

Indian exports likely to see 6.4% hit from Trump tariffs

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NEARLY \$6 BILLION HIT

THE IMPACT OF reciprocal tariffs on India's exports to the US in 2025 will be mild and only select products will be at a disadvantage in the emerging situation, according to a report by trade policy think tank Global Trade Research Initiative (GTRI).

According to US data, India exported goods and services worth \$86.81 billion to the US in 2024 and in the current year (2025), it will drop \$5.79 billion or 6.41% as a result of the new trade measures, the report said.

Exports of fish and crustaceans may fall 20.2%, iron or steel articles by 18.0%, and diamonds, gold, and related products by 15.3%. Vehicle and parts exports are projected to drop 12.1%, while electrical, telecom and electronic products may decline 12%. Other categories such as plastics and articles are expected to see a decline of 9.4%, carpets 6.3%, petroleum products 5.2%, organic chemicals 2.2%, and machinery 2.0%.

Despite the pain points and disruption, the report has also identified pockets of opportunities. "India

Likely impact of US reciprocal tariffs on India's exports (2025)

	Decline (%)	Dip in value
Electronics and Smartphones	12	\$1.78 bn
Machinery	2	\$142 mn
Gems and Jewellery	15.3	\$1.82 bn
Steel	18	\$509.4 mn
Vehicle and auto parts	12.1	\$338.4 mn
Organic Chemicals	2.2	\$79.9 mn
Petroleum Products	5.2	\$178.8 mn

Source: GTRI

could see modest export gains in sectors where the US has raised tariffs on competing countries. These include textiles (4.2%), apparel (3.2%), ceramic products (3.1%), albuminoidal substances, glues and enzymes (3%), inorganic chemicals (3%), and pharmaceuticals (2.1%)," states GTRI.

Energy products, including petroleum, solar panels, and pharmaceuticals as well as copper, have been exempted from country-specific tariffs. These high-value items accounted for \$20.4 billion or 22.7% 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, aluminum, automobiles, and auto parts will face a 25% tariff.

"However, the largest impact falls on the remaining basket of goods. These exports are valued at \$67.2 billion or 74.8% of total trade. They will now be hit with a 26% tariff. While MFN tariffs still apply, this sweeping hike is expected to reshape trade dynamics across a wide range of industries," GTRI founder Ajay Srivastava said.