

Exports to 8 of top 20 hubs dip in Apr-Jul

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Even as the imposition of a 50 per cent tariff by the end of August is expected to sharply reduce India's exports to the US in coming months, its shipments to some eight of the top-20 countries contracted during the first four months of 2025-26 (FY26).

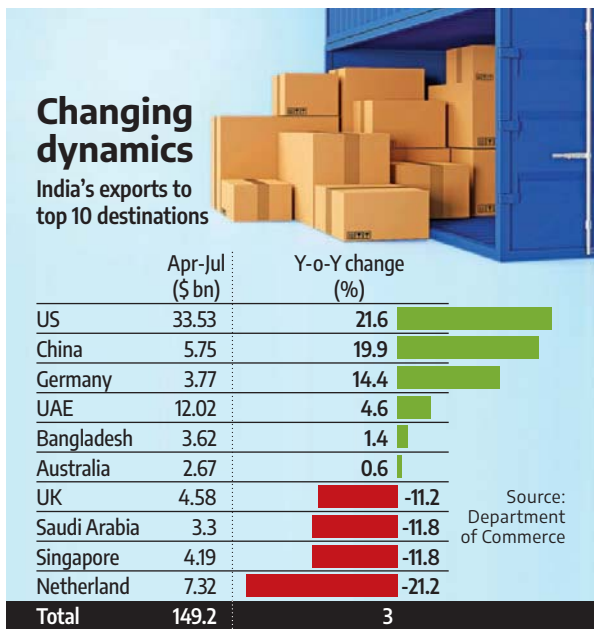
According to commerce department data, export destinations that witnessed contraction during April-July are: the Netherlands (-21.2 per cent), the UK (-11.2 per cent), Singapore (-11.8 per cent), Saudi Arabia (-11.8 per cent), South Africa (-16.3 per cent), Italy (-9.2 per cent), France (-17.3 per cent), and Malaysia (-28.8 per cent).

The 20 countries accounted for 69 per cent of India's total value of goods exported during the first four months of FY26.

During the same period, India's exports grew 3 per cent to \$149.2 billion as outbound shipments to the US grew by over a fifth. While the US continued to remain India's largest export market, the share of exports to the country rose 22 per cent in April-July as compared to 19 per cent a year earlier.

Exporters said that global demand has remained sluggish due to the uncertainties caused by the imposition of country-specific reciprocal tariffs by the US on several nations.

India's exports to the US have been robust, seeing



healthy-double digit growth, because of frontloading. American buyers are building inventory to avoid reciprocal tariffs but going ahead, this may dampen demand once 50 per cent tariffs kick in from August 27.

Exporters have also prioritised orders to the US, often at the expense of other key markets, due to the urgency to avoid a 50 per cent tariff from the end of August.

The US administration imposed a 25 per cent reciprocal tariff on Indian goods from August 7. It later announced an additional 25 per cent tariff on Indian exports, blaming its crude oil purchases from Russia.

Going ahead, India's merchandise exports are expected to contract further in FY26.

"There is definitely tepid demand because of the (reciprocal tariff) uncertainty. That apart, exports are being diverted to the US from other countries to avoid reciprocal tariff," said Ajay Sahai, director-general (DG) and chief executive officer (CEO), Federation of Indian Export Organisations (FIEO).

Sahai further said that going ahead, competition will intensify with China because the US has also imposed high tariffs on the former. This will make it more difficult for India, and put pressure on exporters in labour-intensive sectors.