

India-US trade deal

Higher tariffs pose downside risk to Indian exports to the US, as competing countries benefit from lower tariffs

AUGUST 2025





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On July 31, 2025, the US government announced a 25% tariff on goods imported from India, accompanied by an additional penalty for Russian ties.

The tariff announced for India is higher than other Asian countries, which can potentially weaken India's position as a preferred sourcing destination.

ICRA has trimmed its FY2026 GDP growth forecast to 6.0% from 6.2%, owing to higher-than-anticipated tariff, amid further downside risks stemming from potential penalties.

On July 31, 2025, the US government announced a 25% tariff on goods imported from India, effective August 7, 2025, along with an additional penalty tariff for Russian ties. The base tariff (the rate without the penalty, which is yet to be announced), is only marginally lower than the 26% reciprocal tariff that had been announced by the US for India in April 2025. Worryingly, the tariff announced for India is higher than other Asian countries such as Vietnam (20%), Indonesia (19%), and Japan (15%), which can potentially weaken India's position as a preferred sourcing destination, particularly in sectors like textiles, cut and polished diamonds (CPD), tyres, metals, and auto components. These sectors may face adverse effects from the increased tariffs. Pharmaceuticals and petroleum products had been exempted from the reciprocal tariff in April 2025, limiting the impact on these sectors; at present, we expect this to persist. For some sectors like telecom instruments, there are some sub-segments which are exempted from these tariffs like smartphones, electronic equipment, etc and thus, the impact of these tariffs is unlikely to be material on this segment. Overall, this proposed higher-than-expected tariff (and the potential penalty on account of India's crude/defence purchases from Russia) is likely to pose a headwind to India's GDP growth in the ongoing fiscal. We have lowered our growth forecast for India for FY2026 by 20 bps to 6.0%; the extent of the said penalties could result in a further downside.

Sector	Impact of tariff
Agrochemicals	↓
Chemicals (dyes and pigments, organic, inorganic and miscellaneous / residual chemicals)	↓
Petroleum products	↔
Pharma	↔
Telecom products	↔
Textile	↓
Auto components	↓*
Cut and polished diamonds (CPD)	↓
Non-ferrous metals	↓*
Steel	↓*
Tyres	↓

Source: The White House website; ICRA Research; *Note: Steel/aluminium/auto components are exempted from reciprocal tariff; however, they are covered under section 232, which attracts a higher tariff rate.

The US imposed a reciprocal tariff of 25% on India along with an unspecified penalty for ties with Russia

EXHIBIT: Social media post by the US President

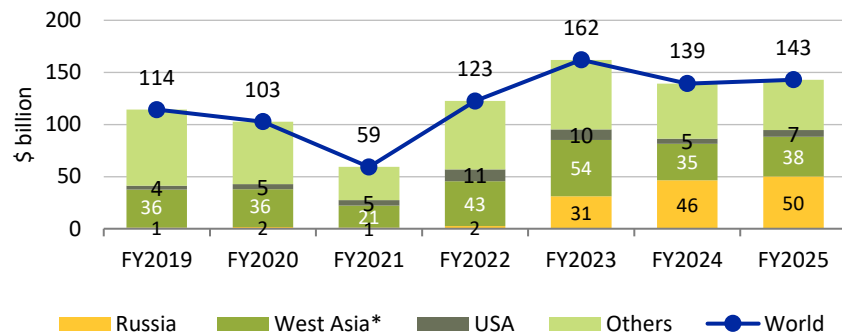


Remember, while India is our friend, we have, over the years, done relatively little business with them because their Tariffs are far too high, among the highest in the World, and they have the most strenuous and obnoxious non-monetary Trade Barriers of any Country. Also, they have always bought a vast majority of their military equipment from Russia, and are Russia's largest buyer of ENERGY, along with China, at a time when everyone wants Russia to STOP THE KILLING IN UKRAINE — ALL THINGS NOT GOOD! INDIA WILL THEREFORE BE PAYING A TARIFF OF 25%, PLUS A PENALTY FOR THE ABOVE, STARTING ON AUGUST FIRST. THANK YOU FOR YOUR ATTENTION TO THIS MATTER. MAGA!

- On April 2, 2025, the US government had imposed two sets of tariffs:
 - An additional 10% ad valorem rate of duty on all imports with effect from April 5, 2025, on top of the pre-Trump 2.0 tariff rate of around 2.5%; and
 - Ad valorem rates of duty on specific countries ranging from 11% to 50%.
- On India, the reciprocal tariff was set at 26%.
- Subsequently, on April 9, 2025, the US government decided to temporarily lower the reciprocal tariff rate to 10% for all trading partners, while also suspending the implementation of the country specific ad-valorem duties for a period of 90 days. This was to enable trade negotiations with most of these countries.
- During this period, the US held trade negotiations with multiple countries, including India.
- On July 31, 2025, the US government, under President Donald Trump, announced a 25% tariff on goods imported from India, effective August 7, 2025. This move was accompanied by an additional penalty tariff, though the exact rate or structure of this penalty has not yet been specified.
- The comprehensive trade agreement between the US and India has not yet been finalised, and as a result, the specific tariff rates applicable to individual sectors remain undetermined. The US trade representative mentioned that more negotiations are needed with India to finalise the trade agreement.

Russia accounted for ~35 of India's crude imports in FY2025, even as discounts on Russian crude purchases fell significantly, limiting India's savings

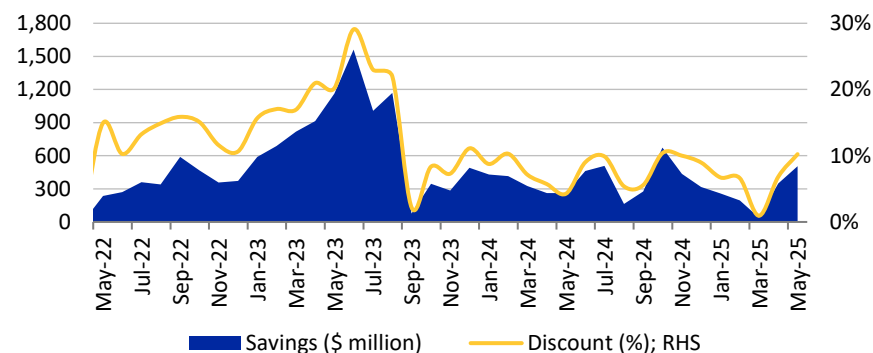
EXHIBIT: Value of India's crude petroleum imports (\$ billion)



West Asian countries used for analysis: Saudi Arabia, the UAE, and Kuwait; Source: Ministry of Commerce and Industry; CMIE; ICRA Research

- Following the onset of the Russia-Ukraine conflict in 2022, and the subsequent decline in the price of Russian crude oil, India's crude petroleum imports from Russia increased significantly, with its share rising from a mere ~1.5% during FY2018-FY2022 to 19.3% in FY2023 and thereafter to 33-35% during FY2024-FY2025. This surge was offset by a reduction in the share of imports from West Asia (from ~34% during FY2018-FY2022 to ~28% during FY2023-FY2025) and to some extent from the US (whose share had jumped from ~3% during FY2018-FY2020 to 9% each in FY2021 and FY2022 before declining to about 5% in the last three fiscals).
- As per ICRA's calculations, the monthly average imputed price of crude petroleum imports from Russia was about 13% and 14% lower than that from West Asia in FY2023 and FY2024, respectively, leading to savings of \$5.1 billion in FY2023 and \$8.2 billion in FY2024 in India's oil import bill. However, the extent of discount narrowed sharply to around 7% in FY2025, reducing the savings to \$3.8 billion. **Given the narrowing of discounts on Russian crude since FY2025, coupled with sanctions by the EU and the US, it appears increasingly unlikely that such imports from Russia will benefit India materially, going forward.**

EXHIBIT: Estimated monthly savings from Russian discounted crude



Note: Discounts are computed as the percentage change in the imputed price of crude oil imported from Russia compared to that from West Asian countries; Source: CMIE; ICRA Research

Reciprocal tariff announced for India is higher than other Asian nations

Exhibit: Reciprocal tariff announced in July 2025* vs. April 2025

Country	Reciprocal tariff (as of July 2025)	Reciprocal tariff (as of April 2025)	Difference
Brazil	10%	11%	-1%
Laos	40%	48%	-8%
Myanmar	40%	44%	-4%
Cambodia	19%	49%	-30%
Thailand	19%	36%	-17%
Bangladesh	20%	37%	-17%
Serbia	35%	37%	-2%
Canada	35%	25%	10%
South Africa	30%	30%	0%
Bosnia and Herzegovina	30%	35%	-5%
Algeria	30%	30%	0%
Iraq	35%	39%	-4%
Libya	30%	31%	-1%
Sri Lanka	20%	44%	-24%
China	30%	34%	-4%
South Korea	15%	25%	-10%
Kazakhstan	25%	27%	-2%
Malaysia	19%	24%	-5%
Tunisia	25%	28%	-3%
Brunei	25%	24%	1%
Moldova	25%	31%	-6%
India	25%	26%	-1%
The Philippines	19%	17%	2%
Vietnam	20%	46%	-26%
Indonesia	19%	32%	-13%
Japan	15%	24%	-9%
European Union (EU)	15%	20%	-5%

- In July 2025, the US President Donald Trump informed various trading partners of the reciprocal tariff rates, which would be effective from August 7, 2025.
- In most instances, countries will be subjected to a revised reciprocal tariff rate that is lower than the rate initially announced on April 2, 2025.
- The tariff announced for India is higher than other Asian countries such as Pakistan (19%), Bangladesh (20%), Vietnam (20%), Indonesia (19%), and Japan (15%), which can potentially weaken India's position as a preferred sourcing destination (*please see [Annexure I](#) for full list*).

With the exception of Canada, Brunei and the Philippines, the reciprocal tariffs announced by the US are either equal to or lower than those imposed in April 2024.

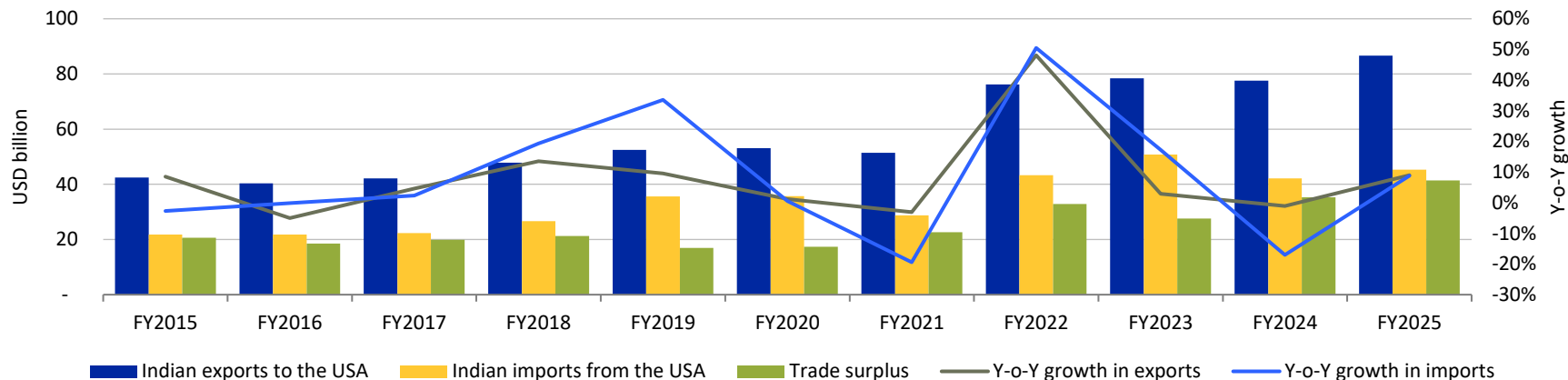
Source: [Executive Order by the White House](#); ICRA Research



India-US trade

India's trade surplus with US has grown at a CAGR of 7% over the past decade

Exhibit: Merchandise trade between India and the US



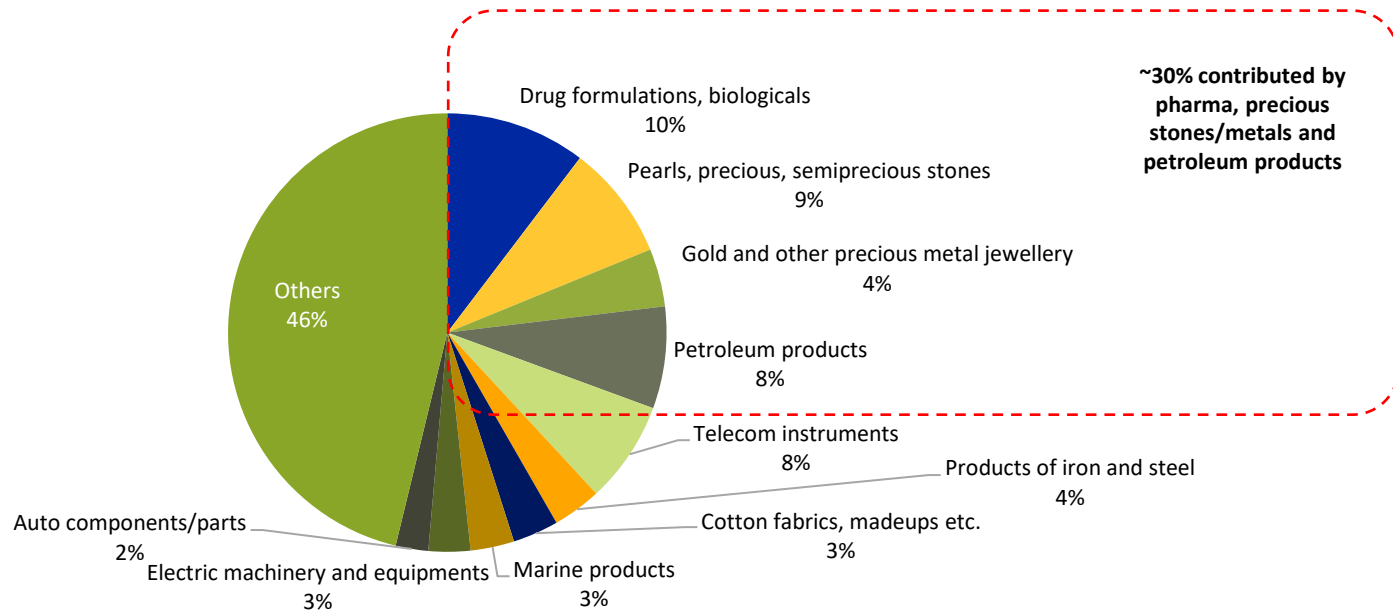
Source: Ministry of Commerce and Industry, GoI; ICRA Research

- Merchandise trade between India and the US increased at a CAGR of 7% between FY2015 and FY2025, with imports and exports rising at a similar CAGR. However, exports to the US were nearly twice than the imports in FY2025.
- The trade surplus increased to \$41 billion in FY2025 from \$21 billion in FY2015.
- The US's share in the total Indian merchandise imports was range-bound at 5-7% for the past decade, whereas its share in the total Indian merchandise exports increased to 20% in FY2025 from 14% in FY2015.

Pharma, precious stones/metals and petroleum products contribute significantly to total Indian export value to the US

- The share of the US in total Indian merchandise exports was about 18% in FY2024.
- The top 10 Indian exports to the US by value include drug formulations, precious stones and metals, petroleum products, telecom instruments, iron and steel products, agricultural and marine products.

EXHIBIT: Top 10 exports to the US by value (FY2024)



Source: DGCI&S, Ministry of Commerce and Industry; ICRA Research

US share is significant in Indian exports for more than 100 export categories

- India's exports to the US are significant for many sectors like agricultural products, textiles, chemicals, metals, jewellery, pharma, etc.
- Exports to the US form a major share (i.e., US's share is greater than or equal to 5%) in India's total export pie for more than 100 product categories (*see Annexure I for detailed break up*).

EXHIBIT: Product categories whose exports to the US form a major share (>=5%) in India's total exports (by value)

Agri and poultry

Category	The US's share
Niger seeds	80%
Dairy products	38%
Marine products	34%
Shellac	26%
Milled products	25%
Floriculture products	22%
Cocoa products	21%
Guargum meal	20%

Metals

Category	The US's share
Products of iron and steel	28%
Other non-ferrous metal and products	25%
Prime mica and mica products	24%

Chemicals, petroleum products and minerals

Category	The US's share
Agro chemicals	22%
Other miscellaneous chemicals	15%
Organic chemicals	15%
Dye intermediates	13%
Residual chemicals & allied products	12%
Inorganic chemicals	11%
Ceramics and allied products	10%
Dyes	8%
Processed minerals	6%
Petroleum products	7%

Pharma

Category	The US's share
Drug formulations, biologicals	37%
Medical and scientific instrument	16%
Surgicals	13%

Textiles

Category	The US's share
Carpet handmade	60%
Silk carpets	47%
Floor covering of jute	45%
Handicrafts excluding handmade carpets	40%
Cotton fabrics, madeups etc.	39%
Ready made garments (RMG) of other textile materials	36%
RMG of cotton incl. accessories	33%
Other textile yarn, fabric madeups articles	31%

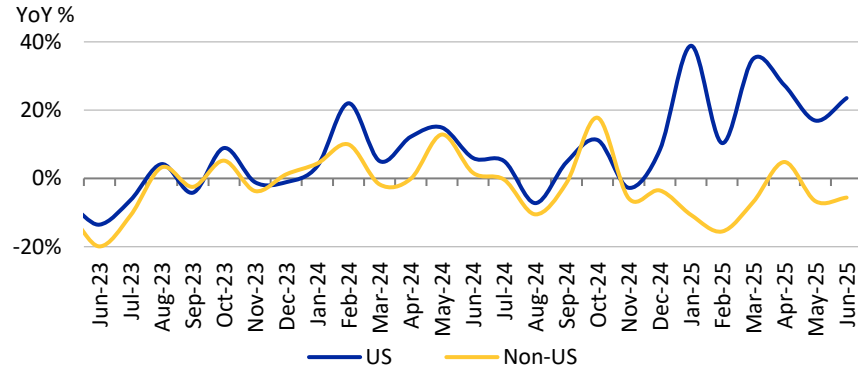
Jewellery, cement and auto components

Category	The US's share
Pearls, precious, semiprecious stones	35%
Gold and other precious metal jewellery	25%
Auto components/parts	24%
Cement, clinker and asbestos cement	78%

Source: DGCI&S, Ministry of Commerce and Industry; ICRA Research

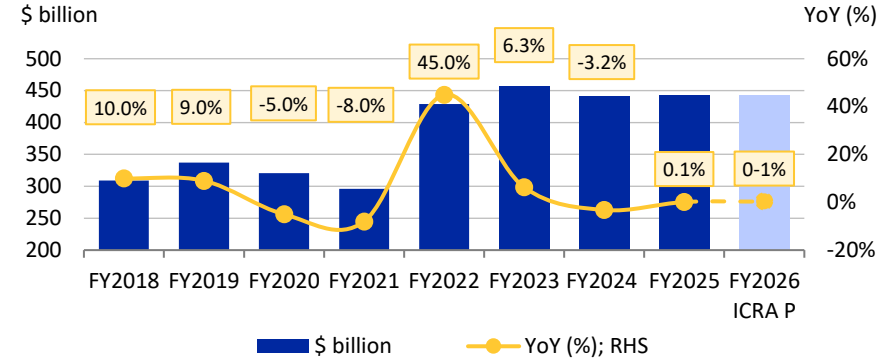
Growth in India's goods exports to US set to dip sharply from ~25% during 6M CY2025; 25% tariff to trigger downside to export outlook for FY2026

EXHIBIT: Trends in India's merchandise exports to the US and non-US regions



Source: Ministry of Commerce and Industry, GoI; RBI; ICRA Research

EXHIBIT: Trends in India's merchandise exports

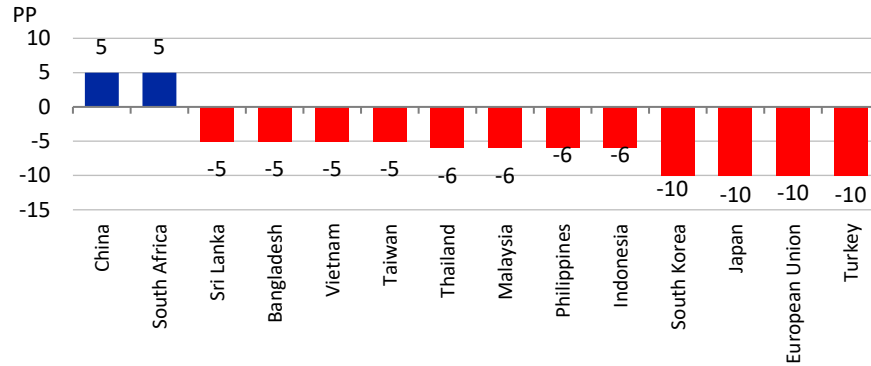


Source: Ministry of Commerce and Industry, GoI; RBI; ICRA Research

- After contracting by 3.2% in FY2024, India's merchandise exports rose by a marginal 0.1% in FY2025 owing to weak external demand. However, the country-wise composition reveals that the exports to the US had risen by 11.8% YoY in FY2025 (-1.1% in FY2024) led by a surge towards the end of the fiscal, while exports to non-US regions declined by 2.4% in the fiscal (-3.4% in FY2024), mainly stemming from lower shipments to China (-14.4%) and Singapore (-10.2%).
- In particular, the YoY growth in exports to the US levelled up sharply to 25.0% in the first half of CY2025, from 3.1% seen during July-December 2024, which resulted in US's share in India's exports rising materially to 22.9% from 18.4% between these periods. Concurrently, shipments to non-US regions were weaker (to -4.8% in 6M CY2025 from -4.2% in prior 6 months), suggesting that such exports were redirected to the US from other countries ahead of the US reciprocal tariffs.
- With the 25% tariff on Indian goods now being proposed by the US from August 7, 2025, the growth in India's merchandise exports to the country is expected to taper off quite sharply from the average of 25% seen during January-June 2025. If the demand for such goods is not met from other countries or a bilateral deal with the US does not materialise over the next few months, ICRA foresees a downside risk to our merchandise export growth forecast of 0-1% for FY2026.**

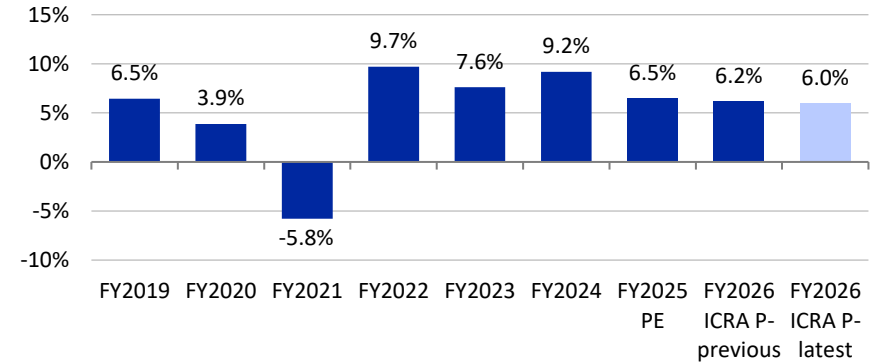
Higher-than-anticipated tariff and penalties by the US to pose downside risk to FY2026 GDP growth projection

EXHIBIT: Difference between reciprocal tariffs imposed on major countries/regions and those on India



Source: The White House; ICRA Research

EXHIBIT: Annual GDP growth (YoY; %) at constant 2011-12 prices



PE: Provisional Estimates; P: Projected; Source: NSO, ICRA Research

- The tariff rate imposed by the US on most major countries is much lower than that imposed on India, such as Vietnam (-5 pp lower relative to India), Bangladesh (-5 pp), Taiwan (-5 pp), Philippines (-6 pp), Indonesia (-6 pp), South Korea (-10 pp), Japan (-10 pp), and the European Union (-10 pp). Consequently, several categories of exports from India to the US could be adversely impacted, with a possible shift in trade away from India and towards other Asian economies in the near term. Moreover, the additional penalty that will be imposed on India (which is not yet disclosed), pertaining to its crude and defence purchases from Russia, is going to further widen this gap, and would adversely impact India's exports.
- The higher-than-expected tariff (and penalty) proposed by the US is likely to pose a headwind to India's GDP growth in the ongoing fiscal and the extent of the downside will depend on the size of the penalties that are imposed on account of India's crude/defence purchases from Russia. **We have lowered our growth forecast for India's GDP growth for FY2026 to 6.0% from 6.2%; the extent of the penalties imposed could result in a further downside to this projection.**



Sectoral Impact

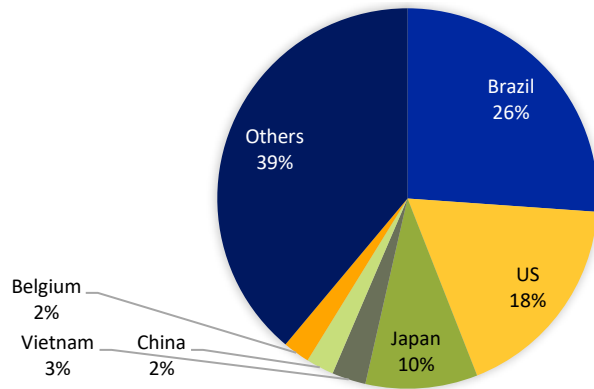
Sectoral impact of additional tariffs by the US

Sector	Impact
Agrochemicals	↓
Chemicals (dyes and pigments, organic, inorganic and miscellaneous / residual chemicals)	↓
Petroleum products	↔
Pharma	↔
Telecom products	↔
Textiles	↓
Auto components	↓*
Cut and polished diamonds (CPD)	↓
Non-ferrous metals	↓*
Steel	↓*
Tyres	↓

Source: The White House website; ICRA Research; *Note: Steel/aluminium/auto components are exempted from reciprocal tariff; however, they are covered under section 232, which attracts a higher tariff rate.

Chemicals: Moderation in tariff differential with China and lower tariffs on EU to marginally impact the competitive position of Indian chemical players

EXHIBIT: Major export markets served by Indian agrochemical industry



Source: Ministry of Commerce (GoI); CMIE; ICRA Research

EXHIBIT: Reciprocal tariff on competing nations

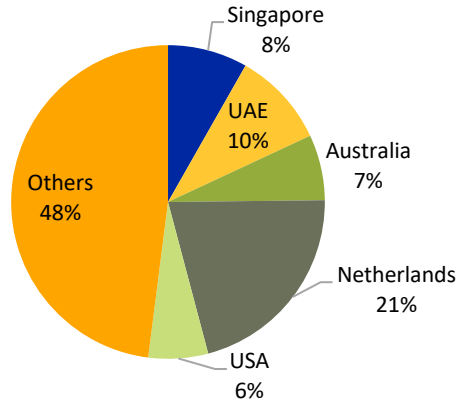
Competing Nations/Region	US Tariff on India (%) - A	US Tariff on Competing Nations (%) - B	Difference in Tariff – A-B
EU	25%	15%	-10%
Mexico	25%	25%	0%
China	25%	30%	5%

Source: Ministry of Commerce; ICRA Research

- **Agrochemicals:** The export share of the Indian agrochemicals industry is high at 60% and the US is one of the major export destinations for agrochemicals with a 18% share in FY2025. USA's dependence on EU nations remains sizeable followed by Mexico and China. EU nations now face 15% tariff while Mexico faces similar tariffs as India, while China continues to face 30% tariff. India's agrochemical competitiveness will moderate marginally as the tariff differential between India and China has contracted.
- **Dyes and pigments, organic, inorganic and miscellaneous/ residual chemicals:** India is a major exporter of these chemicals to the US, though China is also a significant player. In case of dyes/pigments, the EU and Mexico are also major suppliers. With the EU having a 10% tariff differential and Mexico having a similar tariff, the freight advantage may result in increasing pricing pressure on the segment. Additionally, with the tariff differential between China and India contracting, India's tariff competitiveness has moderated.

Petroleum products exempted from additional tariff; telecom instruments protected owing to exemption on a few sub-segments

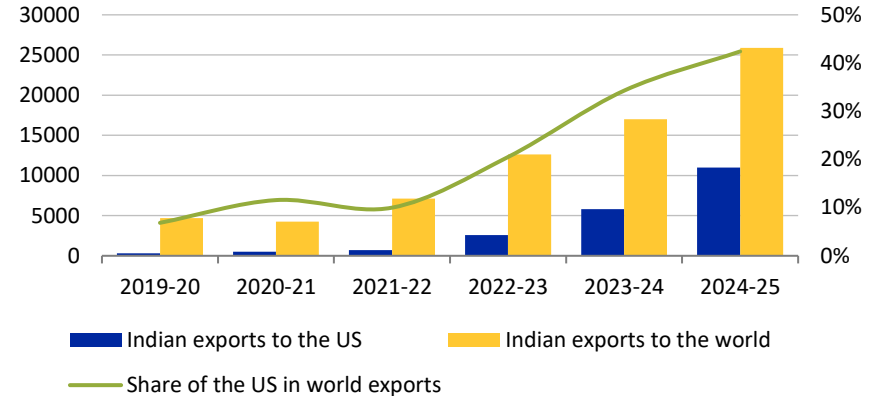
EXHIBIT: Country-wise exports of petroleum products by value (FY2025)



Source: CMIE, ICRA Research

- USA's share in the Indian petroleum products export has been in the range of 6-8% over the last 3-4 years. The petroleum products are likely to be absorbed in other geographies and would not have much impact on the sector.
- However, a shift away from the modestly discounted Russian crude would have some negative impact on this sector.

EXHIBIT: Exports of telecom instruments to the US and to rest of the world (ROW)

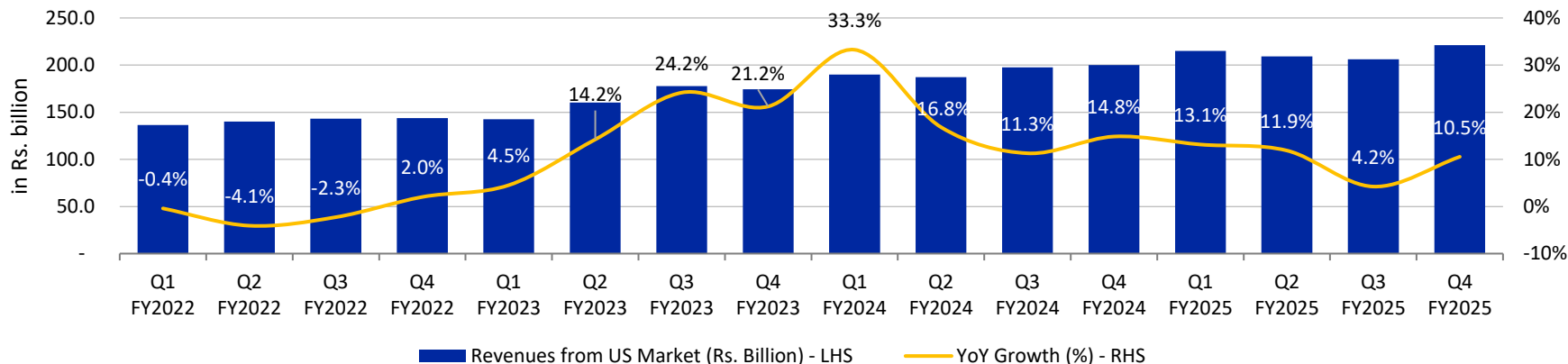


Source: Ministry of Commerce and Industry, ICRA Research

- Exports of telecom instruments to the US form more than 40% of the total exports of telecom instruments to the world from India.
- There are some sub-segments which are exempted from these tariffs like smartphones, electronic equipment, etc and thus, the impact of these tariffs is unlikely to be material on this segment.

Pharma: Taxes/duties remain unchanged considering sizeable reliance on several countries, including India

EXHIBIT: Quarterly trend in revenues from the US market for select companies



Source: Company data, ICRA Research, Cumulated for 13 companies

- Indian pharmaceutical companies have a strong presence in the US, which remains one of their most significant sources of revenue. ICRA's sample set companies witnessed 9.9% YoY revenue growth from the US market in FY2025, moderating from the previous year due to the base effect and relatively lower sales of lenalidomide. FY2024 had been a year of strong growth (18.3% YoY increase for ICRA's sample set) for Indian pharmaceutical companies in the US.
- The US has a significant reliance on other countries, including India, for raw materials and finished pharmaceutical products. The US government has recently imposed tariffs on imports across multiple sectors and is currently mulling similar tariff imposition on pharmaceutical imports into the US. Additionally, to bridge the drug pricing gap between the US and other countries, its government is also pushing for implementation of 'most favored nation' (MFN) policy. The impact of these developments on Indian pharma companies remains a key monitorable.

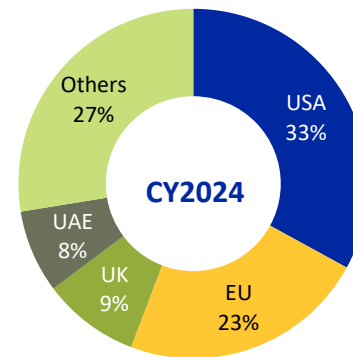
Textiles: Vietnam, Bangladesh, Cambodia and Indonesia in advantageous positions; rise in tariffs likely to impact consumption trends in the US market

EXHIBIT: Key apparel exporters to the US and tariff impact

Competing Nations	US Tariff on India (%) - A	US Tariff on Competing Nations (%) - B	Difference in Tariff – A-B	Share in US Apparel Trade (CY2024)
Vietnam	25%	20%	-5%	19%
China	25%	30%	5%	21%
Bangladesh	25%	20%	-5%	9%
Indonesia	25%	19%	-6%	5%
Cambodia	25%	19%	-6%	5%
India	25%	NA	NA	6%

Source: CMIE, ICRA Research

EXHIBIT: India's apparel exports – Region-wise share

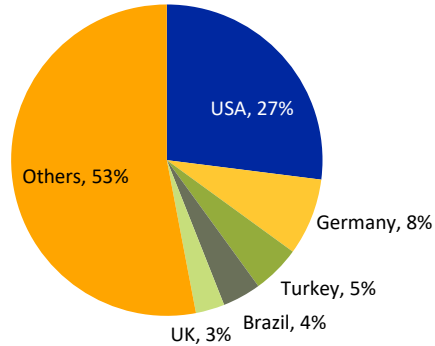


Source: Department of Commerce (Government of India), ICRA Research

- Asian countries, namely Vietnam, China, Bangladesh, India, Indonesia, Cambodia and Pakistan, collectively represent 70% of apparel imports by the US.
- Specifically for India:
 - The US has been the top-most destination for apparel exports, accounting for a third of the share of total exports in CY2024.
 - In the home textiles segment as well, the US is a key market, accounting for 59% share in CY2024.
 - In the cotton yarn segment, US's share in India's exports is less than 1% and will have a negligible impact.
- Vietnam, Bangladesh, Cambodia and Indonesia have lower tariff rates than India as a result of recent incremental reciprocal tariffs imposed by the US.
- India is currently in a marginally weaker position, and it remains to be seen if it can pass on the steep increase in tariffs to its US customers.
- The recent imposition of tariffs (and penalties) by the US is likely to disrupt the supply chain and have an impact on volumes and profit margins of Indian apparel exporters in the near term.
- While the recently concluded trade deal between India and the UK could lead to a shift in trade volumes to the UK market, a larger impact can be expected only over the longer term as the validation process from customers take time.

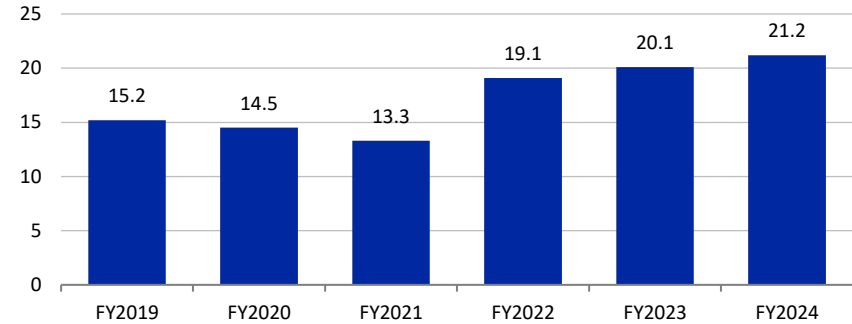
Auto components: Indian exporters to be at disadvantage against most other Asian exporters; conclusion of India-US BTA critical

EXHIBIT: Geography-wise exports of Auto components by India



Source: Department of Commerce (Government of India), ICRA Research

EXHIBIT: India's auto component export trend (in USD billion)



Source: ACMA, ICRA Research; excludes batteries and tyres

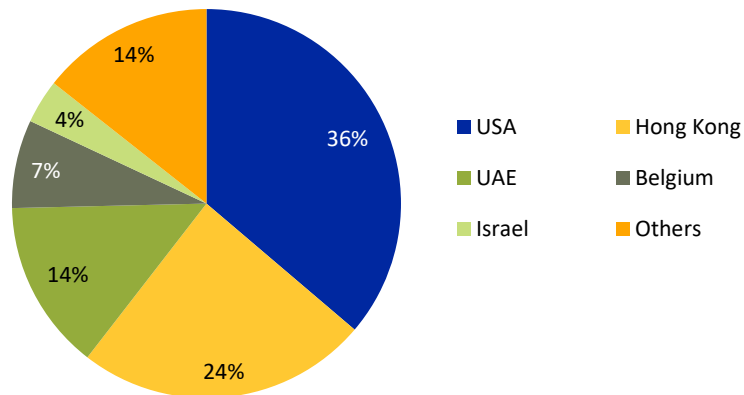
EXHIBIT: India's positioning vis-à-vis other auto-component exporting nations

Competing Nations	US Tariff on India (%) - A	US Tariff Competing Nations (%) - B	Difference in Tariff – A-B
Indonesia	25%	19%	-6%
Vietnam	25%	20%	-5%
China	25%	30%	+5%
EU	25%	15%	-10%
Japan	25%	15%	-10%

- India's auto component exports account for around 30% of the industry revenues. Of this, 27% goes to the US. Accordingly, around 8% of the Indian auto-component production will be impacted by the tariffs announced.
- Tariff at 25% for India places auto-component exporters at a disadvantage compared to other Asian exporters, barring China as countries like Japan, Vietnam and Indonesia face a lower tariff of 15-19%. Further, with Mexican and Canadian peers remaining exempt under the United States-Mexico-Canada Agreement (USMCA), auto-component manufacturers based out of India are likely to face increased competitive pressures. While the relative lower tariff positioning vis-à-vis China is a positive for the component suppliers, thus creating long-term opportunities, uncertainties continue to persist as to the finality of these tariffs, as negotiations on the India-US bilateral trade agreement are yet to be concluded.
- Exporters dependent on the US are trying to diversify their revenue base across other geographies (including Asia). Measures to improve value addition, diversification into non-auto segments and cost-optimisation strategies are also being worked upon to reduce the margin impact for US-dependent exporters, in addition to negotiations with supply chain partners.

CPD: Tariffs to adversely impact the industry

EXHIBIT: Country-wise exports of CPD from India (FY2025)



Source: Gems and Jewellery Export Promotion Council (GJEPC), ICRA Research

EXHIBIT: US tariff rates with competing nations

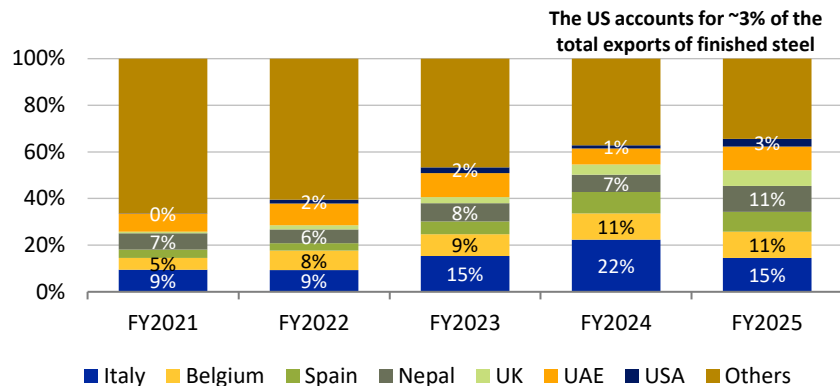
Competing Nations	US Tariff on India (%) - A	US Tariff on Competing Nations (%) - B	Difference in Tariff – A-B
Belgium	25%	15%	10%
Israel	25%	15%	10%
UAE	25%	10%	15%

Source: ICRA Research

- India accounts for 90% of the CPD produced across the world and is the major polishing hub across the globe. The US and China (exports routed through Hong Kong) remain the primary destinations for India's polished diamond exports.
- Of the total CPD exports in FY2025, 36% was directly exported to the US. Around 42% of exports from India were to trading hubs including Hong Kong, the UAE and Israel, a large chunk of which further gets exported to the US.
- The import tariff of 25% by the US shall adversely impact the overall quantum of direct Indian CPD exports to the US, especially given the relative higher tariffs vis-à-vis other competing nations. In case these elevated tariffs continue for long, Indian diamantaires may shift exports to trading hubs like Dubai, Belgium, Israel to re-route to the US (given the lower import tariff for these countries), provided trans-shipment tariff is not imposed. The imposition of trans-shipment tariff can further impact the CPD industry.

Metals: Potential global slowdown due to tariff war remains negative for the metal sector

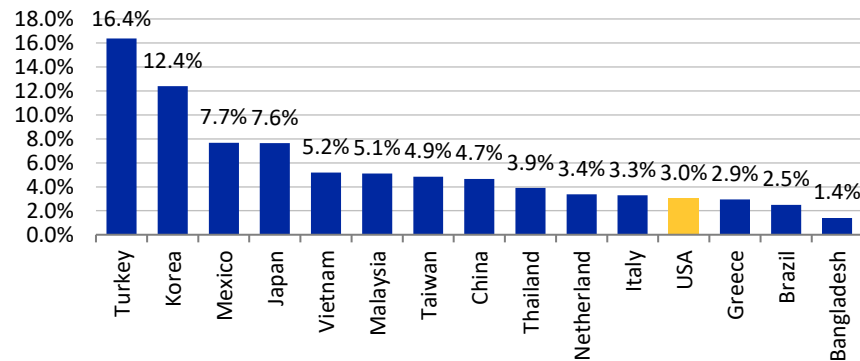
EXHIBIT: Trend in country-wise total finished steel export (% share)



Source: JPC, ICRA Research

- Tariff measures cut both ways for the domestic steel industry. First, deliveries of about 4 mtpa to the US from Asian suppliers like Japan and South Korea, which so far had preferential market access, could be partly bounced off to high-growth markets like India, exerting pressure on domestic steel prices.
- However, the potential displacement of about 19 mtpa of steel cargoes entering the US from high-cost countries opens the possibility of Indian mills to nibble at a part of this large opportunity and increase their export footprint in the US, which, as of now, accounted for a miniscule 2-3% of India's overall steel export basket.
- Any slowdown in global growth due to reciprocal tariff announcement by the US can be negative for the steel sector as international steel prices could then come under pressure.

EXHIBIT: Country-wise mix of primary aluminium export from India in FY2025



Source: Ministry of Commerce and Industry; ICRA Research

- While India exports almost 50% of the primary aluminium production, the reliance on the US market was very minimal at ~2% in FY2024. Nevertheless, the global trade war is expected to weaken the demand for aluminium in the US. With China already facing challenges in reviving its economy, LME aluminium prices are likely to be negatively impacted in the coming fiscal. Lower LME prices will negatively impact the margins of domestic entities.

Tyres: Higher tariff to take the sheen off Indian tyre makers' competitive advantage

EXHIBIT: Industry revenue mix (FY2025)

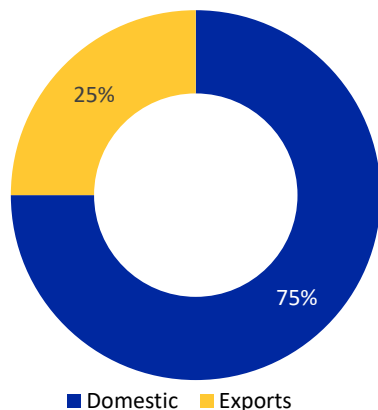


EXHIBIT: Country-wise exports from India, by value (FY2024)

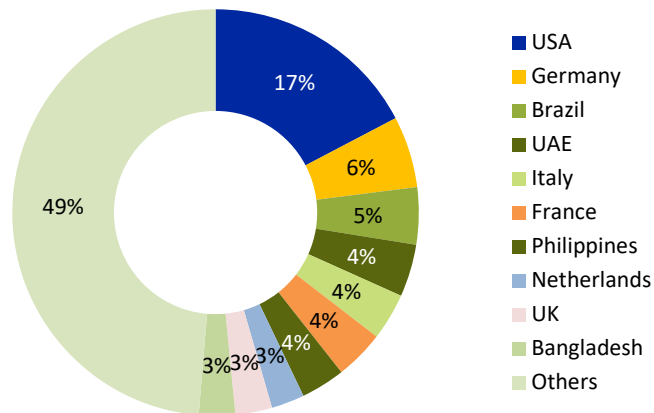
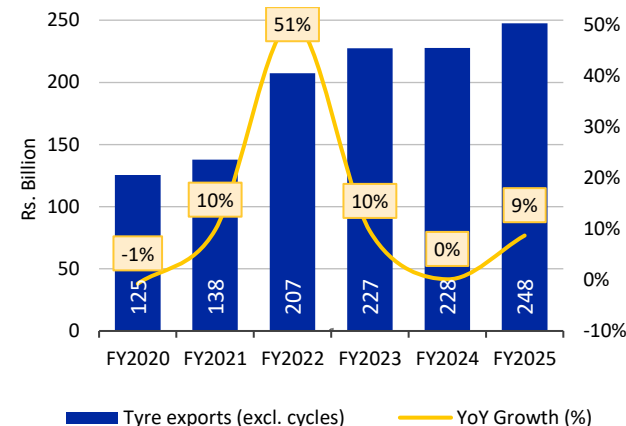


EXHIBIT: India's Tyre export trend (in Rs. billion)



Source: ATMA, ICRA Research, Department of Commerce

- Indian tyre exports account for around 25% of the industry's revenues. Exports recorded over 9% growth YoY in FY2025, both in volume and values. Off-highway tyres dominate the export mix, with over 60% of total exports (value) followed by Truck & Buses and Passenger Vehicles. About 17% of exports were to the US in FY2025. Given the increased economic uncertainty, decline of auto sales volumes and tepidness in US replacement market can be key downside risks.
- The current increase in tariff will increase the cost of tyres imported into the US significantly. ICRA believes that the extent of pass-through of the tariffs would be negotiated based on the supplier's criticality, share of business, among other factors. While the tariff rates at 25% (plus penalties) are lower than other competing nations like China leading to incremental opportunities for India, a lower tariff rate for countries like Vietnam, Indonesia, Thailand and Philippines will be key setbacks for the tyre exports.

Competing Nations	US Tariff on India (%) - A	US Tariff on Competing Nations (%) - B	Difference in Tariff – A-B
Vietnam	25%	20%	-5%
China	25%	30%	5%
Indonesia	25%	19%	-6%
Thailand	25%	19%	-6%
Philippines	25%	19%	-6%



US trade deals with other countries

The US utilised the pause period for trade negotiations with various countries

- During the 90-days pause period, which has ended on August 1, 2025, the US actively pursued trade negotiations with several key global partners, including India. These deals aimed to reduce tariff and non-tariff barriers, enhance digital and industrial cooperation, and secure greater market access for the US exporters.
- Each agreement reflects a strategic effort to modernise trade relationships, strengthen economic security, and promote fair, reciprocal trade.

Exhibit: Trade deals by the US with various countries/regions

Country	Reciprocal tariff (as of July 2025)	Trade surplus / (deficit) with the US in USD billion
China	30%	361
EU	15%	215
Vietnam	20%	83
Japan	15%	57
India	25%	41
Indonesia	19%	12
UK	10%	(20)

Partial trade agreement with China following months of escalating tariffs and retaliatory measures. A baseline 10% tariff was in place during a 90-day pause to allow further negotiations.

The Government of Vietnam has not formally endorsed a key element of the trade agreement, following a change in the proposed tariff rates.

The US-China trade deal: Exports to the US form 15% of total Chinese exports

EXHIBIT: Trade between China and the US (2024)

USD in billion

	Imports	Exports	Trade surplus
China's trade with the US	164.59	525.64	361.05
Share of the US in total imports / exports	6%	15%	-

- Exports to the US are significant for China for varied sectors like toys, tobacco, musical instruments along with major sectors such as textile, chemicals, metals, pharma, etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 10%) in total exports for China for around 46 product categories (refer [annexure II](#) for detailed break up).

EXHIBIT: Product categories for which exports to the US form a major share (>=10%) in total exports of China (by value) - 2024

Textile

Category	The US's share
Other made textile articles, sets, worn clothing	32%
Articles of apparel, knit or crocheted	25%
Carpets and other textile floor coverings	24%
Articles of apparel, not knit or crocheted	20%

Pharma

Category	The US's share
Pharmaceutical products	22%
Optical, photo, technical, medical apparatus	17%

Metals

Category	The US's share
Tools, implements, cutlery of base metal	20%
Miscellaneous articles of base metal	17%
Articles of iron or steel	14%
Base metals not specified elsewhere, cermets	14%
Aluminum	11%

Chemicals

Category	The US's share
Organic chemicals	10%

Others

Category	The US's share
Bird skin, feathers, artificial flowers, human hair	45%
Explosives, pyrotechnics, matches, pyrophorics	38%
Printed books, newspapers, pictures	38%
Toys, games, sports requisites	33%
Tobacco and manufactures tobacco substitutes	32%
Animal, vegetable fats and oils, cleavage products	30%
Musical instruments, parts and accessories	28%
Furniture, lighting signs, prefabricated buildings	25%
Commodities not specified according to kind	24%
Headgear and	23%
Manufacturers of plaiting material, basketwork	23%
Lac, gums, resins	22%
Miscellaneous manufactured articles	21%

Source: United Nations COMTRADE database, ICRA Research

The US-China trade deal: Baseline 10% tariff till further negotiations

- The US and China reached a partial trade agreement following months of escalating tariffs and retaliatory measures. Both sides agreed to reduce certain tariffs and resume negotiations, focusing on easing restrictions related to rare earth exports, advanced technologies, and educational exchanges.

EXHIBIT: Key Highlights of the Deal

Tariff Reductions

- A baseline 10% tariff remains in place during a 90-day pause to allow further negotiations

China's Commitments:

- Removed retaliatory tariffs imposed since April 4, 2025
- Suspended non-tariff countermeasures, including restrictions on US firms and exports
- Paused its initial 34% tariff on US goods for 90 days, retaining only the 10% baseline

USA Actions:

- Removed additional tariffs imposed in early April 2025
- Retained pre-April tariffs, including:
 - Section 301 tariffs (intellectual property violations)
 - Section 232 tariffs (national security concerns)
 - Tariffs related to the fentanyl national emergency
 - Most Favoured Nation (MFN) tariffs
- Suspended its own 34% reciprocal tariff for 90 days, maintaining a 10% rate during the pause

Strategic Goals

- Establish a mechanism for ongoing trade and economic discussions.
- Address long-standing issues like offshoring, trade imbalances, and unfair practices.
- Strengthen domestic production and supply chain resilience.

Source: [Fact Sheet White House](#), ICRA Research

The US-EU trade deal: Exports to the US are significant for the EU for more than 90% of product categories

EXHIBIT: Trade between the EU and the US (2024)

USD in billion

	Imports	Exports	Trade surplus
EU's trade with the US	355.76	571.14	215.38
Share of the US in total imports / exports	13%	20%	-

- Exports to the US are significant for the EU for more than 90% of the product categories including textiles, chemicals, metals, pharma, etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 5%) in the total exports for the UK for more than 88 product categories (see [Annexure III](#) for detailed break up).

EXHIBIT: Product categories for which exports to the US form a major share (>=10%) in total exports of the EU (by value) - 2024

Textiles

Category	The US's share
Impregnated, coated or laminated textile fabric	15%
Articles of apparel, not knit or crocheted	13%
Other made textile articles, sets, worn clothing	13%
Carpets and other textile floor coverings	12%
Manmade filaments	11%
Articles of apparel, knit or crocheted	10%
Manmade staple fibers	10%
Special woven or tufted fabric, lace, tapestry	9%
Silk	8%
Knitted or crocheted fabric	7%

Metals

Category	The US's share
Base metals not specified elsewhere, cermets.	35%
Tin	29%
Nickel	26%
Tools, implements, cutlery of base metal	24%
Articles of iron or steel	18%
Iron or steel	17%
Aluminium	14%
Miscellaneous articles of base metal	14%
Copper	10%
Zinc	5%

Chemicals

Category	The US's share
Organic chemicals	47%
Inorganic chemicals, precious metal compound, isotope	24%
Miscellaneous chemical products	18%

Pharma

Category	The US's share
Pharmaceutical products	36%
Optical, photo, technical, medical apparatus	28%

Source: United Nations COMTRADE database, ICRA Research

The US-EU trade deal: Tariff of 15% on key sectors with metals continuing at 50% tariff rate; EU commits new investments over and above annual investments

- The US-EU trade agreement marks a transformative step in modernising the transatlantic economic alliance between two large economies. Designed to unlock unprecedented market access for American businesses, the deal sets the stage for investments, sector reforms, regulatory cooperation and reduced trade barriers.

EXHIBIT: Key Highlights of the Deal

Economic Commitments	<ul style="list-style-type: none">▪ USD 750 billion in the US energy purchases by the EU through 2028.▪ USD 600 billion in new EU investments in the US by 2028. This new investment is in addition to the over USD100 billion EU companies already invest in the US every year.
Tariff	<ul style="list-style-type: none">▪ EU eliminates all tariffs on the US industrial goods.▪ EU pays a 15% tariff on the US exports in key sectors: autos, auto parts, pharmaceuticals, semiconductors.▪ Steel, aluminum, copper tariffs remain at 50%.▪ Strong enforcement to prevent third-country benefit leakage.
Sectoral Reforms	<ul style="list-style-type: none">▪ Agriculture: Streamlined sanitary requirements for pork and dairy.▪ Digital Trade: No network usage fees; zero customs duties on electronic transmissions.▪ Industrial Exports: Reduction of EU red tape for the US businesses.
Security & Supply Chains	<ul style="list-style-type: none">▪ Joint efforts to strengthen supply chain resilience and economic security.▪ Cooperation on export controls, investment reviews, and duty evasion.
Commercial & Military Deals	<ul style="list-style-type: none">▪ Major commercial agreements in energy and semiconductors.▪ EU commits to purchasing significant USA military equipment.

Source: [Fact Sheets White House](#), ICRA Research

The US-Vietnam trade deal: Exports to the US form 27% of total Vietnamese exports

EXHIBIT: Trade between Vietnam and the US (2023)

USD in billion

	Imports	Exports	Trade surplus
Vietnam's trade with the US	13.83	97.06	83.23
Share of the US in total imports / exports	4%	27%	-

- Exports to the US are significant for Vietnam for varied sectors like footwear, plastics, electrical / electronic instruments, along with major sectors like textile, metals, agri etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 5%) in the total exports for Vietnam for around 29 product categories.

EXHIBIT: Product categories for which exports to the US form a major share (>=5%) in total exports of Vietnam (by value) - 2023

Metals

Category	The US's share
Pearls, precious stones, metals, coins	44%
Articles of iron or steel	29%
Aluminum	25%
Iron and steel	10%
Copper	5%

Textile

Category	The US's share
Articles of apparel, knit or crocheted	53%
Articles of apparel, not knit or crocheted	42%
Other made textile articles, sets, worn clothing	19%
Manmade filaments	8%

Agri

Category	The US's share
Vegetable, fruit, nut food preparations	22%
Coffee, tea, mate and spices	12%
Edible fruits, nuts, peel of citrus fruit, melons	11%
Residues, wastes of food industry, animal fodder	8%
Miscellaneous edible preparations	6%

Others

Category	The US's share
Furniture, lighting signs, prefabricated buildings	73%
Toys, games, sports requisites	45%

Others

Category	The US's share
Articles of leather, animal gut, harness, travel good	39%
Footwear, gaiters and the like,	35%
Plastics	32%
Machinery, nuclear reactors, boilers	30%
Electrical, electronic equipment	27%
Meat, fish and seafood preparations	27%
Paper and paperboard, articles of pulp, paper and board	25%
Rubbers	24%
Vehicles other than railway, tramway	17%
Wood and articles of wood, wood charcoal	14%
Salt, sulphur, earth, stone, plaster, lime and cement	13%

Source: United Nations COMTRADE database, ICRA Research

The US-Vietnam trade deal: US announces 20% tariffs, Vietnam pushes back

- The US and Vietnam announced a trade deal on July 2, 2025. However, [media reports](#) indicate that the Government of Vietnam has not formally endorsed a key element of the trade agreement, following a change in the proposed tariff rates that was reportedly announced by the US President Donald Trump via a social media platform (Truth Social) owned and operated by Trump Media & Technology Group.

EXHIBIT: Key Highlights of the proposed deal

Tariff Structure	<ul style="list-style-type: none">▪ 20% tariff on all Vietnamese imports into the US▪ 40% tariff on goods transshipped through Vietnam from other countries (to combat re-labelling of Chinese goods).▪ In exchange, Vietnam will grant zero tariffs and full market access to US goods, including preferential treatment for large-engine vehicles. <p>Vietnam's Commitments:</p> <ul style="list-style-type: none">▪ Open market access for a wide range of the US agricultural products.▪ Strengthen rules of origin standards to prevent transshipment.▪ Improve transparency and compliance in trade practices. <p>US Concessions: Targeted reductions for:</p> <ul style="list-style-type: none">▪ Tech products▪ Footwear▪ Agricultural commodities▪ Consumer goods (e.g., toys)
Strategic Goals	<ul style="list-style-type: none">▪ Support Vietnam's export sector, which is heavily reliant on the US market.▪ Address long-standing concerns about transshipment and unfair trade practices.▪ Lay groundwork for a finalised deal within weeks, building on this preliminary framework.

Source: [The US President's post on media platform](#), ICRA Research

The US-Japan trade deal: Japanese trade with the US is significant with export and import dependency

EXHIBIT: Trade between Japan and the US (2024)

In USD billion

	Imports	Exports	Trade surplus
Japan's trade with the US	84.94	141.53	56.58
Share of the US in total imports / exports	11%	20%	-

- Exports to the US are significant for Japan for varied sectors like aircraft / spacecraft, arms and ammunition, musical instruments, toys along with major sectors like textiles, metals, agri, etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 5%) in the total exports for Japan for around 75 product categories (see [Annexure IV](#) for detailed break up).
- Imports from the US are also significant with 11% share in total Japanese imports with the US forming a major share in more than 61 product categories (see [Annexure V](#) for detailed break up).

EXHIBIT: Product categories for which exports to the US form a major share (>=5%) in total exports of Japan (by value) - 2024

Metals

Category	The US's share
Base metals not specified elsewhere, cermets.	40%
Miscellaneous articles of base metal	24%
Articles of iron or steel	21%
Tools, implements, cutlery of base metal	21%
Nickel	16%
Aluminum	9%
Tin	5%

Agri

Category	The US's share
Coffee, tea, mate and spices	39%
Vegetable, fruit, nut food preparations	27%
Cereals	21%
Cocoa and cocoa preparations	20%
Sugars and sugar confectionery	17%
Edible vegetables and certain roots and tubers	15%
Oil seed, oleagious fruits, grain, seed, fruits	14%

Textiles

Category	The US's share
Cotton	13%
Articles of apparel, not knit or crocheted	9%
Articles of apparel, knit or crocheted	8%
Other made textile articles, sets, worn clothing	7%
Carpets and other textile floor coverings	7%
Special woven or tufted fabric, lace, tapestry	7%
Manmade filaments	5%
Manmade staple fibers	5%

Chemicals

Category	The US's share
Inorganic chemicals, precious metal compound, isotope	25%
Organic chemicals	9%

Others

Category	The US's share
Arms and ammunition, parts and accessories	94%
Aircraft, spacecraft	77%
Cork and articles of cork	41%
Vehicles other than railway, tramway	33%
Pharmaceutical products	33%
Musical instruments, parts and accessories	32%
Toys, games, sports requisites	29%
Furniture, lighting signs, prefabricated buildings	28%
Lac, gums, resins	27%
Live animals	26%
Works of art, collectors' pieces and antiques	26%
Machinery, nuclear reactors, boilers	25%
Fish, crustaceans, molluscs, aquatics invertebrates	25%
Ceramic products	25%
Rubbers	23%

The US-Japan trade deal: Baseline 15% tariff on Japanese imports with investment commitment in select sectors by Japan

- In July 2025, the US–Japan trade agreement marked a significant advancement in global economic collaboration, highlighting strategic investment. The deal includes the largest foreign investment ever recorded, with Japan committing USD 550 billion toward revitalising key US industries.

EXHIBIT: Key highlights of the deal

Investment Commitment	<ul style="list-style-type: none">▪ Japan will invest USD 550 billion into a US-directed strategic investment vehicle.▪ Funds will be used to revitalise key American industries:<ul style="list-style-type: none">▪ Energy infrastructure (LNG, advanced fuels, grid modernization)▪ Semiconductor manufacturing▪ Critical minerals (mining, processing, refining)▪ Pharmaceutical production▪ Commercial and defense shipbuilding
Profit Sharing	<ul style="list-style-type: none">▪ The US will retain 90% of the profits from this investment.▪ Designed to benefit American workers, taxpayers, and communities.
Tariff Framework	<ul style="list-style-type: none">▪ Imports from Japan will face a baseline 15% tariff.▪ Aimed at narrowing the US trade deficit and ensuring balanced trade.
Strategic Goals	<ul style="list-style-type: none">▪ Strengthen the US–Japan alliance as a cornerstone of Indo-Pacific peace.▪ Drive global growth and innovation.▪ Support long-term USA industrial and economic security.

Source: [Fact Sheets White House](#), ICRA Research

The US-Indonesia trade deal: Exports to the US form 9% of the total merchandise exports of Indonesia

EXHIBIT: Trade between Indonesia and the US (2023)

USD in billion

	Imports	Exports	Trade surplus
Indonesia's trade with the US	11.34	23.29	11.95
Share of the US in total imports / exports	5%	9%	-

- Exports to the US are significant for Indonesia for sectors like textiles, chemicals, metals, agri, etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 5%) in the total exports for Indonesia for more than 60 product categories (see [Annexure VII](#) for detailed break up).

EXHIBIT: Product categories for which exports to the US form a major share (>=5%) in total exports of Indonesia (by value) - 2023

Textiles

Category	The US's share
Articles of apparel, knit or crocheted	61%
Articles of apparel, not knit or crocheted	49%
Silk	29%
Other made textile articles, sets, worn clothing	17%
Impregnated, coated or laminated textile fabric	11%
Special woven or tufted fabric, lace, tapestry	8%
Carpets and other textile floor coverings	8%
Manmade staple fibers	5%
Manmade filaments	5%

Metals

Category	The US's share
Aluminum	17%
Articles of iron or steel	7%
Miscellaneous articles of base metal	6%

Agri

Category	The US's share
Coffee, tea, mate and spices	20%
Tobacco and manufactures tobacco substitutes	16%
Cocoa and cocoa preparations	14%
Sugars and sugar confectionery	12%
Cotton	7%

Chemicals

Category	The US's share
Organic chemicals	11%
Miscellaneous chemical products	6%

Source: United Nations COMTRADE database, ICRA Research

The US-Indonesia trade deal: Reciprocal tariff of 19% with elimination of non-tariff barriers

- The US-Indonesia trade agreement marks a landmark shift in bilateral economic relations, unlocking expansive market access for the US exporters across manufacturing, agriculture, and digital sectors. Through this trade deal the US aims to reduce its trade deficit with Indonesia.

EXHIBIT: Key highlights of the deal

Tariff	<ul style="list-style-type: none">▪ Indonesia will pay the US a reciprocal tariff rate of 19%.▪ Indonesia will eliminate tariffs on over 99% of the US exports across sectors like Agriculture, Health products, Seafood, ICT, Automotive, Chemicals
Removal of Non-Tariff Barriers	<p>Indonesia will:</p> <ul style="list-style-type: none">▪ Remove local content requirements for the US companies▪ Accept the US safety and emissions standards for vehicles▪ Recognize FDA and the US certifications for medical and cosmetic products▪ Eliminate import restrictions on remanufactured goods▪ Eliminating pre-shipment inspection or verification requirements on imports of the US goods▪ Improve Intellectual Property protections and regulatory practices
Agricultural Access	<ul style="list-style-type: none">▪ The US agricultural products will be exempt from:<ul style="list-style-type: none">▪ Import licensing regimes▪ Commodity balance policies▪ Ensuring transparency and fairness with respect to geographical indications (GIs) including meats and cheeses▪ Providing permanent Fresh Food of Plant Origin (FFPO) designation for all applicable USA plant products▪ Indonesia will recognise the US oversight and certifications for meat, dairy, and plant products.

Source: [Fact Sheets White House](#), ICRA Research

The US-Indonesia trade deal: Rules set to avoid re-labelling and maintain trade standards

EXHIBIT: Key highlights of the deal – contd.

Rules of origin	<ul style="list-style-type: none">▪ Negotiate facilitative rules of origin that ensure that the benefits from the agreement accrue to the US and Indonesia, not third-countries.
Digital Trade & Data Flow	<p>Indonesia will:</p> <ul style="list-style-type: none">▪ Eliminate tariffs on intangible digital products▪ Support WTO moratorium on digital customs duties▪ Allow cross-border data flows with the US
Economic Security & Supply Chains	<p>Indonesia will:</p> <ul style="list-style-type: none">▪ Join the Global Forum on Steel Excess Capacity▪ Remove export restrictions on industrial commodities▪ Cooperate on export controls and investment security
Labor Standards	<p>Indonesia commits to:</p> <ul style="list-style-type: none">▪ Ban imports made with forced labor▪ Strengthen union rights and collective bargaining
Commercial Deals	<ul style="list-style-type: none">▪ New deals in agriculture, aerospace, and energy will boost the US exports.

The US-UK trade deal: US share is significant for the UK for more than 50 export categories

EXHIBIT: Trade between the UK and the US (2024)

USD in billion

	Imports	Exports	Trade deficit
UK's trade with the US	91.98	71.78	(20.20)
Share of the US in total imports / exports	11%	14%	-

- Exports to the US are significant for the UK for many sectors like textiles, chemicals, metals, pharma, etc.
- Exports to the US form a major share (i.e. US's share is greater than or equal to 10%) in the total exports for the UK for more than 50 product categories (see [Annexure VIII](#) for detailed break up).

EXHIBIT: Product categories for which exports to the US form a major share (>=10%) in total exports of the UK (by value) - 2024

Textiles

Category	The US's share
Vegetable textile fibers not specified elsewhere, paper yarn, woven fabric	47%
Special woven or tufted fabric, lace, tapestry	17%
Silk	15%
Cotton	13%
Articles of apparel, knit or crocheted	12%
Articles of apparel, not knit or crocheted	11%
Impregnated, coated or laminated textile fabric	11%
Knitted or crocheted fabric	10%

Metals

Category	The US's share
Base metals not specified elsewhere, cermets.	22%
Zinc	20%
Albuminoids, modified starches, glues, enzymes	16%
Nickel	15%
Miscellaneous articles of base metal	12%
Articles of iron or steel	10%

Auto

Category	The US's share
Vehicles other than railway, tramway	24%

Chemicals

Category	The US's share
Organic chemicals	33%
Inorganic chemicals, precious metal compound, isotope	26%
Miscellaneous chemical products	17%

Pharma

Category	The US's share
Pharmaceutical products	24%
Optical, photo, technical, medical apparatus	22%

Source: United Nations COMTRADE database, ICRA Research

The US-UK trade deal: A reciprocal tariff rate of 10% is applied to most goods

- The trade deal between the UK and the US made the UK the first country to finalise a trade agreement under Trump's new tariff framework.
- The deal opens up USD 5 billion in new export opportunities for businesses in the US, especially in agriculture, aerospace, and pharmaceuticals.

EXHIBIT: Key Highlights of the Deal

Market access	<ul style="list-style-type: none">▪ Includes USD 700 million in ethanol and USD 250 million in beef and other agricultural products.▪ UK agreed to reduce or eliminate non-tariff barriers that previously restricted USA goods.▪ It commits the countries to work together to enhance industrial and agricultural market access.▪ The deal will ensure streamlined customs procedures for the US exports.
Tariff Adjustments	<ul style="list-style-type: none">▪ A reciprocal tariff rate of 10% is applied on most goods.▪ For UK automobiles, the first 100,000 vehicles imported annually into the US are subject to the 10% rate; any additional vehicles face a 25% tariff.
Steel & Aluminum	<ul style="list-style-type: none">▪ The US and UK will negotiate alternatives to the Section 232 tariffs on steel and aluminium.▪ A new trading union for steel and aluminum is being established to address the global overcapacity.
Procurement & Digital Trade	<ul style="list-style-type: none">▪ The deal closes loopholes in the UK's Government procurement market, giving US firms better access.▪ Both countries commit to high standard rules on digital trade, intellectual property, labour, and environmental protection.
Supply Chain Security	<ul style="list-style-type: none">▪ Preferential access for US aerospace firms to UK components.▪ A secure supply chain for pharmaceuticals is being developed.
Strategic Cooperation	<ul style="list-style-type: none">▪ The deal strengthens the economic security alliance between the two nations.▪ This includes cooperation on investment screening, export controls, and ICT security.

Source: [Fact Sheets White House](#), [United States Trade Representative](#), ICRA Research



Annexures

Exhibit: Reciprocal tariff announced on July 31, 2025

Countries and Territories	Reciprocal Tariff, Adjusted
Afghanistan	15%
Algeria	30%
Angola	15%
Bangladesh	20%
Bolivia	15%
Bosnia and Herzegovina	30%
Botswana	15%
Brazil	10%
Brunei	25%
Cambodia	19%
Cameroon	15%
Chad	15%
Costa Rica	15%
Côte d'Ivoire	15%
Democratic Republic of the Congo	15%
Ecuador	15%
Equatorial Guinea	15%
European Union: Goods with Column 1 Duty Rate[1] > 15%	0%
European Union: Goods with Column 1 Duty Rate < 15%	15% minus Column 1 Duty Rate
Falkland Islands	10%
Fiji	15%
Ghana	15%
Guyana	15%

Countries and Territories	Reciprocal Tariff, Adjusted
Iceland	15%
India	25%
Indonesia	19%
Iraq	35%
Israel	15%
Japan	15%
Jordan	15%
Kazakhstan	25%
Laos	40%
Lesotho	15%
Libya	30%
Liechtenstein	15%
Madagascar	15%
Malawi	15%
Malaysia	19%
Mauritius	15%
Moldova	25%
Mozambique	15%
Myanmar (Burma)	40%
Namibia	15%
Nauru	15%
New Zealand	15%
Nicaragua	18%
Iceland	15%
India	25%
Indonesia	19%
Iraq	35%
India	25%

Countries and Territories	Reciprocal Tariff, Adjusted
Nigeria	15%
North Macedonia	15%
Norway	15%
Pakistan	19%
Papua New Guinea	15%
Philippines	19%
Serbia	35%
South Africa	30%
South Korea	15%
Sri Lanka	20%
Switzerland	39%
Syria	41%
Taiwan	20%
Thailand	19%
Trinidad and Tobago	15%
Tunisia	25%
Turkey	15%
Uganda	15%
United Kingdom	10%
Vanuatu	15%
Venezuela	15%
Vietnam	20%
Zambia	15%
Zimbabwe	15%
Nigeria	15%
North Macedonia	15%
Norway	15%

EXHIBIT: Product categories for which exports to the US form a major share ($\geq 10\%$) in total exports of China (by value)

Category	The US's share
Bird skin, feathers, artificial flowers, human hair	45%
Explosives, pyrotechnics, matches, pyrophorics	38%
Printed books, newspapers, pictures	38%
Toys, games, sports requisites	33%
Tobacco and manufactures tobacco substitutes	32%
Other made textile articles, sets, worn clothing	32%
Animal, vegetable fats and oils, cleavage products	30%
Musical instruments, parts and accessories	28%
Furniture, lighting signs, prefabricated buildings	25%
Articles of apparel, knit or crocheted	25%
Commodities not specified according to kind	24%
Carpets and other textile floor coverings	24%
Headgear and	23%
Manufacturers of plaiting material, basketwork	23%
Lac, gums, resins	22%
Pharmaceutical products	22%
Miscellaneous manufactured articles	21%
Articles of apparel, not knit or crocheted	20%
Tools, implements, cutlery of base metal	20%
Footwear, gaiters and the like,	19%

Category	The US's share
Umbrellas, walking-sticks, seat-sticks, whips	18%
Essential oils, perfumes, cosmetics, toiletries	18%
Wood and articles of wood, wood charcoal	18%
Miscellaneous articles of base metal	17%
Optical, photo, technical, medical apparatus	17%
Articles of leather, animal gut, harness, travel good	17%
Railway, tramway locomotives, rolling stock, equipment	17%
Plastics	17%
Glass and glassware	16%
Machinery, nuclear reactors, boilers	16%
Miscellaneous edible preparations	15%
Aircraft, spacecraft	14%
Articles of iron or steel	14%
Base metals not specified elsewhere, cermets.	14%
Electrical, electronic equipment	14%
Ceramic products	13%
Paper and paperboard, articles of pulp, paper and board	13%
Products of animal origin	12%
Vegetable, fruit, nut food preparations	12%

Category	The US's share
Sugars and sugar confectionery	12%
Stone, plaster, cement, asbestos, mica or similar materials	11%
Fish, crustaceans, molluscs, aquatics invertebrates	11%
Aluminum	11%
Cereal, flour, starch, milk preparations and products	10%
Wadding, felt, nonwovens, yarns, twine, cordage	10%

EXHIBIT: Product categories for which imports from the US form a major share (>=5%) in total imports of the EU (by value)

Category	The US's share
Organic chemicals	47%
Works of art, collectors' pieces and antiques	39%
Cork and articles of cork	39%
Pharmaceutical products	36%
Base metals not specified elsewhere, cermets.	35%
Tin	29%
Photographic or cinematographic goods	29%
Optical, photo, technical, medical apparatus	28%
Musical instruments, parts and accessories	27%
Beverages, spirits and vinegar	27%
Nickel	26%
Lac, gums, resins	25%
Tools, implements, cutlery of base metal	24%
Inorganic chemicals, precious metal compound, isotope	24%
Animal, vegetable fats and oils, cleavage products	24%
Ships, boats, and other floating structures	23%
Machinery, nuclear reactors, boilers	22%
Stone, plaster, cement, asbestos, mica or similar materials	22%
Essential oils, perfumes, cosmetics, toiletries	21%
Ceramic products	20%
Aircraft, spacecraft	20%
Footwear, gaiters and the like,	20%
Vehicles other than railway, tramway	19%

Category	The US's share
Rubbers	19%
Arms and ammunition, parts and accessories	19%
Glass and glassware	19%
Coffee, tea, mate and spices	19%
Explosives, pyrotechnics, matches, pyrophorics	19%
Fish, crustaceans, molluscs, aquatics invertebrates	18%
Miscellaneous chemical products	18%
Furniture, lighting signs, prefabricated buildings	18%
Manufacturers of plaiting material, basketwork	18%
Wadding, felt, nonwovens, yarns, twine, cordage	18%
Articles of iron or steel	18%
Electrical, electronic equipment	17%
Headgear and	17%
Iron and steel	17%
Articles of leather, animal gut, harness, travel good	17%
Toys, games, sports requisites	17%
Live animals	16%
Vegetable, fruit, nut food preparations	16%
Printed books, newspapers, pictures	15%
Albuminoids, modified starches, glues, enzymes	15%
Impregnated, coated or laminated textile fabric	15%
Aluminum	14%
Miscellaneous articles of base metal	14%

Category	The US's share
Plastics	14%
Articles of apparel, not knit or crocheted	13%
Paper and paperboard, articles of pulp, paper and board	13%
Other made textile articles, sets, worn clothing	13%
Wood and articles of wood, wood charcoal	13%
Sugars and sugar confectionery	13%
Vegetable plaiting materials, vegetable products	12%
Carpets and other textile floor coverings	12%
Tanning, dyeing extracts, tannins, derivatives, pigments	12%
Umbrellas, walking-sticks, seat-sticks, whips	12%
Miscellaneous manufactured articles	11%
Cereal, flour, starch, milk preparations and products	11%
Bird skin, feathers, artificial flowers, human hair	11%
Cocoa and cocoa preparations	11%
Manmade filaments	11%
Salt, sulphur, earth, stone, plaster, lime and cement	11%
Miscellaneous edible preparations	11%
Articles of apparel, knit or crocheted	10%
Dairy products, eggs, honey, edible products	10%
Pearls, precious stones, metals, coins	10%
Copper	10%
Products of animal origin	10%
Milling products, malt, starches, inlin, wheat gluten	10%

EXHIBIT: Product categories for which imports from the US form a major share ($\geq 5\%$) in total imports of the EU (by value)

Category	The US's share
Manmade staple fibers	10%
Clocks and watches	10%
Special woven or tufted fabric, lace, tapestry	9%
Mineral fuels, oils, distillation products	9%
Raw hides and skins (other than furskins) and leather	9%
Oil seed, oleagic fruits, grain, seed, fruits	9%
Soaps, lubricants, waxes, candles, modelling pastes	8%
Silk	8%
Meat, fish and seafood preparations	8%
Live trees, plants, bulbs, roots, cut flowers	7%
Fertilizers	7%
Knitted or crocheted fabric	7%
Railway, tramway locomotives, rolling stock, equipment	7%
Edible vegetables and certain roots and tubers	6%
Pulp of wood, fibrous cellulosic material, waste	6%
Furskins and artificial fur, manufactures	6%
Residues, wastes of food industry, animal fodder	6%
Zinc	5%
Wool, animal hair, horsehair yarn and fabric	5%

EXHIBIT: Product categories for which exports to the US form a major share (>=5%) in total exports of Japan (by value)

Category	The US's share
Arms and ammunition, parts and accessories	94%
Aircraft, spacecraft	77%
Cork and articles of cork	41%
Base metals not specified elsewhere, cermets.	40%
Coffee, tea, mate and spices	39%
Vehicles other than railway, tramway	33%
Pharmaceutical products	33%
Musical instruments, parts and accessories	32%
Toys, games, sports requisites	29%
Furniture, lighting signs, prefabricated buildings	28%
Lac, gums, resins	27%
Vegetable, fruit, nut food preparations	27%
Live animals	26%
Works of art, collectors' pieces and antiques	26%
Machinery, nuclear reactors, boilers	25%
Fish, crustaceans, molluscs, aquatics invertebrates	25%
Inorganic chemicals, precious metal compound, isotope	25%
Ceramic products	25%
Miscellaneous articles of base metal	24%
Rubbers	23%
Optical, photo, technical, medical apparatus	22%
Railway, tramway locomotives, rolling stock, equipment	22%
Impregnated, coated or laminated textile fabric	21%

Category	The US's share
Cereals	21%
Articles of iron or steel	21%
Animal, vegetable fats and oils, cleavage products	21%
Tools, implements, cutlery of base metal	21%
Meat and edible meat offal	20%
Cocoa and cocoa preparations	20%
Manufacturers of plaiting material, basketwork	19%
Beverages, spirits and vinegar	19%
Headgear and	18%
Stone, plaster, cement, asbestos, mica or similar materials	18%
Cereal, flour, starch, milk preparations and products	17%
Miscellaneous manufactured articles	17%
Meat, fish and seafood preparations	17%
Sugars and sugar confectionery	17%
Vegetable plaiting materials, vegetable products	16%
Ores slag and ash	16%
Printed books, newspapers, pictures	16%
Nickel	16%
Albuminoids, modified starches, glues, enzymes	15%
Commodities not specified according to kind	15%
Edible vegetables and certain roots and tubers	15%
Fertilizers	15%
Electrical, electronic equipment	15%

Category	The US's share
Oil seed, oleagic fruits, grain, seed, fruits	14%
Wadding, felt, nonwovens, yarns, twine, cordage	14%
Miscellaneous edible preparations	14%
Cotton	13%
Photographic or cinematographic goods	13%
Glass and glassware	11%
Clocks and watches	11%
Miscellaneous chemical products	11%
Wood and articles of wood, wood charcoal	10%
Tanning, dyeing extracts, tannins, derivatives, pigments	10%
Plastics	10%
Explosives, pyrotechnics, matches, pyrophorics	9%
Organic chemicals	9%
Articles of leather, animal gut, harness, travel good	9%
Aluminum	9%
Articles of apparel, not knit or crocheted	9%
Articles of apparel, knit or crocheted	8%
Paper and paperboard, articles of pulp, paper and board	7%
Other made textile articles, sets, worn clothing	7%
Carpets and other textile floor coverings	7%
Special woven or tufted fabric, lace, tapestry	7%
Soaps, lubricants, waxes, candles, modelling pastes	6%
Bird skin, feathers, artificial flowers, human hair	5%
Live trees, plants, bulbs, roots, cut flowers	5%

EXHIBIT: Product categories for which exports to the US form a major share ($\geq 5\%$) in total exports of Japan (by value)

Category	The US's share
Essential oils, perfumes, cosmetics, toiletries	5%
Tin	5%
Manmade filaments	5%
Manmade staple fibers	5%
Salt, sulphur, earth, stone, plaster, lime and cement	5%

EXHIBIT: Product categories for which imports from the US form a major share (>=5%) in total imports of Japan (by value)

Category	The US's share
Arms and ammunition, parts and accessories	96%
Works of art, collectors' pieces and antiques	65%
Cereals	61%
Aircraft, spacecraft	57%
Photographic or cinematographic goods	49%
Pulp of wood, fibrous cellulosic material, waste	43%
Oil seed, oleag fruits, grain, seed, fruits	34%
Explosives, pyrotechnics, matches, pyrophorics	33%
Meat and edible meat offal	28%
Pharmaceutical products	26%
Live animals	26%
Miscellaneous chemical products	26%
Optical, photo, technical, medical apparatus	26%
Organic chemicals	21%
Musical instruments, parts and accessories	20%
Tanning, dyeing extracts, tannins, derivatives, pigments	20%
Edible fruits, nuts, peel of citrus fruit, melons	20%
Machinery, nuclear reactors, boilers	19%
Products of animal origin	19%
Vegetable, fruit, nut food preparations	17%
Residues, wastes of food industry, animal fodder	17%
Base metals not specified elsewhere, cermets.	16%
Glass and glassware	16%

Category	The US's share
Dairy products, eggs, honey, edible products	15%
Ships, boats, and other floating structures	15%
Printed books, newspapers, pictures	15%
Inorganic chemicals, precious metal compound, isotope	15%
Albuminoids, modified starches, glues, enzymes	14%
Miscellaneous edible preparations	14%
Soaps, lubricants, waxes, candles, modelling pastes	14%
Stone, plaster, cement, asbestos, mica or similar materials	13%
Salt, sulphur, earth, stone, plaster, lime and cement	13%
Paper and paperboard, articles of pulp, paper and board	13%
Plastics	11%
Cotton	11%
Manmade staple fibers	10%
Essential oils, perfumes, cosmetics, toiletries	10%
Wood and articles of wood, wood charcoal	10%
Fish, crustaceans, molluscs, aquatics invertebrates	10%
Commodities not specified according to kind	10%
Beverages, spirits and vinegar	10%
Railway, tramway locomotives, rolling stock, equipment	9%
Impregnated, coated or laminated textile fabric	8%
Lac, gums, resins	8%
Pearls, precious stones, metals, coins	8%
Mineral fuels, oils, distillation products	8%

Category	The US's share
Cereal, flour, starch, milk preparations and products	8%
Meat, fish and seafood preparations	7%
Ceramic products	7%
Tools, implements, cutlery of base metal	7%
Edible vegetables and certain roots and tubers	7%
Milling products, malt, starches, inlin, wheat gluten	7%
Articles of iron or steel	7%
Nickel	6%
Vehicles other than railway, tramway	6%
Miscellaneous articles of base metal	6%
Copper	6%
Sugars and sugar confectionery	6%
Raw hides and skins (other than furskins) and leather	6%
Electrical, electronic equipment	5%
Wadding, felt, nonwovens, yarns, twine, cordage	5%

EXHIBIT: Product categories for which imports from the US form a major share ($\geq 5\%$) in total imports of Indonesia (by value)

Category	The US's share
Bird skin, feathers, artificial flowers, human hair	74%
Furskins and artificial fur, manufactures	67%
Articles of apparel, knit or crocheted	61%
Meat, fish and seafood preparations	59%
Furniture, lighting signs, prefabricated buildings	57%
Articles of leather, animal gut, harness, travel good	54%
Articles of apparel, not knit or crocheted	49%
Toys, games, sports requisites	42%
Commodities not specified according to kind	33%
Manufacturers of plaiting material, basketwork	33%
Headgear and	33%
Rubbers	32%
Railway, tramway locomotives, rolling stock, equipment	32%
Fish, crustaceans, molluscs, aquatics invertebrates	30%
Footwear, gaiters and the like,	30%
Silk	29%
Musical instruments, parts and accessories	27%
Umbrellas, walking-sticks, seat-sticks, whips	27%
Tools, implements, cutlery of base metal	27%
Works of art, collectors' pieces and antiques	25%
Vegetable, fruit, nut food preparations	24%
Electrical, electronic equipment	24%
Clocks and watches	22%

Category	The US's share
Coffee, tea, mate and spices	20%
Ceramic products	19%
Stone, plaster, cement, asbestos, mica or similar materials	19%
Aluminum	17%
Other made textile articles, sets, worn clothing	17%
Products of animal origin	16%
Tobacco and manufactures tobacco substitutes	16%
Wood and articles of wood, wood charcoal	15%
Cocoa and cocoa preparations	14%
Arms and ammunition, parts and accessories	14%
Optical, photo, technical, medical apparatus	13%
Aircraft, spacecraft	13%
Sugars and sugar confectionery	12%
Machinery, nuclear reactors, boilers	12%
Live animals	12%
Live trees, plants, bulbs, roots, cut flowers	12%
Organic chemicals	11%
Impregnated, coated or laminated textile fabric	11%
Printed books, newspapers, pictures	10%
Miscellaneous manufactured articles	10%
Special woven or tufted fabric, lace, tapestry	8%
Carpets and other textile floor coverings	8%
Photographic or cinematographic goods	8%

Category	The US's share
Articles of iron or steel	7%
Plastics	7%
Cotton	7%
Animal, vegetable fats and oils, cleavage products	7%
Paper and paperboard, articles of pulp, paper and board	7%
Albuminoids, modified starches, glues, enzymes	6%
Miscellaneous chemical products	6%
Miscellaneous articles of base metal	6%
Lac, gums, resins	6%
Manmade staple fibers	5%
Manmade filaments	5%
Essential oils, perfumes, cosmetics, toiletries	5%
Wadding, felt, nonwovens, yarns, twine, cordage	5%
Soaps, lubricants, waxes, candles, modelling pastes	5%

EXHIBIT: Product categories for which exports to the US form a major share ($\geq 10\%$) in total exports of the UK (by value)

Category	The US's share
Vegetable textile fibers not specified elsewhere, paper yarn, woven fabric	47%
Works of art, collectors' pieces and antiques	36%
Organic chemicals	33%
Arms and ammunition, parts and accessories	30%
Inorganic chemicals, precious metal compound, isotope	26%
Vehicles other than railway, tramway	24%
Musical instruments, parts and accessories	24%
Pharmaceutical products	24%
Furniture, lighting signs, prefabricated buildings	23%
Base metals not specified elsewhere, cermets.	22%
Optical, photo, technical, medical apparatus	22%
Ceramic products	22%
Zinc	20%
Animal, vegetable fats and oils, cleavage products	20%
Ships, boats, and other floating structures	20%
Beverages, spirits and vinegar	19%
Printed books, newspapers, pictures	19%
Aircraft, spacecraft	18%
Special woven or tufted fabric, lace, tapestry	17%

Category	The US's share
Miscellaneous chemical products	17%
Toys, games, sports requisites	17%
Machinery, nuclear reactors, boilers	17%
Fish, crustaceans, molluscs, aquatics invertebrates	17%
Wadding, felt, nonwovens, yarns, twine, cordage	16%
Electrical, electronic equipment	16%
Tools, implements, cutlery of base metal	16%
Albuminoids, modified starches, glues, enzymes	16%
Manufacturers of plaiting material, basketwork	16%
Nickel	15%
Silk	15%
Headgear and	14%
Stone, plaster, cement, asbestos, mica or similar materials	14%
Live trees, plants, bulbs, roots, cut flowers	14%
Carpets and other textile floor coverings	13%
Cotton	13%
Clocks and watches	13%
Miscellaneous manufactured articles	13%
Raw hides and skins (other than furskins) and leather	12%

Category	The US's share
Miscellaneous articles of base metal	12%
Articles of apparel, knit or crocheted	12%
Articles of apparel, not knit or crocheted	11%
Cork and articles of cork	11%
Furskins and artificial fur, manufactures	11%
Rubbers	11%
Paper and paperboard, articles of pulp, paper and board	11%
Impregnated, coated or laminated textile fabric	11%
Plastics	10%
Knitted or crocheted fabric	10%
Articles of iron or steel	10%
Articles of leather, animal gut, harness, travel good	10%
Umbrellas, walking-sticks, seat-sticks, whips	10%
Photographic or cinematographic goods	10%



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