

\$500 bn imports in 5 years need 3.75x increase



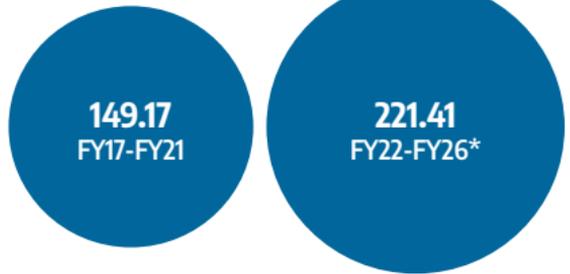
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The fact sheet issued by the White House pertaining to the India-United States (US) trade deal mentions that India intends to buy \$500 billion worth of US energy, information and communication technology (ICT), agricultural, coal and other products over the next five years. However, notwithstanding the reduced tariffs on the US products under the proposed interim trade framework, the idea looks ambitious, given the history of India's import bill from the US.

Imports from US at \$221 bn since FY22

From FY17 to FY21, India imported goods worth \$149.17 billion. The imports increased after the pandemic subsided, reaching \$221.41 billion from FY22 to FY26 (Apr-Dec). In the first three quarters of the current financial year, inward shipments from the US have reached nearly \$40 billion.

India's imports from US (in \$ bn)

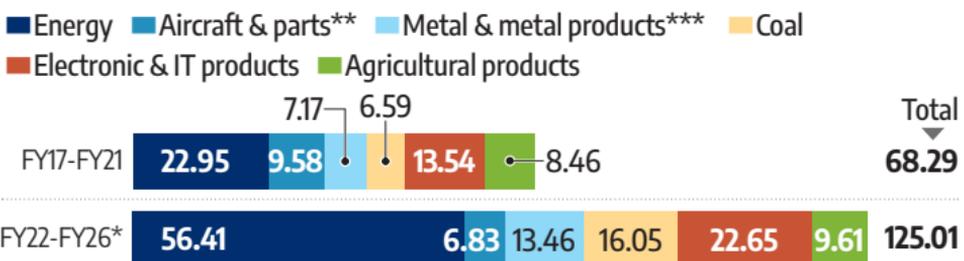


Note: *Apr-Dec of FY26
Sources: Department of Commerce, BS calculations

57% of imports since FY22 in six product groups

India's imports of the US energy products, aircraft and its parts, ICT products, metals and related goods, and coal amounted to \$68.29 billion from FY17 to FY22. The inward shipments of these products from the US nearly doubled to \$125 billion from FY22 to FY26 (Apr-Dec). On a pro-rata basis, imports of these products would be \$133 billion during FY22 to FY26 or nearly double the amount in the previous five years. The US essentially wants to increase it 3.75 times in the next five years, to make it \$500 billion.

Imports of specific products from the US (in \$ bn)



Note: *Apr-Dec; **includes spacecraft; ***includes iron and steel; only those commodities have been considered whose imports are to be increased by India in the next five years, as mentioned in the White House fact sheet

Sources: CMIE, Department of Commerce