

# US deal very close: Commerce secy

MUKESH JAGOTA  
New Delhi, January 15

**INDIA AND THE US** are very close to a trade agreement and it would materialise when both sides are ready, Commerce Secretary Rajesh Agrawal said on Thursday.

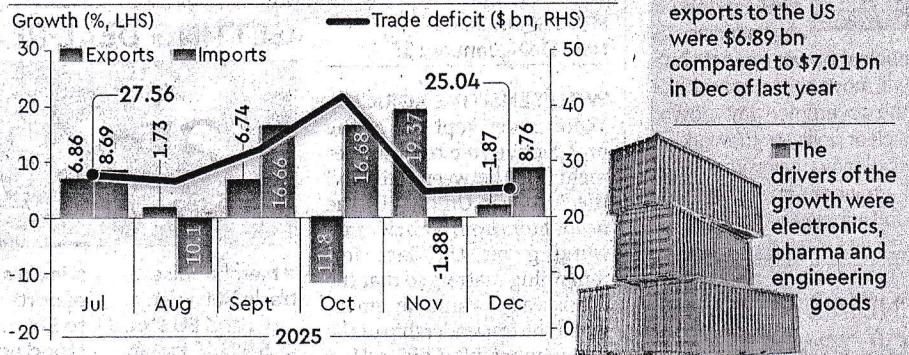
The talks between India and the US had never broken down and both sides remained engaged, he added. "In the last week of December, Commerce and Industry Minister Piyush Goyal held a virtual meeting with US Trade Representative Jamieson

Greer. Negotiating teams are talking virtually on issues that are still pending," Agrawal said.

The December meeting between Goyal and USTR happened after the visit of a delegation of officials from the USTR office to New Delhi on December 10 and 11, led by Deputy USTR Rick Switzer. On Wednesday, US Ambassador to India Sergio Gor assumed office and presented his credentials to the President. A day before, External Affairs Minister S Jaishankar had a telephonic conversation with US Secretary of State Marco Rubio where trade also figured along with nuclear cooperation, defence and energy.

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## NAVIGATING TOUGH TIMES



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## Exports rise an anaemic 1.87% in Dec, trade deficit at \$25.04 bn

Shipments to the US 'holding up', says govt

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**INDIA'S MERCHANTISE EXPORTS** grew for the second straight month despite challenges of high additional tariffs in its biggest market, the US, expanding by 1.87% on year to \$38.5 billion.

The drivers of the growth were electronics where the exports grew 16.78% to \$4.17 billion, pharmaceuti-

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cal shipments, which were up 5.65% to \$2.63 billion and engineering goods, which saw a growth of 1.28% to \$10.98 billion.

Despite the 50% tariff by the US on Indian imports, the exports to US are still holding up, somewhat. In December, India's merchandise exports to the US were \$6.89 billion compared to \$7.01 billion in December of last year and \$6.98 billion in November.

Sequentially, exports to the largest trading partner have been declining since May, except for November.

Merchandise trade deficit widened slightly to \$25.04 billion in December as imports rose. In November 2025, the deficit was \$24.53 billion, and December 2024, it stood at \$21.9 billion.

"Despite all the challenges we have been facing, there has been a positive movement in our export growth," Commerce Secretary Rajesh Agrawal told reporters.

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# Exports rise...

APART FROM US tariffs other challenges include ongoing geo-political tensions, supply-chain realignments, inflationary pressures and rising protectionism across major economies.

The major sectors which witnessed deceleration in exports in December include petroleum products, gems and jewellery, rice, plastics, and leather products.

For April-December, merchandise exports were up 2.44% to \$330.29 billion. With services included, the overall exports in the first nine months of this fiscal are up 4.33% to \$634.26 billion.

"One thing has become very clear with this trajectory is that until and unless there are very big externalities or changes we are going to cross \$850 billion of exports in the current financial year -- \$ 450 billion merchandise and \$ 400 billion services," Agrawal said. Last financial year, India's overall exports were \$824.9 billion.

Services exports in December are expected to be down 3.97% on year to \$35.50 billion. In April-December, services exports were up 6.46% on year to \$303.97 billion.

Textiles and marine products are the sectors most hit by the US tariffs. However, due to

diversification, the exports of readymade garments are up 2.89% on year to \$1.50 billion. Marine product exports have increased 11.73% to \$808 million in December.

The exports to the US are still holding up as India is exporting more products like smartphones and pharmaceuticals that are exempt from additional tariffs.

In April-November, India exported \$18.8 billion worth of smartphones, a 43.96% growth over last year. The US market takes two-third of India's exports of smartphones. This year the growth in the US market is 200%. Other markets for smartphones like UAE, China, Portugal and Spain are also picking up. New markets for the products are South Korea, Vietnam, Israel, Latvia and Slovakia.

Merchandise imports in December increased 8.76% on year to \$63.55 billion, taking the deficit to \$25.04 billion. Import growth drivers were electronics goods where the increase was 22.29% to \$10.18 billion.

Petroleum imports on the other hand were up 5.96% up to \$14.40 billion while gold imports fell 12.08% to \$4.13 billion. Imports in April-December grew 5.90% to \$578.81 billion.

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