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RUBIX DATA SCIENCES PRIVATE LIMITED

The Year That Tested Trade

How India Fared in 2025

December 2025



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As we close 2025 and look ahead to 2026, India's external trade position is best described as one of adjustment; neither a crisis situation nor a phase of uncomplicated strength.

Over the last two years, global trade has been impacted by multiple, overlapping factors: geopolitical conflicts, sanctions, changing tariff regimes, supply-chain realignments and domestic policy actions across countries. India has not been immune to these developments, but it has also shown the ability to absorb shocks and continue engaging meaningfully with global markets. The data in this report reflect an economy that has adjusted to pressure, reallocated risk, and stayed resilient rather than one that has retreated.

Merchandise exports in 2025 were broadly flat at an aggregate level, though this masks significant divergence beneath the surface. Exports to the United States, India's largest trading partner, did grow during the year, but the growth was selective. Key sectors such as gems and jewellery, textiles, and auto components saw declines, while access to several other geographies became more constrained. Imports, on the other hand, grew faster, leading to a wider trade deficit, driven largely by energy imports, gold demand and strategic sourcing decisions taken by Indian corporates.

Volatility and concentration risks continue to remain. Export growth has become increasingly dependent on a narrower set of markets and product categories, despite early signs of diversification being visible. At the same time, shifts in global manufacturing, particularly in electronics, have opened up new opportunities for India. Sanctions, compliance requirements, and evolving regulatory regimes have also materially altered energy trade flows and export feasibility. Trade agreements signed in recent years provide long-term potential, but their impact will play out gradually and unevenly across sectors.

This report builds on Rubix's ongoing Industry and Country Insight series, which has seen strong engagement from banks, insurers, professionals and corporates alike, highlighting the need for practical, data-led perspectives on trade and risk. Rubix works closely with all major banks, insurers, and over 1,750 corporates across large enterprises, mid-market companies and MSMEs. This lends us a unique vantage point on how trade, credit and risk intersect across industries, balance sheets, and geographies.

The insights shared here are drawn from the risk assessments we undertake every day through our technology-led engagements with financial institutions and corporates, supported by continuous secondary research across supply-chain-intensive sectors. Together, this helps us understand how trade risks emerge, how they propagate, and how they ultimately affect outcomes in India and overseas markets.

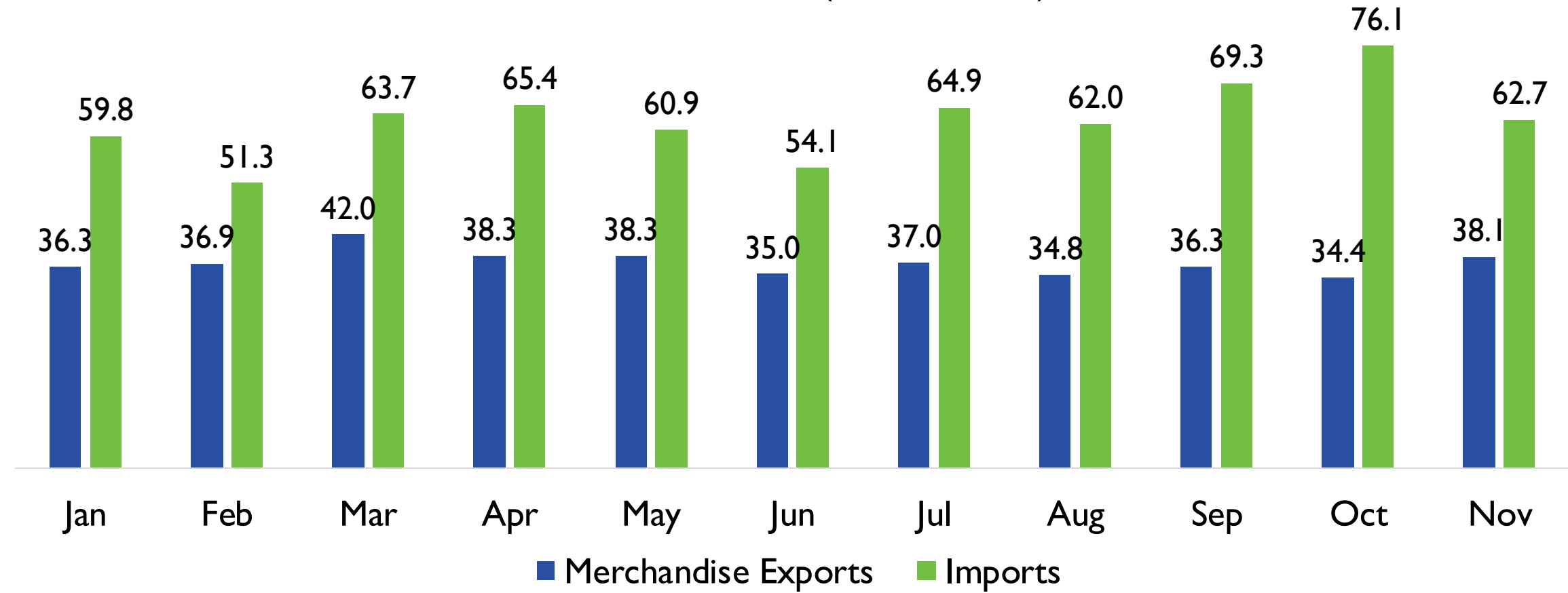
Looking ahead to 2026, the risk environment in trade appears less about sudden disruption and more about sustained exposure. Higher tariffs are likely to persist longer than expected. Geopolitical tensions may remain unresolved rather than meaningfully escalate or ease. Costs related to freight, insurance, compliance, and financing are likely to stay structurally higher than in the pre-pandemic period. For Indian exporters and importers, margins, market access, and working capital management will increasingly depend on how well these risks are anticipated and managed, not avoided.

This report brings together data across trade flows, geographies, commodities, and policy developments to present a realistic view of where India stands today. The objective is not to make predictions, but to frame the trade environment as it is evolving—more selective, more conditional, and more risk-aware.

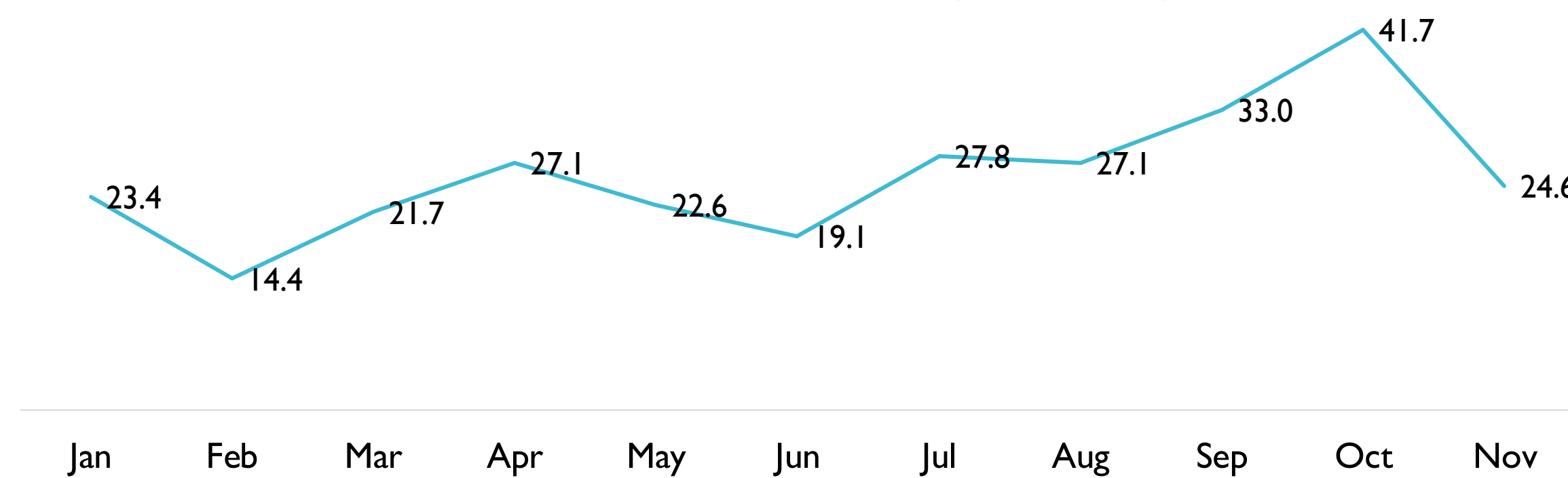
On that note, Team Rubix and I wish you a very happy and prosperous New Year.

India's Overall Trade Scenario in 2025

India's Trade Scenario (USD Billion), 2025



India's Merchandise Trade Deficit (USD Billion), 2025



Source: Directorate General of Foreign Trade (DGFT)

Flat exports but imports increase: 2024 vs 2025 (January–November)

- For the 11-month period (January–November) of CY2025, **India's exports** of merchandise goods stood at **USD 407.6 billion**, a **0.6% growth** compared to January–November 2024.
- For the 11-month period (January–November) of CY2025, **India's imports** of merchandise goods stood at USD 690 billion, having grown at 4.6% compared to January–November 2024.

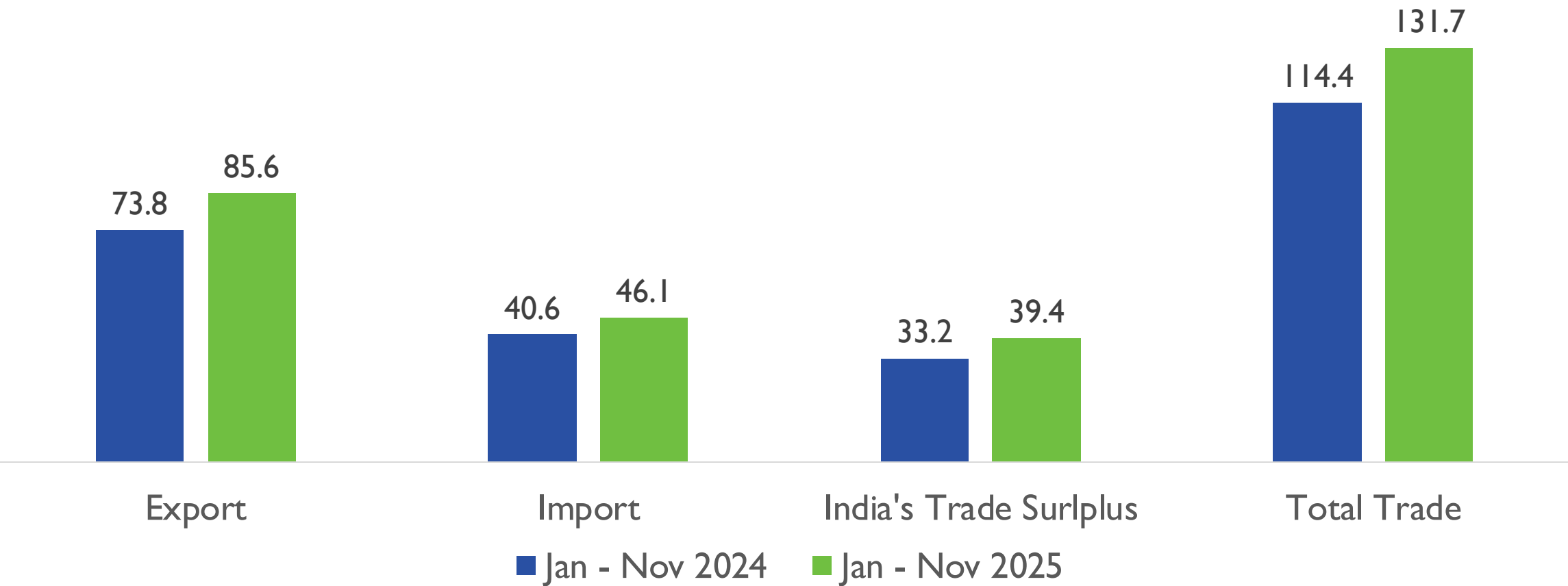
November 2025 exports data brings cheer

- Goods exports** in November 2025 stood at **USD 38.1 billion**, which is the highest export out of any November in the last 10 years.
- This was also the highest in six months (since May 2025) and can be mainly attributed to increased shipments of engineering and electronics goods.

Record trade deficit in October 2025 came down sharply in November 2025

- Trade deficit** widened from USD 255 billion in 2024 (January– November) to **USD 282.5 billion** in the same period of 2025, showing 11% growth.
- India's **merchandise trade deficit** hit a record **USD 41.7 billion** in October 2025, primarily driven by a tripling of gold imports.
- However, in November 2025, the trade deficit declined to a five-month low of USD 24.6 billion, primarily due to a fall in gold, oil, and coal imports, while exports to the US picked up.

India's Merchandise Trade with the US January–November (USD Billion), 2024 vs 2025



Pre-Trump (January–November 2024) vs Trump's Presidency (January–November 2025): India's exports grew faster than imports, leading to a higher trade surplus for India

- Total merchandise trade (exports plus imports) increased from USD 114.4 billion during January–November 2024 to 131.7 billion during January–November 2025, recording 15% growth.
- Exports stood at USD 85.6 billion for January–November 2025, recording 16% growth for the same period in 2024, while imports grew by 13.5%.
- Consequently, for the same periods, India's trade surplus increased from USD 33.2 billion to USD 39.4 billion.

Electrical and electronic items lead export growth

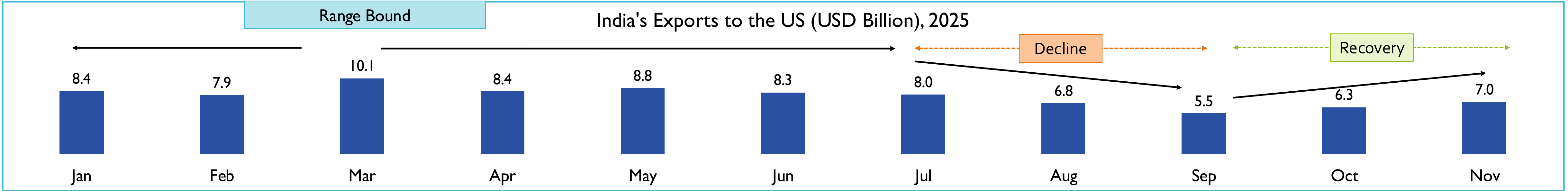
- India's top 10 products (mentioned in the table) account for nearly 46% of India's total exports to the US, with telecom equipment/mobile phones alone accounting for 21% share between January and October 2025.
- India's exports of telecom equipment, including mobile phones, nearly tripled from the pre-Trump era to the current Trump Presidency era, as Apple and other smartphone makers sharply expanded India-based manufacturing and export operations, shifting production out of China.
- However, exports of other products, such as petroleum products, auto components, diamonds and gold jewellery, and semiconductor devices, declined due to multiple factors, such as increased tariffs, weak demand for luxury products, subdued consumer spending, and alternative sourcing options.

HS Code	Major Products Exported to the US	Pre-Trump Jan–Oct 2024 (USD Billion)	Trump's Presidency Jan–Oct 2025 (USD Billion)	Change (%)
8517	Telecom equipment / Mobile phones	5.9	16.6	182.0
3004	Pharma formulations	7.3	8.0	9.3
2710	Refined petroleum products	4.0	3.4	-15.4
7102	Diamonds	4.3	2.6	-40.8
7113	Gold/Precious metal jewellery	2.9	2.3	-19.2
8708	Auto components	1.9	1.7	-7.4
0306	Crustaceans / Frozen shrimp	1.5	1.5	-0.7
8541	Semiconductor devices	1.4	1.2	-12.2
6302	Bed linen	1.1	1.1	-1.9
8504	Electrical transformers	0.8	1.0	23.8

Source: Directorate General of Foreign Trade (DGFT)

Timeline Analysis of the Impact of US Tariffs on India's Exports to the US

Exporter bodies note that Indian exporters are absorbing higher US tariffs to preserve market share, a strategy reflected in the export recovery seen in October–November 2025, while remaining cautiously optimistic about the ongoing trade negotiations.



Source: Directorate General of Foreign Trade (DGFT)

2025 Month	Exports to the US (USD bn)	Tariff Actions / Context	Possible Impact Explanation
Jan	8.4	Before major tariff policy announcements	Normal baseline trade
Feb	7.9	No tariff actions	Slight dip, typical month-to-month variation
Mar	10.1	Trump announces reciprocal tariff policy (early April announcement preparation in March)	Exports still strong, likely unaffected because tariffs were yet to take effect
Apr	8.4	- 10% baseline tariff begins - Suspension of higher country-specific tariffs, i.e., 26% for India, until July	Initial 10% tariff possibly dampened demand, even though higher differential tariffs were paused
May	8.8	- Tariffs still applied (baseline) and suspension active - India-Pakistan conflict	Slight rebound, possibly reflecting pent-up demand or seasonal factors; lingering uncertainty but no new tariff hikes

2025 Month	Exports to the US (USD bn)	Tariff Actions / Context	Possible Impact Explanation
Jun	8.3	Suspension of higher tariffs; ongoing trade talks	Small decline; tariff uncertainty begins to weigh on purchases
Jul	8	Announcement of 25% reciprocal tariff to take effect in August	Slight dip as sentiment starts turning negative
Aug	6.8	25% reciprocal tariff implemented + extra 25% penalty tariff related to Russian oil purchases takes effect (total ~50% for many goods)	Clear drop of 15% compared to the July; higher tariff may have reduced the competitiveness of Indian goods in the US
Sep	5.5	Tariff levels unchanged	Sharp decline of 20% compared to August, as very high combined tariff exerts a strong negative impact on exports
Oct and Nov	6.3 and 7	Tariffs remain at high levels; negotiations ongoing	Exports rebound showing resilience with 15% growth in October (compared to September) and 11% growth in November compared to October

Country-wise Analysis: US Still the Preferred Export Destination

Summary

- India’s export performance across its top destinations in the January–October 2025 period was mixed, with gains concentrated in a few key markets.
- Strong growth in the US and select partners drove overall momentum, while sharp contractions in some destinations (declines exceeding 20%–30%) highlight continued weakness in specific regions.
- Overall, export growth appears increasingly US-centric (despite the tariff scenario), with marginal improvement in diversification. However, downside risks persist in slower or contracting markets.

Key Insights

- India’s export concentration increased marginally during January–October 2025, with the top 10 destinations accounting for 53% of total exports versus 52.3% a year earlier, indicating a slight consolidation of key markets.
- Positive export growth to five of these destinations suggests improving demand conditions despite global trade headwinds.
- The US further strengthened its position as India’s largest export market, with its share rising sharply to 21.3% from 18.2%, underscoring India’s continued reliance on the US even amid tariff pressures.
- Australia’s entry into the top 10, up from 14th position, signals diversification within advanced economies and points to emerging opportunities beyond traditional markets.
- As per the latest news, China surpassed the Netherlands to become India's third-largest export destination in November 2025, although the Netherlands maintained a slight lead during the April–November period of 2025.

Export Country	Jan–Oct 2024 (USD Billion)	Jan–Oct 2025 (USD Billion)	Change	Share (Jan–Oct 2025)
USA	68.1	78.5	15.4%	21.3%
UAE	31.8	31.8	0.1%	8.6%
Netherlands	21.9	16.5	-24.6%	4.5%
China	12.8	13.8	8.4%	3.7%
UK	12.1	11.5	-4.7%	3.1%
Bangladesh	9.4	9.6	1.6%	2.6%
Germany	8.8	9.4	7.5%	2.6%
Singapore	14.0	8.9	-36.0%	2.4%
Saudi Arabia	9.9	8.9	-10.4%	2.4%
Australia	6.5	6.4	-2.0%	1.7%

Source: Directorate General of Foreign Trade (DGFT)

Impact of Western Sanctions on India's Oil and Petroleum Trade

India's Imports of Crude Oil (HS Code 2709) from Top Five Sources					
Country	Import Bill Jan–Oct 2024 (USD Billion)	Import Bill Jan–Oct 2025 (USD Billion)	Change	Jan–Oct 2024 Share in Crude Oil Imports	Jan–Oct 2025 Share in Crude Oil Imports
Russia	45.12	37.10	-17.8%	36%	32%
Iraq	24.85	21.40	-13.9%	20%	18%
Saudi Arabia	16.46	17.10	3.9%	13%	15%
UAE	11.50	12.50	8.7%	9%	11%
USA	4.25	7.80	83.3%	3%	7%

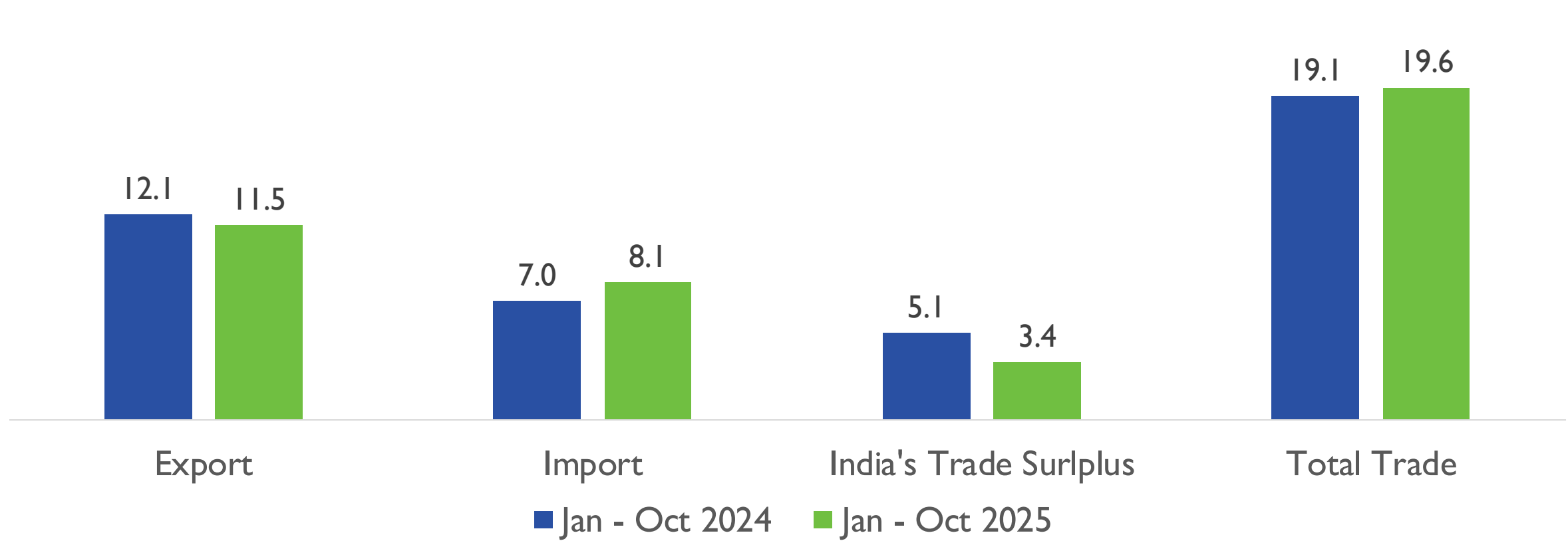
India's Exports of Petroleum Products (HS Code 2710) to Top Five Export Destinations					
Country	Export Revenue Jan–Oct 2024 (USD Billion)	Export Bill Jan–Oct 2025 (USD Billion)	Change	Jan–Oct 2024 Share in Petroleum Exports	Jan–Oct 2025 Share in Petroleum Exports
Netherlands	14.33	9.23	-35.6%	23%	20%
UAE	6.36	5.26	-17.3%	10%	11%
Singapore	5.55	3.44	-38.0%	9%	7%
USA	4.02	3.40	-15.4%	6%	7%
Australia	3.10	2.66	-14.2%	5%	6%

Source: Directorate General of Foreign Trade (DGFT)

Western sanctions are reshaping India's oil trade, reducing Russian dependence slightly and redirecting crude and fuel flows toward compliant markets.

- India's crude oil imports from Russia fell 17.8% during January–October 2025 (compared to January–October 2024), as the EU's July sanctions and US secondary sanctions increased compliance risks and forced refiners to scale back Russian barrels, especially for export-oriented units. The US further sanctioned Russia's Rosneft and Lukoil, making the scenario challenging for Indian importers, as oil imports are expected to scale down from December 2025.
- As Indian refiners reduced reliance on Russia, imports from the US and UAE surged by 83.3% and 8.7% respectively, reflecting a strategic shift toward “clean” barrels that could be used for exports without violating Western restrictions.
- The impact of EU sanctions is most visible in exports: shipments of petroleum products to all top five export destinations (accounting for 51% share during January–October 2025) declined sharply. This is because EU rules restricted imports of fuels refined from Russian crude even if processed in India, indicating that Western buyers grew more cautious about purchasing Indian products that may have been derived from Russian-origin crude amid tighter enforcement.
- While India's major petroleum product export destinations recorded a decline, exports to smaller markets gained traction, with China's share doubling from 2% to 4%, Oman's rising from 2% to 4%, and South Korea's increasing from 1% to 2%. This indicates a strategic pivot to offset losses in traditional markets.

India's Merchandise Trade with the UK January–October
(USD Billion), 2024 vs 2025



HS Code	Major Products Exported to the UK	Jan–Oct 2024 (USD Million)	Jan–Oct 2025 (USD Million)	Change (%)
8411	Gas turbines	574.31	991.41	72.6
2710	Petroleum products	1,355.47	763.20	-43.7
8517	Telecom equipment / Mobile phones	1,222.91	647.12	-47.1
3004	Pharma formulations	616.37	630.01	2.2
7113	Gold / Precious metal jewellery	325.93	372.67	14.3
6204	Women's apparel	292.51	303.53	3.8
8431	Machinery parts	202.06	207.75	2.8
6403	Rice	181.56	200.33	10.3
1006	Leather footwear	213.78	196.13	-8.3
2818	Alumina chemicals	109.14	174.73	60.1

Source: Directorate General of Foreign Trade (DGFT)

India-UK Trade Trends

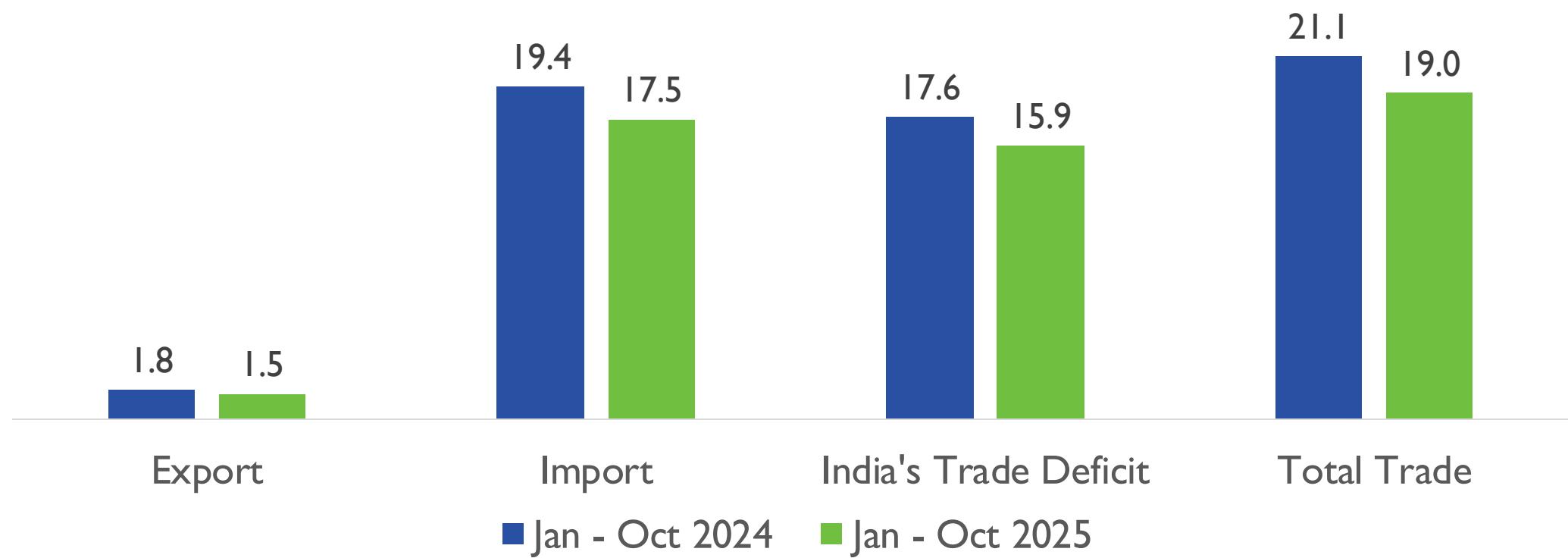
- Total merchandise trade (exports plus imports) stood at USD 19.6 billion during January–October 2025, recording only 2.6% growth and reinforcing the need for the Comprehensive Economic and Trade Agreement (CETA).
- Exports stood at USD 12.1 billion for January–October 2025, recording a 5% decline for the same period in 2024, while imports showed 15.7% growth.
- Consequently, India’s trade surplus decreased by 33% from USD 5.1 billion to USD 3.4 billion.

CETA can boost market access, cut barriers, and strengthen India’s key export sectors.

India and the UK signed the CETA in July 2025. It is a bilateral free trade agreement that marks a major step in strengthening economic ties, and 99% of Indian exports gain duty-free access to the UK market.

- CETA can boost India’s rising exports, such as gas turbines, pharma, jewellery, rice and alumina chemicals, by offering lower tariffs, faster customs clearance and mutual standards recognition, making these competitive sectors even more cost-effective in the UK market.
- Labour-intensive industries like apparel and footwear can benefit through simplified rules of origin and reduced non-tariff barriers, helping MSMEs expand market access despite current flat or negative growth.
- For major sectors facing a decline, such as telecom equipment and petroleum products (barring western sanctions), CETA can provide supply-chain stability and regulatory cooperation, supporting recovery through smoother market entry and predictable trade rules.

India's Merchandise Trade with the EFTA Countries
January–October (USD Billion), 2024 vs 2025



HS Code	Major Products Exported to Switzerland	Jan–Oct 2024 (USD Million)	Jan–Oct 2025 (USD Million)	Change (%)	Share (Jan–Oct 2025)
7108	Gold	15,701.21	13,510.75	-14.0	80%
7106	Silver	175.49	453.77	158.6	3%
3002	Immunological products	130.41	236.85	81.6	1%
1507	Soya bean oil	200.33	222.24	10.9	1%
9102	Wrist watches	187.94	212.88	13.3	1%

Source: Directorate General of Foreign Trade (DGFT)

TEPA, a key opportunity to increase India’s exports to the EFTA countries

- India and the European Free Trade Association (EFTA) signed the Trade and Economic Partnership Agreement (TEPA) in March 2024, effective from October 1, 2025, creating India's first FTA with developed European nations (**Switzerland, Norway, Iceland, and Liechtenstein**).
- This ambitious pact promises USD 100 billion in EFTA investments in India over 15 years, creating 1 million jobs, and significantly boosts trade by reducing tariffs on goods like processed foods, textiles, and engineering products, while expanding services access and enhancing tech and sustainability cooperation, while protecting sensitive sectors like dairy.
- India’s imports from EFTA were nearly 12 times higher than its exports between January and October 2025. This makes the TEPA a critical instrument to rebalance trade by accelerating India’s export growth to these markets.

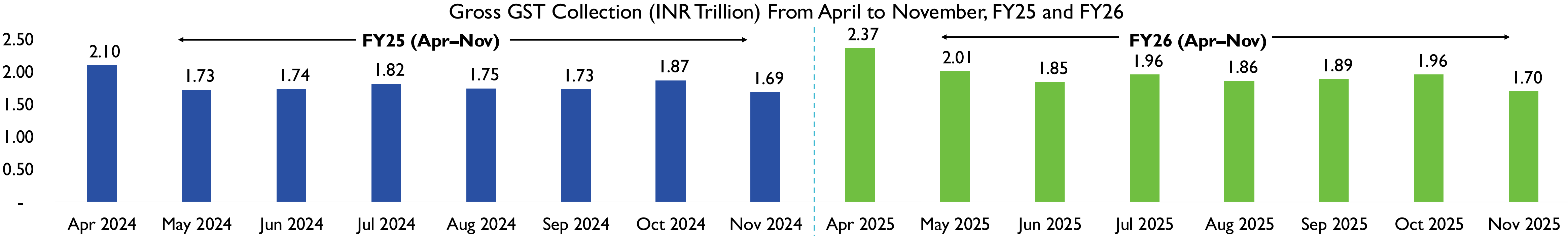
Decline in bilateral merchandise trade by 10% reinforces the importance of TEPA

- Total merchandise trade (exports plus imports) declined by 10.2% from USD 21.1 billion between January and October 2024 to USD 19 billion during January–October 2025.
- Exports stood at USD 1.5 billion during January–October 2025, recording a 13.5% decline for the same period in 2024, while imports, which stood at USD 17.5 billion, showed a 9.9% decline.
- Consequently, India’s trade deficit showed improvement from USD 17.6 billion to USD 15.9 billion.

Swiss gold imports underpin India’s value-added gold exports

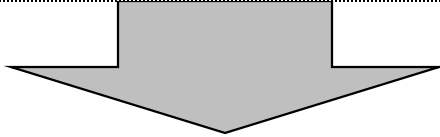
- Switzerland is the primary driver of TEPA, as it accounted for nearly 69% share and 76% share of India’s exports and imports, respectively, to the EFTA during January–October 2025.
- India’s imports from Switzerland are dominated by gold, accounting for about 80% of total imports, which supports India’s jewellery and refining industry by enabling the export of value-added gold products such as jewellery and medallions.

GST 2.0: Driving Consumption, Growth, and Confidence

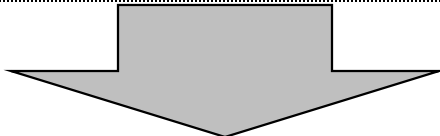


Source: Goods and Services Tax Network

The 2025 GST reforms rationalised the earlier five GST slabs into two principal rates, namely 5% for essentials and 18% for most goods and services. This was implemented at the end of September 2025, significantly simplifying the tax structure and lowering compliance costs.

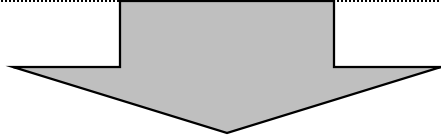


The rollout of GST 2.0 has begun delivering positive macroeconomic outcomes, reflected in stronger consumption patterns, higher sectoral sales, and improved consumer confidence.

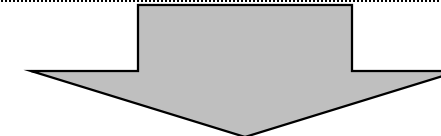


The impact became evident in October 2025, with gross GST collections rising to INR 1.96 trillion, a 4.6% year-on-year increase. **Digital payments surged tenfold overnight, jumping to INR 11.31 trillion on September 22, from INR 1.18 trillion on September 21**, as consumers rushed to avail GST savings. The auto sector led the surge; automobile sales surged 41.3% year-on-year in October 2025, following GST rate reductions on vehicles.

GST reforms possibly drove the six-quarter-high GDP growth of 8.2% in Q2 FY26 (July–September) by boosting consumption, improving business cash flows, and strengthening formal economic activity, alongside government capex and festive demand, especially by the end of September 2025.



Reflecting the robust momentum of Q2 FY26, the Reserve Bank of India revised its GDP growth forecast for FY2026 upward to 7.3% from 6.8% after a strong performance in the July–September quarter.



Going forward, GST 2.0 can support economic growth by sustaining consumption, lowering compliance costs, improving business efficiency, and strengthening formalisation across the economy.

Importance of Strait of Hormuz and the Red Sea

The Strait of Hormuz and the Red Sea are critical to India's trade, with 60%–65% of crude imports transiting Hormuz and around 80% of trade with Europe and a large share of US-bound shipments moving through the Red Sea.

The mid 20225 (June) conflict

In mid-2025, the escalation of the Israel–Iran conflict and renewed Houthi attacks in the Red Sea sharply heightened geopolitical risks across these key maritime routes.

The Impact

- **Increased Oil Prices:** These developments pushed global crude oil prices above USD 75 per barrel from about USD 65 in May 2025, significantly impacting India, which imports over 80% of its crude requirements.
- **Increased Russian Purchases:** Amid heightened volatility, India ramped up crude purchases from Russia in June, importing more than the combined volumes from traditional Middle Eastern suppliers, such as Saudi Arabia and Iraq.
- **Higher Premiums:** Shipping disruptions led to a sharp rise in insurance costs, with war-risk premiums increasing to around 0.7% of vessel value from about 0.3% and some underwriters suspending cover for certain routes.
- **Higher Shipping Rates:** Freight rates for Indian exporters surged by 30%–40% as shipping lines avoided the Red Sea and rerouted cargo.
- **Longer Delivery Time:** As a result, delivery timelines lengthened by nearly 20 days due to diversions via the Cape of Good Hope, disrupting India's international trade operations.

New Regional FTA: India-Oman Economic Partnership Agreement

- In December 2025, India signed an economic partnership agreement with Oman to strengthen trade and investment ties under which Oman will grant zero-duty access on over 98% of tariff lines, benefiting most Indian exports, while India will lower tariffs on 78% of lines covering 95% of Omani exports.
- India and Oman have an annual bilateral (*imports plus exports*) good trade of more than USD 10 billion.
- The partnership is strategically important for India, as Oman provides access to the Strait of Hormuz between Oman and Iran, a critical transit point for global oil transportation.



ABOUT RUBIX

Rubix Data Sciences Pvt. Ltd. helps you to take prudent credit risks, build a robust supply chain and monitor compliance for your business partners in India and around the world. Rubix helps you collect payments in time from your debtors, helping generate predictable cash flows.

Set up by highly experienced Risk Professionals, the company has been recognised at the IMC Digital Technology Awards in 2020 for the Rubix ARMSTTM platform, and in 2021 for the Rubix Early Warning System (EWS). Rubix has also received the prestigious ET BFSI Exceller Award three times in a row: in 2023 for its ground-breaking analytics initiative, 'SME Income Range Estimation and Financial Ratio Benchmarking', in 2024 for the Rubix Risk Scoring Model, and in 2025 for Rubix Nexus Check.

Rubix has been appointed as India's first Validation Agent for the Legal Entity Identifier (LEI) by Legal Entity Identifier India Ltd, the Local Operating Unit accredited by the Global Legal Entity Identifier Foundation (GLEIF), Switzerland.

The Rubix ARMSTTM and Early Warning System (EWS) platforms and their suite of reports, products and services are based on Rubix's extensive database of structured and unstructured data aggregated from over 120+ sources, customised predictive analytics and proprietary technology.

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