

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGC&S

INDIA-USA BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The **United States of America (USA)**, also known as the **United States (U.S.)** or **America**, comprises mainly the North American continent between Canada and Mexico. Alaska, to the northwest of Canada, and Hawaii, in the central Pacific Ocean, are two of the 50 States of USA. It is a megadiverse country, with the world's third-largest land area and third-largest population. The USA is a member of the UN, WTO, NATO, BIS, OECD, OSCE, OAS, Inter-American Development Bank, Asian Development Bank, Pacific Community, Colombo Plan, IOM and the Antarctic Treaty

2. The USA has been the world's largest economy nominally since about 1890. The 2024 nominal USA gross domestic product (GDP) of more than USD 29 trillion was the highest in the world, constituting over 25% of the global economy or 15% at purchasing power parity (PPP). From 1983 to 2008, USA real compounded annual GDP growth was 3.3%, compared to a 2.3% weighted average for the rest of the Group of Seven. The country ranks first in the world by nominal GDP, second when adjusted for purchasing power parities (PPP) and ninth by PPP-adjusted GDP per capita. It possesses the highest disposable household income per capita among OECD countries. As of February 2024, the total federal government debt was USD 34.4 trillion. As per IMF Executive Board Concludes 2024 Article IV Consultation with the United States July 17, 2024, The USA economy has turned in a strong performance over the past few years. Hysteresis effects from the pandemic did not materialize and both activity and employment now exceed pre-pandemic expectations. Real incomes were diminished by the unexpected rise in inflation in 2022 but have now risen above pre-pandemic levels. Job growth has been particularly fast with 16 million new jobs created since end-2020.

A snapshot of USA's selected economic indicators is as under.

TABLE 1

United States: Selected Economic Indicators								
			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.								

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of USA are **Canada, Mexico, China, Japan** and **U. K.** On the other hand five major import partners of USA are **China, Mexico, Canada, Japan** and **Germany**. Major five exported goods of USA are (i) Petroleum oils, etc, (excl. crude); preparation (ii) Petroleum oils and oils obtained from bituminous (iii) Monolithic integrated circuits, digital (iv) Natural Gas and (v) Gold in unwrought forms non-monetary. On the other hand major five imported goods of USA are (i) Petroleum oils and oils obtained from bituminous (ii) Transmission apparatus, for radioteleph incorpo, (iii) Automobiles with reciprocating piston engine (iv) Petroleum oils, etc., (excl. crude); preparation and (v) Other medicaments of mixed or unmixed products.

4. USA's total exports in 2020 were of the order of USD 1,430,254 million. It scaled up to USD 2,063,802 million in 2024. During the period 2020 to 2024, Exports from USA increased maximum by 22.58% in the year 2021 followed by another 17.62% increase in 2022. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 9.60%.

5. USA's total imports in 2020 were of the order of USD 2,405,382 million and which was USD 3,356,812 million in 2024. Imports of USA jumped by 21.93% in 2021 in comparison with 2020. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 8.69%.

6. USA runs an overall Balance of Trade deficit from 2020 to 2024 that scaled up to USD 1,293,010 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 9.03%.

A snapshot of USA's overall Trade Statistics is presented in **Table 2** and **Figure 1** below.

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

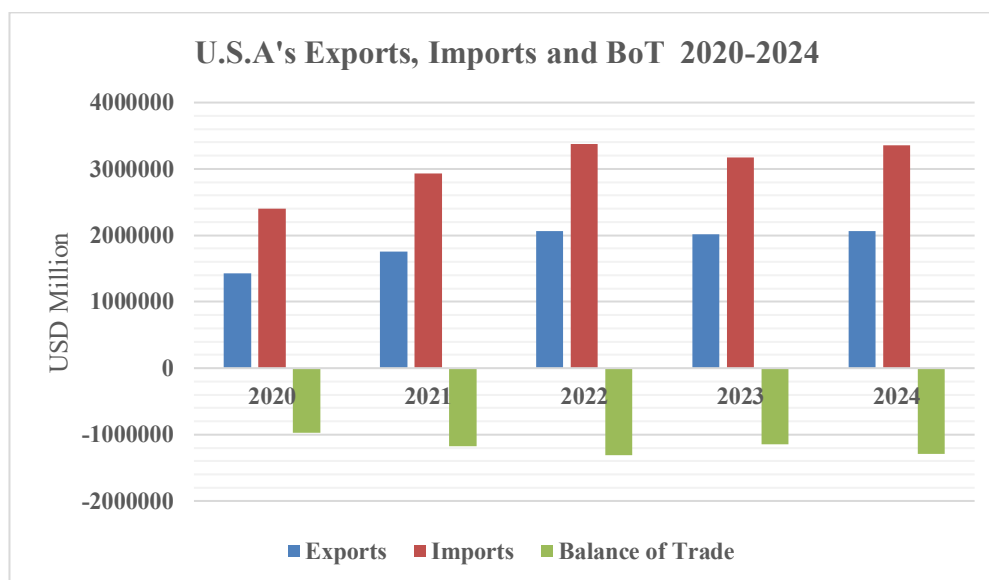
8.69

9.03

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Trade and investment ties are a key aspect of USA-India relations. India is among the world's fastest-growing major economies and presents USA commercial opportunities. The United States stands as India's largest trading partner, with bilateral trade reaching USD 143570.66 million in 2024-25. Both countries seek to more than double bilateral trade to USD 500 billion by 2030 and negotiate a multi-sector BTA (Bilateral Trade Agreement). USA ranked 1st as an export destination of India in FY 2024-25. India exported to USA almost 19.78% of its total export value in FY 2024-25. In the same financial year imports from USA was 7.97% of India's total import value. USA was the major trading partner of India in FY 2024-25.

8. Indo-USA total volume of bilateral trade in FY 2020-21 was of the order of USD 80,521.02 million. It scaled up to USD 143,570.66 million in FY 2024-25. The annual compound growth rate of total volume of trade during the period from 2020-21 to 2024-25 was the order of 15.56%.

9. It appears from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with USA. Exports from India to USA increased by 47.53% in FY 2021-22. The annual average compound rate of growth of Exports was 13.77%. On the other hand, imports from USA to India remarkably increased by 49.94% in FY 2021-22. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 18.55%.

A snapshot of India's merchandise trade statistics w.r.t. USA is presented in Table 3 & Figure 2.

TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. U. S. A.

FY 2020-2021 to 2024-2025

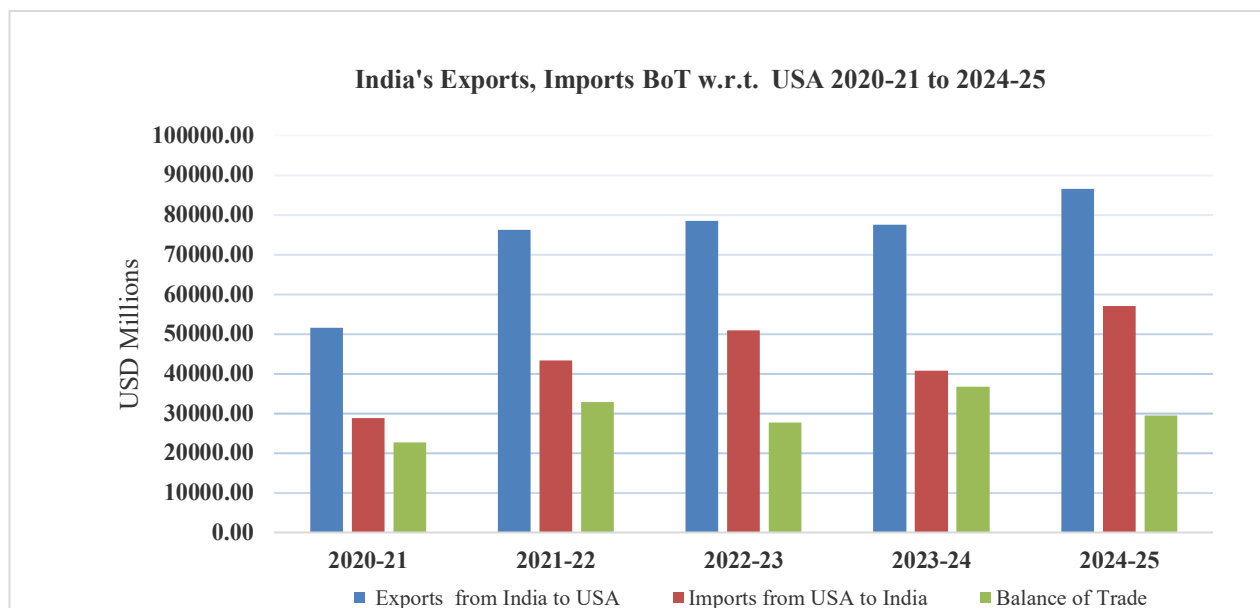
(Value in USD Million)

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 : DGCIS, M/o C&I

FIGURE-2



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

- a. **Telecom Instruments, Drugs Formulations Biologicals and Pearl- Precs Semi Precs. Stones** occupied the top three slots in India's exports to USA in FY 2024-25. **Telecom Instruments** occupied 12.57% share of India's total exports to USA in FY 2024-25.
- b. **Petroleum Crude; Petroleum Products; Coal, Coke and Briquittes** were the three major commodities in India's imports list from USA in FY 2024-25, India imports **Petroleum Crude** from USA with a share of 22.96% of total imports from USA recorded in FY 2024-25.

TABLE-4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO USA
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth			
		2020-21	2021-22	2022-23	2023-24	2024-25	Rates	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
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 Jewellery	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	Electric 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 USA	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)

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	-	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	-	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	-	-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	-	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	-	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	-	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	-	65.92
	Share in total import	0.92	0.44	4.30	1.93	2.29				
9	Computer Hardware Peripherals	460.29	483.88	585.39	781.32	1254.45	5.13	20.98	-	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	-	-0.70
	Share in total import	4.55	3.17	3.25	2.80	1.98				
	Total import from USA	28888.17	43314.07	50863.87	40772.98	57059.84	49.94	17.43	-	39.95

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

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

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