leadership took power following the ouster of former President Bashar Assad in December 2024, opening the way for investments to

E. EXPLAINED

Investments a sign of deepening ties

Saudi Arabia pledged sweeping investments in Syria's telecoms, energy and aviation, including a joint airline, and \$1 billion to modernize networks. The deals provide funds for President Ahmed al-Sharaa's postwar reconstruction and signal Syria's shift from Iran toward Gulf partners.

flow into the country.

Abdulsalam Haykal, Syria's

minister of communications and information technology, said the nearly USD 1 billion telecommunications development will take place in two stages lasting between 18 months and two years.

"The project contributes in making Syria an international telecommunications hub," he said, adding the SilkLink project will involve thousands of kilometres of cables being laid to boost internet connectivity between Asia and Europe.

Saudi Investment Minister Khalid al-Falih said the project will be led by Saudi Telecom Company, or STC Group.

Al-Falih said that the Energy Ministry in Syria also signed a water agreement with

Saudi Arabia's ACWA Power, which is known for running projects in power generation and desalinated water production plants in the Middle East and beyond.

Also part of the investment agreements was a new low-cost airline called Flynas Syria, the two sides said. The value of the investment was not disclosed.

The oil-rich kingdom, a main backer to Syria's new government led by interim President Ahmad al-Sharaa, will also launch an investment fund to develop the international airport in the northern city of Aleppo that will serve 12 million passengers annually, according to the two governments.

Iran, U.S. agree to hold next round of talks soon: Araghchi

Agence France-Presse
TEHRAN

Iran's Foreign Minister said a fresh round of talks with Washington would take place "soon", while insisting that enrichment was Tehran's "inalienable right" and building trust would take time.

Abbas Araghchi said the first round of talks in Oman on Friday had been a "good start". "(Nuclear) Enrichment is our inalienable right and must continue. Even with bombing they could not destroy our capabilities," he said.

"The Iranian nuclear case will only be resolved through negotiations."

Mr. Araghchi's remarks came a day after renewed nuclear talks in Muscat with Washington.

Islamic State affiliate claims Pakistan suicide bombing

The group, Islamic State Pakistan, said the attacker opened fire on security guards who tried to stop him at the main gate and detonated his explosive vest after reaching the mosque's inner gate

Associated Press
ISLAMABAD

An affiliate of the Islamic State group claimed responsibility overnight for a deadly suicide bombing inside a Shia mosque on the outskirts of Pakistan's capital that killed 36 people and wounded 169 others. Initially, 31 worshippers were reported killed, but authorities said that the toll rose to 36 after some critically injured died in hospitals.

The police arrested four suspects, including three alleged facilitators and the mastermind of the attack. According to investigation



Deadly detonation: People attend a funeral for victims of the suicide blast at a Shia mosque in Islamabad, on Saturday. REUTERS

officials, an identity card recovered from them helped establish the attacker's identity as Yasir, a 32-year-old from Peshawar.

The regional Islamic

State affiliate, known as Islamic State in Pakistan, claimed responsibility in a statement posted on its Amaq News Agency. It said the attacker opened fire on

security guards who tried to stop him at the main gate and detonated his explosive vest after reaching the mosque's inner gate.

The Islamic State group suggested it viewed the Pakistani Shias as legitimate targets, calling them a "human reservoir" that provided recruits to Shia militias fighting the Islamic State in Syria.

Investigators have also revealed that prior to the bombing, the attacker had remained in Afghanistan for approximately five months where he allegedly received formal training in weapons handling and suicide attacks.

(With PTI inputs)

T20 WC: India-Pak match back on table as PCB engages ICC

Sandeep Dwivedi

New Delhi, February 7

THE PAKISTAN Cricket Board (PCB) has approached the International Cricket Council (ICC) to initiate a dialogue over its boycott of the February 15 game against India at the T20 World Cup.

This comes in the wake of the international cricket body's detailed communication to PCB after the latter had invoked the Force Majeure clause to justify its last-minute withdrawal from the India game based on the Pakistan government's instruction.

This sudden change of tone on the opening day of the tour-

nament reopens the window for cricket's high-stakes clash between the arch-rivals in Colombo next week.

Sources aware of the discussion said that the turnaround came once the ICC conveyed to the PCB the potential damages it would claim. It detailed the conditions under which Force Majeure can legitimately be invoked and asked the Pakistan board to demonstrate what it had done to mitigate it.

"The ICC will now engage in a structured manner to solve the problem; there would be a dialogue, not confrontation," an official said. "Subsequent to

»CONTINUED ON PAGE 2

India-Pakistan match

the receipt of the formal communication from the ICC, PCB approached the international body to initiate further dialogue. ICC is currently engaging with the board in a structured manner to explore possible resolutions.”

The Force Majeure clause that PCB had raised refers to unforeseeable circumstances that could prevent a contract from being fulfilled. While pressing the clause with the ICC, the Pakistan board had also attached

their government’s social media post on February 1 that instructed them to participate in the T20 World Cup but boycott the India game next Sunday. The ICC said that PCB’s invoking of Force Majeure was “without any further questions explanation or justification”.

After the Pakistan government’s unprecedented intervention, the ICC had released a statement reminding PCB of the potential consequences. While the world body did not

specify sanctions, there was talk that the Pakistan board might end up facing a hefty fine since its action would result in the broadcaster suffering a big loss if the high-value game didn’t go ahead. The ICC can also punish the PCB with a temporary ban on bilateral series, leading to international isolation.

More recently, Sri Lanka Cricket (SLC) had also written to PCB, urging them to reconsider the stance because the island nation also stood to lose significantly financially.

Bandula Dissanayake, Sri Lanka Cricket secretary, told *The Indian Express* that SLC

would incur losses while the country’s tourism industry would suffer if Pakistan sticks to its stand. The SLC also reminded Pakistan about their national team’s previous tours to the country when teams were reluctant to travel because of security-related issues.

“From the demand for tickets, it was evident that we were going to receive a huge boost economically, as people who turn up for the fixture will definitely spend a few more days exploring the country. So it is a huge loss for everyone. It is a grim picture,” Dissanayake had said.