

Exports to US may fall \$5.76 b in 2025 due to Trump tariffs: GTRI

Our Bureau
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India's exports to the US could fall by an estimated \$5.76 billion in 2025 to \$84 billion owing to the reciprocal tariffs announced by US President Donald Trump, per a report by research body GTRI. It would translate into a 6.45 per cent decline compared to India's exports to the US valued at \$89.81 billion in 2024 (US data).

Items that could witness a significant decline in exports to the US include fish and crustaceans (20.2 per cent), iron or steel articles (18 per cent), diamonds, gold, and related products (15.3 per cent), vehicle and parts exports (12.1 per cent), electrical, telecom and electronic products (12 per cent), the report noted.

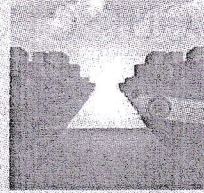
However, there are sectors that may make modest gains due to their competitive position, the report added.

These include textiles made-up, apparel, ceramic products, inorganic chemicals and pharmaceuticals.

Other categories such as plastics, carpets, petroleum products, organic chemicals

TARIFF EFFECT

- **Significant decline seen in exports:** Fish and crustaceans: -20.2%; iron or steel articles: -18%; diamonds, gold and related products: -15.3%; vehicles and parts: -12.1%; and electrical, telecom, and electronic products: -12%
- **Other categories with negative impact:** Plastics, carpets, petroleum products, organic chemicals and machinery
- **Modest gains:** Textiles made-up, apparel, ceramic products, inorganic chemicals and pharma



and machinery are also expected to be negatively impacted, it added.

"While the overall effect of the new tariffs points toward a decline in trade, India's competitive position in select product segments may help cushion some of the losses," the report said.

SOME EXEMPTION

The report noted that items such as energy products (including petroleum and solar panels), pharmaceuticals and copper had been exempted from country-specific tariffs.

These high-value items accounted for \$20.4 billion or

22.7 per cent of India's exports to the US in 2024. They will continue to face only the standard MFN (Most Favoured Nation) tariff.

Key industrial goods such as steel, aluminium, automobiles and auto parts will face a 25 per cent tariff. "However, the largest impact falls on the remaining basket of goods.

"These exports, valued at \$ 67.2 billion or 74.8 per cent of total trade, will be hit with a 26 per cent tariff. While MFN tariffs still apply, this sweeping hike is expected to reshape trade dynamics across a wide range of industries," the report said