

# US remains India's top trading partner, export destination in 2024

**FUELLING GROWTH.** Bilateral trade surpasses \$190 billion; exports led by textiles, pharma and mineral fuels

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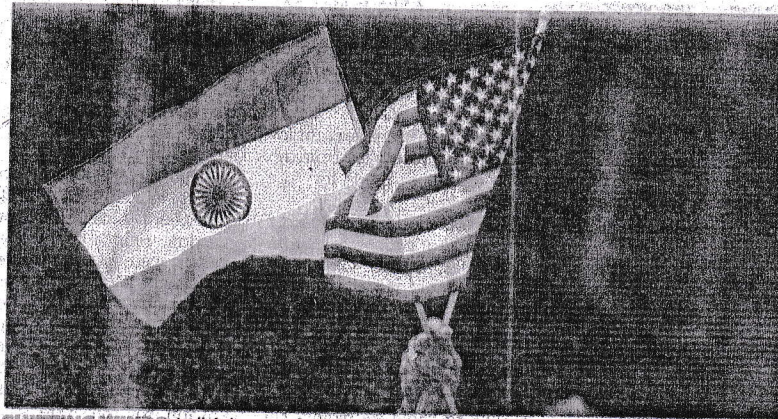
The US has retained its position as India's top trading partner in the January-July 2024 period with bilateral goods trade surpassing \$190 billion and Indian exports growing 9.3 per cent to \$48.2 billion.

Top export items from India to the US in this period included garments and textiles, pharmaceuticals, precious and semi-precious stones, smart phones and mineral fuels.

On the other hand, India's imports from the US fell from \$25.9 billion to \$24.6 billion, a 5 per cent decline in the first seven months of 2024, per government figures.

## EXPORTS SURGE

"India's merchandise exports to the US grew substantially from \$54.3 billion in 2018 to \$83.8 billion in 2023, marking a 54.4 per cent increase. This indicates a strong demand for Indian goods in the US market. In



**SHIFTING WINDS.** India's imports from the US fell from \$25.9 billion to \$24.6 billion, a 5 per cent decline in the first seven months of 2024. REUTERS

the services sector too, India's exports to the US experienced a notable increase of 25.6 per cent in the period, rising from \$28.9 billion in 2018 to \$36.3 billion in 2023," per an analysis by the Delhi-based research body Global Trade and Research Initiative (GTRI).

Combining both merchandise and services, India's total exports to the US

surged from \$83.2 billion in 2018 to \$120.1 billion in 2023, registering an overall increase of 44.3 per cent.

The US decision to withdraw the Generalised System of Preferences (GSP) scheme for Indian exporters from 2019 has had a minimal economic impact on India, and there may not be a need for the government to prioritise its restoration, Ajay

Srivastava, Founder, GTRI said.

Exporters of certain labour intensive items to the US were given duty free/lower duty market access under the scheme.

"India was the largest user of the programme, accounting for \$5.7 billion in exports under GSP, but this figure remains negligible in the context of India's overall export

portfolio and the broader US trade relationship," Srivastava said.

India's imports from the US in January-July 2024 was spread across a number of sectors with mineral fuels at the top, followed by precious and semi-precious stones, mechanical and electrical machinery, aircraft and parts, ships and boats, chemicals and pharmaceuticals, and edible fruits and nuts.

The US presents a significant market for Indian goods, particularly in sectors like technology, pharmaceuticals, textiles, and engineering products. Likewise, India's increasing demand for advanced technology, energy, and capital goods from the US opens avenues for expanding bilateral trade.

"With both countries working to strengthen their strategic partnership, particularly in areas like defence, clean energy and digital trade, there is substantial potential to further enhance trade volumes, making the bilateral relationship a key driver of economic growth for both nations," it noted.