

# More Chinese market access may help counter Trump tariff impact



DATANOMICS

INDIVJAL DHASMANA  
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As the US administration under President Donald Trump tries to balance its trade ties with India, New Delhi's overall trade deficit may widen in the range of one-tenth to one-fifth.

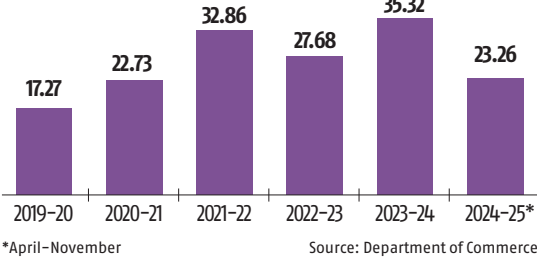
India is a net importer but enjoys a trade surplus with the US. The surplus widened from \$17.27 billion in 2019-20 to \$35.32 billion in 2023-24, and stood at \$23.26 billion in the first eight months of the current financial year. If it is wiped out, India's trade deficit could widen by as low as 10.7 per cent and as high as 22.14 per cent, taking into account the past trend of over five years.

While India can look for innovative ideas to balance it out, one of the options available may be to persuade China to give it more market access. India has been trying to do so but it is yet to meet much success.

India's trade deficit with China constitutes almost one-third of its total gap between goods imports and exports for over five years. At times (Covid-hit year of 2020-21), it has gone as high as 43 per cent. If India can reduce it by even half, the country's problem arising out of Trump's possible retaliatory tariffs could be more than solved.



## INDIA'S TRADE BALANCE WITH US (in \$ billion)



## TRADE TIES WITH CHINA

- India's trade balance with China (\$ billion)
- India's total trade balance (\$ billion)
- India's trade balance with China as % of India's total trade balance

