COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S

★INDIA-USA BILATERAL TRADE RELATIONS ★

1. INTRODUCTION & BRIEF ECONOMIC OVERVIEW:

1. The **United States of America (USA)**, commonly referred to as the **United States (U.S.)** or **America**, is a federal nation located primarily in **North America** and is one of the world's most geographically extensive, economically influential, and internationally significant countries. The contiguous United States lies between **Canada to the north and Mexico to the south**, extending from the Atlantic Ocean in the east to the Pacific Ocean in the west. In addition to the 48 contiguous States, the country includes **Alaska**, situated in the north-western part of North America, and **Hawaii**, an archipelago located in the central Pacific Ocean, together constituting the **50 States of the USA**. Owing to its vast territorial expanse, the United States encompasses an exceptionally diverse range of geographical and climatic conditions, including extensive plains, mountain systems, forests, deserts, river basins, coastal regions, and island ecosystems. This remarkable geographical diversity, together with its extensive natural resources and varied ecosystems, has contributed to its recognition as one of the world's **megadiverse countries**. The United States is among the largest countries globally in terms of both **land area and population**, providing it with a substantial domestic market, a broad resource base, and considerable economic and strategic importance. Its geographical position, extensive transport and logistics infrastructure, access to both the Atlantic and Pacific Oceans, large consumer market, technological capabilities, and highly developed production and service sectors have played an important role in establishing the country as a major centre of **global commerce, investment, innovation, finance, and international trade**. The USA also maintains an extensive presence in international and regional institutions and actively participates in multilateral cooperation relating to global trade, economic development, security, migration, finance, and regional affairs. It is a member of several prominent international and regional organisations and arrangements, including the **United Nations (UN), World Trade Organization (WTO), North Atlantic Treaty Organization (NATO), Bank for International Settlements (BIS), Organisation for Economic Co-operation and Development (OECD), Organization for Security and Co-operation in Europe (OSCE), Organization of American States (OAS), Inter-American Development Bank (IDB), Asian Development Bank (ADB), Pacific Community, Colombo Plan, International Organization for Migration (IOM), and the Antarctic Treaty System**. Through its participation in these institutions and its extensive economic and diplomatic engagement with countries across the world, the United States continues to exercise a significant influence on the **global economic architecture, international trade and investment flows, financial markets, technological development, and multilateral economic cooperation**.

2. The **United States of America (USA)** continues to occupy a predominant position in the global economy, supported by its exceptionally large and diversified economic base, highly developed financial markets, strong technological and innovative capabilities, substantial consumer demand, advanced services sector, and extensive integration with international trade and investment networks. The economic

indicators presented in **Table 1: "United States: Selected Economic Indicators"** provide a comprehensive overview of the recent performance and medium-term outlook of the U.S. economy, covering estimates for **2022 and 2023** and projections for the period **2024 to 2029**. The data indicate that, notwithstanding the economic disruptions and inflationary pressures experienced in the preceding years, the U.S. economy has demonstrated considerable resilience, while its medium-term growth trajectory is expected to remain broadly stable. **Real GDP growth**, which stood at **1.9% in 2022**, accelerated to **2.5% in 2023** and is projected at **2.6% in 2024**. Thereafter, growth is expected to moderate to **1.9% in 2025**, before gradually stabilising at **2.0% in 2026** and **2.1% annually during 2027–2029**. The quarterly year-on-year measure of real GDP growth (**Q4/Q4**) similarly increased from **0.7% in 2022 to 3.1% in 2023**, while it is projected to moderate to **2.0% in 2024 and 1.8% in 2025**, before remaining broadly stable at **2.1% from 2026 through 2029**. These projections suggest a transition from relatively strong near-term economic expansion towards a more moderate but sustained pace of growth over the medium term.

The **output gap**, expressed as a percentage of potential GDP, provides further insight into the degree to which actual economic activity is operating above or below the economy's estimated productive capacity. According to Table 1, the output gap was **0.4% in 2022** and increased to **0.6% in 2023**, with the same level projected for **2024**. It is expected to narrow considerably to **0.2% in 2025**, before becoming moderately negative at **–0.2% during 2026–2028** and **–0.1% in 2029**. This projected movement indicates that the economy is expected to shift gradually from operating somewhat above estimated potential towards a position broadly consistent with, or slightly below, its potential level of output. At the same time, labour-market conditions are projected to remain relatively stable. The **unemployment rate, measured as the fourth-quarter average**, was **3.6% in 2022** and **3.7% in 2023**. It is projected to increase moderately to **4.2% in 2024** and **4.3% in 2025**, before gradually declining to **4.2% in 2026, 4.1% in 2027, 4.0% in 2028 and 3.9% in 2029**. Thus, while some moderation in labour-market conditions is projected in the near term, the unemployment rate is expected to remain comparatively contained over the projection horizon.

The external-sector indicators presented in Table 1 show a gradual improvement in the U.S. **current account balance**, although it is projected to remain in deficit throughout the period under consideration. The current account deficit amounted to **3.8% of GDP in 2022** and narrowed to **3.0% in 2023**. It is projected to decline further to **2.9% in 2024, 2.8% in 2025, 2.5% in 2026, 2.2% in 2027, 1.9% in 2028 and 1.6% in 2029**. The projected progressive narrowing of the deficit indicates an improvement in the external balance over the medium term, even though the country is expected to continue recording a current account deficit. Monetary and financial conditions are also projected to ease progressively. The **federal funds rate at the end of the period**, which stood at **4.4% in 2022** and increased to **5.4% in 2023**, is projected at **5.1% in 2024**, before declining significantly to **4.1% in 2025 and 3.1% in 2026**, and subsequently stabilising at around **2.9% during 2027–2029**. Similarly, the **ten-year government bond rate, measured as the fourth-quarter average**, increased from **3.8% in 2022 to 4.4% in 2023**, but is projected to moderate to **4.1% in 2024, 3.5% in 2025 and 3.2% annually from 2026 through 2029**. Taken together, these projections indicate an anticipated gradual normalisation of monetary and longer-term financing conditions over the medium-term horizon.

A particularly important feature of the economic outlook is the projected moderation in **inflation**. The **Personal Consumption Expenditures (PCE) inflation rate on a Q4/Q4 basis** declined substantially from **5.9% in 2022 to 2.8% in 2023** and is projected to moderate further to **2.4% in 2024**

and 1.8% in 2025. Thereafter, PCE inflation is projected at **1.9% annually from 2026 through 2029**. A broadly similar pattern is evident in **core PCE inflation**, which excludes certain volatile components and therefore provides an important indication of underlying inflationary pressures. Core PCE inflation declined from **5.1% in 2022 to 3.2% in 2023** and is projected to fall further to **2.5% in 2024 and 1.9% in 2025**, before remaining at approximately **2.0% annually during 2026–2029**. The simultaneous moderation in headline and core PCE inflation therefore points towards a substantial easing of the elevated inflationary pressures observed in 2022, followed by a comparatively stable inflation environment over the later years of the projection period.

The **fiscal position**, however, remains an important area of concern in the medium-term outlook. The **federal government fiscal balance** recorded a deficit equivalent to **5.4% of GDP in 2022**, which widened to **6.3% in 2023** and is projected to increase further to **6.8% in 2024**. Although the deficit is subsequently projected to narrow gradually—to **6.6% in 2025, 6.1% in 2026, 5.4% in 2027, 5.6% in 2028 and 5.3% in 2029**—it is expected to remain substantial throughout the projection period. Correspondingly, **federal government debt held by the public as a percentage of GDP** is projected to follow a sustained upward trajectory. It increased from **95.8% of GDP in 2022 to 97.3% in 2023** and is projected to rise to **99.2% in 2024**, surpass **100% of GDP at 102.1% in 2025**, and subsequently increase to **104.7% in 2026, 106.3% in 2027, 108.1% in 2028 and 109.5% in 2029**. Thus, while the growth, labour-market and inflation indicators present a picture of relative macroeconomic resilience and gradual stabilisation, the projected increase in public indebtedness remains a significant feature of the medium-term fiscal outlook.

A similar trend is visible when the fiscal position is considered at the **general government level**. The general government fiscal deficit, which was **4.1% of GDP in 2022**, widened sharply to **7.6% in 2023** and is projected at **7.8% in 2024**. Thereafter, it is expected to narrow gradually to **7.6% in 2025, 7.2% in 2026, 6.7% in both 2027 and 2028, and 6.5% in 2029**. At the same time, **general government gross debt** is projected to increase continuously from **119.8% of GDP in 2022 and 120.7% in 2023 to 123.2% in 2024, 126.7% in 2025, 129.6% in 2026, 131.8% in 2027, 134.0% in 2028 and 135.9% in 2029**. Accordingly, Table 1 presents a mixed but broadly resilient medium-term macroeconomic outlook for the United States: economic growth is projected to remain positive and relatively stable; unemployment is expected to remain contained; inflation is projected to moderate considerably; the current account deficit is expected to narrow progressively; and monetary conditions are projected to ease. At the same time, persistent fiscal deficits and the continued increase in federal and general government debt indicate significant medium-term fiscal pressures. Overall, the indicators suggest that the U.S. economy is expected to move towards a period of **moderate and relatively stable growth accompanied by lower inflation and gradually easing financial conditions**, while the management of **fiscal imbalances and rising public debt** is likely to remain an important macroeconomic consideration over the projection horizon. The figures presented in Table 1 are sourced from **BEA, BLS, Haver Analytics and IMF staff estimates**.

ECONOMIC SNAPSHOT HIGHLIGHT: The U.S. economic outlook reflects **resilient but moderating growth, easing inflationary pressures, relatively stable labour-market conditions, a progressively narrowing current account deficit, and an anticipated gradual normalisation of interest rates** over the medium term. Real GDP growth is projected at **2.6% in 2024**, before stabilising at around **2.0–2.1% during 2026–2029**, while unemployment is expected to remain broadly contained. Inflation is projected to moderate substantially, with **PCE inflation declining from 5.9% in 2022 to 2.4% in 2024 and remaining around 1.9% over 2026–2029**. However, the fiscal outlook remains challenging, as persistent government deficits are accompanied by a continuing rise in public debt; **general government gross debt is projected to increase from 119.8% of GDP in 2022 to 135.9% by 2029**. Overall, the indicators presented in **Table 1** point to a transition towards **moderate and relatively stable economic growth with lower inflation and gradually easing financial conditions, alongside continuing medium-term fiscal and debt-related pressures**.

TABLE 1: United States: Selected Economic Indicators

Indicator	Estimates		Projections					
	2022	2023	2024	2025	2026	2027	2028	2029
Real GDP (annual growth)	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1
Real GDP (q4/q4)	0.7	3.1	2.0	1.8	2.1	2.1	2.1	2.1
Output gap (% of potential GDP)	0.4	0.6	0.6	0.2	-0.2	-0.2	-0.2	-0.1
Unemployment rate (q4 average)	3.6	3.7	4.2	4.3	4.2	4.1	4.0	3.9
Current account balance (% of GDP)	-3.8	-3.0	-2.9	-2.8	-2.5	-2.2	-1.9	-1.6
Federal funds rate (end of period)	4.4	5.4	5.1	4.1	3.1	2.9	2.9	2.9
Ten-year government bond rate (q4 avg.)	3.8	4.4	4.1	3.5	3.2	3.2	3.2	3.2

PCE inflation (q4/q4)	5.9	2.8	2.4	1.8	1.9	1.9	1.9	1.9
Core PCE inflation (q4/q4)	5.1	3.2	2.5	1.9	2.0	2.0	2.0	2.0
Federal government fiscal balance (% of GDP)	-5.4	-6.3	-6.8	-6.6	-6.1	-5.4	-5.6	-5.3
Federal government debt held by the public (% of GDP)	95.8	97.3	99.2	102.1	104.7	106.3	108.1	109.5
General government fiscal balance (% of GDP)	-4.1	-7.6	-7.8	-7.6	-7.2	-6.7	-6.7	-6.5
General government gross debt (% of GDP)	119.8	120.7	123.2	126.7	129.6	131.8	134.0	135.9

Sources: BEA; BLS; Haver Analytics; and IMF staff estimates.

2. FOREIGN TRADE PERFORMANCE:

3. The **United States of America (USA)** occupies a highly significant position in the global merchandise trading system, supported by the size and diversity of its economy, extensive industrial and technological capabilities, large domestic market, sophisticated transport and logistics infrastructure, and strong commercial linkages with major economies across different regions of the world. As per the **recent available inputs from WITS (World Integrated Trade Solution)**, the geographical pattern of U.S. merchandise trade demonstrates particularly strong integration with its neighbouring North American economies as well as with major Asian and European trading partners. The **five major merchandise export partners of the USA are Canada, Mexico, China, Japan and the United Kingdom (U.K.)**, indicating the importance of both regional and intercontinental markets in sustaining U.S. external trade. **Canada and Mexico**, as neighbouring economies, constitute particularly important destinations for U.S. merchandise exports, reflecting the extensive cross-border commercial linkages and interconnected production and supply networks within North America. At the same time, the presence of **China and Japan** among the major export destinations demonstrates the importance of Asian markets for U.S. merchandise trade, while the **United Kingdom** represents a major European destination. Taken together, this diversified geographical composition illustrates the broad international reach of U.S. exports and the

country's extensive commercial engagement with major markets across **North America, Asia and Europe**.

On the **import side**, the recent available WITS inputs identify **China, Mexico, Canada, Japan and Germany** as the five major merchandise import partners of the United States. This composition indicates that U.S. import requirements are met through a geographically diversified network of major trading economies. The prominence of **Mexico and Canada** on both the export and import sides highlights the importance of intra-North American merchandise trade and closely connected regional supply relationships. Simultaneously, **China and Japan** represent important Asian sources of merchandise imports into the U.S. market, while **Germany** constitutes a major European import partner. The appearance of several economies among the USA's leading trade partners therefore reflects the country's extensive participation in international production, distribution and merchandise supply networks. More broadly, the geographical distribution of these major partners demonstrates that the U.S. merchandise trade structure combines **strong regional integration with substantial trans-Pacific and trans-Atlantic commercial linkages**, thereby connecting the U.S. economy with some of the world's most important manufacturing, production and consumer markets.

The **commodity composition of U.S. merchandise exports** further demonstrates the diversity of the country's external trade. According to the same WITS inputs cited in the report, the five major exported products comprise **(i) petroleum oils, etc. (excluding crude); preparations; (ii) petroleum oils and oils obtained from bituminous minerals; (iii) monolithic integrated circuits, digital; (iv) natural gas; and (v) gold in unwrought, non-monetary forms**. The presence of petroleum-related products and natural gas among the leading export commodities underlines the importance of **energy-related products** within the U.S. export basket. At the same time, the inclusion of **digital monolithic integrated circuits** reflects the role of technologically sophisticated manufactured products within U.S. merchandise exports. The presence of **non-monetary unwrought gold** among the leading commodities additionally illustrates the diversity of the country's export composition. Consequently, the leading U.S. merchandise exports identified in the WITS inputs span **energy products, technologically advanced electronic components and precious commodities**, highlighting the broad and heterogeneous character of the country's merchandise export base.

Similarly, the **major merchandise imports of the USA** cover a diverse range of strategically and commercially important products. The five major imported goods identified in the report are **(i) petroleum oils and oils obtained from bituminous minerals; (ii) transmission apparatus for radiotelephony incorporating relevant functions; (iii) automobiles with reciprocating piston engines; (iv) petroleum oils, etc. (excluding crude), including preparations; and (v) other medicaments consisting of mixed or unmixed products**. This import profile indicates substantial U.S. demand across several important commodity groups, including **energy, telecommunications and electronic equipment, automobiles, refined petroleum-related products and pharmaceutical products**. The presence of petroleum-related commodities on both the export and import sides also demonstrates the complex nature of U.S. participation in international energy trade, while telecommunications equipment, automobiles and medicaments illustrate the importance of manufactured and technology-intensive goods in meeting the requirements of the large U.S. domestic market. Overall, the combination of its major trading partners and principal traded commodities portrays the United States as a **highly integrated participant in global merchandise trade**, with commercial relationships extending across major regional and global markets and a trade basket encompassing energy resources, advanced technological products, manufactured goods, precious commodities and pharmaceutical products. This diversified partner and commodity structure provides an important contextual basis for assessing the broader **foreign trade performance of the USA**, including the subsequent trends in exports, imports, total volume of trade and balance of trade presented in this Country Profile Report.

4. The merchandise **export performance of the United States during the period 2020–2024** demonstrates a substantial overall expansion, although the annual trajectory was characterised by strong growth during the initial years followed by a temporary moderation and subsequent recovery. As presented in **Table 2**, the total value of U.S. merchandise exports stood at **USD 1,430,254 million in 2020** and increased sharply to **USD 1,753,137 million in 2021**, representing a significant year-on-year growth of **22.58%**. This was the highest annual percentage increase in U.S. exports recorded during the five-year period under consideration and marked a substantial expansion from the 2020 level. The upward momentum continued in **2022**, when exports increased further to **USD 2,062,090 million**, registering another strong year-on-year growth of **17.62%** over 2021. Consequently, within only two years, the value of U.S. merchandise exports increased considerably from approximately **USD 1.43 trillion in 2020 to USD 2.06 trillion in 2022**, demonstrating the strong expansion of the country's external merchandise trade during this phase.

The export trajectory, however, experienced a moderate correction in **2023**, when the value of merchandise exports declined to **USD 2,018,543 million**, corresponding to a negative year-on-year growth rate of **–2.11%**. This represented the only annual contraction in U.S. merchandise exports during the period covered by Table 2. Nevertheless, the decline was comparatively limited when viewed against the substantial increases recorded during 2021 and 2022, and the overall value of exports remained considerably above the levels observed at the beginning of the period. The export sector subsequently returned to positive growth in **2024**, with merchandise exports increasing to **USD 2,063,802 million**, representing an annual increase of **2.24%** over 2023. The 2024 export value therefore marginally exceeded the previous high recorded in 2022 and constituted the **highest export value shown in Table 2 for the entire 2020–2024 period**.

Viewed over the full five-year period, U.S. merchandise exports increased from **USD 1,430,254 million in 2020 to USD 2,063,802 million in 2024**, an absolute increase of approximately **USD 633,548 million** over the 2020 level. Table 2 reports an **annual compound growth rate of 9.60%** for exports during 2020–2024, indicating a substantial underlying expansion despite the temporary contraction observed in 2023. The pattern is also clearly reflected in **Figure 1**, where the export series rises markedly between 2020 and 2022, shows a modest decline in 2023, and subsequently recovers in 2024. Thus, the combined evidence from Table 2 and Figure 1 indicates that U.S. merchandise exports displayed a **strong overall upward trend during 2020–2024**, characterised by exceptionally high growth in 2021 and 2022, a relatively modest correction in 2023, and a return to positive growth in 2024.

5. The merchandise **import performance of the United States during 2020–2024** similarly exhibited substantial overall expansion, with the value of imports remaining considerably higher than exports in every year covered by **Table 2 and Figure 1**. Total U.S. merchandise imports amounted to **USD 2,405,382 million in 2020** and increased sharply to **USD 2,932,976 million in 2021**, registering a significant year-on-year growth rate of **21.93%**. The strong upward movement continued in **2022**, when merchandise imports reached **USD 3,372,902 million**, representing a further increase of **15.00%** over the

previous year. Accordingly, between 2020 and 2022, U.S. merchandise imports increased by approximately **USD 967,520 million**, illustrating the substantial expansion of the country's import flows during the first three years of the period under review.

The sustained expansion was interrupted in **2023**, when merchandise imports declined to **USD 3,168,471 million**, recording a year-on-year contraction of **–6.06%**. The decline in imports during 2023 was therefore more pronounced than the corresponding **–2.11% contraction in exports**, indicating a comparatively stronger adjustment on the import side during that year. Nevertheless, imports remained well above their 2020 and 2021 levels. This downward movement was followed by a renewed expansion in **2024**, when total imports increased to **USD 3,356,812 million**, representing positive year-on-year growth of **5.94%**. Although the 2024 import value remained slightly below the **USD 3,372,902 million** recorded in 2022, it represented a substantial recovery from the decline observed in 2023.

Over the complete period from 2020 to 2024, merchandise imports increased from **USD 2,405,382 million to USD 3,356,812 million**, representing an absolute expansion of approximately **USD 951,430 million**. Table 2 reports an **annual compound growth rate of 8.69%** for U.S. imports during this period. The graphical presentation in **Figure 1** reinforces this pattern: the import series rises strongly from 2020 through 2022, falls moderately in 2023 and subsequently rebounds in 2024. More importantly, Figure 1 visually demonstrates that the value of imports remained **consistently and substantially above exports throughout 2020–2024**, which directly contributed to the persistence of the country's merchandise trade deficit over the entire period. Overall, the data indicate that U.S. merchandise imports recorded **strong long-term expansion despite year-to-year fluctuations**, reflecting a pronounced increase from the 2020 base and maintaining their dominant position relative to merchandise exports throughout the period examined.

6. An examination of the combined movements in **exports and imports** reveals a significant expansion in the USA's **total volume of merchandise trade** between 2020 and 2024, accompanied throughout the period by a persistent **negative Balance of Trade (BoT)**. According to **Table 2**, the total volume of trade—representing the combined value of merchandise exports and imports—stood at **USD 3,835,636 million in 2020**. It increased substantially to **USD 4,686,113 million in 2021**, registering year-on-year growth of **22.17%**. The expansion continued in **2022**, when the total volume of trade reached **USD 5,434,992 million**, representing a further increase of **15.98%** over 2021. Thus, within two years, the USA's merchandise trade volume expanded by approximately **USD 1.60 trillion** from its 2020 level, reflecting the simultaneous strong growth of both exports and imports during 2021 and 2022.

In **2023**, however, the total volume of merchandise trade declined to **USD 5,187,014 million**, corresponding to a negative annual growth rate of **–4.56%**. This contraction was consistent with the simultaneous declines recorded in both merchandise exports and imports during that year. The contraction proved temporary, as total trade recovered strongly in **2024**, reaching **USD 5,420,614 million**, representing year-on-year growth of **4.50%**. The 2024 total trade value was therefore close to the peak of **USD 5,434,992 million recorded in 2022** and considerably higher than the 2020 level. Over the entire period, the total volume of merchandise trade increased from **USD 3,835,636 million in 2020 to USD 5,420,614 million in 2024**, representing an absolute expansion of approximately **USD 1,584,978 million**. Table 2 reports an **annual compound growth rate of 9.03%** in the total volume of trade during 2020–2024, confirming the considerable overall expansion in U.S. merchandise trade despite the temporary contraction recorded in 2023.

At the same time, the data reveal that the United States maintained a **merchandise trade deficit in every year from 2020 to 2024**, as the value of imports consistently exceeded the value of exports. The Balance of Trade deficit stood at **USD 975,128 million in 2020** and widened substantially to **USD 1,179,839 million in 2021**. It expanded further to **USD 1,310,812 million in 2022**, which represents the **largest merchandise trade deficit recorded in Table 2 during the five-year period**. In **2023**, the deficit narrowed to **USD 1,149,928 million**, primarily alongside the contraction in merchandise trade during that year. However, the deficit widened again in **2024 to USD 1,293,010 million**, as imports recovered more strongly than exports: imports grew by **5.94%**, compared with export growth of **2.24%**. Consequently, although the 2024 deficit remained slightly below the 2022 peak, it was substantially higher than the deficit recorded at the beginning of the period in 2020.

The relationship among exports, imports and the Balance of Trade is particularly evident in **Figure 1 on page 3**, which graphically depicts the evolution of these three indicators during 2020–2024. The import bars remain above the corresponding export bars in every year, while the Balance of Trade is consistently plotted below zero, visually confirming the **structural merchandise trade deficit throughout the period**. The figure also highlights the strong simultaneous expansion of exports and imports between 2020 and 2022, their moderation in 2023, and their subsequent recovery in 2024. Importantly, the persistence of a trade deficit should be considered together with the substantial expansion in overall merchandise trade: while the negative balance widened from **USD 975.13 billion in 2020 to USD 1,293.01 billion in 2024**, the total volume of trade simultaneously increased from approximately **USD 3.84 trillion to USD 5.42 trillion**. Taken together, **Table 2 and Figure 1** therefore portray the USA as having experienced a considerable expansion in merchandise trade over 2020–2024, characterised by strong growth in both exports and imports, a temporary trade contraction in 2023, a renewed expansion in 2024, and a **persistent merchandise trade deficit resulting from imports remaining consistently higher than exports throughout the period under review**.

FOREIGN TRADE SUMMARY: The foreign trade performance of the **United States of America during 2020–2024** reflects a substantial overall expansion in merchandise trade, notwithstanding notable year-to-year fluctuations and the persistence of a sizeable trade deficit. As presented in **Table 2 and illustrated in Figure 1**, U.S. merchandise exports increased from **USD 1,430,254 million in 2020 to USD 2,063,802 million in 2024**, recording an **annual compound growth rate of 9.60%**, while merchandise imports rose from **USD 2,405,382 million to USD 3,356,812 million**, with an **annual compound growth rate of 8.69%** over the same period. Consequently, the **total volume of merchandise trade expanded from USD 3,835,636 million in 2020 to USD 5,420,614 million in 2024**, representing an **annual compound growth rate of 9.03%**. The strongest expansion occurred during **2021 and 2022**, when both exports and imports registered substantial growth; this was followed by a temporary moderation in **2023**, with exports declining by **2.11%**, imports by **6.06%**, and total trade volume by **4.56%**. The trade performance recovered in **2024**, when exports increased by **2.24%**, imports by **5.94%**, and the overall volume of trade by **4.50%**, bringing total merchandise trade to approximately **USD 5.42 trillion**, close to the highest level recorded during the period.

At the same time, **imports consistently exceeded exports throughout 2020–2024**, resulting in a merchandise **Balance of Trade deficit in every year under review**, a trend clearly depicted in **Figure**

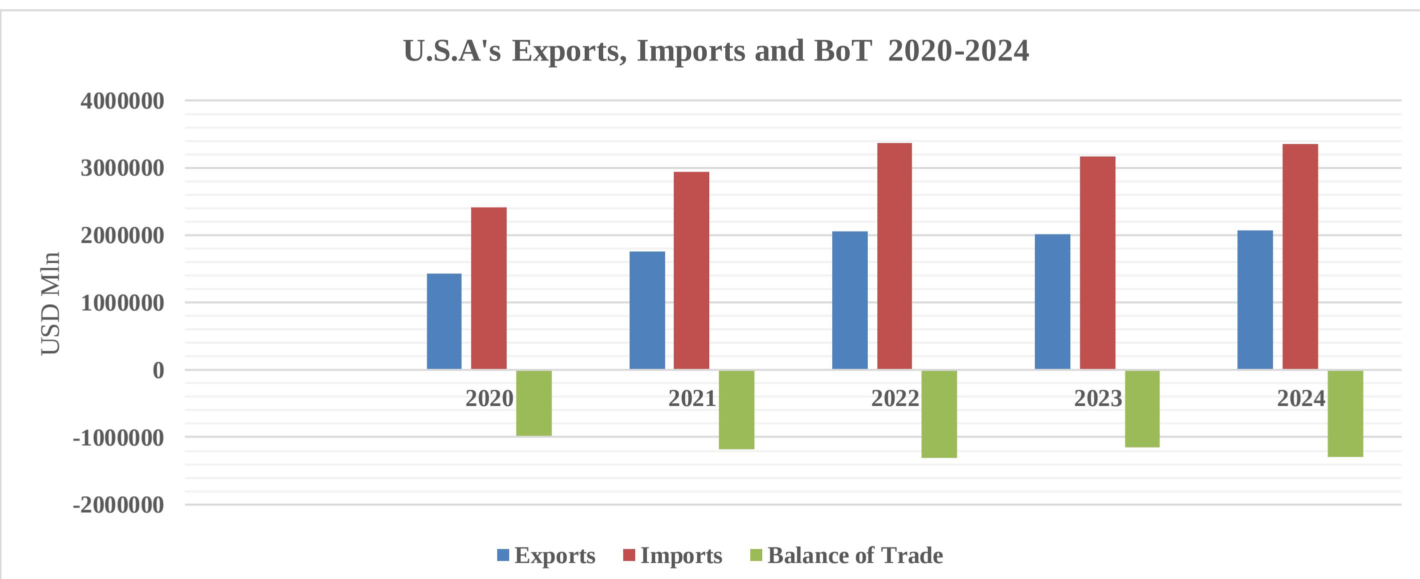
1. The deficit increased from **USD 975,128 million in 2020 to USD 1,179,839 million in 2021**, widened further to **USD 1,310,812 million in 2022**, narrowed to **USD 1,149,928 million in 2023**, and subsequently increased again to **USD 1,293,010 million in 2024**. Thus, while the USA maintained a persistent merchandise trade deficit, the simultaneous expansion of exports, imports and total trade volume demonstrates the considerable scale and continued growth of its engagement in international merchandise trade. Overall, **Table 2 and Figure 1 portray a foreign trade structure characterised by strong medium-term expansion, a temporary contraction in 2023 followed by recovery in 2024, consistently higher imports than exports, and a persistent trade deficit alongside an annual compound growth rate of 9.03% in total merchandise trade during 2020–2024**.

TABLE - 2: USA'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024
(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	1430254	-	2405382	-	38,35,636	-	-975128
2021	1753137	22.58%	2932976	21.93%	46,86,113	22.17%	-1179839
2022	2062090	17.62%	3372902	15.00%	54,34,992	15.98%	-1310812
2023	2018543	-2.11%	3168471	-6.06%	51,87,014	-4.56%	-1149928
2024	2063802	2.24%	3356812	5.94%	54,20,614	4.50%	-1293010
Annual Compound Growth Rate		**9.60%**		**8.69%**		**9.03%**	

NOTE: Figures relate to calendar year (January to December)
SOURCE: UN COMTRADE PUBLICATION

FIGURE - 1



7. **Trade and investment relations constitute an important component of India–USA economic engagement**, with merchandise trade between the two countries expanding considerably during the period under review. As reflected in **Table 3**, the United States occupies a particularly significant position in India's external merchandise trade, serving as a major destination for Indian exports as well as an important source of imports. In **FY 2024-25**, the total value of bilateral merchandise trade between India and the USA reached **USD 143,570.66 million**, comprising **India's merchandise exports to the USA of USD 86,510.82 million** and **imports from the USA of USD 57,059.84 million**. The resulting bilateral trade structure generated a **Balance of Trade surplus of USD 29,450.98 million in favour of India** during the year. The underlying data therefore demonstrate not only the substantial scale of bilateral merchandise transactions but also the particularly important role of the U.S. market as a destination for Indian merchandise exports.

The importance of the United States in India's merchandise trade is further reflected in the report's observation that the **USA ranked first as an export destination for India in FY 2024-25**. During the same financial year, India's exports to the USA accounted for approximately **19.78% of India's total export value**, while imports from the USA represented approximately **7.97% of India's total import value**. The report accordingly identifies the USA as the **major trading partner of India in FY 2024-25**. These figures underline the relatively greater significance of the United States on India's export side and help explain the continuing merchandise trade surplus recorded by India in bilateral trade with the USA. The substantial difference between India's exports of **USD 86.51 billion** and imports of approximately **USD 57.06 billion** in FY 2024-25 resulted in the aforementioned surplus of approximately **USD 29.45 billion**.

The report further places the bilateral trade relationship within a broader forward-looking framework, noting that **India and the United States seek to more than double bilateral trade to USD 500 billion by 2030 and negotiate a multi-sector BTA (Bilateral Trade Agreement)**. Against this background, the substantial level of merchandise trade already recorded in FY 2024-25 provides an important quantitative indication of the depth of existing commercial engagement between the two economies. The combination of a large and expanding bilateral trade base, the USA's position as India's leading export destination, and the stated longer-term bilateral trade objective demonstrates the strategic commercial importance of the relationship. Overall, the data presented in **Table 3**, together with the trend displayed in **Figure 2**, portray India–USA merchandise trade as a major component of India's external trade relations, characterised by a high level of bilateral trade, a strong Indian export presence in the U.S. market, substantial import flows from the USA, and a consistently positive merchandise trade balance in India's favour during the period covered by the report.

8. The trajectory of **India–USA bilateral merchandise trade during FY 2020-21 to FY 2024-25** reveals a substantial overall expansion, although the pace of growth varied considerably across individual financial years. According to **Table 3**, the total volume of bilateral merchandise trade stood at **USD 80,521.02 million in FY 2020-21**, comprising Indian exports to the USA valued at **USD 51,632.85 million** and imports from the USA amounting to **USD 28,888.17 million**. In **FY 2021-22**, bilateral trade expanded exceptionally strongly to **USD 119,490.07 million**, representing a year-on-year increase of **48.40%**. This sharp increase reflected simultaneous and almost comparable growth on both sides of the bilateral trade relationship, with India's exports to the USA increasing by **47.53%** and imports from the

USA rising by **49.94%**. Thus, FY 2021-22 represented the most pronounced annual expansion in bilateral merchandise trade during the five-year period covered by Table 3.

The expansion continued, although at a substantially more moderate pace, in **FY 2022-23**, when the total volume of bilateral trade increased to **USD 129,412.28 million**, recording year-on-year growth of **8.30%**. During that year, India's exports to the USA increased by **3.11%**, from **USD 76,176.00 million in FY 2021-22 to USD 78,548.40 million in FY 2022-23**, while imports from the USA increased more strongly by **17.43%**, from **USD 43,314.07 million to USD 50,863.88 million**. Consequently, although bilateral trade continued to expand in FY 2022-23, its growth was driven relatively more strongly by the increase in India's imports from the United States than by the comparatively moderate expansion in Indian exports.

The sustained upward trajectory experienced during the preceding two financial years was interrupted in **FY 2023-24**, when the total value of bilateral merchandise trade declined to **USD 118,296.10 million**, representing a year-on-year contraction of **8.59%**. This reduction reflected declines on both sides of the trade relationship. India's exports to the USA decreased moderately by **1.31%**, from **USD 78,548.40 million in FY 2022-23 to USD 77,523.12 million in FY 2023-24**, whereas imports from the USA recorded a considerably sharper contraction of **19.84%**, declining from **USD 50,863.88 million to USD 40,772.98 million**. The comparatively larger fall in imports was therefore a major contributor to the overall decline in bilateral trade during FY 2023-24. Notwithstanding this temporary contraction, the total value of bilateral merchandise trade remained substantially higher than the level recorded at the beginning of the period in FY 2020-21.

A particularly strong recovery followed in **FY 2024-25**, when the total volume of India–USA merchandise trade increased to **USD 143,570.66 million**, the **highest value recorded during the five financial years presented in Table 3**. This represented robust year-on-year growth of **21.37%** over FY 2023-24. The recovery was supported by growth in both trade flows: India's merchandise exports to the USA increased by **11.59%**, reaching **USD 86,510.82 million**, while imports from the USA rose much more sharply by **39.95%**, reaching **USD 57,059.84 million**. The simultaneous recovery of exports and imports therefore lifted bilateral merchandise trade above the previous high recorded in FY 2022-23.

Viewed over the entire five-year period, the total volume of India–USA merchandise trade increased from **USD 80,521.02 million in FY 2020-21 to USD 143,570.66 million in FY 2024-25**, representing an absolute increase of approximately **USD 63,049.64 million**. Table 3 reports an **annual compound growth rate of 15.56%** in the total volume of bilateral trade during the period. The overall pattern is also reflected graphically in **Figure 2**, which shows the substantial rise in bilateral merchandise flows over the period, notwithstanding the temporary moderation in FY 2023-24. Taken together, Table 3 and Figure 2 therefore indicate that India–USA merchandise trade experienced **strong underlying expansion during FY 2020-21 to FY 2024-25**, characterised by exceptional growth in FY 2021-22, continued but slower expansion in FY 2022-23, a temporary contraction in FY 2023-24, and a strong rebound to a new five-year high in FY 2024-25.

9. A detailed examination of the bilateral trade data presented in **Table 3 and Figure 2** shows that **India maintained a merchandise Balance of Trade surplus with the USA in every financial year from FY 2020-21 to FY 2024-25**, as the value of India's exports to the United States consistently exceeded the corresponding value of imports from the United States. In **FY 2020-21**, India exported

merchandise worth **USD 51,632.85 million** to the USA against imports valued at **USD 28,888.17 million**, resulting in a trade surplus of **USD 22,744.68 million**. In the following year, **FY 2021-22**, India's exports increased exceptionally strongly by **47.53% to USD 76,176.00 million**, while imports from the USA increased by an even higher **49.94% to USD 43,314.07 million**. Despite the slightly faster growth in imports, the substantial difference between export and import values resulted in India's bilateral trade surplus widening to **USD 32,861.93 million**.

In **FY 2022-23**, India's merchandise exports to the USA continued to increase, although at a considerably slower rate of **3.11%**, reaching **USD 78,548.40 million**. Imports from the USA, in contrast, increased by a relatively stronger **17.43% to USD 50,863.88 million**. As imports grew substantially faster than exports during the year, India's bilateral merchandise trade surplus narrowed from **USD 32,861.93 million in FY 2021-22 to USD 27,684.52 million in FY 2022-23**. Nevertheless, exports continued to remain well above imports, thereby maintaining India's positive Balance of Trade with the United States.

A different pattern emerged in **FY 2023-24**. India's merchandise exports to the USA declined marginally by **1.31% to USD 77,523.12 million**, while imports from the USA contracted much more sharply by **19.84% to USD 40,772.98 million**. Since the reduction in imports was considerably greater than the decline in exports, India's bilateral merchandise trade surplus widened significantly to **USD 36,750.14 million**, which represents the **highest Balance of Trade surplus recorded during the five-year period shown in Table 3**. Thus, even though total bilateral merchandise trade declined by 8.59% during FY 2023-24, the sharper contraction in imports relative to exports resulted in a substantial strengthening of India's merchandise trade surplus with the United States.

In **FY 2024-25**, both sides of bilateral trade recorded a strong recovery. India's merchandise exports to the USA increased by **11.59% to USD 86,510.82 million**, representing the **highest export value recorded during the five-year period**, while imports from the USA surged by **39.95% to USD 57,059.84 million**, likewise reaching their highest level during the period under review. Because imports expanded substantially faster than exports, India's merchandise trade surplus moderated from **USD 36,750.14 million in FY 2023-24 to USD 29,450.98 million in FY 2024-25**. Importantly, however, the Balance of Trade remained firmly positive in India's favour, even in a year when imports from the USA registered exceptionally strong growth.

From a longer-term perspective, India's merchandise exports to the USA increased from **USD 51,632.85 million in FY 2020-21 to USD 86,510.82 million in FY 2024-25**, while imports from the USA rose from **USD 28,888.17 million to USD 57,059.84 million** over the same period. Table 3 reports an **annual compound growth rate of 13.77% for India's exports to the USA and 18.55% for imports from the USA**, compared with an annual compound growth rate of **15.56% for total bilateral trade**. The higher compound growth rate of imports relative to exports indicates that imports from the USA expanded at a faster underlying rate over the period, even though the absolute value of India's exports remained higher in every financial year covered by the table.

The relationship among these three indicators is further illustrated in **Figure 2**, which graphically depicts India's exports to the USA, imports from the USA and the corresponding Balance of Trade across the five financial years. The figure visually reinforces the principal finding derived from Table 3: **the export series remains above the import series throughout the period, resulting in a consistently positive Balance of Trade for India**. The trade surplus nevertheless fluctuated according to the relative movement of exports and imports—rising from **USD 22.74 billion in FY 2020-21 to USD 32.86 billion in FY 2021-22**, moderating to **USD 27.68 billion in FY 2022-23**, reaching a five-year high of **USD 36.75 billion in FY 2023-24**, and subsequently settling at **USD 29.45 billion in FY 2024-25**. Overall, the combined evidence from **Table 3 and Figure 2** demonstrates a **strong and expanding bilateral merchandise trade relationship between India and the USA**, characterised by significant long-term growth in both exports and imports, a **15.56% annual compound growth rate in total bilateral trade**, and, most notably, the maintenance of a **merchandise trade surplus in India's favour throughout FY 2020-21 to FY 2024-25**.

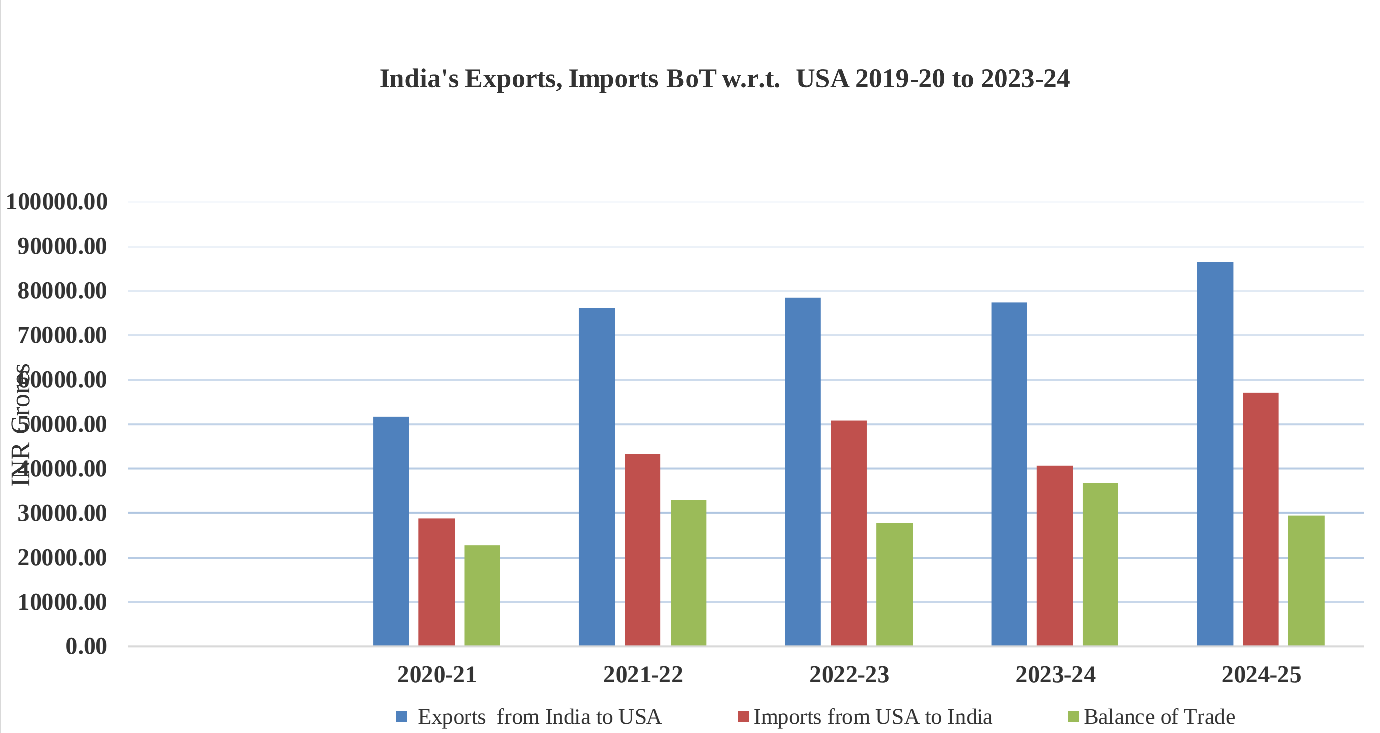
BILATERAL TRADE HIGHLIGHT: India–USA merchandise trade demonstrated strong overall expansion during FY 2020-21 to FY 2024-25, with total bilateral trade increasing from **USD 80.52 billion in FY 2020-21 to a five-year high of USD 143.57 billion in FY 2024-25**, representing an **annual compound growth rate of 15.56%**. India's exports to the USA increased from **USD 51.63 billion to USD 86.51 billion**, recording an annual compound growth rate of **13.77%**, while imports from the USA rose from **USD 28.89 billion to USD 57.06 billion**, registering a comparatively higher annual compound growth rate of **18.55%**. Despite fluctuations in annual trade flows, **India maintained a merchandise trade surplus with the USA throughout the entire five-year period**, with the surplus reaching its highest level of **USD 36.75 billion in FY 2023-24** and subsequently standing at **USD 29.45 billion in FY 2024-25**. In FY 2024-25, bilateral trade recorded a particularly strong recovery, increasing by **21.37%**, supported by **11.59% growth in India's exports and 39.95% growth in imports from the USA**. Overall, the trends presented in **Table 3 and Figure 2** highlight the **growing scale and significance of India–USA merchandise trade, sustained expansion in two-way trade flows, and India's consistently positive bilateral merchandise trade balance** over the period under review.
The report also notes the broader bilateral objective of increasing trade to **USD 500 billion by 2030**, providing an important forward-looking context for the expanding India–USA commercial relationship.

TABLE - 3: INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. U. S. A.
FY 2020-2021 to 2024-2025 (Value in USD Million)

Year	Exports from India to USA	Percentage Growth in Exports	Imports from USA to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	51632.85	-	28888.17	-	80521.02	-	22744.68
2021-22	76176.00	47.53%	43314.07	49.94%	119490.07	48.40%	32861.93
2022-23	78548.40	3.11%	50863.88	17.43%	129412.28	8.30%	27684.52
2023-24	77523.12	-1.31%	40772.98	-19.84%	118296.10	-8.59%	36750.14
2024-25	86510.82	11.59%	57059.84	39.95%	143570.66	21.37%	29450.98
Annual Compound Growth Rate		**13.77%**		**18.55%**		**15.56%**	

NOTE: Figures relate to Financial Year (April to March)
SOURCE: DGCI&S, M/o C&I

FIGURE – 2



10. Additionally, **from Tables 4 & 5 presented** below the following are stated:

KEY COMMODITY DRIVERS (FY 2024-25): India's exports to the USA were mainly driven by **Telecom Instruments** and **Drugs Formulations & Biologicals**, followed by **Pearls & Precious Stones, Petroleum Products, Jewellery, Cotton Garments and Iron & Steel Products**. Telecom Instruments recorded the highest growth of **86.71%**, while Drugs Formulations & Biologicals grew by **20.97%**.

India's imports from the USA were dominated by **Petroleum Crude** and **Petroleum Products**, which together accounted for about **36% of total imports**. Other major imports included **Coal & Coke, Precious Stones, Gold, Electrical Machinery, Electronic Components, Aircraft & Parts and Computer Hardware & Peripherals**.

Overall, India's export basket was led by **telecommunication, pharmaceuticals and manufactured products**, whereas imports were strongly concentrated in **energy products**, along with **electronics, precious metals, aircraft and other high-value goods**.

TABLE - 4: INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO USA 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES (Value in USD Million)

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**Telecom Instruments**	**493.87**	**709.68**	**2562.69**	**5822.83**	**10871.52**	**43.70**	**261.11**	**127.22**	**86.71**
	Share in total export	0.96	0.93	3.26	7.51	12.57				
2	**Drugs Formulations Biologicals**	**7113.70**	**6398.54**	**6775.10**	**8015.25**	**9695.77**	**-10.05**	**5.89**	**18.30**	**20.97**
	Share in total export	13.78	8.40	8.63	10.34	11.21				
3	**Pearl, Precs. Semi Precs. Stones**	**6642.21**	**10817.26**	**9203.56**	**6576.51**	**5716.89**	**62.86**	**-14.92**	**-28.54**	**-13.07**
	Share in total export	12.86	14.20	11.72	8.48	6.61				
4	**Petroleum Products**	**1154.37**	**5072.76**	**6037.30**	**5830.05**	**4093.66**	**339.44**	**19.01**	**-3.43**	**-29.78**
	Share in total export	2.24	6.66	7.69	7.52	4.73				
5	**Gold And Other Precs. Metals Jwellery**	**2025.26**	**33778.81**	**3323.51**	**3305.74**	**3588.87**	**1567.88**	**-90.16**	**-0.53**	**8.56**
	Share in total export	3.92	44.34	4.23	4.26	4.15				
6	**RMG Cotton Including Accessories**	**1968.80**	**3115.51**	**3131.55**	**2743.73**	**3175.83**	**58.24**	**0.51**	**-12.38**	**15.75**
	Share in total export	3.81	4.09	3.99	3.54	3.67				
7	**Products Of Iron And Steel**	**1478.48**	**2656.34**	**3080.94**	**2781.83**	**3105.28**	**79.67**	**15.98**	**-9.71**	**11.63**
	Share in total export	2.86	3.49	3.92	3.59	3.59				
8	**Cotton Fabrics, Madeups**	**2584.05**	**3267.20**	**2418.17**	**2614.81**	**2733.85**	**26.44**	**-25.99**	**8.13**	**4.55**
	Share in total export	5.00	4.29	3.08	3.37	3.16				
9	**lectric Machinery And Equipments**	**2560.26**	**3074.69**	**2742.64**	**2390.90**	**2722.75**	**20.09**	**-10.80**	**-12.82**	**13.88**
	Share in total export	4.96	4.04	3.49	3.08	3.15				
10	**Marine Products**	**2415.23**	**3233.75**	**2582.65**	**2499.02**	**2681.19**	**33.89**	**-20.13**	**-3.24**	**7.29**
	Share in total export	4.68	4.25	3.29	3.22	3.10				
	Total export to U. S. A	**51632.85**	**76176.00**	**78548.40**	**77523.12**	**86510.82**	**47.53**	**3.11**	**-1.31**	**11.59**

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE - 5: INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM USA 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES (Value in USD Million)

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**Petroleum Crude**	**5373.15**	**11319.84**	**10181.72**	**5025.92**	**13101.48**	**110.67**	**-10.05**	**-50.64**	**160.68**
	Share in total imports	18.60	26.13	20.02	12.33	22.96				
2	**Petroleum Products**	**2020.71**	**2703.38**	**3189.01**	**2823.46**	**7444.63**	**33.78**	**17.96**	**-11.46**	**163.67**
	Share in total imports	6.99	6.24	6.27	6.92	13.05				
3	**Coal, Coke And Briquittes**	**1164.11**	**2247.30**	**3767.67**	**4319.84**	**3349.35**	**93.05**	**67.65**	**14.66**	**-22.47**
	Share in total imports.	4.03	5.19	7.41	10.59	5.87				
4	**Pearl, Precs, Semim Precs. Stones**	**3654.97**	**5772.11**	**5383.31**	**3537.19**	**2709.92**	**57.92**	**-6.74**	**-34.29**	**-23.39**
	Share in total import	12.65	13.33	10.58	8.68	4.75				
5	**Gold**	**1188.40**	**787.26**	**1881.30**	**1255.08**	**2143.01**	**-33.75**	**138.97**	**-33.29**	**70.75**
	Share in total import	4.11	1.82	3.70	3.08	3.76				
6	**Electric Machinery And Equipments**	**753.76**	**1398.33**	**1645.79**	**1361.42**	**1532.89**	**85.51**	**17.70**	**-17.28**	**12.59**
	Share in total import	2.61	3.23	3.24	3.34	2.69				
7	**Electronic Components**	**423.72**	**638.96**	**623.95**	**538.94**	**1484.21**	**50.80**	**-2.35**	**-13.62**	**175.39**
	Share in total import	1.47	1.48	1.23	1.32	2.60				
8	**Aircraft, Spacecraft And Parts**	**265.12**	**190.22**	**2188.89**	**786.26**	**1304.60**	**-28.25**	**1050.71**	**-64.08**	**65.92**
	Share in total import	0.92	0.44	4.30	1.93	2.29				
9	**Computer Hardware Perapherals**	**460.29**	**483.88**	**585.39**	**781.32**	**1254.45**	**5.13**	**20.98**	**33.47**	**60.56**
	Share in total import	1.59	1.12	1.15	1.92	2.20				
10	**Organic Chemicals**	**1314.57**	**1371.73**	**1655.10**	**1139.71**	**1131.72**	**4.35**	**20.66**	**-31.14**	**-0.70**
	Share in total import	4.55	3.17	3.25	2.80	1.98				
	Total import from U. S. A.	**28888.17**	**43314.07**	**50863.87**	**40772.98**	**57059.84**	**49.94**	**17.43**	**-19.84**	**39.95**

NOTE : Figures relate to each Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I