Business Line. Dt: 16/06/26

Oman transit corridor lifts India's exports to West Asia

Amiti Sen
New Delhi

Exports to West Asia bounced back in May 2026, rescued primarily by the swift operationalisation of an alternative transit route leveraging Oman's advanced port infrastructure.

With the Strait of Hormuz facing heightened maritime security risks, India managed to successfully circumvent the volatile chokepoint by routing cargo directly through Omani ports like Sohar, Salalah and Duqm, Commerce Secretary Rajesh Agrawal noted.

"Exports to the region have risen due to the effort of exporters and our agencies on ground, along with the Ministry of Ports to see that new routes for exports were opened and new ports in Oman were made functional," Agrawal said.

By opening new routes through Oman's Sohar, Salalah and Duqm ports, India effectively established a structured transit corridor straight into the UAE and across the Gulf, including through Jebel Ali, officials explained. This has now positioned Oman as a permanent, vital hub for India's trade flows across the region.

SHARP RECOVERY

While the initial outbreak of the regional conflict caused exports to West Asia to crash to $2.6 billion in March 2026, down 56.8 per cent from $6.03 billion in March 2025, there was a gradual recovery in April, with shipments jumping heavily back on track in May. Outbound shipments to the region climbed back to $5.30 billion for the month, almost neck-and-neck with the $5.38 billion recorded in May 2025, with the rapid turnaround driven strongly by resilient demand in the UAE, Saudi Arabia, Jordan and Yemen.

"So we have more or less achieved the same level of exports in spite of the challenges that we are facing in that region," Agrawal said.

The UAE remained the primary anchor of the recovery, with merchandise exports rising 3.18 per cent year-on-year to $3.06 billion in May, demonstrating a sharp rebound from April's 36.43 per cent plunge. Shipments to Saudi Arabia grew 11.12 per cent to $0.92 billion over the same period.

Officials said that while initially, priority was being given to shipments of perishables, gradually other exports from India had started using the Oman route.

Agrawal noted that trade flows could get an additional boost from any sustained de-escalation in regional friction.

Business Line. Dt: 16/06/26

Soybean imports may touch a record 9 lt for oil year 2025-26

Vishwanath Kulkarni
Bengaluru

Soybean imports during the oil year 2025-26 ending in September are likely to touch a record 9 lakh tonnes, a huge increase over 0.02 lakh tonnes (lt) in the last oil year. The sharp increase in imports is due to the demand-supply mismatch.

The Soyabean Processors Association of India (SOPA) has estimated that till May-end in the current oil year, soybean imports have touched 6.3 lt, with bulk of them coming in the past four months. Based on the import trend, SOPA has revised the projections and expects imports to touch 9 lt for the year, from the earlier estimates of 6 lt for the year.

"Soybean imports will be at an all-time high this year and should help us make up for the shortfall in supplies," said DN Pathak, Executive Director, SOPA. The earlier high in imports was about 6 lt a couple of years ago.

OUTLOOK RAISED

SOPA has also raised soybean crushing figures to 104 lt from the earlier 102 lt. "We have also revised the soybean meal exports upwards to 11 lakh tonnes from 10 lakh tonnes earlier," Pathak said.

India imports soybean mainly from least developed countries in sub-Saharan Africa such as Niger, Togo and Nigeria, where the non-GMO varieties are grown. Till May-end, the market arrivals were lower by 13 per cent at 72.5 lt compared to the corresponding last year's 83.5 lt. Crushings during the October-May period of the oil year 2025-26 were lower at 73 lt (79 lt).

SOPA had estimated soybean production of 110.26 lt for 2025-26 — about 14 per cent lower than the previous year's 128.82 lt — on a decline in area and the output being impacted by weather vagaries.

FEED SECTOR OFFTAKE

Total crushing for the oil year 2025-26 is estimated lower at 104 lt (113.50 lt). As a result of this, the production of soybean meal is expected to be lower at 82.09 lt (89.56 lt). Consumption by the feed sector is projected flat at 62 lt, while the offtake from the food sector is estimated flat at 8 lt for the year, according to SOPA.

The shorfall in supplies has led to an increase in prices in the domestic market, and feed makers and consuming sectors, such as the poultry sector, have been expressing concern in the recent weeks.

The USDA recently raised India's soybean imports from 5 lt to 7 lt for 2025-26. India had a smaller soybean crop in 2025-26, and meal prices reached nearly 60 per cent premium compared to the US origin.

Business Line. Dt:- 16/06/26.

Gem, jewellery exports drop 2% on gold supply shortage, weak demand

Our Bureau
Mumbai

Gem and jewellery exports dipped two per cent in May to $2.05 billion against $2.10 billion in the same period last year, largely due to the shortage of gold and growing uncertainty over the war between the US and Iran.

In rupee terms, exports were up 9 per cent to ₹19,574 crore (₹17,896 crore a year ago) due to the depreciation of the rupee against the dollar.

The overall imports declined 16 per cent to $1.41 billion ($1.69 billion) and in rupee terms, it was down 6 per cent at ₹13,500 crore (₹14,406 crore).

After prolonged sluggishness, the export of cut and polished diamonds increased 3 per cent to $981 million ($949 million). The export of polished lab grown diamonds jumped 26 per cent at $101 million ($81 million). Gold jewellery dipped 15 per cent at $758 million ($890 million).

Kirit Bhansali, Chairman, GJEPC, said a key reason for the decline in exports was the tightening in gold imports, which had affected the availability of gold for export manufacturing.

The impact is evident in gold consumption for export production, which declined 21 per cent to 11 tonnes during April–May this year against 14 tonnes logged in same period last year, he said.

EXPORT TREND IN FY'27

In two months of this fiscal, gem and jewellery exports declined 6 per cent to $4.27 billion ($4.55 billion) while in rupee terms, it dipped 4 per cent to ₹40,399 crore (₹38,848 crore).

The import of gems and jewellery was down 13 per cent at $3.25 billion ($3.72 billion).

The decline was primarily driven by a sharp contraction in plain gold jewellery exports, which fell 40 per cent year-on-year to $636 million ($1.06 billion). The sector has been facing challenges arising from elevated gold prices, limited availability of gold for export production and regulatory bottlenecks affecting the supply of gold through banking channels.

Strengthening exports is critical to supporting India's balance of payments position and addressing the current account deficit, said Bhansali.

"We have noted with concern that gold availability from banks has been affected due to certain regulatory bottlenecks, creating additional challenges for exporters. These issues have been further compounded by a sharp rise in gold prices," he added.

Further, the increase in gold import duty from 6 per cent to 15 per cent has significantly raised the landed cost of gold.

While exporters continue to bear the burden of higher input costs, the duty drawback rates have not been revised accordingly, adversely affecting their competitiveness and margins, said the GJEPC.

Business Standard. Dt: 16/06/26

Import surge keeps trade gap elevated

KRITY AMBEY
New Delhi, 15 June

A sharp rise in imports to the second-highest level kept India's trade deficit elevated in May despite merchandise exports touching a record high, according to the commerce ministry data released on Monday.

India's merchandise exports rose 18 per cent year-on-year (Y-o-Y) in May to a record high of $45.20 billion, driven by strong petroleum and engineering goods exports, and recovery in shipments to West Asia.

However, the trade deficit widened sharply from a year earlier, and narrowed only marginally on a sequential basis, easing to $28.21 billion in May from $28.38 billion in April. Imports surged nearly 21 per cent to a seven-month high of $73.41 billion, pushing India's import bill to its second-highest level on record, behind only the $76.73 billion registered in October last year.

The commerce ministry estimated services exports at $36.76 billion in May, up 13 per cent Y-o-Y, while services imports were estimated 14 per cent up Y-o-Y at $19.06 billion. India recorded an estimated services trade surplus of $17.70 billion in May. The Reserve Bank of India (RBI) is expected to release final services trade data later this month.

Petroleum products and engineering goods were the main drivers of export growth in May. Petroleum product exports rose 55 per cent from a year earlier to $8.42 billion, while engineering goods exports climbed nearly 25 per cent to $12.31 billion.

"I am happy to inform that exports to West Asia more or less reached the May 2025 level," Commerce Secretary Rajesh Agrawal said. India's exports to West Asia were $5.30 billion in May compared to $5.38 billion a year ago, Agrawal said, attributing the recovery to the efforts of export promotion agencies and the shipping ministry in finding alternative routes amid the closure of the Strait of Hormuz.

Exports at new high

Source: Department of Commerce

India's exports in June are also likely to be "good" if the situation normalises in West Asia following the US-Iran peace deal, Agrawal said.

"Our imports from West Asia have also reached around $10.74 billion in May as compared to $13 billion in May 2025," Agrawal said. "We are improving on imports also, despite the fact that oil imports from West Asia have definitely reduced," he added.

An increase in inflow of crude oil and electronic goods shipments took India's import bill for May to the second-highest level. India imported crude oil worth $22.68 billion in May, up 54 per cent Y-o-Y. Import of electronic goods grew nearly 36 per cent to $12.31 billion.

India's gold imports also jumped 34 per cent to $3.42 billion in May. However, gold shipments were lower than $5.62 billion in April, which had prompted the government to raise the duty on gold. Meanwhile, the impact of Customs duty hike on silver showed prominently in May data as imports of the metal fell 87 per cent to $75.57 million.

China was India's top import source, with inward shipments growing 23 per cent to $12.73 billion in May. Exports to China also rose 25 per cent to $2.02 billion in the same month.

The US remained India's largest export destination in May, even as exports declined marginally to $8.82 billion from $8.83 billion a year ago. Imports from the US rose 54 per cent to $5.87 billion due to a surge in imports of liquefied petroleum gas (LPG) from the region, according to Agrawal.

Some new export destinations like Singapore and Tanzania featured among the top 10 export destinations in May due to the rise in shipments of petroleum products, and gems & jewellery to these nations, Agrawal said.

India's cumulative goods exports in April-May were $88.91 billion, up 16 per cent Y-o-Y. Imports rose 15 per cent to $145.35 billion. India recorded a trade deficit of $56.44 billion in the first two months of 2026-27 (FY27), compared to $49.65 billion a year ago.

Going ahead in the year, the reopening of the Strait of Hormuz and the de-escalation of geopolitical tensions are expected to further boost Indian exports, Federation of Indian Export Organisations President S C Ralhan said.

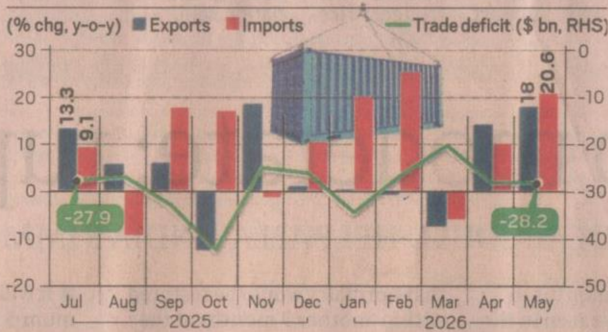
Rahul Agrawal, principal economist, Icra Ltd, said the easing of tensions in West Asia, and the consequent cooling in energy and commodity prices are expected to bring some relief to the merchandise trade deficit prints. "We now expect the current account deficit (CAD) to be relatively benign in FY27 as opposed to our earlier estimate of 1.7 per cent of gross domestic product (GDP) for the financial year, which had assumed an average crude oil price of $95/barrel," he added.

FINANCIAL EXPRESS Dt: 16/06/26

West Asia rebound pushes goods exports 18% higher

MUKESH JAGOTA
New Delhi, June 15

FUTURE HOLDS PROMISE



THE RECOVERY IN shipment volumes to West Asia after two months of decline and the high value of petroleum products shipments helped merchandise exports grow at the fastest rate in six months in May. Shipments rose 18% to $45.2 billion, and with the war in the region winding down, prospects for the rest of the year look promising, government officials and trade circles feel. In May last year, exports shrank 1.2%.

Exports to West Asia, which had fallen sharply to $2.62 billion in March as the war began, returned to last year's level of $5.3 billion in May. "The May numbers are one of the highest monthly export data. Going by the trend, this year will be good for exports," Commerce Secretary Rajesh Agrawal said. Imports in May grew 20.6% on year to $73.41 billion due to high crude oil prices. Trade deficit hit $28.21 billion, slightly less than $28.38 billion in April. May trade deficit was still higher than $22.5 billion in the year-ago month.

Engineering sector that accounts for 27% of the exports grew a solid 24.4% on year to $12.3 billion in May. Petroleum product exports were up 54.9% to $8.4 billion, a direct beneficiary of high international crude oil prices. Electronics exports too grew at a healthy rate of 11.6% to $5 billion.

Continued on Page 6

FINANCIAL EXPRESS. Dt: 16/06/26

Rice, fruits & vegetable exports to Gulf seen easing

SANDIP DAS
New Delhi, June 15

INDIA'S AGRICULTURAL EXPORTS — comprising rice, fruits and vegetables — to the Gulf region are expected to ease after the opening of the Strait of Hormuz following the interim peace deal between the US and Iran, exporters said.

Exports of basmati rice, onion, chillies, pomegranate, bananas, mangoes and other perishables to West Asia, which constituted over 20% of India's agri-exports, were hit due to closure of the Strait and cargo movements in Jebel Ali Port, Dubai, one of the busiest ports in the region, were disrupted since February 28.

Freight rates, which had surged to nearly ten times their normal levels and severely impacted shipments, are expected to ease, exporters said. The onward movement of perishable cargoes like fruits and vegetables through Dubai to Saudi Arabia, Qatar and Kuwait, which was hampered because of the security situation, could resume following the movement of vessels on the Strait.

Shipping insurance premiums, which had risen sharply due to heightened geopolitical risks in the region, are also likely to return to normal levels as peace and stability are restored, exporters said.

PEACE DIVIDEND

- Normalising of shipping routes will enhance India's export competitiveness
- Freight rates are expected to ease once the Strait of Hormuz reopens
- West Asia accounted for 21.8% of India's total food exports in 2025, valued at over $50 billion

"Over the past three years, the rice sector has endured a series of setbacks from the Minimum Export Price on basmati rice and restrictions on non-basmati exports to the disruptions caused by the Red Sea crisis," Ranjit Singh Jossan, chairman and managing director, Jossan Grains, Punjab, a leading basmati exporter, told FE. Jossan said that shipping disruptions through the Strait of Hormuz had pushed the rice trade to the brink, resulting in a sharp month-on-month decline in exports since February.

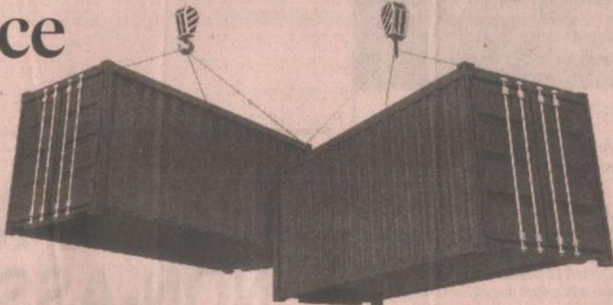
More than 70% of India's basmati exports are destined for Middle East and Gulf markets.

"With shipping routes normalising, logistics costs are expected to ease, vessel turnaround times should improve, and pending shipments can move faster. This will enhance India's export competitiveness and support stronger rice exports to major destinations such as Iran, Saudi Arabia, Iraq and the UAE," Suraj Agarwal, co-founder & CEO, Rice Villa, said.

In March, Dubai Customs introduced a temporary facilitation for cargo destined for Jebel Ali Port via ports of Khorfakkan and Fujairah, from where containers are to be transported by road. "With such high freight costs and delays in clearance, it was not economically viable to export to the Gulf region. Exports to the Gulf would resume once the situation normalises in the Strait," Ekram Husain, president, Fresh Fruits and Vegetables Exporters Association, said.

Business Standard. Dt:- 17/06/26

Exports to Asia, Africa bolster India's trade balance



KRITY AMBEY
New Delhi, 16 June

India's latest trade data shows a geographical realignment in the nation's trade balance. While India's trade surplus with traditional partners like the US and the Netherlands narrowed in the first two months of 2026-27, trade balance with new regions like Asia and Africa swung decisively into surplus from deficits recorded just a year ago.

As goods imports from the US rose nearly 55 per cent year-on-year to a record high of $5.87 billion in May and exports remained largely unchanged, India's trade surplus with the nation moderated to $6.15 billion in the first two months of the current financial year from $7.87 billion in the corresponding period a year ago.

On the other hand, India's exports to Singapore rose sharply, taking the trade balance to a surplus of $665 million in April-May from a heavy deficit of $1.3 billion in the year-ago period. A similar reversal played out with South Africa, where the trade balance flipped from a deficit of $17 million last year to a surplus of $492 million.

Even more dramatic shifts were visible within the immediate neighbourhood and in Africa. India's trade surplus with Tanzania ballooned to $1.71 billion from a mere $77 million, propelled by a 172 per cent surge in exports. Sri Lanka followed a similar trajectory, where exports nearly tripled, pushing India's trade surplus over $1 billion from $404 million a year earlier.

However, the geographical shift wasn't entirely uniform. India's trade deficit with the United Arab Emirates fell to $4.53 billion from $6.18 billion as trade is yet to fully recover following the disruption due to the West Asia war. Meanwhile, India's deficit with China worsened significantly, scaling past the $20 billion mark for two months.

Looking at Europe, demand presented a mixed bag. Although surplus with the Netherlands shrank, exports to Italy and Spain surged over 40 per cent, comfortably expanding India's surplus margins across southern Europe.

Tracking trade balance

(In $ mn)	April-May FY26	April-May FY27
US	7,874	6,148
Singapore	-1,320	665
Netherlands	3,076	2,006
UK	780	1,040
Bangladesh	1,488	1,902
Tanzania	77	1,707
South Africa	-17	492
Australia	-310	34
Sri Lanka	404	1,614*
Italy	280	726
Nepal	953	1,231
Spain	448	839

*Trade balance with Sri Lanka seen at least $1,614 million in Apr-May based on limited country-wise (top 50) import data for May Source: Dept of Commerce requirements. – Bloomberg

The Economic Times Dl 17/06/26

India's Electronics Exports Up 11.62% to $5.09b in May

US accounts for 57.5% of elec exports as of April

Subhayan Chakraborty

New Delhi: Electronics exports increased 11.62% year-on-year in May to $5.09 billion despite the supply chain disruption caused by the US-Iran war, showed official figures released on Tuesday. While shipments to the United Arab Emirates (UAE) slowed, shifting trade flows towards the United States pushed up cumulative electronics exports 24.4% to $10.27 billion in the first two months of 2026-27. Latest data from the Commerce Department showed that the US accounted for $2.93 billion or 57.5% of all electronics exports as of April. Within this, $2.43 billion worth of smartphone shipments anchored the growth. Overall, smartphone consignments rose by 47% to $3.42 billion in April.

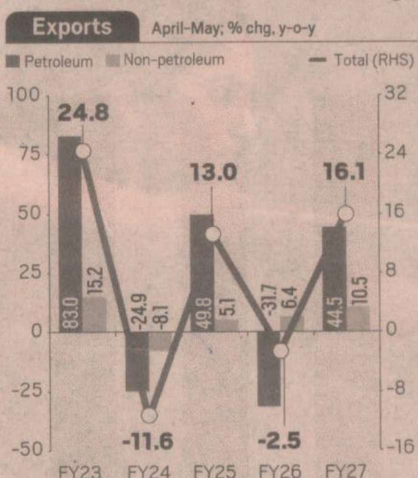
Concurrently, the share of electronic exports to the UAE, which has earlier been the second-largest electronics export market for India, continued its downward trajectory. The UAE accounted for $331 million or just 6.41% of India's electronics exports in April.

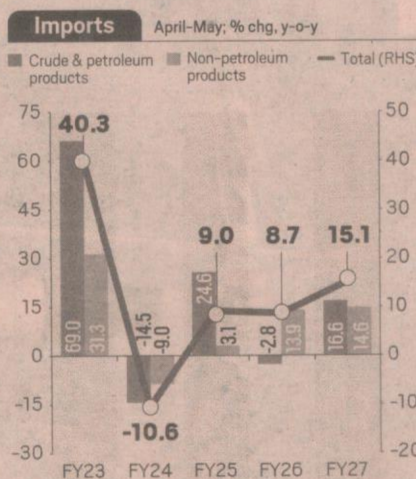
FINANCIAL EXPRESS, Dt 17/06/26.

ELEVATED CRUDE PRICES MAJOR DRIVER OF EXPORTS

WHILE INDIA'S MERCHANDISE exports grew 16% in the first two months of the current financial year, petroleum product exports grew 45% due to higher global crude oil prices. Non-oil exports, which account for 80% of the total $88.9 billion in exports during April-May, grew 10.5% on year. In fact, the share of petroleum products in total shipments grew to 20.4% in April-May compared with 16.4% during the same period last year. Crude oil imports grew 16.6% in the first two months of the current financial year.

-Saikat Neogi





Source: CMIE

FINANCIAL EXPRESS DT:- 17/06/26

Agri and processed food exports up 8% in Apr-May

SANDIP DAS
New Delhi, June 16:

INDIA'S EXPORTS OF agricultural and processed food products rose 8% year-on-year to \$4.51 billion during April-May as shipments of buffalo meat increased sharply. Exports of rice, and fruits and vegetables, however, declined in the first two months of FY27 because of the West Asia crisis.

According to data from Directorate General of Commercial Intelligence and Statistics, the shipment of buffalo meat, dairy and poultry products in the two-month period increased sharply by 45% to \$1.18 billion, while value of rice exports, including basmati and non-basmati varieties, fell marginally to \$2.03 billion on year.

The decline in shipment of rice, which has the biggest share in India's agri-products exports basket, was due to severe disruption of especially basmati rice exports to Gulf countries because of closure of the Strait of Hormuz.

India's exports of agricultural and processed food products rose by a modest 2% year-on-year to \$25.71 billion in 2025-26, as rice shipment fell 7.5% to \$11.53 billion, because of supply disruption to Iran as well as West Asia war disrupting exports to Gulf countries.

The export of boneless buffalo meat was valued at \$6.21 billion in FY26. Buffalo meat is the second-biggest commodity after basmati rice in terms of value of shipment in the Agricultural & Processed Food Products Export Development Authority (APEDA) basket.

The export of fruits and vegetables during April-May declined by over 14% to \$0.59 billion due to fall in shipment of onion, mangoes, pomegranate, bananas and green chillies to Gulf countries. Exports of marine products continued to grow, rising 6.37% year-on-year to \$1.39 billion in the two-month period of FY27.

FINANCIAL EXPRESS. Dt: 18/06/26

Russian crude oil purchase swells energy import bill in May

SAURAV ANAND
New Delhi, June 17

INDIA'S IMPORTS OF Russian crude oil surged 21% month-on-month in May, driving the country's total purchases of Russian fossil fuels to €5.8 billion ($6.7 billion) and reinforcing its position as Russia's second-largest energy buyer globally, even as Moscow's fossil fuel export revenues rose only marginally amid softer crude prices.

The sharp increase comes at a time when Russian crude is becoming increasingly important for Indian refiners. According to the latest analysis by the Centre for Research on Energy and Clean Air (CREA), crude oil accounted for 83% of India's total Russian fossil fuel imports, amounting to €4.8 billion ($5.55 billion) in May alone. Oil products contributed €550 million, while coal imports stood at €429 million.

India's overall crude import volumes increased 8% month-on-month during May, supported largely by higher Russian arrivals. The report noted significant growth in Russian crude unloadings at key refining hubs, with volumes at Vadinar rising 36% and Jamnagar increasing 14% compared with April.

State-run refiners also expanded purchases. The New Mangalore Refinery and Visakhapatnam Refinery, which had suspended Russian imports in late 2025 before resuming them in March this year, recorded further increases of 13% and 42%, respectively.

The Paradip refinery unloaded the highest volume of Russian crude in nearly two years, underscoring the growing role of Russian barrels in India's refining system.

The report highlights how deeply India has become integrated into Russia's oil export network since the Ukraine conflict reshaped global trade flows.

Since December 2022, India has accounted for 36% of Russia's crude oil exports, second only to China, which purchased 50%. Turkey followed distantly at 6%, while the European Union accounted for 5%.

CREA data showed Russia's fossil fuel export revenues increased 2% month-on-month to €726 million per day in May despite largely unchanged export volumes. Crude oil revenues rose 1% to €362 million per day, while crude export volumes climbed 8%, aided by higher loadings at the Ust-Luga port and the resumption of flows through sections of the Druzhba pipeline.

At the same time, the average price of Russia's flagship Urals crude fell 12% month-on-month to $82.02 per barrel, even as it remained significantly above the revised G7-EU price cap level. The report also noted that the discount of Urals crude to Brent widened to around 25% in May.

China remained Russia's largest fossil fuel customer with purchases worth €7 billion, while India followed with €5.8 billion, together accounting for a substantial share of Moscow's energy export earnings.

BARREL BOOM

- Since December 2022, India has accounted for 36% of Russia's crude oil exports, second only to China
- India's imports of Russian crude oil surged **21%** month-on-month in May
- Total purchases of Russian fossil fuels now valued at **$6.7 billion**

- Crude oil accounted for **83%** of India's total Russian fossil fuel imports, amounting to **$5.55 bn** in May
- The Paradip refinery unloaded the highest volume of Russian crude in nearly two years

Business Line. Dt: 19/06/25

Agri export promotion shifting to value-added products, niche markets

Our Bureau
New Delhi

The share of processed and value-added products has grown steadily in the past few years

A decision to expand value-added products from traditional cereal-centric dependence in the last one decade has helped India to maintain agriculture exports even when faced with periodic ban on key items.

"India's agri exports have historically been concentrated in rice, wheat and cereals and these commodities are vulnerable to domestic food security pressures. There have been periodic policy interventions including curbs and prohibition on shipments which create volatility in export earnings," said an official.

He said the government's agri export promotion body Apeda has been promoting high-potential products internationally over the past decade.

The number of products exported at HS 8-digit grew from 298 in FY15 to 438 in FY26. Besides, there has also been expansion into niche and emerging destinations worldwide, he added.

The share of processed and value-added products has grown steadily in past few years.

"The three-way diversification — products, markets and value addition, has made India's agri export sector more resilient and globally competitive," the official added.

RICE EXPORT

According to Apeda data, India's rice export in 2025-26 fiscal was 21.57 million tonnes worth $11.54 billion, against 20.19 mt worth $12.47 billion in 2024-25 due to lower realisation. In April 2026 rice shipments recorded at 2.04 mt ($1.01 billion), as against 1.88 mt ($1.08 billion) in the corresponding period a year-ago.

The commerce ministry's latest data show rice exports in terms of value were $ 1.02 billion in May 2026, which is 5 per cent more than $ 967 million in the year-ago period. Basmati export by India in April 2026 was 474,091 tonnes worth $ 436.01 million.

In 2025-26 fiscal, exports of basmati rice were 6.52 mt worth $5.67 billion. In case of non-Basmati rice, exports were 15.04 mt worth $5.86 billion in last fiscal.

Meanwhile, according to the official export data for May 2026l, the shipments of marine products marginally dropped from $730 million (in May 2025) to $728 million, spices from $403 million to $387 million, fruits and vegetables from $309 million to $288 million, Oilseeds from $103 million to $94 million and tea from $66 million to $56 million.

Those agriculture categories/items which registered higher exports include meat, dairy and poultry products from $442 million to $630 million, cereal preparations and miscellaneous processed items from $265 million to $277 million, coffee from $201 million to $209 million and oilmeals from $89 million to $111 million.

Business Line, dt. 19/4/26

Dependence on thermal coal imports seen firm at 175-190 mt by 2030

Our Bureau
Mumbai

India's dependence on quality thermal coal imports to remain firm in the range of 175-190 million tonne by 2030, supported by roughly 50 million tonne of demand from import-dependent coal-based power plants.

Pritish Raj, Senior Manager, APAC & EMEA Thermal Coal, S&P Global, said even without direct disruption, coal has been pulled into this broader price cycle and has entered into yet another year of record-high global coal consumption in 2026, with limited downside risk even if growth moderates.

While policymakers in India are targeting a reduction in imports, particularly with plans to substitute up to 20 per cent through domestic coal blending in import-based capacity, this transition will be gradual and extend toward the end of the decade, with import reliance structurally intact at least through 2030, he added.

Higher blending ratios introduce efficiency losses, increased maintenance, and require meaningful capital investment. Hence, coal continues to serve as a reliable and cost-effective cornerstone of India's energy system, particularly in an increasingly uncertain global environment.

While cement and sponge iron industries may incrementally increase the use of domestic coal, their ability to fully substitute imported material remains constrained by efficiency considerations and process requirements.

POWER DEMAND

Therefore, even in the non-power segment, imported

coal demand is likely to see only gradual and limited displacement, said Raj.

On the sharp increase in power demand, S&P Global said the global data centre sector is experiencing explosive growth, with power demand projected to increase 18 per cent annually over 2025–30.

This surge could add an incremental 1,000-1,500 TWh by 2030, equivalent to the total current power consumption of Japan or India.

Jenny Yang, Global Head of Power and Renewables Research at S&P Global Energy said the demand for power from data centres in India is expected to grow over 25 per cent annually.

DOMESTIC DEMAND

India's strong domestic demand and relatively lower baseline capacity offer significant headroom for rapid expansion.

Geopolitical disruptions such as West Asia reinforces the importance of geographic diversification in cloud architectures, creating incremental demand for secondary, disaster-recovery and overflow capacity for which India is increasingly considered a viable location, she said.

However, the ability to capitalise on this demand depends on power infrastructure readiness, she added.

Business Standard, dt 19/6/26

Gold import volumes tank after duty hike

May volumes dropped to 25-30 tonnes

MONIKA YADAV

New Delhi, 18 June

The recent hike in import duty on gold is yielding the desired outcome, with monthly gold imports declining considerably to 25-30 tonnes a month in May from the earlier average of 70-100 tonnes, a senior government official said on Thursday. This has also spurred higher recycling of old gold in the domestic market, the official added.

The government raised the basic Customs duty on gold and silver to 10 per cent from 5 per cent, along with a 5 per cent agriculture infrastructure and development cess, taking the effective import duty to 15 per cent from 6 per cent earlier, effective May 13, 2026. This marked the steepest single hike in gold import levies, and reversed a duty cut implemented in July 2024.

Turn to Page 11 ▶

Glitter fades

Gold imports in 2026 ($ billion)

Source: Commerce ministry

FINANCIAL EXPRESS Dt: 19/06/26.

MIX OF INSTRUMENTS HELPED TO RESOLVE IMPASSE

Nearly all steel exports to UK may escape safeguard tariff

MUKESH JAGOTA
New Delhi, June 18

INDIA HAS MANAGED to secure a virtual exemption from the UK's controversial steel safeguard tariff measures, paving the way for the implementation of the Comprehensive Economic and Trade agreement (CETA) between the two countries starting July 15.

The measures, set to come into force from July 1, were expected to impact 15% of India's commodity exports to the UK while 85% were exempt. Sources said that through a combination of measures covering country-specific quotas and "other instruments," almost all Indian products will get duty-free access to the UK, once the CETA is in force, sources said.

India exported steel goods worth nearly $840 million to the UK in FY26.

In all, 188 items that accounted for $137 million worth of steel exports from India to the UK (in FY26) were covered by safeguard measures but now these products too will get duty-free market access, sources said.

Other than country-specific quotas, there is a mechanism of residual quotas. It is generally available on a first-come first-serve basis and countries compete on that. Other than that, the Authorised Use Scheme (AUS) will be available to Indian exporters. Under AUS, the quota is made available upon importers' request.

The steel safeguard measures were announced by the UK in March to protect its local steel industry. Through these steps, the UK slashed overall tariff-free import quota volumes by 60% compared to the previous safeguard regime.

Imports exceeding the permitted quota levels would face 50% tariff, double the current level. The announcement of the measures came even as both sides were close to implementation of the CETA.

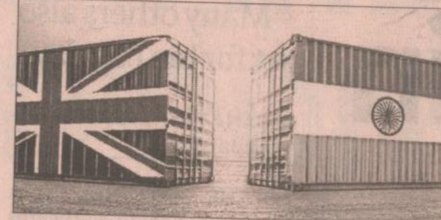
The talks were reopened and an agreement on exemption to India was reached on Wednesday morning and by evening Prime Minister Narendra Modi and UK Prime Minister announced July 15 as the date for implementation of CETA.

Even as the talks were on, India expressed concern over the UK's proposal on steel safeguard at a meeting of the World Trade Organisation (WTO)'s Council for Trade in Goods. The council oversees the implementation of all agreements relating to trade in goods.

"WTO is a parallel discussion but the issue will be settled in the light of what finally gets settled in the bilateral negotiation," sources said.

The issue of a new taxation structure on steel imports was raised at the meeting of the council by Korea and Japan on the UK's move. China, Brazil, Turkiye and Australia were others who opposed the move and India expressed its concern.

BREAKING DEADLOCK



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July 15 India-UK free trade pact to take effect

Professionals working in UK get social security relief

FE BUREAU
New Delhi, June 18

INDIAN ENTITIES WILL now be able to post executives in the UK without paying their social security contributions for up to five years.

The increased period of exemption from payment of social security to five years from three years negotiated initially under the Double Contribution Convention (DCC) was announced late Wednesday, when the date for implementation of the Comprehensive Economic and Trade Agreement (CETA) with the UK was also announced.

Indian entities include workers of those multinational companies who have a legal presence in India.

The DCC, which will take effect July 15, will ensure that employees moving between the UK and India, and their employers, would only be liable to pay social security contributions in one country at a time. For Indian companies, this could result in annual savings of $500 million, making their offerings more competitive.

FINANCIAL EXPRESS Dt: 19/06/26.

MIX OF INSTRUMENTS HELPED TO RESOLVE IMPASSE

Nearly all steel exports to UK may escape safeguard tariff

MUKESH JAGOTA
New Delhi, June 18

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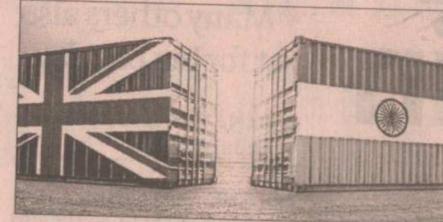

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Business Standard Dt: 22/06/26

iPhones fuelled 47% surge in smartphone exports to US in April

SURAJEET DAS GUPTA
New Delhi, 21 June

India, led by Apple Inc, exported over $2.43 billion worth of smartphones to the US in April this year, a staggering growth of 47.24 per cent year-on-year (Y-o-Y). This came despite losing the duty advantage it had over China — which was 10 per cent earlier but has now come down to zero.

In April 2025, export of smartphones to the US from India was at $1.65 billion. In April 2026, smartphones accounted for 29 per cent of the total exports from India to the US, pegged at $8.47 billion. And for the US, India accounted for nearly 70 per cent of its total import of smartphones during April.

The move by the Cupertino-headquartered company to continue ramping up US exports from India is significant. It is because there were growing concerns that the huge scale-up of iPhone exports from India — by shifting capacity from China — would end as there was no duty arbitrage in favour of India now. Instead, it is cheaper to make the phones in China now than in India.

India had seen a huge rise in smartphone exports to the US in FY26 — figures went up from $10.56 billion in FY25 to $19.67 billion in FY26, a surge of 86.2 per cent.

In FY26, as much as 78 per cent of the value of exports of iPhones produced in India was shipped to the US (other players to export from India to the US include Lenovo).

In President Donald Trump's second term, China was imposed a 20 per cent fentanyl duty on import of smartphones from the country while India had zero duty.

Despite a 6-8 per cent cost disadvantage in making iPhones in India versus China, after financial incentives by the Indian government, shifting export capacity from China to India became very attractive.

However, the US and China came to an interim agreement at the end of last year in which the fentanyl duty was reduced to half. Despite this, India was still cost attractive.

However, with the US Supreme Court declaring the fentanyl duty illegal this year and with Trump making peace with China, currently, there is no import duty on smartphones for both China and India.

Ringing louder

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The April figures clearly show that Apple's plan to grow its India manufacturing base for its global needs is intact.

The Ministry of Electronics and Information Technology (Meity) had estimated that Apple will shift more than 30 per cent of its production value of iPhones to India in a few years from 25 per cent in FY26.

Apple is also poised to become foreign exchange positive in India in FY27 — which will be achieved when it ensures that 85 per cent of iPhone production value from India is exported, which was 83 per cent in FY26.

Besides, analysts say the company would be able to double its production value in India within the next three financial years from $70 billion achieved in the first five financial years (FY22-FY26). This would happen if it is able to continue with the same production value it achieved in FY26.

FINANCIAL EXPRESS. Dt: 22/06/26

Tariffs were once the biggest hurdle in global trade. Today, proving what is in your supply chain may matter just as much. In this three-part series, FE examines how America's new forced-labour tariff via Section 301 could reshape India's export industries

Garment exports face new US test

VIVEAT SUSAN PINTO, NANDINI OZA & V NARAYANAN
Mumbai/Ahmedabad/Chennai, June 21

THE UNITED STATES' new 12.5% "forced-labour" tariff is unlikely to give India any advantage over China, the principal target of the measure, nor will it place India at a disadvantage relative to competing exporters such as Vietnam, Bangladesh, Malaysia or Thailand. The levy applies at the same rate across these countries, with only Indonesia receiving marginal relief through a lower 10% tariff.

The new duty will, however, raise compliance costs for India's textile and readymade garment (RMG) exporters in their largest overseas market. Industry estimates suggest the additional burden could shave 8-10% off operating margins, a significant hit in a sector where margins typically range between 5% and 8%. Premium products may be relatively insulated, as exporters in those segments enjoy greater pricing power with buyers.

COMPLIANCE BURDEN

Margin compression: Textile and RMG exporters face an estimated 8-10% hit to operating margins, already squeezed at 5-8%

Sourcing slowdown: US retailers are pausing or delaying planned expansion of apparel sourcing from India pending compliance clarity

Weak pricing power: Most US buyers are unwilling to absorb higher costs, forcing exporters to take the hit via discounts

Cotton advantage intact: India net exporter of cotton-based inputs, but Chinese content in synthetic and blended apparel is 15%

FORCED LABOUR
WATCH - I

The immediate impact of the tariff, imposed under Section 301 of the US Tariff Act, is expected to include a temporary pause in sourcing expansion plans by major American retailers and a 3-5% increase in production costs due to stricter compliance requirements.

"The cost of certifications, audits, testing, documentation, digital tracking systems and supplier verification can add between 1% and 5% of an export order's value, with smaller exporters bearing a disproportionately higher burden," said Ajay Srivastava, founder of the Global Trade Research Initiative (GTRI). For garments, the incremental cost could range from a few cents to more than a dollar per piece, depending on the level of traceability and verification employed.

Continued on Page 11

Garment exports face new US test

INDUSTRY EXECUTIVES SAID US buyers, known for their aggressive price sensitivity, are unlikely to absorb the additional costs. Except in niche categories, exporters will be forced to shoulder much of the burden through lower margins.

The industry's current level of traceability may also fall short of US requirements. Under the new regime, importers must demonstrate that their supply chains are free of forced labour.

"Only about 25-30% of Indian apparel export consignments currently carry formal fibre-traceability certifications," said Ajay Sahai, director-general of the Federation of Indian Export Organisations (FIEO). "These are largely driven by requirements imposed by global brands and large retailers rather than industry-wide standards."

India's exposure to Chinese inputs varies sharply across product categories. For cotton apparel, dependence is negligible as India is largely self-sufficient and remains a net exporter of cotton-based inputs. However, Chinese suppliers remain critical in synthetic and blended textiles, particularly speciality yarns, performance fabrics, trims and embellishments. Industry estimates place Chinese content at 12-15% in such products.

India imported nearly $3.8 billion worth of yarns, fabrics and related textile inputs from China in FY26, compared with apparel exports of $15.8 billion. While this may suggest significant dependence, a large portion of those imports is consumed domestically in segments such as home textiles and technical textiles.

"India has not diversified and upgraded its man-made fibre ecosystem sufficiently. That remains the key reason for our dependence on China in this segment," said Chandrima Chatterjee, secretary-general of the Confederation of Indian Textile Industry.

The latest tariff comes four years after the US enacted legislation barring imports linked to forced labour in China's Xinjiang region. That move accelerated the "China+1" sourcing strategy among retailers such as Walmart, Target, Gap and JCPenney. While India did attract some additional orders, Vietnam and Bangladesh captured a larger share because of their stronger manufacturing ecosystems and deeper integration with global supply chains.

Industry sources estimate that India secured a modest 4-6% increase in sourcing in categories such as cotton-rich home textiles and basic apparel between 2022 and 2025. However, the gains were not substantial enough to transform the sector's fortunes.

The numbers bear this out. India's apparel exports stood at $15.8 billion in FY26, little changed from FY25 and only marginally above FY20 levels. The US share in India's textile and clothing exports has remained broadly stagnant at 25-26%, rising to about 30-32% in the garment segment. Readymade garment exports to the US actually declined from $5.3 billion in FY22 to $4.8 billion in FY26.

According to Sahai, the blanket 12.5% tariff has prompted US retailers to adopt a wait-and-watch approach, freezing short-term sourcing expansion plans. India's greatest vulnerability lies in synthetic textiles, where exporters may have to demonstrate that Chinese-origin intermediates have no links to sanctioned regions or entities.

Consumer-facing downstream segments such as garments, home furnishings, bed linen and towels are expected to face the greatest scrutiny because they move directly into US retail channels.

Cotton-based exports may be relatively insulated, but challenges remain. Full farm-to-retail traceability is common only in organic cotton supply chains. For conventional cotton, India's fragmented farming structure and multi-layered mandi system make comprehensive traceability difficult.

Large integrated textile companies and leading exporters have responded by accelerating investments in traceability systems, including blockchain-based tracking, DNA tagging and isotopic testing to establish fibre origin and rule out links to restricted regions. Compliance frameworks such as the Global Organic Textile Standard and recycled-content certification are also gaining importance.

Prabhu Dhamodharan, convenor of the Indian Texpreneurs Federation, said compliance-linked trade measures are becoming a bigger concern than headline tariff rates.

"India should seek maximum relief through the proposed bilateral trade agreement with the US, which could provide a meaningful competitive advantage. At the very least, tariff treatment should remain aligned with competing countries," he said.

Manoj Sethia, managing director of Surat-based Ginza Industries, said synthetic textile manufacturers continue to rely heavily on imports from China and Europe.

"Nylon and polyester filament yarns are mostly imported from China. At present, there is no robust mechanism to establish whether forced labour has been used in their production," he said.

The importance of the US market is evident from India's export profile. In FY26, the US accounted for 55.6% of India's carpet exports, 43.9% of made-ups and home furnishings exports, 34.8% of laminated industrial textile exports, 30.9% of knitted apparel exports and 30.2% of non-knitted apparel exports.

(Tomorrow: Can Customs detain and exclude goods with forced labour content?)