

# June exports shrink but shipments to US zoom

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Merchandise exports to the US jumped 23.5 per cent year-on-year (Y-o-Y) to \$8.3 billion in June, even as India's overall outbound shipments witnessed contraction during the month, according to the data released by the commerce department on Tuesday.

The increase in outbound shipments to the US was largely driven by the rush among exporters to utilise America's pause on its plans to impose country-specific reciprocal tariffs. A 90-day window before July 9 created an opportunity for Indian sellers to accelerate shipments to the US.

Outbound shipments to the US have been over \$8 billion since the beginning of 2025, as compared to \$6 billion-\$7 billion in 2024.

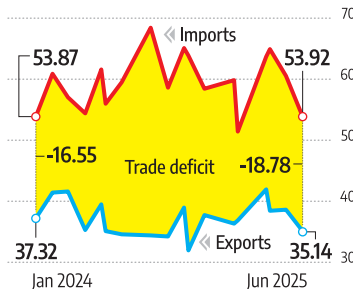
Indian exporters currently bear a 10 per cent baseline tariff after the US administration temporarily paused the 26 per cent reciprocal tariff on India.

Commerce department Special Secretary Rajesh Agrawal said at a briefing that India is in "wait and watch" mode amid uncertainty surrounding the US' proposed rollout of reciprocal tariffs. The lack of clarity regarding the tariffs makes it difficult to assess potential tariff differentials or determine any competitive advantage compared to other countries.

"We are not in a position to estimate the differential tariff that will play out from August 1... While letters have been sent to 25 countries, the US has also spoken about finalising some trade deals. The full spectrum of tariff rollout is still unclear," said Agrawal, who is also the chief negotiator of the

## Mixed trajectory

India's merchandise trade (\$ bn)



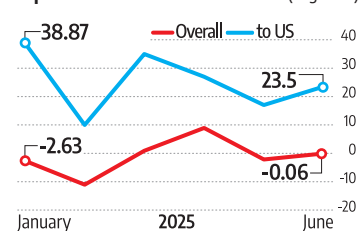
Source: Department of Commerce

proposed India, US trade deal.

Data further showed that trade deficit contracted to a four-month low of \$18.78 billion as exports and imports contracted during June. Trade deficit stood at \$20.84 billion in June 2024 and \$21.88 in June this year.

Exports contracted 0.06 per cent Y-o-Y during June to \$35.14 billion, mainly due to fall in global crude oil prices as well as a strain in global supply chain because of the ongoing tariff war triggered by the policies being implemented by the Donald Trump-led administration in the US. In June, exports not only slipped to a

## Exports trend



seven-month low but were also 9.2 per cent lower as compared to a month earlier. Imports saw 3.7 per cent fall to \$53.92 billion in June due to decline in shipments of petroleum products, gold, and iron and steel.

Commerce Secretary Sunil Barthwal said exports and imports were impacted by a fall in crude oil prices and that the Department of Commerce stepped up monitoring of "import surges". "We are sending surge reports to different ministries, so that they can also monitor at their level."

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