

## TRUMP 2.0 ERA

# Govt asks industries to identify import prospects from US

### Major economies closely following Trump's moves

SHREYA NANDI

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India is prodding industry to identify the challenges and opportunities in goods that can be imported from the US after Donald Trump takes over as the President next week, two people aware of the matter, said.

India's key imports from the US include oil and petroleum products, pearls, plastic, aircraft, electrical machinery and parts, among others.

While the department of commerce is currently awaiting inputs from the industry, officials said that there could be pressure from the US to buy more petroleum products, aviation and defence equipment.

"In the times to come, India will continue to increase its procurement from the US. Some big-ticket items where we could see more imports from the US include defence, aircraft, and oil and gas, among other products," Ajay Sahai, director-general (DG) and chief executive officer (CEO), Federation of Indian Export Organisations (Fieo) said.

"India's aviation sector is growing and we could expect placing more orders from the US. Similarly, India will be importing technology as well as medical and diagnostic equipment," Sahai said.

Even during Trump's previous stint as US President, India's imports of petroleum products had increased substantially. The share of crude oil imports from the US increased from 0.7 per cent in FY18 to 9 per cent in FY21, government data showed.

"We had asked the industry for suggestions over two weeks ago. We are yet to get the feedback. We have asked them to look at the opportunities and the challenges — both in terms of what we can buy and what we can sell (from the US). Especially, if there are tariffs—whether on



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## TRADE NUMBERS

### Imports from US

Year	Value (in \$ bn)	Share (%)
2019-20	35.8	7.5
2020-21	28.8	7.3
2021-22	43.3	7
2022-23	50.8	7.1
2023-24	42.2	6.2

Source: Department of Commerce

most-favoured nation (MFN) basis (for all countries) or country specific, how they can impact specific sectors and what can be the mitigation effort," one of the persons cited above told *Business Standard*.

Major economies across the world are closely following the pronouncements being made by Trump since winning the election in November.

Government officials said that India is also looking at what the "implications of these pronouncements can be."

Among other things, Trump has been vocal about espousing the 'America First' policy upon taking charge.

Apart from his intentions to raise tariffs on countries like China, Mexico and Canada, US's concerns regarding its widening trade deficit is expected to continue.

While India-US bilateral relations have been growing consistently over the last two decades, the trade balance has been in favour of India. India's merchandise trade surplus with the US stood at \$35.3 billion during 2023-24. During Trump's previous tenure, he had said that India was not importing enough from the US.

Even though India is the ninth largest contributor to the US' trade deficit, the size of the deficit is way smaller compared to China, Mexico and the European Union (EU).

"We are definitely looking at things being said and based on that examining what can be the implications for the industry, our exports and trade. We are keeping a close watch so that we can take appropriate action as and when these kinds of things happen," the official said.