

# Cargo rush as full Trump tariffs take effect today

Ports see increased traffic as exporters scramble to beat the deadline

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**W**ith the United States' 26 per cent reciprocal tariffs on Indian goods set to take full effect on Wednesday, exporters of high-value cargo, including smartphones, engineering goods, and automotive parts, are scrambling to ensure these goods are shipped out before the new rates are applied.

“Due to speculation about tariffs under the Donald Trump administration over the past few months, many consignments were shipped earlier than planned, with some exporters even altering their shipping methods to expedite delivery. The movement of consignments has increased slightly compared to earlier,” said a senior Customs official.

Lancy Barboza, managing director of Mumbai-based freight forwarding firm Flomic Global Logistics, told



## RACE AGAINST TIME

- Tariffs to come into force at around 9.30 am IST
- US order exempts goods loaded on to a vessel or in transit before deadline
- Cargo volumes at India's major seaports

and airports said to be up 18–22% in a week

- Besides smartphones, auto parts and textiles, pharma items see surge in exports amid Trump's fresh tariff threat

*Business Standard* that outbound cargo volumes at India's major seaports and airports had surged between 18 per cent and 22 per cent over the past week.

According to the US executive order, the tariffs will take effect at 12.01 am Eastern

Daylight Time, or around 9.30 am Indian Standard Time.

The sense of urgency has been fuelled by the fine print of the order, which says: “Goods loaded on to a vessel at the port of loading and in transit on the final mode of transit before 12.01 am

Eastern Daylight Time on April 9, 2025, and entered for consumption or withdrawn from warehouse for consumption after 12.01 am Eastern Daylight Time on April 9, 2025, shall not be subject to these country-specific ad valorem rates of duty.”

Earlier, the 10 per cent “baseline” tariff had come into effect at US seaports, airports, and Customs warehouses on April 5.

To beat the deadline, “exporters, particularly in the engineering goods, textiles, and automotive components sectors, have been actively advancing their shipments,” Barboza said. “This sharp uptick reflects not only the agility of Indian exporters but also the increasing relevance of India as a resilient node in the global trade network.”

An executive at a southern Indian airport operator noted a marked rise in outbound shipments for electronics and pharmaceutical firms in recent days, as companies rushed to get their consignments out before the tariffs would kick in. Turn to Page 6 ▶

# US clients have frontloaded demand, say manufacturers

Concurring to this, Pankaj Mohindroo, chairman of the India Cellular & Electronics Association, said: “We have proactively expedited shipments to the US, resulting in a notable increase in cargo flights carrying smartphones.”

“The industry remains vigilant and is in continuous dialogue with stakeholders to navigate these changes effectively,” Mohindroo said. “The sentiment within the electronics export sector is one of cautious optimism. While the new tariffs present challenges, the industry is actively collaborating with the government to finalise the Bilateral Trade Agreement (with the US), which is expected to address and potentially alleviate some of these concerns.” India’s favourable tariff position compared to other manufacturing hubs “positions us advantageously”, he further said, adding, it is imperative to act swiftly to solidify and enhance “our competitive edge” in the global market.

Although pharmaceuticals were exempted in the order issued on April 2, Trump indi-

cated two days later (April 4) that his administration was considering extending tariffs to cover this sector as well. Indian pharmaceutical firms have responded with a sense of urgency.

“Yes, in the pharma industry, there is a rush to move goods to the US before Trump imposes tariffs on pharmaceutical products,” said Mahesh Fogla, executive director at Mumbai-based Patel Integrated Logistics. “Since our shipments are primarily to non-US countries, we are not affected. However, the overall volume in the industry in general is coming down due to the expected slowdown in the global economy,” he added.

Barboza of Flomic said the urgency shown by exporters underlined the need for more predictive policy frameworks, along with continued investment in scalable port infrastructure and digital logistics capabilities. He said the current rush also reflected growing maturity among Indian businesses in responding to global tariff volatility with speed and

foresight. Since the reciprocal tariffs announcement by Trump, spot ocean market freight rates from India jumped 10 per cent over the past week.

“The Indian electronics export industry is witnessing a significant pre-deadline increase. US clients have frontloaded demand, prompting Indian exporters to prioritise outbound shipments, with cargo slots booked out and air freight volumes spiking,” said Paritosh Prajapati, CEO of GX Group, a broadband equipment maker. Prajapati said: “The short-term sentiment is opportunistic, with exporters focusing on the temporary spike”. But he cautioned that the medium-term outlook is cautious, with an anticipated dip in shipment volumes after the deadline due to reduced cost competitiveness.

A senior executive at the Deendayal Port Authority in Kandla said that some disruption was expected at private ports that handle high-value cargo. “We anticipate an opportunity to capture a share of that traffic,” the official said.

