

# Green ammonia export deal signed

**Our Bureau**  
Ahmedabad

India and Germany on Monday welcomed one of the largest offtake agreements under India's National Green Hydrogen Mission, under which green ammonia supplies from India to Germany can be scaled up to 500 kilo tonnes per annum over a 15-year period.

Under the agreement signed during the talks held between Prime Minister Narendra Modi and German Federal Chancellor Friedrich Merz in Gandhinagar on Monday, AM Green will supply green ammonia to Germany's Uniper Global Commodities, with about 125 kilo tonnes to be initially exported.

The supply is expected to ramp up over the next 15 years, said Foreign Secretary Vikram Misri. The arrangement is aimed at positioning India as a long-term supplier of green hydrogen derivatives to Europe as the region accelerates its clean energy transition.

To advance cooperation on hydrogen regulations and standards, both the leaders welcomed the signing of a

memorandum of understanding between the Petroleum and Natural Gas Regulatory Board (PNGRB) and the German Technical and Scientific Association for Gas and Water Industries (DVGW).

## NEW FUNDING

Clean energy collaboration was further strengthened with a new funding commitment of €1.24 billion under the bilateral Green and Sustainable Development Partnership. The funding will support priority projects in renewable energy, green hydrogen, PM e-Bus Sewa and climate-resilient urban infrastructure.

The two leaders also agreed to deepen military-to-military cooperation covering joint exercises, naval engagements, defence industrial collaboration and faster export clearances.

"In the past few years, we have seen that Germany's defence policies surrounding India have undergone a change. It was not easy to get clearances for defence imports (from Germany) earlier. Now, this has sped up and backlog has been cleared. The discussions regarding the submarine deal

maintained a positive momentum," Misri said.

Prime Minister Modi welcomed Germany's intent to participate in Naval Exercise MILAN, the 9<sup>th</sup> Indian Ocean Naval Symposium (IONS) Conclave of Chiefs in February 2026 and Air Combat Exercise TARANG SHAKTI in September 2026, as well as Germany's decision to deploy a liaison officer to the Information Fusion Centre-Indian Ocean Region (IFC-IOR). Both sides expressed satisfaction at the ongoing cooperation between India's Defence Research and Development Organisation (DRDO) and the Organisation for Joint Armament Co-operation (OCCAR) on the Eurodrone MALE UAV programme, which is expected to enable India to collaborate on advanced military technologies and strengthen defence ties with Europe.

The leaders also welcomed the signing of a joint declaration of intent to develop a Defence Industrial Cooperation Roadmap aimed at promoting industry-level collaboration, including tech partnerships, co-development and co-production of defence platforms and equipment.

# 'India, US continue to actively engage in trade talks'

Amiti Sen  
New Delhi

India and the US continue to actively engage in bilateral trade talks and are determined to get it across the finish line, US Ambassador to India Sergio Gor has said.

"Both sides continue to actively engage (in the trade talks). In fact, the next call on trade will occur tomorrow. Remember India is the world's largest nation. So it is not an easy task to get it (the trade negotiations) across the finished line. But we are determined to get there," Gor said in his address to the media on Monday after formally taking over charge in New Delhi.

Gor, who was sworn in as the Ambassador to India in November 2025, has taken charge at a crucial time when there is lack of clarity over the fate of the India-US trade deal being negotiated.

Indian exporters are struggling to deal with 50 per cent tariffs, which includes a 25 per cent levy for purchase of Russian oil, imposed last August.

There are added concerns over a proposed US Bill that could potentially raise tariffs to 500 per cent on countries



Sergio Gor,  
US Ambassador to India

buying energy products from Russia.

## INVITED TO PAX SILICA

Stressing that along with trade, the two countries will also work together in many other important areas, the US Ambassador announced that India had been invited to join 'Pax Silica', a US-led silicon supply chain initiative.

"Pax Silica is a US-led strategic initiative to build a secure, prosperous and innovation driven silicon supply chain — from critical minerals and energy inputs to advanced manufacturing, semiconductors, AI development and logistics. Nations that joined last month include Japan, South Korea, the UK and Israel. Today, I am pleased to announce that In-

dia will be invited to join this group of nations as a full member next month," he said. Highlighting the importance of India for the US, Gor said no partner was more essential than India and it was his goal to pursue a very ambitious agenda in the months and years ahead.

"I also hope that the President will be visiting us soon. Hopefully in the next year or two," he said.

## EASING TENSIONS

Alluding to the present trade tensions, Gor expressed optimism about the future. "I have travelled all over the world with President Trump and I can attest that his friendship with Prime Minister Modi is real. The US and India are bound not just by shared interests but by relationships anchored at the highest levels. Real friends can disagree but always resolve their differences in the end," he said.

Last week, US Commerce Secretary Howard Lutnick said the India-US trade deal did not happen last year because Prime Minister Narendra Modi did not speak to President Donald Trump about closing it.

India's Ministry of External Affairs said the claims

were "inaccurate" and Modi had, in fact, spoken to Trump eight times in 2025 and on several occasions India and the US came close to striking the deal. Gor reiterated the US' stress on reciprocity and fair trade, which had been cited as the reasons for the US' imposition of reciprocal tariffs on most of its trading partners, including India, last year.

"Last week, our Secretary of State (Marco) Rubio powerfully stated that this year is going to be a year of reciprocity. We are raising the standard for diplomacy itself. That means fair trade, mutual respect and shared security," he said.

# Markets stage V-shaped recovery on US-India trade deal optimism

**BULLS CHARGE.** After hitting a low of 25,473, Nifty rallied back to hit day's high of 25,813.15 during closing hours

**Anupama Ghosh**

Mumbai

Markets snapped a five-session losing streak with a dramatic intra-day turnaround on Monday. Optimism around the US-India trade negotiations triggered a sharp recovery from three-month lows. The Nifty 50 closed at 25,790.25, up 106.95 points, while the Sensex gained 301.93 points to settle at 83,878.17.

The session began on a weak note with the Nifty opening at 25,669.05 and sliding to an intra-day low of 25,473 during morning trade.

However, sentiment reversed sharply after 12 pm following remarks by newly appointed US Ambassador to India Sergio Gor, who con-

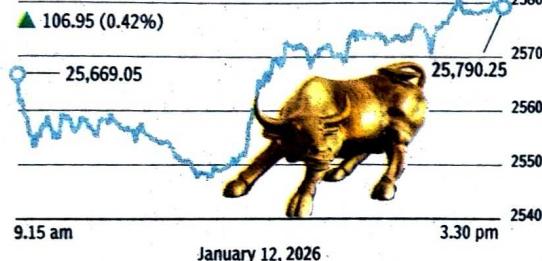
firmed that the next round of trade discussions is scheduled for January 13.

"The tide turned sharply after 12 pm following optimistic remarks from US Ambassador Sergio Gor," said Nandish Shah, Deputy Vice-President at HDFC Securities. "His confirmation that New Delhi and Washington are actively engaged in finalising a trade deal ignited a massive more than 300-point recovery from the day's lows."

## SECTORAL SURGE

Metal stocks led the sectoral rally, with the Nifty Metal Index surging over 2 per cent. Coal India emerged the top gainer on the Nifty 50, jumping 3.39 per cent to ₹432.55. Tata Steel advanced 2.75 per cent to ₹183.30, while Asian

## Nifty: Strong rebound



Paints rose 2.50 per cent to ₹2,896.20. JSW Steel climbed 2.26 per cent to ₹1,185.00 and Hindalco gained 2.21 per cent to ₹920.90.

On the losing side, Infosys declined 1.02 per cent to ₹1,597.60, while Bajaj Finance fell 1.00 per cent to ₹950.00. Tata Motors shed 1.00 per cent to ₹350.60, Bajaj Auto dropped 0.88 per

cent to ₹9,478.50 and Eicher Motors lost 0.85 per cent to ₹7,443.0s0.

The Nifty Bank closed at 59,450.50, up 198.95 points, after recovering approximately 676 points from an intra-day low of 58,864. The Nifty Financial Services Index gained 136.40 points to close at 27,518.50. In contrast, Realty and Media in-

dices shed over 1 per cent.

Broader markets underperformed, with the Nifty Midcap 100 closing marginally lower by 0.05 per cent at 59,717.10 and the Nifty Smallcap 100 falling 0.52 per cent to 17,193.30. Market breadth remained weak, with 1,468 stocks advancing against 2,837 declining on the BSE.

Shrikant Chouhan, Head Equity Research, Kotak Securities, noted that "from the day's lowest point, the market bounced back over 300/1,200 points, which is largely positive".

Looking ahead, market participants will focus on earnings from IT majors TCS and HCL Tech on January 13, along with the outcome of the US-India trade discussions.

# Iran crisis leaves tea exporters in the lurch

**Mithun Dasgupta**

Kolkata

Indian tea exporters are worried about the Iran crisis as shipments to the country, a major overseas market, have been halted due to a total breakdown in communication with importers.

Iran is mostly a premium quality orthodox tea market, where Assam orthodox tea finds its place in many Iranian brands.

“As of now, there is absolutely no contact with Iran. All phone lines have been lost. So, trouble is an understatement as of now. We will only know what the issue is once we start talking to our clients there. The situation is definitely not good,” said Anish Bhansali, partner of Bhansali & Co, a major tea exporter to Iran.

The West Asian country is currently embroiled in



**ONLY THE BEST.** Iran is a premium quality orthodox tea market. Assam orthodox tea finds its place in Iranian brands PTI

massive anti-government protests, with demonstrators across Tehran and other cities calling for economic and political reforms. Security forces have intensified crackdowns, and internet and telecommunications services have largely been cut off.

“What impact will it have on our exports – that is something we need to ask them. Some of the shipments are already on their

way based on prior contracts. Some are still waiting to depart. We have stopped shipments for the moment. Currently, the situation is worrisome,” Bhansali told *businessline*.

West Asia has been a top export market for Indian teas. During January-November last year, tea exports to Iran and Iraq were at 10 million kg (mkg) and 49 mkg respectively. During this period, shipments to the

United Arab Emirates (UAE) stood at 45 mkg. Significantly, a major part of the exports to UAE are destined for Iran.

## SALES VIA CONTRACTS

“Iran tea exports are basically on the basis of forward contracts. As per these contracts, tea is already procured by the importers. Now, due to these geopolitical disturbances, shipments may be affected. But, it will have an intermittent effect,” said Sujit Patra, former Secretary, Indian Tea Association (ITA). “Indian tea is well entrenched in the Iranian tea brands. Indian tea exports will find their own way into Iran,” Patra said.

Buoyed by higher shipments to Iran, Iraq and China, India’s total tea exports in 2025 are expected to grow compared to 2024. The country had exported 256.17 mkg of the brew in 2024.

# J&K's lavender farmers seek protection as cheap imports hit their incomes

**Gulzar Bhat**

Srinagar

In 2010, Touqeer Ahmad Baghban, a resident of the Chenab Valley's Baderwah area, switched to lavender cultivation, drawn by the promise of higher returns than maize, a crop he had grown for decades. The venture remained profitable for several years until a surge in cheaper imports began to erode his earnings.

"Local farmers are facing stiff competition from foreign producers," Baghban said, adding that imports from countries such as China, France and Bulgaria undercut prices of domestic produce. He alleged that as lavender products, particularly dried flowers and oil, from Jammu and Kashmir began gaining a foothold in



**FLORAL SHIFT.** Around 1,200 hectares are under lavender cultivation, with nearly 4,000 farmers growing the crop in the Chenab Valley of the Jammu division IMRAN NISSAR

the market, overseas suppliers responded by sharply slashing their prices.

In Jammu and Kashmir, around 1,200 hectares are under lavender cultivation, with nearly 4,000 farmers growing the crop in the Chenab Valley region of Jammu division.

With its striking purple flowers and prized essential oil, lavender is a hardy crop that requires little irrigation

and grows well on undulating land. The region produces significant quantities of dried flowers and essential oil each year, much of which is supplied to the domestic markets.

However, farmers say rising input costs and volatile market prices are now squeezing profit margins. Many growers fear that without policy support, such as higher import duties, bet-

ter price discovery mechanisms and improved market access, the crop's early promise may fade, discouraging new farmers from taking up lavender cultivation.

"Foreign producers sell dried lavender flowers at around ₹600 per kg, forcing local growers to slash their prices," Baghban said.

Earlier, he added, local farmers were able to sell the produce at nearly ₹1,500 per kg. "The same trend is now affecting lavender oil as well," he said.

## PRICE CRASH

Farmers say the price crash had come at a time when many had invested heavily in expanding cultivation, encouraged by government-backed initiatives that promoted lavender as a high-value alternative crop for the region.

# Determined to cross finish line on trade deal: US envoy Gor

Says both nations remain 'actively' engaged, next call scheduled today

**SHREYA NANDI**  
New Delhi, 12 January

India and the United States (US) continue to remain "actively" engaged on the proposed trade deal and the "next call" will take place as early as Tuesday, US Ambassador to India Sergio Gor said on Monday.

Stressing that India is a very large nation, Gor said: "It is not an easy task to get this across the finish line, but we are determined to get there." Delivering his first public address after taking over as ambassador, he said the US and India were bound not just by shared interests but by relations anchored at the highest levels.

"Real friends can disagree, but always resolve their differences in the end," Gor said, conveying American President Donald Trump's warm wishes to "dear

friend" Prime Minister Narendra Modi. Gor hoped the President would be visiting India soon, "hopefully in the next year or two".

Gor, who is a close aide of the American President, joined the US embassy in India amid uncertainty surrounding the finalisation of the bilateral trade deal between the two countries.

He described the bilateral relations as "the most consequential" global partnership of this century, adding that no partner was more essential than India.

The past few months have seen friction, marked by issues such as Washington's imposition of punitive tariffs over New Delhi's purchases of Russian oil and Trump's claim of stopping the India-Pakistan conflict last year.

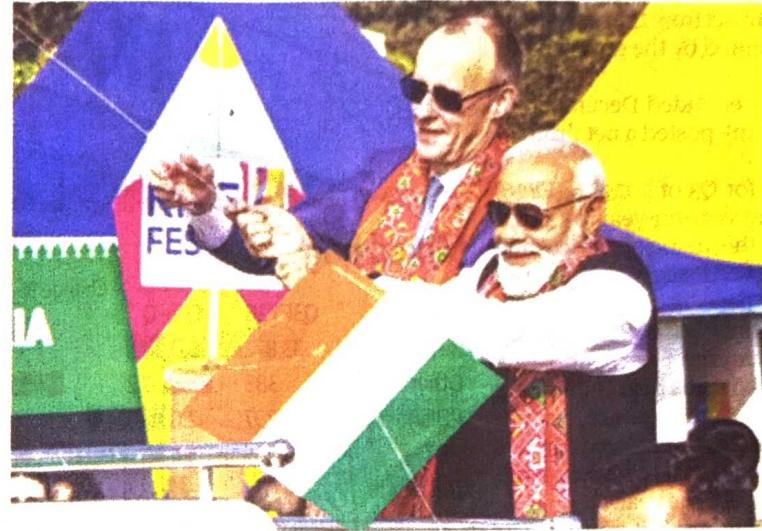
India recently rejected remarks by US Commerce Secretary Howard Lutnick that a bilateral trade deal failed to materialise last year because Modi did not put in a telephone call to Trump. Turn to Page 6 ▶

◀ **REAL FRIENDS CAN DISAGREE, BUT ALWAYS RESOLVE THEIR DIFFERENCES IN THE END** ▶

Sergio Gor,  
in his first public address after taking over as  
US ambassador to India

**Modi, Merz stress economic ties**

PHOTO: REUTERS



PM Narendra Modi and German Chancellor Friedrich Merz fly kites in Ahmedabad on Monday. The two countries announced 27 outcomes ahead of the impending India-EU trade deal

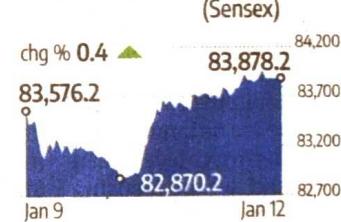
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**“GOING AHEAD, TALKS (FOR TRADE DEAL) ARE ON WITH SEVERAL DEVELOPED COUNTRIES. WE ARE IN TALKS WITH THE US FOR A BILATERAL TRADE AGREEMENT. FTA WITH THE EUROPEAN UNION IS AT THE FINAL STAGES”**



Piyush Goyal,  
Commerce and Industry Minister,  
at Regional MSME Conclave, Rajkot

**PAGE 10**  
**Sensex rebounds 1.3% from day's low**  
(Sensex)



Equity benchmarks snapped a five-day losing streak on Monday, buoyed by optimism over India-US trade talks.

# Determined to cross finish line on trade deal: US envoy Gor

On Friday, Randhir Jaiswal, spokesperson for the Ministry of External Affairs (MEA), had said that the two countries had "on several occasions been close to a deal", signalling that the responsibility for the impasse did not rest solely with New Delhi, as suggested by Lutnick in comments made during the interview on Thursday.

Although India was the first country to initiate trade talks with the US — in March last year — uncertainty over finalising an agreement has persisted.

Trade talks between India and the US came close to completion before stalling around July last year.

Thereafter, in August, Trump imposed the 50 per cent tariff on several Indian goods, including the 25 per cent punitive duty for buying Russian oil.

Talks, however, resumed a month later.

Gor is expected to play a role in strengthening strategic ties between New Delhi and Washington, and taking the partnership to the "next level".

Further, Gor said India would be invited to join next month as a full member of Pax Silica, the US-led strategic initiative to build secure, resilient supply chains for semiconductors, artificial-intelligence technologies, and critical minerals.

Other than the US, eight more countries that are part of the initiative, launched in December, are Australia, Israel, Japan, the Netherlands, the United Kingdom, South Korea, Singapore, and the United Arab Emirates.

"And while trade is very important for our relationship, we will continue to work closely together on other very important areas such as security, counterterrorism, energy, technology, education and health," Gor said.

Quoting Secretary of State Marco Rubio, Gor said this year would be a year of reciprocity.

"We are raising the standard for diplomacy itself. That means fair trade, mutual respect, and shared security," he added.

momentum and the leadership we are gaining in artificial intelligence (AI), we are confident of a good calendar year 2026," he said.

TCS said its annualised AI services revenue grew 17.3 per cent sequentially to \$1.8 billion. Krishivasan also highlighted that the company is making good progress with potential clients for its recently announced data centre business, HyperVault.

Growth, the CEO said, was being driven by AI and data. "We talked about a number of rapid-build projects that we are doing in the AI segment. Essentially, these are short-cycle projects, where decision making is faster based on return of investment. We see a steady increase, which is visible in our AI revenue," he added.

Despite positive growth across most geographies, revenue from international markets rose just 0.5 per cent quarter-on-quarter (Q-o-Q) on a constant-currency basis. According to an initial note from Equirus Securities, "Overall results are marginally lower than our expectations, both on Q-o-Q constant-currency dollar sales growth and earnings-before-interest-and-taxes margins. TCS again reported sluggish international market growth of 0.5 per cent Q-o-Q in Q3. As a result, the company's required growth rate in Q4 to achieve higher constant-currency growth for FY26 versus the 0.9 per cent reported in FY25 now appears challenging."

Excluding pass-through sales, Equirus said, core business constant-currency growth was estimated at 0.3 per cent Q-o-Q."

Among major markets, North America grew 0.1 per cent sequentially, while Latin America expanded 4.6 per cent. The UK declined 1.9 per cent, whereas Europe grew 2.1 per cent. India registered sequential growth of 8 per cent, though revenue from India declined 34.3 per cent year-on-year (Y-o-Y).

North America grew 1.3 per cent Y-o-Y, the UK declined 3.2

per cent, and continental Europe rose 1.4 per cent.

BFSI, TCS's largest vertical, grew 1.6 percent Y-o-Y, though it declined 0.4 per cent sequentially. The consumer business fell 2.7 per cent Y-o-Y but grew 1.3 per cent Q-o-Q. Life sciences and health care rose 0.9 per cent sequentially and 2.2 per cent Y-o-Y.

Explaining the AI-related deals, Aarthi Subramanian, executive director — president and chief operating officer, said the \$1.8 billion annualised revenue primarily comprises AI programmes across industry value chains, along with the data capabilities required to deliver them. "We are talking about two types of AI programmes — first, AI for business transformation across industry value chain and verticals, and second is when we use AI for modernisation."

TCS reported an operating margin of 25.2 per cent for the quarter.

Samir Seksaria, chief financial officer of TCS, said sustained margin performance and strong cash conversion reflected disciplined execution and financial resilience. He pointed out that the ongoing impact of the new labour codes would be 10 to 15 basis points.

The company's headcount continued to decline during the quarter. As of Q3FY26, TCS had 582,163 employees, a reduction of 11,151 from the 593,314 reported in Q2FY26.

Sudeep Kunnumal, chief human resources officer, said associates remained central to TCS' transformation into an AI-first enterprise. As of this quarter, more than 217,000 associates possess advanced AI skills, directly powering client success at scale. "We doubled our intake of fresh graduates with higher-order skills, rapidly expanding our next-generation talent pool. The passion and commitment our associates show in mastering next-gen capabilities give us the confidence to innovate responsibly and deliver sustainable value as AI reshapes the services landscape."

# India, Germany boost ties ahead of EU FTA

Announce 27 outcomes, including 19 agreements, across sectors — from defence to semiconductors and supply chain

ARCHIS MOHAN

New Delhi, 12 January

India and Germany on Monday announced 27 outcomes — 19 agreements and eight announcements — to underline their deepening ties in defence, security, the mobility of health care workers, semiconductors, supply chains, technology, and green energy, and with an eye to enhancing bilateral trade in the context of the impending India-European Union (EU) trade deal.

During their discussions in Ahmedabad late Monday morning, German Chancellor Friedrich Merz, who is on a two-day visit to India, told Prime Minister Narendra Modi his country's "strong support" for the India-EU free-trade agreement (FTA).

Merz asked the EU and New Delhi to "urgently conclude" trade talks, which would help strengthen supply chains disrupted over the past year.

The trade deal is slated to be signed on January 27 during the visit of European Commission President Ursula von der Leyen and European Council President Antonio Costa, both of whom will also be chief guests at this year's Republic Day parade.

During his talks with Modi, and at their subsequent joint press briefing, Merz spoke of instability in the world order, and said it was ever more important for India and Germany to take their ties to a new level. He highlighted the "strategic approach" that Germany was taking in its relations with India to foster closer economic and security ties to



PHOTO: PTI

German Chancellor Friedrich Merz conveyed 'strong support' to PM Narendra Modi for the India-EU FTA, likely to be signed later this month

counter the instability.

"Rough winds are blowing, and we must join forces to weather them," Merz said. He said Germany wanted closer security cooperation with India so that it was less dependent on Russia.

Modi underlined the importance the German Chancellor placed on relations with India since it was "his first visit not only to India, but to Asia", and that it was taking place as the two countries completed 25 years of strategic partnership last year.

Addressing a gathering earlier in the day, Merz said it was not a coincidence that his first visit to Asia, after taking over as Chancellor eight months ago, had been to India.

Bilateral trade in goods and services

between the two nations has increased over 50 per cent in the past couple of years, and reached \$51.23 billion, with Germany, India's largest trading partner in the EU, accounting for over 25 per cent of India's trade with the bloc.

The German leadership has been keen to double bilateral trade. Germany is now home to 300,000 Indian passport holders, including 60,000 students, a number that has doubled in the past five years. The two sides discussed Germany setting up dedicated institutional arrangements to look at issues of Indian students and workers.

Special emphasis has been placed on enhancing migration, mobility, and skilling. India's talented young workforce is making a significant contribution to Ger-

## Bilateral bonhomie

- Germany looks at setting up dedicated institutional arrangements for issues faced by Indian students and workers
- Germany makes € 1.24 billion commitments under Green and Sustainable Development Partnership
- Berlin announces visa-free transit for Indian passport holders
- Both nations to deepen military cooperation via joint exercises and exchanges of senior officials
- They signed agreements on defence industrial cooperation, CEOs' forum, semiconductor ecosystem

many's economy," Modi said, adding that the agreement on global skills partnership between the two countries would especially facilitate the mobility of health care professionals.

On defence ties, the Prime Minister thanked the Chancellor "for simplifying the processes related to defence trade", adding that the two countries would work on a road map to enhance cooperation between their defence industries, "which will open up new opportunities for co-development and co-production".

The two leaders also discussed global and regional issues in detail, including Ukraine and Gaza.

Germany committed itself to giving 1.24 billion euros under the flagship bilateral Green and Sustainable Development

Partnership (GSDP), supporting priority projects in renewable energies, green hydrogen, PM e-Bus Seva, and climate-resilient urban infrastructure, including metro networks in Surat and Ahmedabad.

Of the German government's commitment of 10 billion euros until 2030, mostly as concessionary loans, a payment of approximately 5 billion euros has been used or earmarked since 2022 for projects.

The two sides signed agreements on defence industrial cooperation, setting up a chief executive officers' forum, semiconductor ecosystem partnership, green hydrogen and critical minerals. A framework agreement for recruiting health care professionals and another for setting up a centre of excellence for skilling in Hyderabad were also signed.

Germany announced visa-free transit for Indian passport holders. The two sides agreed to set up a foreign policy and security dialogue, another on Indo-Pacific. Germany said it would open an honorary consulate in Ahmedabad.

On defence ties, the two sides endorsed the commitment to deepen military-to-military cooperation through joint exercises, and training and exchanges of senior officials.

Both leaders lauded the continuing cooperation in submarines, obstacle avoidance systems for helicopters, and Counter Unmanned Aerial Systems (C-UAS), and looked forward to enhanced defence industrial collaboration.

India and Germany are negotiating a \$8 billion submarine-manufacturing deal.

With inputs from agencies

# US Resumes Trade Talks with 'Real Friend' India

Gor takes mollifying tone, says ties go beyond tariffs, differences with friends resolvable

**Dipanjan Roy Chaudhury**

**New Delhi:** US Ambassador designate to India Sergio Gor said New Delhi and Washington would resume discussions for a proposed trade pact on Tuesday. His comments come amid claims by the Donald Trump administration that India is delaying conclusion of the deal.

Striking a conciliatory note on Monday soon after his arrival in the Capital, Gor termed bilateral ties as the most "consequential global partnership of this century."

Gor, who has a rapport with the US President, portrayed the relationship as one anchored beyond disputes over tariffs and market access. "Real friends can disagree, but always resolve their differences in the end," he said. "The US and India are bound not just by shared interests, but by a relationship anchored at the highest level."

Gor asserted that Trump's friends-

## MAGA Deal in Making

US envoy terms India-US ties **century's most consequential**



Conveys greetings from US President to India, PM

Relationship anchored at highest political level, he says



Cites India's scale as a trade deal complexity

India to be invited to join PaxSilica initiative



**NO PARTNER IS MORE ESSENTIAL THAN INDIA**

**SERGIO GOR**  
US Ambassador Designate to India

hip with Prime Minister Narendra Modi is "real," saying he has "travelled all over the world with President Trump," and can attest to this.

On the trade deal, the envoy said, "Many of you have asked me for an update on the ongoing trade deal negotiations. Both sides continue to actively engage. In fact, the next call on trade will occur tomorrow (Tuesday)... In-

dia is the world's largest nation. So, it's not an easy task to get this across the finish line."

India and the US are in protracted negotiations for a trade deal. They are holding parallel negotiations — one, on a framework trade deal to address the high tariffs levied by the US, and the other on a comprehensive Bilateral Trade Agreement (BTA).

# India sees 'little impact' of US tariff for doing Iran business

**PUNITIVE LEVY.** New Delhi is awaiting clarity on humanitarian trade with Tehran

Amiti Sen

Prabhudutta Mishra

New Delhi

US President Donald Trump's latest announcement proposing a 25 per cent tariff on countries doing business with Iran is likely to have "minimal impact" on India.

Government sources told *businessline* that India's trade with the sanctioned country is already low and is expected to go down further, given external factors.

However, New Delhi is looking for clarity on whether the latest sanction would also apply to humanitarian trade, which is what India is engaged in at the moment with Iran, an industry source pointed out.

"Effective immediately, any country doing business with the Islamic Republic of Iran will pay a tariff of 25 per cent on any and all business being done with the US. This order is final and conclusive....," Trump posted on social media platform *Truth Social* on Monday.

But a formal notification on the proposed tariffs is



**STRATEGIC PRESSURE.** The latest move is part of the Trump regime's drive to pressure and isolate Tehran amid the Khamenei rule's crackdown on anti-government demonstrators REUTERS

awaited for clarity on its coverage and implementation, another source said.

"While India's trade with Iran is minimal, it could be a problem if it gets penalised for it as most Indian exports to the US already face additional import duties of 50 per cent," the second source said.

#### KEY INDIA EXPORTS

Indian exporters to Iran, mainly of basmati rice, tea and some other agricultural products, are hopeful that food would continue to be exempt from sanctions but are apprehensive as there is no formal notification yet.

"Indian companies and banks are already fully compliant with US OFAC (Office of Foreign Assets Control) sanctions on Iran, limiting engagement strictly to permissible humanitarian trade, primarily in food and pharmaceuticals. We do not foresee any adverse impact on India. Nonetheless, a formal clarification would help dispel uncertainty," said Ajay Sahai, Director-General, Federation of Indian Export Organisations.

#### BASMATI SHIPMENTS

Due to sanctions, India's shipments of basmati, the top export item, have

suffered, pointed out Akshay Gupta, Head-Bulk Exports, KRBL. "Considering the limited trade to Iran, we have been doing majority of our trade through the UAE, where Iranian importers operate local. This arrangement has helped us in mitigating risks. The re-imposition of US tariffs, including the proposed 25 per cent levy, adds an additional challenge to the Indian basmati rice sector," he said.

The latest move is part of the Trump regime's drive to pressure and isolate Tehran amid the ongoing crackdown on anti-government demonstrators by the Khamenei rule.

For India, Iran does not even figure in the top 50 global trading partners, a government source said.

"Last year, India's total trade with Iran was \$1.6 billion, which is about 0.15 per cent of India's total trade. It may go down further this year, given external economic factors. The tariffs announced by the US on the trade partners of Iran is likely to have minimal impact on India," the source said.

# India's Russia crude imports drop to lowest since first price cap as RIL cuts cargoes by half: CREA

**Rishi Ranjan Kala**

New Delhi

The recent sanctions by the US on Russia have started taking effect, with India's December 2025 crude oil imports from Moscow slipping to their lowest levels for the first time since G7 countries imposed the \$60 per barrel price cap on Urals grade (December 2022) as Reliance Industries (RIL) halved its cargoes.

Another first is Turkey displacing India as Russia's second-largest fossil fuel buyer in almost three years.

Finland-based Centre for Research on Energy and Clean Air (CREA) said, "India's Russian crude imports recorded a sharp 29 per cent m-o-m reduction to the lowest volumes since implementation of the price cap policy. This drop occurred despite total imports grow-



ing marginally". These declines were led by sharp reductions in imports by the RIL-operated Jamnagar refinery (-49 per cent) and 15 per cent reduction by state-owned refineries in December 2025, it added.

The US sanctions on Russian oil giants Rosneft and Lukoil is the first serious attempt to check energy trade

between New Delhi and Moscow. They came into effect on November 21, 2025.

For instance, Russia's monthly fossil fuel export revenues in December 2025 witnessed a 2 per cent m-o-m decline at around \$580 million per day, the second-lowest figure since the full-scale invasion of Ukraine.

## EFFECT OF SANCTIONS

CREA pointed out that India was the third-highest buyer of Russian fossil fuels, importing a total of around \$2.68 billion of Russian hydrocarbons in December 2025. Crude oil constituted 78 per cent of India's purchases totalling roughly \$2.10 billion, coal (\$495 million) and oil products (\$96 million).

"These cuts were led largely by the Jamnagar refinery, which cut its imports from Russia by half in December 2025. The en-

tirety of their imports were supplied by Rosneft, albeit from cargoes purchased before [the US] OFAC sanctions came into effect," CREA added.

Turkey displaced India as the second-largest importer, purchasing around \$3 billion of Russian hydrocarbons in December.

Refined oil products constituted the largest share at 44 per cent (\$1.28 billion) followed by pipeline gas (\$1.15 billion). Crude oil (\$300 million) and coal (\$261 million) constituted the remainder of their imports, the think tank pointed out.

In December, CREA said five refineries in India, Turkey and Brunei that use Russian crude exported around \$1.1 billion of oil products to sanctioning countries, of which almost one-third of the products were refined from Russian crude oil.

# Edible oil imports down 11.6% during Nov- Dec '25 on lower palm oil shipments

**Our Bureau**

Mangaluru

Edible oil imports declined by 11.6 per cent during the first two months of the oil year 2025-26 (November-October) due to a decrease in palm oil shipments.

Data compiled by the Solvent Extractors' Association of India (SEA) showed that India imported 25.13 lakh tonnes (lt) of edible oil during November-December of the oil year 2025-26, against 28.43 lt in the corresponding period of the previous oil year.

## REFINED OILS

Total imports of palm oil, including RBD palmolein and crude palm oil (CPO), declined to 11.39 lt during the first two months of the oil year 2025-26 from 13.44 lt



**LOSING THE FLOOR.** Total imports of palm oil, including RBD palmolein and CPO, declined to 11.39 lt during the first two months of the oil year 2025-26 from 13.44 lt in the same period last year

during November-December 2024-25.

BV Mehta, Executive Director of SEA, said the ratio of refined oil imports decreased to 0.14 per cent of the total edible oil imports during November-December 2025-26 from 18 per cent in the corresponding period of the previous oil year.

The ratio of crude edible

oils increased to 99.86 per cent (82 per cent) during the period due to a rise in the import of CPO. Only 3,500 tonnes of refined oil (RBD palmolein) was imported during the first two months of 2025-26 (5.17 lt in November-December 2024-25).

India imported 25.09 lt of crude edible oils during November-December 2025-

26 (23.26 lt). Palm oil imports declined to 5.07 lt in December 2025 from 6.32 lt in November 2025.

India imported 8.75 lt of soybean oil during the first two months of 2025-26 (8.80 lt).

He said the soybean oil import jumped to 5.05 lt in December 2025 from 3.71 lt in November 2025.

## SUNOIL IMPORTS SLIP

India imported 4.92 lt of sunflower oil during the period (6.17 lt). However, sunflower oil imports shot up to 3.50 lt in December from 1.43 lt in November 2025.

India imported 5.92 lt of crude soybean degummed oil from Argentina. This was followed by Brazil at 98,562 tonnes and China at 1.05 lt.

Russia exported 2.66 lt of crude sunflower oil, followed by Argentina at 84,863 tonnes and Ukraine at 1.07 lt.

# India slips behind Turkiye among major Russia oil buyers

SHUBHANGI MATHUR

New Delhi, 13 January

India slipped to third place among buyers of Russian fossil fuels in December 2025, with Turkiye overtaking the country to become the second-largest purchaser, according to the Centre for Research on Energy and Clean Air (CREA), a European research organisation.

The country's Russian crude imports recorded a 29 per cent month-on-month reduction to the lowest volumes in December since the implementation of the \$60-per-barrel price cap policy.

Indian refiners have scaled back purchases of Russian oil following US sanctions on two major producers, Rosneft and Lukoil, which accounted for around 60 per cent of New Delhi's crude oil supply from Moscow.

Mukesh Ambani-led Reliance Industries Limited (RIL) has cut Russian oil imports by 49 percent while the state-run refineries reduced the imports by 15 per cent during the month, said CREA.

India imported a total of 2.3 billion euros of Russian hydrocarbons in December, with crude oil purchases amounting to 1.8 billion euros, while coal and petroleum products' purchases stood at 424 million euros and 82 million euros, respectively, said CREA.

India currently accounts for 38 per cent of Russia's

crude oil exports, while China holds the largest share at 47 per cent. Turkey and the EU each account for 6 per cent.

Turkiye replaced India as the second largest importer, purchasing 2.6 billion euros of Russian hydrocarbons in December. Refined oil products constituted the largest share at 44 per cent, amounting to 1.1 billion euros, followed by pipeline gas at 989 million euros. Crude oil and coal constituted the remainder of Turkey's fossil fuel imports from Russia.

**RELIANCE HAS CUT RUSSIAN OIL IMPORTS BY 49 %, WHILE STATE-RUN REFINERIES HAVE REDUCED PURCHASES BY 15 %, SAID CREA**

Meanwhile, China remained the largest global buyer of Russian fossil fuels in December, accounting

for 48 per cent of Russia's export revenues from the top five importers. Crude oil made up 60 per cent of China's purchases amounting to 3.6 billion euros, followed by coal at 15 per cent and pipeline gas at 12 per cent. Refined oil products and liquefied natural gas (LNG) constituted the remainder of imports.

In December, Russia's monthly fossil fuel export revenues saw a marginal 2 per cent month-on-month decline to 500 million euros per day. Russia's total crude oil export revenues dropped by 12 per cent to 198 million euros per day, while LNG revenues increased by 13 per cent in the month as France and Spain increased their imports of Russian LNG by 18 per cent and 27 per cent, respectively.

# World Bank raises FY27 India growth forecast to 6.5%

HIMANSHI BHARDWAJ

New Delhi, 13 January

The World Bank on Tuesday upgraded its FY27 growth forecast for India to 6.5 per cent from 6.3 per cent projected in October last year on the back of firmer domestic demand and export performance, which has proved more resilient than earlier expected.

Compared to its forecast in June last year, however, the growth projection for FY27 has remained unchanged.

"India is expected to maintain the fastest growth rate among the world's largest economies. Despite higher tariffs on certain exports to the United States — which accounts for about 12 per cent of India's merchandise exports — the growth forecast has remained unchanged relative to June projections, primarily because adverse impacts of higher tariffs will be offset by stronger momentum in domestic demand and more resilient exports than previously anticipated," the World Bank said in its latest "Global Economic Prospects" report.

Talking about the upside risks to the forecast, the report points to a possible resolution of trade disputes, including a partial reversal of American tariffs in several economies, including India. Bilateral negotiations to lower trade barriers and restrictions could lead to faster export growth and attract more foreign capital than assumed in the baseline, the World Bank said.

"Business and consumer confidence could also be boosted, which would support stronger-than-expected increases in investment and consumption," it added.

Another upside risk flagged is stronger investment in new technologies, including artificial intelligence, in India, which could lift productivity and employment growth faster than expected.

Such gains are projected to raise India's potential growth and enhance the economy's resilience to external shocks.

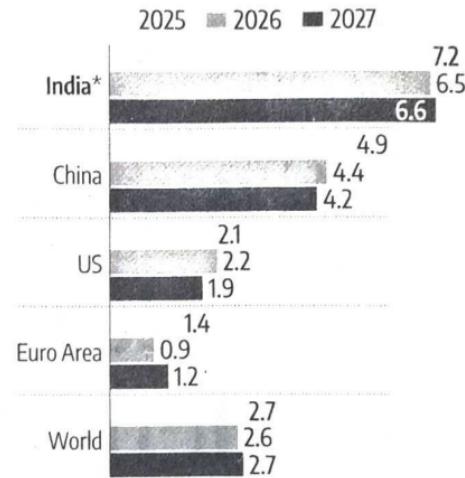
The international lending organisation expects growth to inch up to 6.6 per cent in FY28, underpinned by robust services activity, a recovery in exports and a pickup in investment.

The report highlights that despite easier global financial conditions, growth in credit to the private sector has been restrained in several economies in the South Asian region, including India either by



## Growth prediction

Real GDP (Y-o-Y %)



\*For India, growth forecasts are for FY26, FY27, and FY28

Source: World Bank

policies designed to contain financial risks or on account of weakened demand.

"Credit growth has continued to be moderated in India by macroprudential policies aimed at containing banking sector risks, despite increases in financing from non-bank sources," it added.

Fiscal consolidation is projected to continue in India over the forecast horizon, with the effects of tax cuts outweighing by a decline in current spending, resulting in a gradual reduction in the public debt-to-gross domestic product ratio. In India, surpluses in trade in services are expected to partly offset deficits in merchandise trade, while the inflation rate is expected to converge to the target for FY27 set by the Reserve Bank of India, assuming stable seasonal conditions contain food prices.

The global economy is projected to expand 2.6 per cent in FY27, down from 2.7 per cent in FY26, as front-loading fades and tariffs intensify, dampening trade and manufacturing. In particular, trade growth is set to weaken as firms scale back the accumulation of inventories.

**PRICES OF KEY VARIETIES DOWN 7% IN A WEEK**

# Iran Disruption Holds India's Basmati Shipments in Limbo

US Prez Trump's new 25% tariff threat adds to uncertainty; traders seek alternative mkts

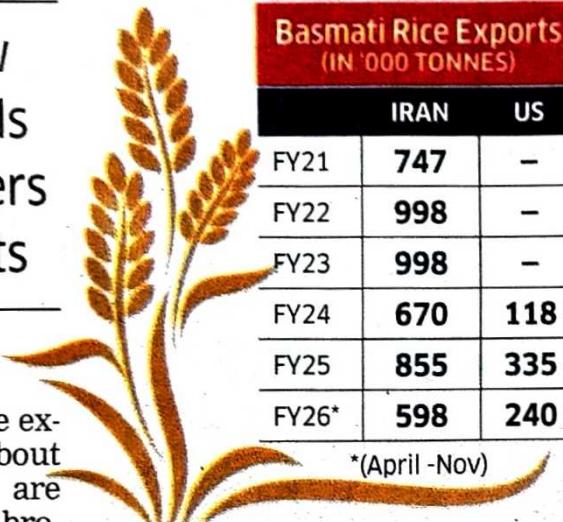
**Sutanuka Ghosal**

**Kolkata:** India's basmati rice exports are facing a setback as about ₹2,000 crore of payments are stuck, after protests in Iran brought trade to a halt with the second largest buyer of the premium grain. Iran imported about 598,000 tonnes of Indian basmati between April and November, according to the Indian Rice Exporters Federation (IREF).

"Importers in Iran have reported their inability to remit payments and honour their contracts. There is no communication with Iranian buyers," said IREF vice-president Ved Garg. The disruption has led to uncertainty for exporters already nervous about US President Donald Trump's threat to impose an additional 25% tariff on countries having trade with Iran.

Uncertainty in Iran has impacted the prices of basmati rice in India's wholesale markets. Over the past week, prices of key basmati varieties have dropped by 7%.

Since the current protests erupted in Tehran, retail outlets in Iran



are closed, Garg said. "There is no internet connection too and we cannot reach out to our buyers. Basmati rice from India is lying at the Iranian ports," he said.

Prem Garg, IREF's national president, said the body has issued an advisory urging exporters to reassess risk exposure on Iranian contracts, adopt secured payment mechanisms, and avoid overleveraging inventories meant exclusively for Iran.

"We are not sounding an alarm, but urging prudence. In periods of geopolitical and internal instability, trade is often the first casualty," he said. "We have appealed to the exporters to diversify into alternative markets across West Asia, Africa and Europe to cushion the impact of any prolonged slowdown in Iran-bound shipments."

Akshay Gupta, head of bulk exports at KRBL, the manufacturer of India Gate basmati rice, said when trade with Iran was fully open, the company was exporting around 250,000 tonnes of basmati rice to that market.

However, over the years, sanctions and increased market restrictions have considerably impacted the business.

"Today, our current exposure to the Iran market is limited at around \$8-10 million. Considering the limited trade to Iran, we have been doing the majority of our trade through the UAE, where Iranian importers operate locally," Gupta added. According to industry estimates, a tonne of basmati rice now costs \$900.

Rice exporters said Trump's tariff threat to countries continuing trade with Iran created a lot of confusion in the market. "It is not clear whether this 25% tariff is over and above the 50% tariff which the US has already imposed on us," the IREF president said.

Washington imposed 50% tariffs on India effective August,

India's basmati rice exports to the US have not seen any impact in the first three months after Washington imposed 50% tariffs on India effective August. In the period September to November, India exported 75,839 tonnes of basmati rice to the US as compared to 65,658 tonnes in the same period of the previous year.

# 25% US tariff: Shipments of rice & tea to Iran stalled

● Humanitarian trade under cloud of uncertainty too

SANDIP DAS &  
MUKESH JAGOTA

New Delhi, January 13

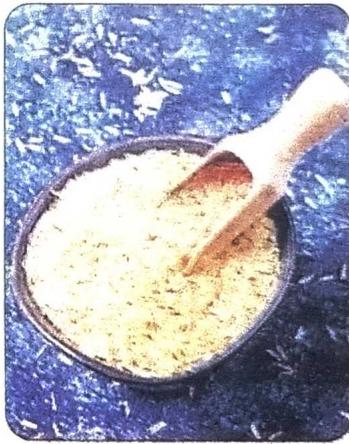
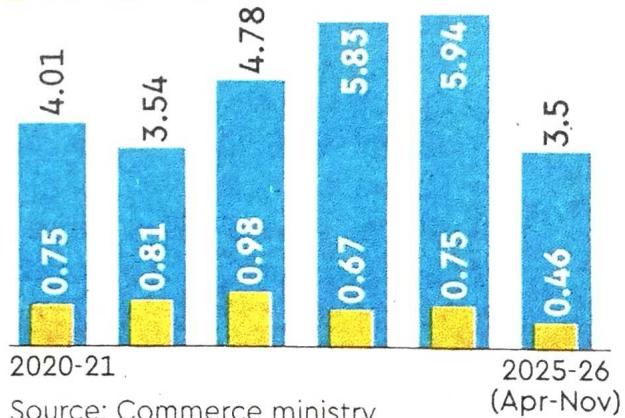
**SHORTLY BEFORE THE** US President Donald Trump announced a 25% additional tariff on countries trading with Iran, India's shipments of rice and tea to the West Asian country fell to a trickle. Basmati rice and tea have remained items which India continued to export in substantial quantities to Iran, after the November 2018 imposition of Office of Foreign Assets Control (OFAC) sanctions.

The OFAC sanctions regime included a waiver on 'humanitarian grounds' for trade in food and

## RIPPLE EFFECT

India's basmati rice exports to Iran & world (in US \$ billion)

■ Iran ■ Total



## »INSIDE«

**TARIFF LOOMS ON INDIA'S CHABAHR PLANS P2**

**OSLO RIGHTS GROUP PUTS IRAN DEATH TOLL AT 7K P7**

medicines, among other essentials. Civil unrest in Iran and the imminence of additional US

sanctions have caused delays in payment settlements for rice and tea exporters and fall in domestic mandi prices of several varieties of basmati rice, trade circles said, adding that as a precautionary measure, shipments have been "temporarily halted."

**Continued on Page 7**

# 25% US tariff: Shipments of rice, tea to Iran stalled

EXPORTERS SAID THE crisis extends beyond direct trade with Iran as transit trade through Iran, particularly via the strategic Bandar Abbas port serving the routes to Afghanistan, Turkey, and Russia, has also been impacted.

However, officials here said trade between India and Iran is 'fully compliant' with the earlier (OFAC) sanctions regime. There is no clarity on whether the remaining trade in food and pharma would be covered by the new announcement by President Donald Trump, they added.

The OFAC sanctions of the US Department of Treasury brought down bilateral trade between India and Iran sharply from 2019. India's total merchandise trade with Iran peaked at \$17 billion in FY19 (imports of \$13.5 billion, dominated by petroleum products, and exports of \$3.5 billion), mostly rice and tea.

"Indian companies and banks are in full and demonstrable compliance with OFAC sanctions on Iran, engaging exclusively in clearly permitted humanitarian trade, mainly in food and pharmaceuticals. There is, therefore, no basis to anticipate any adverse impact on India," Director General and CEO of Federation of Indian Export Organisations Ajay Sahai said. That said, an explicit clarification would conclusively remove any residual ambiguity and provide complete assurance to all stakeholders, he added.

In a social media post on



Monday, Trump announced the 25% tariff on 'any and all business with the US' for countries doing business with Iran. No Executive Order or notification detailing the scope of the new restrictions has since been issued. India stopped buying petroleum crude oil from Iran and its exports got confined to humanitarian goods after OFAC sanctions. India's imports from Iran are confined to dry fruits, chemicals and glassware.

Total trade between the two countries stands at \$1.68 billion in 2025-26 with India's exports at \$1.24 billion and imports at \$441 million. Of the total India's exports to Iran in the last financial year, \$757 million was accounted for by rice.

In April-November of the current financial year, India's exports to Iran were \$764 million and imports were \$224 million.

Iran was once the third biggest source of petroleum crude before that trade came to a grinding halt after OFAC sanctions. OFAC sanctions take vari-

ous forms, from blocking the property of specific individuals and entities to broadly prohibiting transactions involving an entire country or geographic region, such as through a trade embargo or prohibitions related to particular sectors of a country's economy. There are currently 13 countries on the OFAC list.

The ongoing unrest in Iran has forced the suspension of shipments through the region, further straining global supply chains. "With the rapidly deteriorating situation in Iran, the Indian basmati rice exports are facing one of the most serious disruptions in recent years," Ranjit Singh Jossan, vice president, the Basmati Rice Millers and Exporters Association, Punjab, told FE.

Singh said 'for the past five to six days, all channels of communication with Iranian buyers have remained completely shut—be it internet services, mobile networks—making it impossible for exporters to coordinate shipments or receive pay-

ment confirmations.'

Iran has been among the largest importers of the aromatic long-grain rice for several years, along with Saudi Arabia, Iraq and the United Arab Emirates. According to the latest data, India's basmati rice exports to Iran during April-November 2025-26 stood at \$468.1 million, with volumes reaching around 0.6 million tonne (MT). "Uncertainty looms over India's basmati rice exports as Iran's political unrest leaves consignments stuck at ports, payments frozen, impacting prices," Suraj Agarwal, CEO at Riceville Group, said.

"We were exporting around 0.25 million tonne of basmati rice to Iran earlier. However, over the years, sanctions and increased market restrictions have considerably impacted our business," Akshay Gupta, Head-bulk exports, KRBL, which ships basmati rice to over 90 countries under 'India Gate' brand, said. Gupta said at present the company's exports of basmati rice to Iran is around \$8-10 million.

Prem Garg, national president, Indian Rice Exporters Federation (IREF), said, "The current internal turmoil has disrupted trade channels, slowed payments, and dented buyer confidence. The immediate fallout is evident in Indian mandis, where Basmati prices have softened sharply within days."

According to a IREF, the domestic mandi price of 1121 variety of basmati rice has declined to ₹80/kg from ₹85/kg

a week ago, while other aromatic long grain rice variety has declined to ₹65/kg from ₹70/kg prevailing a week ago.

Garg said that exporters must exercise heightened caution, particularly with respect to credit exposure and shipment timelines. "Importers (in Iran) have conveyed their inability to honour existing commitments and remit payments to India, creating heightened uncertainty for exporters," he said.

Iran has traditionally been a strong market for Indian orthodox tea. The US tariffs could exacerbate the situation with exporters already facing problems in Pakistan and Russia, which were once large markets for Indian tea. "We exported 80 million kgs of orthodox tea in FY25, out of which shipment to Iran was around 45 million kgs," Vicky Tambi, CEO, Asian Tea Company, said.

A leading rice exporter from Haryana said 'it's a complex process to get payments for basmati rice exports to Iran.' Sources said importers in Iran till now were settling payments using traders' accounts based in Dubai and other channels.

"The 25% tariff effectively raises the tariff burden on Indian exporters to nearly 75% in the US, creating serious anxiety across global markets," an exporter said.

India has been the world's biggest rice exporter in the last decade and with a market share of around 35% to 40% in rice trade.

# Spice Exporters may Face Heat on China Chilli Focus

## Cheaper chilli and cumin from China are taking over mkts

Shambhavi Anand

**New Delhi:** China has started growing and exporting cumin and chillies, two of India's core spice exports, often with lower price tags. The development could challenge India's dominance as the world's biggest spice supplier, said industry executives. The Chinese spices are cheaper even when the produce is first imported from India and pro-

cessed locally, they said.

"China, for the last two years, has started growing cumin and chilli and has been taking the place of India in some markets," said Sandeep Vodeppalli, vice president at Big Hat. Chillies form the backbone of India's spice exports, accounting for more than a quarter of total volume and value. Exports of chilli powder increased 35% year-on-year in 2024-25 to 80.6 million kg, while total chilli exports increased 19% to cross 700,000 tonnes. However, export earnings declined 11% during the year, underscoring the pressure on prices. In 2023-24, chilli exports had increased 15% year-on-year.

Cumin exports also recorded strong volume growth. Shipments increased 39% to 229,881 tonnes in

2024-25 from 165,269 tonnes in the previous financial year. Cumin is widely used in curries, stews and as a flavouring agent in global food processing.

Traders said that China is focusing on two chilli varieties: paprika, used mainly for colour and mild flavour, and Teja, a high-pungency variety that also finds application in pharmaceutical products such as pain-relief ointments. In addition, China

has been importing large quantities of Indian chillies, processing them domestically and exporting the finished product to third countries.

"The impact of this shift may become visible over the next two seasons," said Prakash Agarwal, a bulk exporter. Weather-related crop losses and low prices in the export market prevent farmers from planting chillies and cumin during the kharif season.

### CUMIN EXPORTS RECORDS STRONG VOLUME



Cumin exports recorded strong volume growth; Shipments rose 39% to 229,881 t in 2024-25 from 165,269 t in previous fiscal

# Exports to China rise 9.7% in 2025 but trade deficit touches a record high of \$116 billion

**Press Trust of India**

Beijing

India's exports to China posted a \$5.5 billion increase compared to last year bucking the declining trend even as the trade deficit hit a record \$116.12 billion, as per the annual trade data released by Chinese customs here on Wednesday.

Bilateral trade, too, surged

to an all time high to \$155.62 billion in 2025, according to the data.

Indian exports to China, which over the years struggled to make headway, climbed to \$19.75 billion between January and December last year, posting a 9.7 per cent increase, amounting to \$5.5 billion, according to the data.

At the same time, Chinese exports to India increased

12.8 per cent to \$135.87 billion last year.

While trade is picking up from both countries, the total bilateral trade surged to a record high of \$155.62 billion in 2025, the year in which both countries faced US President Donald Trump's tariff hikes.

The trade deficit — a constant problem in India-China trade — touched a record high of \$116.12 billion,

crossing \$100 billion for the second time since 2023.

In 2024, the trade deficit was \$99.21 billion with China's exports totalling \$113.45 billion, and India's outbound shipments to China stagnating at \$14.25 billion.

China's annual trade data covers the period from January to December while India releases its figures from March to April.

# Venezuela crisis unlikely to hit India's crude oil imports

**Rishi Ranjan Kala**

New Delhi

Even though crude oil and refined products account for more than 90 per cent of India's imports from Venezuela, the US action is unlikely to materially impact New Delhi's hydrocarbons trade as the South American country accounts for less than 1 per cent of its crude oil imports.

Analysts and refiners pointed out that even if Venezuela's crude oil production is disrupted, the development is not expected to majorly impact global crude oil prices, considering it accounts for roughly 1.5 per cent of the global supply.

"While we do not anticipate any material near-term impact of the Venezuela situation on crude oil prices, investments for increasing crude oil production in Venezuela, which has vast untapped reserves, could boost oil supply globally and lead to softening of crude oil prices over the medium-to-long term, which could be a positive for India Inc," Crisil Ratings said on Tuesday.

India's direct trade with Venezuela is also insignificant, accounting for less than 0.25 per cent of its total imports. Crude oil is the primary import from Venezuela, with India sourcing roughly 1 per cent of its requirements from the South American country.

## OIL SURPLUS

Last week, Jim Burkhard, Vice-President and Global Head of Crude Oil Research at S&P Global Energy, pointed out that the recent developments in Venezuela do



little to alter the fact that the global oil market is facing a surplus at the start of 2026. For now, prevailing oil market fundamentals remain largely unchanged.

Crisil Ratings stressed that the price of Brent crude oil has remained almost stable over the past few days, hovering a tad above \$60 per barrel. The US Energy Information Administration data also point to a similar trend.

"Whether Venezuela crude oil production grows after years of neglect is a question that will be answered over months and years, and only with significant levels of investment. For now, the prevailing oil market fundamentals remain largely unchanged," Burkhard said.

Rubix Data Sciences pointed out that the Venezuelan government in November 2025 conveyed its interest in attracting greater Indian investment and technical collaboration in mineral exploration and processing, signalling a potential in the bilateral investment agenda.

"For India, deeper investment partnerships in these areas could support long-term supply security for minerals essential to batteries, electric vehicles and clean-energy technologies," the risk management services provider added.

# Cotton trade body sees crop output a tad higher

**Our Bureau**

Bengaluru

The Cotton Association of India (CAI), the country's apex trade body for the fibre, has raised the crop estimate for the 2025-26 season (October-September) by 2.5 per cent or 7.5 lakh bales (of 170 kg each) to 317 lakh bales on higher than estimated production in Maharashtra and Telangana.

CAI has projected a year-end surplus of 122.59 lakh bales for the 2025-26 season, up 56 per cent year-on-year on record imports of 50 lakh

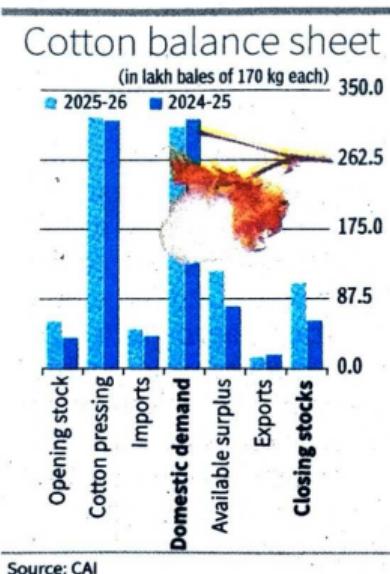
bales during the year.

Based on the feedback from various State bodies, CAI has projected an increase of 3 lakh bales in Maharashtra, 4.5 lakh bales in Telangana, 1 lakh bales in Karnataka and 0.5 lakh bales in Tamil Nadu.

## DECLINE IN M.P.

Also, the trade body expects a decline of 1 lakh bales in Madhya Pradesh and 0.5 lakh bales in Odisha.

In a statement, CAI President Vinay Kotak said the consumption during the current season 2025-26 ending September is estimated at



305 lakh bales, a tad lower than 314 lakh bales a year ago.

Till December-end, the consumption was estimated at 76.25 lakh bales.

The duty-free import window provided by the government till December 31 last year prompted the trade and millers to import 31 lakh bales.

## EXPORT ESTIMATE CUT

CAI has cut the cotton export projections by 3 lakh bales to 15 lakh bales during the 2025-26 season from 18 lakh bales in the previous year.

Till December-end, about 4.5 lakh bales had been exported.

CAI sees a total supply of 427.59 lakh bales during 2025-26 against 392.59 lakh bales a year ago.

Total supply this year comprises an opening stock of 60.59 lakh bales, pressing estimates of 317 lakh bales and imports of 50 lakh bales.

Total surplus at the end of the 2025-26 season, ending September, is projected to be 122.59 bales, higher by around 56 per cent over the 78.59 lakh bales last season.

Closing stocks for the 2025-26 season is projected at 07.59 lakh bales, up 77 per cent over 60.59 lakh bales last season.

# Iran unrest, US tariff threat rattle dry fruits trade, but fresh fruit imports remain steady

Prabhudatta Mishra

New Delhi

Indian importers of fresh fruits, such as apples, cherries and kiwis, are not overly concerned about any possible disruption to trade due to unrest in Iran.

However, the dry fruits industry is apprehensive about a potentially greater impact following US President Donald Trump's recent threat to impose a 25 per cent duty on countries that continue trading with Iran.

"As long as it is allowed and the government does not restrict it, there is no worry. However, if there is disruption on logistics, there may be issue," said Anil Dwivedi, General Secretary of the Delhi-based Fresh Fruits Importers Associa-



tion. He said that currently consignments are routed through Bandar Abbas port as operations at Chabahar are reportedly curbed.

Sources said that India's fresh fruits exports, mainly bananas, are managed by some of the same companies that import apples and kiwis, enabling them to manage payments with some barter-like arrangement with their Iranian counterparts.

In contrast, the dry fruits sector expects a sharper impact. Rajeev Pabreja, Founding Member of the Nuts & Dry Fruits Council (India), said the unrest and economic turmoil in Iran could significantly affect imports, particularly pistachios, dates, saffron, almonds and raisins.

## PAYMENTS DELAYED

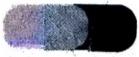
"Iran is going through one of its most serious waves of internal unrest and economic instability in years, with nationwide protests, inflation, and political pressure on the government. This has already disrupted normal trade channels and financial operations," Pabreja said.

He said that export payments were already being delayed as Iranian importers struggle with economic in-

stability and payment remittances.

"Traders may avoid risk as uncertainty leads to hesitation in committing to long-term contracts or large orders with Iranian counterparts," said Pabreja, who is also Co-chair of the MEWA India Conference and Exhibition, which is scheduled later this month in Delhi.

Many Indian importers are closely monitoring the situation in Iran and the US tariff threat as these developments tend to disrupt operations at ports and customs. Amid escalating tensions and the possibility of US military intervention, the government on Wednesday advised all Indian nationals in Iran to leave by available means, including commercial flights and to avoid travel to the country.



# 'US tariffs hurt nutraceutical exports'

PT Jyothi Datta

Mumbai

Nutraceutical exports to the US have been impacted by the import tariffs of about 50 per cent on certain ingredients, said Sanjaya Mariwala, Executive Chairman and Managing Director of OmniActive Health Technologies.

Unlike pharmaceuticals that are outside the ambit of US tariffs for now, nutraceuticals are not viewed through the same lens, despite being linked to health and wellness, Mariwala told *businessline*, pointing to natural carotenoids and botanical extracts, for example, used in human nutrition.

"Current classification under Chapters 13 and 21 at-



Sanjaya Mariwala, Executive Chairman, MD, OmniActive Health Technologies

tracts about 50 per cent import tariffs in the US, while identical molecules classified under Chapter 32 for colorant use attract zero tariff. This disparity severely impacts India's nutraceutical export competitiveness," Mariwala said in a recent submission to the

Commerce Ministry. He urged the Centre to align the tariff policy with "scientific and commercial realities", during trade discussions.

According to industry estimates, the Indian nutraceutical industry is pegged at over \$22 billion, with exports valued at \$954.41 million, up to March 2025.

The nutraceuticals industry includes the local market that consumes finished products in India and local raw materials that is bought, processed and exported out of India, he pointed out.

A large part of exports is to the US, said Mariwala, adding that the tariff regime was hurting Indian exporters, who carried a bulk of the resulting price burden. "We are paying 50 per cent, so it's

really a lot of confusion for our customers wanting to do new things with us."

## GREATER CLARITY

Mariwala called for greater regulatory clarity in the classification of nutraceutical products under specific categories of the globally accepted HSN (harmonised system of nomenclature) codes — making it simpler to track products and its applications.

"For example, I'm using curcumin for nutraceutical purposes it should be classified under a nutraceutical category of codes which cover various nutraceutical products," he explains, adding that ingredients get put under spices, vegetables or a "vague" category called "others".

# Smartphone exports may have topped \$30 bn in '25

Phones make up 38% of India's outbound shipments since 2021 on PLI push

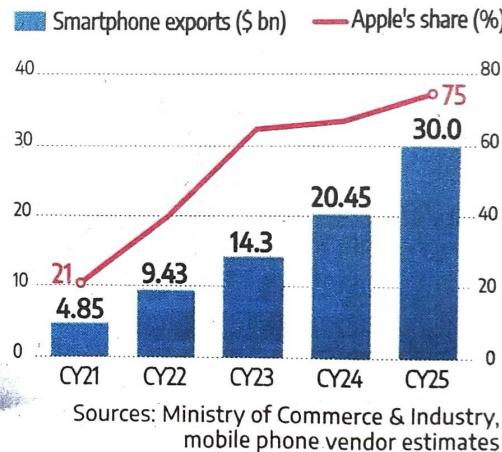
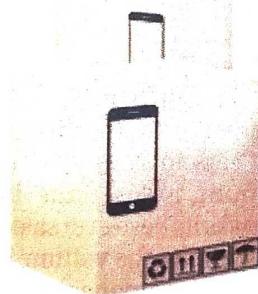
**SURAJEET DAS GUPTA**

New Delhi, 14 January

In a record-breaking showing, smartphone exports from India — driven by the production-linked incentive (PLI) scheme — are likely to have reached \$30 billion over the 12 months from January to December 2025, accounting for 38 per cent of the country's total smartphone exports over the past five years since 2021.

Between 2021 and 2025, India's smartphone exports reached nearly \$80 billion (\$79.03 billion), with the latest year delivering the highest exports

## Biggest slice for Apple



recorded in any 12-month period.

Apple's iPhone shipments, valued at more than \$22 billion

during this period, made up roughly 75 per cent of total smartphone exports. The \$30

billion figure for 2025 marks a 47 per cent rise over the \$20.45 billion logged in the corresponding 12 months of 2024. This outcome largely stems from a focused policy intervention through the smartphone PLI scheme announced in 2020, shortly before the pandemic lockdown.

Of the 14 PLI schemes introduced in 2020, the smartphone PLI is widely seen as the most effective in export terms. It also underscored the role global value chains, led by Apple Inc, can play in reshaping an industry by bringing India into their supply networks. Turn to Page 7 ▶

## ► FROM PAGE 1

# Smartphone exports may have topped \$30 bn in '25

Mobile phones, ranked 167th on India's export list in 2015, have since climbed to become the country's largest exported product.

Following the PLI rollout in 2021, India exported smartphones worth \$4.85 billion, mainly from Samsung and domestic manufacturers. In 2022, as the economy moved past pandemic disruptions and two of Apple's three factories began operations, exports nearly doubled — up 94 per cent from 2021 to \$9.43 billion. Growth carried into 2023,

with exports rising more than 51 per cent year-on-year to \$14.3 billion as all three Apple facilities came on stream. In 2024, smartphone exports crossed \$20 billion for the first time, reaching \$20.45 billion.

March 2025 marked the highest-ever monthly smartphone exports at \$3.16 billion, overtaking the earlier record of \$2.92 billion set in January the same year. In 2024, monthly exports cleared the \$2 billion threshold for the first time, doing so in three of the 12 months.

# US auto firms hesitant to acquire parts from Indian manufacturers

Acma says tariff impact may become evident in H2FY26



DEEPAK PATEL  
New Delhi, 14 January

Automakers in the US and its neighbouring countries are showing hesitation in discussions on import supply contracts with Indian auto component manufacturers for new projects due to recent high tariffs imposed by President Donald Trump's administration, the Automotive Component Manufacturers Association of India (Acma) said on Wednesday.

The Association said exports from India to the US remained flat year-on-year (Y-o-Y) at around \$3.64 billion in the first half of 2025-26 (H1FY26), adding that the impact of tariffs is expected to become evident from H2FY26.

The US, which is Indian auto component industry's largest export market, imposed a 25 per cent tariff on India last year.

Addressing a press conference, Acma President-designate Sriram Viji said higher tariffs imposed by the US on several countries, including India, have created uncertainty among buyers. "...the tariffs imposed by the US on much of the world and India have led to a lot of hesitation from companies in the US and the Nafta (North American Free Trade Agreement) region to source components for their new projects from firms in India," he added.

Viji, who is also the managing director (MD) of Brakes India, noted that while existing components trade with the US may continue in the near term, the bigger concern lies in future orders. "While the immediate auto components trade may not take a hit, you will see hesitation in people awarding businesses that are a year, or two years, or three years down the line. This is a big cause of concern for many people in the industry," he noted.

Viji added that India faces a disadvantage as some countries have secured more favourable tariff terms under US trade rules. "Some countries have negotiated new beneficial tariff rates under Section 232 (the US Trade Expansion Act of 1962). India does have a disadvantage in that context, competing with some other countries out there," he said.

## Trade trajectory

Indian auto component industry's exports to the US

Exports (in \$ billion)

Source: ACMA

H1FY21	1.639
H1FY22	2.97
H1FY23	3.325
H1FY24	3.387
H1FY25	3.67
H1FY26	3.64

Section 232 is a clause in the Act that permits the US President to impose tariffs or trade restrictions on imports on national security grounds.

According to Viji, even small differences in import duties can materially affect sourcing decisions. "Even a 10 per cent tariff rate difference between countries will make a significant shift in trade because margins are relatively thin and absorbing those kinds of price differences is very hard for (Indian) companies... Unless we see either some resolution on this front, or at least stability or clarity on where things are going, I think there would be some challenges going forward with respect to trade, especially with the US," he mentioned.

Vikrampati Singhania, MD of JK Fenner (India) and president of Acma, said uncertainty with the US over tariff issues has already begun to affect fresh orders. "New contracts, which are due, are in a little bit of limbo while the existing supply chain is continuing right now... A supplier has to go through a stringent qualification process before starting supplying components to an automaker. This is why it is not easy to immediately switch suppliers," he noted.

"To some extent, the rupee depreciation against the dollar has helped cushion the impact of US tariff a little bit," he mentioned.

Indian auto component industry's overall exports in H1FY26 stood at \$12.2 billion, recording a growth of 9.3 per cent Y-o-Y, according to Acma. After the US, Germany, Thailand, Brazil and the UAE are the top export markets for the industry.

The industry's imports, meanwhile, grew at a faster rate than its exports. In H1FY26, its imports stood at \$12.3 billion, recording a 12.5 per cent Y-o-Y growth.

# India, US restart virtual trade talks; Gor presents credentials

SHREYA NANDI & ARCHIS MOHAN

New Delhi, 14 January

Washington's new envoy to New Delhi, Sergio Gor, on Wednesday formally presented his credentials to President Droupadi Murmu. Furthermore, India and the United States resumed virtual engagements on a bilateral trade deal.

"I look forward to working closely with the Government of India and the Indian people to advance our shared priorities in defence, trade, technology, and critical minerals, and to further strengthen the partnership between our two great democracies," Gor said after the ceremony, signalling renewed diplomatic momentum. That momentum was reflected late on Tuesday when External Affairs Minister S Jaishankar spoke over phone with US Secretary of State Marco Rubio, with discussions focusing on trade, critical minerals, nuclear energy and defence cooperation. The call came a day after Gor, in his first public speech in India on Monday, had said that contacts between the two sides on the trade issue were set to resume.

According to an American readout, Rubio and Jaishankar reviewed ongoing bilateral trade negotiations, exchanged views on regional developments and reaffirmed their shared commitment to a free and open Indo-Pacific. Rubio also congratulated India on enacting legislation aimed at the "sustainable" harnessing of nuclear energy. He expressed interest in capitalising on this "important de-



President Droupadi Murmu accepts credentials from US Ambassador to India Sergio Gor, at Rashtrapati Bhavan in New Delhi on Wednesday

PHOTO: PTI

velopment to enhance US-India civil nuclear cooperation and expand opportunities for American companies."

A senior Indian government official confirmed that chief negotiators from both countries have begun engaging virtually after the holiday season, though no timeline has been set for an in-person round of talks. The last formal discussions took place in December, when a US trade delegation led by Deputy US Trade Representative Rick Switzer visited New Delhi, before talks paused amid year-end

holidays and missed informal deadlines.

Despite being the first country to initiate trade talks with Washington in March last year, India is yet to reach a deal after more than half a dozen rounds of negotiations. Officials on both sides have continued to strike an optimistic note, even as differences over market access and tariffs remain.

Gor, 38, who was sworn in as ambassador in mid-November after his appointment was confirmed by the US Senate in October, formally took charge in New Delhi on January 12.

# Maha Pips TN to Take Top Spot on Export Preparedness Index

EPI 2024 saw addition of 5 dimensions & removal of 19 parameters to stay relevant

Our Bureau

**New Delhi:** Maharashtra, Tamil Nadu, Gujarat, Uttar Pradesh and Andhra Pradesh, in that order, are the most export-ready large states of India, according to Niti Aayog's Export Preparedness Index (EPI) 2024 released on Wednesday.

Maharashtra has toppled Tamil Nadu to become the Number 1 in the ranking, based on the states' performance between 2021-22 and 2023-24.

Tamil Nadu topped the list in EPI 2022, followed by Maharashtra, Karnataka, Gujarat and Haryana.

The Aayog, however, said the EPI 2024 ranking is not comparable to EPI 2022 as the entire methodology of assessing the states has changed.

Among smaller states, north-eastern states and union territory, Uttarakhand has topped the ranking, followed by Jammu & Kashmir, Nagaland, Da-



## Ready, Steady...

### EXPORTS (in ₹) FOR FY24

Maharashtra	5.63 lakh cr
Tamil Nadu	3.64 lakh cr
Gujarat	11.24 lakh cr
Uttar Pradesh	1.72 lakh cr
Andhra Pradesh	1.65 lakh cr
Karnataka	2.23 lakh cr
Punjab	56,392 cr
Telangana	1.17 lakh cr
Madhya Pradesh	65,942 cr
Haryana	1.48 lakh cr

dra & Nagar Haveli and Daman & Diu, and Goa.

"The world is passing through very turbulent times but these turbulent times give you opportunities to break through," Niti Aayog chief executive BVR Subrahmanyam said.

He said EPI 2024 "gives guidance on how states can push their exports."

According to Subrahmanyam, exports are fundamental to In-

dia's aspiration to become a \$30-trillion economy, with exports accounting for \$7.5 trillion.

The EPI 2024, prepared by the Aayog in collaboration with Deloitte, ranks states across 70 parameters under four key pillars and 13 sub-pillars.

The four pillars include export infrastructure, policy and governance, export performance and business ecosystem. While the first three pillars carry a weightage of 20% each, the business ecosystem carries a weightage of 40% in the index.

EPI 2024 saw addition of five new dimensions while 19 parameters from the previous edition have been removed or merged, and eight enhanced to provide actionable insights and maintain relevance to the macroeconomic climate.

The five new dimensions added include macroeconomy, human capital, MSME ecosystem, financial access, and credit and cost competitiveness.

 The world is passing through very turbulent times but these turbulent times give you opportunities to break through,

**BVR SUBRAHMANYAM**  
CEO, Niti Aayog

## US TARIFF IMPACT

# HK Emerges

## Key Destination for High-value Goods' Exports

Shipments grow \$955 m  
during April-November

**Kirtika Suneja**

**New Delhi:** Hong Kong has emerged as a key destination for India's high-value exports such as silver jewellery, electronics and processed stones with shipments growing \$955 million year-on-year in April-November FY26 to \$4.97 billion.

The surge was led by cut and polished diamonds, which increased to \$2.61 billion from \$2.13 billion, contributing nearly half of the total incremental growth at around \$477 million, an analysis by the commerce and industry ministry showed.

"Hong Kong, long seen as a Gateway to China, now holds potential to become a Gateway to India amid rising India-China economic engagement," said an official.

The higher exports to Hong Kong are key as India is diversifying its shipments amid the steep 50% tariffs imposed by the US since August 27. Hong Kong is India's 10th largest export destination and its

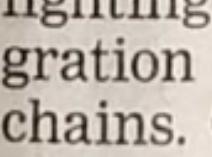
share in the country's total goods exports has risen to 1.7% from 1.4% a year ago.

"The growth reflects rising demand for value-intensive and commodity-focused products, anchored in gems, jewellery and electronics, reinforcing Hong Kong's role as a key trading and re-export hub in East Asia," the official added.

Outbound shipments of electronic goods, particularly telecommunications equipment, more than doubled to \$387 million in April-November FY26, highlighting stronger electronics integration with regional supply chains. Growth was further supported by silver jewellery, which rose to \$550 million and synthetic or restructured stones, which increased to \$229 million from \$135 million, according to the analysis.

The rise in exports of electronics, silver jewellery and high-end stones such as diamonds to Hong Kong reflects both genuine diversification and trade-routing effects, as per experts.

India is also keen to establish Hong Kong as an export gateway for its agri-foods, spices, fresh and processed fruits.



# 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,"

»INSIDE«

SENSITIVE  
AGRI ISSUES  
OUT OF  
INDIA-EU FTA

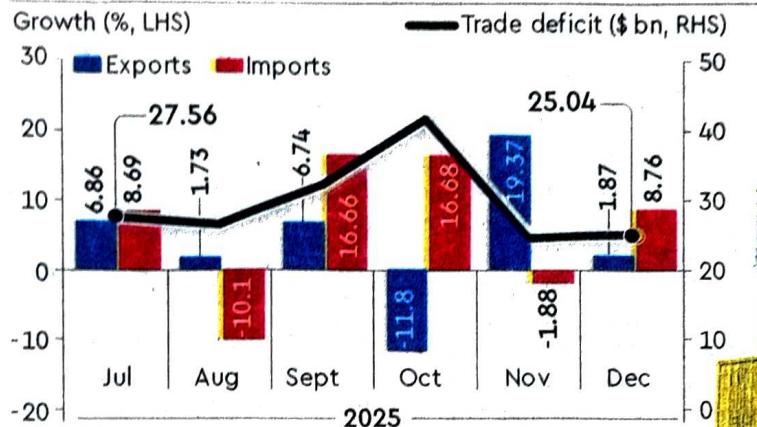
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Agrawal said.

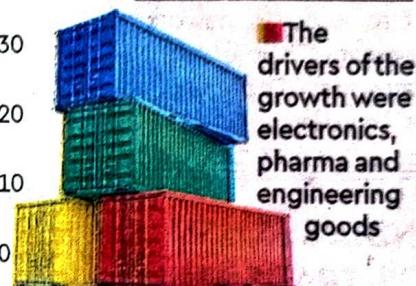
The December meeting between Goyal and USTR happened after the visit of a delegation of officials from the USTR office to New Delhi on December 10 and 11, led by Deputy USTR Rick Switzer. On Wednesday, US Ambassador to India Sergio Gor assumed office and presented his credentials to the President. A 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.

Continued on Page 11

## NAVIGATING TOUGH TIMES



■ In Dec, merchandise exports to the US were \$6.89 bn compared to \$7.01 bn in Dec of last year



■ The drivers of the growth were electronics, pharma and engineering goods

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

● Shipments to the US 'holding up', says govt

MUKESH JAGOTA  
New Delhi, January 15

**INDIA'S MERCHANDISE 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-

»INSIDE«

MARINE EXPORTS UP DURING APR-DEC

PAGE 2

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.

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.

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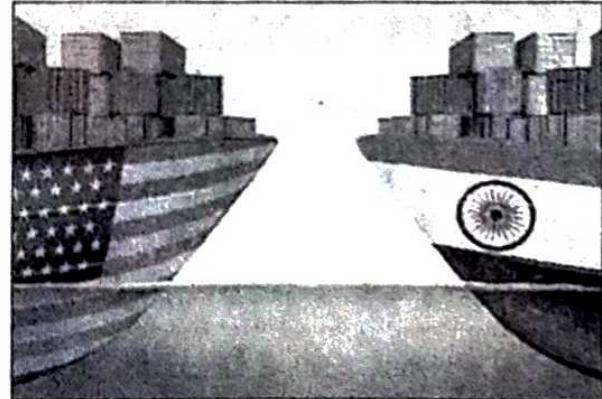
# Commerce Secy: US deal very close

DESPITE THE 50% tariff by the US on Indian imports, the exports to US are still holding on. In December, India's merchandise exports to the US were \$7.01 billion compared to \$6.89 billion in December of last year and \$6.98 billion in November. One of the reasons for it is that some key products like electronics and pharma are outside the reciprocal tariffs and penal duties. On some other products like steel, aluminium and copper, the duties are same for all trade partners of the US.

The products that are under pressure in the US market are textile & apparel, leather & marine products, where exporters are sacrificing margins to retain the customers.

Many exporters in these categories have said that they would not be able to continue for long on this path in the absence of a trade deal that brings down tariffs.

Agrawal agreed that high tariffs definitely must be



putting a lot of strain on some of the supply chains to the US. "But that is why, if you remember, one of the key objectives of our Export Promotion Mission and also our engagement with the industry has been to see how we can support diversification," he added..

"And that is what I think textile manufacturers are also doing, because we have been able to hold on to the (export) numbers (in this category) despite these tariffs overall."

During April-December, readymade garment exports were \$11.58 billion as against \$11.32 billion in the same period of the last financial year. Marine product exports are up 11% on year during April-December to \$ 6.36 billion.

# 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 22.20% 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.

# Miners for removal of export duty on low-grade bauxite

SAKET KUMAR

New Delhi, 15 January

India's mining industry is pressing the government for removing export duties on low-grade bauxite and maintain the current duty regime on iron ore, various tax concessions, and a government-backed insurance mechanism to protect overseas mining investments from geopolitical risks in the upcoming Union Budget.

A senior executive at the Federation of Indian Mineral Industries (Fimi) told *Business Standard* that the industry body has submitted a proposal to remove the 15 per cent export duty on low-grade bauxite.

"India is self-sufficient in bauxite, especially in Gujarat and Maharashtra where low-grade deposits dominate. These grades are not consumed domestically. The 15 per cent duty should be withdrawn to support bauxite exports," the executive said, requesting not to be identified.

On iron ore, the industry wants the government to maintain the current zero-duty regime for low-grade ore. At present, exports of iron ore below 58 per cent Fe (iron) attract no duty while higher grades face a 30 per cent duty. "Low-grade iron ore is not consumed by the domestic industry. We want to maintain the status quo. No new duties should be imposed," the executive added.

A major new demand is a government-backed insurance mechanism for overseas mining investments, particularly in Africa and South America, where political instability and geopolitical risks could jeopardise projects, said Rajib Maitra, partner and sector leader, Deloitte South Asia.

The proposal mirrors sovereign guarantees

extended to exporters by the Export Credit Guarantee Corporation (ECGC). ECGC, a government-owned entity, provides Indian exporters with insurance against commercial or political risks abroad, helping banks offer credit while protecting investments in politically volatile regions.

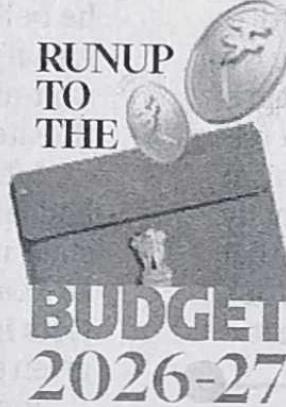
Maitra said mining investors need sovereign guarantees or counter-guarantees to secure financing from banks and financial institutions for overseas projects. Conventional insurance often does not cover political or financial instability, leaving projects exposed. The scheme would particularly support critical mineral projects such as lithium processing, rare earth separation, and magnet manufacturing.

Separately, the industry is lobbying for a much larger push on coal gasification, seeking ₹35,000 crore in Budget support, said Maitra. In January 2024, the Cabinet approved an outlay of ₹8,500 crore for promoting coal/lignite gasification in the country.

Coal gasification is a process that heats coal under high temperature and pressure with limited oxygen or steam, converting it into a clean gas called syngas. Considered a source of clean energy for the industry, the process is being promoted to reduce reliance on conventional fuels and lower emissions.

A Deloitte report on Budget expectations shows that the metal and mining industry has outlined five major tax-related requests for the government.

The first is enhanced depreciation in the initial years of a project along with an investment tax credit to ease upfront capital expenditure for mining, mineral processing, and downstream manufacturing.



# Marine exports up 15% in Apr-Dec despite US tariffs

SANDIP DAS  
New Delhi, January 15

**DESPITE BEING HIT** by the high US tariffs, India's marine products exports increased by over 15% to \$6.56 billion in April-December 2025-26 y-o-y because of a huge surge in shipment across several new markets such as Vietnam and Belgium, according to a commerce ministry official.

In December 2025, India exported marine products valued at \$0.8 billion, an increase of 12% compared to a year ago, according to official data released on Thursday.

While the US remains the largest market, exports of seafood to Vietnam and Belgium increased by 99.9% and 90.3%, respectively, in the current fiscal, an official said.

The official stated that there has been incremental growth in marine products exports to countries, including Russia (45%), Canada (20%), Thailand (16.8%), Germany (52%), UK (23%) and Japan (9%) in the first nine months of FY26 y-o-y.

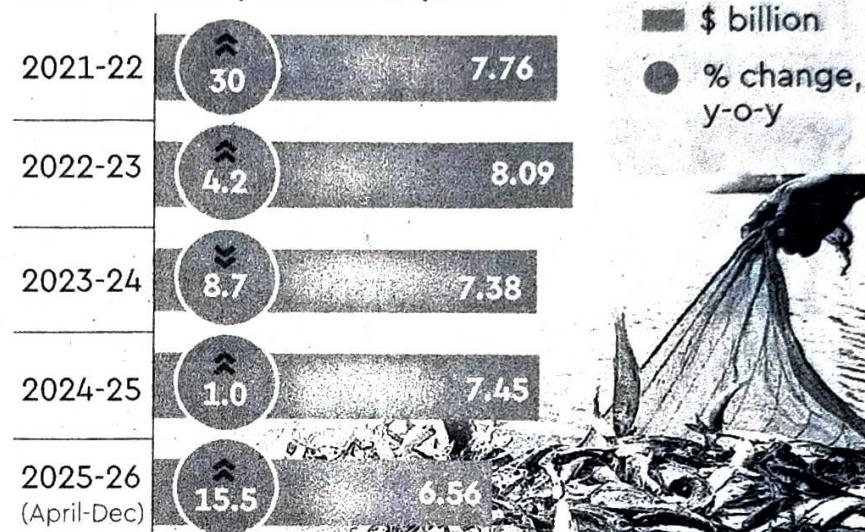
While shipments to the US declined by over 7% in the current fiscal, this loss in shipments was "more than compensated" by a rise in shipments to China, Vietnam, Belgium, Japan, Russia, Canada and the United Kingdom, sources said.

"Non-US markets have emerged as the new growth engine," according to an official note.

Earlier, trade officials had feared that seafood exports would be hit as effective duties

## RISING SHIPMENTS TO NEW MARKETS

India's marine products exports



Source: DGCIS

imposed by the US have been increased to 59.71%, which includes countervailing (5.76%) and anti-dumping duties (3.96%), along with a 50% tariff announced for India by US President Donald Trump.

India's seafood exports, mostly frozen shrimp, were \$7.45 billion in FY25, with the United States having a share of 35% (\$2.8 billion).

The bulk of the country's seafood exports to the US is 'Vannamei Shrimp'. Ecuador had a 19% in the US' annual seafood import of \$6 billion.

The tariff by the US had put Indian seafood at a major disadvantage compared to competitors like Ecuador (15%), Vietnam (20%), and Thailand (19%) tariff.

Despite global price pressures, recessionary trends in the US, and volatile logistics conditions, India's marine sec-

tor demonstrated strong resilience", an official said.

To boost India's seafood exports prospects, the European Union (EU) recently approved 102 additional fishery units for shipments, the Marine Products Export Development Authority. The EU is the third-largest seafood export destination for India after China, accounting for 15.10% of India's total exports.

## Rice exports decline 5% to \$8.7 billion

India's rice exports during April-December, 2025-26 declined by close to 5% at \$8.7 billion, due to higher global stocks, higher tariff imposed by the US, turmoil on oil and the economic crisis in Iran which has hit India's rice exports in the current fiscal.

# Merchandise exports rose 1.8% in December

SHREYA NANDI

New Delhi, 15 January

India's merchandise exports rose 1.8 per cent year-on-year to \$38.51 billion in December amid global economic uncertainties, according to data released by the commerce department.

Inbound shipments grew 8.8 per cent to \$63.55 billion. The trade deficit widened to \$25 billion, compared with \$20.63 billion in December 2024 and \$24.53 billion in November.

Exports to the US contracted 1.8 per cent to \$6.89 billion in December. However, on a cumulative basis, outbound shipments to the US stood at \$65.87 billion during April–December, marking 9.7 per cent growth over the same period last year.

Commerce Secretary Rajesh Agrawal said that India has managed to "hold on well" in exports to the US despite the imposition of 50 per cent tariffs affecting 55 per cent of exports. "One of the key reasons has been electronics exports to the US, as they are not covered under the additional tariffs. Going forward, we hope to remain in positive territory," Agrawal told reporters in a briefing on Thursday. He acknowledged, however, that the 50 per cent tariff would "stress" sectors such as textile and leather. "The government will closely examine sectoral data when it becomes available in the coming weeks," he added.

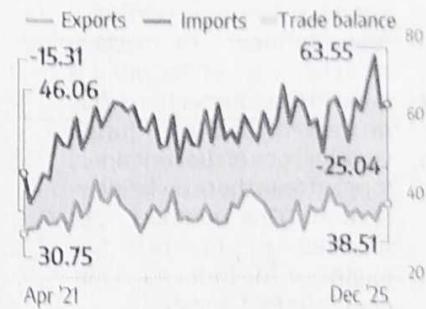
"High tariffs must be putting strain on supply chains to the US... To mitigate challenges in our export supply chain, we need to make them more resilient. The best way to do this is to reduce dependence on one particular geography. That is what textile manufacturers are doing, which is why they can increase numbers despite the tariffs," he said.

Services exports contracted 3.97 per cent to \$35.5 billion in December, mainly due to a high base. Services imports also declined 2.35 per cent to \$17.38 billion, resulting in a surplus of \$18.12 billion. December's services trade data is an "estimate" and will be revised based on the Reserve Bank of India's subsequent release.

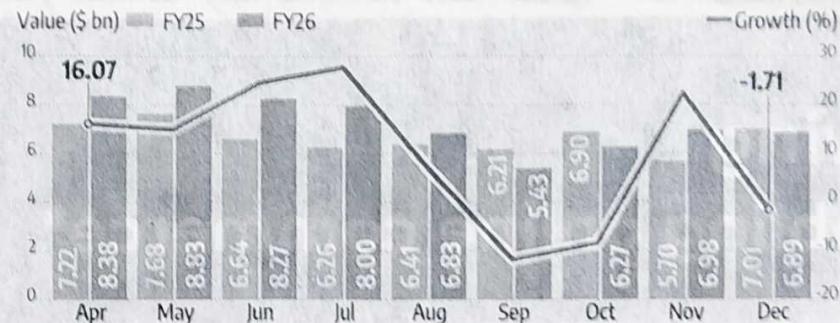
Cumulative exports, including merchandise and services (April–



## Widening trade deficit



## Exports to US contracted



Source: Department of Commerce

## India-US 'very near' finalising trade deal

India and the US are 'very near' to finalising the trade agreement, and it would be announced when both sides are ready, commerce Secretary Rajesh Agrawal said, adding that both sides are discussing virtually all pending issues. "It is very near, but we can not put a deadline because that will happen...when both sides are ready and they feel that this is the right time to announce," he said. In the last week of December, Commerce and Industry Minister Piyush Goyal held a virtual meeting with US Trade Representative Jamieson Greer.

As far as the US's announcement to impose a 25 per cent tariff on countries doing business with Iran, he said that India's trade with Iran is limited which largely include food products and pharmaceuticals. "We are looking at the announcement made by the US President. We are awaiting details," he said.

BS REPORTER

December), rose 4.33 per cent to \$63.4 billion, while cumulative imports grew 4.94 per cent to \$730.84 billion, leading to a total trade deficit of \$96.58 billion.

Agrawal told reporters that goods and services exports are expected to exceed \$850 billion in 2025-26 (FY26). Of this, merchandise exports are expected to surpass \$450 billion for the financial year. During April–

December, merchandise exports grew 2.44 per cent to \$330.29 billion.

Rahul Agrawal, senior economist at Icra, said the merchandise trade deficit widened sharply to a higher-than-expected \$25 billion in December, amid sustained double-digit growth in non-oil, non-gold imports, even as export growth remained muted at 1.8 per cent for the month.

# US' 'Greenland tariff' a 'red alert' for India to guard its autonomy'

**Amiti Sen**

New Delhi

US President Donald Trump's move to slap tariffs on European allies over the Greenland dispute serves as a 'red alert' for India, with trade experts warning New Delhi to guard its strategic autonomy and core interests in ongoing trade negotiations with Washington.

"The core takeaway is restraint; do not trade strategic autonomy for promises that recent history shows can be withdrawn overnight," said Ajay Srivastava of Delhi-based think-tank Global Trade and Research Initiative (GTRI).

On Saturday, Trump announced a 10 per cent tariff on imports from Denmark, Norway, Sweden, France, Germany, the UK, the Netherlands and Finland after these countries backed Denmark's refusal to allow US acquisition of Greenland. The tariffs are scheduled to take effect on February 1 and are set to increase to 25 per cent on June 1, if a deal for the "complete and total purchase of Greenland" is not reached.

"There is no point in giving in to every whim and fancy of Trump in the India-US trade deal being negoti-

“

The Greenland episode offers a clear lesson to India highlighting that trade deals with the US are not a shield against coercion.

**AJAY SRIVASTAVA,**

Founder, GTRI



ated. It is now being proved that the US demands would continue. So, it is imperative that India protect its core demands, deal or no deal," said trade expert Biswajit Dhar.

## TARIFF ON INDIA

The US imposed 50 per cent import tariffs on most Indian goods in August 2025, which includes a 25 per cent penalty for buying Russian oil. Indian exporters to the US, mostly of labour intensive items such as textile and leather, are finding it difficult to compete with countries such as Vietnam, Bangladesh and Indonesia that have been levied lower tariffs of 19-20 per cent.

India has been negotiating a trade deal with the US for close to a year but demands such as market access for American corn and soya, which are mostly of the ge-

netically modified (GM) variety not allowed in India, have been delaying it.

India is keen on a deal as the US is its largest export market with shipments in FY25 of \$186.51 billion (about 19 per cent of India's total goods exports), but has been protecting its "red lines" so far.

"The Greenland episode offers a clear lesson to India highlighting that trade deals with the US are not a shield against coercion," Srivastava noted.

## US-UK PACT

While the US had signed a limited trade pact with the UK in June last year, it had also reached a framework agreement on an ambitious deal with the EU in July, which the bloc put on hold on Sunday in response to Trump's tariff threats.

# Defence Minister flags off first consignment of Pinaka Rockets to Armenia

**Dalip Singh**

New Delhi

The export of first consignment of Guided Pinaka Rockets to Armenia was flagged off by Defence Minister Rajnath Singh from manufacturer Solar Defence and Aerospace Ltd's Nagpur facility on Sunday.

Armenia had signed a ₹2,000-crore deal for four Pinaka batteries, which included guided rockets for the multi-barrel systems, and other defence equipment. The deliveries of the gun launcher systems began in July 2023 and concluded by November 2024.

Sources said as and when guided rockets would be

ready, SDAL will ship them to Armenia.

## INDUCTION INTO ARMY

Guided Pinaka rockets' induction into the Indian Army is planned in the coming days.

Minister Rajnath Singh also inaugurated SDAL's state-of-the-art medium calibre ammunition manufacturing facility in Nagpur — the result of government's initiative to rope in private industry to reduce import dependence.

During the event, Rajnath Singh praised the Nagastra-1 loitering munition, manufactured by Solar Group, for its pivotal role in Operation Sindoor, the company said in a statement.

# Import Duty on Phone Parts Set to be Corrected

## Electronics makers say inverted duty structure puts them at a disadvantage

**Kiran Rathee**

**New Delhi:** Following China's restrictions on exports of high-end machinery and rare earth-linked equipment, the government is actively looking into demands of electronics industry to correct the inverted duty structure in the upcoming budget on parts and components of capital equipment for mobile phones in a bid to keep the manufacturing momentum going, people aware of the details told ET.

The industry has reached out to the government to urgently correct the anomaly, failing which India may remain locked in the assembly-led model and hit manufacturing ambitions to move up the value chain.

As per industry executives, after China put restrictions on exports of high precision machinery, critical sub-systems and rare-earth linked equipment, the supply chains of Indian manufacturers got disrupted, following which Indian firms started to make the equipment locally. But due to import duties in the range of 5-25% on parts of such machinery, the companies face a structural disadvantage.

Currently, there is no duty on import of finished capital equipment used for mobile phone manufacturing,

but due to China's restrictions, the companies can't get the machinery, forcing them to make it locally, which in turn is turning out expensive due to import duties on parts.

The industry had written to the finance ministry last month and is in regular discussions with the government in a bid to correct the "unintended inversion" which not only is a structural cost disadvantage vis-à-vis imports, but also discourages value addition, deters investments and limits job creation across the capital equipment value chain.

As per the industry, the anomaly needs to be corrected as it is also deeply linked to achieving the objectives of the electronics components manufacturing scheme (ECMS) under which capital equipment manufacturing is a critical pillar.

"Without rationalisation of input duties especially by removing any incidence of duty inversion, India risks remaining locked into an assembly-led model, weakening long-term competitiveness and its ability to move up the manufacturing value chain," the India Cellular and Electronics Association (ICEA) said in a letter to Revenue Secretary Arvind Shrivastava last month. The association counts Apple, Google, Dixon, Tata, Foxconn, etc. and many domestic small and medium companies as its members.

Along with the letter, the industry has also submitted a detailed report to the finance ministry, highlighting India's import dependence.

# India's Auto Exports

The Economic Times

19.01.2026

## Jump 24% in 2025

PTI

**New Delhi:** Automobile exports from India rose 24% in 2025 driven by robust demand for cars, two-wheelers and commercial vehicles in the overseas markets, as per the latest SIAM data.

Overall exports last year raced to 63,25,211 units as against 50,98,474 units in the 2024 calendar year, up 24.1%. Passenger vehicle exports rose to 8,63,233 units, up 16 % as compared with 7,43,979 units in 2024.

Utility vehicle dispatches witnessed a 32% increase last year at 4,27,219 units as against 3,23,624 units in 2024. Passenger car shipments rose 3% to 4,25,396 units in 2025 as compared with 4,12,148 units in the corresponding previous year. SIAM noted that demand has been steady across most

markets, including in the Middle East, Africa, and Latin America.

Maruti Suzuki led the space with dispatch of 3.95 lakh units in 2025 as compared with 3.26 units in 2024.

The automaker said it remains on course to achieve its target of 4 lakh unit exports for FY26.

 "Maruti Suzuki today contributes 46 per cent of all passenger vehicle exports from India and there is every reason we should capture a large share of global trade," Maruti Suzuki India Senior Executive Officer Corporate Affairs Rahul Bharti said. Two-wheeler exports stood at 49,39,706 units, up 24%, as compared with 39,77,162 units in 2024. Motorcycle shipments rose 27% at 43,01,927 units while scooters saw a jump of 8% to 6,20,241 units in 2025.

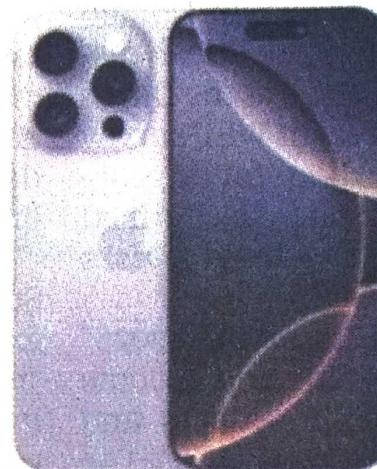
# India's electronics exports cross \$47 bn on iPhone push

**SURAJEET DAS GUPTA**

New Delhi, 18 January

Electronics exports from India crossed \$47 billion (₹4.15 trillion) for the first time in 12 months in 2025, according to figures released by the Department of Commerce. This marks a 37 per cent jump over the \$34.93 billion recorded in the previous 12 months in 2024.

Nearly two-thirds of the total — around \$30 billion — came from production-linked incentive (PLI)-driven smartphone exports, which also hit an all-time high in 2025. In December 2025 alone, electronics exports reached \$4.17 billion, representing a 16.8 per cent increase from \$3.58 billion in December 2024. Electronics exports crossed the \$4 billion mark in seven of the 12 months in 2025.



## Holding ground

### Electronics exports CY25

Quarterly shipments	CY25 (\$ bn)	% chg over CY24
Jan-Mar	12.46	41.4
Apr-Jun	12.41	47
Jul-Sep	9.82	36.3
Oct-Dec	13.06	24.7

Source: Department of Commerce

Among India's top 10 export categories, electronics was the fastest-growing throughout 2025. The sector is now India's third-largest export, having climbed from seventh place just five years ago. The single largest driver of this surge was smartphones, specifically Apple. The firm exported \$22 billion worth of iPhones from India in

2025. It accounted for 46 per cent of electronics exports and nearly 75 per cent of smartphone exports for the year. It is the highest export figure ever recorded by a single firm within a top-ranked Indian export category, made more striking by its place in a global value chain.

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