Business Line. Dt: 13/05/25.

'Akash defending skies will help with missile exports'

Our Bureau
New Delhi

Performance of the Indigenous Akash missile system, conceived by Defence Research and Development Organisation (DRDO) and manufactured by Bharat Dynamics Ltd, was praised on Monday for defending Indian skies against aerial threats from Pakistan during the four-day hostilities that began on May 7.

Dr Prahlada Ramarao, a former DRDO senior scientist, who was also the project director of Akash missile systems, was all glee when Director General Air Operations Air Marshal AK Bharti outlined the "stellar performance" of the projectile at Monday's tri-service press briefing.

"I feel happy seeing the toil of my life deliver what it was supposed to when conceived way back in 1983," Dr Ramarao told *businessline.*

The satisfactory performance of Akash missile systems, which have since gone for upgrades in speed to reach 2,500 km per hour and range of 80 km, will help the country in its exports, he said.

EXPORT ORDERS

India inked a deal with Armenia in 2022 to export 15 units of the Akash missile system and more countries are believed to be showing interest in it since it is more efficient and less costly.

Ramarao said he owed it to former 'Missile Man of India' Dr APJ Abdul Kalam, who went on to become the President of India, for conceiving and developing this projectile among four different

Dr Prahlada Ramarao (file photo)

range of missile systems — medium-range surface-to-air missiles, surface-to-surface missiles, anti-tank missiles and later ballistic missiles. "It can be pitched in the class of Patriot the US had then and probably the erstwhile USSR also had a similar air defence system," Dr Ramarao told *businessline.*

A missile policy committee, drawing experts from different stakeholder forces and scientists, was constituted to present a paper on the different class of missile systems to suit the requirements of the army, navy and air force and was presented to then DRDO chief Dr VS Arunachalam.

The DRDO chief gave a presentation to the Cabinet Committee on Security (CCS), headed by the then Prime Minister Indira Gandhi, who gave a go ahead to the policy.

The scientist said he was only 34 years old when Kalam, who was brought in from ISRO to DRDO, tasked him to head the project even though he was not very confident about it.

By 1998, the blueprint for the missile was completed.

The armed forces initially had reservations over the capability of the medium-range missile system which went on for trials for two to three years, earlier news reports had stated.

NAMED BY KALAM

The DRDO had allocated ₹700 crore for the missile project which was named Akash by Kalam himself, stated Ramarao, who retired from DRDO in 2014.

He is of the view that the DRDO managed to develop it in much tougher times since no industry ecosystem existed then. The database too was unavailable, he observed when asked why it took so long to develop and manufacture the weapon system.

Due to the vibrant industry ecosystem, outlined by big firms and MSMEs, it should not take more than 5 years for the DRDO to evolve next-generation missile systems, he stressed.

Business Standard. Dt:- 13/05/25

US-China tariff truce may narrow India's export edge

ASIT RANJAN MISHRA
New Delhi, 12 May

The United States (US)-China trade truce, following negotiations over the weekend in Geneva, could erode the tariff advantage Indian exporters enjoyed after Washington slapped steep import duties on Chinese goods in April.

The US has agreed to pare back tariffs on Chinese imports from a combined 145 per cent to 30 per cent, including a 20 per cent levy on fentanyl, effective May 14. In return, China will reduce its tariffs on US goods to 10 per cent from 125 per cent. The revised tariff framework will apply for a 90-day window, the two sides announced on Monday.

Even though US tariffs on Indian goods remain at 10%, the massive tariff gap that once favoured India is shrinking fast

For now, Indian exporters face a 10 per cent baseline US tariff introduced by the Donald Trump administration on April 2, following the suspension of country-specific reciprocal tariffs through July 8.

Ajay Srivastava, founder of Delhi-based think tank Global Trade Research Initiative, said that while US tariffs on Indian goods remained well below those still levied on Chinese imports, the once-significant gap that benefited India was shrinking fast.

"Just months ago, the US imposed duties of up to 145 per cent on Chinese goods — giving India a major edge in attracting companies looking to relocate," Srivastava said.

Turn to Page 10

FINANCIAL EXPRESS. Dt: 13/05/25

Price cut to severely hurt pharma exports

MANU KAUSHIK & KISHOR KADAM
New Delhi/Mumbai, May 12

SHARES OF INDIA'S leading drug makers saw a muted rise despite a record market rally on Monday, as pharma stocks declined across Europe and Asia, after US President Donald Trump announced 30-80% cut in the prices of proprietary and generic prescription drugs.

The Nifty Pharma index ended the day marginally higher (0.15%), but significantly underperformed the benchmark Nifty, which surged 3.82%. The sub-index was the weakest performer among all sectoral indices. Trump's move could dent the profitability of Indian exporters of branded generics to the US, and in many cases, make shipments unviable, industry sources said, stating that generic medicine prices in the US are already depressed.

Of India's pharma exports of over $30 billion annually, more than a third go to the US. While medicines manufactured in India account for just 11% of the staggering US pharma market of $96 trillion, in volume terms, India share is roughly 40%. This shows Indian drugs are among the cheapest sold in the US, even as they are of quality compliant with the US FDA standards.

The Trump order, which he justified citing "exorbitant" rates charged by pharma firms from the US consumers, could result in exits of Indian companies from specific product categories.

BITTER PILL

- India's overall pharma exports in FY25

$30.5 bn

- India's pharma exports to US in FY25: **$10.7 bn***
- Expected size of US generics drugs market in 2033: **$132 bn**
- US generics drugs market in 2024: **$96 bn**
- India's share in US generics market (by volume): **40%**

*extrapolated

Continued on Page 17

FINANCIAL EXPRESS
Dt: 13/05/25

Sugar exports at 0.42 MT till April

New Delhi, May 12

INDIA EXPORTED 4.24 lakh tonnes of sugar till April of the ongoing 2024-25 marketing year with maximum shipments of 92,758 tonnes to Somalia, trade body AISTA said on Monday.

The sugar marketing year runs from October to September. Sugar exports for the 2024-25 marketing year in India were allowed on January 20, 2025. The total quantity permitted for export is 10 lakh tonnes.

According to the All India Sugar Trade Association (AISTA), mills have exported a total of 4,24,089 tonnes of sugar till April 30 of the current marketing year.

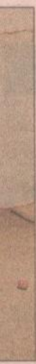
Out of which, white sugar exports were at 3.27 lakh tonne, refined sugar 77,603 tonne and raw sugar at 18,514 tonne till April of this year.

About 25,000 tonnes of sugar are under loading, it said.

Of the total exports undertaken so far, maximum shipments have been to Somalia at 92,758 tonnes, followed by Afghanistan at 66,927 tonnes, Sri Lanka at 60,357 tonnes, and Djibouti at 47,100 tonnes.

"Looking at the current export scenario, the AISTA expects exports of 8,00,000 tonnes of sugar out of 10,00,000 permitted by the central government," the statement said.

AISTA demanded an increase in the minimum selling price of sugar. PTI



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Business Line: Dt: 14/05/25

Gem, jewellery exports dim on geopolitical uncertainty

Our Bureau
Mumbai

The Gem and Jewellery Export Promotion Council (GJEPC) said exports declined five per cent last month to $2.04 billion, compared with $2.13 billion in the same period a year ago, due to escalating geopolitical tensions and the recently introduced Trump tariffs.

On the other hand, the overall imports of gems and jewellery declined to $1.57 billion against $1.9 billion a year ago.

Cut and polished diamond exports dipped 6 per cent to $1.11 billion ($1.18 billion). Major consumer markets, including the US and China, are witnessing a slowdown in demand as people are increasingly opting to invest in gold as a safe haven during times of uncertainty, leading to a decline in Indian diamond exports.

IMPORTS DOWN

Parallelly, the growing demand for lab-grown diamonds (LGDs) is posing a major hurdle for the natural counterpart.

CHEAPER ALTERNATIVE. The growing demand for lab-grown diamonds is posing a major hurdle for the natural counterpart

Similarly, the overall gross imports of cut and polished diamonds saw a decline of 46 per cent in April to $48 million ($88 million).

Rough diamond imports were up marginally at $1.2 billion ($1.19 billion).

Polished LGDs export edged up to $111 million ($110 million) due to steady increase in demand among youngsters.

Gold jewellery declined 5 per cent to $685 million due to a steady rise in prices owing to geopolitical scenarios and economic instability.

Coloured gemstones shipments were up 12 per cent at $28 million.

BRIGHT OUTLOOK

Colin Shah, MD, Kama Jewelry, said besides the US tariff war shaking the global economy, the prolonged geopolitical tensions in West Asia and the Russia-Ukraine conflict deterred consumer sentiments.

The US-China trade war continues to spread a wave of uncertainty across the globe, he added.

Going forward, he said trade activities are expected to gain momentum following recent talks between the world's two major markets — the US and China — on tariffs, which are likely to ease the situation in the coming months.

The Economic Times. Dt:- 14/05/25

Gems, Jewellery Exports in April Down by 4.62% at $2,037 million: GJEPC

PTI

Mumbai: India's overall gems and jewellery exports dipped by 4.62% to $2,037.06 million in April, as compared to the same month of the previous financial year, according to the Gem and Jewellery Export Promotion Council (GJEPC) data.

The country's total gems and jewellery exports stood at $2,135.7 million in the same month of the previous year, GJEPC data released on Tuesday said.

The overall export of 'Cut and Polished' diamonds declined by 6.12% to $1,108.74 million in April, compared to $1,180.99 million in the same period a year ago.

The total shipment of gold jewellery witnessed a dip of 5.41% at $684.51 million during the month under review, as compared to $723.63 million for the same period of the previous year.

FADING DEMAND

Overall export of 'Cut and Polished' diamonds fell $1,108.7 m in April, compared to $1,181 m in same period a year ago

Gross export of 'Polished Lab Grown Diamonds' in April was almost flat with a growth of just 0.41% at $110.74 million, over $110.29 million in the same month of FY25.

Silver jewellery exports in April too declined by 12.03% at $38.3 million.

However, exports of 'Coloured Gemstones' witnessed a growth of 11.95% at $27.76 million, compared to $24.8 million in the same period of the previous year.

Business Line. Dt:- 15/05/25

Safeguard duty hits steel imports in April, but still higher than exports

Abhishek Law
New Delhi

A 12 per cent safeguard duty on steel from China and Vietnam reduced India's imports by 21 per cent sequentially.

Yet the country remained a net importer in April, the first month of FY26. According to a Steel Ministry report accessed by *businessline*, imports of the alloy reached 0.46 million tonnes (mt), outstripping exports of 0.38 mt by 0.08 mt.

TRADE IMPACT

The duty imposed to shield domestic producers by raising costs for Chinese and Vietnamese steel drove imports down from 0.58 mt in March, but exports too fell 17 per cent from 0.46 mt. Year-on-year, finished steel imports fell 21 per cent to 0.59 mt, and exports slumped 27 per cent to 0.5 mt.

Finished steel includes non-alloy, alloy and stainless steel offerings.

Non-alloy steel imports, hit hardest by the duty, saw a 28 per cent decline y-o-y and a 24 per cent drop sequentially for April to 0.31 mt. Duty-exempt alloy and stainless steel imports, at 0.15 mt, remained flat y-o-y and were down 9 per cent sequentially.

Since January, when talks of a safeguard duty intensified, shipments from China and some other countries have steadily declined — from 0.86 mt in January to 0.6 mt in February (down 30 per cent) and 0.58 mt in March (down 5 per cent).

Yet, global demand woes, exacerbated by China's aggressive exports averaging 10 mt in March and April to markets like West Asia and Africa, have stifled India's export recovery. On the other hand, export of the metal, at 0.33 mt, was down 28 per cent y-o-y and down 19 per cent sequentially. Alloy and stainless steel exports, at 0.05 mt, were flat y-o-y and sequentially.

"So on the positive side, imports are down. The concern is export markets are still depressed," an official said requesting anonymity.

During a recent post result investor call, Tata Steel MD and CEO TV Narendran said the average monthly export by China was around 10 mt in March and April, which was on the higher side. In India, he expected prices to rise by ₹3,000 per tonne in Q1 (April-June) with imports coming down in the last couple of months.

Business Line. Dt:- 15/05/25

Low demand for palm oil drags edible oil imports down 34%

Our Bureau
Mangaluru

A decline in the import of both palm oil and soft oils led to a 33.87 per cent decrease in the import of edible oils in the country during April 2025.

This decline was driven by low demand for palm oil, higher crushing of mustard and consignments flooding the country from Nepal.

According to data compiled by the Solvent Extractors' Association of India (SEA), India imported 8.62 lakh tonnes (lt) of edible oils in April 2025 against 13.04 lt in April 2024, registering a decline of 33.87 per cent.

India's edible oil imports declined by 8.02 per cent in the first six months of the oil year 2024-25. Between November and April of the oil year 2024-25, the country imported 65.02 lt of edible oils, down from 70.69 lt in the same period of the oil year 2023-24.

Notably, these figures do not include around 3.5 lt of refined edible oil imported from Nepal.

IMPORTS FROM NEPAL

BV Mehta, Executive Director of SEA, said the annual edible oil requirement of Nepal is only about 4.3 lt or say 35,000 tonnes per month.

Since India increased the import duty on edible oils in September 2024, Nepalese refiners started importing large quantities of crude oil and exporting refined oils to India at discount rate, under the SAFTA agreement, at nil duty.

He said Nepal imported about 5.8 lt of edible oil, mainly crude soyabean and sunflower oil, during October 15, 2024-April 15, 2025. It exported about 3.5 lt of refined edible oils to India.

Stating that this had now assumed alarming proportion, Mehta said it is not only threatening the very survival of the domestic vegetable oil refining industry but also resulting in huge revenue loss to the country.

SOYA OIL SHIPMENTS UP

India imported 7.38 lt of RBD palmolein during the first six months of the oil year 2024-25 against 10.10 lt in the same period last oil year.

Crude palm oil (CPO) imports to the country declined to 19.65 lt (31.32 lt) during the first six months of the oil year 2024-25.

However, there was an increase in the import of soyabean oil during the period.

India imported 22.72 lt of crude soyabean degummed oil during November-April 2024-25 (12.68 lt). Import of crude sunflower oil into India declined to 14.92 lt (15.87 lt).

MAJOR EXPORTERS

During November-April 2024-25, Indonesia was the major supplier of CPO (9.33 lt) and RBD Palmolein (6.33 lt). This was followed by Malaysia at 8.36 lt of CPO and 92,102 tonnes of RBD palmolein.

India imported 13.89 lt of crude soyabean degummed oil from Argentina, followed by Brazil (4.78 lt) and Russia (1.62 lt).

Business Standard · Dt: 15/07/25

India likely to retain hold on rice exports

To export 24mt in 2025-26: USDA

SANJEEB MUKHERJEE
New Delhi, 14 May

India is likely to export around 24 million tonnes of rice in the 2025-26 marketing year, thus cornering around 40 per cent of the market share, according to the United States Department of Agriculture (USDA).

The USDA follows a marketing year, which starts in October and ends in September, unlike the Indian financial year that runs from April to March.

Though the US agency did not explicitly say so, the optimism about India's rice exports in 2025-26 came against the backdrop of bulging foodgrain stocks which as on April 27 were estimated to be almost 66.16 million tonnes (wheat and rice) as against the annual public distribution system (PDS) requirement of 60 million tonnes.

On top of that, a strong monsoon as predicted by India Meteorological Department (IMD) in 2025 would further assist paddy planting.

Rice production in the 2024-25 main Kharif sowing season was estimated at 121 million tonnes, almost 7 per cent more than in the same season last year.

India would see record rice production for a record 10 consecutive time, the report said, adding the increase would be moderated by a decline in harvested area.

Rice exports

On Marketing Year basis
(in million tonnes)*

Year	Exports
2022-23	20.24
2023-24	15
2024-25**	21
2025-26**	24

*Includes both basmati and non-basmati rice, **forecast
Note: Marketing Year for United States Department of Agriculture Report runs from Oct to Sept
Source: USDA report

India's big bang rice export push in 2025-26 and competitive pricing would not only push it on top of the heap in global rice markets, but will also limit exports by other major rice exporters from Asia, the report said.

India has been a leading exporter of rice for years owing to abundant domestic supplies and competitive pricing. However, exports dropped after curbs were first imposed in 2022 to keep domestic prices in check. The curbs, which were imposed in response to soaring global prices and to control domestic prices, were progressively tightened on all varieties of rice before the 2024 Lok Sabha polls. It imposed a minimum export price on basmati rice, banned export of non-basmati white rice, imposed a 20 per cent duty on parboiled rice and altogether stopped export of broken rice.

Business Line. Dt: 16/05/25

India must increase cashew output to overcome African nations' export curbs: NDFC-I chief

Subramani Ra Mancombu
Chennai

India should look at increasing its cashew production to overcome the curbs on exports imposed by key African producers, Nuts and Dry Fruits Council of India (NDFC-I) President Gunjan Jain has said.

"We are no longer the number one exporter. We are still the number one processor and consumer of cashew nuts. We are trying to increase production. As of today, the need of the hour is for India to start growing more cashew," he told *businessline*.

India's coastal region is perfectly suited, from Bengal on the eastern coast to Gujarat on the western coast.

"The whole coastal belt is perfectly suited to grow cashew nuts. If we start the work now, we can get to the next level in 15 years. It is going to be tough to import the raw material in years to come," Jain said.

VARIOUS CURBS

Jain's comments come in the wake of African producers such as Cote d'Ivoire, Benin and Tanzania imposing export curbs in different forms to encourage processing of raw cashew nuts domestically.

Last year, when cashew production was affected by El Nino weather, Cote d'Ivoire banned exports. It has now introduced a 5 per cent export tax and extended its 30-day window barring shipments in the new season to 45 days. This means until 45 days of the new harvest period is over, cashew cannot be exported or sold to shippers, and processing units there get priority with regard to the harvested produce.

"They are creating impediments because they want their industry to grow. Though Benin banned exports, it is not affecting the trade as it is smuggled to Togo through its porous borders," he said.

In Tanzania, all agricultural produce will have to come through the Tanzania Mercantile Exchange.

As a result of these developments, India's control of the cashew industry has loosened. "We are the largest consumers. We are also the largest producers. Unfortunately, our exports have gone down drastically because India pays a premium. Indian prices are much higher than international prices," said Jain.

The production cost in the country is high, and as a result, India has lost market share to countries such as Vietnam. Indian companies that have set up processing units there, however, enjoy an advantage. "These trade interventions by governments are unfortunate. These have resulted in cashew prices increasing by 45 per cent rather than 25 per cent when the production was affected," said the NDFC-I president.

Business Standard. Dt: 16/05/25

Oil imports up 25.6%

Commerce secretary Sunil Barthwal said April's exports provide optimism India will maintain the momentum in FY26. "Exports seem resilient. This should be a good year for us. External factors are not in our hands," he remarked.

Aditi Nayar, chief economist at Icra, said April's goods trade deficit exceeded expectations despite a healthy growth in exports, partly on account of a front-loading of crude oil imports amid softer prices, as well as a sharp increase in electronic goods' inflows. "With this, the absolute size of the current account deficit for Q1 FY26 appears set to widen to $14-16 billion," she concluded. Imports of petroleum products jumped 25.6 per cent in April to $20.71 billion, almost a third of the overall import bill. Exports of petroleum products grew at a much milder pace of 4.7 per cent to $7.3 billion.

Electronics goods imports grew 31.2 per cent to $9.2 billion, while gold imports saw a more subdued uptick of 4.9 per cent to touch $3.1 billion. Electronics goods exports jumped 39.5 per cent to nearly $3.7 billion, while gems and jewellery shipments' value rose 10.7 per cent to cross $2.5 billion.

However, imports of vegetable oils fell 8.1 per cent, along with coal (-12.3 per cent) and transport equipment, which dropped 3.2 per cent.

FINANCIAL EXPRESS. Dt: 16/05/25

typically issued at a discount to face value and do not pay regular interest

Utpadan Nigam Limited (PVUNL) in addition to finacing a ₹7,500 crore rupee term loan to NTPC Renewable Energy, a wholly owned subsidiary of NTPC Green Energy.

"There are more projects in the pipeline. We want to bring the cheapest cost of capital for our clients," Manoj K Dubey, CMD and CEO of IRFC had said.

Experts said that deep-discount bonds will help IRFC keep its cost of funds low, and improve its net interest margins (NIMs). To be sure, IRFC is also one of three entities which has been allowed by the government to raise through 54EC bonds which costs 5.25% annually. Additionally, IRFC is also looking at raising funds through zero-coupon bonds which are available at 6.25%.

Thermal coal imports down 5% in FY25 as production improves

- Govt targets to eliminate coal imports by FY26

ARUNIMA BHARADWAJ
New Delhi, May 15

ROBUST DOMESTIC OUTPUT

Source: Coal ministry
*Total imports also include other grades of coal

- The country's total import of coal including coking coal and other varieties also reduced by almost 2% to 263.56 million tonne in FY25
- India imports 220 million tonne of coal every year on an average which includes coking coal and coal required by thermal plants
- Indonesia emerged as the largest supplier of coal to India in March with imports from the country reaching 8.87 million tonne, followed by South Africa at 25.64 MT and the US at 10.70 MT

INDIA'S IMPORT OF non-coking coal used by thermal power stations reduced by 5.04% to 167.10 million tonne in the financial year 2024-25 against 175.96 million tonne in FY24, according to the latest data by the coal ministry.

The decline in coal imports can be attributed to an increase in domestic production which crossed 1 billion tonne touching 1.05 billion tonne in FY25, compared to 997.83 MT in FY24.

The government now intends to reduce its substitutable coal imports to nil by FY26.

The country's total import of coal including coking coal and other varieties also reduced by almost 2% to 263.56 million tonne in FY25. India imported 54.08 million tonne of coking coal, also down by 5.48% than 57.22 million tonne in FY24.

As per separate data from commerce ministry, the country's imports of coal, coke & briquettes stood at $31 billion in FY25, down 20% from $38.9 billion in the previous year. In March, the import value of these items stood at $2.25 billion, down 30% on year.

India imports 220 million tonne of coal every year on an average which includes coking coal and coal required by thermal plants.

Of this, 110 million tonne of coal used in thermal plants is available in the country as reserves and the remaining is imported to meet the requirements of plants that are run especially on imported coal owing to its better quality and low amount of sulphur. The government plans to reduce its import of coal which is available in the country to nil by FY26, the then coal secretary Amrit Lal Meena had told FE.

In March alone, overall coal imports stood at 22.79 million tonne, down from 23.96 million tonne in March 2024. Indonesia emerged as the largest supplier of coal to India in March with imports from the country reaching 8.87 million tonne, followed by South Africa at 25.64 MT and the US at 10.70 MT.

The current coal production by CIL stands at 781.05 million tonne. Additionally, the production from commercial & captive, and other entities also saw a remarkable surge, reaching 197.50 MT —a 28.11% increase on year. By FY26, the private sector is seen producing 203 million tonne of coal, official sources have told FE.

The country's coal production has increased owing to several measures taken by the government to increase domestic availability including auctioning of new mines.

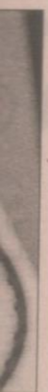
Since the inception of commercial coal mining in 2020, the Ministry of Coal has successfully auctioned a total of 125 coal mines, with a combined production capacity of 273.06 MT per year.

The government has projected coal production to reach 1.13 billion tonnes in the upcoming financial year 2025-26, according to the sources.

Once the government has achieved its target of nil coal imports, it aims to enter into the coal gasification segment which can help in reduction of imports of ethanol, methanol, di-methyl ether, ammonium nitrate, it had earlier said. These components are byproducts of coal gasification. The government has thus set up a target to gasify 100 million tonnes of coal by FY30.

In a further move to reduce import dependency for coal, the power ministry is also exploring the option of equipping thermal plants run on fuel from abroad to use certain quantities of domestic fuel also.

Trump to Apple CEO: Don't make in India



The company has shipped $2 billion worth of iPhones from India to the US in March alone, marking a record month for Indian exports by contractors like Foxconn and Tata Electronics.

Manufacturing of iPhones in India has gathered pace since the government's production-linked incentive scheme for smartphones was announced in 2020, and received a further push followed by recent tensions between the US and China over tariffs. With tariffs on Chinese goods still largely in place, and the threat of further duties looming, Apple has been steadily increasing its reliance on India and Vietnam to service major markets. Cook recently said that most iPhones sold in the US during the June quarter would be India-made, while iPads, MacBooks, and accessories would come from Vietnam.

But Trump's latest stance puts Apple in a tricky spot. While he acknowledged that India can manufacture for its own consumption, he made it clear that US-bound production should ideally happen on American soil.

Financial Express, dt. 16/5/25

Exports swell 9.1% on rush to beat US tariff

• April trade deficit at five-month high

MUKESH JAGOTA
New Delhi, May 15

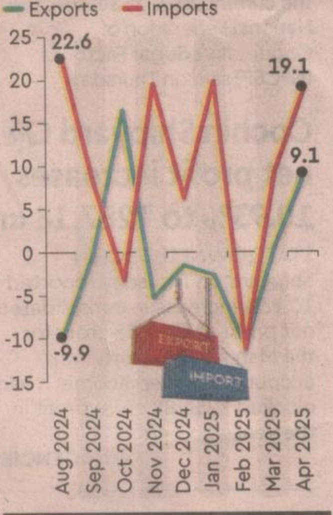
INDIA'S MERCHANDISE EXPORTS grew at a six-month-high rate of 9.1% to $38.49 billion in April, thanks to a jump in shipments to the US, as exporters rushed their orders to beat the reciprocal tariffs announced by the Donald Trump administration.

Goods exports to the US rose 27.38% to $8.42 billion in the month, helping revive the overall shipments from a modest 0.65% growth in March, and contraction witnessed in the previous four months. The reciprocal tariffs that were announced on April 2 have since been suspended till July 8. Commerce secretary Sunil Barthwal indicated that some of the increase in exports to the US could also be due to the advantage from "tariff differential" with competitors.

Imports of goods in April grew at an even higher rate of 19.12% to $64.91 billion as inflows of crude and industrial inputs like machinery and minerals gathered pace. This indicates rising domestic output and investment demand in the economy.

BALANCE OF TRADE

Trade in goods, % chg, y-o-y



of $26.42 billion, which was the highest since November 2024 ($31.9 billion).

"With the optimism which has come in the month of April, I am very sure that India will maintain this export momentum and it should be a good year for us in spite of all the problems we will be facing in the external sector," Barthwal said.

Business Line. Df. 19/5/25

Import curbs on Bangladesh to snag $770-800 m trade fabric

Amiti Sen
New Delhi

CHINESE CHECKERED. Backdoor entry of Chinese fabrics into India (without duty) is also likely to get checked

Import route restrictions imposed by India on key goods from Bangladesh on Saturday are likely to hit $770-800 million worth of annual imports from the neighbouring country, primarily of readymade garments, per sources.

"The measures are in response to Bangladesh's recent imposition of restrictions on export of Indian yarn via land ports, restrictions on rice imports, and its continued imposition of port restrictions at Land Customs Stations (LCSs) and Integrated Check Posts (ICPs) bordering North-Eastern (NE) States," an official source said.

Dhaka's growing diplomatic tilt towards Beijing, reflected in Bangladesh's interim Chief Adviser Muhammad Yunus' recent invitation to China to establish an economic base in the country, while referring to North-Eastern States in India as a land-locked region, also contributed to New Delhi's latest measures, another source added.

DUTY-FREE IMPORTS

In 2024, Bangladesh's goods exports touched $50 billion. Of this, readymade garments and home textiles accounted for $38 billion. Bangladesh is India's biggest trading partner in the sub-continent. In FY24, India's exports to Bangladesh stood at $11.06 billion while its imports were at $1.8 billion.

The import route restrictions imposed by the Directorate General of Foreign Trade (DGFT) on Bangladeshi items, including readymade garments, fruits, fruit-flavoured and carbonated drinks, processed food items, cotton and cotton yarn waste, plastic and PVC finished goods, and wooden furniture, cover more than 40 per cent of Bangladesh's exports to India, accounting for about $770 million in value, according to a report by the Global Trade Research Initiative (GTRI).

Domestic manufacturers of readymade garments stand to benefit the most from the restrictions as they have been long protesting against the duty-free imports of items from Bangladesh, which enjoy an unfair competitive edge owing to duty-free Chinese fabric imports and export subsidies. Per the DGFT notification, garments from Bangladesh will not be allowed from any land ports and can gain entry only from the Nhava Sheva (Mumbai) and Kolkata seaports.

"Bangladesh exports about $700 million worth of readymade garments annually to India. It is hoped that this measure (import route restrictions) will increase the opportunity available to Indian garment manufacturers to boost production for both local consumption and export. In all, about $800 million of imports may be hit," the official said.

UNCHECKED ENTRY

Indian garment manufacturers can hope to replace at least ₹1,000-2,000 crore ($117-234 million) of imports coming from Bangladesh annually, according to Sanjay Jain, Chair, ICC National Textiles Committee.

"Buyers will be impacted as, temporarily, their supply chain will be disrupted and would have higher cost and lead time. They will need to re-align. For products with less differential in cost and quality, they will shift to Indian suppliers," Jain told *businessline*.

The backdoor entry of Chinese fabrics into India (without duty) through Bangladesh is also likely to get checked, Jain added. Chinese fabrics, if imported directly, have 20 per cent port duty. The DGFT also restricted imports of fruits, fruit-flavoured and carbonated drinks, processed food items cotton and cotton yarn waste, plastic and PVC finished goods, and wooden furniture, from any LCS/ICPs in Assam, Meghalaya, Tripura and Mizoram and LCS in Changrabandha and Fulbari in West Bengal.

"Port restrictions across all LCSs/ICPs in Assam, Meghalaya, Tripura and Mizoram on specified Bangladesh exports to India target commodities that can be locally manufactured. Port restrictions have also been imposed on LCS Changrabanda and LCS Fulbari to avoid re-routing. The targeted list of items will be reviewed periodically to ensure that fair and equitable growth is facilitated in the respective North-Eastern States in line with the Centre's schemes," the official source said.