

India Amidst USA Tariffs

Balancing volatility with growth opportunities

An analysis from InvestOptima team

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Bilateral Trade



Strategic Partnership



Global Commerce

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Bilateral Trade Volume & Balance

Key Trade Metrics



Total Bilateral Trade (2022-23)

USD 128.55 Billion

↑ USD 9.05 Billion from 2021-22



Target by 2030

USD 500 Billion

Growth of 293%



India's Exports

USD 78.31 Billion



India's Imports

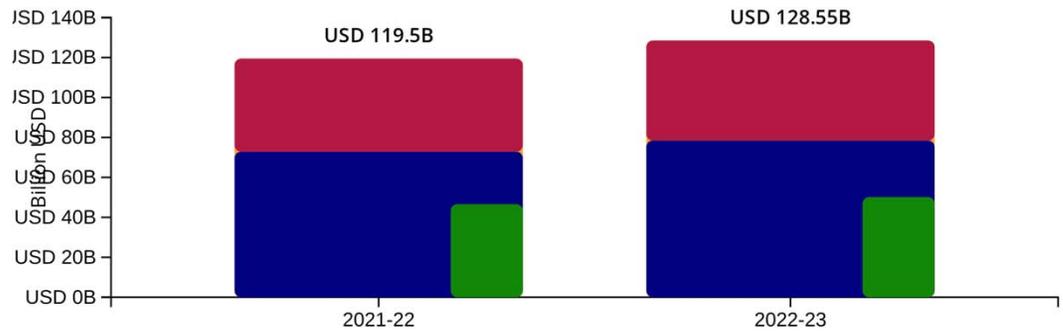
USD 50.24 Billion



India's Trade Surplus

USD 28 Billion

Bilateral Trade Growth & Balance



■ India's Exports ■ India's Imports ■ Trade Surplus

Key Insights:

- India has maintained a consistent trade surplus with the USA
- Trade volume has grown by 7.6% compared to the previous year
- Pharmaceuticals, IT services, and manufactured goods drive the trade surplus

Key Exports & Imports

Top Exports from India to the USA

 **Petroleum products**

 **Polished diamonds**

 **Medicines and pharmaceutical products**

 **Jewellery**

 **Frozen shrimp**

Top Imports by India from the USA

 **Mineral fuels**

 **Pearls and precious stones**

 **Nuclear reactors and machinery**

 **Electrical machinery**

 **Aircraft and spacecraft**



The new tariff imposition has led to a decline in the textile, chemical, and marine industries.



- However, Pharma & IT remain largely unaffected
- Together, they form 40%+ of India's exports to the USA
- Pharma → explicitly exempt
- IT/software services → not part of merchandise trade



These sectors will likely cushion the market.

Though the tariff has created short-term havoc, the market remains resilient in the long-term trajectory.

Diversification = Opportunity



-  **40 new textile markets (~USD 590B opportunity)**
-  **Exports now reach 130 countries (up from 105 a decade ago).**
-  **Engineering, pharma, electronics already >50% of exports.**
-  **Lesser dependency on the USA for export can lead to better trade agreements and negotiations.**
-  **102 new EU marine units (+20% seafood exports)**

India's GDP growth story



India remains the fastest-growing major economy globally.



FY 2024–25 GDP growth:
6.5–6.8%
vs. global avg. ~2.5–3%.



Tariffs create short-term noise, but India's GDP growth ensures the long-term melody.

Market Trajectory - As per our analysis



Projected Nifty Path

- 0–3 months- 3% (panic phase)
- 6–12 months: +5% (stabilization)
- 12–24 months: +9% (growth recovery)



Sectoral Winners

- Marine exports: +20–25% growth
- Engineering & Pharma: +8–12% upside
- Logistics & Banks: +10–15% gains



- India has engaged USA lobbying firms
- USA Congress and government engagement to reduce tariff pressures.



India's diplomatic stance:

Imports of Russian oil keep the world's energy markets stable.



Export partner diversification to lessen reliance on the USA



In a shifting trade landscape, India's mix of lobbying, diplomacy, and diversification ensures long-term resilience.